

Notice of Meeting:

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

Date: Thursday 28 November 2024
Time: 8:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Strategic Risk and Assurance Committee

Komiti Whakamauru Tuuraru

OPEN AGENDA

Membership

Chairperson Mr Bruce Robertson
Heamana

Deputy Chairperson Ms Carol Bellette
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
Cr Mark Donvoan
Cr Sarah Thomson

Quorum: Four members (including one external appointee)

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

Amy Viggers
Mana Whakahaere
Governance Lead

25 November 2024

Telephone: 07 838 6699
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*

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies – <i>Tono aroha</i>	6
2	Confirmation of Agenda – <i>Whakatau raarangi take</i>	6
3	Conflict of Interest – <i>Tauaakii whaipaaanga</i>	6
4	Public Forum– <i>Aatea koorero</i>	6
5	Final Approval of the 2023/24 Annual Report, 2023/24 Summary Annual Report and Representation Letters (<i>Recommendation to the Council</i>)	7
6	Approval of 'Our Climate Statement 2023/24' - Council's first climate change disclosure report (<i>Reccomendation to the Council</i>)	355

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 6699.

Council Report

Item 5

Committee: Strategic Risk and Assurance Committee

Date: 28 November 2024

Author: Sarah Vaz

Authoriser: David Bryant

Position: Accounting Manager

Position: General Manager Business Services

Report Name: Final Approval of the 2023/24 Annual Report, 2023/24 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 2023/24 Annual Report and 2023/24 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 2023/24 and the Summary Annual Report 2023/24; 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. A draft Annual Report 2023/24 was provided to the Strategic Risk and Assurance Committee in October 2024. All changes that were requested have been incorporated into the final Annual Report 2023/24.
5. The adoption of the Annual Report 2023/24 was delayed by Audit NZ due to audit issues surrounding two non-financial performance measures and the audit timing of the land revaluation.
6. Verbal clearance on the Annual Report 2023/24 was provided by Audit NZ on 21 November 2024.
7. The final opinion on the Summary Annual Report 2023/24 and Annual Report 2023/24 will be issued on 3 December 2024.

8. The Representation Letter for the Annual Report 2023/24 (Attachment 1) and Summary Annual Report 2023/24 (Attachment 2) have been provided by Audit NZ to be signed by Council's Chief Executive and Mayor Southgate to attest to the accuracy of the information within the 2023/2024 Annual Report (Attachment 3) and the 2023/24 Summary Annual Report (Attachment 4).
9. Notwithstanding the importance of the Annual Report as a record of Council's performance over the course of 2023/24, staff consider the matters in this report have low significance. The recommendations comply with the Council's legal requirements.

Discussion – *Matapaki*

10. Audit NZ were onsite from 26 August 2024 to 17 October 2024 to complete the Final Audit. Audit work continued to progress through to late November 2024. All changes advised from Audit NZ have been captured in the final Annual Report 2023/24.
11. A draft Annual Report 2023/24 was reviewed by the Chair and Deputy Chair of Strategic Risk and Assurance in October 2024. The Strategic Risk and Assurance Committee received the draft Annual Report 2023/24 later in October 2024. Any changes requested have been incorporated into the final Annual Report 2023/24.
12. The planned Strategic Risk and Assurance Committee meeting in late October 2024 was cancelled due to the delays with the audit. This did not impact the usual requirement for an Annual Report to be adopted by 31 October as the Water Services Acts Repeal Act 2024 provided Councils that adopted their 2024-34 Long-Term Plan after 1 July 2024 until 31 December 2024 to adopt their Annual Report. (Council adopted its Long-Term Plan on 4 July 2024.)

Key areas of focus and delays

13. The key areas of focus and delays in audit process are summarised below:
 - a) Non-financial service performance measures - During the review of the non-financial service performance measures audit raised queries about calculation methodology and HCC's internal processes for assurance of data integrity for two measures that rely on independent third-party data. These are the measures relating to predictable travel times (during peak hours) and the quality of ride on our road network (measured by smooth travel exposure). As a result, Audit NZ completed their own data verification processes, referring independent data and calculations to technical experts for review.

The time required to complete these technical reviews resulted in delays to the completion of the audit, but ultimately led to Audit approval for these measures. Adjustments will be made to ensure our methodology and data integrity testing is more robust, clearly documented, and in alignment with Audit expectations. We will also work across the organisation to build understanding of audit requirements and processes to avoid similar issues occurring in future.
 - b) Land revaluation - A land revaluation was performed at 30 June 2024. All information for the revaluation was supplied to Audit NZ in August 2024. The audit was performed by an external auditor to Audit NZ and was only performed in late October 2024 which led to delays in the audit process and ultimate sign off. No audit issues have been raised.

- c) Waters fair value assessment - Based on costs allocated to waters projects in the Long-Term Plan, audit requested that our fair value assessment of waters was based on currently contracted or paid rates rather than cost indices movements. We prepared the required assessment and concluded that waters assets had not increased significantly and therefore did not require an early revaluation at 30 June 2024 rather than the scheduled June 2025 revaluation. This was provided to audit, with detailed testing performed. No audit issues were raised on this matter.

Key changes to the Annual Report

14. The following is a summary of key changes in the Annual Report since the version seen by this Committee in October 2024.
 - a) Minor adjustments to non-financial service performance measure results and commentary for the predictable travel times and resource consent processing timeframes measures. This includes a prior year adjustment to the predictable travel times measure result for 2022/23. A disclosure statement has been included in the Annual Report accordingly.
 - b) Some capital project variance statement descriptions have been revised for clarity.
 - c) Parks and recreation funding impact statement was showing the stormwater results in design version. This was updated to reflect Parks and Recreation results.
 - d) Minor disclosure adjustments within the notes and the depreciation policy rates, capital commitments, and core infrastructure asset disclosure.
15. The Representation Letter for the Annual Report 2023/24 (Attachment 1) and Summary Annual Report 2023/24 (Attachment 2) has been provided by Audit NZ to be signed by Council's Chief Executive and Mayor Southgate to attest to the accuracy of the information within the 2023/2024 Annual Report (Attachment 3) and the 2023/24 Summary Annual Report (Attachment 4).
16. The representation letter has the standard representations required by Audit New Zealand and does not contain any bespoke representations.
17. The representation letters need to be signed on the same date as the final Annual Report 2023/24 and Summary Annual Report 2023/24.
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 2023/24 Annual 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*

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 - Final Letter of Representation 2024

Attachment 2 - Final Summary Letter of Representation 2024

Attachment 3 - Final Annual Report 2023/24

Attachment 4 - Final Summary Annual Report 2023/2024

[Entity Letterhead]

3 December 2024

Clarence Susan
Appointed Auditor
Audit New Zealand
PO Box 621
Tauranga 3144

Tēnā koe Clarence

Representation letter for the year ended 30 June 2024

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 2024 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 2024; 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 the 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 and group's levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

0001-114-830 HCC Representation letter_1

- 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 annual 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.

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 or 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 2024; 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 and group's levels of service for each group of activities for the year ended 30 June 2024, 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 annual 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 2024 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;
- 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; 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.

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 2024. 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 signing the financial statements, 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.

Nāku noa, nā

Paula Southgate
Mayor

Lance Vervoort
Chief executive

[ENTITY LETTERHEAD]

3 December 2024

Clarence Susan
Appointed Auditor
Audit New Zealand
PO Box 621
Tauranga 3144

Tēnā koe Clarence

Representation letter for Summary Annual Report for the year ended 30 June 2024

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the Summary Annual Report of Hamilton City Council (the City Council and group) for the year ended 30 June 2024 for the purpose of expressing an independent opinion about whether the Summary Annual Report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and complies with PBE FRS 43: *Summary Financial Statements*.

We understand that your examination was conducted in accordance with the Auditing Standards issued by the Auditor-General, 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 also understand that your examination was (to the extent that you deemed appropriate) for the objective of providing an independent opinion on the City Council and group's Summary Annual Report.

Responsibilities for the Summary Annual Report

We confirm, to the best of our knowledge and belief:

- we have fulfilled our responsibilities for preparing and presenting the Summary Annual Report as required by the Local Government Act 2002 and PBE FRS 43: *Summary Financial Statements* and, in particular, that:
 - the Summary Annual Report complies with PBE FRS 43: *Summary Financial Statements*;
 - the information contained in the Summary Annual Report is consistent with the full financial statements from which it is derived; and

0001-114-831 HCC Summary Representation Letter_1

- the information contained in the Summary Annual Report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the Summary Annual Report as a whole; and
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually and in aggregate, to the Summary Annual Report as a whole.

Publication of the Summary Annual Report and related audit report on a website

- The Council accepts that it is responsible for the electronic presentation of the audited Summary Annual Report.
- The electronic version of the audited Summary Annual Report and the related audit report presented on the website are the same as the final signed version of the audited Summary Annual Report 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 Summary Annual Report 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 Summary Annual Report is provided on a website, the Summary Annual Report is also provided in full.

Sign-off on these representations

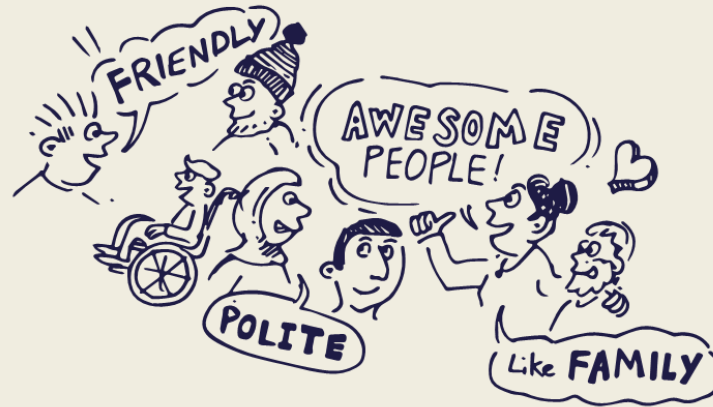
These representations are made at your request, and to supplement information obtained by you from the records of the City Council and group and to confirm information given to you orally.

Nāku noa, nā

Paula Southgate
Mayor

Lance Vervoort
Chief executive





Contents | Raarangi upoko

Introduction | Koorero whakataki 4

From the Mayor and Chief Executive	5
Kupu a te Kahika me te Tumu Whakarae	9
Your Council	14
What is the Annual Report?	18
Maaori contribution to the decision-making process	20
Climate change reporting	22
Our city	24
Our financial strategy	26
Overview of our 2023-24 finances	30
Capital projects delivery	32

Delivering on our priorities | Te whai kia tutukihia aa maatou Kawatau 36

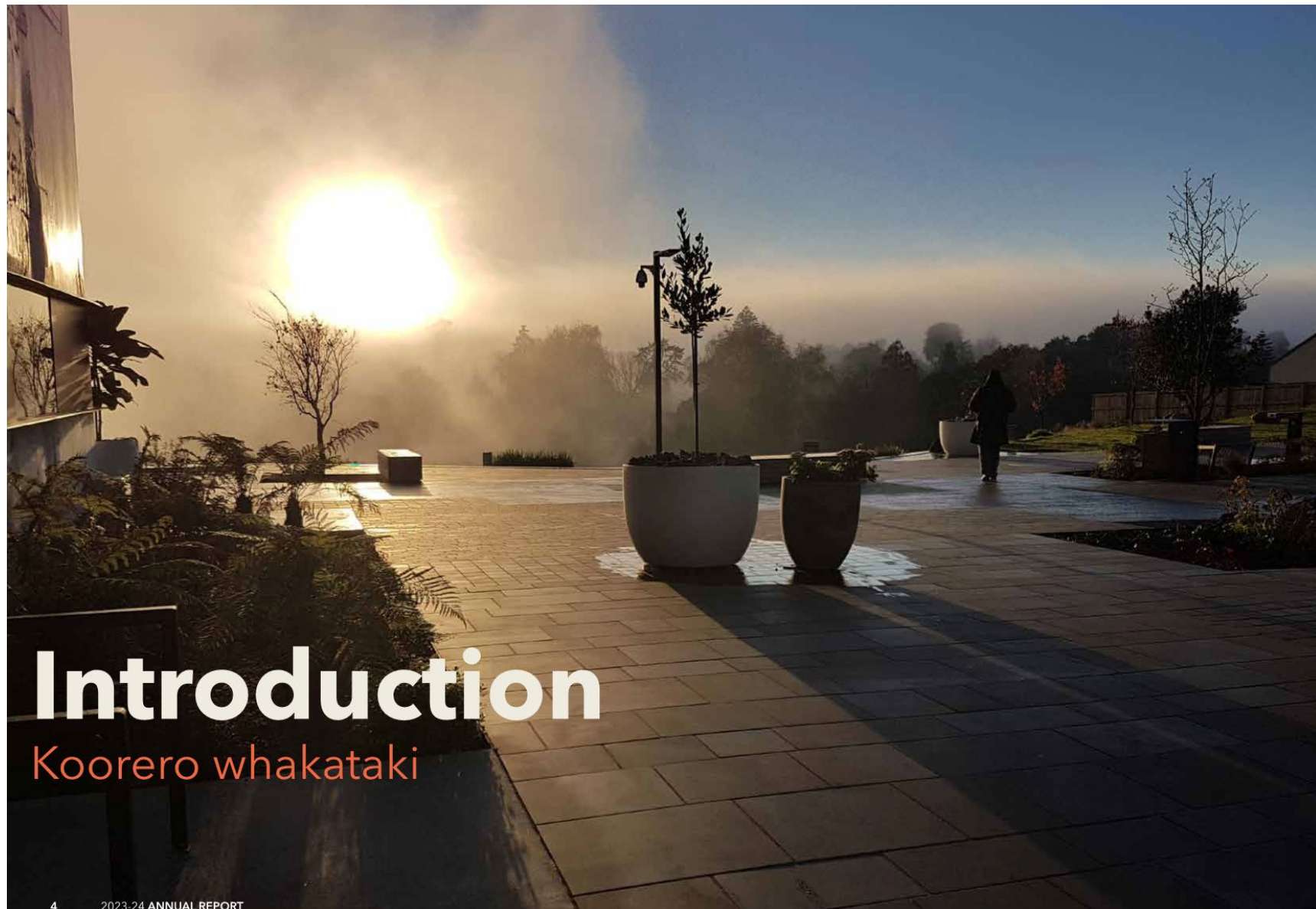
Summary of our delivery	37
Our vision for Hamilton Kirikiriroa	42
Our community outcome measures	48
Our activities	50
A city that's easy to live in	53
Community services	54
Transport	64
A city where our people thrive	76
Governance	78
Growth	84
Safety	92
A central city where people love to be	98

A fun city with lots to do	100
Visitor destinations	102
Venues, tourism and major events	112
Parks and recreation	118
A green city	126
Water supply	128
Wastewater	142
Stormwater	152
Rubbish and recycling	162
Overhead and support unit capital projects	169
Statement of service performance	170

Financial matters | Ko ngaa take puutea 174

Financial statements	175
Guide to this section of the Annual Report	175
Statement of comprehensive revenue and expenses	176
Balancing the books measure	177
Statement of changes in equity	178
Statement of financial position	179
Statement of cash flows	180
Notes to the financial statements	182
Local government disclosures	266
Statement of compliance	270
Disclosure statement	271
Council Controlled Organisations	276

Audit opinion | Whakatau aa-taatari kaute 282



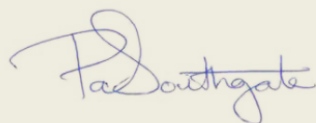
From the Mayor and Chief Executive

Message from Mayor Paula Southgate

Celebrating success and looking forward

As we reflect on the past year's achievements, we should be proud of the progress we have made as a city, despite challenging economic times. We recognise it is difficult to do everything that everyone would like us to. Public feedback from community engagement has factored strongly into decisions we have made, as we continue to balance community wellbeing and affordability alongside our need to plan for our growth.

The next two years will continue to be challenging for many, but I am confident that we will continue to move forward. Hamilton Kirikiriroa is a resilient city, and still attractive for investment and growth. We must continue to advocate for the tools and support necessary to address the significant infrastructure needs of our city. We have some complex work to undertake and big decisions to make. However, Council and staff are dedicated to the best outcomes for right now in these hard times and into the future.



Paula Southgate
Mayor of Hamilton

Foreword

The 2023-24 Annual Report reflects a year of steady progress for Hamilton Kirikiriroa in the face of challenging economic realities.

Our annual report presents our progress against our five priorities and our financial results measured against the financial strategy set out for year three of our 2021-31 Long-Term Plan and the associated 2023-24 Annual Plan.

Council ended the financial year with a net debt balance of \$923 million versus the annual plan budget of \$843 million. Net debt is defined as total debt, less cash and cash equivalents. There was a balancing the books deficit (the difference between our everyday expenditure and everyday revenue) of \$34.9 million, compared to the annual plan forecast deficit of \$16.6 million.

Activities and projects that were planned for year four of the 2021-31 Long-Term Plan have now been significantly revised, in light of the changed financial environment. These changes have been agreed in the new 2024-34 Long-Term Plan. Following the significant financial headwinds that have hit households, businesses and councils around New Zealand, the new Long-Term Plan sets Council on a trajectory to balance the books, using Council's balancing the books measure, by 2026-27.

Update from Chief Executive Lance Vervoort

Despite the challenging financial environment, Council remains focused on continuing to improve the wellbeing of our community across five priority areas, as agreed following extensive community engagement in 2020.

This annual report reports back against these priorities, which are:

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

A city that's easy to live in

In 2023-24, we invested nearly \$337 million in capital projects aimed at ensuring our city is easy to live in and is responding to our significant population growth.

In partnership with developers and Government, we have put in place some significant core infrastructure in Ruakura. This supports substantial residential and business growth. Hamilton also continues to capitalise on its strategic location, and its standing as a logistics hub, with the Tainui Group Holdings inland port now up and running, and the commencement of the Eastern Transport Corridor's business case, for a new road to further support industry and housing.

Roading connections were also a focus to service our growth. An upgrade of Borman Road to urban standards (for the section between Horsham Downs Road and Barrington Drive) was

completed during the year and is a key component of finishing the arterial road network in the Rototuna area. This work is part of the bigger project that continues into 2024-25, which will see the construction of the missing link for Borman Road (between Horsham Downs Road and Kimbrae Drive) along with an intersection upgrade for Borman Road/Horsham Downs Road with the installation of traffic signals.

Included in capital investment for the year, Council spent \$92 million on renewals and compliance (nearly \$12 million more than the previous year) to ensure we get the most out of our assets by maintaining them and replacing them when they wear out.

A city where our people thrive

Hamilton's economy remained resilient despite nationwide and international challenges, with significant growth in the business sector, job market, and our population. Hamilton's business sector outpaced the national average, with 372 new businesses opening. The job market saw growth with nearly 3000 more filled jobs than the year prior, house prices rebounded after a dip and we also saw 80,000m² of commercial and industrial development completed, including the new ACC building and the Kmart distribution centre in Ruakura. Our population also grew by 6100 people in 2023, making Kirikiriroa New Zealand's fastest-growing city.

We continued to invest in our community to help it to thrive. For example, we refreshed eight playgrounds, opened New Zealand's first fully inclusive playground in collaboration with the Magical Bridge Trust, and opened the new Rototuna library, Te Kete Aronui, along with its adjacent play space. Combining library and customer services with technology, community and meeting spaces, Te Kete Aronui has welcomed over 360,000 visitors – 40% of all visits to Hamilton libraries in 2023-24. This is testament to what can be achieved when we partner with the communities we serve.

Continual investment in Waterworld ensures the plant and pools are of a good standard. Last year, the Water Safety programme was delivered to 11 schools and the Water Safety NZ funded Manu with Mana water safety campaign reached approximately 350,000 people. Waterworld also hosted the NZ Manu championships, involving 500 competitors and attracting 1250-1500 attendees. With Waterworld announced as the venue for the NZ Secondary School Swimming Championships for the next three years, Hamilton Kirikiriroa will continue to play host to around 300 swimmers and their families.

A central city where people love to be

Council has invested, alongside a range of partners, in the development of the Waikato Regional Theatre; a new world-class multipurpose performing arts theatre. Building has been well underway on the Victoria Street site over the course of 2023-24. The theatre is on track to open in 2025.

We commenced work on the projects funded by the government's Infrastructure Acceleration Fund (IAF), which will support up to 4140 new homes in the city. Council also renewed the Service Level Agreement with Hamilton Central Business Association for the delivery of a \$100,000 Central City Activation Fund. The redevelopment of the Exscite centre at the Waikato Museum was also completed.

A fun city with lots to do

Hamilton Kirikiriroa continues to be a fun city with lots to do. We were once again recognised for our wonderful Hamilton Gardens, which was named in the top 1% of things to do globally by Tripadvisor. The gardens witnessed its biggest year ever with 538,343 visitors; up 7% on the year prior. The Hamilton Gardens visitor centre and entry precinct is approaching completion and will add to our world-class facility. Each year we have been very fortunate to attract a great deal of philanthropic support and

donations. To deal with the costs and keep the gardens in top shape, Council is introducing a new visitor charge in keeping with other major international attractions. Resulting revenue will contribute to the continuous improvement and addition of new services and facilities that make visiting easier and even more engaging.

Hamilton Kirikiriroa continues to attract world-class events, with each of our venues (Claudelands, FMG Stadium Waikato and Seddon Park) operating at high capacity during the year to host a range of events. FMG Stadium Waikato hosted the FIFA Women's World Cup 2023™, the biggest sporting event to ever come to New Zealand, providing our city and region with a significant economic boost.

Conservation efforts continued with significant planting events at Waiwhakareke Natural Heritage Park, which celebrated its 20th Anniversary this year, and the Mangaonua Gully track, which officially opened at the end of November 2023. Over the planting season, 51 events were held and over 3000 hours of voluntary work completed, resulting in more than 19,000 natives planted. We also launched the Kids in Nature initiative, which along with other partnerships and initiatives, is enhancing the range and number of opportunities we are providing our communities to engage with nature restoration.

The past year has also been a transformative period for the Te Kaaroro precinct, which has experienced substantial growth in visitor numbers. It has also embarked on significant conservation projects, introduced new Zoo residents, and received widespread media attention across its two sites, Hamilton Zoo and Waiwhakareke Natural Heritage Park.

A green city

Other capital works completed in 2023-24, include maintenance and renewal activities for transport assets, and ensuring the provision of strategic water and wastewater connections to make our waters network more resilient. For example, we built two new pump stations in the Newcastle/ Dinsdale area, completed the first part of an upgrade to the Waiora water treatment plant and started construction on large bulk wastewater storage tanks to help our south-west network cope better in wet weather.

Council has made real progress delivering against the outcomes of Our Climate Future, especially in engagement with our community and businesses, and leading by example by reducing our own operational emissions. This year Council's operational emissions were 9069 tonnes of carbon dioxide equivalent which is a 5% reduction on the previous year and an almost 20% reduction on our baseline year (2018-19). To achieve our 2030 target of a 50% reduction in our gross operational emissions, we need to keep focused on delivering actions that will reduce our emissions through the 2024-2034 Long-Term Plan.

We also completed 12 climate resilience projects across the city, via the Climate Emergency Relief Fund (CERF) Travel Choices funding. These projects covered a range of biking, walking, and public transport improvements and included connected, separated, safe biking routes, bike and scooter parking in key destinations, better public transport infrastructure, and wide, high-quality footpaths between key destinations.

Financial sustainability was one of the key considerations for Council. It was important we looked at where we could tighten our belt internally first. As a result of the structure changes, we were able to deliver \$7 million in annual staff savings and are now set up in the best way to deliver our services in the future.

Putting safety first

Through everything we do, we are committed to providing a safe and healthy environment for our employees, contractors, volunteers, and our community.

Financial environment

This year we have faced challenging economic circumstances. Our budgets were impacted by rising inflation and interest rates, as well as increased costs to deliver the same levels of service to our city. In our 2023-24 Annual Plan we made significant budget reductions to ensure we were focusing on delivering just the essentials. Even with these reductions, as the economic headwinds continued to affect us, the impact on our 2023-24 financial results was more significant than forecast. The new 2024-34 Long-Term Plan charts a course to respond to these challenges and balance our books by 2026-27.

Changes to how we work

The past year has seen significant change within Council, as we completed an organisational-wide structure review process. The structure changes made were all about ensuring the Council is as efficient as possible, and that we have the right roles in place to focus on the things that matter the most, without cutting service levels to the community.



Lance Vervoort
Chief Executive

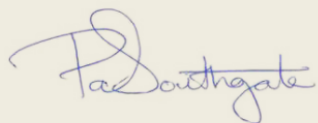
Kupu a te Kahika me te Tumu Whakarae

He kupu koorero naa te Kahika, naa Paula Southgate

Te whakanui i ngaa angitu me te titiro whakamua

I a maatou e huritao ana ki ngaa mahi i oti i te tau kua hori, me poho koreruu ka tika ki taa maatou koke whakamua hei taaonenui, ahakoa ngaa aahuatanga ohaoha pakeke o te waa. E aata moohio ana maatou me uuaa kee ka oti i a maatou ngaa mea katoa e hiahia ana e te tangata. Kua tino whai waahi ngaa whakahokinga koorero mai i aa maatou whakawhitiwhiti ki te haporī i aa maatou whakataua, i a maatou e whakatairite tonu ana i te toiora o te haporī me te tareka aa-utu ki too maatou hiahia ki te whakamahere moo too maatou whanaketanga aa muri nei.

Ka uuaa tonu ngaa tau e rua e tuu mai nei ki te tokomaha, engari e noho ngaakau titikaha ana ahau ka koke whakamua tonu taatou. He taaone aumangea a Kirikiriroa, he waahi pai tonu moo te haumi me te whanaketanga. Me kookiri tonu maatou kia whiwhi i ngaa taputapu me te tautoko ka hiahia ki te whakatikatika i ngaa hiahia tuuaahanga nunui o too taatou taaonenei. He mahi piiroroi tonu kei mua i te aroaro, me ngaa take hira kia whakatauria. Wheoi anoo, e puumau tonu ana te Kaunihera me ngaa kaimahi ki te whakarite i ngaa putanga pai rawa ka taea i ngeenei waa uuaa nei, aa ngaa tau e heke ana anoo hoki.



Paula Southgate
Kahika

He kupu whakataka

E whakaata nei Te Puurongo aa-Tau 2023-24 i te kokenga pai moo Kirikiriroa ahakoa ngaa aahuatanga ohaoha wheeuaua o te waa.

E whakaatu ana taa maatou puurongo aa-tau i too maatou koke ki te whakatutuki i aa maatou whakaarotau e rima me ngaa otinga taha puutea kia whakatauritea ki te rautaki ahumoni kua takoto moo te tau tuatoru o taa maatou Mahere Waa Roa 2021-31 me te Mahere aa-Tau 2023-24 e haangai ana.

I mutu te tau puutea o te kaunihera me teetehi tapeke nama more o te \$923 miriona ki te matapae mahere aa-tau o te \$843 miriona. E tautuhia ana te nama more hei tapeke nama, tangohia te moni me ngaa ooritenga moni. I kitea he tarepa i te whakatairiteanga o ngaa puka kaute (te huatango i waenga i ngaa whakapaunga o ia raa me ngaa moni whiwhi o ia raa) o te \$34.9 miriona, ina whakaritea ki te tarepa i matapaehia i te mahere aa-tau o te \$16.6 miriona.

Kua aata whakahooutia ngaa mahi me ngaa kaupapa kua whakamaheretia moo te tau tuawhaa o te Mahere Waa Roa 2021-31 naa runga i te taiao ahumoni kua hurihia. Kua whakaaehia aua huringa i te Mahere Waa Roa 2024-34 hou. Naa runga i ngaa tino uauatanga ahumoni kua paa ngaa whaanau, ngaa pakihi me ngaa kaunihera huri noa i Aotearoa, kua whakatika atu te Kaunihera maa tana mahere waa roa hou kia tautika ai te takoto o ngaa puka kaute maa te 2026-27.

He kupu whaiwhai ake naa te Tumu Whakarae, naa Lance Vervoort

Ahako te taiao ahumoni toimaha, e aro tonu ana te Kaunihera ki te whakapai tonu ake i te toiora o too maatou hapori puta noa i ngaa waahi matua e rima, i runga i teeraa i whakaaehia i muri i teetehi kookirikiri whakawhitiwhiti nui ki te hapori i te 2020.

Anei aa maatou whakaarotau matua:

- he taaone e ngaawari nei te noho i roto
- he taaone e puaawai ana oo maatou taangata
- he pokapuu taaone e paarekareka ana ki te tangata
- he taaone ngahau, aa, he nui ngaa mahi paarekareka
- he taaone kaakaariki.

E tuku puurongo ana teenei puurongo aa-atu ki aua whakaarotau.

He taaone e ngaawari nei te noho i roto

I te 2023-24, ka haumi maatou i te takiwaa o te \$337 miriona ki ngaa kaupapa puurawa, me te whakarite he taaone e ngaawari nei te noho i roto too maatou taaone, aa, e urupare ana ki te tupunga nui o te taupori. Naa te mahi i te taha o ngaa kaiwhakawhanake me te Kaawanatanga, kua oti eetehi mahi tuuaahanga waiwai hira te whakatuu i Ruakura. Ka tautoko teenei i te tupuranga nui o ngaa whare noho me ngaa pakihi. E haere tonu ana taa Kirikiriroa kimi painga i toona tauwaahi rautaki, me toona ingoa pai hei pokapuu whakaraupapa hautaonga, me te tauranga tuawhenua a Tainui Group Holdings e mahi ana i ana mahi inaaiane, me te tiimatanga o te keehi pakihi moo te Ara Tuunuku Raawhiti, moo teetehi rori hou kia nui ake ai te tautoko i te whanaketanga ahumahi me ngaa wharenoho.

I arohia anoo ngaa tuuhononga rori hei tautiinei i too maatou whanaketanga. I oti i roto te tau te mahi whakatika i Borman

Road ki te paerewa o te rori taaone (moo te waahanga i waenga i Horsham Downs Road me Barrington Drive), aa, he waahanga matua teeraa o te whakautu i te kootuitui rori matua i te Takiwaa o Rototuna. He waahanga taua mahi o teetehi kaupapa nui ake ka whaatoro atu ki roto i te tau puutea 2024/25, e hangaia ai te hono ngaro moo Borman Road (i waenga i Horsham Downs Road me Kimbrae Drive) me teetehi whakahounga puutahitanga moo Borman Road/Horsham Downs Road e whakatuuria ana ngaa tohu waka haere.

I pau katoa i te Kaunihera he \$92 miriona ki ngaa mahi whakahou me te tautuku, ko toona \$12 miriona te nui ake i te tau o mua, me te whakarite kua tino whai hua maatou i aa maatou rawa, me te tautiaki, te whakakapi anoo hoki ina petapeta.

He taaone e puaawai ana oo maatou taangata

I noho aumangea tonu te oohanga o Kirikiriroa i te 2023-24 ahako ngaa wero aa-motu, aa-ao anoo hoki, me te pai o te whanaketanga i te raangai pakihi me te raangai mahi, i too maatou taupori anoo hoki. Kei mua noa atu i te toharite aa-motu te raangai pakihi o Kirikiriroa, ka mutu, he mea whakatuwhera ngaa pakihi hou e 372. I kitea te tupuranga i te raangai mahi, me toona 3000 te nui ake o ngaa tuuranga i whakakiia i oo te tau o mua, ka piki anoo ngaa utu whare whai muri i teetehi hekenga, aa, ka oti te whakawhanaketanga arumoni, ahumahi hoki he 80,000m² te rahi, tae atu ki te whare ACC hou me te pokapuu horahora Kmart i Ruakura. I piki too maatou taupori maa te 6100 taangata i te 2023, me te aha ko Kirikiriroa te taaonenui he tere rawa te tupu kei Aotearoa.

E haere tonu ana aa matou haumi ki too maatou hapori kia puaawai tonu. Hei tauira, kua whakahoutia ngaa papataakaro e waru, kua whakatuwheratia te papataakaro tuatahi e tino kauawhitia ai te katoa i te taha o te Magical Bridge Trust, aa, kua

whakatuwhera i te whare pukapuka hou o Rototuna, Te Kete Aronui, me tana waahi taakaro e paatata ana. Kua raahiritia e Te Kete Aronui, i whakakotahitia ai ngaa ratonga whare pukapuka, kiritaki anoo hoki ki te hangarau, neke atu i te 360,000 ngaa manuhiri, me te aha ko te 40% o ngaa toronga ki ngaa whare pukapuka o Kirikiriroa he toronga ki reira i te 2023-24. E aata whakaatu nei teenei i teeraa ka taea ina paatui maatou ki ngaa hapori e whakaratohia ana e maatou.

E whakarite ana te haumi haere tonu ki Waterworld kia eke tonu ngaa hanga me ngaa hoopua ki te paerewa teitei. I teeraa tau ka whakaratohia te hootaka Haumarua Wai ki te 11 kura, aa, i paa te kookirikiri haumarua wai o Manu with Mana he mea utu e Water Safety NZ ki toona 350,000 taangata. Naa Waterworld ngaa whakataetae Manu NZ i taurima, me te 500 kaiwhakataetae me te kukume i te 1250-1500 ngaa taangata. I paanuitia a Waterworld hei waahi e tuu ai Ngaa Whakataetae Kauhoe Kura Tuarua o Aotearoa moo ngaa tau e toru kei mua (2025-2027), aa, ka haere tonu taa Kirikiriroa manaaki i toona 300 kaikauhoe me oo raatou whaanau.

He pokapuu taaone e paarekareka ana ki te tangata

Kua haumi te Kaunihera, i te taha o eetehei hoa paatui, ki te whakawhanaketanga o te Waikato Regional Theatre; teetehei whare whakaari hou hirahira moo ngaa mahi a te reehia, he maha oona whakamahinga. Kua maaroo kee te haere o te hanga i te pae kei Victoria Street i roto i te 2023-24. E uu tonu ana ki te mahere kia whakatuwheratia hei te 2025.

I te pokapuu o te taaonenui, ka tiimatatia e maatou te mahi ki ngaa kaupapa e utua ana e te Tahua Whakaterere Tuuaahanga (IAF) a te kaawanatanga, e tautokona ai tae atu ki te 4140 kaainga hou i te taaonenui.

Ka whakahou anoo hoki te Kaunihera i te Whakaaetanga Taumata Ratonga ki te Roopuu Pakihi Pokapuu o Kirikiriroa moo te whakapaunga o te Tahua Whakahohe Pokapuu Taaonenui, he \$100,000 te waariu.

I oti anoo hoki te pokapuu Exscite i te Whare Taonga o Waikato te whakawhanake anoo.

He taaone ngahau, aa, he nui ngaa mahi paarekareka

E noho tonu ana a Kirikiriroa hei taaone ngahau me te nui o ngaa mahi paarekareka.

I whakamihia anoo maatou e Tripadvisor moo oo maatou Hamilton Gardens whakamiiharo nei, kua raarangitia i roto i ngaa waahi whakakitekite 1% o runga rawa puta noa i te ao kira toroa e te tangata. Koiraa te tau tino hira rawa atu moo ngaa kaari me te 538,343 ngaa manuhiri i tae atu; he 7% te pikinga atu i te tau o mua. Kua tata te oti o te pokapuu manuhiri me te waahi tomokanga o Hamilton Gardens, ka mutu ka whakarei i too maatou hanga whaitake hirahira. Noo maatou te whiwhi ia tau, ia tau kia whakawhiwhia ki te nunui rawa o te tautoko aa-moni haapai iwi me ngaa koha. Kia ea ai ngaa utu, kia noho pai tonu ai te aahua o ngaa kaari, kei te whakauru te Kaunihera i teetehei utu manuhiri hou e uu ana ki eetehei atu tino waahi kukume taangata huri noa i te ao. Ka whakamahia ngaa moni ka whiwhi i teeraa ki te whakapai tonu me te taapiri i ngaa ratonga me ngaa hanga hou e maamaa ake ai te toro mai, e nui ake ai anoo hoki te rerehua.

E kukume tonu mai a Kirikiriroa i ngaa taiopenga taumata tiketike e mahi ai ia waahi haakinakina o maatou (Claudelands, FMG Stadium Waikato me Seddon Park) ki toona kaha ka taea e whakahaere ana i te huhua o ngaa mahi haakinakina. Naa FMG Stadium Waikato te FIFA Women's World Cup 2023™ i whakahaere, te taiopenga haakinakina

nui rawa kua tae mai ki Aotearoa, me te aha ka aata whakapikia te oohanga o too maatou taaonenui me te takiwaa huri noa.

I haere tonu ngaa mahi whaaomoomo naa ngaa mahi hira ono raakau i te Waiwhakareke Natural Heritage Park, teeraa i whakanui i toona Huritau Rua Tekau i teenei tau, me te ara Kooawaawa Mangaonua, i whakatuwhera okaawatia i te mutunga o Noema 2023. Puta noa i te roanga o te takiwaa ono, i tuu ngaa mahi e 51 me te neke atu i te 3000 haora mahi tuuao, i whakatoongia ai neke atu i te 19,000 raakau maaori.

I whakarewa anoo hoki maatou i te kookiritanga Kids in Nature, teeraa e whakarei ana, i te taha o eeteahi atu mahi paatui me ngaa kookiri, i te whaanuitanga me te maha o ngaa arawaatea e aahei ai oo maatou hapori te whai waahi ki te whakarauora i te taiao.

He waa whakaumu te tau kua pahure moo te waahi o Te Kaaroro, i tino piki ai te tokomaha o ngaa manuhiri, i tiimataria ai eeteahi kaupapa whaaomoomo nunui, i whakaurua ai he kararehe hou ki te Rawhi Whakaaturanga, me te kume i te aro nui o ngaa arapaaho i oona pae e rua, Hamilton Zoo me te Waiwhakareke Natural Heritage Park.

He taaone kaakaariki

Kei roto i ngeeraa atu mahi rawa nunui i oti i te 2023-24 ko ngaa mahi tautiaki me te whakahou i ngaa rawa tuunuku, me te whakarite i te whakaratonga o ngaa tuuhononga rautaki moo te wai me te waipara kia aumangea atu too maatou kootuitui arawai. Hei tauira, i hanga maatou i ngaa teihana papu hou e rua i te takiwaa Newcastle/ Dinsdale, ka oti te waahanga tuatahi o teeteahi mahi whakahou i te waahi whakahaere waipara o Waiora, aa, ka tiimata ki te hanga i ngaa kura roki waipara rahi kia pai ake ai te mahi a too maatou kootuitui tonga-maa-uru i ngaa waa ua.

Kua tino neke whakamua te Kaunihera ki te whakarite kia tutuki ai ngaa putanga o Too Taatou Anamata aahuarangi, ina koa moo te taha whai waahi ki too maatou hapori me oo maatou hapori, aa, maa te aarahi maa te whakaatu e heke mai ana aa maatou anoo tukunga whakahaere.

Ko ngaa tukunga waro whakahaere a te Kaunihera i teenei tau he 9,069 tana te ooritenga o te hauhaa, aa, he hekenga 5% teeraa i te tau o mua, aa, kua tata ki te 20% te hekenga i too maatou tau paerewa (2018-19). E tutuki ai taa maatou whaainga o te hekenga iho e 50% i aa maatou tukunga waro whakahaere more, me arotahi tonu ki te mahi i ngaa mahi e whakaheke ana i aa maatou tukunga puta noa i te Mahere Waa Roa 2024-2034.

I oti i a maatou eeteahi kaupapa aumangea ki te panoni aahuarangi 12 huri noa i te taaonenui, maa te whakamahi i te tahua Climate Emergency Relief Fund (CERF) Travel Choices. Kua kapi i aua kaupapa te whaanuitanga o ngaa whakapainga eke paihikara, hiikoikoi, me te tuunuku tuumatanui, aa, i roto i ngeeraa ko ngaa ara eke paihikara tuuhonohono, motuhake me te haumaruru, ngaa tuunga paihikara, kuta hoki i ngaa uunga matua, te tuuaahanga tuunuku tuumatanui pai ake, me ngaa arahiikoi papai i waenga i ngaa uunga matua.

Maataamua a haumaruru

I roto i a maatou mahi katoa, manawa rahi ana maatou kia hanga he taiao haumaruru, he taiao ora hoki moo ngaa kaimahi, kaikirimana, tuuao me te haapori whaanui.

Taiao Ahumoni

He nui aa maatou wero ahumoni i teenei tau. He nui hoki ngaa paapaatanga ki a maatou mahere puutea naa runga anoo i ngaa pikiutu tukipuu me te piki haere o te reti huamoni, anoo hoki te

whakapiki o te utu ki te whakatutuki a maatou ratonga mahi katoa. I roto taa maatou puka mahere-aa-tau 2023-24 I whakaiti iho te mahere puutea kia aro puu ana ki ngaa ratonga mahi waiwaia. Ahakoa te whakaiti iho o te mahere puutea, heehee tonu te haere, he nui te paapaatanga ki aa maatou matapae ahumoni ki too te whakaaro I te timatanga. Ko te mahere-tekau-tau hou 2024-34 e maheretia i teetehi huarahi hei whkautu I ngaa pehitanga ki te whakatautika taa maatou puka ahumoni.

Ngaa panoni ki oo maatua aahua mahi

He nui ngaa huringa i te Kaunihera i teenei tau kua hori, i a maatou e whakahaere ana i teetehi tukanga arotake i te hanganga puta noa i te whakahaere. I paa katoa ngaa huringa i oti hei whakarite kia kakama rawa ki toona kaha ka taea ngaa mahi a te Kaunihera, ka mutu kua puumau ngaa tuuranga tootika i taea ai te ata aro ki ngaa mea tino hira rawa, me te kore e whakaheke i ngaa taumata o ngaa ratonga ki te hapori. Ko te toituutanga aa-puutea he whakaaro matua ki te Kaunihera. He mea hira nei te maatua moohio ki ngaa waahi o roto nei e taea ai te puukoro te nonoti. Naa ngeenei huringa ki too maatou hanganga, i aahei te whakawhaaiti i te \$7 miriona hei penapena moni taha kaimahi, me te aha kua rite maatou inaaiane ki te kawhe i aa matou ratonga ki te tino pai ka taea aa muri ake nei.



Lance Vervoort
Tumu Whakarae

Your Council

Ko taa taatou Kaunihera

Your Mayor and Councillors



Paula Southgate

Hamilton Mayor

E paula.southgate@council.hcc.govt.nz



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Deputy Mayor
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Chief Executive



Lance Vervoort – Chief Executive
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Maangai Maaori



Norm Hill
Infrastructure and Transport Committee
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Jaydene Kana
Strategic Growth and District Plan Committee
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Olly Te Ua
Community and Natural Environment Committee
E olly.teua@council.hcc.govt.nz

External Appointees



Keiran Horne
Strategic Risk and
Assurance Committee



Bruce Robertson
Strategic Risk and
Assurance Committee

Councillor departures 2023-2024



Ryan Hamilton
Senior Chair
Councillor - East Ward



Melaina Huaki
Councillor – Kirikiriroa
Māori Ward

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. It provides essential information to our community for assessment of our performance. The annual report's content is directed by the Local Government Act 2002.

Our planning cycle starts with extensive community engagement with the people of Hamilton Kirikiriroa to understand the aspirations they have for their city. Feedback from our community is captured and used to create our vision and 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. A new long-term plan is adopted every three years. The 2024-34 Long-Term Plan has now been adopted and is in effect, which covers the next 10 years beyond this Annual Report.

Entering years two and three of our long-term plan, we produce an annual plan. The annual plan gives Council the chance to review what has been set out in the long-term plan and consider where any changes are necessary.

At the end of each financial year, we produce an annual report to review our performance and tell you, the community, how well we did delivering on the long-term plan and the respective year's annual plan.

This annual report

This report, the 2023-24 Annual Report, is reporting against year three of the previous 2021-31 Long-Term Plan and the 2023-24 Annual Plan. It identifies any differences between what we said we would do, and what we have actually delivered. The report considers:

- 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 important information to our community as well as a range of stakeholders that include local businesses, Council partners, non-government organisations, and government departments and agencies. It is also an opportunity to look back on the year, and highlight works and services that have been effectively 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
is adopted (for year two)

31 October 2022:
The Annual Report for the 2021-22
financial year (year one) is adopted

1 July 2023:
Council's 2023-24 Annual Plan
is adopted (for year three)

By 31 October 2023:
The Annual Report for the 2022-23
financial year (year two) is adopted

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

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



Maaori contribution to the decision-making process

Mana Motuhake Maaori ki te Whakatakoto Whakatau

We are committed to honouring the principles of Te Tiriti o Waitangi/the Treaty of Waitangi.

We acknowledge the role and contribution that iwi, hapuu and maataawaka make towards our great city 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 wellbeing of our 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 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

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

Due to the resignation of a Maaori Ward Councillor in May 2024, a by-election was held and a new Maaori Ward Councillor elected in August 2024.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were

first appointed to Council committees with full voting rights in 2018. Maangai Maaori sit on three committees. The Maangai Maaori represent and are chosen by iwi (Waikato-Tainui) and maataawaka (urban Maaori) organisation Te Rūnanga o Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

Council's Kaumatua is appointed by the Office of the Kiingitanga to give support and advice to Hamilton's Mayor and its elected members. The Kaumatua gives spiritual guidance to council in line with Waikato-Tainui tikanga and protocols.

Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across 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) focused on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members.

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 the landscape of Kirikiriroa. Many of those 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 represents the views of Maataawaka in the development of Council strategies, policies, and plans.

Climate change reporting

Te Puurongo i te Huringa o te Aahuarangi

In the last year we have made some real progress in delivering against the outcomes of Our Climate Future, especially in engagement with our community and businesses, and leading by example by reducing our own operational emissions.

At a global level, this year has seen record-breaking temperatures. 2023 has been confirmed as the warmest year on record, reaching a new annual average global temperature of 1.45°C above pre-industrial levels.¹ We are edging closer to the 'safe limit' of 1.5°C warming above pre-industrial levels (the limit the Paris Agreement aims to keep us within) and the impacts are becoming more visible here in New Zealand with more extreme weather events and increased temperatures.

The Our atmosphere and climate 2023 report, released by Stats NZ and the Ministry for the Environment, outlines how greenhouse gas emissions from human activities are already changing our local climate, and impacting our communities, environment, and the economy². There's never been greater urgency to reduce our emissions and prepare for the changing climate.

We've also seen shifts in the national direction to respond to climate change, with a new government elected in October 2023. This has required councils to pivot, align with and prepare for new strategies and plans from central government.

¹ World Meteorological Organisation: <https://wmo.int/news/media-centre/wmo-confirms-2023-smashes-global-temperature-record>

² Our atmosphere and climate 2023, Ministry for the Environment: <https://environment.govt.nz/publications/our-atmosphere-and-climate-2023/>

Delivering our climate future

We have continued to deliver a number of key projects that strengthen the local climate change response here in Hamilton Kirikiriroa.

We received \$750,000 from the Government's Better Off Fund, to deliver projects throughout 2023-24 in partnership with our community and businesses. This included programmes focused on building partnerships with businesses and community organisations, developing education for community and staff and delivering an internal corporate sustainability programme. Highlights include partnership funding for a Maara Kai, an eco-sourced heritage seed bank, a shared tools library, initiating Tiaki in Kirikiriroa for local hospitality and tourism businesses and launching an online 'Living Lightly' course which provides the community with simple and practical tips to take climate action from the comfort of their own home.

We've also worked closely with local business leaders to set up a 'Sustainability: Walk the Talk' events series, where businesses come together to share and learn from each other's climate action. We have continued to provide quarterly updates via our climate action newsletter, Te Pae Tawhiti - Delivering on Our Climate Future, to those interested in climate action in Hamilton Kirikiriroa.

Making Council more sustainable

A portion of the Government's Better Off Fund has been used to support improved sustainability in Council's way of working, which will help to reduce our emissions and build resilience to climate change. Projects funded by the Better-Off Fund in 2023-24 which will help us on this journey include:

- Solar panels for St Andrews Library
- Rainwater collection, storage, and reuse as part of the Steele Park toilets and changing room upgrades
- Water moisture sensors for the sand sports fields to reduce water use
- A bin lifter for animal refuse at Hamilton Zoo to reduce the use of plastic bags
- Waste assessments for our H3 venues, so that we have reliable waste data to inform future decision-making and new composting infrastructure at Claudelands.

Assessing our climate maturity

A key focus for this year was establishing our Climate Maturity and Disclosure Programme. This programme takes an inward look to assess how effectively climate-related risks and opportunities are integrated into our organisation's governance, operations, processes, and risk management. We have completed our first assessment and have published our first Climate-related Disclosure for 2023-24 alongside this Annual Report. This disclosure report outlines the current level of climate maturity for Council, identifying key areas for improvement which we'll now prioritise to become a more climate-ready organisation.

Achieving our emissions targets

In Our Climate Future: Te Pae Tawhiti o Kirikiriroa we set targets to reduce our own operational emissions. Our targets are a 50% gross reduction in emissions by 2030, and to be net zero by 2050. These targets are against our baseline set in 2018/19. 'Net zero' refers to reducing emissions as much as possible, with any remaining unavoidable emissions being sequestered through planting and maintaining trees. 'Net zero' therefore does not mean there are no emissions produced – just that these are balanced by capturing emissions from the atmosphere.

Our operational emissions include energy used in our buildings and operations (LPG, natural gas, electricity), fuels used in Council-owned fleet or from car share or rental vehicles, biosolids from our wastewater treatment process, waste from Council operations, travel for our staff and livestock and fertiliser used on our land. At this stage, we do not include other emissions related to our activities within this target, such as carbon embodied in the goods we purchase (e.g. roading material) or other emissions from our upstream and downstream supply chains. This is a Council-only measure and does not include emissions generated from the wider group of entities.

This year Council's operational emissions were 9,069 tonnes of carbon dioxide equivalent, which is a 5% reduction on the previous year and an almost 20% reduction on our baseline year (2018/19). Emissions have reduced in all areas, apart from waste from our Council operations, however, the rate of reduction has slowed compared to previous years, as we have addressed many of the easy-to-do projects.

To achieve our 2030 target of 50% reduction in our gross operational emissions, we need to keep focused on delivering actions that will reduce our emissions through the 2024-2034 Long-Term Plan.

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 16km 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 the 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 New Zealand 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 Hamilton Kirikiriroa.



Our environment is:

Sustainable

Hamiltonians recycled **15,676 tonnes** of material last year. That's more than **1633 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

Hamilton was New Zealand's fastest growing city last year, increasing by **3.4% from June 2022 to June 2023**. 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

Youthful

Our **median age is 33**, the lowest of all cities in New Zealand.



Te Ara
Pekapeka
Bridge



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 **\$13.8 billion.***
*Infometrics, provisional GDP for the year to March 2023.

Building

1258 new houses were completed in 2023.
78,000m² of commercial and industrial development was consented.

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 **17,403 businesses** (up from 17,028 in 2022) and **107,032 employees** (up 2.8% from 2022).



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 include 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 include:

- 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 – the amount of debt we can take on compared to revenue (debt to revenue), and forecasts

net debt (the money we owe lenders, less cash) and when we will balance the books. The Council books are balanced when everyday revenue pays for everyday expenses.

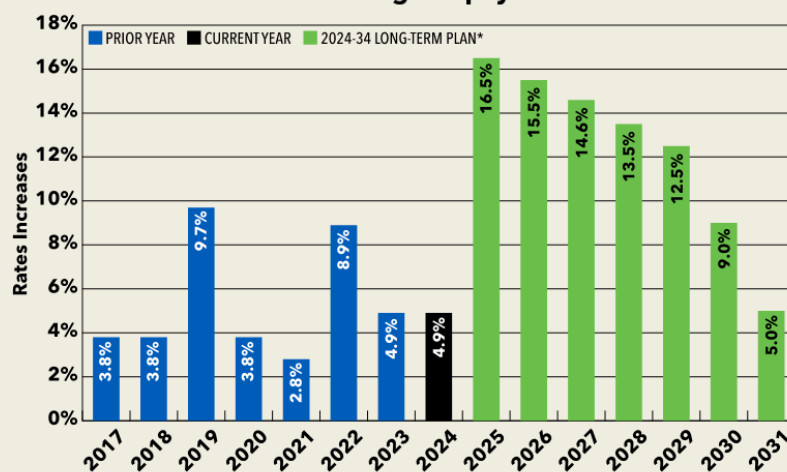
This year we faced challenging economic circumstances. Our budgets were impacted by rising inflation and interest rates, as well as increased costs to deliver the same levels of service to our city. As a result, Council's balancing the books deficit was unfavourable to the 2023-24 budget by \$18.3 million and ended the financial year with a net debt balance \$80 million higher than budgeted.

The new 2024-34 Long-Term Plan charts a course to respond to these challenges and balance our books by 2026-27.

Rates

The Long-Term Plan set 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% in 2022-23 and 2023-24. We stayed within these limits – the actual average rate increase for 2023-24 was 4.9%.

Total rates increases to existing ratepayers



*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term 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 177. 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 271.

The main differences between the two measures are:

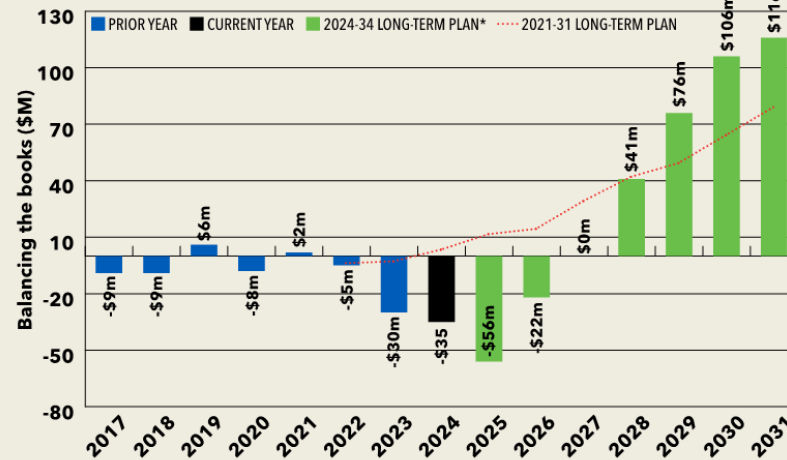
- Our measure removes capital revenue (NZ Transport Agency Waka Kotahi subsidies for capital expenditure and other capital contributions). These revenue items are included in the Government measure. We exclude this revenue as it funds specific capital items and is therefore not available to fund everyday 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 the 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.

Council was unfavourable against the balancing the books budgeted deficit in 2023-24, with an adjusted operating deficit of \$34.9 million against a budgeted deficit of \$16.6 million. Using the Government's balanced budget measure, we are reporting a deficit of \$44 million against a budgeted surplus of \$37.8 million.

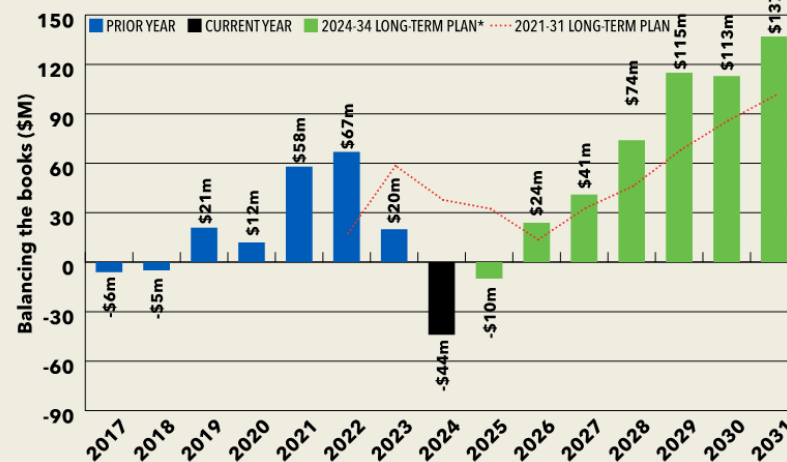
The significant revenue and expenditure variances that contributed to our balancing the books result include:

- 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 budget due to higher than expected revaluation increases in transport and parks and gardens.

Balancing the books - Hamilton City Council measure



Balancing the books - Government measure



*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term 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 243.

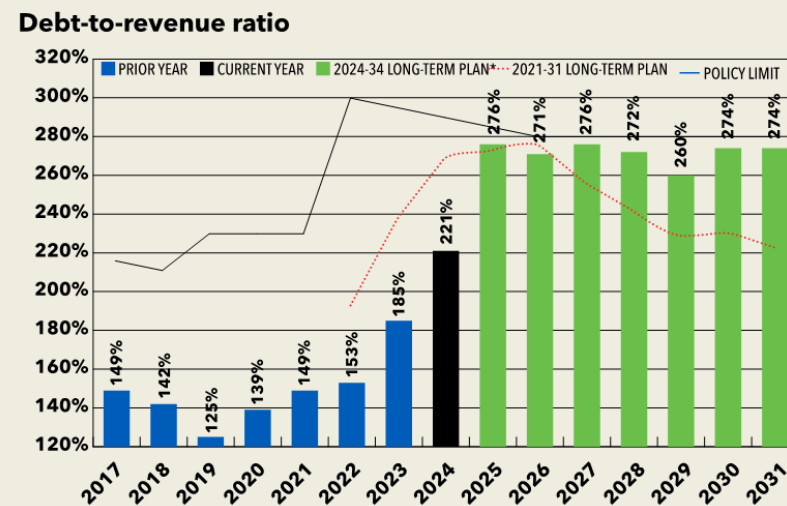
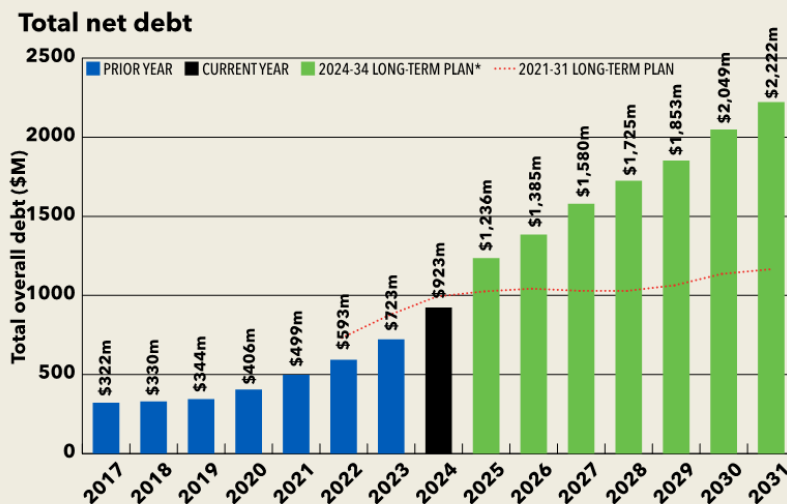
We ended the financial year with a net debt balance of \$923 million, which was higher than the budgeted target of \$843 million. Our debt is now 221% of revenue against a performance target of 199%.

The main reasons for this unfavourable result are:

- Higher than budgeted capital expenditure
- Lower than budgeted capital revenue.
- Lower than budgeted cash operating surplus.

Actual spend for the capital portfolio was \$337.4 million, against a budget of \$310 million, which included deferrals of \$42 million.

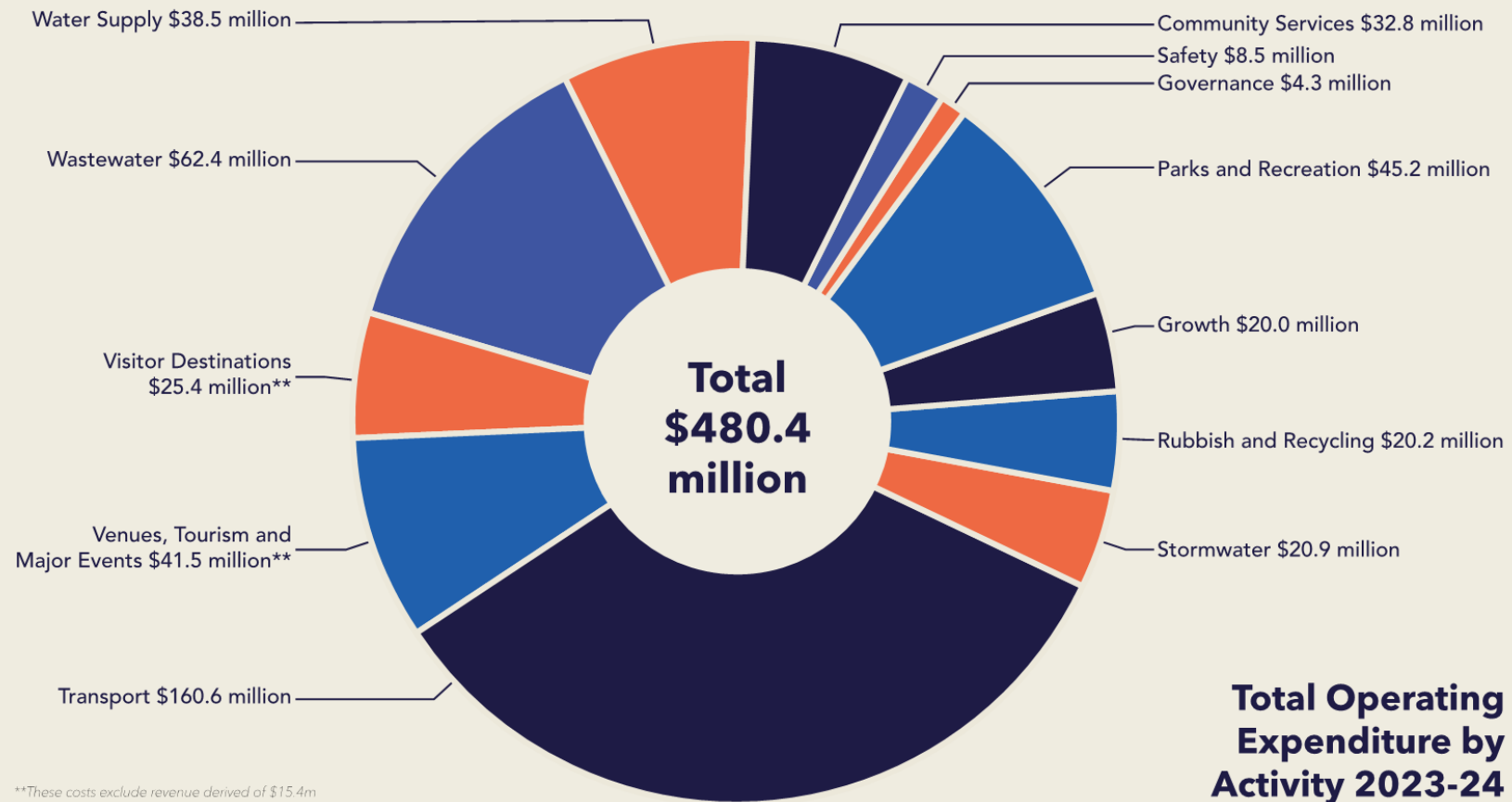
To keep debt at manageable levels, the financial strategy caps debt to revenue at 290% in 2023-24. This ratio will taper back to 280% by 2025-26.



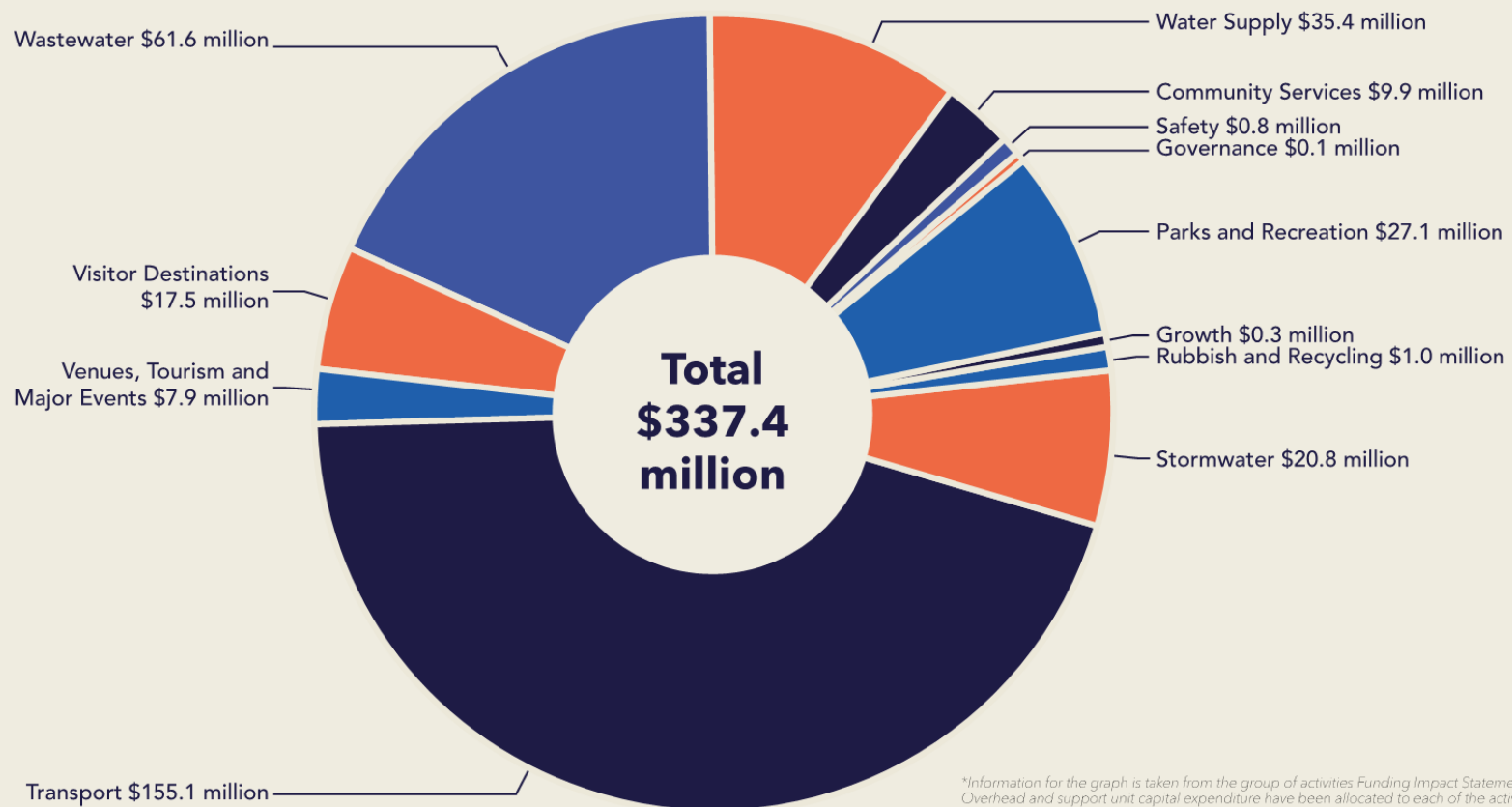
*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term Plan process.

Overview of our 2023-24 finances

Tirowhaanui moo Ngaa Puutea 2023-24



Total Capital Expenditure by Activity 2023-24



Capital projects delivery

Kaupapa haupuu rawa whakatinanatanga

The 2023-24 year saw the delivery of nearly \$337 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 extensive engagement with our community, and our regular capital reporting tracks how we're delivering on these. This year has seen some very exciting projects delivered that will have great impact on the future of our city.

Key projects

In the last year we completed the Te Ara Pekapeka Bridge over the Waikato River, unlocking housing for up to 7400 homes to be built in Peacocke in the next 30 years. This project has seen some significant environmental activities including bat monitoring and lizard surveys, and 5.5 hectares of gully and stream restoration planting.

We also built a wastewater transfer station and 7.5km of pipelines, and set aside 7ha of land for the future development of a sports park.

In the central city we commenced work on the Infrastructure Acceleration Fund (IAF) projects that will support up to 4140 new homes in the city.

In the next few years, a new reservoir, bulk water mains and a pumpstation will be built, along with upsizing of water and wastewater mains. We also designed, consented, and started construction on large bulk wastewater storage tanks to help our south-west network cope better in wet weather. The first part of an upgrade to the Waioara water treatment plant was completed to allow more water to be treated. In the Newcastle/Dinsdale area we built two new pump stations to make our water network more resilient and to support our growing city.

There has also been a large amount of work on erosion control with significant plantings and works in the city's gullies.

To support Ruakura, in partnership with developers and government, we put into place some significant core infrastructure to allow substantial residential and business growth.

The Tainui Group Holdings inland port is now up and running and we have commenced the Eastern Transport Corridor's business case for a new road to further support industry and housing. The last piece of the transport puzzle in Rototuna is nearing completion with the extension and urban upgrade to Borman/Horsham roads.

In Rotokauri we have completed the design and consent for a greenway to support our stormwater needs, designated new roads and bought land for new parks.

We also completed a number of transport improvements to improve safety and encourage travel by public transport, walking and biking.

The Nature in the City programme has kicked off with Donny Park/ Kukutaaruhe Gully and the launch of an app that has increased visitation in our natural areas by 69%.

The Hamilton Gardens Visitor Centre and Precinct approached completion and will add to our world-class facility.

We commenced work on the Boyes Park redevelopment (Founders Theatre demolition), carried out a resurfacing on the Porritt Stadium and completed eight playground refreshes.

Renewals and compliance

Renewals and compliance for each activity of Council is planned for across three years to ensure we get the most out of our assets, maintaining them and replacing when they wear out. The programme is carefully managed and work is prioritised based on funding available and the risk associated with not undertaking renewal and compliance work.

Our renewals and compliance programme saw \$92 million spent in 2023-24, an increase of nearly \$12 million on the previous year. The programme included a three-year funding provision of \$232 million that allowed us to reprioritise budgets across these years as needed, such as when we encountered unexpected failures or deterioration of assets. Over the last three-years (from 2021-22 until 2023-24), a total of \$230 million was spent through the renewals and compliance programme.

Deferrals

Some capital funding was deferred due to a combination of third party and contractual timing changes and reprioritisation decisions. The total capital spend was \$337.4 million against an approved budget of \$352 million.

Activity area	Total capital spend \$million
Community services	9.3
Parks and recreation	26.4
Rubbish and recycling	0.8
Safety	0.6
Stormwater	20.4
Transport	153.2
Venues tourism and major events	4.1
Visitor destinations	20.2
Wastewater	60.1
Water supply	34.4
Overhead and support units	7.8
Strategic property	0.1
Total	337.4

*Overhead and support units and strategic property capital expenditure has been included as a separate activity and has not been allocated to other activities.

Highlights of 2023-24

Ngaa Mea Hirahira 2023-24

Here's some of what went on...

July - September 2023

Council renews award-winning transport contract with Downer

Hamilton Gardens ranks in top 1% globally



Te Kete Aronui Rototuna Library opens



Te Wetini Drive extension opens in Rotokauri

Hamilton hosts FIFA Women's World Cup 2023™

Host City of biggest women's sporting event in the world.



Hamilton tops Oceania in EV infrastructure

with 22.2 chargers per 1000km of road.

More \$6 all-day carpark for Hamilton's central city

All-day paid parking expanded.



New Nature in the City app launched

October - December 2023



Campaign educating Hamiltonians about safety in the awa



Mangaonua Gully track completed: 19,000 natives planted



Magical Bridge Playground opens: New Zealand's first fully accessible playground



New transport network in Peacocke takes shape

Chinese sister city delegation hosted

Business, tourism and education opportunities discussed.



January - March 2024

By-election held

New councillor confirmed for Hamilton East.



Templeton Group hotel announced

Central city will soon be home to a \$120 million high-end hotel development.



Two female tiger cubs born at Hamilton Zoo



Joyful theme for Waitangi Day festival

Waikato Museum hosts artists Lissy and Rudi Robinson-Cole.

City parking meters upgraded

Electronic parking meters offer greater convenience.

April - June 2024



1,675 building consents granted in the last 12 months

Hamilton Transport Centre refreshed

Catching the bus now safer and easier.



Your Neighbourhood comes to Hamilton West



Hamiltonians learn about the services Council provides.



Kids in Nature education programme for Hamilton schools launched

Almost 3000 submitters shared their views on the

Long-Term Plan 2024-34



Excite: Taiao opens

Extensive redevelopment of Waikato Museum's interactive centre.



Delivering on our priorities

Te whai kia tutukihia
aa maatou Kawatau

Summary of our delivery

Whakaraapopoto o te Whakatinanatanga

The 2021-31 Long-Term Plan set out the vision for our city and what the community could expect from us. It also detailed the ways in which we intended to measure the performance of our service delivery for key aspects of Council's activities.

This section reports on how Council has performed delivering against what we said we would do in 2023-24.

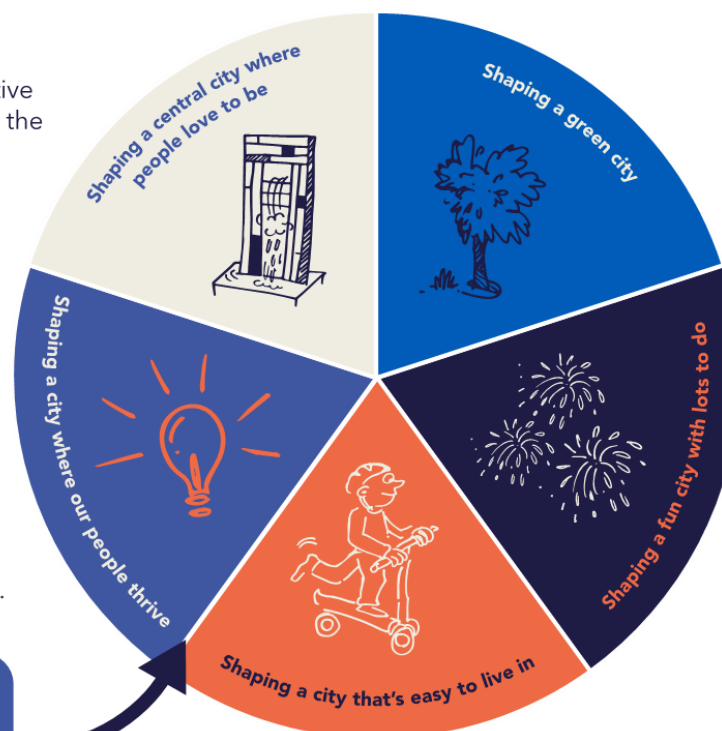
This section also reports on Council's spending against what was budgeted for capital projects for year three of the long-term plan and includes statements that show the amount of funds produced from each source of funding and how they have been applied.

Our priorities

Council is required to take an active role in ensuring that we promote the social, economic, environmental and cultural wellbeing of our community through the services and activities we provide.

From these four wellbeings we have identified five priorities for our city. These are our vision for Hamilton Kirikiriroa and are at the heart of everything we do as a Council. These priorities are the rationale for the delivery of each activity of Council and are explained in detail in this section.

These are our five priorities. We monitor our delivery on these priorities through our community outcome measures and our service performance measures.



Community outcomes

To measure delivery against our priorities we have four measures to show how we are doing delivering on our community outcomes.

Groups of activities

Each activity of Council contributes to the achievement of one of our priorities. Activities are grouped together to create a cohesive framework that is then used to assess how we are performing against the priority to which they contribute. For each activity group, we present the identified effects of our activities on the four dimensions of wellbeing.

Service performance

Each group of activities sits within a performance management framework that sets out the levels of service we intend to deliver to our community. This section provides an overview of each of Council's groups of activities and details how they contribute towards delivering on our priorities.

Key aspects of our activities have non-

financial performance measures and targets that enable our community to assess whether we are delivering on what we said we would do. This section contains the results on how we have done in achieving these intended levels of service. We have also included information about what sits behind the results, and highlights for each of these activities for the year.

The performance measures and targets are from year three of the 2021-31 Long-Term Plan, which you can find on our website at hamilton.govt.nz/long-term-plan/

Capital projects

The capital projects tables summarise the capital expenditure planned for year 3 of the long-term plan for each activity and the actual expenditure on these projects during the year.

Funding impact statements

The funding impact statements detail the source of operational and capital funding that Council allocated for each activity (for year 3 of the long-term plan) and provide a comparison of what was actually spent.

Summary of our results

We have 62 performance measures to monitor how we are delivering on our priorities.

Community outcome measures

Four of these are community outcome measures, of which 1 met target and 3 had no result in 2023-24.

Service performance measures

There are a further 58 non-financial service performance measures that assess our service delivery, of which 45 met target, 10 did not meet target, and 3 had no result in 2023-24.

Details on what sits behind these results is contained in this section.

Guide to this section of the Annual Report

An annual report must compare the intended activities and performance of Council (as set out in the long-term plan) with the actual activities and performance of Council.

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 to live 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 well-being needs of local communities.
Economic Our economy provides opportunities to prosper	Public aquatic facilities and libraries boost local economies through job creation and attracting people to live and work in the city. These facilities provide affordable recreation and educational resources, reducing costs for families and enhancing quality of life and supporting long-term economic growth.
Environmental We love and protect our environment	Libraries can serve as educational hubs on environmental sustainability and climate science. Public facilities play a role in community engagement, distributing information during climate-related emergencies, fostering community resilience, and promoting environmental awareness. Aquatic facilities are likely to provide an increasingly important role during heatwaves, providing a safe environment for people to cool down, reducing the risk of heat-related illnesses.
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 to express themselves culturally.

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 report on how we did delivering on our intended levels of service. This is what you can expect from us.

Our levels of service are monitored through performance measures and targets that enable our community to assess whether we are delivering on what we said we would do

We must report on any changes to levels of service and provide a reason why if there is a variation between what we intended to deliver and what we have achieved.

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

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

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	\$000			
Animal education and control							
CE21013 - Animal control building renewals	R	12	0	12			
Animal education and control total		12	0	12			
Public safety							
CE21015 - City safe renewals	R	111	536	(425)			
Public safety total		111	536	(425)			
Total		123	537	(414)			

An annual report must include a comparison of the budgeted and actual capital expenditure for each group of activities. Capital expenditure is identified as one of the follow:
R: Replacement of existing assets
LOS: Improvement of level of service
G: Meet additional demand for an activity (growth)

An annual report must include funding impact statements showing the amount of funds produced from each source of funding and how the funds were applied.

Growth funding impact statement

For year ended 30 June 2024	Long-Term Plan 2022/23	Actual 2022/23	Long-Term Plan 2023/24	Actual 2023/24
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,575	9,643	10,260	10,340
Targeted rates	2,611	2,577	2,785	2,763
Subsidies and grants for operating purposes	-	28	-	536
Fees and charges	11,034	10,844	11,360	10,466
Local authorities fuel tax, fines, infringement fees and other receipts	93	186	97	243
Internal charges and overheads recovered	-	-	-	-
Total operating funding	23,313	23,278	24,502	24,348
Application of operating funding				
Payments to staff and suppliers	19,600	19,931	18,932	19,349
Finance costs	397	249	281	339
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	19,997	20,180	19,214	19,688
Surplus/(deficit) of operating funding	3,317	3,098	5,289	4,660
Sources of capital funding				
Subsidies and grants for capital expenditure	-	4	-	3
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(1,840)	1,558	(2,484)	(3,505)
Gross proceeds from sale of assets	-	58	-	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(1,840)	1,620	(2,484)	(3,492)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	187	53	132	73
- to replace existing assets	293	275	247	206
Increase/(decrease) in reserves	938	3,801	2,478	435
Increase/(decrease) in investments	58	589	(52)	454
Total applications of capital funding	1,477	4,718	2,805	1,168
Surplus/(deficit) of capital funding	(3,317)	(3,098)	(5,289)	(4,660)
Funding balance	-	-	-	-

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

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

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.

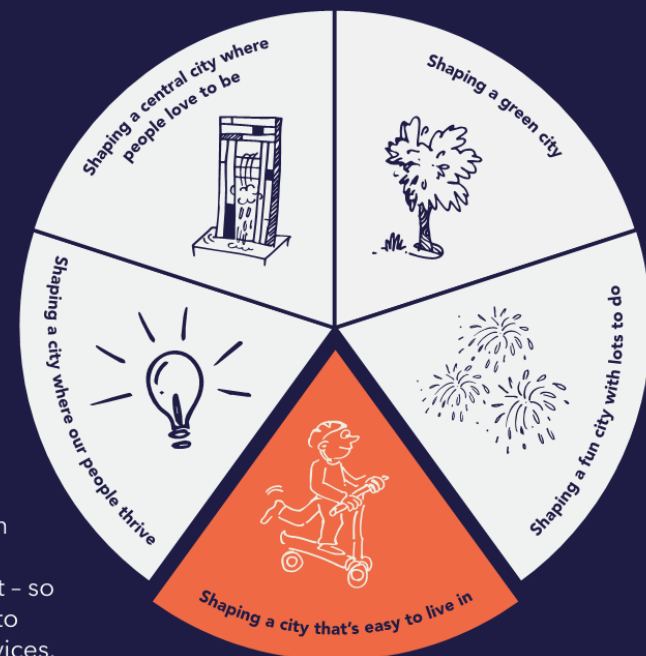
People in our city want to live in lively, safe communities with shared identities and public facilities such as libraries, playgrounds, and community hubs accessible to everyone. And we're focusing on delivering the amenities and services that build strong communities, both in our existing neighbourhoods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



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.

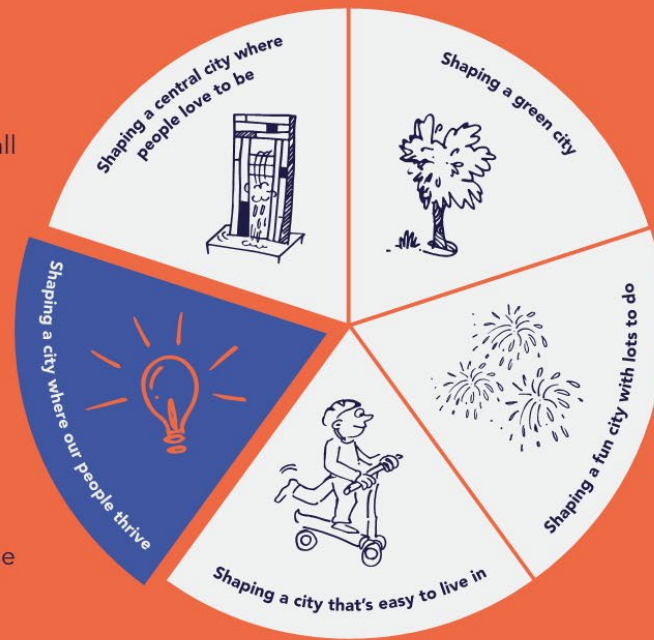
Increasingly, our city is a place where people and businesses want to come, stay, and grow. Our attractive lifestyle, based upon a vibrant city that's easy to live in, means more and more people want to be here.

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

that call our city home, adds valuable diversity to Hamilton Kirikiriroa which brings opportunities and benefits for all our residents.

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.



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 taonga (treasure) it is.

Our restaurants, bars and entertainment offer choices that draw people from outside of Hamilton Kirikiriroa who know that a visit to our central city is a trip well worth making.

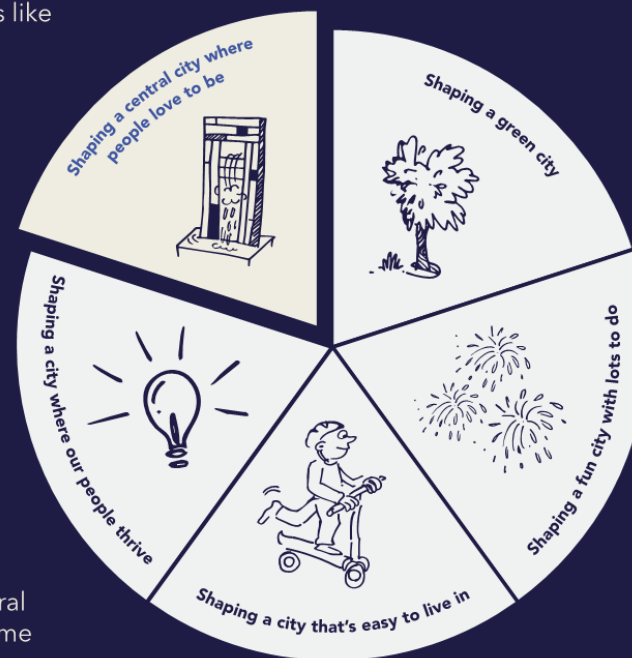
Our central city should support a thriving visual arts and performance scene that brings the area around the new Waikato Regional Theatre alive, further linking our city to the stunning Waikato River.

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 continue to choose to base themselves in our central city which remains affordable and accessible, serviced by everything needed to live a full Hamilton Kirikiriroa life.

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



A fun city with lots to do

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.

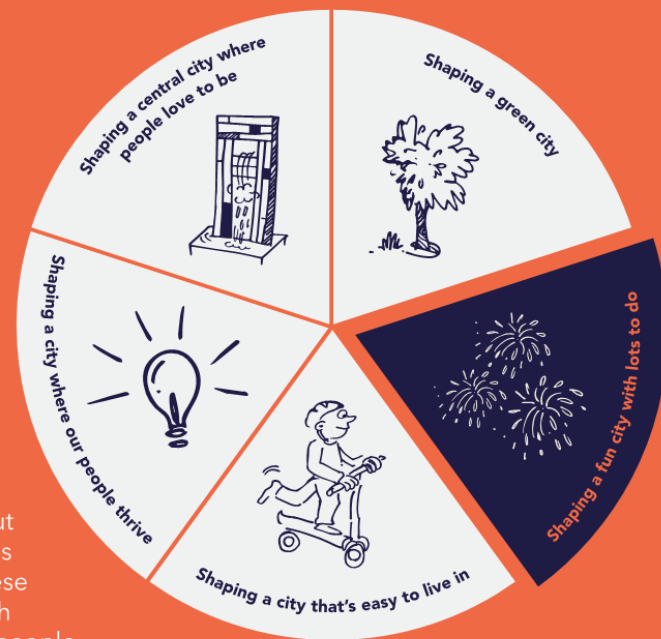
We want to build on our growing reputation for hosting outstanding events; events that bring economic benefit, that Hamiltonians love, and that bring people from all over New Zealand to our city.

Small events also have a role in the life of our city. We're keen to support more arts and cultural events, and to 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. These all add to the sense of community we all value about Hamilton Kirikiriroa.

We have already invested in world-class stadia and event facilities like Claudelands Events Centre, FMG Stadium Waikato and Seddon Park. Importantly we are also home to key visitor destinations such as Hamilton Zoo and Waiwhakareke Natural Heritage Park at Te Kaaroro Nature Precinct, Hamilton Gardens, and Waikato Museum Te Whare Taonga o Waikato.

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.



A green city

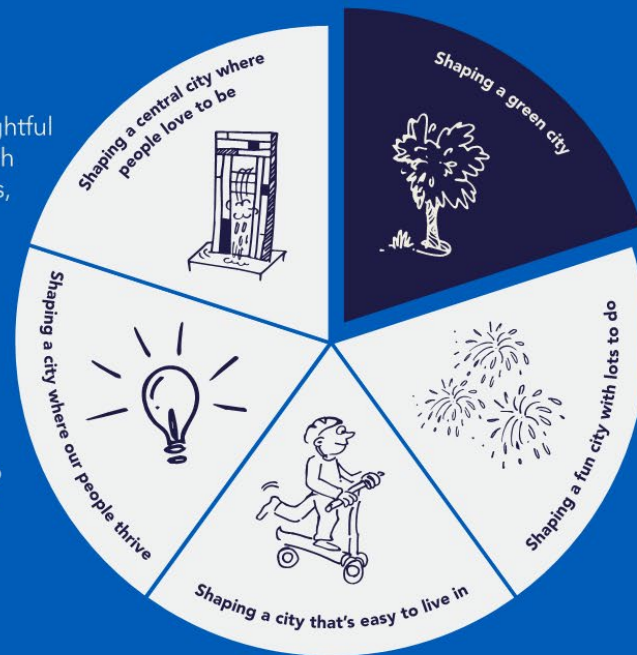
He taaone tiaki taiao

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.



Our community outcome measures

A city that's easy to live in

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

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of residents who think Hamilton is a great place to live.	At least 79%	No result*	75%	77%
The percentage of residents who are proud of how Hamilton looks and feels.	At least 60%	No result*	34%	53%

What's behind the results

* These measures are informed by data obtained from the annual Pulse Survey undertaken by an independent research provider on Council's behalf. The Pulse Survey was last completed in June 2023. Due to overlap with timing of the two-yearly Quality of Life Survey (QoL), a survey conducted in partnership with eight councils nationwide, and the duplication of questions that inform these measures, a decision was made to rely on data from this survey and to not proceed with the annual Pulse Survey. The results of the QoL were expected to be released in September 2024 prior to adoption of the Annual Report, however the survey is now expected to be released in November 2024 after this Annual Report is published.

A city where our people thrive

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

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

Measure	2023-24 target	2023-24 result	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%	No result*	30%	33%

What's behind the results

* This measure is informed by data obtained from the annual Pulse Survey undertaken by an independent research provider on Council's behalf. The Pulse Survey was last completed in June 2023. Due to overlap with timing of the two-yearly Quality of Life Survey (QoL), a survey conducted in partnership with eight councils nationwide, and the duplication of questions that inform these measures, a decision was made to rely on data from this survey and to not proceed with the annual Pulse Survey. The results of the QoL were expected to be released in September 2024 prior to adoption of the Annual Report, however the survey is now expected to be released in November 2024 after this Annual Report is published.

A green city

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	2023-24 target	2023-24 result	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 0.004 tonnes per head of population (0.049 tonnes per head of population)	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

In 2023-24 Council's greenhouse gas emissions were 9069 tonnes of carbon dioxide equivalent (tCO₂e) and the population used was 185,300. This equates to 0.049 tCO₂e per head of population and is a decrease on 2022-23 results. We have seen reductions in emissions from almost all areas that we measure, but the rate of reduction has slowed compared to previous years due to having already addressed many of the easy-to-do projects.

Our activities

Below is where you can find information on each of the activities of Council and see how we have performed delivering these services. You can also see what priority each activity contributes to.

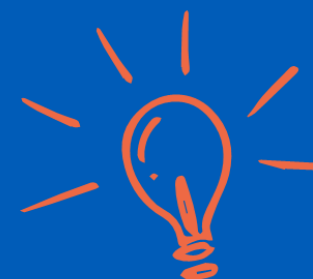
A city that's easy to live in

Activity Groups	Activities	Page
Community services	<ul style="list-style-type: none">LibrariesAquatic facilitiesCommunity development	
Transport	<ul style="list-style-type: none">Transport networkParking management	



A city where our people thrive

Activity Groups	Activities	Page
Governance	<ul style="list-style-type: none"> Governance and public affairs Partnership with Maaori 	
Growth	<ul style="list-style-type: none"> City planning Planning guidance Building control 	
Safety	<ul style="list-style-type: none"> Public safety Animal education and control Environmental health and alcohol licencing Civil Defence 	



A central city where people love to be

All our activities, whether theatres, public safety or transport, contribute to creating a central city where people love to be. This priority does not have a group of activities directly associated with the delivery of this priority.

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



A fun city with lots to do

Activity Groups	Activities	Page
Visitor destinations	<ul style="list-style-type: none"> • Hamilton Gardens • Hamilton Zoo and Waiwhakareke Natural Heritage Park • Waikato Museum • I-SITE Visitor Information Centre 	
Venues, tourism and major events	<ul style="list-style-type: none"> • Claudelands Events Centre, FMG Stadium Waikato and Seddon Park • Tourism and events funding • Theatres 	
Parks and recreation	<ul style="list-style-type: none"> • Parks • Indoor recreation • Community facilities • Cemeteries and crematorium 	



A green city

Activity Groups	Activities	Page
Water supply	<ul style="list-style-type: none"> • Water treatment and storage • Water distribution 	
Wastewater	<ul style="list-style-type: none"> • Wastewater collection • Wastewater treatment and disposal 	
Stormwater	<ul style="list-style-type: none"> • Stormwater network 	
Rubbish and recycling	<ul style="list-style-type: none"> • Refuse collection • Landfill site management • Waste minimisation 	



A city that's easy to live in

He taaone e ngaawari noa iho ana te noho

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.

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 2023-24

Te Kete Aronui, the new Rototuna Library and Community Hub, was officially opened on the 21 July 2023 with much public interest in the facility and the adjacent play space, which includes a skate park. These facilities are located next to Korikori sports fields and The Peak Indoor Recreation Sports Centre. Combining library and customer services with technology,

community and meeting spaces, Te Kete Aronui has now welcomed over 360,000 visitors, maintaining a steady 40% of all visits to libraries in the current financial year.

Te Ohomauri o Kirikiriroa Hamilton City Libraries Strategy 2023-2033 was adopted in August 2023. The strategy focuses on accessibility and inclusivity, providing exciting and welcoming spaces, and more inclusion of Te Reo Māori and culture. The strategy also prioritises the delivery of core library outcomes related to literacy and learning, and digital inclusion. Delivery of the Strategy is underway, with a focus on connections with community groups, providers, and organisations to deliver more community-based and community-led programming.

St Andrews and Glenview Libraries both successfully launched their Poipoi Mahara/ Memory Care collections in March to support those in the community living with Dementia and their care partners. Both

libraries achieved national accreditation with Alzheimer's NZ as "working to be Dementia Friendly".

Library staff have participated in three Poukai Day events held at local marae to promote library services and establish relationships with local mana whenua.

Other notable projects include; a pilot project with Whitiara School with students learning about STEAM technologies in the Auaha makerspace, AnyQuestions student research services and raranga projects, Zinefest, Matariki celebrations, and outreach to schools and eldercare facilities.

The Heritage Collections Online website team reached the milestone of 32,000 records made publicly available comprising a range of items from historic photographs to community and Council archives and ephemera (non-permanent collectibles such as newspapers, magazines, and posters).

Service performance measures

You can expect Our libraries provide quality customer experiences.

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of library customers surveyed who are satisfied with their overall experience.	At least 85%	92%	93%	93%

What's behind the results

A total of 4006 customer responses were captured. The feedback from customers was consistent throughout the year, noting staff excellence (experienced, helpful, and friendly), quality of the book selection, and ability to find what they were looking for. Customers also commented on the ease of checkout process and quality of programmes, such as Story Time.

You can expect Our libraries are well used.

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The number of physical and online issues by Hamilton City Libraries each year.	2% increase on previous years	1,288,041 (8.5% 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 City Libraries each year.	2% increase on previous years	1,842,334 39% increase on previous year	1,324,426 22% increase on previous year	1,084,414 8.5% decrease on previous year

What's behind the results

Total issues this year is 1,288,041 (up 8% overall on the previous year). This is comprised of 1,094,502 physical issues (up 6% on previous year) and 193,539 e-issues (up 22.9% on previous year).

The total number of visits comprises 928,552 physical visits (up 69.35% on previous year) and 913,782 virtual visits (up 17.74% on previous year). Hamilton City Libraries seventh library, Te Kete Aronui opened in late July 2023 and has fast become a popular visitor destination. Te Kete Aronui accounts for a large proportion of the visitation numbers with 365,102 physical visits. As with previous years, the remaining six libraries have also achieved an increase in visitor numbers with a combined 11.5% visitation increase on the prior year. Libraries have also fully relaunched community outreach and programmes which have been popular. This all comes after several years impacted by Covid restrictions and subsequent community hesitancy to be in public spaces which meant numbers were low during this time.

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. We also support four partner pools across Hamilton.

Highlights of 2023-24

School swimming sports season started in week one of term 1, and the Water Safety programme was delivered to 11 schools. Schools can access swimming education programmes in partnership with Swimming Waikato attending either Waterworld or Gallagher Aquatic Centre at their own cost or for free (with the cost funded by Swimming Waikato). The Water Safety NZ funded Manu with Mana water safety campaign promoted key water safety messages to rangatahi including 'suss the water first' and 'swim with the bros'. This reached approximately 350,000 people and there were 85,000 engagements.

This summer there was a noticeable increase in families setting up marquees and enjoying the warm weather and the refurbished outdoor lido pool compared with 2022-2023. The introduction of a Community Services Card rate has been well received with around 3000 people utilising this offer over the summer period. In addition, The Fitness and Wellbeing team launched their first ever all-inclusive access membership offering, which has resulted in a growth of new members. The membership provides access to all pools, gym, fitness classes, and Gallagher Aquatic Centre.

By carefully managing resourcing, there was a smooth transition to increased summer offerings and a total 44% visitor increase across all facilities for the season. The quieter period for aqua education in term 3 was utilised to upskill staff on the newly introduced Water Skills for Life curriculum. The programme was showcased to Sport New Zealand during a visit from their board, Sport Waikato, and Swimming Waikato staff.

Continual investment in Waterworld ensures plant and pools are of a good standard for their age. Waterworld closed to customers for three weeks in July to renew the boilers (converting from gas to electric), replace aged switchboards, and renew the entrance and changing room flooring to a non-slip

surface. In November the re-furbished outdoor lido pool opened for the summer season with renewal work including new pipe work, new filter, new pool concourse, and refreshed landscaping, delivering improved water quality and customer environment in time for summer. The refresh has proven popular with a higher number of swimmers opting to take a cool dip in the outdoor pool over the holiday.

We successfully delivered an increase in regional and national events, the highlight being Waterworld hosting the Z Manu championships. The event involved 500 competitors and attracted 1200-1500 attendees, including a number of members of the community who may not have attended our aquatic facilities in the past. Waterworld has been announced as the venue for the NZ Secondary School Swimming Championships for the next three years (2025-2027). Securing this event is significant for Waterworld and our city, with around 300 swimmers and their families set to converge on the city for the event.

Service performance measures:**You can expect** Our aquatic facilities provide quality customer experiences.**KEY:** **Achieved** | **Not achieved**

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience.	At least 85%	84%	79%	84%

What's behind the results

A total of 465 customer responses were captured. Customer satisfaction has steadily increased over the year, however, the target has been narrowly missed by 1%.

Comments from satisfied customers acknowledged the friendliness and helpfulness of staff, quality of group fitness classes and gym facilities. Many customers also noted how well maintained the pools were. Dissatisfied customer comments were largely around not being able to get into high demand classes, and facilities that were non-functional (sauna and steam room, which are scheduled for renewal in year 2 of the 2024-2034 Long-Term Plan).

You can expect Our aquatic facilities are well used.**KEY:** **Achieved** | **Not achieved**

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The number of visits to Council owned aquatic facilities each year.	At least 500,000 visits each year	431,935	376,587	229,385

What's behind the results

Visitation was up by 15% on 2022-23 due to a successful summer season. Events, such as the Manu Competition, which were well attended, the return to normal opening hours, and promotion to the city's southwest community saw a 131% increase in visitation at Gallagher Aquatic Centre. In addition to the 431,935 visitors to the Council owned aquatic facilities, there were an additional 31,317 visits over the summer season to Council funded partner pools. The closure of Waterworld in July for maintenance significantly impacted the ability to meet this target.

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 2023-24

Working alongside our Geographic Information System (GIS) services, our Community Advisors have developed Kai Map which is to be rolled out across the city in September 2024. The website identifies various free food sources, like community fruit trees, Paataka kai, free stores, and our inner-city social supermarket. Kai map has been supported by our community houses, food banks and other community groups involved in enabling kai accessibility across the city.

Through various partnerships, a new community garden has been started at Whitiara School. This is aimed toward whaanau living in emergency housing who are unable to grow their own kai. It also allows students to be involved in producing kai and developing skills and understanding in this area.

With the support of Sport Waikato funding, our staff worked with Te Whanau Putahi to set up and launch a play trailer aimed at activating play for our emergency housing whaanau. The trailer is equipped with play equipment like giant lego and games and includes a BBQ to be able to offer kai and involve more than just children. The play trailer had been tested at several events prior to Christmas and was activated on a weekly basis in February/March 2024, attracting between 50-100 people each time.

After several years of not having face-to-face funding expos, an expo was held in November 2023. Approximately 500 people, representing a range of groups, attended showing a high interest in our community for accessing funding. This demonstrated the value of expos in helping groups to better understand how they can successfully apply for funding.

Work was completed with Te Haa o te Whenua o Kirikiriroa (THaWK) and Immigration New Zealand to secure an offer of funding in support of the Welcoming Communities Plan. This agreement has been confirmed and Council is working with mana whenua to support the delivery of the outcomes of the funding.

There were large-scale network meetings which provided an opportunity to discuss the proposed long-term plan and ensure community voices were heard. These hui included the City Wide Network Meeting, Disability Forum and Welcoming Communities Forum. Each had over 50 people in attendance and facilitated discussions around key areas of concern to these sectors.

HTWN, a monthly hui for people working and leading in the youth sector, was relaunched this year. There was good support for this hui and we took the opportunity to introduce the community youth sector to our new Community Advisor (Youth). There is a desire from this group to maximise networking opportunities and to collaborate on projects. The March 2024 hui was held at Te Kete Aronui, which provided the opportunity to showcase the services on offer at this facility.

Service performance measures

You can expect We work alongside others to support a strong and connected community.		KEY: Achieved Not achieved		
Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The value of services leveraged for every \$1 of community grant funding provided.	At least \$3 worth of services leveraged for every \$1 provided	\$21.00	\$20.90	\$21.09
The percentage of community stakeholders surveyed who are satisfied with community and social development outcomes.	At least 80%	86%	60%	79%

What's behind the results

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

The Community Grants Policy funding programme has allocated \$1,750,000 of Council funds in 2023-24 to deliver \$37,297,770 of community projects through the following grants:

- The Community Event Fund has allocated \$90,000 towards \$634,953 of event costs across 19 projects.
- The Creative Partnership Fund has allocated \$150,000 towards \$688,200 of costs across three projects.
- The Multi-Year Community Grant has allocated \$1,098,000 to 28 groups with a combined project cost of \$22,350,511.
- Community Initiatives Grant has allocated \$297,900 to 68 groups towards total project costs of \$13,402,127.
- Welcoming Communities Fund has allocated \$75,000 to 18 groups with project costs of \$221,979.
- Enviro schools has been allocated \$39,100 for their school programming.

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 was conducted in March 2024 and received a total of 24 responses from 21 different groups and organisations. The result for 2023-24 was 86%, which is a significant improvement on the 2022-23 result of 60%. This year we have prioritised an increased focus on creating diversity in our partnerships, as well as building better connections between stakeholders and Council, and the work we are doing. We have also made improvements to our communication channels and worked to focus our support

What's behind the results ...ctnd.

and services on alignment with the individual needs of our stakeholders. This has resulted in a positive increase in stakeholder satisfaction with our community and social development outcomes.

Across each of the community and social development outcomes, respondents were generally satisfied with Council's progress. Satisfaction was greatest for community capacity with 100%, which acknowledges the work Community Advisors are doing in this space. The average satisfaction rate across the four outcome areas has been used to establish overall satisfaction with community and social development outcomes. From these results, we conclude our partners are increasingly satisfied with how we are performing to our outcomes.

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 to live 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	Public aquatic facilities and libraries boost local economies through job creation and attracting people to live and work in the city. These facilities provide affordable recreation and educational resources, reducing costs for families and enhancing quality of life and supporting long-term economic growth.
Environmental We love and protect our environment	Libraries can serve as educational hubs on environmental sustainability and climate science. Public facilities play a role in community engagement, distributing information during climate-related emergencies, fostering community resilience, and promoting environmental awareness. Aquatic facilities are likely to provide an increasingly important role during heatwaves, providing a safe environment for people to cool down, reducing the risk of heat-related illnesses. These facilities, particularly our aquatic facilities, can affect the environment through water and energy use, and waste production so it is critical that we effectively manage our operations to minimise waste, recycle, and conserve water and energy.
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 to express themselves culturally.

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Community Services		\$000	\$000	\$000
Aquatic Facilities				
CE10001 - Aquatic facilities building renewals	R	1,680	2,219	(539)
CE21005 - Aquatic facilities renewals	R	2,108	1,265	843
CE21046 - Aquatic facilities development	LOS	0	180	(180)
Aquatic Facilities Total		3,788	3,665	124
Libraries				
CE10005 - Libraries collection purchases	R	1,111	1,264	(153)
CE10006 - Library operational renewals	R	398	517	(119)
CE10007 - Library building renewals	R	1,844	1,113	730
CE19017 - Rototuna community facilities	G	4,558	2,727	1,831
Libraries Total		7,910	5,621	2,289
Total		11,699	9,286	2,413

Variances:

- CE19017 - Rototuna community facilities - \$760k of the annual plan budget was brought forward into 2022-23 for the village and library hub project. \$846k was brought forward into 2022-23 for Open Spaces projects that were delivered faster than expected. \$150k was deferred to 2024-25 at the 7 May 2024 Finance and Monitoring Committee. The projects were largely completed in 2023-24 with some works required in 2024-25.

Community Services funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	20,828	21,039	22,323	22,540
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	2	575	2	2,193
Fees and charges	3,720	3,642	3,949	3,993
Local authorities fuel tax, fines, infringement fees and other receipts	137	675	142	875
Internal charges and overheads recovered	-	-	-	-
Total operating funding	24,687	25,931	26,416	29,601
Application of operating funding				
Payments to staff and suppliers	20,791	22,674	21,613	23,736
Finance costs	597	1,338	712	1,907
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	21,388	24,012	22,325	25,643
Surplus/(deficit) of operating funding	3,299	1,919	4,091	3,958
Sources of capital funding				
Subsidies and grants for capital expenditure	30	9	31	55
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	7,635	8,144	7,037	4,646
Gross proceeds from sale of assets	-	123	-	22
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	7,665	8,276	7,068	4,723
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,563	12,221	-	2,727
- to improve the level of service	2,094	1,804	4,633	352
- to replace existing assets	3,453	3,709	2,984	6,817
Increase/(decrease) in reserves	2,769	(10,619)	3,467	(609)
Increase/(decrease) in investments	85	3,080	75	(606)
Total applications of capital funding	10,964	10,195	11,159	8,681
Surplus/(deficit) of capital funding	(3,299)	(1,919)	(4,091)	(3,958)
Funding balance	-	-	-	-

2023-24 ANNUAL REPORT

63

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.



Waikato riverpath

Delivering on our Long-Term Plan

Transport network

Our transport network integrates different modes of transport including freight, rail, private vehicles, buses, biking, micromobility (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 Council. Central government, through NZ Transport Agency Waka Kotahi, partners with us in operating the state highways running through Hamilton Kirikiriroa, as well as coinvesting 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. 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 2023-24

Working closely with Downer via the Connect Hamilton contract, we delivered the maintenance and renewal activities for the transport assets. This included:

- 767 potholes repaired
- 6392km of roads swept
- 1,695,000kg litter collected
- 100% of our network checked for faults
- 5707 customer service requests received and responded to
- 3846 corridor access request applications processed
- 21,743m² of footpath renewals and 5959m² repaired
- 2778m of kerb and channel renewals

- 255,531m² of surfacing renewals
- 9285m² of pavement renewals
- 13,000 catchpits cleaned
- 42 traffic signals replaced due to crash damage
- 1722 signs replaced
- 2 retaining walls replaced.

Council increased the number of long-stay car parks throughout the city, which supports Access Hamilton - Council's strategy for a future-ready transport system. The all-day \$6 flat-rate, Monday to Friday parks were implemented in areas throughout the central city and periphery, with associated education campaigns and enforcement. Parking management in the central city was upgraded through replacement of coin-operated parking meters with electronic parking meters in Hamilton's city centre which complements the choice for parkers to make payment with the PayMyPark app.

We worked alongside nine schools who signed up for the pilot school travel plan programme. Associated schools took part in filming active travel videos that highlight school road patrols, walking school buses, park 'n stride initiatives and being active when travelling to and from school. These videos will be used in future school travel

and safety campaigns. This assisted with the successful implementation of 30km/h speed limits for all schools within the city, which began for the start of Term 2 in 2024. This work supports the work undertaken by the School Travel Planning team encouraging students to walk, scoot or cycle to school.

Multiple collaborative and organised events focusing on alternative transportation options, such as safe cycling and pedestrian safety, were held throughout the year. The Kids on Bike programme was delivered and additional programmes such as road safety training, e-bikes training, and cycle training were provided to participating schools.

The Right Track programme had four programmes and 48 graduates during the year. The programme is delivered in conjunction with Waikato District Council, Waipā District Council, NZ Police, Courts, St John Ambulance, Waikato DHB, and Department of Corrections. This programme is designed to assist people with making better choices on the road and in life.

Climate Emergency Relief Fund (CERF) Travel Choices funding (via the NZ Transport Agency Waka Kotahi) saw 12 projects completed throughout the city that were 90% funded. These projects

covered a range of biking, walking, and public transport improvements and included connected, separated, safe biking routes, bike and scooter parking in key destinations, better public transport infrastructure, and wide, high-quality footpaths between key destinations.

There were upgrades of Borman Road to urban standards for the section between Horsham Downs Road and Barrington Drive, which was completed during the year and is a key component of finishing the arterial road network in the Rototuna area. This work was completed as part of the bigger project that continues into the 2024-25 financial year which will see the construction of the missing link for Borman Road (between Horsham Downs Road and Kimbrae Drive) along with an intersection upgrade for Borman Road/Horsham Downs Road with the installation of traffic signals.

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	2023-24 target	2023-24 result	2022-23 result	2021-22 result
Travel times are predictable during peak hours.	A variation of no more than 25%	12%	15%*	16%

What's behind the results

This measure demonstrates the predictability of travel times for all vehicles on our transport network during weekday peak hours of 7:45am-8:45am and 4:30pm-5:30pm.

We monitor these travel times utilising data sourced from sensors located throughout the city. We allow for fluctuations in travel times within an acceptable range of up to 25%, for 95% of journey travel times. 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).

A total of 96% of our city's travel times fell within a variation range of 10%, which is well within the target of no more than 25% variation for 95% of travel times.

**An error has been identified in the calculation of the result reported in 2022-23. Some State Highway roads outside of the city boundary were inadvertently included in the dataset used to calculate the result, but should have been excluded. The 2022-23 result was reported as 14%, but has been corrected to 15% following identification of this error. The amended result is still well within target of a variation of no more than 25%.*

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	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The increase in active mode* trips on Hamilton's network.	Increase of at least 3% on prior year	No Result**	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.

** Active modes are forms of transport that involve physical exercise such as walking, cycling and micro-mobility.*

*** We are currently unable to report on active mode trips due to an identified data integrity issue with the older counters installed on the network. An investigation has determined there was faulty counters resulting in inconsistent data collection for the use of the network. This has affected the ability to accurately report results for this measure. A new methodology will be in place from 2024-25 which will more accurately measure the trend in active mode numbers and provide more transparency into how the measure is calculated. This change in methodology also includes changing to a new service provider for this data. Over the next 12-months we will be installing automated digital counters that will be trialled alongside the tube counters to ensure that this new system is fit-for-purpose. One of the downfalls of the tube counts is that it doesn't count heavy vehicles very well, however the new system will give us more robust information on heavy vehicle data and help to inform decisions on what type of pavement to use where these vehicles generally travel.*

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

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

Measure	2023-24 target	2023-24 result	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	Increase of 12 (50) fatal or serious injury crashes from 2022-23	Decrease of 13 (38) fatal or serious injury crashes from 2021-22*	Increase of 5 (51) fatal or serious injury crashes from 2020-21

What's behind the results

Council is working towards a safer transport network with a vision for a decreasing trend of fatal and serious injuries on Hamilton roads. We aim to achieve this by delivering physical works projects and education programmes that are targeted to improve the safety of all road users to reduce these crashes, noting that user behaviours are also a contributing factor.

This measure indicates the impact of safety improvements on reducing death and serious harm on our city's roads. Data is collected from the Crash Analysis System (CAS) managed by NZ Transport Agency Waka Kotahi from data entered by NZ Police. This data is live and being continuously updated when investigations and audits are completed. The interim total of fatal and serious injury crashes on Hamilton's local road network for 2023-24 is 50, with 4 fatal and 46 serious injury crashes (including crashes at intersections with state highways where NZTA is the controlling authority). This is an increase of twelve total crashes on the result for 2022-23, which had 38 crashes, with all but one occurring on local roads. This, however, is not significantly different when compared to the 2021-22 result (51 total crashes) and 2020-21 result (46 total crashes).

No specific changes in the network have been identified as having an impact on the increase of fatal and serious injuries for this year. Data indicates that there was a decrease in the age of drivers most commonly involved in crashes (in 2022-23 drivers aged between 30 and 40 were most common, but in 2023-24 the most common age was between 17 and 25) and an increase in injuries being sustained by passengers in the 18-23 year age group. More crashes have occurred during the hours of darkness (from 8pm to 4am).

⁺ Measure required by the Department of Internal Affairs.

^{*} The result for 2022-23 was incorrectly reported as a decrease of 13 (39) fatal or serious injury crashes from 2021-22. This included a crash on a State Highway (where NZTA is the controlling authority) that does not contribute to the result for this measure. The result has been corrected.

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

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

Measure	2023-24 target	2023-24 result	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% smooth travel exposure	82%	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 86%, and for our urban roads, we achieved 82%, with a total of 82% overall STE for 2023-2024. This result is above the annual target of 80%.

To ensure we continue to meet our target staff through Council's maintenance and renewal contract will continue to undertake regular road maintenance and deliver a renewals programme that meets network need.

⁺ Measure required by the Department of Internal Affairs.

Measure	2023-24 target	2023-24 result	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%	3.7%	3.6%	3.8%

What's behind the results

This measure is an indicator of the level of service our roads are maintained to, ensuring that we have a network that is in good operating condition. A total of 230,421m² was resurfaced on Hamilton's carriageway this financial year, which includes of 60,390m² asphalt and 170,031m² chipseal. This resulted in achieving 3.67% of the total 'sealed local road network' being resurfaced, exceeding the target of 3.5%.

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

⁺ Measure required by the Department of Internal Affairs.

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

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

Measure	2023-24 target	2023-24 result	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 92%	97%	97%	97%

What's behind the results

We have over 1119 km of footpaths. It is essential the footpath network is well-maintained to ensure it is safe and accessible for pedestrians and micro-mobility users. Faults are identified and recorded against priority levels to trigger intervention/action. This financial year Connect Hamilton delivered 19,049m² of asphalt and 2,694m² of concrete footpath renewals.

The footpath maintenance team completed a total of 1042 P4 and P5 Road Assessment and Maintenance Management dispatches. This results in 97% of Hamilton Kirikiriroa footpaths meeting the level of service standard of less than five faults per 100m exceeding the annual target of 92%. Council will continue to invest on footpath maintenance and renewals to ensure a safe alternative travel choice.

+ Measure required by the Department of Internal Affairs.

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

Measure	2023-24 target	2023-24 result	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.*	At least 96%	99.6%	98.8%	98.9%

What's behind the results

We are customer focused and aim to respond to all transport related customer service requests within a timely manner. Within the financial year, Connect Hamilton received a total of 5958 service requests with 5931 responded to within five working days. This resulted in a response rate of 99.6%, exceeding our target of 96%.

The top four categories for service requests for the year were: Vegetation Clearing - 800; Signs - 784; Removal of object - 685; Sweeping - 448.

* 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	<p>Our transport network integrates different modes of transport that connect people and places safely, supporting community liveability and wellbeing by providing access to social, and health and educational opportunities.</p> <p>Network maintenance and the construction of new roads can cause disruptions such as delays to travel times, traffic congestion, affect public transportation, limit access to properties and businesses and be a disturbance to residents. It is important we carefully manage this by advising affected parties, minimising any accessibility issues, and adhering to national guidelines for traffic management practices.</p>
Economic Our economy provides opportunities to prosper	<p>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.</p>
Environmental We love and protect our environment	<p>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 fewer environmental impacts. We consider climate change adaptation and emissions reduction when planning, designing, and building transport infrastructure.</p>
Cultural Our unique and diverse culture is celebrated	<p>Our transport activity ensures that the principles of Te Tiriti o Waitangi - Partnership, Participation, Protection and Prosperity - underpin decision-making. Where opportunities exist, cultural elements are built into physical projects and iwi are consulted on our plans and outcomes.</p>

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Transport		\$000	\$000	\$000
Parking Management				
CE10070 - Parking enforcement renewals	R	559	676	(116)
Parking Management total		559	676	(116)
Transport network				
CE10072 - Footpath and street furniture renewals	R	5,506	3,789	1,717
CE10074 - Drainage (kerb and channel) renewals	R	2,884	1,675	1,209
CE10075 - Road base Renewals	R	3,997	6,864	(2,867)
CE10076 - Road resurfacing	R	5,696	8,554	(2,858)
CE10077 - Bridge and structures renewals	R	127	39	88
CE10078 - Retaining wall and structures renewals	R	275	2	273
CE10080 - Street lighting renewals	R	449	725	(275)
CE10081 - Traffic equipment renewals	R	1,037	975	62
CE15087 - Transportation upgrades to allow for development	G	242	82	159
CE15088 - Peacocke transport upgrades and development stage 1	G	2,888	829	2,060
CE15089 - Peacocke transport upgrades and development stage 2	G	33,737	63,440	(29,703)
CE15090 - Rotokauri transport upgrades and development	G	718	9,605	(8,887)
CE15092 - Rototuna transport upgrades and development	G	16,815	18,167	(1,352)
CE15093 - Ruakura transport upgrades and development	G	1,550	2,957	(1,407)
CE15096 - Cross city connector	G	312	217	95
CE15097 - Northern city crossing	G	0	0	0
CE19036 - Ring Road	G	0	622	(622)
CE19037 - Hamilton transport model	G	963	468	496
CE19052 - Intersection upgrades	R	0	72	(72)
CE19055 - Upgrade city directional signage	R	550	276	274
CE19057 - Biking plan implementation	G	13,481	5,695	7,786
CE19058 - Public Transport Mode Shift	G	1,430	1,560	(130)
CE19062 - Bridge resilience programme	LOS	397	264	133
CE19064 - Transport Centre rejuvenation	LOS	773	2,373	(1,600)
CE21012 - Transport building renewals	R	0	103	(103)
CE21052 - Peacocke transportation land	G	7,145	0	7,145
CE21053 - Central city transportation improvements	LOS	980	56	924
CE21055 - Te Rapa transportation upgrades and development	G	949	8	941
CE21057 - Ferrybank walking and cycling bridge	LOS	0	0	0
CE21058 - Transportation safety improvements	LOS	17,939	10,335	7,604
CE21059 - Transportation smart improvements	LOS	300	983	(683)
CE21060 - Public transport improvement	LOS	4,601	1,055	3,546
CE23001 - CERF	LOS	31,550	10,580	20,970
CE23005 - IAF Transport	G	313	199	113
Transport network total		157,603	152,568	5,035
Total		158,163	153,243	4,920

Variances:

- CE10072 - Footpath and street furniture renewals - Part of Renewals and Compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered*. Transport renewal delivery has balanced information on observed faults, network need and available funding (subsidy) for specific transport activities and projects for financial year.
- CE10074 - Drainage (kerb and channel) renewals - Part of Renewals and Compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered*. Transport renewal delivery has balanced information on observed faults, network need and available funding (subsidy) for specific transport activities and projects for financial year.
- CE10075 - Road base Renewals - Part of Renewals and Compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered*. The road base renewals was managed as part of a 3-year rolling programme, so that staff were 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 - Part of Renewals and Compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered*. Road Resurfacing renewals was managed as part of a 3-year rolling programme, so that staff were 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 - The delivery of the Peacocke programme is being managed as a programme of works. Part of the Stage 1 transport network was split from original phasing to match with Stage 2 stormwater availability. A change in procurement approach for the final contract delayed commencement to 2024-25.
- CE15089 - Peacocke transport upgrades and development stage 2 - The delivery of the Peacocke programme is being managed as a programme of works. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress. The Peacocke programme is regularly reported to Council and all changes to budget and schedule are approved accordingly.
- CE15090 - Rotokauri transport upgrades and development - additional funds were required for the land purchases of 71 Te Kowhai Rd (Council approval 7 September 2023) and 140 Te Kowahi Rd (Council approval 30 May 2024) for the Rotokauri Arterial Designation project.
- CE15092 - Rototuna transport upgrades and development - This programme includes a number of transport projects including Rototuna Village and the Borman Road extension. The annual plan budget of \$16.8m was increased to \$20.2m as a result of a deferral from 2022-23. A deferral of \$3.2m was made at the 29 February 2024 Finance and Monitoring Committee meeting to reflect slower than expected progress on the Borman Road Project largely as a result of traffic management complexities. Better progress than expected was made with expenditure being \$463k higher than the revised budget.

**please refer to pg 33 for more information on the renewal and compliance programme.*

- CE15093 - Ruakura transport upgrades and development - \$1.289m of the annual plan budget was brought forward into 2022-23 followed by a number of authorised changes brought forward to make the approved budget \$4.279m, with expenditure at the end of the year being \$2.956m. The project was largely completed in 2023-24 with a portion of the unspent funding deferred to 2024-25 to undertake remaining landscaping works.
- CE19057 - Biking plan implementation - The variance largely relates to a change in NZ Transport Agency's approach to funding biking projects.
- CE19064 - Transport Centre rejuvenation - This project is subject to scope change resulting in physical works starting later than originally expected with budget brought forward. As a result, both timing and cost were revised by the Finance Committee 29 Feb 2024.
- CE21052 - Peacocke transportation land - All land has been secured, but compensation for two large properties is disputed. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current court progress. The programme is therefore dependent on the Land Valuation Tribunal (Environment Court timetable) which was slower than expected.
- CE21058 - Transportation safety improvements - The delivery of the Peacocke programme is being managed as a programme of works. The Bikes on Pipes project was significantly disrupted by extreme weather, resulting in slower spend than anticipated. Other upgrades were planned for when construction elsewhere was completed, so have been affected by delays to the main bridge contract. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress.
- CE21060 - Public transport improvement - The variance largely relates to a subsidy decision by NZ Transport Agency and scope reduction by Council decision-making.
- CE23001 - CERF - This programme of works was created by collating a series of projects that were identified via several different workstreams including the Biking and Micro-Mobility Business Case, the Low Cost Low Risk Walking and Cycling programme, and several in-depth public transport studies completed in collaboration with our transport partners (NZTA and Waikato Regional Council). The works that were not progressed will now be considered as part of those workstreams again in the future as funding allows. It is noted that under the current Government Policy Statement on Land Transport (GPS), the funding streams for this type of work is a lot smaller, and unless a decision is made by Council to complete works unsubsidised it is not likely that these projects will progress in the 2024-27 period. Not delivering these projects undermines a key outcome in Access Hamilton that more people will choose to travel on foot, by bike, by bus, or using micro-mobility devices such as scooters. The following projects did not proceed to implementation under the CERF funded programme of works, however may be funded in future LTP's: Lorne St and Bader Street Connections - Te Awa to Waikato Hospital, Killarney Road - SH1C Greenwood Street to Western Rail Trail, Gallagher Drive and Kahikatea Drive, Brooklyn Road cycle upgrade, Lake Domain to Western Rail Trail Level Crossing - Killarney Road, Thackeray Street bus stops, Bike parklets - Grey Street, St Andrews Shops, and Barton Street, Tristram Street - Anzac Parade to Clarence Street, Western Rail Trail to Frankton Station, Hall Street/Mill Street - between Kent Street & Victoria Street, Riverlea connections, River Road Footpath - western side from Kirikiriroa Bridge to Comries Road, Horsham Downs Road, Hyde Avenue bus stop and accessibility, Level Crossings - Claudelands East and Brooklyn Road.

Transport funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	50,305	50,773	53,909	54,440
Targeted rates	145	145	145	146
Subsidies and grants for operating purposes	8,069	8,402	8,035	14,496
Fees and charges	4,593	5,052	5,271	5,289
Local authorities fuel tax, fines, infringement fees and other receipts	3,568	9,846	3,624	13,451
Internal charges and overheads recovered	-	-	-	-
Total operating funding	66,680	74,218	70,984	87,822
Application of operating funding				
Payments to staff and suppliers	41,267	46,512	44,090	56,735
Finance costs	3,929	19,497	4,226	22,717
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	45,196	66,009	48,316	79,452
Surplus/(deficit) of operating funding	21,484	10,343	22,668	8,370
Sources of capital funding				
Subsidies and grants for capital expenditure	66,724	57,269	49,039	41,282
Development and financial contributions	11,521	10,408	12,608	8,592
Increase/(decrease) in debt	59,907	116,707	34,687	79,800
Gross proceeds from sale of assets	-	367	-	66
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	138,152	184,751	96,334	129,740
Applications of capital funding				
Capital expenditure				
- to meet additional demand	97,598	93,189	64,023	105,900
- to improve the level of service	31,653	19,709	29,706	24,147
- to replace existing assets	20,957	26,253	18,630	25,005
Increase/(decrease) in reserves	9,052	10,463	6,310	(8,485)
Increase/(decrease) in investments	376	44,145	333	(8,457)
Total applications of capital funding	159,636	192,493	119,002	138,110
Surplus/(deficit) of capital funding	(21,484)	(10,343)	(22,668)	(8,370)
Funding balance	-	-	-	-

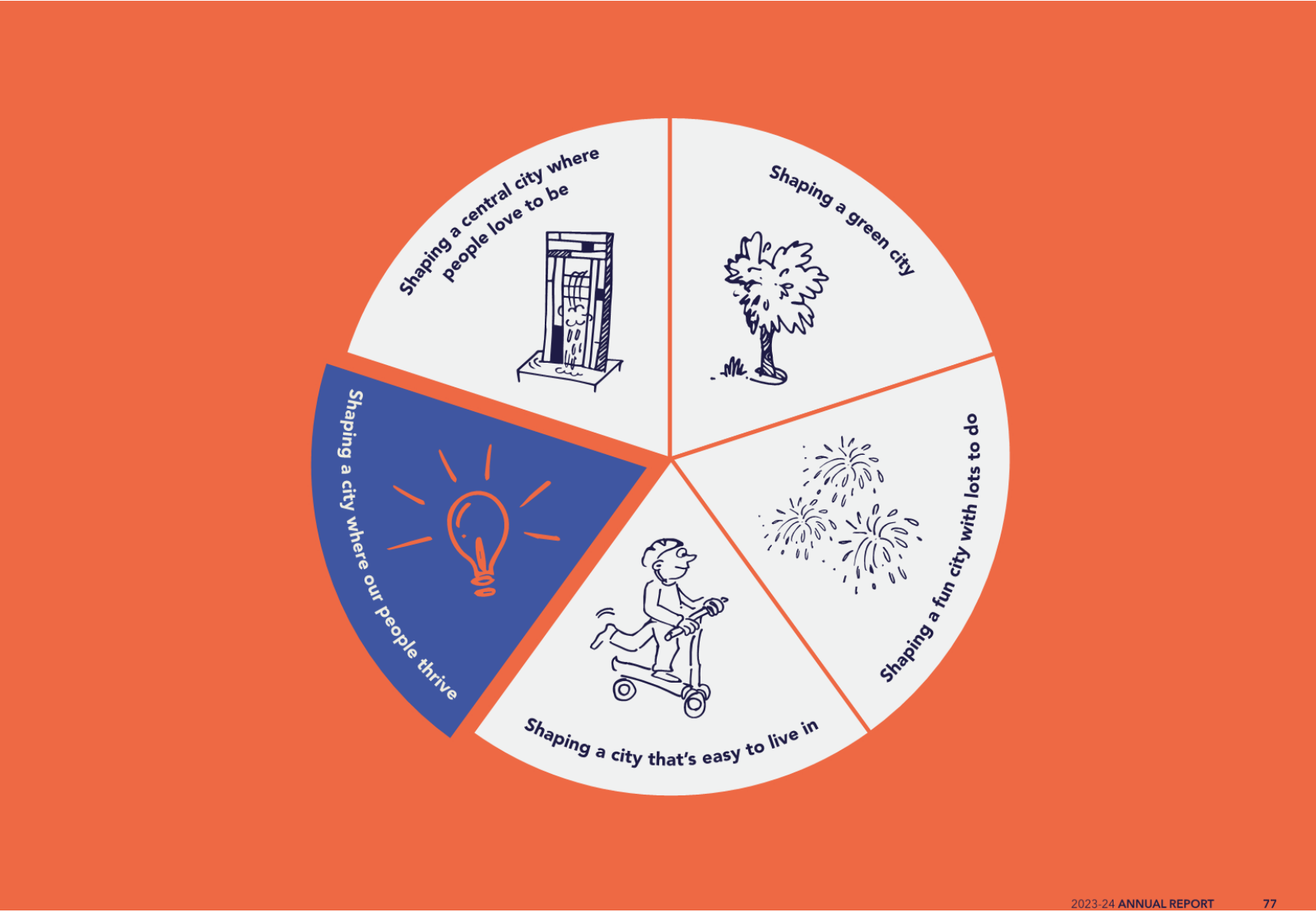
A city where our people thrive

He taaone e tipu matomato ai te tangata

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

- Governance
 - o Governance and public affairs
 - o Partnership with Maaori
- Growth
 - o City planning
 - o Planning guidance
 - o Building control
- Safety
 - o Public safety
 - o Animal education and control
 - o Environmental health and alcohol licensing
 - o 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 honouring our Te Tiriti o Waitangi/Treaty of Waitangi and legislative obligations.

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 maataawaka 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 maataawaka.

Our Amorangi Maaori team provides support and advice particularly regarding building stronger relationships with iwi and Maaori.

Highlights of 2023-24

This year we have facilitated 75 Council and Committee meetings. We have also delivered two by-elections as a result of the resignation of two councillors. Following the resignation of an East Ward Councillor in October 2023 a by-election was held with 16 candidates campaigning for the seat. 56,408 voting documents were issued for the East Ward.

A further by-election was required following the resignation of a Maaori Ward Councillor in May 2024. At the conclusion of 2023-24 nominations had closed but voting did not commence until July 2024. A total of eight candidates campaigned for the seat and 15,022 voting documents were issued to eligible voters.

We have also facilitated opportunities for our community to have their say on the decisions that shape our city. This included 15 formal consultations on a range of matters, including various playground refreshes, the Water Supply Bylaw review, Wellington Street Beach improvements, and the 2024-34 Long-Term Plan.

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	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of Hamilton Kirikiriroa voter turnout for local government elections.	Increase on previous year	Not applicable. Not an election year.	29.40%	Not applicable, not an election year

What's behind the results

The purpose of this measure is to determine the percentage of voter turnout across the city. This data will be collected in line with the local government election cycle. By-elections do not contribute towards this measure as they only capture a small section of the city's voter turnout and are not generally representative of the percentage of voters in a general election.

This measure produced no result for this year as no local body elections were held in 2023-24. The next result will not be available until 2025.

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	Governance enables residents to participate in local decision-making in a range of ways and encourages residents to have an active role in the economic development of Hamilton Kirikiriroa.
Environmental We love and protect our environment	Governance enables residents to participate in local decision-making in a range of ways and encourages residents to play an active role in environmental issues. Governance also ensures that environmental reporting is completed as required by both central government and local government policy.
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 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	3,283	3,302	3,518	3,541
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	2	-	319
Fees and charges	170	191	13	19
Local authorities fuel tax, fines, infringement fees and other receipts	27	37	28	36
Internal charges and overheads recovered	-	-	-	-
Total operating funding	3,480	3,532	3,559	3,915
Application of operating funding				
Payments to staff and suppliers	4,119	3,811	3,581	4,197
Finance costs	(5)	(4)	(8)	(8)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	4,114	3,807	3,573	4,189
Surplus/(deficit) of operating funding	(634)	(275)	(15)	(274)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	1	-	1
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	132	-	102	278
Gross proceeds from sale of assets	-	16	-	3
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	132	17	102	282
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	53	15	38	21
- to replace existing assets	78	78	65	59
Increase/(decrease) in reserves	(651)	(351)	(29)	(36)
Increase/(decrease) in investments	17	-	15	(36)
Total applications of capital funding	(502)	(258)	88	8
Surplus/(deficit) of capital funding	634	275	15	274
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 right 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 2023-24

We have supported a number of work programmes this year including the review of the Development Contributions Policy (testing growth scenarios), and Plan Changes to the District Plan (looking at intensification). We have also carried out economic analysis to support early thinking on Regional/City Deals – a priority for the new coalition Government.

We have continued to provide economic insights through a number of avenues, including quarterly and annual economic reporting, a Seven Sharp segment, LinkedIn posts and regular stories on Tech in the Tron.

We have had a number of engagements with Ministers and Members of Parliament from the new coalition Government on our city's priorities, and we have continued to engage with neighbouring councils on areas of mutual interest, including the outcomes of each council's long-term plan/enhanced annual plan. Discussions have also included potential shared services and contract arrangements.

We have initiated work with other councils to consider the Government's 'Local Waters Done Well' programme looking at a variety of potential structural options for waters delivery.

A number of Government legislative and policy changes have meant that we need to carefully look at potential implications for our city, specifically in relation to the 'Going for Housing Growth' programme. This has included the Fast-Track Approvals Bill and whether this will progress development in areas that may not have been anticipated for growth in and around the city.

Council has also been undertaking an 'Emerging Areas' process, looking at land

(primarily for industrial development) at locations around the city where private landowners have signalled their intent to develop. These processes have required

staff to engage with the development community, and across Council, to determine required infrastructure and costs, commercial terms and agreed conditions

that could be used through a fast-track consent process.

Service performance measures

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

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

Measure	2023-24 target	2023-24 result	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	5.60 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	2.7 years	3 years

What's behind the results

These measures indicate the supply levels of residential zoned land and business zoned land within Hamilton Kirikiriroa. They assess the supply of land that is considered to be infrastructure ready (there is a road connection, or water, wastewater networks nearby) in accordance with the National Policy Statement on Urban Development.

We are currently meeting our target for having at least three years capacity of residential zoned land with development infrastructure in the city. We are currently not meeting our target for at least three years capacity of business zoned land supplied with development infrastructure in the city.

Industrial consenting in Hamilton (which utilizes business zoned land) has stabilised over the last 6 months of the financial year, with there being a previous steep uptake due to the Ruakura in-land port consenting.

Industrial capacity is expected to remain limited and demand constant. Council is working with landowners who are developing a private plan change for industrial land use in Te Rapa North. Waikato Regional Airport Limited are progressing a plan change for further industrial Land (noting this is in Waipa District Council, but in close proximity to Hamilton City). A Future Proof sub-regional assessment of industrial land has been completed and a process to investigate future areas for industrial land supply is underway.

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 2023-24

Over the last three years we have seen a continual decrease in resource consent applications. There was a total of 716 resource consent applications lodged this year, a decrease on 745 applications lodged in 2022-23, and 1085 applications lodged in 2021-22. However, due to changes to the Development Contribution Policy (effective from July 2024) we saw

a sharp increase in applications lodged toward the end of the financial year. This saw the largest number of applications lodged in a single month on record with 135 applications received for June 2024. While the number of applications received has slowed, the complexity of applications remains high. This is compounded by a more complex legislative environment with the introduction of Plan Changes 9 and 12, and complexities with wastewater capacity across the city.

Service performance measures

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

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
Average processing days for non-notified land use and subdivision resource consents. ⁺	20 working days	15.9 working days	16.7 working days	16.60 working days

What's behind the results

The total number of resource consent applications (land use, subdivision, and change of conditions) lodged in 2023-24 was 716, which is a slight drop of 4% from the number of applications in 2022-23, but above forecast for 2023-24. The small decrease from 2022-23 indicates that we are approaching the bottom of the current slowdown with a steady increase forecast from February 2025. During this period 605 applications were processed with the average processing time for these applications being 15.9 working days, which is well within the statutory timeframes required by the Resource Management Act 1991 (RMA). Overall, 96% of all applications were processed within RMA statutory timeframes.

⁺ 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, inclusive. 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 2023-24

The Building Unit granted a total of 1675 building consents for the year and a further 1249 Code Compliance Certificates over the financial year.

In addition to handling the high number of building consents and Code Compliance Certificates, the team have finalised a number of continuous improvement projects in 2023-24 including onsite

minor variations, a review of our Code Compliance Certificate process, a new dashboard to increase visibility of workload across the Building Unit, implementing a new approach to how we monitor large building work and track the number of inspections undertaken.

The unit also underwent and confirmed compliance with the biennial Building Consent Authority Accreditation audit.

Service performance measures

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

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
Average processing days for building consents.*	18 working days	16.5 working days	17.8 working days	18.33 working days
Average processing days for Code Compliance Certificates.*	18 working days	15.4 working days	12.6 working days	13.3 working days

What's behind the results

A total of 1675 Building Consents were granted for 2023-24, compared with 1861 consents granted in 2022-23. While the number of consents has decreased from the previous year, this has been mostly in the residential space and reflective of the economic environment.

There were 1249 Code Compliance Certificates granted over 2023-24, compared to 1346 in 2022-23. Processing timeframes have increased slightly but this is reflective of the typology and complexity of consents requiring additional certification and documentation to review and approve. There continues to be a focus on process improvement and efficiencies in this area to avoid delays and deliver on customer expectations.

* 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	<p>A well planned and growing city allows for the provision of quality living environments, affordable housing and recreation and community facilities that make Hamilton Kirikiriroa a great place to live.</p> <p>The provision of building control contributes to ensuring that our city's buildings are safe, healthy, and durable for the community.</p>
Economic Our economy provides opportunities to prosper	<p>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 and safe, and embraces growth.</p> <p>As the fastest growing city, the rate of population growth could put strain on our city's existing infrastructure, creating demand for new infrastructure that could exceed our ability to supply. It is essential that we ensure anticipated growth is identified and planned for to allow development to occur at the right time, and in the right places, to meet demand.</p>
Environmental We love and protect our environment	<p>A well planned city protects our natural and built environments, our heritage and quality of life for our residents.</p> <p>The cumulative effects of subdivision, development and intensification can negatively impact the environment, so it is imperative that we plan the city in an integrated and strategic way to ensure the best possible outcomes for our communities and environment.</p>
Cultural Our unique and diverse culture is celebrated	<p>We plan the future of our city to ensure that our unique heritage and culture are protected and/or enhanced. This includes consideration of the impacts of growth and development on the awa and sites of cultural significance, and working in partnership with Iwi as we plan for the future.</p>

Growth funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,575	9,643	10,260	10,340
Targeted rates	2,611	2,577	2,785	2,763
Subsidies and grants for operating purposes	-	28	-	536
Fees and charges	11,034	10,844	11,360	10,466
Local authorities fuel tax, fines, infringement fees and other receipts	93	186	97	243
Internal charges and overheads recovered	-	-	-	-
Total operating funding	23,313	23,278	24,502	24,348
Application of operating funding				
Payments to staff and suppliers	19,600	19,931	18,932	19,355
Finance costs	397	249	281	349
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	19,997	20,180	19,214	19,704
Surplus/(deficit) of operating funding	3,317	3,098	5,289	4,644
Sources of capital funding				
Subsidies and grants for capital expenditure	-	4	-	3
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(1,840)	1,558	(2,484)	(3,472)
Gross proceeds from sale of assets	-	58	-	10
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(1,840)	1,620	(2,484)	(3,459)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	187	53	132	73
- to replace existing assets	293	275	247	206
Increase/(decrease) in reserves	938	3,801	2,375	453
Increase/(decrease) in investments	58	589	52	453
Total applications of capital funding	1,477	4,718	2,805	1,185
Surplus/(deficit) of capital funding	(3,317)	(3,098)	(5,289)	(4,644)
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 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, assist 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 2023-24

The City Safe Operations team have continued to deliver high quality CCTV support to police as they have detected crime and disorder events in progress.

City Safe Operations have focused on the implementation and impact of City Safety Officers by providing services from river safety patrols, to patrols at public facilities, including Hamilton Zoo, aquatics facilities, and Hamilton Gardens. We have received

positive feedback from these sites with the increased security. As part of the Central Government Better Off Funding for the financial year 2023-24, there was an increased presence of safety officers in the central city to increase public safety. Staff have been collecting data to help better understand the patterns of use of the river and surrounding environments to assist with educational campaigns and signage.

City Safe Officers joined Wise Group and other key stakeholders in the annual Peoples Project for Connections Week. This provides identification and count of homeless people or people living rough in the central city. This is an activity that City Safe have joined and supported for the past three years and provides valuable insights into the challenges faced by this sector of the community. The feedback received acknowledged the relationships, empathy, and commitment our staff have towards finding solutions to address the challenges faced by the homeless and highlighted the impact City Safe plays in supporting the community.

Tagbusters removed 17,487 tags/graffiti from our community, which is a total of 59,740 m² (the equivalent of eight rugby fields). Their efforts to remove graffiti in a timely and professional fashion are continually praised by members of the public with 89.95% of

reported graffiti being removed within two working days.

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 2023-24

Animal Control has facilitated the adoption of 142 dogs over the year which is wonderful for the dogs, their families and our community.

Animal Education & Control attended the Your Neighbourhood event and used this opportunity for a registration and microchip drive and gave out vouchers for a pro-rata registration and/or a free microchip. This was well received by the community.

The Animal Control Unit presented the awards at the Veterinary Nursing graduation at Wintec. We sponsor two prizes for students in the Animal Care course. We have a long-standing relationship with Wintec, hosting 4-6 students each year on work placements, some of which return to us as employees.

Environmental health and alcohol licencing

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

Highlights of 2023-24

The Environmental Health team completed a total of 499 food safety verifications. There were 529 total applications for contaminated land and noise emissions received and processed. Additionally, our Food Safety Officers spend time with our registered food businesses educating them on the latest changes to the Food Act to ensure that they remain compliant.

A total of 4443 requests for Noise Control have been responded to within 30 minutes, which is 96% of all requests received.

Over the full year, the Alcohol Control team have processed a total of 885 applications, issued 766 licenses, attended 14 District Licencing Committee hearings, and conducted over 2758 license premise inspections.

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 2023-24

A total of 338 Council staff are trained in Civil Defence Emergency Management (CDEM). In May 2024, 90 CDEM trained staff

participated in an exercise designed to test our abilities to mobilise and respond to a crisis event (an earthquake in this scenario). This was a great opportunity for staff to further develop their skills.

The first meeting of the CDEM Pou Aarahi training was held on 11 July 2023. Pou Aarahi being the name given to nominated iwi/ Maaori members who support the Incident Controller to ensure that interactions with, and between, iwi/Maaori networks are managed appropriately and provide advice on tikanga, kawa advice, and to identify areas of particular significance to iwi/Maaori.

We were awarded the first ever staff award for Kaimahi toa o te tau moo te Raakau Whakamarumaru (Civil Defence Practitioner of the Year). This was a fantastic and deserving award, and a great way to recognise those staff who have been deployed.

Service performance measures

You can expect A timely response to requests for dog control, graffiti, and excessive noise.			KEY: Achieved Not achieved	
Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of urgent dog control requests responded to within 60 minutes.	At least 95%	99.63%	100%	98%
What's behind the results				
We responded to a total of 269 requests within 2023-24, with only one event being outside the 60 minute timeframe. This achieves our target of 95%. Furthermore, of the 269 requests, 98% of these were responded to within 15 minutes.				

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of graffiti removed within two working days.	At least 95%	89.95%	91.89%	73.17%

What's behind the results

This year 89.95% of jobs (5561 of 6182) were completed within two working days.

The annual target of 95% was not met due to resourcing pressures within the last six months of the year.

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of complaints about excessive noise responded to within 30 minutes.	At least 95%	96.19%	95.13%	95.51%

What's behind the results

There were a total of 4619 excessive noise requests were received for the year, with 96% being responded to within 30 minutes. Where requested the complainant is informed of the outcome.

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

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

Measure	2023-24 target	2023-24 result	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%	No result***	84%**	74.27%*

What's behind the results

* 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 Pulse survey run by an external survey provider. It received more than 1700 responses from a representative sample of people from the electoral roll. The survey results were weighted to reflect the population, therefore giving a much more accurate understanding of the perception of safety from the community.

*** This measure is informed by data obtained from the annual Pulse Survey undertaken by an independent research provider on Council's behalf. The Pulse Survey was last completed in June 2023. Due to overlap with timing of the two-yearly Quality of Life Survey (QoL), a survey conducted in partnership with eight councils nationwide, and the duplication of questions that inform these measures, a decision was made to rely on data from this survey and to not proceed with the annual Pulse Survey. The results of the QoL were expected to be released in September 2024 prior to adoption of the Annual Report, however the survey is now expected to be released in November 2024 after this Annual Report is published.

Effects on the wellbeing of the community

Social We care for, and about, all our people	When our communities feel safe they are more likely to enjoy their surroundings, whether in their local community or our central city. We also support the community to be ready to respond to civil defence emergencies and enforce environmental health standards, contributing to social wellbeing and quality of life for residents.
Economic Our economy provides opportunities to prosper	Keeping our city safe has a positive economic effect by encouraging residents and visitors to our city to explore, shop and dine, helping local businesses to thrive. Removal of graffiti promotes positive public perceptions of the city.
Environmental We love and protect our environment	Safety encourages use of public spaces and supports reduction in anti-social behaviours that negatively impact on the environment. Food and alcohol licencing ensures a safe and healthy environment for customers. Our Civil defence activity helps minimise the effects of natural disasters on people, public and private property.
Cultural Our unique and diverse culture is celebrated	We protect the culture of our city by ensuring Hamilton Kirikiriroa is perceived as safe place to be, and by reducing the risks to the health and wellbeing of our residents.

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance	
Safety		\$000	\$000	\$000
Animal Education and Control				
CE21013 - Animal Control Building Renewals	R	0	25	(25)
Animal Education and Control Total		0	25	(25)
Public Safety				
CE21015 - City Safe Renewals	R	118	206	(88)
CE21016 - City Safe Upgrades	LOS	108	403	(295)
Public Safety Total		226	609	(383)
Total		226	634	(409)

Safety funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,009	5,027	5,367	5,390
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	53	74	53	3,463
Fees and charges	2,190	2,254	2,244	2,358
Local authorities fuel tax, fines, infringement fees and other receipts	71	273	72	250
Internal charges and overheads recovered	-	-	-	-
Total operating funding	7,321	7,628	7,736	11,461
Application of operating funding				
Payments to staff and suppliers	7,217	8,069	7,390	8,227
Finance costs	143	(5)	111	(12)
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	7,360	8,064	7,501	8,215
Surplus/(deficit) of operating funding	(39)	(436)	235	3,246
Sources of capital funding				
Subsidies and grants for capital expenditure	-	2	-	401
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	(422)	-	(553)	(2,297)
Gross proceeds from sale of assets	-	24	-	4
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(422)	26	(553)	(1,892)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	80	23	160	434
- to replace existing assets	231	655	191	320
Increase/(decrease) in reserves	(797)	(1,088)	(691)	301
Increase/(decrease) in investments	25	-	22	299
Total applications of capital funding	(461)	(410)	(318)	1,354
Surplus/(deficit) of capital funding	39	436	(235)	(3,246)
Funding balance	-	-	-	-

A central city where people love to be

He pokapuu taaone e ngaakautia ana e te marea

All of our activities contribute in some way toward creating a central city where people love to be.

This priority does not have a separate capital programme or funding impact statement associated with it as these are already reflected in other activities that sit under our other four priorities.

Highlights of 2023-24

Our approach to growth in the central city helps to enhance the consenting process for ambitious developments such as the Pullman Hotel, which was consented in June 2024. This new hotel is expected to open its doors in 2026, with a planned 191 rooms over 13 floors. The hotel, alongside some of the other great accommodation available, will offer additional choice and opportunity for those wishing to stay in the city centre, and will provide visitors with easy access to all of the great destinations and events in Hamilton Kirikiriroa and the wider Waikato region.

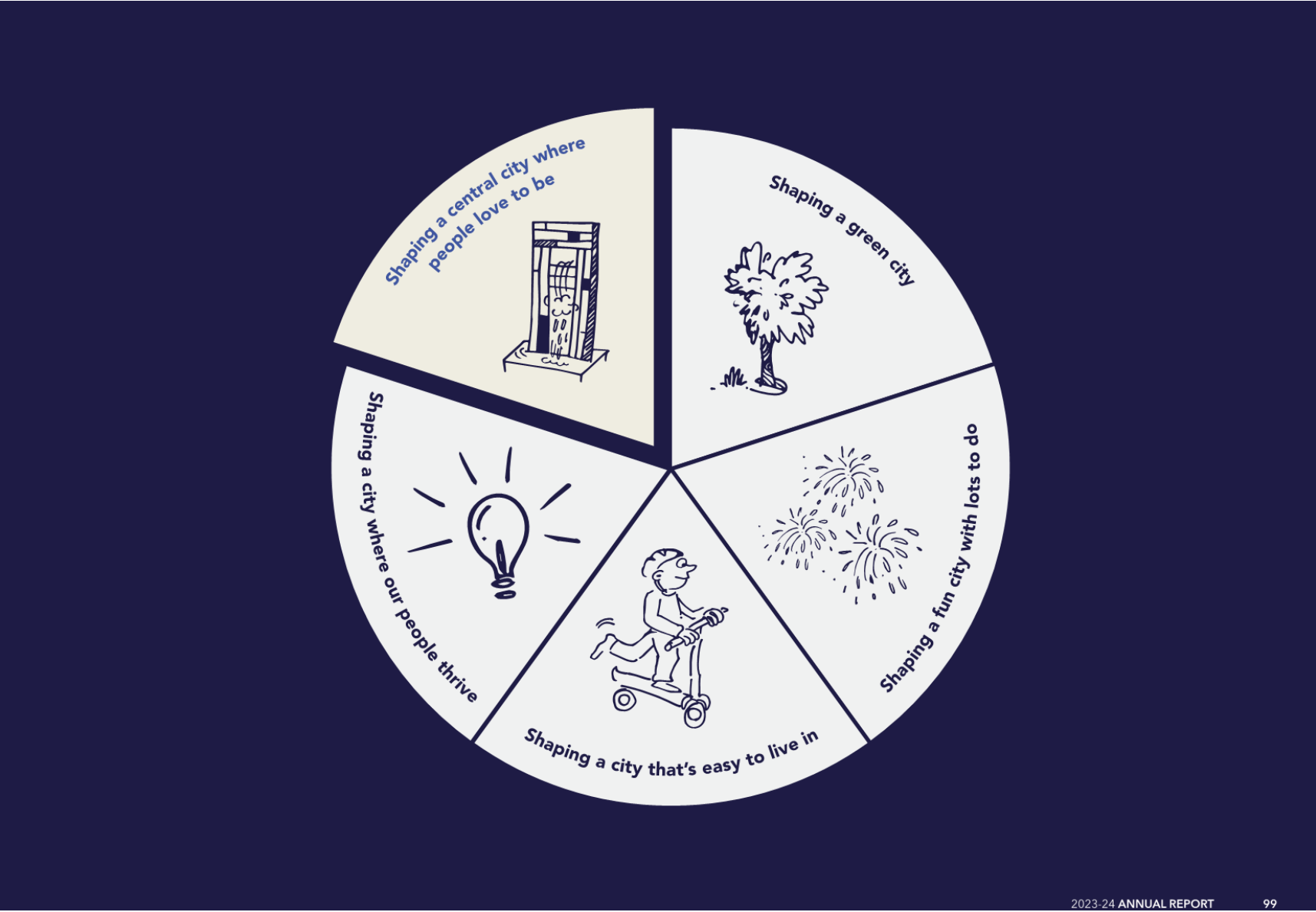
Work continues to deliver IAF Infrastructure, which will support around 4000 homes for up to 10,800 people in the central city and surrounding area by 2035.

We have invested, alongside a range of partners, to deliver the Waikato Regional Theatre – a new world-class multipurpose performing arts theatre to serve the Waikato region. Construction is well underway on the Victoria Street site, with the Waikato Regional Property Trust (the owners of the new theatre) stating that its opening is on track for 2025.

Council updated its Business Improvement District (BID) Policy in April 2024. The updated BID Policy outlines our new approach to the BID Targeted Rate, which enables Hamilton Central Business Association (HCBA) to continue their important work in supporting central city businesses.

Council has also renewed its Service Level Agreement with HCBA for the delivery of the \$100k per year Central City Activation Fund. This reaffirms Council's commitment to supporting events and activations that supports vibrancy and local businesses by bringing more people into the central city.

Council introduced a number of areas within the city centre where public can access all-day \$6 flat-rate parking, Monday to Friday. These parks were implemented to allow for parking for those working in the central city, while also allowing for parking turnover. Free short-term parking remained available for those making a trip into the central city for shopping. Paying for parking has also been updated, with new electronic parking meters in Hamilton's city centre. These parking meters allow for users to make payment for parking on their phone with the PayMyPark app.



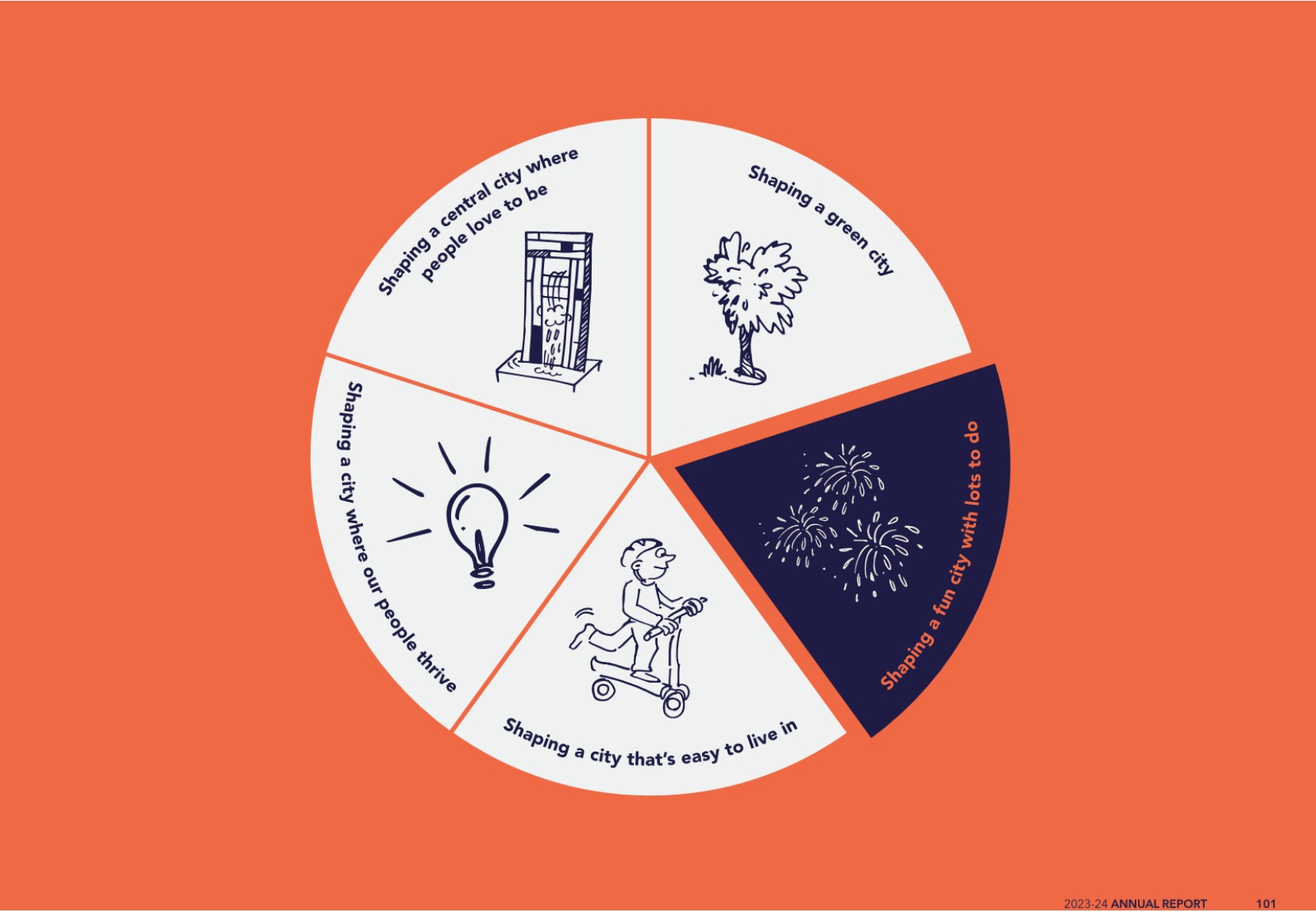
A fun city with lots to do

He taaone kua kikii ki ngaa tini kaupapa

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. 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 because they hear about the unique experiences and stories we have here.



Feeding giraffes at Hamilton Zoo

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.

Highlights of 2023-24

This was Hamilton Gardens' biggest year ever for visitor numbers, clearly demonstrating the current construction work and temporary entrance hasn't put people off visiting a favourite destination.

Strong progress has been made on the construction of the new entry precinct, visitor centre and venue hire spaces with the project on track for completion and introduction of paid entry by mid-September 2024. Extension works to the Hamilton Gardens Café were also completed this year, providing an ice cream and drinks kiosk.

From October to March, Pekapeka Night Time Discovery Walk guided tours were run in partnership with GoEco. They proved very popular, with almost all tours on offer fully booked. This is a seasonal experience and will be reintroduced in summer 2024-25.

The River Riders Bike Rental Hub opened in the Hamilton Gardens Camellia Carpark for an initial one-year trial. The depot is the centre of River Riders' Hamilton City operations, servicing the 65km Te Awa River Ride and offering e-bike hire, cycling tours and tour packages.

Hamilton Gardens was named as one of the top 1% of travel experiences in the world in 2023. Tripadvisor, the world's largest travel platform, recognised the gardens as a 2023 Travelers' Choice Best of the Best award winner, ranking globally in the top 1% of listings. The award honours travellers' favourite destinations and things to do based on reviews and

opinions collected over a 12-month period on Tripadvisor.

The Egyptian Garden also received two awards at the Waikato and Bay of Plenty Architecture Awards 2024. These accolades were presented in the categories of Public Architecture and the Resene Colour Awards.

Group travel bookings were strong from both new and existing trade partners. There was also an increase in bookings from independent travellers for both private tours and scheduled public highlight tours.

Hamilton Gardens also featured as a case study for Tiaki in Kirikiriroa, demonstrating the wonderful ways that these destinations care for people and place.

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.

Highlights of 2023-24

The year has been a transformative period for Te Kaaroro. It experienced a strong year with an increase in visitor numbers. The education programme was equally successful, with over 4200 students participating in various educational activities over the last year.

Hamilton Zoo welcomed several new animals and celebrated notable breeding successes this year. A key highlight was the arrival of Scout, a breeding male Sumatran tiger, as part of the Sumatran Tiger Species Survival Plan. Scout was paired with Kirana, contributing to the conservation efforts for his species. In January, the zoo announced the birth of twin female tiger cubs, Mayang and Andalas.

Other new arrivals included Peggy, a siamang gibbon; Sang, a red panda; and Khafre, a two-year-old male Caracal from Queensland, Australia. The zoo plans to introduce a female Caracal for breeding purposes. The birth of two cotton-top tamarins, two porcupettes, and a zebra foal added to the zoo's growing family.

Hamilton Zoo also played a crucial role in the conservation of native species. This year, 12 birds and three native long-tail bats/pekapeka received veterinary care. Foxglove, the third bat rehabilitated at the zoo, exemplified the dedication of the veterinary team to the conservation and rehabilitation of New Zealand's native species. A new educational exhibit was opened, Te Kaaroro Hut - which focuses on the impact of introduced predators like

ferrets on native species, emphasising the importance of pest management without vilifying animals.

Hamilton Zoo introduced an exciting opportunity for visitors to have exclusive animal encounters with lemurs, rhinos, and tigers. These were complemented by the introduction of budget-friendly options. Visitors can now get up close with native tuatara, friendly porcupines, and the playful inhabitants of the South American aviary - macaws and agoutis.

Additionally, free 'surprise and delight' moments were introduced, allowing visitors unexpected opportunities to interact with leopard tortoises, donkeys, and porcupines during their walks around the zoo.

Te Kaaroro also hosted Dr Jane Goodall, a world-renowned conservationist and chimpanzee expert. The Hamilton Zoo Conservation Committee were proud to become a bronze partner of the Jane Goodall Institute New Zealand, a global leader in the effort to protect chimpanzees and their habitats.

Waiwhakareke Natural Heritage Park celebrated its 20th Anniversary this year by hosting a massive Arbor Day planting event. To commemorate this milestone, 20,000 plants were planted by the community, coming together to honour the anniversary. Throughout the year, work to restore the original self-sustaining ecosystem took place, with ongoing reinstatement plantings and maintenance work on tracks and trails within the park.

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 kaitiaki (guardian) of collections that have been acquired, gifted, or loaned, including nationally significant Waikato-Tainui taonga.

One of the Museum's greatest strengths is its high-value location in the central city. Investment secured in the 2021-31 Long-Term Plan allowed for budgeted improvements to the Museum's Victoria Street entrance and foyer and remedial works to the interior of the building.

Planning works were undertaken throughout the year and physical works are to commence in July 2024.

Highlights of 2023-24

Thanks to a combination of astute exhibition programming, proactive marketing and media, and appealing public events, Waikato Museum has experienced one of its most successful years yet.

While business-as-usual carried on in public-facing areas, work was being carried out behind the scenes to prepare for delivery of the renewals programme, including replacement of the roof which began in October 2023.

The majority of exhibitions were developed by the Museum's curatorial team and produced in-house, alongside touring exhibitions from other institutions such as the Museum of New Zealand Te Papa Tongarewa, the New Zealand Portrait Gallery Te Pūkenga Whakaata, and Pātaka Art + Museum. Two blockbuster exhibitions were the cornerstones of Waikato Museum's exhibition programming for the year, Wharenuī Harikoa and Six Extinctions.

Waikato Museum's collections continue to grow through donations and acquisitions.

Waikato Museum's public programming has the dual purpose of drawing visitors (and repeat visitors) to our exhibitions and reflecting the diverse communities of Hamilton Kirikiriroa. The most significant events in our calendar are the family-friendly festivals held on Waitangi Day and Matariki.

The relaunched ground floor of Exscite continued to expand with new features added. The second phase of renovations is now complete on the upper floor and will open in July 2024.

The Museum was home to the National Contemporary Art Award for the 23rd time, receiving a record-breaking number of submissions and showcasing current art practice in Aotearoa New Zealand. It was also host for the Commonwealth Association of Museums triennial conference, in partnership with Auckland Museum Tamaki Paenga Hira.

The Museum was also proud to acknowledge two significant anniversaries with bold exhibitions of 20th century contemporary art - Decades Charted: A window into the Chartwell Collection as part of the Chartwell Trust's 50th birthday,

and Art and Wonder: Gifts from the Friends of Waikato Museum celebrating 50 years of support from the Friends of Waikato Museum.

Waikato Museum's Education programme was refined for Term 1 of 2024 to align with the new 'Aotearoa New Zealand's Histories' curriculum. Bookings have been steady from both schools, which regularly re-visit, and new contacts.

A major milestone was reached in January 2024 as Council exited the ArtsPost building completely, handing the lease over to Waikato Society of Arts. As a result of the handover, Gallery 8 was repurposed to create an inviting retail space within the Museum, to accommodate a selection of artists who previously supplied ArtsPost, and to allow for a greater range of merchandising related to our exhibitions.

The Museum maintained its Qualmark Gold status after external assessment by Tourism New Zealand.

i-SITE Visitor Information Centre

In late 2023, Council approved to lease the ArtsPost building to Waikato Society Arts, also facilitating an exit of i-SITE from the premises from January 2024.

Hamilton i-SITE ceased to formally operate from the end of March 2024. However, staff continue to offer visitor information, referrals, and assistance through our visitor centres at the Waikato Museum, Hamilton Zoo, and Hamilton Gardens.

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	2023-24 target	2023-24 result	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	905,446 visits 8% increase Te Kaaroro: 239,694 Hamilton Gardens: 538,343 Waikato Museum: 127,409**	837,348 visits* 52% increase Te Kaaroro: 212,677* Hamilton Gardens: 505,357 Waikato Museum: 119,314	549,941 visits 47.41% decrease Hamilton Zoo: 181,563 Waikato Museum: 81,947 Hamilton Gardens: 286,431

What's behind the results

Visitor numbers are captured across these destinations by a variety of means that include ticket sales at point of entry and foot counters.

Hamilton Gardens saw the busiest June on record with 32,448 unique visits to the Enclosed Gardens. This in turn contributed to their highest ever reported visitation numbers, with this year beating the previous record of 536,442 set in 2020-21 by almost 2000 visits.

Te Kaaroro also ended the year with its highest ever result, including a record-breaking number of visits to Hamilton Zoo of 194,504.

The Museum has delivered outstanding results as well. The arrival of Six Extinctions, following on from the incredibly successful Wharenuī Harikoa earlier this year, has helped achieve their highest total for visitation since 2019.

* The foot counters at Waiwhakareke Natural Heritage Park recorded extraordinarily high numbers in December 2022. This is now known to be the result of an ant's nest falsely triggering the counter, resulting in an inaccurate result being reported for Te Kaaroro in 2022-23. It is estimated that the result was inflated by approximately 35,000 visits. Results previously reported were 872,348 total visits and 247,677 Te Kaaroro visits - a 58% increase. The results shown in the table above have been corrected.

** ArtsPost is no longer counted in this result due to the handover to Waikato Society of Arts in January 2024.

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	2023-24 target	2023-24 result	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	13 new unique experiences

What's behind the results

There was a total of 13 new, unique experiences at Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park. Four experiences were introduced at the Hamilton Gardens, including a Mandarin Audio Tour, the Pekapeka Night Time Discovery Walk, extra hireable spaces at the Pavilion, and a depot for River Riders' Hamilton City operations. Three experiences were introduced at the Waikato Museum, including Wharenui Harikoa (House of Joy) exhibition, the Six Extinctions exhibition, and the Commonwealth Association of Museums Conference. The remaining six experiences were introduced at the Hamilton Zoo and Waiwhakareke Natural Heritage Park and include the introduction of animal encounters, the Te Kaaroro Hut (introduced predator exhibit), tiger cubs, the caracal, 'surprise and delight' moments with porcupines, tortoise, and donkeys, and the introduction of additional \$39 encounters.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Waikato Museum contributes manaakitanga - being a place of social equity and safety that welcomes everyone, mirroring the communities represented, ensuring Hamiltonians are proud of their city, their museum, and the stories they tell. Hamilton Gardens provides vibrant and attractive public amenity that is accessible and welcoming to all, and ensures future developments are accessible and inclusive. Te Kaaroro Nature Precinct provides opportunities for informal play, active leisure and recreation in peaceful, natural landscapes for all ages to observe and interact with the Zoo's animals.
Economic Our economy provides opportunities to prosper	Waikato Museum, Hamilton Zoo and Te Kaaroro provides destinations that attract local, national and international visitors, helping to meet revenue targets and contributing to the economic wellbeing of Hamilton.

<p>Environmental</p> <p>We love and protect our environment</p>	<p>Waikato Museum plays a key role in creating a strong and positive identity for the city and providing physical and cultural connections to the Waikato Awa through the location at the south end of the central city, collections, and the narratives told through them.</p> <p>Hamilton Gardens contribute with extensive planting of the Hamilton Gardens site in native bush, predominantly with plants indigenous to the Waikato, improving runoff water entering the river through sediment traps, wetlands, and filters. It provides a key node in the river ecological corridor and responds to climate change through the promotion of green standards and practices.</p> <p>Te Kaaroro Nature Precinct contributed the ongoing restoration of Waiwhakareke Natural Heritage Park, the flagship biodiversity project for the city. Hamilton Zoo promotes conservation and environmental education, working alongside DOC to contribute to New Zealand native species recovery programmes and the rehabilitation of injured native animals and contributes to breeding programmes that support endangered or at-risk local native species.</p>
<p>Cultural</p> <p>Our unique and diverse culture is celebrated</p>	<p>Waikato Museum provides events and exhibitions that offer opportunities for fun, enjoyment and cultural understanding; acts as kaitiaki (guardians) for nationally significant taonga; provides opportunities to celebrate tangata whenua; and partners with iwi and mana whenua for exhibitions, collections and the preservation of stories, taonga and oral histories.</p> <p>Hamilton Gardens with iwi and mana whenua ensures the Gardens' site appropriately acknowledges Maaori heritage, stories, and Te Ao Maaori values and is home to Te Parapara - New Zealand's only traditional Maaori productive garden</p> <p>Te Kaaroro Nature Precinct is restoring Waiwhakareke to be a pest-free ecosystem that represents pre-1840s and restores the mauri of this important landmark. Waiwhakareke speaks strongly to Maaori heritage and is an important cultural site for mana whenua. It also acts as Kaitiaki for New Zealand native species through the breeding recovery programme and the rehabilitation of injured native animals.</p>

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023-24	Capex Actuals 2023-24	Variance
Visitor Destinations		\$000	\$000	\$000
Hamilton Gardens				
CE10026 - Hamilton Gardens renewals	R	23	0	23
CE10028 - Hamilton Gardens building renewals	R	44	35	9
CE19023 - Hamilton Gardens development	LOS	6,195	11,382	(5,188)
Hamilton Gardens total		6,262	11,417	(5,155)
Hamilton Zoo and Waiwhakareke Natural Heritage Park				
CE10017 - Hamilton Zoo building renewals	R	1,844	1,364	480
CE21002 - Hamilton Zoo operational renewals	R	1,467	2,692	(1,225)
CE21043 - Hamilton Zoo and Waiwhakareke development	LOS	456	866	(410)
Hamilton Zoo and Waiwhakareke Natural Heritage Park total		3,767	4,921	(1,155)
Waikato Museum				
CE10008 - Museum operational renewals	R	99	112	(13)
CE10011 - Museum building renewals	R	2,358	2,822	(464)
CE19028 - Collection acquisition fund	LOS	82	30	52
CE21045 - Museum development	LOS	699	884	(185)
Waikato Museum total		3,239	3,849	(610)
Total		13,267	20,187	(\$6,920)

Variances:

- CE19023 - Hamilton Gardens development - the programme for the Visitor Arrivals Centre was initially rephased and works are nearing completion. In addition to \$3.5m from the renewals budget (Council approval 6 July 2023), the project received \$750k contribution from MBIE, and \$900k brought forward from 2024/25 building renewals budget.
- CE21002 - Hamilton Gardens development - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered. Please refer to page 33 for more information on our renewal and compliance programme.

Visitor Destinations funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	16,463	16,590	17,644	17,788
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	87	152	87	750
Fees and charges	3,883	3,671	4,976	4,129
Local authorities fuel tax, fines, infringement fees and other receipts	243	752	251	1,199
Internal charges and overheads recovered	-	-	-	-
Total operating funding	20,675	21,165	22,957	23,866
Application of operating funding				
Payments to staff and suppliers	18,246	19,392	18,247	20,336
Finance costs	577	1,036	822	1,467
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	18,823	20,428	19,069	21,803
Surplus/(deficit) of operating funding	1,852	737	3,888	2,063
Sources of capital funding				
Subsidies and grants for capital expenditure	680	585	477	974
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	13,088	6,633	11,131	11,474
Gross proceeds from sale of assets	-	155	-	36
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	13,768	7,373	11,608	12,484
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	10,916	7,944	4,603	12,946
- to replace existing assets	3,599	2,552	7,767	4,597
Increase/(decrease) in reserves	1,023	(4,895)	3,052	(1,500)
Increase/(decrease) in investments	83	2,509	74	(1,496)
Total applications of capital funding	15,620	8,110	15,497	14,547
Surplus/(deficit) of capital funding	(1,852)	(737)	(3,888)	(2,063)
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. We manage several venues offering space for live entertainment, business meetings, functions, large sports events, and other major events.



Live concert at Claudelands Event Centre

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 2023-24

It was a strong year for our venues - Claudelands, FMG Stadium Waikato and

Seddon Park. Each venue has operated at high capacity during the year, showcasing the unique versatility of all the indoor and outdoor event spaces, to host a multitude of meetings, conferences and functions, exhibitions and markets, and sporting and entertainment events. This is especially noteworthy considering the competitive event market we operate within.

GLOBOX Arena & Events Centre
Claudelands hosted a vast array of events, attracting vibrant and healthy crowds. These include:

- Ngaa Paki o Matariki Tainui Kapa Haka Kura Tuarua
- the FIFA FAN Festival™

- TAB Darts Masters
- Waikato Home and Garden Show
- the Avis Magic Netball season
- Waikato Hospice Bucket List Banquet
- Wintec Graduations
- performances by renowned comedians Heath Franklin's Chopper, Bill Bailey and Russel Howard
- sold-out L.A.B concert
- Summer Concert Tour
- Zuru Nightglow 25th birthday event.

FMG Stadium Waikato hosted the biggest sporting event to ever come to Hamilton Kirikiriroa. The stadium played host to 10 FIFA Women's World Cup 2023™ teams, hundreds of volunteers, and thousands of

football fans. It continued with a sold-out West Tigers NRL game against the One NZ Warriors, and a Pacific Championships Rugby League Men's Final, followed by more international content with a Black Ferns vs Wallaroos match and Motorcross' Freestyle Kings. Following respite over the Christmas period, the Gallagher Chiefs kicked off their epic season, including a thrilling 'Festival of Rugby', in collaboration with the Chiefs Rugby Club and Hobbiton™ Movie Set Tours. This was a double header event showcasing Chiefs Manawa against Matatū and Gallagher Chiefs versus Fijian Drua and included a halftime drone show. This event has earned a nomination as a finalist for Best Sports Event at the New Zealand Event Awards 2024.

Seddon Park began its season with Super Smash cricket, shortly followed by a sold-out BLACKCAPS v Pakistan match, more top-tier international cricket, and the BLACKCAPS hosting South Africa in four-day test series. The venue also hosted another international one-day match between the WHITE FERNS and England. To close the season, Hamiltonians also enjoyed the Sunset Cinema at Seddon Park, a three-day outdoor movie experience.

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

Tourism and events funding

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

Alongside a number of 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.

We provide funding for the promotion of Hamilton through our event sponsorship fund. The fund is designed to support the delivery of larger event opportunities that will attract a significant number of visitors to Hamilton, have high profile coverage, and provide exposure well beyond Hamilton.

The fund is designed to assist organisations in delivering events that are in line with our priority to be a fun city with lots to do, and have a focus on exposure, city profile, visitation, economic outcomes and community engagement and participation. The fund is guided by Council's Event Sponsorship Policy.

Highlights of 2023-24

In 2023-24 10 events were approved to receive funding from the Event Sponsorship Fund totalling \$429,000 (total annual budget \$429,346). The full list of recipients were:

- Cambridge to Hamilton Paddle Race 2023 (\$5,000)
- Round The Bridges 2023 (\$17,000)
- Cheer and Dance Factor 2023 (\$10,000)
- Ford NHC NZ Hockey Championships 2023 (\$10,000)
- Porritt Classic 2024 (\$6,000)
- Matariki ki Waikato 2024 (\$50,000)
- Balloons Over Waikato 2024 (\$130,000)
- NZ Marching Championships 2024 (\$13,000)
- Ngaa Paki o Matariki 2023 (\$13,000)
- Hamilton Arts Festival 2024 (\$175,000)

Theatres

We have invested, alongside a range of partners through the Momentum Waikato Community Foundation, to deliver the Waikato Regional theatre in Hamilton Kirikiriroa – a new world-class multipurpose performing arts theatre to serve the Waikato region. Work has been well underway over the course of 2023-24.

Highlights of 2023-24

Council is a major funding partner of the new Waikato Regional Theatre, with Council's full \$25 million contribution being paid to date. The Waikato Regional Property Trust, owners of the new theatre, have advised completion of the building is tracking well, with the theatre expected to open in 2025.

Demolition of the internal parts of Founders Theatre building began in late 2023, with structural demolition of the building and foundation removal through the year. In June 2024 Council's Community and Natural Environment Committee approved a budget extension to allow for additional demolition costs due to asbestos, resulting in a reduction in the redevelopment of the cleared site, to focus on pathways and restoration of the Dame Hilda Ross Memorial Fountain.

Service performance measures

You can expect We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events.

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	500,000	554,000	556,046	224,538

What's behind the results

This measure indicates the utilisation of stadia and Claudelands.

This result indicates utilisation at both ticketed and non-ticketed events. The total number of attendees for ticketed events is measured by tickets sold. The total number of attendees for non-ticketed events is based on information supplied by the event holder, or by catering numbers.

The annual target was achieved due to the strong level of event activity across these venues.

Effects on the wellbeing of the community

Social We care for, and about, all our people	Claudelands, FMG Stadium Waikato and Seddon Park 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. Our assets are well-maintained and market relevant to meet industry needs. Event funding attracts events and visitors that bring economic return to the city.
Environmental We love and protect our environment	Claudelands, FMG Stadium Waikato and Seddon Park provide sustainable solutions for clients, events and venue operations, reducing waste going to landfill. All venues are energy efficient assets through smart renewals and maintenance improvements. Efficient use of water resources are managed and we care for our green spaces. Events at our visitor destinations have the potential to cause disruption to residents and businesses in the local area. We manage this through event management plans that ensure compliance with the District Plan and Resource Consents.
Cultural Our unique and diverse culture is celebrated	Claudelands, FMG Stadium Waikato and Seddon Park provide spaces for a diverse range of events creating a vibrant city and opportunity for communities to share common interests. We support and promote arts and culture in the city through supporting and encouraging local events and the regional theatre.

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance	
Venues Tourism and Major Events				
	\$000	\$000	\$000	
Claudelands and Stadia				
CE21011 - VTME building renewals	R	739	1,233	(493)
CE21041 - VTME security and health and safety programmes	LOS	835	682	152
CE21042 - VTME operational renewals	R	3,629	2,254	1,375
Total	5,203	4,168	1,035	

Variances:

- CE21042 - VTME operational renewals - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered. Please refer to page 33 for more information on our renewal and compliance programme.

Venues, Tourism and Major Events funding impact statement

For year ended 30 June 2024	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	20,104	20,292	21,551	21,780
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	12	-	169
Fees and charges	5,630	9,881	8,408	10,892
Local authorities fuel tax, fines, infringement fees and other receipts	996	1,679	1,024	1,672
Internal charges and overheads recovered	-	-	-	-
Total operating funding	26,730	31,864	30,983	34,513
Application of operating funding				
Payments to staff and suppliers	23,091	29,380	22,851	30,340
Finance costs	1,823	1,656	1,570	2,371
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	24,914	31,036	24,421	32,711
Surplus/(deficit) of operating funding	1,816	828	6,562	1,803
Sources of capital funding				
Subsidies and grants for capital expenditure	-	239	-	26
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	2,842	9,796	(5,981)	4,802
Gross proceeds from sale of assets	-	77	-	24
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	2,842	10,112	(5,981)	4,852
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,202	211	935	1,165
- to replace existing assets	9,767	12,144	3,112	6,745
Increase/(decrease) in reserves	(6,460)	(5,121)	(3,333)	(629)
Increase/(decrease) in investments	150	3,706	(133)	(626)
Total applications of capital funding	4,658	10,940	581	6,655
Surplus/(deficit) of capital funding	(1,816)	(828)	(6,562)	(1,803)
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

Our facilities and open spaces include parks, such as community parks, natural areas, sports parks, streetscapes, and playgrounds, as well as indoor recreation and 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 our city's 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. Where and how we undertake this investment will be informed by community consultation.

Our Nature in the City Strategy has the vision "Nature thrives in Kirikiriroa/ Hamilton and nurtures us wherever we are". Our focus will be on investing in the implementation of this strategy, which will include the improved maintenance of our existing gullies. The next 10 years will also see an increased investment in the restoration of our gully systems, including improvements to paths and 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 2023- 24

The Magical Bridge Playground opened in December 2023, as New Zealand's first fully accessible playground. It was delivered in collaboration with the Magical Bridge Trust and is proving to be highly popular for its inclusivity.

Important maintenance works were undertaken including land slip remediation, tree work, repairs to damaged paths and

structures alongside the river, as well as the completion of renewal and upgrade projects.

The Bolmuir Park playground was completed in partnership with Forest Lake School, which resulted in an upgraded shared space for the community and school. Kent Street, Bremworth and Chartwell playground upgrades were completed and are now open to the public. A new playground was opened in front of Te Kete Aronui in Rototuna Village. Playgrounds renewals were also undertaken at Galloway Park, Tawa Park, Raymond Park and Newton Domain.

New accessible picnic tables have been installed in Garden Place, and renewals of park assets at Hamilton Lake, Hammond Park and Jubilee Park have all been completed. River safety public rescue equipment and signage has been installed. The flooring has also been renewed at Te Rapa Sportsdrome.

Many sports parks and outdoor facilities were renewed and upgraded to improve playing and field conditions. Sportsfield drainage projects were completed at Flagstaff and Swarbrick parks and primary drainage work was completed at Grosvenor and Flynn. Floodlighting projects have

been completed at Flynn, Ashurst, Korikori, Gower, Porritt, Enderley and Galloway Parks and lights have also been installed at the Melville Skatepark. Strengthening works was completed at St Peter's Hall, the track at Porritt Stadium has been resurfaced, and signage renewals have been completed at Yendell Park and Tills Lookout.

Council has worked with Hamilton Marist Rugby Sports Club to enable installation of Hamilton's first artificial turf on Marist Park. HMS Trust has completed the refurbishment and extension of the Waikato Settlement Centre. In partnership with the Cancer Society and Lodge Real Estate a Memory Meadow of daffodils has been created in Hinemoa Park.

The Mangaonua Gully track and planting was completed and official opening was held at the end of November 2023. Over the 2023-24 planting season 51 events were held and over 4500 hours of voluntary work resulting in more than 49,000 natives planted.

We launched the Kids in Nature initiative (sponsored by Ebbett Toyota), which along with other partnerships and initiatives, is enhancing the range and number of opportunities we are providing our communities to engage with nature

restoration. Participation in the Kids in Nature initiative spread to 16 schools, and nearly 600 students from nine schools have now taken part in modules including introduction to predators and trapping, co-sourcing, plant releasing and Tuna: a taatou taonga.

Fauna surveys were completed for fish, bats and lizards and our Ecological Inventory, with initial results confirming that 2.5% of Hamilton is covered by native-dominated vegetation.

The Nature in the City app has been successful and resulted in a 69% increase in visitor numbers to the natural areas featured in the app.

Service performance measures

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

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

Measure	2023-24 target	2023-24 result	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	80.21%	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 or open space within 500 metres walking distance by GIS spatial mapping.

We have only seen a slight decline due to factors such as the continued growth and development in the north of the city (Rototuna and Flagstaff), and increased infill across developed areas of 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 that are not included in this calculation. It is noted that Council has purchased two new parks, a community park in Rotokauri and a sports park in Peacocke which have yet to be developed for public use and therefore have not been included in this calculation.

You can expect Our parks and the facilities in them are accessible.		KEY: Achieved Not achieved		
Measure	2023-24 target	2023-24 result	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	89%	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	61%	50%	50%
What's behind the results				
Council ensure parks and facilities are accessible to all. The annual survey asks for feedback from our community in order to hear and understand their view. 312 of the 347 respondents said that they are satisfied with the way they get to our parks, rating it easy or very easy. The majority get to our parks via walking. 207 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 toilets, rubbish bins, shade, and seating. The feedback from this survey helps to inform our future work programmes.				
You can expect The city's ecosystems and biodiversity are understood, protected, and restored.		KEY: Achieved Not achieved		
Measure	2023-24 target	2023-24 result	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	Six opportunities	Six 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, care for, and restore nature. This year we have provided opportunities for volunteers have been involved in planting, releasing, weeding, education, mulching, and rubbish clean up. This has involved 3527 volunteers across 112 one-off volunteering events, which has delivered 7600 hours of volunteering. Around 7000 of these hours were delivered by 11 regular volunteer groups. Additionally, through the Kids in Nature initiative there has been engagement with 17 schools.				
* The result for 2022-23 was incorrectly reported as four opportunities. This has been corrected to six opportunities.				

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	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The number of cremations carried out at Hamilton Park Cemetery.	At least 1500	1568	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	We contribute to the economic wellbeing of the city by ensuring that the right policies and plans are in place to make Hamilton Kirikiriroa a great place to live, in turn attracting residents and businesses to our city. We work closely with stakeholders to ensure that our city is well-designed, safe, and embraces growth.
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 that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Parks and Recreation		\$000	\$000	\$000
Cemeteries and crematorium				
CE10021 - Cemetery and crematorium building renewals	R	6	281	(275)
CE21004 - Cemeteries and crematorium renewals	R	75	133	(59)
CE21007 - Cemeteries and crematorium development	G	332	6	326
Cemeteries and crematorium total		413	420	(8)
Community facilities				
CE19070 - Community facilities building renewals	R	1,655	1,186	470
Community facilities total		1,655	1,186	470
Indoor recreation				
CE21008 - Indoor recreation development	LOS	1,000	788	212
Indoor recreation total		1,000	788	212
Parks and sport parks				
CE10030 - Parks and Recreation Building Renewals	R	2,402	4,724	(2,322)
CE17004 - River Plan	LOS	5,161	249	4,912
CE19007 - Peacocke Parks Development	G	19,941	4,236	15,705
CE21001 - Nursery Renewals	R	169	337	(168)
CE21003 - Parks and Recreation Renewals	R	8,178	6,817	1,362
CE21006 - Nature In The City Gully Restoration and Development	LOS	1,744	2,068	(323)
CE21010 - Parks and Recreation Development	LOS	5,359	5,550	(190)
Parks and sport parks total		42,954	23,980	18,974
Total		46,022	26,374	19,648

Variances:

- CE10030 - Parks and Recreation Building Renewals - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered. Please refer to page 33 for more information on our renewal and compliance programme.
- CE17004 - River Plan - Budget for Embassy Park to align with private contractors timeline for project delivery of Waikato Regional Theatre.
- CE21003 - Parks and Recreation Renewals - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered. Please refer to page 33 for more information on our renewal and compliance programme.

Parks and recreation funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	26,732	26,987	28,651	28,899
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	7	83	7	2,087
Fees and charges	5,144	5,229	5,274	5,748
Local authorities fuel tax, fines, infringement fees and other receipts	488	1,480	504	1,958
Internal charges and overheads recovered	-	-	-	-
Total operating funding	32,371	33,779	34,435	38,692
Application of operating funding				
Payments to staff and suppliers	24,630	27,044	28,123	27,527
Finance costs	2,355	2,943	2,618	9,506
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	26,985	29,987	30,741	37,033
Surplus/(deficit) of operating funding	5,386	3,792	3,694	1,659
Sources of capital funding				
Subsidies and grants for capital expenditure	3,043	2,650	133	2,170
Development and financial contributions	1,168	1,747	1,651	1,657
Increase/(decrease) in debt	16,027	17,751	23,816	16,976
Gross proceeds from sale of assets	-	143	-	162
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	20,238	22,291	25,599	20,965
Applications of capital funding				
Capital expenditure				
- to meet additional demand	605	15,382	18,510	4,523
- to improve the level of service	17,429	19,928	6,099	8,836
- to replace existing assets	10,145	8,585	10,577	13,699
Increase/(decrease) in reserves	(2,744)	(24,525)	(6,062)	(2,221)
Increase/(decrease) in investments	190	6,715	169	(2,213)
Total applications of capital funding	25,624	26,085	29,293	22,624
Surplus/(deficit) of capital funding	(5,386)	(3,794)	(3,694)	(1,659)
Funding balance	-	(2)	-	-

2023-24 ANNUAL REPORT

125

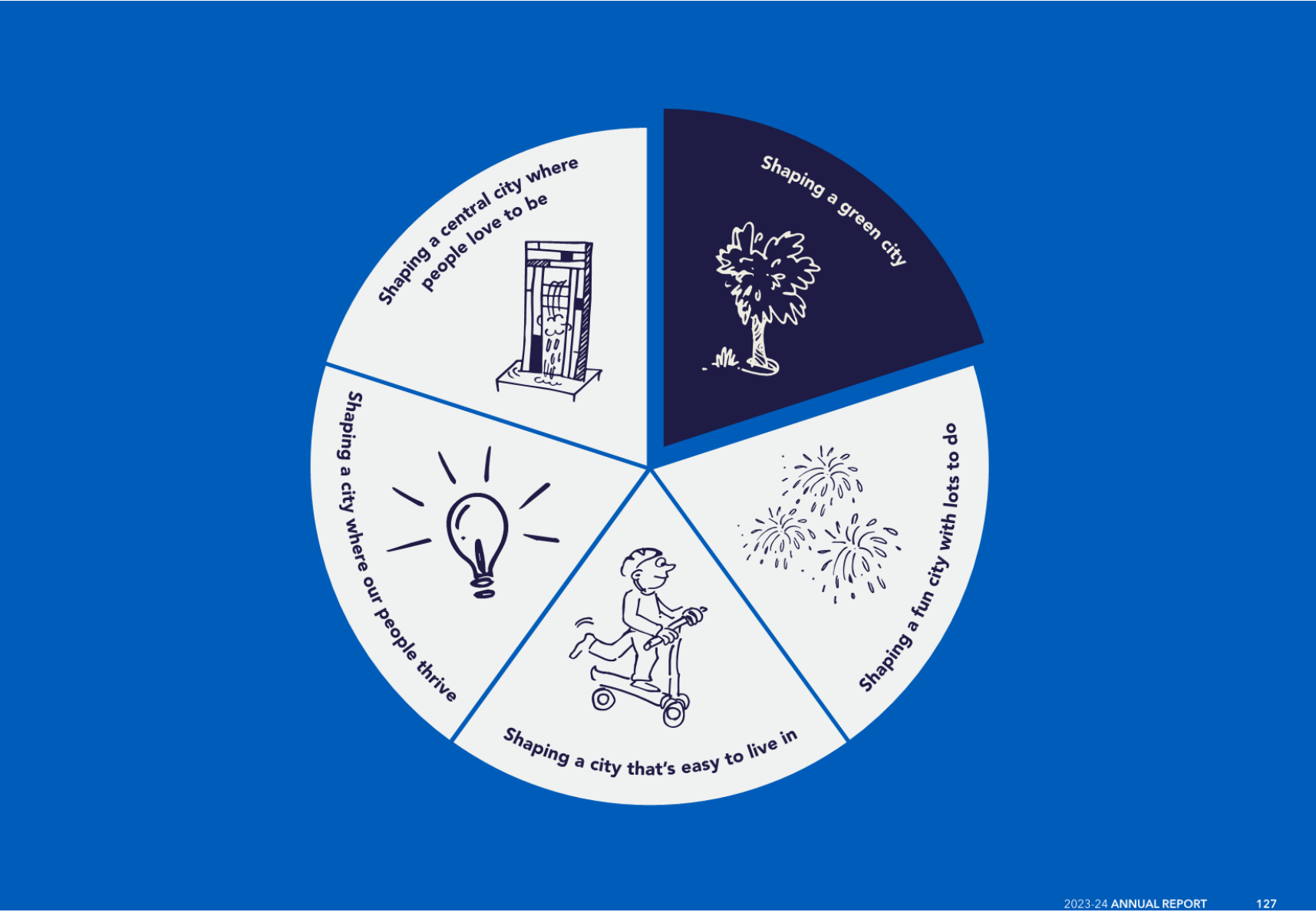
A green city

He taaone tiaki taiao

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



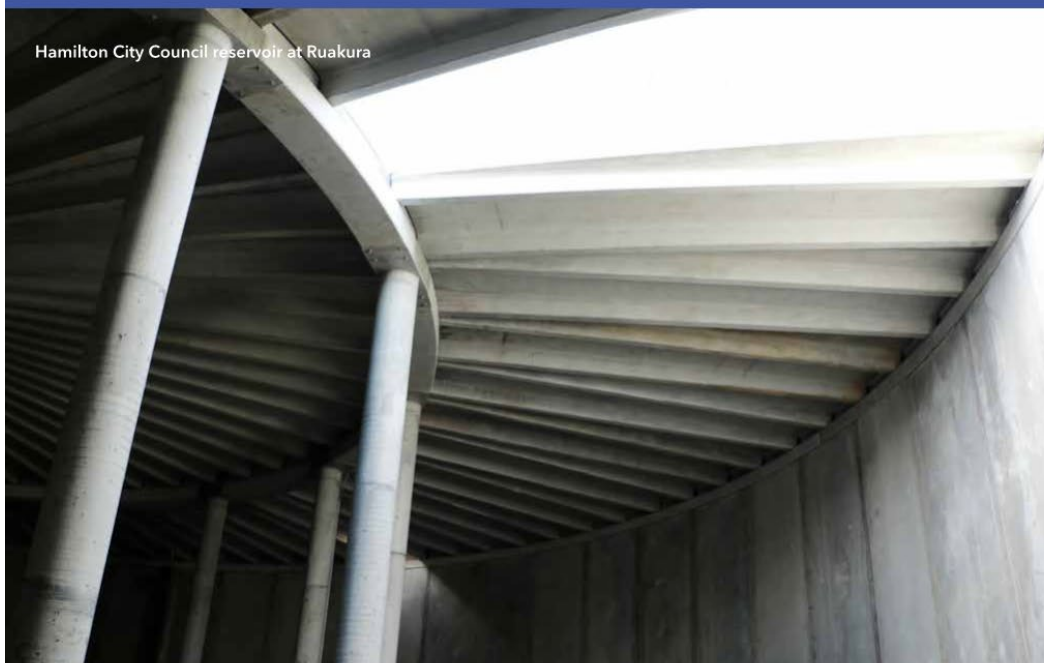


Water supply

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 5500 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 developing good relationships with the new water services regulator Taumata Arowai. 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 water supply 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 2023-24

We successfully distributed approximately 22.5 million cubic metres of treated safe drinking water to our customers.

Hamilton's drinking water was monitored and demonstrated to be compliant with the new Drinking Water Quality and Assurance Rules as required by the Water Services Regulator – Taumata Arowai.

Throughout the year we proactively responded to risks within our water supply network. Emergency works to mitigate erosion to the Waikato riverbank underneath the twin Western Bulk Drinking Water Mains was completed.

New protocols were put in place to monitor and manage biosecurity and infrastructure risks associated with the presence of Freshwater gold clams (*Corbicula fluminea*) at the river intake at Waiora Water Treatment Plant.

We continued to invest into the optimal operation of our water supply network through the Waiora Treatment Plant Upgrade. This project is the last of three projects to be completed under the Waiora Water Treatment Plant Upgrade, which supports Hamilton's projected growth by increasing the capacity of the treatment plant

and the volume of water able to be treated each day. Significant progress was made with construction. The project expected to be completed and operational in 2024-25.

This year the programme to establish multiple water supply zones across the city was completed with the establishment of the final water supply zone in the Pukete area. Water supply network zoning is a strategic initiative which involves separating the drinking water network into nine supply zones, each serviced by a reservoir which is fed directly from the Waiora Water Treatment Plant. Supply zones greatly improve drinking water network resilience, and the ability to manage the efficient use of water within the network.

The Your Neighbourhood events continue to be another great opportunity for Three Waters activities to be showcased to the public, and Smart Water curriculum activities were delivered within schools to promote the efficient use of water.

The annual Smart Water Summer Water Campaign commenced in early December 2023 to raise awareness of the precious and finite water source of drinking water and encourage the public to think about how they can use water sustainably throughout the warmer summer months. Smart water messaging utilises advertising

via radio, Google advertising, social media, MetService, and various other channels.

The annual water balance has been completed for the period April 2023-March 2024. This calculates where our water is going and how we're tracking on water losses. The level of water loss (leakage) has reduced for the third year in a row, reducing from 124 litres/connection/day in 2022-23 to 105 litres/connection/day in 2023-24. The means that the percentage of water loss has reduced from an estimated 14.0% in 2022-23 to 11.6% in 2023-24. These results provide a good indication that the implementation of our Water Loss Strategy is having a positive impact and contributing to protecting te mana o te awa.

Three Waters Reform was a key feature of 2023-24. The reform programme resulted in significant work for many parts of Council. Council proactively worked with the Department of Internal Affairs to address complex and wide-ranging requests for information intended to support the transition of three waters activities to independent Water Services Entities. The new Government has subsequently changed direction introducing its policy of 'Local Water Done Well'. This policy is intended to provide councils new options for delivering sustainable water services.

Service performance measures

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

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

Measure	2023-24 target	2023-24 result	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	Achieved 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	Achieved compliance

What's behind the results

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

The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal criteria of the New Zealand Drinking Water Standards 2005. These standards have been superseded by new drinking water standards, aesthetic values and Drinking Water Quality Assurance Rules 2022 (DWQAR) developed by Taumata Arowai under the Water Services Act 2021 and the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (NZDWS).

An internal assessment has been made against the relevant rules relating to chlorine disinfection at the treatment plant, residual disinfection in the distribution, microbiological monitoring in the distribution and protozoal criteria. Based on an internal assessment against the NZDWS and DWQAR, Council achieved bacterial and Protozoa compliance, with 0 non-compliant days for both measures. This assessment has been verified by an independent qualified Drinking Water Compliance Specialist.

The DIA released updated Drinking Water Quality Non-Financial Performance Measure Rules in July 2024. Although the new reporting rules did not come into effect in the 2023-2024 year, a self-assessment against the new reporting rules has retrospectively been undertaken, producing a consistent performance result of "Achieved Compliance".

⁺ Measure required by the Department of Internal Affairs.

You can expect Our water network is managed in a way that minimise the loss of water.		KEY: Achieved Not achieved		
Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of real water loss from the water network infrastructure in the city.* ⁺	No more than 16%	11.6% <i>(April 2023 to March 2024)</i>	14% <i>(May 2022 to March 2023)</i>	15.10% <i>(April 2021 to March 2022)</i>
What's behind the results				
<p>We aim to provide an efficient and effective water supply. This is achieved 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 percentage real water loss from the network for 2023-2024 was 11.6%. This result has a 95% confidence limit of +/- 31%. As a majority of the city's water use is unmetered at the point of supply, a series of assumptions must be utilised to complete the Water Balance. The result for this year shows a significant reduction in comparison to the previous year.</p> <p>We are committed to a multi-year Water Loss Strategy to reduce water loss across the water supply system. Within this reporting year, we have completed four Water Supply Zones, and plan to implement smaller District Metered Areas (DMAs) in the future. It is expected that these Zones and DMAs will allow for more precise monitoring and will continue to help target physical leakage detection work, maintenance, and infrastructure renewal.</p> <p>⁺ Measure required by the Department of Internal Affairs. [*] We use the Water New Zealand Loss Guidelines to calculate how much water is lost from the water network. The water loss calculation carries a 95% confidence limit of +/- 22% due to assumptions required to estimate per capita residential consumption.</p>				

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

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

Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The average consumption of drinking water per Hamilton resident, per day.*	No more than 400 litres per resident, per day	323 litres	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 average daily water consumption per resident for 2023-2024-year result to 323 litres per person per day. The slightly lower water use rate compared to the previous four years (excluding last year when Hamilton Kirikiriroa experienced a very wet summer) is an indicator of the continued success of the water conservation and sustainable water use campaigns and programmes of work. Council will continue to focus on education and water management measures (such as Water Supply Zones and leak detection programmes) 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	2023-24 target	2023-24 result	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. ⁺	9.63 complaints per 1000 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.

The number of complaints for the 2023-24 year is 9.63 complaints per 1000 connections, which did not meet the target of fewer than five complaints per 1000 connections.

A total of 608 complaints were received in the 2023-24. Of the complaints received, 334 complaints related to lost or reduced water supply, 122 were related to low pressure, and 71 complaints were related to water discolouration, odour, and taste. The remaining complaints were general complaints such as missing toby lids, missing hydrant markings and buried hydrants. During the year there were two significant water outage incidents that caused 150 complaints (88 complaints on 7 November 2023 and 62 complaints on 7 February 2024), as well as a high amount of work on the the water network, that have contributed to this result. During the year there were two significant water outage incidents that caused 150 complaints (88 complaints on 7 November 2023 and 62 complaints on 7 February 2024), as well as a high amount of work on the the water network, that have contributed to this result

Council continues to monitor this measure and implementing actions to reduce the number of complaints. Measures implemented to improve this include closer management of contractors working on replacing/extending the water network to minimise any unnecessary reactive impacts and improving data capture and customer feedback during the initial customer contact. We will also continue to review how we can better communicate to customers in the event of large unplanned or planned water outages or pressure events, including continuing to utilise and optimise digital tools such as Antenno and social media platforms.

⁺ 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	2023-24 target	2023-24 result	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	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.**	No more than 5 hours	2 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.**	No more than 5 working days	3 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.**	No more than 10 working days	3 working days	7 working days	10 working days
What's behind the results				
<p>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.</p> <p>There were total of 151 urgent callouts in response to reports of no water for the year.</p> <p>The median attendance time for urgent callouts, from the time that the Council received notification of the fault or unplanned interruption to the time that service personnel reached the site, was 38 minutes. This is the same result as 2022-23, and lower than the 2021-2022 result of 40 minutes. We will continue to review and adjust our management plans and procedures to ensure timely responses for these matters continue.</p> <p>The median resolution time for urgent callouts in response to reports of no water, from the time that the Council received notification of the fault or unplanned interruption to the time that service personnel fully resolved the fault, was two hours, which meets the target of no more than five hours. This result is the same as 2022-23. We will continue to review and adjust our management plans and procedures to ensure improvements continue to be made across our water services.</p> <p>Callouts for other water supply matters where water is still being delivered are classified as non-urgent.</p>				

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

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

What's behind the results... cntd

Between July 2023 and June 2024 there were 1877 non-urgent water callouts. The median attendance time for these non-urgent water callouts, from the time that the Council received notification of the fault or unplanned interruption to the time that service personnel reached the site, was three working days. This attendance time is better than the same period last year where the median attendance time was six working days. Staff have focused on improving attendance times and data quality for this measure over the past year. Prioritising staff to attend water service requests has contributed to the reduction in the median attendance time compared with the previous year. Staff will continue to review and modify plans and procedures to ensure improvements to attendance and resolution times continue to be made across the water services.

The median resolution time for non-urgent callouts, from the time that the Council received notification of the fault or unplanned interruption to the time that the issue was resolved, was three working days. Between July 2023 and June 2024 there were 1877 non-urgent water callouts. The median resolution time for these non-urgent water callouts was three working days. This resolution time is better than the same period last year where the median resolution time was seven working days. In part, this is due to a change in the data source this reporting year that provides an increased level of accuracy in resolution time. Staff have focused on improving resolution times and data quality over this year.

Prioritising staff to attend water service requests have contributed to the improvement in the median resolution time. Staff will continue to review and modify our plans and procedures to ensure improvements continue to be made across our water services.

+ Measure required by the Department of Internal Affairs.

** 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	<p>We provide Hamiltonians with a high-quality, reliable, and sustainable water supply, essential for a healthy community.</p> <p>Our drinking water is treated to a high quality and is available to meet the drinking water and sanitation needs of our community.</p> <p>As the city grows, Council continues to invest in the required water infrastructure to meet drinking water standards and legislation.</p> <p>The water supply network has capacity to provide firefighting water in emergencies.</p> <p>We aim to keep the public informed and minimise the disruption of works required to manage the water supply service.</p>
Economic Our economy provides opportunities to prosper	<p>A high-quality, reliable, and sustainable water supply is essential for our existing businesses and encouraging new businesses to the city.</p> <p>Our water supply services and network are managed to ensure water can be produced and used efficiently and sustainably.</p>
Environmental We love and protect our environment	<p>Environmental impacts are minimised by ensuring that as much water as possible remains in the Waikato River by ensuring water is produced and used efficiently and sustainably.</p> <p>We manage potential effects of water supply such as odour, noise, abstraction and discharges by complying with required legislation, standards and resource consents.</p> <p>As the city grows, Council continues to invest in the required water infrastructure to meet environmental standards.</p>
Cultural Our unique and diverse culture is celebrated	<p>Water supply is managed in a way that recognises Te Tiriti o te Waitangi and honours our commitment to Te Ture Whaimana o te Waikato – Vision and Strategy.</p> <p>Council continues to work with our iwi and mana whenua partners to enhance the way in which cultural values, aspirations and interests are incorporated into the way we manage water.</p>

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Water Supply		\$000	\$000	\$000
Water distribution				
CE10123 - Watermain renewals	R	6,955	5,319	1,636
CE10124 - Watermain valves and hydrants renewals	R	253	892	(639)
CE10145 - Tools of trade renewals	R	45	28	17
CE15126 - Rototuna upgrade or new watermain	G	1,968	0	1,968
CE15127 - Water pipe upgrades	G	700	0	700
CE15130 - Peacocke watermain stage 1	G	103	96	7
CE15132 - Water network upgrades to allow new development	G	2,541	4,330	(1,789)
CE15133 - Water network improvements	LOS	509	207	303
CE15134 - Water demand management - Pukete reservoir zone	G	300	103	197
CE15137 - Water demand management - Newcastle reservoir zone	G	3,495	2,368	1,127
CE15146 - Water customer connections	G	2,053	3,616	(1,563)
CE15158 - Water model	R	219	223	(4)
CE15159 - Water master plan	G	183	167	16
CE19045 - Ruakura reservoir and associate bulk mains	G	77	(\$9)	86
CE19046 - Peacocke watermain stage 2	G	1,528	3,746	(2,218)
CE23002 - IAF Water Supply	G	188	2,053	(1,865)
Water distribution total		21,117	23,140	(2,023)
Water treatment and storage				
CE10138 - Treatment plant and reservoir renewals	R	1,200	1,670	(470)
CE15139 - Water Treatment Plant Compliance Minor Upgrades	LOS	1,872	1,295	577
CE15144 - Upgrade water treatment plant	G	12,405	8,255	4,150
Water treatment and storage total		15,477	11,219	4,257
Water Supply total		36,593	34,359	2,234

Variances:

- CE10123 - Watermain renewals - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered. Please refer to page 33 for more information on our renewal and compliance programme.
- CE15126 - Rototuna upgrade or new watermain - CE 15126 is being managed as part of a programme with CE 15092 (Rototuna Transport Upgrades). Water costs were allocated to the CE 15092 budget and these costs are being reconciled in parallel with the asset capitalisation.
- CE15132 - Water network upgrades to allow new development - The variance relates to a deferral of budget from 2022-23, while the rest of the variance relates to developments requiring connections to our system and upsizing to provide resilience.
- CE15137 - Water demand management - Newcastle reservoir zone - This project is complete.
- CE15146 - Water customer connections - this is a volume-driven activity and actual expenditure reflects demand. It is noted that this activity is substantially a user-pays service.
- CE19046 - Peacocke watermain stage 2 - The delivery of the Peacocke programme is being managed as a programme of works. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress. The Peacocke programme is regularly reported to Council and all changes to budget and schedule are approved accordingly.
- CE23002 - IAF Water Supply - The budget was brought forward to align with construction timing.
- CE15144 - Upgrade water treatment plant - Works were rephased to 2024-25 year, and approved during the 2024-34 Long-Term Plan. This was advised to the Infrastructure and Transport Committee on 8 August 2024.

Water supply funding impact statement

For year ended 30 June 2024	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	11,766	11,797	12,610	12,690
Targeted rates	10,975	10,174	11,341	11,080
Subsidies and grants for operating purposes	-	687	-	435
Fees and charges	465	465	488	834
Local authorities fuel tax, fines, infringement fees and other receipts	(71)	928	(75)	1,359
Internal charges and overheads recovered	-	-	-	-
Total operating funding	23,134	24,050	24,364	26,398
Application of operating funding				
Payments to staff and suppliers	18,622	20,232	19,759	21,337
Finance costs	4,241	3,824	4,016	5,468
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	22,863	24,056	23,775	26,805
Surplus/(deficit) of operating funding	272	(6)	589	(407)
Sources of capital funding				
Subsidies and grants for capital expenditure	52	4,925	53	3,723
Development and financial contributions	5,140	7,404	5,353	6,251
Increase/(decrease) in debt	11,566	28,044	7,316	20,660
Gross proceeds from sale of assets	-	237	-	43
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	16,758	40,610	12,722	30,677
Applications of capital funding				
Capital expenditure				
- to meet additional demand	17,789	21,988	15,068	24,636
- to improve the level of service	2,396	852	4,528	1,802
- to replace existing assets	8,141	8,682	8,359	8,986
Increase/(decrease) in reserves	(11,539)	(1,526)	(14,857)	(2,582)
Increase/(decrease) in investments	242	10,608	214	(2,572)
Total applications of capital funding	17,030	40,603	13,311	30,270
Surplus/(deficit) of capital funding	(272)	6	(589)	407
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 (WWTP). 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 5500 commercial and industrial premises. The network includes the wastewater treatment plant, pump stations, and pipes.

Over 2023-24 our focus has remained on resilience, reliability, and growth-based projects. These are 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 consent the treatment plant and increase its capacity along with that of selected pump stations.

Highlights of 2023-24

Approximately 20 million cubic metres of wastewater and tradewaste was successfully conveyed to and treated at the Pukete Wastewater Treatment Plant then discharged to the Waikato River.

Work was completed to install a new wastewater rising main and upgraded gravity main in the Collins Road area. These network improvements in conjunction with commencing construction of bulk wastewater storage in Collins Road will reduce the risk of overflows into the environment or nearby properties after periods of heavy rain. The bulk wastewater storage facilities construction started in February 2024, and consists of large tanks which allow flows of wastewater at peak times to be stored and later treated. This increases network resilience and allows growth which otherwise would be

constrained by network capacity.

In January 2024, work on the Pukete Wastewater Treatment Plant Intake upgrade commenced along with a site blessing.

In February, during the Pukete WWTP Intake upgrade works, the outfall pipe carrying treated wastewater from the treatment plant was damaged. Unexpected emergency repairs to the damaged pipe were successfully completed and the potential operation impacts to wastewater treatment plant and the environment were effectively managed.

In May 2024 a widespread power outage in the northeast of the city meant that 28 wastewater pump stations lost power supply. Effective co-ordination and response work by Council and contractors to actively monitor network performance, dispatch emergency and vacuum truck resources, and utilise emergency storage tanks, minimised the risk of wastewater discharges as a result of the power outage. Despite the significance of the power outage event wastewater from only one wastewater pump station was unable to be kept contained.

Work has continued to deliver the emergency wastewater storage programme. The programme involves the installation of wastewater storage tanks that can be used in

emergency situations, capturing wastewater if there's a wastewater pump station outage. There are multiple warning systems currently in place, but the tanks provide extra security to minimise the impact of wastewater overflows on properties or the environment.

The Fairfield Wastewater Pump Station Emergency Storage project was completed in June with construction work started on additional emergency storage at Sycamore Wastewater Pump Station.

Inflow and Infiltration (I&I) investigations, including smoke testing and inspections of approximately 580 properties were successfully completed in the city. This investigation forms part of an ongoing I&I strategy and programme of work that will continue to be undertaken in targeted areas in the city. Council is continuing to work with property owners where private defects were found to progress with completion of any required repairs.

Three Waters Reform was a key feature of 2023-24. The reform programme resulted in significant work for many parts of Council. Council proactively worked with the Department of Internal Affairs to address complex and wide-ranging requests for information intended to support the transition of three waters activities to independent Water Services Entities. The new Government has subsequently changed direction introducing its policy of 'Local Water Done Well'. This policy is intended to provide councils new options for delivering sustainable water services.

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	2023-24 target	2023-24 result	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	2.14 overflows per 1,000 connections	0.64 overflows per 1,000 connections	0.70 overflows per 1000 connections
What's behind the results				
This measure indicates how well the wastewater network operates. There was a total of 142 dry weather overflows during the year. This equates to 2.14 dry weather overflows per 1000 connections, which meets the annual target of no more than 4 dry weather overflows per 1000 connections. This is an increase on the result for 2022-23 of 0.64 overflows per 1000 connections. This is due to an increase in our data validation checks, which has led to an increased number of wastewater complaints being categorised as overflows.				
The majority of overflows occurred from the reticulation network (with blockages from materials such as fats and wet wipes causing most of the incidents) and a small number of overflows occurred from wastewater pump stations due to unplanned power outage and blockages.				
Council continues to invest in increasingly complex maintenance, renewals, upgrades and new wastewater infrastructure required to minimise dry weather wastewater overflows.				
+ Measure required by the Department of Internal Affairs.				

You can expect We operate and maintain the wastewater system to minimise odour and blockages. KEY: Achieved Not achieved				
Measure	2023-24 target	2023-24 result	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	8.91 complaints per 1,000 connections	12.04 complaints per 1000 connections	14.18 complaints per 1000 connections
What's behind the results				
<p>This measure indicates customer and community satisfaction with the quality of the wastewater system and service provided. This measure also provides information to prioritise the need for maintenance, renewals, new infrastructure, or upgrades.</p> <p>The 2023-24 result for the number of complaints about wastewater odour, system faults or blockages and our response to issues with the wastewater system is a total of 8.9 complaints per 1000 connections, which meets the target of no more than 20 complaints per 1000 connections. This is a significant improvement on the 2022-23 result of 12.04 complaints per 1000 connections, which was also within target. This improvement is largely due to an increase in our data validation checks, which has led to a decreasing number of wastewater complaints being categorised as blockages.</p> <p>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.</p> <p>Council continues to invest in increasingly complex maintenance, renewals, upgrades and new wastewater infrastructure required to ensure complaints are minimised.</p> <p>⁺ Measure required by the Department of Internal Affairs.</p>				

You can expect We operate and maintain the wastewater system to minimise the impact on the environment. KEY: Achieved Not achieved				
Measure	2023-24 target	2023-24 result	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	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	0 infringement, enforcement, or conviction actions	1 infringement, enforcement, or conviction actions	0 infringement, enforcement, or conviction actions
What's behind the results				
<p>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 resource consent conditions and how well we are managing the environmental impacts of the city's wastewater system.</p> <p>The annual target for the number of abatement notices, infringement notices, enforcement orders or convictions issued for spillage from the wastewater system is zero. There were no abatement notices, infringement notices, enforcement orders or convictions issued that were received in relation to discharges from the wastewater system for 2023-24.</p> <p>We have focused on improving our response and mitigation of the environmental impacts of discharges from our wastewater system and maintain a proactive and collaborative working relationship with our regulator Waikato Regional Council, and our iwi and mana whenua partners.</p> <p>⁺ Measure required by the Department of Internal Affairs.</p>				

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

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

Measure	2023-24 target	2023-24 result	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.*	No more than 60 minutes	44 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.*	No more than 4 hours	2 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.

In 2023-24 there were a total of 429 wastewater callouts. The median attendance time for wastewater callouts, from the time that we received notification to the time that our service personnel reach the site, was 44 minutes. This attendance time is the same as in 2022-23 where the median attendance time was 44 minutes. We will continue to review and modify our management plans and procedures to ensure improvements continue to be made across our three water services.

The resolution time for a wastewater call-out is defined as the time from notification of the blockage or overflow up to the point at which service personnel confirm the fault or interruption has been resolved, reflecting what is important to our customers. For the 2023-2024 year there were 429 wastewater callouts. The median resolution time for callouts, from the time that we received notification to the time that our service personnel resolved the issue, was two hours. This attendance time is improved on 2022-23 where the median resolution time was three hours. We will continue to review and modify our management plans and procedures to ensure improvements continue to be made across our three water services.

+ Measure required by the Department of Internal Affairs.

* 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.

The collection and treatment of community wastewater is provided to manage public health risks associated with wastewater.

Wastewater is treated to meet the required quality standards which consider public health requirement.

We aim to keep the public informed and minimise the disruption of works required to manage the wastewater service.

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.

As the city grows, Council continues to invest in the required wastewater infrastructure to enable economic development.

Wastewater services is delivered in an efficient manner, minimising the cost of services to our community.

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.

Wastewater is treated to the required quality parameters and a high level of compliance is achieved with resource consent conditions and biosolids are reused through vermicomposting.

As the city grows, Council continues to invest in the required wastewater infrastructure to meet environmental standards.

Cultural

Our unique and diverse culture is celebrated

Wastewater is managed in a way that recognises Te Tiriti o te Waitangi and honours our commitment to Te Ture Whaimana o te Waikato – Vision and Strategy.

Council continues to work with our iwi and mana whenua partners to enhance the way in which cultural values, aspirations and interests are incorporated into the way in which wastewater is managed

Capital projects

The following table summarises the capital projects planned for year three (2023-24) 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 2023/24	Capex Actuals 2023/24	Variance
Wastewater		\$000	\$000	\$000
Wastewater collection				
CE10100 - Wastewater pump station asset renewals	R	840	889	(50)
CE10101 - Wastewater asset renewals	R	5,166	4,611	555
CE15103 - Wastewater network improvements	LOS	806	5,739	(4,933)
CE15104 - Wastewater pipe upgrades	G	0	3	(3)
CE15105 - Rototuna wastewater infrastructure	G	1,106	0	1,106
CE15106 - Wastewater network upgrades to allow development	G	318	147	171
CE15107 - Rotokauri wastewater infrastructure	G	239	0	239
CE15109 - Peacocke wastewater infrastructure stage 1	G	179	1,349	(1,170)
CE15111 - Increase capacity of wastewater network	G	1,962	1,339	623
CE15121 - Wastewater customer connections to network	G	2,080	4,229	(2,149)
CE15160 - Wastewater model	R	0	270	(270)
CE15161 - Wastewater master plan	G	121	146	(25)
CE19040 - Peacocke wastewater infrastructure stage 2	G	10,762	8,612	2,150
CE19041 - Increase capacity wastewater far east network	G	2,264	9	2,255
CE19042 - Peacocke wastewater south network	G	6,715	12,836	(6,121)
CE19043 - Increase capacity wastewater west network	G	5,719	6,348	(630)
CE19044 - Increase capacity wastewater east network	G	332	500	(168)
CE23004 - IAF Wastewater	G	125	281	(156)
Wastewater collection total		38,734	47,310	(8,576)
Wastewater Treatment and Disposal				
CE10115 - Wastewater Treatment Plant Asset Renewals	R	2,516	1,625	891
CE15117 - Upgrade Wastewater Treatment Plant	G	10,038	8,142	1,896
CE15120 - Wastewater Treatment Plant Compliance	LOS	3,205	2,684	522
CE21073 - Subregional Wastewater Treatment Plant	G	1,157	357	799
Wastewater Treatment and Disposal total		16,916	12,808	4,107
Total		55,650	60,118	(4,468)

Variances:

- CE15103 - Wastewater network improvements - The Infrastructure and Transport Committee approved on 21 September 2023 the bringing forward of \$3.5m from 2024-25 to deliver three programmed wastewater storage tanks. Additionally \$1.5m has been funded by Renewals and Compliance.
- CE15105 - Rototuna wastewater infrastructure - CE 15105 is being managed as part of a programme with CE 15092 (Rototuna Transport Upgrades). Wastewater costs were allocated to the CE 15092 budget and these costs are being reconciled in parallel with the asset capitalisation.
- CE15109 - Peacocke wastewater infrastructure stage 1 - The delivery of the Peacocke programme is being managed as a programme of works. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress.
- CE15121 - Wastewater customer connections to network - This is a volume-driven activity and actual expenditure reflects demand. It is noted that this activity is substantially a user-pays service.
- CE19040 - Peacocke wastewater infrastructure stage 2 - The delivery of the Peacocke programme is being managed as a programme of works. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress. The North South Pipeline (part of the Bikes on Pipes project) was significantly disrupted by extreme weather, resulting in slower spend than anticipated. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress.
- CE19041 - Increase capacity wastewater far east network - The project is largely complete.
- CE19042 - Peacocke wastewater south network - The delivery of the Peacocke programme is being managed as a programme of works. The significant construction elements for the N4 Main Transfer Pumpstation were completed earlier than expected. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress.
- CE15117 - Upgrade Wastewater Treatment Plant - Funding will be carried over for the Pukete new inlet facility sub-project which is ongoing.

Wastewater funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	26,453	26,502	28,351	28,542
Targeted rates	4,738	5,375	5,061	5,769
Subsidies and grants for operating purposes	-	470	-	517
Fees and charges	7,145	8,071	7,335	8,619
Local authorities fuel tax, fines, infringement fees and other receipts	507	2,396	526	4,245
Internal charges and overheads recovered	-	-	-	-
Total operating funding	38,844	42,814	41,274	47,692
Application of operating funding				
Payments to staff and suppliers	27,671	33,809	28,517	35,476
Finance costs	4,614	5,834	4,660	8,349
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	32,285	39,643	33,177	43,825
Surplus/(deficit) of operating funding	6,559	3,171	8,097	3,867
Sources of capital funding				
Subsidies and grants for capital expenditure	77	4,104	80	3,623
Development and financial contributions	9,796	12,461	10,782	9,697
Increase/(decrease) in debt	42,556	35,881	34,505	38,327
Gross proceeds from sale of assets	-	310	-	90
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	52,429	52,756	45,366	51,737
Applications of capital funding				
Capital expenditure				
- to meet additional demand	49,858	38,903	46,380	44,301
- to improve the level of service	3,651	1,885	2,785	8,816
- to replace existing assets	9,809	11,277	10,472	8,514
Increase/(decrease) in reserves	(4,648)	(9,710)	(6,456)	(3,018)
Increase/(decrease) in investments	317	13,572	281	(3,009)
Total applications of capital funding	58,987	55,927	53,463	55,604
Surplus/(deficit) of capital funding	(6,559)	(3,171)	(8,097)	(3,867)
Funding balance	-	-	-	-

2023-24 ANNUAL REPORT

151

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 including 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 2023-24

Approximately 1050mm rainfall was experienced in Hamilton during 2023-24. Council successfully managed stormwater during rainfall events undertaking routine cleaning and maintenance of stormwater infrastructure and streams to ensure stormwater could continue to freely flow through waterways across the city, minimising the risk of flooding.

During December 2023 there was a significant fire at a commercial property located on Te Rapa Road. During the event firefighting water used to extinguish the fire by Fire and Emergency New Zealand entered Council's stormwater system. Council's response to this incident successfully ensured that actions were implemented to minimise the amount of potentially contaminated firefighting water entering the stormwater network.

Council has been out and about checking the way in which stormwater is managed across the city. This included completion

of approximately 110 on-lot stormwater device audits to check that privately owned stormwater treatment devices are controlling the rate of flow and discharge quality of stormwater as designed.

An additional 65 stormwater site audits were undertaken on industrial and commercial sites that have activities undertaken that have a higher risk of impacting stormwater quality in the city. These audits support Council to demonstrate compliance with the Comprehensive Stormwater Discharge Consent issued by Waikato Regional Council.

Council, together with Waikato Regional Council, responded to an increase in sediments entering the stormwater system from building sites in the Southwestern area of the city. This collaboration resulted in considerable improvement in compliance with stormwater management requirements in the area.

Three Waters Reform was a key feature of 2023-24. The reform programme resulted in significant work for many parts of Council. Council proactively worked with the Department of Internal

Affairs to address complex and wide-ranging requests for information intended to support the transition of three waters activities to independent Water Services Entities. The new Government has subsequently changed direction introducing its policy of 'Local Water Done Well'. This policy is intended to provide councils new options for delivering sustainable water services.

As part of an ongoing programme to better understand flood hazards across the city, Council has produced and shared flood hazard and extent maps with property owners and general public for the St Andrews and Chartwell areas of the City. Flood hazard mapping has now been completed for almost 90% of the city.

In addition to flood hazard mapping, Council has released further information about "Flood Depressions" where water might pond around Hamilton in heavy rain and extreme events.

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	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The number of flooding events that occur within the city.*	No more than 1 flooding event	0 flooding events	12 flooding events	1 flooding event
For each flooding event, the number of habitable floors affected.**	No more than 1 per 1000 properties	0.00 habitable floors per 1000 properties across all events	0.21 habitable floors per 1000 properties across all events	0.06 habitable floors per 1000 properties

What's behind the results

These measures indicate the number of times the design or performance of the stormwater system has affected habitable buildings and during each event the number of habitable floors that are affected. A flooding event is defined as an overflow of stormwater from the stormwater system that enters a habitable floor.

A total of 180 reports of flooding were received the 2023-2024 year, however none of these resulted in an event where flooding entered or affected a habitable floor.

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.

+ Measure required by the Department of Internal Affairs.

* 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	2023-24 target	2023-24 result	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	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	0 infringement, enforcement, or conviction actions

What's behind the results

Our resource consent to discharge stormwater requires a Council to operate the stormwater network in a way which minimises environmental effects on the in the city's waterways. This measure provides an indication of how effectively Council is managing the stormwater network.

There were no infringement notices, enforcement orders, convictions or abatement notices received in relation to the management of the stormwater system in the 2023-2024 year.

To minimise the impact of urban stormwater on the environments Council undertake comprehensive monitoring of the city's stormwater receiving environments. Council also undertakes a number of activities to minimise the impact of urban stormwater including maintaining streams, cleaning catchpits, planting and erosion control work.

⁺ 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	2023-24 target	2023-24 result	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.*	No more than 60 minutes	0 minutes	91 minutes	68 minutes

What's behind the results

This measure reports on the median response time, from the time that we received notification of a flooding event to the time that Council's service personnel reach that site. A flooding event is defined as an overflow of stormwater from the stormwater system that enters a habitable floor.

A total of 180 reports of flooding were received in the 2023-24, however none of these resulted in an event where flooding entered a habitable floor.

Continued implementation of preventative maintenance programmes and construction of new stormwater infrastructure to design standards will minimise flooding and the potential impact on dwellings. We have achieved the annual target of a median response time of no more than 60 minutes as there were no events where flooding entered a habitable floor.

+ Measure required by the Department of Internal Affairs.

* 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	2023-24 target	2023-24 result	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	13.40 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 indication of the quality of stormwater services we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the way we respond to requests to fix problems.

The reporting for this measure includes complaints related to drainage within the transportation activity such as catchpit blockages and repairs and roadway flooding. A proportion of this measure is an indication of the effectiveness of levels of services provided within the Transportation Activity.

A total of 843 complaints were received in relation to the performance of the stormwater system and transportation drainage, which is equivalent to 13.4 complaints per 1000 properties, exceeding the performance target of 10 complaints per 1000 properties. This is lower than in 2022-2023 which had 23 complaints per 1000 properties due to the high amount of rainfall recorded that year.

Of the 843 complaints received this year approximately 77% of complaints relate to transportation drainage, and 23% related to the stormwater system, these complaints included:

- 322 related to clearing or unblocking transportation drainage catch pits,
- 225 related to flooding on a transportation road reserve,
- 102 related to repairing or replacing transportation drainage catch pits, and
- 194 related to missing manhole lids or storm grates, holes forming, erosion, broken or blocked stormwater pipes, and the reactive clearing of open drains and streams.

The number of complaints associated with the transportation drainage system are significantly impacted by autumn leaf fall blocking catchpits, resulting in flooding of the roadway as rainwater is unable to drain into the stormwater system. Council will continue to work to ensure transportation programmes such as high leaf zones and catch pit clearing are reviewed and improved to prepare for any predicted wet weather events.

Ongoing implementation of preventative maintenance programmes and the 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.

⁺ Measure required by the Department of Internal Affairs.

Effects on the wellbeing of the community

Social We care for, and about, all our people	<p>We manage the piped stormwater network and stormwater overflow paths to minimise the impact of heavy rainfall events on people and property.</p> <p>Overland flow paths and stormwater systems are maintained to allow stormwater resulting from rainfall events to flow to the nearest waterway whilst minimising the risk of flooding of properties. Flood waters can contain contaminants which pose a public health risk if not managed.</p> <p>As the city grows, Council continues to invest in the required stormwater infrastructure to protect people and property. Investment in blue green infrastructure, which replicates natural processes to manage and treat stormwater, enhances the natural environments and the associated amenity value within the city.</p> <p>We aim to keep the public informed and minimise the disruption of works required to manage the stormwater service.</p>
Economic Our economy provides opportunities to prosper	<p>A reliable and sustainable stormwater network is essential for our existing businesses and encouraging new businesses to the city.</p> <p>As the city grows, Council continues to invest in the required stormwater infrastructure to enable economic development. Investment in blue green infrastructure, which replicates natural processes to manage and treat stormwater, enhances natural environments, and attracts new people and business to the city.</p> <p>By minimising the impact of heavy rainfall events on people and property, the economic impact of such events is also minimised.</p>
Environmental We love and protect our environment	<p>Stormwater is managed in a way which minimised the impacts to the environment from both stormwater contaminants such as sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces and the rate and volume of stormwater discharged which can cause erosion in our waterways.</p> <p>Resources consents which outline discharge standards require management of the stormwater system to minimise the effects on the environment.</p> <p>As the city grows, Council continues to invest in the required stormwater infrastructure to meet environmental standards. Investment in blue green infrastructure, which replicates natural processes to manage and treat stormwater, enhances the natural environments and biodiversity outcomes within the city..</p>
Cultural Our unique and diverse culture is celebrated	<p>Stormwater is managed in a way that recognises Te Tiriti o te Waitangi and honours our commitment to Te Ture Whaimana o te Waikato - Vision and Strategy.</p> <p>Council continues to work with our iwi and mana whenua partners to enhance the way in which cultural values, aspirations and interests are incorporated into the way in which stormwater is managed.</p>

Capital projects

The following table summarises the capital projects that were planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Stormwater Network				
CE10058 - Stormwater Asset Renewals	R	1,006	918	87
CE15059 - Rototuna Stormwater Infrastructure	G	552	29	523
CE15060 - Rotokauri Stormwater Infrastructure Stage 1	G	3,406	2,688	718
CE15062 - Peacocke Stormwater Infrastructure Stage 1	G	657	3	655
CE15063 - Peacocke Stormwater Infrastructure Stage 2	G	5,544	11,333	(5,789)
CE21066 - Ruakura stormwater infrastructure	G	700	819	(119)
CE15067 - Comprehensive Stormwater Consent Implementation	LOS	334	82	251
CE15068 - Stormwater Customer Connections	G	527	1,613	(1,087)
CE15162 - Integrated Catchment Management Plan	G	794	943	(149)
CE19026 - Erosion Control Works	LOS	1,841	1,006	835
CE21031 - Flood Management	LOS	355	340	15
CE21032 - Stormwater Infrastructure Upgrades	G	97	0	97
CE21062 - Stormwater Asset Upgrades	LOS	106	0	106
CE23003 - IAF Stormwater	G	125	588	(463)
Total		16,042	20,363	(\$4,321)

Variances:

- CE15063 - Peacocke Stormwater Infrastructure Stage 2 - The delivery of the Peacocke programme is being managed as a programme of works. The project remains aligned with the revised budgets approved by Council, although timeframes have had to be rephased to align with current contract progress. The majority of expenditure is linked to the Waikato River Bridge and Strategic Connections project, subject to unexpected cost escalation and extreme weather that led to contract claims. These were resolved faster than expected meaning earlier payment. In addition, the East-West arterial Stage 2 construction is progressing faster than expected, leading to earlier spend. The Peacocke programme is regularly reported to Council and all changes to budget and schedule are approved accordingly.
- CE15068 - Stormwater Customer Connections - The connection of new customers to the Stormwater network is a volume-driven activity and actual expenditure reflects demand. It is noted that this activity is substantially a user-pays service.

Stormwater funding impact statement

For year ended 30 June 2024	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	16,548	16,687	17,732	17,894
Targeted rates	2,423	2,362	2,598	2,532
Subsidies and grants for operating purposes	-	232	-	179
Fees and charges	327	522	341	571
Local authorities fuel tax, fines, infringement fees and other receipts	134	745	138	989
Internal charges and overheads recovered	-	-	-	-
Total operating funding	19,432	20,548	20,810	22,165
Application of operating funding				
Payments to staff and suppliers	6,130	8,379	6,399	6,304
Finance costs	1,384	1,826	1,451	2,615
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	7,514	10,205	7,850	8,919
Surplus/(deficit) of operating funding	11,918	10,234	12,960	13,246
Sources of capital funding				
Subsidies and grants for capital expenditure	1,056	2,413	27	2,481
Development and financial contributions	6,197	4,482	6,211	5,646
Increase/(decrease) in debt	5,074	11,000	11,008	(497)
Gross proceeds from sale of assets	-	82	-	15
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	12,327	17,977	17,246	7,645
Applications of capital funding				
Capital expenditure				
- to meet additional demand	7,740	11,650	12,521	18,016
- to improve the level of service	2,253	1,311	3,557	1,532
- to replace existing assets	1,252	736	1,269	1,213
Increase/(decrease) in reserves	12,916	10,463	12,785	65
Increase/(decrease) in investments	83	4,161	74	65
Total applications of capital funding	24,245	28,320	30,207	20,891
Surplus/(deficit) of capital funding	(11,918)	(10,334)	(12,960)	(13,246)
Funding balance	-	-	-	-



Rubbish and recycling

Providing this activity contributes to a green city



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 2023-24

This year, 494 people from various schools, businesses and community groups have attended education sessions at our education room. An additional 750 people have attended education sessions in the community.

More than 2,000 people attended the inaugural 'Lets get Thrifty' event at The Meteor in September with the event selling 1750 bags of clothing and raising \$20,000 for the participating thrift store Hospice Waikato and Op Shop for Breast

Cancer. The Council Resource Recovery team were nominated and the winners of an excellence award from WasteMinzNZ for the success of the Thrifty Threads event jointly hosted by Council and the local second-hand charity op-shops.

As part of the NZ Waste Strategy, the Ministry for the Environment (MfE) implemented standardisation of kerbside collections in February 2024. The impact of this is that we will no longer be collecting plastic recycling 3, 4, 6 and 7 from kerbside recycling or transfer stations. MfE provided education and communication support across the country, which was used to communicate to residents locally.

We have undertaken education sessions and issued media releases around the disposal of lithium batteries. This is due to several battery fires within the last twelve months in rubbish and recycling trucks and at the Lincoln Street Resource Recovery Centre. These have been caused by lithium batteries and correlate with an ongoing trend around the country.

The 2024-2030 Waste Management and Minimisation Plan was approved and development of an 18-month plan of delivery has been started to ensure delivery of the goals and objectives. A number of waste minimisation activities have taken place, including a waste free Christmas

online event, education sessions and a 'recycle right Fairfield' project. The Waste Minimisation Grants were awarded to 11 community groups who applied for funding, totalling \$40,574.20.

Several capital improvements have been made to the Horotiu Closed Landfill in response to the Abatement notice issued by Waikato Regional Council. The improvements have resulted in all consented levels for landfill leachate and gas now achieving compliance.

Service performance measures:

You can expect We will promote and encourage waste reduction, reuse, and recycling.			KEY: Achieved Not achieved	
Measure	2023-24 target	2023-24 result	2022-23 result	2021-22 result
The percentage of waste recovered for recycling through the kerbside collection.	At least 45%	48.03%	48.03%	50.93%
The amount of waste received at Council-operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum	14,437 tonnes	15,129 tonnes	13,939 tonnes
The percentage of waste recovered for recycling through Council-owned facilities.	At least 30%	44.74%	46.64%	42.58%

What's behind the results

The percentage of waste was recovered for recycling through the kerbside collection has been consistently higher per quarter than the target of 45%. Although this is lower than last year's result, the target has been met and exceeded.

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 gib has significantly increased diversion from the Resource Recovery Centre. Unfortunately, at the same time there has been a drop off in green waste received at the Hamilton Organic Centre. This is due to a combination of a dry summer, reduced commercial activity, and an increase in green waste competition in the marketplace. These factors combined have affected the year result not meeting target.

The percentage of waste was recovered for recycling through Council-owned facilities has been consistently higher per quarter by at least 10% than the target of 30%. Although this is lower than last year's result, the target has been met and exceeded.

You can expect We will collect your rubbish and recycling.

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

Measure	2023-24 target	2023-24 result	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	12 months

What's behind the results

A valid missed collection is defined as a bin/crate presented correctly on at the kerbside before 7am that has not been collected by our contractor. The target of less than 110 valid missed collections per month has not been achieved in any month between July 2023 and June 2024. Over this period our contractor emptied 5,392,776 bins and had 2255 missed collections - this is a clearance rate of 99.96%.

Missed collections are down from 2767 in 2022-23, a reduction of 18.50%.

Further work has been undertaken by our contractor on cross training staff on different collection types and routes to help reduce future missed collections.

You can expect A timely response if there is a problem with rubbish and recycling.

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

Measure	2023-24 target	2023-24 result	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	0 months	11 months

What's behind the results

Only one missed collection between April and June 2024 were completed outside the required timeframe - which is the close of the next business day following the missed collection being reported. This achievement reflects the continued downward trend in missed collections and an improvement in the contractor's processes to avoid delays with data entry.

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	<p>The Waikato-Tainui Environmental Plan, Tai Tumu, Tai Pari, Tai Ao (pg 234) recognises solid and hazardous waste management in a way that is best practice and manages social, cultural, spiritual, economic, and environmental needs. An identified method for delivery is through the following hierarchy:</p> <ul style="list-style-type: none"> i. reducing the amount of waste produced (including composting and mulching of green waste); ii. reusing waste; iii. recycling waste; iv. recovering resources from waste; v. treating residual waste; and vi. appropriately disposing of residual wastes.

Capital projects

The following table summarises the capital projects planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during the period.

	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Rubbish and Recycling		\$000	\$000	\$000
Landfill Site Management				
CE10054 - Closed Landfill Assets Renewals		230	473	(243)
Landfill Site Management		230	473	(243)
Rubbish and Recycling				
CE10056 - Refuse Transfer Station and Hamilton Organics Centre asset renewals	R	127	5	122
CE15055 - Closed landfill management	R	77	84	(7)
CE19027 - Refuse drop off points	LOS	0	279	(279)
Rubbish and Recycling		204	368	(164)
Total		434	841	(407)

Rubbish and recycling funding impact statement

For year ended 30 June 2024

	Long-Term Plan 2023	Actual 2023	Long-Term Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,899	8,930	9,537	9,557
Targeted rates	280	27	294	28
Subsidies and grants for operating purposes	650	1,609	659	2,496
Fees and charges	36	178	37	215
Local authorities fuel tax, fines, infringement fees and other receipts	445	265	457	344
Internal charges and overheads recovered	-	-	-	-
Total operating funding	10,311	11,009	10,983	12,640
Application of operating funding				
Payments to staff and suppliers	9,817	9,485	10,143	18,856
Finance costs	201	645	176	639
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	10,019	10,130	10,319	19,495
Surplus/(deficit) of operating funding	292	879	664	(6,855)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	3	-	281
Development and financial contributions	-	-	-	-
Increase/(decrease) in debt	118	543	120	6,032
Gross proceeds from sale of assets	-	41	-	7
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	118	587	120	6,320
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	158	84	168	415
- to replace existing assets	362	716	449	625
Increase/(decrease) in reserves	(152)	461	131	(789)
Increase/(decrease) in investments	42	205	37	(786)
Total applications of capital funding	410	1,466	785	(535)
Surplus/(deficit) of capital funding	(292)	(879)	(664)	6,855
Funding balance	-	-	-	-

Overhead and support unit capital projects

The following table summarises our overhead and support units capital programme planned for year three (2023-24) of the 2021-31 Long-Term Plan and the progress made during that period.

Information on capital projects for other activity areas can be found on pages 62-167.

		R - Renewals	LOS - Levels of service	G - Growth
	Type	Capex Annual Plan 2023/24	Capex Actuals 2023/24	Variance
Overhead and support units		\$000	\$000	\$000
Corporate buildings				
CE10158 - Fleet vehicles renewals	R	1,602	1,874	(272)
CE21014 - Corporate building renewals	R	3,264	2,628	636
Corporate buildings total		4,865	4,502	364
Information Services				
CE21025 - Information Services renewals	R	88	1,259	(1,171)
CE21026 - Information Services upgrades	LOS	3,540	2,075	1,465
Information Services total		3,628	3,334	294
Strategic property				
CE10151 - Strategic property renewals	R	172	159	12
Strategic property total		172	159	12
Total		8,665	7,995	670

Variances:

- CE21025 - Information Services renewals - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered.*
- CE21026 - Information Services upgrades - Part of the renewals and compliance programme and has been subject to reprioritisation to ensure that Council's assets are effectively managed, public safety is maintained and levels of service continue to be delivered.*

* Please refer to page 33 for more information on our renewal and compliance programme.

Statement of Service Performance - assumptions and judgements

Significant judgements in the selection of non-financial performance measures

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

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 are required by legislation. In selecting measures for these activities regard was given to those that:

- are considered to be of community interest and can be well understood;
- focus on the most important aspects of the services that council provides;

- are essential to measuring the successful delivery of intended levels of service;
- demonstrate alignment with our community outcomes; or
- arise out of a contractual arrangement.

Transport

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for this activity. These mandatory measures are intended to enable comparability of performance across similar sized local authorities. All of these measures that are required to be reported against

have been included in our performance framework and calculated in accordance to DIA guidance.

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

Growth

We are required to process building consents, resource consents and Code Compliance Certificates within statutory timeframes (timeframes specified in legislation) – as such, we have included performance measures relating to the timeliness of our processing as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

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 are required to report annually on our ability to provision and supply residential

and business zoned land under the National Policy Statement for Urban Development. Performance measures relating to the supply and provisioned capacity of this land is a matter of community interest, demonstrates active monitoring of our city's development as well as compliance with regional and national policy and reporting requirements. We have included performance measures for this outcome in our performance framework.

Water supply Wastewater Stormwater

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for these activities. 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 with 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) making the legislative references in the DIA measures obsolete. An assessment of compliance with the equivalent drinking water quality standards and requirements has been undertaken by an independent qualified Drinking Water Quality Specialist to demonstrate compliance.

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.

Underlying logic, assumptions and definitions in our non-financial performance measures

All non-financial performance measures are reported in a consistent manner with the 2021-22 (year one) and 2022-23 (year two) performance results reporting.

All measures include a quantitative result and accompanying contextual information.

Surveys

To measure the quality of delivery of Council services we use different types of surveys.

Customer surveys assess customer satisfaction related to interactions with Council services. Customers are able to provide feedback either on-site via a self-selecting survey

(on an iPad situated on site) or through a survey emailed by an independent survey company on our behalf.

The 'Pulse' survey is an annual survey undertaken by an independent research provider on Council's behalf. The survey uses a representative sample of Hamiltonians from the electoral role that reflect the demographic makeup of Hamilton Kirikiriroa. The survey includes a range of questions that collect both quantitative data and qualitative commentary, which provide a wide breadth of feedback to generate insights. The results of this survey inform reporting on a number of performance measures relating to satisfaction with Council services. Results from this survey also inform our community outcome performance measures.

The Quality of Life survey (QoL) is a two-yearly survey undertaken by an independent research provider. The survey is conducted in partnership

with eight councils nationwide with the purpose of measuring residents' perceptions across a range of measures that impact on New Zealanders' quality of life.

Libraries and Aquatics Satisfaction

We undertake customer surveys 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 gain feedback on 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 destinations' 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 building in the central city. The survey was open for responses between 9 July and 31 July 2024, and we received 347 responses. 97% of respondents 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. Results of the parks survey were not weighted by demographics but we had a high representation from those aged 30-69 years old and those who identified as NZ European.

Perception of: central city safety, Hamilton is a great place to live, community pride in Hamilton and confidence in decision makers

These measures are informed by data obtained from the annual Pulse Survey undertaken by an independent research provider on Council's behalf. The Pulse Survey was last completed in June 2023. Due to overlap with timing of the two-yearly Quality of Life Survey (QoL) and the duplication of questions that inform these measures, a decision was made to rely on data from this survey and to not proceed with the annual Pulse Survey. The results

of the QoL were expected to be released in September 2024 prior to adoption of the Annual Report, however due to a delay in processing of the results the survey is now expected to be released in November 2024, after publication of this Annual Report.

Aggregation

Where multiple site or locations contribute to the overall number of visitation/ participation this has been aggregated into our result. This includes visitation/participation for measures for the following activities:

- Libraries
- Aquatic facilities
- Visitor Destinations
- Venues, Tourism and Major Events

The number of unique experiences to visit our visitor destinations 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 standalone 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 40. Service Performance information is included on pages 53 to 168.



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 2023-24 budget was adopted by Council through the 2023-24 Annual 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

		Council			Group	
For the year ended 30 June 2024	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	3	255,719	255,752	238,229	255,719	238,229
Fees and charges	5	51,985	50,346	49,163	51,985	55,304
Subsidies and grants	4	27,638	21,788	12,103	27,638	12,103
Interest revenue	6	17,721	6,124	11,361	17,721	11,361
Other revenue	7	38,597	13,011	39,888	38,347	39,638
Development contributions	9	31,842	36,605	36,502	31,842	36,502
Capital revenue	10	55,020	81,155	71,736	55,020	71,736
Vested assets	11	55,265	39,353	64,185	55,265	64,185
Total revenue (excluding gains)		533,787	504,134	523,167	533,537	529,058
Expenses						
Personnel costs	12	122,704	120,650	110,063	122,704	113,563
Depreciation and amortisation expense	14	108,362	94,405	89,160	108,362	90,186
Finance costs	13	59,310	33,496	40,863	59,310	41,300
Operating and maintenance costs	15	90,650	87,013	83,446	90,650	86,599
Professional costs	15	17,019	15,609	16,871	17,019	16,912
Administration costs	15	66,468	22,320	23,945	66,468	24,102
Property costs	15	15,844	14,931	14,392	15,844	14,392
Total expenses (excluding losses)		480,357	388,424	378,740	480,357	387,054
Operating surplus/(deficit)*		53,430	115,710	144,427	53,180	142,004
Gains	8	19,945	1,050	29,807	19,945	29,807
Losses	8	(34,906)	-	(30,818)	(43,661)	(30,818)
Share of associates' surplus/(deficit)		-	-	-	(1,744)	9,282
Surplus/(deficit) before tax		38,469	116,760	143,416	27,720	150,275
Income tax expense	16	-	-	-	-	(539)
Surplus/(deficit) after tax		38,469	116,760	143,416	27,720	150,814
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	438	-	212	438	212
Items that will not be reclassified to surplus/(deficit)						
Gain on property, plant and equipment revaluations	32	48,941	44,376	419,260	48,941	421,884
Income tax on other comprehensive revenue and expense	32	-	-	-	-	-
Impairment of revalued property plant and equipment	32	(269)	-	(1,303)	(269)	(1,303)
Other revaluation reserve movements	32	(7,318)	-	2,533	(7,318)	2,533
Total other comprehensive revenue and expense		41,792	44,376	420,702	41,792	423,326
Total comprehensive revenue and expense		80,261	161,136	564,118	69,512	574,140
Surplus/(deficit) attributable to:						
Hamilton City Council		38,469	116,760	143,416	31,249	151,125
Non-controlling interest		-	-	-	(3,529)	(311)
Total comprehensive revenue and expense attributable to:						
Hamilton City Council		80,261	161,136	564,118	73,041	574,451
Non-controlling interest		-	-	-	(3,529)	(311)

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 2024

Surplus/(deficit) before tax

Adjustments for balancing the books measure

Remove capital revenue

Vested assets

Part of development and financial contributions¹

Capital subsidy (excluding subsidy on transport renewals)²

Other capital contributions

Other items not considered everyday operating revenue³

Remove gains/losses

All gains/(losses)

Remove other expenses

Other items not considered everyday operating expenses⁴

Balancing the books surplus/(deficit)

Note	Council		
	Actual 2024	Budget 2024	Actual 2023
	\$000	\$000	\$000
	38,469	116,760	143,416
11	(55,265)	(39,353)	(64,185)
	(20,697)	(23,793)	(23,880)
	(28,414)	(29,442)	(42,338)
	(16,216)	(43,792)	(20,868)
	(28,548)	(5,668)	(30,930)
	14,961	(1,050)	1,011
	60,842	9,788	8,024
	(34,868)	(16,551)	(29,750)

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 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 personnel costs and future aftercare costs related to the landfill provision and extraordinary expenditure from terminated capital projects.

Statement of changes in equity Tauaakii rerekeetanga o te tuutanga

For the year ended 30 June 2024	Council			Group	
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2023
		\$000	\$000	\$000	\$000
Equity balance at 1 July		5,479,863	5,141,868	4,915,745	5,598,156
Total comprehensive revenue and expense for the year		80,261	161,136	564,118	69,512
Equity balance at 30 June	32	5,560,124	5,303,005	5,479,863	5,598,156
Accumulated comprehensive revenue and expense					
Balance at beginning of year as previously reported		2,359,651	2,259,847	2,214,690	2,417,685
Operating surplus/(deficit)		38,469	116,760	143,416	31,249
Transfers (to)/from restricted and council created reserves		(3,029)	(55)	(1,456)	(3,029)
Transfer from property revaluation reserves on disposal		6,294	-	3,001	10,785
Balance at end of year	32	2,401,385	2,376,552	2,359,651	2,456,690
Revaluation reserves					
Balance at beginning of year		3,076,071	2,839,244	2,658,370	3,132,801
Total other comprehensive revenue and expense		41,792	44,376	420,702	41,792
Transfer to accumulated comprehensive revenue and expense on disposal		(6,294)	-	(3,001)	(10,785)
Balance at end of year	32	3,111,569	2,883,620	3,076,071	3,163,808
Restricted and council created reserves					
Balance at beginning of year		44,141	42,778	42,685	44,141
Transfers (to)/from reserves		3,029	55	1,456	3,029
Balance at end of year	32	47,170	42,833	44,141	47,170
Non-controlling interest					
		-	-	-	3,529
Equity balance at 30 June	32	5,560,124	5,303,005	5,479,863	5,598,156

The accompanying notes from part of these financial statements.
Explanations of major variances against budget are provided in individual notes.

Statement of financial position Tauaakii tuuranga puutea

As at 30 June 2024

	Note	Council			Group	
		Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
		\$000	\$000	\$000	\$000	\$000
Assets						
Current assets						
Cash and cash equivalents	17	95,301	125,481	174,129	95,301	174,129
Receivables	18	37,329	38,902	38,274	37,329	38,874
Prepayments		3,982	4,540	3,622	3,982	3,630
Inventory	19	374	176	235	374	333
Non-current assets held for sale	20	3,625	-	4,185	3,625	4,185
Other financial assets	22	100,928	7,221	43,849	100,928	43,961
Derivative financial instruments	21	-	-	3,877	-	3,877
Total current assets		241,539	176,320	268,171	241,539	268,989
Non-current assets						
Derivative financial instruments	21	7,245	3,713	7,882	7,245	7,882
Other financial assets						
- Investment in CCOs and other similar entities	22	9,832	13,168	13,399	9,832	9,399
- Other Investments	22	23,291	14,845	18,583	23,291	18,583
Total other financial assets	22	33,123	28,013	31,982	33,123	27,982
Investment in associates	23	7,430	7,430	7,430	114,974	120,520
Property, plant and equipment	24	6,411,891	6,042,894	6,131,654	6,411,891	6,148,785
Intangible assets	25	33,439	40,213	33,907	33,439	33,907
Investment property	26	31,115	43,058	32,013	31,115	32,013
Total non-current assets		6,524,243	6,165,321	6,244,868	6,631,787	6,371,089
Total assets		6,765,782	6,341,642	6,513,039	6,873,326	6,640,078
Liabilities						
Current liabilities						
Payables and deferred revenue	27	63,758	64,528	79,552	63,758	79,855
Derivative financial instruments	21	-	-	-	-	-
Employee entitlements	28	11,002	11,304	11,892	11,002	12,084
Provisions	29	4,899	3,343	3,395	4,899	3,395
Borrowings	30	136,041	83,241	144,059	136,041	144,777
Total current liabilities		215,700	162,416	238,898	215,700	240,111
Non-current liabilities						
Payables and deferred revenue	27	-	-	-	-	5
Derivative financial instruments	21	375	-	225	375	225
Employee entitlements	28	914	872	771	914	771
Provisions	29	17,472	10,699	12,510	17,472	12,510
Deferred tax liability	16	-	-	-	-	1,817
Borrowings	30	971,197	864,650	780,773	971,197	786,483
Total non-current liabilities		989,958	876,221	794,279	989,958	801,811
Total liabilities		1,205,658	1,038,637	1,033,177	1,205,658	1,041,922
Net assets		5,560,124	5,303,005	5,479,863	5,667,668	5,598,156
Equity						
Accumulated comprehensive revenue and expense	32	2,401,385	2,376,552	2,359,651	2,456,690	2,417,685
Other reserves	32	3,111,569	2,883,620	3,076,071	3,163,808	3,132,801
Restricted reserves	32	43,980	42,138	42,137	43,980	42,137
Council created reserves	32	3,190	695	2,004	3,190	2,004
Non-controlling interest	32	-	-	-	-	3,529
Total equity		5,560,124	5,303,005	5,479,863	5,667,668	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 cash flows Tauaakii kapewhiti

For the year ended 30 June 2024

Cash flows from operating activities

Cash was provided from:

	Council			Group	
	Note	Actual 2024	Budget 2024	Actual 2023	Actual 2023
		\$000	\$000	\$000	\$000
Rates revenue		256,412	255,752	234,835	256,412
Fees and charges		49,289	50,346	63,000	49,811
Government operating subsidies and grants		27,638	21,788	10,446	27,638
Government capital subsidies and grants		39,576	37,363	46,482	39,576
Other capital contributions		45,399	80,397	57,849	45,399
Interest received		15,298	6,124	10,002	15,298
Dividends received		378	104	341	128
Sundry revenue		9,671	9,908	8,618	9,671
		443,661	461,781	431,573	443,933

Cash was applied to:

Payments to employees		123,451	120,650	105,530	123,643
Payments to suppliers		141,373	140,892	137,609	141,531
Interest paid		52,835	31,761	34,372	52,835
Tax payments		-	-	-	-
Net GST paid		(1,815)	-	644	(1,854)
		315,844	293,303	278,155	316,155

Net cash flow from operating activities	34	127,817	168,478	153,418	127,778
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Cash flows from investing activities

Cash was provided from:

Proceeds from other financial assets		65,428	448	370,360	65,467
Proceeds from maturity of NZLGFA borrowers notes		1,790	1,790	880	1,790
Proceeds from sale of assets held for sale		-	-	-	-
Proceeds from sale of intangible assets		-	-	-	-
Proceeds from sale of property, plant and equipment		483	-	1,151	483
Proceeds from sale of investment property		-	-	440	-
		67,701	2,238	372,831	67,740

Cash was applied to:

Acquisition of other financial assets		120,000	-	395,500	120,000
NZLGFA borrower notes		6,000	2,845	5,500	6,000
Purchase of investment property		373	-	23	373
Purchase of intangible assets		4,577	-	4,769	4,577
Purchase of property, plant and equipment		348,402	309,964	304,683	348,402
		479,352	312,808	710,475	479,352

Net cash flow from investing activities		(411,651)	(310,570)	(337,644)	(411,612)
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For the year ended 30 June 2024

Cash flows from financing activities

Cash was provided from:

Loans raised

Finance leases raised

Cash was applied to:

Loan repayments

Finance lease repayments

Net cash flow from financing activities

Net increase/(decrease) in cash held

Opening cash and cash equivalents balance

Closing cash and cash equivalents balance

Note	Council			Group	
	Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
	300,030	237,092	313,664	300,030	316,245
	-	73	-	-	-
	300,030	237,166	313,664	300,030	316,245
	95,000	95,000	70,000	95,000	70,000
	24	73	135	24	135
	95,024	95,073	70,135	95,024	70,135
	205,006	142,092	243,529	205,006	246,110
	(78,828)	-	59,303	(78,828)	59,192
	174,129	125,481	114,826	174,129	114,937
	95,301	125,481	174,129	95,301	174,129

The accompanying notes form part of these financial statements.

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). Waikato Innovation Growth Ltd was disestablished during the financial year. 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 2024. The financial statements were authorised for issue by Council on 3 December 2024.

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 and service performance information 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 elected representatives' remuneration disclosures in note 33. The remuneration, severance payment, and elected representatives' remuneration disclosures are rounded to the nearest dollar.

Changes in accounting policies

There have been no changes in the Council's accounting policies since the date of the last audited financial statements.

Standards and amendments issued and not yet effective and not early adopted.

Standards and amendments issued but not yet effective, that have not been early adopted and relevant to the Council are:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency

and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

The Council has not yet assessed in detail the impact of these amendments / these amendments are not expected to have a significant impact.

Water services reform

The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024.

The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services.

Council will not know what the model or arrangements are until the WSDP is approved by the Secretary.

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 2023-24 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	
	2024 Actual	2023 Actual
	\$000	\$000
Revenue		
Community Services	7,116	4,901
Growth	11,247	11,069
Venues, Tourism and Major Events	12,759	11,810
Visitor Destinations	7,058	5,171
Safety	6,472	2,602
Governance	374	231
Parks and Recreation	23,047	19,159
Rubbish and Recycling	3,335	2,055
Stormwater	15,589	16,663
Transport	129,126	147,315
Wastewater	46,651	47,227
Water Supply	15,648	17,047
Total activity revenue	278,422	285,250
Less internal revenue	(354)	(312)
Rates	255,719	238,229
Total revenue	533,787	523,167
Expenditure		
Community Services	32,850	30,163
Growth	19,984	20,433
Venues, Tourism and Major Events	41,560	39,528
Visitor Destinations	25,442	23,514
Safety	8,457	8,271
Governance	4,266	3,879
Parks and Recreation	45,262	36,390
Rubbish and Recycling	20,239	10,886
Stormwater	20,922	21,392
Transport	160,697	92,869
Wastewater	62,469	56,420
Water Supply	38,563	35,307
Total activity expenditure	480,711	379,052
Less internal expenditure	(354)	(312)
Total expenditure	480,357	378,740

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	
	2024 Actual	2023 Actual
	\$000	\$000
Revenue from exchange transactions		
Fees and charges	51,985	49,163
Rental income	4,623	4,447
Subsidies and grants	1,882	4,146
Targeted rates for water supply	8,744	8,001
Interest revenue	17,721	11,361
Total revenue from exchange transactions	84,955	77,118
Revenue from non-exchange transactions		
Development contributions	31,842	36,502
Subsidies and grants	25,756	7,957
Capital revenue	55,020	71,736
Infringements and fines	2,469	2,291
Other revenue	31,505	33,150
Rates, excluding targeted rates for water supply	246,975	230,228
Vested assets	55,265	64,185
Total revenue from non-exchange transactions	448,832	446,049
Total revenue	533,787	523,167

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.

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
General rates				
General rates	243,308	227,060	243,308	227,060
Rates charges to Council properties	(658)	(609)	(658)	(609)
Targeted rates				
Metered water supply	9,147	8,372	9,147	8,372
Metered water charges to Council properties	(403)	(371)	(403)	(371)
Business improvement district rate	341	318	341	318
Service category rates (water, refuse and sewerage)	1,673	1,557	1,673	1,557
Hamilton Gardens	-	-	-	-
Central city	146	145	146	145
Government compliance rate	11,010	10,267	11,010	10,267
Penalties and remissions				
Rates penalties	1,566	1,361	1,566	1,361
Rates remissions	-	(2)	-	(2)
- Hardship	(218)	(24)	(218)	(24)
- HCC utilities	(8,626)	(8,223)	(8,626)	(8,223)
- HCC other	(1,191)	(1,145)	(1,191)	(1,145)
- Community shop 50%	(74)	(69)	(74)	(69)
- Wastewater/Water/Refuse	(302)	(408)	(302)	(408)
Total rates	255,719	238,229	255,719	238,229

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 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2024	2023
	\$000	\$000
Rates	255,719	238,229
Total annual rates income	255,719	238,229

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Rates	255,719	255,752

There was no significant variance to budget.

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	
	2024	2023	2024	2023
Waka Kotahi NZ Transport Authority roading subsidy - operating	\$000	\$000	\$000	\$000
Waste minimisation levy	12,541	7,957	12,541	7,957
Operating Grants - Water Reform	2,449	1,605	2,449	1,605
Other grants	723	1,096	723	1,096
	11,925	1,445	11,925	1,445
Total grants, subsidies and reimbursements	27,638	12,103	27,638	12,103

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
Subsidies and grants	\$000	\$000
	27,638	21,788

Subsidies and Grants were \$5.9m favourable to budget. An additional \$3m of subsidies for maintenance were allocated out of the NZTA three year funding pool, enabling additional maintenance work to be undertaken. Additional \$1.7m of waste minimisation levies received due to increased tonnage rates set by Central Government. Some Better Off grant revenue has not yet been recognised due to delayed timing of the projects.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Animal control charges	1,198	1,106	1,198	1,106
Building and resource consent charges	10,042	9,840	10,042	9,840
Cemetery and crematorium charges	1,869	1,765	1,869	1,765
Event facilities charges	8,639	7,856	8,639	7,856
Hamilton Gardens charges	181	129	181	129
Parking fees	1,850	1,735	1,850	1,735
Swimming pools charges	3,044	2,914	3,044	2,914
Trade waste charges	3,366	3,636	3,366	3,543
Zoo charges	2,634	2,351	2,634	2,351
Other fees and charges	3,600	3,517	3,600	3,517
Commission received	2,090	1,827	2,090	1,827
Sale of goods	832	796	832	796
Operating contributions	12,640	11,691	12,640	11,691
Rendering of services	-	-	-	6,234
Total fees and charges	51,985	49,163	51,985	55,304

Explanation of significant variances against budget

Fees and charges

Council	
Actual 2024	Budget 2024
\$000	\$000
51,985	50,346

Fees and charges were favourable to budget by \$1.6m. There was higher commission revenue from stronger-than-expected event activity at our venues, ranging from smaller events at Claudelands Event Centre to major events at FMG Stadium. In the infrastructure and assets sector, stormwater generated additional operating contributions from Waikato Regional Council under the Project Watershed Service Level Agreement. Additionally, an increase in tankered waste loads received at the Pukete Wastewater Treatment Plant is resulting in additional revenue.

Note 6: Interest revenue

Accounting policy

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

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Interest revenue				
Term deposits	17,458	11,237	17,458	11,237
Community loans (note 22)	39	51	39	51
Local authority and government bonds	224	73	224	73
Discount unwind on community loan (note 22)	-	-	-	-
Total interest revenue	17,721	11,361	17,721	11,361

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Interest revenue	17,721	6,124

Interest revenue was favourable by \$11.6m to budget due to more cash held in term deposits than budgeted and higher interest rates.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Other revenue				
Infringements and fines	2,469	2,291	2,469	2,291
Rental income	4,623	4,447	4,623	4,447
Dividend revenue	378	341	128	91
Petrol tax income	1,269	1,257	1,269	1,257
Sponsorship income	30	32	30	32
Insurance claims	1,249	557	1,249	557
Donations received	21	27	21	27
Housing Infrastructure Fund (HIF) - fair value benefit	28,548	30,930	28,548	30,930
Miscellaneous revenue	10	6	10	6
Total other revenue	38,597	39,888	38,347	39,638

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Other revenue	38,597	13,011

Other revenue was favourable to budget by \$25.6m. Higher market interest rates led to a \$22.9m non-cash fair value gain on the HIF loan, excluded from balancing the books. Successful insurance claims including \$978k for emergency outfall work at Pukete Wastewater Treatment Plant contributed to offsetting required reinstatement expenditure.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not later than one year	3,359	3,486	3,359	3,486
Later than one year and not later than five years	5,351	6,918	5,351	6,918
Later than five years	29,351	30,183	29,351	30,183
Total non-cancellable operating leases	38,061	40,587	38,061	40,587

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Gains				
Property, plant and equipment gain on disposal (note 24)	20	398	20	398
Investment property revaluation gain (note 26)	-	-	-	-
Investment property revaluation gain on disposal	-	-	-	-
Realised gain on other financial assets	-	-	-	-
Unrealised gain on investments	909	1,197	909	1,197
Gain on revaluation of interest rate swaps (note 21)	19,016	28,212	19,016	28,212
Total gains	19,945	29,807	19,945	29,807
Losses				
Property, plant and equipment loss on disposal (note 24)	(5,063)	(5,036)	(5,063)	(5,036)
Impairment of assets	-	(405)	-	(405)
Investment property revaluation loss (note 26)	(1,831)	(4,368)	(1,831)	(4,368)
Investment property revaluation loss on disposal (note 26)	-	-	-	-
Net foreign currency exchange loss	-	-	-	-
Unrealised loss on cash investments	(376)	(617)	(376)	(617)
Loss on disposal of shares in subsidiaries	(3,956)	-	(12,711)	-
Loss on revaluation of interest rate swaps (note 21)	(23,680)	(20,392)	(23,680)	(20,392)
Total losses	(34,906)	(30,818)	(43,661)	(30,818)
Total net gains/(losses)	(14,961)	(1,011)	(23,716)	(1,011)

Explanation of significant variances against budget

Gains/(Losses)

Council	
Actual 2024	Budget 2024
\$000	\$000
(14,961)	1,050

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 unfavourable variance to budget of (\$16m).

- The net decrease in the revaluation of interest rate swaps by (\$4.6m) is due to a change in market interest rates.
- There was a loss on disposal of (\$5.1m). \$816k relates to the disposal of the Settlement Waikato Centre. The remainder relates to the disposal of assets as a result of the renewals programme.
- There was a \$4 million loss on disposal of shares in subsidiaries due to the winding up of Waikato Innovation Growth Limited group.
- There was a revaluation loss in investment properties of \$1.8m.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Community Infrastructure**	39	21	39	21
Reserves	1,038	1,116	1,038	1,116
Stormwater	3,670	2,920	3,670	2,920
Transport	5,584	6,774	5,584	6,774
Wastewater	6,303	8,118	6,303	8,118
Water	4,063	4,931	4,063	4,931
Development Contribution Interest*	11,145	12,622	11,145	12,622
Total development contributions	31,842	36,502	31,842	36,502

* 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).

** Prior year comparatives have been reclassified to provide more useful information to readers.

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Development contributions	31,842	36,605

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 lower than expected number of developments were completed during the financial year.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Capital contributions - general	13,340	20,868	13,340	20,868
Waste minimisation levy	279	-	279	-
Capital grants	2,598	-	2,598	-
Waka Kotahi NZ Transport Authority roading subsidy - capital	38,803	50,868	38,803	50,868
Total capital revenue	55,020	71,736	55,020	71,736

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Capital contributions - general	13,340	43,792
Waka Kotahi NZ Transport Agency roading subsidy - capital	38,803	37,363
Total capital revenue	52,143	81,155

Capital Contributions were unfavourable to budget by (\$30.4m). This was driven by:

- reducing funding from CERF projects which have been cancelled
- the remainder of the variance relates to revenue re-introduced through the LTP

Waka Kotahi NZ Transport Agency Capital subsidies were favourable to budget by \$1.4m. This was driven by:

- project costs exceeding work category funding for Low Cost/Low Risk improvements

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Land	19,601	26,089	19,601	26,089
Stormwater	5,722	8,307	5,722	8,307
Transport	12,661	15,316	12,661	15,316
Wastewater	5,665	4,681	5,665	4,681
Water supply	2,189	1,822	2,189	1,822
Parks and gardens - land and improvements	9,427	7,970	9,427	7,970
Total vested assets	55,265	64,185	55,265	64,185

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Vested assets	55,265	39,353

Vested assets received were favourable to budget by \$15.9m. Increased subdivision activity specifically in Chartwell and Rototuna resulted in greater than budgeted vested assets, notably in Parks and Gardens.

Note 12: Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver is accounted for as a defined contribution superannuation scheme and is 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Salaries and wages	114,432	100,199	114,432	103,699
Defined contribution plan employer contributions (include KiwiSaver)	2,245	2,066	2,245	2,066
Increase/(decrease) in employee benefit liabilities	(747)	487	(747)	487
Total salaries and wages	115,930	102,752	115,930	106,252
Other employee benefits	6,774	7,311	6,774	7,311
Total personnel costs	122,704	110,063	122,704	113,563

Refer to note 28 for the employee entitlement liability as at 30 June 2024 and 30 June 2023 and note 33 for further information on the remuneration of key management personnel and elected representatives.

Explanation of significant variances against budget

Personnel costs

Personnel costs are unfavourable by (\$2.1m) as a result of unbudgeted redundancy costs.

Council	
Actual 2024	Budget 2024
\$000	\$000
122,704	120,650

Chief Executive remuneration

The total remuneration paid or payable for the year to the Chief Executive was \$405,661 (2023: \$400,972).

Council employee remuneration by band

The total annual remuneration by band for employees as at 30 June:

	2024
< \$60,000	455
\$60,000 - \$79,999	390
\$80,000 - \$99,999	247
\$100,000 - \$119,999	146
\$120,000 - \$139,999	106
\$140,000 - \$159,999	59
\$160,000 - \$179,999	25
\$180,000 - \$199,999	12
\$200,000 - \$219,999	14
\$220,000 - \$319,999	8
\$320,000 - \$419,999	3
Total employees	1,465

The total annual remuneration by band for employees as at 30 June:

	2023
< \$60,000	542
\$60,000 - \$79,999	337
\$80,000 - \$99,999	248
\$100,000 - \$119,999	137
\$120,000 - \$139,999	109
\$140,000 - \$159,999	43
\$160,000 - \$179,999	23
\$180,000 - \$199,999	13
\$200,000 - \$219,999	7
\$220,000 - \$299,999	7
>\$300,000	3
Total employees	1469

Total remuneration includes non-financial benefits provided to employees.

At 30 June 2024, each band increases in 19,999 increments. There were five or fewer employees in the bands \$220,000 - \$319,999 and \$320,000 - \$419,999. Therefore, these have been combined with the next highest band.

At 30 June 2023 there were five or fewer employees in the individual bands \$200,000 - \$299,999. Therefore, these have been combined with the next highest band.

At balance date, the Council employed 1,105 full-time employees (2023: 1,115), with the balance of staff representing 168.44 full-time equivalent employees (2023: 166.62). A full-time employee is determined on the basis of a 40 hour working week.

Severance payments

For the year ended 30 June 2024, the Council made severance payments to 9 employees totalling \$139,849 (2023: Ten employees \$139,473). The value of each of the severance payments was \$38,625, \$22,274, \$15,000, \$15,000, \$8,450, \$22,000, \$5,000, \$10,000, and \$3,500. 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Interest expense				
Interest on borrowings	54,841	36,096	54,841	36,533
Interest on finance leases	-	2	-	2
Discount unwind on provisions (note 29)	527	563	527	563
Fair value discount unwinding *	3,942	2,024	3,942	2,024
Interest derivatives (presented net)				
Interest rate swaps **	-	2,178	-	2,178
Total finance costs	59,310	40,863	59,310	41,300

* 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 2024	Budget 2024
	\$000	\$000
Finance costs	59,310	33,496

Finance costs were (\$25.8m) 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Directly attributable depreciation and amortisation expense by group of activity				
Community Services	4,296	3,312	4,296	3,312
Venues, Tourism and Major Events	8,179	7,882	8,179	7,882
Parks and Recreation	9,538	8,050	9,538	8,050
Growth	8	-	8	-
Visitor Destinations	3,187	2,714	3,187	2,714
Rubbish and Recycling	557	580	557	580
Safety	127	101	127	101
Wastewater	14,944	14,144	14,944	14,144
Stormwater	11,532	10,827	11,532	10,827
Transport	38,026	24,286	38,026	24,286
Water Supply	10,529	10,154	10,529	10,154
Total directly attributable depreciation and amortisation by group of activity	100,923	82,050	100,923	82,050
Depreciation and amortisation not directly related to group of activities	7,439	7,110	7,439	8,136
Total depreciation and amortisation expense	108,362	89,160	108,362	90,186

Explanation of significant variances against budget

Depreciation and amortisation

Council	
Actual 2024	Budget 2024
\$000	\$000
108,362	94,405

Depreciation was (\$14.0) million unfavourable to budget. This was driven by:

- transportation depreciation being greater than budget by \$10 million due to a greater than expected revaluation increase in 2023.
- parks and gardens depreciation being greater than budget by \$2.3 million due to a greater than expected revaluation increase in 2023.
- an unfavourable variance of \$1.9m relates to the waters activities. This is as a result of accelerated delivery of the capital programme in 2023.

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 audit of 2024-34 Long-Term Plan
 - 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
 Vested asset expenditure
 Impairment of receivables
 Other administration costs

Property Costs

Insurance premiums
 Other property costs

Council		Group	
2024	2023	2024	2023
\$000	\$000	\$000	\$000
417	349	417	390
162	-	162	-
10	10	10	10
142	166	142	166
33	41	33	41
14,427	13,969	14,427	13,969
1,828	2,336	1,828	2,336
17,019	16,871	17,019	16,912
49,132	45,798	49,132	45,798
800	852	800	852
80	107	80	107
22,532	19,448	22,532	22,601
18,106	17,241	18,106	17,241
90,650	83,446	90,650	86,599
9,134	3,583	9,134	3,583
33,907	-	33,907	-
545	278	545	278
22,882	20,084	22,882	20,241
66,468	23,945	66,468	24,102
4,157	3,189	4,157	3,189
11,687	11,203	11,687	11,203
15,844	14,392	15,844	14,392
Total other expenses	189,981	189,981	142,005

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Professional costs	17,019	15,609
Operating and maintenance costs	90,650	87,013
Administration costs	66,468	22,320
Property costs	15,844	14,931
Other expenses	189,981	139,873

Other expenses were (\$50.1m) unfavourable to budget. This was due to:

- Professional costs were (\$1.4m) unfavourable due to two unbudgeted bi-elections due to Councillor resignations, a review of the Municipal building usage and finalisation of the rubbish and recycling legal proceedings.
- Operating and maintenance costs were unfavourable due to work in progress being written off (\$6m) as a result of projects no longer going ahead and finalisation of operational and capital cost splits upon the capitalisation of major projects.
- Administration costs were unfavourable to budget mainly due to \$33.9m vesting of Wairere Cobham Interchange to Waka Kotahi and an increase in the landfill provision by \$7.5m as a result of the aftercosts in the provision increasing to be in line with the costs budgeted for the 2024-34 Long Term Plan.
- Property costs have increased (\$0.9m) due to increases in insurance premiums and 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Not later than one year	245	127	245	127
Later than one year and not later than five years	92	134	92	134
Later than five years	-	-	-	-
Total non-cancellable operating leases	337	261	337	261

The total minimum future sublease payments expected to be received under subleases at balance date is \$nil (2023: \$nil).

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current tax expense	-	-	1,809	(256)
Deferred tax expense	-	-	(1,809)	(283)
Tax expense	-	-	-	(539)

Relationship between tax expense and accounting profit

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax	38,469	143,416	27,720	150,680
Tax at 28%	10,771	40,156	7,762	42,190
Effect of tax exempt income	(10,771)	(40,156)	(7,762)	(42,190)
Taxation loss not recognised	-	-	-	-
Equity accounted earnings of associates	-	-	-	-
Deferred tax adjustment	-	-	-	(539)
Tax expense	-	-	-	(539)

Movement in deferred tax assets/(liabilities) during the year

	Group			
	PPE	Investment properties	Other provisions	Tax losses
Balance as at 1 July 2022	\$000	\$000	\$000	\$000
Acquired balance	(3,105)	-	(7)	1,004
Charged to surplus or deficit	-	-	-	-
Charged to other comprehensive income	-	-	-	291
Balance at 30 June 2023	(3,105)	-	(7)	1,295
Acquired balance				
Charged to surplus or deficit	3,105	-	7	(1,295)
Charged to other comprehensive income				
Balance at 30 June 2024	-	-	-	-

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Tax losses - Council	155	150	155	150
Tax losses - Waikato Innovation Group Limited	-	-	-	291
	155	150	155	441

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash at bank and on hand	44,301	53,629	44,301	53,629
Term deposits with maturities of less than three months at acquisition	51,000	120,500	51,000	120,500
Total cash and cash equivalents	95,301	174,129	95,301	174,129

Explanation of significant variances against budget

Current assets

Cash and cash equivalents

Council	
Actual 2024	Budget 2024
\$000	\$000
95,301	125,481

The unfavourable variance to budget of (\$30.2m) is due to less short term deposits held at year end than budgeted. The term deposits have been entered into with longer terms so have been classified as other financial assets.

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 \$47.2m (2023: \$43.5m) 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 2024 the interest rate for amounts up to the overdraft limit was 12.15% (2023: 6% per annum). The interest rate for amounts exceeding the overdraft limit was the overdraft base rate of 12.15% plus 10% per annum. The credit interest rate on this account was 4.75% per annum (2023: 5.5% per annum). The bank overdraft facility on the daily trading account was undrawn at 30 June 2024.

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 2024 the interest rate for amounts up to the overdraft limit was 9.04% per annum (2023: 6% per annum). The interest rate for amounts exceeding the overdraft limit was the overdraft base rate of 9.04% plus 8% per annum. The bank overdraft facility on the direct fees account was undrawn at 30 June 2024.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Rates receivables	7,748	8,455	7,748	8,455
Waka Kotahi (New Zealand Transport Agency)	8,826	5,968	8,826	5,968
Water by meter	1,998	3,362	1,998	3,362
GST refund due	1,647	3,653	1,647	3,653
Income tax receivable	-	-	-	-
Sundry debtors	20,229	19,443	20,229	20,043
Gross debtors and other receivables	40,448	40,881	40,448	41,481
Less: provision for uncollectability	(3,119)	(2,607)	(3,119)	(2,607)
Total receivables	37,329	38,274	37,329	38,874

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
	23,210	12,762	23,210	13,929
	14,119	25,512	14,119	24,945
	37,329	38,274	37,329	38,874

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.

Ratepayers can apply for payment plan options in special circumstances.

The ageing profile of receivables at year end is detailed below:

	2024			2023		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
Council						
Not past due	25,097	-	25,097	24,488	-	24,488
Past due 1-60 days	2,756	(81)	2,675	4,050	-	4,050
Past due 61-120 days	7,393	(180)	7,213	8,473	-	8,473
Past due > 120 days	5,202	(2,858)	2,344	3,871	(2,607)	1,264
Total	40,448	(3,119)	37,329	40,881	(2,607)	38,274
Group						
Not past due	25,097	-	25,097	25,088	-	25,088
Past due 1-60 days	2,756	(81)	2,675	4,050	-	4,050
Past due 61-120 days	7,393	(180)	7,213	8,473	-	8,473
Past due > 120 days	5,202	(2,858)	2,344	3,871	(2,607)	1,264
Total	40,448	(3,119)	37,329	41,481	(2,607)	38,874

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Individual provision for uncollectability	78	33	78	33
Collective provision for uncollectability	3,041	2,574	3,041	2,574
Total provision for uncollectability	3,119	2,607	3,119	2,607

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Past due 1-60 days	-	-	-	-
Past due 61-120 days	-	-	-	-
Past due > 120 days	78	33	78	33
Total individual provision for impairment	78	33	78	33

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Balance at 1 July	2,607	2,451	2,607	2,451
Additional provisions made during the year	546	343	546	343
Provisions reversed during the year		(65)	-	(64)
Receivables written off during the year	(34)	(123)	(34)	(123)
Balance at 30 June	3,119	2,607	3,119	2,607

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 2024	Budget 2024
	\$000	\$000
Receivables	37,329	38,902

There was a unfavourable variance to budget by (\$1.6m). Water by meter (\$0.6 million) and GST refund (\$0.6 million) were lower than budget due to the timing of invoicing and payments at year end. The provision for doubtful debts also increased from budget by \$0.3 million due to changes to parking zones and the related enforcement.

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Held for distribution inventory:				
Nursery	96	88	96	88
Retail	278	147	278	147
Raw materials	-	-	-	98
Total inventory	374	235	374	333

The write-down of inventory during the year was \$14,687 (2023: \$nil).

No inventory is pledged as security for liabilities (2023: \$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	
	2024	2023	2024	2023
Non-current assets held for sale are:				
Investment Properties	\$000	\$000	\$000	\$000
	3,625	4,185	3,625	4,185
Total Non-current assets held for sale	3,625	4,185	3,625	4,185

Investment properties

Prior to year end Council entered into negotiations to sell investment properties within the CBD.

Note 21: Derivative financial instruments

Accounting policy

Derivative financial instruments are used to 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current asset portion				
Interest rate swaps	-	3,877	-	3,877
Total current asset portion	-	3,877	-	3,877
Non-current asset portion				
Interest rate swaps	7,245	7,882	7,245	7,882
Total non-current asset portion	7,245	7,882	7,245	7,882
Total derivative financial instrument assets	7,245	11,759	7,245	11,759
Current liability portion				
Interest rate swaps	-	-	-	-
Total current liability portion	-	-	-	-
Non-current liability portion				
Interest rate swaps	375	225	375	225
Total non-current liability portion	375	225	375	225
Total derivative financial instrument liabilities	375	225	375	225

Information about interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council and Group was \$527.5m (2023: \$489.5m). This includes \$185m (2023: \$10m) of forward start swaps, leaving \$342.5m (2023: \$479.5m) in actual committed swaps at 30 June 2024. At 30 June 2024 the fixed interest rates of fair value interest rate swaps ranged from 1.60% to 5.06% (2023: 1.23% to 5.12%).

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 (2023: 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 2024	Budget 2024
Derivative financial instrument assets	\$000	\$000
	7,245	3,713
Derivative financial instrument liabilities (current and non-current)	375	-

There was a favourable variance to budget of \$3.2m for derivative financial instruments. This is due to the additional interest rate swap contracts entered into during the year.

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	
				2024	2023	2024	2023
				\$000	\$000	\$000	\$000
Current portion	Amortised Cost	FVTOCRE	FVTSD				
Term deposits with original maturities greater than 3 months and remaining maturities less than 12 months	✓			91,630	31,790	91,630	31,790
Balanced Funds			✓	6,925	11,289	6,925	11,289
- Interest accrual	✓			1,918	322	1,918	322
Community loans	✓			455	448	455	560
Total current portion				100,928	43,849	100,928	43,961
Non-current portion							
Investment in CCOs and similar entities							
Shares in subsidiaries			✓	-	4,000	-	-
Co-Lab		✓		437	614	437	614
NZ Local Government Funding Agency Ltd (NZLGFA)		✓		9,395	8,785	9,395	8,785
				9,832	13,399	9,832	9,399
Other Investments							
Term deposits with maturities greater than 1 year	✓			19,620	15,250	19,620	15,250
- Interest accrual	✓			2,068	1,280	2,068	1,280
Community Loans	✓			1,414	1,870	1,414	1,870
Civic Financial Services Ltd (Civic)		✓		189	183	189	183
				23,291	18,583	23,291	18,583
Total non-current portion				33,123	31,982	33,123	27,982
Total other financial assets				134,051	75,831	134,051	71,943

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Other financial assets (current and non-current)	134,051	35,234

Other financial assets were favourable to budget by \$98.8m. 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 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 \$1.9m (2023: \$2.4m) 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	
	2024	2023	2024	2023
At 1 July	\$000	\$000	\$000	\$000
Amount of new loans during the year	2,317	2,757	2,317	2,757
Fair value adjustment on initial recognition	-	-	-	-
Loans repaid during the year (principal and interest)	-	-	-	-
Impairment loss recognised during the year	(487)	(491)	(487)	(491)
Unwind of discount and interest charged	-	-	-	-
	39	51	39	51
At 30 June	1,869	2,317	1,869	2,317

Financial assets at FVTOCRE that are debt instruments

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.

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 \$6.9m (2023: \$11.3m) which is made up of the short term investment in Milford (2023: Milford and Forsyth Barr).

Civic Financial Services Ltd (Civic)

Civic Financial Services Ltd reported a \$0.3m profit for the year ended 31 December 2023 (31 December 2022: loss of \$1m). Council has made an adjustment through other comprehensive revenue and expense to reflect its share of the increase in net equity of the company resulting from the profit 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 \$609,552 (2023: \$106,821 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 2024. A loss of \$176,930 (2023: \$123,988 gain) was made to Council's investment in Co-Lab to reflect Council's share of the decrease in Co-Lab's equity for the year ended 30 June 2024. A gain of \$5,689 (2023: \$18,443 loss) was made to Council's investment in Civic Financial Services Ltd to reflect Council's share of the increase in Civic's equity resulting from an operating surplus for the year ended 31 December 2023.

Shares in subsidiaries

The investment in subsidiaries is carried at cost.

In December 2023, WIGL sold its 70% shareholding (30% held by Callaghan Innovation) in New Zealand Food Innovation Waikato Limited (NZFIWL) to New Image Group Limited. Council had a 100% shareholding in Waikato Innovation Growth Ltd (WIGL), which was disposed of following the sale of its shares in NZFIWL. This is reflected in the Group consolidation for 2023/24.

Breakdown of shares in subsidiaries and further information is as follows:

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Waikato Innovation Growth Ltd (WIGL)	-	4,000	-	-
Total	-	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.

Breakdown of investment in associate and further information

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Waikato Regional Airport Limited	7,430	7,430	114,974	116,968
Melody Dairies Limited Partnership	-	-	-	3,552
Total	7,430	7,430	114,974	120,520

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

Details of any contingent liabilities arising from the Group's involvement in an associate are disclosed separately in note 31.

	Group	
	2024	2023
	\$000	\$000
Current assets	18,966	17,223
Non-current assets	255,092	255,544
Current liabilities	4,307	28,235
Non-current liabilities	39,807	10,600
Revenue	24,285	43,674
Tax expense/(credit)	(7,106)	(122)
Surplus/(deficit) after tax	(3,488)	18,459
Total other comprehensive revenue & expense	(3,488)	23,707
Net assets	229,944	233,932
Group's interest	50%	50%
Equity accounted carrying amount	114,974	116,968
Assets	-	-
Liabilities	-	-
Revenue	-	-
Surplus/(deficit)	-	-
Group's interest	0%	11%

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	3 - 100	1% - 33.3%
Vehicles	3 - 25	4% - 33.3%
Plant and equipment	2 - 50	2% - 50%
Library books	5 - 14	7.1% - 20%
Zoo animals	10	10%
Improvements - parks and gardens	10 - 150	0.7% - 10%
Roads and traffic network		
Top surface (seal)	10 - 100	1% - 10%
Pavement (basecourse)	50 - 140	0.7% - 2%
Concrete Roads	60	1.7%
Drainage	60 - 70	1.4% - 1.7%
Car parks	12 - 125	0.8% - 8.3%
Footpaths and cycleways	25 - 75	1.3% - 4%
Kerbs and traffic islands	35 - 100	1% - 2.86%
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%

The residual value and useful life of an asset is reviewed and adjusted if applicable.

ASSET CLASS	YEARS	DEPRECIATION
Wastewater reticulation		
Pipes	30 - 100	1% - 3.3%
Manholes	100	1%
Treatment plant	3 - 100	1% - 33%
Valves	25 - 100	1% - 4%
Pump stations	15 - 50	2% - 6.7%
Stormwater system		
Pipes	30 - 100	1% - 3.3%
Manholes, inlets and outlets	29 - 100	1% - 3.4%
Soakage trench	50	2%
Fish Pass	75	1.33%
Channels	20 - 90	1.1% - 5%
Erosion control	50 - 75	1.3% - 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	3 - 100	1% - 33.3%
Meters	15	6.7%
Hydrants	50 - 75	1.3% - 2%
Cathodic Protection Device	15 - 100	1% - 6.7%
Reservoirs	5 - 100	1% - 20%
Refuse - rubbish and recycling	5 - 100	1% - 20%

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

- Land
- Formation costs associated with roading
- Investment properties
- Non-current 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 Lionel Musson in conjunction with Hamilton City Council staff. The valuation is effective as at 30 June 2024.

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 & design, contract preparation & supervision and project management costs. In HCC'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 carpark, 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Operational assets				
Land	-	-	-	-
Buildings	18,598	21,168	18,598	21,168
Land - parks and gardens	534	38,683	534	38,683
Improvements - parks and gardens	17,333	13,847	17,333	13,847
Plant and equipment	2,632	1,223	2,648	1,239
Vehicles	203	-	203	-
Heritage assets				
Museum and library	81	51	81	51
Infrastructure assets				
Land	-	2	-	2
Refuse	885	470	885	470
Roads and traffic network	280,641	226,218	280,641	226,218
Land under roads	1,059	2,462	1,059	2,462
Stormwater system	32,841	21,046	32,841	21,046
Wastewater system	76,507	41,711	76,507	41,711
Wastewater treatment plant	16,366	10,553	16,366	10,553
Water system	22,395	27,329	22,395	27,329
Water treatment plant	15,231	11,776	15,231	11,776
Total work in progress	485,306	416,539	485,322	416,555

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Capital commitments by asset class				
Buildings	29,201	55,733	29,201	55,733
Improvements - parks and gardens	8,030	12,165	8,030	12,165
Plant and equipment	-	-	-	25
Museum and library	4,291	2,792	4,291	2,792
Roads and traffic network	85,380	158,215	85,380	158,215
Stormwater system	1,436	1,720	1,436	1,720
Wastewater system	42,883	56,613	42,883	56,613
Water system	52,242	73,618	52,242	73,618
Total capital commitments	223,463	360,856	223,463	360,881

Core infrastructure asset disclosure

Included within Councils Infrastructure assets below are the following core Council assets

	Most recent replacement cost estimate for revalued assets	
	2024	2023
	\$000	\$000
Roads and traffic network	2,236,561	2,180,867
Stormwater system	1,046,200	1,033,697
Wastewater system	863,211	845,891
Wastewater treatment plant	166,555	159,374
Water system	566,827	535,930
Water treatment plant	176,196	169,895

Note 24: Property, Plant and Equipment 2024

COUNCIL 2024

	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-23 \$000	30-Jun-23 \$000	30-Jun-23 \$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets									
Land	125,682	-	125,682	(21,375)	-	536	14	-	-
Buildings	363,138	(18,770)	344,368	100	-	-	21,600	-	(2,520)
Land - parks and gardens	933,320	-	933,320	30,616	-	39,579	42,115	9,712	(38,149)
Improvements - parks and gardens	164,405	(2,130)	162,275	-	-	-	34,096	366	3,435
Plant and equipment	64,948	(38,179)	26,769	-	-	-	9,074	-	1,409
Finance leases	390	(375)	15	-	-	-	-	-	-
Vehicles	13,558	(7,139)	6,419	-	-	-	1,360	-	203
Library books	20,200	(15,452)	4,748	-	-	-	1,112	-	-
Zoo animals	832	(719)	113	-	-	-	18	-	-
Leasehold improvements	-	-	-	-	-	-	-	-	-
Total operational assets	1,686,473	(82,764)	1,603,709	9,341	-	40,115	109,389	10,078	(35,622)
Restricted assets									
Land	47,356	-	47,356	(44,170)	-	-	-	-	-
Heritage assets									
Museum and library	41,299	-	41,299	-	-	-	48	-	30
Infrastructure assets									
Land	80,768	-	80,768	28,501	-	8,826	2,963	1,112	(2)
Refuse	53,908	(470)	53,438	-	-	-	429	-	415
Roads and traffic network	1,667,933	(1,138)	1,666,795	-	-	-	77,915	11,686	54,422
Land under roads	810,749	-	810,749	6,797	-	-	4,955	18,489	(1,403)
Stormwater system	699,320	(12,482)	686,838	(12)	-	-	6,541	6,147	11,803
Wastewater system	573,933	(11,282)	562,651	12	-	-	11,934	5,608	34,787
Wastewater treatment plant	116,919	(4,925)	111,994	-	-	-	7,446	-	5,813
Water system	354,872	(7,575)	347,297	-	-	-	29,416	2,145	(4,934)
Water treatment station	122,777	(4,017)	118,760	-	-	-	6,346	-	3,455
Total infrastructure assets	4,481,179	(41,889)	4,439,290	35,298	-	8,826	147,945	45,187	104,356
Total property, plant and equipment	6,256,307	(124,653)	6,131,654	469	-	48,941	257,382	55,265	68,764

COUNCIL 2024								GROUP 2024		
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-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
-	-	-	-	(4,887)	99,970	-	99,970	99,970	-	99,970
(2,583)	-	(15,576)	351	-	379,735	(33,995)	345,740	379,735	(33,995)	345,740
-	-	-	-	-	1,017,193	-	1,017,193	1,017,193	-	1,017,193
(389)	(269)	(7,763)	112	-	201,644	(9,781)	191,863	201,644	(9,781)	191,863
(83)	-	(4,588)	58	-	75,348	(42,709)	32,639	75,348	(42,709)	32,639
-	-	(17)	-	-	390	(392)	(2)	390	(392)	(2)
(1,021)	-	(1,490)	840	-	14,100	(7,789)	6,311	14,100	(7,789)	6,311
-	-	(2,324)	-	-	21,312	(17,776)	3,536	21,312	(17,776)	3,536
-	-	(23)	-	-	850	(742)	108	850	(742)	108
(4,076)	(269)	(31,781)	1,361	(4,887)	1,810,542	(113,184)	1,697,358	1,810,542	(113,184)	1,697,358
(172)	-	-	-	(3,014)	-	-	-	-	-	-
-	-	-	-	-	41,377	-	41,377	41,377	-	41,377
(20)	-	-	-	(379)	121,769	-	121,769	121,769	-	121,769
-	-	(398)	-	-	54,752	(868)	53,884	54,752	(868)	53,884
(33,907)	-	(36,517)	711	-	1,778,049	(36,944)	1,741,105	1,778,049	(36,944)	1,741,105
(4)	-	-	-	(433)	839,150	-	839,150	839,150	-	839,150
(185)	-	(10,846)	7	-	723,614	(23,321)	700,293	723,614	(23,321)	700,293
(222)	-	(10,102)	11	-	626,052	(21,373)	604,679	626,052	(21,373)	604,679
(265)	-	(4,369)	31	-	129,913	(9,263)	120,650	129,913	(9,263)	120,650
(664)	-	(6,711)	74	-	380,835	(14,212)	366,623	380,835	(14,212)	366,623
(45)	-	(3,526)	13	-	132,533	(7,530)	125,003	132,533	(7,530)	125,003
(35,312)	-	(72,469)	847	(812)	4,786,667	(113,511)	4,673,156	4,786,667	(113,511)	4,673,156
(39,560)	(269)	(104,250)	2,208	(8,713)	6,638,586	(226,695)	6,411,891	6,638,586	(226,695)	6,411,891

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
	\$000	\$000
Plant, property and equipment	6,411,891	6,042,894

Plant, property and equipment was favourable to budget by \$369.0m mainly due to the revaluation gain being higher than budgeted (\$367m) and other factors such as greater than budgeted vested assets combined with a virtually fully spent capital programme.

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)

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

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	5-100 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 2023	14,710	409	35,874	15,597	66,590	-	66,590
Additions	210	-	1,247	-	1,457	-	1,457
Disposals	-	-	(2,474)	-	(2,474)	-	(2,474)
Work in Progress (WIP)							
- Opening WIP	8,458	-	3,291	2,109	13,858	-	13,858
- Closing WIP	9,780	-	4,926	2,273	16,978	-	16,978
Change in WIP	1,322	-	1,635	164	3,120	-	3,120
Balance as at 30 June 2024	16,242	409	36,282	15,761	68,693	-	68,693
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
Accumulated amortisation and impairment							
Balance as at 1 July 2023	(2,068)	(73)	(22,294)	(8,248)	(32,683)	-	(32,683)
Transferred accumulated depreciation	-	-	-	-	-	-	-
Amortisation charge	(657)	-	(2,845)	(611)	(4,113)	-	(4,113)
Impairment	-	-	-	-	-	-	-
Amortisation reversed on disposal	-	-	1,542	-	1,542	-	1,542
Balance as at 30 June 2024	(2,725)	(73)	(23,597)	(8,859)	(35,254)	-	(35,254)
Balance as at 1 July 2022	(1,761)	(73)	(20,313)	(8,002)	(30,149)	-	(30,149)
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)
Carrying amounts							
Balance as at 1 July 2022	12,814	336	12,564	6,859	32,573	1	32,574
Balance as at 30 June and 1 July 2023	12,642	336	13,580	7,349	33,907	-	33,907
Balance as at 30 June 2024	13,517	336	12,685	6,902	33,439	-	33,439

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 (2023: \$nil).

Capital commitment

Intangible asset commitments are \$13.2m (2023: \$7.3m).

Explanation of significant variances against budget

Intangible assets

Intangible assets are unfavourable to budget as a result of the required accounting treatment of software products which have not been factored into the budget.

Council	
Actual 2024	Budget 2024
\$000	\$000
33,439	40,213

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	
	2024	2023	2024	2023
Balance at 1 July	\$000	\$000	\$000	\$000
Additions from acquisitions	32,013	40,983	32,013	40,983
Transfers	793	23	793	23
Work in progress	68	(4,185)	68	(4,185)
Disposals	72	-	72	-
Fair value gains/(losses) on valuation (note 8)	(1,831)	(4,368)	(1,831)	(4,368)
Balance at 30 June	31,115	32,013	31,115	32,013

The valuation of Council's investment property was performed by R A Smithers an independent valuer from CBRE (previously Telfer Young). CBRE 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 2024.

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	
	2024	2023	2024	2023
Rental revenue	\$000	\$000	\$000	\$000
Direct operating expenses from investment property generating revenue	1,752	1,878	1,752	1,878
	346	308	346	308

Explanation of significant variances against budget

	Council	
	Actual 2024	Budget 2024
Investment property	\$000	\$000
	31,115	43,058

Investment property was (\$11.9m) 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	
	2024	2023	2024	2023
Current portion	\$000	\$000	\$000	\$000
<i>Payables and deferred revenue under exchange transactions</i>				
Trade payables and accrued expenses	48,246	62,189	48,246	62,492
Income in advance	9,416	11,158	9,416	11,158
Amounts due to related parties	-	-	-	-
Amounts due to customers for contract work	2,180	1,151	2,180	1,151
Total	59,842	74,498	59,842	74,801
<i>Payables and deferred revenue under non-exchange transactions</i>				
Trade payables and accrued expenses	-	-	-	-
Income in advance	3,622	4,769	3,622	4,769
Other taxes payable	294	285	294	285
Total	3,916	5,054	3,916	5,054
Total current	63,758	79,552	63,758	79,855
Non-current portion				
<i>Payables and deferred revenue under exchange transactions</i>				
Income in advance	-	-	-	5
Total	-	-	-	5
Total non-current	-	-	-	5
Total payables and deferred revenue	63,758	79,552	63,758	79,860

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

Payables and deferred revenue was \$0.8m favourable to budget due to trade payable and accrued expenses being lower than budget due to the timing of work being carried out and payment at year end.

Council	
Actual 2024	Budget 2024
\$000	\$000
63,758	64,528

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% (2023: 4.84%) and an inflation factor of 3.35% (2023: 3.35%) were used.

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	2,895	4,077	2,895	4,077
Annual leave	7,536	7,313	7,536	7,505
Sick leave	247	126	247	126
Retiring gratuities	324	376	324	376
Total current portion	11,002	11,892	11,002	12,084
Non-current portion				
Retiring gratuities	914	771	914	771
Total non-current portion	914	771	914	771
Total employee entitlements	11,916	12,663	11,916	12,855

Explanation of significant variances against budget

Employee Entitlements (current & non-current)

There was no significant variance to budget.

Council	
Actual 2024	Budget 2024
\$000	\$000
11,916	12,176

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current portion				
Strategic realignment (Restructuring provision)	-	124	-	124
Weathertight homes resolution services claims	-	-	-	-
Building Defects	1,050	500	1,050	500
Landfill aftercare	1,943	948	1,943	948
Other	1,906	1,823	1,906	1,823
Total	4,899	3,395	4,899	3,395
Non-current portion				
Weathertight homes resolution services claims	566	566	566	566
Building Defects	-	1,300	-	1,300
Landfill aftercare	16,906	10,644	16,906	10,644
Loan repayment provision	-	-	-	-
Total	17,472	12,510	17,472	12,510
Total provisions	22,371	15,905	22,371	15,905

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 2024 (2023: three claims).

There are no claims lodged via the court system (2023: nil).

Total estimated exposure is \$0.6m (2023: \$0.6m).

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.

Three claims (2023: four claims) lodged via the court system are outstanding with an estimated liability of \$1m (2023: \$1.75m).

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.

Explanation of significant variances against budget

Provisions (current and non-current)

Provisions were \$8.3m unfavourable to budget as a result of the significant amount of work on completing condition assessments for the Landfill assets to ensure that they are meeting resource consent conditions and to keep the environment safe. This has resulted in additional capital renewal budget being required which was provisioned through the Long-Term Plan 2024-34.

Other

The other provision category is made up of three provisions; for legal proceedings and leave remediation.

Leave remediation includes a \$910k provision as an estimation for the remediation of historical calculations for compliance with the Holidays Act 2003. Annual leave remediation was completed in 2022. Remediation for other leave types is expected to be completed within the 2024-25 financial year.

Council	
Actual 2024	Budget 2024
\$000	\$000
22,371	14,042

	Council						Group	
	Strategic realignment	Building Defects	Weathertight homes	Landfill	Other	Total	Loan repayment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
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
2024								
Balance at 1 July 2023	124	1,800	566	11,591	1,824	15,905	-	15,905
Additional provisions made					1,656	1,656	-	1,656
Amounts used	(124)	(500)		(1,109)	(1,446)	(3,179)	-	(3,179)
Reversal of previously recognised provisions		(250)			(128)	(378)	-	(378)
Aftercare provision				8,367		8,367	-	8,367
Balance at 30 June 2024	-	1,050	566	18,849	1,906	22,371	-	22,371

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Current				
Secured loans	125,000	135,000	125,000	135,718
- Interest accrual	11,041	9,035	11,041	9,035
Lease liabilities	-	24	-	24
Total current borrowings	136,041	144,059	136,041	144,777
Non-current				
Secured loans	855,000	700,000	855,000	705,710
- Interest accrual	-	-	-	-
- Housing Infrastructure Fund	116,197	80,773	116,197	80,773
Lease liabilities	-	-	-	-
Total non-current borrowings	971,197	780,773	971,197	786,483
Total borrowings	1,107,238	924,832	1,107,238	931,260

Explanation of significant variances against budget

Borrowings (current and non-current)

Borrowings were (\$159.3m) unfavourable to budget. This was largely driven by the prefunding of 2025 loan repayments in line with PwC’s funding strategy recommendation. This was offset by higher term deposit holdings, and the additional borrowings required to fund the Balancing the books deficit.

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	
Actual 2024	Budget 2024
\$000	\$000
1,107,238	947,891

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
External debt	1,107,238	924,832	1,107,238	931,260
less: cash held and cash investments*	(184,253)	(202,303)	(184,253)	(202,303)
Total net debt	922,985	722,529	922,985	728,957

* Cash held and cash investments of \$217,462 (2023: \$234,050) excludes the Municipal Endowment Fund of \$33,209 (2023: \$31,757).

Interest terms for secured loans

Council has \$125m in Commercial Papers and Bonds that are issued at fixed rates of interest. This is part of Council’s total debt of \$1.098b (2023: \$40m of \$916m) 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 \$180.3m.

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 2024 financial year \$60m (2023: \$73.7m) of the HIF interest free loan was drawn down. The undrawn amount is \$1.3m (2023: \$61.4m).

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 \$40m (2023: \$40m) 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.

Undrawn Loan Facilities

Council has undrawn loan facilities of \$100m (2023: \$100m) available at 30 June 2024. Comprising of a \$60m ANZ Term Loan facility and a \$40m LGFA Standby facility.

Analysis of lease liabilities

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Total minimum finance lease payments payable:				
Not later than one year	-	24	-	24
Later than one and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total minimum finance lease payments	-	24	-	24
Future finance charges	-	-	-	-
Present value of minimum finance lease payments	-	24	-	24
Present value of minimum finance lease payments payable:				
Not later than one year	-	24	-	24
Later than one and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total minimum finance lease payments	-	24	-	24
Current portion	-	24	-	24
Non-current portion	-	-	-	-
Total finance lease liability	-	24	-	24

Interest rate

The interest rates applying to lease liabilities for 2024 range from 2.17% to 3.06% (2023 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 (2023: nil).

Note 31: Contingencies

Contingent liabilities

Weathertight homes resolution services and court claims

A provision for potential liability for two claims (2023: three claims) that are outstanding with the Weathertight Homes Resolution Service, and there are no claims (2023: 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 three claims (2023: 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.

Land acquisition disputes

There are currently two claims relating to disputes over the value of land acquired under the Public Works Act that have been lodged with the Courts with the outcomes yet to be determined. The maximum estimated liability for Council is estimated at around \$28 million. Land Valuation Tribunal decisions on the appropriate compensation for the claims may not be received until early 2025 and will be subject to appeal.

Capital works contract dispute

There is a potential arbitration with a contractor in relation to a capital contract with an estimated potential claim value of \$3 million. Timing of any arbitration is uncertain. This matter could be subject to formal litigation and the full final exposure is yet to be determined or 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:

Financial guarantees (Bank of New Zealand)
Legal proceedings
- various legal proceedings

Unquantified claims

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.

Kodiak Consulting Limited

Jon Hall, director of Kodiak Consulting Limited (Kodiak), allegedly falsely issuing Producer Statements (PS1s and PS4s) to the Council. The NZ Police have prosecuted Mr Hall, who pleaded guilty to 112 charges (some representative) of forgery.

The estimate of the financial effect of the forgery of documents related to Building Consents is not able to be quantified. The quantum, timing of any outflow and possibility of any reimbursement is unknown and highly uncertain.

Council		Group	
2024	2023	2024	2023
\$000	\$000	\$000	\$000
-	-	-	-
-	60	-	60

Total contingent liabilities	-	60	-	60
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Uncalled capital

Council has contingent liabilities in respect of uncalled capital for the entities as follows:

	Council		Group	
	2024	2023	2024	2023
New Zealand Local Government Funding Agency Ltd	\$000	\$000	\$000	\$000
	1,866	1,866	1,866	1,866
Total uncalled capital	1,866	1,866	1,866	1,866

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 and Standard and Poor's of AAA and a foreign currency rating of AA+.

Council is one of 30 local authority shareholders and 72 local authority guarantors of the NZLGFA. The NZLGFA has uncalled capital of \$20m of which Council's share is \$1.9m as at 30 June 2024 (2023: \$1.9m). At 30 June 2024, NZLGFA had total borrowings of \$23 billion (2023: \$17.7 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 2024 (2023: \$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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Accumulated comprehensive revenue and expenses				
Balance 1 July as previously reported	2,359,651	2,214,690	2,417,685	2,265,015
Surplus/(deficit) for the year	38,469	143,416	31,249	151,125
Share of associates other comprehensive revenue and expense	-	-	-	-
Transfer from property revaluation reserves on disposal	6,294	3,001	10,785	3,001
Transfers from restricted and Council created reserves	1,269	1,576	1,269	1,576
Transfers to restricted and Council created reserves	(4,298)	(3,032)	(4,298)	(3,032)
Balance at 30 June	2,401,385	2,359,651	2,456,690	2,417,685
Restricted reserves				
Balance at 1 July	42,137	41,743	42,137	41,743
Transfers from accumulated comprehensive revenue and expense	1,952	476	1,952	476
Transfers to accumulated comprehensive revenue and expense	(109)	(82)	(109)	(82)
Balance at 30 June	43,980	42,137	43,980	42,137
Council created reserves				
Balance at 1 July	2,004	942	2,004	942
Transfers from accumulated comprehensive revenue and expense	2,346	2,556	2,346	2,556
Transfers to accumulated comprehensive revenue and expense	(1,160)	(1,494)	(1,160)	(1,494)
Balance at 30 June	3,190	2,004	3,190	2,004
Revaluation reserve*				
Balance at 1 July	3,076,071	2,658,370	3,132,801	2,712,476
Transfer to accumulated comprehensive revenue and expense on disposal of assets	(6,294)	(3,001)	(10,785)	(3,001)
Impairment	(269)	(1,303)	(269)	(1,303)
Revaluation gains/(losses) - property, plant and equipment	48,941	419,260	48,941	421,884
Revaluation gains/(losses) - shareholdings	438	212	438	212
Other movements	(7,318)	2,533	(7,318)	2,533
Balance at 30 June	3,111,569	3,076,071	3,163,808	3,132,801
Non controlling interest				
Balance at 1 July	-	-	3,529	3,840
Share of surplus/(deficit)	-	-	-	(311)
Share of other comprehensive revenue and expense	-	-	-	-
Disposal of non-controlling interest	-	-	(3,529)	-
Balance at 30 June	-	-	-	3,529
Total equity	5,560,124	5,479,863	5,667,668	5,598,156

* The Revaluation reserve includes the property revaluation reserve and the fair value through other comprehensive revenue and expense reserve.

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Property revaluation reserves for each class consist of:				
Operational assets				
Buildings	155,416	157,852	160,653	163,089
Plant and equipment	-	-	-	4,491
Land	74,639	97,759	109,776	132,896
Parks and gardens improvement	73,517	74,123	73,517	74,123
Parks and gardens land	795,494	731,181	795,494	731,181
Heritage assets				
Museum and library	16,615	16,615	16,615	16,615
Restricted assets				
Land	-	27,254	-	27,254
Infrastructure assets				
Land	65,185	40,553	65,185	40,553
Refuse	39,207	39,207	39,207	39,207
Roads and traffic network	802,480	802,479	802,480	802,479
Stormwater	529,218	529,235	529,218	529,235
Wastewater system	320,337	320,190	320,337	320,190
Wastewater treatment plant	33,925	34,041	33,925	34,041
Water treatment station	22,972	22,998	22,972	22,998
Water system	174,876	175,334	174,876	175,334
Airport infrastructure	-	-	11,865	11,865
Total	3,103,881	3,068,821	3,156,119	3,125,551
Fair value through other comprehensive revenue and expense reserve				
Balance at 1 July	7,250	7,038	7,250	7,038
Transfer to property revaluation reserve	-	-	-	-
Net change in fair value	438	212	438	212
Balance at 30 June	7,688	7,250	7,688	7,250

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
2024					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,734	95	(96)	1,733
Domain Endowment Fund	Parks and Recreation and Stormwater	8,624	414	-	9,038
Municipal Endowment Fund	Strategic property investment	31,766	1,443	-	33,209
Waikato Art Gallery Endowment reserve	Visitor Attractions	13	-	(13)	-
Total restricted reserves - 2024		42,137	1,952	(109)	43,980
Bus shelter reserve	Transport	-	-	-	-
Project Watershed operating reserve	Parks and Recreation and Stormwater	219	12	-	231
Hamilton Gardens reserve	Parks and Recreation	-	-	-	-
Waste minimisation reserve	Rubbish and Recycling	1,785	2,334	(1,160)	2,959
Total Council created reserves - 2024		2,004	2,346	(1,160)	3,190
Total Restricted and Council created reserves -2024		44,141	4,298	(1,269)	47,170

Reserve	Activities to which the reserve relates	Balance 1 July	Transfers into fund	Transfers out of fund	Balance 30 June
		\$000	\$000	\$000	\$000
2023					
Cemetery plot maintenance in perpetuity reserve	Cemeteries and Crematorium	1,733	83	(82)	1,734
Domain Endowment Fund	Parks and Green Spaces and Stormwater	8,232	392	-	8,624
Municipal Endowment Fund	Strategic property investment	31,766	-	-	31,766
Waikato Art Gallery Endowment reserve	Arts promotion	12	1	-	13
Total restricted reserves - 2023		41,743	476	(82)	42,137
Bus shelter reserve	Travel demand management	-	-	-	-
Project Watershed operating reserve	Parks and Green Spaces and Stormwater	210	9	-	219
Hamilton Gardens reserve	Parks and Green Spaces	-	-	-	-
Waste minimisation reserve	Waste minimisation	732	2,547	(1,494)	1,785
Total Council created reserves - 2023		942	2,556	(1,494)	2,004
Total restricted and Council created reserves - 2023		42,685	3,032	(1,576)	44,141

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Mayor and Councillors				
Remuneration (\$000)	1,429	1,470	1,429	1,627
Full-time equivalent members	14	15	14	20
Senior Management Team including the Chief Executive				
Remuneration (\$000)	3,607	3,318	3,607	3,318
Full-time equivalent members	12	12	12	12
Total key management personnel remuneration (\$000)	5,036	4,788	5,036	4,945
Total full-time equivalent personnel	26	27	26	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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Mayor				
Paula Southgate	181,212	180,061	181,212	180,061
Councillors				
Angela O'Leary	116,737	111,454	116,737	111,454
Ewan Wilson*	112,300	126,061	112,300	126,061
Mark Donovan*	102,255	96,458	102,255	96,458
Maxine van Oosten	102,117	95,259	102,117	95,259
Kesh Naidoo-Rauf	101,618	97,566	101,618	97,566
Sarah Thomson	101,511	88,870	101,511	88,870
Anna Casey-Cox	88,607	61,967	88,607	61,967
Moko Tauariki	88,607	61,967	88,607	61,967
Geoff Taylor	83,639	91,118	83,639	91,118
Emma Pike	83,234	57,613	83,234	57,613
Andrew Bydder	81,458	57,613	81,458	57,613
Louise Hutt	81,458	57,613	81,458	57,613
Melaina Huaki	69,879	57,613	69,879	57,613
Tim Macindoe	31,392	-	31,392	-
Ryan Hamilton	2,867	103,712	2,867	103,712
Martin Gallagher	-	30,976	-	30,976
Rob Pascoe	-	30,655	-	30,655
Dave Macpherson	-	30,290	-	30,290
Mark Bunting	-	30,290	-	30,290
Margaret Forsyth	-	2,738	-	2,738
Total elected representatives' remuneration	1,428,891	1,469,894	1,428,891	1,469,894

*Includes remuneration for RMA Commission roles.

Note 34: Reconciliation of net surplus / (deficit) after tax to net cash flow from operating activities

	Council		Group	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Net surplus/(deficit) after tax	38,469	143,416	27,720	150,814
Add/(less) non-cash items:				
Depreciation and amortisation	108,362	89,160	108,362	90,186
(Gains)/losses in fair value of bank borrowings	-	-	-	-
(Gains)/losses in fair value of interest rate swaps	4,664	(7,820)	4,664	(7,820)
(Gains)/losses in fair value of investment properties	1,831	4,368	1,831	4,368
(Gains)/losses unrealised loss on investments	(533)	(580)	(533)	(580)
Share of associates (surplus)/deficit	-	-	1,744	(9,282)
Discount unwind and interest on community loans	(39)	(51)	(39)	(51)
(Gains)/losses in fair value of Housing Infrastructure Fund	(24,606)	(28,906)	(24,606)	(28,906)
Reclassification of WIP to operating expenditure	6,352	2,169	6,352	2,169
Assets vested to Waka Kotahi	33,907	-	33,907	-
Vested assets	(55,265)	(64,185)	(55,265)	(64,185)
Total non-cash items	74,673	(5,845)	76,417	(14,101)
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on disposal of property, plant and equipment	5,043	4,638	5,043	4,638
(Gains)/losses on disposal of investment property	-	440	-	440
(Gains)/losses on disposal of investment in subsidiary	3,956	-	12,711	-
Impairment of assets	-	405	-	405
Total items classified as investing or financing activities	8,999	5,483	17,754	5,483
Add/(less) movements in working capital:				
Trade debtors and other receivables	(1,439)	2,043	(839)	1,928
Inventory	(139)	(59)	(41)	(52)
Prepayments	(360)	918	(352)	917
Trade creditors and other payables	2,641	7,680	2,338	7,483
Employee entitlements	(747)	487	(939)	389
Provisions	5,720	(705)	5,720	(840)
Total movements in working capital	5,676	10,364	5,887	9,825
Net cash inflow from operating activities	127,817	153,418	127,778	152,021

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Financial assets				
Fair value through surplus or deficit				
Derivative financial instrument assets (note 21)	7,245	11,759	7,245	11,759
Total fair value through surplus or deficit	7,245	11,759	7,245	11,759
Financial assets at amortised cost				
Cash and cash equivalents (note 17)	95,301	174,129	95,301	174,129
Receivables (note 18)	35,682	34,621	35,682	35,221
Other financial assets (note 22):				
- community loans	1,869	2,318	1,869	2,318
- balanced funds	6,925	11,289	6,925	11,289
- term deposits	111,250	47,040	111,250	47,040
Total amortised cost	251,027	269,397	251,027	269,997
Fair value through other comprehensive revenue and expense				
Other financial assets (note 22):				
- Unlisted shares	10,021	9,582	10,021	9,582
Total fair value through other comprehensive revenue and expense	10,021	9,582	10,021	9,582
Financial liabilities				
Fair value through surplus or deficit				
Derivative financial instrument liabilities (note 21)	375	225	375	225
Total fair value through surplus or deficit	375	225	375	225
Financial liabilities at amortised cost				
Creditors and other payables (note 27)	50,720	63,625	50,720	63,928
Borrowings: (note 30)				
- bank overdraft	-	-	-	468
- Housing Infrastructure Fund	116,197	80,773	116,197	80,773
- secured loans	980,000	835,000	980,000	835,000
Total financial liabilities at amortised cost	1,146,917	979,398	1,146,917	980,169

Fair value hierarchy

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 2024 - Council				
Financial assets				
Shares (note 22)	10,021	-	-	10,021
Derivative financial instrument assets (note 21)	7,245	-	7,245	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	375	-	375	-
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	-
	Valuation technique			
	Total	Quoted market price	Observable inputs	Significant non-observable
	\$000	\$000	\$000	\$000
30 June 2024 - Group				
Financial assets				
Shares (note 22)	10,021	-	-	10,021
Derivative financial instrument assets (note 21)	7,245	-	7,245	-
Financial liabilities				
Derivative financial instrument liabilities (note 21)	375	-	375	-
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	-

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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Balance at 1 July	9,583	9,371	9,583	9,371
Gain and (losses) recognised in the surplus or deficit	-	-	-	-
Gain and (losses) recognised in other comprehensive revenue and expense	438	212	438	212
Purchases	-	-	-	-
Sales	-	-	-	-
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Balance at 30 June	10,021	9,583	10,021	9,583

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, 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	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Cash and cash equivalents	95,301	174,129	95,301	174,129
Debtors and other receivables	35,682	34,621	35,682	35,221
Community loans	1,869	2,318	1,869	2,318
Term deposits	111,250	47,040	111,250	47,040
Balanced funds	6,925	11,289	6,925	11,289
Financial guarantees	-	-	-	-
Total credit risk	251,027	269,397	251,027	269,997

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	
		2024	2023	2024	2023
Counterparties with credit ratings		\$000	\$000	\$000	\$000
Cash and cash equivalents	AA-	95,301	174,129	95,301	174,129
Total cash and cash equivalents		95,301	174,129	95,301	174,129
Term deposits	AA+	-	-	-	-
	AA-	111,250	31,790	111,250	31,790
	AAA	-	15,250	-	15,250
Balanced funds		6,925	11,289	6,925	11,289
Total term deposits		118,175	58,329	118,175	58,329

	Council		Group	
	2024	2023	2024	2023
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	1,869	2,318	1,869	2,318
Total community and related party loans and mortgages	1,869	2,318	1,869	2,318

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 \$0.5m (2023: \$0.5m). There are no restrictions on the use of this facility. Council also has \$1.04b (2023: \$895m) of committed borrowing facilities, with available headroom of \$105m (2023: \$143m) 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 2024	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	50,720	50,720	50,720	-	-
Secured loans	980,000	1,242,758	183,193	705,166	354,399
Housing Infrastructure Fund	116,197	178,979	-	10,700	168,279
Finance leases	-	-	-	-	-
Financial guarantees	-	-	-	-	-
Total	1,146,917	1,472,457	233,913	715,866	522,678
Council 2023					
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
	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2024	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	50,720	50,720	50,720	-	-
Secured loans	980,000	1,242,758	183,193	705,166	354,399
Housing Infrastructure Fund	116,197	178,979	-	10,700	168,279
Finance leases	-	-	-	-	-
Financial guarantees	-	-	-	-	-
Total	1,146,917	1,472,457	233,913	715,866	522,678
Group 2023					
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

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 2024	\$000	\$000	\$000	\$000	\$000
Net settled derivatives	(6,870)	126,888	29,449	81,693	15,746
Total	(6,870)	126,888	29,449	81,693	15,746
Council and group 2023					
Net settled derivatives	(11,534)	29,663	8,536	15,642	5,485
Total	(11,534)	29,663	8,536	15,642	5,485

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 2024	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	95,301	95,301	95,301	-	-
Receivables	35,682	35,682	35,682	-	-
Community loans	1,869	1,869	455	1,414	-
Other financial assets:					
- Term deposits	111,250	109,717	88,411	13,156	8,149
- Balanced funds	6,925	6,925	6,925	-	-
Total	251,027	249,494	226,775	14,570	8,149
Council 2023					
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	270,479	252,462	9,660	8,357

	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Group 2024	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	95,301	95,301	95,301	-	-
Debtors and other receivables	35,682	35,682	35,682	-	-
Community loans	1,869	1,869	455	1,414	-
Other financial assets:					
- Term deposits	111,250	109,717	88,411	13,156	8,149
- Balanced funds	6,925	6,925	6,925	-	-
Total	251,027	249,494	226,775	14,570	8,149
Group 2023					
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

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	2024				2023			
	-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	(953)	-	953	-	(1,741)	-	1,741	-
Financial liabilities								
Borrowings - secured loans	6,375	-	(6,375)	-	3,555	-	(3,555)	-
Derivative financial instruments	(17,575)	-	16,644	-	(15,204)	-	14,358	-
Total sensitivity	(12,154)	-	11,222	-	(13,390)	-	12,544	-

Group	2024				2023			
	-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	(953)	-	953	-	(1,741)	-	1,741	-
Financial liabilities								
Borrowings - secured loans	6,375	-	(6,375)	-	3,598	-	(3,598)	-
Derivative financial instruments	(17,575)	-	16,644	-	(15,204)	-	14,358	-
Total sensitivity	(12,154)	-	11,222	-	(13,347)	-	12,501	-

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.

Reconciliation of movements in liabilities arising from financing activities:

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows:

	Finance Leases	Debentures and other loans	Total
Council	\$000	\$000	\$000
Balance at 1 July 2023	24	915,773	915,797
Cash inflows	-	300,030	300,030
Cash outflows	(24)	(95,000)	(95,024)
Non-cash changes	-	(24,606)	(24,606)
Balance at 30 June 2024	-	1,096,197	1,096,197

Note 36: Events after balance date

There have been no events after balance date that require adjustments to be made to the financial statements or disclosure.

Local government disclosures

Rating base information

The council's rating base information relating to preceding financial years is:

- The number of rating units
- The total capital value of rating units
- The total land value of rating units

30 June 2023	30 June 2022
62,836	62,849
\$70,697,736,950	\$71,049,179,750
\$39,633,106,700	\$39,781,883,500

Insurance of assets

The following information relates to the insurance of Council assets as at 30 June.

	Council	
	2024	2023
	\$000	\$000
The values listed are the declared values Council has provided to its Insurance broker.		
Material Damage	1,845,949	1,492,521
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	61,154	60,887
This cover is for the declared values of art, artefacts and declared outdoor sculptures owned by Council.		
Commercial Motor Vehicles	12,036	11,409
Motor insurance up to the declared value of each individual vehicle.		
Infrastructure	2,943,630	2,606,926
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.		
Boiler Explosion	1,327	1,515
Policy covers the damage caused by failure of large boilers.		
In addition to the material damage cover Council has two policies that relate to Contract works and business interruption.		
Contract Works	21,000	12,000
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.		
Business Interruption	91,204	79,679
\$51.2 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.		

Whole of Council funding impact statement

For year ended 30 June 2024

	Annual Plan 2023	Actual 2023	Annual Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	218,648	217,572	233,227	233,401
Targeted rates	21,213	20,658	22,525	22,318
Subsidies and grants for operating purposes	8,865	12,103	21,788	27,638
Fees and charges	43,798	50,222	50,927	53,134
Interest and dividends from investments	1,970	11,702	6,228	18,099
Local authorities fuel tax, fines, infringement fees and other receipts	6,253	7,559	6,658	8,522
Total operating funding	300,747	319,815	341,352	363,112
Application of operating funding				
Payments to staff and suppliers	234,050	248,717	260,523	272,426
Finance costs	20,174	38,839	32,208	55,368
Other operating funding applications	-	-	-	-
Total applications of operating funding	254,224	287,556	292,731	327,794
Surplus/(deficit) of operating funding	46,523	32,259	48,622	35,318
Sources of capital funding				
Subsidies and grants for capital expenditure	70,820	72,204	81,155	55,020
Development and financial contributions	33,822	36,502	36,605	31,842
Increase/(decrease) in debt	174,712	236,057	142,092	176,729
Gross proceeds from sale of assets	-	1,632	-	483
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	279,354	346,395	259,852	264,074
Applications of capital funding				
Capital expenditure				
- to meet additional demand	161,453	193,332	144,432	200,102
- to improve the level of service	84,096	53,817	90,823	60,537
- to replace existing assets	79,986	75,662	74,709	76,786
Increase/(decrease) in reserves	(1,889)	(33,447)	(2,544)	(19,049)
Increase/(decrease) in investments	2,231	89,290	1,055	(18,984)
Total applications of capital funding	325,877	378,654	308,474	299,392
Surplus/(deficit) of capital funding	(46,523)	(32,259)	(48,622)	(35,318)
Funding balance	-	-	-	-

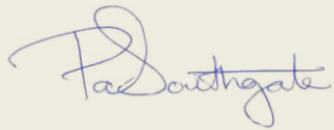
Reconciliation of Operating Funding to Surplus/(Deficit)

	Annual Plan 2023	Actual 2023	Annual Plan 2024	Actual 2024
	\$000	\$000	\$000	\$000
Operating funding surplus/(deficit) per prospective funding impact statement	46,523	32,259	48,622	35,318
Reconciliation				
Operating surplus/(deficit)	53,359	143,416	116,760	38,469
Less Capital contributions and subsidies (Capital Revenue)	(70,820)	(71,736)	(37,363)	(55,020)
Less Development and financial contributions	(33,822)	(36,502)	(80,397)	(31,842)
Less Vested assets	(39,199)	(64,185)	(39,353)	(55,265)
Add Depreciation	86,520	89,160	94,405	108,362
Gains/Losses	60,092	1,011	(1,050)	14,961
HIF - fair value benefit	(10,887)	(30,930)	(5,668)	(28,548)
HIF - discount unwind	1,280	2,024	1,288	3,942
Vested asset expenditure				33,907
WIP Adjustments prior year				6,352
Surplus (deficit) of operating funding	46,523	32,259	48,622	35,318

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.



Paula Southgate
Hamilton Mayor
3 December 2024



Lance Vervoort
Chief Executive
3 December 2024

Disclosure Statement

Annual report disclosure statement for year ended 30 June 2024

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.

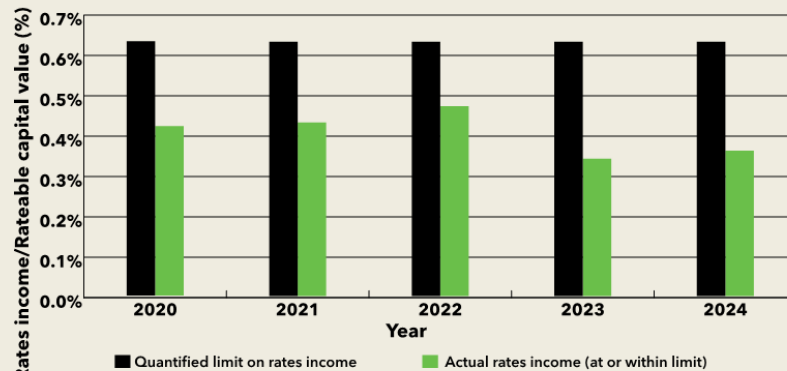
Rates affordability benchmark

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.

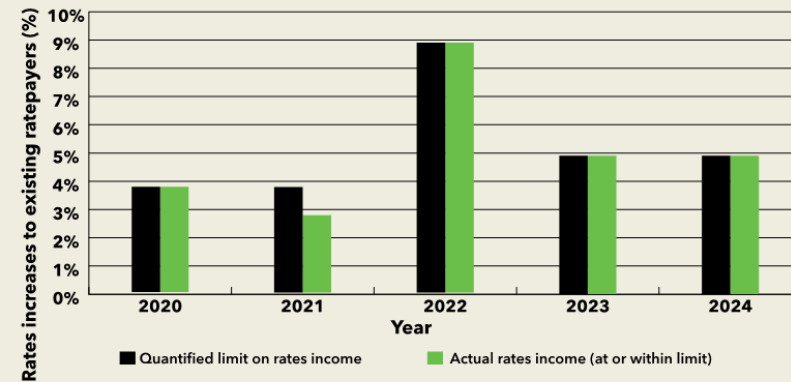
Rates (income) affordability

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.



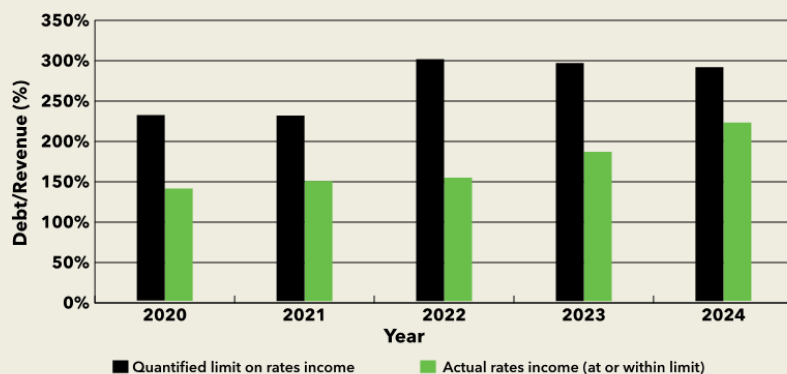
Rates (increases) affordability

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.



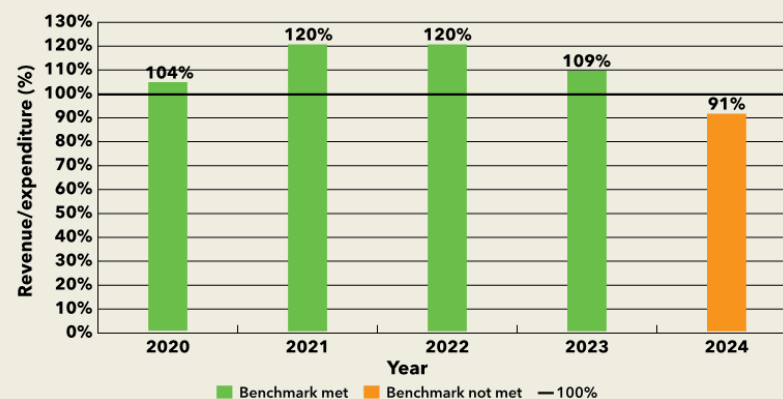
Debt affordability benchmark

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 have 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.

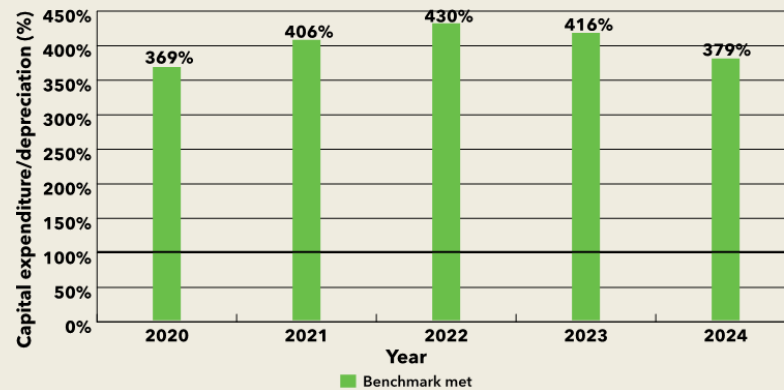


This benchmark is similar to Council's own "Balancing the books" measure that was introduced prior to the Local Government (Financial Reporting) Regulations. Council does meet its own measure that it believes is more relevant to a growing city. There are four main differences between the measures:

- 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.

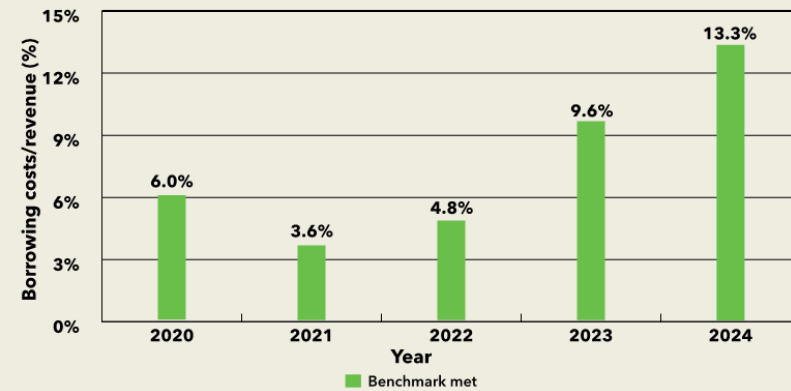
Essential services benchmark

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.



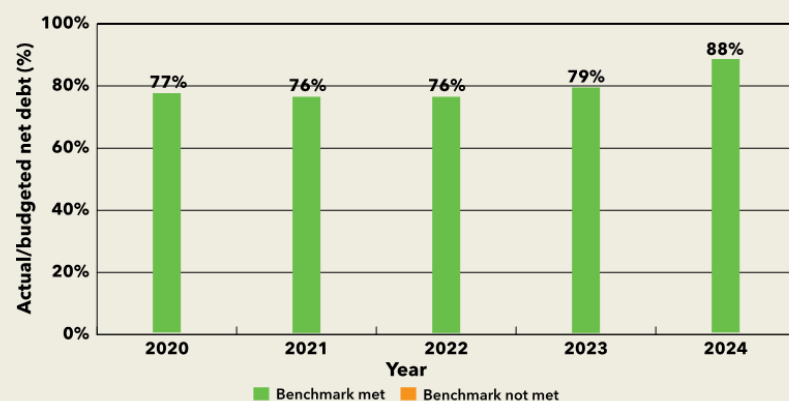
Debt servicing benchmark

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.



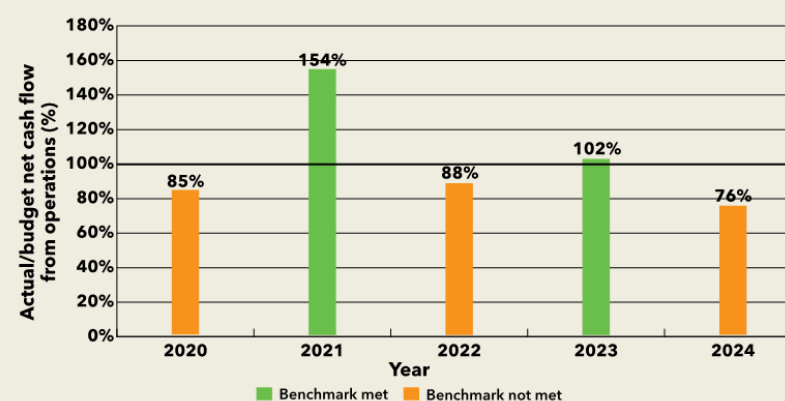
Debt control benchmark

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 Controlled Organisations

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

We have an interest in the following CCOs:

- Waikato Authority Shared Services (trading as 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.

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 2023/24 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 2023/24 are based on draft results available at the time of preparation of the 2023/24 Annual Report.

Waikato Authority Shared Services (trading as 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 issues shares. The balance of shares is owned by other Local Authorities. 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"> • Waikato Building Consent Group (WBCG) • Co-Lab Water Services • Co-Lab Learning (CLL) • Co-Lab Procurement Services • Rooding Asset Technical Accord (RATA) • Co-Lab Geospatial Services (CoGS) • Energy and Carbon Management • Waikato Regional Transportation Model (WRTM) • Regional Infrastructure Technical Specifications (RITS) 	

Key performance targets

Performance targets are specified in the Co-Lab Statement of Intent for 2023-24 and are summarised with the actual results below:

Financial Performance Measures:	2023-24 targets	2023-24 results	2023-24 outcome
Company forecast:			
Earnings before interest, taxation & depreciation (EBITDA)	\$0.2M	(\$0.7)M	Not achieved
Net operating cash flow	\$0.1M	\$0.2M	Achieved
Total assets	\$2.9M	\$4.9M	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 2023-24 and are summarised with the actual results below:

Financial Performance Measures:	2023-24 targets	2023-24 results	2023-24 outcome
Comprehensive Income			
Net interest income	\$19.2M	\$19.5M	Achieved
Issuance and on-lending costs	\$3.8M	\$6.3M	Not achieved
Approved Issuer Levy	\$0.3M	\$2.0M	Achieved
Operating expenses	\$5.8M	\$5.5M	Achieved
Issuance and operating expenses	\$10.0M	\$11.8M	Almost achieved
P & L	\$10.6M	\$10.0M	Almost achieved
Financial Position			
Capital	\$25M	\$25M	Achieved
Retained earnings	\$95M	\$89M	Almost achieved
Total equity	\$118M	\$113M	Achieved
Total assets (nominal)	\$20,041M	\$23,506M	Achieved
Total LG loans (nominal)	\$18,120M	\$20,549M	Achieved
Total bills (nominal)	\$700M	\$920M	Achieved
Total bonds (nominal) ex treasury stock	\$18,210M	\$20,840M	Achieved
Total borrower notes (nominal)	\$398M	\$453M	Achieved

Key performance targets continued

2023/24 performance targets	2023-24 result	Outcome
LGFA total operating income for the period to June 2024 will be greater than \$20.6 million.	\$20.9M	Achieved
LGFA total operating expenditure for the period to June 2024 will be less than \$10 million.	\$11.8M	Not achieved
Total nominal lending (short and long term) to participating councils to be at least \$17,870 million.	\$20,549M	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 over a 15 month period, 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.	Carbon-zero 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.	Not achieved
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	Target suspended
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(5)
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 2023-24 and are summarised with the actual results below:

Financial Performance Measures:	2023-24 targets	2023-24 results	2023-24 outcome
Consolidated company forecast:			
Earnings before interest, taxation & depreciation (EBITDA) but excluding land sales of at least	\$6.0M	\$5.8M	Not achieved
EBITDA including land sales of at least	\$7.5M	\$8.7M	Achieved
Net profit before tax no less than	\$1.0M	\$2.4M	Achieved
Net operating cash flow (excluding land sales)	\$6.0M	\$1.5M	Not achieved
Total debt excluding design build property not exceeding	\$35.0M	\$22.8M	Achieved
Land sales of at least	\$3.0M	\$3.6M	Achieved
Percentage of non- landing charges revenue	60%	67%	Achieved
Interest cover	3.0x	3.9x	Achieved

2023/24 performance targets	2023-24 result	Outcome
Zero Work Safe notifiable accidents/ injuries.	There were no notifiable incidents.	Achieved
Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.	The annual staff engagement survey showed positive and improving results.	Achieved
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
Assist airlines to identify opportunities to increase flight schedules and passenger numbers.	The airport made significant progress towards securing new scheduled routes during the year.	Achieved
Identify and activate new development opportunities within the general aviation sector.	The airport continued to pursue opportunities to tenant the former flight school training centre.	Achieved
Position and protect the airport as an efficient, cost-effective international port.	The airport maintains relevant Customs and Biosecurity approvals to receive adhoc international flights.	Achieved
Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.	The airport entered into agreements and joint investment around future three waters and roading infrastructure.	Achieved
Complete construction of airport infrastructure to support property development and optimisation.	The airport remains committed to this development however tenants did not require this in the current year.	Not achieved
Develop a MOU with local iwi organisations that provides for a collaborative relationship to future developments that will embrace Te Ao Maori principles and celebrating the rich cultural history of our rohe.	An agreement was progressed during the year however remains under ongoing development.	Not achieved
Reduce Group electricity purchases by at least 20% on 2023 levels (measured in kWh used) upon commissioning of the first stage of the solar farm development.	Due to a delay in commissioning the farm, this metric was not met for the full year.	Not achieved
Achieve Level 3 (Optimisation) accreditation to the Airport Council International's Airport Carbon Accreditation programme.	The Airport achieved Level 4 accreditation.	Achieved
Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.	Airport food and beverage retail moved to using biodegradable and recyclable single use packaging.	Achieved

Audit Opinion

Whakatau aa-taatairi kaute

Independent Auditor's Report

To the readers of Hamilton City Council's annual report for the year ended 30 June 2024

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 3 December 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on page 176 and pages 178 to 265:
 - o present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2024;
 - 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;
- the funding impact statement on page 268, 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 53 to 173:
 - o presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, 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 statement about capital expenditure for each group of activities on pages 62 to 169, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's annual plan; and
- the funding impact statement for each group of activities on pages 63 to 168, 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 271 to 275, 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. 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.

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 annual plan and 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 5 to 52, 174 to 175, 177, 266 to 267, 269 to 270 and 276 to 281, 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed and an audit engagement for the 2024-34 Long-term plan, which are compatible with those independence requirements. 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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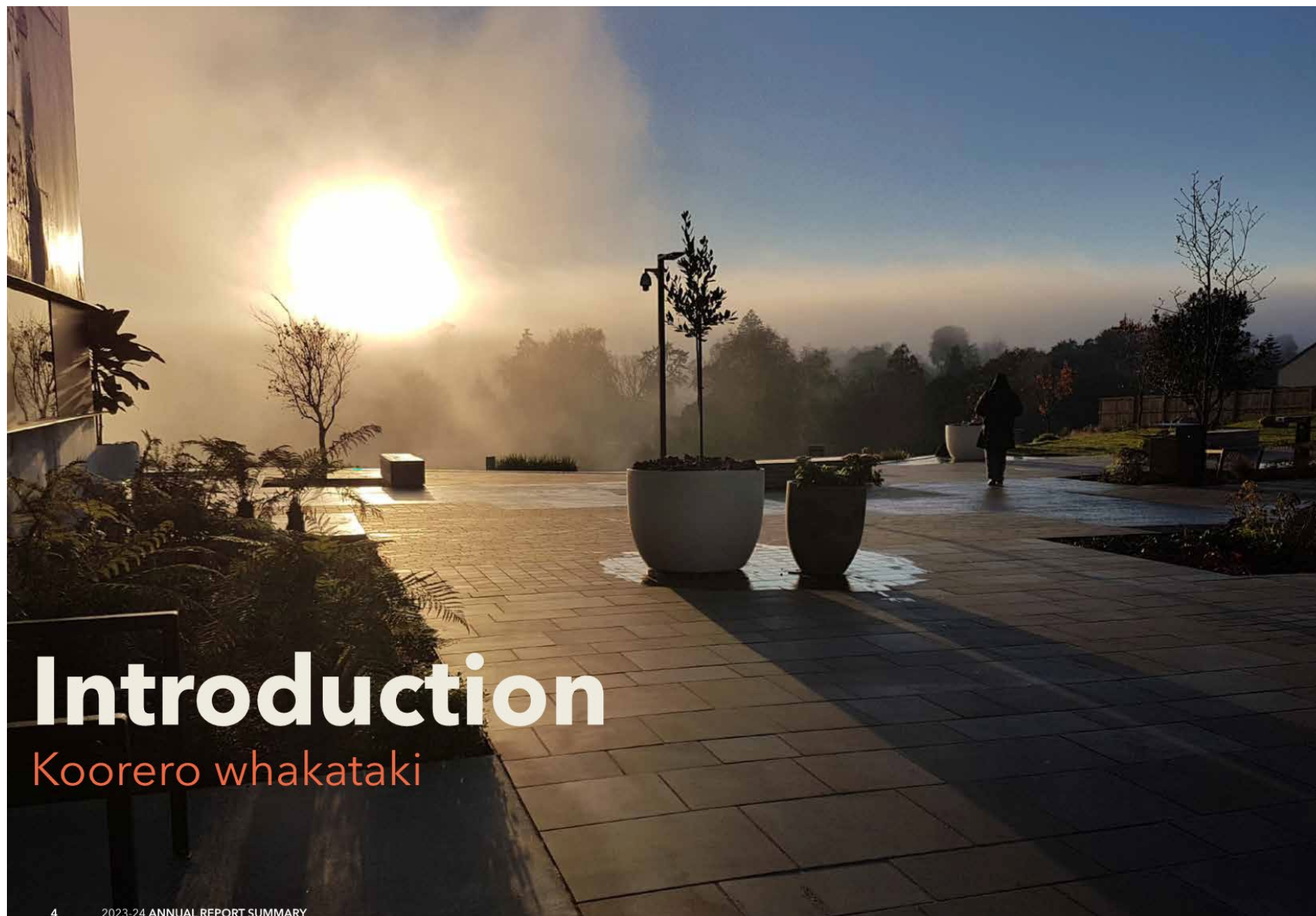
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Contents | Raarangi upoko

Introduction Koorero whakataki	4
From the Mayor and Chief Executive	5
Kupu a te Kahika me te Tumu Whakarae	9
What is the Annual Report?	14
Maaori contribution to the decision-making process	16
Climate change reporting	18
Our Financial Strategy	20
Overview of our 2023-24 finances	24
Capital projects delivery	26
<hr/>	
Delivering on our Priorities Te whai kia tutukihia aa maatou Kawatau	30
Summary of our delivery	31
Community outcome measures	32
Te inenga hua o taatou haapori	32
Service performance measures	33
Te taatari i te mahi ratonga	33
<hr/>	
Financial matters Ko ngaa take puutea	38
Summary financial statements	39
Notes	42
<hr/>	
Audit opinion Whakatau aa-taatari kaute	46



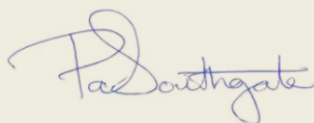
From the Mayor and Chief Executive

Message from Mayor Paula Southgate

Celebrating success and looking forward

As we reflect on the past year's achievements, we should be proud of the progress we have made as a city, despite challenging economic times. We recognise it is difficult to do everything that everyone would like us to. Public feedback from community engagement has factored strongly into decisions we have made, as we continue to balance community wellbeing and affordability alongside our need to plan for our growth.

The next two years will continue to be challenging for many, but I am confident that we will continue to move forward. Hamilton Kirikiriroa is a resilient city, and still attractive for investment and growth. We must continue to advocate for the tools and support necessary to address the significant infrastructure needs of our city. We have some complex work to undertake and big decisions to make. However, Council and staff are dedicated to the best outcomes for right now in these hard times and into the future.



Paula Southgate
Mayor of Hamilton

Foreword

The 2023-24 Annual Report reflects a year of steady progress for Hamilton Kirikiriroa in the face of challenging economic realities.

Our annual report presents our progress against our five priorities and our financial results measured against the financial strategy set out for year three of our 2021-31 Long-Term Plan and the associated 2023-24 Annual Plan.

Council ended the financial year with a net debt balance of \$923 million versus the annual plan budget of \$843 million. Net debt is defined as total debt, less cash and cash equivalents. There was a balancing the books deficit (the difference between our everyday expenditure and everyday revenue) of \$34.9 million, compared to the annual plan forecast deficit of \$16.6 million.

Activities and projects that were planned for year four of the 2021-31 Long-Term Plan have now been significantly revised, in light of the changed financial environment. These changes have been agreed in the new 2024-34 Long-Term Plan. Following the significant financial headwinds that have hit households, businesses and councils around New Zealand, the new Long-Term Plan sets Council on a trajectory to balance the books, using Council's balancing the books measure, by 2026-27.

Update from Chief Executive Lance Vervoort

Despite the challenging financial environment, Council remains focused on continuing to improve the wellbeing of our community across five priority areas, as agreed following extensive community engagement in 2020.

This annual report reports back against these priorities, which are:

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

A city that's easy to live in

In 2023-24, we invested nearly \$337 million in capital projects aimed at ensuring our city is easy to live in and is responding to our significant population growth.

In partnership with developers and Government, we have put in place some significant core infrastructure in Ruakura. This supports substantial residential and business growth. Hamilton also continues to capitalise on its strategic location, and its standing as a logistics hub, with the Tainui Group Holdings inland port now up and running, and the commencement of the Eastern Transport Corridor's business case, for a new road to further support industry and housing.

Roading connections were also a focus to service our growth. An upgrade of Borman Road to urban standards (for the section between Horsham Downs Road and Barrington Drive) was

completed during the year and is a key component of finishing the arterial road network in the Rototuna area. This work is part of the bigger project that continues into 2024-25, which will see the construction of the missing link for Borman Road (between Horsham Downs Road and Kimbrae Drive) along with an intersection upgrade for Borman Road/Horsham Downs Road with the installation of traffic signals.

Included in capital investment for the year, Council spent \$92 million on renewals and compliance (nearly \$12 million more than the previous year) to ensure we get the most out of our assets by maintaining them and replacing them when they wear out.

A city where our people thrive

Hamilton's economy remained resilient despite nationwide and international challenges, with significant growth in the business sector, job market, and our population. Hamilton's business sector outpaced the national average, with 372 new businesses opening. The job market saw growth with nearly 3000 more filled jobs than the year prior, house prices rebounded after a dip and we also saw 80,000m² of commercial and industrial development completed, including the new ACC building and the Kmart distribution centre in Ruakura. Our population also grew by 6100 people in 2023, making Kirikiriroa New Zealand's fastest-growing city.

We continued to invest in our community to help it to thrive. For example, we refreshed eight playgrounds, opened New Zealand's first fully inclusive playground in collaboration with the Magical Bridge Trust, and opened the new Rototuna library, Te Kete Aronui, along with its adjacent play space. Combining library and customer services with technology, community and meeting spaces, Te Kete Aronui has welcomed over 360,000 visitors - 40% of all visits to Hamilton libraries in 2023-24. This is testament to what can be achieved when we partner with the communities we serve.

Continual investment in Waterworld ensures the plant and pools are of a good standard. Last year, the Water Safety programme was delivered to 11 schools and the Water Safety NZ funded Manu with Mana water safety campaign reached approximately 350,000 people. Waterworld also hosted the NZ Manu championships, involving 500 competitors and attracting 1250-1500 attendees. With Waterworld announced as the venue for the NZ Secondary School Swimming Championships for the next three years, Hamilton Kirikiriroa will continue to play host to around 300 swimmers and their families.

A central city where people love to be

Council has invested, alongside a range of partners, in the development of the Waikato Regional Theatre; a new world-class multipurpose performing arts theatre. Building has been well underway on the Victoria Street site over the course of 2023-24. The theatre is on track to open in 2025.

We commenced work on the projects funded by the government's Infrastructure Acceleration Fund (IAF), which will support up to 4140 new homes in the city. Council also renewed the Service Level Agreement with Hamilton Central Business Association for the delivery of a \$100,000 Central City Activation Fund. The redevelopment of the Exscite centre at the Waikato Museum was also completed.

A fun city with lots to do

Hamilton Kirikiriroa continues to be a fun city with lots to do. We were once again recognised for our wonderful Hamilton Gardens, which was named in the top 1% of things to do globally by Tripadvisor. The gardens witnessed its biggest year ever with 538,343 visitors; up 7% on the year prior. The Hamilton Gardens visitor centre and entry precinct is approaching completion and will add to our world-class facility. Each year we have been very fortunate to attract a great deal of philanthropic support and

donations. To deal with the costs and keep the gardens in top shape, Council is introducing a new visitor charge in keeping with other major international attractions. Resulting revenue will contribute to the continuous improvement and addition of new services and facilities that make visiting easier and even more engaging.

Hamilton Kirikiriroa continues to attract world-class events, with each of our venues (Claudelands, FMG Stadium Waikato and Seddon Park) operating at high capacity during the year to host a range of events. FMG Stadium Waikato hosted the FIFA Women's World Cup 2023™, the biggest sporting event to ever come to New Zealand, providing our city and region with a significant economic boost.

Conservation efforts continued with significant planting events at Waiwhakareke Natural Heritage Park, which celebrated its 20th Anniversary this year, and the Mangaonua Gully track, which officially opened at the end of November 2023. Over the planting season, 51 events were held and over 3000 hours of voluntary work completed, resulting in more than 19,000 natives planted. We also launched the Kids in Nature initiative, which along with other partnerships and initiatives, is enhancing the range and number of opportunities we are providing our communities to engage with nature restoration.

The past year has also been a transformative period for the Te Kaaroro precinct, which has experienced substantial growth in visitor numbers. It has also embarked on significant conservation projects, introduced new Zoo residents, and received widespread media attention across its two sites, Hamilton Zoo and Waiwhakareke Natural Heritage Park.

A green city

Other capital works completed in 2023-24, include maintenance and renewal activities for transport assets, and ensuring the provision of strategic water and wastewater connections to make our waters network more resilient. For example, we built two new pump stations in the Newcastle/ Dinsdale area, completed the first part of an upgrade to the Waiora water treatment plant and started construction on large bulk wastewater storage tanks to help our south-west network cope better in wet weather.

Council has made real progress delivering against the outcomes of Our Climate Future, especially in engagement with our community and businesses, and leading by example by reducing our own operational emissions. This year Council's operational emissions were 9069 tonnes of carbon dioxide equivalent which is a 5% reduction on the previous year and an almost 20% reduction on our baseline year (2018-19). To achieve our 2030 target of a 50% reduction in our gross operational emissions, we need to keep focused on delivering actions that will reduce our emissions through the 2024-2034 Long-Term Plan.

We also completed 12 climate resilience projects across the city, via the Climate Emergency Relief Fund (CERF) Travel Choices funding. These projects covered a range of biking, walking, and public transport improvements and included connected, separated, safe biking routes, bike and scooter parking in key destinations, better public transport infrastructure, and wide, high-quality footpaths between key destinations.

Financial sustainability was one of the key considerations for Council. It was important we looked at where we could tighten our belt internally first. As a result of the structure changes, we were able to deliver \$7 million in annual staff savings and are now set up in the best way to deliver our services in the future.

Putting safety first

Through everything we do, we are committed to providing a safe and healthy environment for our employees, contractors, volunteers, and our community.

Financial environment

This year we have faced challenging economic circumstances. Our budgets were impacted by rising inflation and interest rates, as well as increased costs to deliver the same levels of service to our city. In our 2023-24 Annual Plan we made significant budget reductions to ensure we were focusing on delivering just the essentials. Even with these reductions, as the economic headwinds continued to affect us, the impact on our 2023-24 financial results was more significant than forecast. The new 2024-34 Long-Term Plan charts a course to respond to these challenges and balance our books by 2026-27.

Changes to how we work

The past year has seen significant change within Council, as we completed an organisational-wide structure review process. The structure changes made were all about ensuring the Council is as efficient as possible, and that we have the right roles in place to focus on the things that matter the most, without cutting service levels to the community.



Lance Vervoort
Chief Executive

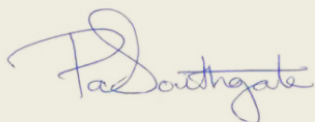
Kupu a te Kahika me te Tumu Whakarae

He kupu koorero naa te Kahika, naa Paula Southgate

Te whakanui i ngaa angitu me te titiro whakamua

I a maatou e huritao ana ki ngaa mahi i oti i te tau kua hori, me poho koreruu ka tika ki taa maatou koke whakamua hei taaonenui, ahakoa ngaa aahuatanga ohaoha pakeke o te waa. E aata moohio ana maatou me uuaa kee ka oti i a maatou ngaa mea katoa e hiahiatia ana e te tangata. Kua tino whai waahi ngaa whakahokinga koorero mai i aa maatou whakawhitiwhiti ki te haporī i aa maatou whakataua, i a maatou e whakatairite tonu ana i te toiora o te haporī me te tareka aa-utu ki too maatou hiahia ki te whakamahere moo too maatou whanaketanga aa muri nei.

Ka uuaa tonu ngaa tau e rua e tuu mai nei ki te tokomaha, engari e noho ngaakau titikaha ana ahau ka koke whakamua tonu taatou. He taaone aumangea a Kirikiriroa, he waahi pai tonu moo te haumi me te whanaketanga. Me kookiri tonu maatou kia whiwhi i ngaa taputapu me te tautoko ka hiahiatia ki te whakatikatika i ngaa hiahia tuuaahanga nunui o too taatou taaonenei. He mahi piiroroi tonu kei mua i te aroaro, me ngaa take hira kia whakatauria. Wheoi anoo, e puumau tonu ana te Kaunihera me ngaa kaimahi ki te whakarite i ngaa putanga pai rawa ka taea i ngeenei waa uuaa nei, aa ngaa tau e heke ana anoo hoki.



Paula Southgate
Kahika

He kupu whakataka

E whakaata nei Te Puurongo aa-Tau 2023-24 i te kokenga pai moo Kirikiriroa ahakoa ngaa aahuatanga ohaoha wheeuaua o te waa.

E whakaatu ana taa maatou puurongo aa-tau i too maatou koke ki te whakatutuki i aa maatou whakaarotau e rima me ngaa otinga taha puutea kia whakatauritea ki te rautaki ahumoni kua takoto moo te tau tuatoru o taa maatou Mahere Waa Roa 2021-31 me te Mahere aa-Tau 2023-24 e haangai ana.

I mutu te tau puutea o te kaunihera me teetehi tapeke nama more o te \$923 miriona ki te matapae mahere aa-tau o te \$843 miriona. E tautuhia ana te nama more hei tapeke nama, tangohia te moni me ngaa ooritenga moni. I kitea he tarepa i te whakatairitea o ngaa puka kaute (te huatango i waenga i ngaa whakapaunga o ia raa me ngaa moni whiwhi o ia raa) o te \$34.9 miriona, ina whakaritea ki te tarepa i matapaehia i te mahere aa-tau o te \$16.6 miriona.

Kua aata whakahooutia ngaa mahi me ngaa kaupapa kua whakamaheretia moo te tau tuawhaa o te Mahere Waa Roa 2021-31 naa runga i te taiao ahumoni kua hurihia. Kua whakaaehia aua huringa i te Mahere Waa Roa 2024-34 hou. Naa runga i ngaa tino uauatanga ahumoni kua paa ngaa whaanau, ngaa pakihi me ngaa kaunihera huri noa i Aotearoa, kua whakatika atu te Kaunihera maa tana mahere waa roa hou kia tautika ai te takoto o ngaa puka kaute maa te 2026-27.

He kupu whaiwhai ake naa te Tumu Whakarae, naa Lance Vervoort

Ahako te taiao ahumoni toimaha, e aro tonu ana te Kaunihera ki te whakapai tonu ake i te toiora o too maatou hapori puta noa i ngaa waahi matua e rima, i runga i teeraa i whakaaehia i muri i teetehi kookirikiri whakawhitiwhiti nui ki te hapori i te 2020.

Anei aa maatou whakaarotau matua:

- he taaone e ngaawari nei te noho i roto
- he taaone e puaawai ana oo maatou taangata
- he pokapuu taaone e paarekareka ana ki te tangata
- he taaone ngahau, aa, he nui ngaa mahi paarekareka
- he taaone kaakaariki.

E tuku puurongo ana teenei puurongo aa-atu ki aua whakaarotau.

He taaone e ngaawari nei te noho i roto

I te 2023-24, ka haumi maatou i te takiwaa o te \$337 miriona ki ngaa kaupapa puurawa, me te whakarite he taaone e ngaawari nei te noho i roto too maatou taaone, aa, e urupare ana ki te tupunga nui o te taupori. Naa te mahi i te taha o ngaa kaiwhakawhanake me te Kaawanatanga, kua oti eetehi mahi tuuaahanga waiwai hira te whakatuu i Ruakura. Ka tautoko teenei i te tupuranga nui o ngaa whare noho me ngaa pakihi. E haere tonu ana taa Kirikiriroa kimi painga i toona tauwaahi rautaki, me toona ingoa pai hei pokapuu whakaraupapa hautaonga, me te tauranga tuawhenua a Tainui Group Holdings e mahi ana i ana mahi inaaiane, me te tiimatanga o te keehi pakihi moo te Ara Tuunuku Raawhiti, moo teetehi rori hou kia nui ake ai te tautoko i te whanaketanga ahumahi me ngaa wharenoho.

I arohia anoo ngaa tuuhononga rori hei tautiinei i too maatou whanaketanga. I oti i roto te tau te mahi whakatika i Borman

Road ki te paerewa o te rori taaone (moo te waahanga i waenga i Horsham Downs Road me Barrington Drive), aa, he waahanga matua teeraa o te whakautu i te kootuitui rori matua i te Takiwaa o Rototuna. He waahanga taua mahi o teetehi kaupapa nui ake ka whaatoro atu ki roto i te tau puutea 2024/25, e hangaia ai te hono ngaro moo Borman Road (i waenga i Horsham Downs Road me Kimbrae Drive) me teetehi whakahounga puutahitanga moo Borman Road/Horsham Downs Road e whakatuuria ana ngaa tohu waka haere.

I pau katoa i te Kaunihera he \$92 miriona ki ngaa mahi whakahou me te tautuku, ko toona \$12 miriona te nui ake i te tau o mua, me te whakarite kua tino whai hua maatou i aa maatou rawa, me te tautiaki, te whakakapi anoo hoki ina petapeta.

He taaone e puaawai ana oo maatou taangata

I noho aumangea tonu te oohanga o Kirikiriroa i te 2023-24 ahako ngaa wero aa-motu, aa-ao anoo hoki, me te pai o te whanaketanga i te raangai pakihi me te raangai mahi, i too maatou taupori anoo hoki. Kei mua noa atu i te toharite aa-motu te raangai pakihi o Kirikiriroa, ka mutu, he mea whakatuwhera ngaa pakihi hou e 372. I kitea te tupuranga i te raangai mahi, me toona 3000 te nui ake o ngaa tuuranga i whakakiia i oo te tau o mua, ka piki anoo ngaa utu whare whai muri i teetehi hekenga, aa, ka oti te whakawhanaketanga arumoni, ahumahi hoki he 80,000m² te rahi, tae atu ki te whare ACC hou me te pokapuu horahora Kmart i Ruakura. I piki too maatou taupori maa te 6100 taangata i te 2023, me te aha ko Kirikiriroa te taaonenui he tere rawa te tupu kei Aotearoa.

E haere tonu ana aa matou haumi ki too maatou hapori kia puaawai tonu. Hei tauira, kua whakahoutia ngaa papataakaro e waru, kua whakatuwheratia te papataakaro tuatahi e tino kauawhitia ai te katoa i te taha o te Magical Bridge Trust, aa, kua

whakatuwhera i te whare pukapuka hou o Rototuna, Te Kete Aronui, me tana waahi taakaro e paatata ana. Kua raahiritia e Te Kete Aronui, i whakakotahitia ai ngaa ratonga whare pukapuka, kiritaki anoo hoki ki te hangarau, neke atu i te 360,000 ngaa manuhiri, me te aha ko te 40% o ngaa toronga ki ngaa whare pukapuka o Kirikiriroa he toronga ki reira i te 2023-24. E aata whakaatu nei teenei i teeraa ka taea ina paatui maatou ki ngaa hapori e whakaratohia ana e maatou.

E whakarite ana te haumi haere tonu ki Waterworld kia eke tonu ngaa hanga me ngaa hoopua ki te paerewa teitei. I teeraa tau ka whakaratohia te hootaka Haumarua Wai ki te 11 kura, aa, i paa te kookirikiri haumarua wai o Manu with Mana he mea utu e Water Safety NZ ki toona 350,000 taangata. Naa Waterworld ngaa whakataetae Manu NZ i taurima, me te 500 kaiwhakataetae me te kukume i te 1250-1500 ngaa taangata. I paanuitia a Waterworld hei waahi e tuu ai Ngaa Whakataetae Kauhoe Kura Tuarua o Aotearoa moo ngaa tau e toru kei mua (2025-2027), aa, ka haere tonu taa Kirikiriroa manaaki i toona 300 kaikauhoe me oo raatou whaanau.

He pokapuu taaone e paarekareka ana ki te tangata

Kua haumi te Kaunihera, i te taha o eeteahi hoa paatui, ki te whakawhanaketanga o te Waikato Regional Theatre; teeteahi whare whakaari hou hirahira moo ngaa mahi a te reehia, he maha oona whakamahinga. Kua maaroo kee te haere o te hanga i te pae kei Victoria Street i roto i te 2023-24. E uu tonu ana ki te mahere kia whakatuwheratia hei te 2025.

I te pokapuu o te taaonenui, ka tiimatatia e maatou te mahi ki ngaa kaupapa e utua ana e te Tahua Whakaterere Tuuaahanga (IAF) a te kaawanatanga, e tautokona ai tae atu ki te 4140 kaainga hou i te taaonenui.

Ka whakahou anoo hoki te Kaunihera i te Whakaaetanga Taumata Ratonga ki te Roopuu Pakihi Pokapuu o Kirikiriroa moo te whakapaunga o te Tahua Whakahohe Pokapuu Taaonenui, he \$100,000 te waariu.

I oti anoo hoki te pokapuu Exscite i te Whare Taonga o Waikato te whakawhanake anoo.

He taaone ngahau, aa, he nui ngaa mahi paarekareka

E noho tonu ana a Kirikiriroa hei taaone ngahau me te nui o ngaa mahi paarekareka.

I whakamihia anoo maatou e Tripadvisor moo oo maatou Hamilton Gardens whakamiiharo nei, kua raarangitia i roto i ngaa waahi whakakitekite 1% o runga rawa puta noa i te ao kira toroa e te tangata. Koiraa te tau tino hira rawa atu moo ngaa kaari me te 538,343 ngaa manuhiri i tae atu; he 7% te pikinga atu i te tau o mua. Kua tata te oti o te pokapuu manuhiri me te waahi tomokanga o Hamilton Gardens, ka mutu ka whakarei i too maatou hanga whaitake hirahira. Noo maatou te whiwhi ia tau, ia tau kia whakawhiwhia ki te nunui rawa o te tautoko aa-moni haapai iwi me ngaa koha. Kia ea ai ngaa utu, kia noho pai tonu ai te aahua o ngaa kaari, kei te whakauru te Kaunihera i teeteahi utu manuhiri hou e uu ana ki eeteahi atu tino waahi kukume taangata huri noa i te ao. Ka whakamahia ngaa moni ka whiwhi i teeraa ki te whakapai tonu me te taapiri i ngaa ratonga me ngaa hanga hou e maamaa ake ai te toro mai, e nui ake ai anoo hoki te rerehua.

E kukume tonu mai a Kirikiriroa i ngaa taiopenga taumata tiketike e mahi ai ia waahi haakinakina o maatou (Claudelands, FMG Stadium Waikato me Seddon Park) ki toona kaha ka taea e whakahaere ana i te huhua o ngaa mahi haakinakina. Naa FMG Stadium Waikato te FIFA Women's World Cup 2023™ i whakahaere, te taiopenga haakinakina

nui rawa kua tae mai ki Aotearoa, me te aha ka aata whakapikia te oohanga o too maatou taaonenui me te takiwaa huri noa.

I haere tonu ngaa mahi whaaomoomo naa ngaa mahi hira ono raakau i te Waiwhakareke Natural Heritage Park, teeraa i whakanui i toona Huritau Rua Tekau i teenei tau, me te ara Kooawaawa Mangaonua, i whakatuwhera okaawatia i te mutunga o Noema 2023. Puta noa i te roanga o te takiwaa ono, i tuu ngaa mahi e 51 me te neke atu i te 3000 haora mahi tuuao, i whakatoongia ai neke atu i te 19,000 raakau maaori.

I whakarewa anoo hoki maatou i te kookiritanga Kids in Nature, teeraa e whakarei ana, i te taha o eeteahi atu mahi paatui me ngaa kookiri, i te whaanuitanga me te maha o ngaa arawaatea e aahei ai oo maatou hapori te whai waahi ki te whakarauora i te taiao.

He waa whakaumu te tau kua pahure moo te waahi o Te Kaaroro, i tino piki ai te tokomaha o ngaa manuhiri, i tiimataria ai eeteahi kaupapa whaaomoomo nunui, i whakaurua ai he kararehe hou ki te Rawhi Whakaaturanga, me te kume i te aro nui o ngaa arapaaho i oona pae e rua, Hamilton Zoo me te Waiwhakareke Natural Heritage Park.

He taaone kaakaariki

Kei roto i ngeeraa atu mahi rawa nunui i oti i te 2023-24 ko ngaa mahi tautiaki me te whakahou i ngaa rawa tuunuku, me te whakarite i te whakaratonga o ngaa tuuhononga rautaki moo te wai me te waipara kia aumangea atu too maatou kootuitui arawai. Hei tauira, i hanga maatou i ngaa teihana papu hou e rua i te takiwaa Newcastle/ Dinsdale, ka oti te waahanga tuatahi o teeteahi mahi whakahou i te waahi whakahaere waipara o Waiora, aa, ka tiimata ki te hanga i ngaa kura roki waipara rahi kia pai ake ai te mahi a too maatou kootuitui tonga-maa-uru i ngaa waa ua.

Kua tino neke whakamua te Kaunihera ki te whakarite kia tutuki ai ngaa putanga o Too Taatou Anamata aahuarangi, ina koa moo te taha whai waahi ki too maatou hapori me oo maatou hapori, aa, maa te aarahi maa te whakaatu e heke mai ana aa maatou anoo tukunga whakahaere.

Ko ngaa tukunga waro whakahaere a te Kaunihera i teenei tau he 9,069 tana te ooritenga o te hauhaa, aa, he hekenga 5% teeraa i te tau o mua, aa, kua tata ki te 20% te hekenga i too maatou tau paerewa (2018-19). E tutuki ai taa maatou whaainga o te hekenga iho e 50% i aa maatou tukunga waro whakahaere more, me arotahi tonu ki te mahi i ngaa mahi e whakaheke ana i aa maatou tukunga puta noa i te Mahere Waa Roa 2024-2034.

I oti i a maatou eeteahi kaupapa aumangea ki te panoni aahuarangi 12 huri noa i te taaonenui, maa te whakamahi i te tahua Climate Emergency Relief Fund (CERF) Travel Choices. Kua kapi i aua kaupapa te whaanuitanga o ngaa whakapainga eke paihikara, hiikoikoi, me te tuunuku tuumatanui, aa, i roto i ngeeraa ko ngaa ara eke paihikara tuuhonohono, motuhake me te haumaruru, ngaa tuunga paihikara, kuta hoki i ngaa uunga matua, te tuuaahanga tuunuku tuumatanui pai ake, me ngaa arahiikoi papai i waenga i ngaa uunga matua.

Maataamua a haumaruru

I roto i a maatou mahi katoa, manawa rahi ana maatou kia hanga he taiao haumaruru, he taiao ora hoki moo ngaa kaimahi, kaikirimana, tuuao me te haapori whaanui.

Taiao Ahumoni

He nui aa maatou wero ahumoni i teenei tau. He nui hoki ngaa paapaatanga ki a maatou mahere puutea naa runga anoo i ngaa pikiutu tukipuu me te piki haere o te reti huamoni, anoo hoki te

whakapiki o te utu ki te whakatutuki a maatou ratonga mahi katoa. I roto taa maatou puka mahere-aa-tau 2023-24 I whakaiti iho te mahere puutea kia aro puu ana ki ngaa ratonga mahi waiwaia. Ahakoa te whakaiti iho o te mahere puutea, heehee tonu te haere, he nui te paapaatanga ki aa maatou matapae ahumoni ki too te whakaaro I te timatanga. Ko te mahere-tekau-tau hou 2024-34 e maheretia i teetehi huarahi hei whkautu I ngaa pehitanga ki te whakatautika taa maatou puka ahumoni.

Ngaa panoni ki oo maatua aahua mahi

He nui ngaa huringa i te Kaunihera i teenei tau kua hori, i a maatou e whakahaere ana i teetehi tukanga arotake i te hanganga puta noa i te whakahaere. I paa katoa ngaa huringa i oti hei whakarite kia kakama rawa ki toona kaha ka taea ngaa mahi a te Kaunihera, ka mutu kua puumau ngaa tuuranga tootika i taea ai te ata aro ki ngaa mea tino hira rawa, me te kore e whakaheke i ngaa taumata o ngaa ratonga ki te hapori. Ko te toituutanga aa-puutea he whakaaro matua ki te Kaunihera. He mea hira nei te maatua moohio ki ngaa waahi o roto nei e taea ai te puukoro te nonoti. Naa ngeenei huringa ki too maatou hanganga, i aahei te whakawhaaiti i te \$7 miriona hei penapena moni taha kaimahi, me te aha kua rite maatou inaaiane ki te kawhe i aa matou ratonga ki te tino pai ka taea aa muri ake nei.



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. It provides essential information to our community for assessment of our performance. The annual report's content is directed by the Local Government Act 2002.

Our planning cycle starts with extensive community engagement with the people of Hamilton Kirikiriroa to understand the aspirations they have for their city. Feedback from our community is captured and used to create our vision and 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. A new long-term plan is adopted every three years. The 2024-34 Long-Term Plan has now been adopted and is in effect, which covers the next 10 years beyond this Annual Report.

Entering years two and three of our long-term plan, we produce an annual plan. The annual plan gives Council the chance to review what has been set out in the long-term plan and consider where any changes are necessary.

At the end of each financial year, we produce an annual report to review our performance and tell you, the community, how well we did delivering on the long-term plan and the respective year's annual plan.

This annual report

This report, the 2023-24 Annual Report, is reporting against year three of the previous 2021-31 Long-Term Plan and the 2023-24 Annual Plan. It identifies any differences between what we said we would do, and what we have actually delivered. The report considers:

- 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 important information to our community as well as a range of stakeholders that include local businesses, Council partners, non-government organisations, and government departments and agencies. It is also an opportunity to look back on the year, and highlight works and services that have been effectively delivered to the community of Hamilton Kirikiriroa.

Piecing it all together:



Maaori contribution to the decision-making process

Mana Motuhake Maaori ki te Whakatakoto Whakataau

We are committed to honouring the principles of Te Tiriti o Waitangi/the Treaty of Waitangi.

We acknowledge the role and contribution that iwi, hapuu and maataawaka make towards our great city 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 wellbeing of our 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 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

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

Due to the resignation of a Maaori Ward Councillor in May 2024, a by-election was held and a new Maaori Ward Councillor elected in August 2024.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were

first appointed to Council committees with full voting rights in 2018. Maangai Maaori sit on three committees. The Maangai Maaori represent and are chosen by iwi (Waikato-Tainui) and maataawaka (urban Maaori) organisation Te Rūnanga o Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

Council's Kaumatua is appointed by the Office of the Kiingitanga to give support and advice to Hamilton's Mayor and its elected members. The Kaumatua gives spiritual guidance to council in line with Waikato-Tainui tikanga and protocols.

Amorangi Maaori

Amorangi means to lead, or to provide leadership. Amorangi Maaori provides leadership and advice across 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) focused on the economic, social, cultural, and environmental wellbeing of its 75,000 tribal members.

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 the landscape of Kirikiriroa. Many of those 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 represents the views of Maataawaka in the development of Council strategies, policies, and plans.

Climate change reporting

Te Puurongo i te Huringa o te Aahuarangi

In the last year we have made some real progress in delivering against the outcomes of Our Climate Future, especially in engagement with our community and businesses, and leading by example by reducing our own operational emissions.

At a global level, this year has seen record-breaking temperatures. 2023 has been confirmed as the warmest year on record, reaching a new annual average global temperature of 1.45°C above pre-industrial levels.¹ We are edging closer to the 'safe limit' of 1.5°C warming above pre-industrial levels (the limit the Paris Agreement aims to keep us within) and the impacts are becoming more visible here in New Zealand with more extreme weather events and increased temperatures.

The Our atmosphere and climate 2023 report, released by Stats NZ and the Ministry for the Environment, outlines how greenhouse gas emissions from human activities are already changing our local climate, and impacting our communities, environment, and the economy². There's never been greater urgency to reduce our emissions and prepare for the changing climate.

We've also seen shifts in the national direction to respond to climate change, with a new government elected in October 2023. This has required councils to pivot, align with and prepare for new strategies and plans from central government.

Delivering our climate future

We have continued to deliver a number of key projects that strengthen the local climate change response here in Hamilton Kirikiriroa.

We received \$750,000 from the Government's Better Off Fund, to deliver projects throughout 2023-24 in partnership with our community and businesses. This included programmes focused on building partnerships with businesses and community organisations, developing education for community and staff and delivering an internal corporate sustainability programme. Highlights include partnership funding for a Maara Kai, an eco-sourced heritage seed bank, a shared tools library, initiating Tiaki in Kirikiriroa for local hospitality and tourism businesses and launching an online 'Living Lightly' course which provides the community with simple and practical tips to take climate action from the comfort of their own home.

We've also worked closely with local business leaders to set up a 'Sustainability: Walk the Talk' events series, where businesses come together to share and learn from each other's climate action. We have continued to provide quarterly updates via our climate action newsletter, Te Pae Tawhiti - Delivering on Our Climate Future, to those interested in climate action in Hamilton Kirikiriroa.

¹ World Meteorological Organisation: <https://wmo.int/news/media-centre/wmo-confirms-2023-smashes-global-temperature-record>

² Our atmosphere and climate 2023, Ministry for the Environment: <https://environment.govt.nz/publications/our-atmosphere-and-climate-2023/>

Making Council more sustainable

A portion of the Government's Better Off Fund has been used to support improved sustainability in Council's way of working, which will help to reduce our emissions and build resilience to climate change. Projects funded by the Better-Off Fund in 2023-24 which will help us on this journey include:

- Solar panels for St Andrews Library
- Rainwater collection, storage, and reuse as part of the Steele Park toilets and changing room upgrades
- Water moisture sensors for the sand sports fields to reduce water use
- A bin lifter for animal refuse at Hamilton Zoo to reduce the use of plastic bags
- Waste assessments for our H3 venues, so that we have reliable waste data to inform future decision-making and new composting infrastructure at Claudelands.

Assessing our climate maturity

A key focus for this year was establishing our Climate Maturity and Disclosure Programme. This programme takes an inward look to assess how effectively climate-related risks and opportunities are integrated into our organisation's governance, operations, processes, and risk management. We have completed our first assessment and have published our first Climate-related Disclosure for 2023-24 alongside this Annual Report. This disclosure report outlines the current level of climate maturity for Council, identifying key areas for improvement which we'll now prioritise to become a more climate-ready organisation.

Achieving our emissions targets

In Our Climate Future: Te Pae Tawhiti o Kirikiriroa we set targets to reduce our own operational emissions. Our targets are a 50% gross reduction in emissions by 2030, and to be net zero by 2050. These targets are against our baseline set in 2018/19. 'Net zero' refers to reducing emissions as much as possible, with any remaining unavoidable emissions being sequestered through planting and maintaining trees. 'Net zero' therefore does not mean there are no emissions produced – just that these are balanced by capturing emissions from the atmosphere.

Our operational emissions include energy used in our buildings and operations (LPG, natural gas, electricity), fuels used in Council-owned fleet or from car share or rental vehicles, biosolids from our wastewater treatment process, waste from Council operations, travel for our staff and livestock and fertiliser used on our land. At this stage, we do not include other emissions related to our activities within this target, such as carbon embodied in the goods we purchase (e.g. roading material) or other emissions from our upstream and downstream supply chains. This is a Council-only measure and does not include emissions generated from the wider group of entities.

This year Council's operational emissions were 9,069 tonnes of carbon dioxide equivalent, which is a 5% reduction on the previous year and an almost 20% reduction on our baseline year (2018/19). Emissions have reduced in all areas, apart from waste from our Council operations, however, the rate of reduction has slowed compared to previous years, as we have addressed many of the easy-to-do projects.

To achieve our 2030 target of 50% reduction in our gross operational emissions, we need to keep focused on delivering actions that will reduce our emissions through the 2024-2034 Long-Term Plan.

Our Financial Strategy

Too Maatou Rautaki Puutea

Our 2021-31 Long-Term Plan include 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 include:

- 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 – the amount of debt we can take on compared to revenue (debt to revenue), and forecasts

net debt (the money we owe lenders, less cash) and when we will balance the books. The Council books are balanced when everyday revenue pays for everyday expenses.

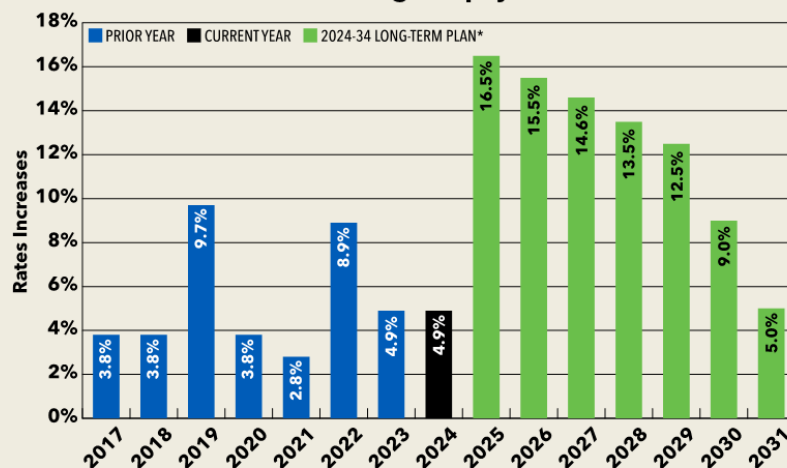
This year we faced challenging economic circumstances. Our budgets were impacted by rising inflation and interest rates, as well as increased costs to deliver the same levels of service to our city. As a result, Council's balancing the books deficit was unfavourable to the 2023-24 budget by \$18.3 million and ended the financial year with a net debt balance \$80 million higher than budgeted.

The new 2024-34 Long-Term Plan charts a course to respond to these challenges and balance our books by 2026-27.

Rates

The Long-Term Plan set 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% in 2022-23 and 2023-24. We stayed within these limits – the actual average rate increase for 2023-24 was 4.9%.

Total rates increases to existing ratepayers



*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term 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 177. 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 271.

The main differences between the two measures are:

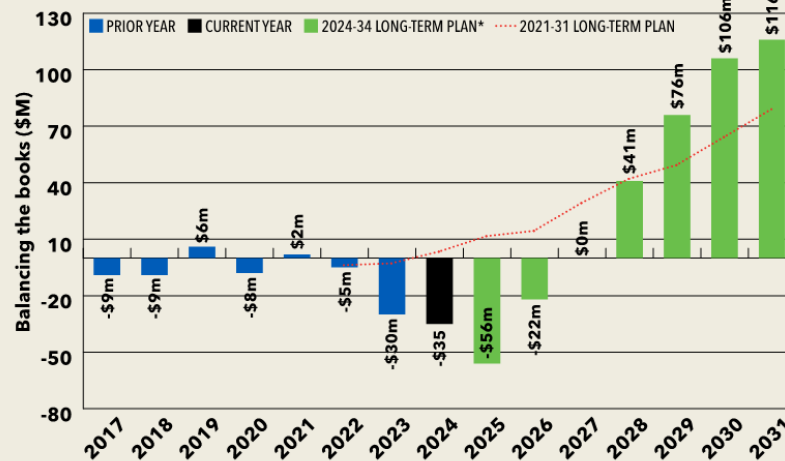
- Our measure removes capital revenue (NZ Transport Agency Waka Kotahi subsidies for capital expenditure and other capital contributions). These revenue items are included in the Government measure. We exclude this revenue as it funds specific capital items and is therefore not available to fund everyday 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 the 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.

Council was unfavourable against the balancing the books budgeted deficit in 2023-24, with an adjusted operating deficit of \$34.9 million against a budgeted deficit of \$16.6 million. Using the Government's balanced budget measure, we are reporting a deficit of \$44 million against a budgeted surplus of \$37.8 million.

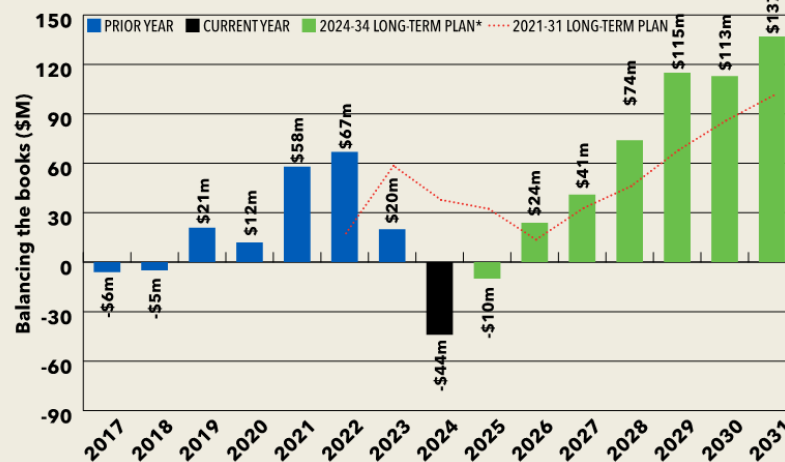
The significant revenue and expenditure variances that contributed to our balancing the books result include:

- 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 budget due to higher than expected revaluation increases in transport and parks and gardens.

Balancing the books - Hamilton City Council measure



Balancing the books - Government measure



*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term 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 243.

We ended the financial year with a net debt balance of \$923 million, which was higher than the budgeted target of \$843 million. Our debt is now 221% of revenue against a performance target of 199%.

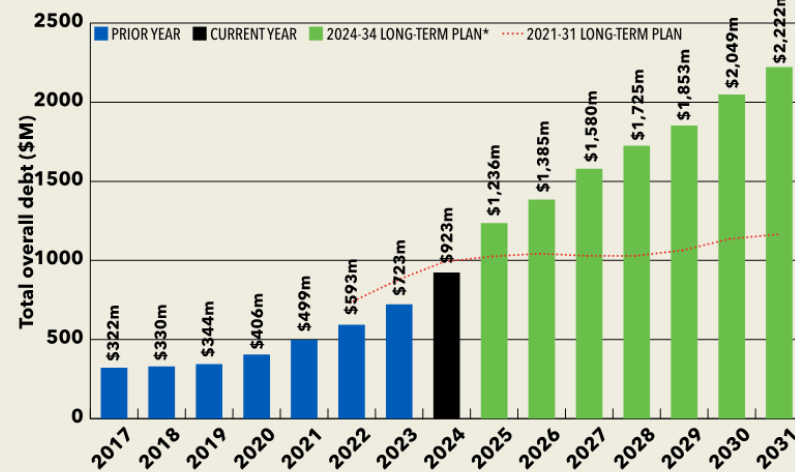
The main reasons for this unfavourable result are:

- Higher than budgeted capital expenditure
- Lower than budgeted capital revenue.
- Lower than budgeted cash operating surplus.

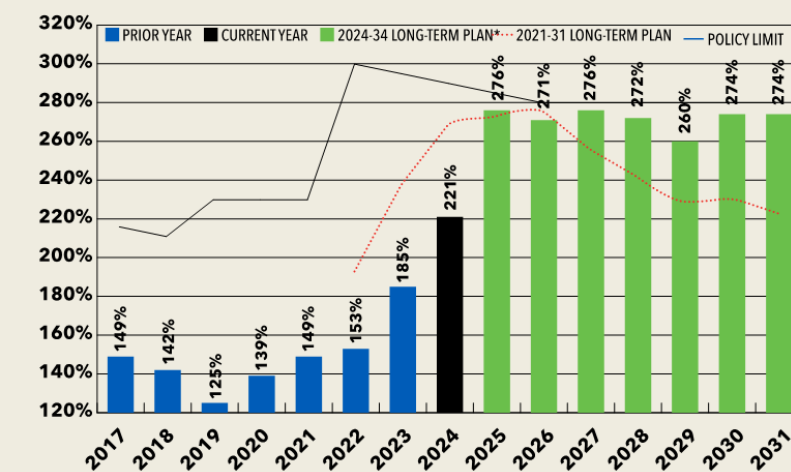
Actual spend for the capital portfolio was \$337.4 million, against a budget of \$310 million, which included deferrals of \$42 million.

To keep debt at manageable levels, the financial strategy caps debt to revenue at 290% in 2023-24. This ratio will taper back to 280% by 2025-26.

Total net debt



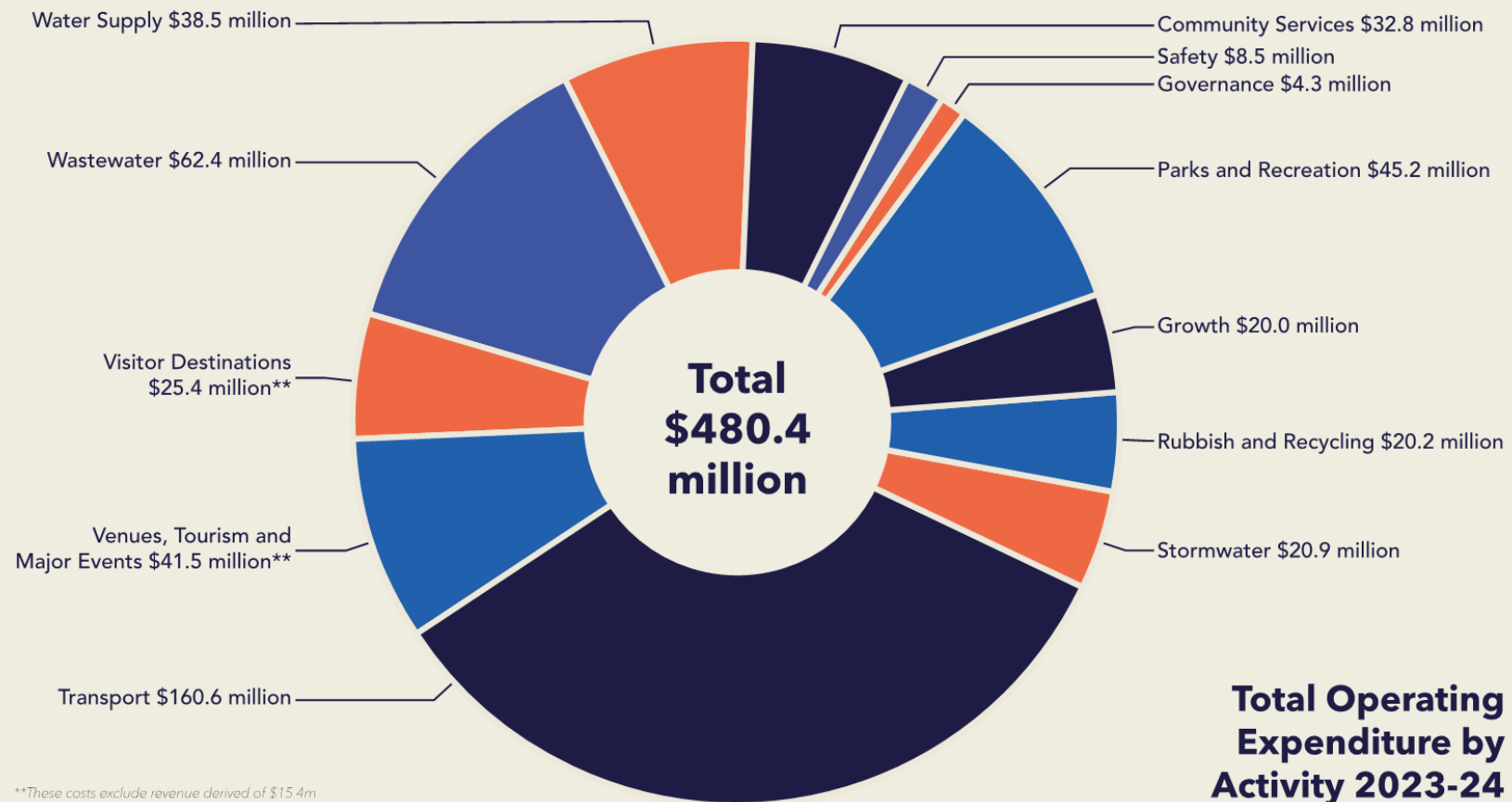
Debt-to-revenue ratio



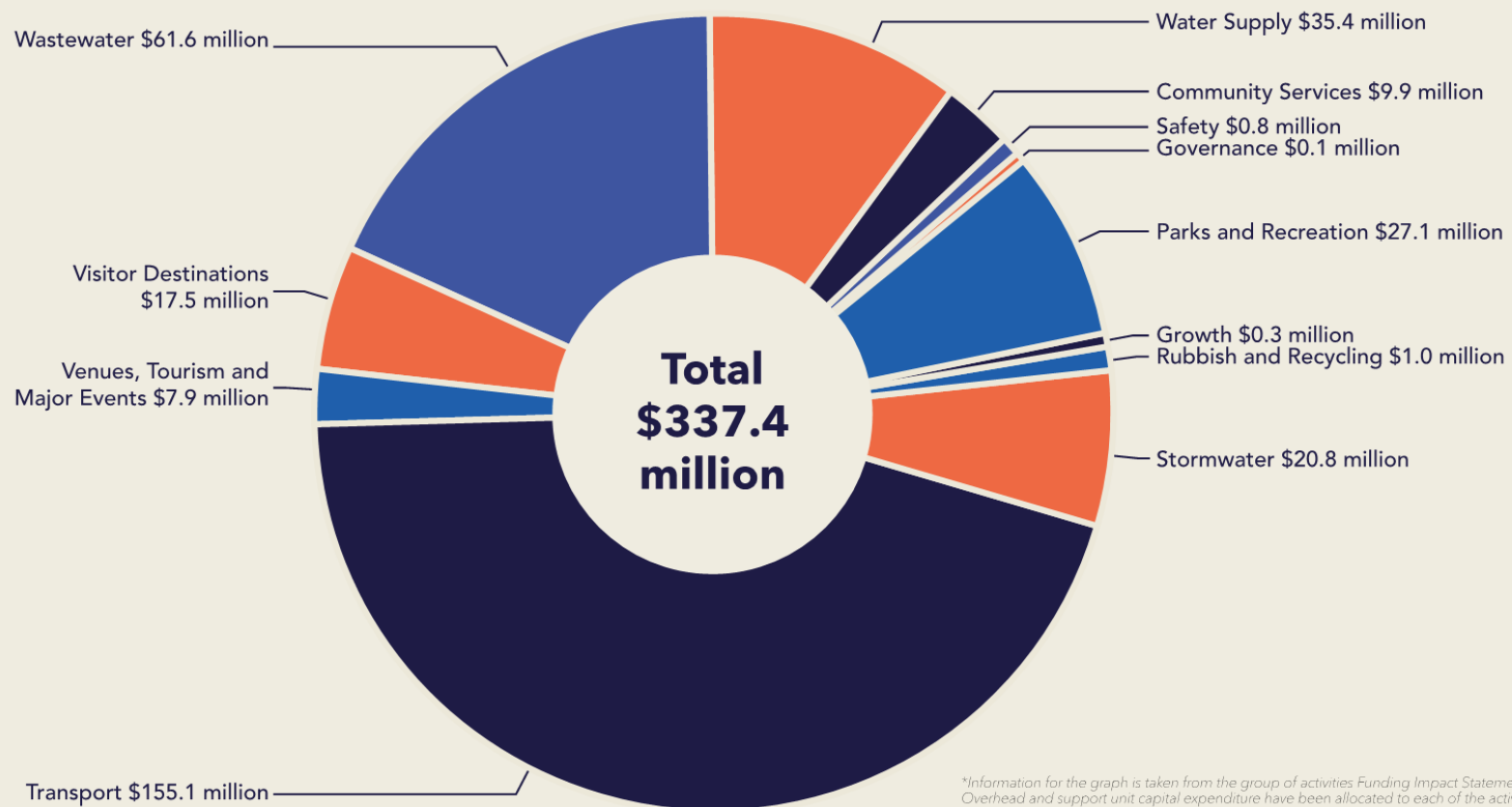
*The figures for 2025 to 2031 have been reforecast as part of the 2024-34 Long-Term Plan process.

Overview of our 2023-24 finances

Tirowhaanui moo Ngaa Puutea 2023-24



Total Capital Expenditure by Activity 2023-24



Capital projects delivery

Kaupapa haupuu rawa whakatinanatanga

The 2023-24 year saw the delivery of nearly \$337 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 extensive engagement with our community, and our regular capital reporting tracks how we're delivering on these. This year has seen some very exciting projects delivered that will have great impact on the future of our city.

Key projects

In the last year we completed the Te Ara Pekapeka Bridge over the Waikato River, unlocking housing for up to 7400 homes to be built in Peacocke in the next 30 years. This project has seen some significant environmental activities including bat monitoring and lizard surveys, and 5.5 hectares of gully and stream restoration planting.

We also built a wastewater transfer station and 7.5km of pipelines, and set aside 7ha of land for the future development of a sports park.

In the central city we commenced work on the Infrastructure Acceleration Fund (IAF) projects that will support up to 4140 new homes in the city.

In the next few years, a new reservoir, bulk water mains and a pumpstation will be built, along with upsizing of water and wastewater mains. We also designed, consented, and started construction on large bulk wastewater storage tanks to help our south-west network cope better in wet weather. The first part of an upgrade to the Waioara water treatment plant was completed to allow more water to be treated. In the Newcastle/Dinsdale area we built two new pump stations to make our water network more resilient and to support our growing city.

There has also been a large amount of work on erosion control with significant plantings and works in the city's gullies.

To support Ruakura, in partnership with developers and government, we put into place some significant core infrastructure to allow substantial residential and business growth.

The Tainui Group Holdings inland port is now up and running and we have commenced the Eastern Transport Corridor's business case for a new road to further support industry and housing. The last piece of the transport puzzle in Rototuna is nearing completion with the extension and urban upgrade to Borman/Horsham roads.

In Rotokauri we have completed the design and consent for a greenway to support our stormwater needs, designated new roads and bought land for new parks.

We also completed a number of transport improvements to improve safety and encourage travel by public transport, walking and biking.

The Nature in the City programme has kicked off with Donny Park/ Kukutaaruhe Gully and the launch of an app that has increased visitation in our natural areas by 69%.

The Hamilton Gardens Visitor Centre and Precinct approached completion and will add to our world-class facility.

We commenced work on the Boyes Park redevelopment (Founders Theatre demolition), carried out a resurfacing on the Porritt Stadium and completed eight playground refreshes.

Renewals and compliance

Renewals and compliance for each activity of Council is planned for across three years to ensure we get the most out of our assets, maintaining them and replacing when they wear out. The programme is carefully managed and work is prioritised based on funding available and the risk associated with not undertaking renewal and compliance work.

Our renewals and compliance programme saw \$92 million spent in 2023-24, an increase of nearly \$12 million on the previous year. The programme included a three-year funding provision of \$232 million that allowed us to reprioritise budgets across these years as needed, such as when we encountered unexpected failures or deterioration of assets. Over the last three-years (from 2021-22 until 2023-24), a total of \$230 million was spent through the renewals and compliance programme.

Deferrals

Some capital funding was deferred due to a combination of third party and contractual timing changes and reprioritisation decisions. The total capital spend was \$337.4 million against an approved budget of \$352 million.

Activity area	Total capital spend \$million
Community services	9.3
Parks and recreation	26.4
Rubbish and recycling	0.8
Safety	0.6
Stormwater	20.4
Transport	153.2
Venues tourism and major events	4.1
Visitor destinations	20.2
Wastewater	60.1
Water supply	34.4
Overhead and support units	7.8
Strategic property	0.1
Total	337.4

*Overhead and support units and strategic property capital expenditure has been included as a separate activity and has not been allocated to other activities.

Highlights of 2023-24

Ngaa Mea Hirahira 2023-24

Here's some of what went on...

July - September 2023

Council renews award-winning transport contract with Downer



Hamilton Gardens ranks in top 1% globally



Te Wetini Drive extension opens in Rotokauri

Hamilton hosts FIFA Women's World Cup 2023™

Host City of biggest women's sporting event in the world.



Te Kete Aronui Rototuna Library opens



Hamilton tops Oceania in EV infrastructure
with 22.2 chargers per 1000km of road.

More \$6 all-day carpark for Hamilton's central city

All-day paid parking expanded.



New Nature in the City app launched

October - December 2023



Campaign educating Hamiltonians about safety in the awa

Magical Bridge Playground opens: New Zealand's first fully accessible playground



Mangaonua Gully track completed: 19,000 natives planted



New transport network in Peacocke takes shape

Chinese sister city delegation hosted

Business, tourism and education opportunities discussed.



January - March 2024

By-election held

New councillor confirmed for Hamilton East.



Templeton Group hotel announced

Central city will soon be home to a \$120 million high-end hotel development.



Two female tiger cubs born at Hamilton Zoo



Joyful theme for Waitangi Day festival

Waikato Museum hosts artists Lissy and Rudi Robinson-Cole.

City parking meters upgraded

Electronic parking meters offer greater convenience.

April - June 2024



1,675 building consents granted in the last 12 months

Hamilton Transport Centre refreshed

Catching the bus now safer and easier.



Your Neighbourhood comes to Hamilton West



Hamiltonians learn about the services Council provides.



Kids in Nature education programme for Hamilton schools launched

Almost 3000 submitters shared their views on the

Long-Term Plan 2024-34



Excite: Taiao opens

Extensive redevelopment of Waikato Museum's interactive centre.



Delivering on our Priorities

Te whai kia tutukihia
aa maatou Kawatau

Summary of our delivery

Whakaraapopoto o te Whakatinanatanga

Our 2021-31 Long-Term Plan set out the vision for our city, and the services that Council planned to deliver to the community in order to achieve it.

It detailed what the community could expect from us, and the ways in which we planned to measure the performance of our service delivery for key aspects of Council's activities. This section provides a summary of how Council performed delivering on what we said we would do in 2023-24, year three of the 2021-31 Long-Term Plan.

Our vision for our city

Our five priorities for our city are creating:

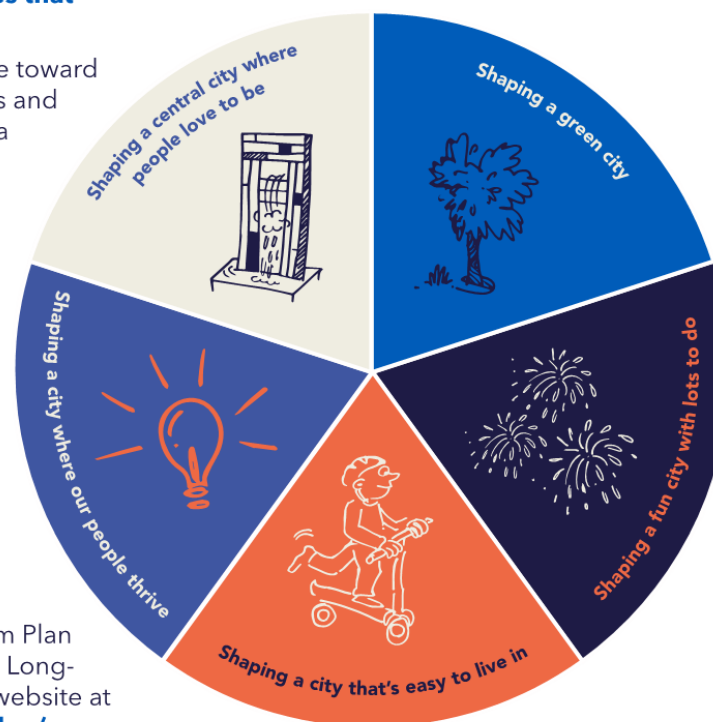
- a city that's easy to live in
- a city where our people thrive
- a central city where people love to be
- a fun city with lots to do
- a green city.

To measure our delivery against these priorities we have 4 community outcome measures and 58 service performance measures.

All services of Council contribute toward the achievement of our priorities and are grouped together to create a framework that links the group of activities to the priority to which they contribute. Each group has service performance measures associated with it that demonstrate and measure how successfully we are delivering our services to the community.

A summary of results for our community outcome measures and service performance measures can be found on the following pages.

A copy of the 2021-31 Long-Term Plan and the newly adopted 2024-34 Long-Term Plan can be found on our website at hamilton.govt.nz/long-term-plan/



Community outcome measures

Te inenga hua o taatou haapori

We have four measures for our community outcomes. Of these, one successfully achieved target, and three had no result.

Reduction in greenhouse emissions footprint for Hamilton City Council

This 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.

In 2023-24 Council achieved its target of a decrease in greenhouse emissions, with 9069 tonnes of carbon dioxide equivalent (tCO₂e) based on a population of 185,300. This equates to 0.049 tCO₂e per head of population, which is a decrease on our 2022-23 results of 0.053 tonnes per head of population. We have seen reductions

in emissions from almost all areas that we measure, but the rate of reduction has slowed compared to previous years due to having already addressed many of the easy to do projects.

Measures with no result

Three of our community outcome measures ask our residents their perception of our city and measure:

- **The percentage of residents who think Hamilton is a great place to live.**
- **The percentage of residents who are proud of how Hamilton looks and feels.**
- **The percentage of residents who believe we make decisions that are in the best interest of our city.**

This year these three community outcome measures returned no results. Our perception-based measures are informed

by data obtained from the annual Pulse Survey undertaken by an independent research provider on Council's behalf. The Pulse Survey was last completed in June 2023. Due to overlap with timing of the two-yearly Quality of Life Survey (QoL), a survey conducted in partnership with eight councils nationwide, and the duplication of questions that inform these measures, a decision was made to rely on data from this survey and to not proceed with the annual Pulse Survey. The results of the QoL were expected to be released in September 2024 prior to adoption of the Annual Report, however due to a delay in processing of the results by the survey provider, the survey is now expected to be released in November 2024. This will be too late for the inclusion of the results in this Annual Report. These three measures will therefore return 'no result' for 2023-24.

Service performance measures

Te taatari i te mahi ratonga

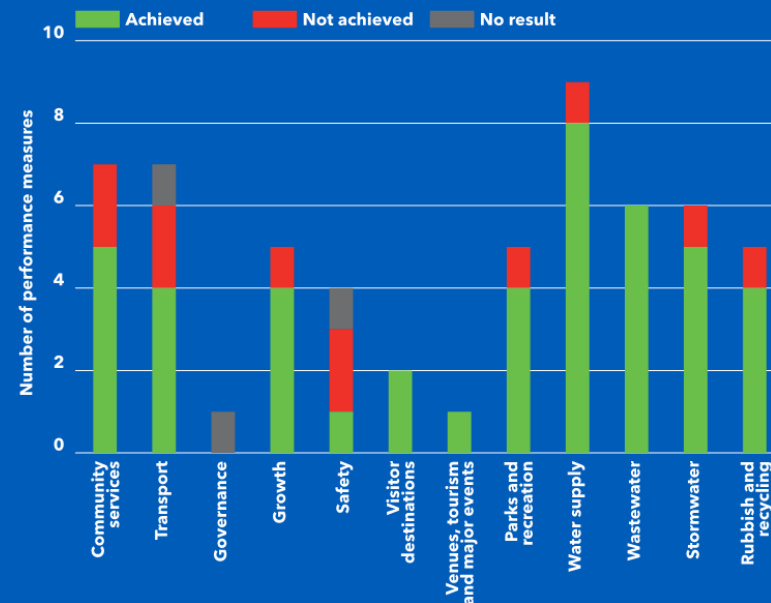
Service performance summary

There are 58 service performance measures. Of these, 45 successfully achieved target, 10 did not achieve target and 3 had no result.

Highlights from this year

- Te Kete Aronui, the new Rototuna Library and Community Hub, was officially opened on the 21 July 2023 with much public interest in the facility and the adjacent play space, (which includes a skate park).
- Work was finished on Te Ara Pekapeka Bridge to connect Peacocke to Hamilton East and the surrounding transport network.
- We have delivered two by-elections as a result of the resignation of two councillors.
- Animal Education and Control has facilitated the adoption of 142 dogs over the year which is wonderful for the dogs, their families and our community.
- This was the Hamilton Gardens' biggest year ever for visitor numbers, clearly demonstrating the current construction work and temporary entrance hasn't put people off visiting a favourite destination.
- FMG Stadium Waikato hosted the biggest sporting event to ever come to Hamilton Kirikiriroa. The stadium played host to 10 FIFA Women's World Cup 2023™ teams, hundreds of volunteers, and thousands of football fans.

Service performance measures



- The Magical Bridge Playground opened in December 2023, as New Zealand's first fully accessible playground.
- We successfully distributed approximately 22.5 million cubic metres of treated safe drinking water to our customers.
- Approximately 20 million cubic metres of wastewater and tradewaste was successfully conveyed to and treated at the Pukete Wastewater Treatment Plant then discharged to the Waikato River.
- More than 2,000 people attended the inaugural 'Lets get Thrifty' event at The Meteor in September with the event selling 1750 bags of clothing and raising \$20,000 for the participating thrift stores Hospice Waikato and Op Shop for Breast Cancer.

Areas for improvement

Below is an explanation for the service performance measures that did not achieve their target or returned no result for 2023-24:

Priority: A city that's easy to live in

Community services

The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience

This measure saw a significantly increased result of 84% for 2023-24 - compared to 79% in 2022-23. Key themes in the feedback from dissatisfied customers were largely focused on not being able to get into high-demand classes, and facilities that were non-functional (sauna and steam room, which are scheduled for renewal in year two of the 2024-2034 Long-Term Plan).

The number of visits to Council owned aquatic facilities each year

The visitation result for 2023-24 was 431,935 - up by 15% on the 2022-23 result of 367,587 - but short of the year's target of 500,000 visits. This increase was due to a successful summer season. Events, such as the Manu Competition which were well attended, the return to normal opening hours, and promotion to the city's southwest community saw a 131% increase in visitation at Gallagher Aquatic Centre. The closure of Waterworld in July 2023 for maintenance significantly impacted the ability to meet this target.

Transport

The change from the previous financial year in the number of fatal and serious injury crashes on the local road network

The measure indicates the impact of safety improvements and education programmes on reducing death and serious harm on our city's roads, noting that user behaviours are also a contributing factor to the results for this measure.

This year saw 50 fatal or serious injury crashes, 12 more than the 38 reported in 2022-23, failing to meet target of a decrease on the previous year. This, however, is not significantly different when compared to the 2021-22 result (51 total crashes) and 2020-21 result (46 total crashes). Council is working towards a safer transport network with a vision for a decreasing trend of fatal and serious injuries on Hamilton roads. We aim to achieve this by delivering physical works projects and education programmes that are targeted to improve the safety of all road users to reduce these crashes, noting that user behaviours are also a contributing factor.

Priority: A city where people thrive

Growth

There will be at least three years capacity of business zoned land supplied with development infrastructure in the city

This measure indicates the supply levels of business zoned land within Hamilton Kirikiriroa. The target of three years is set in accordance with the National Policy Statement on Urban Development. This target was not met, with a result of 2.7 years supply.

Industrial consenting in Hamilton Kirikiriroa (which utilises business zoned land) has stabilised over the last six months of the financial year, with there being a previous steep uptake due to the Ruakura in-land port consenting.

Industrial capacity is expected to remain limited and demand constant. Council is working with landowners who are developing a private plan change for industrial land use in Te Rapa North. Waikato Regional Airport Limited are progressing a plan change for further industrial land (noting this is in Waipa District Council, but in close proximity to Hamilton City). A Future Proof subregional assessment of industrial land has been completed and a process to investigate future areas for industrial land supply is underway.

Safety

The percentage of graffiti removed within two working days

This year 89.95% of jobs (5561 of 6182) were completed within two working days. The annual target of 95% was not met due to resourcing pressures within the last six months of the year.

Priority: A fun city with lots to do

Parks and recreation

The percentage of residential households with access to a neighbourhood park within 500m walking distance

The result for this year was 80.21%, which was a decrease on the previous year. This resulted in this measure not making the target of maintain or increase. We have seen a slight decline due to factors such as the continued growth and development in the north of the city (Rototuna and Flagstaff), and increased infill across developed areas of 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 that are not included in this calculation.

It is noted that Council has purchased two new parks, a community park in Rotokauri and a sports park in Peacocke, which have yet to be developed for public use and therefore have not been included in this calculation.

Priority: A green city

Water supply

The total number of complaints received about drinking water clarity, taste, odour, pressure, flow or continuity of supply and Council's response to any of these issues

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. The result for this year of 9.63 complaints per 1000 connections missed the target of fewer than 5 complaints per 1000 connections.

Of the complaints received, 334 complaints related to lost or reduced water supply, 122 were related to low pressure, and 71 complaints were related to water discolouration, odour, and taste. The remaining complaints were general complaints such as missing toby lids, missing hydrant markings and buried hydrants. Council continues to monitor this measure and implementing actions to reduce the number of complaints. During the year there were two significant water outage incidents that caused 150 complaints (88 complaints on 7 November 2023 and 62 complaints on 7 February 2024), as well as a high amount of work on the the water network, that have contributed to this result.

Measures implemented to improve this include closer management of contractors working on replacing/extending the water network to minimise any unnecessary reactive impacts and improving data capture and customer feedback during the initial customer contact. We will also continue to review how we can better communicate to customers in the event of large unplanned or planned water outages or pressure events, including continuing to utilise and optimise digital tools such as Antenno and social media platforms.

Stormwater

The number of complaints received about the performance of the stormwater system

The number of complaints received is an indication of the quality of stormwater services we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the way we respond to requests to fix problems.

The result for this year of 13.4 complaints per 1000 properties did not meet target of fewer than 10 complaints per 1000 properties.

A total of 843 complaints were received in relation to the performance of the stormwater system and transportation drainage. This included complaints about clearing or unblocking transportation drainage catch pits, flooding on a transportation road reserve, repairing or replacing transportation drainage catch pits, missing manhole lids or storm grates, holes forming, erosion, broken or blocked stormwater pipes, and the reactive clearing of open drains and streams. The number of complaints associated with the transportation drainage system are significantly impacted by autumn leaf fall blocking catchpits, resulting in flooding of the roadway as rainwater is unable to drain into the stormwater system. Council will continue to work to ensure transportation programmes such as high leaf zones and catch pit clearing are reviewed and improved to prepare for any predicted wet weather events. Ongoing implementation of preventative maintenance programmes and the 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.

Rubbish and recycling

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

This year we diverted 14,437 tonnes of waste from landfill, however, this was short of the target of 16,000 tonnes. This 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 gib has significantly increased diversion from the Resource Recovery Centre. Unfortunately, at the same time there was a drop off in green waste received at the Hamilton Organic Centre. This was due to a

combination of a dry summer, reduced commercial activity, and an increase in green waste competition in the marketplace. These factors combined have affected the year result not meeting target.

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

A valid missed collection is defined as a bin/crate presented correctly on at the kerbside before 7am that has not been collected by our contractor.

The target of less than 110 valid missed collections per month has not been achieved in any month between July 2023 and June 2024. Over this period our contractor emptied 5,392,776 bins and had 2255 missed collections – this is a clearance rate of 99.96%. Missed collections are down from 2767 in 2022-23, a reduction of 18.5%. Further work has been undertaken by our contractor training staff on different collection types and routes to help reduce future missed collections.

Measures with no result

Transport

The increase in active mode trips on Hamilton's network

We are currently unable to report on active mode trips due to an identified data integrity issue with the older counters installed on the network. An investigation has determined there were faulty counters resulting in inconsistent data collection for the use of the network. A new means of recording this data will be relied upon through a new service provider in the future. This has, however, affected our ability to accurately report results for this measure this year, returning no result.

Governance

The percentage of Hamilton Kirikiriroa voter turnout for local government elections

The purpose of this measure is to determine the percentage of voter turnout across the city. This data will be collected in line with the local government election cycle. By-elections do not contribute towards this measure as they only capture a small section of the city's voter turnout and are not generally representative of the percentage of voters in a citywide election.

This measure produced no result for this year as no local body elections were held in 2023-24.

Safety

The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime

This measure has returned no result this year as it is informed by data obtained from the annual Pulse Survey, which was not undertaken this year. The results of the Quality of Life Survey were to be relied upon in place of the Pulse Survey, and were expected to be released in September 2024, however, due to a delay in processing of the results the survey is now expected to be released too late for inclusion of these results in this Annual Report.



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 2023-24 budget was adopted by Council through the 2023-24 Annual 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 2024

Statement of comprehensive revenue and expense to 30 June

	Note	Council			Group	
		Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
		\$000	\$000	\$000	\$000	\$000
Rates revenue		255,719	255,752	238,229	255,719	238,229
Other revenue	1	278,068	248,382	284,938	277,818	290,829
Total revenue		533,787	504,134	523,167	533,537	529,058
Personnel costs	2	122,704	120,650	110,063	122,704	113,563
Depreciation and amortisation	3	108,362	94,405	89,160	108,362	90,186
Finance costs	4	59,310	33,496	40,863	59,310	41,300
Other expenses	5	189,981	139,873	138,654	189,981	142,005
Total expenditure		480,357	388,424	378,740	480,357	387,054
Operating Surplus/(deficit)		53,430	115,710	144,427	53,180	142,004
Net gains/(loss)	6	(14,961)	1,050	(1,011)	(23,716)	(1,011)
Share of associates' surplus/(deficit)		-	-	-	(1,744)	9,282
Net surplus/(deficit) before tax		38,469	116,760	143,416	27,720	150,275
Income tax expense		-	-	-	-	539
Net surplus/(deficit) after tax		38,469	116,760	143,416	27,720	150,814
Other comprehensive revenue and expense						
Financial assets at fair value through other comprehensive revenue and expense						
Gain/(loss) on property revaluations		438	-	212	438	212
Income tax on other comprehensive income	7	48,941	44,376	419,260	48,941	421,884
Impairment of revalued property, plant and equipment		(269)	-	(1,303)	(269)	(1,303)
Other revaluation reserve movements	8	(7,318)	-	2,533	(7,318)	2,533
Total other comprehensive revenue and expense		80,261	161,136	564,118	69,512	574,140
Total comprehensive revenue and expense attributable to:						
Hamilton City Council		80,261	161,136	564,118	73,041	574,451
Non-controlling interest		-	-	-	(3,529)	(311)

For the year ended 30 June 2024

Statement of comprehensive revenue and expense to 30 June

	Note	Council			Group	
		Actual 2024	Budget 2024	Actual 2023	Actual 2024	Actual 2023
		\$000	\$000	\$000	\$000	\$000
Equity at the beginning of the year		5,479,863	5,141,868	4,915,745	5,598,156	5,024,016
Total comprehensive revenue and expense attributable to Hamilton City Council		80,261	161,136	564,118	73,041	574,451
Total comprehensive revenue and expense attributable to non-controlling interest		-	-	-	(3,529)	(311)
Equity at the end of the year		5,560,124	5,303,005	5,479,863	5,667,668	5,598,156

Total equity at the end of the year attributable to:

Hamilton City Council		5,560,124	5,303,005	5,479,863	5,667,668	5,594,627
Non-controlling interest		-	-	-	-	3,529

Financial position as at 30 June

Current assets	9	241,539	176,320	268,171	241,539	268,989
Non-current assets	10	6,524,243	6,165,321	6,244,868	6,631,787	6,371,089
Total assets		6,765,782	6,341,642	6,513,039	6,873,326	6,640,078
Current liabilities	11	215,700	162,416	238,898	215,700	240,111
Non-current liabilities	12	989,958	876,221	794,279	989,958	801,811
Accumulated comprehensive revenue and expense	13	2,401,385	2,376,552	2,359,651	2,456,690	2,417,685
Other reserves	14	3,111,569	2,883,620	3,076,071	3,163,808	3,132,801
Restricted reserves	15	43,980	42,138	42,137	43,980	42,137
Council created reserves	16	3,190	695	2,004	3,190	2,004
Non-controlling interest		-	-	-	-	3,529
Total equity and liabilities		6,765,782	6,341,642	6,513,039	6,873,326	6,640,078

Cash flows to 30 June

Opening cash and cash equivalents balance at 1 July	17	174,129	125,481	114,826	174,129	114,937
Net cash inflows/(outflows) from operating activities	18	127,817	168,478	153,418	127,778	152,021
Net cash inflows/(outflows) from investing activities	19	(411,651)	(310,570)	(337,644)	(411,612)	(338,939)
Net cash inflows/(outflows) from financing activities	20	205,006	142,092	243,529	205,006	246,110
Closing cash and cash equivalents balance at 30 June		95,301	125,481	174,129	95,301	174,129

Notes

Nooti

1. Other revenue was favourable to budget due to a \$22.9m non-cash fair value gain on the HIF loan, \$15.9m in vested assets due to increased subdivision activity, \$11.6m in interest revenue due to higher interest rates and term deposits held and \$5.9m increase in subsidies and grants. This was offset by a \$26m reduction in capital revenue due to reduced funding from CERF projects which have been cancelled and deferral of other projects to 2025.
2. Personnel costs are unfavourable by (\$2.1m) as a result of unbudgeted redundancy costs.
3. Depreciation was unfavourable to budget by \$14.0m mainly due to transport depreciation (\$10m) and Parks and Gardens depreciation (\$2.3m) being higher than expected due to the revaluation increase in 2023. There was accelerated delivery of the water activities capital programme which increased depreciation by \$1.9m.
4. Finance costs was unfavourable to budget by \$25.8m. This was driven by higher than budgeted interest rates and additional external debt incurred during the year.
5. Other expenses were (\$50.1m) unfavourable to budget. This was due to:
 - Professional costs were (\$1.4m) unfavourable due to two unbudgeted bi-elections due to Councillor resignations, a review of the Municipal building usage and finalisation of the rubbish and recycling legal proceedings.
 - Operating and maintenance costs were unfavourable due to work in progress being written off (\$6m) as a result of projects no longer going ahead and finalisation of operational and capital cost splits upon the capitalisation of major projects.
- Administration costs were unfavourable to budget mainly due to \$33.9m vesting of Wairere Cobham Interchange to Waka Kotahi and an increase in the landfill provision by \$7.5m as a result of the aftercosts in the provision increasing to be in line with the costs budgeted for the 2024-34 Long-Term Plan.
- Property costs have increased (\$0.9m) due to increases in insurance premiums and electricity costs.
6. 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 unfavourable variance to budget of (\$16m).
 - The net decrease in the revaluation of interest rate swaps by (\$4.6m) is due to a change in market interest rates.
 - There was a loss on disposal of (\$5.1m). \$816k relates to the disposal of the Settlement Waikato Centre. The remainder relates to the disposal of assets as a result of the renewals program.
 - There was a \$4 million loss on disposal of shares in subsidiaries due to the winding up of Waikato Innovation Growth Limited group.
 - There was a revaluation loss in investment properties of \$1.8m.

7. The gain on revaluation was \$4.6m favourable to budget. This was due to the value of land being higher than predicted.
8. The other revaluation reserve movements was (\$7.3m) unfavourable to budget. This was due to land asset data improvements not budgeted.
9. Current assets was favourable to budget mainly due to higher other financial assets due to the increase in term deposits held and short-term investment in balanced funds with Forsyth Barr and Milford.
10. Non-current assets was favourable to budget by \$358.9m mainly due to plant, property and equipment being higher by \$369m due to revaluation gain being higher than budgeted and other factors such as greater than budgeted vested assets combined with a virtually fully spent capital programme. This was offset by investment properties being lower by \$11.9m 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.
11. Current liabilities was unfavourable to budget by \$53.3m mainly due to borrowings being higher than budget due to the prefunding of 2025 loan repayments in line with PwC's funding strategy recommendation.
12. Non-current liabilities was unfavourable to budget by \$113.7m mainly due to borrowings being \$106.5m higher than budget due to the prefunding of 2025 loan repayments in line with PwC's funding strategy recommendation. Provisions were also \$6.8m higher than budget as a result of the aftercosts in the provision increasing to be in line with the costs budgeted for the 2024-34 Long Term Plan.
13. Accumulated revenue and expenses was favourable to budget by \$11.0m due to the opening balance being higher than budgeted.
14. Other reserves was favourable to budget by \$227.9m as a result of higher revaluation gains on plant, property and equipment valuations.
15. Restricted reserves was favourable to budget by \$1.8m as a result of an increase in the Domain Endowment Fund and Municipal Endowment Fund due to higher interest rates and fund returns than budgeted.
16. Council created reserves was favourable to budget by \$2.5m as a result of higher waste minimisation levies transferred into the reserve than budgeted.
17. Opening balance of cash and cash equivalents was favourable to budget by \$48.6m due to higher term deposits.
18. Cashflows from operating activities was unfavourable to budget by (\$40.7m) due to cash from capital contributions being less due to reduced funding from CERF projects which have been cancelled and deferral of other projects to 2025. There was also an increase in interest costs being paid due to higher interest rates and external debt.
19. Cashflows from investing activities was unfavourable to budget by (\$101.1m) due to higher term deposits and capital purchases than budgeted.
20. Cashflows from financing activities was favourable to budget by \$62.9m due to prefunding of 2025 loan repayments in line with PwC's funding strategy recommendation. This was offset by higher term deposit holdings, and the additional borrowings required to fund the Balancing the books deficit.

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) which was wound up during the financial year. 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 2024.

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 \$237 million (2023 \$368 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% share.

Contingent liabilities, which are dependent on future events, are \$31 million (2023: \$0.1 million).

Council has identified three unquantified contingent liabilities. This is in relation to a legal action on staff matters, Riskpool and Kodiak Consulting Limited.

Changes in accounting policy

There have been no changes in the Council's accounting policies since the date of the last audited financial statements.

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

There have been no events after balance date that require adjustments to be made to the financial statements or disclosure.

Disclaimer

The specific disclosures included in this Annual Report Summary have been extracted from the full Annual Report and were authorised for issue by the Chief Executive on 3 December 2024.

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 3 December 2024.

The full annual report can be obtained from our website <https://hamilton.govt.nz/your-city/data-and-statistics/understanding-your-council/annual-reports/> or from the Hamilton City Council main office.

Audit Opinion

Whakatau aa-taatairi 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 2024

The summary of the annual report was derived from the annual report of the Hamilton City Council and group (the City Council and group) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 33 to 37 and 40 to 44:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

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 2024 in our auditor's report dated 3 December 2024.

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.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed and an audit engagement for the 2024-34 Long-term plan, which are compatible with those independence requirements. 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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Council Report

Item 6

Committee: Strategic Risk and Assurance Committee
Date: 28 November 2024
Author: Charlotte Catmur
Authoriser: Blair Bowcott
Position: Sustainability and Climate Change Manager, Sustainable Communities
Position: General Manager Strategy, Growth and Planning
Report Name: Approval of 'Our Climate Statement 2023/24' - Council's first climate change disclosure report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of the Climate Maturity and Disclosure Programme, including 'Our Climate Statement 2023/24' – Council's first annual climate change disclosure report.
2. To seek a recommendation from the Strategic Risk and Assurance Committee that the Council approves 'Our Climate Statement 2023/24', to be published alongside the 2023/24 Annual Report.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Strategic Risk and Assurance Committee:
 - i. receives the report;
 - ii. recommends that the Council approves 'Our Climate Statement 2023/24' – Hamilton City Council's climate change disclosure report (**Attachment 1**) alongside the 2023/24 Annual Report;
 - iii. notes that Council's climate change disclosure report will be completed annually alongside the Annual Report and made publicly available on Council's website.

Executive Summary - *Whakaraapopototanga matua*

4. The Climate Maturity and Disclosure Programme aims to ensure that Hamilton City Council is a climate-ready organisation. It follows best-practice guidance for assessing, managing, and publicly disclosing the risks and opportunities that climate change presents for the organisation and the city. Assessing and disclosing this information aims to drive better integration of climate change considerations across the organisation.
5. The Strategic Risk and Assurance Committee has requested oversight of the Programme, and an update is included in the discussion section of this report.

6. The programme includes publishing an annual climate change disclosure report and developing a roadmap of actions to make improvements to Council's climate change maturity. Council's first climate change disclosure report, titled 'Our Climate Statement 2023/24', can be found in **Attachment 1**. The first climate maturity roadmap is currently in development.
7. Key information from 'Our Climate Statement 2023/24' is detailed in this report. This outlines how climate change is currently integrated in Council's governance, strategy, risk management and metrics and targets, and where improvements can be made.
8. Staff recommend that the Strategic Risk and Assurance Committee recommends that Council approves 'Our Climate Statement 2023/24' (Attachment 1). If approved, it will be published alongside the 2023/24 Annual Report.
9. Staff consider the matters in this report have low significance as assessed against the Significance and Engagement Policy.
10. However, as there is a high level of community engagement on climate change topics and the climate change action that Council is taking, 'Our Climate Statement 2023/24' will be shared via public communication channels to inform the community.
11. Staff consider that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

12. Hamilton City Council recognised that climate change is an issue that requires urgent consideration at the [8 August 2019 Council meeting](#) (see Item 7) following national attention through the Climate Strike for Future demonstrations by school students and advocacy from the local Hamilton community.
13. We have developed our climate change response since 2019, including establishing 'Failure to respond to climate change' as a strategic risk for our organisation in 2020 (Strategic Risk 9), and developing a forward-looking climate change strategy and the Climate Change Policy.
14. The [Climate Change Policy](#) was adopted in June 2022. The policy sets the rules for when, and the extent to which, climate change will be considered in Council decision-making. It also requires climate change impact statements to be provided in relation to key decisions.
15. Our climate change strategy, [Our Climate Future: Te Pae Tawhiti o Kirikiriroa](#), was adopted in August 2022 and sets a vision for Hamilton Kirikiriroa to be a "thriving, low-carbon city that responds and adapts to climate change". The strategy has three outcomes, each with multiple focus areas and measures of success to help us track progress:
 - i. By acting together, our emissions are reducing
 - ii. Our neighbourhoods enable low-carbon living
 - iii. Our city is ready for Hamilton's climate.
16. The strategy also sets emissions targets for the city and for our Council operations.
17. An update on the implementation of Our Climate Future and how we are progressing with delivering against the three outcomes will be provided to Elected Members at the 11 February 2025 Council meeting.
18. Strategic Risk 9, Our Climate Future, and the Climate Change Policy have provided a good foundation to inform the actions that Council (and our community) needs to take to reduce emissions and prepare for the changing climate. However, implementing the strategy and policy has highlighted the challenges of integrating climate change into a large and complex organisation like Council.

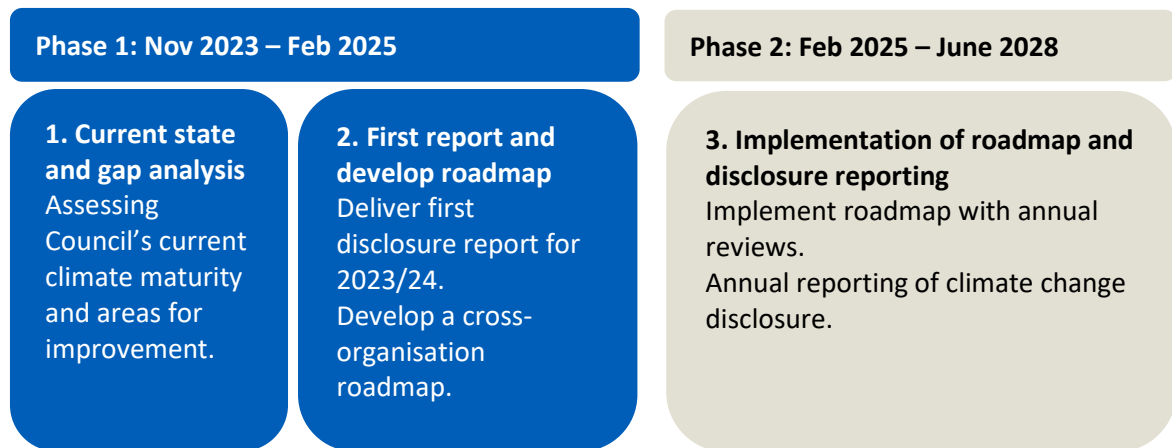
19. In 2022, staff received support from the Strategic Risk and Assurance Committee to establish the Climate Maturity and Disclosure Programme. This programme looks inwards at our operations, processes, and systems to understand how we're currently integrating climate change considerations and where we can improve. It will lead to changes in the way we work so that we more effectively consider climate change in all that we do.

Discussion - *Matapaki*

Climate Maturity and Disclosure Programme Update

20. Key stakeholders across the organisation, the Executive Leadership Team, the Elected Member Climate Strategy Advisory Group, and the Strategic Risk and Assurance Committee have been involved in the Climate Maturity and Disclosure programme and in developing 'Our Climate Statement 2023/24'. Staff have provided updates to these groups and sought their guidance and input on the programme and the report.
21. The Climate Maturity and Disclosure Programme is being completed in phases, outlined in Figure 1 below.

Figure 1. Climate Maturity and Disclosure Programme phases



22. Staff have completed Phase 1.1 - Current state and gap analysis. This involved in-depth assessment of how climate change is currently integrated across our organisation's governance and management, strategic planning, risk management and metrics and targets.
23. 'Our Climate Statement 2023/24' (Attachment 1) outlines the key findings from this analysis. It is our first climate change disclosure and provides an overview of Council's current climate change maturity and the areas where improvements can be made (see paragraph 41 for a summary of these findings).
24. Staff are now developing a three-year roadmap of workstreams that will improve our climate maturity and enable us to better manage climate risks and opportunities for the community and Council.
25. In developing the roadmap, we are assessing which workstreams can be completed with existing resources as part of business as usual (for example updating existing processes to better incorporate climate change considerations), and which workstreams may require additional funding or resourcing. We will then determine the timing, scope, and costs of the workstreams. If any workstreams require additional funding, these will be considered through the relevant Annual Plan/Long-Term Plan or budgeting processes as needed.
26. The roadmap will be developed with input from the Climate Strategy Advisory Group and Strategic Risk and Assurance Committee. Following approval of the roadmap by the Executive Leadership Team, staff will start to implement the roadmap.

27. The Strategic Risk and Assurance Committee will receive quarterly updates on the Climate Maturity and Disclosure Programme as it is a key treatment plan for Strategic Risk 9 – Failure to respond to climate change. Staff will also bring key topics/elements to Committee workshops as required.
28. As the oversight for implementation of Our Climate Future sits with Council, Council will also receive updates on the Climate Maturity and Disclosure Programme as required. Council will have final approval of the climate change disclosure report (subject to recommendations from the Strategic Risk and Assurance Committee), which will sit alongside the Annual Report.
29. Note that the delegations for Council and Committee of Council may change in the next triennium. The recommendations and approvals process for the climate change disclosure report will be reviewed and updated as needed.

Completing climate change disclosure reports

30. In completing climate change disclosure reports for Hamilton City Council, we will follow the [Taskforce for Climate-related Financial Disclosures](#) framework, and voluntarily align with the [Aotearoa New Zealand Climate Standards](#), where practical.
31. The Taskforce for Climate-related Financial Disclosures framework has informed the global approach to climate change disclosures. This framework outlines that entities should assess (and then improve) the integration of climate-related risks and opportunities in the following areas:
 - i. **Governance** – how the organisation’s governance and management oversee climate change issues, and how management assess and manage these issues;
 - ii. **Strategy** – how the organisation understands what climate change and the low-carbon transition means for its business/operations, strategy, and financial planning;
 - iii. **Risk Management** – how the organisation identifies, assesses, and manages climate change risks, and how these are integrated into its existing risk frameworks;
 - iv. **Metrics and Targets** – how the organisation measures and monitors its climate change risks and opportunities, such as emissions reduction targets and investments in climate adaptation.
32. The Aotearoa New Zealand Climate Standards were issued by the External Reporting Board in 2022 and align with the framework above. The standards provide a consistent approach for entities to use when making their disclosures. Currently, there are approximately 170 financial institutions (such as banks, credit unions, and insurers) that are legally required to make climate-related disclosures in New Zealand.
33. The Taskforce for Climate-related Financial Disclosure framework and Aotearoa New Zealand Climate Standards represent current best practice for making climate change disclosures in New Zealand. As they were designed for use by the financial sector, for some aspects we have altered the approach to be more applicable to our local government context.
34. While climate change disclosure reporting is not yet mandatory for local government, there are many benefits to completing this reporting.
35. The climate change disclosure report will identify and drive actions that support better integration of climate change risk and opportunities across the organisation. This furthers Council’s commitment to responding to climate change. It will lead to better implementation of the Climate Change Policy and will ultimately support the community and city-wide climate change response set in Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
36. Council will meet community expectations by providing transparent updates on how we are taking effective action to reduce emissions and adapt to the changing climate.

37. Council has a legal obligation to provide information at the request of the Minister for Climate Change or the Climate Change Commission, under Section 5ZW of the Climate Change Response Act 2002. The information requested is directly aligned with the Taskforce for Climate-related Financial Disclosures framework – organisations are asked to provide details on their governance, strategy, risk management, and metrics and targets related to climate change.
38. There have already been two requests for this information, in 2021 and in 2024. The annual climate change disclosure report (and wider maturity programme) will ensure staff are able to efficiently and effectively respond to future requests made under Section 5ZW of the Climate Change Response Act 2002. Completing disclosure report will also improve and future-proof our wider reporting of climate change risk and adaptation.

‘Our Climate Statement 2023/24’ – Council’s first climate change disclosure report

39. ‘Our Climate Statement 2023/24’ (Attachment 1) is our first public report on Council’s current level of climate maturity, outlining how we are currently addressing climate change risks and opportunities and integrating climate change across our way of working.
40. As there is high community engagement on climate change topics and the climate change action that Council is taking, ‘Our Climate Statement 2023/24’ will be shared on Council’s website, Te Pae Tawhiti newsletter and Council communications channels.

Summary of the report findings

41. Hamilton City Council’s climate change maturity has improved over recent years. Progress has been made across all four domains of governance, strategy, risk management and metrics and targets, but there is room for improvement in each area:
 - i. **Governance:** We have established frameworks for governance and management oversight of climate change. There are regular interactions with and updates to these decision-makers regarding climate issues, such as via the Climate Change Impact Statements required for Council reports. However, the quality and depth of climate-related information provided to decision-makers varies, which impacts our ability to fully consider climate change. To improve this, we need better understanding of climate change and managing climate risk across our organisation.
 - ii. **Strategy:** We have some understanding of climate change impacts and risks for our city and Council, and are starting to respond to these into our strategic direction. We need to improve and expand our climate risk data so that we better understand the full scope of climate change impacts and risks for Hamilton Kirikiriroa, and better integrate these into our strategic and financial planning processes and documents.
 - iii. **Risk Management:** A key success has been recognising climate change as a strategic risk for our organisation. We’ve also completed a climate change risk assessment for Council operations and started to integrate these risks into our existing risk management framework. We now need to work on assessing risks for our city and community and getting deeper engagement and understanding of climate risk across our organisation, so we can better manage them.
 - iv. **Metrics and Targets:** We’ve been measuring our corporate emissions since 2018/19 and providing annual updates to Elected Members, management, and our community. However, we’re not accounting for all our activities and need to improve our data and monitoring to get a better understanding of our impact. This is also the case for our other climate-related metrics and targets, and city-wide emissions.
42. ‘Our Climate Statement 2023/24’ notes that further work is urgently needed to fully and consistently respond to the risks and opportunities that climate change presents to our organisation, our city, and our community.

43. There are two options for the Committee to consider:
- Option 1:** Recommend that the Council approves 'Our Climate Statement 2023/24 alongside the 2023/24 Annual Report
- Option 2:** Do not recommend that the Council approves 'Our Climate Statement 2023/24 alongside the 2023/24 Annual Report.
44. Staff recommend option 1 because:
- i. it supports the implementation of Our Climate Future: Te Pae Tawhiti o Kirikiriroa (Council's climate change strategy);
 - ii. the Climate Maturity and Disclosure programme will also lead to improvements in the implementation of Council's Climate Change Policy;
 - iii. it will lead to better support for staff to consider climate change and to provide the climate change impact information to decision makers.
45. If the recommendation is not approved, Council will not publish a climate change disclosure statement for 2023/2024. Staff would, however, continue to develop and deliver the cross-organisation roadmap to improve our climate maturity.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

47. Staff confirm that the recommendation complies with the Council's legal and policy requirements.

Climate Change Impact Statement

48. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined that no adaptation or no emissions assessment is required.
49. As this report is informing the Committee of the Climate Maturity and Disclosure Programme and Council's climate change disclosure report ('Our Climate Statement 2023/24'), there are no adaptation, or emissions impacts associated with receiving the report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

50. 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').
51. 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.
52. The recommendations set out in this report are consistent with that purpose.

Social

53. Climate change has the potential to reduce our community's social wellbeing, especially our more vulnerable community members.

54. It is vital that Council recognises, understands, and is able to respond to the climate-related risks and opportunities that the organisation faces, so that we are best-placed to support our community and city through a just transition (where everyone is ready for the physical impacts of climate change and the transition to low-carbon living). The Climate Maturity and Disclosure Programme and ongoing climate change disclosure reporting will achieve this by helping Council to understand climate change risk and better integrate our response across the organisation.

Economic

55. Through the Climate Maturity and Disclosure Programme and climate change disclosure reports, Council will better understand and communicate the climate-related risks and opportunities that the organisation faces. This includes the financial impacts of climate change.
56. An improved understanding of the financial impacts of climate change will better support economic wellbeing as we transition to a low-carbon economy.

Environmental

57. The emissions targets set in Our Climate Future: Te Pae Tawhiti o Kirikiriroa (climate change strategy) direct Council to enable city-wide emissions reduction and to achieve reductions in our own operational emissions. Reducing emissions mitigates climate change impacts, which supports environmental wellbeing for our communities and our natural/green spaces.
58. The Climate Maturity and Disclosure Programme will support Council in achieving its corporate and city-wide emissions targets by better integrating climate change considerations across our operations.

Cultural

59. The long-term impacts of climate change may affect the cultural wellbeing of our community, for example if values and customs are unable to be practiced or if native biodiversity (that plays an important role in culture) is lost.
60. By establishing a better understanding of the climate-related risks and opportunities that Council faces and how we can respond to these within our organisation's decision-making, processes, and systems through the Climate Maturity and Disclosure Programme, we will be better placed to protect and support our community's cultural wellbeing.

Risks - *Tuuraru*

61. There are no known risks associated with the decisions required for this matter.

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

62. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.
63. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Our Climate Statement 2023/24



Contents

From the Mayor and Chief Executive	3
Introduction	4
Governance	7
Strategy	11
Risk management	17
Metrics and targets	21
Next steps	26

Hamilton City Council

From the Mayor and Chief Executive

Climate change remains an urgent issue, and we're pleased with the progress over the past five years in our efforts to make Hamilton Kirikiriroa a lower-carbon and more resilient city. However, there is still more to do.

Council formally acknowledged climate change as a strategic risk for our organisation and approved our first climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa, which guides our response.

While we have made demonstrated progress, our understanding of the risks of climate change is still underway. It is essential we understand and respond to these risks so we can support Hamilton Kirikiriroa to become a climate resilient city.

To prepare for future climate challenges and opportunities, we need to consistently integrate our climate response into all that we do as a Council. This includes enhancing our processes, systems, decision-making, risk management, and governance and management responsibilities. Evolving our business-as-usual practices will ensure a proactive climate response.

We've established frameworks for governance and management oversight and provide regular updates to decision-makers regarding climate issues. However, the quality of climate-related information varies, impacting our ability to fully consider climate change in all decisions.

Since 2018/19, we have measured our corporate emissions and provided annual updates to our community. While we have seen a reduction in emissions, we recognise we're not accounting for all our activities and need to improve our data and monitoring to better understand our impact.

Gaining a better understanding of climate change and managing climate risk across our organisation is crucial for consistent decision-making. To effectively integrate these considerations into our strategic and financial

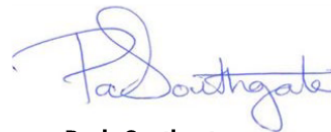
planning processes, we first need to improve and expand our climate risk data. We have committed funding for 2024/25 to begin work on collecting this data.

We recently completed a physical climate change risk assessment for Council operations and began integrating these risks into our existing risk management framework. Next, we must assess risks for our city and community to manage these risks more effectively.

This document, Our Climate Statement 2023/24, marks the next step in our journey. As our first public climate change disclosure report, it sets the baseline and identifies key areas for improvement. This report enhances transparency, clarifies our risk responses, and demonstrates our commitment to a low-carbon, resilient future in Hamilton Kirikiriroa.

Sharing this information will lead to impactful changes in how Council integrates climate considerations into everything we do. We will keep working together with iwi, hapuu, residents, community organisations, businesses, central and local government and other key partners to help our climate response.

We will continue to provide progress updates annually through ongoing Our Climate Statements.



Paula Southgate

Kahika



Lance Vervoort

Tumu Whakarae

Introduction

Our Climate Statement 2023/24 is Hamilton City Council's first climate change disclosure. It is the start of our wider, ongoing climate change maturity work which looks at how well we are integrating our climate change response across our organisation.

As the climate changes, we are expecting Hamilton Kirikiriroa will experience hotter temperatures, an increase in the number of hot days and nights, and more rain and extreme rain. But climate change is more than just changes in temperature and extreme weather events – it is the impact of these changes on our city, community, and organisation that we need to both limit and prepare for.

These physical changes in climate, including flooding, storms, and drought, will likely damage infrastructure like pipes and roads, and impact our natural spaces and biodiversity such as the gullies and awa (river). As well as the physical impacts of climate change, the transition to a low-carbon city and economy will have both risks and opportunities for our organisation and Hamilton Kirikiriroa. These transition impacts include things like increased costs for heating and cooling buildings, changes to the local economy and employment opportunities as new low-emissions industries arise, and inequality issues as communities are impacted by climate change and the low-carbon transition in different ways.

Hamilton City Council is working to better understand the risks and opportunities that climate change presents. We are committed to working with others to identify and address these risks and opportunities by reducing emissions and building resilience. Our climate change response has developed over the past five years and this climate change disclosure report represents the next step in our journey.

A climate change disclosure report is a public statement about an organisation's climate risks. It outlines the processes, systems, risk management, monitoring practices, and management and governance structures that the organisation is putting in place to respond to the risk. In summary, it shares how the organisation is changing its way of working to address climate change. Hamilton City Council is not currently captured under the mandatory climate change disclosure regime in Aotearoa New Zealand. However, we are choosing to report annually as part of our climate change work programme.

Why is Council completing this work?

Completing climate change disclosure reports represents best practice in understanding, taking responsibility for, and responding to climate change risk. Reporting on this drives a better response to the climate change risks across the organisation. It also provides stakeholders with an update on how well the organisation is prepared for the transition to a low-carbon and climate resilient future.

This report is a key treatment activity for our organisation's Strategic Risk 9: Failure to respond to climate change. By having our climate risk information in the public domain and using the findings of our annual disclosure report to better support our climate change response, we are taking responsibility for our climate action. This in turn will enable better outcomes for the organisation, community, and city as we face the challenge of climate change.

Our approach to climate change disclosures

The [Taskforce for Climate-related Financial Disclosures](#) (TCFD) has informed the global approach to climate change disclosures. The TCFD recommends that an entity should disclose information about how climate change risks and opportunities are integrated across its **governance, strategy, risk management**, and **metrics and targets**. Building on the TCFD recommendations here in Aotearoa New Zealand, the External Reporting Board (XRB) have issued [Climate Standards](#) (NZCS) to provide a consistent framework for considering climate change risks and opportunities across these four domains.

Council has completed an assessment of how we are currently integrating climate change across the organisation using the TCFD domains and NZCS. As we are at the start of our climate change disclosure journey, we do not currently have all the information required by the framework and standards. In addition, the TCFD framework and NZCS are intended for use by the financial sector, which means in some areas the approach needs to be altered for the local government context (see Figure 1). Where practical, we are working to voluntarily align with the NZCS.

As we continue to complete our disclosures each year, we anticipate the information and our alignment with best-practice standards will improve.

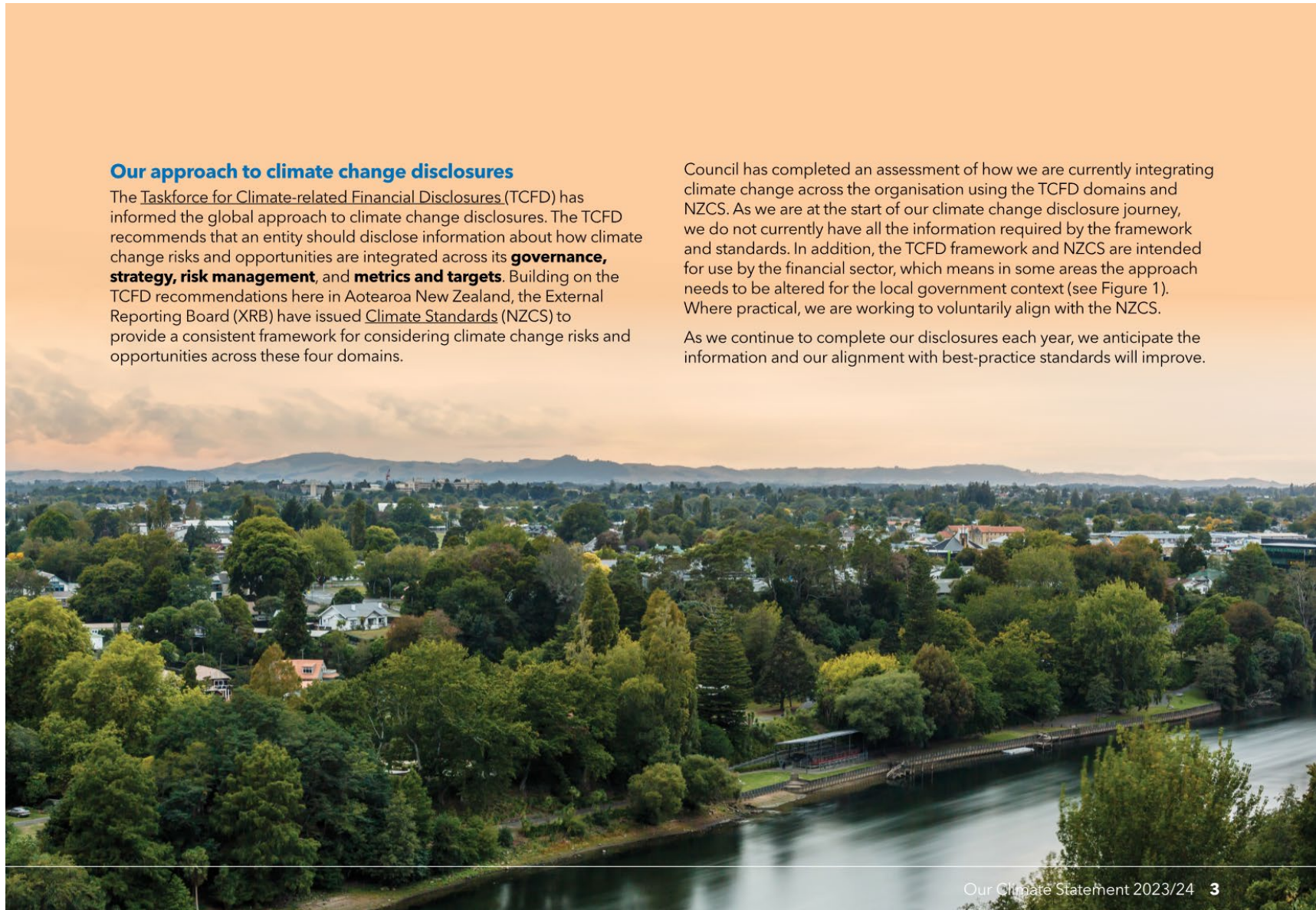


Figure 1. Applying the TCFD framework for Hamilton City Council

Description of TCFD domain		Translation to Council context
Governance	How the organisation's governance oversees climate change issues, and how management assess and manage those issues.	How Council ensures climate change is receiving the appropriate attention from Elected Members and the Executive Leadership Team. This includes understanding how they are informed of climate change risks and opportunities, and whether climate change is considered in their decision-making to ensure climate risks are managed.
Strategy	Understanding the impacts of climate change and the low-carbon transition on the organisation's business, strategy, and financial planning, and how the organisation is responding.	How well Council understands the climate change impacts (including financial impacts) for both our organisation and Hamilton Kirikiriroa, and how well these impacts are factored into long-term strategic planning so we are prepared for the transition to a low-carbon and climate resilient future.
Risk management	How the organisation identifies, assesses, and manages climate change risks, and how these processes are integrated into the organisation's existing risk frameworks.	How Council has identified and evaluated climate change risks for Hamilton Kirikiriroa and our own organisation, and how these are integrated into our overall risk profile. This includes understanding if the risks are considered over the appropriate timeframes, and how the risks are being addressed.
Metrics and targets	How the organisation measures and monitors its climate change risks and opportunities, such as emissions targets, investments in climate adaptation, etc.	How Council is monitoring progress towards a low-carbon and climate resilient future for our organisation and for Hamilton Kirikiriroa. This includes how Council and city-wide emissions are reducing in line with our targets, how we are measuring progress against other key indicators, such as extreme weather impacts on our infrastructure and services, and any risks to achieving these.

Governance

This section outlines the role of Elected Members in overseeing climate change risk and opportunities, and the role of the Executive Leadership Team in assessing and managing these risks and opportunities.

Summary

What we've achieved

- ✓ Established frameworks for governance and management oversight of climate change.
- ✓ Regular interactions with, and updates to, decision-makers regarding climate issues.

What we need to improve

- ↑ Strengthen governance and management frameworks to ensure climate change information is applied to decisions.
- ↑ Consistency, depth, and quality of climate change information provided to decision-makers, and how this is monitored.
- ↑ Understanding of climate change and managing climate change risks.

Elected Members

Elected Members are the governing body for Council¹ and set the strategic direction for our climate change response. In 2022, they approved the climate change strategy, [Our Climate Future: Te Pae Tawhiti o Kirikiriroa](#), and adopted the [Climate Change Policy](#) as key guiding documents for our organisation.

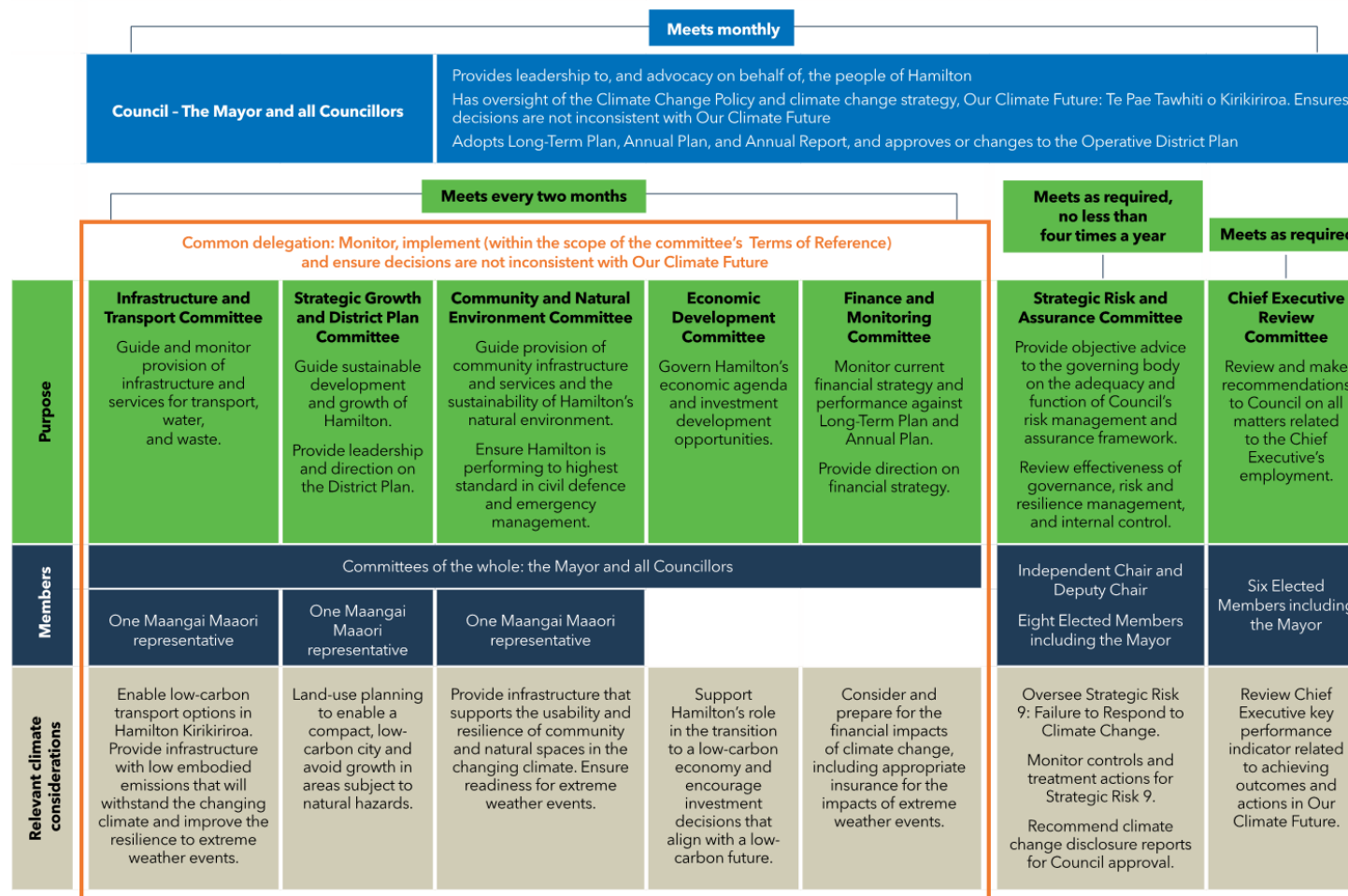
Committees and structure

Elected Members' oversight of climate-related risks and opportunities can change every three years, as the Council and committee structures and responsibilities are established at the beginning of each triennium. The committees that have a governance role in relation to climate change risk for the 2022-25 triennium are shown in Figure 2, along with their climate change responsibilities and delegations.

This triennium, Council established an internal panel for climate change, the Climate Strategy Advisory Group (CSAG). The CSAG is a sub-group of Elected Members who meet quarterly or as required. There is formal membership, but all Elected Members and Maangai Maaori (who represent iwi and Maaori living in Hamilton on select Council committees) are invited and can attend the meetings. The purpose of the CSAG is to monitor delivery of the outcomes of Our Climate Future and provide governance input and advice to staff relating to the climate change work programmes. The CSAG does not have any decision-making powers and is not intended to make recommendations to Council.

¹ See [Local Government Act 2002](#), Section 41.

Figure 2. Hamilton City Council's climate-related governance structure and responsibilities for 2022-25



Executive Leadership Team

Hamilton City Council's Executive Leadership Team is made up of the Chief Executive and General Managers who are responsible for different groups across Council.

Climate-related roles and responsibilities

The Chief Executive is responsible for providing advice to Elected Members and implementing their decisions, ensuring effective and efficient management of Council activities, enabling accurate reporting of Council's financial and service performance, and providing leadership to Council staff². The Chief Executive has a key performance indicator (KPI) related to delivering what is outlined in our strategies and plans (as reported to the relevant Committee) which includes Our Climate Future. All General Managers – except for the Strategy, Growth and Planning General Manager – do not have climate-related responsibilities explicitly assigned, but there is work happening across all areas of Council to support our climate change response (see timeline on page 13 for examples).

The Strategy, Growth and Planning General Manager is responsible for climate change leadership and co-ordination, and the Sustainability and Climate Change team sit within this group. The Sustainability and Climate Change team are responsible for leading the implementation of Our Climate Future and supporting the organisation to embed climate change into decision-making.

Information flows between Elected Members, Executive Leadership Team and staff

To support governance oversight of our climate change response, Council receives updates on the implementation of Our Climate Future. An update on the strategy implementation was provided in October 2023 (see [Council Open Agenda 12 October 2023](#)). Council will continue to receive this information as well as the annual climate change statement.

² See [Local Government Act 2002](#), Section 42.

Elected Members receive information about how we are managing climate change risk via updates on Strategic Risk 9: Failure to respond to climate change, which are provided to the Strategic Risk and Assurance Committee (see Figure 2 and the [Risk Management](#) section for further information) by the Strategy, Growth and Planning General Manager and Sustainability and Climate Change Manager.

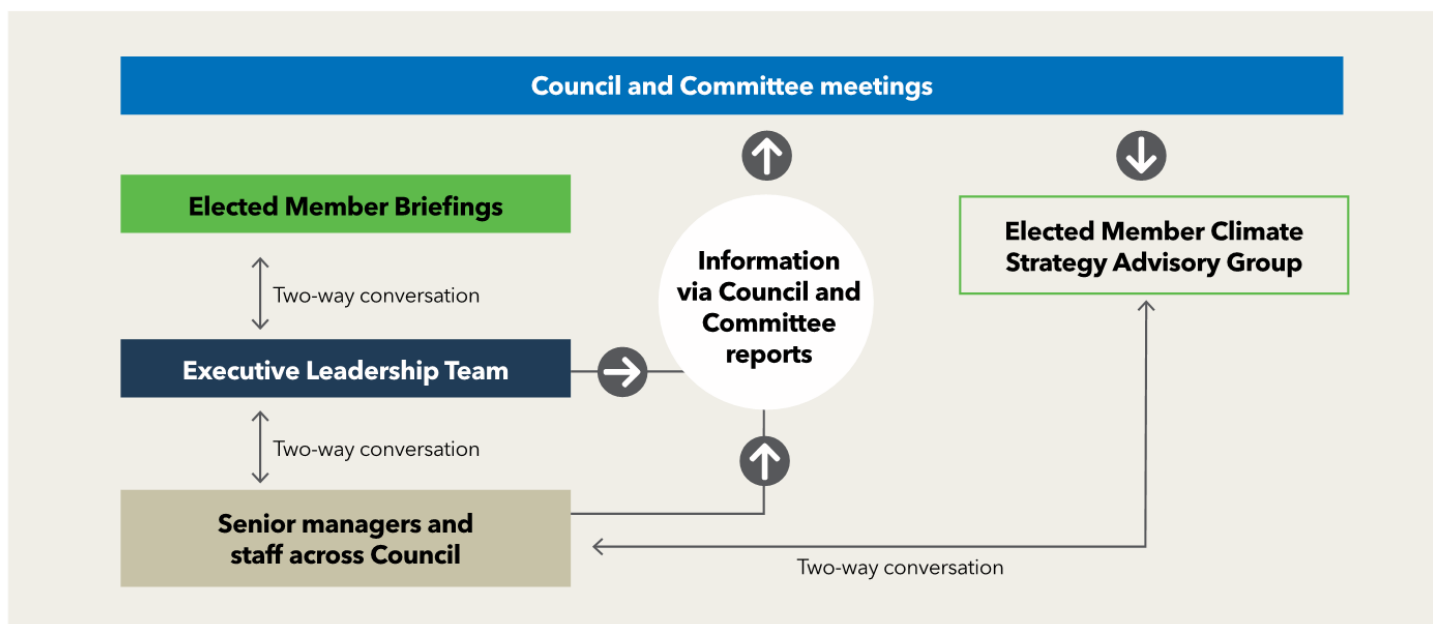
The [Climate Change Policy](#) is a key tool for providing Elected Members with information on the climate impacts of key decisions they are asked to make. The Policy includes a requirement for staff to assess the emissions and adaptation impacts of the decision sought from the Elected Members (see further detail in the [Strategy](#) section). This information is captured in the relevant Council or committee report, all of which are approved by a member of the Executive Leadership Team.

As well as formal Council and committee meetings and reports, Elected Members and Maangai Maaori receive and discuss information in Elected Member Briefings. These are a chance for the Executive Leadership Team and staff to provide further context for Elected Members on complex or detailed climate matters.

The Sustainability and Climate Change team also provide updates to the Strategy, Growth and Planning General Manager and wider Executive Leadership Team as required. Staff across Council provide climate change information as part of their projects and programme updates to the Executive Leadership Team as needed and there is no formal process to provide this.

A summary of the information flows for governance and management is outlined in Figure 3. While we have these reporting systems and processes in place, in practice there is inconsistency in the quality and depth of climate change information provided to Elected Members and the Executive Leadership Team to guide their decision-making. We recognise that we need to strengthen these frameworks and improve and monitor the climate change information our decision-makers receive. Improving the quality of information will require better climate change knowledge across the whole organisation.

Figure 3. Information flows between Executive Leadership Team and Elected Members



Skills and capabilities

There is a variable level of understanding of climate change and climate change risk across both our Elected Members and Executive Leadership Team. We know this impacts if and how well governance and management decisions currently align with Our Climate Future (although we do not formally monitor this). This is an area of improvement we have started to address, as the Sustainability and Climate Change Team delivered climate change education sessions for our Executive Leadership

Team throughout 2023/24. The education sessions focused on improving the understanding of climate change science and policy, climate-related risks, our role in preparing for and responding as local government, and the work already underway. The sessions were well-received, and a future area of focus will be investigating how we can continue and expand education to our Elected Members, senior managers, and the wider organisation.

Strategy

This section outlines how well Council understands the climate change risks that are currently, or may in the future, impact Council and Hamilton Kirikiriroa. It sets how we are responding to the risks and opportunities presented by climate change through our strategic and financial planning and decisions.

Summary

What we've achieved

- ✓ Understand some climate change impacts and risks.
- ✓ Started incorporating risks into our strategic direction, including through Our Climate Future strategy.

What we need to improve

- ↑ Understand full scope of climate change impacts and risks.
- ↑ Complete scenario analysis.
- ↑ Improve integration of climate change risk into core strategic planning processes and documents.

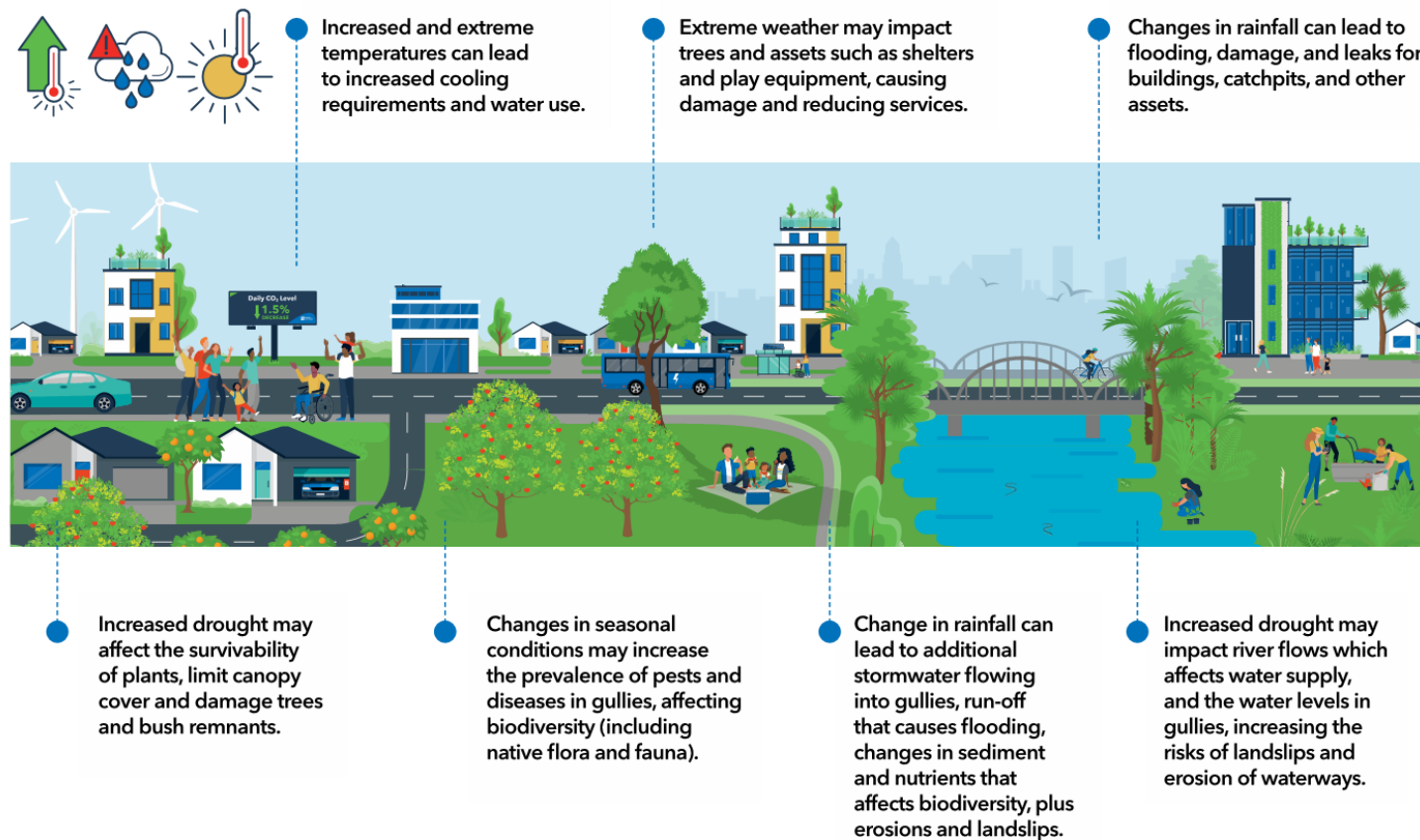
Understanding what climate change means for Hamilton City Council and Hamilton Kirikiriroa

Our understanding of the climate change impacts and risks we may face here in Hamilton Kirikiriroa is drawn from the [National Climate Change Risk Assessment](#), [National Adaptation Plan](#), and other councils' climate change risk assessments. This gives us an indication of what our organisation may need to prepare for and respond to.

In 2023, we completed a high-level physical climate change risk assessment for Council's assets. This gave us some further insight into the risks and impacts we need to address (see [Risk Management](#) section for further information). A summary of the potential impacts of climate change Council needs to prepare for and respond to can be seen in Figure 4.

We recognise our understanding of climate change risk for our city and organisation is currently limited. We need to improve this by completing climate modelling for Hamilton Kirikiriroa, a comprehensive city-wide climate change risk assessment, and scenario analysis, we can fully understand both the physical and transition risks that Council and our community need to respond to. These are key pieces of work we need to initiate and build our capacity to deliver to ensure we are addressing the key risks.

Figure 4. Potential impacts of climate change for Hamilton Kirikiriroa and Hamilton City Council



Building our strategic response to climate change

We have been building our climate change response for some time and have started to incorporate the climate change risks and opportunities we are aware of into our strategic planning processes and documents.

Our journey so far

This timeline shows the journey we've taken in developing our strategic response to climate change so far:



2019/20

- Council recognised climate change is an urgent issue.
- Measured 2018/19 baseline emissions for Hamilton City Council and for Hamilton Kirikiriroa.

2020/21

- Council established 'Failure to respond to climate change' as Strategic Risk 9.
- Measured Council's emissions for 2019/20.
- Delivered Council's first Climate Change Action Plan.
- Set our first emissions reduction target for Council.
- Nature in the City Strategy adopted with a target for 10% native vegetation cover by 2050.

2021/22

- Measured Council's emissions for 2020/21.
- Delivered Council's second Climate Change Action Plan.
- Completed a Three Waters Resilience Study.
- Adopted first Climate Change Policy.



2022/23

- Measured Council's emissions for 2021/22.
- Approved our climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa.
- Set emissions targets for Hamilton Kirikiriroa and strengthened targets for Council's emissions.
- Completed physical climate change risk assessment for Council assets and operations.
- Climate change integrated into revised Hamilton Urban Growth Strategy Te Rautaki Tupu Taaone o Kirikiriroa and Access Hamilton - Ara Kootuitui Kirikiriroa.

2023/24

- Measured Council's emissions for 2022/23.
- Measured 2021/2022 emissions for Hamilton Kirikiriroa.
- Initiated Climate Maturity and Disclosure Programme, assessing how climate change is integrated across Council.



Our Climate Future: Te Pae Tawhiti o Kirikiriroa

In 2022, Council approved its first climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa. This strategy outlines the priorities for Council's response to the physical and transition risks associated with climate change. Adopting this key strategy has been an important step, but its implementation has been challenging and we are still in the early stages of embedding it across the organisation.

The vision and three outcomes of Our Climate Future are:

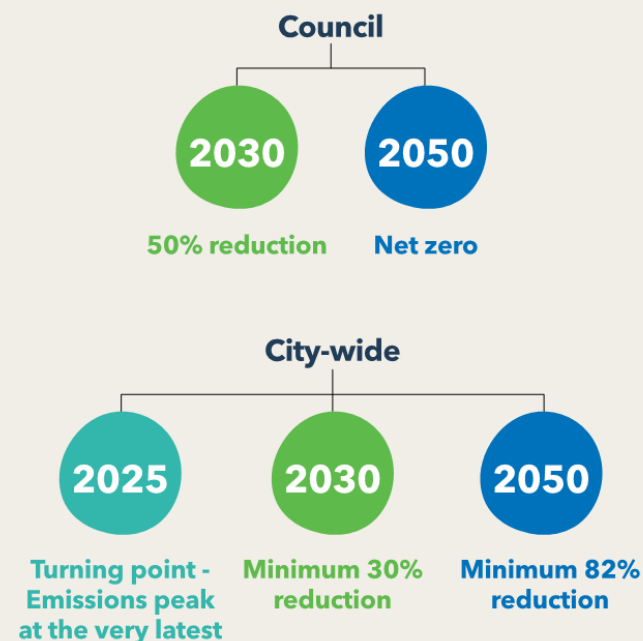
Vision:

Hamilton Kirikiriroa is a thriving, low-carbon city that responds and adapts to climate change.

Outcomes:



Our Climate Future also sets emissions reduction targets for Hamilton Kirikiriroa and Hamilton City Council's operational emissions:



'Net zero' refers to reducing emissions as much as possible, with any remaining unavoidable emissions being sequestered through planting and maintaining trees. 'Net zero' therefore does not mean there are no emissions produced – just that these are balanced by capturing them from the atmosphere.

We do not yet have formally approved emissions reduction plans that set out how we'll achieve these targets, but we have started making progress with our own emissions (see [Metrics and Targets](#) section for further information).

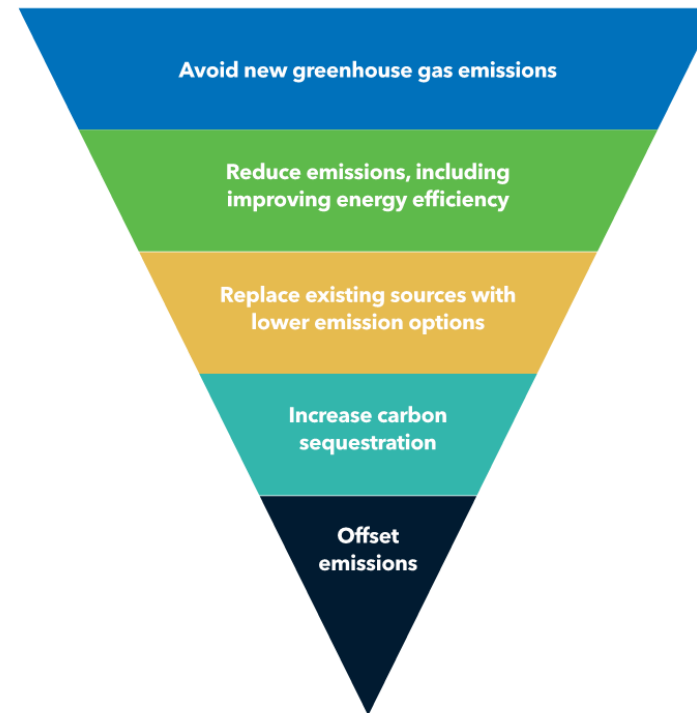
Climate Change Policy

Council adopted the [Climate Change Policy](#) in 2022. The policy sets the rules for when, and the extent to which, climate change will be considered in Council decision-making. It applies to Hamilton City Council Elected Members, staff, and the organisations and people who are contracted to work for Council.

The Policy provides a hierarchy for Council to apply to decision-making, shown in Figure 5. It also directs Council to assess climate change risks and emissions impacts of all key decisions – which are decisions covered in business cases, project plans, procurement processes, and Council reports – and when planning, designing, and building Council infrastructure. To ensure a consistent and transparent approach for these considerations, climate change impact statements should be provided for each decision.

The Climate Change Policy is a key tool for ensuring our staff, management, and Elected Members are considering emissions and physical climate change impacts in decisions. We now need to focus on improving the understanding of climate change across the organisation and building capacity for staff to complete the impact assessments.

Figure 5. Emissions hierarchy



Corporate planning

Every three years Council develops a Long-Term Plan, which sets major projects, budgets, and financial strategy for the next 10 years. For the two years after that, we develop Annual Plans outlining changes or additions to the Long-Term Plan. Each year Council also produces an Annual Report which demonstrates how we performed.

We included key climate change projects in [Annual Plans](#) for 2022/23 and 2023/24, and a reflection of the year's progress in the associated [Annual Reports](#). In developing the 2024-34 Long-Term Plan, climate change was considered as a significant forecasting assumption. This means our current understanding of the future climate state and potential impacts we face were included, and adaptation responses were integrated where possible, for example in Asset Management Plans. However, as this is the first time climate change information is being explicitly incorporated into this process, there are inconsistencies in the quality and depth of responses. Improving this is a focus area for our climate maturity work and for the next Long-Term Plan process (2027-37 Long-Term Plan).



14 Hamilton City Council

Financial Strategy

The Financial Strategy is reviewed and included in each Long-Term Plan. It outlines Council's overall approach to managing its finances and provides guidance when we make spending decisions. The strategy in the 2024-34 Long-Term Plan acknowledges the challenges Council face, including climate change and mitigation for unplanned events such as Civil Defence emergencies and natural disasters.

Infrastructure Strategy

The Infrastructure Strategy is reviewed and included in each Long-Term Plan. It outlines how Council intends to deliver on its infrastructure responsibilities and the challenges we face. Climate change is a key consideration for the 2024-54 Infrastructure Strategy as we recognise that infrastructure must be built for the future climate and include nature-based solutions. Emissions from infrastructure construction, maintenance, and disposal also need to be considered.

Improving how climate change risks and opportunities are integrated into our organisation's core plans and strategies – including the Long-Term Plan, Annual Plan, Financial Strategy, and Infrastructure Strategy – is a focus area going forward. This will include understanding the financial impacts of climate change risks for our organisation.

Risk management

This section outlines how Council identifies, assesses, and manages climate-related risks, and how this is integrated into existing risk management processes. It includes the different types of risk categories Council has and how climate change risk is addressed based on the risk type.

Summary

What we've achieved

- ✓ Recognised climate change as a strategic risk for Council.
- ✓ Completed first physical climate change risk assessment for Council assets and operations.
- ✓ Started integrating climate change risk into existing risk management framework.

What we need to improve

- ↑ Assess physical and transition climate change risks for both Council and community.
- ↑ Deepen understanding of, and engagement with, climate change risk across the organisation.
- ↑ Ensure consistency in climate change risk management across the organisation.

Council's risk management framework

Council's risk management framework, including where climate change risk is integrated, is outlined in Figure 6. Our Risk Management Policy and framework are aligned to the joint AS/NZS [2018 Risk Management Standard](#).

Climate change as a strategic risk

In 2020, Council made 'Failure to respond to climate change' a strategic risk (Strategic Risk 9) for our organisation. The risk is defined as "Climate change causes changes to our community and city we have not anticipated or planned for which will negatively impact on the wellbeing of our community".

We have identified both internal and external causes of the risk, such as misalignment between Council's climate change strategies and operational activities, and changes in (local, national, and regional) political direction on climate change. There are a range of controls in place for Strategic Risk 9 including assigning the responsibility for our climate change response to all of Council, incorporating climate change into our strategies and plans, and implementing the Climate Change Policy. As of June 2024, the residual risk rating (the risk when controls/mitigations are considered) for Strategic Risk 9 remains at "very high" (see Figure 6).

Establishing climate change as a strategic risk was an important step for Council. However, we still need to build our knowledge of climate change risks and opportunities as we are currently limited in our ability to manage Strategic Risk 9. Improving our understanding will enable us to give better effect to Strategic Risk 9 and ensure we are putting appropriate controls and treatment plans in place.

Figure 6. Management and reporting of different types of risk for Hamilton City Council

Type of risk	Strategic	Organisational	Emerging	Operational	Project and Programme
	The risk of an event or impact that is external to Council, that if it occurs forces a change in strategic direction of Council objectives, including Council's Financial Strategy, Long-Term Plan and 30-Year Infrastructure Strategy.	The risk of an event or impact that is internal or external to Council that could impact the whole organisation.	Emerging risks are risks which may develop or already exist and are difficult to quantify but may have a high consequence, high impact if they materialise.	The risk of an event or impact that is internal or external to Council and could impact one or more operational activity.	Risks associated with individual projects and programmes.
Example risks related to climate change	Strategic Risk 1 - Failure to respond to a disaster. Strategic Risk 9 - Failure to respond to climate change	Failure of critical assets. Failure to provide a safe environment for the community.	Misinformation impacting Council activities.	Surface flooding to transport network. Plant disease or serious harm to planting. Failure to prevent flooding of habitable floors.	Extreme weather events delaying project delivery, disrupting supply chains, etc.
Managed in	Risks are managed in SHIELD, Council's online risk management platform. SHIELD enables business units and teams to take ownership for creating, managing and reviewing risk registers. Risks can be assigned to 'Climate change' category.				Risks are managed in Psoda, Council's online project management platform.
Reporting and review	Strategic and Organisational Risk Register is reported to the Strategic Risk and Assurance Committee every quarter. Risks with an 'extreme' residual risk rating are reviewed monthly with the Executive Leadership Team. Risks with a 'very high' or 'high' residual risk rating are reviewed quarterly with the Executive Leadership Team. Risks with a 'medium' or 'low' residual risk rating are reviewed six monthly with senior management.		Risk with an 'extreme' residual risk rating are reported to the relevant committee or via an Executive Update as required. There is also a monthly review with monthly reporting to the Executive Leadership team. Risks with a 'very high' residual risk rating are reported the relevant committee or via an Executive Update as required. There is a quarterly review with monthly reporting to the Executive Leadership Team. Risks with a 'high' residual risk rating are reviewed quarterly, with monthly reporting to the Executive Leadership Team. Risks with a 'medium' or 'low' residual risk rating are reviewed six monthly with senior management.		

Climate Change Risk Assessment for Council assets and operations




We completed our first climate change risk assessment for Council in 2023. It was a 'first pass' assessment that focused only on the physical impacts of climate change on our assets and operations. This included parks, office buildings, community, events and visitor venues, roads and cycleways, and waste services. We excluded waters services and assets because at the time of doing the assessment, these areas were required to follow a different asset management process.

At the time of doing the assessment, Council did not have climate modelling for Hamilton Kirikiriroa, so we used climate modelling that was completed for the Waikato Region in 2021³. This is summarised in Table 1 and outlines the potential changes we can expect for the region under two different climate models.

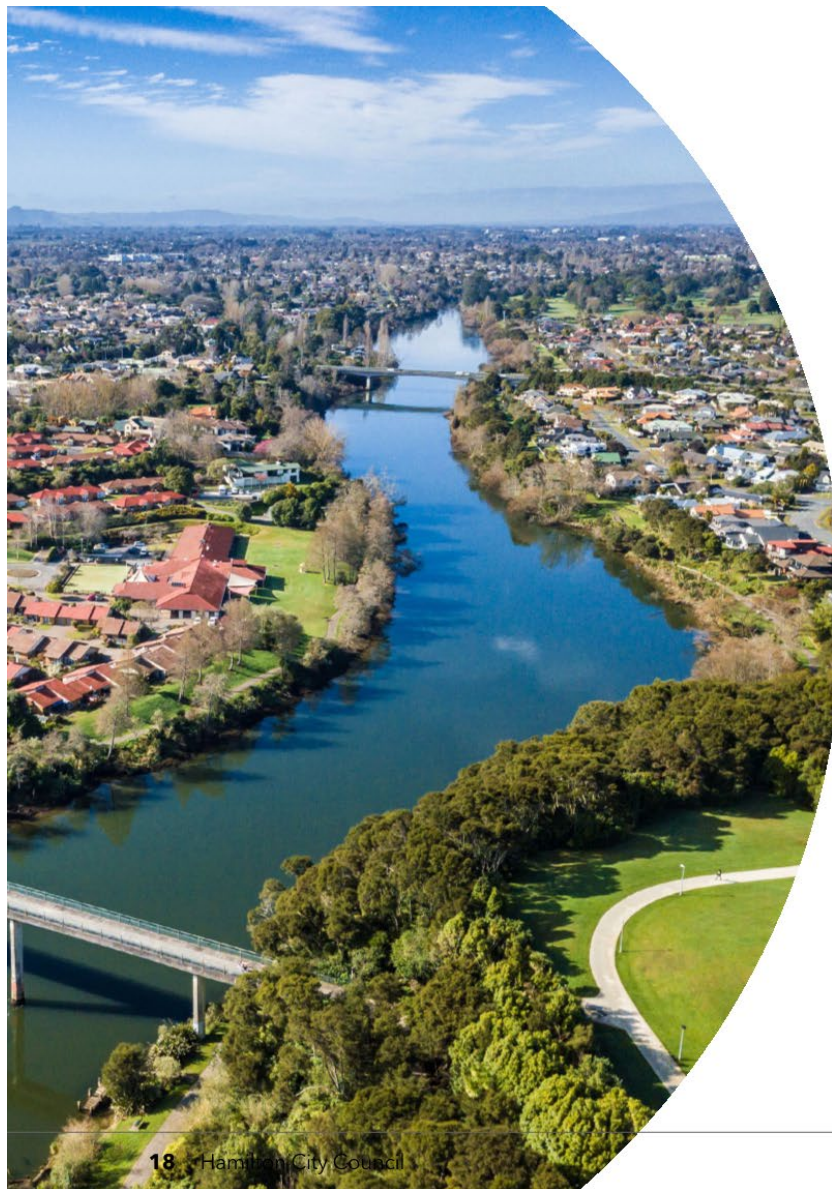
The short, medium, and long-term time horizons considered in the risk assessment were present day (2023), mid-century and end of century. The medium-term time horizon was chosen to align with Council's Infrastructure Strategy, which has a 30-year time span. These time horizons are in accordance with the Ministry for the Environment's [Guide to Local Climate Change Risk Assessments \(2021\)](#) and align with the [National Climate Change Risk Assessment](#).

We recognise that our risk assessment is limited by using regional data that may not provide the detail and nuances of what climate change means for our city. We expect to have updated modelling specific to Hamilton in 2025 and will use this information for future risk assessments. Improving the data we have available and using this to complete a community climate change risk assessment, as well as updating our Council climate change risk assessment, will be key work programmes for us to complete.

Table 1. RCP 4.5 and RCP 8.5 climate models for the Waikato region

Representative Concentration Pathways (RCP) are scenarios used by the Inter-governmental Panel on Climate Change (IPCC) to describe concentrations of greenhouse gases and radiative forcings (the difference between incoming and outgoing energy in Earth's climate) that could occur by the end of the century. This indicates the level of global warming we can expect to likely experience. RCP 4.5 is an intermediate scenario with moderate temperature increases; RCP 8.5 is more extreme with higher temperatures.	Climate variable		RCP 4.5 (Moderate)		RCP 8.5 (More extreme)	
		Baseline	Mid-century	End of century	Mid-century	End of century
	 Mean temperature	13.4 - 14°C	+1.0°C	+1.3°C	+1.3°C	+3.1°C
	 Hot days	36 days	84 days	103 days	107 days	232 days
	 Extreme rainfall	156 mm	166 mm	168 mm	173 mm	191 mm

³ Yinpeng L, Ulrich P, Yu J, Rogers H (2021). [Waikato Regional Climate Impacts Report Applying CMIP6 Data, Hamilton](#). Prepared for Waikato Regional Council by CLIMsystems Ltd.



18 Hamilton City Council

It was recommended that risks identified in the risk assessment as moderate to extreme in the present day should be added into Council's risk management platform, SHIELD, and managed as current operational risks (see Figure 6). If and how these risks were entered into SHIELD and have been managed since varies across the organisation. To improve this and ensure consistency, we'll need to focus on deeper engagement and understanding of climate risks and climate risk management across the organisation.

We will review and update the risk assessment for Council assets and operations every three years. This aligns with the Long-Term Plan cycle and will ensure the most up to date information is available to inform decision making. The next assessment is planned for 2025.

The climate change risk assessment highlighted our existing climate data is limited. Improving and expanding the climate data we have available, so that we have the latest information and can assess the physical and transition risks (including financial impacts) for both our Council and community, are focus areas of improvement.

Metrics and targets

This section outlines Council's metrics and targets for managing climate-related risks, opportunities, impacts, and performance, and how well they are monitored. This includes measuring and reporting Council's corporate emissions, city-wide emissions for Hamilton Kirikiriroa, and other climate change measures established through Our Climate Future.

Summary

What we've achieved

- ✓ Measured our corporate emissions annually since 2018/19.
- ✓ Provided regular updates to Elected Members, management, and our community.

What we need to improve

- ↑ Accounting for all relevant activities in our corporate emissions monitoring.
- ↑ Clarity for our emissions targets and what's in/out of scope.
- ↑ Capturing and monitoring the right data for all other climate change metrics and targets.

Hamilton City Council's corporate emissions and targets

We first measured Council's corporate emissions in 2019/20, to establish our 2018/19 baseline. Our baseline was verified by [Toitū](#). Our corporate emissions are those produced by our operations and activities and include the following sources:

Scope 1:

- Energy (LPG and natural gas) used in our buildings and operations.
- Fuels used in Council-owned fleet, in vehicles we rent for fleet purposes, and car share use.
- Livestock and fertilisers used on Council land.

Scope 2:

- Electricity used in our buildings and operations.

Scope 3:

- Flights, hotel stays, and rental cars used for staff travel.
- Transport and composting of biosolids from our wastewater treatment process.
- Waste from Council operations.

Scope 1 emissions are those that an organisation owns or controls directly.

Scope 2 emissions are those caused indirectly by the organisation from the energy it purchases.

Scope 3 emissions are all other emissions from up and down the organisation's value chain. They are caused indirectly by the organisation.

We also measured biogenic emissions from the flaring of biogas at the Wastewater Treatment Plant (WWTP) for 2018/19. These emissions were 11,159 tCO₂e, almost 50% of our total emissions at the time. We recognised these emissions could be addressed by changing a single process (i.e., utilising the biogas for something else), whereas all other sources require a mix of infrastructure, behaviour change, and process and system changes across the organisation, so are more likely to fluctuate and need to be addressed through many different actions. We have therefore focused on annual measurements and reporting of these emissions (sources listed above) and have excluded biogenic emissions from the WWTP in our corporate emissions targets and annual emissions monitoring.

At this stage, we do not include emissions from other activities such as staff working from home or commuting to/from work, emissions from our upstream or downstream supply chain, or emissions from Council-controlled organisations, contractors, or joint ventures.

We know there is room for improvement in how we are measuring and reporting our corporate emissions, as there are many sources we do not account for. Going forward, a priority will be expanding the scope of our emissions to align with best practice, reviewing the scope of our corporate emissions targets, and establishing a better process for monitoring and reporting our emissions.

Council's corporate emissions targets

Our corporate emissions targets are a 50% gross reduction in emissions by 2030 and to be net zero by 2050. The 2030 target is measured against our 2018/19 baseline emissions of 11,357 tCO₂e, which excludes biogenic emissions from the WWTP.

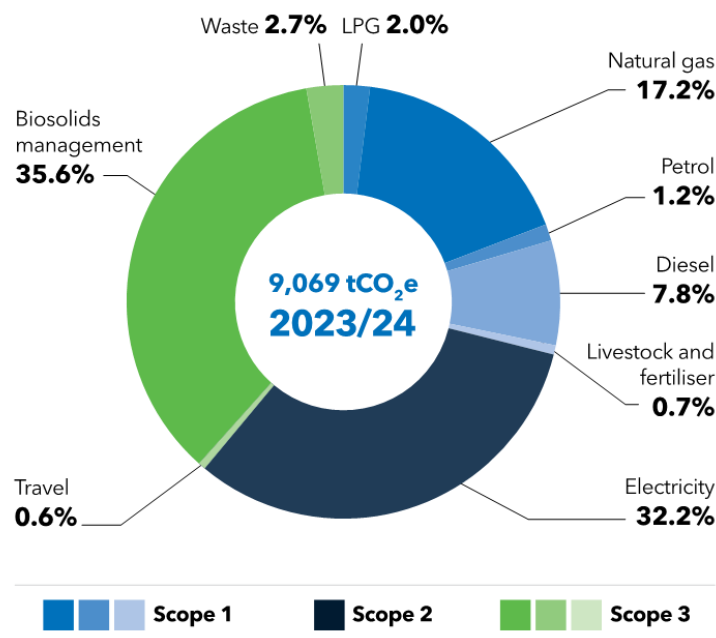
Progress so far

Council's operational emissions for 2023/24 were 9,069 tCO₂e, outlined in Figure 7. This is a 5% reduction on the previous year (2022/23) and a 20% reduction on our baseline. Over the last year, emissions have reduced in

almost all areas, however, the rate of reduction has slowed compared to previous years. Some of the key drivers behind the reductions we've seen so far include:

- improving our energy efficiency and changing fuel sources at Council sites
- reducing staff travel (for example to conferences)
- incorporating electric bikes, scooters, and cars into Council fleet to replace journeys made in petrol/diesel vehicles.

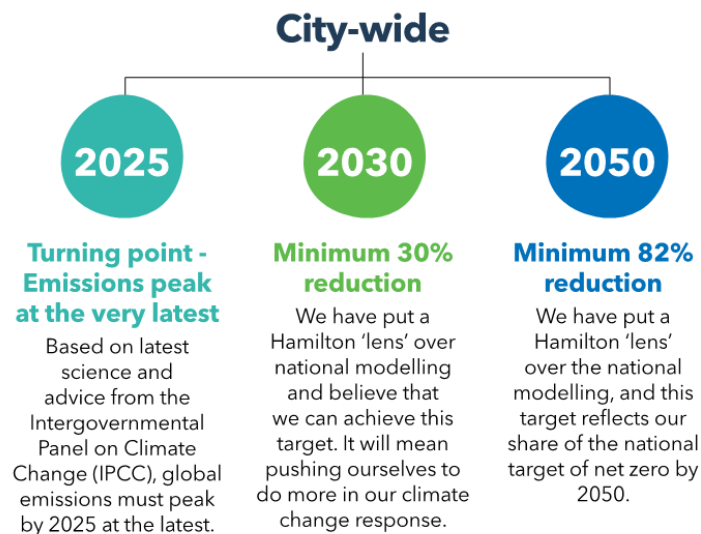
Figure 7. Hamilton City Council emissions for 2023/24



To achieve our target of 50% reduction in our operational emissions by 2030, we need to update our emissions reduction pathway and focus on delivering the most impactful actions. We also recognise that to achieve net zero by 2050, we'll need to rely on sequestration activities. This is because there will be some unavoidable emissions from our operations, such as back up generation for essential services. We are yet to determine what these activities will look like, and how much sequestration will be required. This is a key improvement area for our metrics and targets.

City-wide emissions and targets for Hamilton Kirikiriroa

We also measure, monitor, and report on emissions for Hamilton Kirikiriroa. We set emissions reduction targets for the city as part of Our Climate Future. While we set the targets, we recognise that everyone – Council, central government, our regional partners, businesses, and the community – has a role to play in achieving them:



City-wide targets are based off the 2018/19 baseline of 1,000,995 tCO₂e gross emissions. The targets we set were informed by the advice from the Climate Change Commission and the emissions targets in place for Aotearoa New Zealand.

Progress so far

We measured our city-wide emissions again for 2021/22 and found that gross emissions increased by 6% to 1,061,542 tCO₂e. This increase was expected as we are a growing city. More action is required over coming years to achieve our emissions reduction targets and support a fair and equitable transition for Hamilton Kirikiriroa.

In 2022/23, Council completed emissions modelling for Hamilton Kirikiriroa to understand how our city's emissions could change from now to 2030. This modelling was based on the first two national emissions budgets and New Zealand's [first Emissions Reduction Plan](#). Our modelling showed that city-wide emissions were anticipated to decrease by only 16% by 2030, demonstrating that we were not on track to achieve the 2030 target.

Since this modelling was completed, we have seen changes in central Government direction. Many of the policies and targets from the first Emissions Reduction Plan that were relevant for our city, particularly transport actions, are no longer being delivered. This means that we are unlikely to achieve the 2025 turning point and are further at risk of achieving our city-wide emissions target of 30% reduction by 2030. Following the release of the second Emissions Reduction Plan in late 2024, we will assess the impact of the policies on Hamilton's emissions profile.

To effectively monitor progress against the 2025 turning point and 2030 target, we need a more robust and frequent process for measuring our city-wide emissions. This work has commenced in collaboration with other councils across New Zealand.






22 Hamilton City Council

Other climate change performance measures

Alongside the emissions targets in Our Climate Future, we set measures of success to provide a more holistic picture of our climate change response. In October 2023, a report to Council on the implementation of Our Climate Future outlined how we were tracking against the measures (see [Council Open Agenda 12 October 2023](#)). We are still establishing baselines and a regular monitoring schedule for a number of these metrics. We have provided an update for 2023/24 on the metrics we can measure in Table 2.

Establishing a review and improvement process for our climate change metrics and targets is something we're seeking to address, so we can effectively monitor our response. We also need to improve how we are reporting progress against our climate change metrics and targets to our governance and management. This will support their understanding of climate change and applying climate change information to their decision-making. Improved reporting will ensure our progress is clear and stakeholders can provide actionable feedback and guidance for us to implement.

Table 2. Additional climate change performance measures from Our Climate Future

Outcome	Metric	2023/24 update	Source
 <p>1. By acting together, our emissions are reducing</p>	Quantity of material entering the waste stream is decreasing.	<p>The amount of residential waste to landfill at Hamilton's Resource Recovery Centre in 2023/24 was 9805 tonnes, equivalent to 52.91kgs per person. This is a reduction on 2022/23 (10,932 tonnes, equivalent to 57.7kgs per person).</p> <p>The amount of waste to landfill through Hamilton's kerbside service (red rubbish bin) in 2023/24 was 18,200 tonnes, equivalent to 98.22kgs per person. This is an increase on 2022/23 (15,992 tonnes, equivalent to 88.89kgs per person).</p> <p>Waste to landfill from Council sites for 2023/24 was 1,072.76 tonnes. This is an increase on 2022/23 (1,025.43 tonnes).</p>	Waste collection reports provided by waste contractors.
 <p>2. Our neighbourhoods enable low-carbon living</p>	Increase in the use of public transport.	2023/24 saw 16.5 bus trips per capita in Hamilton compared to 14.01 bus trips per capita in 2022/23.	Waikato Regional Council (WRC) Annual Report data received by staff. See WRC Annual Reports .
 <p>3. Our city is ready for Hamilton's climate</p>	Native vegetation cover increases in line with Nature in the City strategy (10% by 2050).	The Nature in the City ecological inventory conducted 2023/24 shows that native vegetation cover is 2.5%.	GIS data collected by Hamilton City Council staff.



Next steps

Hamilton City Council's climate change maturity has improved over recent years, and progress has been made across governance, strategy, risk management and metrics and targets as outlined in this statement.

However, we recognise that further work is urgently needed if we are to fully and consistently respond to the risks that climate change presents to our organisation, our city, and our community. Some of the key improvement opportunities we have identified are summarised below. Our next step is to complete a climate maturity roadmap to outline how these, and other projects, will be prioritised and implemented:

- Strengthening governance and management frameworks related to climate change risk.
- Improving climate change information provided to governance and management.
- Ongoing climate change education for all staff, including management and governance.
- Understanding the full scope of climate change risks (both transition and physical risks) for our organisation, city, and community. This includes improving and expanding the climate risk data that we have available.
- Better incorporating climate change risks into strategic and financial planning processes such as Asset Management and the Long-Term Plan processes.
- Reviewing and improving our emissions data and how we are reporting emissions updates to governance, management, and our community.
- Completing emissions reduction pathways for our corporate and city-wide emissions.

We will continue to report on our progress in annual climate change statements.






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