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## **Council Kaunihera OPEN MINUTES**

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Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 4 July 2024 at 9:32am.

### **PRESENT**

<b>Chairperson</b> <i>Heamana</i>	Mayor Paula Southgate
<b>Deputy Chairperson</b> <i>Heamana Tuarua</i>	Deputy Mayor Angela O’Leary (via audio-visual)
<b>Members</b>	Cr Maxine van Oosten (via audio-visual) Cr Moko Tauariki Cr Mark Donovan Cr Louise Hutt Cr Andrew Bydder Cr Geoff Taylor Cr Sarah Thomson (via audio-visual) Cr Emma Pike Cr Anna Casey-Cox Cr Kesh Naidoo-Rauf (via audio-visual) Cr Tim Macindoe

**External Presenters:** Clarence Susan and Naude Kotze representatives from Audit NZ

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*The meeting was opened with a Karakia.*

### **1. Apologies – Tono aroha**

**Resolved:** (Cr Macindoe/Cr Pike)

That the apologies for partial attendance from Cr Thomson and Cr Naidoo-Rauf, and for full absence from Cr Wilson are accepted.

### **2. Confirmation of Agenda – Whakatau raarangi take**

**Resolved:** (Cr Hutt/Cr Taylor)

That the agenda is confirmed noting that:

- a) the late updated attachments (Item 13 Development Contributions Policy 2024/25 – Approval Attachment 3 Schedule of Assets 2024 (updated 2 July 2024), item 14 (Adoption of the 2024-34 Long-Term Plan) Attachment 5 – Volume 1 of the 2024-34 Long-Term Plan and Attachment 6 – Volume 2 of the 2024-34 Long-Term Plan) are accepted. They were circulated to Elected Members prior to the meeting under separate cover to ensure that the most up to date information to be provided;
- b) that the late attachments for item 14 (Adoption of the 2024-34 Long-Term Plan) Attachment 7

Independent Auditor's report on Hamilton City Council's 2024-34 Long-term Plan and Attachment 8 Letter of Representation for the audit of the Long-Term Plan are accepted. They were circulated to Elected Members prior to the meeting under separate cover and are attached to the minutes of the meeting as appendix 1 and 2;

- c) that the debate time for item 14 (Adoption of the 2024-34 Long-Term Plan) is increased to 3 minutes; and
- d) the order of items will be flexible to accommodate availability.

**3. Declarations of Interest – *Tauaakii whaipanga***

During the public excluded Session of the meeting Cr Donovan, Cr Thomson and Cr Tauariki declared an interest in item C4 (Hamilton District Licencing Committee Appointments) they did not take part in the discussion or vote on the matter.

**4. Public Forum – *Aatea koorero***

No members of the public wished to speak in the Public Forum.

**5. Confirmation of the Council Open Minutes 30 May 2024**

**Resolved:** (Mayor Southgate/Cr Casey-Cox)

That the Council confirm the Public Excluded Minutes of the Council Meeting held on 30 May 2024 as a true and correct record.

**6. Confirmation of the Council Open Minutes 4 June 2024**

**Resolved:** (Mayor Southgate/Cr Bydder)

That the Council confirm the Open Minutes of the Council Meeting held on 4 June 2024 as a true and correct record.

**7. Confirmation of the Extraordinary Council Open Minutes 11 June 2024**

**Resolved:** (Mayor Southgate/Cr Hutt)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 11 June 2024 as a true and correct record.

**8. Confirmation of the Elected Member Open Briefing Notes 22 May 2024**

**Resolved:** (Mayor Southgate/Cr Tauariki)

That the Council confirm the Open Notes of the Elected Member Briefing held on 22 May 2024 as a true and correct record.

**9. Confirmation of the Elected Member Open Briefing Notes 29 May 2024**

**Resolved:** (Mayor Southgate/Cr Donovan)

That the Council confirm the Open Notes of the Elected Member Briefing held on 29 May 2024 as a true and correct record.

**10. Confirmation of the Elected Member Open Briefing Notes 19 June 2024**

**Resolved:** (Mayor Southgate/Cr Pike)

That the Council confirm the Open Notes of the Elected Member Briefing held on 19 June 2024 as a true and correct record.

**11. Chair's Report**

The Mayor took her report as read and responded to questions from Elected Members concerning the Council's position on its membership with Local Government New Zealand.

**Resolved:** (Mayor Southgate/Cr Pike)

That the Council receives the report.

**12. Growth Funding Policy 2024**

The Unit Director Commercial and Analytics took the report as read.

**Resolved:** (Mayor Southgate/Cr Hutt)

That the Council:

- a) receives the report; and
- b) approves the Growth Funding Policy 2024 (**Attachment 1** to the staff report), to be operative from 5 July 2024.

**13. Development Contributions Policy 2024/25 – Approval**

The Unit Director Commercial and Analytics introduced the report, noting that there were new attachments circulated to members prior to the meeting. Staff responded to questions from Elected Members concerning potential discretion within the draft policy.

**Resolved:** (Mayor Southgate/Cr Macindoe)

That the Council:

- a) receives the report;
- b) approves the Development Contributions Policy 2024/25 (**Attachment 1** to the staff report); and
- c) notes that:
  - i. development contribution charges in the Development Contributions Policy 2024/25 (**Attachment 1**) are not final, and may vary from those presented in this report (**Tables 2-4**) due to, for example, final changes to the 2024-34 LTP capital programme, resolutions made at this meeting, and other minor or technical updates that are required; and
  - ii. if approved, the Development Contributions Policy 2024/25 will be operative from 5 July 2024.

**14. Adoption of the 2024-34 Long-Term Plan**

The Corporate Planning & Advocacy Manager and the Financial Director introduced the report noting; the Draft Long-Term Plan would balance the books from Year 3; there was an unbalanced budget in Year 1 resource, and the updated to building consent processing time based on directions from Audit NZ. Audit NZ representatives noted that they had provided an unqualified audit report, and risks associated with limited head room and inflation projections.

**Resolved:** (Mayor Southgate/Deputy Mayor O'Leary)

That the Council:

- a) receives the report;
- b) adopts the following policies:
  - (i) Revenue and Financing Policy (**Attachment 1**);
  - (ii) Rating Policy (**Attachment 2**);
  - (iii) Rates Remissions and Postponement Policy (**Attachment 3**);
  - (iv) Funding Needs Analysis (**Attachment 4**); and
- c) receives the Audit Opinion (**Attachment 7** of the staff report and **Appendix 1** of the minutes).

**Resolved:** (Mayor Southgate/Deputy Mayor O’Leary)

That the Council adopts the audited 2024-34 Long-Term Plan – Volumes 1 and 2 (**Attachments 5 and 6**), noting that minor changes will be made for formatting and accuracy purposes, including:

- a) the addition of photographs of the Maangai Maaori in Volume 1;
- b) changes to the service performance measures relating to the timeliness of processing resource and building consents in Volume 1. These will change from focusing on the average processing time (with a target of 20 days), to the percentage completed within 20 days (with a proposed target of 95%); and
- c) changes to underlying information in the outer years of the Infrastructure Strategy Volume 2 (i.e. beyond year ten of the 2024-34 Long-Term Plan).

**Crs Bydder, Pike, Taylor, Donovan and Macindoe Dissenting.**

**The meeting was adjourned at the conclusion of the above Item from 10.37am to 10.53am.**

*Cr Naidoo-Rauf retired from the meeting during the above adjournment.*

#### **15. Rates Resolution to Set and Assess Rates for 2024/25**

The Financial Director took the report as read.

**Resolved:** (Mayor Southgate/Cr Hutt)

That the Council:

- a) receives the report;
- b) approves to set and assesses the rates for the 2024/25 financial year (1 July 2024 to 30 June 2025) in accordance with the **Rates Resolution for the 2024/25 Financial Year** (as required by the Local Government (Rating) Act 2002) as set out in paragraphs 7 - 69 of the staff report and below; and
- c) approves the due dates for payments and authorises penalties to be added to unpaid rates, as set out in paragraphs 65 - 69 of the staff report and below.

#### **GENERAL RATE**

7. A general rate is set and assessed on the capital value of all rateable land.
8. General rates are set on a differential basis. The rating categories are defined in the Funding Impact Statement.
9. The differential bases are:
  - the use to which the land is put; and
  - the provision or availability to the land of a service provided; and
  - the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the operative district plan; and
  - the location of the land.
10. The total revenue sought from the general rate is \$277,267,970.
11. The general rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GENERAL RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
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General Rate	Commercial	2.9765	34.53%	0.00869797	\$95,752,103
	BID Commercial	2.9765	7.14%	0.00869797	\$19,792,777
	Other	0.7400	1.84%	0.00216246	\$5,103,754
	Residential	1.0000	56.49%	0.00292224	\$156,619,336

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

#### UNIFORM ANNUAL GENERAL CHARGE

13. A Uniform Annual General Charge (UAGC) of \$749 per Separately Used or Inhabited Part of a Rating Unit (SUIP) is set and assessed on all rateable land in Hamilton.
14. The total revenue sought from the UAGC is \$54,610,714.

#### TARGETED RATES

15. Government compliance rate
16. The rate is set and assessed on the capital value of all rateable land in the city.
17. The rate is set on a differential basis. The rating categories are defined in the Funding Impact Statement.
18. The differential bases are:
- the use to which the land is put; and
  - the provision or availability to the land of a service provided; and
  - the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the operative district plan; and
  - the location of the land.
19. The rate provides funding to the Wastewater, Water Supply, Stormwater, and Growth activities.
20. The total revenue sought is \$15,021,789.
21. The rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GOVERNMENT COMPLIANCE RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
Government compliance rate	Commercial	2.9765	34.53%	0.00047124	\$5,187,673
	BID Commercial	2.9765	7.14%	0.00047124	\$1,072,336
	Other	0.7400	1.84%	0.00011716	\$276,516
	Residential	1.0000	56.49%	0.00015832	\$8,485,263

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

23. Pool safety inspection rate

- 24. The rate is set and assessed on all rating units on Council's pool monitoring register where a Council inspection is required.
- 25. The rate is a fixed amount of \$79 per rating unit.
- 26. The rate provides funding to the Regulatory and Safety activity.
- 27. The total revenue sought is \$216,200.

28. Metered water rate

- 29. The rate is set and assessed for metered and restricted flow water supply to all metered rating units (as defined by Hamilton City Council's Water Supply Bylaw 2013).
- 30. The rate is:
  - i. a fixed amount based on the nature of the connection as follows:
    - \$518.40 for all metered rating units (except those receiving a restricted flow supply);
    - \$518.40 for those rating units receiving a restricted flow supply.
  - ii. a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
    - All metered rating units (except those receiving a restricted supply) - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter;
    - those rating units receiving a restricted flow supply - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.

- 31. The rate provides funding to the Water Supply activity.

- 32. The total revenue sought is \$11,771,688.

33. Commercial and Other category non-metered water rate

- 34. The rate is set and assessed on non-metered Commercial and Other category (as defined for the general rate) properties which are connected to the water network, but not provided with a metered connection.
- 35. The rate is a fixed amount of \$518.40 per rating unit.
- 36. The rate provides funding to the Water Supply activity.
- 37. The total revenue sought is \$297,562.

38. Business Improvement District (BID) rates

- 39. The rate is set and assessed on all rating units defined within the BID Commercial general rate category.
- 40. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy.
- 41. The rate is:
  - i. a fixed amount of \$252 per SUIP; and
  - ii. a rate per dollar of capital value set at \$0.00003443.
- 42. The rate provides funding to the Growth activity.

43. The total revenue sought is \$416,294.
44. Central city rate
45. The rate is set and assessed on all rating units defined within the BID Commercial general rate category.
46. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy.
47. The rate is a fixed amount of \$124 per SUIP.
48. The rate provides funding to the Transport activity.
49. The total revenue sought is \$166,750.
50. Service use water rate
51. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to our water network but are not provided with a metered connection.
52. The rate is a fixed amount of \$518.40 per SUIP.
53. The rate provides funding to the Water Supply activity.
54. The total revenue sought is \$79,772.
55. Service use refuse rate
56. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are provided with refuse collection service.
57. The rate is a fixed amount of \$223 per SUIP.
58. The rate provides funding to the Rubbish and Recycling activity.
59. The total revenue sought is \$39,165.
60. Service use wastewater rate
61. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to the wastewater network.
62. The rate is:
  - i. a rate per dollar of land value set at \$0.00080722; and
  - ii. a rate per dollar of capital value set at \$0.00033941.
63. The rate provides funding to the Wastewater activity.
64. The total revenue sought is \$2,081,641.

#### **DUE DATES FOR PAYMENT OF RATES**

65. Rates (other than for metered water) are payable in four equal instalments.
66. The due dates for rates for the period 1 July 2024 to 30 June 2025 are as follows:

67.	Instalment 1	Instalment 2	Instalment 3	Instalment 4
	5 September 2024	28 November 2024	20 February 2025	22 May 2025

#### **DUE DATES FOR PAYMENT OF METERED WATER RATES**

68. The due dates for metered water rates for the period 1 July 2024 to 30 June 2025 are as follows:

Month of Invoice	Invoice Due Date
July 2024	20 August 2024
August 2024	20 September 2024
September 2024	20 October 2024
October 2024	20 November 2024
November 2024	20 December 2024
December 2024	20 January 2025

Month of Invoice	Invoice Due Date
January 2025	20 February 2025
February 2025	20 March 2025
March 2025	20 April 2025
April 2025	20 May 2025
May 2025	20 June 2025
June 2025	20 July 2025

### PENALTIES

69. Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002, the Council authorises the following penalties:

- a) A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date.  
The dates on which penalties will be added are 6 September 2024, 29 November 2024, 21 February 2025, and 23 May 2025.
- b) A penalty of 10% of the amount of any rates assessed in any previous year which remain unpaid on 11 July 2024 to be added on 12 July 2024.
- c) A penalty of 10% of the amount of any rates assessed in any previous year for which a penalty has been added under paragraph (b) and which remain unpaid on 12 January 2025 to be added on 13 January 2025.
- d) A penalty of 10% of the amount unpaid for water-by-meter rates charged to be added on the day after the due date.
- e) These dates are 21 July 2024, 21 August 2024, 21 September 2024, 21 October 2024, 21 November 2024, 21 December 2024, 21 January 2025, 21 February 2025, 21 March 2025, 21 April 2025, 21 May 2025, and 21 June 2025.

### END OF 2024/25 RATES RESOLUTION

#### 16. Audit Proposal Letter for the 2023-24 and 2024-25 financial years

The Financial Director spoke to the report noting that the letter would have normally been presented to the Strategic Risk and Assurance Committee.

**Resolved:** (Mayor Southgate/Cr Casey-Cox)

That the Council:

- a) receives the report; and
- b) approves Mayor Southgate to sign the Audit Fee Letter for the 2023-24 and 2024-25 Annual Report (**attachment 1**) on behalf of the Council.

#### 17. Submission to the Draft Speed Limits Rule 2024

The Network & Systems Operations Manager spoke to the report noting the impacts of the proposed rule impacted on speed limits around school and provided uncertainty for the speed management plan. Staff responded to questions from Elected Members concerning the process to manage speed limits within the city, status of a staff submission, variable speed signs, work already undertake by staff in the implementation of the current Speed Limits Rule and potential



impacts of the proposed rule impacted on speed limits.

**Resolved:** (Mayor Southgate/Deputy Mayor O’Leary)  
That the Council receives the report.

**Resolved:** (Mayor Southgate/Deputy Mayor O’Leary)  
That the Council notes that staff will make a Staff submission to the Ministry of Transport on the Land Transport Rule: Setting of Speed Limits 2024.

**Councillors Bydder, Taylor, Donovan and Macindoe Dissenting.**

## 18. Recommendations from Open Committee Meetings

### **Recommendation from the Strategic Risk and Assurance Committee of 18 June 2024 Safety and Wellbeing Report - 1 February to 31 April 2024**

**Resolved:** (Cr van Oosten/Mayor Southgate)  
That the Council receives the report.

### **Risk Management Report**

**Resolved:** (Cr van Oosten/Mayor Southgate)  
That the Council receives the report.

### **Recommendations from the Strategic Growth and District Plan Committee 25 June 2024 Strategic Issues**

**Resolved:** (Cr Thomson/Cr Taylor)  
That the Council adopts the [Future Proof Strategy: Future Development Strategy update](#).

## 19. Resolution to Exclude the Public

### **Section 48, Local Government Official Information and Meetings Act 1987**

**Resolved:** (Mayor Southgate/Cr Pike)  
That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 30 May 2024	) Good reason to withhold ) information exists under ) Section 7 Local Government	Section 48(1)(a)
C2. Confirmation of the Council Public Excluded Minutes 4 June 2024	) Official Information and ) Meetings Act 1987	
C3. Confirmation of the Elected Member Closed Briefing Notes 22 May 2024		
C4. Hamilton District Licencing Committee		

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Appointments

- C5. Appointment of Directors  
- Waikato Regional  
Airport Limited
- C6. Confirmation of the  
Council Public Excluded  
(CE Review Committee  
Matters) 31 October 2023
- C7. Recommendation from  
the CE Review Committee

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

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C6.	to enable Council to carry out negotiations	
	to protect the privacy of natural persons	Section 7 (2) (a)
Item C7.	to enable Council to carry out negotiations	Section 7 (2) (i)
	to protect the privacy of natural persons	Section 7 (2) (a)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

**The meeting moved into a public excluded session at 11.40am.**

**The meeting was declared closed at 1.17pm.**

## Appendix 1

To the readers:

### Independent Auditor's report on Hamilton City Council's 2024-34 Long-term plan

I am the Auditor-General's appointed auditor for Hamilton City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 4 July 2024.

#### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages [XX to XX] represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

#### Emphasis of matters

Without modifying our opinion, we draw attention to the following matters.

### **Risks associated with limited debt headroom**

Page [119] outlines that the Council's financial strategy includes maintaining debt at levels close to its LGFA borrowing limits, leaving minimal available debt headroom over the 10 years of the plan. Page [123] outlines the risks associated with this strategy, which include the Council having less ability to fund unforeseen events. If unplanned operating and capital costs had to occur, the Council may reprioritise and reduce planned spending on capital projects and intended levels of service.

### **Uncertainty over inflation projections**

Pages [136 to 138] outline the high level of uncertainty over the Council's assumed inflation projections. The Council has taken a risk averse approach to potential inflationary pressures due to the limited available debt headroom. Should actual inflation be lower than assumed, the Council will use surpluses to repay debt. Should actual inflation increase, the Council will review the appropriateness of rates, operating and capital spend to mitigate the risk of breaching the debt limit.

### **Basis of opinion**

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

### **Independence and quality management**

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the 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. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms*

*that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition to the audit of the plan, we have carried other engagements that are of an assurance nature and therefore compatible with the independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.

Clarence Susan, Audit New Zealand  
On behalf of the Auditor-General, Tauranga, New Zealand

## Appendix 2

[HCC letterhead]

4 July 2024

Clarence Susan  
Director  
Audit New Zealand  
PO Box 621  
Tauranga 3144

Dear Clarence

### **Letter of representation for the audit of the long-term plan**

This representation letter is given in connection with your audit, conducted on behalf of the Auditor-General, to provide a report on Hamilton City Council's (the Council's) long-term plan (LTP) for the 10 years commencing 1 July 2024.

This representation letter is provided to you in connection with your responsibility under the Local Government Act 2002 (the Act) to report on:

- whether the LTP gives effect to the purpose set out in section 93(6) of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

We understand that your audit was carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we understand you took into account particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We also understand that your audit was (to the extent that you deemed appropriate) for the purposes of expressing an opinion about whether the LTP provides a reasonable basis for long-term integrated decision-making by the Council and for accountability of the Council to the community, and whether the information and assumptions underlying the forecast information in the LTP are reasonable. We understand the audit would not necessarily disclose any or all irregularities should any exist.



We acknowledge that actual results are likely to be different from the forecast information because anticipated events frequently do not occur as expected and the variation may be material, and that you express no opinion about whether the forecasts will be achieved.

As permitted by clause 45 of Schedule 1AA of the Local Government Act 2002, we did not have our consultation document audited. We therefore acknowledge that your audit of the LTP and the opinion you express thereon, do not provide assurance on the information contained in the consultation document, or the information that supported it.

We also acknowledge that you do not express an opinion on the merits of any policy content of the LTP.

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

### **General**

- 1 The Council accepts that it is responsible for the preparation of the LTP that meets the requirements of the Act.
- 2 In complying with the requirements of the Act in relation to the LTP, we have acted in such a manner and included in the LTP such detail as we consider on reasonable grounds to be appropriate.
- 3 The LTP has been prepared using the best information currently available to the Council and accordingly the forecast information included in the LTP is our best forecast of anticipated events for the 10 years commencing 1 July 2031.
- 4 The LTP has been prepared and is consistent with Council's own policies and strategies and the strategies and policies of other organisations where appropriate.
- 5 We believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the LTP as a whole. A list of uncorrected misstatements is attached to this representation letter.

### **Underlying information and assumptions**

- 6 The forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted. The assumptions and information underlying the forecast information, including the assumed inflation projections, are reasonable and supportable in the context of the Council's position and have been based on the best information currently available to the Council. The assumptions are consistent among themselves, consistent with the current strategies and plans of the Council, and have been consistently applied.
- 7 All significant forecasting assumptions have been included in the preparation of the forecast information and have been clearly identified in the LTP. Where significant forecasting assumptions have a high level of uncertainty, that uncertainty has been stated



and the potential effects of the uncertainty on the forecast financial information have been provided.

- 8 The LTP includes all the items of operating expenditure and capital projects the Council reasonably expects will be done in the 10 years covered by the plan, based on the best information currently available to the Council.
- 9 The forecasts of capital expenditure and operating expenditure are supported by, and consistent with, underlying information such as asset management plans and the infrastructure strategy.
- 10 The records maintained by the Council were adequate for the preparation of the Council's LTP.
- 11 We have made available to you all supporting documentation on the information and assumptions underlying the forecast information used to prepare the LTP.
- 12 All minutes of meetings of the Council and its sub-committees held to date have been made available to you for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.

### **Performance framework**

- 13 The forecast information and proposed performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service. The performance measures reflect the intended levels of service for those activities the Council has chosen to carry out in response to community consultation and legislative requirements. Proposed performance targets are based on the equivalent basis of reasonable and supportable assumptions and underlying information.

### **Systems and processes**

- 14 The Council accepts that it is responsible for establishing and maintaining systems and processes designed to provide reasonable assurance about the integrity and reliability of the forecast information. The Council has maintained effective systems and processes, and they have operated to generate accurate and reliable forecast information.

### **Legislative compliance**

- 15 The Council accepts that it is responsible for ensuring that all applicable aspects of the Act that affect the LTP have been complied with. To the best of its knowledge, the Council has complied with all legislative requirements in the preparation of the LTP.
- 16 The Council has followed the decision-making provisions of Part 6 of the Act in making decisions about the content considered for inclusion and exclusion from the LTP.

- 17 The Council followed the special consultative procedures outlined in the Act in relation to the consultation document. All changes to the underlying information resulting from consultation have been appropriately reflected in the LTP.
- 18 We have a significance and engagement policy that outlines the Council's approach to determining the significance of proposals and decisions in accordance with section 76AA of the Act.
- 19 The Council has considered the balanced budget requirements outlined in section 100 of the Act, and is managing its revenue, expenses, assets, liabilities, and general financial dealings prudently as required by sections 101 and 101A of the Act. We have made adequate provision to meet the expenditure needs of the Council identified in the LTP.
- 20 The Council has adopted and applied the following policies in the development of the LTP:
- a revenue and financing policy that complies with section 103 of the Act and has been prepared after consideration of the matters outlined in section 101(3) of the Act;
  - a liability management policy that complies with section 104 of the Act;
  - an investment policy that complies with section 105 of the Act;
  - a policy on development contributions that complies with section 106 of the Act;
  - a policy on remission and postponement of rates on Māori freehold land that complies with section 108 of the Act; and
  - a rates postponement policy adopted under section 110 or rates remission policy adopted under section 109 of the Act.

These policies have formed the basis for the financial parameters used in the preparation of the LTP.

- 21 All the information required by Part 1 of Schedule 10 of the Act has been included in the LTP.
- 22 All the information required by the Local Government (Financial Reporting and Prudence) Regulations 2014 has been included in the LTP.

### **Generally accepted accounting practice**

- 23 The accounting policies applied to the forecast financial statements comply with generally accepted accounting practice and are those that the Council intends to use in the future for reporting historical financial statements. Any change in accounting policy from policies previously applied and reported in historical financial statements has been disclosed in the LTP.

- 24 The estimated effect of the revaluation of service delivery assets has been incorporated into the LTP.
- 25 The forecast financial information has been prepared and presented in accordance with PBE FRS 42 Prospective Financial Statements.
- 26 The forecast financial information has been prepared in accordance with the accounting policies.
- 27 The Council's assumption about future price changes on the forecast financial information is based on the best information currently available to the Council and is reasonable and supportable.

**Publication of the LTP and related audit report on the Council's website**

- 28 The Council accepts that it is responsible for the electronic presentation of the audited LTP.
- 29 The electronic version of the audited LTP and related audit report presented on the website are the same as the final signed version of the audited LTP and audit report.
- 30 We have clearly differentiated between audited and unaudited information in the preparation of the LTP on the Council's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- 31 We have assessed the security controls over audited forecast information and the related audit report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- 32 Where the audit report on the full LTP is provided on the website, the LTP is also provided in full.

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

Yours faithfully

Paula Southgate  
Mayor

Lance Vervoort  
Chief Executive

Unadjusted audit differences

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenue*	\$1,110,760	\$1,057,555	\$820,282							
Non-current liabilities	(\$1,110,760)	(\$2,168,315)	(\$2,988,597)							

Council has not recognised the funding shortfall within its LTP arising from the NZTA (New Zealand Transport Agency) 2024-27 NLTP — indicative allocations for continuous programmes. The misstatement above assumes the Council will go ahead with the relevant projects and borrow for the remaining unfunded portion.

*Explanation for why not corrected: The Council considers the financial amount is not material for each individual year or in the aggregate over the 3 years.*