

Notice of Meeting:

I hereby give notice that an Extraordinary Meeting of the Strategic Risk and Assurance Committee will be held on:

Date: Thursday 26 October 2023
Time: 3:30pm
Meeting Room: Council Chamber and Audio Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Strategic Risk and Assurance Committee

Te Komiti Rautaki tuuraru me te whakatuuturu

OPEN AGENDA

Membership

Chairperson Ms Keiran Horne
Heamana

Deputy Chairperson Mr Bruce Robertson
Heamana Tuarua

Members Mayor Paula Southgate
Deputy Mayor Angela O'Leary
Cr Maxine van Oosten
Cr Moko Tauariki
Cr Kesh Naidoo-Rauf
Cr Ewan Wilson
Vacancy

Quorum: Four members (including one external appointee)

Meeting frequency: As required – no less than four times a year

Amy Viggers
Mana Whakahaere
Governance Lead

18 October 2023

Telephone: 07 838 6727
Amy.Viggers@hcc.govt.nz
www.hamilton.govt.nz

Purpose:

1. The Strategic Risk and Assurance Committee is responsible for providing objective advice and recommendations to the governing body on the adequacy and functioning of the Council's risk management and assurance framework and external reporting.
2. The committee will review the effectiveness of the following aspects of governance, risk, and resilience management and internal control:
 - risk and resilience management
 - internal and external audit and assurance
 - health, safety, and wellbeing
 - integrity and investigations
 - monitoring of compliance with laws and regulations

Terms of Reference:*Risk and Resilience*

3. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks and report six monthly to Council.
4. To review the Risk Management Policy and recommend to Council revisions to the policy for adoption.
5. Review Council's strategic and organisational risk register and monitor existing controls and treatment actions.
6. Periodic in-depth reviews of specific, significant risks.
7. Monitor emerging risks and recommend to Council or management new strategic and organisational risks to be added to the strategic and organisational risk register.
8. Oversight of risk management and assurance across Council's CCOs and CCTOs with respect to risks that may have a significant impact on Council.
9. Review the adequacy and effectiveness of Council's health, safety and wellbeing and resilience (cybersecurity, protective security, business continuity, crisis, emergency, incident) management programmes.
10. Review the Fraud and Corruption, Protected Disclosure, Conflict of Interest, and Sensitive Expenditure management policies to ensure appropriate guidance and processes are in place.

Internal Audit

11. In conjunction with the Chief Executive, agree the scope of the annual internal audit work programme, having regard to Council's significant risks.
12. Monitor the delivery of the internal audit work programme to ensure the effectiveness of the Council's internal control framework.
13. Assess whether internal audit recommendations have been properly implemented by management.
14. Review the annual internal audit plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

External Audit

15. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
16. Recommend to Council the terms and arrangements for the external audit programme.
17. Review the effectiveness of the Annual Plan audit and Long Term Plan audit.
18. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Statutory Reporting

19. Review and monitor the integrity of the interim and annual report, focusing particularly on:
 - a) compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards
 - b) compliance with applicable legal requirements relevant to statutory reporting
 - c) the consistency of application of accounting policies as well as changes to accounting policies and practices that may affect the way that accounts are presented
 - d) any decisions involving significant judgment, estimation or uncertainty
 - e) the extent to which financial statements are affected by any unusual transactions and the manner in which these are disclosed
 - f) the disclosure of contingent liabilities and contingent assets
 - g) the clarity of disclosures generally
 - h) the basis for the adoption of the going concern assumption
 - i) significant adjustments resulting from the audit

Other Matters

20. Review the effectiveness of the systems for monitoring the Council's compliance legislation, regulation, policy and guidelines.
21. Engage with internal and external auditors on any specific one-off audit assignments.
22. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
23. The Chairperson shall review the travel and other reimbursed expenses of the Chief Executive and confirm compliance with Council policies. This information will be provided to the Chairperson on a six-monthly basis.
24. Such other Matters referred to it by Council.

The Committee is delegated the following recommendatory powers:

- The Committee has no decision-making powers.
- The Committee may make recommendations to the Council and/or the Chief Executive, as appropriate.
- The Committee may request expert external advice through the Chief Executive where necessary.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- Council appoints two external members of the committee, one of whom shall be Chairperson. External members shall have a broad range of skills and experience including risk management, health, safety and wellbeing, accounting or audit experience; the terms of the appointment to be recorded in a contract. External member contracts are to be reviewed and assessed six (6) months after each triennial election with no external members staying on Committee for longer than three (3) trienniums.
- The Chief Executive and any Internal Auditor(s) are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the committee meetings, as required.
- The Chief Executive and the Principal Advisor shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud, corruption or malpractice.
- The chairperson shall present an annual Audit and Risk Self Review to Council summarising the committee's activities during the year and any related significant results and findings.

Recommendatory Oversight of Policies and Bylaws:

- *Risk Management Council Policy*
- *Fraud and Corruption Management Policy*
- *Protected Disclosure Management Policy*
- *Conflict of Interest Management Policy*
- *Sensitive Expenditure Management 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 whaipanga*

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 Committee Room 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.

Council Report

Item 5

Committee: Strategic Risk and Assurance Committee

Date: 26 October 2023

Author: Tracey Musty

Authoriser: David Bryant

Position: Finance Director

Position: General Manager Business Services

Report Name: Final Approval of the 2022/23 Annual Report, 2022/23 Summary Annual Report and Representation Letters (Recommendation to Council)

Report Status

Open

Purpose - *Take*

1. To seek a recommendation from the Strategic Risk and Assurance Committee that the Council adopts the 2022/23 Annual Report and 2022/23 Summary Annual Report.
2. To seek a recommendation from the Strategic Risk and Assurance Committee that the Council approves the Representation Letters be signed by the Chief Executive and Mayor.

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

3. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) recommends that the Council:
 - i. adopts the Annual Report 2022/23 and the Summary Annual Report 2022/23; and
 - ii. approves the letter of representations to Audit New Zealand be signed by the Chief Executive and the Mayor on behalf of Council.

Executive Summary - *Whakaraapopototanga matua*

4. The draft Annual Report 2022/23 was reviewed by the Chair and Deputy Chair of the Strategic Risk and Assurance. Any changes advised at this workshop have been incorporated into the final Annual Report 2022/23.
5. Verbal clearance on the Annual Report 2022/23 will be provided by Audit New Zealand by 25 October 2023.
6. The final opinion on the Annual Report 2022/23 will be issued on 31 October 2023.
7. A Draft Representation Letter (**Attachment 1**) has been provided by Audit New Zealand to be signed by Council's Chief Executive and Mayor Southgate to attest to the accuracy of the information within the 2022/2023 Annual Report (**Attachment 2**) and the 2022/23 Summary Annual Report (**Attachment 3**).
8. The draft representation letter is subject to change up until the date of audit clearance.

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

Discussion - *Matapaki*

10. Audit New Zealand were onsite from 11 September 2023 to 19 October 2023 to complete the Final Audit. Any changes advised from Audit New Zealand have been captured in the final Annual Report 2022/23.
11. A draft Annual Report 2022/23 will be reviewed by the Chair and Deputy Chair of Strategic Risk and Assurance prior to this meeting. Any changes advised will be incorporated into the final Annual Report 2022/23.
12. The Final Annual Report 2022/23 and Summary Annual Report 2022/23 will be circulated prior to the meeting.
13. The timelines are within the agreed timelines outlined in Audit New Zealand's Audit Plan.
14. Verbal clearance on the Annual Report 2022/23 will be provided by Audit New Zealand at this meeting. The final opinion on the Annual Report 2022/23 will be issued on 31 October 2023.
15. A Draft Representation Letter (**Attachment 1**) has been provided by Audit New Zealand to be signed by Council's Chief Executive and Mayor Southgate to attest to the accuracy of the information within the 2022/2023 Annual Report (**Attachment 2**) and the 2022/23 Summary Annual Report (**Attachment 3**).
16. The draft representation letter is subject to change up until the date of audit clearance.
17. The representation letters need to be signed on the same date as the final Annual Report 2022/23 and Summary Annual Report 2022/23.
18. The Annual Report is a requirement under the Local Government Act 2002. The report has been prepared and is compliant with all applicable accounting standards.

Financial Considerations - *Whaiwhakaaro Puutea*

19. The cost of this engagement is funded through the 2021 – 2031 10 Year plan.

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

20. Staff confirm that matters in this report complies with the Council's legal and policy requirements.
21. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

22. 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').
23. 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.
24. The recommendations set out in this report are consistent with that purpose.
25. Economic wellbeing is managed through the efficient monitoring of Council's financial results. Diligent reporting of Council's budget to actual financial results is required to ensure Council is operating effectively and policy compliance is met.

26. The environmental, social and cultural wellbeings are not directly impacted by the Annual Report.

Risks - *Tuuraru*

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

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

Significance and Engagement

28. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance and that no engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Audit New Zealand Draft Representation Letter

Attachment 2 - 2022/2023 Annual Report

Attachment 3 - 2022/23 Summary Annual Report

[Entity Letterhead]

[Date of adoption of the annual report]

Clarence Susan
Appointed Auditor
Audit New Zealand
PO Box 620
Tauranga 3144

Dear Clarence

Representation letter for the year ended 30 June 2023

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Hamilton City Council (the City Council) and group and statement of service performance for the year ended 30 June 2023 for the purpose of expressing an independent opinion about whether:

- the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 30 June 2023; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan.
- the statement of service performance:
 - presents fairly, in all material respects, the City Council's levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan.
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

We understand that your audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

We understand that, because you will be issuing a non-standard audit report, the Auditor-General has the responsibility to refer to that audit report in a report to Parliament in accordance with section 20 of the Public Audit Act 2001.

General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the City Council and group) to prevent and detect fraud and error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

Representations on the financial statements and the statement of service performance

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service performance, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service performance as required by the Local Government Act 2002 and, in particular, that:
 - the financial statements:
 - present fairly, in all material respects:
 - the financial position of the City Council and group as at 30 June 2023; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
 - the statement of service performance:
 - presents fairly, in all material respects, the City Council's levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- the funding impact statement presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- the statement about capital expenditure for each group of activities presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long term Plan;
- the funding impact statement for each group of activities presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;

- we have complied with the requirements of Schedule 10 of the Act that apply to the annual report;
- we have made the disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014;
- we believe the methods, significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements and statement of service performance are appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entity Reporting Standards;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to 30 June 2023 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually or in the aggregate, to the financial statements and statement of service performance as a whole (a list of the uncorrected misstatements is attached as Appendix 1 to this representation letter);

OR, if no uncorrected misstatements

we are aware that you have not identified any misstatements to the financial statements or statement of service performance during the course of your audit that have not been adjusted;

- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually or in aggregate, to the financial statements as a whole. (A list of uncorrected disclosure deficiencies is attached as Appendix 2 to this representation letter); [and]
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entity Reporting Standards.

In making these representations in connection with your audit of the group financial statements, we are aware that audits of Waikato Innovation Growth Limited, a 100% owned subsidiary of the Council has not yet been completed. We have obtained assurance that the financial information of the subsidiary (which we believe not to be significant to the group) is sufficiently reliable to use in the group's reporting.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service performance; and
 - unrestricted access to persons within the City Council and group from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service performance may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the City Council and group and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements and statement of service performance;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the City Council and group's financial statements and statement of service performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service performance, including possible non-compliance with laws for setting rates;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the statement of service performance which are consistent with one another, and the other information does not contain any material misstatements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and statement of service performance and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service performance.

The electronic version of the audited financial statements and statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and statement of service performance and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service performance is provided on a website, the financial statements and statement of service performance are also provided in full.

Going concern

We confirm that, to the best of our knowledge and belief, the City Council and group has adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service performance for the year ended 30 June 2023. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the City Council and group during the period of one year from the date of adoption of the annual report, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service performance adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the City Council and group.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the City Council and group and to confirm information given to you orally.

Yours sincerely

Paula Southgate
Mayor

Lance Vervoort
Chief Executive

Appendix 1: Uncorrected misstatements

Financial statements:

(If applicable - None at this stage)

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
1				
2				
3				

Explanation for uncorrected misstatements

- 1 [Description]
- 2 [Description]
- 3 [Description]

Statement of service performance:

(If applicable - None at this stage)

Detail of SSP misstatement	Explanation of why not corrected

Appendix 2: Uncorrected disclosure deficiencies

(If applicable - None at this stage)

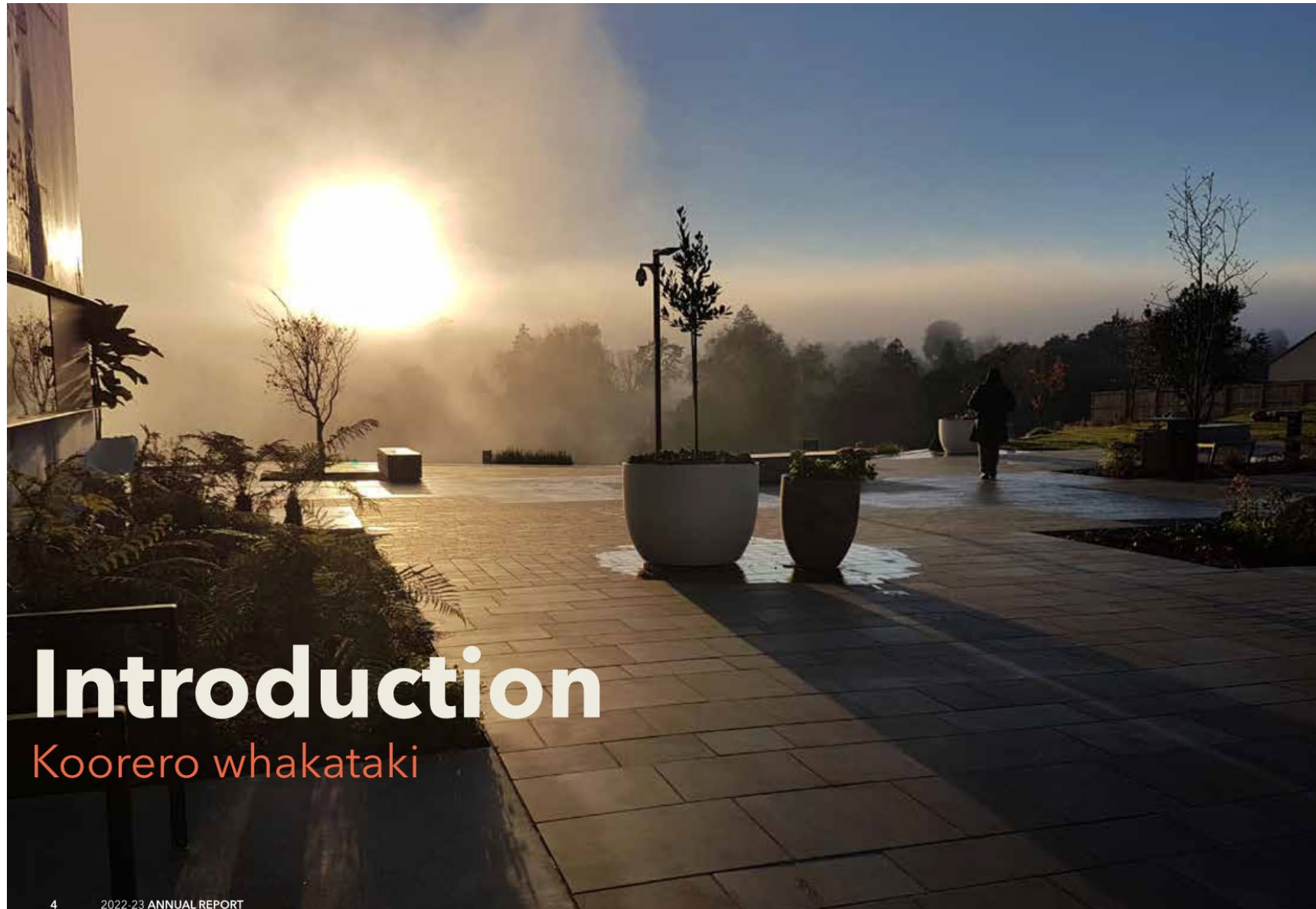
Detail of disclosure deficiency	Explanation of why not corrected





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Introduction

Koorero whakataki

4

2022-23 ANNUAL REPORT

Item 5

Attachment 2

From the Mayor and Chief Executive

The 2022-23 Annual Report reflects a year of steady progress for Hamilton Kirikiriroa despite the challenging economic realities.

This year's Annual Report presents our financial results measured against the financial strategy set out in year two of our 2021-31 Long-Term Plan and the associated 2022-23 Annual Plan.

Council remains on track to carry out its planned activities for year three of the Long-Term Plan despite the disruptions of COVID-19, increasing inflation and rising costs which have had an impact on all councils across the country. It has not been easy, and the financial environment is increasingly challenging, but we are proud of the progress that has been made.

Council ended the financial year with a net debt balance of \$723

million versus the Annual Plan projection of \$774 million. Net debt is defined as money we owe the lender, less cash.

There was a balancing the books deficit of \$29.8 million, compared to the Annual Plan forecast deficit of \$14.4 million.

Our priorities

Council remains focused on its purpose of continuing to improve the wellbeing of our community across five important priority areas.

These priorities are based on an extensive community engagement campaign in 2020 which asked you, the residents what you love about Hamilton Kirikiriroa and what would make our city an even better place to be. Submissions from the community helped shape Council's thinking about the future of the city.

Residents and businesses

expressed their views on a range of desired outcomes, leading to the adoption of five priorities:

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

These priorities have guided Council's decision-making in improving Hamilton's social, cultural, economic and environmental wellbeing, as required by the Local Government Act.

A city that's easy to live in

You wanted a city that's easy to live in we've been investing in community services, libraries, aquatic facilities, community development, transport and parking. Here are some examples of what we achieved.

Major improvements were made on our roads with the completion of the Ring Road and the opening of the Hamilton section of the Waikato Expressway.

The Te Wetini Drive extension was completed and the Claudelands/Grey Street intersection was upgraded. Construction also started on the Borman Road connection.

Many improvements to safety were made, with the installation of a new roundabout at the Darjon Drive/Gordonton Road intersection and improvements at Tristram and Collingwood Streets.

Exciting developments continued in the new Peacocke neighbourhood, with work starting on the next section of Whatukooruru Drive and the completion of the span of the new Waikato River bridge.

A city where our people thrive

We were delighted that Hamilton Kirikiriroa was formally recognised as a Committed Welcoming Community. We gave a warm welcome to 1282 new citizens at our citizenship ceremonies, kicked off our first Welcoming Week and said 'kia orana' to the new K'aute Pasifika Community Hub.

The Disability Policy and Action Plan was adopted, ensuring Council operates and manages its infrastructure, facilities and services in a way that gives all people equity of access, inclusion and opportunity.

Council maintained its AA- credit rating with international financial services agency Standard and Poor's, with the AA- score a reflection the organisation has 'very strong capacity to meet financial commitments'.

The Building Unit granted a total of 1861 building consents for the year, and received a recommendation from International Accreditation New

Zealand (IANZ) for continued Building Consent Authority accreditation.

Several milestones were achieved across a number of high-profile District Plan changes. Plan Change 9 completed the first session of hearings for Historic Heritage Areas, Significant Natural Areas, and Notable Trees in May 2023. Plan Change 12 completed the strategic hearings in February 2023.

We facilitated the building of quality communities through the implementation of the City Investment Programme, which encourages a constituency of support from funders, businesses, community groups, central government and philanthropic individuals.

A central city where people love to be

The Growth Programmes team continued to lead the delivery of key growth areas in the city alongside the development of the revised Hamilton Urban Growth Strategy (HUGS). This

strategy guides where, when, and how our city will grow over the next 50 years. It has three key outcomes – grow up and out from the central city; grow along transport corridors; and support the development of quality greenfield neighbourhoods.

Hamilton received central government's Infrastructure Acceleration Fund (IAF) grant for \$150 million. The grant, alongside more than \$100 million from Council, is being invested into central city infrastructure to support new homes.

Safety has been a continued focus. Our City Safe team works hard alongside local businesses and police to keep Hamilton Kirikiriroa safe. The visibility of City Safe patrols has increased, with additional patrols taking place and staff now being tasked not just to provide cover to the central city, but also to other key locations during busy times.

We worked with a range of partner agencies to deter anti-social behaviour in the central

city – looking for opportunities to prevent crime; supporting the homeless or vulnerable; and enhancing safety for users of the central city. Services we provided include CCTV cameras, graffiti removal and City Safe patrols.

NZ Police have been quick to praise the capabilities of our City Safe staff and have acknowledged the hugely valuable support they provide.

This year we trialled a River Safety Patrol, with teams on foot and e-bikes, following safety education sessions with the Aquatics team. The team focused on key education messages to share for safe river use, how to respond and keep themselves safe in a water safety incident, and a practical understanding of our awa including recognising dangers and safe entry/exit points.

Staff have been involved in a range of incidents including providing support in a medical emergency, detecting offenders breaking into cars and intervention in two significant

instances of 'at risk' behaviours by water users.

The River Safety team carried out 1325 active patrols with over 6704 members of the public out and about enjoying the river and popular swimming locations.

A fun city with lots to do

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.

We'll continue to embrace the outdoors, not just the Waikato River but places like 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 and make living here fun.

The disruptions of COVID-19 saw physical visits to libraries and pools paused, capacity restrictions and temporary branch closures due to staff shortages. As the restrictions lifted, we were delighted to return to normal operations and resume children's programming at our libraries and pools.

The Aquatics team received the Innovation in Aquatics award for the Keep on Swimming Learn to Swim Programme.

We celebrated many other achievements - Claudelands Oval was named New Zealand's best venue, our beautiful new shared entry precinct was created for Te Kaaroro (Hamilton Zoo and Waiwhakareke Natural Heritage Park) and the Hamilton section of Te Awa - The Great New Zealand River Ride opened.

Construction began on our first fully inclusive playground in

Claudelands and a floodlighting upgrade kicked off for six sports fields.

Our Libraries team also became network partners in a programme enabling low-cost internet access for our communities.

A green city

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 saw record-breaking recycling at the Resource Recovery Centre and 6000 litres of Tronpost compost, made from green waste and kerbside food scraps, going back to the community.

We launched the Mangaonua Gully erosion control project, completed the Mangaiti Gully project and adopted our Open Spaces Strategy.

How people move around Hamilton is having to change as we manage the impacts of high growth and climate change. In August 2022, Council adopted Ara Kootuitui Kirikiriroa - Access Hamilton Transport Strategy, with the vision that our transport network will enable everyone to connect to people and places in safe, accessible and smart ways.

Walking, biking and public transport upgrades are a key part of our strategy to shape a liveable and low carbon city.

Waka Kotahi is contributing \$33.2 million under the Climate Emergency Response Fund and Council will contribute an additional \$3.8 million on a package of projects to develop safer, greener and healthier travel options.

The fund will help with the delivery of strategic cycle routes, walkable neighbourhoods, school travel planning, and projects to support making public transport more reliable and easier to use for all.

Planning for the changing climate

We adopted our first climate change strategy – Our Climate Future: Te Pae Tawhiti o Kirikiriroa, which outlines the priorities for our response and will guide the way we consider climate change in all we do.

We are planning for the changing climate and embracing the transition to a low carbon city where everyone can thrive. We have set emissions targets for the city and our operations teams are putting the plans in place to achieve them.

To ensure we are responding to the changes in extreme weather, we completed a Council operational climate change risk assessment so that we understand how the risks for our operations will change over time.

We have been tracking our Council operational emissions since 2018/19 and over this time we have reduced our emissions by 18%, through improved energy efficiency and switching from natural gas to electricity.

Employee wellbeing

The safety and wellbeing of our people is first in all we do. As part of Council's commitment to providing a healthy and supportive workplace for our people, we introduced several initiatives in the last 12 months. These included reviewing and focusing on Council's safety and wellbeing critical risks.

A critical safety and wellbeing risk we identified was mental health. As a result, we rolled out numerous GoodYarn mental health literacy workshops which trained our people on how to have a conversation with someone they are concerned about and how to seek support.

In December 2022 we implemented comprehensive employee health insurance with UniMed. A large number of claims and major surgeries have been completed which are significantly improving the health and wellbeing of our employees.

Internal transformation

We implemented the next stages of our Business Improvement Plan across the organisation and achieved progress across the four streams of work – data governance, customer experience, technology enhancements and business process improvement.

We developed a new high-performance framework and implemented a leadership programme for new and emerging leaders.

We implemented key actions from the Diversity and Inclusion plan under three key workstreams – laying the diversity and inclusion foundation programmes, a diverse workforce reflecting the city and inclusive leadership and culture.

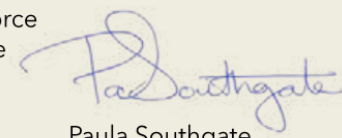
Looking forward

As we reflect on the past year's achievements, we are proud of the progress made across our five key priorities.

Public opinion from community engagement has factored strongly into decisions we have made as we continue to balance community wellbeing and affordability alongside our aspirations for growth.

Council's vision is to make Hamilton an even better place to live, work, and thrive. We are committed to a transparent and collaborative process in shaping the city's future.

Your voice and ideas are important. Together, we are shaping a future that not only meets the needs of today but also paves the way for generations to come.



Paula Southgate
Mayor



Lance Vervoort
Chief Executive

Kupu a te Kahika me te Tumu Whakarae

E whakaatu ana te Puurongo aa-Tau 2022-23 i teetahi tau kokenga whakamatua moo Kirikiriroa, ahakoa nga uauatanga aa-oohanga.

E whakaatu ana te Puurongo aa-Tau o teenei tau i oo maatou hua ahumoni, kia inea atu ki te rautaki ahumoni i whakatauhia i te tau tuarua o taa maatou Mahere Tauroa 2021-31, me te Mahere aa-Tau 2022-23.

Kei te uu tonu te whai a te Kaunihera ki te kawhe i nga mahi kua whakaritea moo te tau tuatoru o te Mahere Tauroa, ahakoa nga whakararu o te KOWHEORI-19, te pikinga o te pikiutu tukipuu me nga pikinga utu, otiraa he paanga tonu too eenei ki nga kaunihera puta noa i te motu. Kaaore i ngaawari te tau nei,

engari e whakahii ana maatou ki te kokenga i hua ake.

I te mutunga o te tau puutea he \$723 miriona te tapeke nama more, atu ki te matapae o te Mahere aa-Tau o te \$774 miriona. Ko te whakamaarama o te nama more, ko te puutea e nama ana ki te kaituku, tango te moni.

He takarepa whakataurite ahumoni o te \$29.8 miriona, otiraa ko te takarepa i matapaetia ki te Mahere aa-Tau, he \$14.4 miriona kee.

Aa maatou aronga matua

E aro tonu ana te kaunihera ki tana kaupapa o te whakapiki haere i te oranga o te hapori puta noa i nga aronga matua whaitake e rima.

I poua eenei aronga matua ki teetahi kaupapa whai waahi

aa-hapori whaanui i te 2020 i tono i a koutou nga kainoho he aha nga mea e arohatia ana e koe i roto o Kirikiriroa, aa, he aha nga aahuatanga hei haapai ake i te taaone. Naa nga taapaetanga a te hapori i aawhina ki te waananga i nga whakaaro o te Kaunihera ki te anamata o te taaone.

I whakaputa whakaaro nga kainoho me nga pakihi ki eetahi putanga huhua e wawatatia ana, otiraa ko te hua o teeraa ko nga aronga matua e rima:

- He hoahoa i teetahi taaone e ngaawari nei te noho i roto
- He hoahoa i teetahi taaone e toonui ai te tangata
- He hoahoa i teetahi pokapuu taaone e paarekareka ana ki te tangata

- He hoahoa i teetahi taaone hangareka, otiraa he nui nga mea hei whai waahitanga
- He hoahoa i teetahi taaone kaakaariki.

Naa eenei aronga matua i aarahi i nga mahi whakatau take a te Kaunihera ki te whakapai ake i te oranga aa-paapori, aa-ahurea, aa-oohanga, aa-taiao hoki o Kirikiriroa, i raro i nga here o te Local Government Act.

He taaone e ngaawari nei te noho i roto

I hiahia koutou i teetahi taaone e ngaawari nei te noho i roto, otiraa i te haumi maatou ki nga ratonga hapori, nga whare pukapuka, nga whare kaukau, te whanaketanga aa-hapori, te tuunuku me nga tuunga waka. Anei eetahi tauira o nga mahi kua tutuki.

He nui ngaa whakapainga o ngaa rori otiraa ko te whakaotinga o te Rori Porowhita, me te tuwheratanga o te waahanga o Kirikiriroa o Te Ara Puaki o Waikato.

I oti te toronga o Te Wetini Drive, aa, i whakahoutia te rori puutahi o Claudelands/ Grey Street. I tiimata hoki te hanganga o te tuuhonotanga o Borman Road.

He nui ngaa mahi whakapai i te haumarutanga, naa te whakaurunga o teetahi puutahi porowhita hou ki te puutahi o Darjon Drive/Gordonton Road me ngaa whakapainga kei ngaa Tiriti o Tristram me Collingwood.

I haere tonu ngaa whakanaketanga hiamoi i te waahi noho hou o Peacocke, otiraa i tiimata ngaa mahi ki te waahanga hou o Whatukooruru Drive me te otinga o te toronga o te arawhiti hou o te Awa o Waikato.

He taaone e toonui ai te tangata

I harikoa maatou i whakanuia a Kirikiriroa hei Committed Welcoming Community. I poohiritia e maatou ngaa kirirarau 1282 hou i aa maatou whakanuitanga kirirarau, otiraa ko te tiimatanga teenei o taa maatou Wiki Manaaki tuatahi, me te mihi 'Kia orana' ki te K'aute Pasifika Community Hub.

I whakatinanatia te Kaupapahere Hauaatanga me te Mahere Mahi, otiraa he whakarite i te whakahaere a te Kaunihera i aana tuuaahanga, ngaa whare me ngaa ratonga i runga anoo i ngaa tikanga e mana oorite ai te aaheinga, te kauawhi me te arawaatea.

I mau tonu te Kaunihera ki tana paapaatanga taurewa AA- ki te tari ratonga ahumoni aa-ao o Standard and Poor's, otiraa e whakaata ana te piro AA- i te 'raukaha tino pakari ki te whakatutuki i oona uunga ahumoni.'

I eke ki te 1861 ngaa whakaaetanga whakatuu whare i whakamanatia e te Peka Whakatuu whare moo te tau, aa, i tuutohua hoki e te International Accreditation New Zealand (IANZ) kia mau tonu ki te mana whakaae a te Building Consent Authority.

I tutuki eetahi whaainga nui puta noa i eetahi panoni hira o te Mahere aa-Rohe. I tutuki i te Panoni Mahere 9 ngaa whakawaakanga tuatahi moo te Historic Heritage Areas, Significant Natural Areas, and Notable Trees i te Mei 2023. I tutuki i te Panoni Mahere 12 ngaa whakawaakanga rautaki i te Peepuere 2023.

I whakaritea e maatou te whakatuutanga o ngaa hapori kouna maa te whakatinana i te Hootaka Haumi aa-Taaone, e akiaki ana i te toopuutanga tautoko i ngaa kaitautoko aa-puuitea, ngaa pakihi, ngaa roopuu hapori, te kaawanatanga me ngaa taangata tukuoha.

He pokapuu taaone e paarekareka ana ki te tangata

I aarahi tonu te tira Hootaka Whakatupu i te kawenga o ngaa mahi tupuranga matua i te taaone, i te taha o te whanaketanga o te whakahoutanga ki te Rautaki Tupu Taaone o Kirikiriroa (HUGS). Ka aarahi teenei rautaki i te ahunga, te aahua, me te waahi e tupu ai too taatou taaone hei ngaa tau 50 nei. E toru ngaa putanga matua - tupu whakarunga, whakawaho hoki i te pokapuu taaone; te tupu i te taha o ngaa tuunuku matua; me te tautoko i te whanaketanga o ngaa paekiritata papa ururua kouna.

I waimarie a Kirikiriroa ki te whiwhi takuhei mai i te kaawanatanga matua araa, te Infrastructure Acceleration Fund (IAF) o te \$150 miriona. Taapiri atu ki teenei takuhei ko te \$100 miriona mai i te Kaunihera ka haumitia ki te tuuaahanga pokapuu taaone hei tautoko i ngaa whare hou.

I noho tonu te haumarutanga hei aronga nui. He pukumahi taa maatou tira Haumaru Taaone me ngaa pakihi me ngaa pirihiimana ki te tiaki i a Kirikiriroa kia haumaru ai. Kua piki te kitenga o ngaa aapiha Haumaru Taaone, otiraa kua taapiritia eetahi tirotirohanga, aa, kua tonoa hoki ngaa kaimahi ki te tiaki i eetahi atu waahi matua e pokea ana e tangata, i waho ake o te pokapuu taaone.

I mahi ngaatahi maatou
ki eetahi tari whaanui ki
te whakapaahunu i ngaa
whanonga aatete i te pokapuu
taaone - me te kimi arawaatea
ki te aukati mahi taihara; te
tautoko i te hunga kaainga-
kore, whakaraerae raanei; te
whakapiki i te haumarutanga o
te iwi kei te pokapuu taaone. Ko
eetahi ratonga ko ngaa kaamera
CCTV, te tango toi karawhiti me
ngaa aapiha Haumarua Taane.

I puta te whakamanahau a ngaa
Pirihimana ki ngaa puukenga
o aa maatou kaimahi Haumaruru
Taaone otiraa i whakanuia aa

raatou mahi tautoko.

I teenei tau, i whakamaatauhia
e maatou teetahi Tautiaki
Haumarū Awa, aa, he aapiha i
runga pahikara-hiko, maa raro
hoki, i muri mai o ngaa hui
awheawhe haumarū ki te tira
Haakina Wai. I aro te tira ki
ngaa karere maatauranga
matua e haumarū ai te haere i
runga i te awa, me peehea te
urupare me te tiaki i a raatou
anooi te waa o teetahi ohotata
haumarū wai, aa, kia maarama
pai hoki ki too taatou awa, tae
atu ki te kimi i ngaa moorearea
me ngaa waahi haumarū ki te
kuhu me te puta i te awa.

I whai waahi ngaa kaimahi ki
eetahi aahuatanga whaanui,
tae atu ki te tautoko i ngaa
ohotata hauora, te tiroiro i ngaa
kaihara e kuhu poka noa ki ngaa
waka, me te wawao i eetahi atu
aahuatanga matua e rua o ngaa
whanonga 'moorearea' a te
hunga haere i runga i te awa.

I eke ki te 1325 ngaa tirohanga
a te tira Haumarua Awa,

otiraa neke atu i te 6704
ngaa taangata i kite raatou e
paarekareka ana ki te awa me
ngaa waahi rorotu ki te kaukau.

**He taaone hangareka, otiraa
he nui ngaa mea hei whai
waahitanga**

Kei te hiahia maatou ki te whakarite i te whakaratonga o ngaa arawaatea ki ngaa tangata katoa ki te taakaro me te mahi hangareka, peenei i te haakinakina, ngaa papa taakaro, ngaa taiopenga, ngaa waahi taapoi raanei.

Kei te hiahia maatou ka hau
te rongonui o te taane ki te
whakahaere i ngaa taiopenga
rangatira - ngaa kaupapa e
too mai ai i ngaa hua oohanga,
e arohatia ana e te iwi, aa, e
too mai ana i te tangata i ngaa
toopito o te motu ki too
taatou taane.

Ka awhitia tonutia e maatou
ngaa waahi taiao, kaua ko te
Awa o Waikato anake, engari
ngaa waahi peenei i oo maatou
taunga papataakaro me te

roto o Rotoroa. Ko taa ngaa hanganga nei he whakarato maharatanga, wheako hoki ki ngaa kainoho me ngaa manuhiri, e noho ngahau ai raatou, me te hiahia anoo ki te hoki mai. Otiraa ka kookiri hoki i te kaingaakau me te whakamaioha o too taatou taane, otiraa kia hangareka te noho i konei.

I taarewatia ngaa toronga aatinana ki ngaa whare pukapuka me ngaa puna kaukau naa ngaa whakararu o te KOWHEORI-19, i kitea ngaa herenga kiitanga me te katinga taupua o ngaa tari naa te kore kaimahi. I te waa i whakakorea ngaa herenga, i manamanahau katoa maatou ki te hoki ki ngaa whakahaerenga o ia raa, me te whakahaere anoo i ngaa hootaka tamariki i oo maatou whare pukapuka me ngaa puna kaukau.

I whakawhiwhia te tira Haakina
Wai ki te tohu Innovation in
Aquatics moo te Hootaka o
Keep on Swimming Learn to
Swim.

Araa noa atu ngaa whakawhiwhinga i whakanuia e maatou - I whakaingoatia a Claudelands Oval te whaitua hira rawa o Aotearoa, aa, i hangaia taa maatou paetomokanga tiri hou moo Te Kaaroro (Whare Kararehe me Waiwhakareke Natural Heritage Park), aa, i whakatuwheratia hoki te waahanga kei Kirikiriroa o Te Awa - The Great New Zealand River Ride.

I tiimata ngaa mahi hanga i te papataakaro kauawhi tuatahi ki Claudelands, aa, i tiimata te whakatuutanga o ngaa tuurama raharaha ki ngaa papa taakaro e ono.

I tuuhono hoki oo maatou Whare Pukapuka hei hoa rangapuu whatunga i teetahi hootaka aaheinga ipurangi ngaawari te utu maa ngaa hapori.

He taaone kaakaariki

E whakahii ana maatou ki too maatou taaone kaakaariki, maa hoki, aa, e whaia ana e maatou

teetahi tikanga whai whakaaro, rangapuu taaone whaanui hoki i waenga i ngaa pakihi, ngaa roopuu whakahaere me ngaa roopuu hapori ki te whakatau i te aahua o te urupare a te taaone ki te hurihanga aahuarangi.

I tutuki i te Resource Recovery Centre ngaa rekoata hou o te mahi hangarua, otiraa he 6000 rita te wairaakau Tronpost, i hangaia i te para kaakaariki me ngaa para kai, i hoki anoo ki te hapori.

I tiimatatia e maatou te kaupapa whakahaere ngaahorohoro i te whaarua o Mangaonua, i tutuki te kaupapa o te whaarua o Mangaiti, aa, i whakatinanahia taa maatou Rautaki Open Spaces.

Kei te panoni haere te aahua o te nuku haere a te tangata i Kirikiriroa i te waa e whakahaere ana i te paapaatanga o te tupuranga nui me te hurihanga aahuarangi. I te Aakuhata 2022, i whakatinanahia e te

Kaunihera a Ara Kootuitui Kirikiriroa - Access Hamilton Transport Strategy, me te matawhaanui ake kia whakaritea e te whatunga tuunuku kia hono haere ngaa taangata katoa ki ngaa waahi katoa, i runga anoo i ngaa tikanga haumaruru, tomopai, atamai hoki.

Ka noho ngaa whakahounga ara hiikoi, pahikara, tuunuku tuumatanui hoki hei waahanga nui o taa maatou rautaki ki te hoahoa haere i teetahi taaone nohopai, tukuwaro iti hoki.

E taapae ana a Waka Kotahi i te \$33.2 miriona i raro i te 'Tahua Urupare Ohotata Aahuarangi, aa, ka taapaetia e te Kaunihera he \$3.8 miriona ki ngaa kaupapa whakawhanake i ngaa koowhiringa tuunuku haumaruru ake, kaakaariki ake, hauora ake hoki.

Ka aawhine te tahua nei ki te whakarato i ngaa ara pahikara aa-rautaki, ngaa paekiritata e pai ai te hiikoikoi haere, ngaa

whakamaheretanga tuunuku aa-kura, me ngaa kaupapa hei tautoko kia horopuu ake, kia ngaawari ake hoki ngaa tuunuku tuumatanui.

Oranga kaimahi

Ko te haumaruru me te oranga o aa maatou kaimahi te whakaaro maataamua o ngaa mahi. Hei waahanga o te uunga o te Kaunihera ki te whakarato i te waahi mahi hauora, tautoko hoki, i whakaurua e maatou eetahi kaupapa hou i ngaa marama 12 nei. I uru ki eenei te arotake me te aronui ki ngaa tuururu waiwai o te hauora me te oranga a te Kaunihera.

I tautuhia teetahi tuururu waiwai ki te hauora me te oranga, araa ko te hauora hinengaro teeraa. Ko te hua o teeraa, i tiimatatia eetahi awheawhe maatau hauora hinengaro o GoodYarn, i whakangungu i aa maatou kaimahi me peehea te whakawhiti koorero ki teetahi tangata e taumaha ana, aa, me peehea te rapu tautoko.

I te Tiihema 2022, i whakatinanahia e maatou tetahi kaupapa inihua hauora kaimahi koreutu ki a UniMed. He nui ngaa kereeme me ngaa poka nui i oti otiraa i whakapiki nui o te hauora me te oranga o aa maatou kaimahi.

Whakaumu rāroto

I whakatinanahia ngaa kooeke hou o taa maatou Mahere Whakawhanake Pakihi puta noa i te whakahaere, aa, i koke whakamua puta noa i ngaa awamahi e whaa - mana whakahaere raraunga, wheako kiritaki, whakaraakei hangarau me te whakapai ake i ngaa tukanga pakihi.

I whakaritea e maatou teetahi anga mahi-kounga hou, me te whakatinana i teetahi hootaka hautuutanga maa ngaa kaiaarahi e pihi ake ana.

I whakatinanahia e maatou ngaa mahi matua i puta ake i te mahere Kanorau me te Kauawhi i raro i ngaa awamahi matua e toru - te whakarite i ngaa hootaka tuuaapapa kanorau me

te kauawhi, he tira mahi kanorau e whakaata ana i te taaone, me te hautuutanga me te ahurea kauawhi.

Te anga whakamua

I a maatou e huritao ana ki ngaa mahi o te tau ki muri, e whakahii ana maatou ki te kokenga puta noa i aa maatou whakaarotau matua e rima.


I whai waahi nui ngaa whakaaro tuumatanui mai i ngaa whai waahitanga aa-hapori ki roto i ngaa whakataunga take i a maatou e whakataurite tonu ana i te oranga o te hapori me te ngaawari o te utu, i te taha o oo maatou wawata tupu.

Ko te matawhaanui o te Kaunihera, kia noho a Kirikiriroa hei waahi pai ake ki te noho, te mahi me te whakapuaawai. E uu ana maatou ki teetahi tukanga kooataata, mahi ngaatahi hoki ki te hoahoa i te anamata o te taaone.

He mea hira too reo me oo whakaaro. Maa te mahi ngaatahi, e hoahoa ana maatou

i teetahi anamata e tutuki ai oo taatou hiahia o te rangi nei, engari e para ana i te huarahi moo ngaa whakatupuranga.


Paula Southgate
Kahika


Lance Vervoort
Tumu Whakarae

Your Council

Ko taa taatou Kaunihera

Your Mayor and Councillors



Paula Southgate

Hamilton Mayor

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Chief Executive



Lance Vervoort – Chief Executive

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External Appointees



Keiran Horne
Strategic Risk and Assurance Committee



Bruce Robertson
Strategic Risk and Assurance Committee

What is the Annual Report?

He aha te Puurongo-aa-Tau?

The Annual Report is a key document in Council's planning and reporting process, with its contents directed by the Local Government Act 2002.

Our planning cycle starts with an extensive and deliberate community engagement process developed alongside the people of Hamilton Kirikiriroa to understand the aspirations they have for their city. These are captured in our vision and five priorities and provide the focus for what Council will work on for the next decade.

Then Council prepares a Long-Term Plan. This sets out the work programmes, budgets and rates needed to deliver the vision and priorities. Each Long-Term Plan covers the next decade, with a focus on the first three years.

Our current plan is the 2021-31 Long-Term Plan.

When we aren't producing a Long-Term Plan, we produce an Annual Plan. The Annual Plan gives Council the chance to review the work programme set out in the Long-Term Plan and consider where any changes are necessary. Council's current Annual Plan is the 2023-24 Annual Plan, which identifies any differences between what we said we would do in 2023-24 in the Long-Term Plan, and what we are doing.

The Annual Report is produced to review our performance and tell you, the community, how well we did on delivering to the Long-Term Plan.

This 2022-23 Annual Report is provided to compare Hamilton City Council's actual performance for the 2022-23 year against what was forecast in the 2021-31 Long-Term Plan.

The Report considers, against the Long-Term Plan:

- did we deliver the level of service we said we would?
- did we deliver on the capital projects we said we would?
- did we deliver to the operating budget we set?

Audit

Council's external auditor, Audit New Zealand, is required to audit the Annual Report. The Annual Report is then adopted by Council on the recommendation of staff and the Strategic Risk and Assurance Committee. This ensures that

both the management and governance functions across Council share responsibility for the report's accuracy and accountability.

Intended audience

This Report is intended to provide this important information to a range of stakeholders including local businesses, Council partners, government departments and agencies, non-government organisations, and the community of Hamilton Kirikiriroa. It is also an opportunity for our teams to look back on and celebrate the successes of the year and to highlight the amazing work delivered to the community of Hamilton Kirikiriroa.

Piecing it all together:

1 July 2021:
Council's 2021-31
Long-Term Plan is set

1 July 2022:
Council's 2022-23
Annual Plan

By 31 October 2022:
Council's Annual Report (reporting on
the 2021-22 financial year) is adopted

1 July 2023:
Council's 2023-24
Annual Plan

By 31 October 2023:
Council's Annual Report (reporting on
the 2022-23 financial year) is adopted

1 July 2024:
Council's 2024-34
Long-Term Plan is set

By 31 October 2024:
Council's Annual Report (reporting on
the 2023-24 financial year) is adopted



Our vision for Hamilton

Kirikiroa ka hua. Ka puaawai. Ka ora

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

Our priorities

Our priorities* describe what we aim to achieve for our community and what you can expect us to work towards. These outcomes were used to shape the development of the 2021-31 Long-Term Plan. All our activities contribute to the overall achievement of our priorities and reflect our purpose and mission - to improve the wellbeing of Hamiltonians and to help build a more vibrant, attractive, and more prosperous city.

During the development of the 2021-31 Long-Term Plan, we used your feedback to create five long-term priorities for Hamilton Kirikiroa over the next decade. These priorities reflect what you said is important to you, your family, and your neighbourhood.

The five priorities for our city are:

- A city that's easy to live in | He taaone e ngaawari noa iho ana te noho
- A city where our people thrive | He taaone e tipu matomato ai te tangata
- A central city where people love to be | He pokapuu taaone e ngaakautia ana e te marea
- A fun city with lots to do | He taaone kua kikii ki ngaa tini kaupapa
- A green city | He taaone tiaki taiao

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

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

Our community outcome measures

These four measures show how well we are delivering to our community outcomes.

You can expect Our city is easy to live in, explore and connect.		KEY: Achieved Not achieved	
Measure	2022-23 target	2022-23 result	2021-22 result
Percentage of residents who think Hamilton is a great place to live.	At least 79%	75%	77%
Percentage of residents who are proud of how Hamilton looks and feels.	At least 60%	34%	53%
What's behind the results			
<p>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' perceptions of their quality of life. The Quality of Life Survey was last completed in early 2022.</p> <p>As perceptions can change within the two-year cycle, Council commissioned NielsenIQ (who undertook the last Quality of Life Survey) to run a Pulse survey in June 2023 in order to gain the most up to date perceptions of our community's quality of life.</p> <p>While the methodology and sampling procedure was the same for both surveys, we sampled a higher number of people from our Hamilton population to provide more accurate insights into community perceptions going into our next long-term plan cycle. Over 1700 people across the city responded to the survey.</p> <p>75% of respondents agree or strongly agree that Hamilton is a great place to live, a decrease of 2% over last year's result.</p> <p>Those who neither agree or disagree has remained the same as the 2022 Quality of Life survey result at 18%, while those who either disagree or strongly disagree that Hamilton is a great place to live has increased slightly by 2%.</p> <p>Those who feel Hamilton is a great place to live mentioned:</p> <ul style="list-style-type: none"> • better – less traffic (30%) • good or improved amenities (29%) • development (18%) • good road/upgrades (15%). <p>Those who do not agree Hamilton is a great place to live mentioned:</p> <ul style="list-style-type: none"> • crime (68%), • feeling unsafe (25%) • violent offending (25%). 			

34% of respondents agree or strongly agree that they have pride in the way Hamilton looks and feels, a 19% decrease on the 2022 Quality of Life Survey result of 53%. Of the 19% decrease, 13% selected that they neither agree or disagree that they have pride in the way Hamilton looks and feels, with the remaining 6% disagreeing or strongly disagreeing that they have pride in the way Hamilton looks and feels.

Those who are proud of the way Hamilton looks and feels mentioned:

- it is clean and tidy city (26%)
- beautiful scenery/street and roundabout plantings look good (22%)
- Hamilton Gardens (19%)
- many trees (16%).

Those who do not have pride in the way Hamilton looks and feels mentioned:

- the area looks rundown, dirty and untidy (48)
- road/street plantings are poorly maintained (28%)
- crime/increase in crime (18%).

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of residents who believe we make decisions that are in the best interest of the city.	At least 32%	30%	33%

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' perceptions of their quality of life. The Quality of Life Survey was last completed in early 2022.

As perceptions can change within the two-year cycle, Council commissioned NielsenIQ (who undertook the last Quality of Life Survey) to run a Pulse survey in June 2023 in order to gain the most up to date perceptions of our community's quality of life.

While the methodology and sampling procedure was the same for both surveys, we sampled a higher number of people from our Hamilton population to provide more accurate insights into community perceptions going into our next long-term plan cycle. Over 1700 people across the city responded to the survey.

30% of respondents either strongly agree or agree that they have confidence that the Council makes decisions that are in the best interest of the city, a 3% reduction on the 2022 Quality of Life survey result of 33%.

23% of respondents strongly disagree or disagree that they have confidence in Council decision making. This is a 13% decrease on the 2022 Quality of Life survey result of 36%.

The majority of respondents neither agree nor disagree that they have confidence that the Council makes decisions that are in the best interest of the city.

Those who agree that the Council makes decisions that are in the best interests of Hamilton mentioned:

- Council do a great job (25%)
- trust in them/their reputation to do what is best for the city (23%)
- Council keeps in touch/seeks input from the community (12%).

Those who disagree that the Council makes decisions that are in the best interests of their city mentioned:

- ratepayers' money not being spent wisely (29%)
- issues with roading development/strategies (22%)
- poor decision making (16%)
- they don't consider the needs/wants of Hamiltonian (16%)
- neglect of core services (15%).

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.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Reduction in greenhouse emissions footprint for Hamilton City Council.	Decrease in greenhouse emissions per head of population from previous year	Decrease of 0.04 tonnes per head of population (0.053 tonnes per head of population)	Decrease of 0.06 tonnes per head of population (0.059 tonnes per head of population)
What's behind the results			

The main driver behind the reduction in Council's emissions is our continued shift away from natural gas to electricity for powering our operations, and the increase in renewable electricity sources in the national grid.

Council's greenhouse gas emissions for 2022-23 were 9,523 tonnes, and the population used was 179,900. In 2021-22, Council's greenhouse gas emissions were 10,482 tonnes and population used was 178,500.

Maaori contribution to the decision-making process

Mana Motuhake Maaori ki te Whakatakoto Whakataau

We are committed to meeting our Treaty and legislative responsibilities.

We acknowledge the role and contribution that Iwi, Hapuu and Maataawaka make towards our great city of Kirikiriroa as Treaty partners. Valued support and advice is received from our Iwi, Hapuu and Maataawaka partners and we are committed to working together on the social, cultural, economic, and environmental sustainability and wellbeing of the city and its residents.

He Pou Manawa Ora - Pillars of Wellbeing

This strategy, adopted in August 2021, outlines Council's vision

for a city that celebrates its whole history, including its unique Maaori heritage, and ensures everyone has a voice in developing its future.

Developed in consultation with Waikato-Tainui, Te Rūnanga Ō Kirikiriroa and mana whenua, this strategy discusses how Council will use the pillars (pou) of History, Unity, Prosperity, and Restoration to build a proud and inclusive city for the wellbeing of all its people. We will need to work together with our Maaori partners and the whole community to deliver the outcomes in He Pou Manawa Ora.

The principles of the Te Tiriti o Waitangi (The Treaty of Waitangi)

will help guide this partnership on its journey towards creating a more socially, economically, and environmentally diverse city for future generations to be proud of.

Maaori Wards

Hamilton Kirikiriroa in 2022 introduced two Maaori ward seats representative of the Maaori Electoral population and wider communities and residents of Hamilton Kirikiriroa.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were first appointed to Council committees with full voting rights in 2018. It is an initiative to give effect to Te Tiriti O Waitangi.

Maangai Maaori currently sit on three committees. The Maangai Maaori represent and are chosen by Iwi, Mana Whenua (Waikato-Tainui/Hapuu) and Maataawaka (urban Maaori) organisation Te Rūnanga Ō Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

Hamilton City Council's Kaumatua is appointed by the Office of the Maaori King to give support and advice to Hamilton's Mayor and its elected members. The kaumatua gives cultural guidance to council in line with Tainui tikanga and protocols.

Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across Hamilton City Council on matters related to Maaori. Amorangi Maaori leads:

- Maaori relationship guidance and enhancement
- Maaori engagement and consultation advice and support
- cultural capacity building and development
- strategy development
- policy and bylaw planning, review, development, and advice
- project and contract management.

Partnerships with Maaori Waikato-Tainui

Te Whakakitenga o Waikato-Tainui is the local iwi (tribe) focussed on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members. Hamilton City Council and Waikato-Tainui have a strong and mutually beneficial partnership to promote better wellbeing outcomes through agreed projects and meet obligations to restore and protect the Waikato River. This partnership is governed through the Waikato-Tainui/Hamilton City Council Co-Governance Forum.

Mana Whenua o Kirikiriroa

Traditionally there were a number of hapuu (sub-tribes) that occupied that landscape of Kirikiriroa. Many of these traditional hapuu are no longer active, but are represented today by existing hapuu Ngaati Maahanga, Ngaati Tamainupoo, Ngaati Wairere, Ngaati Korokii Kahukura and Ngaati Hauaa. We work with these hapuu to ensure their role as kaitiaki and mana whenua is reflected in decision making relating to the management of the natural and physical resources of Hamilton Kirikiriroa.

Te Rūnanga o Kirikiriroa (TeROK)

Formally established in 1988 and under the direction of the late Maaori Queen, Te Atairangikaahu, and the Mayor of the time, the late Sir Ross Jansen, TeROK represents maataawaka and Pasifika peoples living in Hamilton Kirikiriroa. TeROK provides information and advice and represent the views of maataawaka in the development of Council strategies, policies, and plans.

Climate change reporting

Te Puurongo i te Huringa o te Aahuarangi

The impacts of climate change have become more apparent for Aotearoa this year, with 11 councils declaring a state of emergency during Cyclone Gabrielle in early 2023. While Hamilton Kirikiriroa was relatively unimpacted in comparison, weather events like this serve as a reminder of the urgent need to reduce emissions and future-proof our city for the changing climate.

Over the last financial year, Council has strengthened its commitment to addressing this need. In August 2022, the first climate change strategy for the city was approved – Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

This foundation document sets the long-term direction for Hamilton's climate change response, including city-wide emissions targets of:

- a 'turning point' for emissions to peak in 2025 at the very latest
- 30% reduction by 2030, and
- 82% reduction by 2050.

Our first task after setting these targets was to understand how we're expecting emissions to change from now to 2030, and the level of ambition required to achieve the reductions we're aiming for. This emissions trajectory has been completed and provides direction for future projects, advocacy and funding

to help us achieve the targets.

We recognise that everyone has an important role in responding to climate change and delivering on these targets. We secured funding of \$750,000 through the Better Off Fund (part of the Three Waters Reform) to deliver projects specifically focussed on supporting community and businesses to achieve climate action, and on making changes in our own operations to reduce Council emissions.

For Council's operational emissions, targets of a 50% reduction by 2030 and net zero by 2050 were set in Our Climate Future: Te Pae Tawhiti o Kirikiriroa.

In 2022-23, Council's greenhouse gas emissions were 9523 tonnes of carbon dioxide equivalents. This was a reduction in emissions overall, largely driven by our continued shift away from natural gas to electricity for powering our operations, and the increase in renewable electricity sources in the national grid. Nationally, we saw an increase in hydroelectricity generation as New Zealand experienced its wettest winter on record in 2022, then a wet spring over the North Island, and finally the wettest summer (2022-23) on record for Auckland, Northland, Bay of Plenty and Hawke's Bay¹. In October-December 2022, hydroelectricity generation was

¹ NIWA - Taihoro Nukurangi, Seasonal Climate Summaries

38.9% higher compared to the same period in 2021². While overall Council's emissions have decreased, we need to continue our focus on finding alternative ways to travel and conduct business as we see pre-COVID travel and ways of working return.

Working with the community, we've also supported some of the amazing mahi already underway. This includes engagements with high school students and the University of Waikato, sponsoring Climathon Waikato, and hearing our community's views on climate change at 'Your Neighbourhood' events. We'll continue sharing these stories,

and information on what Council is doing, to the 500+ subscribers of our dedicated climate change e-newsletter, Te Pae Tawhiti - Delivering on Our Climate Future.

Alongside reducing emissions, we're also focused on understanding the risks that a changing climate presents. This will help to better prepare our city for the future. We have completed a climate change risk assessment for our Council operations, which helps us understand how climate change could impact on our operations.



² Ministry of Business, Innovation & Employment - Hiikina Whakatutuki, New Zealand Energy Quarterly - December 2022

Our City

Too Taatou Taaone

Hamilton | Kirikiriroa

The gateway to the central North Island, Hamilton, originally named Kirikiriroa by Maaori, is New Zealand's largest inland city. The mighty Waikato River flows for 16 km through the city with the eastern and western suburbs on either side.

Between the 1400s and up until the invasion of the 1860s, **Hamilton's earliest settlers included Maaori from the Tainui waka, who called the area Kirikiriroa** meaning long strip of gravel.



Opening of Hamilton Town Hall, 1905

The invasion of Waikato occurred during 1863 and 1864, starting near Mercer, with the final battle occurring near Te Awamutu.

In 1995, following a long period of negotiation over recompense for land losses in 1800s, Waikato-Tainui signed a deed of settlement with the Crown. This made its iwi one of the most significant economic players in the region.



Hamilton's Formal European settlement began on 24 August 1864, when Captain William Steele

disembarked from the gunboat Rangiriri and established the first redoubt near what is now Memorial Park.



The Borough of Hamilton was established on 27 October 1877 with a population of 1245 and an area of 752 hectares, through the combining of the East and West settlements. On 13 December 1945, **Hamilton became a city with 20,000 citizens.**

In the 1860s, the New Zealand Wars and the NZ Settlement Act enabled land to be taken from Maaori by the Crown; **a total of 1.2 million hectares** was confiscated in the Waikato region and provided the basis for subsequent European settlement in Hamilton.

The area has a history of 700-800 years of Maaori occupation and settlement, highlighted by paa sites, traditional gardens and agricultural features along the Waikato River.

There are five Tainui hapuu (sub-tribes) that continue to hold mana whenua (traditional) connections to the land and waterways within Kirikiriroa/Hamilton.



Our environment is:

Sustainable

Hamiltonians recycled **15,604 tonnes** of material last year. That's more than **1,625 full garbage trucks** diverted from landfill.



Home to bats

Hamilton's one of the only cities in New Zealand with an urban population of endangered **long-tailed bats.**



Restoring nature

We have a goal to increase native vegetation cover **from less than 2% to 10% by 2050.**



Our community is:



Growing

Our population is expected to increase to **more than 200,000 by 2028*** - and we're currently growing by 81 new residents each week. *Stats NZ, June 2020.

Youthful

Our **median age is 32**, the lowest of all cities in New Zealand.



Future bridge over Waikato River



Clever

Hamilton's ranked **21st in the world's** top smart cities.



Diverse

Our residents represent hundreds of different **ethnic groups**.



Playful

The city has more than **1000 hectares of open space with 145 parks and gardens, 85 playgrounds and 63 sports areas.**



Our economy is:

Humming

Hamilton's GDP is **\$13.4 billion.***
*Infometrics, provisional GDP for the year to March 2023.

Building

1446 new houses were completed in 2022. **A record 128,000m² of industrial development was consented.** That's the equivalent of about 13 rugby fields.

Booming

Property in Hamilton is **worth \$71.4 billion, that's \$27.4 billion more than it was in 2018.**



Working

Hamilton's economy supports **16,968 businesses** (up from 15,924 in 2021) and **104,357 employees (up 3.7%).**



In the action

Hamilton's in the heart of the **Golden Triangle with Auckland and Tauranga**, a powerful region containing half the country's population, generating half the country's GDP and accounting for two thirds of the freight.

Our Financial Strategy

Too Maatou Rautaki Puutea

Our 2021-31 Long-Term Plan includes a financial strategy that aims to enable us to respond sustainably to growth in a way that is cost-effective for existing ratepayers. The Financial Strategy's guiding principles are:

- Everyday expenses are funded from everyday revenues.
- Service levels and assets are maintained.
- Surpluses are generated to repay debt.
- Investment in community, infrastructure and growth initiatives is supported.
- Investments in capital projects are funded from debt.

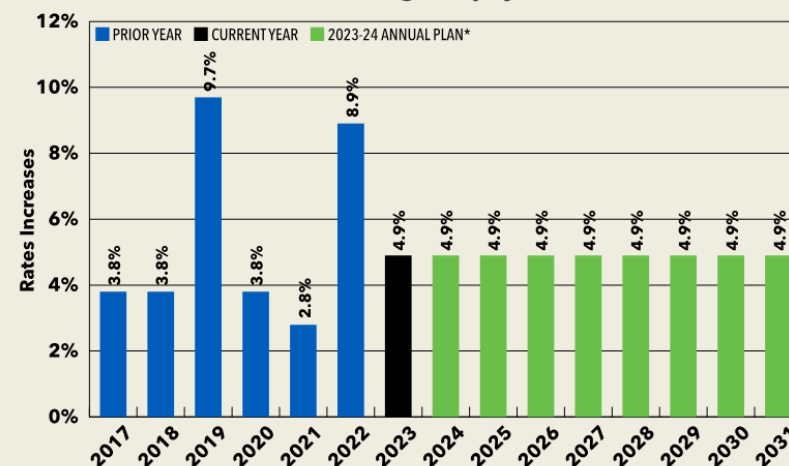
The Financial Strategy can be read in full in the 2021-31 Long-Term Plan or on our website. It sets limits on the amount of debt we can take on compared to revenue (debt to revenue), forecasts net debt (the money we owe lenders, less cash) and forecasts when we will balance the books. The Council books are balanced when everyday revenue pays for everyday expenses.

Against the strategy, we exceeded the balancing the books budgeted deficit for 2022-23 by \$15.3 million and ended the financial year with a net debt balance \$51 million lower than projected.

Rates

The Long-Term Plan sets the limits on average rate increases to existing ratepayers. Under the plan, rates increases were limited to 8.9% in 2021-22 and 4.9% from 2022-23 onwards. We have stayed within these limits, the actual average rate increase for 2022-23 was 4.9%.

Total rates increases to existing ratepayers



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Balancing the books

The balancing the books measure is a way of assessing our operating performance. You can see how our balancing the books measure is calculated on page 167. There are other ways to measure operating performance, including the Government's balanced budget measure, which we report against in the Disclosure Statement section of this report on page 261.

The main differences between the two measures are:

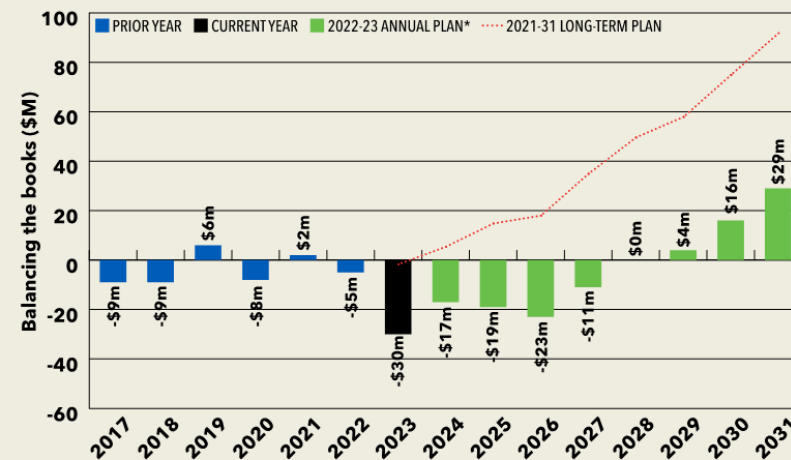
- Our measure removes capital revenue Waka Kotahi NZ Transport Agency subsidies for capital expenditure and other capital contributions). These revenue items are included in the Government measure. We exclude this revenue as it funds specific capital items and is therefore not available to fund everyday costs.
- The Government measure removes all revenue from development contributions (fees charged for new developments). Our measure only removes a portion of development contributions revenue (the portion retained is to cover interest costs on development contributions-funded growth assets).
- Our measure removes certain revenue not considered everyday (such as the fair value benefit on the Housing Infrastructure Fund loan from Central Government). It also removes certain expenditure not considered everyday (such as grants for the Waikato Regional Theatre and the discount unwind on the Housing Infrastructure Fund loan). These are not adjusted for in the Government measure.

We exceed the balancing the books budgeted deficit in 2022-23, with an adjusted operating deficit of \$29.8 million against a budgeted deficit of \$14.4 million. Using the Government's balanced budget measure, we are reporting a surplus of \$20 million against a budgeted surplus of \$58.5 million.

The significant revenue and expenditure variances that contributed to our balancing the books result include:

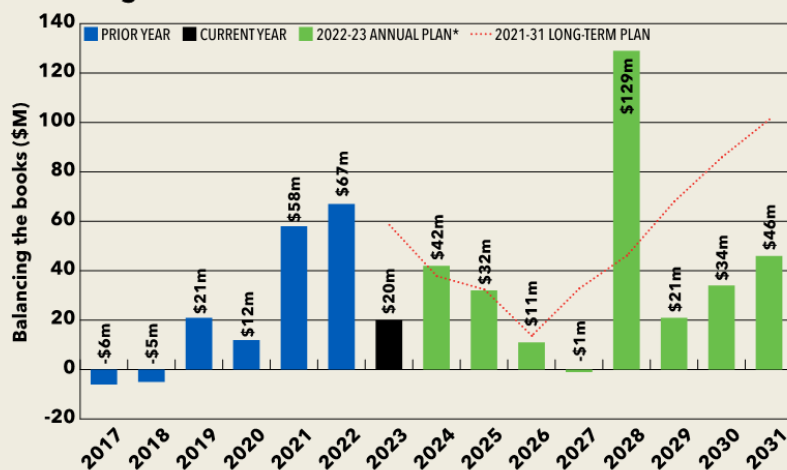
- Finance costs exceeded budget and was driven by higher interest rates. This was slightly offset by higher than budgeted interest income.
- Depreciation was higher than budgeted due to earlier fulfilment of transportation capital works for the year, and a greater than expected revaluation increase in the Waters assets activity at 30 April 2022.
- Operating and maintenance costs were higher than budgeted due to increased reliance on subcontractor resources to help support the reactive Wastewater and Stormwater operational responses as a result of weather events and Work in Progress reclasses due to accounting treatment assessments at the date of capitalisation.

Balancing the books - Hamilton City Council measure



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Balancing the books - Government measure



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Debt

The definition we use for debt is money we owe the bank, less cash. We refer to this as a net debt. To see the details of how this figure is calculated, see note 30 to the financial statements on page 233.

We ended the financial year with a net debt balance of \$723 million, which was lower than the projected target of \$774 million. Our debt is now 185% of revenue against a performance target of 208%.

The main reasons for this favourable result are:

- Higher than budgeted revenue from fees and charges, and subsidies and grants.
- Total deferrals of \$31 million, being the net position between projects moved out to future years and projects brought forward into 2022-23.

The 2022-23 approved capital budget was \$352.8 million, an increase on the previous 2021-22 budget of \$328.7 million. Actual spend for the capital portfolio was \$321.3 million, representing a 27.3% increase on the prior year spend of \$252.2 million.

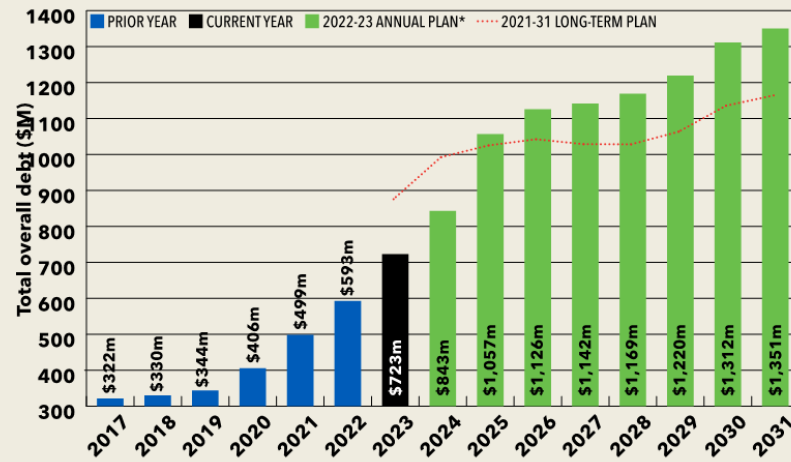
Project deferrals have a favourable impact on our financial result. However, it is only a timing impact as the expenditure will still be incurred, although later than originally planned.

Projects were deferred due to:

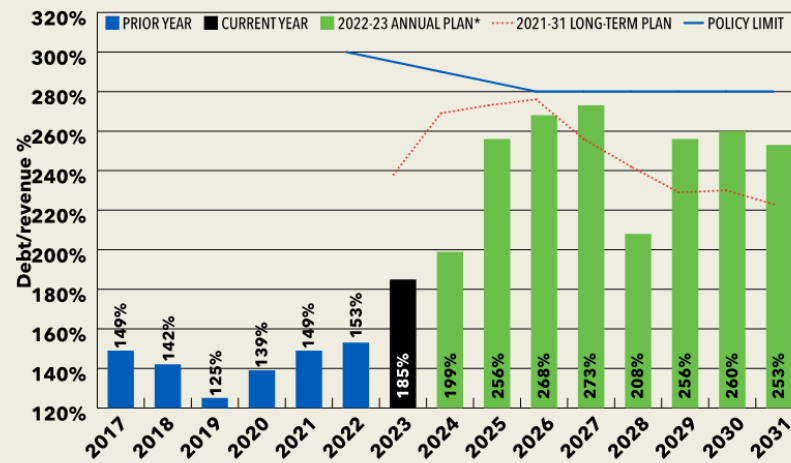
- third party delays e.g. infrastructure that is dependent on developers;
- contractual delays e.g. a design issue or delay in the tender process;
- delays due to change in project scope or change in prioritisation by the Council.

To keep debt at manageable levels, the financial strategy caps debt to revenue at 300%. This ratio will taper back to 280% by 2026.

Total overall debt



Debt-to-revenue ratio

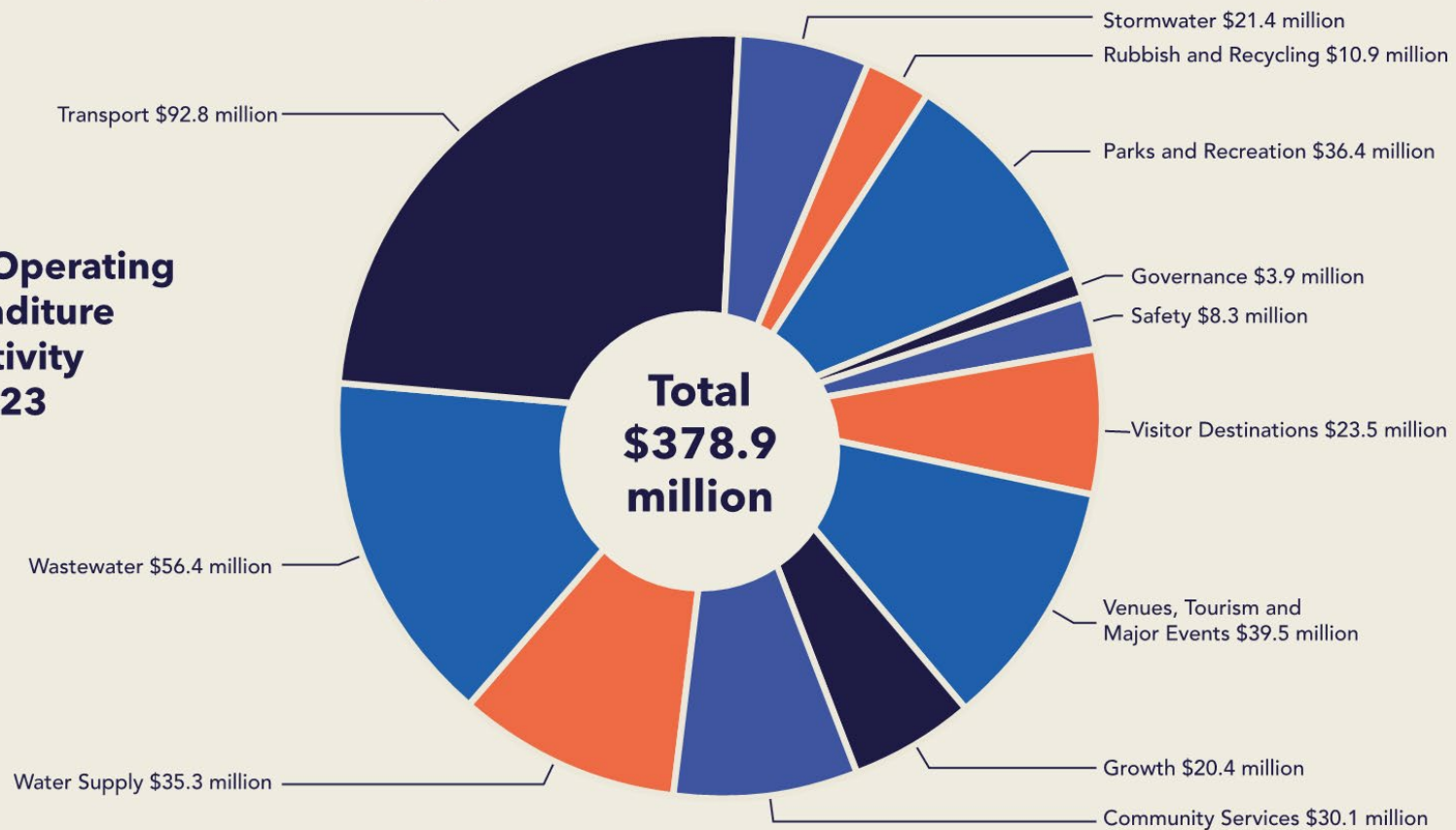


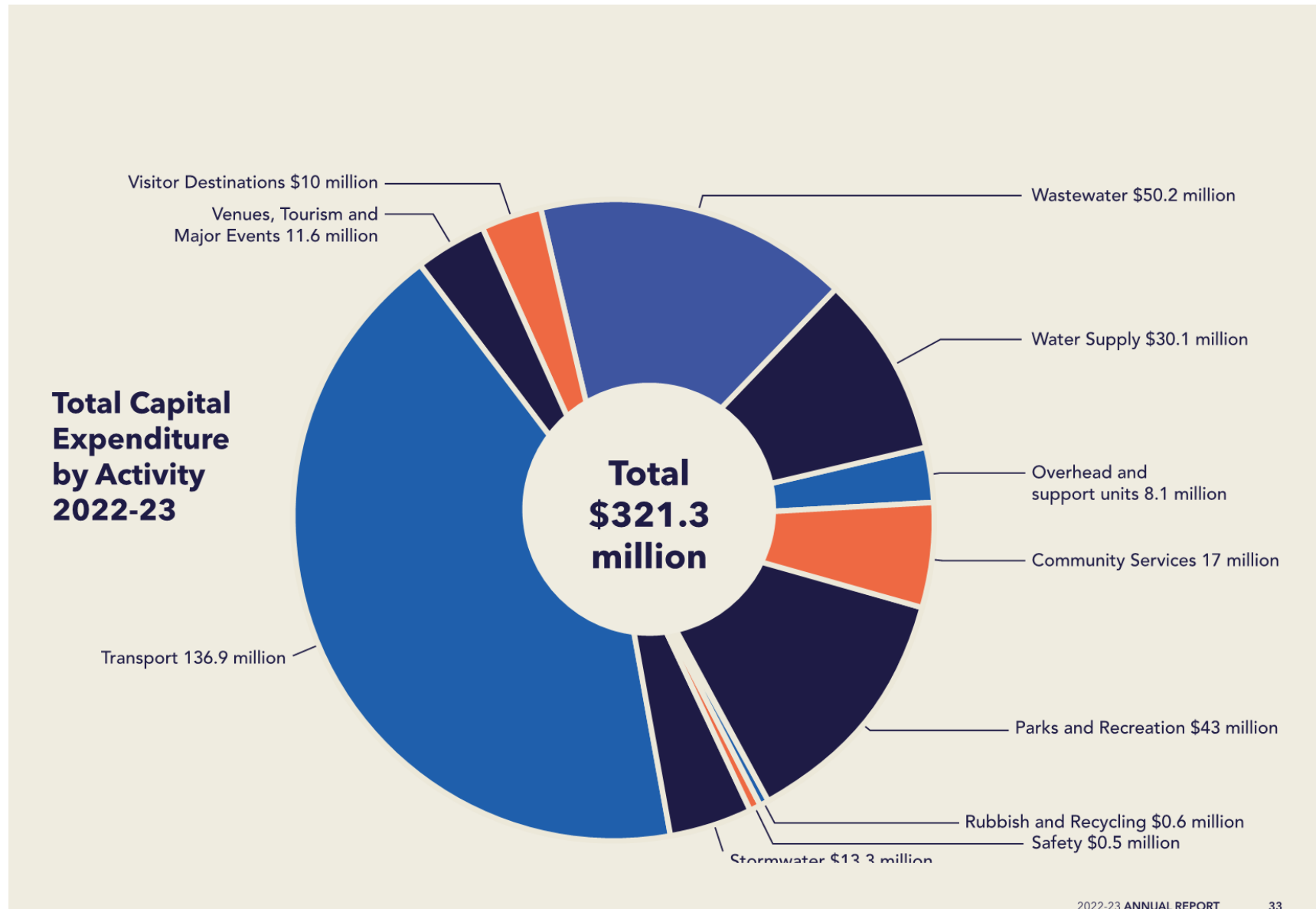
*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Overview of our 2022-23 finances

Tirowhaanui moo Ngaa Puutea 2022-23

Total Operating Expenditure by Activity 2022-23





Capital projects delivery

Kaupapa haupuu rawa whakatinanatanga

The 2022-23 year has seen the delivery of more than \$322 million worth of capital projects, to improve the wellbeing of Hamiltonians. These projects play an important part in making our city one of the best places to live, work, and raise families. Our capital projects portfolio is shaped by five priorities that are based on feedback from our community. Our regular capital reporting tracks how we're delivering on these.

The past 12 months have seen the start of some new transport safety initiatives, the continuation of significant infrastructure to deliver housing in Peacocke and the completion of some awesome community assets: Te Awa River Ride and Te Kete Aronui Rototuna Library. Government funding has upped the ante for a lot of our work programmes. In addition to the planned projects, Council received a \$150 million Infrastructure Acceleration Fund (IAF) grant to deliver infrastructure to support new homes in the central city, and is on track to deliver a \$37 million Climate Emergency Response Fund (CERF) transport programme,

providing 29 walking, biking and public transport projects, by July 2024. Overall, the three-year portfolio is on track to be delivered to expectations set by the 2021-31 Long-Term Plan despite major disruptions in the three-year period. The tail end of the COVID-19 pandemic, inflation, and challenging economic climate have had an impact on how we delivered our projects.

This summer's construction season was also significantly impacted by severe weather events, including Cyclone Gabrielle. While Hamilton got off lightly when compared with some parts of the motu, the wider impacts were still felt

here. As well as the obvious impacts rain has on delivery and timing, the availability of resources locally and nationally played a part.

In the coming year we're looking forward to cutting the ribbon on the new bridge over the Waikato River, and other Housing Infrastructure Fund projects in Peacocke that have been in the pipeline since 2018. It's shaping up to be another busy year. We say: bring it on!

Activity Area	Total Capital Spend \$million
Community Services	17
Parks and Recreation	43
Rubbish and Recycling	0.6
Safety	0.5
Storm Water	13.3
Transport	136.9
Venues Tourism and Major Events	11.6
Visitor Destinations	10
Waste Water	50.2
Water Supply	30.1
Overhead and support units	8.1
Total	321.3



Highlights of 2022-23

Ngaa Mea Hirahira 2022-23

Here's some of what went on...

July - September 2022

Hamilton Kirikiriroa recognised as a **Committed Welcoming Community**



Hamilton section of the Waikato Expressway opened



We completed the **Ring Road**



We launched our **new website**



Five playgrounds refreshed across the city

Claudlands Oval named New Zealand's best venue



Civic honour awarded to **Rocky Horror** creator **Richard O'Brien**

We committed to **Our Climate Future: Te Pae Tawhiti o Kirikiriroa**



Work continued on the **Pukete Wastewater Treatment Plant** staged upgrade



Council received **'very strong' S&P credit rating**



Mangaiti Gully project completed



Record breaking recycling at Resource Recovery Centre



October - December 2022

6000 litres of Tronpost went back to the community



Construction started on the **Borman Road connection**



New Waikato River bridge to Peacocke span completed



We launched the Mangaonua Gully **erosion control project**

Work started on the next section of **Whatukooruru Drive** in Peacocke



Puutikitiki Street ▶

New te reo Maaori names for **Puutikitiki Street** and **Te Wehenga Park**

Ruakura **water and wastewater connections** completed



January - March 2023



Kia orana to the new **K'aute Pasifika Community Hub**

Te Awa Great New Zealand River Ride **Hamilton section opened**



Exscite: Home opened at Waikato Museum



Floodlighting upgrade kicked off for six sports fields



Shared entry precinct for **Hamilton Zoo/Waiwhakareke Natural Heritage Park** completed

April - June 2023

Hamilton Gardens launched new audio tours



Construction began on **fully-inclusive playground** in Claudelands



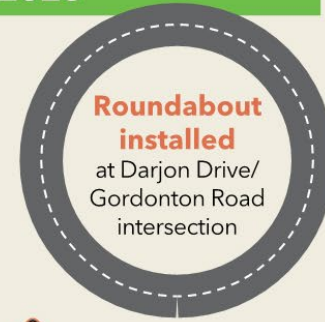
We adopted our **Open Spaces Strategy**



Te Wetini Drive extension completed



Roundabout installed at Darjon Drive/Gordonton Road intersection



Safety improvements completed at Tristram/Collingwood Street intersection



Council welcomed 1282 new citizens

Claudlands/Grey Street **intersection upgraded**



Delivering on our Priorities

Te whai kia tutukihia
aa maatou Kawatau

A city that's easy to live in

Activity Groups	Activities	Page
Community Services	• Libraries	47
	• Aquatic facilities	50
	• Community development	53
Transport	• Transport network	59
	• Parking management	60

A city where our people thrive

Activity Groups	Activities	Page
Governance	• Governance and public affairs	73
	• Partnership with Maaori	73
Growth	• City planning	77
	• Planning guidance	79
	• Building control	80
Safety	• Public safety	85
	• Animal education and control	85
	• Environmental health and alcohol licencing	86
	• Civil Defence	86



A central city where people love to be

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

All our activities (such as safety and transport) contribute to creating a central city where people love to be.



A fun city with lots to do

Activity Groups	Activities	Page
Visitor Destinations	• Hamilton Gardens	95
	• Hamilton Zoo and Waiwhakareke Natural Heritage Park	95
	• Waikato Museum	96
	• I-SITE Visitor Information Centre	97
Venues, Tourism and Major Events	• Claudelands Events Centre, FMG Stadium Waikato and Seddon Park	105
	• Tourism and events funding	107
	• Theatres	107
Parks and Recreation	• Parks (including community parks, natural areas, sports parks, streetscapes, and playgrounds)	111
	• Indoor recreation	112
	• Community facilities	112
	• Cemeteries and crematorium	115



A green city

Activity Groups	Activities	Page
Water Supply	• Water treatment and storage	121
	• Water distribution	121
Wastewater	• Wastewater collection	133
	• Wastewater treatment and disposal	133
Stormwater	• Stormwater network	142
Rubbish and Recycling	• Refuse collection	152
	• Landfill site management	153
	• Waste minimisation	153



Summary of our delivery

Whakaraapopoto o te Whakatinanatanga

Guide to this section of the Annual Report

'Delivering on our Priorities' reports on how well Council's activity groups performed during 2022-23 against the performance measures and targets set out in the 2021-31 Long-Term Plan.

The following sections provide more detail for each of these activity groups, including an overview of the year that has been and a description of what sits behind the results.

In May 2019, the purpose of local government in the Local Government Act 2002 was amended to reintroduce the

'four wellbeings', requiring councils across the motu to play a broad role in promoting the social, economic, environmental, and cultural wellbeing of their communities, taking a sustainable development approach.

For each activity group, we present the identified effects of our activities on the four dimensions of wellbeing. Some of our activities affect all four dimensions, while others may only touch on one. Effects can be positive or negative and are described in more detail within each activity.

Service Performance

All the activities we carry out contribute to the achievement of our community outcomes, our five Priorities. Each activity has performance measures that show how well we are delivering our services to the community.

The performance measures and targets are from Year Two (2022-23) of our 2021-31 Long-Term Plan, which you can find on our website hamilton.govt.nz/long-term-plan/

There are 62 performance measures contained in the 2021-31 Long-Term Plan, four are outcome measures. Of the four outcome measures one was achieved and three were not. 58 are non-financial service performance measures. Of the 58 non-financial service performance measures 42 achieved the target, 16 did not achieve the target.

How to read the following sections

An annual report must identify the community outcomes to which the group of activities primarily contributes

A green city

Activity Groups	Activities	Page
Water Supply	• Water treatment and storage	121
	• Water distribution	121
Wastewater	• Wastewater collection	133
	• Wastewater treatment and disposal	133
Stormwater	• Stormwater network	142
Rubbish and Recycling	• Refuse collection	152
	• Landfill site management	153
	• Waste minimisation	153

An annual report must identify the activities within the group of activities

Effects on the wellbeing of the community

SOCIAL We care for, and about, all our people	Libraries and aquatic facilities provide hubs for community interaction and are an important part of what makes Hamilton Kirikiriroa a great place with an attractive lifestyle, providing health, social and leisure benefits. Community Development enables local organisations and private providers to deliver services and activities to meet the wellbeing needs of local communities.
ECONOMIC Our economy provides opportunities to prosper	No identified effect.
ENVIRONMENTAL We love and protect our environment	No identified effect.
CULTURAL Our unique and diverse culture is celebrated	Our community facilities are welcoming and inclusive of all members of our diverse community and contribute to people's sense of pride in our city and provide hubs for community interaction. We support communities to be more connected and resilient and express themselves in ways that help build their identity.

An annual report must describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural wellbeing of the community

An annual report must include statements that compare the level of service achieved with the performance target, state whether any intended changes to the level of service were achieved, and provide reasons for any significant variation between the achieved and the intended performance target

Service performance measures:

You can expect We will work with the community to sustainably manage the supply and use of water. KEY: Achieved Not achieved			
Measure	2022-23 target	2022-23 result	2021-22 result
The average use of drinking water per Hamilton resident, per day. *	No more than 400 litres per resident, per day	305 litres	338 litres
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			

A city that's easy to live in

He taaone e ngaawari noa iho ana te noho



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

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.

As we continue to evolve into a metropolitan centre, our aspiration is to become a city of compact, connected and healthy neighbourhoods.

This means that people can live "locally" with access to the daily things they need by walking from their home, in pleasant surroundings, and with safe, easy access to other parts of the city through their choice of transport, including by biking, using micro-mobility, public transport or by car/private vehicle.

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.

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

Community Services

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



Learn to swim at Waterworld

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

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

Delivering on our Long-Term Plan

Libraries

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

Highlights of 2022-23

The Libraries team resumed children's programming across library branches at the beginning of the third school term. The 'Life in Lockdown' exhibition in the Central Library showcased local experiences of Hamiltonians in lockdowns and was well received.

Libraries provide and support a number of

digital services to our communities. Each of the libraries hosted the DORA (Digital On-Road Access) Bus, helping build confidence and skills with digital banking amongst the local communities.

Hamilton City Libraries became network partners in the 'Skinny Jump' programme, live in August 2022 at all six sites. The programme enables low-cost internet access to the homes of eligible New Zealanders.

As part of ensuring our libraries are inclusive and welcoming to Maaori, we have incorporated more Maaori culture and whakapapa into programming, including Te Reo Tupu (beginners te reo), Ki-o-rahi (Maaori sport), poi making, and live-streaming Te Matatini and taakaro (games).

The Whakaputu/Archives and Special Collections Team have been continuing to process and digitise items. There are now over 30,000 records available

publicly on Heritage Collections Online including 14,000 photographs and digitised negatives. The collections may be viewed online at:

heritage.hamiltonlibraries.co.nz/explore

Hamilton Pride Fest in April 2023 saw Libraries newly establish a Rainbow Working Group plan and facilitate eight LGBTQ+ events. These sessions were met with positive feedback from the community as well as Hamilton Pride Inc, Wintec's Aniwanuiwa Alliance, Council's own Rainbow Network and Rainbow Hub Waikato.

A Matariki in the City event held at Central Library was a great success with over 2500 attendees. This was a high-energy event gathering whaanau together in Hamilton to celebrate all things Matariki. It provided an opportunity for the community to learn traditional and contemporary maatauranga Maaori through entertainers, traditional arts and crafts, face painting, Maaori games and activities.

Service performance measures

You can expect Our libraries provide quality customer experiences.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of library customers surveyed who are satisfied with their overall experience.	At least 85%	93%	93%

What's behind the results

The purpose of the survey is to understand and hear our customers' views of our services close to the time of the interaction. Measured through a combination of iPad surveys at the libraries and randomly generated email surveys to library customers, with 4597 people providing their views. Customers continue to demonstrate a high level of satisfaction with our library services, with overwhelmingly positive feedback received from our customers. Satisfaction comments are around the variety/selection of books, excellent customer service and approachability of staff.

You can expect Our libraries are well used.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of physical and online issues by Hamilton City Libraries each year.	1% increase on previous year	1,186,674 14% increase on previous year	1,041,031 12% decrease on previous year
The number of physical and online visits to Hamilton Libraries each year.	1% increase on previous year	1,324,426 22% increase on previous year	1,084,414 10% decrease on previous year

What's behind the results

We offer a diverse range of quality, relevant programmes, resources, and experiences. The last two years have seen several disruptions to physical visits with Libraries closed across the city at COVID-19 Alert Level 3 and 4, Alert Level 2 capacity restrictions and temporary branch closures due to staff shortages related to illness. There was a continued increase in physical visits and issues as COVID-19 restrictions lifted, with over 1 million physical visits recorded.

The popularity of electronic services has continued, with online visits increasing to 776,000 and online issues exceeding 150,000. In September 2022 libraries were able to offer a complete range of programming across the network for the first time since August 2021.

To obtain the number of visits and issues, manual calculations are required. The individual libraries are summed as are the different visits and issues. When reviewing the data to obtain the percentage it was noted that there had been an error made in the results reported in the 2021-22 Annual report. It is believed this error was due to human error and the manual processes behind the data. The spreadsheets used to store and calculate the ongoing results have been reviewed, and updated with formulas embedded to reduce the risk of further errors. A quality assure step has also been introduced to ensure the results entered are accurate and summing correctly.

Aquatic facilities

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

Over the period of the 2021-31 Long-Term Plan, we will increase recreational swim space by putting a seasonal dome over the outdoor pool at Waterworld.

Highlights of 2022-23:

The Aquatics team proudly received the Innovation in Aquatics award for the Keep on Swimming Learn to Swim Programme at the national Waves conference. The programme

was introduced in January 2022, extending it from the traditional four-term structure, with the fundamentals of a swimming model developed into a year-round programme expanded to include fun and practical water safety skills to prepare tamariki (children) for swimming in natural waterways.

The Special Olympics National Summer Games saw Hamilton Pools welcoming over 200 swimmers. Along with all the sporting action in the water, there was a great atmosphere for spectators and supporters.

As part of the River Safety trial, Aquatics delivered river safety education to 250 intermediate-aged students. The programme educates students on the hidden dangers of the river, provides key messages to enable safe decisions, and helps develop vital survival swimming techniques that support safer river swimming.

A programme for new migrants and refugees

has also been developed. This programme provides education about swimming in natural water bodies, and introduces aquatic centres as safe places to recreate and to learn fundamental water orientation and water safety skills.

Our Fitness and Wellbeing memberships increased by 10% and reached 1100 members this year. The group fitness classes continue to be popular with aqua classes, yoga and pilates regularly reaching capacity.

A year-long trial of a sensory swimming programme has been completed where swimming lessons were delivered to 120 children with sensory needs in a quieter, lower lit pool environment.

We have also seen the return of schools for our aqua education programmes and we have returned to delivering regional and national events.

Service performance measures:

You can expect Our aquatic facilities provide quality customer experiences.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	At least 84%	79%	84%

What's behind the results

The purpose of the survey is to understand and hear customers' view of our services close to the time of their interaction. Measured through iPad surveys, with 515 people providing their views.

Customer satisfaction has dropped compared to last year. The key theme in complaints is availability of the steam room and sauna at Waterworld. Both services have ongoing issues related to repairs and maintenance which are compounded due to age and long lead times for the sourcing of international parts. Following the implementation of interim fixes, both services are being assessed for longer-term replacement options. The condition of our changing rooms and poor provision to meet diversity and accessibility needs has also contributed to the low satisfaction levels.

Customers continue to demonstrate a high level of satisfaction with positive feedback received from our customers around the friendly customer service received from staff, the activities and classes available, and accessibility of facilities.

The much-anticipated upgrade of point-of-sale software in late 2023 is expected to ease the reception wait times through the introduction of swipe cards and gates and better online integrations.

You can expect Our aquatic facilities are well used.

Measure	2022-23 target	2022-23 result	2021-22 result
The number of visits to Council owned aquatic facilities each year.	At least 500,000 visits each year	376,587	229,385

What's behind the results

Attendance has steadily increased. Aqua education (teaching swimming lessons to school students) has returned to pre-COVID-19 levels by June 2023. The wet weather over summer, and the continuation of reduced opening hours at Gallagher Aquatic Centre due to tight lifeguard staffing, has contributed to overall visitations for the year being lower than expected.

To obtain the number of visits to our aquatic facilities, reports are produced from the point of sale system Centaman. The relevant data for each site and activity (gym, learn to swim, pool entry, concessions etc) is generated and then manually entered into a spreadsheet, with formula's calculating each visit type and overall visitation. When a new spreadsheet was created for the new year (2022-23) it was created as a copy of the 2021-22 spreadsheet. When doing that it was noted that the formula in some cells was incorrect. The formula was corrected in the new 2022-23 spreadsheet and a check was undertaken of the source spreadsheet (the 2021-22 spreadsheet), which identified that the formula was incorrect in that also. The formula has now been corrected and all cells containing formulas have been locked for editing.

Community development

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

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

Highlights of 2022-23:

The Disability Policy and Action Plan was approved by Elected Members and adopted by Council in September 2022, and the first Disability Forum following the adoption was held. This was a great opportunity to network with individuals with disabilities and organisations that work within the disability space in our community.

Council also ran Hamilton's first ever Welcoming Week, an international celebration and call to create welcoming communities for all residents, especially new Hamiltonians. Local iwi welcomed a huge number of ethnicities onto the Kirikiriroa Marae for a poowhiri and waananga. The opening and closing nights saw Elected Members, community partners and stakeholders learn Pasifika dances through the tutelage of Hamilton Boys High School's Pasifika group.

Te Whare o Te Ata (Fairfield Community House) moved back into the Fairfield Community Hall following completion of the renovations. The blessing and relocation of two mauri (life force) stones was carried out at a dawn service by Ngaati Wairere, with representatives from Council, Fairfield Enderley Resilience Network (FERN), K'aute Pasifika, the Mayor, Councillors, NZ Police and funders attending. The centre is now facing the road and is more visible to the wider community, enabling more interaction, community engagement and creating greater benefits for the community.

'He Waka Eke Noa - We Are All In This Waka Together' is an event organised by Community and Social Development working alongside employers, businesses and community centres that aims to make meaningful and sustainable employment and training more accessible for all communities. At the most recent expo at Zeal in April 2023, over 20 different organisations around Hamilton showcased jobs, career pathways, and training opportunities for rangatahi (youth) and the wider community, with over 80 people attending.

An Older Persons Forum was hosted in early May 2023 in conjunction with Age Concern. Over 60 people from a range of groups providing services or support for older people attended. Many of them found the opportunity to network valuable as the sector has been disconnected since the COVID-19 pandemic.

We also secured \$338,000 of external funding in May 2023 from the Ministry of Social Development to support the development of a number of youth projects across the city.

Service performance measures:

You can expect We work alongside others to support a strong and connected community **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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	\$20.90	\$21.09
The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes.	At least 80%	60%	79%

What's behind the results

We continue to work alongside others to support a strong and connected community.

The Community Assistance Policy funding programme has allocated \$1,581,970 supporting \$33,213,687 of community projects through:

- \$72,275 of the Community Event Fund supported 19 events with projects valued at \$400,552.
- \$72,000 of the Creative Partnership Fund supported projects valued at \$289,000.
- \$1,098,000 of the Multi-Year Community Grant was allocated to 28 groups. Supporting projects valued at \$24,474,839.
- \$339,695 of the 2022-23 Single Year Community Grant was allocated to 97 groups supporting projects valued at \$8,049,296.

Every year we survey our community stakeholders. The survey is designed to capture feedback on four outcomes:

- Inclusive community engagement
- Community capacity
- Activating public spaces
- Promote community-led development.

The survey conducted in June 2023 received a total of 25 responses from 21 groups and organisations, a significant increase on the six responses received in 2021-22. This increase in responses has provided a more accurate picture of satisfaction given the larger sample size. Across every community and social development outcome, respondents are generally satisfied with Council's progress. Satisfaction was greatest for inclusive community engagement with 64%. Satisfaction was lowest for Council's promotion of community-led development with 56%. The average satisfaction rate across the four outcome areas has been used to establish overall satisfaction with community and social development outcomes.

In the 2021-22 Annual Report we reported a satisfaction result of 100%. The results of 100% was only for outcome area 1 – inclusive community engagement. To align with the new methodology - average satisfaction rate across the four outcomes, we have restated the 2021-22 result using the average satisfaction result across the four outcome areas.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Libraries and aquatic facilities provide hubs for community interaction and are an important part of what makes Hamilton Kirikiriroa a great place with an attractive lifestyle, providing health, social and leisure benefits. Community Development enables local organisations and private providers to deliver services and activities to meet the wellbeing needs of local communities.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	No identified effect.
Cultural Our unique and diverse culture is celebrated	Our community facilities are welcoming and inclusive of all members of our diverse community and contribute to people's sense of pride in our city and provide hubs for community interaction. We support communities to be more connected and resilient and express themselves in ways that help build their identity.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Community Services		\$000	\$000	\$000
Aquatic facilities				
CE10001 - Aquatic facilities building renewals	R	1,285	539	745
CE21005 - Aquatic facilities renewals	R	230	831	(601)
CE21046 - Aquatic facilities development	LOS	15,148	1,680	13,468
Aquatic facilities total		16,663	3,051	13,612
Libraries				
CE10005 - Libraries collection purchases	R	1,049	1,499	(450)
CE10006 - Library operational renewals	R	123	9	113
CE10007 - Library building renewals	R	660	223	437
CE19017 - Rototuna community facilities	G	12,905	12,221	684
Libraries total		14,737	13,953	784
Total		31,399	17,003	14,396

Variances:

- CE21046 - Aquatic facilities development - Work on the Rototuna Pool Commercial Development was deferred due to changes in the market requiring further investigations. Work on the Lido Pool Cover was deferred as the business case and feasibility is still in development.

Community Services funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	19,438	19,624	20,828	21,039
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	2	359	2	575
Fees and charges	3,412	2,273	3,720	3,642
Local authorities fuel tax, fines, infringement fees and other receipts	125	148	137	675
Internal charges and overheads recovered	-	-	-	-
Total operating funding	22,977	22,404	24,687	25,931
Application of operating funding				
Payments to staff and suppliers	19,777	20,646	20,791	22,674
Finance costs	243	568	597	1,338
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	20,019	21,214	21,388	24,012
Surplus/(deficit) of operating funding	2,958	1,190	3,299	1,919
Sources of capital funding				
Subsidies and grants for capital expenditure	265	-	30	9
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	15,057	6,172	7,635	8,144
Gross proceeds from sale of assets	-	6	-	123
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	15,322	6,178	7,665	8,276
Applications of capital funding				
Capital expenditure				
- to meet additional demand	7,095	3,708	2,563	12,221
- to improve the level of service	1,619	612	2,094	1,804
- to replace existing assets	7,102	3,745	3,453	3,709
Increase/(decrease) in reserves	1,209	(3,484)	2,940	(10,619)
Increase/(decrease) in investments	1,256	2,787	(85)	3,080
Total applications of capital funding	18,280	7,368	10,964	10,195
Surplus/(deficit) of capital funding	(2,958)	(1,190)	(3,299)	(1,919)
Funding balance	-	-	-	-

Transport

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



Our aspiration is for Hamilton Kirikiriroa to be a city that is easy to get around no matter how you choose to travel. 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.



Delivering on our Long-Term Plan

Transport network

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

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

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

The bus service in Hamilton Kirikiriroa is provided and managed by Waikato Regional Council in partnership with us. Central government, through Waka Kotahi (NZ Transport Agency), partners with us in operating the state highways running through Hamilton Kirikiriroa, as well as co-investing in our transport infrastructure and services.

Over the next 10 years we will continue to significantly invest in the transport network, focusing on safety, travel choice and the provision of new strategic infrastructure to support growth and economic development.

Improving road safety is a big focus and we have set a target of zero deaths (by 2028) on the transport network which is

monitored quarterly. We know the areas of the network where crashes occur most frequently, and will invest in these to improve safety for everyone – regardless of how you choose to travel.

Investment in road safety education will continue, along with exploring new ways to make sure everyone arrives safely at their destination.

The delivery of key projects in the Biking Plan and investing in a prioritised programme of projects and actions will make it safer for people to bike, scoot, and skate around our city. These actions include things like building cycleways and bike/scooter parking and delivering safety programmes.

Parking management

Parking management involves setting guiding principles and policies for the management and supply of on-street and Council-controlled off-street parking in Hamilton Kirikiriroa.

We have a focus on encouraging efficient utilisation of parking spaces and managing demand through compliance and enforcement activities.

Highlights of 2022-23

How people move around Hamilton is having to change as we manage the impacts of high growth and climate change. In August 2022, Council adopted Ara Kootuitui Kirikiriroa - Access Hamilton Transport Strategy, with the vision that our transport network will enable everyone to connect to people and places in safe, accessible and smart ways.

Our transport network is a means of allowing people to access what they need: jobs, markets and goods, social interaction, education, and a full range of other services contributing to healthy and fulfilled lives.

We want a transport system that people feel safe using. We want a low-emission transport

system that is resilient against climate change and helps make Hamilton Kirikiriroa a great place to live.

We want more people travelling on foot, by bike or by bus to improve transport equity and inclusivity. A well-planned transport system helps to support quality and compact urban form. Transforming the way people move around our city will take time.

We are committed to doing the right thing at the right time for the future needs of our community. Access Hamilton provides us with vision and direction to make those changes.

Our Biking and Micro-mobility Business Case was endorsed by the Waka Kotahi Board with an estimated budget of \$140 million for a 10-year programme. This included the approval of \$1.9 million of pre-implementation funding to advance priority routes through assessment, design and engagement.

Council submitted an \$80 million bid to central government's Climate Emergency Response Fund 2022 (CERF) Transport Choices programme to address emission reduction and other climate change actions. The fund will help with the delivery of strategic cycle routes, walkable

neighbourhoods, school travel planning, and projects to support making public transport more reliable and easier to use for all. Walking, biking and public transport upgrades are a key part of our strategy to shape a liveable and low carbon city.

The total package of projects approved was \$37.12 million (with Waka Kotahi contributing \$33.32 million). The projects are required to be completed by 30 June 2024.

The majority of Hamilton city emissions come from transport. We have developed a transport emissions calculator that will be used to show the scale and pace of change required to achieve a low carbon transport network.

Our partnership with Hikotron has led to the opening of new charging sites for electric vehicles around Hamilton. The project has installed 20 new charging points across popular locations in the area, making it more convenient for drivers to recharge while enjoying destinations such as Hamilton Gardens and Hamilton Zoo.

Our Hamilton Gardens charging station is the most popular, with Claudelands a close second. This partnership has had a favourable impact on the environment within

the first six months - with 462 litres of fuel saved and 1067 kgs CO2 saved.

In alignment with our Vision Zero goal and desire for everyone to be safe when using our roads, raised midblock signalised crossings have been installed on Boundary Road and River Road.

We have also completed safety improvements at the Thomas Road and Horsham Downs Road roundabout, including raised pedestrian crossings installed on all four legs of the roundabout, removal of slip lanes and installation of off-road options for less confident people on bikes.

With COVID-19 restrictions no longer in place, we welcomed the return of many of our education programmes and training courses, including the Right Track Repeat Impaired Drivers programme, Youth Driver Training programme, Kids on Bikes during school term and holiday programmes, our annual bike helmet design competition, and partnerships with ACC and Pro Rider to offer programmes during Motorcycle Awareness Month.

We wrapped up September with World Car Free Day on 22 September 2022. To promote this initiative and show support,

staff worked with key biking partners and other stakeholders on a range of activities, and supported other organisations with the event. The day was successful with 15% fewer cars on our local roads compared to the previous week.

Our bike helmet design competition is in its fifth year and continues to grow in popularity with 1450 entries this year. The competition is a fun and positive way of increasing awareness in schools about the importance of bike safety. The eight winners from various schools were acknowledged and received their own personally designed helmet in a ceremony held at the Council Chambers with family, friends, councillors and staff.

Alongside this initiative, the Kids on Bikes programme was delivered to five primary schools in term four, enabling 468 children to learn new bike skills.

In December 2022, Te Awa - The Great New Zealand River Ride was completed with the opening of the 3km stretch between Hamilton Gardens and Tamahere, concluding a 13-year project. It is a beautifully crafted 65km walking and cycling trail alongside the Waikato River from Ngaaruawaahia to Karapiro. The Hamilton Gardens to Tamahere section features

elevated boardwalks, concrete paths, and a timber truss bridge over the Mangaharakeke Stream. The project has been a collaboration with Waipa District Council, Waikato District Council, Waikato Regional Council and Waka Kotahi.

The Parking Policy was also adopted in 2022 to provide a framework and guiding principles for decisions on parking in Hamilton.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Travel times are predictable during peak hours.	A variation of no more than 25%	14%	16%

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. 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).

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	2022-23 target	2022-23 result	2021-22 result
The increase in active mode* trips on Hamilton's network.	Increase of at least 3% on prior year	26% increase 781,203	620,755

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 number of micro-mobility trips reported uses a set of counters across key micro-mobility routes in the city. As key routes are completed and added to the network additional counters are added to the network.

We recorded 781,203 trips across our key micro mobility routes. In December 2022, Te Awa - The Great New Zealand River Ride was completed with the opening of the 3km stretch between Hamilton Gardens and Tamahere, the expansion of our network has resulted in a positive increase of micro-mobility trips.

In the 2021-22 Annual Report we reported micro-mobility trips across the city. Due to the nature of the counters, we have moved to reporting trips on key routes. The result for trips on our key routes was 620,755 for 2021-22.

*micro-mobility

You can expect The transport network to be safe to use.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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	Decrease of 12 (39) fatal or serious injury crashes than 2021-22*	Increase of 5 (51) fatal or serious injury crashes than 2020-21

What's behind the results

Safety and harm-reduction are top priorities. With a Vision Zero philosophy Council believes no loss of life or serious injury is acceptable while moving around Kirikiriroa. Access Hamilton - Ara Kootuitui Kirikiriroa is our transport strategy that enables Council to plan for this outcome as we create a transport system where everyone is safe and feels safe while using our streets. Staff aim to achieve this by delivering infrastructure improvements, implementing safer speeds and providing education to support safer behaviours.

One of the serious injury crashes occurred at an intersection with a state highway where Waka Kotahi is the road controlling authority. The remaining three fatal crashes and 35 serious injury crashes occurred on Hamilton's local road network. At the same time last year, the number of reported fatal and serious injury crashes was 51, with 46 on local roads and six on state highways.

Cyclists and pedestrians (including micro-mobility and mobility users) continue to account for a disproportionate share of crashes when compared to mode share total of trips in Hamilton. 19% of fatal and serious injuries involved these road users despite them comprising only 12% of total estimated trips. In 2021-22 vulnerable road users' groups accounted for 35% of all fatal or serious injuries. This reduction appears to reflect the decreased number of people walking and biking on the Hamilton transport network during this time. At the same time Council has invested in safety improvements that have targeted high risk areas for vulnerable users and ongoing education in road safety.

Data is collected from the Crash Analysis System (CAS) managed by Waka Kotahi from data entered by NZ Police. This data is live and being continuously updated only when investigations and audits are completed.

**Data as at 06 July 2023.*

You can expect You can expect the transport network to be kept in good operating condition. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The average quality of ride on Hamilton's sealed local road network, measured by smooth travel exposure.*	At least 80%	83%	85%

What's behind the results

The Smooth Travel Exposure (STE) measure assesses the quality of the ride, with a higher percentage indicating more roads providing a smooth ride. The smooth travel exposure is achieved by keeping our sealed road network in good condition, which is delivered through the annual renewals programme including regular maintenance activities.

For our rural roads, we achieved an STE rating of 94%, and for our urban roads, we achieved 82%, with a total of 83% overall STE.

For the purposes of these measures, urban roads are separated into four categories based on the number of vehicles travelling on them per day. The highest category (10,000 vehicles per day) achieved an STE rating of 86%.

Council's maintenance and renewal contract continues to undertake regular road maintenance and deliver a renewals programme that meets network need.

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of the sealed road local network (by length) that is resurfaced each financial year.*	At least 3.5%	3.6%	3.8%

What's behind the results

This measure is an indicator of the level of service our roads are maintained to, to ensure we have a network that is in good operating condition. A total of 222,007m² was resurfaced on Hamilton's carriageway comprising of 58,478m² of asphalt and 163,529m² of chipseal.

Council will continue to deliver a resurfacing programme that ensures the network is in good operating condition.

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of qualifying footpaths within Hamilton Kirikiriroa which meet the level of service standard of less than five faults per 100m section.*	At least 88%	97%	97%

What's behind the results

With over 1117km of footpaths within Hamilton City, we aim to provide footpaths that are safe and well maintained. Faults are recorded against different priority levels for action, ranging from priority 1 (do nothing), priority 2 (monitor only for further deterioration and include in future annual footpath renewal programmes when required and/or immediate repair), priority 3, priority 4 and priority 5.

We renewed 2903m² concrete footpaths and 23,734.4m² of asphalt footpaths. Resulting in 97.03% or 1083km of Hamilton footpaths with less than 5 faults per 100m. Council will continue to invest in footpath maintenance and renewals to ensure a safe alternative travel choice.

You can expect Customer service requests to be responded to promptly.

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of customer service requests relating to roads and footpaths which are responded to within five working days. ¹⁺	At least 96%	98.78%	98.96%

What's behind the results

Council aims to investigate and respond to all transport related customer service requests in a timely manner.

We received 7196 service requests. The top four results for the year were: sweeping (822), landscaping (776), signs/street furniture (739), and footpath (663).

¹ Working days are Monday-Friday excluding public holidays. If notification is received on the weekend or public holiday the timeframe starts from the next working day
+ Measure required by the Department of Internal Affairs

Effects on the wellbeing of the community

Social We care for, and about, all our people	Our transport network integrates different modes of transport that connect people and places safely, supporting community liveability and wellbeing by providing access to social, health and educational opportunities.
Economic Our economy provides opportunities to prosper	The transportation network is essential to the economy and enables sustainable growth. It contributes to economic growth by providing efficient, safe, and sustainable transport links for our community and between customers and suppliers.
Environmental We love and protect our environment	Air pollution and noise created by traffic negatively impact the environment, mitigated by the provision of alternative transport methods such as walkways, cyclepaths and public transportation that have less environmental impacts. We consider climate change adaptation and emissions reduction when planning, designing, and building transport infrastructure.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Transport		\$000	\$000	\$000
Parking management				
CE10070 - Parking enforcement renewals	R	333	174	160
Parking management total		333	174	160
Transport network				
CE10072 - Footpath and street furniture renewals	R	4,608	5,438	(831)
CE10074 - Drainage (kerb and channel) renewals	R	2,804	1,903	901
CE10075 - Road base Renewals	R	5,620	6,738	(1,117)
CE10076 - Road resurfacing	R	5,790	7,615	(1,825)
CE10077 - Bridge and structures renewals	R	150	200	(50)
CE10078 - Retaining wall and structures renewals	R	267	0	267
CE10080 - Street lighting renewals	R	435	1,121	(686)
CE10081 - Traffic equipment renewals	R	1,004	1,276	(271)
CE15087 - Transportation upgrades to allow for development	G	334	(152)	487
CE15088 - Peacocke transport upgrades and development stage 1	G	2,000	197	1,803
CE15089 - Peacocke transport upgrades and development stage 2	G	37,598	54,904	(17,306)
CE15090 - Rotokauri transport upgrades and development	G	2,553	3,997	(1,446)
CE15092 - Rototuna transport upgrades and development	G	17,853	13,495	4,359
CE15093 - Ruakura transport upgrades and development	G	2,585	9,112	(6,527)
CE15096 - Cross city connector	G	406	39	367
CE19036 - Ring Road	G	2,206	2,508	(302)
CE19037 - Hamilton transport model	G	831	200	631
CE19052 - Intersection upgrades	R	5,124	1,016	4,108
CE19057 - Biking plan implementation	G	9,482	8,471	1,010
CE19058 - Public Transport Mode Shift	G	181	294	(113)
CE19062 - Bridge resilience programme	LOS	259	27	232
CE19064 - Transport Centre rejuvenation	LOS	917	558	359
CE21012 - Transport building renewals	R	21	0	21
CE21052 - Peacocke transportation land	G	7,180	0	7,180
CE21053 - Central city transportation improvements	LOS	431	69	362
CE21055 - Te Rapa transportation upgrades and development	G	595	26	569
CE21057 - Ferrybank walking and cycling bridge	LOS	150	0	150
CE21058 - Transportation safety improvements	LOS	9,248	15,297	(6,049)
CE21059 - Transportation smart improvements	LOS	200	376	(176)
CE21060 - Public transport improvement	LOS	2,808	998	1,810
CE23001 - CERF	LOS	0	1,028	(1,028)
CE23005 - IAF	G	0	110	(110)
OLD CE15085 - Minor Imprvmnts Transport Network D		0	(184)	184
OLD CE15095 - Integrated Transport Initiatives D		0	(13)	13
Transport network total		123,639	136,664	(\$13,025)
Total		123,973	136,838	(12,866)

Variances:

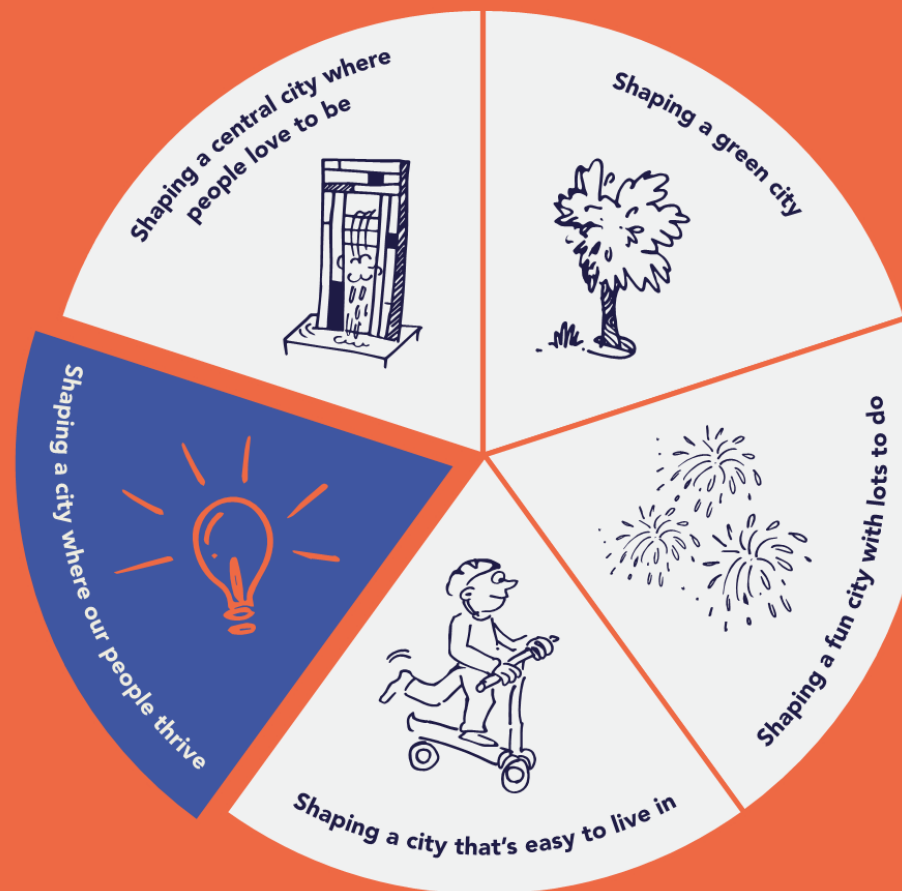
- CE10075 - Road base Renewals -The renewals and compliance projects for Road base renewals is being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. Urgent network needs and pavement renewals were undertaken.
- CE10076 - Road resurfacing - The renewals and compliance projects for Road Resurfacing renewals is being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. Urgent network needs and pavement renewals were undertaken.
- CE15088 - Peacocke transport upgrades and development stage 1 - Work has been rephased to allow construction to join with Whatakooruru Stage 3.
- CE15089 - Peacocke transport upgrades and development stage 2 - Work has been rephased due to higher than expected cost escalation resulting in higher costs.
- CE15090 - Rotokauri transport upgrades and development - Work was brought forward to align with construction timing of the Zoo entrance precinct project.
- CE15092 - Rototuna transport upgrades and development - Work was deferred to align with construction timing of the Borman Horsham intersection upgrade.
- CE15093 - Ruakura transport upgrades and development - Work was brought forward to align with the advanced construction timing of Ruakura West upgrade.
- CE19052 - Intersection upgrades - Work on two intersections was deferred due to alignment with developer timing. The remaining underspend is due to complexities of certain projects which require further assessment and analysis before they progress.
- CE19057 - Biking plan implementation - Work has been rephased due to timing.
- CE21052 - Peacocke transportation land - Land purchase was deferred due to slower than expected Land Valuation Tribunal processes.
- CE21058 - Transportation safety improvements - Work was rephased due to the acceleration of the construction programme for the bikes on pipes project, both for site earthworks and off-site fabrication of bridge elements, forming both bridges at the same time rather than sequentially.
- CE21060 - Public transport improvement - Work was rephased due to reprioritising of resources.
- CE23001 - CERF - Council approved entering into a funding agreement with Waka Kotahi NZTA regarding the Climate Emergency Response Fund (CERF) Transport Choices programme. Council's confirmed programme of works is valued at \$37 million (approx. 90% of funding from CERF), with works to be delivered across the 2022-23 & 2023-24 Financial Years. \$1,045,574.88 was spent in 2022-23 to progress the programme including design, planning, consultation and consenting. It will be offset against planned and budgeted expenditure in 2023/24.

Transport funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	46,953	47,329	50,305	50,773
Targeted rates	145	145	145	145
Subsidies and grants for operating purposes	7,858	8,850	8,069	8,402
Fees and charges	4,444	4,233	4,593	5,052
Local authorities fuel tax, fines, infringement fees and other receipts	3,507	3,799	3,568	9,846
Internal charges and overheads recovered	-	-	-	-
Total operating funding	8,088	64,356	66,680	74,218
Application of operating funding				
Payments to staff and suppliers	39,376	41,951	41,267	46,512
Finance costs	2,682	8,475	3,929	19,497
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	7,367	50,426	45,196	66,009
Surplus/(deficit) of operating funding	721	13,930	21,484	10,343
Sources of capital funding				
Subsidies and grants for capital expenditure	97,603	83,963	66,724	57,269
Development and financial contributions	11,638	8,360	11,521	10,408
Increase/(decrease) in debt	64,404	88,446	59,907	116,707
Gross proceeds from sale of assets	-	29	-	367
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	18,923	180,798	138,152	184,751
Applications of capital funding				
Capital expenditure				
- to meet additional demand	143,697	118,508	97,598	93,189
- to improve the level of service	20,918	5,160	31,653	19,709
- to replace existing assets	21,380	19,891	20,957	26,253
Increase/(decrease) in reserves	2,960	11,227	9,052	10,463
Increase/(decrease) in investments	5,539	39,942	376	44,145
Total applications of capital funding	19,644	194,728	159,636	192,493
Surplus/(deficit) of capital funding	(721)	(13,930)	(21,484)	(10,343)
Funding balance	-	-	-	(1)

A city where our people thrive

He taaone e tipu matomato ai te tangata



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 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 Kirikiriroa which brings opportunities and benefits for all Hamiltonians.

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

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

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

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

Governance

Providing this activity helps create a city where people thrive



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

Delivering on our Long-Term Plan

Governance and public affairs

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

We will undertake representation reviews in line with legislative requirements to ensure that our communities of interest within the city are effectively represented.

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

Partnership with Maaori

We seek to honour the principles of partnership in decision-making with

our Treaty partners. Working to foster opportunities for Maaori to be involved in our decision-making through relationships, Maangai Maaori, service contracts and the Co-Governance Forum with Waikato-Tainui is an important part of this activity.

Our partnerships with iwi, mana whenua and maataa waka organisations assist us in ensuring Hamilton Kirikiriroa is a city where people from different cultures work together and respect each other's views, heritage, culture and strengths. We will continue to build positive and stronger relationships with our Maaori partner organisations and through partnership projects with Waikato-Tainui, mana whenua and maataa waka.

Our Amorangi Maaori team provides support and advice on issues related to Maaori, particularly building stronger relationships.

Highlights of 2022-23

In the lead up to the Local Elections in October 2022, the Governance team partnered with the Community and Social Development and Communications and

Engagement teams, and the Electoral Commission, to enable better voter registration and engagement. We worked closely with rangatahi (youth), older people, Maaori, Pacific communities, ethnic, migrant, disabled and Rainbow communities, and collaborated with community centres and houses to promote 'Meet the Candidates' events at their sites.

An extensive induction programme for the Elected Members was undertaken from Election Day until the end of 2022, with a focus on providing an overview of Hamilton City Council and forming relationships with each other. The programme included workshops across the city in many of our venues, bus tours through growth cells, and meetings with Elected Members from across the region. It is intended that the induction programme will continue to develop, with sessions focused on topics such as the Council's transformation programme, key strategies, and Te Ao Maaori.

Business as usual for the Governance team included facilitating 44 Council and Committee meetings, and 14 information sessions.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Percentage of Hamilton Kirikiriroa voter turnout for local government elections.	Increase on previous year (39.4% 2019 election)	29.40%	Not applicable, not an election year

What's behind the results

We want our communities to share their voice and shape their city. There was a significant decrease in the voter turnout when compared to the 2019 turnout rate of 39.4%. It has been suggested that the change to Single Transferable Vote (STV) contributed to this. In general, voter turnout across the country was lower than in the 2019 local elections. The next election is 2025/26.

Effects on the wellbeing of the community

Social We care for, and about, all our people	This activity enables, promotes, and supports local democracy by providing governance advice and democratic services to elected members, staff, and the community. Governance enables residents to participate in local decision making in a range of ways and encourages residents to have an active role in the development of Hamilton Kirikiriroa.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	No identified effect.
Cultural Our unique and diverse culture is celebrated	Governance fosters opportunities for Maaori to be involved in decision making through relationships, service contracts, and the Co-Governance Forum with Waikato-Tainui. Our partnerships with iwi, mana whenua and maataawaka Maaori assist us in ensuring that Hamilton Kirikiriroa is a city where diverse cultures work together and respect each other's views, heritage, culture, and strengths.

Governance funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	3,065	3,080	3,283	3,302
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	2
Fees and charges	12	11	170	191
Local authorities fuel tax, fines, infringement fees and other receipts	26	23	27	37
Internal charges and overheads recovered	-	-	-	-
Total operating funding	3,102	3,114	3,480	3,532
Application of operating funding				
Payments to staff and suppliers	3,592	3,421	4,119	3,811
Finance costs	(7)	1	(5)	(4)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	3,585	3,422	4,114	3,807
Surplus/(deficit) of operating funding	(483)	(308)	(634)	(275)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	1
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	143	-	132	-
Gross proceeds from sale of assets	-	1	-	16
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	143	1	132	17
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	54	26	53	15
- to replace existing assets	89	77	78	78
Increase/(decrease) in reserves	(237)	(410)	(651)	(351)
Increase/(decrease) in investments	(246)	-	17	-
Total applications of capital funding	(340)	(307)	(502)	(258)
Surplus/(deficit) of capital funding	483	308	634	275
Funding balance	-	-	-	-

Growth



Providing this activity helps create a city where people thrive



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

Delivering on our Long-Term Plan

City planning

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

The District Plan is the key document defining how and where the city grows. The District Plan together with other policies guides the future development of our city. Over the next 10 years, we will review and update the District Plan to address new government requirements and ensure it delivers good urban design across our city, improves housing affordability and diversity, and enables a city that grows up and out in the appropriate places.

Hamilton Kirikiriroa is experiencing very high growth. Projections show the city is well on its way to having more than 201,000 people living here within the next 10 years.

To meet demand, we are continuing work to open the Peacocke area. This work is being completed with funding support through the Government's Housing Infrastructure Fund (HIF).

Our focus on infill and intensification continues to help us accommodate growth within the city centre and existing suburbs.

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

Highlights of 2022-23

Our Growth Funding and Analytics team championed technology and innovation in the city through a leading role in Tech in the Tron (in partnership with The Cultivate Trust) and the Kudos Kick-off event (in partnership with the University of Waikato). The team also continues to develop growth modules, looking at not only population growth but also land use and the impact of

future District Plan changes.

The second Hamilton Annual Economic Report was published in May 2023. It takes an in-depth look at Hamilton's economy, development and people for the 2022 year, and gives our economic outlook for 2023. The report is the only one of its kind for Hamilton Kirikiriroa, and includes information from Council's own rich data sources, as well as from organisations including Statistics New Zealand and Infometrics.

Our Special Projects team continued to lead Council's relationship with our neighbouring councils, cross-regional groups and central government to identify areas of shared interest and work, and to influence and socialise Hamilton's priorities and work programmes.

A key delivery for this year has been the development of a Hamilton Metro Prospectus outlining our story leading into the general election - setting out our value

proposition and outlining our plans for the future.

The Growth Programmes team continued to lead the delivery of key growth areas in the city alongside the development of the revised Hamilton Urban Growth Strategy

(HUGS). This strategy guides where, when, and how our city will grow over the next 50 years. The new strategy was adopted in April 2023. It has three key outcomes – grow up and out from the central city; grow along transport corridors; and support the development of quality greenfield neighbourhoods.

Several milestones were achieved across a number of high-profile District Plan changes. Plan Change 9 completed the first session of hearings for Historic Heritage Areas, Significant Natural Areas, and Notable Trees in May 2023. Plan Change 12 completed the strategic hearings in February 2023.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
There will be at least three years' capacity of residential-zoned land supplied with development infrastructure in the city.	At least three years	5.5 years	5.7 years
There will be at least three years capacity of business zoned land supplied with development infrastructure in the city.	At least three years	2.7 Years	3 years

What's behind the results

We aim to provide sufficient residential and business land to allow our city to grow. These measures do not reflect the amount of land for sale, but rather indicate the amount of residential and business land zoned and ready with infrastructure to be used. Developers decide when and how they develop and release that land to the market.

It is estimated that the city currently has 5.5 years of capacity for residential-zoned greenfield land that has development infrastructure in place. Additional capacity is also expected to become available later in 2024. Council has also successfully negotiated with Kainga Ora for a \$151 million grant to enable future growth in the central city.

There is an estimated 2.7 years of capacity for industrial land zoned and supplied with development infrastructure in place. Hamilton has again seen heightened levels of industrial consenting between January 2023 – June 2023, particularly with uptake in Ruakura maintaining momentum.

Work continues on a plan change to the District Plan to enable industrial land use in Te Rapa North. A Future Proof subregional assessment of industrial land is currently underway to identify future medium- and long-term options for subregional industrial land supply.

Planning guidance

We provide information and advice for people planning developments and process applications for land-use and subdivision consents.

We work closely with developers to ensure the city is well-designed, safe and embraces growth.

Highlights of 2022-23

Over recent years we have seen record numbers of applications ranging between 700 – 1200 (land use, subdivision and change of conditions). However, the volume of applications has been consistently reducing. In total the number of land use, subdivision and change of conditions applications lodged for the

financial year was 745. This is a 32% decrease in applications from the previous financial year, when we had 1085 consent applications. It is also a 30% decrease from the 1067 consent applications in 2020/21.

The complexity of residential applications continues to increase. Despite this the number of overtime consents has reduced significantly over the past 2 years.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Average processing days for non-notified land use and subdivision resource consents. ²	20 working days	16.7 working days	16.60 working days

What's behind the results

As the city continues to grow, we are seeing increased demand for our consenting activities. We received 823 resource consent applications (land use, subdivision, change of conditions) granting 745. The complexity of residential applications continues to increase with the introduction of Plan Change 9 and Plan Change 12, which are taking longer to process. This has also been compounded by decisions on wastewater capacity causing a number of consents to exceed statutory timeframes and has resulted in an increase in the number of overtime consents (18 in the last two months compared to eight for the other 10 months of the year).

² Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday and those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

Building control

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

Highlights of 2022-23

The Building Unit granted a total of 1861

building consents for the year.

The Building Unit received a recommendation from International Accreditation New Zealand (IANZ) for continued Building Consent Authority accreditation.

Our Inspections and Compliance & Monitoring teams transitioned to a new hybrid fleet. The Building Unit provided

support to Auckland Council following the flood events in early 2023, which required rapid assessments to be undertaken on homes across Auckland to assess flood damage. The team was able to respond to a request for assistance within 12 hours, and provided 11 staff members to assist with efforts. The team received high praise for their coordination, knowledge, experience, and professionalism.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Average processing days for building consents. ³	18 working days	17.8 working days	18.33 working days
Average processing days for Code of Compliance certificates. ³	18 working days	12.6 working days	13.30 working days

What's behind the results

As the city continues to grow, we are seeing increased demand for our consenting activities.

We have granted 1861 building consents. Over the past year we have seen a shift in the typology of consents which resulted in a more complex review required contributing to timeframes remaining consistent while the number of consents lodged have decreased. We expect to see this trend continue, with more

duplex and multi-storey consents being submitted compared to the more straightforward standalone dwellings.

We issued 1346 Code Compliance Certificates. The team has been working to create efficiencies and refine the process to continue to meet customer expectations.

³ Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday and those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

Effects on the wellbeing of the community

Social We care for, and about, all our people	The provision of building control contributes to ensuring that Hamilton's buildings are safe, healthy, and durable for the community.
Economic Our economy provides opportunities to prosper	Economic wellbeing is contributed to by ensuring that the right policies and plans are in place to make doing business in Hamilton Kirikiriroa easy. We work closely with stakeholders to ensure that our city is well-designed, safe, and embraces growth.
Environmental We love and protect our environment	City planning protects our natural and built environments, our heritage and quality of life for our residents.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Growth funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,938	8,992	9,575	9,643
Targeted rates	2,448	2,451	2,611	2,577
Subsidies and grants for operating purposes	-	17	-	28
Fees and charges	10,451	11,333	11,034	10,844
Local authorities fuel tax, fines, infringement fees and other receipts	90	97	93	186
Internal charges and overheads recovered	-	-	-	-
Total operating funding	21,927	22,890	23,313	23,278
Application of operating funding				
Payments to staff and suppliers	20,002	21,984	19,600	19,931
Finance costs	409	190	397	249
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	20,411	22,174	19,997	20,180
Surplus/(deficit) of operating funding	1,516	716	3,317	3,098
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	4
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(2,052)	1,181	(1,840)	1,558
Gross proceeds from sale of assets	-	5	-	58
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(2,052)	1,186	(1,840)	1,620
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	190	93	187	53
- to replace existing assets	333	269	293	275
Increase/(decrease) in reserves	(196)	1,007	938	3,801
Increase/(decrease) in investments	(862)	533	58	589
Total applications of capital funding	(536)	1,902	1,477	4,718
Surplus/(deficit) of capital funding	(1,516)	(716)	(3,317)	(3,098)
Funding balance	-	-	-	-



Safety

Providing this activity helps create a city where people thrive



City safety



Safety is about ensuring Hamilton Kirikiriroa 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.

Delivering on our Long-Term Plan

Public safety

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

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

Highlights of 2022-23

This year we trialled a River Safety Patrol, with teams on foot and e-bikes, following safety education sessions with the Aquatics team. The team gained an understanding of key education messages to share for safe river use, how to respond and keep themselves safe in a water safety incident, and a practical understanding of our awa including recognising dangers and safe entry/exit points.

Staff have been very active in the River Safety patrol trial. They have been involved in a range of incidents including providing support in a medical emergency, detecting offenders breaking into cars and intervention in two significant instances of 'at risk' behaviours by water users.

The River Safety team carried out 1325 active patrols with over 6704 members of the public out and about enjoying the river and popular swimming locations.

Our City Safe camera operators have been able to assist the NZ Police with a fleeing driver, thefts in central city and tracking cars and suspects with quick precision. NZ Police have been quick to praise the capabilities of our camera staff and have acknowledged the hugely valuable support they provide.

A CCTV operator identified an aggravated robbery offender with attention to detail resulting in that offender being arrested by NZ Police a short time later.

TagBusters received 19,018 reports of graffiti from our community and removed the equivalent of 10 rugby fields of graffiti this year, totalling 72,213m².

Animal education and control

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

Highlights of 2022-23

The Animal Control and Education Team had a successful year with adoptions, helping 163 dogs find their forever homes, which is wonderful for the dogs, their families and our community.

The Dirty Dogs Challenge, a joint endeavour with Waikato District Council featuring a 2.5km or 6km obstacle course that residents complete with their dogs, was awarded a merit award winner in the outstanding event category of the 2022 National Recreation Awards. All profits from the event go towards helping animals in Hamilton and Waikato District's communities.

Animal Control presented the awards at the Veterinary Nursing graduation awards at Wintec and sponsored two prizes for students in the Animal Care course.

We have a long-standing relationship with Wintec, hosting between four and six students each year on work placements, some of whom have returned to us as employees.

Environmental health and alcohol licencing

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

Highlights of 2022-23

Over the year, the Alcohol Licensing team processed a total of 897 applications, issued 766 licenses, attended nine hearings, and conducted more than 270 licensed premise inspections.

We also implemented pre-application

meetings for applicants to better support their applications for licenses and manager certificates. These have been well received by applicants.

Food Safety Officers in the Environmental Health team completed 560 verifications during the year, and spent time with our registered food businesses, educating them on the latest changes to the Food Act 2014 to help ensure compliance.

Civil Defence

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

Highlights of 2022-23

In November 2022, our Civil Defence and Emergency Management (CDEM) team underwent an external monitoring and evaluation assessment. We were assessed at an overall capability of 75.1% (an increase from our last assessment of 70.9%). This was the third consecutive assessment in which our capacity and capability to perform our required emergency management roles has shown enhanced levels of competence.

With more staff having completed Civil Defence courses, we have a total of 339 staff now trained in Civil Defence. We had 48 staff actively deployed in Thames, Auckland, Hawkes Bay, or the Waikato region in response to Cyclones Hale and Gabrielle.

Twenty-five staff completed the new Administrators Response CDEM Course.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of urgent dog control requests responded to within 60 minutes.	At least 95%	100%	98%

What's behind the results

You can expect a timely response for urgent dog control requests. We received 268 urgent dog control requests and all were responded to within 60 minutes.

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of graffiti removed within two working days.	At least 95%	91.89	73.17%

What's behind the results

You can expect graffiti to be removed in a timely fashion.

We have seen a 40% increase in tagging around the city since 2020-2021. This year saw 19,028 tags removed, equating to 72,276m2. This is an increase on 15,208 tags removed (66,967 m2) in 2021-22 and 8912 tags removed (45,135m2) in 2020/2021.

An additional graffiti removal technician working Sunday to Thursday has been employed, which has already resulted in an improvement in response times.

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of complaints about excessive noise responded to within 30 minutes.	At least 95%	95.13%	95.51%

What's behind the results

You can expect a timely response to complaints of excessive noise.

We received 4458 noise complaints, with 4241 complaints responded to within 30 minutes. It is important to note that not all complaints result in a satisfactory outcome for the complainant as the noise level does not always meet the requirement for an intervention. Where requested the complaint is informed of the outcome.

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

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	At least 80%	84%	74.27%*

What's behind the results

84% of respondents feel very safe or fairly safe in the central city. 12% feel a bit unsafe, with 1% feeling very unsafe.

The feeling of safety has been a continued focus. The visibility of City Safe patrols has increased, with additional patrols taking place and a new focus on staff being tasked not just to provide cover to the central city, but also to other key locations during busy times.

The CCTV network coverage has increased and the use of these cameras to support NZ Police activity has been widely published.

* The 2021-2022 result came from a central city safety perceptions survey which received 648 responses from the community. The survey was opt-in and results were not necessarily representative of the general population. The 2022-2023 measure came from the most recent Quality of Life Pulse survey (receiving more than 1700 responses) where a representative sample of people from the electoral roll were invited to take part, and the survey results were weighted to reflect the population, therefore giving a much more accurate understanding of the perception of safety from the community.

Effects on the wellbeing of the community

Social We care for, and about, all our people	The provision of building control contributes to ensuring that Hamilton's buildings are safe, healthy, and durable for the community.
Economic Our economy provides opportunities to prosper	Economic wellbeing is contributed to by ensuring that the right policies and plans are in place to make doing business in Hamilton Kirikiriroa easy. We work closely with stakeholders to ensure that our city is well-designed, safe, and embraces growth.
Environmental We love and protect our environment	City planning protects our natural and built environments, our heritage and quality of life for our residents.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

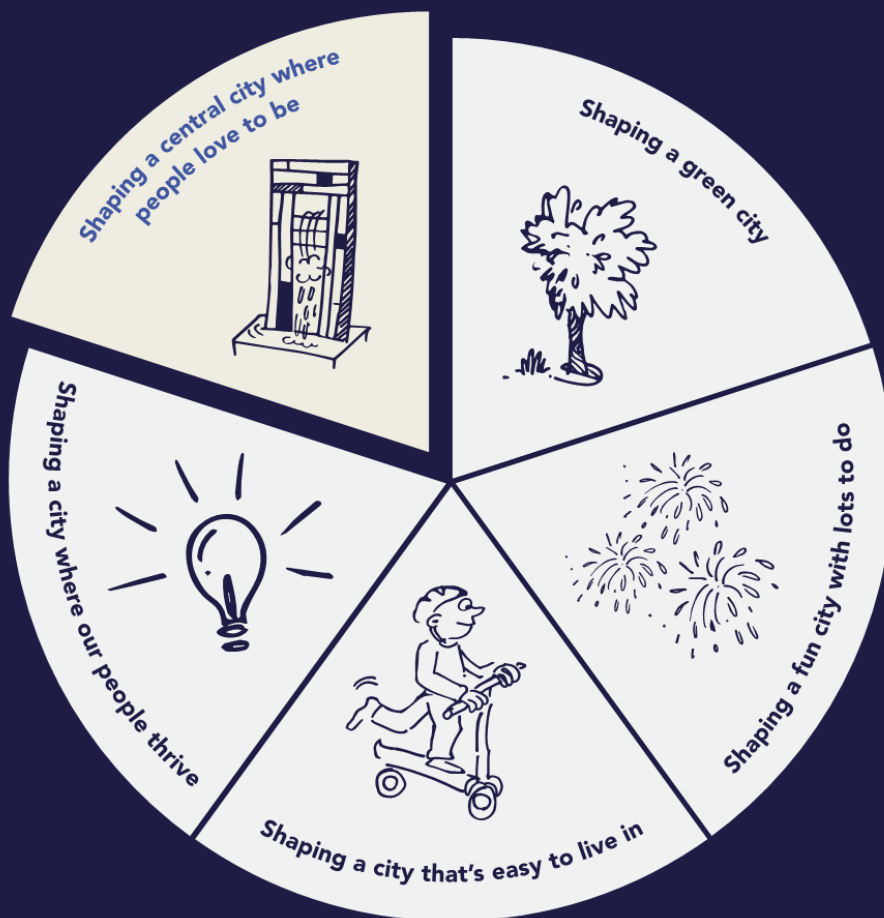
Type	R - Renewals LOS - Levels of service G - Growth		
	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Safety		\$000	\$000
Animal education and control			
CE21013 - Animal control building renewals	12	0	12
Animal education and control total	12	0	12
Public safety			
CE21015 - City safe renewals	111	536	(425)
Public safety total	111	536	(425)
Total	123	537	(414)

Safety funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	4,675	4,689	5,009	5,027
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	53	63	53	74
Fees and charges	2,108	2,301	2,190	2,254
Local authorities fuel tax, fines, infringement fees and other receipts	69	105	71	273
Internal charges and overheads recovered	-	-	-	-
Total operating funding	6,905	7,158	7,321	7,628
Application of operating funding				
Payments to staff and suppliers	7,118	7,427	7,217	8,069
Finance costs	142	2	143	(5)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	7,260	7,429	7,360	8,064
Surplus/(deficit) of operating funding	(356)	(271)	(39)	(436)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	2
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(451)	-	(422)	-
Gross proceeds from sale of assets	-	2	-	24
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(451)	2	(422)	26
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	81	40	80	23
- to replace existing assets	281	283	231	655
Increase/(decrease) in reserves	(799)	(592)	(797)	(1,088)
Increase/(decrease) in investments	(369)	-	25	-
Total applications of capital funding	(807)	(269)	(461)	(410)
Surplus/(deficit) of capital funding	356	271	39	436
Funding balance	-	-	-	-

A central city where people love to be

He pokapuu taaone e ngaakautia ana e te marea



We want our central city to be the beating heart of Hamilton Kirikiriroa 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 that 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 Kirikiriroa who know that a visit to central Hamilton Kirikiriroa 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 Kirikiriroa life.

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

Highlights of 2022-23

Our central city population continued to grow, increasing 2% to reach 1650. Nearly 50% of these people were aged between 20 and 39 years.

In November 2022, we were granted \$150.6 million from the government to accelerate infrastructure required to enable around 4000 homes for up to 10,000 people in central Hamilton. Known as the IAF (Infrastructure Acceleration Fund), it is specifically ringfenced for a new water reservoir and pump station, upgrades to the local three waters network, a pedestrian and cycling bridge over the river and investigations into other strategic three

waters and transport infrastructure. The IAF is supported by further central city investment including more than \$100 million from Hamilton City Council, \$80 million in Development Contributions, and \$100 million of direct infrastructure investment from the development community.

The second half of 2022 saw a strong increase in foot traffic in the central city, a measure that is indicative of commercial activity. Commercial development includes office space, retail stores, restaurants, business services and accommodation.

To improve connectivity in our central city, new footpaths were installed on Willoughby Street and Macdiarmid Road, and minor safety improvements for on-street mobility parking spaces were completed in liaison with CCS Disability Action group.

175 on-street all day paid parking spaces in the central city were made available on Knox Street and Nisbett Street in August 2022, at a flat charge of \$6.00. Data collected showed a three-month rolling average occupancy of 92%. Further growth of the initiative is planned with new locations being identified.

The Transport team deployed new pedestrian counters in Garden Place, Civic Square, and Victoria On The River. Named "PULSE" counters (Pedestrian Utilisation

Live Space Enumerator), these devices were co-developed with a local technology company and can count how many people are in Garden Place at 10-minute intervals. This will provide data on how Garden Place is being used to support the Central City Transformation Plan.

Consent was lodged for Stage two of the Waikato Regional Theatre build and works progressed steadily. Completion of the building is now set for late 2024, which will be followed by the interior fit out, with the theatre expected to open in early 2025.

The Pacific population is one of the fastest growing communities in Hamilton and 2022 saw work on the final stages of the fale of New Zealand's first pan-Pacific hub. This iconic building represents a traditional meeting house and provides a range health, employment and housing support. The fale was officially opened in early 2023.

To guide the transformation of our central city and provide consistent and cohesive urban design, throughout last year we developed the Central City Public Spaces Design Guidelines. This predominately helps our Council design central city spaces that will set us apart from other large cities.

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

A fun city with lots to do

He taaone kua kikii ki ngaa tini kaupapa



We want Hamilton Kirikiriroa 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 Kirikiriroa.

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 and Waiwhakareke Natural Heritage Park at Te Kaaroro Nature Precinct, Hamilton Gardens, and Waikato Museum

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

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

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

Visitor Destinations



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

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



Feeding giraffes at Hamilton Zoo

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

Delivering on our Long-Term Plan

Hamilton Gardens

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

We will continue to support the success of Hamilton Gardens and seek to increase the economic contribution the Gardens make to our city.

We plan to leverage growing visitor numbers to the Gardens to support the wider Kirikiriroa Hamilton tourism industry. We will start charging an admission fee to non-Hamiltonians aged 16 and over for entry to the Enclosed Gardens in 2024. This will coincide with the completion of the new entry precinct and Visitor Centre. Resulting revenue will contribute to the continuous improvement and addition of new services and facilities that make visiting easier and even more engaging.

Highlights of 2022-23

We were delighted to get the news that Hamilton Gardens was a 2023 Travelers' Choice 'Best of the Best' award recipient, with the Gardens ranking in the top 1% of Tripadvisor's eight million listings. Thanks to thousands of outstanding visitor reviews and ratings, Hamilton Gardens also ranks as one of the top three attractions in New Zealand.

Hamilton Gardens welcomed the return of several successful events that had been cancelled in previous years due to COVID-19, including Gourmet in the Gardens, the New Zealand Rose Festival and the Hamilton Arts Festival – once again highlighting the magic of the Gardens as a backdrop for live performance, and hub for entertainment.

The Gardens has also successfully welcomed a number of VIP guests including the Princess and Prince of Sweden, who were hosted on site by Mayor

Paula Southgate, and the World Darts Masters and Zambian FIFA Women's World Cup team, whose official welcomes were held in the Surrealist Garden.

Te Kaaroro Nature Precinct - Hamilton Zoo and Waiwhakareke Natural Heritage Park

Te Kaaroro Nature Precinct, which includes Hamilton Zoo and Waiwhakareke Natural Heritage Park, creates another tourism attraction, providing unique visitor and educational experiences that connect people with nature and wildlife and showcase conservation in action.

Te Kaaroro Nature Precinct is committed to the conservation of animals and the environment locally and globally by participating in conservation, education and research projects.

Developed in partnership with the community, Waiwhakareke Natural Heritage Park aims to reconstruct the natural forest,

wetland and lake ecosystems present in pre-European times.

The 2021-31 Long-Term Plan included funding for Hamilton Zoo and Waiwhakareke Natural Heritage Park shared entry precinct. The new attraction delivers greatly improved visitor amenities and public facilities, as well as a number of other new and unique experiences for zoo visitors.

Highlights of 2022-23

The entry precinct connecting Hamilton Zoo and Waiwhakareke Natural Heritage Park became Te Kaaroro Nature Precinct, a meaningful name gifted by Mana Whenua, which also reflects our conservation and kaitiakitanga values. The concept and design of Te Kaaroro was recognised at the 2023 Te Kaahui Whaihanga New Zealand Institute of Architects Bay of Plenty and Waikato Awards, winning in the public architecture category.

The Zoo was called upon to assist with two injured pekapeka – the ‘nationally critical’ long-tailed native bat. One was released after a few days in our care. The second, affectionately dubbed “Batgirl,” attracted national attention after she arrived at the

Zoo with a severely damaged wing. The Zoo’s vet and native teams worked closely with the Department of Conservation and other experts to restore her health. Batgirl was successfully rehabilitated and released back into the wild. Pekapeka have the highest threat ranking of ‘nationally critical’. This is a national first and we are very proud of the innovation and care provided by the Zoo team.

Following a year of planning and consultation, black mudfish (waikaka/ hauhau/koowaro) – a taonga unique to Aotearoa New Zealand – were released into purpose-built ponds at Waiwhakareke, marking the first reintroduction of fauna to the park.

We welcomed the arrival of a male porcupine in late December 2022 who was successfully introduced to Ingozi, our female porcupine. We also celebrated the successful introduction of our young male and female siamang Lima and Kasih.

In sad news, the Zoo mourned the loss of our much-loved Sumatran tiger Mencari and 10-year-old African wild dog Kudu. Mencari’s 23rd birthday was celebrated earlier in 2022, making her the oldest

Sumatran tiger in current records. Estimations put numbers of her wild counterparts at less than 400, placing them on the IUCN Red List as critically endangered, so the role Mencari played as an ambassador for her species was significant.

Arbor Day at Waiwhakareke is our largest community planting event, and a great opportunity for locals to contribute to ecological restoration in Hamilton Kirikiriroa. This year, 20,000 native seedlings were planted with the help of more than 1500 volunteers.

Waikato Museum

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

One of the Museum’s greatest strengths is its high-value location in the central city. Investment in the 2021-31 Long-Term Plan

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

Highlights of 2022-23

Waikato Museum has had a particularly busy year, installing and hosting an engaging schedule of expertly curated exhibitions. These included exclusive major exhibitions: Toi is Rongoa, The National Contemporary Art Awards and Wildlife Photographer of the Year, plus Collection Caretakers, a hands-on demonstration of how we look after our precious taonga; Jellicoe and Bledisloe, a photographic exhibition of Hamilton in the 1990s, Of This Place: Margot Philips' Landscapes; a rare opportunity to see the breadth of this exceptional Waikato artist; Taonga Talking: an eclectic selection of collection items hand-picked by Museum staff, the annual Fieldays No.8 Wire National Art Award (at ArtsPost), Cellular Memory, a wildly inventive suite of works by renowned artist Elizabeth Thompson; Fortune, a lovingly knitted tribute to artist Bev Moon's Chinese mother and grandmother; and IHC's Take a Moment with Us exhibition.

Waikato Museum was the only place in New Zealand to host this year's The Wildlife Photographer of the Year exhibition which has previously gone to Auckland. We were thrilled to provide the exclusive opportunity for visitors to immerse themselves in this breathtaking photography and discover the fascinating stories behind the photos, right here in Hamilton.

Other highlights include the acquisition of Star Gossage's Pah paintings with funding from the Stout Trust, a temporary memorial display to mark the passing of Queen Elizabeth II, and a packed schedule of public programmes - including Storytelling in the Gallery, a mobility dogs training visit, musical performances, artist talks, school holiday art classes and workshops.

We celebrated the reinstallation of the Maihi and Tekoteko on the exterior of the building, following restoration work on these carvings which was done off-site by Kawharu Greensill.

Long-term exhibition Shaping Hamilton Huringa Kirikiriroa was relaunched to align with the nationwide overhaul of the history curriculum taught in Aotearoa New Zealand schools.

Taonga on display now include an exceptional 2.3 metre paepae (carved wooden beam) from the 1700s which has never been exhibited before.

i-SITE Visitor Information Centre

Through a comprehensive nationwide information and booking service, i-SITE connects people with great places and experiences in Hamilton Kirikiriroa and the Waikato region, promoting our liveable city and regional tourism.

Highlights of 2022-23

The i-SITE team has also been busy with a number of events on top of business as usual. These included ticketing for the Hamilton Arts Festival, and managing ticket sales for Balloons Over Waikato with three of the five days completely selling out.

Service performance measures:

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.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
Total number of visits to Hamilton Zoo/Waiwhakareke Natural Heritage Park, Waikato Museum, and Hamilton Gardens (enclosed gardens only).	Increase on previous year	872,348 visits 58% increase (Te Kaaroro: 247,677 Waikato Museum: 119,314 Hamilton Gardens: 505,357)	549,941 visits 47.41% decrease on 2020/21 (Hamilton Zoo: 181,563 Waikato Museum: 81,947 Hamilton Gardens: 286,431)

What's behind the results

We offer a diverse range of quality, relevant programmes and experiences. These measures indicate residents' and non-residents' enhanced interest in these attractions.

Despite the current economic conditions and challenging weather over the last year, Hamilton's visitor destinations have seen a large increase in visitation. All sites saw a return of international visitors, supporting the return to pre-COVID-19 visitation numbers.

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	2022-23 target	2022-23 result	2021-22 result
The number of new unique experiences.	At least 10 each year across the three visitor destinations.	13 new unique experiences	13 new unique experiences

What's behind the results

We are working to provide visitors with fresh, novel reasons to visit the Visitor Destinations. These 13 new unique experiences were:

1. Cross-site Matariki activity - To mark the inaugural Matariki public holiday all sites offered a range of activities extending through to the end of the July 2022 school holidays.
2. Toi is Rongoa - This large-scale exhibition at Waikato Museum celebrated 14 contemporary Maaori artists who believe in the importance of creative practice to their wellbeing.
3. New Zealand Contemporary Art Award - The National Contemporary Art Award brings the best in Aotearoa contemporary art to the Waikato.
4. Hamilton Gardens Audio Tour - This new product provides visitors with the option to take a narrated journey through the enclosed gardens.
5. Wildlife Photographer of the Year - The Wildlife Photographer of the Year exhibition at Waikato Museum.
6. After Hours Halloween Tours Waikato Museum - We developed and ran special tours for both younger and older Halloween fans in October.
7. Hamilton Gardens Ice Cream Court - Providing a much needed refreshment stop within the enclosed gardens.
8. Adana the Porcupette - Birth of a baby porcupine.
9. Find your Fun campaign and website - A popular school holiday feature, providing a range of events across our destinations.
10. Waitangi Day Activations - Led by Waikato Museum Te Whare Taonga o Waikato, multi-site events were held across the weekend to commemorate Waitangi Day.
11. Exscite Home - Showcases how science is an integral part of everyday life in a fun and approachable way.
12. Waiwhakareke Viewing Tower - Elevated viewing platform, which opened during the April 2023 School holidays and offers stunning 360-degree views of Te Kaaroro and beyond.
13. Eels and Lace Monitors - New exhibits opened at Hamilton Zoo.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Hamilton Gardens also serves as a community park for Hamiltonians to enjoy social and leisure opportunities.
Economic Our economy provides opportunities to prosper	Our visitor destinations attract visitors to Hamilton Kirikiriroa, bringing tourism benefits to our city.
Environmental We love and protect our environment	Hamilton Zoo and Waiwhakareke Natural Heritage Park connect nature and wildlife with people and showcase conservation in action.
Cultural Our unique and diverse culture is celebrated	We provide attractions and spaces that contribute to the protection of the city's heritage and culture, and foster opportunities to showcase our unique history and diverse culture.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Visitor Destinations		\$000	\$000	\$000
Hamilton Gardens				
CE10026 - Hamilton Gardens renewals	R	15	0	15
CE10028 - Hamilton Gardens building renewals	R	0	8	(8)
CE19023 - Hamilton Gardens development	LOS	3,745	1,253	2,492
Hamilton Gardens total		3,760	1,261	2,499
Hamilton Zoo and Waiwhakareke Natural Heritage Park				
CE10017 - Hamilton Zoo building renewals	R	614	487	127
CE21002 - Hamilton Zoo operational renewals	R	1,269	925	345
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	4,867	6,508	(1,641)
Hamilton Zoo total		6,750	7,920	(1,170)
Waikato Museum				
CE10008 - Museum operational renewals	R	388	110	278
CE10011 - Museum building renewals	R	124	542	(418)
CE19028 - Collection acquisition fund	LOS	6	35	(29)
CE21045 - Museum development	LOS	637	84	553
Museum total		1,155	771	384
Total		11,665	9,952	1,714

Variances:

- CE19023 - Hamilton Gardens development - Work on the Visitor Arrivals Centre was rephased and funding deferred.
- CE21043 - Te Kaaroro development - Work was brought forward to enable the purchase of land for the Hamilton Zoo accommodation attraction.

Visitor Destinations funding impact statement

For year ended 30 June 2023

	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	15,366	15,476	16,463	16,590
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	87	167	87	152
Fees and charges	2,702	2,447	3,883	3,671
Local authorities fuel tax, fines, infringement fees and other receipts	227	243	243	752
Internal charges and overheads recovered	-	-	-	-
Total operating funding	18,382	18,333	20,675	21,165
Application of operating funding				
Payments to staff and suppliers	16,522	17,102	18,246	19,392
Finance costs	229	469	577	1,036
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	16,752	17,571	18,823	20,428
Surplus/(deficit) of operating funding	1,630	762	1,852	737
Sources of capital funding				
Subsidies and grants for capital expenditure	1,372	748	680	585
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	9,215	5,027	13,088	6,633
Gross proceeds from sale of assets	-	7	-	155
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	10,587	5,782	13,768	7,373
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	6,417	5,957	10,916	7,944
- to replace existing assets	4,999	3,195	3,599	2,552
Increase/(decrease) in reserves	2,033	(4,878)	1,023	(4,895)
Increase/(decrease) in investments	(1,231)	2,270	83	2,509
Total applications of capital funding	12,217	6,544	15,620	8,110
Surplus/(deficit) of capital funding	(1,630)	(762)	(1,852)	(737)
Funding balance	-	-	-	-



Venues, Tourism and Major Events



Chiefs game at FMG Stadium Waikato

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



Live concert at Claudelands Event Centre

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

Delivering on our Long-Term Plan

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

We will continue to attract a range of national and international standard events to Hamilton Kirikiriroa, most of which will be held at our stadia and Claudelands Events Centre. Our venues are well-positioned to cater for growth within their existing capacity levels and will be maintained to an appropriate standard.

Highlights of 2022-23

It has been a busy year at our venues, with community events, sports, music,

performances, conferences and more attracting more than 500,000 visitors. Events include L.A.B in concert, The Wiggles and TAB New Zealand Darts Masters in GLOBOX Arena, All Blacks v Argentina at FMG Stadium Waikato, and a number of large business events and exhibitions including The Great New Zealand Food Show and Waikato Baby Expo were also held at Claudelands Event Centre.

The final HSBC NZ World Rugby Sevens, the

FIFA World Cup 2023 Play-Off tournament and the Chiefs Super Rugby and Chiefs Manawa Super Rugby Aupiki season home games were held at FMG Stadium Waikato, including quarter, semi and final matches.

A range of domestic and international cricket, including Ford Trophy, Plunket Shield, Super Smash, England v NZXI four-day warm up, Black Caps v Sri Lanka official trainings and One Day International, was delivered at Seddon Park.

Claudeland's was host to numerous ticketed and non-ticketed events including performance events (Jimmy Carr, Michael McIntyre and The Proclaimers), sports (Magic netball home games and community season launch day) and large national exhibition events (Foodstuffs Expo 2023 with 5,000 attendees) plus the successful hosting of the Zuru Nightglow at Claudelands Oval as part of the Balloons over Waikato Festival with over 20,000 attendees.

Claudeland's also held a range of other popular events like the Waikato Hospice Relay for Life, weekly Hamilton and Cambridge Farmers Market, Plant

Extravaganza, Hamilton Collectables Market and the NZ Vintage Pottery and Crown Lynn market.

H3's performance was heightened by its significant partnerships with a range of partners who bring specialist expertise and ensure their services are delivered to a high standard across catering, audiovisual, security, ticketing, and other venue support services.

H3 (and its staff) were honoured to receive several industry specific awards or accolades this year with FMG Stadium placing twelfth in a review of the world's largest

rugby stadiums, winning the Momentous Innovation Award for driving innovation in the industry, and two staff being recognised at the Entertainment Venues Association of New Zealand annual awards.

were able to continue throughout the year, including the completion of the East Stand strengthening works and ongoing work to upgrade the light towers at FMG Stadium Waikato, completion of new scoreboard, sight screens and pavilion re-roofing at Seddon Park, plus the installation of new venue signage to reflect the commercial partnership of naming rights with local business GLOBOX at GLOBOX Arena.

Service performance measures:

You can expect We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. **KEY: Achieved | Not achieved**
The measure indicates the utilisation of stadia and Claudelands.

Measure	2022-23 target	2022-23 result	2021-22 result
The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	444,000	556,046	224,538

What's behind the results

This measure indicates the utilisation of stadia and Claudelands for both ticketed and non-ticketed events.

1035 events were held across the year, with the resumption of almost all event activity without any form of restriction. In total, 556,046 people attended events at H3 Venues. Claudelands saw 326,373 people through its doors and our Stadia welcomed 229,673 patrons, returning the business to visitation numbers similar to pre-pandemic levels.

Tourism and events funding

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

Alongside several neighbouring councils, our annual funding to Hamilton and Waikato Tourism supports the development of a range of strategic tourism initiatives. These initiatives will strengthen the attraction of both Hamilton Kirikiriroa and the surrounding Waikato region to the visitor market.

Highlights of 2022-23:

In the 2022-23 financial year, 14 events were approved to receive funding from the Major Event Sponsorship Fund. Of those, 10 events took place with \$359,000 paid out in sponsorship, with Council recognised as a major funder or supporting partner. The full list of recipients of funding in 2022-23 were:

- Cambridge to Hamilton Paddle Race September 2022 \$5,000
- Cheer and Dance Factor NZ September 2022 \$10,000
- Atalanta Jamboree October 2022 \$3000
- Round The Bridges November 2022 \$10,000

- Boon Hamilton Street Art Festival November 2022 \$25,000
- Hamilton Arts Festival / Toi Ora ki Kirikiriroa February 2023 \$120,000
- Porritt Classic February 2023 \$6000
- Balloons over Waikato March 2023 \$120,000
- The Great Kiwi Walk Series April 2023 April \$10,000
- Matariki ki Waikato June 2023 \$50,000

The fund reported an underspend at year end due to four events not taking place as planned and no further applications received throughout the financial year for funding consideration.

Alongside a number of neighbouring councils, Council's annual funding grant to Hamilton and Waikato Tourism supported the development of a range of strategic tourism initiatives, strengthening the attraction of Hamilton and the wider region to the domestic visitor market.

Theatres

We will invest with a range of partners through the Momentum Waikato Community Foundation in the delivery of a new international standard performing arts

theatre (the Waikato Regional Theatre) for the Waikato region to be built in Hamilton Kirikiriroa.

Highlights of 2022-23

Founders Theatre remained closed to the public. In September 2022, the Founders site was included in a wider review of the city's community facilities and possible development of a community hub in a central city location. In June 2023, following several years of closure, debate and community engagement, Council made a final decision on the fate of the Founders site, deciding to proceed with the building's demolition to make way for development of an inner-city park.

Council is a major funding partner of the new Waikato Regional Theatre. Payment of Council's fourth instalment was made, with a total of \$19 million of Council's \$25 million contribution being paid to date. The Waikato Regional Property Trust, owners of the new theatre, have advised the overall project is tracking well. Completion of the building is now set for late 2024, which will be followed by the interior fit out, with the theatre expected to open in early 2025.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Our event spaces provide opportunities for organisations in our community to host community-based events. We manage the social effects on the city that events may temporarily produce through effective event management plans.
Economic Our economy provides opportunities to prosper	Claudelands, FMG Stadium Waikato and Seddon Park are important contributors to our economy as major generators of business and event tourism to Hamilton Kirikiriroa.
Environmental We love and protect our environment	We manage the effects of events on the environment in compliance with the District Plan, resource consents and effective event management.
Cultural Our unique and diverse culture is celebrated	We support and promote arts and culture in the city through supporting and encouraging local and regional theatre ventures.

Capital projects

R - Renewals LOS - Levels of service G - Growth

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Venues Tourism and Major Events				
Claudelands and stadia				
CE21011 - VTME building renewals	R	4,269	7,413	(3,144)
CE21041 - VTME security and health and safety programmes	LOS	949	75	874
CE21042 - VTME operational renewals	R	2,678	4,107	(1,430)
Total		7,896	11,595	(3,699)

Variances:

- CE21011 - VTME building renewals - Work brought forward to deliver the FMG Stadium Lights to align with the timing of the event schedule.
- CE21041 - VTME security and health and safety programmes - Budget was realigned to CE21042 where the security and health and safety programme was delivered.
- CE21042 - VTME operational renewals - Work deferred from 2021-22 was completed. Security, health and safety programme was realigned from CE24041.

Venues, Tourism and Major Events funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	18,760	18,891	20,104	20,292
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	19	-	12
Fees and charges	5,272	4,419	5,630	9,881
Local authorities fuel tax, fines, infringement fees and other receipts	965	1,079	996	1,679
Internal charges and overheads recovered	-	-	-	-
Total operating funding	24,998	24,408	26,730	31,864
Application of operating funding				
Payments to staff and suppliers	27,491	17,550	23,091	29,380
Finance costs	1,598	885	1,823	1,656
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	29,089	18,435	24,914	31,036
Surplus/(deficit) of operating funding	(4,091)	5,973	1,816	828
Sources of capital funding				
Subsidies and grants for capital expenditure	-	91	-	239
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	379	7,424	2,842	9,796
Gross proceeds from sale of assets	-	11	-	77
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	379	7,526	2,842	10,112
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,348	315	1,202	211
- to replace existing assets	8,047	8,285	9,767	12,144
Increase/(decrease) in reserves	(10,892)	1,546	(6,460)	(5,121)
Increase/(decrease) in investments	(2,216)	3,353	150	3,706
Total applications of capital funding	(3,713)	13,499	4,658	10,940
Surplus/(deficit) of capital funding	4,091	(5,973)	(1,816)	(828)
Funding balance	-	-	-	-

Parks and Recreation



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

Hamilton Lake Domain destination playground



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

Delivering on our Long-Term Plan

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

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

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

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

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

We are investing in this activity to make sure that the quality and breadth of the

parks and recreation network keeps up with growth. This includes the development of new natural areas, sports parks, upgrades to drainage and irrigation on sports parks, and upgraded and new play spaces, informed by community consultation.

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

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

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

Highlights of 2022-23

With the easing of restrictions imposed by COVID-19, staff worked hard to re-establish regular seasonal meetings with sports organisations and local clubs in the region. This has been received very positively by all participants and connectivity to our sporting codes has improved.

The year was incredibly busy with preparation for the FIFA Women's World Cup. The Play-Off Tournament took place

in February 2023. The feedback received on the quality of the fields was positive and the high standard of the changing facilities was well received by players, coaches, and team management. The delivery of the floodlights at Gower Park, Korikori Park and Porritt Stadium was achieved in time for the tournament.

Te Rapa Sportsdrome had new external lighting installed along the driveway and around the car park, to improve visibility and safety for users after hours.

Over 600 replacement street trees were planted during the spring planting season. The majority of these trees were grown by the Council Nursery, which reduces freight costs and enabled more trees to go in the ground.

The Mangaiti Gully restoration work undertaken in collaboration with the Waters Unit was completed. The external funding from Crown Infrastructure Partners enabled improved walking opportunities in the gully as well as the planting 70,000 native plants.

The Natural Areas Rangers planted 17,910 plants across Hamilton and undertook pest plant control and site preparation.

The group now covers all the natural areas across Hamilton and is focused on restoration of these areas. The plan is to increase native cover by pest plant removal and planned planting in the coming season.

Ecological inventory assessments are underway for our Significant Natural Areas (SNAs) to identify the biodiversity values across the city and enable prioritised 30-year planning.

The largest refresh of the gardens at Memorial Park in 15 years has been completed and includes increased openness and visibility across the park which aims to reduce security concerns.

Playground renewals were completed at Waiwherowhero, Pygmalian, Hammond and Bremworth Parks. A new neighbourhood playground was established at Kent St in Frankton and construction is underway of the 'Magical Bridge' Playground at Claudelands. The Lake Domain Drive - Innes Common bollard installation was completed, as was the installation of bollards at Hare Puke Park. The Te Anau Park walkway bridge replacement was completed, and the Hammond Park playground renewal was completed.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of residential households with access to a neighbourhood park within 500m walking distance	Maintain or increase on previous year	80.95%	82.37%

What's behind the results

Council's Open Spaces strategy recognises the importance of access to open space, with a priority to ensure it is accessible to everyone. Informed by best practice guidance and benchmarking against other New Zealand cities, our Open Space Provision Policy sets out the base-level supply required for a high-quality open space network in Hamilton. Each year we calculate the percentage of households that have access to a neighbourhood park within 500 metres walking distance by GIS spatial mapping. We have seen a decline due to a number of factors, primarily due to continued development in the north of the city (Rototuna and Flagstaff) as well as increased infill across the city, including areas already identified as lacking access to neighbourhood parks. Those who do not have access to a neighbourhood park within 500 metres may have access to pocket parks or other open spaces however those areas are currently not included in this calculation.

The 2021-22 Annual Report reported that 83.71% of households have access to a neighbourhood park or open space within 500 metres walking distance. There was a calculation error, and the actual result was 82.37%. The figure is calculated via an automated model which generates maps and calculates accessibility percentages to residential households. The model relies on two separate datasets (parks and the walking network). A significant upgrade of our software, ArcGIS Pro (from version 2.9.3 to 3.0) was undertaken in the 2021-22 year and that resulted in changes to certain tools and their functionalities which went unnoticed at the time of the upgrade. The tools are used in the automated model and that led to a slight discrepancy in our calculations. The issue was not identified until we were in the 2022-23 year. Moving forward following any future software upgrade checks will be undertaken to ensure that there have been no changes to tools or functionalities and if there have appropriate amendments will be made to the automated model.

Measure	2022-23 target	2022-23 result	2021-22 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	87.14%	80.77%
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	50%	50%

What's behind the results

We want to ensure our parks and facilities are accessible to all. Our annual survey allows us to understand and hear our communities' view.

393 of the 451 respondents said that they are satisfied with the way they get to our parks, rating it easy or very easy. The majority said it's easy because they live close by. When asked what would make it easier for them to get there, the main themes were safer and connected walking routes to parks and safer and connected cycle routes to parks.

223 of the respondents agreed or strongly agreed that they can easily access everything they need when in a park and/or open space. When asked, respondents said they would like increased access to rubbish bins, shade, toilets, seating, and water fountains.

The feedback from this survey and others will help form our future work programmes.

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

Measure	2022-23 target	2022-23 result	2021-22 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	Four opportunities	Four opportunities

What's behind the results

We are supporting the city's ecosystem and biodiversity by providing a range of opportunities for the community to learn about and care for and restore nature. This year we have supported and/or provided the following opportunities:

- 32 one-off planting events, mobilising 3341 volunteers
- 16 regular restoration groups, made up of 182 volunteers
- 60 Enviroschools, actively engaging a proportion of students with hands-on environmental learning and restoration activities
- Arbor Day planting at Waiwhakareke Natural Heritage Park

Cemeteries and crematorium

We provide, manage, and maintain three cemeteries and one crematorium for burial and cremation services. As part of

this management, we make burial records available to the public and protect our heritage cemeteries. The crematorium is a critical service to the Waikato region in the

event of a pandemic or civil emergency. The cemeteries also serve as passive spaces of reflection and remembrance for the community.

Service performance measures:

You can expect Hamilton Park Cemetery is a preferred provider of cremation services.		KEY: Achieved Not achieved	
Measure	2022-23 target	2022-23 result	2021-22 result
The number of cremations carried out at Hamilton Park Cemetery.	At least 1425	1687	1425
What's behind the results			
We continue to provide cremation services and support ensuring Hamilton Park Cemetery is a preferred provider of services.			

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide parks, green spaces, and recreation facilities for the community to enjoy.
Economic Our economy provides opportunities to prosper	No identified effect.
Environmental We love and protect our environment	We protect, restore, and enhance the beautiful green landscape of Hamilton Kirikiriroa through our parks, gardens, street plantings and substantial gully system through the city.
Cultural Our unique and diverse culture is celebrated	Our community facilities are welcoming to all and available throughout the city for community organisations, groups, and private providers to deliver services and activities for all members of our diverse community.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Parks and Recreation		\$000	\$000	\$000
Cemeteries and crematorium				
CE10021 - Cemetery and crematorium building renewals	R	5	0	5
CE21004 - Cemeteries and crematorium renewals	R	219	88	131
CE21007 - Cemeteries and crematorium development	G	117	108	9
OLD CE10022 - Renewal of Crematorium Assets D	R	0	45	(45)
OLD CE15024 - HamPrkCmtry Burial&AshLawn D	R	0	50	(50)
Cemeteries and crematorium total		341	290	51
Community facilities				
CE19070 - Community facilities building renewals	R	1,722	1,380	342
Community facilities total		1,722	1,380	342
Indoor recreation				
CE21008 - Indoor recreation development	R	1,297	289	1,008
Indoor recreation total		1,297	289	1,008
Parks and sports parks				
CE10030 - Parks and recreation building renewals	R	2,435	1,743	693
CE17004 - River plan	LOS	2,204	319	1,885
CE19007 - Peacocke parks development	G	2,125	15,209	(13,083)
CE19009 - Rototuna parks development	G	0	15	(15)
CE21001 - Nursery renewals	R	358	551	(193)
CE21003 - Parks and recreation renewals	R	4,095	4,092	3
CE21006 - Nature in the city gully restoration and development	LOS	910	693	217
CE21010 - Parks and recreation development	LOS	20,433	18,496	1,937
Parks and sports parks total		32,560	42,617	(10,057)
Total		35,920	44,576	(8,656)

Variances:

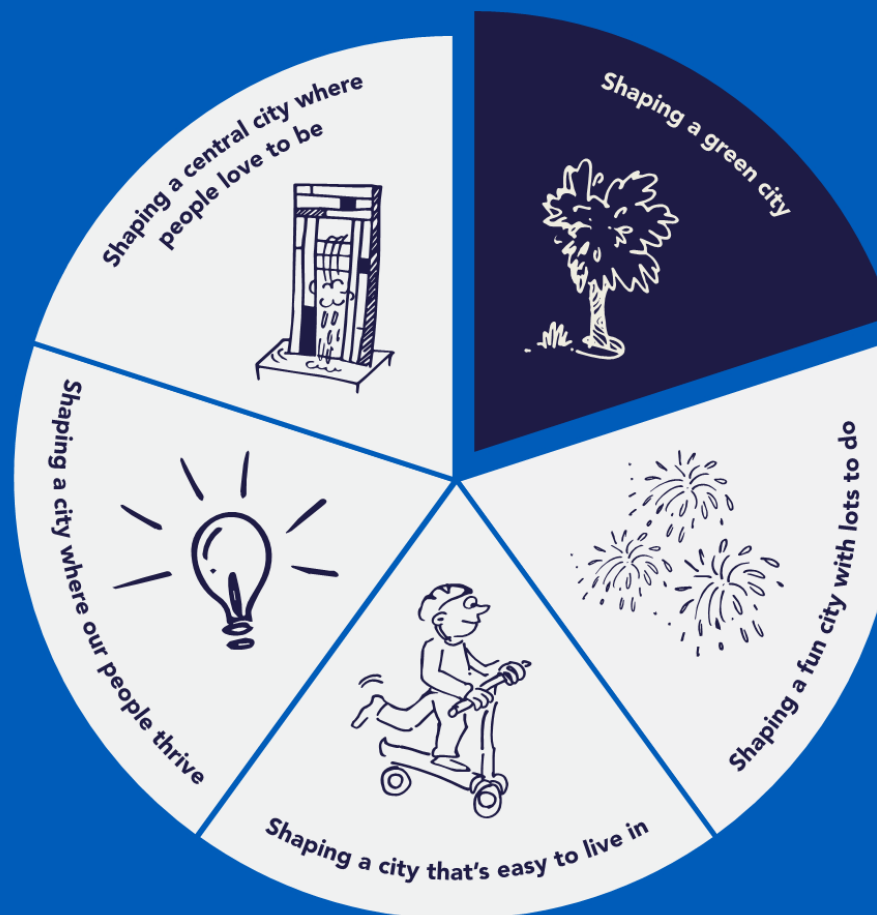
- CE17004 - River Plan - Work on Wellington Street Beach has been rephased. Work on Embassy Park has also been rephased to align with Waikato Regional Theatre timing and is to be delivered under a PDA.
- CE19007 - Peacocke Parks Development - The purchase of the Peacocke Sport Park was brought forward.
- CE21010 - Parks and Recreation Development - Work programme was rephased to enable staff to prioritise FIFA-related works which attracted external funding.

Parks and Recreation funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	24,948	25,051	26,732	26,987
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	7	67	7	83
Fees and charges	4,998	4,949	5,144	5,229
Local authorities fuel tax, fines, infringement fees and other receipts	471	700	488	1,480
Internal charges and overheads recovered	-	-	-	-
Total operating funding	30,424	30,767	32,371	33,779
Application of operating funding				
Payments to staff and suppliers	24,358	22,598	24,630	27,044
Finance costs	1,841	1,451	2,355	2,943
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	26,199	24,049	26,985	29,987
Surplus/(deficit) of operating funding	4,226	6,718	5,386	3,792
Sources of capital funding				
Subsidies and grants for capital expenditure	198	290	3,043	2,650
Development and financial contributions	821	1,569	1,168	1,747
Increase/(decrease) in debt	5,166	13,453	16,027	17,751
Gross proceeds from sale of assets	-	14	-	143
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	6,184	15,326	20,238	22,291
Applications of capital funding				
Capital expenditure				
- to meet additional demand	3,260	1,553	605	15,382
- to improve the level of service	6,035	1,521	17,429	19,928
- to replace existing assets	6,174	2,909	10,145	8,585
Increase/(decrease) in reserves	(2,253)	9,986	(2,744)	(24,525)
Increase/(decrease) in investments	(2,806)	6,075	190	6,715
Total applications of capital funding	10,410	22,044	25,624	26,085
Surplus/(deficit) of capital funding	(4,226)	(6,718)	(5,386)	(3,794)
Funding balance	-	-	-	(2)

A green city

He taaone tiaki taiao



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:

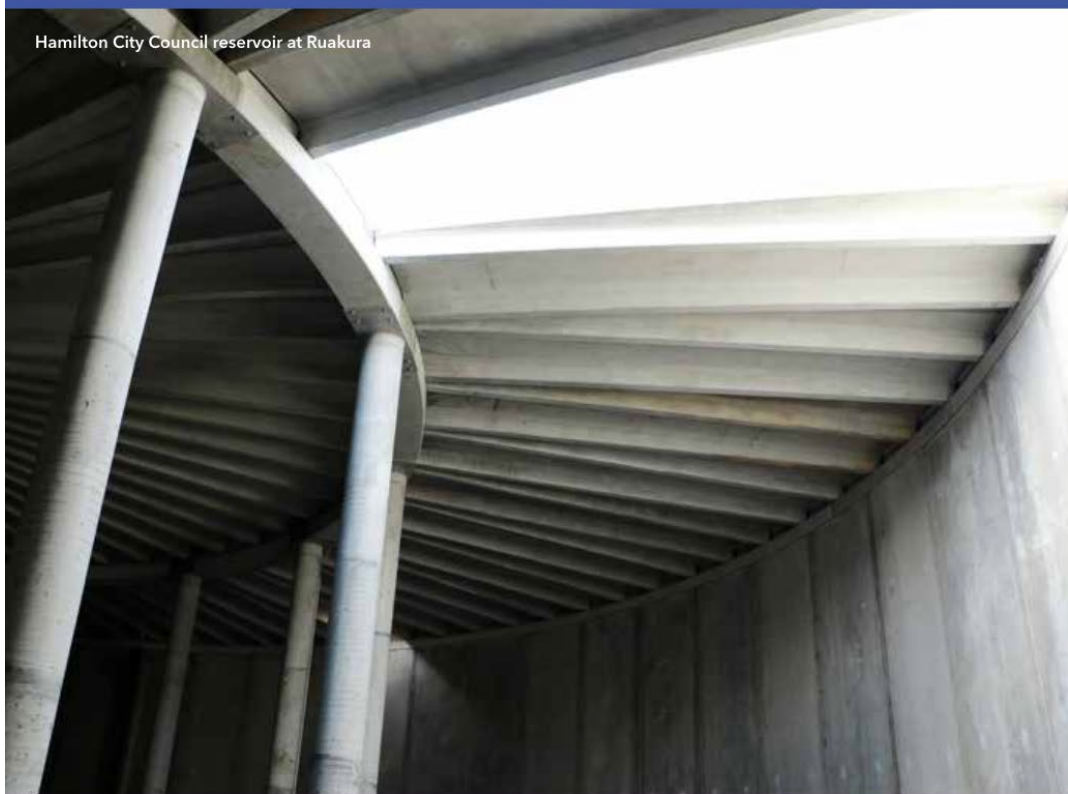
- Water supply
 - Water treatment and storage
 - Water distribution
- Wastewater
 - Wastewater collection
 - Wastewater treatment and disposal
- Stormwater
 - Stormwater network
- Rubbish and recycling
 - Refuse collection
 - Landfill site management
 - Waste minimisation

Water Supply

Providing this activity contributes to a green city



Hamilton City Council reservoir at Ruakura



Water Supply is about providing Hamilton Kirikiriroa 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.

Delivering on our Long-Term Plan

Water treatment and storage; and water distribution

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

We operate, maintain and upgrade the water treatment plant, water storage reservoirs, pump stations, hydrants and pipelines and commercial water metres.

Our water supply network services more than 53,000 households and 5,500 commercial, industrial, and rural premises. Water from the city also supplies water to Waikato District Council to enable it to provide water to several thousand properties in its southern districts, and more than 100 properties in the Waipa area.

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage future capacity needs. Legally, we must ensure our water is used sustainably. We do this in many ways, including water restrictions when demand is high; encouraging residents to conserve our precious water resource;

educational initiatives; and investment in infrastructure to enhance monitoring and manage water usage better.

An important piece of work for us is preparing for potential changes to drinking water regulation and management arising from the establishment of Taumata Arowai, a new, dedicated water services regulator from July 2021. We will also continue to work with central government as part of its proposed reform programme which is looking at alternative mechanisms for delivering three waters services.

In line with our Water Conservation and Demand Strategy, we will continue implementing discrete water demand zones which help us identify areas where we may be losing water. This work along with condition assessment programmes help us to target the replacement of pipeline infrastructure most likely to be leaking or at most risk of failure.

We will also be concentrating on even better interactions with our customers including increasing our activities to keep them informed about the sustainable use and conservation of water and general water quality information.

Over the next 10 years, there will be many key projects and initiatives to support the effective management of our water supply. These involve a range of network capacity and management reviews, renewals, upgrades and increases in capacity to cater for growth.

A capacity upgrade for our treatment plant will be needed to meet increasing demand from growth. This will also support our resilience during peak demand times to cope with potential unplanned asset failure.

Highlights of 2022-23

Staff have continued to focus on providing Hamilton Kirikiriroa residents and businesses with a reliable, high quality and safe treated drinking water supply.

Education in our community continued to be a key focus in 2022-2023. The Three Waters Infrastructure interactive resource model was completed including the continued rollout of the Smart Water programme.

The Three Waters interactive resource model was commissioned to help achieve a greater level of education and awareness with school-aged students and the community

around Three Waters infrastructure.

A focus on hands-on, interactive learning was prioritised in the model's design. The model demonstrates the central importance of the Waikato Awa to Hamiltonians as our single source of drinking water and its cultural significance.

The model can also demonstrate six separate and connected modules that showcase drinking water, stormwater and wastewater in Hamilton - and how we handle those waters in treatment processes and physical design.

Through the model's table skirt, designed by students at Te Wharekura o Kirikiriroa, the model increases awareness of multiple paa sites along the river and enables users to learn more about the cultural significance of the Waikato River from its source at Lake

Taupo to its sea outlet at Port Waikato.

The Smart Water programme has continued into this year with a proactive focus on water sustainability. Key messages focus on the value of water and water-saving tips. Those tips, and more information, can be found at smartwater.org.nz.

No water restrictions were required to be implemented during the 2022-2023 summer period. This was due to very low summer water use as a direct result of wet weather.

The 2022-23 summer period was the first summer since the alert level system was implemented in 2008 in which there was no requirement to initiate any alert level water restrictions.

Staff concluded the development of an asset

criticality framework for our Wastewater and Water Supply Assets, aligning our business objectives against customer expectations and asset risk using a consequence and likelihood of failure model.

Under this framework Council will optimise its risk management activities, align maintenance efforts, and incorporate stakeholder requirements into asset management delivery. Responses can be triaged in a disaster scenario, and there will be improved transparency around risk assessment.

In May 2023, the Shared Services Laboratory was granted continued accreditation against ISO17025 by IANZ (International Accreditation New Zealand). Accreditation demonstrates sampling and analysis is to the standard required to meet regulatory requirements.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The extent to which the Council's water supply complies with Part 4 of the drinking-water standards for bacteria compliance criteria. ⁺	Achieve compliance	Not achieved compliance	Achieved compliance
The extent to which the Council's water supply complies with Part 5 of the drinking-water standards for protozoa compliance criteria. ⁺	Achieve compliance	Achieved compliance	Achieved compliance

⁺ Measure required by the Department of Internal Affairs.

What's behind the results

This measure indicates whether the water we supply is safe to drink and hygienic to use.

Between July 2022 - December 2022 drinking water was assessed against the Drinking Water Standards for New Zealand 2005 (revised 2018) (DWSNZ). On 14 November 2022, new drinking water standards, aesthetic values and Drinking Water Quality Assurance Rules (DWQAR) were published by Taumata Arowai, which came into effect from 1 January 2023. Drinking water produced between January 2023 - July 2023 was assessed under the new DWQAR. Under the new DWQAR, compliance is assessed as the number of days that compliance was achieved during the reporting period.

Based on an internal assessment, Council had one non-compliant day for bacterial compliance.

Council achieved compliance with the previous DWSNZ (July 2022-December 2022) and the new DWQAR (January 2023 - June 2023) for:

a) Bacterial criteria

- Waiora Treatment Plant (365 days)
- Hamilton City Distribution zone (365 days)
- Temple View Distribution zone (365 days)
- Claudelands Grandstand zone (364 out of 365 days)

The bacterial rules within the DWQAR that are considered an equivalent to Part 4 of the previous Drinking Water Standards of New Zealand, are:

- Section 4.10.1.1 - T3 Bacterial Rules for Water Disinfected with Chlorine i.e. potable water leaving the Waiora Water Treatment Plant
- Section 4.11.4 - D3.19-D3.20 Residual Disinfection (FAC) in distribution
- Section 4.11.5 - D3 Microbiological Monitoring Rules of distribution (E.coli and total coliforms)

The non-compliant day for bacterial compliance occurred in May 2023 in the Claudelands Grandstand distribution zone (low fluoride drinking water fountain/tap). The microbiological sample taken for E.coli and Total Coliforms was compliant but the Free Available Chlorine (FAC) field test taken at the same time was below the required level of 0.1mg/L. Taumata Arowai was notified, the incident was investigated and appropriate remedial actions were taken. Risk to public health was low. All other distribution zones were compliant.

Based on an internal assessment, Council achieved compliance with the previous DWSNZ (July 2022- December 2022) and the new DWQAR (January 2023 - June 2023) for Protozoal criteria - Waiora Treatment Plant.

The protozoal rules within the DWQAR that are considered an equivalent to Part 4 of the previous Drinking Water Standards of New Zealand are:

- Section 4.10.2.7 - T3 Protozoal Rules for Coagulation, Flocculation, Sedimentation and Filtration
- Section 4.10.2.13 - T3 Protozoal Rules for UV Disinfection

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of real water loss from the water network infrastructure in the city. ³⁺	No more than 16%	14% (May 2022-April 2023)	15.10% (April 2021 to April 2022)

What's behind the results

We aim to provide an efficient and effective water supply. We achieve this by undertaking activities such as water leakage detection and maintaining our network of water pipes. This measure estimates how much water is lost from the system between the water treatment plant and the household or customer. High levels of water loss can indicate that the network is in poor condition or operating inefficiently.

The primary factors leading to the reduction in real water loss is an observed decrease in average residential water use from 645 litres per connection per day to 610 litres per connection per day. This reduction was primarily due to reduced water use over the summer period compared to the previous year. A detailed justification of the assessed figures can be found within the Water Balance Report.

Hamilton City Council is committed to a multi-year Water Loss Strategy as part of the Council's Water Master Plan. One of the key objectives of this strategy is to enable targeted leak detection and reduction. Six demand management zones ("DMAs") are operational with three remaining zones still to be established. It is expected that as additional zones are implemented, and physical leakage detection undertaken, this figure will continue to decrease.

Approximately 75% of Hamilton's water consumption is unmetered at the point of supply, a series of assumptions must be utilised to complete the Hamilton City Council Water Balance. Additional monitoring tools are being developed to gain greater certainty in the figures reported. Results have a 95% confidence limit of +/- 22%.

³ We use the Water New Zealand Loss Guidelines to calculate how much water is lost from the water network. The water loss calculation carries a 95% confidence limit of +/- 22% due to assumptions required to estimate per capita residential consumption.

+ Measure required by the Department of Internal Affairs.

You can expect We will work with the community to sustainably manage the supply and use of water. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The average use of drinking water per Hamilton resident, per day. ⁺	No more than 400 litres per resident, per day	305 litres	338 litres

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 lower water use rate compared to the previous four years reflects the impacts of a very wet summer and the success of the water conservation and sustainable water use campaigns and programmes of work.

We will continue to focus on education and water management measures to ensure sustainable water consumption. The Smart Water website and other key social drivers will continue to provide information to our community to support the reduction of water consumption in our community.

⁺ Measure required by the Department of Internal Affairs.

You can expect To be satisfied with the clarity, taste, odour, continuity, and pressure of the water supply. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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	5.93 complaints per 1000 connections	6.13 complaints per 1000 connections

What's behind the results

We provide water that is safe to drink and reliably supplied. This measure indicates customer and community satisfaction with the quality and supply of the water.

We received 377 complaints, relating to drinking water about clarity, taste, odour, pressure, continuity of supply and complaints.

Most complaints are a result of customer impacts from our water main renewal and capital work programmes including the ongoing delivery of the network hydrant flushing programme. Digital tools such as Antenno and Facebook were utilised as a means of communication to advise customers of unplanned water outages this year.

Staff will continue to monitor this measure and liaise with contractors working on replacing/extending the water network to minimise any unnecessary reactive impacts. We will also continue to review how we can better communicate to customers in the event of large unplanned and planned water outages or pressure events.

⁺ Measure required by the Department of Internal Affairs.

You can expect A timely response and a timely resolution if there is a problem with the water supply. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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	38 minutes	40 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. ⁵⁺	No more than 5 hours	2 hours	1.9 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. ⁵⁺	No more than 5 working days	6 working days	8 working 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. ⁵⁺	No more than 10 working days	7 working days	10 working 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 supplied, are classified as non-urgent.

We achieved our urgent call-out attendance and resolutions time targets as well as our non-urgent resolution time target. We did not achieve the median attendance time for non-urgent call-outs, with a result of six working days which exceeds the annual target of five working days.

We received 1739 non-urgent water call-outs. Predominantly non-urgent water call-outs are due to water leaks, low pressure or minor works associated with Toby's or valves. Staff have worked hard to improve our response times and our data quality over the year. Continued resourcing challenges due to high levels of new water connections and the prioritisation of urgent and reactive work programmes has impacted the outcome of achieving this performance measure.

Staff will continue to review and modify plans and procedures to ensure improvements continue to be made across our water services.

⁵ Working days are Monday-Friday excluding public holidays. If notification is received on the weekend or public holiday the timeframe starts from the next working day.

⁺ Measure required by the Department of Internal Affairs.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide Hamiltonians with a high-quality, reliable, and sustainable water supply, essential for a healthy community.
Economic Our economy provides opportunities to prosper	A high-quality, reliable, and sustainable water supply is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Taking too much water from the river can impact on the amount of water available for users downstream and the ecology and health of the river. Waikato Regional Council is responsible for managing the amount of water taken from the Waikato River and we have a resource consent with a set limit that we can take per day to mitigate negative impacts.
Cultural Our unique and diverse culture is celebrated	Water management practices can occasionally vary from Maaori cultural beliefs and practices, such as the mixing of water from different catchments. We consider Maaori values in relation to the take and discharge of water in all our water management practices and consult with local iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	10 Year Plan/ Baseline 2021-22	Actual 2021-22	Variance
Water Supply		\$000	\$000	\$000
Water distribution				
CE10123 - Watermain renewals	R	3,639	5,262	(1,624)
CE10124 - Watermain valves and hydrants renewals	R	692	447	245
CE10145 - Tools of trade renewals	R	43	38	4
CE15126 - Rototuna upgrade or new watermain	G	796	0	796
CE15127 - Water pipe upgrades	G	700	32	668
CE15128 - Rotokauri upgrade and new watermain stage 1	G	84	0	84
CE15132 - Water network upgrades to allow new development	G	3,605	2,324	1,282
CE15133 - Water network improvements	LOS	227	253	(26)
CE15134 - Water demand management - Pukete reservoir zone	G	500	126	374
CE15135 - Peacocke water distribution mains stage 1	G	0	(25)	25
CE15137 - Water demand management - Newcastle reservoir zone	G	7,548	7,172	375
CE15141 - Water demand management - Hillcrest reservoir zone	G	18	5	14
CE15146 - Water customer connections	G	634	3,516	(2,883)
CE15158 - Water model	R	373	90	283
CE15159 - Water master plan	G	5	186	(180)
CE19045 - Ruakura reservoir and associate bulk mains	G	1,500	2,060	(560)
CE19046 - Peacocke watermain stage 2	G	667	2,093	(1,426)
CE21039 - Water Stimulus - Water Supply	LOS	0	50	(50)
CE23002 - Infrastructure Acceleration Fund	G	0	100	(100)
Water distribution total		21,031	23,681	(2,649)
Water treatment and storage				
CE10138 - Treatment plant and reservoir renewals	R	1,512	1,653	(142)
CE15139 - Water treatment plant compliance - minor upgrades	LOS	966	377	589
CE15144 - Upgrade water treatment plant	G	8,462	4,400	4,062
Water treatment and storage total		10,940	6,431	4,510
Water Supply total		31,971	30,111	1,860

Variances:

- CE10123 - Watermain renewals - The renewals and compliance projects for Water Reticulation assets is being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. Due to ongoing Covid-19 related material supply delays and labour shortages, delivery of planned 2021-22 works was impacted. These backlog works, funded by 2021-22 deferred funding, were completed during the 2022-23 Financial Year.
- CE15132 - Water network upgrades to allow new development - Work was brought forward to align with construction timing of the Eastern Reservoir Bulk Ring Mains, which is being delivered as part of the bridge over the Waikato River and surrounding roads project. The delivery has been slower than expected, works will be completed in 2023-24.
- CE15146 - Water customer connections - Work has been offset by revenue from customer connections. This budget is matched with 100% revenue.
- CE19046 - Peacocke watermains stage 2 - Works has been rephased due to higher than expected cost escalation resulting in higher costs for the period.
- CE15144 - Upgrade water treatment plant - The budget was reallocated from Waiora Water Treatment Plant upgrade to Pukete Wastewater Treatment Plant (CE15117) to cater for the additional scope requirements.

Water Supply funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	10,981	11,097	11,766	11,797
Targeted rates	10,591	10,463	10,975	10,174
Subsidies and grants for operating purposes	6	2,989	-	687
Fees and charges	450	650	465	465
Local authorities fuel tax, fines, infringement fees and other receipts	(68)	(38)	(71)	928
Internal charges and overheads recovered	-	-	-	-
Total operating funding	21,961	25,161	23,134	24,050
Application of operating funding				
Payments to staff and suppliers	18,051	20,810	18,622	20,232
Finance costs	3,477	2,015	4,241	3,824
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	21,528	22,825	22,863	24,056
Surplus/(deficit) of operating funding	433	2,336	272	(6)
Sources of capital funding				
Subsidies and grants for capital expenditure	50	3,454	52	4,925
Development and financial contributions	5,111	5,597	5,140	7,404
Increase/(decrease) in debt	15,098	21,253	11,566	28,044
Gross proceeds from sale of assets	-	18	-	237
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	20,258	30,322	16,758	40,610
Applications of capital funding				
Capital expenditure				
- to meet additional demand	26,042	16,620	17,789	21,988
- to improve the level of service	1,560	2,516	2,396	852
- to replace existing assets	5,932	5,174	8,141	8,682
Increase/(decrease) in reserves	(16,413)	(1,250)	(11,539)	(1,526)
Increase/(decrease) in investments	3,570	9,598	242	10,608
Total applications of capital funding	20,691	32,658	17,030	40,603
Surplus/(deficit) of capital funding	(433)	(2,336)	(272)	6
Funding balance	-	-	-	-

Wastewater

Providing this activity contributes to a green city



Pukete Wastewater Treatment Plant

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.

Delivering on our Long-Term Plan

Wastewater collection; and wastewater treatment and disposal

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

At the wastewater treatment plant, wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is dewatered and vermi-composted offsite for reuse.

The wastewater network services approximately 53,000 households and 5,500

commercial and industrial premises. The network includes the wastewater treatment plant, pump stations and pipes.

Over the 2021-31 Long-Term Plan period we will be undertaking several resilience, reliability, and growth-based projects. These will look to ensure the operational, structural, and seismic integrity of the wastewater network and treatment plant assets.

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

We plan to reconstent the treatment plant and increase its capacity along with that of selected pump stations.

Highlights of 2022-23

The heavy rain and storm events challenged our Three Waters operations across the city and resulted in multiple wastewater overflows to the environment in the first half of this reporting year.

Staff responded to a very high number of customer calls because of the storm events, and this put our critical operational staff under significant pressure to respond and resolve issues. Our normal work programmes were impacted as we managed our urgent response, which was to prioritise the protection of the public health risk to our city including the health risk to the Waikato River.

The infiltration and inflow of stormwater into the wastewater reticulation network saw record flows received at the Pukete Wastewater Treatment Plant, with the top flow figure being 181,562 cubic metres per day.

During Cyclone Gabrielle the treatment plant received approximately 186,000 cubic metres of wastewater in a 24-hour period. The inflow of wastewater on a normal day is between 50 - 60,000 cubic metres. Recent plant upgrades and renewal work programmes assisted with the management and treatment of higher flows into the treatment plant.

Improvements have been made to cyber security, SCADA and alarms to protect and increase the efficiencies of our water and wastewater treatment plants.

We continued to invest into the optimal operation of our wastewater networks with the successful completion of large maintenance tasks at Pukete to replace the chain in Primary Sedimentation Tank 1 and clean out of Acid Digester 1.

We also completed works to adjust the weir plate for the Rimu/Rata Emergency Wastewater storage which has made a significant impact in the reduction of wet weather overflows to the Waitawhiriwhiri stream in this area.

The Wastewater and Trade Waste bylaw was adopted in June 2023 following a public consultation and submission process. The revised Bylaw came into effect from 1 July 2023.

Staff successfully obtained a renewal of a resource consent for the abstraction of water from the Waikato River to support operations at the Pukete Wastewater Treatment Plant. The consent provides for a daily net take volume of up to 4000 cubic metres and instantaneous take rate of no greater than 55 litres per second, with an annual net take volume not exceeding 1,460,000 cubic metres.

Service performance measures:

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of dry weather wastewater overflows from the wastewater system. ⁺	No more than 4 overflows per 1000 connections	0.64 overflows per 1,000 connections	0.70 overflows per 1000 connections

What's behind the results

Our wastewater system is designed, operated and maintained in a way that aims to minimise the risk of harm to the community and environment. This measure indicates how well the network operates.

The total number of dry weather overflows for the year was 40. This equates to 0.64 dry weather overflows per 1000 connections, which has been rounded up to one per 1000 connections as per the Department of Internal Affairs guidance.

⁺ Measure required by the Department of Internal Affairs.

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

Measure	2022-23 target	2022-23 result	2021-22 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 1000 connections	12.04 complaints per 1000 connections	14.18 complaints per 1000 connections

What's behind the results

This measure indicates customer and community satisfaction with the quality of the wastewater system. 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, new infrastructure, or upgrades.

We received 748 complaints. Common themes were blockages, odour, missing lids, and spills. Overflows are generally caused by blockages or capacity constraints in the wastewater network that can occur when stormwater enters the wastewater network during heavy rain. Blockages are caused by fats and materials such as wet wipes, placed into the system by wastewater network users, but can also be caused by other obstructions such as tree roots.

⁺ Measure required by the Department of Internal Affairs.

You can expect We operate and maintain the wastewater system to minimise the impact on the environment. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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 abatement notices	0 abatement notices
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	1 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions

What's behind the results

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. 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.

In 2021-22, Waikato Regional Council filed charges in the District Court against Hamilton City Council in relation to an unauthorised wastewater discharge into a tributary of Te Awa o Katapaki Stream from the wastewater network in Delia Court. Hamilton City Council entered an early guilty plea and sentencing was completed on 7 June 2022. Hamilton City Council was convicted under section 15(1) (a) of the Resource Management Act. The judgement was issued by the Courts on the 3 October 2022 and as a result Council received a total fine of \$76,500.

No abatement notices were received.

+ Measure required by the Department of Internal Affairs.

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

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The median attendance time for callouts from the time that the Council receives notification of the blockage or other fault to the time that service personnel reach the site. ^{+ 5}	No more than 60 minutes	44 minutes	46 minutes
The median resolution time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel confirm resolution of the fault or interruption. ^{+ 5}	No more than 4 hours	3 hours	2.2 hours

What's behind the results

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

We received 550 wastewater call-outs, the attendance time is slightly higher than last year where the median resolution time was 2 hours. In the 2021-2022 year there was a similar number of callouts however the weather patterns and number of significant weather events during the 2022-23 year have impacted response times. We will continue to review and modify our management plans and procedures to ensure improvements continue to be made across our three water service.

⁺ Measure required by the Department of Internal Affairs.

⁵ Working days are Monday-Friday excluding public holidays. If notification is received on the weekend or public holiday the timeframe starts from the next working day.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Wastewater services we provide protect people's health and are essential for a healthy community.
Economic Our economy provides opportunities to prosper	A reliable and sustainable wastewater service is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	We manage potential effects of the wastewater network such as odour, noise, and discharges into waterways, and upgrade and replace infrastructure as necessary to protect the environment.
Cultural Our unique and diverse culture is celebrated	Wastewater discharge practices can occasionally vary from Maaori cultural beliefs and practices. We consider Maaori values in relation to the discharge of water in all our wastewater activities and consult with local Iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Wastewater		\$000	\$000	\$000
Wastewater collection				
CE10100 - Wastewater pump station asset renewals	R	517	227	290
CE10101 - Wastewater asset renewals	R	3,807	6,101	(2,294)
CE15103 - Wastewater network improvements	LOS	2,280	814	1,466
CE15104 - Wastewater pipe upgrades	G	0	16	(16)
CE15105 - Rototuna wastewater infrastructure	G	1,021	0	1,021
CE15106 - Wastewater network upgrades to allow development	G	0	151	(151)
CE15107 - Rotokauri wastewater infrastructure	G	0	29	(29)
CE15109 - Peacocke wastewater infrastructure stage 1	G	0	2	(2)
CE15111 - Increase capacity of wastewater network	G	2,211	1,970	241
CE15121 - Wastewater customer connections to network	G	1,077	3,551	(2,474)
CE15160 - Wastewater model	R	524	1,549	(1,025)
CE15161 - Wastewater master plan	G	0	322	(322)
CE19040 - Peacocke wastewater infrastructure stage 2	G	6,108	8,030	(1,922)
CE19041 - Increase capacity wastewater far east network	G	4,000	1,905	2,095
CE19042 - Peacocke wastewater south network	G	13,763	6,473	7,290
CE19043 - Increase capacity wastewater west network	G	6,720	5,306	1,414
CE19044 - Increase capacity wastewater east network	G	1,188	2,401	(1,213)
CE21076 - Water Stimulus - Wastewater	LOS	0	6	(6)
CE23004 - Infrastructure Acceleration Fund	G	0	6	(6)
Wastewater collection total		43,216	38,854	4,355
Wastewater treatment and storage				
CE10115 - Wastewater treatment plant asset renewals	R	3,033	1,822	1,211
CE15117 - Upgrade wastewater treatment plant	G	5,946	1,776	4,170
CE15120 - Wastewater treatment plant compliance	LOS	4,465	779	3,685
CE21073 - Subregional wastewater treatment plant	G	763	6,964	(6,202)
Wastewater treatment and storage total		14,207	11,341	2,865
Total		57,423	50,196	7,220

Variances:

- CE10101 - Wastewater asset renewals - The renewals and compliance projects for Wastewater Reticulation assets is being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. Due to ongoing Covid-19 related material supply delays and labour shortages, delivery of planned 2021-22 works was impacted. These backlog works, funded by 2021-22 deferred funding, were completed during the 2022-23 Financial Year.
- CE15103 - Wastewater network improvements - The renewals and compliance projects for Wastewater Reticulation assets is being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. The majority of funding for this project is allocated to Wastewater Emergency Storage Upgrades (pumpstation storage). Due to planning, design, consenting and constructability delays and resourcing constraints during 2022-23, originally planned construction works, leveraging identified 2022-23 budget deferrals, are scheduled for completion during the 2023-24 Financial Year.
- CE15105 - Rototuna wastewater infrastructure - Work deferred to align with developer timing.
- CE15121 - Wastewater customer connections to network - Work has been offset by revenue from customer connections. This budget is matched with 100% revenue.
- CE15160 - Wastewater model - Work has been rephased to complete the wastewater network flow monitoring and data collection necessary to support the re-calibration of the wastewater network hydraulic model programmed for 2023-24.
- CE19040 - Peacocke wastewater infrastructure stage 2 - Budget was brought forward due to higher than expected cost escalation resulting in higher costs for the period.
- CE19041 - Increase capacity wastewater far east network - Work was deferred to align with developer timing.
- CE19042 - Peacocke wastewater south network - Progress has been delayed due to extreme adverse weather affects on the construction schedule. Budget will be spent in 2023-2025 as per contracted programme.
- CE19043 - Increase capacity wastewater west network - Budget has been reallocated to CE-19044 Wastewater East Network to increase capacity and to align with project needs.
- CE19044 - Increase capacity wastewater east network - Budget was reallocated from CE19043 Wastewater West Network to the wastewater east network to increase capacity and to align with project needs.
- CE10115 - Wastewater treatment plant asset renewals - The renewals and compliance projects for Treatment Plant assets are being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. Approximately one third of funding for this project is allocated to the multi-year Wastewater Treatment Plant Resource Consents programme. Due to planning, consultation, and design delays and resourcing constraints during 2022-23, originally planned activities related to the Treatment Plant consents will continue during the 2023-24 Financial Year, leveraging identified 2022-23 budget deferrals.

- CE15117 - Upgrade wastewater treatment plant - Works were delayed and project scope was increased. It will be completed in 2024/25. Budget from CE15144 - Upgrade water treatment plant has been allocated to the works.
- CE15120 - Wastewater treatment plant compliance - The renewals and compliance projects for Treatment Plant assets are being managed as part of a 3-year rolling programme, so that staff are able to respond to the needs of the network and reprioritise works to ensure the best outcomes under varying circumstances and priorities. The majority of funding for this project is allocated to the purchase and installation of backup electrical supply generators for the Wastewater Treatment Plant. Due to ongoing Covid-19 related material supply delays (units are European sourced) as well as planning, specification, and design delays and resourcing constraints during 2022-23, originally planned activities related to the delivery of this resilience project will continue and are expected to be completed during the 2022-34 Financial Year, leveraging identified 2022-23 budget deferrals.
- CE21073 - Subregional wastewater treatment plant -purchase of two properties was brought forward.

Wastewater funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	24,689	24,946	26,453	26,502
Targeted rates	4,436	5,048	4,738	5,375
Subsidies and grants for operating purposes	6	3,281	-	470
Fees and charges	7,060	6,575	7,145	8,071
Local authorities fuel tax, fines, infringement fees and other receipts	488	670	507	2,396
Internal charges and overheads recovered	-	-	-	-
Total operating funding	36,679	40,520	38,844	42,814
Application of operating funding				
Payments to staff and suppliers	26,983	28,976	27,671	33,809
Finance costs	3,781	2,891	4,614	5,834
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	30,763	31,867	32,285	39,643
Surplus/(deficit) of operating funding	5,915	8,653	6,559	3,171
Sources of capital funding				
Subsidies and grants for capital expenditure	75	5,168	77	4,104
Development and financial contributions	9,123	9,297	9,796	12,461
Increase/(decrease) in debt	20,209	27,192	42,556	35,881
Gross proceeds from sale of assets	-	24	-	310
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	29,408	41,681	52,429	52,756
Applications of capital funding				
Capital expenditure				
- to meet additional demand	27,310	28,657	49,858	38,903
- to improve the level of service	2,823	4,015	3,651	1,885
- to replace existing assets	10,874	7,879	9,809	11,277
Increase/(decrease) in reserves	(1,006)	(2,497)	(4,648)	(9,710)
Increase/(decrease) in investments	(4,677)	12,280	317	13,572
Total applications of capital funding	35,323	50,334	58,987	55,927
Surplus/(deficit) of capital funding	(5,915)	(8,653)	(6,559)	(3,171)
Funding balance	-	-	-	-

Stormwater

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

Providing this activity contributes to a green city



North City Wetland in Rototuna

Delivering on our Long-Term Plan

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

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

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

Through our comprehensive master planning activities, we'll be working towards improving the resilience, sustainability, and compliance of the stormwater network over the next 10 years.

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

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

Highlights of 2022-23

We received the annual site compliance report from Waikato Regional Council for Council's Comprehensive Stormwater Discharge Resource Consent for the 2021-2022 period, receiving a 'low risk non-compliance' in relation to the performance of our stormwater network when assessed against the consented conditions of the consent. This is an improvement in

comparison to the previous assessment and reflects our commitment and investment to improve stormwater management across a range of strategic and operational activities.

We completed a scheduled review of Hamilton City Council's Stormwater Management Plan. This review ensured that the most recent central and regional legislative drivers are included and recognised in the management of the stormwater activity.

Hamilton received 48% of our normal total annual rainfall in the October - December 2022 period. A total of 138 calls were received in relation to property or road flooding in response to the storm events that occurred in November and early December 2022.

Some street flooding was due to catchpit

blockages, and in some instances, localised flooding was due to the short-term intensity of the rain exceeding the design capacity of the catchpits.

Most localised flooding was resolved quickly with great work by our Maintenance Delivery and Transport (Infrastructure Alliance) teams and contractors.

Hamilton experienced a wet Auckland Anniversary weekend, with Friday 27 January 2023 being the wettest of the three days receiving 73mm of rain over a 24-hour period. This was closely followed up with Cyclone Gabrielle in February 2023. The stormwater network performed well given

the conditions, with staff responding to some localised areas of flooding, several areas of erosion and tree fall, and blockages in some parts of the open drain network.

On 23 June 2023, staff responded to a number of calls about flooding, slips, three waters infrastructure issues and wastewater overflows after the city experienced a deluge of heavy rainfall overnight.

In addition to the weather impacts across the city, a privately-owned water pond located in the Waipa district failed causing substantial flooding in Exeter Street on the Hamilton city boundary.

Flooding in some of the city's residential streets caused localised damage to private property, city infrastructure and vehicles. Staff completed welfare checks on residents, performed structural safety checks on properties and provided assistance with the clean-up.

Following the flooding event in Exeter Street, road sweeping was completed with more than 29 tonnes of silt removed from the street, and a free flood-damaged rubbish collection was offered to flood affected properties in the following week with around one tonne of material collected and disposed of.

Service performance measures:

You can expect The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of flooding events that occur within the city. ⁶⁺	No more than 1 flooding event	12 flooding events	1 flooding event
For each flooding event, the number of habitable floors affected. ⁶⁺	No more than 1 per 1000 properties	0.21 habitable floors per 1000 properties	0.06 habitable floors per 1000 properties

What's behind the results

The stormwater system is designed and maintained to minimise the likelihood of storm water entering habitable buildings.

This measure indicates the number of flooding events that have occurred in the city. A flooding event is defined as an overflow of stormwater from our stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

We received 636 notifications of flooding incidents. Of these, 12 impacted habitable floors. This was during three periods of intense heavy rain in November 2022, December 2022 and June 2023.

Of the reported flooding events, a total of 13 habitable floors were impacted. Twelve of these were impacted during two periods of intense heavy rain in November 2022 and December 2022, with one being impacted in June 2023 after a pond failed near the city boundary, impacting properties in Glenview.

Continued implementation of preventative maintenance programmes and construction of new stormwater infrastructure to design standards will minimise flooding and impact on dwellings as climate change brings periods of more intense rainfall.

The result of 0.21 per 1000 properties has been rounded up to one per 1000 properties as per Department of Internal Affairs calculation guidance.

⁺ Measure required by the Department of Internal Affairs.

⁶ 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).

You can expect Council will operate and maintain the stormwater system to minimise the impact on the environment. **KEY: Achieved | Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of abatement notices related to the management of the stormwater system.+	No more than 1 abatement action	0 abatement actions	0 abatement actions
The number of infringement notices, enforcement orders and convictions related to the management of the stormwater system.+	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions

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 storm water 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 abatement or infringement notices nor enforcement or conviction actions were received.

+ Measure required by the Department of Internal Affairs.

You can expect A timely response if there is a problem with the stormwater system or flooding of a habitable building.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 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. ⁷⁺	No more than 60 minutes	91 minutes	68 minutes

What's behind the results

The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings. This measure indicates the number of flooding events that have occurred in the city impacting on habitable floors.

A flooding event is defined as an overflow of stormwater from our stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

We received 636 notifications of flooding incidents. This included 12 flooding events, impacting 13 habitable floors. The target of 60 minutes was not met due to significant weather events during November 2022, December 2022 and June 2023, which resulted in a median response time of 93 minutes.

Continued implementation of preventative maintenance programmes and construction of new stormwater infrastructure to design standards will minimise flooding and impact on dwellings as climate change brings periods of more intense rainfall. However, intense rainfall, as experienced in November 2022, December 2022 and June 2023, may continue to cause localised flooding as volumes of rain exceed design capacity. Resourcing capacity for staff responding to these events is stretched during heavy and intense rainfall events, meaning that response timeframes are not always able to be met.

⁺ Measure required by the Department of Internal Affairs.

⁷ Working days are Monday to Friday, excluding public holidays. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day.

You can expect We provide a reliable and effective stormwater system that the community is satisfied with.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of complaints received about the performance of the stormwater system. ⁺	No more than 10 complaints per 1000 properties	23.04 complaints per 1000 properties	15.74 complaints per 1000 properties

What's behind the results

The number of complaints received is an indicator of the quality of service we are providing. It also gives us information about issues with the storm water system and tells us how satisfied customers are with the way we respond to requests to fix problems.

We received 1448 complaints in relation to the performance of the stormwater system recorded, which is equivalent to 23 complaints per 1000 connections. The number of complaints is due to the high level of rainfall recorded in November 2022, December 2022 and in June 2023, including periods of high intensity rainfall, that caused significant road flooding in localised areas around Hamilton.

Ongoing implementation of preventative maintenance programmes and construction of new stormwater infrastructure to design standards will continue to improve the performance of the stormwater system in order to reduce flooding events within the city. Management will continue to work with staff to ensure high leaf zones and catchpit clearing programmes are reviewed and improved to prepare for any predicted wet weather events. When we are responding to multiple heavy and intense rainfall events as well as putting preventive measures in place, our resourcing is stretched.

⁺ Measure required by the Department of Internal Affairs.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We manage the piped stormwater network and stormwater overflow paths to minimise the impact of storm events on people and property.
Economic Our economy provides opportunities to prosper	A reliable and sustainable stormwater network is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Stormwater may contain contaminants, such as sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces. These are managed through network design and resource consents, which include regular street sweeping, monitoring stormwater quality and investigating the source of contaminants.
Cultural Our unique and diverse culture is celebrated	The mixing of stormwater from different water catchments and its discharging into water bodies and the Waikato River can conflict with Maaori cultural beliefs and practices. We consider Maaori values in all our water-related activities and consult with local iwi as part of the resource consent process.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Stormwater		\$000	\$000	\$000
CE10058 - Stormwater asset renewals	R	753	333	420
CE15059 - Rototuna stormwater infrastructure	G	1,379	88	1,291
CE15060 - Rotokauri stormwater infrastructure stage 1	G	1,543	2,626	(1,083)
CE15062 - Peacocke stormwater infrastructure stage 1	G	157	3	154
CE15063 - Peacocke stormwater infrastructure stage 2	G	2,951	4,465	(1,514)
CE15067 - Comprehensive stormwater consent implementation	LOS	366	279	87
CE15068 - Stormwater customer connections	G	26	921	(895)
CE15162 - Integrated Catchment Management Plan	G	1,178	932	246
CE19026 - Erosion control works	LOS	953	952	1
CE21031 - Flood management	LOS	12	0	12
CE21032 - Stormwater infrastructure upgrades	G	265	(29)	294
CE21062 - Stormwater asset upgrades	LOS	166	0	166
CE21066 - Ruakura stormwater infrastructure	G	1,961	2,705	(743)
CE21068 - Water Stimulus - Stormwater	LOS	0	0	(0)
CE23003 - Infrastructure Acceleration Fund	G	0	9	(9)
Total		11,710	13,285	(1,575)

Variances:

- CE15059 - Rototuna stormwater infrastructure - Work was deferred to align with developer timing.
- CE15060 - Rotokauri stormwater infrastructure stage 1 - Work was brought forward to align with developer timing.
- CE15063 - Peacocke stormwater infrastructure stage 2 - Work was rephased due to higher than expected cost escalation resulting in higher costs.

Stormwater funding impact statement

For year ended 30 June 2023	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	15,447	15,561	16,548	16,687
Targeted rates	2,260	2,239	2,423	2,362
Subsidies and grants for operating purposes	4	748	-	232
Fees and charges	317	392	327	522
Local authorities fuel tax, fines, infringement fees and other receipts	128	196	134	745
Internal charges and overheads recovered	-	-	-	-
Total operating funding	18,157	19,136	19,432	20,548
Application of operating funding				
Payments to staff and suppliers	5,800	8,236	6,130	8,379
Finance costs	1,093	883	1,384	1,826
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	6,893	9,119	7,514	10,205
Surplus/(deficit) of operating funding	11,264	10,017	11,918	10,234
Sources of capital funding				
Subsidies and grants for capital expenditure	2,025	4,339	1,056	2,413
Development and financial contributions	4,929	2,239	6,197	4,482
Increase/(decrease) in debt	6,403	8,336	5,074	11,000
Gross proceeds from sale of assets	-	6	-	82
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	13,357	14,920	12,327	17,977
Applications of capital funding				
Capital expenditure				
- to meet additional demand	11,259	6,070	7,740	11,650
- to improve the level of service	1,834	4,295	2,253	1,311
- to replace existing assets	1,012	448	1,252	736
Increase/(decrease) in reserves	11,748	10,359	12,916	10,463
Increase/(decrease) in investments	(1,231)	3,765	83	4,161
Total applications of capital funding	24,621	24,937	24,245	28,320
Surplus/(deficit) of capital funding	(11,264)	(10,017)	(11,918)	(10,343)
Funding balance	-	-	-	-

Rubbish and Recycling

Providing this activity contributes to a green city



Rubbish and Recycling collection truck

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

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

Delivering on our Long-Term Plan

Refuse collection (refuse and recycling)

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

We own the Resource Recovery Centre and the Hamilton Organic Centre. The operation of these facilities is contracted to privately owned businesses. Planning for new or reconfigured infrastructure to support projected growth of the city will be important as this will enable us to increase the effectiveness of our resource recovery at solid waste sites.

Landfill site management

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

Waste minimisation

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and promoting waste minimisation. Effective and

efficient waste minimisation is a requirement of all councils under a range of legislation.

We will continue to implement our Waste Management and Minimisation Plan which includes waste minimisation education, new partnerships and accessing of relevant grants. We provide these services to protect people's health and our environment by minimising the production of rubbish and promoting recycling and reuse.

Effective rubbish and recycling activities are essential for a healthy and thriving community. By reducing our resource consumption and reusing products, we can minimise the amount we need to recycle or dispose of and ultimately the rubbish we generate.

Landfill is the most common method of disposing of rubbish in Hamilton Kirikiriroa, as it is elsewhere in New Zealand. Dealing with rubbish this way is problematic because of the need to find suitable land and the potential adverse environmental effects to soil, air and waterways.

The best way to reduce the need for new landfill sites is to decrease the amount of waste we need to dispose of by reducing

the volume of waste we produce, purchasing low waste products and diverting waste for reuse, recycling and recovery.

Closed landfill sites can potentially have negative effects on the environment and public health. To mitigate these effects, we monitor gas and leachate at closed landfill sites and manage these sites within the requirements of our resource consents.

We manage collection contracts and comply with our Waste Management and Minimisation Bylaw to minimise the likelihood of these events occurring.

Highlights of 2022-23

In line with our Waste Management and Minimisation Plan 2018-24 Action Plan the following activities have been achieved.

Upgrades to the Habitat for Humanity reuse store and recycling area at the Rubbish Recovery Centre were undertaken. Out of the 2649 tonnes of material dropped off at the Rubbish Recovery Centre, 663 tonnes were repurposed. This is a total of 25% compared to October 2021, when only 9.6% was saved from landfill. This has been due to the introduction of a number of construction and demolition related

recovery streams being introduced (wood, concrete and plasterboard).

Over the year we continued to see an increase in construction and demolition waste being diverted from landfill at the Rubbish Recovery Centre, with 7028 tonnes diverted from the site during 2022-23. This is up from the 4211 tonnes diverted in 2021-22.

The increase in the diversion of construction and demolition material aligns with the significant promotion around reducing construction and demolition waste undertaken at the end of 2021-22, which

included the upgrade of the 'Building and Development' webpages on the Fight the Landfill website and the launch of the 'Waste Reduction in the Construction Industry' video.

A steady number of education sessions have been delivered to school and early education groups at the Education Room at the Material Recycling Centre. Sessions have been well received with excellent feedback from participants. The 'Fight the Landfill' school holiday programme at Te Awa The Base (11-24 July 2022) saw participation of over 4000 attendees.

We undertook marketing campaigns around the food waste service and recycling contamination. The aim of these campaigns was to increase uptake of the service as well as improve the quality of recycling and reduce contamination.

A food waste promotion event was held on 5 November 2022 at the Hamilton Organic Centre, to both encourage the use of the food waste service and to thank Hamiltonians for using the service. More than 300 vehicles came through the gates, with drivers and passengers bringing their own buckets to fill with 20 litres of Tronpost. 6000 litres of Tronpost and 150 ferns were given away on the day.

Service performance measures:

You can expect We will promote and encourage waste reduction, reuse, and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of waste recovered for recycling through the kerbside collection.	At least 45%	48.03%	50.93%

What's behind the results

We promote waste reduction, reuse, and recycling. This measure indicates the effectiveness of our Waste Minimisation and Education Programme.

You can expect We will promote and encourage waste reduction, reuse, and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The amount of waste received at Council-operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	15,129 tonnes	13,939 tonnes

What's behind the results

This measure indicates the effectiveness of our Waste Minimisation and Education Programme

The annual target of 16,000 tonnes diverted from landfill has been a challenging target in past years but an upgrade of the infrastructure around recycling drop-off points at the Resource Recovery Centre and the introduction of additional diversion streams such as wood, concrete and plasterboard has helped increase the amount of waste diverted from landfill.

The amount of waste diverted is encouraging for the future and the diversion target is likely to be met in future years.

You can expect We will promote and encourage waste reduction, reuse, and recycling.

Measure	2022-23 target	2022-23 result	2021-22 result
The percentage of waste recovered for recycling through Council-owned facilities.	At least 30%	46.64%	42.58%

What's behind the results

This measure demonstrates the progress at Council facilities with waste recovery for recycling. The percentage of waste recovered for recycling from Council owned facilities has been consistent during the year and consistently above target.

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, further increasing the percentage of waste recovered for recycling.

You can expect We will collect your rubbish and recycling.

KEY: **Achieved** | **Not achieved**

Measure	2022-23 target	2022-23 result	2021-22 result
The number of valid missed collections of kerbside rubbish, food waste and recycling.	0 months with greater than 110	12 months	12 months

What's behind the results

We aim to provide a reliable kerbside rubbish and recycling collection to stop rubbish and recycling becoming a health risk and to keep the streets tidy.

We have undertaken further work with EnviroWaste Services Limited to bring the number of missed collections closer to the 110 per month target. This has seen the total number of missed collections for this year fall to 2767 from the 4736 recorded for the same period last year.

The target of 110 missed collections per month is challenging, but it is expected we will see the downward trend for missed collections to continue at below 200 a month.

You can expect A timely response if there is a problem with rubbish and recycling.

Measure	2022-23 target	2022-23 result	2021-22 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	0 months	11 months

What's behind the results

We aim to resolve missed collections in a timely manner.

Our contractor emptied 4,654,524 bins and had 2767 missed collections for a clearance rate of 99.94%, of that ten missed collects were completed outside the required timeframe.

Effects on the wellbeing of the community

Social We care for, and about, all our people	We provide these services to protect people's health. Effective rubbish and recycling services are essential for a healthy community.
Economic Our economy provides opportunities to prosper	A reliable and sustainable rubbish and recycling service is essential for our existing businesses and encouraging new businesses to the city.
Environmental We love and protect our environment	Landfills have potential adverse environmental effects to soil, air, and waterways. To mitigate, we monitor gas and leachate at closed landfill sites and manage these within the requirements of our resource consent.
Cultural Our unique and diverse culture is celebrated	No identified effect.

Capital projects

The following table summarises the capital projects planned for year two (2022-23) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Rubbish and Recycling		\$000	\$000	\$000
CE10054 - Closed landfill assets renewals	R	453	338	115
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals	R	112	182	(70)
CE15055 - Closed landfill management	LOS	26	46	(20)
Total		591	566	25

Rubbish and Recycling funding impact statement

For year ended 30 June 2023

	Long-Term Plan 2021-22	Actual 2021-22	Long-Term Plan 2022-23	Actual 2022-23
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charges, rates penalties	8,306	8,399	8,899	8,930
Targeted rates	267	24	280	27
Subsidies and grants for operating purposes	642	893	650	1,609
Fees and charges	35	145	36	178
Local authorities fuel tax, fines, infringement fees and other receipts	432	347	445	265
Internal charges and overheads recovered	-	-	-	-
Total operating funding	9,682	9,808	10,311	11,009
Application of operating funding				
Payments to staff and suppliers	9,042	7,248	9,817	9,485
Finance costs	198	604	201	645
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	9,240	7,852	10,019	10,130
Surplus/(deficit) of operating funding	441	1,956	292	879
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	3
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	460	411	118	543
Gross proceeds from sale of assets	-	3	-	41
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	460	414	118	587
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	185	78	158	84
- to replace existing assets	721	312	362	716
Increase/(decrease) in reserves	610	1,794	(152)	461
Increase/(decrease) in investments	(615)	186	42	205
Total applications of capital funding	901	2,370	410	1,466
Surplus/(deficit) of capital funding	(441)	(1,956)	(292)	(879)
Funding balance	-	-	-	-

Overhead and support unit capital projects

The following table summaries our overhead and support units capital programme planned for year one (2021-22) of the 2021-31 Long-Term Plan and the progress made during the period.

Information on capital projects for other activity areas can be found on pages 32 – 145.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2022-23	Capex Actuals 2022-23	Variance
Overhead and support units		\$000	\$000	\$000
Corporate buildings				
CE10158 - Fleet vehicles renewals	R	1,258	2,149	(891)
CE21014 - Corporate building renewals	R	2,336	3,212	(876)
Corporate buildings total		3,594	5,362	(1,768)
Information Services				
CE21025 - Information Services renewals	R	3,625	1,516	2,109
CE21026 - Information Services upgrades	LOS	5,527	589	4,938
Information Services total	R	9,152	2,105	7,047
Strategic Property				
CE10151 - Strategic property renewals	R	117	713	(596)
Strategic Property total		117	713	(596)
Total		12,863	8,180	4,683

Variances:

- CE21025 - Information Services renewals - The renewal and upgrade of Information Services' projects was managed as a programme, so staff would be responding to the needs of the business and reprioritising works to ensure the best outcomes. The underspend was due to capital expenditure being moved to operating expenditure to align with accounting standards that were revised.
- CE21026 - Information Services renewals - The renewal and upgrade of Information Services' projects was managed as a programme, so staff would be responding to the needs of the business and reprioritising works to ensure the best outcomes. The underspend was due to capital expenditure being moved to operating expenditure to align with accounting standards that were revised.

Statement of Service Performance - assumptions and judgements

Significant judgements in the selection of non-financial performance measures

We have made a number of judgements in selecting performance measures for inclusion in the Council's 2024-34 Long-Term Plan. The main judgements made in the selection of performance measures are outlined below:

Community services;
Governance, Safety; Venues, tourism and major events;

Visitor destinations; Parks and recreation; Rubbish and recycling

- There are no mandatory performance measures for these activities, nor any measures that have been established through legislation. As such, in selecting measures for these activities regard was given to those that:
 - are considered to be of high public interest;
 - relate to a community service level or expectation that is well understood; or
 - arise out of a contractual arrangement.

Growth

- We are required under legislation to process building consents, resource consents and Code of Compliance certificates within a specified timeframe - as such, we have included performance measures relating to timeliness of processing in our performance framework. We report on the average processing time for processing building consents, resource consents and Code of Compliance certificates as this is more meaningful to our community. Average processing days is the

average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

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

Transport

- The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for this activity. Our selection included DIA mandatory measures that are intended to enable comparability of performance across similar sized local authorities. All measures required to be reported against by the DIA have been included in our performance framework and calculated in accordance to DIA guidance.
- DIA have not set any mandatory performance measures in relation to mode shift or travel times. We consider these to be material aspects of the service we deliver and have included performance measures for these outcomes in our performance framework.

Water supply; Wastewater; Stormwater

- The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for these activities. Our selection included DIA mandatory measures that are intended to enable comparability of performance across similar sized local authorities. All measures required to be reported against by the DIA have been included in our performance framework and calculated in accordance to DIA guidance.
- We have not identified any significant aspects of service performance outside of the DIA measures, as such, no additional performance measures have been included for these activities.
- Drinking Water Quality is a mandatory DIA measure however in November 2022 the regulatory body in place over the safety of drinking water has transitioned from the Drinking Water Quality Standards (DWS) to the new Drinking Water Quality Assurance Rules (DWQARs). Two independent Reports will be used to verify drinking water quality, one report will be for the time period July 2022-December 2022 the second will be for the time period January 2023 - June 2023. Both reports will measure drinking water quality against the standards and requirements.
- Real Waterloss is a water balance is a 'top-down' approach to identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network. We use the standard International Water

Association (IWA) water balance in accordance with the Water New Zealand Water Loss Guidelines to calculate how much water is lost from the water network. A formal report assessing our water balance approach was undertaken by Thomas Consultants.

Targets

An annual target of maintain or increase on previous years performance recognise the importance of steady progress towards our goals.

As part of setting funding levels, the group has considered the impact on services and their related performance measures. Despite funding pressures across the group, management has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

Underlying logic, assumptions & definitions in our non-financial performance measures

All non-financial performance measures are reported in a consistent manner when compared to the 2021-22 performance result, including a quantitative result and accompanying contextual information.

Surveys

To measure the quality of our outputs, we use customer surveys to assess the quality of the service provided. Our "satisfaction" surveys are related to customer interactions with council services rather than wider perceptions (e.g. satisfaction with our Regulatory Services).

Libraries and Aquatics Satisfaction:

We survey our customers through customer surveying to understand customer satisfaction of those who use services and facilities. We collect email addresses and phone numbers from our customers at or prior to the point of interactions. These are sent to an independent survey company (Cemplicity), who send a survey link through email to a random sample of people from these lists. Customers can also give their feedback about their relevant interactions through short surveys on the iPads at Waterworld, Libraries, Customer Service Desk at the Municipal Building. We try to ask customers their perceptions of our services at or shortly after their interactions with Council to enable better recall of the interaction so that the customer's voice is clear and feedback can be actioned without delay.

Parks and Recreation Satisfaction:

The Parks and Open Spaces Survey is a tool to understand how people use the city's parks and open spaces and seek feedback about their experience at these spaces. The survey was opt-in and promoted through a media release which was picked up by NZ Herald, as well as posts and ads across our social media platforms including Facebook, Instagram, and LinkedIn. It was also shared on our visitor destination's social media pages and there were posters up at all Council facilities and visitor destinations. It was available via hardcopy at all Hamilton City Libraries and the Hamilton City Council buildings in central city. The survey was open for responses between 4 March and 4 April 2023. We received 505 responses to the survey and 90% used parks and open spaces at least monthly so were therefore asked follow

up questions regarding their experiences and use of the parks and open spaces within Hamilton. Results of the parks survey were not weighted by demographics but we had a high representation from those in 25-74 range and from NZ European and British ethnic groups.

Perception of; central city safety, Hamilton is a great place to live, community pride in Hamilton and confidence in decision makers:

We also use general population surveys to track the attitudes and perceptions of Hamiltonians more broadly (e.g. Quality of Life survey), which enables a comparison across councils of the impacts on residents' quality of life. NielsenIQ conducted the Quality of Life Survey from 28 March 2022 to 13 June 2022 across eight metro councils, and one regional council. A stratified probabilistic sample of 2650

Hamiltonians. Hamiltonians were selected from the New Zealand Electoral Roll, with hard-to-reach groups being oversampled. Of those who were sent an invitation to participate, 546 responded (a response rate of 20.6%) providing data pertaining to their perception of quality of life within Hamilton. Responses were weighted according to the 2018 Census population data. The sample size and methodology allow for a maximum margin of error of 4.2% (with a 95% confidence interval). As perceptions can change within the two-year cycle, Council commissioned NielsenIQ (who undertook the last Quality of Life Survey) to run a more recent Pulse survey in order to gain the most up to date perceptions of our community's quality of life. While the methodology and sampling procedure was the same for both surveys, we sampled a higher number

of people from our Hamilton population to provide more accurate insights into community perceptions going into our next long-term plan cycle. Over 1700 people across the city responded to the survey.

Aggregation:

- Visitation or participation: Where multiple site or locations contribute to the over number of visitations/ participation this has been aggregated into our visitation/participation result. This includes
 - o Library visitation
 - o Aquatic visitation
 - o Visitor Destination visitation
 - o Venue visitation
- The number of unique reasons to visit our visitor destination has also been aggregated across our sites.

Definitions:

- Working days are Monday to Friday, excluding public holidays. If a notification is received over the weekend or on a public holiday, the timeframe starts from the next working day.
- Active modes of transport include bikes - electric and manual, scooters - electric and manual as well as any other micro-mobility options.
- Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19 December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

- 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).

All filters, logic, assumptions, definitions, limitations and sources are recorded in detailed Service Performance Measure information sheets.

Presentation of non-financial performance measure

Detail on how to read the service performance measure can be found on page 42. Service Performance information is included on pages 44 to 158.



Financial statements Ngaa Tauaakii aa-Tahua

Guide to this section of the Annual Report:

This section shows in detail the financial reports and accounting policies of Council. The financial statements provide information about Council's assets, liabilities, income, and expenditure.

Council's financial year begins on 1 July and continues until 30 June.

The financial statements include four primary statements:

Statement of comprehensive revenue and expense

This summarises Council's financial performance for the year, listing all income and expenses. It also records other

comprehensive income, such as changes in fair value of Council's infrastructure, property, plant, and equipment.

Statement of changes in net assets/equity

This is often known as the statement of changes in equity. It details the overall changes for the year in relation to Council's net wealth.

Statement of financial position

This is a '30 June' snapshot of Council's financial position at the end of the relevant financial year, that indicates its assets, liabilities, and net wealth at that point.

Statement of cashflows

This statement indicates where Council's cash came from and where it was spent in the relevant financial year.

These four statements reflect Council's actual position to the budget. The 2022-23 budget was adopted by Council through the 2021-31 Long-Term Plan.

Notes to the financial statements

These 'notes' are to provide greater detail and more information on the four primary financial statements. The content of the four financial statements and their notes are prepared using Public Benefit Entity accounting standards.

Statement of comprehensive revenue and expenses

Tauaakii o ngaa whiwhinga me ngaa whakapaunga matawhaanui

For the year ended 30 June 2023

		Council			Group	
	Note	Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	3	238,229	239,860	223,504	238,229	223,504
Fees and charges	5	49,163	43,238	39,028	55,304	45,892
Subsidies and grants	4	12,103	8,865	17,452	12,103	17,452
Interest revenue	6	11,361	1,866	1,516	11,361	1,516
Other revenue	7	39,888	17,805	14,547	39,638	14,547
Development contributions	9	36,502	33,822	27,062	36,502	27,062
Capital revenue	10	71,736	70,820	98,052	71,736	98,052
Vested assets	11	64,185	39,199	34,889	64,185	34,889
Total revenue (excluding gains)		523,167	455,474	456,050	529,058	462,914
Expenses						
Personnel costs	12	110,063	109,125	96,589	113,563	100,089
Depreciation and amortisation expense	14	89,160	86,520	80,629	90,186	81,641
Finance costs	13	40,863	21,454	18,955	41,300	19,173
Operating and maintenance costs	15	83,446	76,838	74,900	86,599	78,245
Professional costs	15	16,871	16,695	21,548	16,912	21,600
Administration costs	15	23,945	17,638	14,036	24,102	14,209
Property costs	15	14,392	13,754	10,877	14,392	10,877
Total expenses (excluding losses)		378,740	342,024	317,534	387,054	325,834
Operating surplus/(deficit)*		144,427	113,450	138,516	142,004	137,080
Gains	8	29,807	1,011	41,542	29,807	41,542
Losses	8	(30,818)	(61,103)	(11,399)	(30,818)	(11,399)
Share of associates' surplus/(deficit)		-	-	-	9,282	12,130
Surplus/(deficit) before tax		143,416	53,359	168,659	150,275	179,353
Income tax expense	16	-	-	-	(539)	(589)
Surplus/(deficit) after tax		143,416	53,359	168,659	150,814	179,942
Other comprehensive revenue and expense						
Items that could be reclassified to surplus/(deficit)						
Financial assets at fair value through other comprehensive revenue and expense	32	212	-	938	212	938
Items that will not be reclassified to surplus/(deficit)						
Gain on property, plant and equipment revaluations	32	419,260	52,063	365,011	421,884	371,554
Income tax on other comprehensive revenue and expense	32	-	-	-	-	-
Impairment of revalued property plant and equipment	32	(1,303)	-	(16)	(1,303)	(16)
Other revaluation reserve movements	32	2,533	-	1,228	2,533	1,228
Total other comprehensive revenue and expense		420,702	52,063	367,161	423,326	373,704
Total comprehensive revenue and expense		564,118	105,422	535,820	574,140	553,646
Surplus/(deficit) attributable to:						
Hamilton City Council		143,416	53,359	168,659	151,125	180,214
Non-controlling interest		-	-	-	(311)	(272)
Total comprehensive revenue and expense attributable to:						
Hamilton City Council		564,118	105,422	535,820	574,451	553,918
Non-controlling interest		-	-	-	(311)	(272)

The accompanying notes form part of these financial statements.

Explanations of major variances against budget are provided in individual notes.

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

Balancing the books measure Te whakataurite i ngaa kaute

For the year ended 30 June 2023

Council				
For the year ended 30 June 2023	Note	Actual 2023	Budget 2023	Actual 2022
		\$000	\$000	\$000
Surplus/(deficit) before tax		143,416	53,359	168,659
Adjustments for balancing the books measure				
Remove capital revenue				
Vested assets	11	(64,185)	(39,199)	(34,889)
Part of development and financial contributions ¹		(23,880)	(21,984)	(17,590)
Capital subsidy (excluding subsidy on transport renewals) ²		(42,338)	(53,729)	(43,183)
Other capital contributions		(20,868)	(9,377)	(46,530)
Other items not considered everyday operating revenue ³		(30,930)	(10,887)	(9,082)
Remove gains/losses				
All gains/(losses)		1,011	60,092	(30,143)
Remove other expenses				
Other items not considered everyday operating expenses ⁴		8,024	7,280	7,515
Balancing the books surplus/(deficit)		(29,750)	(14,444)	(5,243)

¹ Development contributions contain an element of funding for interest and depreciation costs that are part of every day expenses. An adjustment is made to match the revenue with the expense.

² Subsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.

³ Adjustment for fair value calculation on the Housing Infrastructure Fund loans and extraordinary COVID-19 subsidies and grants.

⁴ Adjustment for grants to other parties to invest in significant assets for the benefit of the city, fair value discount unwinding on the Housing Infrastructure Fund loans, extraordinary COVID-19 related payments and one-off software as a service costs that were required to be expensed.

Statement of changes in equity Tauaakii rerekeetanga o te tuutanga

For the year ended 30 June 2023

	Council			Group	
	Note	Actual 2022	Budget 2022	Actual 2021 (Restated)	Actual 2021 (Restated)
		\$000	\$000	\$000	\$000
Equity balance at 1 July		4,915,745	4,829,519	4,379,925	5,024,016
Total comprehensive revenue and expense for the year		564,118	105,422	535,820	574,140
Equity balance at 30 June	32	5,479,863	4,934,941	4,915,745	5,598,156
Accumulated comprehensive revenue and expense					
Balance at beginning of year		2,214,690	2,149,456	2,044,738	2,265,015
Operating surplus/(deficit)		143,416	53,359	168,659	151,125
Transfers (to)/from restricted and council created reserves		(1,456)	(94)	(781)	(1,456)
Transfer from property revaluation reserves on disposal		3,001	-	2,074	3,001
Balance at end of year	32	2,359,651	2,202,722	2,214,690	2,417,685
Revaluation reserves					
Balance at beginning of year		2,658,370	2,637,302	2,293,283	2,712,476
Total other comprehensive revenue and expense		420,702	52,063	367,161	423,326
Transfer to accumulated comprehensive revenue and expense on disposal		(3,001)	-	(2,074)	(3,001)
Balance at end of year	32	3,076,071	2,689,365	2,658,370	3,132,801
Restricted and council created reserves					
Balance at beginning of year		42,685	42,761	41,904	42,685
Transfers (to)/from reserves		1,456	94	781	1,456
Balance at end of year	32	44,141	42,855	42,685	44,141
Non-controlling interest		-	-	-	3,529
Equity balance at 30 June	32	5,479,863	4,934,941	4,915,745	5,598,156

The accompanying notes form part of these financial statements.
Explanations of major variances against budget are provided in individual notes.

Statement of financial position Tauaakii tuuranga puutea

For the year ended 30 June 2023

		Council			Group	
	Note	Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	17	174,129	102,174	114,826	174,129	114,937
Receivables	18	38,274	31,550	41,400	38,874	41,772
Prepayments		3,622	2,460	4,540	3,630	4,547
Inventory	19	235	189	176	333	281
Non-current assets held for sale	20	4,185	-	-	4,185	-
Other financial assets	22	43,849	12,275	17,166	43,961	17,166
Derivative financial instruments	21	3,877	-	79	3,877	79
Total current assets		268,171	148,649	178,187	268,989	178,782
Non-current assets						
Derivative financial instruments	21	7,882	629	7,431	7,882	7,431
Other financial assets						
- Investment in CCOs and other similar entities	22	13,399	12,238	13,168	9,399	9,168
- Other Investments	22	18,583	14,981	14,442	18,583	14,442
Total other financial assets	22	31,982	27,219	27,610	27,982	23,610
Investment in associates	23	7,430	7,430	7,430	120,520	108,654
Property, plant and equipment	24	6,131,654	5,654,610	5,422,981	6,148,785	5,440,795
Intangible assets	25	33,907	23,664	32,573	33,907	32,573
Investment property	26	32,013	46,585	40,983	32,013	40,983
Total non-current assets		6,244,868	5,760,138	5,539,008	6,371,089	5,654,046
Total assets		6,513,039	5,908,787	5,717,195	6,640,078	5,832,828
Liabilities						
Current liabilities						
Payables and deferred revenue	27	79,552	48,261	64,527	79,855	65,026
Derivative financial instruments	21	-	524	-	-	-
Employee entitlements	28	11,892	9,682	11,304	12,084	11,594
Provisions	29	3,395	3,504	3,240	3,395	3,375
Borrowings	30	144,059	112,862	93,241	144,777	93,441
Total current liabilities		238,898	174,833	172,312	240,111	173,436
Non-current liabilities						
Payables and deferred revenue	27	-	-	-	5	5
Derivative financial instruments	21	225	36,578	3,796	225	3,796
Employee entitlements	28	771	985	872	771	872
Provisions	29	12,510	13,353	13,370	12,510	13,370
Deferred tax liability	16	-	-	-	1,817	2,108
Borrowings	30	780,773	748,096	611,100	786,483	615,225
Total non-current liabilities		794,279	799,012	629,138	801,811	635,376
Total liabilities		1,033,177	973,845	801,450	1,041,922	808,812
Net assets		5,479,862	4,934,941	4,915,745	5,598,156	5,024,016
Equity						
Accumulated comprehensive revenue and expense	32	2,359,651	2,202,721	2,214,690	2,417,685	2,265,015
Other reserves	32	3,076,071	2,689,365	2,658,370	3,132,801	2,712,476
Restricted reserves	32	42,137	41,911	41,743	42,137	41,743
Council created reserves	32	2,004	944	942	2,004	942
Non-controlling interest	32	-	-	-	3,529	3,840
Total equity		5,479,863	4,934,941	4,915,745	5,598,156	5,024,016

The accompanying notes form part of these financial statements.
 Explanations of major variances against budget are provided in individual notes.

Statement of cash flows Tauaakii kapewhiti

For the year ended 30 June 2023

Cash flows from operating activities

Cash was provided from:

	Council			Group	
Note	Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
	\$000	\$000	\$000	\$000	\$000
Rates revenue	236,925	239,860	221,795	236,925	221,795
Fees and charges	60,910	43,238	43,284	67,051	50,712
Government operating subsidies and grants	10,446	8,865	17,334	10,446	17,334
Government capital subsidies and grants	46,482	61,443	56,071	46,482	56,071
Other capital contributions	57,849	43,198	50,412	57,849	50,412
Interest received	10,002	1,866	1,298	10,002	1,298
Dividends received	341	104	64	341	64
Sundry revenue	8,618	6,698	6,488	8,368	6,488
	431,573	405,273	396,746	437,464	404,174

Cash was applied to:

Payments to employees	105,530	109,125	95,511	109,030	98,963
Payments to suppliers	137,609	125,655	138,045	140,960	141,591
Interest paid	34,372	19,843	16,522	34,809	16,736
Tax payments	-	-	-	-	-
Net GST paid	644	-	(1,537)	644	(1,445)
	278,155	254,624	248,541	285,443	255,845

Net cash flow from operating activities 34 **153,418** **150,649** **148,205** **152,021** **148,329**

Cash flows from investing activities

Cash was provided from:

Proceeds from other financial assets	370,360	440	60,493	370,360	60,493
Proceeds from maturity of NZLGFA borrowers notes	880	880	960	880	960
Proceeds from sale of assets held for sale	-	-	-	-	-
Proceeds from sale of property, plant and equipment	4,152	-	128	4,152	128
Proceeds from sale of investment property	440	-	-	440	-
	375,832	1,320	61,581	375,832	61,581

Cash was applied to:

Acquisition of other financial assets	395,500	-	76,000	395,500	76,000
NZLGFA borrower notes	5,500	3,111	5,250	5,500	5,250
Purchase of investment property	23	-	161	23	161
Purchase of intangible assets	2,295	-	5,111	2,295	5,111
Purchase of property, plant and equipment	310,159	325,535	242,388	311,453	242,437
	713,477	328,646	328,910	714,771	328,959

Net cash flow from investing activities **(337,645)** **(327,326)** **(267,329)** **(338,939)** **(267,378)**

The accompanying notes form part of these financial statements.

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Notes to the financial statements

Nga nooti ki ngaa tauaakii aa-tahua

Note 1: Statement of accounting policies

Reporting entity

Hamilton City Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Group consists of the ultimate parent, Council, and its subsidiary, Waikato Innovation Growth Ltd (100% owned). The Council's 50% equity share of its associate Waikato Regional Airport Ltd is equity accounted into the Group financial statements.

The primary objective of Council and Group is to provide local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the Group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council and Group are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 31 October 2023.

Basis of preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of the Council and Group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRPR)), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance

with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), other than the remuneration and the severance payment disclosures in note 12, and the related party transaction disclosures in note 33. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Changes in accounting policies

There have been no changes in accounting policies.

Standards and amendments issued and not yet effective or early adopted

There have been no standards and amendments issued that are not yet effective and early adopted.

New standards issued and adopted in current Annual Reporting

PBE IPSAS 41 Financial Instruments

In March 2019, New Zealand's External Reporting Board (XRB) issued a new financial instruments standard. PBE International Public Sector Accounting Standards (IPSAS) 41 Financial instruments supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

- Revised hedge accounting requirements to better reflect the management of risks.

For council, adoption of the standard has not resulted in any material effect on the 2022-23 Annual Report.

Council does not apply hedge accounting. Information about the transition to PBE IPSAS 41 is disclosed in note 35.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the current year ended 30 June 2023.

The Council has determined the main impact of the new standard to be that information will need to be disclosed on judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

For Council, adoption of the standard has not resulted in any material effect on the 2022-23 Annual Report. The Council reports extensively on service performance and delivery, each Annual Report cycle.

Three waters reform

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

- Improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from July 2021
- Significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation – through the creation of the Water Services Act 2022 and revised Drinking Water Standards, Aesthetic Values and new Drinking Water Quality Assurance Rules

- Manage risks to drinking water safety and ensure sources of drinking water are protected
- Improve the environmental performance and transparency of wastewater and stormwater networks.

The regulatory reform lead by Taumata Arowai is changing the way we need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services.

In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. The Waters Service Entities Act 2022 leads this change. In August 2023 Parliament adopted the Water Services Entities Amendment Act 2023, the Water Services Legislation Act and the Water Services Economic Efficiency and Consumer Protection Act 2023.

This legislation establishes 10 water services entities that will start operating on dates to be set by the Minister of Local Government between 1 July 2024 and 30 June 2026. Hamilton and 9 other councils (Entity B) will transfer their water, wastewater and stormwater assets, liabilities, and waters staff to the new entity. The National Transition Unit's preliminary recommended schedule of 'go-live' dates for all entities has Entity B's start date as 1 July 2025. From that time councils would not be responsible for the provision of waters services.

At the time of adopting this Annual Report, Council does not have sufficient information to assess the impact of the removal of these activities. Council needs key information including the confirmed transfer date and agreements on what transfers and relationship agreements to understand the impact. On that basis Council has not made any adjustment to asset valuations, assets or liabilities in this Annual Report.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flow of entities in the Group on a line-by-line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity. For example, the ability to appoint or remove a majority of the entity's governance and management, binding arrangements the Council enters into, group voting rights, and pre-determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and

liabilities assumed, the difference will be recognised immediately in surplus or deficit.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and Services Tax (GST)

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

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 an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2022-23 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions

may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of interest rate swaps - note 21
- Estimating the fair value of land, buildings and infrastructure assets - note 24
- Estimating the fair value of investment property - note 26
- Estimating the retirement gratuities obligations - note 28
- Estimating the landfill aftercare provision - note 29
- Estimating the provision for uncollectability of receivables - note 18.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions - note 11
- Classification of property - note 24
- Estimating retiring gratuities obligations - note 28
- Assessing control and significant influence over the investment in associate - note 23

Note 2: Summary revenue and expenditure for group of activities

Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage.

There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	Council	
	2023 Actual	2022 Actual
	\$000	\$000
Revenue		
Community Services	4,901	3,200
Growth	11,069	11,759
Venues, Tourism and Major Events	11,810	6,380
Visitor Destinations	5,171	4,033
Safety	2,602	2,595
Governance	231	117
Parks and Recreation	19,159	8,200
Rubbish and Recycling	2,055	2,180
Stormwater	16,663	12,834
Transport	147,315	137,635
Wastewater	47,227	27,618
Water Supply	17,047	16,311
Total activity revenue	285,250	232,862
Less internal revenue	(312)	(316)
Rates	238,229	223,504
Total revenue	523,167	456,050
Expenditure		
Community Services	30,163	26,138
Growth	20,433	22,420
Venues, Tourism and Major Events	39,528	26,037
Visitor Destinations	23,514	20,880
Safety	8,271	7,631
Governance	3,879	3,491
Parks and Recreation	36,390	30,268
Rubbish and Recycling	10,886	9,105
Stormwater	21,392	20,180
Transport	92,869	74,290
Wastewater	56,420	44,321
Water Supply	35,307	33,078
Total activity expenditure	379,052	317,839
Less internal expenditure	(312)	(305)
Total expenditure	378,740	317,534

Each significant activity is stated gross of internal costs and revenue, and includes targeted rates attributable to activities (refer to Note 3).

In order to fairly reflect the total external operations for the Council in the Statement of Comprehensive Revenue and Expense, these transactions are eliminated as shown above.

Revenue classified as exchange or non-exchange transactions

	Council	
	2023 Actual	2022 Actual
	\$000	\$000
Revenue from exchange transactions		
Fees and charges	49,163	39,028
Rental income	4,447	3,786
Subsidies and grants	4,146	9,508
Targeted rates for water supply	8,001	8,280
Interest revenue	11,361	1,516
Total revenue from exchange transactions	77,118	62,118
Revenue from non-exchange transactions		
Development contributions	36,502	27,062
Subsidies and grants	7,957	7,944
Capital revenue	71,736	98,052
Infringements and fines	2,291	1,289
Other revenue	33,150	9,472
Rates, excluding targeted rates for water supply	230,228	215,224
Vested assets	64,185	34,889
Total revenue from non-exchange transactions	446,049	393,932
Total revenue	523,167	456,050

Note 3: Rates

Accounting policy

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

Rates penalties

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

Rates remissions

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

Metered water rates

Revenue from metered water rates is recognised on an accrual basis based on usage. Unbilled usage as a result of unread meters at year-end is accrued on an average usage basis.

Rates collected on behalf of the Waikato Regional Council (WRC) are not recognised in the financial statements, as the Council is acting as an agent for the WRC.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
General rates				
General rates	227,060	214,825	227,060	214,825
Rates charges to Council properties	(609)	(568)	(609)	(568)
Targeted rates				
Metered water supply	8,372	8,756	8,372	8,756
Metered water charges to Council properties	(371)	(476)	(371)	(476)
Business improvement district rate	318	310	318	310
Service category rates (water, refuse and sewerage)	1,557	1,425	1,557	1,425
Hamilton Gardens	-	-	-	-
Central city	145	145	145	145
Government compliance rate	10,267	9,733	10,267	9,733
Penalties and remissions				
Rates penalties	1,361	1,013	1,361	1,013
Rates remissions	(2)	-	(2)	-
- Hardship	(24)	(144)	(24)	(144)
- Hamilton City Council utilities	(8,223)	(10,056)	(8,223)	(10,056)
- Hamilton City Council other	(1,145)	(1,146)	(1,145)	(1,146)
- Community shop 50%	(69)	(59)	(69)	(59)
- Wastewater/Water/Refuse	(408)	(254)	(408)	(254)
Total rates	238,229	223,504	238,229	223,504

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2023	2022
	\$000	\$000
Rates	238,229	223,504
Total annual rates income	238,229	223,504

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Rates	238,229	239,860

Rates revenue was (\$1.6 million) unfavourable to budget due to (\$0.5 million) lower water by meter consumption over a wet summer. The balance is primarily due to objections from the 2021 rating valuation, which were completed after rates were set. Where a property's value was reduced, rates were also reduced.

Note 4: Subsidies and grants

Accounting policy

Waka Kotahi NZ Transport Authority subsidies

Waka Kotahi NZ Transport Authority subsidies are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants (Including government grants and subsidies)

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

	Council		Group	
	2023	2022	2023	2022
Waka Kotahi NZ Transport Authority roading subsidy - operating	\$000	\$000	\$000	\$000
Waste minimisation levy	7,957	7,944	7,957	7,944
Operating Grants - Water Reform	1,605	890	1,605	890
Other grants	1,096	6,366	1,096	6,366
	1,445	2,252	1,445	2,252
Total grants, subsidies and reimbursements	12,103	17,452	12,103	17,452

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
Subsidies and grants	\$000	\$000
	12,103	8,865

Subsidies and Grants was \$3.2 million favourable to budget mainly due to the allocation of \$1.1 million Central Government grant funding for the delivery of the Water Reform Stimulus Programme. Increases in waste levy charges on all Class 1 landfills contributed an additional \$0.9 million. Additional grants were obtained from Department of Internal Affairs for New Zealand Libraries Partnership programme costs and Tu Manawa funding towards aquatics sensory programmes.

Note 5: Fees and charges

Accounting policy

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

Sale of Goods

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

Building and Resource Consents

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance Fees

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

	Council		Group	
	2023	2022	2023	2022
Animal control charges	\$000	\$000	\$000	\$000
Building and resource consent charges	1,106	1,098	1,106	1,098
Cemetery and crematorium charges	9,840	10,243	9,840	10,243
Event facilities charges	1,765	1,666	1,765	1,666
Hamilton Gardens charges	7,856	3,369	7,856	3,369
Parking fees	129	66	129	66
Swimming pools charges	1,735	1,277	1,735	1,277
Trade waste charges	2,914	1,728	2,914	1,728
Zoo charges	3,636	2,965	3,543	2,720
Other fees and charges	2,351	1,801	2,351	1,801
Commission received	3,517	3,211	3,517	3,211
Sale of goods	1,827	817	1,827	817
Operating contributions	796	3,061	796	3,072
Rendering of services	11,691	7,726	11,691	7,726
	-	-	6,234	7,098
Total fees and charges	49,163	39,028	55,304	45,892

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
Fees and charges	\$000	\$000
	49,163	43,238

Fees and charges were favourable to budget by \$5.9 million. Conferencing activity (mostly Claudelands) contributed \$0.8 million more than anticipated. FMG stadium had a record year with events such as the FIFA Women's World Cup and Super Rugby semi final generating a \$2.4 million favourable variance. Increased patronage and retail sales at Hamilton Zoo contributed \$0.5 million.

Wastewater Fees and Charges were favourable to budget by \$0.9 million due to increased usage in wastewater and all of the associated characteristics.

Note 6: Interest revenue

Accounting policy

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Interest revenue				
Term deposits	11,237	1,412	11,237	1,412
Community loans (note 22)	51	60	51	60
Local authority and government bonds	73	44	73	44
Total interest revenue	11,361	1,516	11,361	1,516

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Interest revenue	11,361	1,866

Interest revenue was favourable by \$9.5 million to budget due to more cash held in term deposits than budgeted.

Note 7: Other revenue

Accounting policy

Infringements Fee and Fines

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

Dividends

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

Investment Property Rental Revenue

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

Bequests and Other Donations

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

Fair Value Gains

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Other revenue				
Infringements and fines	2,291	1,289	2,291	1,289
Rental income	4,447	3,786	4,447	3,786
Dividend revenue	341	64	91	64
Petrol tax income	1,257	1,203	1,257	1,203
Sponsorship income	32	27	32	27
Insurance claims	557	170	557	170
Donations received	27	13	27	13
Housing Infrastructure Fund - fair value benefit	30,930	7,995	30,930	7,995
Miscellaneous revenue	6	-	6	-
Total other revenue	39,888	14,547	39,638	14,547

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Other revenue	39,888	17,805

Other revenue was favourable to budget by \$22.1 million. \$20 million is due to the fair value increase on the interest-free Housing Infrastructure Fund loan due to higher market interest rates. Insurance claim recoveries are largely unbudgeted.

Operating leases as lessor

Investment property is leased under operating leases.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Not later than one year	3,486	3,522	3,486	3,522
Later than one year and not later than five years	6,918	7,684	6,918	7,684
Later than five years	30,183	28,112	30,183	28,112
Total non-cancellable operating leases	40,587	39,318	40,587	39,318

No contingent rents have been recognised during the period.

Note 8: Gains/(Losses)

Accounting policy

Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the surplus or deficit in the year the item is derecognised.

Investment Property

Investment property is property held to earn rentals and/or for capital appreciation. All investment properties are stated at fair value, as determined annually by independent valuers at the balance sheet date.

Gains or losses arising from changes in the fair value of investment properties are recognised in the surplus or deficit for the period in which the gain or loss arises.

Investments in Debt and Equity Securities

Investments in debt and equity securities are financial instruments classified as held for trading and are measured at fair value. Any changes in value, creating gains or losses are recognised in the surplus or deficit for the period.

Derivative Financial Instruments

The Council's activities expose it primarily to the financial risks of changes in interest rates. The Council uses interest rate swap contracts to hedge these exposures.

The Council does not use derivative financial instruments for speculative purposes.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Gains				
Property, plant and equipment gain on disposal (note 24)	398	2	398	2
Investment property revaluation gain (note 26)	-	1,354	-	1,354
Unrealised gain on investments	1,197	-	1,197	-
Gain on revaluation of interest rate swaps (note 21)	28,212	40,186	28,212	40,186
Total gains	29,807	41,542	29,807	41,542
Losses				
Property, plant and equipment loss on disposal (note 24)	(5,036)	(11,108)	(5,036)	(11,108)
Impairment of assets	(405)	-	(405)	-
Investment property revaluation loss (note 26)	(4,368)	-	(4,368)	-
Unrealised loss on cash investments	(617)	(291)	(617)	(291)
Loss on revaluation of interest rate swaps (note 21)	(20,392)	-	(20,392)	-
Total losses	(30,818)	(11,399)	(30,818)	(11,399)
Total net gains/(losses)	(1,011)	30,143	(1,011)	30,143

Explanation of significant variances against budget

Gains/(Losses)

Council	
Actual 2023	Budget 2023
\$000	\$000
(1,011)	(60,092)

Due to the unpredictable nature of these items, a budget is only set in instances where the amount could be reliably determined. There was a favourable variance to budget of \$58.6 million.

- The net increase in the revaluation of interest rate swaps by \$7.8 million is due to an increase in market interest rates. This was offset by:
- The anticipated vesting of transporation assets did not occur in the the financial year and therefore the budgeted loss of \$60 million was not realised;
- The budget gain on investment property of \$1 million, was not realised as a result of the downturn in the property market leading to a loss of (\$4.8 million);
- The net loss on disposal of (\$4.6 million) was due to asset data cleansing as well as asset replacement; and
- (\$0.4 million) in impairment losses were identified through the annual impairment reviews.

Note 9: Development contributions

Accounting policy

Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

	Council		Group	
	2023	2022	2023	2022
Reserves	\$000	\$000	\$000	\$000
Stormwater	1,116	1,018	1,116	1,018
Transport	2,920	1,455	2,920	1,455
Wastewater	6,795	5,436	6,795	5,436
Water	8,118	6,043	8,118	6,043
Development Contribution Interest*	4,931	3,638	4,931	3,638
Development Contribution Interest*	12,622	9,472	12,622	9,472
Total development contributions	36,502	27,062	36,502	27,062

* Development Contributions - Interest represents the portion of development contributions revenue received which is then used to pay interest on loans taken out for growth related projects (DC funded projects).

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
Development contributions	\$000	\$000
Development contribution revenue within a given financial year or across financial years is influenced by the development process of large scale developments and when such developments make large development contribution payments. A higher than expected number of large scale developments came to completion in quarter four of the financial year.	36,502	33,822

Note 10: Capital revenue

Accounting policy

Capital contributions - general

Capital contributions are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Capital contributions - general	20,868	39,921	20,868	39,921
Capital grants - Water Reform Stimulus	-	6,609	-	6,609
Waka Kotahi NZ Transport Authority roading subsidy - capital	50,868	51,522	50,868	51,522
Total capital revenue	71,736	98,052	71,736	98,052

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Capital contributions - general	20,868	9,377
Capital grants - Water Reform Stimulus	-	-
Waka Kotahi NZ Transport Agency roading subsidy - capital	50,868	61,444
Total capital revenue	71,736	70,821

Capital Contributions were favourable to budget by \$11.5 million. This was driven by:

- increased demand in wastewater, water and stormwater connections;
- grants from Lottery NZ, Trust Waikato and WEL Energy for sports park floodlighting;
- funding agreements in place for the Ruakura West Road construction;
- contributions received from Waka Kotahi towards the construction of the Ring Road;
- MBIE funding for Porritt Stadium changing room upgrades to meet FIFA host requirements; and
- funding agreements in place for the Hamilton to Cambridge Cycleway construction.

Waka Kotahi NZ Transport Agency Capital subsidies were unfavourable to budget by (\$10.6 million). This was driven by:

- project costs exceeding work category funding for Low Cost/Low Risk improvements, Hamilton Walkable Neighbourhoods programme, and Peacocke arterials implementation. Costs are eligible for claiming in July 2023;
- unfavourability for the Capital Subsidy which is slightly offset by favourability in the Renewals Subsidy due to increased investment in Footpath renewals.

Note 11: Vested assets

Accounting policy

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

Critical judgements in applying accounting policies

Accounting for donated or vested assets with use or return conditions

The Council has received assets from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Land	26,089	17,700	26,089	17,700
Stormwater	8,307	4,104	8,307	4,104
Transport	15,316	8,413	15,316	8,413
Wastewater	4,681	3,461	4,681	3,461
Water supply	1,822	1,549	1,822	1,549
Parks and gardens - land and improvements	7,970	(338)	7,970	(338)
Total vested assets	64,185	34,889	64,185	34,889

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Vested assets	64,185	39,199

Vested assets received were favourable to budget by \$25.0 million. Increased subdivision activity specifically in Chartwell and Rototuna resulted in greater than budgeted vested assets, notably in Stormwater (\$3 million) Land and Transportation (\$13.5 million) as well as Parks and Gardens (\$8 million).

Note 12: Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

Employee entitlements for salaries and wages, annual leave and other similar benefits are recognised as an expense and liability when they accrue to employees.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Salaries and wages	100,199	87,564	103,699	90,998
Defined contribution plan employer contributions (includes KiwiSaver)	2,066	1,818	2,066	1,884
Increase/(decrease) in employee benefit liabilities	487	1,078	487	1,078
Total salaries and wages	102,752	90,460	106,252	93,960
Other employee benefits	7,311	6,129	7,311	6,129
Total personnel costs	110,063	96,589	113,563	100,089

Refer to note 28 for the employee entitlement liability as at 30 June 2023 and 30 June 2022 and note 33 for further information on the remuneration of key management personnel and elected representatives.

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Personnel costs	110,063	109,125

Personnel costs are unfavourable by (\$0.9 million) as a result of lower capitalisation rates than budgeted, increased event activity and tight employment market conditions.

Chief Executive remuneration

The total remuneration paid or payable for the year to the Chief Executive was \$400,972 (2022: \$413,815).

Council employee remuneration by band

The total annual remuneration by band for employees as at 30 June:

< \$60,000

\$60,000 - \$79,999

\$80,000 - \$99,999

\$100,000 - \$119,999

\$120,000 - \$139,999

\$140,000 - \$159,999

\$160,000 - \$179,999

\$180,000 - \$199,999

\$200,000 - \$219,999

\$220,000 - \$299,999

>\$300,000

Total employees

2023

542

337

248

137

109

43

23

13

7

7

3

1,469

The total annual remuneration by band for employees as at 30 June:

< \$60,000

\$60,000 - \$79,999

\$80,000 - \$99,999

\$100,000 - \$119,999

\$120,000 - \$139,999

\$140,000 - \$159,999

\$160,000 - \$179,999

\$180,000 - \$199,999

\$200,000 - \$279,999

\$280,000 - \$299,999

Total employees

2022

578

305

221

127

74

44

8

12

9

3

1,381

Total remuneration includes non-financial benefits provided to employees.

At 30 June 2023 there were five or fewer employees in the bands \$220,000 - \$299,999. Therefore, these have been combined with the next highest band.

At 30 June 2022 there were five or fewer employees in the individual bands \$200,000 - \$279,999. Therefore, these have been combined with the next highest band.

At balance date, the Council employed 1,115 full-time employees (2022: 1,045), with the balance of staff representing 166.62 full-time equivalent employees (2022: 142.31). A full-time employee is determined on the basis of a 40 hour working week.

Severance payments

For the year ended 30 June 2023, the Council made severance payments to 10 employees totalling \$139,473 (2022: six employees \$116,000). The value of each of the severance payments was \$1,000, \$1,355, \$6,000, \$7,000, \$13,000, \$16,638, \$19,167, \$20,313, \$25,000 and \$30,000. The amounts disclosed above represent any payment made in addition to the terms of the employment contract for each staff member.

Note 13: Finance costs

Accounting policy

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

Fair Value Discount Unwinding

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Interest expense				
Interest on borrowings	36,096	10,188	36,533	10,406
Interest on finance leases	2	9	2	9
Discount unwind on provisions (note 29)	563	554	563	554
Fair value discount unwinding *	2,024	522	2,024	522
Interest derivatives (presented net)				
Interest rate swaps **	2,178	7,682	2,178	7,682
Total finance costs	40,863	18,955	41,300	19,173

* The fair value discount unwinding is related to the Housing Infrastructure Fund loans.

** This relates to fixed interest on borrowings. Council manages interest rate risk to reduce uncertainty relating to adverse movements in market wholesale interest rates. Council manages this risk through the fixing of interest costs, which forms part of the total interest on borrowings.

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Finance costs	40,863	21,454

Finance costs were (\$19.4 million) unfavourable to budget. This was driven by higher than budgeted interest rates and additional external debt incurred during the year. See Note 30 Borrowings for details.

Note 14: Depreciation and amortisation expense by group of activity

Accounting policy

Depreciation is provided on a straight-line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Directly attributable depreciation and amortisation expense by group of activity				
Community Services	3,312	3,125	3,312	3,125
Venues, Tourism and Major Events	7,882	6,899	7,882	6,899
Parks and Recreation	8,050	6,912	8,050	6,912
Growth	-	-	-	-
Visitor Destinations	2,714	2,979	2,714	2,979
Rubbish and Recycling	580	488	580	488
Safety	101	97	101	97
Wastewater	14,144	13,540	14,144	13,540
Stormwater	10,827	10,300	10,827	10,300
Transport	24,286	21,701	24,286	21,701
Water Supply	10,154	8,257	10,154	8,257
Total directly attributable depreciation and amortisation by group of activity	82,050	74,298	82,050	74,298
Depreciation and amortisation not directly related to group of activities	7,110	6,331	8,136	7,343
Total depreciation and amortisation expense	89,160	80,629	90,186	81,641

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Depreciation and amortisation	89,160	86,520

Depreciation was (\$2.6 million) unfavourable to budget. This was driven by:

- transportation depreciation being greater than budget by \$2.3 million. Increased transport depreciation was as a result of earlier fulfilment of the capital works for the financial year.
- an unfavourable variance of (\$1.1 million) realised in the waters assets activity was driven by the greater than expected revaluation increase in these assets performed at 30 April 2022. This was not budgeted.
- the unfavourable variances were offset by \$0.7 million favourable amortisation, primarily driven by the 2022 change in accounting policy on SaaS projects resulting in these costs being charged to profit and loss and no longer capitalised.

Note 15: Other expenses

Accounting policy

Grant expenditure

Non-discretionary grants are grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Professional costs:

Fees to auditors:
 - fees to Audit New Zealand for audit of financial statements
 - fees to Audit New Zealand for ltd assurance engagement of DTD
 - fees to Assurance CA firm for the internal audit function
 - fees to Assurance firms for other assurance services
 Consultants and other professional costs
 Legal Services

Operating and maintenance costs:

Contractors
 Inventory consumption
 Operating lease expense
 Other operating costs
 Maintenance and services

Administration costs:

General grants
 Impairment of receivables
 Other administration costs

Property Costs

Insurance premiums
 Other property costs

Total other expenses

Council		Group	
2023	2022	2023	2022
\$000	\$000	\$000	\$000
349	276	390	328
10	9	10	9
166	73	166	73
41	158	41	158
13,969	19,179	13,969	19,179
2,336	1,853	2,336	1,853
16,871	21,548	16,912	21,600
45,798	39,476	45,798	39,476
852	641	852	641
107	89	107	89
19,448	20,395	22,601	23,740
17,241	14,299	17,241	14,299
83,446	74,900	86,599	78,245
3,583	3,098	3,583	3,098
278	78	278	78
20,084	10,860	20,241	11,033
23,945	14,036	24,102	14,209
3,189	2,861	3,189	2,861
11,203	8,016	11,203	8,016
14,392	10,877	14,392	10,877
138,654	121,361	142,005	124,931

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Professional costs	16,871	16,695
Operating and maintenance costs	83,446	76,838
Administration costs	23,945	17,638
Property costs	14,392	13,754
Other expenses	138,654	124,925

Other expenses were (\$13.7 million) unfavourable to budget. This was due to:

- Administration costs were unfavourable to budget mainly due to efficiency savings budgets being allocated to this category but realised mainly in Professional Costs and Operating and Maintenance Costs.
- Operating and maintenance costs were unfavourable due to increased reliance on Subcontractor resources to help support the reactive Wastewater and Storm water operational responses as a result of weather events and WIP reclasses due to accounting treatment assessments at the date of capitalisation.
- Professional costs were unfavourable due to the significant increase in Audit NZ audit fees and significant legal costs in relation to the District Plan and Peacocke Plan changes.
- Property costs were unfavourable due to higher electricity costs.

Operating leases as lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 24 or 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Not later than one year	127	127	127	127
Later than one year and not later than five years	134	134	134	134
Later than five years	-	-	-	-
Total non-cancellable operating leases	261	261	261	261

The total minimum future sublease payments expected to be received under subleases at balance date is \$nil (2022: \$nil).

Leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council has the option to purchase the asset at the end of the lease term except where Council is leasing land or buildings.

There are no restrictions placed on Council by any of the leasing arrangements.

Note 16: Tax

Accounting policy

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates (and tax laws) that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a

transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, using tax rates that have been enacted or substantially enacted by balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Components of tax expense

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current tax expense	-	-	(256)	(8)
Deferred tax expense	-	-	(283)	(581)
Tax expense	-	-	(539)	(589)

Relationship between tax expense and accounting profit

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax	142,926	168,659	150,189	179,730
Tax at 28%	40,019	47,225	42,053	50,324
Effect of tax exempt income	(40,019)	(47,225)	(42,053)	(50,324)
Taxation loss not recognised	-	-	-	-
Equity accounted earnings of associates	-	-	-	-
Deferred tax adjustment	-	-	(539)	(589)
Tax expense	-	-	(539)	(589)

Movement in deferred tax assets/(liabilities) during the year

	Group			
	PPE	Investment properties	Other provisions	Tax losses
Balance as at 1 July 2021	\$000	\$000	\$000	\$000
Acquired balance	(3,095)	-	(56)	454
Charged to surplus or deficit	-	-	-	-
Charged to other comprehensive income	(10)	-	49	550
Balance at 30 June 2022	(3,105)	-	(7)	1,004
Acquired balance	-	-	-	-
Charged to surplus or deficit	-	-	-	291
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2023	(3,105)	-	(7)	1,295

The parent has not recognised any deferred tax assets or liabilities during the period.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Council		Group	
	2023	2022	2023	2022
Tax losses - Council	\$000	\$000	\$000	\$000
Tax losses - Waikato Innovation Group Limited	150	147	150	147
	-	-	291	1,004
	150	147	441	1,151

Under current income tax legislation the tax losses do not expire.

Deferred tax assets have not been recognised in respect of these items, as it is not probable that future taxable profits will be available against which the benefit of the losses can be utilised.

Note 17: Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments. Cash and Cash equivalents are classified as financial assets and are measured at amortised cost. Impairment is measured on a 12-month expected loss basis, however no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash at bank and on hand	53,629	44,826	53,629	44,937
Term deposits with maturities of less than three months at acquisition	120,500	70,000	120,500	70,000
Total cash and cash equivalents	174,129	114,826	174,129	114,937

Explanation of significant variances against budget

Current assets

Cash and cash equivalents

Council	
Actual 2023	Budget 2023
\$000	\$000
174,129	102,174

The favourable variance to budget of \$72.0 million is due to the increase in short term deposits held to take advantage of term deposit interest rates which are higher than the cost of borrowing.

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash at bank and investments, of \$43.5 million (2022: \$42.7 million) that are subject to restrictions. These unspent funds relate to reserves (see note 32) received with restrictions where the spending of the funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

Council has a bank overdraft facility of \$500,000 on the daily trading account that is secured by way of debenture trust deed over general rates. At 30 June 2023 the interest rate on the overdraft facility was 6% per annum (2022: 6% per annum). The credit interest rate on this account was 5.5% per annum (2022: 1.25% per annum). The bank overdraft facility on the daily trading account was undrawn at 30 June 2023.

Council has a bank overdraft facility of \$10,000 on the direct fees account that is also secured by way of debenture trust deed over general rates. At 30 June 2023 the interest rate was 6% per annum (2022: 6% per annum). The bank overdraft facility on the direct fees account was undrawn at 30 June 2023.

Note 18: Receivables

Accounting policy

Receivables are generally short-term and non-interest bearing. Receivables are held for collection of contractual cash flows and classified as a financial asset measured at amortised cost.

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). This allowance is calculated based on lifetime ECL.

In measuring ECL, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Rates receivables	8,455	5,530	8,455	5,530
Waka Kotahi (New Zealand Transport Agency)	5,968	5,968	5,968	5,968
Water by meter	3,362	2,538	3,362	2,538
GST refund due	3,653	1,660	3,653	1,660
Income tax receivable	-	-	-	-
Sundry debtors	19,443	28,156	20,043	28,528
Gross debtors and other receivables	40,881	43,852	41,481	44,224
Less: provision for uncollectability	(2,607)	(2,451)	(2,607)	(2,451)
Total receivables	38,274	41,401	38,874	41,773

Total receivables comprise:

Receivables from non-exchange transactions include outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.

Receivables from exchange transactions include outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
	13,929	9,221	13,929	9,221
	24,345	32,180	24,945	32,552
Total	38,274	41,401	38,874	41,773

Fair value

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of debtors and other receivables approximates their fair value.

Assessment for uncollectability

Council does provide for impairment on overdue rates on Maaori freehold land. It has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to cover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The ageing profile of receivables at year end is detailed below:

	2023			2022		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	24,488	-	24,488	31,120	-	31,120
Past due 1-60 days	4,050	-	4,050	3,669	-	3,669
Past due 61-120 days	8,473	-	8,473	5,855	(8)	5,847
Past due > 120 days	3,870	(2,607)	1,263	3,208	(2,443)	765
Total	40,881	(2,607)	38,274	43,852	(2,451)	41,401
Group						
Not past due	25,088	-	25,088	31,492	-	31,492
Past due 1-60 days	4,050	-	4,050	3,669	-	3,669
Past due 61-120 days	8,473	-	8,473	5,855	(8)	5,847
Past due > 120 days	3,870	(2,607)	1,263	3,208	(2,443)	765
Total	41,481	(2,607)	38,874	44,224	(2,451)	41,773

All receivables greater than 30 days in age are considered to be past due.

The provision for uncollectability has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Individual provision for uncollectability	33	97	33	97
Collective provision for uncollectability	2,574	2,354	2,574	2,354
Total provision for uncollectability	2,607	2,451	2,607	2,451

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Past due 1-60 days	-	-	-	-
Past due 61-120 days	-	8	-	8
Past due > 120 days	33	89	33	89
Total individual provision for impairment	33	97	33	97

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Balance at 1 July	2,451	2,448	2,451	2,448
Additional provisions made during the year	343	40	343	40
Provisions reversed during the year	(64)	(17)	(64)	(17)
Receivables written off during the year	(123)	(20)	(123)	(20)
Balance at 30 June	2,607	2,451	2,607	2,451

The Council and group holds no collateral as security or other credit enhancements over receivables (other than rates) that are either past due or impaired.

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Receivables	38,274	31,550

There was a favourable variance to budget by \$6.7 million. Sundry debtors was higher than budget due to the timing of invoicing and payments at year end. Higher rates receivable balances are reflecting a tougher economic climate.

Note 19: Inventory

Accounting policy

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

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Inventories held for use in the provision of goods and services on a

commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus/deficit in the period of the write-down.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Held for distribution inventory:				
Nursery	88	93	88	93
Retail	147	83	147	83
Raw materials	-	-	98	105
Total inventory	235	176	333	281

The write-down of inventory during the year was \$nil (2022: \$nil). There have been no reversals of write-downs (2022: \$nil).

No inventory is pledged as security for liabilities (2022: \$nil). However, some inventory is subject to retention of title clauses.

Note 20: Non-current assets held for sale

Accounting policy

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Non-current assets held for sale are:				
Investment Properties	4,185	-	4,185	-
Investment in associates	-	-	-	-
Total Non-current assets held for sale	4,185	-	4,185	-

Investment Properties

Prior to year end Council entered into negotiations to sell investment properties within the CBD.

Investment in associates

Melody Dairies Limited Partnership (MDLP) is 11% owned by New Zealand Food Innovation (Waikato) Ltd (NZFIW). Waikato Innovation Growth Limited (WIGL) has a 70% shareholding in NZFIW. WIGL is 100% owned by Hamilton City Council.

At 30 June 2023 NZFIW had committed to a plan to sell MDLP with sale and purchase being negotiated with a buyer. MDLP is being marketed at a price reasonable in relation to its current fair value. The sale is expected to be completed within the next 12 months. The current carrying value of Melody Dairies is nil.

See Note 23 for further disclosure on investments in associates.

Note 21: Derivative financial instruments

Accounting policy

Derivative financial instruments are used manage exposure to interest risks arising from the Council's operational activities and risk arising from Council's financing and investing activities. In accordance with its Treasury Policy, Hamilton City Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gain or loss is recognised in the surplus or deficit.

The Council has not adopted hedge accounting, note 35 has a detailed disclosure of financial instruments risks.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps	3,877	79	3,877	79
Total current asset portion	3,877	79	3,877	79
Non-current asset portion				
Interest rate swaps	7,882	7,431	7,882	7,431
Total non-current asset portion	7,882	7,431	7,882	7,431
Total derivative financial instrument assets	11,759	7,510	11,759	7,510
Current liability portion				
Interest rate swaps	-	-	-	-
Total current liability portion	-	-	-	-
Non-current liability portion				
Interest rate swaps	225	3,796	225	3,796
Total non-current liability portion	225	3,796	225	3,796
Total derivative financial instrument liabilities	225	3,796	225	3,796

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council and Group was \$489.5 million (2022: \$429.5 million). This includes \$10 million (2022: \$92 million) of forward start swaps, leaving \$479.5 million (2022: \$337.5 million) in actual committed swaps at 30 June 2023. At 30 June 2023 the fixed interest rates of fair value interest rate swaps ranged from 1.23% to 5.12% (2022: 1.1% to 5.1%).

The Council and Group currently have no fair value hedges.

Information about forward foreign exchange contracts

The Council and Group currently have no foreign currency forward exchange contracts (2022: nil).

Fair value

Interest rate swaps

The fair values of Interest Rate Swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices. Council monitors the use of Derivative Financial Instruments using well defined market and credit risk limits and timely reporting to Council. Council's Treasury Policy sets out the overall minimum/maximum levels of fixed rate exposures permitted based on time bands. Sensitivity analysis in relation to the swaps has been completed, and is included in note 35.

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Derivative financial instrument assets	11,759	629
Derivative financial instrument liabilities (current and non-current)	225	37,102

There was a favourable variance to budget of \$48.0 million for derivative financial instruments. This is due to an increase in market interest rates. The official cash rate (OCR) moved to 5.5% (2022: 2%).

Note 22: Other financial assets

Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus or deficit (FVTSD)

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them. Refer to Note 35 for a summary of classifications.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Management determines the classification of its investments at initial recognition.

The purchase and sale of financial assets are recognised at trade date, the date on which Council and Group commits to purchase or sell the asset. Financial assets are recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council and Group have transferred substantially all the risks and rewards of ownership.

				Council		Group	
				2023	2022	2023	2022
				\$000	\$000	\$000	\$000
Current portion	Amortised Cost	FVTOCRE	FVTSD				
Loans and receivables							
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	✓			31,790	5,880	31,790	5,880
Balanced Funds			✓	11,289	10,710	11,289	10,710
- Interest accrual	✓			322	136	322	136
Community loans	✓			448	440	560	440
Total current portion				43,849	17,166	43,961	17,166
Non-current portion							
Investment in CCOs and similar entities							
Shares in subsidiaries			✓	4,000	4,000	-	-
Co-Lab			✓	614	490	614	490
NZ Local Government Funding Agency Ltd (NZLGFA)			✓	8,785	8,678	8,785	8,678
				13,399	13,168	9,399	9,168
Other Investments							
Term deposits with maturities greater than 1 year	✓			15,250	11,540	15,250	11,540
- Interest accrual	✓			1,280	383	1,280	383
Community Loans	✓			1,870	2,317	1,870	2,317
Civic Financial Services Ltd (Civic)			✓	183	202	183	202
				18,583	14,442	18,583	14,442
Total non-current portion				31,982	27,610	27,982	23,610
Total other financial assets				75,831	44,776	71,943	40,776

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Other financial assets (current and non-current)	75,831	39,494

Other financial assets were favourable to budget by \$36.3 million. This was due to the increase in term deposits held and the gain on fair value of investment in CCOs that were not budgeted for, as well as short term investment in balanced funds with Forsyth Barr and Milford.

Community loans

The Council's community loan scheme is designed to help not-for-profit organisations in the Hamilton community to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans.

Loans to community organisations made at nil or below market interest rates are initially recognised at cost, or at the present value of its expected future cash flows, discounted at the current market rate of return for a similar financial instrument. Depending on the circumstances and provisions of each loan, the loans are subsequently:

- Amortised over the period of the loan, provided the conditions of the loan are met. The amortised cost is recognised in surplus or deficit as a grant expense.
- The loan is paid off by the loan recipient in annual instalments.
- The loan is subsequently measured at amortised cost using the effective interest rate method less any expected losses. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as interest.

The fair value of community loans is \$2.3 million (2022: \$2.8 million) which is made up of the loan to Melody Dairies Limited Partnership.

Movements in the carrying value of community loans are as follows:

	Council		Group	
	2023	2022	2023	2022
At 1 July	\$000	\$000	\$000	\$000
	2,757	3,189	2,757	3,189
Amount of new loans during the year	-	-	-	-
Fair value adjustment on initial recognition	-	-	-	-
Loans repaid during the year (principal and interest)	(491)	(492)	(491)	(492)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	51	60	51	60
At 30 June	2,317	2,757	2,317	2,757

Financial assets at FVTOCRE that are debt instruments

Financial assets at FVTOCRE that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council and Group do not hold any debt instruments in this category.

Financial assets that are equity instruments designated as FVTOCRE

Financial assets that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and Group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long term.

Unlisted Shares

Where possible, unlisted shares are recognised at fair value, drawn from an active market. If no quoted market prices are available and the value cannot be reliably measured, the cost price is used.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. Waikato Innovation Growth Ltd (WIGL) is a 100% owned subsidiary by the Council. WIGL has a 70% shareholding in New Zealand Food Innovation (Waikato) Ltd (NZFIW). Investments in unlisted shares are initially recognised at cost and subsequently measured at fair value with any movements in fair value recognised directly in other comprehensive income. The carrying amount of other

financial assets approximates their fair value.

Financial assets at FVTSD

Financial assets at FVTSD are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council and Group's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Balanced funds

The fair value of balanced funds is \$11.3 million (2022: \$10.7 million) which is made up of the short term investment in Milford and Forsyth Barr.

Civic Financial Services Ltd (Civic)

Civic Financial Services Ltd reported a (\$1 million) loss for the year ended 31 December 2022 (31 December 2021: \$0.4 million). Council has made an adjustment through surplus/ (deficit) to reflect its share of the decrease in net equity of the company resulting from the loss for the year.

Impairment/Gain

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

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

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

A gain of \$106,821 (2022: \$793,480 gain) was made to Council's investment in NZ Local Government Funding Agency Ltd (NZLGFA) to reflect Council's share of the increase in NZLGFA's equity resulting from an operating surplus for the year ended 30 June 2023. A gain of \$123,988 (2022: \$136,482 gain) was made to Council's investment in Co-Lab to reflect Council's share of the increase in Co-Lab's equity for the year ended 30 June 2023. A loss of (\$18,443) (2022: \$6,497 gain) was made to Council's investment in Civic Financial Services Ltd to reflect Council's share of the decrease in Civic's equity resulting from an operating loss for the year ended 31 December 2022.

We have completed impairment assessments for all our other financial assets to assess for the impacts of COVID-19 and have determined that no impairment is required.

Shares in subsidiaries

The investment in subsidiaries is carried at cost.

Council has 100% shareholding in Waikato Innovation Growth Ltd (WIGL). WIGL Group financial results have been consolidated.

Breakdown of shares in subsidiaries and further information is as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Waikato Innovation Growth Ltd (WIGL)	4,000	4,000	-	-
Total investments in subsidiaries	4,000	4,000	-	-

Principal activity

The purpose of Waikato Innovation Growth Ltd is to provide business and innovation advisory services for small and medium-sized enterprises (SMEs) and High Value Manufacturing and Services (HVMS) businesses in the Waikato Region and to promote innovation in the food industry.

Note 23: Investment in associates

Accounting policy

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

The investment in an associate is initially recognised at cost and the carrying amount in the Group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group's interest in the associate.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Critical judgements in applying accounting policies

Council's main objective in the ownership of Waikato Regional Airport Limited is to support and provide economic growth to our community which can benefit from opportunities that Airport provides. The Council has concluded that it has significant influence but does not control the Airport for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the Council is exposed as a result of its involvement with the entity.

	Council		Group	
	2023	2022	2023	2022
Waikato Regional Airport Limited	\$000	\$000	\$000	\$000
Melody Dairies Limited Partnership	7,430	7,430	116,968	105,458
	-	-	3,552	3,196
Total	7,430	7,430	120,520	108,654

Summarised financial information of associate presented on a gross basis

Waikato Regional Airport Limited

Current assets
Non-current assets
Current liabilities
Non-current liabilities
Revenue
Tax expense/(credit)
Surplus/(deficit) after tax
Total other comprehensive revenue & expense
Net assets
Group's interest
Equity accounted carrying amount

Melody Dairies Limited Partnership

Assets
Liabilities
Revenue
Surplus/(deficit)
Group's interest

Group	
2023	2022
\$000	\$000
17,223	16,007
255,544	227,983
28,235	8,349
10,600	24,728
43,674	42,468
(122)	(754)
18,459	24,636
23,707	37,721
233,932	210,913
50%	50%
116,968	105,458
-	56,956
-	26,380
-	6,799
-	(1,718)
11%	11%

Details of any contingent liabilities arising from the Group's involvement in an associate are disclosed separately in note 31.

Melody Dairies Limited Partnership (MDLP) is 11% owned by NZFIW D2 LP Limited. Significant judgement and assumptions have been used to determine that New Zealand Food Innovation (Waikato) Limited Group (NZFIW Group) has significant influence over MDLP. NZFIW Group has a representation on the board of directors of MDLP. Due to the existing Management Agreement between NZFIW Group and MDLP, NZFIW Group is considered providing essential technical information to MDLP. As a result, it has been determined that NZFIW Group has significant influence over MDLP and therefore should account for it as an associate under NZ IAS 28 Investments in Associates and Joint Ventures. Melody Dairies Limited Partnership's principle place of business is 12 Melody Lane, Hamilton.

At 30 June 2023 Melody Dairies Limited Partnership (MDLP) has been reclassified as held for sale. NZFIW Group has committed to a plan to sell MDLP with sale and purchase being negotiated with a buyer. MDLP is being marketed at a price reasonable in relation to its current fair value. The sale is expected to be completed within the next 12 months. See note 20 for additional information.

Note 24: Property, plant and equipment

Accounting policy

Property, plant and equipment include:

• Operational assets

These are land, buildings (including cultural assets and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, leased assets, vehicles, zoo animals and library books.

Land, Buildings, parks and gardens improvements are measured at fair value. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Zoo animals are held primarily for social and recreational purposes. The capital cost is the actual expense incurred in acquiring the zoo animal.

• Restricted assets

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

Land is measured at fair value.

• Heritage assets

These are museum collections and library collections (New Zealand Room) and are measured at fair value.

• Infrastructure assets

These are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function.

Land (except land under roads) is measured at fair value. Infrastructure assets (except land) are measured at fair value less accumulated depreciation.

Land under roads is recognised at cost less impairment and is not depreciated.

Revaluation

Land, buildings and improvements, heritage assets, and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years.

The carrying value of revalued assets are assessed annually to make sure they do not differ materially from the assets' fair

values. If there is a material difference then the off-cycle asset classes are revalued.

Revaluation movements are accounted for on a class-of-asset basis.

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

Additions

The cost of an item of property plant and equipment, and costs incurred subsequent to initial acquisition, is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the

Council and Group and the cost of the item can be measured reliably.

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

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

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

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and heritage assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

ASSET CLASS	YEARS	DEPRECIATION
Buildings	2 - 200	0.5% - 50%
Vehicles	3 - 15	6.7% - 33.3%
Plant and equipment	5 - 50	2% - 20%
Library books	3 - 14	7.1% - 33.3%
Zoo animals	10	10%
Improvements - parks and gardens	2 - 150	0.7% - 50%
Roads and traffic network		
Top surface (seal)	5 - 20	5% - 20%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete Roads	60	1.7%
Drainage	60 - 70	1.4% - 1.7%
Car parks	6 - 110	0.9% - 17%
Footpaths and cycleways	5 - 75	1.3% - 20%
Kerbs and traffic islands	20 - 60	1.7% - 5%
Signs	15	6.7%
Street lights	5 - 50	2% - 20%
Bridges and culverts	40 - 150	0.7% - 2.5%
Underpasses	80	1.3%
Traffic signals	15	6.7%
Guarding and railing	20 - 25	4% - 5%
Bus shelters and fences	20	5%
Retaining walls	50 - 100	1% - 2%

ASSET CLASS	YEARS	DEPRECIATION
Wastewater reticulation		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	5 - 100	1% - 20%
Valves	40 - 75	1.3% - 2.5%
Pump stations	15 - 100	1% - 6.7%
Stormwater system		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	100	1%
Soakage trench	50	2%
Fish Pass	50	2%
Channels	70-90	1.1% - 1.4%
Erosion control	50-100	1% - 2%
Water reticulation		
Bulk main chambers	100	1%
Backflow devices	40	2.5%
Pipes	40 - 100	1% - 2.5%
Valves	40 - 75	1.3% - 2.5%
Treatment plant	5 - 100	1% - 20%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15-100	1% - 6.7%
Reservoirs	15 - 100	1% - 6.7%
Refuse - rubbish and recycling	5 - 100	1% - 20%

The residual value and useful life of an asset is reviewed and adjusted if applicable.

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

- Land
- Formation costs associated with roading
- Investment properties
- Non-current assets held for resale
- Work in progress and assets under construction
- Heritage assets

Impairment of property, plant and equipment

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

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

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

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

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use cash-generating assets

Cash generating assets are those assets held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Critical judgements in applying accounting policies

Management has exercised critical judgement in applying accounting policies to the classification of property.

The Council owns some rental properties, which are not held for generating a profit from renting. The receipt of market-based rental from these properties is incidental. These properties are held for service delivery objectives and are therefore accounted for as property, plant and equipment rather than as investment property.

**Critical accounting estimates and assumptions
Estimating the fair value of land, buildings and infrastructure**

The most recent valuation of land was performed by independent registered valuers Opteon Technologies Limited, Personnel Involved Avella Collopy in conjunction with Hamilton City Council staff. The valuation is effective as at 30 April 2022.

The most recent valuation of Buildings was performed by independent registered valuers Opteon Technologies Limited, Personnel Involved, Avella Collopy, in conjunction with Hamilton City Council staff. Staff are experienced in the management of these types of assets and have sought outside assistance where required for items such as values or lives on specialised equipment. The valuation is effective as at 30 April 2022.

Land (operational, restricted, infrastructure and parks and gardens)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions used in the 30 April 2022 valuation include:

- The assessment of unit rates is based on the asset component being replaced with the least cost alternative modern equivalent asset providing the same service potential
- Base lives vary by component and are based on the NAMS Building Component guidelines, NAMS valuation manual or on staff experience.
- Depreciation was applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset.

The properties in this revaluation can be broken into groups:

- Properties that could be sold and have been valued using Market Value

by Opteon Technologies Limited. These are mostly houses.

- Properties that have no value on the open market and have been valued using Depreciated Replacement Cost method. This is the majority of the properties in the Council portfolio.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Non-specialised buildings (for example, office buildings) are valued at fair value using market-based evidence.

Heritage assets

Library Heritage collection (Central Library Reference Collection) is valued at fair value. Major collection items have been valued separately or by formulae based on quantity measurements and determined by details provided by a random cross section sampling methodology.

The most recent valuation for the Library Reference Collection was performed by Ben Ashley, Principal Appraiser and Antonia Milsom, Senior Appraiser, both of Ashley & Associates Limited. The revaluations were effective as at 30 June 2021.

Museum Heritage Collection is valued at fair value using various methods as follows:

- a) Reference to observable prices in an active market. Where that market exists for the same or similar asset the market prices are deemed to be fair value. The values ascribed are primarily based on observable prices in both the primary retail market and the secondary auction market.

- b) If there is no active market, fair value is determined by other market based evidence adjudged by the valuers as active and knowledgeable participants in the market.

When ascribing values, consideration was given to the following:

- Historical and cultural significance recognising that there is a strong trend in sales that reflect this significance
- Comparison with the values ascribed to the value of similar items held in other institutions.
- Recent auction catalogue sales nationally and/or internationally. These values are known by the valuer's attendance at sales as well as by access to numerous auction houses and on-line data base records, such as the Australian Art Sales Digest which tracks sales results across all the major auction houses in Australasia.

The most recent valuation for the Museum Heritage Collection was performed by Hamish Cooney, Principal Appraiser of Hamish Cooney Valuation Services. The last revaluation was effective as at 30 June 2021.

Parks and gardens improvements

Parks and gardens improvements are valued at fair value using depreciated replacement cost.

The most recent valuation was performed by Sarah Ward (Strategic Asset Specialist) and Justin Lu (Business and Asset Analyst) and independently reviewed by Brian Smith BCom, CA of Brian Smith Advisory Services Ltd. The valuation was effective as at 30 April 2023.

This Valuation covers parks type assets for the Parks and Open Spaces, Hamilton Gardens, Cemeteries and Crematorium and Hamilton Zoo activities. It excludes parks types assets for Venue, Tourism & Major Events (VTME).

A desktop revaluation has been carried out for the VTME park type assets.

Replacement unit rates have been reviewed and adjusted according to:

- Project leader knowledge and pricing from recent renewal contracts
- The Statistics NZ Capital Goods Price Index.

The existing useful lives were reviewed to ensure they were appropriate. 2023 revised useful lives did not vary largely from those recommended in the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines developed in 2006.

Infrastructure assets

Infrastructure assets are valued at fair value using the depreciated replacement cost method.

The most recent valuation for water reticulation, wastewater reticulation, stormwater, solid waste, water treatment plants and wastewater treatment plants was performed by Alisha Shah, Jhanica Ye, Andrew Liew, Robert Berghuis and Marvin Clough of Beca Projects NZ Limited. The valuation was effective as at 30 April 2022.

The significant estimate and assumptions used include:

- Beca has used the depreciated replacement cost methodology of the cost approach in assessing fair values.

- Asset replacement cost includes the estimated procurement cost of each item, an allowance for installation costs, and an allowance for engineering and project management fees including survey and design, contract preparation and supervision and project management costs. In Hamilton City Council's case, all unit rates include overheads.
- The remaining lives are based on base lives for each asset with adjustments due to age. No adjustment was made to base lives for the 2022 valuation.

The most recent valuation for transport assets (excluding land) was performed by Stephen Orenia, Senior Associate – Asset Management, of Beca Limited. The valuation was effective as at 30 June 2023.

There are several estimates and assumptions exercised when valuing infrastructure assets using the depreciated replacement cost method. These include:

- Estimating the replacement cost of the asset. The replacement cost is based on recent tendered construction contracts in the region for modern equivalent assets, from which unit rates are determined.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns, soil types and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructure asset lives have been

determined with reference to the NAMS guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on staff experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

- For the small number of assets that had no recorded construction date a default construction date of half the life or a date relative to the other dates for like assets, has been assigned.
- When valuing the top surface (the surface treatment currently on the top of the road pavement) 1st coats have been valued with a zero rate as the cost is included in the pavement renewal treatment included in the basecourse valuation.
- When valuing the car parks, replacement costs for flexible pavement layers are assumed to match the similar layers for treatment lengths with life cycles aligning to pavement use 3 category roads due to traffic inflow and outflow, commodity parking restriction and turnaround times. It is also assumed concrete car parks are 200mm deep with steel mesh reinforcement.

Uninsured assets

Since 1 July 2013 Council has insurance cover for material damage for the underground pipe networks, bridges and reservoirs. This is cover in the event of a major incident or disaster. The road network assets remain uninsured.

Note 24: Property, Plant and Equipment

Work in progress

Property, plant and equipment in the course of construction by class of asset are detailed as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Operational assets				
Buildings	21,168	20,165	21,168	20,165
Land - parks and gardens	38,683	9,419	38,683	9,419
Improvements - parks and gardens	13,847	8,624	13,847	8,624
Plant and equipment	1,223	2,685	1,239	2,701
Vehicles	-	10	-	10
Library books	-	31	-	31
Zoo animals	-	3	-	3
Heritage assets				
Museum and library	51	33	51	33
Infrastructure assets				
Land	2	-	2	-
Refuse	470	783	470	783
Roads and traffic network	226,218	274,573	226,218	274,573
Land under roads	2,462	8,603	2,462	8,603
Stormwater system	21,046	19,419	21,046	19,419
Wastewater system	41,711	55,157	41,711	55,157
Wastewater treatment plant	10,553	9,970	10,553	9,970
Water system	27,329	25,955	27,329	25,955
Water treatment plant	11,776	5,953	11,776	5,953
Total work in progress	416,539	441,383	416,555	441,399

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Capital commitments by asset class				
Buildings	55,733	37,733	55,733	37,733
Improvements - parks and gardens	12,165	2,234	12,165	2,234
Plant and equipment	-	-	25	25
Museum and library	2,792	3,388	2,792	3,388
Roads and traffic network	158,215	118,625	158,215	118,625
Stormwater system	1,720	1,838	1,720	1,838
Wastewater system	56,613	32,897	56,613	32,897
Water system	73,618	22,789	73,618	22,789
Total capital commitments	360,856	219,504	360,881	219,529

Note 24: Property, Plant and Equipment 2023

COUNCIL 2023

	Cost/ valuation	Accumulated depreciation & impairment	Carrying amount	Cost transfers / reclassifications	Accumulated depreciation transfers / reclassifications	Gain/(loss) on revaluations	Current year additions (constructed)	Current year additions (vested)	Change in Work in Progress
	30-Jun-22 \$000	30-Jun-22 \$000	30-Jun-22 \$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets									
Land	124,490	-	124,490	-	-	-	1,909	-	-
Buildings	332,142	(2,660)	329,482	4	-	-	35,321	-	(1,687)
Land - parks and gardens	895,770	-	895,770	-	-	-	1,465	6,821	29,264
Improvements - parks and gardens	121,915	(14,254)	107,661	-	-	41,587	8,921	1,149	8,242
Plant and equipment	58,572	(34,790)	23,782	-	-	-	7,709	-	(1,061)
Finance leases	2,361	(2,203)	158	-	-	-	-	-	-
Vehicles	13,068	(6,498)	6,570	-	-	-	1,670	-	(10)
Library books	18,849	(13,650)	5,199	-	-	-	1,382	-	(31)
Zoo animals	820	(693)	127	-	-	-	15	-	(3)
Leasehold improvements	-	-	-	-	-	-	-	-	-
Total operational assets	1,567,987	(74,748)	1,493,239	4	-	41,587	58,392	7,970	34,714
Restricted assets									
Land	47,356	-	47,356	-	-	-	-	-	-
Heritage assets									
Museum and library	41,213	-	41,213	-	-	-	68	-	18
Infrastructure assets									
Land	68,906	-	68,906	-	-	-	7,165	5,599	2
Refuse	53,538	(67)	53,471	-	-	-	712	-	(313)
Roads and traffic network	1,205,374	(20,757)	1,184,617	-	-	377,673	172,688	2,825	(48,292)
Land under roads	772,087	-	772,087	-	-	-	7,739	37,064	(6,141)
Stormwater system	677,638	(1,902)	675,736	(12)	-	-	16,578	3,813	1,627
Wastewater system	534,036	(1,964)	532,072	12	-	-	49,405	4,942	(13,363)
Wastewater treatment plant	113,145	(706)	112,439	(19)	-	-	4,212	-	(292)
Water system	328,803	(1,160)	327,643	-	-	-	23,905	1,917	1,365
Water treatment station	114,798	(596)	114,202	19	-	-	2,171	-	5,832
Total infrastructure assets	3,868,325	(27,152)	3,841,173	-	-	377,673	284,575	56,160	(59,575)
Total property, plant and equipment	5,524,881	(101,900)	5,422,981	4	-	419,260	343,035	64,130	(24,843)

(1) Building Impairments of \$1.5 million have been recognized as a result of buildings becoming obsolete, in disrepair and set to be demolished. Wastewater Impairments of \$0.2 million have been recognised as a result of lessened functionality.
(2) The Group cost figures includes \$18.8 million for Waikato Innovation Growth Ltd (Group) - \$3.5 million of buildings and \$15.3 million of plant and equipment.
(3) The Group accumulated depreciation figures include \$0.2 million for buildings and \$0.9 million for plant and equipment.

COUNCIL 2023								GROUP 2023		
Current year disposals at cost	Current year impairment charges or write offs ¹	Current year depreciation	Accumulated depreciation reversed on disposal	Other adjustments	Cost / revaluation	Accumulated depreciation & impairment charges	Carrying amount	Cost / revaluation ²	Accumulated depreciation & impairment charges ³	Carrying amount
					30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23	30-Jun-23
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
(717)	-	-	-	-	125,682	-	125,682	125,682	-	125,682
(1,098)	(1,544)	(16,240)	130	-	363,138	(18,770)	344,368	367,020	(20,047)	346,973
-	-	-	-	-	933,320	-	933,320	933,320	-	933,320
(495)	-	(5,108)	319	-	164,405	(2,130)	162,275	164,405	(2,130)	162,275
(272)	-	(3,648)	259	-	64,948	(38,179)	26,769	82,229	(40,934)	41,295
(1,971)	-	(142)	1,970	-	390	(375)	15	390	(375)	15
(1,170)	-	(1,569)	928	-	13,558	(7,139)	6,419	13,558	(7,139)	6,419
-	-	(1,802)	-	-	20,200	(15,452)	4,748	20,200	(15,452)	4,748
-	-	(26)	-	-	832	(719)	113	832	(719)	113
-	-	-	-	-	-	-	-	-	-	-
(5,723)	(1,544)	(28,535)	3,606	-	1,686,473	(82,764)	1,603,709	1,707,636	(86,796)	1,620,840
-	-	-	-	-	47,356	-	47,356	47,356	-	47,356
-	-	-	-	-	41,299	-	41,299	41,299	-	41,299
-	-	-	-	(904)	80,768	-	80,768	80,768	-	80,768
(29)	-	(407)	4	-	53,908	(470)	53,438	53,908	(470)	53,438
-	-	(22,716)	-	-	1,667,933	(1,138)	1,666,795	1,667,933	(1,138)	1,666,795
-	-	-	-	-	810,749	-	810,749	810,749	-	810,749
(324)	-	(10,585)	5	-	699,320	(12,482)	686,838	699,320	(12,482)	686,838
(936)	(163)	(9,396)	78	-	573,933	(11,282)	562,651	573,933	(11,282)	562,651
(127)	-	(4,227)	8	-	116,919	(4,925)	111,994	116,919	(4,925)	111,994
(1,118)	-	(6,437)	22	-	354,872	(7,575)	347,297	354,872	(7,575)	347,297
(43)	-	(3,423)	2	-	122,777	(4,017)	118,760	122,777	(4,017)	118,760
(2,577)	(163)	(57,191)	119	(904)	4,481,179	(41,889)	4,439,290	4,481,179	(41,889)	4,439,290
(8,300)	(1,707)	(85,726)	3,725	(904)	6,256,307	(124,653)	6,131,654	6,277,470	(128,685)	6,148,785

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Plant, property and equipment	6,131,654	5,654,610

Plant, property and equipment was favourable to budget by \$477.0 million mainly due to the revaluation gain being higher than budgeted.

Note 24: Property, Plant and Equipment 2022

COUNCIL 2022

	Cost/ valuation	Accumulated depreciation & impairment	Carrying amount	Cost transfers / reclassifications	Accumulated depreciation transfers / reclassifications	Gain/(loss) on revaluations	Current year additions (constructed)	Current year additions (vested)	Change in Work in Progress
	1-Jul-21	1-Jul-21	1-Jul-21						
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets									
Land	98,001	-	98,001	-	-	26,179	-	-	-
Buildings	286,979	(71)	286,908	-	-	18,478	24,970	-	13,353
Land - parks and gardens	765,687	-	765,687	-	-	120,409	-	286	9,388
Improvements - parks and gardens	129,339	(9,175)	120,165	-	-	-	8,661	(614)	(15,211)
Plant and equipment	56,378	(33,210)	23,168	(100)	15	-	5,392	-	(1,055)
Finance leases	2,634	(2,101)	533	-	-	-	-	-	(47)
Vehicles	12,719	(5,090)	7,629	100	(15)	-	836	-	(230)
Library books	18,225	(11,973)	6,252	-	-	-	832	-	(208)
Zoo animals	820	(665)	155	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Total operational assets	1,370,782	(62,284)	1,308,498	-	-	165,066	40,691	(328)	5,990
Restricted assets									
Land	39,924	-	39,924	-	-	7,432	-	-	-
Heritage assets									
Museum and library	40,987	-	40,987	-	-	-	269	-	(43)
Infrastructure assets									
Land	50,007	-	50,007	-	-	13,180	4,790	1,262	(321)
Refuse	50,735	(1,211)	49,523	-	-	4,218	1	-	83
Roads and traffic network	1,075,232	(308)	1,074,924	-	-	-	32,337	8,073	89,460
Land under roads	754,057	-	754,057	-	-	-	(90)	17,087	1,033
Stormwater system	629,466	(28,252)	601,214	77	(1)	71,000	6,611	5,933	1,028
Wastewater system	471,566	(23,341)	448,226	18	-	58,775	20,553	1,851	12,188
Wastewater treatment plant	129,068	(12,226)	116,842	-	-	(2,506)	34,958	-	(31,698)
Water system	308,033	(16,383)	291,650	(106)	1	37,414	4,279	1,011	(746)
Water treatment station	93,796	(7,850)	85,946	-	-	10,432	24,029	-	(3,355)
Total infrastructure assets	3,561,960	(89,570)	3,472,390	(11)	-	192,513	127,468	35,217	67,672
Total property, plant and equipment	5,013,654	(151,855)	4,861,799	(11)	-	365,011	168,428	34,889	73,619

COUNCIL 2022								GROUP 2022		
Current year disposals at cost	Current year impairment charges or write offs ¹	Current year depreciation	Accumulated depreciation reversed on disposal	Other adjustments	Cost / revaluation	Accumulated depreciation & impairment charges	Carrying amount	Cost / revaluation ²	Accumulated depreciation & impairment charges ³	Carrying amount
					30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22	30-Jun-22
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	310	124,490	-	124,490	124,490	-	124,490
(691)	-	(13,554)	25	(7)	332,142	(2,660)	329,482	335,698	(2,814)	332,884
-	-	-	-	-	895,770	-	895,770	895,770	-	895,770
(244)	(16)	(5,140)	61	-	121,915	(14,254)	107,661	121,915	(14,254)	107,661
(1,925)	-	(3,418)	1,823	(118)	58,572	(34,790)	23,782	73,842	(35,648)	38,194
(226)	-	(314)	212	-	2,361	(2,203)	158	2,361	(2,203)	158
(210)	-	(1,567)	174	(147)	13,068	(6,498)	6,570	13,068	(6,498)	6,570
-	-	(1,677)	-	-	18,849	(13,650)	5,199	18,849	(13,650)	5,199
-	-	(28)	-	-	820	(693)	127	820	(693)	127
-	-	-	-	-	-	-	-	-	-	-
(3,296)	(16)	(25,698)	2,295	38	1,567,987	(74,748)	1,493,239	1,586,813	(75,760)	1,511,053
-	-	-	-	-	47,356	-	47,356	47,356	-	47,356
-	-	-	-	-	41,213	-	41,213	41,213	-	41,213
(12)	-	-	-	-	68,906	-	68,906	68,906	-	68,906
-	-	(355)	-	-	53,538	(67)	53,471	53,538	(67)	53,471
-	-	(20,453)	4	272	1,205,374	(20,757)	1,184,617	1,205,374	(20,757)	1,184,617
-	-	-	-	-	772,087	-	772,087	772,087	-	772,087
(467)	-	(9,674)	15	-	677,638	(1,902)	675,736	677,638	(1,902)	675,736
(1,423)	-	(8,361)	246	-	534,036	(1,964)	532,072	534,036	(1,964)	532,072
(660)	-	(4,590)	93	-	113,145	(706)	112,439	113,145	(706)	112,439
(827)	-	(5,171)	138	-	328,803	(1,160)	327,643	328,803	(1,160)	327,643
(98)	-	(2,774)	22	-	114,798	(596)	114,202	114,798	(596)	114,202
(3,487)	-	(51,378)	518	272	3,868,325	(27,152)	3,841,173	3,868,325	(27,152)	3,841,173
(6,783)	(16)	(77,076)	2,813	310	5,524,881	(101,900)	5,422,981	5,543,707	(102,912)	5,440,795

Note 25: Intangible assets

Accounting policy

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

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

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

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

Computer Software	2-20 years	Consents & designations (based on consent or designation expiry date)	10-100 years
Licenses	3-14 years	Models	5-30 years

	Council					Group	
	Infrastructural modelling	Licenses	Computer software	Consents & designations	Total	Intangibles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost							
Balance as at 1 July 2022	14,575	409	32,877	14,861	62,722	1	62,723
Additions	277	-	7,592		7,869	-	7,869
Disposals	-	-	(1,058)	-	(1,058)	(1)	(1,059)
Work in Progress (WIP)						-	-
- Opening WIP	8,600	-	6,828	1,373	16,801	-	16,801
- Closing WIP	8,458		3,291	2,109	13,858	-	13,858
Change in WIP	(142)	-	(3,537)	736	(2,943)	-	(2,943)
Balance as at 30 June 2023	14,710	409	35,874	15,597	66,590	-	66,590
Balance as at 1 July 2021	14,961	446	28,903	14,738	59,048	1	59,049
Additions	616	-	1,716	119	2,451	-	2,451
Disposals	-	-	(177)	-	(177)	-	(177)
Work in Progress (WIP)						-	-
- Opening WIP	9,602	37	4,393	1,369	15,401	-	15,401
- Closing WIP	8,600	-	6,828	1,373	16,801	-	16,801
Change in WIP	(1,002)	(37)	2,435	4	1,400	-	1,400
Balance as at 30 June 2022	14,575	409	32,877	14,861	62,722	1	62,723
Accumulated amortisation and impairment							
Balance as at 1 July 2022	(1,761)	(73)	(20,313)	(8,002)	(30,149)	-	(30,149)
Transferred accumulated depreciation					-	-	-
Amortisation charge	(307)	-	(2,882)	(246)	(3,435)	-	(3,435)
Impairment	-	-	-	-	-	-	-
Amortisation reversed on disposal	-	-	901	-	901	-	901
Balance as at 30 June 2023	(2,068)	(73)	(22,294)	(8,248)	(32,683)	-	(32,683)
Balance as at 1 July 2021	(798)	(73)	(18,268)	(7,587)	(26,726)	-	(26,726)
Amortisation charge	(963)	-	(2,176)	(415)	(3,554)	-	(3,554)
Impairment	-	-	-	-	-	-	-
Amortisation reversed on disposal	-	-	131	-	131	-	131
Balance as at 30 June 2022	(1,761)	(73)	(20,313)	(8,002)	(30,149)	-	(30,149)
Carrying amounts							
Balance as at 1 July 2021	14,163	373	10,635	7,151	32,322	1	32,323
Balance as at 30 June and 1 July 2022	12,814	336	12,564	6,859	32,573	1	32,574
Balance as at 30 June 2023	12,642	336	13,580	7,349	33,907	-	33,907

Restrictions over title

There are no restrictions over the title of intangible assets. No assets are pledged for security for liabilities.

Impairment

No intangible assets have been impaired (2022: \$nil).

Capital commitment

Intangible asset commitments include \$7.3 million (2022: \$8.7 million).

Explanation of significant variances against budget

Intangible assets

Council	
Actual 2023	Budget 2023
\$000	\$000
33,907	23,664

Intangible assets are favourable to budget as a result of increased spend relating to various software and system improvements and the investment in water and wastewater modelling projects.

Note 26: Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. These assets consist of investment properties owned by the Council, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

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

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

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

	Council		Group	
	2023	2022	2023	2022
Balance at 1 July	\$000	\$000	\$000	\$000
Additions from acquisitions	40,983	39,468	40,983	39,468
Transfers	23	161	23	161
Work in progress	(4,185)	-	(4,185)	-
Disposals	-	-	-	-
Fair value gains/(losses) on valuation (note 8)	(440)	-	(440)	-
	(4,368)	1,354	(4,368)	1,354
Balance at 30 June	32,013	40,983	32,013	40,983

The valuation of Council's investment property was performed by R A Smithers an independent valuer from Telfer Young (Waikato) Limited. Telfer Young (Waikato) Limited are experienced valuers with extensive market knowledge in the types and locations of investment properties owned by the Council. The valuation was effective 30 June 2023.

The fair value of investment property has been determined using the capitalisation of net revenue, discounted cash flow method and sales comparison approach. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

Information about revenue and expenses in relation to investment property is detailed below:

	Council		Group	
	2023	2022	2023	2022
Rental revenue	\$000	\$000	\$000	\$000
Direct operating expenses from investment property generating revenue	1,878	1,986	1,878	1,986
	308	462	308	462

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
Investment property	\$000	\$000
	32,013	46,585

Investment property was (\$14.6 million) unfavourable to budget. The lower than budgeted revaluations were due to the softening of the commercial property market which is a result of the wider market uncertainty and high interest rates and the transfer of a property to the Non Current Assets Held for Sale classification.

Note 27: Payables and deferred revenue

Accounting policy

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

	Council		Group	
	2023	2022	2023	2022
Current portion	\$000	\$000	\$000	\$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables and accrued expenses	62,189	46,307	62,492	46,806
Income in advance	11,158	13,890	11,158	13,890
Amounts due to related parties	-	-	-	-
Amounts due to customers for contract work	1,151	900	1,151	900
Total	74,498	61,097	74,801	61,596
<i>Payables and deferred revenue under non-exchange transactions</i>				
Trade payables and accrued expenses	-	312	-	312
Income in advance	4,769	3,086	4,769	3,086
Other taxes payable	285	31	285	31
Total	5,054	3,429	5,054	3,429
Total current	79,552	64,527	79,855	65,026
Non-current portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Income in advance	-	-	5	5
Total	-	-	5	5
Total non-current	-	-	5	5
Total payables and deferred revenue	79,552	64,527	79,860	65,031

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Explanation of significant variances against budget

Payables and deferred revenue

Council	
Actual 2023	Budget 2023
\$000	\$000
79,552	48,261

Payables and deferred revenue was (\$31.3 million) unfavourable to budget due to a higher level of project costs that have been accrued at year end. Items accrued include \$13.7 million for Rotokauri works, \$7.0 million for Peacocke Network, \$5.6 million for Ruakura and \$6.8 million of other transport maintenance or improvement projects. Income in Advance includes \$5.8 million of Building Control revenue which is yet to be recognised based on the revenue recognition policy.

Note 28: Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

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

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

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

Critical accounting estimates and assumptions

Estimating retiring gratuities obligations

The present value of retiring gratuities obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using the risk free discount rate (3 year plus) from the Treasury's Long Service Leave and Retiring Leave Models. The salary inflation factor has been determined using the Treasury's long-term inflation assumption. A discount rate of 4.84% (2022: 3.88%) and an inflation factor of 3.35% (2022: 3.88%) were used.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	4,077	3,319	4,077	3,319
Annual leave	7,313	7,302	7,505	7,592
Sick leave	126	199	126	199
Retiring gratuities	376	484	376	484
Total current portion	11,892	11,304	12,084	11,594
Non-current portion				
Retiring gratuities	771	872	771	872
Total non-current portion	771	872	771	872
Total employee entitlements	12,663	12,176	12,855	12,466

Explanation of significant variances against budget

	Council	
	Actual 2023	Budget 2023
	\$000	\$000
Employee Entitlements (current & non-current)	12,663	10,667

Employee entitlements were (\$2.0 million) unfavourable to budget. Accrued leave was higher due to the timing of pay runs over the year and annual leave balances were higher than anticipated.

Note 29: Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when: there is a present obligation (either legal or constructive) as a result of a past event; it is probable that an outflow of future economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of

the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost in surplus or deficit (see Note 13).

Significant judgements and estimates for landfill provision

An annual inflation factor of 2.0% has been applied in estimating the future cash outflows. Discount rates have been determined using the Treasury's published risk free rates.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current portion				
Strategic realignment (Restructuring provision)	124	12	124	12
Weathertight homes resolution services claims	-	-	-	-
Building Defects	500	750	500	750
Landfill aftercare	948	726	948	726
Other	1,823	1,752	1,823	1,887
Total	3,395	3,240	3,395	3,375
Non-current portion				
Weathertight homes resolution services claims	566	566	566	566
Building Defects	1,300	1,000	1,300	1,000
Landfill aftercare	10,644	11,804	10,644	11,804
Loan repayment provision	-	-	-	-
Total	12,510	13,370	12,510	13,370
Total provisions	15,905	16,610	15,905	16,745

Weathertight homes resolution services claims

These claims relate to Weathertight Building defects where weathertightness is the primary defect alleged and Council is named as a party to the claim.

There are currently three claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2023 (2022: three claims).

There are no claims lodged via the court system (2022: nil).

Total estimated exposure is \$0.6 million (2022: \$0.6 million).

Building Defects

These claims relate to Building defects (e.g., Structural, Fire etc) where weathertightness isn't the primary defect alleged and Council is named a party to the claim.

Four claims (2022: four claims) lodged via the court system are outstanding with an estimated liability of \$1.8 million (2022: \$1.75 million).

Landfill aftercare

Council is responsible for four closed landfill sites - Horotiu, Willoughby, Cobham Drive and Rototuna.

Council's aftercare responsibilities include ongoing maintenance and monitoring such as the following:

- treatment and monitoring of leachate
- groundwater and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as need for cover and control systems
- ongoing site maintenance for drainage systems, final cover and control

The cash outflows for the landfills are expected to occur until 2049. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

Other

The other provision category is made up of three provisions for legal proceedings, Development Contribution Refund provision and the Holidays Act Compliance provision.

Explanation of significant variances against budget

Provisions (current and non-current)

Council	
Actual 2023	Budget 2023
\$'000	\$'000
15,905	16,857

Provisions were \$1.0 million favourable to budget as a result of fewer provisions being raised for building defects and other legal proceedings than which had been budgeted for.

	Council						Group	
	Strategic realignment	Building Defects	Weathertight homes	Landfill	Other	Total	Loan repayment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2022								
Balance at 1 July 2021	250	500	2,507	15,666	748	19,671	172	19,843
Additional provisions made	12	1250	159	-	1,004	2,425	-	2,425
Amounts used	-	-	(2,100)	(656)	-	(2,756)	(37)	(2,793)
Reversal of previously recognised provisions	(250)	-	-	(3,062)	-	(3,312)	-	(3,312)
Aftercare provision	-	-	-	582	-	582	-	582
Balance at 30 June 2022	12	1,750	566	12,530	1,752	16,610	135	16,745
2023								
Balance at 1 July 2022	12	1,750	566	12,530	1,752	16,610	135	16,745
Additional provisions made	124	50		-	428	602	-	602
Amounts used	-			(1,104)	-	(1,104)	(135)	(1,239)
Reversal of previously recognised provisions	(12)			(398)	(356)	(766)	-	(766)
Aftercare provision	-			563	-	563	-	563
Balance at 30 June 2023	124	1,800	566	11,591	1,824	15,905	-	15,905

Note 30: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs and are classified as financial liabilities subsequently measured at amortised cost. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Housing Infrastructure Fund Loan

The Housing Infrastructure Fund Loan (HIF) is interest-free for 10 years from the date of each drawdown.

The loan is subsequently measured at fair value with changes recognised in surplus or deficit. The loan recognises the interest-free benefit and is recognised as other revenue. Ten years after each drawdown the loan will be recognised at its nominal value with the unwinding of the fair value gains being recognised annually as a finance cost.

Finance Leases

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

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments and are subsequently measured at amortised cost.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether we will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current				
Secured loans	135,000	90,000	135,718	90,200
- Interest accrual	9,035	3,168	9,035	3,168
Lease liabilities	24	73	24	73
Total current borrowings	144,059	93,241	144,777	93,441
Non-current				
Secured loans	700,000	575,000	705,710	579,125
- Interest accrual	-	-	-	-
- Housing Infrastructure Fund	80,773	36,014	80,773	36,014
Lease liabilities	-	86	-	86
Total non-current borrowings	780,773	611,100	786,483	615,225
Total borrowings	924,832	704,341	931,260	708,666

Explanation of significant variances against budget

Borrowings (current and non-current)

Council	
Actual 2023	Budget 2023
\$000	\$000
924,832	860,958

Borrowings were (\$63.9 million) unfavourable to budget. This was largely driven by higher than budget amounts of cash & cash equivalents being held.

Total net debt

Total net debt is Council's debt performance measure that was put in place for the 2021-2031 Long-Term Plan.

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
External debt	924,832	704,341	931,260	708,666
Municipal Endowment Fund	31,757	31,767	31,757	31,767
less: cash held and cash investments	(234,060)	(143,475)	(234,060)	(143,586)
Total net debt	722,529	592,633	728,957	596,847

Interest terms for secured loans

Council has \$40 million in Commercial Papers that are issued at fixed rates of interest. This is part of Council's total debt of \$916 million (2022: \$30 million of \$701 million) excluding interest accruals and lease liabilities. The remainder of Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Housing Infrastructure Fund (HIF)

In September 2016 the Housing Infrastructure Fund (HIF) was established by the New Zealand Government as a one off contestable fund. The fund is for accelerating short and medium term supply of new housing in high growth urban areas. This will provide financial capacity for growth councils to deliver the infrastructure needed to sustain their growth.

High urban growth areas are defined as those where Statistics New Zealand projects population growth to be or exceeding 1% per year for the next ten years. Hamilton has been identified as a high growth urban area.

Hamilton City Council submitted its proposal and was successful in getting funding for the Peacocke growth area. The approved funding agreement is for \$180.3 million.

The HIF funding is providing essential bulk infrastructure, including a bridge crossing at Hamilton Gardens, arterial roads and wastewater pump station and pressure main. The

Peacocke growth area is expected to provide 3,750 homes over the next 10 years and approximately 8,400 over the next 30 years. This growth area is essential to meeting the overall growth needs of Hamilton of 12,500 homes over the next 10 years.

During the 2023 financial year \$73.7 million (2022: \$22.7 million) of the HIF interest free loan was drawn down. The undrawn amount is \$61.4 million (2022: \$135.0 million).

Security

Council's secured loans have been issued in accordance with the Local Government Act 2002.

The loans are secured through the debenture trust deed over all rates, with the exception of \$40 million (2022: \$20 million) of Commercial Paper that has a maturity of three months or less.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Fair values

The carrying amounts of borrowings repayable within one year approximate their fair value as the effect of discounting is not significant.

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

Analysis of lease liabilities

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Total minimum finance lease payments payable:				
Not later than one year	24	74	24	74
Later than one and not later than five years	-	87	-	87
Later than five years	-	-	-	-
Total minimum finance lease payments	24	161	24	161
Future finance charges	-	(2)	-	(2)
Present value of minimum finance lease payments	24	159	24	159
Present value of minimum finance lease payments payable:				
Not later than one year	24	73	24	73
Later than one and not later than five years	-	86	-	86
Later than five years	-	-	-	-
Total minimum finance lease payments	24	159	24	159
Current portion	24	73	24	73
Non-current portion	-	86	-	86
Total finance lease liability	24	159	24	159

Interest rate

The interest rates applying to lease liabilities for 2023 range from 2.17% to 3.06% (2022 range from 2.17% to 3.06%).

Description of material leasing arrangements

Council has entered into finance leases for various plant and equipment. The net carrying amount of leased items within each class of property, plant and equipment is included in the numbers disclosed in Note 24.

The finance leases can be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Council by any of the finance leasing arrangements.

Internal borrowings

Internal borrowings apply to Council created reserves that are not supported by cash. There are currently no internal borrowings (2022: nil).

Note 31: Contingencies

Contingent liabilities

Weathertight homes resolution services and court claims

A provision for potential liability for three claims (2022 three claims) that are outstanding with the Weathertight Homes Resolution Service, and there are no claims (2022 none) lodged via the court system have been made per note 29. There may be further claims in future but these are unable to be quantified at this point in time.

Building defects

A provision for potential liability for four claims (2022 four claims) are lodged via the court system have been made per note 29. There may be further claims in future but these are unable to be quantified at this point in time.

Unquantified claims

Enviro Waste Services Limited

Enviro Waste Services Limited has raised a dispute, under its Fixed Term Rubbish, Recycling and Disposal Services Agreement with the Council which is now in arbitration. Enviro Waste claims that it is entitled to charge a higher fee for collecting rubbish from standard bins in "difficult to access" areas while Council has a different interpretation of the non-standard charge. The difference in price if Enviro Waste were successful could be significant. At present, there is still insufficient information to conclude on potential liability and claim quantum, if any.

General

Hamilton City Council is involved in ongoing investigations related to staff matters that may result in a liability.

Riskpool

The Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'), a professional indemnity mutual fund which is now in wind down. A Supreme Court decision (Napier City Council v Local Government Mutual Funds Trustee) has confirmed Riskpool has liabilities for a member's previously declined claim. This will also affect the eligibility of claims of other members, including the Council. The Council has a joint liability with other members for funding qualifying claims. The value of that liability has not yet been determined as the claimant has not yet quantified the value of their claim, and the value of other affected claims has not been quantified.

Financial guarantees

Council is at times requested to act as guarantor to loans raised by community organisations and sports clubs to construct facilities on Council reserve land. These structures form part of the reserve but are not included in the fixed asset figures. No provision has been made because Council do not consider it likely that these loans will require settlement. Council's potential liability under the guarantees is as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Financial guarantees (Bank of New Zealand)	-	-	-	-
Legal proceedings				
- various legal proceedings	60	100	60	100
Total contingent liabilities	60	100	60	100

Uncalled capital

Council has contingent liabilities in respect of uncalled capital for the entities as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
New Zealand Local Government Funding Agency Ltd	1,866	1,866	1,866	1,866
Total uncalled capital	1,866	1,866	1,866	1,866

Waikato Innovation Growth Ltd

Waikato Innovation Growth Ltd does not have any contingent liabilities as at 30 June 2023 (2022: \$nil).

New Zealand Local Government Funding Agency Ltd

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a current local currency rating from Fitch ratings Standard and Poor's of AA+ and a foreign currency rating of AA.

Council is one of 31 local authority shareholders and 15 local authority guarantors of the NZLGFA. The NZLGFA has uncalled capital of \$20 million of which Council's share is \$1.9 million as at 30 June 2023 (2022: \$1.9 million). At 30 June 2023, NZLGFA had total borrowings of \$17.7 billion (2022: \$15.8 billion) for which Council is a guarantor along with other shareholders and guarantors.

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable value for the guarantee, and therefore has not recognised a liability.

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events in New Zealand;
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligation if further funds were required; and
- NZLGFA has a credit rating of AA+.

Involvement in Associates

There are no quantifiable contingent liabilities arising from Council's involvement in its associates for 2023 (2022: \$nil).

Contingent assets

WEL Energy Trust

Council is a 63 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of its 63 per cent share.

Note 32: Equity

Accounting Policy

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

Restricted reserves and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

Restricted reserves include those subject to specific conditions we accept as binding and which may not be revised without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves we restrict by resolution. We may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at our discretion.

Council created reserves are restricted in their application by our resolution.

Revaluation Reserves

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

Fair value through other comprehensive revenue and expense reserve

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

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Accumulated comprehensive revenue and expenses				
Balance at 1 July	2,214,690	2,044,738	2,265,015	2,083,508
Surplus/(deficit) for the year	143,416	168,659	151,125	180,214
Share of associates other comprehensive revenue and expense	-	-	-	-
Transfer from property revaluation reserves on disposal	3,001	2,074	3,001	2,074
Transfers from restricted and Council created reserves	1,576	393	1,576	393
Transfers to restricted and Council created reserves	(3,032)	(1,174)	(3,032)	(1,174)
Balance at 30 June	2,359,651	2,214,690	2,417,685	2,265,015
Restricted reserves				
Balance at 1 July	41,743	41,478	41,743	41,478
Transfers from accumulated comprehensive revenue and expense	476	279	476	279
Transfers to accumulated comprehensive revenue and expense	(82)	(14)	(82)	(14)
Balance at 30 June	42,137	41,743	42,137	41,743
Council created reserves				
Balance at 1 July	942	426	942	426
Transfers from accumulated comprehensive revenue and expense	2,556	895	2,556	895
Transfers to accumulated comprehensive revenue and expense	(1,494)	(379)	(1,494)	(379)
Balance at 30 June	2,004	942	2,004	942
Revaluation reserve*				
Balance at 1 July	2,658,370	2,293,283	2,712,476	2,340,846
Transfer to accumulated comprehensive revenue and expense on disposal of assets	(3,001)	(2,074)	(3,001)	(2,074)
Impairment	(1,303)	(16)	(1,303)	(16)
Revaluation gains/(losses) - property, plant and equipment	419,260	365,011	421,884	371,554
Revaluation gains/(losses) - shareholdings	212	938	212	938
Other movements	2,533	1,228	2,533	1,228
Balance at 30 June	3,076,071	2,658,370	3,132,801	2,712,476
Non controlling interest				
Balance at 1 July	-	-	3,840	4,112
Share of surplus/(deficit)	-	-	(311)	(272)
Share of other comprehensive revenue and expense	-	-	-	-
Share transactions with non-controlling interest	-	-	-	-
Balance at 30 June	-	-	3,529	3,840
Total equity	5,479,863	4,915,745	5,598,156	5,024,016

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Property revaluation reserves for each class consist of:				
Operational assets				
Buildings	157,852	159,089	163,089	163,266
Plant and equipment	-	-	4,491	4,491
Land	97,759	98,305	132,896	133,133
Parks and gardens improvement	74,123	32,638	74,123	32,638
Parks and gardens land	731,181	731,181	731,181	731,181
Heritage assets				
Museum and library	16,615	16,615	16,615	16,615
Restricted assets				
Land	27,254	27,254	27,254	27,254
Infrastructure assets				
Land	40,553	40,553	40,553	40,553
Refuse	39,207	39,229	39,207	39,229
Roads and traffic network	802,479	424,808	802,479	424,808
Stormwater	529,235	527,972	529,235	527,972
Wastewater system	320,190	321,040	320,190	321,040
Wastewater treatment plant	34,041	34,102	34,041	34,102
Water treatment station	22,998	23,003	22,998	23,003
Water system	175,334	175,543	175,334	175,543
Airport infrastructure	-	-	11,865	10,610
Total	3,068,821	2,651,332	3,125,551	2,705,437
Fair value through other comprehensive revenue and expense reserve				
Balance at 1 July	7,038	6,100	7,038	6,100
Transfer to property revaluation reserve	-	-	-	-
Net change in fair value	212	938	212	938
Balance at 30 June	7,250	7,038	7,250	7,038

Information about reserve funds held for a specific purpose is provided below:

Reserve	Activities to which the reserve relates	Council			
		Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
2022					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,733	83	(82)	1,734
Domain Endowment Fund	Parks and Recreation and Stormwater	8,232	392	-	8,624
Municipal Endowment Fund	Strategic property investment	31,766	-	-	31,766
Waikato Art Gallery Endowment reserve	Visitor Attractions	12	1	-	13
Total restricted reserves - 2022		41,743	476	(82)	42,137
Bus shelter reserve	Transport	-	-	-	-
Project Watershed operating reserve	Parks and Recreation and Stormwater	210	9	-	219
Hamilton Gardens reserve	Parks and Recreation	-	-	-	-
Waste minimisation reserve	Rubbish and Recycling	732	2,547	(1,494)	1,785
Total Council created reserves - 2022		942	2,556	(1,494)	2,004
Total Restricted and Council created reserves - 2022		42,685	3,032	(1,576)	44,141

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
2022					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,732	15	(14)	1,733
Domain Endowment Fund	Parks and Green Spaces and Stormwater	8,165	67	-	8,232
Municipal Endowment Fund	Strategic property investment	31,569	197	-	31,766
Waikato Art Gallery Endowment reserve	Arts promotion	12	-	-	12
Total restricted reserves - 2022		41,478	279	(14)	41,743
Bus shelter reserve	Travel demand management	-	-	-	-
Project Watershed operating reserve	Parks and Green Spaces and Stormwater	209	1	-	210
Hamilton Gardens reserve	Parks and Green Spaces	-	-	-	-
Waste minimisation reserve	Waste minimisation	217	894	(379)	732
Total Council created reserves - 2022		426	895	(379)	942
Total Restricted and Council created reserves -2022		41,904	1,174	(393)	42,685

Purpose of each reserve fund:

Restricted reserves

Cemetery plot maintenance in perpetuity reserve - To maintain and provide for improvements to the cemeteries.

Domain endowment fund reserve - Established by the Hamilton Domain Endowment Act 1979 to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs.

Municipal Endowment Fund - To provide a capital fund for Crown endowment land vested in the council for investment in property. Rental income and interest earned from the land and property may be used for council purposes to offset rates.

Waikato Art Gallery Endowment reserve - To provide funds for the acquisition of works of art for the Waikato Museum of Art and History.

Council created reserves

Bus shelter reserve - To manage the income generated from advertising in bus shelters to provide, maintain and enhance passenger infrastructure.

Project Watershed operating reserve - To fund works relating to river flood protection and erosion control (Project Watershed). Waikato Regional Council is the funding agency and Hamilton City Council carries out agreed works within the city boundary.

Hamilton Gardens reserve - To provide funds for the development of Hamilton Gardens. Funds are being sourced from a target rate over a four year period starting 2014/15.

Waste minimisation reserve - To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. The reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry of Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprises accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets,

liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the cost of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's 10-Year Plan.

Hamilton City Council has the following Council created reserves:

- reserves for different areas of benefit; and
- other reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Deductions are made where funds have been used for the purpose they were donated.

Other reserves are created to set aside funding from general rates for future expenditure on specific projects or activities as approved by Council.

Council uses funds from reserves to reduce external borrowing requirements and reduce financing costs. An internal interest rate is paid to all reserves and provision for the repayment of internal borrowing is covered via committed external bank funding facilities.

Note 33: Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities, and are on normal terms and conditions for such Group transactions.

Key management personnel compensation

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, use of Council facilities, etc).

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Mayor and Councillors				
Remuneration (\$000)	1,470	1,402	1,627	1,575
Full-time equivalent members	15	13	20	18
Senior Management Team including the Chief Executive				
Remuneration (\$000)	3,318	2,932	3,318	3,720
Full-time equivalent members	12	11	12	14
Total key management personnel remuneration (\$000)	4,788	4,334	4,945	5,295
Total full-time equivalent personnel	27	24	32	32

Due to the difficulty in determining the full-time equivalent for Councillors and Directors, the full-time equivalent figure is taken as the number of Councillors and Directors.

Key management personnel include the Mayor, Councillors, Chief Executive and other members of the senior management team.

No provision has been required, or any expense recognised for impairment of receivables for any loans or other receivables to related parties.

Elected representatives' remuneration

Elected members received the following remuneration:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Mayor				
Paula Southgate	180,061	175,636	180,061	175,636
Councillors				
Ewan Wilson*	126,061	109,897	126,061	109,897
Angela O'Leary	111,454	105,736	111,454	105,736
Ryan Hamilton	103,712	105,736	103,712	105,736
Kesh Naidoo-Rauf	97,566	96,171	97,566	96,171
Mark Donovan*	96,458	76,456	96,458	76,456
Maxine van Oosten	95,259	96,171	95,259	96,171
Geoff Taylor	91,118	116,961	91,118	116,961
Sarah Thomson	88,870	96,171	88,870	96,171
Anna Casey-Cox	61,967	-	61,967	-
Moko Tauariki	61,967	-	61,967	-
Andrew Bydder	57,613	-	57,613	-
Emma Pike	57,613	-	57,613	-
Louise Hutt	57,613	-	57,613	-
Melaina Huaki	57,613	-	57,613	-
Martin Gallagher	30,976	105,736	30,976	105,736
Rob Pascoe	30,655	105,736	30,655	105,736
Dave Macpherson	30,290	105,736	30,290	105,736
Mark Bunting	30,290	105,736	30,290	105,736
Margaret Forsyth	2,738	-	2,738	-
Total elected representatives' remuneration	1,469,894	1,401,881	1,469,894	1,401,881

*Includes remuneration for RMA Commission roles.

Note 34: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Net surplus/(deficit) after tax	143,416	168,659	150,814	179,942
Add/(less) non-cash items:				
Depreciation and amortisation	89,160	80,629	90,186	81,641
(Gains)/losses in fair value of bank borrowings	-	-	-	-
(Gains)/losses in fair value of interest rate swaps	(7,820)	(40,186)	(7,820)	(40,186)
(Gains)/losses in fair value of investment properties	4,368	(1,354)	4,368	(1,354)
(Gains)/losses unrealised loss on investments	(580)	290	(580)	290
Share of associates (surplus)/deficit	-	-	(9,282)	(12,130)
Discount unwind and interest on community loans	(51)	(60)	(51)	(60)
(Gains)/losses in fair value of Housing Infrastructure Fund	(28,906)	(7,473)	(28,906)	(7,473)
Reclassification of WIP to operating expenditure	2,169	1,360	2,169	1,360
Vested assets	(64,185)	(34,889)	(64,185)	(34,889)
Total non-cash items	(5,845)	(1,683)	(14,101)	(12,801)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	4,638	11,106	4,638	11,106
(Gains)/losses on disposal of investment property	440	-	440	-
Impairment of assets	405	-	405	-
Total items classified as investing or financing activities	5,483	11,106	5,483	11,106
Add/(less) movements in working capital:				
Trade debtors and other receivables	2,043	(11,718)	1,928	(11,153)
Inventory	(59)	13	(52)	(63)
Prepayments	918	(1,492)	917	(1,399)
Trade creditors and other payables	7,680	(14,698)	7,483	(15,332)
Employee entitlements	487	1,078	389	1,126
Provisions	(705)	(3,061)	(840)	(3,098)
Total movements in working capital	10,364	(29,877)	9,825	(29,918)
Net cash inflow from operating activities	153,418	148,205	152,021	148,329

Note 35: Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Equity securities	-	-	-	-
Fixed interest instruments	-	-	-	-
Derivative financial instrument assets (note 21)	11,759	7,510	11,759	7,510
Total fair value through surplus or deficit	11,759	7,510	11,759	7,510
Loans and receivables				
Cash and cash equivalents (note 17)	174,129	114,826	174,129	114,937
Receivables (note 18)	34,621	39,741	35,221	40,113
Other financial assets (note 22):				
- community loans	2,318	2,757	2,318	2,757
- balanced funds	11,289	10,710	11,289	10,710
- term deposits	47,040	17,420	47,040	17,420
Total loans and receivables	269,397	185,454	269,997	185,937
Fair value through other comprehensive revenue and expense				
Other financial assets (note 22):				
- Unlisted shares	9,582	9,370	9,582	9,370
Total fair value through other comprehensive revenue and expense	9,582	9,370	9,582	9,370
FINANCIAL LIABILITIES				
Fair value through surplus or deficit				
Derivative financial instrument liabilities (note 21)	225	3,796	225	3,796
Total fair value through surplus or deficit	225	3,796	225	3,796
Financial liabilities at amortised cost				
Creditors and other payables (note 27)	63,625	47,551	63,928	48,050
Borrowings: (note 30)				
- bank overdraft	-	-	468	-
- secured loans	835,000	665,000	840,960	669,325
Total financial liabilities at amortised cost	898,625	712,551	905,356	717,375

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable
	\$000	\$000	\$000	\$000
30 June 2023 - Council				
Financial assets				
Shares (note 22)	9,582	-	-	9,582
Derivative financial instrument assets (note 21)	11,759	-	11,759	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	225	-	225	-
30 June 2022 - Council				
Financial assets				
Shares (note 22)	9,370	-	-	9,370
Derivative financial instrument assets (note 21)	7,510	-	7,510	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	3,796	-	3,796	-
	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable
30 June 2023 - Group				
Financial assets				
Shares (note 22)	9,582	-	-	9,582
Derivative financial instrument assets (note 21)	11,759	-	11,759	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	225	-	225	-
30 June 2022 - Group				
Financial assets				
Shares (note 22)	9,370	-	-	9,370
Derivative financial instrument assets (note 21)	7,510	-	7,510	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	3,796	-	3,796	-

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Balance at 1 July	9,371	8,433	9,371	8,433
Gain and (losses) recognised in the surplus or deficit	-	-	-	-
Gain and (losses) recognised in other comprehensive revenue and expense	212	938	212	938
Purchases	-	-	-	-
Sales	-	-	-	-
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Balance at 30 June	9,583	9,371	9,583	9,371

Changing a valuation assumption to a reasonably possible assumption would not significantly change fair value.

Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council and Group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Investment and Liability Management policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

• Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which relate to Vibrant Hamilton Trust and are classified as financial assets held at fair value through surplus/deficit. This price risk arises due to market movements in listed shares.

• Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council uses foreign currency forward exchange contracts to manage foreign currency exposure. Council's policy is that foreign currency exposure of amounts greater than \$25,000 are to be covered by way of forward exchange contracts. Council is no longer exposed to foreign currency movements.

• Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose Council to fair value interest rate risk. Council's Investment and Liability Management policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowing and Investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest rate swaps. Such interest rate swaps have the effect of converting borrowings at floating rates and swaps them into fixed rates that are known and therefore assist with forecasting future interest costs. Under the interest rate swaps, Council agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

The council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 30.

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council also provides a financial guarantee, which gives rise to credit risk.

Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover debt from ratepayers.

The Council's Investment and Liability Management policy limits the amount of credit exposure to any one financial institution or organisation.

Maximum exposure to credit risk

Council's maximum exposure to credit risk for each class of financial instrument is as follows:

	Council		Group	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Cash and cash equivalents	174,129	114,826	174,129	114,937
Debtors and other receivables	34,621	39,741	35,221	40,113
Community and related party loans	2,318	2,757	2,318	2,757
Term deposits	47,040	17,420	47,040	17,420
Balanced funds	11,289	10,710	11,289	10,710
Financial guarantees	-	-	-	-
Total credit risk	269,397	185,454	269,997	185,937

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to credit ratings (if available) or to historical information about counterparty default rates:

	Rating	Council		Group	
		2023	2022	2023	2022
Counterparties with credit ratings		\$000	\$000	\$000	\$000
Cash and cash equivalents	AA-	174,129	114,826	174,129	114,937
Total cash and cash equivalents		174,129	114,826	174,129	114,937
Term deposits	AA+	-	17,420	-	17,420
	AA-	31,790	-	31,790	-
	AAA	15,250	-	15,250	-
Balanced funds		11,289	10,710	11,289	10,710
Total term deposits		58,329	28,130	58,329	28,130

		Council		Group	
		2023	2022	2023	2022
Counterparties without credit ratings		\$000	\$000	\$000	\$000
Fixed interest instruments					
- existing counterparty with no defaults in the past		-	-	-	-
Community and related party loans and mortgages					
- existing counterparty with no defaults in the past		2,318	2,757	2,318	2,757
Total community and related party loans and mortgages		2,318	2,757	2,318	2,757

Receivables mainly arise from the group and council's statutory functions, as such there are no procedures in place to monitor or report the credit quality of receivables with reference to internal and external credit ratings.

Liquidity risk

Management of liquidity risk

Council has a maximum amount that can be drawn down against its overdraft facility of \$0.5 million (2022: \$0.5 million). There are no restrictions on the use of this facility. Council also has \$895 million (2022: \$745 million) of committed borrowing facilities, with available headroom of \$143 million (2022: \$134 million) at balance date.

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 30.

Contractual maturity analysis of financial liabilities, excluding financial derivatives

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council 2023	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	63,625	63,625	63,625	-	-
Secured loans	835,000	1,077,662	183,740	505,785	388,138
Housing Infrastructure Fund	80,773	118,949	-	7,400	111,549
Finance leases	24	24	24	-	-
Financial guarantees	-	-	-	-	-
Total	979,422	1,260,260	247,389	513,185	499,687
Council 2022					
Creditors and other payables	47,551	47,551	47,551	-	-
Secured loans	665,000	753,268	106,648	335,921	310,699
Housing Infrastructure Fund	36,014	36,014	4,100	19,700	12,214
Finance leases	157	159	106	53	-
Financial guarantees	-	-	-	-	-
Total	748,722	836,992	158,405	355,674	322,913
	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2023	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	63,928	63,928	63,928	-	-
Secured loans	839,325	1,084,090	184,458	511,495	388,138
Housing Infrastructure Fund	80,773	118,949	-	7,400	111,549
Finance leases	24	24	-	-	-
Financial guarantees	-	-	-	-	-
Total	984,050	1,266,991	248,386	518,895	499,687
Group 2022					
Creditors and other payables	48,050	48,050	48,050	-	-
Secured loans	669,325	757,593	106,848	340,046	310,699
Housing Infrastructure Fund	36,014	36,014	4,100	19,700	12,214
Finance leases	157	159	-	53	-
Financial guarantees	-	-	-	-	-
Total	753,546	841,816	158,998	359,799	322,913

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council and Group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council and Group 2023	\$000	\$000	\$000	\$000	\$000
Net settled derivatives	(11,534)	29,663	8,536	15,642	5,485
Total	(11,534)	29,663	8,536	15,642	5,485
Council and Group 2022					
Net settled derivatives	(3,714)	17,842	1,735	12,849	3,258
Total	(3,714)	17,842	1,735	12,849	3,258

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Council 2023	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	174,129	174,129	174,129	-	-
Receivables	34,621	34,621	34,621	-	-
Community and related party loans	2,318	2,317	448	1,869	-
Other financial assets:					
- Term deposits	31,790	48,123	31,975	7,791	8,357
- Balanced funds	11,289	11,289	11,289	-	-
Total	254,147	271,479	252,462	9,660	8,357
Council 2022					
Cash and cash equivalents	114,826	114,826	114,826	-	-
Receivables	39,741	39,741	39,741	-	-
Community and related party loans	2,757	2,757	440	2,317	-
Other financial assets:					
- Term deposits	17,420	17,939	6,016	5,414	6,509
- Balanced funds	10,710	10,710	10,710	-	-
Total	185,454	185,973	171,733	7,731	6,509

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2023	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	174,129	174,129	174,129	-	-
Debtors and other receivables	35,221	35,221	35,221	-	-
Community and related party loans	2,318	2,317	448	1,869	-
Other financial assets:					
- Term deposits	31,790	48,123	31,975	7,791	8,357
- Balanced funds	11,289	11,289	11,289	-	-
Total	254,747	271,079	253,062	9,660	8,357
Group 2022					
Cash and cash equivalents	114,937	114,937	114,937	-	-
Debtors and other receivables	40,113	40,113	40,113	-	-
Community and related party loans	2,757	2,757	440	2,317	-
Other financial assets:					
- Term deposits	17,420	17,939	6,016	5,414	6,509
- Balanced funds	10,710	10,710	10,710	-	-
Total	185,937	186,456	172,216	7,731	6,509

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at balance date.

Council	2023				2022			
	-100bps		+100bps		-100bps		+100bps	
	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest rate risk								
Financial assets								
Cash and cash equivalents	(1,741)	-	1,741	-	(1,148)	-	1,148	-
Financial liabilities								
Borrowings - secured loans	3,555	-	(3,555)	-	3,475	-	(3,475)	-
Derivative financial instruments	(15,204)	-	14,358	-	(13,062)	-	12,215	-
Total sensitivity	(13,390)	-	12,544	-	(10,735)	-	9,888	-

Group	2023				2022			
	-100bps		+100bps		-100bps		+100bps	
	Surplus	Equity	Surplus	Equity	Surplus	Equity	Surplus	Equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Interest rate risk								
Financial assets								
Cash and cash equivalents	(1,741)	-	1,741	-	(1,149)	-	1,149	-
Financial liabilities								
Borrowings - secured loans	3,598	-	(3,598)	-	3,520	-	(3,520)	-
Derivative financial instruments	(15,204)	-	14,358	-	(13,062)	-	12,215	-
Total sensitivity	(13,347)	-	12,501	-	(10,691)	-	9,844	-

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100bps is equivalent to a decrease in interest rates of 1%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of +/- 100bps.

Note 36: Events after balance date

A valuation on Financial Derivatives has been provided due to the movement in interest rates since balance date. The value of interest rate swaps has increased by \$6.3 million since the reporting date based on a valuation at 30 September 2023.

The official cash rate (OCR) is the benchmark interest rate in New Zealand. It is the wholesale rate at which banks can borrow money. The OCR was 5.50% at 30 June 2023. The OCR has not increased or decreased since the reporting date.

Local government disclosures

Rating base information

The council's rating base information relating to preceding financial years is:

	30 June 2022	30 June 2021
The number of rating units	62,849	62,013
The total capital value of rating units	\$71,049,179,750	\$45,783,914,000
The total land value of rating units	\$39,781,883,500	\$23,697,393,000

Insurance of assets

The following information relates to the insurance of Council assets as at 30 June.

Council	
2023	2022
\$000	\$000

The values listed are the declared values Council has provided to its Insurance broker.

Material Damage

1,492,521 1,420,125

Council's Material Damage cover is based on a Maximum Probable Loss model (MPL) which means that its assets are insured for the value of the largest probable loss that could result from a disaster in Hamilton. Council has insured up to \$300 million consisting of two layers; a \$150 million primary layer which is shared between the Regional collective and an additional \$150 million excess layer which is shared with Waikato Regional Council due to geographic accumulation. A separate policy limit is in place which is shared by the Regional collective which provides cover of up to \$125 million for Hamilton City Council damage that is caused by fire, or fire following a natural disaster.

The following categories are in addition to the Material Damage and each is covered with a separate policy.

Fine Arts This cover is for the declared values of art, artefacts and declared outdoor sculptures owned by Council.	60,887	60,837
Commercial Motor Vehicles Motor insurance up to the declared value of each individual vehicle.	11,409	12,464
Infrastructure Based on risk engineering and loss modelling for the Waikato hazardscape a \$300 million shared loss limit is in place with the Regional Collective. Insurance is to the level of 40% in anticipation of 60% contribution from central government in a disaster.	2,606,926	2,488,572
Boiler Explosion Policy covers the damage caused by failure of large boilers.	1,515	1,515
In addition to the material damage cover Council has two policies that relate to Contract works and business interruption.		
Contract Works This policy allows Council to perform small projects relating to new builds, works to existing structures, renovations, maintenance and repair with cover up to \$3 million for any one contract.	12,000	12,000
Business Interruption \$39.6 million of cover provided for loss of rent revenue and receivable. A further \$40 million for the increased cost of working at the water treatment plants.	79,679	76,617

Whole of Council funding impact statement

For year ended 30 June 2023

Sources of operating funding

General rates, uniform annual general charges, rates penalties

Targeted rates

Subsidies and grants for operating purposes

Fees and charges

Interest and dividends from investments

Local authorities fuel tax, fines, infringement fees and other receipts

Total operating funding

Application of operating funding

Payments to staff and suppliers

Finance costs

Other operating funding applications

Total applications of operating funding

Surplus/(deficit) of operating funding

Sources of capital funding

Subsidies and grants for capital expenditure

Development and financial contributions

Increase/(decrease) in debt

Gross proceeds from sale of assets

Lump sum contributions

Other dedicated capital funding

Total sources of capital funding

Applications of capital funding

Capital expenditure

- to meet additional demand

- to improve the level of service

- to replace existing assets

Increase/(decrease) in reserves

Increase/(decrease) in investments

Total applications of capital funding

Surplus/(deficit) of capital funding

Funding balance

Long-Term Plan 2021-22	Actual 2021-22	Annual Plan 2022-23	Actual 2022-23
\$000	\$000	\$000	\$000
201,566	203,134	218,648	217,572
20,148	20,369	21,213	20,658
8,664	17,452	8,865	12,103
41,262	39,727	43,798	50,222
406	1,580	1,970	11,702
6,053	5,789	6,253	7,559
278,100	288,052	300,747	319,815
218,113	217,949	234,050	248,717
15,686	18,433	20,174	38,839
-	-	-	-
233,798	236,382	254,224	287,556
44,302	51,670	46,523	32,259
101,588	98,052	70,820	72,204
31,622	27,062	33,822	36,502
134,030	178,895	174,712	236,057
-	128	-	1,632
-	-	-	-
-	-	-	-
267,240	304,137	279,354	346,395
218,663	175,115	161,453	193,332
43,064	24,628	84,096	53,817
66,942	52,465	79,986	75,662
7,492	22,809	(1,889)	(33,447)
(24,618)	80,789	2,231	89,290
311,542	355,807	325,877	378,654
(44,302)	(51,670)	(46,523)	(32,259)
-	-	-	-

Reconciliation of Operating Funding to Surplus/(Deficit)

	Long-Term Plan 2021-22	Actual 2021-22	Annual Plan 2022-23	Actual 2022-23
	\$000	\$000	\$000	\$000
Operating funding surplus/(deficit) per prospective funding impact statement	44,302	51,670	46,523	32,259
Reconciliation				
Operating surplus/(deficit)	83,622	168,659	53,359	143,416
Less Capital contributions and subsidies (Capital Revenue)	(101,588)	(98,052)	(70,820)	(71,736)
Less Development and financial contributions	(31,622)	(27,062)	(33,822)	(36,502)
Less Vested assets	(34,491)	(34,889)	(39,199)	(64,185)
Add Depreciation	75,534	80,629	86,520	89,160
Gains/Losses	60,346	(30,142)	60,092	1,011
HIF - fair value benefit	(8,084)	(7,995)	(10,887)	(30,930)
HIF - discount unwind	585	522	1,280	2,024
Surplus (deficit) of operating funding	44,302	51,670	46,523	32,259

Statement of Compliance

Compliance

The Council of Hamilton City Council confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Responsibility

Council and management of Hamilton City Council accept responsibility for the preparation of the financial statements and statement of service performance in accordance with generally accepted accounting practice and New Zealand equivalents to International Financial Reporting Standards.

Council and management of Hamilton City Council considers that the financial statements and statement of service performance have been prepared using appropriate accounting policies, which have been consistently applied and adequately disclosed and supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

Council and management of Hamilton City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of Council and management of Hamilton City Council, the financial statements fairly reflect the financial position of Council and the Group as at 30 June 2023, and the results of its operations and cash flows and the service performance achievements for the year ended on that date.

Paula Southgate
Hamilton Mayor
31 October 2023

Lance Vervoort
Chief Executive
31 October 2023

Disclosure Statement

Annual report disclosure statement for year ended 30 June 2023

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

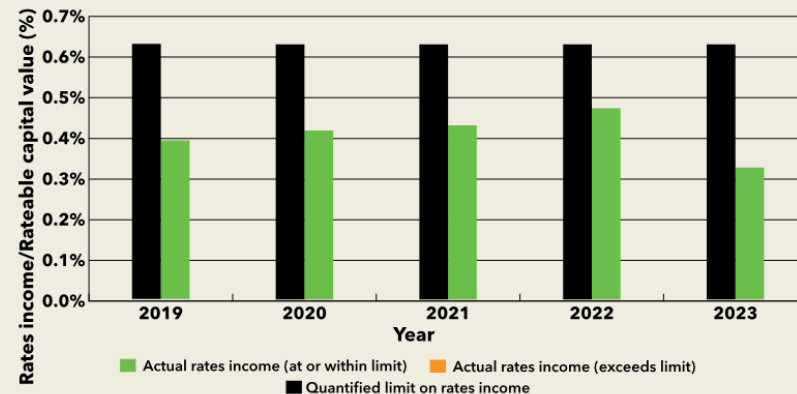
Rates affordability benchmark

The Council meets the rates affordability benchmark if -

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

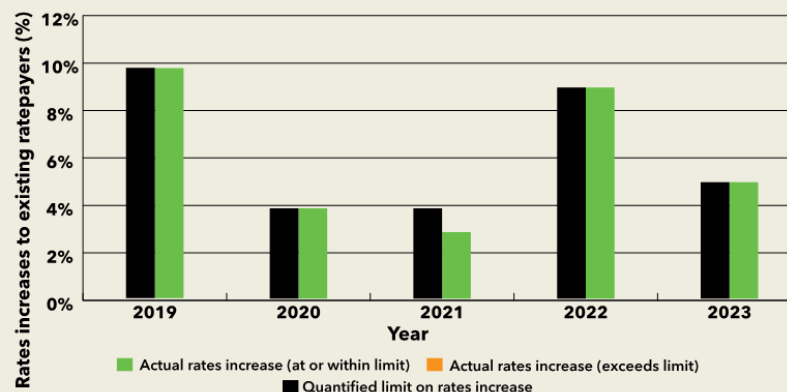
Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is that rates will not exceed 0.627% of the city's rateable capital value.



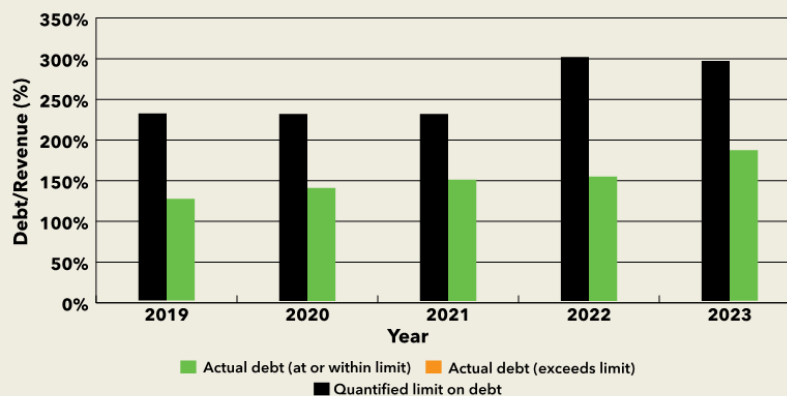
Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's long-term plan. The quantified limit is that rates average rate increases to existing ratepayers will not exceed 8.9% in 2021-22 or 4.9% thereafter. The quantified limit prior was the average rate increases to existing ratepayers will not exceed 9.7% in 2018-19 or 3.8% thereafter.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's long-term plan. The quantified limit is that the debt to revenue ratio will remain below 300% in 2022, 295% in 2023, 290% in 2024, 285% in 2025 and 280% thereafter. The total debt and total revenue calculations were changed in 2021-22 to align with the 2021-31 Long-Term Plan. The quantified limit prior to this was the debt to revenue ratio will remain below 230%.



Balanced budget benchmark

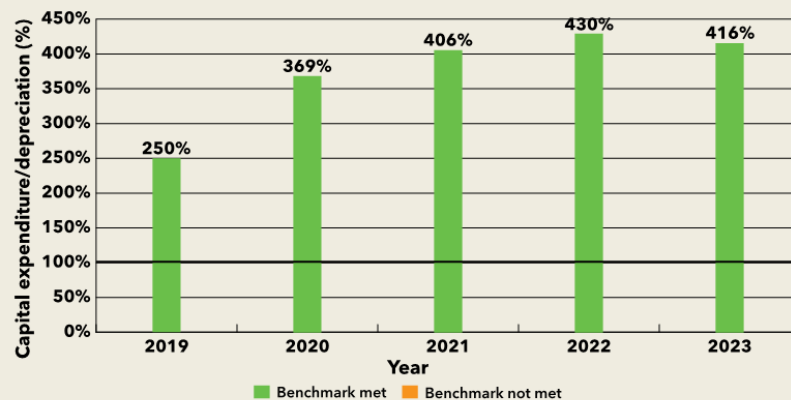
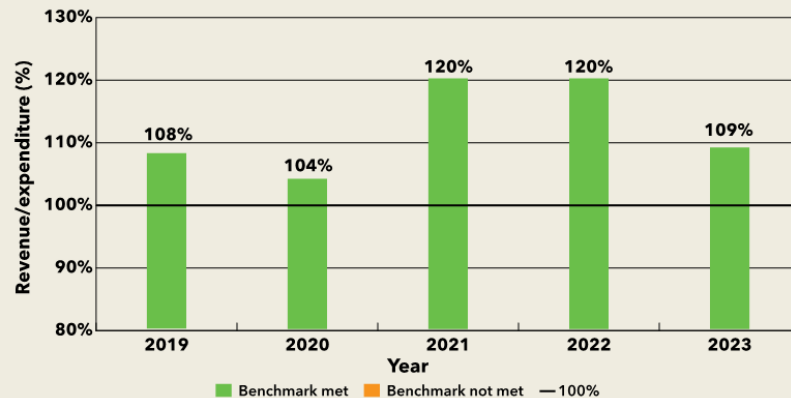
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.

This benchmark is similar to Council's own "Balancing the books" measure that was introduced prior to the Local Government (Financial Reporting) Regulations. Council does meet its own measure that it believes is more relevant to a growing city. There are four main differences between the measures:

- the above balanced budget includes all capital subsidies
- the above balanced budget includes gains and losses from disposals of assets, investment property, and associates.
- the above balanced budget includes gains and losses from investment property revaluations.
- the above balanced budget excludes all development contributions.

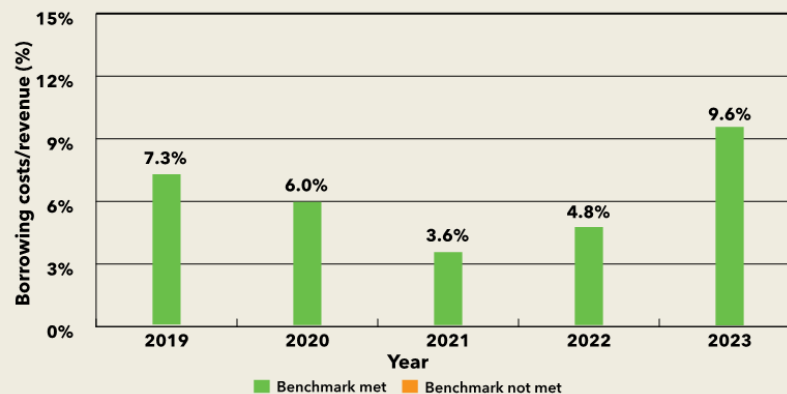
Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



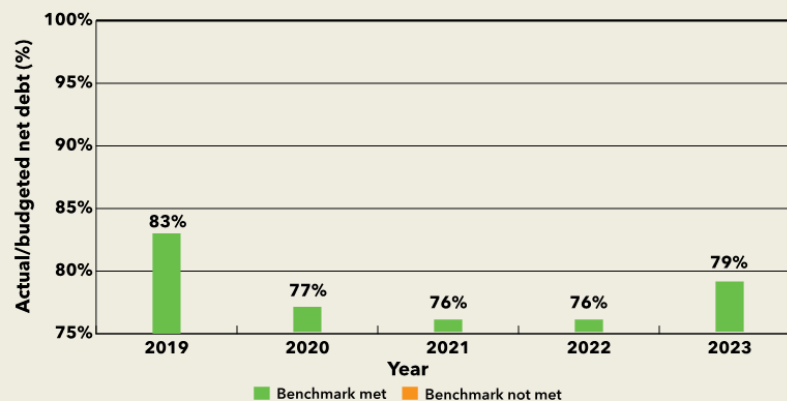
Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.



Debt control benchmark

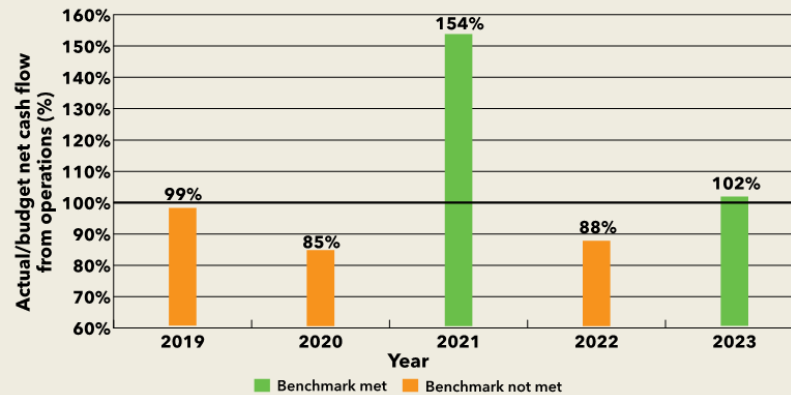
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Council achieved the operational control benchmark in 2023 as more cash was received from fees and charges and other capital contributions than planned.



Council Controlled Organisations

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

We have an interest in the following CCOs:

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

The following tables explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes for 2022/23 year. We also have interests in Council Organisations details of which are available on our website.

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

The actual results for 2022/23 are based on draft results available at the time of preparation of the 2022/23 Annual Report.

Co-Lab

Ownership	13.72% SDVS shares, 37.5% WRTM Service shares and 17.8% WRAPS shares equating to 16.02% of the total weighted value of issued shares. The balance of shares is owned by other Local Authorities in the Waikato Region. Council has only one voting right out the 12 voting Local Authorities.	
Representation (total members)	1(6) - Co-Lab has six Directors, with five Directors each representing a shareholder Council, as well as an Independent Chair.	
Significant policies and objectives	To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large.	
Nature and scope of activities	<ul style="list-style-type: none"> Shared Valuation Data Service Regional Asset Technical Accord Waikato Regional Transportation Model Waikato Building Consent Group Future Proof Energy Management Joint Procurement Initiatives Light Detection and Ranging Technology Waikato Regional Aerial Photography Service Aligned Resource Consent Planning Regional Infrastructure Technical Specifications Local Government Contractor Health & Safety Pre-qualification Scheme 	

Key performance targets

Performance targets are specified in the Co-Lab Statement of Intent for 2022-23 and are summarised with the actual results below:

Financial Performance Measures:	2022-23 targets	2022-23 results	2022-23 outcome
Company forecast:			
Earnings before interest, taxation & depreciation (EBITDA)	\$49K	\$0.5M	Achieved
Net operating cash flow	(\$0.6M)	(\$0.2M)	Achieved
Total assets	\$3.0M	\$5.6M	Achieved
Total capital funds	\$1.5M	\$3.0M	Achieved

New Zealand Local Government Funding Agency Limited (LGFA)

Ownership	8.3%
Representation (total members)	1(31) - There are currently 31 shareholders comprising of the New Zealand Government at 20% and 30 local councils at 80%.
Significant policies and objectives	Council's main objective for ownership in LGFA is to access shared funding at better rates and for more flexible terms.
Nature and scope of activities	LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand Local Authorities and CCOs, and may undertake any other activities considered by the Board to be reasonably related or incidental to, or in connection with, that business. The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

Key performance targets

Performance targets are specified in the LGFA Statement of Intent for 2022-23 and are summarised with the actual results below:

Financial Performance Measures:	2022-23 targets	2022-23 results	2022-23 outcome
Comprehensive Income			
Net interest income	\$10.9M	\$10.3M	Almost achieved
Issuance and on-lending costs	\$3.7M	\$4.2M	Almost achieved
Approved issuer levy	\$0.8M	\$0.6M	Achieved
Operating expenses	\$4.9M	\$5.0M	Almost achieved
Issuance and operating expenses	\$9.4M	\$9.1M	Achieved
P & L	\$2.8M	\$2.5M	Almost achieved
Financial Position			
Capital	\$25M	\$25M	Achieved
Retained earnings	\$82M	\$81M	Almost achieved
Total equity	\$106M	\$106M	Achieved
Total assets (nominal)	\$17,009M	\$18,175M	Achieved
Total LG loans (nominal)	\$15,004M	\$16,314M	Achieved
Total bills (nominal)	\$500M	\$783M	Achieved
Total bonds (nominal) ex treasury stock	\$16,050M	\$15,160M	Almost achieved
Total borrower notes (nominal)	\$313M	\$360M	Achieved

Key performance targets continued

2022-23 performance targets	2022-23 result	Outcome
LGFA total operating income for the period to June 2023 will be greater than \$12.2 million.	\$11.6M	Not achieved
LGFA total operating expenditure for the period to June 2023 will be less than \$9.4 million.	\$9.1M	Achieved
Total nominal lending (short and long term) to participating councils to be at least \$15.004 billion.	\$15B	Achieved
Conduct an annual survey of councils who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the council borrowing activities.	100%	Achieved
Meet all lending requests from Participating Local Authorities.	100%	Achieved
Share of aggregate long-term debt funding to the Local Government sector.	80%	Achieved
Review each participating borrower's financial position under LGFA policies.	100%	Achieved
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	Achieved
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.	'AA+/AAA'	Achieved
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches	Achieved
Comply with the Health and Safety at Work Act 2015.	No breaches	Achieved
Maintain Toitu net carbonzero certification.	Net carbonzero certification maintained.	Achieved
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Achieved
Increase our GSS lending book.	Two new participating borrowers enter into GSS loans.	Achieved
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	Achieved
Meet all mandatory climate reporting standards.	100%	Achieved

Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd

Ownership	50%
Representation (total members)	0(4)
Significant policies and objectives	Council's main objective in the ownership of WRAL (and its subsidiaries) is to support and provide economic growth to our community which can benefit from the opportunities WRAL provides.
Nature and scope of activities	<ul style="list-style-type: none"> • Operate an efficient and compliant airport. • Enhance the traveller experience. • Maintain a viable aero nautical business. • Maximise revenue diversification through non-aeronautical business opportunities.

Key performance targets

Performance targets are specified in the WRAL Statement of Intent for 2022-23 and are summarised with the actual results below:

Financial Performance Measures:	2022-23 targets	2022-23 results	2022-23 outcome
Consolidated company forecast:			
Earnings before interest, taxation & depreciation (EBITDA) but excluding land sales of at least	\$4.3M	\$5.7M	Achieved
EBITDA including land sales of at least	\$11.1M	\$15.8M	Achieved
Net profit after tax no less than	\$6.0M	\$10.8M	Achieved
Net operating cash flow (excluding land sales)	\$3.5M	\$2.7M	Not achieved
Total debt excluding design build property not exceeding	\$30.0M	\$20.1M	Achieved
Land sales of at least	\$14.0M	\$14.7M	Achieved
Percentage of non- landing charges revenue	60%	70%	Achieved
Interest cover	4.0x	9.7	Achieved

2022-23 performance targets	2022-23 result	Outcome
Health, Safety & Wellbeing Facilitate Health & Safety meetings every 2 months with representatives from each company department.	Health & Safety committee meetings are undertaken on a monthly basis.	Achieved
Zero Work Safe notifiable accidents/ injuries.	There were no notifiable incidents in either 2022 or 2023.	Achieved
Independently review and audit the Health and Safety system each year.	An independent audit of the Group's health and safety framework was undertaken and all recommendations were implemented.	Achieved
Operational Compliance To achieve airport certification standards required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.	The airport continues to meet all relevant CAA certification standards.	Achieved
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	There have been no incidences of scheduled flights being operationally impacted by controllable events.	Achieved
Facilitate noise management meetings each four months in accordance with the Noise Management Plan.	Regular meetings have been facilitated every 4 months however have reduced frequency to 6 months due to reduced air movements.	Almost achieved
Property (Titanium Park Limited) Complete construction of the 5th Stage of Titanium Park's Central Precinct.	Plans were finalised and construction had commenced during the year however it was not completed by year end due to COVID19-related construction delays.	Not achieved
Complete construction of airport infrastructure to support private aeronautical property development and land sales.	Settlement of land sales were completed however purchasers did not require aeronautical infrastructure to be completed in the 2023 year.	Not achieved
Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council.	The masterplan was completed in 2021, and the plan change submitted during 2022.	Achieved
Jet Park Hotel Hamilton Airport (Waikato Regional Airport Hotel Limited) Implement a recovery plan to enable a steady return to pre-COVID key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.	The hotel resumed trading to the public in the 2023 financial year after two years as a MIQ Hotel. The Hotel maintained its Qualmark 4 Star rating and exceeded trading budget.	Achieved
Hamilton & Waikato Tourism Limited Successfully deliver the first year of the \$3.75 million Regional Events Fund for Waikato, Rotorua, Ruapehu and Taupo.	Due to COVID19 travel and event restrictions a number of events did not take place during the year (cancelled or postponed) meaning the investment plan was not fully delivered.	Not achieved

Waikato Innovation Growth Limited (WIGL) and its subsidiary, New Zealand Food Innovation (Waikato) Limited (NZFIW)

Ownership	Council has 100% shareholding in WIGL and holds a 70% shareholding in NZFIW (its subsidiary).
Representation (total members)	0(5) - There are two boards. WIGL and NZFIW. The WIGL board consists of all NZFIW board members except one.
Significant policies and objectives	Our ownership in WIGL & NZFIW is to promote and provide support to business development and innovation in our community.
Nature and scope of activities	<p>WIGL</p> <ul style="list-style-type: none"> To provide business and innovation advisory services for customers such as small and medium-sized enterprises (SMEs) and High Value Manufacturing and Services (HVMS) business in the Waikato Region. <p>NZFIW</p> <ul style="list-style-type: none"> To provide facilities on an open access basis in which food processing companies and those entering new markets can develop new or improved food ingredient products. To provide open access basis a small-scale production plant capable of producing samples for market development which is to be self-sustaining in the medium to long term. To participate in and promote a national network of similarly focussed food innovation organisations as a shareholder in a food innovation network. To provide an independent and secure facility to ensure the intellectual property and know-how of the Company and its customers are protected. To provide a centre of learning for food technology, catering primarily to the pastoral product value chain, in cooperation with tertiary education intuitions. To provide one of several tangible centres and organisations throughout New Zealand around which networks of food processors and exporters, food equipment manufacturers and other partners can develop.

Financial Performance Measures:

	2022-23 targets	2022-23 results	2022-23 outcome
NZFIW EBITDA (earnings before interest, tax, dep & amortisation)	\$1.298M	(\$0.320M)	Not achieved
NZFIW Cash from operating activities	\$0.834M	(\$0.229M)	Not achieved
Net Profit after tax	\$0.036M	(\$0.447M)	Not achieved

Key performance targets

WIGL Group's Performance Information was not available at the time of the preparation of the Annual Report.

Audit Opinion

Whakaaro Taatari Kaute

Independent Auditor's Report

To the readers of Hamilton City Council and group's summary of the annual report For the year ended 30 June 2023

The Auditor-General is the auditor of Hamilton City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 15 December 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 150 and 152 to 241:
 - o present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2022;
 - the results of the operations and cash flows for the year ended on that date; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 244, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;

- the statement of service performance on pages 33 to 147:
 - o presents fairly, in all material respects, the levels of service for each group of activities For the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - o complies with generally accepted accounting practice in New Zealand; and
- the statements about capital expenditure for each group of activities on pages 48 to 145, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 49 to 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and

how the funds were applied as compared to the information included in the City Council's Long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 246 to 250, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 1 on pages 157 and 158, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the City Council will no longer deliver three waters services or own the assets required to deliver these services. The Water Services Entities Bill had its Third Reading on 7 December 2022 and is awaiting Royal Assent. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material

misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related

disclosures made by the Council.

- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit

findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 32, 148, 149 and 245 and the “balancing the books measure” on page 151, but does not include the audited information and the disclosure requirements, and our auditor’s report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council’s debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand





Hamilton City Council
Garden Place, Private Bag 3010, Hamilton

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 @hamilton_city_nz

 07 838 6699

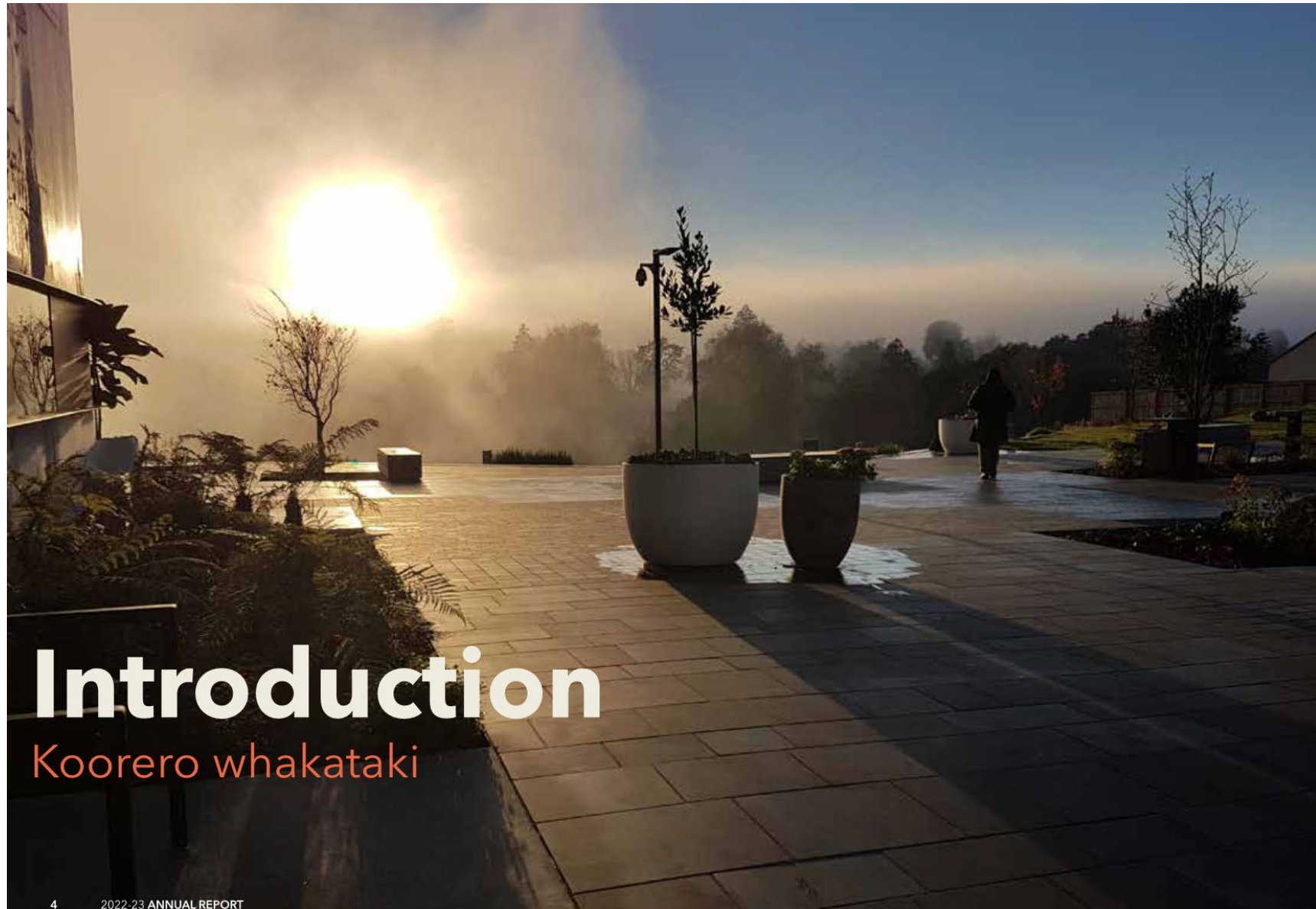
hamilton.govt.nz





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Introduction

Koorero whakataki

4

2022-23 ANNUAL REPORT

Item 5

Attachment 3

From the Mayor and Chief Executive

The 2022-23 Annual Report reflects a year of steady progress for Hamilton Kirikiriroa despite the challenging economic realities.

This year's Annual Report presents our financial results measured against the financial strategy set out in year two of our 2021-31 Long-Term Plan and the associated 2022-23 Annual Plan.

Council remains on track to carry out its planned activities for year three of the Long-Term Plan despite the disruptions of COVID-19, increasing inflation and rising costs which have had an impact on all councils across the country. It has not been easy, and the financial environment is increasingly challenging, but we are proud of the progress that has been made.

Council ended the financial year with a net debt balance of \$723

million versus the Annual Plan projection of \$774 million. Net debt is defined as money we owe the lender, less cash.

There was a balancing the books deficit of \$29.8 million, compared to the Annual Plan forecast deficit of \$14.4 million.

Our priorities

Council remains focused on its purpose of continuing to improve the wellbeing of our community across five important priority areas.

These priorities are based on an extensive community engagement campaign in 2020 which asked you, the residents what you love about Hamilton Kirikiriroa and what would make our city an even better place to be. Submissions from the community helped shape Council's thinking about the future of the city.

Residents and businesses

expressed their views on a range of desired outcomes, leading to the adoption of five priorities:

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

These priorities have guided Council's decision-making in improving Hamilton's social, cultural, economic and environmental wellbeing, as required by the Local Government Act.

A city that's easy to live in

You wanted a city that's easy to live in we've been investing in community services, libraries, aquatic facilities, community development, transport and parking. Here are some examples of what we achieved.

Major improvements were made on our roads with the completion of the Ring Road and the opening of the Hamilton section of the Waikato Expressway.

The Te Wetini Drive extension was completed and the Claudelands/Grey Street intersection was upgraded. Construction also started on the Borman Road connection.

Many improvements to safety were made, with the installation of a new roundabout at the Darjon Drive/Gordonton Road intersection and improvements at Tristram and Collingwood Streets.

Exciting developments continued in the new Peacocke neighbourhood, with work starting on the next section of Whatukooruru Drive and the completion of the span of the new Waikato River bridge.

A city where our people thrive

We were delighted that Hamilton Kirikiriroa was formally recognised as a Committed Welcoming Community. We gave a warm welcome to 1282 new citizens at our citizenship ceremonies, kicked off our first Welcoming Week and said 'kia orana' to the new K'aute Pasifika Community Hub.

The Disability Policy and Action Plan was adopted, ensuring Council operates and manages its infrastructure, facilities and services in a way that gives all people equity of access, inclusion and opportunity.

Council maintained its AA- credit rating with international financial services agency Standard and Poor's, with the AA- score a reflection the organisation has 'very strong capacity to meet financial commitments'.

The Building Unit granted a total of 1861 building consents for the year, and received a recommendation from International Accreditation New

Zealand (IANZ) for continued Building Consent Authority accreditation.

Several milestones were achieved across a number of high-profile District Plan changes. Plan Change 9 completed the first session of hearings for Historic Heritage Areas, Significant Natural Areas, and Notable Trees in May 2023. Plan Change 12 completed the strategic hearings in February 2023.

We facilitated the building of quality communities through the implementation of the City Investment Programme, which encourages a constituency of support from funders, businesses, community groups, central government and philanthropic individuals.

A central city where people love to be

The Growth Programmes team continued to lead the delivery of key growth areas in the city alongside the development of the revised Hamilton Urban Growth Strategy (HUGS). This

strategy guides where, when, and how our city will grow over the next 50 years. It has three key outcomes – grow up and out from the central city; grow along transport corridors; and support the development of quality greenfield neighbourhoods.

Hamilton received central government's Infrastructure Acceleration Fund (IAF) grant for \$150 million. The grant, alongside more than \$100 million from Council, is being invested into central city infrastructure to support new homes.

Safety has been a continued focus. Our City Safe team works hard alongside local businesses and police to keep Hamilton Kirikiriroa safe. The visibility of City Safe patrols has increased, with additional patrols taking place and staff now being tasked not just to provide cover to the central city, but also to other key locations during busy times.

We worked with a range of partner agencies to deter anti-social behaviour in the central

city – looking for opportunities to prevent crime; supporting the homeless or vulnerable; and enhancing safety for users of the central city. Services we provided include CCTV cameras, graffiti removal and City Safe patrols.

NZ Police have been quick to praise the capabilities of our City Safe staff and have acknowledged the hugely valuable support they provide.

This year we trialled a River Safety Patrol, with teams on foot and e-bikes, following safety education sessions with the Aquatics team. The team focused on key education messages to share for safe river use, how to respond and keep themselves safe in a water safety incident, and a practical understanding of our awa including recognising dangers and safe entry/exit points.

Staff have been involved in a range of incidents including providing support in a medical emergency, detecting offenders breaking into cars and intervention in two significant

instances of 'at risk' behaviours by water users.

The River Safety team carried out 1325 active patrols with over 6704 members of the public out and about enjoying the river and popular swimming locations.

A fun city with lots to do

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.

We'll continue to embrace the outdoors, not just the Waikato River but places like 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 and make living here fun.

The disruptions of COVID-19 saw physical visits to libraries and pools paused, capacity restrictions and temporary branch closures due to staff shortages. As the restrictions lifted, we were delighted to return to normal operations and resume children's programming at our libraries and pools.

The Aquatics team received the Innovation in Aquatics award for the Keep on Swimming Learn to Swim Programme.

We celebrated many other achievements - Claudelands Oval was named New Zealand's best venue, our beautiful new shared entry precinct was created for Te Kaaroro (Hamilton Zoo and Waiwhakareke Natural Heritage Park) and the Hamilton section of Te Awa - The Great New Zealand River Ride opened.

Construction began on our first fully inclusive playground in

Claudelands and a floodlighting upgrade kicked off for six sports fields.

Our Libraries team also became network partners in a programme enabling low-cost internet access for our communities.

A green city

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 saw record-breaking recycling at the Resource Recovery Centre and 6000 litres of Tronpost compost, made from green waste and kerbside food scraps, going back to the community.

We launched the Mangaonua Gully erosion control project, completed the Mangaiti Gully project and adopted our Open Spaces Strategy.

How people move around Hamilton is having to change as we manage the impacts of high growth and climate change. In August 2022, Council adopted Ara Kootuitui Kirikiriroa - Access Hamilton Transport Strategy, with the vision that our transport network will enable everyone to connect to people and places in safe, accessible and smart ways.

Walking, biking and public transport upgrades are a key part of our strategy to shape a liveable and low carbon city.

Waka Kotahi is contributing \$33.2 million under the Climate Emergency Response Fund and Council will contribute an additional \$3.8 million on a package of projects to develop safer, greener and healthier travel options.

The fund will help with the delivery of strategic cycle routes, walkable neighbourhoods, school travel planning, and projects to support making public transport more reliable and easier to use for all.

Planning for the changing climate

We adopted our first climate change strategy – Our Climate Future: Te Pae Tawhiti o Kirikiriroa, which outlines the priorities for our response and will guide the way we consider climate change in all we do.

We are planning for the changing climate and embracing the transition to a low carbon city where everyone can thrive. We have set emissions targets for the city and our operations teams are putting the plans in place to achieve them.

To ensure we are responding to the changes in extreme weather, we completed a Council operational climate change risk assessment so that we understand how the risks for our operations will change over time.

We have been tracking our Council operational emissions since 2018/19 and over this time we have reduced our emissions by 18%, through improved energy efficiency and switching from natural gas to electricity.

Employee wellbeing

The safety and wellbeing of our people is first in all we do. As part of Council's commitment to providing a healthy and supportive workplace for our people, we introduced several initiatives in the last 12 months. These included reviewing and focusing on Council's safety and wellbeing critical risks.

A critical safety and wellbeing risk we identified was mental health. As a result, we rolled out numerous GoodYarn mental health literacy workshops which trained our people on how to have a conversation with someone they are concerned about and how to seek support.

In December 2022 we implemented comprehensive employee health insurance with UniMed. A large number of claims and major surgeries have been completed which are significantly improving the health and wellbeing of our employees.

Internal transformation

We implemented the next stages of our Business Improvement Plan across the organisation and achieved progress across the four streams of work – data governance, customer experience, technology enhancements and business process improvement.

We developed a new high-performance framework and implemented a leadership programme for new and emerging leaders.

We implemented key actions from the Diversity and Inclusion plan under three key workstreams – laying the diversity and inclusion foundation programmes, a diverse workforce reflecting the city and inclusive leadership and culture.

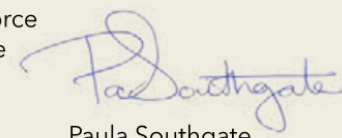
Looking forward

As we reflect on the past year's achievements, we are proud of the progress made across our five key priorities.

Public opinion from community engagement has factored strongly into decisions we have made as we continue to balance community wellbeing and affordability alongside our aspirations for growth.

Council's vision is to make Hamilton an even better place to live, work, and thrive. We are committed to a transparent and collaborative process in shaping the city's future.

Your voice and ideas are important. Together, we are shaping a future that not only meets the needs of today but also paves the way for generations to come.



Paula Southgate
Mayor



Lance Vervoort
Chief Executive

Kupu a te Kahika me te Tumu Whakarae

E whakaatu ana te Puurongo aa-Tau 2022-23 i teetahi tau kokenga whakamatua moo Kirikiriroa, ahakoa nga uauatanga aa-oohanga.

E whakaatu ana te Puurongo aa-Tau o teenei tau i oo maatou hua ahumoni, kia inea atu ki te rautaki ahumoni i whakatauhia i te tau tuarua o taa maatou Mahere Tauroa 2021-31, me te Mahere aa-Tau 2022-23.

Kei te uu tonu te whai a te Kaunihera ki te kawe i nga mahi kua whakaritea moo te tau tuatoru o te Mahere Tauroa, ahakoa nga whakararu o te KOWHEORI-19, te pikinga o te pikiutu tukipuu me nga pikinga utu, otiraa he paanga tonu too eenei ki nga kaunihera puta noa i te motu. Kaaore i ngaawari te tau nei,

engari e whakahii ana maatou ki te kokenga i hua ake.

I te mutunga o te tau puutea he \$723 miriona te tapeke nama more, atu ki te matapae o te Mahere aa-Tau o te \$774 miriona. Ko te whakamaarama o te nama more, ko te puutea e nama ana ki te kaituku, tango te moni.

He takarepa whakataurite ahumoni o te \$29.8 miriona, otiraa ko te takarepa i matapaetia ki te Mahere aa-Tau, he \$14.4 miriona kee.

Aa maatou aronga matua

E aro tonu ana te kaunihera ki tana kaupapa o te whakapiki haere i te oranga o te hapori puta noa i nga aronga matua whaitake e rima.

I poua eenei aronga matua ki teetahi kaupapa whai waahi

aa-hapori whaanui i te 2020 i tono i a koutou nga kainoho he aha nga mea e arohatia ana e koe i roto o Kirikiriroa, aa, he aha nga aahuatanga hei haapai ake i te taaone. Naa nga taapaetanga a te hapori i aawhina ki te waananga i nga whakaaro o te Kaunihera ki te anamata o te taaone.

I whakaputa whakaaro nga kainoho me nga pakihi ki eetahi putanga huhua e wawatatia ana, otiraa ko te hua o teeraa ko nga aronga matua e rima:

- He hoahoa i teetahi taaone e ngaawari nei te noho i roto
- He hoahoa i teetahi taaone e toonui ai te tangata
- He hoahoa i teetahi pokapuu taaone e paarekareka ana ki te tangata

- He hoahoa i teetahi taaone hangareka, otiraa he nui nga mea hei whai waahitanga
- He hoahoa i teetahi taaone kaakaariki.

Naa eenei aronga matua i aarahi i nga mahi whakatau take a te Kaunihera ki te whakapai ake i te oranga aa-paapori, aa-ahurea, aa-oohanga, aa-taiao hoki o Kirikiriroa, i raro i nga here o te Local Government Act.

He taaone e ngaawari nei te noho i roto

I hiahia koutou i teetahi taaone e ngaawari nei te noho i roto, otiraa i te haumi maatou ki nga ratonga hapori, nga whare pukapuka, nga whare kaukau, te whanaketanga aa-hapori, te tuunuku me nga tuunga waka. Anei eetahi taura o nga mahi kua tutuki.

He nui ngaa whakapainga o ngaa rori otiraa ko te whakaotinga o te Rori Porowhita, me te tuwheratanga o te waahanga o Kirikiriroa o Te Ara Puaki o Waikato.

I oti te toronga o Te Wetini Drive, aa, i whakahoutia te rori puutahi o Claudelands/ Grey Street. I tiimata hoki te hanganga o te tuuhonotanga o Borman Road.

He nui ngaa mahi whakapai i te haumarutanga, naa te whakaurunga o teetahi puutahi porowhita hou ki te puutahi o Darjon Drive/Gordonton Road me ngaa whakapainga kei ngaa Tiriti o Tristram me Collingwood.

I haere tonu ngaa whakanaketanga hiamoi i te waahi noho hou o Peacocke, otiraa i tiimata ngaa mahi ki te waahanga hou o Whatukooruru Drive me te otinga o te toronga o te arawhiti hou o te Awa o Waikato.

He taaone e toonui ai te tangata

I harikoa maatou i whakanuia a Kirikiriroa hei Committed Welcoming Community. I poohiritia e maatou ngaa kirirarau 1282 hou i aa maatou whakanuitanga kirirarau, otiraa ko te tiimatanga teenei o taa maatou Wiki Manaaki tuatahi, me te mihi 'Kia orana' ki te K'aute Pasifika Community Hub.

I whakatinanatia te Kaupapahere Hauaatanga me te Mahere Mahi, otiraa he whakarite i te whakahaere a te Kaunihera i aana tuuaahanga, ngaa whare me ngaa ratonga i runga anoo i ngaa tikanga e mana oorite ai te aaheinga, te kauawhi me te arawaatea.

I mau tonu te Kaunihera ki tana paapaatanga taurewa AA- ki te tari ratonga ahumoni aa-ao o Standard and Poor's, otiraa e whakaata ana te piro AA- i te 'raukaha tino pakari ki te whakatutuki i oona uunga ahumoni.'

I eke ki te 1861 ngaa whakaaetanga whakatuu whare i whakamanatia e te Peka Whakatuu whare moo te tau, aa, i tuutohua hoki e te International Accreditation New Zealand (IANZ) kia mau tonu ki te mana whakaae a te Building Consent Authority.

I tutuki eetahi whaainga nui puta noa i eetahi panoni hira o te Mahere aa-Rohe. I tutuki i te Panoni Mahere 9 ngaa whakawaakanga tuatahi moo te Historic Heritage Areas, Significant Natural Areas, and Notable Trees i te Mei 2023. I tutuki i te Panoni Mahere 12 ngaa whakawaakanga rautaki i te Peepuere 2023.

I whakaritea e maatou te whakatuutanga o ngaa hapori kouna maa te whakatinana i te Hootaka Haumi aa-Taaone, e akiaki ana i te toopuutanga tautoko i ngaa kaitautoko aa-puuitea, ngaa pakihi, ngaa roopuu hapori, te kaawanatanga me ngaa taangata tukuoha.

He pokapuu taaone e paarekareka ana ki te tangata

I aarahi tonu te tira Hootaka Whakatupu i te kawenga o ngaa mahi tupuranga matua i te taaone, i te taha o te whanaketanga o te whakahoutanga ki te Rautaki Tupu Taaone o Kirikiriroa (HUGS). Ka aarahi teenei rautaki i te ahunga, te aahua, me te waahi e tupu ai too taatou taaone hei ngaa tau 50 nei. E toru ngaa putanga matua - tupu whakarunga, whakawaho hoki i te pokapuu taaone; te tupu i te taha o ngaa tuunuku matua; me te tautoko i te whanaketanga o ngaa paekiritata papa ururua kouna.

I waimarie a Kirikiriroa ki te whiwhi takuhei mai i te kaawanatanga matua araa, te Infrastructure Acceleration Fund (IAF) o te \$150 miriona. Taapiri atu ki teenei takuhei ko te \$100 miriona mai i te Kaunihera ka haumitia ki te tuuaahanga pokapuu taaone hei tautoko i ngaa whare hou.

I noho tonu te haumarutanga hei aronga nui. He pukumahi taa maatou tira Haumaru Taane me ngaa pakihi me ngaa pirihiimana ki te tiaki i a Kirikiriroa kia haumaru ai. Kua piki te kitenga o ngaa aapiha Haumaru Taane, otiraa kua taapiritia eetahi tirotirohanga, aa, kua tona hoki ngaa kaimahi ki te tiaki i eetahi atu waahi matua e pokea ana e tangata, i waho ake o te pokapuu taane.

I mahi ngaatahi maatou ki eetahi tari whaanui ki te whakapaahunu i ngaa whanonga aatete i te pokapuu taaone - me te kimi arawaatea ki te aukati mahi taihara; te tautoko i te hunga kaainga-kore, whakaraerae raanei; te whakapiki i te haumarutanga o te iwi kei te pokapuu taaone. Ko eetahi ratonga ko ngaa kaamera CCTV, te tango toi karawhiti me ngaa aapiha Haumarua Taane.

I puta te whakamanahau a ngaa
Pirihimana ki ngaa puukenga
o aa maatou kaimahi Haumarū
Taaone otiraa i whakanuia aa

raatou mahi tautoko.

I teenei tau, i whakamaatauhia
e maatou teetahi Tautiaki
Haumarū Awa, aa, he aapiha i
runga pahikara-hiko, maa raro
hoki, i muri mai o ngaa hui
awheawhe haumarū ki te tira
Haakina Wai. I aro te tira ki
ngaa karere maatauranga
matua e haumarū ai te haere i
runga i te awa, me peehea te
urupare me te tiaki i a raatou
anooi te waa o teetahi ohotata
haumarū wai, aa, kia maarama
pai hoki ki too taatou awa, tae
atu ki te kimi i ngaa moorearea
me ngaa waahi haumarū ki te
kuhu me te puta i te awa.

I whai waahi ngaa kaimahi ki
eetahi aahuatanga whaanui,
tae atu ki te tautoko i ngaa
ohotata hauora, te tiroiro i ngaa
kaihara e kuhu poka noa ki ngaa
waka, me te wawao i eetahi atu
aahuatanga matua e rua o ngaa
whanonga 'moorearea' a te
hunga haere i runga i te awa.

I eke ki te 1325 ngaa tirohanga
a te tira Haumarua Awa,

otiraa neke atu i te 6704
ngaa taangata i kite raatou e
paarekareka ana ki te awa me
ngaa waahi rorotu ki te kaukau.

**He taaone hangareka, otiraa
he nui ngaa mea hei whai
waahitanga**

Kei te hiahia maatou ki te whakarite i te whakaratonga o ngaa arawaatea ki ngaa tangata katoa ki te taakaro me te mahi hangareka, peenei i te haakinakina, ngaa papa taakaro, ngaa taiopenga, ngaa waahi taapoi raanei.

Kei te hiahia maatou ka hau
te rongonui o te taaone ki te
whakahaere i ngaa taiopenga
rangatira - ngaa kaupapa e
too mai ai i ngaa hua oohanga,
e arohatia ana e te iwi, aa, e
too mai ana i te tangata i ngaa
toopito o te motu ki too
taatou taaone.

Ka awhitia tonutia e maatou
ngaa waahi taiao, kaua ko te
Awa o Waikato anake, engari
ngaa waahi peenei i oo maatou
taunga papataakaro me te

roto o Rotoroa. Ko taa ngaa hanganga nei he whakarato maharatanga, wheako hoki ki ngaa kainoho me ngaa manuhiri, e noho ngahau ai raatou, me te hiahia anoo ki te hoki mai. Otiraa ka kookiri hoki i te kaingaakau me te whakamaioha o too taatou taane, otiraa kia hangareka te noho i konei.

I taarewatia ngaa toronga aatinana ki ngaa whare pukapuka me ngaa puna kaukau naa ngaa whakararu o te KOWHEORI-19, i kitea ngaa herenga kiitanga me te katinga taupua o ngaa tari naa te kore kaimahi. I te waa i whakakorea ngaa herenga, i manamanahau katoa maatou ki te hoki ki ngaa whakahaerenga o ia raa, me te whakahaere anoo i ngaa hootaka tamariki i oo maatou whare pukapuka me ngaa puna kaukau.

I whakawhiwhia te tira Haakina
Wai ki te tohu Innovation in
Aquatics moo te Hootaka o
Keep on Swimming Learn to
Swim.

Araa noa atu ngaa whakawhiwhinga i whakanuia e maatou - I whakaingoatia a Claudelands Oval te whaitua hira rawa o Aotearoa, aa, i hangaia taa maatou paetomokanga tiri hou moo Te Kaaroro (Whare Kararehe me Waiwhakareke Natural Heritage Park), aa, i whakatuwheratia hoki te waahanga kei Kirikiriroa o Te Awa - The Great New Zealand River Ride.

I tiimata ngaa mahi hanga i te papataakaro kauawhi tuatahi ki Claudelands, aa, i tiimata te whakatuutanga o ngaa tuurama raharaha ki ngaa papa taakaro e ono.

I tuuhono hoki oo maatou Whare Pukapuka hei hoa rangapuu whatunga i teetahi hootaka aaheinga ipurangi ngaawari te utu maa ngaa hapori.

He taaone kaakaariki

E whakahii ana maatou ki too maatou taaone kaakaariki, maa hoki, aa, e whaia ana e maatou

teetahi tikanga whai whakaaro, rangapuu taaone whaanui hoki i waenga i ngaa pakihi, ngaa roopuu whakahaere me ngaa roopuu hapori ki te whakatau i te aahua o te urupare a te taaone ki te hurihanga aahuarangi.

I tutuki i te Resource Recovery Centre ngaa rekoata hou o te mahi hangarua, otiraa he 6000 rita te wairaakau Tronpost, i hangaia i te para kaakaariki me ngaa para kai, i hoki anoo ki te hapori.

I tiimataria e maatou te kaupapa whakahaere ngaahorohoro i te whaarua o Mangaonua, i tutuki te kaupapa o te whaarua o Mangaiti, aa, i whakatinanahia taa maatou Rautaki Open Spaces.

Kei te panoni haere te aahua o te nuku haere a te tangata i Kirikiriroa i te waa e whakahaere ana i te paapaatanga o te tupuranga nui me te hurihanga aahuarangi. I te Aakuhata 2022, i whakatinanahia e te

Kaunihera a Ara Kootuitui Kirikiriroa - Access Hamilton Transport Strategy, me te matawhaanui ake kia whakaritea e te whatunga tuunuku kia hono haere ngaa taangata katoa ki ngaa waahi katoa, i runga anoo i ngaa tikanga haumaruru, tomopai, atamai hoki.

Ka noho ngaa whakahounga ara hiikoi, pahikara, tuunuku tuumatanui hoki hei waahanga nui o taa maatou rautaki ki te hoahoa haere i teetahi taaone nohopai, tukuwaro iti hoki.

E taapae ana a Waka Kotahi i te \$33.2 miriona i raro i te 'Tahua Urupare Ohotata Aahuarangi, aa, ka taapaetia e te Kaunihera he \$3.8 miriona ki ngaa kaupapa whakawhanake i ngaa koowhiringa tuunuku haumaruru ake, kaakaariki ake, hauora ake hoki.

Ka aawhine te tahua nei ki te whakarato i ngaa ara pahikara aa-rautaki, ngaa paekiritata e pai ai te hiikoikoi haere, ngaa

whakamaheretanga tuunuku aa-kura, me ngaa kaupapa hei tautoko kia horopuu ake, kia ngaawari ake hoki ngaa tuunuku tuumatanui.

Oranga kaimahi

Ko te haumaruru me te oranga o aa maatou kaimahi te whakaaro maataamua o ngaa mahi. Hei waahanga o te uunga o te Kaunihera ki te whakarato i te waahi mahi hauora, tautoko hoki, i whakaurua e maatou eetahi kaupapa hou i ngaa marama 12 nei. I uru ki eenei te arotake me te aronui ki ngaa tuururu waiwai o te hauora me te oranga a te Kaunihera.

I tautuhia teetahi tuururu waiwai ki te hauora me te oranga, araa ko te hauora hinengaro teeraa. Ko te hua o teeraa, i tiimataria eetahi awheawhe maatau hauora hinengaro o GoodYarn, i whakangungu i aa maatou kaimahi me peehea te whakawhiti koorero ki teetahi tangata e taumaha ana, aa, me peehea te rapu tautoko.

I te Tiihema 2022, i whakatinanahia e maatou tetahi kaupapa inihua hauora kaimahi koreutu ki a UniMed. He nui ngaa kereeme me ngaa poka nui i oti otiraa i whakapiki nui o te hauora me te oranga o aa maatou kaimahi.

Whakaumu rāroto

I whakatinanahia ngaa kooeke hou o taa maatou Mahere Whakawhanake Pakihi puta noa i te whakahaere, aa, i koke whakamua puta noa i ngaa awamahi e whaa - mana whakahaere raraunga, wheako kiritaki, whakaraakei hangarau me te whakapai ake i ngaa tukanga pakihi.

I whakaritea e maatou teetahi anga mahi-kounga hou, me te whakatinana i teetahi hootaka hautuutanga maa ngaa kaiaarahi e pihi ake ana.

I whakatinanahia e maatou ngaa mahi matua i puta ake i te mahere Kanorau me te Kauawhi i raro i ngaa awamahi matua e toru - te whakarite i ngaa hootaka tuuaapapa kanorau me

te kauawhi, he tira mahi kanorau e whakaata ana i te taaone, me te hautuutanga me te ahurea kauawhi.

Te anga whakamua

I a maatou e huritao ana ki ngaa mahi o te tau ki muri, e whakahii ana maatou ki te kokenga puta noa i aa maatou whakaarotau matua e rima.


I whai waahi nui ngaa whakaaro tuumatanui mai i ngaa whai waahitanga aa-hapori ki roto i ngaa whakataunga take i a maatou e whakataurite tonu ana i te oranga o te hapori me te ngaawari o te utu, i te taha o oo maatou wawata tupu.

Ko te matawhaanui o te Kaunihera, kia noho a Kirikiriroa hei waahi pai ake ki te noho, te mahi me te whakapuaawai. E uu ana maatou ki teetahi tukanga kooataata, mahi ngaatahi hoki ki te hoahoa i te anamata o te taaone.

He mea hira too reo me oo whakaaro. Maa te mahi ngaatahi, e hoahoa ana maatou

i teetahi anamata e tutuki ai oo taatou hiahia o te rangi nei, engari e para ana i te huarahi moo ngaa whakatupuranga.


Paula Southgate
Kahika


Lance Vervoort
Tumu Whakarae

What is the Annual Report?

He aha te Puurongo-aa-Tau?

The Annual Report is a key document in Council's planning and reporting process, with its contents directed by the Local Government Act 2002.

Our planning cycle starts with an extensive and deliberate community engagement process developed alongside the people of Hamilton Kirikiriroa to understand the aspirations they have for their city. These are captured in our vision and five priorities and provide the focus for what Council will work on for the next decade.

Then Council prepares a Long-Term Plan. This sets out the work programmes, budgets and rates needed to deliver the vision and priorities. Each Long-Term Plan covers the next decade, with a focus on the first three years.

Our current plan is the 2021-31 Long-Term Plan.

When we aren't producing a Long-Term Plan, we produce an Annual Plan. The Annual Plan gives Council the chance to review the work programme set out in the Long-Term Plan and consider where any changes are necessary. Council's current Annual Plan is the 2023-24 Annual Plan, which identifies any differences between what we said we would do in 2023-24 in the Long-Term Plan, and what we are doing.

The Annual Report is produced to review our performance and tell you, the community, how well we did on delivering to the Long-Term Plan.

This 2022-23 Annual Report is provided to compare Hamilton City Council's actual performance for the 2022-23 year against what was forecast in the 2021-31 Long-Term Plan.

The Report considers, against the Long-Term Plan:

- did we deliver the level of service we said we would?
- did we deliver on the capital projects we said we would?
- did we deliver to the operating budget we set?

Audit

Council's external auditor, Audit New Zealand, is required to audit the Annual Report. The Annual Report is then adopted by Council on the recommendation of staff and the Strategic Risk and Assurance Committee. This ensures that

both the management and governance functions across Council share responsibility for the report's accuracy and accountability.

Intended audience

This Report is intended to provide this important information to a range of stakeholders including local businesses, Council partners, government departments and agencies, non-government organisations, and the community of Hamilton Kirikiriroa. It is also an opportunity for our teams to look back on and celebrate the successes of the year and to highlight the amazing work delivered to the community of Hamilton Kirikiriroa.

Piecing it all together:

1 July 2021:
Council's 2021-31
Long-Term Plan is set

1 July 2022:
Council's 2022-23
Annual Plan

By 31 October 2022:
Council's Annual Report (reporting on
the 2021-22 financial year) is adopted

1 July 2023:
Council's 2023-24
Annual Plan

By 31 October 2023:
Council's Annual Report (reporting on
the 2022-23 financial year) is adopted

1 July 2024:
Council's 2024-34
Long-Term Plan is set

By 31 October 2024:
Council's Annual Report (reporting on
the 2023-24 financial year) is adopted



*pursuant to section 98(7)(b) of the Local Government Act 2002, this Annual Report must be completed and adopted no later than the close of 31 December 2022, an extension of two months due to the ongoing impacts of COVID-19.

Our vision for Hamilton

Kirikiroa ka hua. Ka puaawai. Ka ora

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

Our priorities

Our priorities* describe what we aim to achieve for our community and what you can expect us to work towards. These outcomes were used to shape the development of the 2021-31 Long-Term Plan. All our activities contribute to the overall achievement of our priorities and reflect our purpose and mission - to improve the wellbeing of Hamiltonians and to help build a more vibrant, attractive, and more prosperous city.

During the development of the 2021-31 Long-Term Plan, we used your feedback to create five long-term priorities for Hamilton Kirikiroa over the next decade. These priorities reflect what you said is important to you, your family, and your neighbourhood.

The five priorities for our city are:

- A city that's easy to live in | He taaone e ngaawari noa iho ana te noho
- A city where our people thrive | He taaone e tipu matomato ai te tangata
- A central city where people love to be | He pokapuu taaone e ngaakautia ana e te marea
- A fun city with lots to do | He taaone kua kikii ki ngaa tini kaupapa
- A green city | He taaone tiaki taiao

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

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

Maaori contribution to the decision-making process

Mana Motuhake Maaori ki te Whakatakoto Whakataau

We are committed to meeting our Treaty and legislative responsibilities.

We acknowledge the role and contribution that Iwi, Hapuu and Maataawaka make towards our great city of Kirikiriroa as Treaty partners. Valued support and advice is received from our Iwi, Hapuu and Maataawaka partners and we are committed to working together on the social, cultural, economic, and environmental sustainability and wellbeing of the city and its residents.

He Pou Manawa Ora - Pillars of Wellbeing

This strategy, adopted in August 2021, outlines Council's vision

for a city that celebrates its whole history, including its unique Maaori heritage, and ensures everyone has a voice in developing its future.

Developed in consultation with Waikato-Tainui, Te Rūnanga Ō Kirikiriroa and mana whenua, this strategy discusses how Council will use the pillars (pou) of History, Unity, Prosperity, and Restoration to build a proud and inclusive city for the wellbeing of all its people. We will need to work together with our Maaori partners and the whole community to deliver the outcomes in He Pou Manawa Ora.

The principles of the Te Tiriti o Waitangi (The Treaty of Waitangi)

will help guide this partnership on its journey towards creating a more socially, economically, and environmentally diverse city for future generations to be proud of.

Maaori Wards

Hamilton Kirikiriroa in 2022 introduced two Maaori ward seats representative of the Maaori Electoral population and wider communities and residents of Hamilton Kirikiriroa.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were first appointed to Council committees with full voting rights in 2018. It is an initiative to give effect to Te Tiriti O Waitangi.

Maangai Maaori currently sit on three committees. The Maangai Maaori represent and are chosen by Iwi, Mana Whenua (Waikato-Tainui/Hapuu) and Maataawaka (urban Maaori) organisation Te Rūnanga Ō Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

Hamilton City Council's Kaumatua is appointed by the Office of the Maaori King to give support and advice to Hamilton's Mayor and its elected members. The kaumatua gives cultural guidance to council in line with Tainui tikanga and protocols.

Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across Hamilton City Council on matters related to Maaori. Amorangi Maaori leads:

- Maaori relationship guidance and enhancement
- Maaori engagement and consultation advice and support
- cultural capacity building and development
- strategy development
- policy and bylaw planning, review, development, and advice
- project and contract management.

Partnerships with Maaori Waikato-Tainui

Te Whakakitenga o Waikato-Tainui is the local iwi (tribe) focussed on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members. Hamilton City Council and Waikato-Tainui have a strong and mutually beneficial partnership to promote better wellbeing outcomes through agreed projects and meet obligations to restore and protect the Waikato River. This partnership is governed through the Waikato-Tainui/Hamilton City Council Co-Governance Forum.

Mana Whenua o Kirikiriroa

Traditionally there were a number of hapuu (sub-tribes) that occupied that landscape of Kirikiriroa. Many of these traditional hapuu are no longer active, but are represented today by existing hapuu Ngaati Maahanga, Ngaati Tamainupoo, Ngaati Wairere, Ngaati Korokii Kahukura and Ngaati Hauaa. We work with these hapuu to ensure their role as kaitiaki and mana whenua is reflected in decision making relating to the management of the natural and physical resources of Hamilton Kirikiriroa.

Te Rūnanga o Kirikiriroa (TeROK)

Formally established in 1988 and under the direction of the late Maaori Queen, Te Atairangikaahu, and the Mayor of the time, the late Sir Ross Jansen, TeROK represents maataawaka and Pasifika peoples living in Hamilton Kirikiriroa. TeROK provides information and advice and represent the views of maataawaka in the development of Council strategies, policies, and plans.

Climate change reporting

Te Puurongo i te Huringa o te Aahuarangi

The impacts of climate change have become more apparent for Aotearoa this year, with 11 councils declaring a state of emergency during Cyclone Gabrielle in early 2023. While Hamilton Kirikiriroa was relatively unimpacted in comparison, weather events like this serve as a reminder of the urgent need to reduce emissions and future-proof our city for the changing climate.

Over the last financial year, Council has strengthened its commitment to addressing this need. In August 2022, the first climate change strategy for the city was approved – Our Climate Future: Te Pae Tawhiti o Kirikiriroa. This foundation document sets the long-term direction for Hamilton's climate change response, including city-wide emissions targets of:

- a 'turning point' for emissions to peak in 2025 at the very latest
- 30% reduction by 2030, and

- 82% reduction by 2050.

Our first task after setting these targets was to understand how we're expecting emissions to change from now to 2030, and the level of ambition required to achieve the reductions we're aiming for. This emissions trajectory has been completed and provides direction for future projects, advocacy and funding to help us achieve the targets.

We recognise that everyone has an important role in responding to climate change and delivering on these targets. We secured funding of \$750,000 through the Better Off Fund (part of the Three Waters Reform) to deliver projects specifically focussed on supporting community and businesses to achieve climate action, and on making changes in our own operations to reduce Council emissions.

For Council's operational emissions, targets of a 50%

reduction by 2030 and net zero by 2050 were set in Our Climate Future: Te Pae Tawhiti o Kirikiriroa. In 2022-23, Council's greenhouse gas emissions were 9523 tonnes of carbon dioxide equivalents. This was a reduction in emissions overall, largely driven by our continued shift away from natural gas to electricity for powering our operations, and the increase in renewable electricity sources in the national grid. Nationally, we saw an increase in hydroelectricity generation as New Zealand experienced its wettest winter on record in 2022, then a wet spring over the North Island, and finally the wettest summer (2022-23) on record for Auckland, Northland, Bay of Plenty and Hawke's Bay¹. In October-December 2022, hydroelectricity generation was 38.9% higher compared to the same period in 2021². While overall Council's emissions have decreased, we need to continue our focus on finding alternative ways to travel and conduct business as we see pre-COVID

travel and ways of working return.

Working with the community, we've also supported some of the amazing mahi already underway. This includes engagements with high school students and the University of Waikato, sponsoring Climathon Waikato, and hearing our community's views on climate change at 'Your Neighbourhood' events. We'll continue sharing these stories, and information on what Council is doing, to the 500+ subscribers of our dedicated climate change e-newsletter, Te Pae Tawhiti – Delivering on Our Climate Future.

Alongside reducing emissions, we're also focused on understanding the risks that a changing climate presents. This will help to better prepare our city for the future. We have completed a climate change risk assessment for our Council operations, which helps us understand how climate change could impact on our operations.

¹ NIWA - Taihoro Nukurangi, Seasonal Climate Summaries

² Ministry of Business, Innovation & Employment - Hiihina Whakatutuki, New Zealand Energy Quarterly - December 2022

Our Financial Strategy

Too Maatou Rautaki Puutea

Our 2021-31 Long-Term Plan includes a financial strategy that aims to enable us to respond sustainably to growth in a way that is cost-effective for existing ratepayers. The Financial Strategy's guiding principles are:

- Everyday expenses are funded from everyday revenues.
- Service levels and assets are maintained.
- Surpluses are generated to repay debt.
- Investment in community, infrastructure and growth initiatives is supported.
- Investments in capital projects are funded from debt.

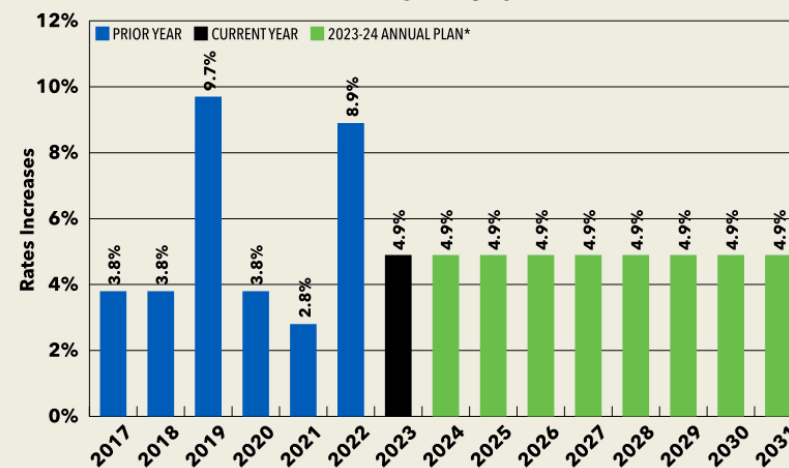
The Financial Strategy can be read in full in the 2021-31 Long-Term Plan or on our website. It sets limits on the amount of debt we can take on compared to revenue (debt to revenue), forecasts net debt (the money we owe lenders, less cash) and forecasts when we will balance the books. The Council books are balanced when everyday revenue pays for everyday expenses.

Against the strategy, we exceeded the balancing the books budgeted deficit for 2022-23 by \$15.3 million and ended the financial year with a net debt balance \$51 million lower than projected.

Rates

The Long-Term Plan sets the limits on average rate increases to existing ratepayers. Under the plan, rates increases were limited to 8.9% in 2021-22 and 4.9% from 2022-23 onwards. We have stayed within these limits, the actual average rate increase for 2022-23 was 4.9%.

Total rates increases to existing ratepayers



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Balancing the books

The balancing the books measure is a way of assessing our operating performance. You can see how our balancing the books measure is calculated page 167 of the full Annual Report. There are other ways to measure operating performance, including the Government's balanced budget measure, which we report against in the Disclosure Statement section of the full Annual Report on page 261.

The main differences between the two measures are:

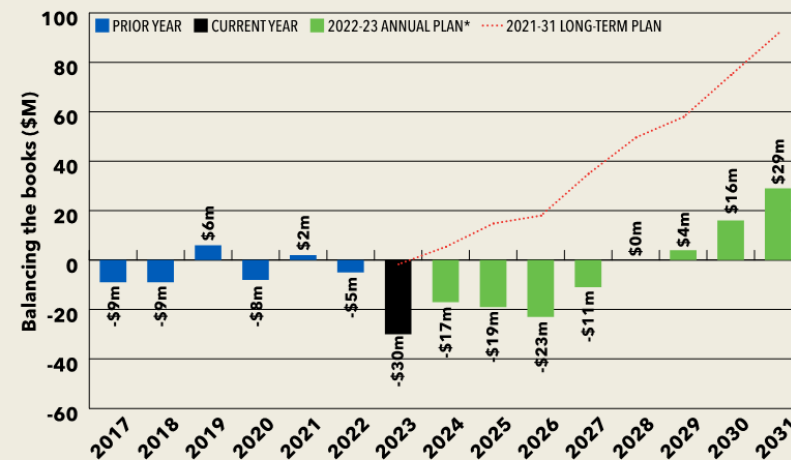
- Our measure removes capital revenue (Waka Kotahi NZ Transport Agency subsidies for capital expenditure and other capital contributions). These revenue items are included in the Government measure. We exclude this revenue as it funds specific capital items and is therefore not available to fund everyday costs.
- The Government measure removes all revenue from development contributions (fees charged for new developments). Our measure only removes a portion of development contributions revenue (the portion retained is to cover interest costs on development contributions-funded growth assets).
- Our measure removes certain revenue not considered everyday (such as the fair value benefit on the Housing Infrastructure Fund loan from Central Government). It also removes certain expenditure not considered everyday (such as grants for the Waikato Regional Theatre and the discount unwind on the Housing Infrastructure Fund loan). These are not adjusted for in the Government measure.

We exceed the balancing the books budgeted deficit in 2022-23, with an adjusted operating deficit of \$29.8 million against a budgeted deficit of \$14.4 million. Using the Government's balanced budget measure, we are reporting a surplus of \$20 million against a budgeted surplus of \$58.5 million.

The significant revenue and expenditure variances that contributed to our balancing the books result include:

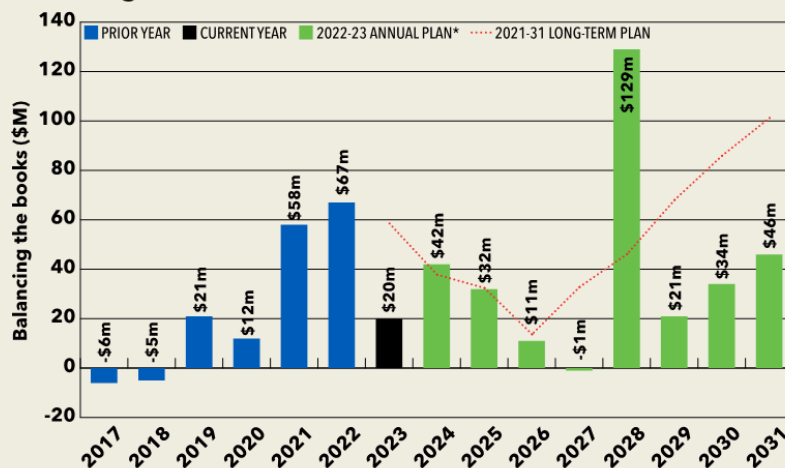
- Finance costs exceeded budget and was driven by higher interest rates. This was slightly offset by higher than budgeted interest income.
- Depreciation was higher than budgeted due to earlier fulfilment of transportation capital works for the year, and a greater than expected revaluation increase in the Waters assets activity at 30 April 2022.
- Operating and maintenance costs were higher than budgeted due to increased reliance on subcontractor resources to help support the reactive Wastewater and Stormwater operational responses as a result of weather events and Work in Progress reclasses due to accounting treatment assessments at the date of capitalisation.

Balancing the books - Hamilton City Council measure



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Balancing the books - Government measure



*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Debt

The definition we use for debt is money we owe the bank, less cash. We refer to this as a net debt. To see the details of how this figure is calculated, see note 30 to the financial statements on page 233 of the full annual report.

We ended the financial year with a net debt balance of \$723 million, which was lower than the projected target of \$774 million. Our debt is now 185% of revenue against a performance target of 208%.

The main reasons for this favourable result are:

- Higher than budgeted revenue from fees and charges, and subsidies and grants.
- Total deferrals of \$31 million, being the net position between projects moved out to future years and projects brought forward into 2022-23.

The 2022-23 approved capital budget was \$352.8 million, an increase on the previous 2021-22 budget of \$328.7 million. Actual spend for the capital portfolio was \$321.3 million, representing a 27.3% increase on the prior year spend of \$252.2 million.

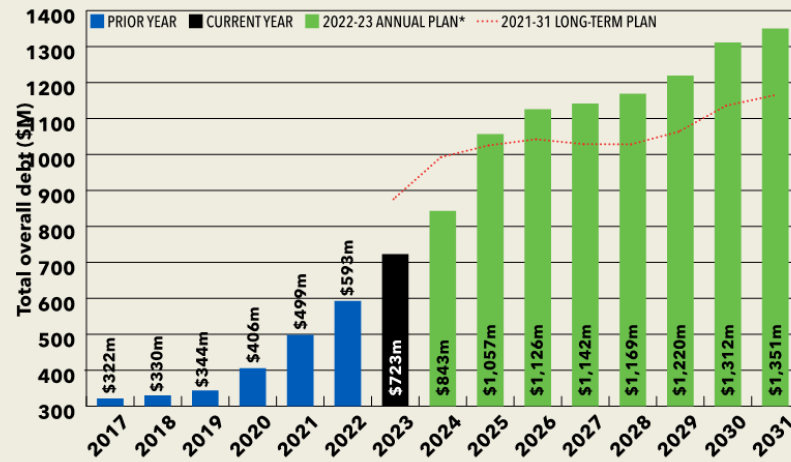
Project deferrals have a favourable impact on our financial result. However, it is only a timing impact as the expenditure will still be incurred, although later than originally planned.

Projects were deferred due to:

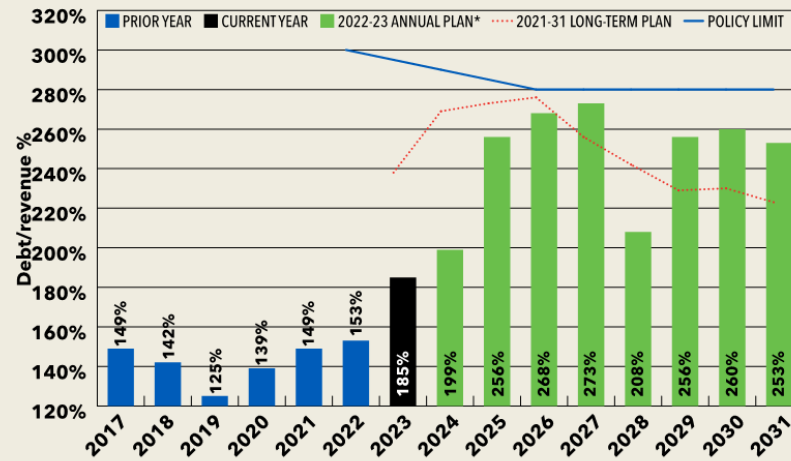
- third party delays e.g. infrastructure that is dependent on developers;
- contractual delays e.g. a design issue or delay in the tender process;
- delays due to change in project scope or change in prioritisation by the Council.

To keep debt at manageable levels, the financial strategy caps debt to revenue at 300%. This ratio will taper back to 280% by 2026.

Total overall debt



Debt-to-revenue ratio

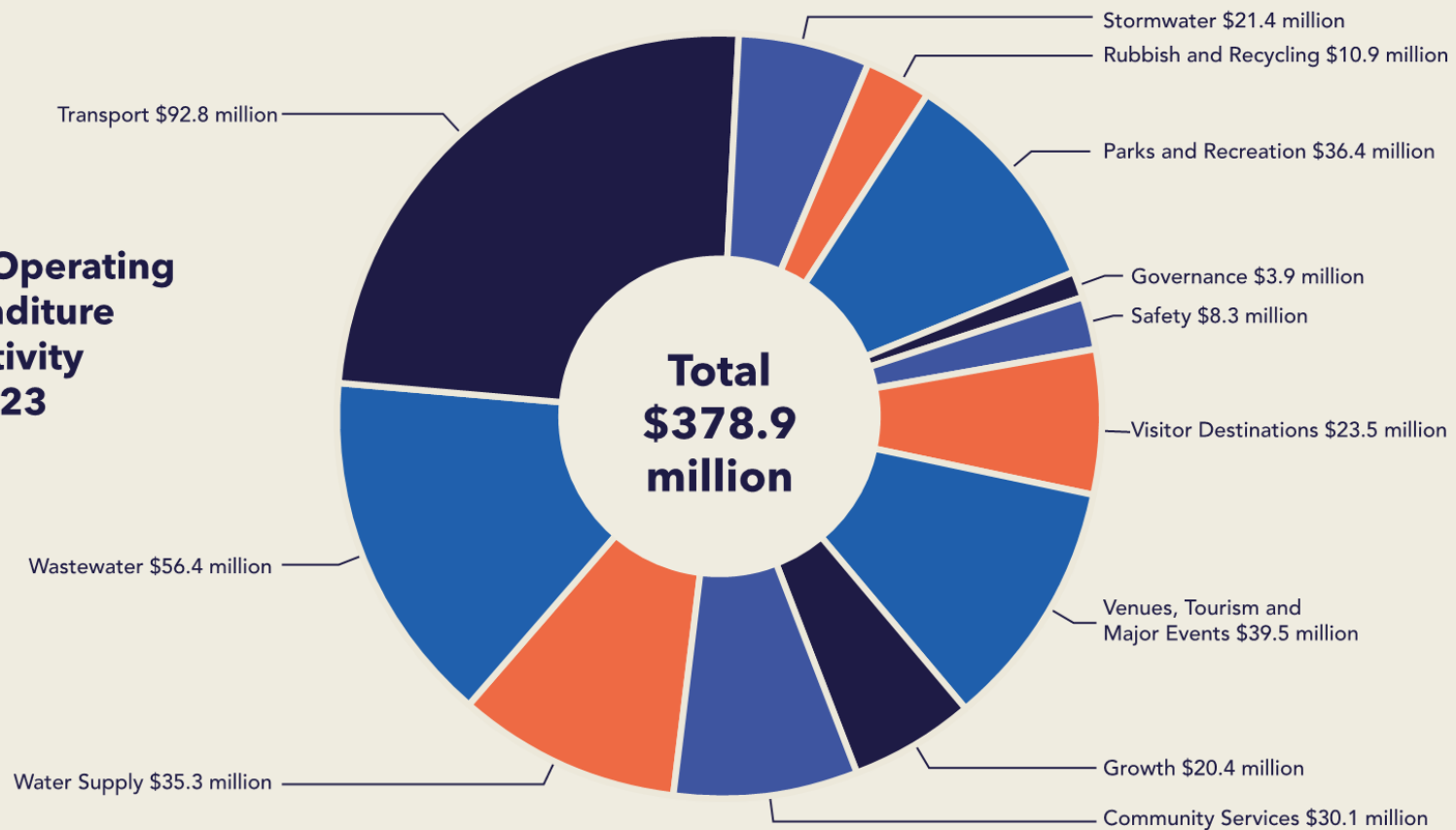


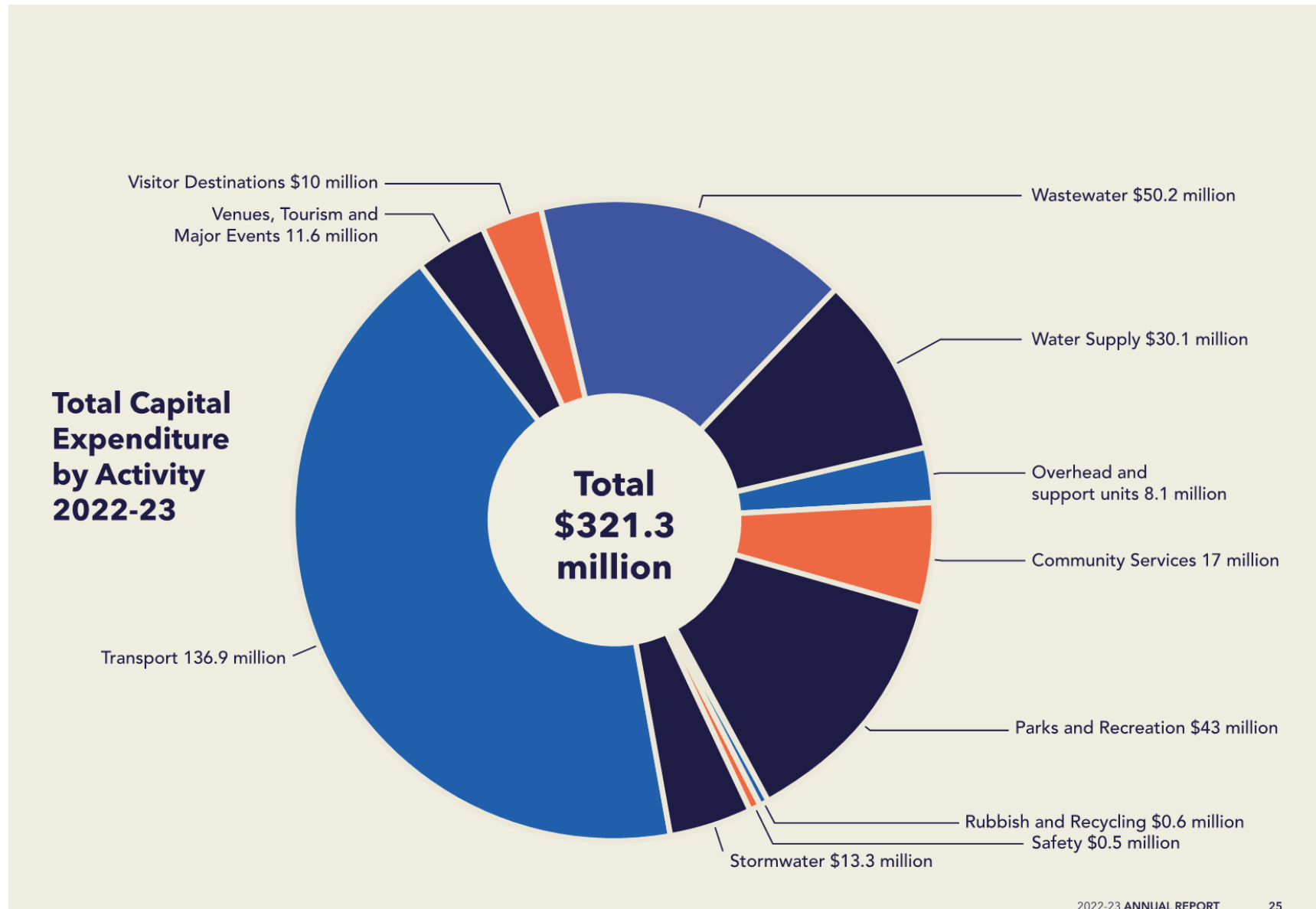
*The figures for 2024 to 2031 have been reforecast as part of the 2023-24 Annual Plan process.

Overview of our 2022-23 finances

Tirowhaanui moo Ngaa Puutea 2022-23

Total Operating Expenditure by Activity 2022-23





Capital projects delivery

Kaupapa haupuu rawa whakatinanatanga

The 2022-23 year has seen the delivery of more than \$322 million worth of capital projects, to improve the wellbeing of Hamiltonians. These projects play an important part in making our city one of the best places to live, work, and raise families. Our capital projects portfolio is shaped by five priorities that are based on feedback from our community. Our regular capital reporting tracks how we're delivering on these.

The past 12 months have seen the start of some new transport safety initiatives, the continuation of significant infrastructure to deliver housing in Peacocke and the completion of some awesome community assets: Te Awa River Ride and Te Kete Aronui Rototuna Library. Government funding has upped the ante for a lot of our work programmes. In addition to the planned projects, Council received a \$150 million Infrastructure Acceleration Fund (IAF) grant to deliver infrastructure to support new homes in the central city, and is on track to deliver a \$37 million Climate Emergency Response Fund (CERF) transport programme,

providing 29 walking, biking and public transport projects, by July 2024. Overall, the three-year portfolio is on track to be delivered to expectations set by the 2021-31 Long-Term Plan despite major disruptions in the three-year period. The tail end of the COVID-19 pandemic, inflation, and challenging economic climate have had an impact on how we delivered our projects.

This summer's construction season was also significantly impacted by severe weather events, including Cyclone Gabrielle. While Hamilton got off lightly when compared with some parts of the motu, the wider impacts were still felt

here. As well as the obvious impacts rain has on delivery and timing, the availability of resources locally and nationally played a part.

In the coming year we're looking forward to cutting the ribbon on the new bridge over the Waikato River, and other Housing Infrastructure Fund projects in Peacocke that have been in the pipeline since 2018. It's shaping up to be another busy year. We say: bring it on!

Activity Area	Total Capital Spend \$million
Community Services	17
Parks and Recreation	43
Rubbish and Recycling	0.6
Safety	0.5
Storm Water	13.3
Transport	136.9
Venues Tourism and Major Events	11.6
Visitor Destinations	10
Waste Water	50.2
Water Supply	30.1
Overhead and support units	8.1
Total	321.3



Highlights of 2022-23

Ngaa Mea Hirahira 2022-23

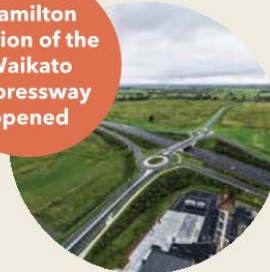
Here's some of what went on...

July - September 2022

Hamilton Kirikiriroa recognised as a **Committed Welcoming Community**



Hamilton section of the Waikato Expressway opened



We completed the **Ring Road**



We launched our **new website**



Five playgrounds refreshed across the city

Claudlands Oval named New Zealand's best venue



Civic honour awarded to **Rocky Horror creator Richard O'Brien**

We committed to **Our Climate Future: Te Pae Tawhiti o Kirikiriroa**



Work continued on the **Pukete Wastewater Treatment Plant** staged upgrade



Council received **'very strong' S&P credit rating**



Mangaiti Gully project completed



Record breaking recycling at Resource Recovery Centre



October - December 2022

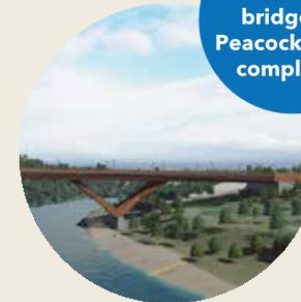
6000 litres of Tronpost went back to the community



Construction started on the **Borman Road connection**



New Waikato River bridge to Peacocke span completed



We launched the Mangaonua Gully **erosion control project**

Work started on the next section of **Whatukooruru Drive** in Peacocke



Puutikitiki Street ▶

New te reo Maaori names for **Puutikitiki Street** and **Te Wehenga Park**

Ruakura **water and wastewater connections** completed



January - March 2023



Kia orana to the new **K'aute Pasifika Community Hub**

Te Awa Great New Zealand River Ride **Hamilton section opened**



Exscite: Home opened at Waikato Museum



Floodlighting upgrade kicked off for six sports fields



Shared entry precinct for **Hamilton Zoo/Waiwhakareke Natural Heritage Park** completed

April - June 2023

Hamilton Gardens launched new audio tours



Construction began on **fully-inclusive playground** in Claudelands



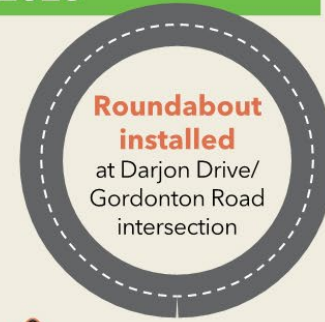
We adopted our **Open Spaces Strategy**



Te Wetini Drive extension completed



Roundabout installed at Darjon Drive/Gordonton Road intersection



Safety improvements completed at Tristram/Collingwood Street intersection



Council welcomed 1282 new citizens

Claudlands/Grey Street **intersection upgraded**



Delivering on our Priorities

Te whai kia tutukihia
aa maatou Kawatau

Summary of our Delivery

Whakaraapopoto o te Whakatinanatanga

Delivering on our Priorities' reports on how well Council's activity groups performed during 2022-23 against the performance measures and targets set out in the 2021-31 Long-Term Plan.

We also report on four community outcome measures that are not linked to a Council activity group and do not form part of our performance measures and targets.

All of the activities we carry out contribute to the achievement of our community outcomes, our five Priorities. Each activity has performance measures that show how well we are delivering our services to the community.

The performance measures and targets are from Year Two (2022-23) of our 2021-31 Long-Term Plan, which you can find on our website. hamilton.govt.nz/long-term-plan/

Of the 58 non-financial service performance measures that we use to track performance, 42 achieved the target, 16 did not achieve the target.

Our community outcome measures

Te inenga hua o oo taatou haapori

We ask our communities:

- is Hamilton a great place to live
- are they proud of how Hamilton looks and feels
- to they believe Council make decisions that are in the best interest of the city

Our two-yearly Quality of Life Survey, was last completed in early 2022.

As perceptions can change within the two-year cycle, Council commissioned another survey in June 2023 to gain the most up to date perceptions of our community's quality of life.

Our fourth community outcome measure demonstrates our commitment to reduce the carbon footprint of the city and to build a city that is resilient to the effects of climate change

Reduction in greenhouse emissions footprint for Hamilton City Council

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

Our 2022-23 result of 75% represents a 2% decrease on the 2021-22 result and 4% below our 2022-23 target.

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

We failed to meet our 2022-23 target of at least 60%, coming in at 34%, which also represents a 19% decrease on the 2021-22 result.

The percentage of residents who believe we make decisions that are in the best interest of the city

We failed to meet our 2022-23 target of 32%, coming in at 30%, which is a 3% decrease on our 2021-22 results.

Reduction in greenhouse emissions footprint for Hamilton City Council

Our 2022-23 target, to achieve a decrease in greenhouse emissions per head of population from the previous year, was achieved with 0.053 tonnes per head of population, down from 0.059 tonnes per head of population in 2021-22.

Service performance measures

Te taatari i te mahi ratonga

Highlights from the 2022-23 year

- we reduced Council's greenhouse gas emissions by 959 tonnes.
- customers at our libraries continue to demonstrate high levels of satisfaction, with 93% of library customers satisfied with their overall experience.
- the number of fatal and serious injury crashes on our roads decreased by 12 when compared to 2021-22.
- we exceeded our 85% target with 97% of our qualifying footpaths within Hamilton Kirikiriroa meeting the level of service standard of less than 5 faults per 100m section.
- despite increased complexity our average processing days for our consenting activities was under target, with the average processing days for non-notified land use and subdivision resource consents being 16.7 working days, and the average processing days for building consent being 17.8 days.
- 100% of urgent dog control requests were responded to within 60 minutes against a target of 95%.
- visitation at our Visitor Destinations (Waikato Museum, Hamilton Gardens & Te Kaaroro Precinct) increased 872,348 visits a 58% increased when compared to 549,941 visits in 2021-22.
- We had 556,046 attendees at our stadia and Claudelands over 100,000 more than our target of 440,000.
- Hamiltonians reduced their average consumption of drinking water to 305 litres per resident per day.
- We emptied 4,654,524 bins and had 2767 missed collections for a clearance rate of 99.94%, of that ten missed collects were completed outside the required timeframe. This resulted in zero months with more than 6 missed collections not resolved by following working day.

Areas for improvement

There are 58 non-financial service performance measures. Of the 58 non-financial service performance measures 42 achieved target and 16 did not achieve target.

Non-achievement for various reasons:

Community Services

- The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience decreased from 84% in the 2021-22 year result to 79% in 2022-23 year result, not meeting the target of at least 83%. Customer satisfaction has dropped compared to last year. The key theme in complaints is availability of the steam room and sauna at Waterworld. The condition of our changing rooms and poor provision to meet diversity and accessibility needs has also contributed to the low satisfaction level. The much-anticipated upgrade of point-of-sale software in late 2023 is expected to ease the reception wait times through the introduction of swipe cards and at the gates and better online integrations.
- The number of visits to Council owned aquatic facilities in 2022-23 was 367,587, which is an increase from the 2021-22 year result of 229,385, however not reaching the target of 500,000. The wet weather over summer, and the continuation of reduced opening hours at Gallagher Aquatic Centre due to tight lifeguard staffing, has contributed to the overall visitations for the year being lower than expected.

- The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes decreased by 19%, not meeting the target of at least 80%. The 2022-23 year result of 60%, was lower than the 79% from the 2021-22 year result. Across every community and social development outcome, respondents are generally satisfied with Council's progress. Satisfaction was greatest for inclusive community engagement with 64%. Satisfaction was lowest for Council's promotion of community-led development with 56%.

Governance

- The percentage of Hamilton Kirikiriroa voters for the 2022 local government election was 29.40%, not meeting the target of an increase from previous results. There was a significant decrease in the voter turnout when compared to the 2019 turnout rate of 39.4%. It has been suggested that the change to Single Transferable Vote (STV) contributed to this. In general, voter turnout across the country was lower than in the 2019 local elections. The next election is 2025/26.

Growth

- The target for at least three years capacity of business zoned land supplied with development infrastructure in the city was not met, seeing a reduction from 3 years in the 2021-22 result to 2.7 years in the 2022-23 result. Hamilton has again seen heightened levels of industrial consenting between January 2023 – June 2023, particularly with uptake in Ruakura maintaining momentum. Work continues on a plan change to the District Plan to enable industrial land use in Te Rapa North. A Future Proof subregional assessment of industrial land is currently underway to identify future medium - and long-term options for subregional industrial land supply.

Safety

- The percentage of graffiti removed within 2 working days increased to 91.89% in 2022-23 from 73.17% for the 2021-22 result, still below our target of at least 95%. We have seen a 40% increase in tagging around the city since 2020/2021. An additional graffiti removal technician working Sunday to Thursday has been employed, which has already resulted in an improvement in response times.

Parks and Recreation

- The percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance target to maintain or increase on previous year, was not met. There was a decrease from 82.37% in 2021-22 result to 80.95% in the 2022-23 result. We have seen a decline due to a number of factors, primarily due to continued development in the north of the city (Rototuna and Flagstaff) as well as increased infill across the city, including areas already identified as lacking access to neighbourhood parks.

Water Supply

- The extent to which the Council's water supply complies with Part 4 of the drinking-water standards for bacteria compliance criteria was not achieved. Based on an internal assessment, Council had one non-compliant day for bacterial compliance. The non-compliant day for bacterial compliance occurred in May 2023 in the Claudelands Grandstand distribution zone (low fluoride drinking water fountain/tap). The microbiological sample taken for E.coli and Total Coliforms was compliant but the Free Available Chlorine (FAC) field test taken at the same time was below the required level of 0.1mg/L. Taumata Arowai was notified, the incident was investigated and appropriate remedial actions were taken. Risk to public health was low. All other distribution zones were compliant.
- 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 did not meet the target of no more than 5 complaints per 1000 connections. We received 377 complaints, relating to drinking water about clarity, taste, odour, pressure, continuity of supply and complaints. Most complaints are a result of customer impacts from our water main renewal and capital work programmes including the ongoing delivery of the network hydrant flushing programme.
- The median attendance time for non-urgent callouts from the time that Council received the notification of the fault or unplanned interruption to the time that service personnel reach the site was 6 working days, against a target of no more than 5 days, this was a decrease from 8 working days in the 2021-22 result. We received 1739 non-urgent water call-outs. Predominantly non-urgent water call-outs are due to water leaks, low pressure or minor works associated with Toby's or valves.

Wastewater

- The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system resulted in 1 conviction action for the 2022-23 result against a target of 0 infringement, enforcement, or conviction actions. In 2021-22, Waikato Regional Council filed charges in the District Court against Hamilton City Council in relation to an unauthorised wastewater discharge into a tributary of Te Awa o Katapaki Stream from the wastewater network in Delia Court. Hamilton City Council entered an early guilty plea and sentencing was completed on 7 June 2022. Hamilton City Council was convicted under section 15(1)(a) of the Resource Management Act. The judgement was issued by the Courts on the 3 October 2022 and as a result Council received a total fine of \$76,500.

Stormwater

- The number of flooding events that occurred within the city, exceeded the 2022-23 target of no more than 1 flooding event. We received 636 notifications of flooding incidents. Of these, 12 impacted habitable floors. This was during three periods of intense heavy rain in November 2022, December 2022 and June 2023.
- 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 exceeded the 60 minute target. Intense rainfall, as experienced in November 2022, December 2022 and June 2023, may continue to cause localised flooding as volumes of rain exceed design capacity. Resourcing capacity for staff responding to these events is stretched during heavy and intense rainfall events, meaning that response timeframes are not always able to be met.

- The number of complaints received about the performance of the stormwater system exceeded the target of no more than 10 complaints per 1000 properties connected, with 23.04 complaints per 1000 properties, an increase from 15.74 in the 2021-22 year. We received 1448 complaints in relation to the performance of the stormwater system recorded, which is equivalent to 23 complaints per 1000 connections. The number of complaints is due to the high level of rainfall recorded in November 2022, December 2022 and in June 2023, including periods of high intensity rainfall, that caused significant road flooding in localised areas around Hamilton.

Rubbish and Recycling

- The amount of waste received at Council-operated waste facilities that is diverted from landfill was 15,129 tonnes, below target of at least 16,000 tonnes per annum, however, was an increase from the 2021-22 year result of 13,939 tonnes. The amount of waste diverted is encouraging for the future and the diversion target is likely to be met in future years.
- The number of valid missed collections of kerbside rubbish, food waste and recycling exceeded the target of 110 missed collections. The overall trend for missed collections continues downwards since the service commenced. The total number of missed collections for this year fell to 2767 from the 4736 recorded for the same period last year.





Item 5

Attachment 3

Summary financial statements

Ngaa Tauaakii aa-Tahua

Guide to this section of the Annual Report:

This section shows in detail the financial reports and accounting policies of Council. The financial statements provide information about Council's assets, liabilities, income, and expenditure.

Council's financial year begins on 1 July and continues until 30 June.

The financial statements include four primary statements:

Statement of comprehensive revenue and expense

This summarises Council's financial performance for the year, listing all income and expenses. It also records other

comprehensive income, such as changes in fair value of Council's infrastructure, property, plant, and equipment.

Statement of changes in net assets/equity

This is often known as the statement of changes in equity. It details the overall changes for the year in relation to Council's net wealth.

Statement of financial position

This is a '30 June' snapshot of Council's financial position at the end of the relevant financial year, that indicates its assets, liabilities, and net wealth at that point.

Statement of cashflows

This statement indicates where Council's cash came from and where it was spent in the relevant financial year.

These four statements reflect Council's actual position to the budget. The 2022-23 budget was adopted by Council through the 2021-31 Long-Term Plan.

Notes to the financial statements

These 'notes' are to provide greater detail and more information on the four primary financial statements. The content of the four financial statements and their notes are prepared using Public Benefit Entity accounting standards.

Summary financial statements

Ngaa Tauaakii aa-Tahua

For the year ended 30 June 2023

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE TO 30 JUNE

	Note	Council			Group	
		Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
		\$000	\$000	\$000	\$000	\$000
Rates revenue	1	238,229	239,860	223,504	238,229	223,504
Other revenue	2	284,938	215,614	232,546	290,829	239,410
Total revenue		523,167	455,474	456,050	529,058	462,914
Personnel costs		110,063	109,125	96,589	113,563	100,089
Depreciation and amortisation	3	89,160	86,520	80,629	90,186	81,641
Finance costs	4	40,863	21,454	18,955	41,300	19,173
Other expenses	5	138,654	124,925	121,361	142,005	124,931
Total expenditure		378,740	342,024	317,534	387,054	325,834
Operating Surplus/(deficit)		144,427	113,450	138,516	142,004	137,080
Net gains/(loss)	6	(1,011)	(60,092)	30,143	(1,011)	30,143
Share of associates' surplus/(deficit)		-	-	-	9,282	12,130
Net surplus/(deficit) before tax		143,416	53,359	168,659	150,275	179,353
Income tax expense		-	-	-	539	589
Net surplus/(deficit) after tax		143,416	53,359	168,659	150,814	179,942
Other comprehensive revenue and expense						
Financial assets at fair value through other comprehensive revenue and expense		212	-	938	212	938
Gain/(loss) on property revaluations	7	419,260	52,063	365,011	421,884	371,554
Income tax on other comprehensive income		-	-	-	-	-
Impairment of revalued property, plant and equipment	8	(1,303)	-	(16)	(1,303)	(16)
Other revaluation reserve movements	9	2,533	-	1,228	2,533	1,228
Total other comprehensive revenue and expense		564,118	105,422	535,820	574,140	553,646
Total comprehensive revenue and expense attributable to:						
Hamilton City Council		564,118	105,422	535,820	574,451	553,918
Non-controlling interest		-	-	-	-311	-272

For the year ended 30 June 2023

CHANGES IN EQUITY TO 30 JUNE

	Note	Council			Group	
		Actual 2023	Budget 2023	Actual 2022	Actual 2023	Actual 2022
		\$000	\$000	\$000	\$000	\$000
Equity at the beginning of the year		4,915,745	4,829,519	4,379,925	5,024,016	4,470,370
Total comprehensive revenue and expense attributable to Hamilton City Council		564,118	105,422	535,820	574,451	553,918
Total comprehensive revenue and expense attributable to non-controlling interest		-	-	-	(311)	(272)
Equity at the end of the year		5,479,863	4,934,941	4,915,745	5,598,156	5,024,016

Total equity at the end of the year attributable to:

Hamilton City Council		5,479,863	4,934,941	4,915,745	5,594,627	5,020,176
Non-controlling interest		-	-	-	3,529	3,840

FINANCIAL POSITION AS AT 30 JUNE

Current assets	10	268,171	148,649	178,187	268,989	178,782
Non-current assets	11	6,244,868	5,760,138	5,539,008	6,371,089	5,654,046
Total assets		6,513,039	5,908,787	5,717,195	6,640,078	5,832,828
Current liabilities	12	238,898	174,833	172,312	240,111	173,436
Non-current liabilities	13	794,279	799,012	629,138	801,811	635,376
Accumulated comprehensive revenue and expense	14	2,359,651	2,202,721	2,214,690	2,417,685	2,265,015
Other reserves	15	3,076,071	2,689,365	2,658,370	3,132,801	2,712,476
Restricted reserves		42,137	41,911	41,743	42,137	41,743
Council created reserves	16	2,004	944	942	2,004	942
Non-controlling interest		-	-	-	3,529	3,840
Total equity and liabilities		6,513,039	5,908,787	5,717,195	6,640,078	5,832,828

CASH FLOWS TO 30 JUNE

Opening cash and cash equivalents balance at 1 July		114,826	102,174	54,036	114,937	54,262
Net cash inflows/(outflows) from operating activities		153,418	150,649	148,205	152,021	148,329
Net cash inflows/(outflows) from investing activities		(337,645)	(327,326)	(267,329)	(338,939)	(267,378)
Net cash inflows/(outflows) from financing activities		243,529	174,712	179,914	246,110	179,724
Closing cash and cash equivalents balance at 30 June		174,129	100,209	114,826	174,129	114,937

Notes

Nooti

- 1 Rates revenue was \$1.6 million unfavourable to budget due to lower water by meter consumption over a wet summer (\$0.5 million). The balance is primarily due to objections from the 2021 rating valuation, which were completed after rates were set. Where a property's value was reduced, rates were also reduced.
- 2 Other revenue was favourable to budget by \$69.3 million primarily due to a vested asset variance of \$25 million as a result of increased subdivision activity. A \$20 million favourable variance in other revenue is attributable to the fair value increase in the interest free Housing Infrastructure Fund. Interest revenue contributed \$9.5 million towards the favourable variance in other revenue, as more cash was held on term deposit than budgeted. Fees and charges show a favourable variance of \$5.9 million. Development contributions show a favourable variance of \$2.7 million and subsidies and grants reflect a \$3.2 million favourable variance.
- 3 Depreciation was unfavourable against budget by \$2.6 million. This was driven by increased transport depreciation as a result of earlier fulfilment of the capital works for the financial year.
- 4 Finance costs were \$19.4 million unfavourable to budget. This was due to increase in interest rates during the year.
- 5 Other expenses were unfavourable to budget by \$13.7 million. This was due to:
 - Administration costs were unfavourable to budget mainly due to efficiency savings budgets being allocated to this category but realised mainly in Professional Costs and Operating and Maintenance Costs.
 - Operating and maintenance costs were unfavourable due to increased reliance on Subcontractor resources to help support the reactive Wastewater and Storm Water operational responses as a result of weather events and WIP reclasses due to accounting treatment assessments at the Date of capitalisation.
 - Professional costs were unfavourable due to the significant increase in Audit NZ audit fees and significant legal costs in relation to the District Plan and Peacock Plan changes
 - Property costs were unfavourable due to higher electricity costs.

- 6 Due to the unpredictable nature of these items, a budget was only set in instances where the amount could be reliably determined. There was a favourable variance to budget of \$59.1 million. The main contributors are:
- The net increase in the revaluation of interest rate swaps by \$7.8 million is due to an increase in market interest rates, this was offset by:
 - The anticipated vesting of transportation assets did not occur in the financial year and therefore the budgeted loss of \$60m was not realised,
 - The budget gain on investment property of \$1m, was not realised as a result of the downturn in the property market leading to a loss of \$4.8m,
 - The net loss on disposal of \$4.6m was due to asset data cleansing as well as asset replacement, a further
 - \$0.4 million in impairment losses were identified through the annual impairment reviews
- 7 The gain on revaluation was favourable to budget by \$367.2 million. The revaluation gains were higher than budget for transportation and parks and gardens improvements due increases in unit rates being higher than budget.
- 8 Impairment losses are unbudgeted, these are identified through annual impairment reviews and consist of a number of different assets the most significant being the glass display house at the Hamilton Gardens.
- 9 There was other revaluation reserve movements of \$2.5 million that was not budgeted due to found assets during the year.
- 10 Current assets were favourable to budget mainly due to more cash and term deposits being on hand and receivables being higher due to the timing of invoicing and payments at year end. Higher rates receivable balances are reflecting a tougher economic climate.
- 11 Non-current assets were favourable to budget due to the gain on revaluation for plant, property and equipment (\$477 million). Derivative financial instruments were favourable to budget by \$7.3 million due to higher market interest rates. Other financial assets were favourable to budget by \$4.8 million due to more borrowers notes than expected.
- 12 Current liabilities were unfavourable to budget by \$64.1 million. The main contributors were:
- Payables and deferred revenue was \$31.3 million unfavourable to budget due to a higher level of project costs that have been accrued at year end. Items accrued include \$13.7 million for Rotokauri works, \$7 million for Peacocke Network, \$5.6 million for Ruakura and \$6.8 million of other transport maintenance or improvement projects. Income in Advance includes \$5.8 million of Building Control revenue which is yet to be recognised based on the revenue recognition policy.
- Current borrowings were higher than budget by \$31.2 million due to more borrowings being payable in the next 12 months than originally budgeted for.
- Employee entitlements were \$2 million unfavourable to budget. Accrued leave was higher due to the timing of pay runs over the year and annual leave balances were higher than anticipated.

- 13 Non-current liabilities was favourable to budget by \$4.7 million. The main contributors were:
- An unfavourable variance in borrowings of \$32.7 million was offset by a favourable variance of \$36.4 million in derivative financial instruments. This was due to an increase in market interest rates.
 - Provisions were \$0.8 million favourable to budget as a result of fewer provisions being raised for building defects and other legal proceedings than which had been budgeted for.
14. Accumulated funds was favourable to budget due to a higher surplus achieved and the opening equity was also higher than budgeted.
- 15 Other reserves was favourable to budget as a result of higher revaluation gains on plant, property and equipment valuations.
- 16 Council created reserves was favourable to budget as a result of an increase in the waste minimisation reserve.

Accounting policies

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

The group consists of the ultimate parent, Council, and its subsidiary, Waikato Growth Innovation Ltd (100% owned). The associate, Waikato Regional Airport Ltd is equity accounted.

The summary financial statements of the Council and Group are for the year ended 30 June 2023.

Council has designated itself and the Group as a public benefit

entity as defined under the PBE International Public Sector Accounting Standards (PBE IPSAS).

These financial statements have been prepared in accordance with Tier 1 PBE accounting statements and generally accepted accounting practice in New Zealand (NZ GAAP). The full financial statements make an explicit and unreserved statement of compliance with PBE Standards for each period presented in this summary annual report.

Council's summary annual report complies with PBE Financial Reporting Standards 43 (FRS 43) Summary Financial Statements.

All amounts are shown in New Zealand dollars and are rounded to the nearest thousand dollars (\$000).

Capital commitments and contingencies

Council has capital contract commitments of \$368 million (2022 \$228 million).

Council is a 63% capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of its 63 per cent share.

Contingent liabilities, which are dependent on future events, are \$0.1 million (2022 \$0.1 million).

Council has identified 3 unquantified contingent liabilities. This is in relation to a legal action from Enviro Waste Services Limited, staff matters and Riskpool.

Change in accounting policy

New standards issued and adopted in the 2022-23 Annual Report include PBE IPSAS 41 Financial Instruments and PBE FRS 48 Service Performance Reporting. For Council, adoption of these standards has not resulted in any material effect on the 2022-23 Annual Report.

Related parties

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, use of Council facilities, etc).

Events after balance date

A valuation on Financial Derivatives has been provided due to the movement in interest rates since balance date. The value of interest rate swaps has increased by \$6.3 million since the reporting date based on a valuation at 30 September 2023.

The official cash rate (OCR) is the benchmark interest rate in New Zealand. It is the wholesale rate at which banks can borrow money. The OCR was 5.50% at 30 June 2023. The OCR has not increased or decreased since the reporting date.

Disclaimer

The specific disclosures included in this summary annual report have been extracted from the full annual report and were authorised for issue by the Chief Executive on 31 October 2023.

These summary financial statements do not include all of the disclosures provided in the full financial statements and can not be

expected to provide as complete an understanding as provided by the full annual report.

This summary can not be expected to provide as complete an understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Hamilton City Council.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Office of the Auditor-General. The full annual report received an unmodified audit opinion on 31 October 2023.

The full annual report can be obtained from our website - hamilton.govt.nz/annualreport or from the Hamilton City Council main office.

Audit Opinion

Whakaaro Taatari Kaute

Independent Auditor's Report

To the readers of Hamilton City Council and group's summary of the annual report for the year ended 30 June 2022

The summary of the annual report was derived from the annual report of the Hamilton City Council (the City Council) and group for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 27 to 32 and 36 to 41:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the service performance summary.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 15 December 2022.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional

and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have performed a limited assurance engagement related to the City Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.




Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



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