



2024-34 Long-Term Plan

Ka hua. Ka puaawai. Ka ora.

Volume 1

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Kaunihera

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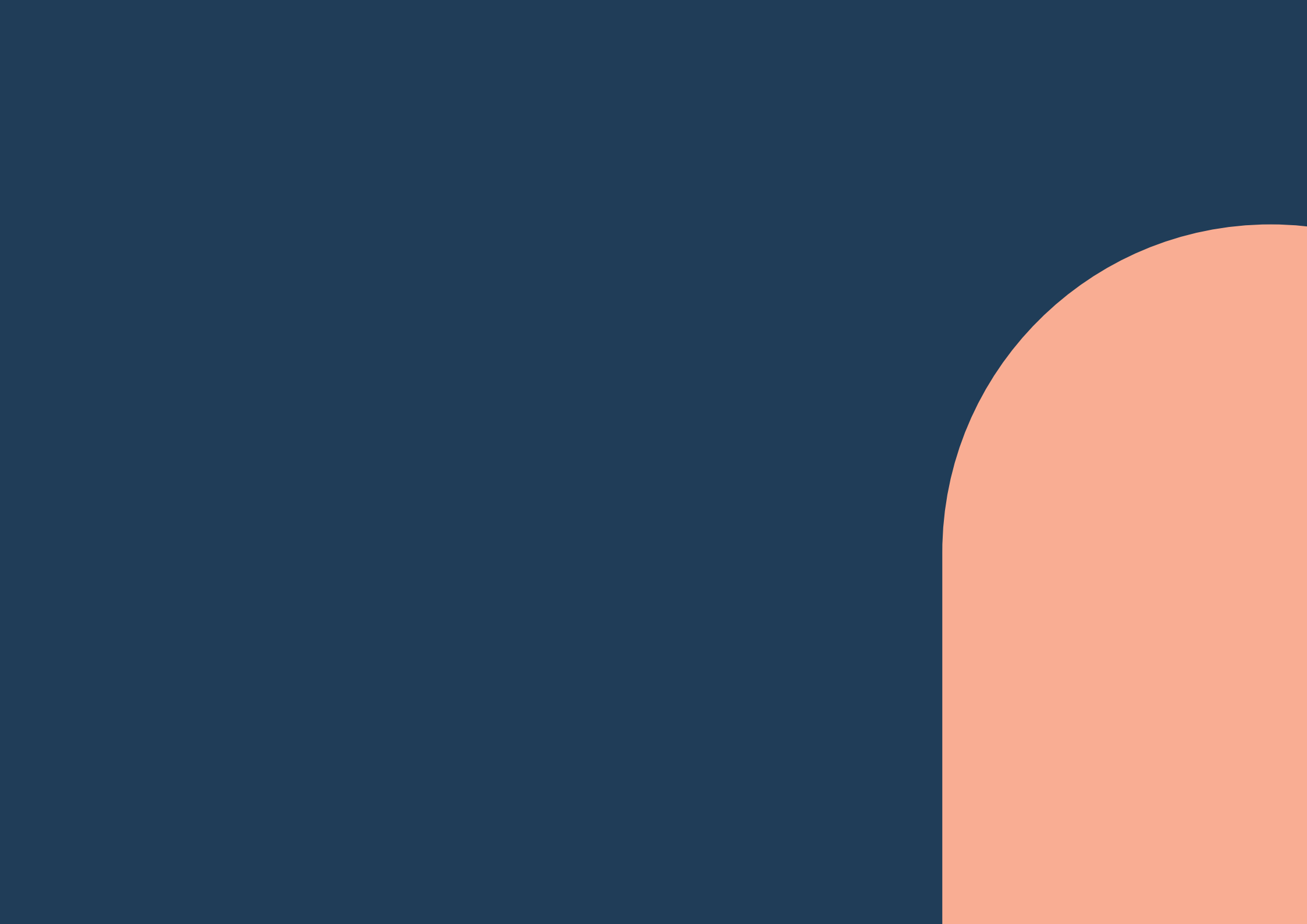


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Introduction

Koorero whakataki

Our Long-Term Plan

This Long-Term Plan document outlines our plans, budgets and priorities for the next decade, with a focus on the next three years.

Across New Zealand, councils, households and businesses are facing hugely challenging financial circumstances, with inflation, interest costs and depreciation making everything we do more expensive.

This Plan is aimed at finding the right balance between continuing to maintain our city by delivering the essential work that our community values and relies on, while meeting everyday costs with everyday revenue within three years, and keeping rates increases as low as possible in the circumstances.

The Plan is based on the needs of current and future Hamiltonians. During the consultation period, Council received almost 3000 submissions from individuals, organisations and businesses. Significant changes were made in the final Plan as a result of this feedback.

Here's a snapshot of what Council will deliver over the next 10 years and where we have found savings:

- Council will continue to provide all current services, such as maintaining library and pool opening hours, keeping our gardens maintained and city tidy, and maintaining our kerbside residential rubbish and recycling collection schedule.
- We will continue to fund (at existing funding levels) community groups in recognition of the important role they play in keeping our city thriving.
- Council will have a strong focus on renewals, looking after our existing assets to ensure they are maintained appropriately to keep our city in good shape.
- Facilities that shape our neighbourhoods are also key, with continued investment in play spaces with greater shade, sports park improvements, a fit-for-purpose community centre in Pukete and the redevelopment of Te Papanui Enderley Community Centre all contained in this Plan.
- To ensure Council is focusing on the essentials, we reduced city-wide transport upgrades by more than 40% over the first three years of the Plan after receiving the original staff proposals.
- In addition, in response to feedback from the community, there has been an additional reduction of around \$282 million in Years 1-5 of the capital programme since we published our draft Plan. This includes deferral of around \$172 million of projects into later years.
- However, we will still be investing in critical infrastructure and capital projects – \$4.4 billion over 10 years. This is the scale of investment needed to ensure that Hamilton Kirikiriroa has the right infrastructure in place for our growing population, such as new roads, new parks and critical water infrastructure.

- \$31.5 million of Crown funding that would have gone towards a walking and cycling bridge across the Waikato River in the central city, has been reprioritised towards critical water infrastructure. This is subject to a Ministerial decision. The funding forms part of \$150.6 million that Hamilton Kirikiriroa is receiving from central government to deliver core infrastructure, unlocking 4,000 homes in the central city and its surrounds.
- In addition, savings of \$33 million over the 10 years will be found through personnel reductions to Council's back-office functions and cuts to consultant budgets. This is in addition to savings of \$94 million over the ten years made through the Chief Executive's 'Future Fit' programme.
- Council will also sell some of its land to help to pay down its debt, as well as help fund the acquisition of key land to support the city's growth.
- The two-hour free parking trial in the central city will be replaced with one-hour free parking - with demand-responsive pricing for the second hour - from 1 October 2024, to encourage higher shopper turnover. This will be in place until 30 June 2026. Given the debt-to-revenue limit set for councils by the Local Government Funding Agency, finding additional sources of revenue is critical to addressing the city's financial situation and ensuring rates rises are kept as low as possible.

The phasing of infrastructure investment ensures Council remains below the debt limit set by the Local Government Funding Agency, which requires debt to be no more than 285% of our revenue in 2024/25, and no more than 280% in all subsequent years.

To achieve this, the Plan includes an average general rates increase of 16.5% in 2024/25 (\$9 a week for a median-value residential property). The rates increase will reduce by about one percentage point annually over the following four years (15.5%, 14.6%, 13.5%, 12.5%).

We recognise this is a significant increase in rates over the next few years, and that many in our community will find this challenging. However, options to further reduce rates at this time are constrained because of the increased costs we face and the growing requirements on councils from central government. Every effort was made to keep the increases as low as possible given the financial environment, and no decision was made lightly.

Further changes ahead

Our Council and local government in general are facing a great deal of change and pressure. Significant work will be needed over the next year, which is likely to lead to a long-term plan amendment ahead of Year 2 of the Plan. Most significantly, we must ensure Council is equipped to make and implement decisions to secure the most cost-effective delivery of waters services to Hamiltonians. We will respond as quickly as possible once central government confirms the key outstanding policy and legislative details. This could include the establishment of a waters council-controlled organisation (CCO) for Hamilton - Kirikiriroa potentially in partnership with neighbouring districts.

The growing costs of water infrastructure mean that people across New Zealand will have to meet the extra costs being incurred. A CCO may be able to derive benefits of scale over

time, and may have the potential to borrow more, to spread the costs over future generations who will use the infrastructure that is built. In addition, previous high-level modelling has suggested that the removal of water services would improve Council's debt-to-revenue position over the coming years, and therefore enable Council to introduce lower rates rises than those set out in this Plan. Transferring services to a CCO would not in itself mean that Hamiltonians will be better off as a result, as Hamiltonians would pay separate water charges. Our priority will be to ensure any change provides the best long-term outcomes for our community.

Council is also awaiting details from New Zealand Transport Agency Waka Kotahi of which transport projects it will subsidise, and has the ability to make changes to the Plan once decisions are confirmed.

Other key workstreams over the next year include:

- A review of elements of Council's rating system.
- A review of Council's capital expenditure, looking specifically at the underlying drivers of the cost of capital projects and options to address these.
- Engaging with developers to address issues with development consenting and approval processes.
- Considering how the costs of new growth areas can be met through new or existing financial tools, and the opportunities and challenges of actively managing growth compared to taking a passive role.
- Focused engagement with central government and the Local Government Funding Agency to advocate for funding and financing tools and other solutions to address the needs of the fastest growing city in New Zealand.

The above work, together with the decisions made in this Long-Term Plan that focus on the wellbeing of Hamiltonians and delivering on the city's priorities, will enable Hamilton Kirikiriroa to approach the opportunities and challenges it faces over the next 10 years.

Taa Maatou Mahere Waa-Roa

E whakaraarangi ana teenei tuhinga i te Mahere Waa Roa i roto i aa maatou mahere, ngaa tahua me ngaa kaupapa matua moo te tekau tau e heke nei, aa, aro ana ki ngaa tau e toru nei.

Putā noa i Aotearoa, kei runga i ngaa kaunihera, ngaa whaanau me ngaa pakihi ngaa uauatanga aa-puutea nui, e tino nui ake ai te utu o aa maatou mahi katoa naa ngaa pikinga utu, ngaa utu itarete me te hekenga waariu.

E rapu ana teenei Mahere i te taurite tika i waenga i ngaa mahi tautiaki i too taaone nui maa te whakarato i ngaa mahi waiwai e uaratia ana, e whakawhirinakitia ana e too taatou hapori, me te utu i ngaa whakapaunga o ia raa maa ngaa moni whiwhi o ia raa i roto i te toru tau, me te peehi haere tonu kia iti rawa te pikitanga o ngaa reeti i roto i ngaa aahuatanga.

I ahu mai te Mahere i ngaa hiahia o ngaai Kirikiriroa onaaiane, me aapoopoo. I te waa o te koorerorero tahi ki te iwi whaanui, tata ki te 3000 ngaa taapaetanga koorero i tae mai ki te Kaunihera mai i ngaa taangata, ngaa whakahaere me ngaa pakihi. He nui ngaa rerekeetanga i oti i a maatou i te Mahere whakamutunga naa eenei whakaaro i tukua mai.

Anei he paku tirohanga o ngaa mea ka whakaratoa e te Kaunihera i te 10 tau e whai ake me ngaa waahi kua kitea e maatou ngaa penapenatanga:

- Ka whakarato tonu te Kaunihera i ngaa ratonga katoa onaaiane, peeraa i te mau tonu ki ngaa haora tuwhera whare pukapuka me te hoopua kaukau, te tiaki kia pai te aahua o aa taatou maara me too taatou taaone nui, me te mau tonu ki taa maatou kohi para me te tukuraa i te paeara.
- Ka utu tonu maatou (ki ngaa rahinga onaaiane) i ngaa roopuu hapori naa te hira o aa raatou mahi kia momoho haere tonu too taatou taaone nui.
- E tino aro ana te Kaunihera ki te whakahou i ngaa rawa, te tiaki i aa taatou rawa onaaiane ki tika ai te tautiaki e pai ai te aahua o too taatou taaone nui.
- He hira hoki ngaa rauhangā e haapai nei i oo taatou takiwaa noho, me te haumi haere tonu i ngaa waahi paarekareka me te marumaru whaanui ake, ngaa whakapaitanga ki ngaa papa haakinakina, he pokapuu hapori haangai i Puukete me te whanaketanga anoo o Te Papanui Enderley Community Centre kei roto katoa i teenei Mahere.
- Kia maatua aro atu te Kaunihera ki ngaa mea waiwai, i whakahekea e maatou ngaa mahi whakapaipai neke atu i

- te 40% i te toru tau tuatahi o te Mahere i muri i te whiwhi i ngaa kaupapa marohi taketake a ngaa kaimahi.
- Hei taapiri atu, ko te urupare ki ngaa whakaaro i tukuna mai e te hapori, kei te takiwaa o te \$282 miriona atu anoo te whakahekenga i ngaa tau 1-5 o te kaupapa mai i te whakaputanga o taa maatou Mahere hukihuki. Kei roto i teenei ko te whakataarewatanga o ngaa kaupapa kei te takiwaa o te \$172 miriona ki ngaa tau aa muri ake.
 - Engari, ka haumi tonu maatou ki ngaa tuuaahanga hira me ngaa kaupapa puurawa - \$4.4 piriona i roto i te 10 tau. Koinei te nui o te haumitanga e hiahia ana kia tika ai ngaa tuuaahanga ka whakauru atu moo too taatou taupori e tipu haere nei, peeraa i ngaa rori hou, ngaa paaka hou me ngaa tuuaahanga wai taketake.
 - Ko te \$31.5 miriona a te Karauna ko te tikanga hei hanga i teetehi piriti hiikoi me te pahikara puta ki runga ake o te awa o Waikato i te pokapuu o te taaone nui, kua tangohia mai moo ngaa tuuaahanga wai taketake. Heoi, maa te Minita raa anoo teenei e whakaae. Kei roto teenei puutea i te \$150.6 kei te whiwhi a Kirikiriroa mai i te kaawanatanga hei whakarato hanganga matua, hei hanga i ngaa kaainga 4,000 i te pokapuu o te taaone nui me te takiwaa e pae ana.
 - I tua atu i teenei, \$33 miriona ngaa penapena i roto i te 10 tau ka hua mai maa te whakaiti i te nui o ngaa kaimahi kei roto i ngaa tari a te Kaunihera e mahi ana me te poro i ngaa tahua maatanga. E taapiri ana ngeenei ki ngaa penapenatanga o te \$94 i roto i te 10 tau maa te kaupapa 'Future Fit' a te Tumuaki.
 - Ka hokona atu hoki e te Kaunihera ngeetehi o oona whenua hei aawhina ki te whakaheke i ana nama, me te aawhina ki te hoko mai i ngaa whenua hira hei tautoko i te tipu o te taaone nui.
 - Ka whakakapahia te whakamaatautau tuunga waka koreutu rua haora i te pokapuu taaone ki te tuunga waka koreutu kotahi haora - me te utu i te haora tuarua - mai i te 1 o Oketopa 2024, kia nui ake ai te hunga hokohoko ka haere mai. Ka peenei tae noa ki te 30 o Hune 2026. Naa te tepenga nama ki te moni whiwhi i whakatauhia moo ngaa kaunihera e Te Puutea Kaawanatanga aa-Rohe, he hira tonu te kimi puna puutea atu anoo hei whakarite i te aahuatanga puutea o te taaone nui me te whakarite he tino iti noa te piki o ngaa reeti.

Maa te aata whakauru mai i te haumitanga tuuaahanga ka tino noho te tepenga nama i whakatauhia e Te Puutea Kaawanatanga aa-Rohe, aa, e herea ana kia kaua e nui atu te nama i te 285% o aa maatou moni whiwhi i te 2024/25, aa, kaua e nui atu i te 280% i ngaa tau o muri mai. Ka mau tonu i te Mahere he waahanga e uru mai ai he paakai o te rima oorau i te iti rawa moo te tuupono paa mai o ngaa aahuatanga.

Hei whakatutuki i teenei, kei roto i te Mahere ko te 16.5% te piki toharite o ngaa reeti i te 2024/25 (\$9 i te wiki moo teetehi kaainga uara tau waenga). Tata ki te kotahi ira oorau te heke o te pikitanga o ngaa reeti i te tau i roto i te whaa tau e heke nei (15.5%, 14.6%, 13.5%, 12.5%).

E moohio ana maatou he pikitanga nui teenei o ngaa reeti i roto i ngeenei tau nei, aa, ka uaua teenei ki te tokomaha o te hunga i too taatou hapori. Engari, kaaore e taea te whakaheke anoo i ngaa reeti i teenei waa naa te nui haere o ngaa utu kua paa mai me te nui haere o ngaa whakaritenga kei runga i ngaa kaunihera mai i te kaawanatanga. I tino whakapau kia noho tino tonu ngaa pikitanga naa te taiao puutea, aa, ehara i te mea he maamaa ngaa whakatau.

Ngaa rerekeetanga atu anoo

He tino nui ngaa rerekeetanga me ngaa peehitanga kei too taatou Kaunihera me te kaawanatanga. He tino nui ngaa mahi e hiahia ana hei te tau e tuu mai, aa, kaaore e kore ko te mutunga atu ko te menemana ki te mahere waa-roa i mua o te Tau 2 o te Mahere. Ko mea nui rawa, me maatua whakarite ka taea e te Kaunihera te tuku me te whakatinana i ngaa whakatau kia tino tootika ai te utu moo te whakarato i ngaa ratonga wai ki a ngaa Kirikiriroa. Ka tere tonu taa maatou urupare ina whakauungia e te kaawanatanga ngaa kaupapahere me ngaa taipitopito ture hira e taaria ana. Kei roto pea i teenei ko te whakatuutanga o teetehi Whakahaere a te Kaunihera (CCO) moo te wai moo Kirikiriroa – ka paatui pea ki ngaa takiwaa paetata.

Naa te nui haere o ngaa utu moo te tuuaahanga wai maa ngaa taangata puta noa i Aotearoa e utu ngaa utu taapiri ka taka mai. Ka puta pea ki teetahi CCO ngaa painga o toona nui i roto i te waa, aa, ka taea pea te mino moni atu anoo, kia tuarhia ngaa utu ki ngaa whakatupuranga o muri mai ka whakamahi i te tuuaahanga ka hangaia. Hei taapiri ki teeraa, e kii ana ngaa whakatauiria mahere taumata teitei ka pai ake te tuuranga nama ki te moni whiwhi a te Kaunihera ki te whakakorehia ngaa ratonga wai i roto i ngaa tau e tuu mai, e taea ai e te Kaunihera te whakauru mai i ngaa pikitanga reeti iti iho ki teeraa kei roto i teenei Mahere Waa Roa. Ehara i te mea ka pai ake a ngaa Kirikiriroa i te whakawhititanga o ngaa ratonga ki teetahi CCO,

i te mea ka utu raatou i ngaa utu wai wehe kee. Ko taa maatou kaupapa matua kia puta ngaa putanga waa-roa pai rawa i ngaa rerekeetanga moo too taatou hapori.

E taaria ana hoki e te Kaunihera ngaa taipitopito mai i Waka Kotahi moo ngaa kaupapa tuunuku ka tautokohia aa-puutea e raatou, aa, e whai kaha ana raatou ki te whakarerekee i te Mahere ina whakauungia ngaa whakatau.

Ko ngeetehi atu o ngaa ara mahi hira hei te tau e tuu mai ko te:

- Arotake i ngaa huanga o te puunaha reeti a te Kaunihera.
- Arotake i te whakapaunga puurawa a te Kaunihera, e tiro tiro ana ki ngaa puutake taketake o te utu o ngaa kaupapa puurawa me ngaa koowhiringa hei whakarite i ngeenei.
- Koorerorero tahi ki ngaa kaiwhakawhanake hei whakarite i ngaa raru me ngaa haatepe whakaaetanga me whakaae ki ngaa whanaketanga.
- Whakaaroaro me peehea e ea ai ngaa utu o ngaa waahi tipuranga hou maa ngaa utauta whai puutea hou, onaaiane raanei, me ngaa arawaatea me ngaa whakapaataritari o te aata whakahaere i te tupuranga teenaa ki te noho puku noa.
- Arotahi te koorerorero tahi ki te Kaawanatanga me Te Puutea Kaawanatanga aa-Rohe ki te taunaki kia nui ake ngaa puutea me ngaa utauta whai puutea me ngeetehi atu otinga hei whakarite i ngaa hiahia o te taaone nui tere rawa te tipu i Aotearoa.

Maa ngaa mahi i runga ake, i te taha o ngaa whakatau ka tukuna i roto i teenei Mahere Waa-Roa ka aro ki te oranga o ngaa Kirikiriroa me te whakarato i ngaa kaupapa matua o te taaone nui, ka taea e Kirikiriroa te whakatuutaki i ngaa arawaatea me ngaa whakapaataritari ka paa i te 10 tau e tuu mai.

Our challenges and approaches

Aa maatou whakapaataritari
me ngaa aronga

There are some significant challenges that Council must address to provide key services to our city. These challenges are influenced by both national and global factors. Ultimately, addressing them requires aligned efforts at local, regional, national, and international levels. Please see our 2024-54 Infrastructure Strategy (Volume 2 of the 2024-34 Long-Term Plan) for further information.

Challenges

Legislative and policy standards

Council operates within a complex legislative and policy environment with increasing environmental, safety and compliance expectations. The changing approach of central government causes uncertainty, complicating long-term planning and increasing costs. This means that meeting these standards requires significant investment. Existing infrastructure, built to past standards, also now faces new legislation and increased environmental standards, particularly regarding the Waikato River. This drives the need for further costly investment.

Climate change

Hamilton Kirikiriroa is expected to continue to experience the effects of gradual climate changes and more extreme weather, which will have impacts on our city, community, and infrastructure. Our city must be built for future climates, considering potential impacts on community health and wellbeing. Likewise, emissions from our approach to infrastructure construction, maintenance, and disposal must also be considered. Ultimately, we need to ready our existing infrastructure and to think differently about our future infrastructure.

Environmental limits

Hamilton's natural environment, with only 2% of native vegetation remaining, is at risk due to historical degradation. The Waikato River, a crucial freshwater resource, is under pressure too. As population and demand grow, water availability is finite and

climate change may exacerbate constraints. It's vital to manage water effectively to sustain the river and biodiversity.

Growth

Hamilton's population growth, 76% over 30 years, has outpaced projections, putting pressure on infrastructure and services. This growth indicates success in attracting and retaining residents due to access to housing, jobs, and quality of life. However, growth exacerbates housing affordability issues and strains infrastructure. Our city and its infrastructure, built for past demands, now struggles to support the growing population. As the city expands, we must adapt to meet new growth-related challenges.

Affordability and delivery

Hamilton Kirikiriroa faces increasing funding challenges. Interest rates are higher, and costs are increasing to deliver new infrastructure, provide services, and maintain and renew assets. High global infrastructure costs, workforce shortages, and rising demand exacerbate these challenges. Funding pressures fall on Hamilton's residents, many already under financial strain. A different approach is needed, with significant changes to planning, delivery, and funding.

The importance of a holistic approach

It is essential that our city's projects deliver on multiple fronts so that our limited funding capacity is prioritised for projects that contribute to broader outcomes for Hamilton Kirikiriroa. Our

Approach

planning needs to be integrated and collaborative to ensure that these outcomes best serve the needs of our communities, and contribute to a sustainable future. To do this we work together with a range of entities that include neighbouring councils, Future Proof, departments and agencies of central government, electricity network providers, and tertiary education providers.

Building a resilient, low-carbon city through green infrastructure

Our approach must include the prioritisation of solutions that aim to create a city that is fit for the future, and the environmental challenges it will bring. This includes keeping a strong focus on infrastructure that not only builds the resilience of our city but also makes progress towards becoming a low-carbon city.

Continued investment in urban nature is a multifaceted solution that addresses a range of issues. If done well it can support climate change adaptation, increase biodiversity and positively contribute to making Hamilton Kirikiriroa a more liveable city. It also offers economic benefits for our city by creating attractive environments that invite investment.

Looking after what we have, and making the most of what we've got

Hamilton Kirikiriroa is faced with some challenging decisions about how it prioritises investment in renewals, operations, maintenance, and demand management. Parts of our city's infrastructure networks are ageing, and this will require the replacement of an increasing number of assets as they reach their end of life. Council has carefully planned and forecast for the renewal of these assets over the next 30 years.

It is important to understand that this problem cannot be solved with just building more. Some issues are too costly to resolve through building alone, and others, such as limits on the fresh water take from the Waikato River, do not have easily built infrastructure solutions. Instead, we need to make the most of what we already have through demand management and maximising opportunities for efficiencies, such as encouraging smart water use and repurposing existing road space for bus priority. By altering our approach to financing infrastructure, we can enhance asset utilisation, reduce traffic congestion, expedite decarbonisation efforts, conserve water, and elevate the quality of infrastructure.

Approach to growth

How we manage the growth of the city will define us for years to come. Embracing growth opportunities through timely investment is crucial for the city's future. However, effective growth management also requires infrastructure to keep pace with population growth, including the provision of zoned, serviced land for housing and businesses. This is key to enabling smart development, sustainable growth, and quality, affordable housing in suitable locations.

Funding

Our financial strategy outlines our overall approach to managing Council's finances. We need to respond to the challenges already mentioned, but remaining financially prudent requires spending restraint. These drivers are at odds with one another, and striking the right balance is not always straightforward. The current funding options available to councils across the country are insufficient. Council aims to enable 30-year outcomes, but significant system change is necessary for local government to become financially sustainable. Until such change is achieved, the Council will continue to work with the tools at its disposal.

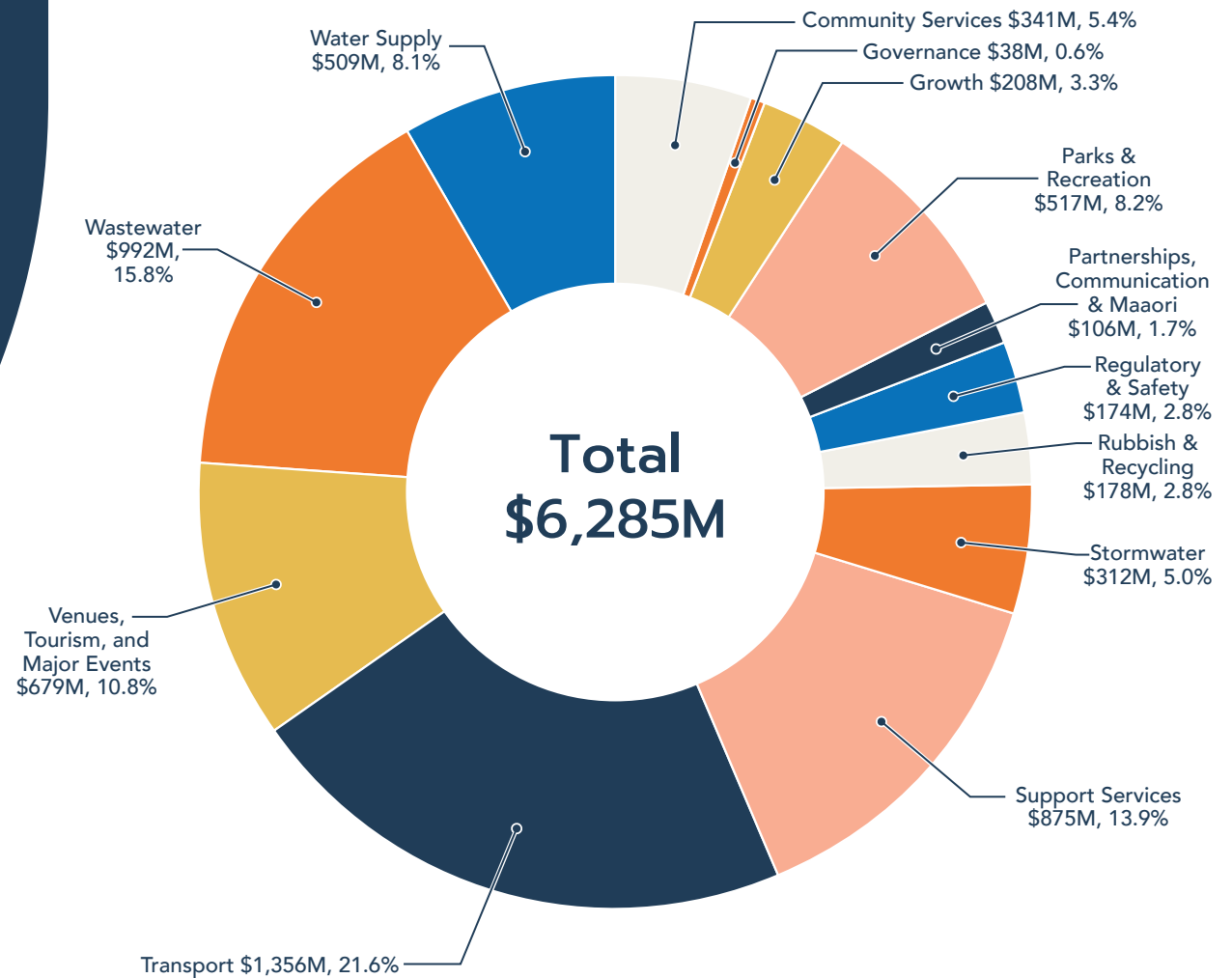


What we're planning to spend

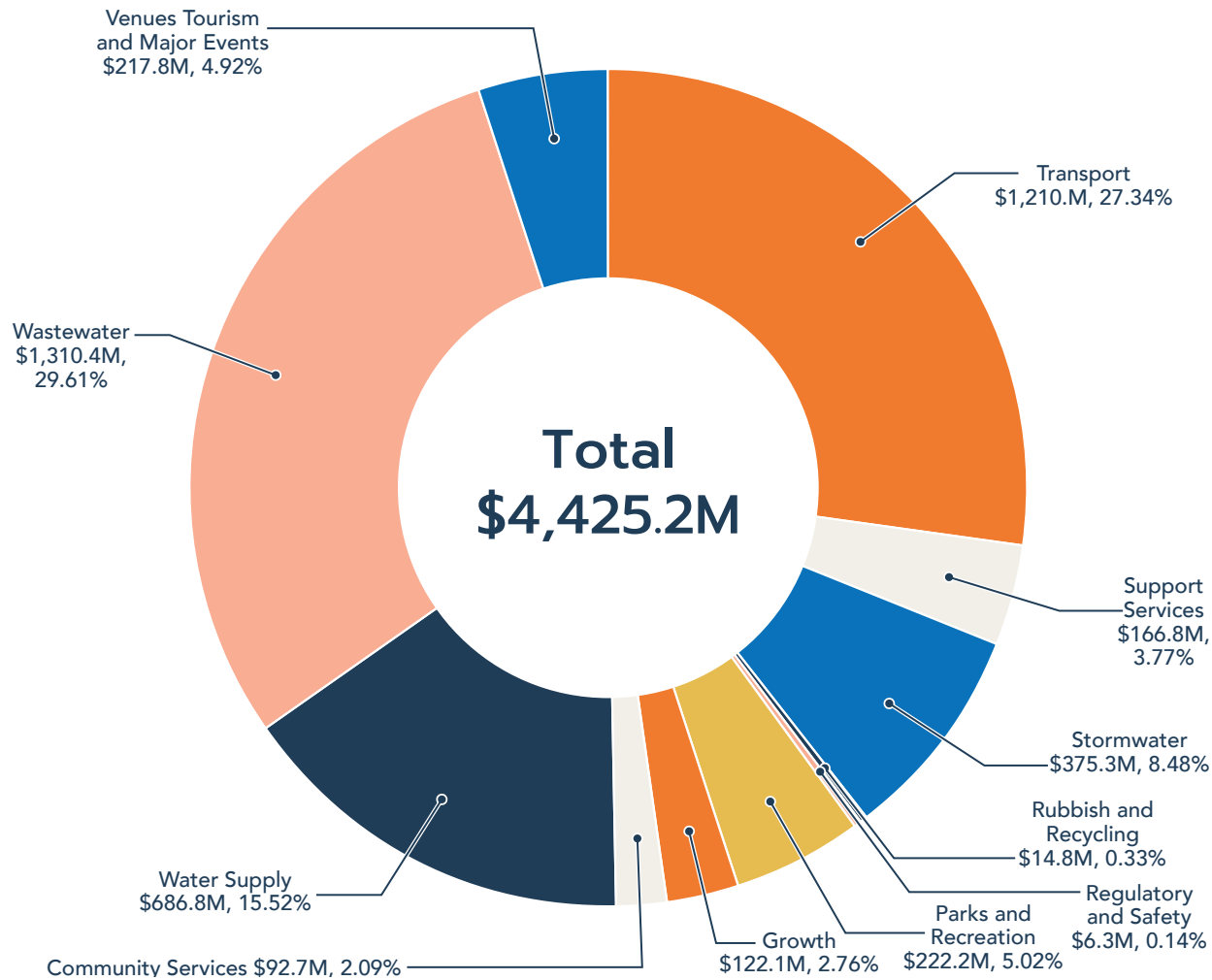
Ngaa whakapaunga kua whakaritea

Total operating expenditure over 10 years

To keep the city running, we will spend \$10.7 billion over the next 10 years.



Total capital expenditure over 10 years



Maaori contribution to the decision-making process

Mana Motuhake Maaori ki te Whakataoto 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 of Hamilton Kirikiriroa as Treaty partners. Valued support and advice is received from our Iwi, Hapuu and Maataawaka partners and we are committed to working together on the social, cultural, economic, and environmental 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.

Maangai Maaori

Maangai Maaori, meaning the voice of Maaori, were first appointed to Council committees with full voting rights in 2018 to give effect to Te Tiriti O Waitangi. Maangai Maaori currently sit on three committees. The Maangai Maaori represent, and are chosen by Iwi, Mana Whenua (Waikato-Tainui/Hapuu) and Maataawaka (urban Maaori) organisation Te Rūnanga Ō Kirikiriroa. Maangai Maaori are selected based on skill, knowledge, and experience.

Council Kaumatua

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

Amorangi Maaori

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

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

Partnerships with Maaori Waikato-Tainui

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

Mana Whenua o Kirikiriroa

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

Te Rūnanga o Kirikiriroa (TeROK)

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

Our Climate Future

Te Pae Tawhiti o Kirikiriroa

In August 2022, Council approved our climate change strategy, Our Climate Future: Te Pae Tawhiti o Kirikiriroa. The strategy sets our vision to be a thriving, low-carbon city that responds and adapts to climate change and highlights the three key outcomes that will enable us to achieve this:

1. By acting together, our emissions are reducing.
2. Our neighbourhoods enable low carbon living.
3. Our city is ready for Hamilton's climate.

We know that we have an important role in shaping Hamilton Kirikiriroa to be a green city, by reducing our emissions and transitioning to a low carbon economy. We have set a series of targets to guide the level of action we believe is required to do our part to contribute to achieving New Zealand's emissions targets. For Hamilton Kirikiriroa, we have set three net emissions targets; emissions need to peak by 2025 at the latest, and then reduce by 30% by 2030 and by 82% by 2050.

We have developed an emissions trajectory for our city emissions targets that incorporated the policies from New Zealand's first Emissions Reduction Plan that were of relevance for Hamilton Kirikiriroa, as well as actions we are delivering. Many of these policies from the first Emissions Reduction Plan are now not being delivered and our emissions trajectory will need to be updated following the release of the second Emissions

Reduction Plan to assess if the new policies will have the same impact on our emissions profile. As Transport is our highest emissions source at 64% (in 2021/2022) the changes in the policies and the Government Policy Statement on Land Transport 2024 will have a significant impact on our ability to achieve these targets, it is likely we will see an increase in our transport emissions instead of the modelled decrease.

We have also set ourselves targets to reduce our own operational emissions. Our first target is 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 them from the atmosphere.

We consider our operational emissions to include energy used in our buildings and operations (LPG, Natural Gas, Electricity), fuels used in Council owned vehicle fleet, biosolids from our wastewater treatment process, waste from Council operations, travel for our staff and livestock and fertiliser used on our land. 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.

We have developed an emissions reduction roadmap that identifies the actions we can take to achieve around 25% emissions reduction, the remaining 25% is estimated to come from reduction in emissions associated with renewable electricity. These actions are predominantly moving from natural gas to electricity, reducing use of petrol and diesel in fleet and reducing waste to landfill. The capital costs of renewals will be assessed within the renewals programme.

We have been tracking our city and Council emissions since 2018/2019, details of the emissions sources and how we are tracking are available on our website - hamilton.govt.nz/your-city/data-and-statistics/understanding-our-city/emissions-profile/. We will report annually through our climate change disclosure on whether we are on track to meet our city and council emissions targets.

“Climate change is one of the greatest challenges of our time. Without immediate, bold, and decisive action, we will continue to see the impacts intensify, and the world inherited by future generations will look increasingly different to the one we know today. Fortunately, there is still a window of opportunity for us to act.”¹

Climate modelling shows that over the next few decades we will experience:



increase in total rainfall



rising temperatures



increase in extreme rainfall events



longer hot summer season



increase in the number of hot nights



increase in the number of hot days.

1 Our Climate Future: Te Pae Tawhiti o Kirikiriroa

Our vision for Hamilton Kirikiriroa

Kirikiriroa ka hua. Ka puaawai. Ka ora

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

Our vision for the future of Hamilton Kirikiriroa is guided by five priorities that keep Council's decision-making focused on improving Hamilton's social, cultural, economic and environmental wellbeing.

Our priorities

Our priorities¹ 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 and this 2024-34 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 asked the community what they love about Hamilton Kirikiriroa

and what would make our city an even better place to live. This feedback was used to create our five long-term priorities for Hamilton Kirikiriroa over the next decade.

- A city that's easy to live in | Ahuahungia teetahi taaone e tau ai te noho ki roto
- A city where our people thrive | Ahuahungia teetahi taaone e puaawai ai ngaa taangata katoa
- A central city where people love to be | Ahuahungia te pokapuu o teetahi taaone e arohaina ai e te taangata
- A fun city with lots to do | Ahuahungia teetahi taaone ngahau e tini ai ngaa kaupapa papai hei whai
- A green city | Ahuahungia teetahi taaone tiaki taiao

These five priorities will guide our 2024-34 Long-Term Plan. All the activities we carry out contribute to the achievement of our community outcomes. If we achieve all the expectations that we have set for our service delivery, we will be making progress on achieving all five priorities.

¹ These priorities are our Community Outcomes as defined under the Local Government Act 2002

Our Community Outcome measures

Aa maatou inenga putanga haponi

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

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|--|--|--|--|--|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our city is easy to live in, explore, and connect. | Percentage of residents who think Hamilton is a great place to live. | 75% | At least 75% | At least 75% | At least 75% | At least 75% |
| | Percentage of residents who are proud of how Hamilton looks and feels. | 34% | At least 40% | At least 40% | At least 40% | At least 40% |
| We will make decisions that improve the wellbeing of Hamiltonians. | The percentage of residents who believe we make decisions that are in the best interest of the city. | 30% | At least 30% | At least 30% | At least 30% | At least 30% |
| We'll reduce the carbon footprint of the city and build a city that is resilient to the effects of climate change. | Reduction in greenhouse emissions footprint for Hamilton City Council. | Decrease of 0.04 tonnes per head of population (0.053 tonnes per head of population) | Decrease in greenhouse emissions per head of population from previous year | Decrease in greenhouse emissions per head of population from previous year | Decrease in greenhouse emissions per head of population from previous year | Decrease in greenhouse emissions per head of population from previous year |

Guide to this section

Te aratohu ki teenei waahanga

This is a guide to reading and understanding the following section, which sets out the guiding priorities for our city and the activities undertaken by Council. It details what the community can expect from us and the ways in which we intend to measure the performance of our service delivery. It also includes the prospective financial statements for each activity.

The four wellbeings

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

Community outcomes

From these four wellbeings we have identified five community outcomes for our city. These community outcomes (also referred to as the 'Five Priorities') are our vision for Hamilton, 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 throughout this section.



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 are contributing. How each group of activities contributes to its respective Priority is explained in this section.

Service performance

Each group of activities sits within a performance management framework which sets out the levels of service we intend to deliver to our community. Performance measures and targets are used to measure key aspects of services delivered against the intended level of service for each group of activities. This is a means of keeping Council accountable to the community for the performance of its service delivery. There are 74 performance measures contained in the 2024-34 Long-Term Plan.

A long-term plan must:

- describe the community outcomes of Council. We call these our 'Five Priorities'.
- identify the activities within the group of activities, and the rationale for delivery of the group of activities.

Significant negative effects

For each group of activities, we are required to present any significant negative effects that any activity may have on the social, economic, environmental, or cultural well-being of the community (if any).

Capital projects and prospective funding impact statements

The funding impact statements detail the source of operational and capital funding Council will use for each activity and how these funds will be applied. The capital projects list details what Council has agreed to deliver over the next 10 years.

We want to actively create opportunities for our people to thrive in their education, careers, and day-to-day 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 location and range of amenities, and the diverse business opportunities on offer, provide an attractive lifestyle which means that more and more people want to be here.

Hamilton Kirikiriroa is a youthful city, with many young people coming here (or even returning home) to find good jobs, buy homes, raise families, and become part of our community. More than 160 ethnic groups now make up our city. This creates a valuable diversity in our city's identity, which brings opportunities and benefits for all Hamiltonians.

Our city is experiencing rapid population growth, and so it is important that we take a careful and considered approach to managing our urban growth, to make sure we grow well and deliver communities that improve the wellbeing of Hamiltonians.

We want to embrace the opportunities that growth brings, by investing in the right places at the right time. So, as the face of

our city changes, it is important that we continue to empower and enable our diverse communities to share their voice and help shape our city.

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

- o Governance
- o Partnerships Communication & Maaori
 - o Amorangi Maaori
 - o Communication and Engagement
 - o Community Partnerships and Funding
- o Growth
 - o City Planning
 - o Planning Guidance
- o Regulatory and Safety
 - o Animal Education and Control
 - o Public Safety
 - o Building Control
 - o Civil Defence and Emergency
 - o Environmental Health and Alcohol Licensing

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|-----------------------------------|---|-------------------------|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We meet our statutory obligations | The percentage of official information requests responded to within legislative timeframes. | New measure | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. |

A long-term plan must (for each group of activities) include a statement of the intended levels of service provision that specifies:

- performance measures; and
- targets for those measures

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|------------------|---|--|---|
| Building Control | Social, cultural, economic, environmental | Building Consent approvals and decisions, and the application of the Building Act, can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well. | <p>The core function of Building Control is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Building Act and that consents require mitigation conditions of consent as appropriate.</p> <p>We ensure that staff are adequately trained/ qualified and have access to all relevant information necessary to make robust decisions that align with legislative requirements in order to mitigate any negative effects.</p> |

A long-term plan must outline any significant negative effects that any activity might have on the social, economic, environmental, or cultural well-being of the community.

Capital projects

| R - Renewals | | | | | | | | | | LOS - Levels of service | | R: LOS G: |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------------|--|---------------------|
| Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | | | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | | | |
| Business Services | | | | | | | | | | | | |
| CE24001 - Fleet vehicles renewals | R | 3,913 | 3,338 | 3,573 | 7,101 | 4,546 | 4,952 | 5,459 | 6,338 | 3,675 | | |
| CE24002 - Corporate building renewals | R | 5,710 | 4,984 | 4,015 | 1,701 | 1,571 | 1,673 | 3,223 | 3,456 | 2,115 | | |
| CE24006 - Information Services renewals | R | 2,408 | 5,255 | 5,445 | 5,688 | 5,548 | 5,706 | 5,923 | 6,124 | 6,332 | | |
| CE24007 - Information Services upgrades | LOS | 1,600 | 3,562 | 2,741 | 3,584 | 3,237 | 3,621 | 4,156 | 3,271 | 3,382 | | |
| Support Services total | | | | | | | | | | | | |
| | 13,631 | 17,138 | 15,774 | 18,074 | 14,901 | 15,952 | 18,760 | 19,188 | 15,504 | 17,860 | | |

A long-term plan must include a statement of the amount of capital expenditure Council has budgeted for each activity. Capital expenditure is identified as one of the following:

- R: Replacement of existing assets
- LOS: Improvement of level of service (LOS)
- G: Meet additional demand for an activity (growth)

Prospective Partnerships, Communication and Maaori funding impact statement

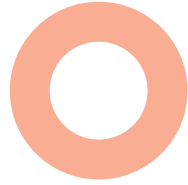
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 4,435 | 10,812 | 10,799 | 10,926 | 10,881 | 10,954 | 10,984 | 11,090 | 11,093 | 11,221 | 11,401 |
| Targeted Rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 2,375 | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 32 | 38 | 39 | 41 | 42 | 44 | 105 | 171 | 240 | 248 | 256 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 6,841 | 10,850 | 10,838 | 10,967 | 10,923 | 10,998 | 11,089 | 11,261 | 11,333 | 11,469 | 11,657 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 8,015 | 9,090 | 9,494 | 9,854 | 10,091 | 10,381 | 10,706 | 11,040 | 11,367 | 11,699 | 12,030 |
| Finance Costs | 1 | 47 | 44 | 44 | 44 | 46 | 47 | 49 | 51 | 52 | 54 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 8,016 | 9,137 | 9,538 | 9,898 | 10,136 | 10,427 | 10,753 | 11,089 | 11,414 | 11,745 | 12,096 |
| Surplus/(Deficit) of Operating Funding (A - B) | (1,175) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 50 | - | - | - | - | - | - | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 50 | - | - | - | - | - | - | - | - | - | - |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | 50 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in reserves | (1,175) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Capital Funding (D) | (1,125) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Surplus/(Deficit) of Capital Funding (C - D) | 1,175 | (1,713) | (1,300) | (1,068) | (788) | (571) | (336) | (172) | 81 | 275 | 439 |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

A long-term plan must include a funding impact statement for each group of activities that identifies:

- the sources of funding
- the amount of funds from each source; and
- how the funds are to be applied



Shaping a city
that's easy to
live in



Shaping a city
where our
people thrive



Shaping a central
city where people
love to be



Shaping a fun
city with lots
to do



Shaping a
green city

A city that's easy to live in

| Activity Group | Activities | Page number |
|--------------------|---------------------------------|-------------|
| Community Services | Aquatic Facilities | 38 |
| | Libraries | 38 |
| | Customer Services | 38 |
| Transport | Transport Network | 42 |
| | Parking Management | 42 |
| Support Services | Business Services | 48 |
| | Chief Executive | 48 |
| | People, Performance and Culture | 48 |
| | Strategy, Growth and Planning | 48 |

A city where people thrive

| Activity Group | Activities | Page number |
|--|--|-------------|
| Governance | Governance | 54 |
| Partnerships, Communication and Maaori | Amorangi Maaori | 57 |
| | Communication and Engagement | 57 |
| | Community Partnerships Funding and Events | 58 |
| Growth | City Planning | 61 |
| | Planning Guidance | 61 |
| Regulatory and Safety | Animal Education | 66 |
| | Public Safety | 66 |
| | Building Control | 66 |
| | Civil Defence and Emergency | 66 |
| | Environmental Health and Alcohol Licensing | 67 |

A central city where people love to be

| Activity Group | Activities | Page number |
|--|------------|-------------|
| No activities are associated with this priority. | | 70 |

A fun city with lots to do

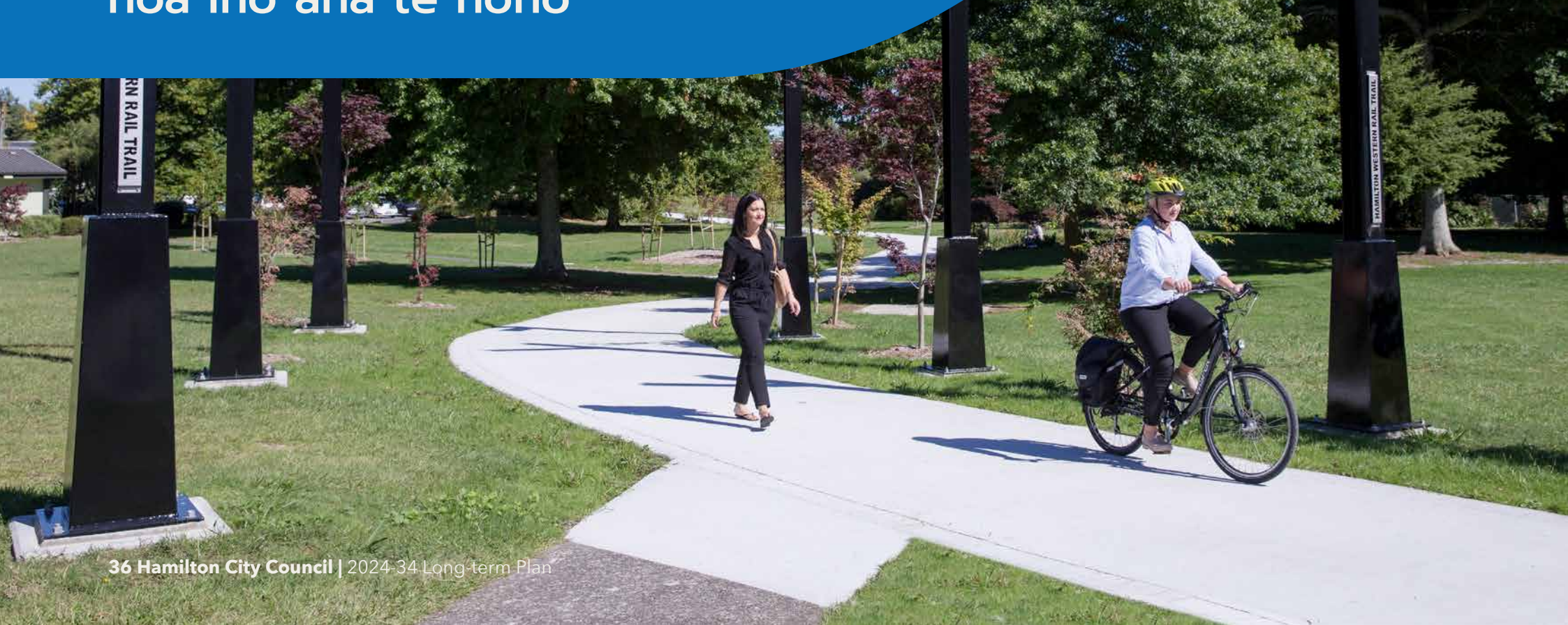
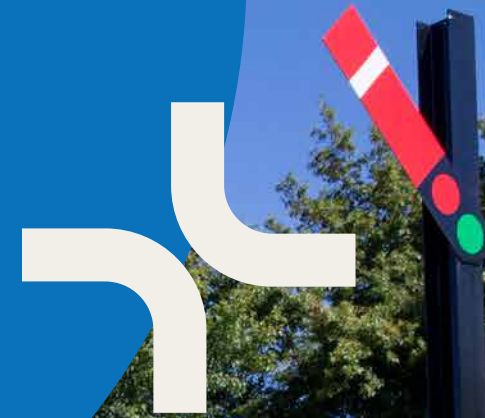
| Activity Group | Activities | Page number |
|----------------------------|--|-------------|
| Venues, Tourism and Events | Claudlands, FMG Stadium Waikato and Seddon Park | 76 |
| | Theatres, Tourism and Events Funding | 76 |
| | Hamilton Gardens | 77 |
| | Te Kaaroro Nature Precinct (Hamilton Zoo and Waiwhakareke Natural Heritage Park) | 77 |
| | Waikato Museum | 77 |
| Parks and Recreation | Parks (including community parks, natural areas, sports parks, streetscapes and playgrounds) | 82 |
| | Indoor Recreation | 83 |
| | Cemeteries and Crematorium | 83 |
| | Community Facilities | 83 |

| A green city | | |
|-----------------------|---|-------------|
| Activity Group | Activities | Page number |
| Water Supply | Water treatment and storage, water distribution | 90 |
| Wastewater | Wastewater collection, wastewater treatment and disposal | 97 |
| Stormwater | Stormwater network (includes collection, conveyance, treatment, and discharge services) | 102 |
| Rubbish and Recycling | Refuse collection (refuse and recycling), Landfill site management, Waste minimisation | 107 |

Priority one

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.

Hamilton Kirikiriroa is small enough to enjoy a strong sense of community, but big enough to be an interesting, vibrant city. As we continue to grow, we want to prioritise building a connected and safe city with quality roading, walkways, and cycleways that allow us to move around our city quickly and easily, by whatever travel mode is preferred.

We want our residents to be able to safely and easily access all the things that they need for ease of living, including places of work or education, essential services, public facilities, and spaces for recreation. That means that those who wish to, can live locally and still have access to the amenities our city has to offer. These connections between our homes and our communities are particularly important as our city grows.

This means providing a transport network that is efficient, reliable, and responsive, which effectively connects our communities. It is a priority to provide transport options that support a range of travel modes and make our city safe to explore, while remaining accessible. Working with Waikato Regional Council on improved bus services is a key component of this.

People in our city want to live in lively, safe communities with shared identities and public facilities such as our libraries and aquatic facilities. Having local community amenities also contributes to making our city easy to live in. Our aquatic facilities and network of libraries provide community hubs and point of connection for our people through leisure activities.

We want to make sure we are creating a city that our people can easily live in, enjoy, and explore.

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

- o **Community Services**
 - o Aquatic Facilities
 - o Libraries
 - o Customer Services
- o **Transport**
 - o Transport Network
 - o Parking Management
- o **Support Services**
 - o Business Services
 - o Chief Executive
 - o People, Performance and Culture
 - o Strategy, Growth and Planning

Community Services

Our city's libraries and aquatic facilities provide engaging community and leisure destinations for people to visit and enjoy. These facilities and services promote the social and cultural wellbeing of Hamiltonians and are inclusive, and accessible to all.

We want our customers and community to have ease of access to a point of contact, or the information they need through our dedicated customer services. This helps to ensure that Hamilton Kirikiriroa continues to be a city that's easy to live in.

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 partner with local educational institutions, which open their pools to the public during the summer to make aquatic facilities more accessible to all.

Libraries

Hamilton City Libraries provide our communities with access to information and knowledge. They offer welcoming spaces for all through a network of seven libraries and online offerings. Our libraries are continuously evolving and adapting to meet the changing needs of communities by finding innovative ways to support and encourage lifelong learning and inspire creativity. They strengthen our communities by providing dynamic community hubs where people come to connect, create, share, and learn in a social space.

Customer Services

Our Customer Services teams are the first point of contact for our community and ensure that people are able to connect with Council and its many services, whether in person in our service centre or over the phone through our 24/7 contact centre.

Our Customer Services oversee the management of queries, complaints, or compliments about any of Council's services, as well as compiling and delivering Replace with: Land Information Memorandum (LIM) reports and Property File information.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|--|-------------------------|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our libraries are well used. | The number of physical issues by Hamilton City Libraries each year. | 1,029,341 | Increase on previous year | Increase on previous year | Increase on previous year | Increase on previous year |
| | The number of online issues by Hamilton City Libraries each year. | 157,360 | Increase on previous year | Increase on previous year | Increase on previous year | Increase on previous year |
| | The number of physical visits to Hamilton City Libraries each year. | 548,296 | At least 750,000 visitors | Increase on previous year | Increase on previous year | Increase on previous year |
| | The number of online visits to Hamilton City Libraries each year. | 776,130 | At least 800,000 visits | Increase on previous year | Increase on previous year | Increase on previous year |
| | The percentage of Hamilton residents who are active library members | New measure | At least 21% | Increase on previous year | Increase on previous year | Increase on previous year |
| Our libraries provide quality customer experiences. | The percentage of library customers surveyed who are satisfied with their overall experience. | 93% | At least 90% | At least 90% | At least 90% | At least 90% |
| Our aquatic facilities are well used. | The number of visits to Council owned aquatic facilities and partner pools each year. | 376,587 | Maintain or increase on previous year | Maintain or increase on previous year | Maintain or increase on previous year | Maintain or increase on previous year |
| Our aquatic facilities provide quality customer experiences. | The percentage of aquatic facilities customers surveyed who are satisfied with their overall experience. | 79% | At least 85% | At least 85% | At least 85% | At least 85% |
| We provide programmes that support safer water use. | The number of enrolments in aqua education and learn to swim programmes. | New measure | 82,000 | 5% increase on previous year | 5% increase on previous year | 5% increase on previous year |
| | The number of partnership programmes delivered each year. | New measure | At least ten programmes delivered per annum | At least ten programmes delivered per annum | At least ten programmes delivered per annum | At least ten programmes delivered per annum |

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|----------------------------------|----------------------------|---|--|
| Aquatic Facilities | Social, cultural, economic | These community facilities aren't available equitably city-wide. | Council-owned aquatic facilities provide both a centrally located regional facility at Waterworld, and a local facility at Gallagher Aquatic Centre in the south of Hamilton. We also work in partnership with five educational institutions to provide additional swim space over the summer through the Partner Pools programme. These pools are located throughout the city to ensure they are accessible to all. |
| Aquatic Facilities and Libraries | Economic, environmental | The management of these facilities and delivery of services could have a negative impact on the environment as a result of waste production and water and energy use. | We ensure that our operations are managed effectively, and waste is minimised or recycled, and water and energy are conserved. |

Capital projects

| | | R - Renewals | | | | | LOS - Levels of service | | | G - Growth | |
|--|-----|--------------|--------------|--------------|--------------|---------------|-------------------------|---------------|---------------|--------------|--------------|
| Type | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Aquatic Facilities | | | | | | | | | | | |
| CE10001 - Aquatic Facilities building renewals | R | 417 | 4,496 | 275 | 1,748 | 9,102 | 321 | 331 | 6,673 | 2,373 | 366 |
| CE21005 - Aquatic Facilities renewals | R | 3,455 | 1,206 | 224 | 738 | 1,576 | 3,214 | 1,497 | 1,602 | 435 | 1,332 |
| | | 3,872 | 5,701 | 499 | 2,485 | 10,677 | 3,535 | 1,827 | 8,276 | 2,807 | 1,698 |
| Libraries | | | | | | | | | | | |
| CE10005 - Libraries collection purchases | R | 1,576 | 1,459 | 1,797 | 2,131 | 1,741 | 2,096 | 2,159 | 2,277 | 2,712 | 2,390 |
| CE10006 - Library operational renewals | R | 384 | 219 | 280 | 282 | 583 | 1,094 | 1,144 | 284 | 465 | 521 |
| CE10007 - Library building renewals | R | 1,491 | 559 | 3,218 | 3,972 | 104 | 697 | 64 | 68 | 80 | 71 |
| CE21044 - Libraries development | LOS | - | - | - | - | - | 2,486 | 12,904 | - | - | - |
| | | 3,451 | 2,237 | 5,296 | 6,386 | 2,428 | 6,373 | 16,271 | 2,629 | 3,258 | 2,982 |
| Community Services total | | 7,323 | 7,939 | 5,794 | 8,871 | 13,106 | 9,908 | 18,098 | 10,904 | 6,065 | 4,680 |

Prospective Community Services funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 18,580 | 27,352 | 28,519 | 29,871 | 31,750 | 33,829 | 36,906 | 36,768 | 38,783 | 39,652 | 40,780 |
| Targeted Rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fees and charges | 4,730 | 5,243 | 5,629 | 6,044 | 6,492 | 7,065 | 7,525 | 7,976 | 8,218 | 8,585 | 8,971 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 375 | 439 | 447 | 456 | 461 | 466 | 477 | 486 | 491 | 500 | 508 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 23,687 | 33,035 | 34,597 | 36,373 | 38,705 | 41,361 | 44,910 | 45,232 | 47,494 | 48,739 | 50,261 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 17,420 | 20,864 | 21,356 | 22,186 | 22,972 | 23,638 | 25,960 | 25,350 | 26,628 | 27,484 | 28,081 |
| Finance Costs | 1,108 | 2,152 | 2,229 | 2,322 | 2,358 | 2,541 | 2,668 | 2,897 | 3,116 | 3,053 | 2,830 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 18,527 | 23,016 | 23,584 | 24,508 | 25,331 | 26,179 | 28,627 | 28,246 | 29,744 | 30,537 | 30,911 |
| Surplus/(Deficit) of Operating Funding (A - B) | 5,160 | 10,019 | 11,013 | 11,865 | 13,374 | 15,183 | 16,283 | 16,986 | 17,750 | 18,202 | 19,350 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 11,714 | 5,008 | 3,892 | 353 | 1,049 | 3,430 | (1,353) | 6,548 | (1,111) | (4,935) | (7,521) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 11,714 | 5,008 | 3,892 | 353 | 1,049 | 3,430 | (1,353) | 6,548 | (1,111) | (4,935) | (7,521) |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 4,558 | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | 181 | - | - | - | - | - | 2,486 | 12,904 | - | - | - |
| - to replace existing assets | 7,435 | 7,323 | 7,939 | 5,794 | 8,871 | 13,106 | 7,421 | 5,194 | 10,904 | 6,065 | 4,680 |
| Increase (decrease) in reserves | 4,646 | 7,517 | 6,826 | 6,216 | 5,413 | 5,410 | 4,849 | 5,272 | 5,642 | 7,046 | 6,925 |
| Increase (decrease) of investments | 54 | 187 | 141 | 208 | 139 | 98 | 173 | 164 | 92 | 156 | 224 |
| Total Applications of Capital Funding (D) | 16,874 | 15,027 | 14,905 | 12,218 | 14,423 | 18,613 | 14,930 | 23,534 | 16,639 | 13,267 | 11,829 |
| Surplus/(Deficit) of Capital Funding (C - D) | (5,160) | (10,019) | (11,013) | (11,865) | (13,374) | (15,183) | (16,283) | (16,986) | (17,750) | (18,202) | (19,350) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Transport

We want 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. It is essential we meet our legislative obligations relating to the way we manage the road corridor and transport network within our boundaries.

Transport Network

Our transport network integrates different modes of transport including freight, rail, private vehicles, buses, biking, micro-mobility (scooting and skating) and walking.

We manage and operate the city's transport network, and work to manage demand on the system. We ensure the maintenance and renewal of existing transport infrastructure, as well as planning for and investing in new transport infrastructure. We also work with the community and stakeholders to raise awareness of travel options and influence travel behaviour (for mode choice and safety).

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

Planning for future development, growth, trends in network use, and asset management needs is also a significant focus. 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 an important focus and we have set a target of zero deaths (by 2028) on the transport network which is monitored quarterly throughout the year.

We propose to work closely with central government and New Zealand Transport Agency Waka Kotahi as they review their approach to funding road safety through the Government Policy Statement on land transport for 2024-34.

Parking Management

We are responsible for the management and supply of on-street and Council-controlled off-street parking in Hamilton Kirikiriroa, in line with the guiding principles in the Hamilton Parking Policy. We have a focus on encouraging efficient use of parking resources and managing demand through compliance and enforcement activities.

We approach this in a way that supports better transport outcomes (beyond parking) for our city, which includes improving urban form designs (our street landscape) to create more options for different modes of travel.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|---|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| As our city grows you can expect travel times for all vehicles to be predictable. | Travel times are predictable during peak hours. | 14% | A variation of no more than 25% | A variation of no more than 25% | A variation of no more than 25% | A variation of no more than 25% |
| You can expect the transport network to be safe to use. | The change from the previous financial year in the number of fatal and serious injury crashes on the local road network. ⁺ | Decrease of 12 (39) fatal or serious injury crashes than 2021/22* (3 fatal, 36 serious injury) | Decrease from previous financial year | Decrease from previous financial year | Decrease from previous financial year | Decrease from previous financial year |
| You can expect the transport network to be kept in good operating condition. | The average quality of ride on Hamilton's sealed local road network, measured by smooth travel exposure. ⁺ | 83% | At least 80% | At least 80% | At least 80% | At least 80% |
| | The percentage of the sealed road local network that is resurfaced each financial year. ⁺ | 3.60% | At least 3.5% | At least 3.5% | At least 3.5% | At least 3.5% |
| | The percentage of qualifying footpaths within Hamilton that meet the level of service standard of less than 5 faults per 100m section. ⁺ | 97% | At least 84% | At least 82% | At least 80% | At least 80% |
| You can expect customer service requests to be responded to promptly. | The percentage of customer service requests relating to roads and footpaths that are responded to within five working days. ⁺ | 98.78% | At least 96% | At least 96% | At least 96% | At least 96% |

⁺ Measure required by the Department of Internal Affairs

^{*} Data as at 6 July 2023

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|-----------|---|--|---|
| Transport | Social, environmental | Roads can limit access between sections of the community. They can be difficult to cross particularly for pedestrians, cyclists, micro-mobility users and those with disabilities. | We ensure that all network users are considered in the planning and design of new infrastructure and retrofit of existing infrastructure to increase connectivity, safety and reduce the likelihood of a severe crash. These include provisions that assist pedestrians, cyclists and micro-mobility users such as refuge islands, traffic signals, speed limits and underpasses or over bridges. Affected communities are consulted while obtaining resource consents for significant roading projects. |
| Transport | Social, economic, environmental | Air pollution and carbon emissions caused by vehicles and traffic. | <p>We provide necessary infrastructure to enable the community to have a choice of alternative modes of transport such as walking, cycling, micro-mobility and public transportation to assist in mitigating air pollution.</p> <p>We actively promote sustainable / alternative travel options through our Workplace Travel Plans and Biking, Micro-Mobility Programme and Active transport initiatives.</p> |
| Transport | Social, economic, environmental | Funding shortfalls will limit our ability to deliver the capital programme and renewals and maintenance required to maintain a safe roading network. | <p>We plan for renewals and maintenance to ensure that adequate funding is secured to provide for our work programmes. This is important to avoid premature deterioration of our roading network (which could otherwise result in significant investment to restore the level of service).</p> <p>Funding for transport investment comes from a mix of rates, NZ Transport Agency Financial Assistance (subsidy), and the private sector where there are PDAs in place for new development in the case of new capital projects which are responding to growth. We are always subject to the risk of NZ Transport Agency investment levels, which are only known after confirmation of the Long-Term Plan.</p> |
| Transport | Social, cultural, economic, environmental | Network maintenance and the construction of new roads can cause delays to travel times, traffic congestion, affect public transportation, limit access to properties and businesses and potentially disturb residents during earthworks. | <p>We ensure we adhere national guidelines to ensure traffic management practices are undertaken so that the impacts of these effects are effectively managed and minimised.</p> <p>We ensure that affected properties and businesses are appropriately advised to minimise accessibility issues due to roadworks.</p> |

| Activity | Wellbeing | Effect | Mitigation |
|-----------|---------------------------------|--|---|
| Transport | Social, economic, environmental | Network maintenance and the construction of new roads can have negative environmental effects such as noise pollution, air pollution and water run-off that may carry contaminants into the stormwater system. These can also adversely affect neighbouring properties and businesses. | Council is required to abide by the Resource Management Act when undertaking capital and maintenance work, which requires mitigation of adverse effects. |
| Transport | Cultural, environmental | Network maintenance and the construction of new roads have the potential to adversely impact natural, cultural and historical heritage sites. | <p>Projects are thoroughly investigated to identify any possible natural, cultural or historical significance prior to commencement.</p> <p>We ensure that Taangata Whenua and other affected parties are consulted before any works are undertaken. We also proactively manage and limit the disturbance of significant features while works are underway.</p> |
| Transport | Social, economic, environmental | The timing of the delivery of the development of the transport network has the potential to limit the city's growth opportunities. | <p>One of Council's primary roles is to plan, deliver and maintain the infrastructure needed for our growing city. Robust long-term planning allows for sustainable growth and the provision of growth-related infrastructure to meet our city's needs.</p> <p>This includes ensuring that 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> <p>Our Infrastructure Strategy outlines investments that are anticipated to be required beyond the lifespan of this Long-Term Plan.</p> |

Capital projects

R - Renewals LOS - Levels of service G - Growth

| Type | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Transport Network | | | | | | | | | | | |
| CE10072 - Footpath and street furniture renewals | R | 7,713 | 7,119 | 8,816 | 10,484 | 8,427 | 10,216 | 7,534 | 7,980 | 9,577 | 8,047 |
| CE10074 - Drainage (kerb and channel) renewals | R | 1,031 | 955 | 1,258 | 1,392 | 1,137 | 1,478 | 1,991 | 2,100 | 2,572 | 2,799 |
| CE10075 - Road base renewals | R | 9,655 | 13,884 | 19,499 | 15,306 | 12,504 | 19,530 | 29,316 | 30,917 | 36,825 | 37,630 |
| CE10076 - Road resurfacing | R | 5,863 | 7,260 | 8,942 | 9,747 | 10,884 | 13,104 | 13,440 | 15,892 | 18,930 | 16,677 |
| CE10077 - Bridge and structures renewals | R | 215 | 199 | 245 | 291 | 238 | 286 | 295 | 311 | 370 | 373 |
| CE10078 - Retaining wall and structures renewals | R | 158 | 373 | 459 | 67 | 158 | 1,115 | 1,149 | 1,347 | 1,434 | 1,264 |
| CE10080 - Street lighting renewals | R | 2,362 | 2,498 | 3,356 | 2,572 | 2,016 | 2,491 | 2,688 | 3,801 | 4,544 | 4,061 |
| CE10081 - Traffic equipment renewals | R | 795 | 734 | 928 | 1,055 | 878 | 1,123 | 1,965 | 2,097 | 2,352 | 1,894 |
| CE15087 - Transportation upgrades to allow for development | G | 1,189 | 1,237 | 4,029 | 1,780 | 648 | 3,271 | 1,936 | 2,001 | 2,140 | 384 |
| CE15088 - Peacocke transport upgrades and development stage 1 | G | 49,553 | 20,370 | 1,034 | 1,942 | 123 | 128 | 338 | 1,256 | 153 | - |
| CE15089 - Peacocke transport upgrades and development stage 2 | G | 16,440 | 19,031 | 1,502 | 1,978 | 3,363 | 2,898 | 8,966 | 3,932 | 36,375 | 14,857 |
| CE15090 - Rotokauri transport upgrades and development | G | 3,152 | 2,663 | 2,532 | 4,027 | - | 10,712 | 143 | 6,611 | 13,112 | 13,440 |
| CE15092 - Rototuna transport upgrades and development | G | 5,103 | 66 | 4,923 | - | - | 2,922 | 2,887 | 5,695 | 9,969 | 10,835 |
| CE15093 - Ruakura transport upgrades and development | G | 2,100 | - | - | 1,588 | 29,881 | 3,219 | 29,718 | 30,728 | 93 | - |
| CE15097 - Northern city crossing | G | - | - | - | - | - | 3,585 | 2,481 | - | - | - |
| CE19037 - Hamilton transport model | G | 806 | 367 | - | - | 74 | - | 794 | - | - | - |
| CE19057 - Biking Plan implementation | G | 17,850 | 21,840 | 9,521 | 7,073 | 7,356 | 7,650 | 7,941 | 8,211 | 8,490 | 8,779 |
| CE19058 - Public transport mode shift | G | 4,400 | 4,520 | 4,631 | 4,763 | 4,934 | 5,230 | 5,327 | 5,529 | 5,715 | 5,891 |
| CE21012 - Transport building renewals | R | 37 | 1,103 | 1,296 | 4,510 | 862 | 202 | 1,720 | 54 | 64 | 57 |
| CE21053 - Central city transportation improvements | LOS | 945 | - | 1,700 | - | - | 956 | 993 | 1,026 | 1,061 | 1,097 |
| CE21055 - Te Rapa transportation upgrades and development | G | 314 | - | 4,567 | 6,554 | 11,109 | 181 | - | - | - | - |
| CE21058 - Transportation safety improvements | LOS | 14,825 | 10,298 | 7,368 | 7,662 | 7,969 | 8,288 | 8,603 | 8,895 | 9,198 | 9,510 |
| CE21060 - Public transport improvement | LOS | 788 | 819 | 850 | 884 | 919 | 956 | 993 | 1,026 | 1,061 | 1,097 |
| CE23005 - Infrastructure Acceleration Fund | G | 607 | 607 | 632 | - | - | - | - | - | - | - |
| Transport total | | 145,902 | 115,941 | 88,087 | 83,674 | 103,478 | 99,542 | 131,216 | 139,410 | 164,034 | 138,694 |

Prospective Transport funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 54,334 | 59,101 | 77,046 | 97,948 | 125,477 | 145,799 | 168,864 | 176,304 | 184,644 | 203,457 | 218,326 |
| Targeted Rates | 150 | 145 | 145 | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 8,718 | 9,169 | 9,336 | 10,023 | 10,120 | 10,588 | 10,752 | 11,823 | 11,633 | 12,040 | 12,187 |
| Fees and charges | 5,482 | 6,153 | 7,031 | 8,176 | 9,142 | 9,498 | 9,932 | 10,188 | 10,522 | 10,842 | 11,157 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 5,565 | 8,685 | 9,210 | 8,905 | 9,297 | 9,439 | 9,638 | 9,877 | 9,997 | 10,230 | 10,387 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 74,250 | 83,252 | 102,768 | 125,052 | 154,036 | 175,324 | 199,185 | 208,192 | 216,796 | 236,569 | 252,058 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 33,623 | 45,526 | 47,949 | 50,691 | 54,713 | 57,896 | 60,088 | 63,690 | 66,823 | 69,854 | 72,118 |
| Finance Costs | 9,630 | 22,568 | 23,091 | 22,720 | 21,288 | 20,150 | 18,133 | 16,005 | 13,849 | 12,911 | 12,162 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 43,253 | 68,094 | 71,040 | 73,410 | 76,001 | 78,047 | 78,221 | 79,695 | 80,672 | 82,765 | 84,280 |
| Surplus/(Deficit) of Operating Funding (A - B) | 30,997 | 15,158 | 31,728 | 51,642 | 78,035 | 97,278 | 120,964 | 128,497 | 136,124 | 153,804 | 167,777 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 70,840 | 47,319 | 52,411 | 31,936 | 28,055 | 44,048 | 35,833 | 54,218 | 55,801 | 41,426 | 46,355 |
| Development and financial contributions | 12,608 | 5,865 | 8,243 | 10,906 | 14,556 | 15,993 | 15,432 | 16,037 | 15,204 | 15,806 | 14,768 |
| Increase (decrease) in debt | 20,167 | 62,592 | 18,105 | (38,052) | (34,705) | (51,699) | (65,217) | (59,143) | (68,579) | (56,865) | (91,267) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 103,615 | 115,776 | 78,758 | 4,790 | 7,907 | 8,342 | (13,951) | 11,111 | 2,426 | 367 | (30,144) |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 33,642 | 89,572 | 70,700 | 3,370 | 29,704 | 57,487 | 39,795 | 60,532 | 63,965 | 76,047 | 54,186 |
| - to improve the level of service | 57,336 | 18,500 | 11,117 | 9,918 | 8,546 | 8,889 | 10,200 | 10,588 | 10,948 | 11,320 | 11,705 |
| - to replace existing assets | 22,380 | 27,829 | 34,125 | 44,799 | 45,421 | 37,103 | 49,544 | 60,098 | 64,499 | 76,667 | 72,802 |
| Increase (decrease) in reserves | 21,015 | (5,795) | (6,077) | (2,571) | 1,658 | 1,710 | 6,712 | 7,669 | (1,269) | (10,552) | (2,049) |
| Increase (decrease) of investments | 237 | 827 | 621 | 916 | 613 | 431 | 762 | 721 | 408 | 689 | 990 |
| Total Applications of Capital Funding (D) | 134,612 | 130,934 | 110,486 | 56,432 | 85,942 | 105,620 | 107,013 | 139,609 | 138,551 | 154,171 | 137,633 |
| Surplus/(Deficit) of Capital Funding (C - D) | (30,997) | (15,158) | (31,728) | (51,642) | (78,035) | (97,278) | (120,964) | (128,497) | (136,124) | (153,804) | (167,777) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Support Services

- o **Business Services**
- o **Chief Executive**
- o **People, Performance and Culture**
- o **Strategy, Growth and Planning**

Support Services are the internal-facing functions of the organisation that underpin the delivery of the many different aspects of Council's services.

These include everyday activities such as Business Services, (finance, information services and risk and legal functions), and People, Performance & Culture, which includes safety & wellness.

The Chief Executive's main function is to implement the decisions of Council, provide advice to elected members, and ensure effective and efficient management of all activities of Council, including the employment of staff.

Strategy, Growth and Planning enables the delivery of activities that contribute to the wellbeing of our city. This includes owning Council's strategic framework and advocating for our city, embedding climate change and sustainability in everything we do, the preparation of our long-term and annual plans, and infrastructure strategy. These identify our community outcomes and long-term goals for our city and ensure we're following the laws and requirements for local government.

We work collaboratively with central government and other councils to make sure we secure the best outcomes that benefit our city. Our focus is to identify links across projects that give rise to opportunities for alignment. Our work covers many forums and projects and delivers boundaryless thinking to positively influence the long-term direction of the city and its surrounding areas.

To meet the demand of high growth on our city, Council also looks for opportunities to secure new and innovative funding options to pay for the infrastructure needed to support this growth. Some of this infrastructure is funded through the Council's Development Contributions Policy which collects revenue to fund growth infrastructure.

This activity also oversees the acquisition, management and disposal of property assets that support the city's strategic plans. This includes administering the Municipal and Domain Endowment Funds which helps to fund development opportunities that attract business to Hamilton Kirikiriroa. This helps to grow our city's economy while enhancing the cultural identity of the city.

How will you know we're delivering?

There are no performance measures associated with this group of activities.

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

| | Type | | | | | | R - Renewals | | LOS - Levels of service | | G - Growth |
|---|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------|---------------|---------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Business Services | | | | | | | | | | | |
| CE24001 - Fleet vehicles renewals | R | 3,913 | 3,338 | 3,573 | 7,101 | 4,546 | 4,952 | 5,459 | 6,338 | 3,675 | 6,029 |
| CE24002 - Corporate building renewals | R | 5,710 | 4,984 | 4,015 | 1,701 | 1,571 | 1,673 | 3,223 | 3,456 | 2,115 | 1,787 |
| CE24006 - Information Services renewals | R | 2,408 | 5,255 | 5,445 | 5,688 | 5,548 | 5,706 | 5,923 | 6,124 | 6,332 | 6,547 |
| CE24007 - Information Services upgrades | LOS | 1,600 | 3,562 | 2,741 | 3,584 | 3,237 | 3,621 | 4,156 | 3,271 | 3,382 | 3,497 |
| Support Services total | | 13,631 | 17,138 | 15,774 | 18,074 | 14,901 | 15,952 | 18,760 | 19,188 | 15,504 | 17,860 |

Prospective Support Services funding impact statement

| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | | 310 | (230) | (262) | (297) | (334) | (373) | (405) | (425) | (446) | (467) | (490) |
| Targeted Rates | | 11 | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | | 3,329 | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | | 325 | 331 | 74 | 76 | 79 | 82 | 85 | 88 | 91 | 94 | 97 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | 226 | 348 | 352 | 357 | 359 | 361 | 367 | 371 | 374 | 378 | 382 |
| Internal charges and overheads recovered | | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | | 4,202 | 449 | 163 | 136 | 104 | 70 | 47 | 34 | 19 | 5 | (11) |
| Applications of Operating Funding | | | | | | | | | | | | |
| Payments to staff and suppliers | | 49,211 | 57,743 | 57,749 | 64,057 | 67,633 | 70,923 | 73,084 | 78,612 | 79,062 | 83,632 | 88,991 |
| Finance Costs | | - | 853 | 1,373 | 1,989 | 2,590 | 3,246 | 3,835 | 4,564 | 5,359 | 6,126 | 6,946 |
| Internal charges and overheads applied | | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | | 49,211 | 58,595 | 59,122 | 66,047 | 70,223 | 74,169 | 76,918 | 83,177 | 84,421 | 89,758 | 95,937 |
| Surplus/(Deficit) of Operating Funding (A - B) | | (45,009) | (58,146) | (58,959) | (65,911) | (70,119) | (74,099) | (76,872) | (83,142) | (84,402) | (89,753) | (95,948) |
| Sources of Capital Funding | | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | | (186) | 12,421 | 15,025 | 12,932 | 13,987 | 9,847 | 10,069 | 12,727 | 12,912 | 9,758 | 11,486 |
| Gross proceeds from sale of assets | | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | | (186) | 12,421 | 15,025 | 12,932 | 13,987 | 9,847 | 10,069 | 12,727 | 12,912 | 9,758 | 11,486 |
| Application of Capital Funding | | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | | |
| - to meet additional demand | | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | | - | 1,600 | 3,562 | 2,741 | 3,584 | 3,237 | 3,621 | 4,156 | 3,271 | 3,382 | 3,497 |
| - to replace existing assets | | (172) | 12,030 | 13,577 | 13,034 | 14,490 | 11,665 | 12,330 | 14,605 | 15,918 | 12,122 | 14,363 |
| Increase (decrease) in reserves | | (45,023) | (59,356) | (61,072) | (68,754) | (74,205) | (79,153) | (82,754) | (89,176) | (90,679) | (95,499) | (102,321) |
| Increase (decrease) of investments | | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Capital Funding (D) | | (45,194) | (45,725) | (43,934) | (52,979) | (56,132) | (64,252) | (66,803) | (70,415) | (71,490) | (79,995) | (84,462) |
| Surplus/(Deficit) of Capital Funding (C - D) | | 45,009 | 58,146 | 58,959 | 65,911 | 70,119 | 74,099 | 76,872 | 83,142 | 84,402 | 89,753 | 95,948 |
| Funding Balance ((A - B) + (C - D)) | | - | - | - | - | - | - | - | - | - | - | - |

Priority two

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 education, careers, and day-to-day 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 location, range of amenities, and the diverse business opportunities on offer, provide an attractive lifestyle which means that more and more people want to be here.

Hamilton Kirikiriroa is a youthful city, with many young people coming here (or even returning home) to find good jobs, buy homes, raise families, and become part of our community. More than 160 ethnic groups are now part of the make-up of our city too. This creates a valuable diversity in our city's identity, which brings opportunities and benefits for all Hamiltonians.

Our city is experiencing rapid population growth, and so it is important that we take a careful and considered approach to managing our urban growth, to make sure we grow well and deliver communities that improve the wellbeing of Hamiltonians.

We want to embrace the opportunities that growth brings, by investing in the right places at the right time. So, as the face of

our city changes, it is important that we continue to empower and enable our diverse communities to share their voice and help shape our city.

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

- o Governance**
- o Partnerships Communication & Maaori**
 - o Amorangi Maaori
 - o Communication and Engagement
 - o Community Partnerships and Funding
- o Growth**
 - o City Planning
 - o Planning Guidance
- o Regulatory and Safety**
 - o Animal Education and Control
 - o Public Safety
 - o Building Control
 - o Civil Defence and Emergency
 - o Environmental Health and Alcohol Licensing

Governance

Governance is about providing Hamiltonians with sound leadership that makes good decisions in the best interests of our city. We want to provide open and effective city governance, with opportunities for our people to be involved in shaping our city. We are also committed to honouring our Te Tiriti O Waitangi/Treaty of Waitangi and legislative obligations.

Our governance services enable, promote and support local democracy by providing advice and democratic services to Elected Members, Maangai Maaori, Appointed Members, the wider organisation and the public.

This includes supporting public engagement with Elected Members through our democratic processes, as well as

facilitating local government elections (and by-elections), Council and committee meetings, petitions, referenda, polls and representation reviews. These services also include providing induction, training and administration support for the Elected Members.

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

We will continue to work with other areas of the organisation and partners to schools, tertiary institutions, and community groups to understand and engage in local democratic processes that shape our city.

How will you know we’re delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|-----------------------------------|---|-------------------------|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We meet our statutory obligations | The percentage of official information requests responded to within legislative timeframes. | New measure | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. | 100% of official information requests responded to within legislative timeframes. |

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

There are no capital projects associated with this activity.

Prospective Governance funding impact statement

| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-------|--------------|--------------|--------------|--------------|-------------|------------|--------------|--------------|--------------|--------------|--------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | | 3,023 | 3,348 | 3,774 | 3,352 | 3,454 | 3,975 | 3,422 | 3,652 | 4,163 | 3,751 | 3,874 |
| Targeted Rates | | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | | 13 | - | 181 | - | - | 201 | - | - | 224 | - | - |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | | 3,036 | 3,348 | 3,955 | 3,352 | 3,454 | 4,176 | 3,422 | 3,652 | 4,387 | 3,751 | 3,874 |
| Applications of Operating Funding | | | | | | | | | | | | |
| Payments to staff and suppliers | | 2,633 | 2,884 | 3,590 | 3,157 | 3,372 | 4,167 | 3,544 | 3,876 | 4,762 | 4,208 | 4,440 |
| Finance Costs | | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads applied | | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | | 2,633 | 2,884 | 3,590 | 3,157 | 3,372 | 4,167 | 3,544 | 3,876 | 4,762 | 4,208 | 4,440 |
| Surplus/(Deficit) of Operating Funding (A - B) | | 404 | 465 | 365 | 195 | 83 | 9 | (122) | (223) | (375) | (458) | (566) |
| Sources of Capital Funding | | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | | 93 | - | - | - | - | - | - | - | - | - | - |
| Gross proceeds from sale of assets | | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | | 93 | - | - | - | - | - | - | - | - | - | - |
| Application of Capital Funding | | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | | |
| - to meet additional demand | | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | | 35 | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | | 58 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in reserves | | 393 | 428 | 338 | 154 | 55 | (10) | (156) | (255) | (393) | (488) | (610) |
| Increase (decrease) of investments | | 11 | 37 | 28 | 41 | 27 | 19 | 34 | 32 | 18 | 31 | 44 |
| Total Applications of Capital Funding (D) | | 497 | 465 | 365 | 195 | 83 | 9 | (122) | (223) | (375) | (458) | (566) |
| Surplus/(Deficit) of Capital Funding (C - D) | | (404) | (465) | (365) | (195) | (83) | (9) | 122 | 223 | 375 | 458 | 566 |
| Funding Balance ((A - B) + (C - D)) | | - | - | - | - | - | - | - | - | - | - | - |

Partnerships, Communication and Maaori

Amorangi Maaori

Our specialist Amorangi Maaori function serves to deepen our connections with Iwi and Maaori and takes the lead in building the Maaori capability of everyone who works here.

Council is committed to honouring the principles of Te Tiriti o Waitangi/Treaty of Waitangi through its relationship with Kiingitanga, Waikato-Tainui, Mana Whenua and Maataawaka within Hamilton Kirikiriroa. The principles of partnership, participation, and protection underpin the relationship between Council and Maaori under Te Tiriti o Waitangi/the Treaty of Waitangi.

We seek to honour these principles in our decision-making by ensuring we are effectively engaging in partnership with Iwi, Mana Whenua and Maataawaka organisations. Our Amorangi Maaori team support this by providing Council with guidance and advice on issues related to Maaori, and support us in building stronger relationships with our Maaori partner organisations.

We want to make sure that Hamilton Kirikiriroa is a city where people from different cultures work together and respect each other's views, heritage and culture.

Communication and Engagement

It is important that it is easy for Hamiltonians to share their voice and help shape the future of their city. We want to provide our people with transparent, effective, and consistent opportunities to have their say on the issues that matter to them. This connects the community with Council to ensure that their views are represented, and that there is genuine opportunity to help inform Council's decision-making.

We recognise that our communities, and their views, are diverse and have differing preferences for the ways in which we engage with them. It is important that how we engage is responsive, accessible, and able to meet the varied needs of our community.

Community Partnerships and Funding

We seek to support the wellbeing of Hamiltonians by partnering with local organisations and private providers to deliver a variety of services and activities that meet the needs of our 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.

Through city events and activations, we can acknowledge significant city occasions and milestones and ensure our Council engagement is well supported by targeted events and activities. These include civic citizenship ceremonies and welcoming events, Your Neighbourhood community events, ANZAC

commemorations and Matariki celebrations. In addition, we work with groups holding their own community events, by providing advice directly to them and issuing event permits to ensure health and safety.

The City Investment Programme was established by Council in 2022 with the aim of unlocking Hamilton's potential as a connected, vibrant, attractive, and prosperous city. By building and brokering relationships and partnerships, the programme works to draw funding for Hamilton to support enhanced city outcomes and enable the development of key community infrastructure projects. This is achieved through collaboration, and a shared commitment with partners, city investors and philanthropic donors, to deliver community infrastructure and initiatives that improve the wellbeing of Hamiltonians.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|---|-------------------------|---|--|--|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We facilitate and provide opportunities for communities to drive and own their self-development | The delivery in partnership of culturally significant events that honour our unique heritage. | New measure | At least three events | At least three events | At least three events | At least three events |
| | The percentage of Tiriti o Waitangi partners that are satisfied with Council's performance as a good partner. | New measure | Establish baseline | Improve on baseline | Improve on baseline or prior year result (whichever is greater) | At least 85% or improve on prior result (whichever is greater) |
| We make it easy for Hamiltonians to share their voice in a way that suits them, and then use these insights to support Council decisions and shape our future. | The percentage of respondents who are satisfied that Council provides genuine opportunities for them to have a say in shaping Hamilton. | New measure | Establish baseline | Improve on baseline | Improve on baseline or prior year result (whichever is greater) | At least 85% or improve on prior result (whichever is greater) |
| | The value of services leveraged for every \$1 of Community Partnership Grant funding provided (Multi-Year Grant). | New measure | At least \$3.00 worth of services leveraged for every \$1.00 provided | At least \$18.00 worth of services leveraged for every \$1.00 provided | At least \$18.00 worth of services leveraged for every \$1.00 provided | At least \$18.00 worth of services leveraged for every \$1.00 provided |
| We work alongside others to support a strong and connected community. | The value of services leveraged for every \$1 of Community Assistance Grant and Community Service Grant funding provided. | New measure | At least \$3.00 worth of services leveraged for every \$1.00 provided | At least \$10.00 worth of services leveraged for every \$1.00 provided | At least \$10.00 worth of services leveraged for every \$1.00 provided | At least \$10.00 worth of services leveraged for every \$1.00 provided |

Significant negative effects

There are no significant negative effects associated with this activity.

Capital projects

There are no capital projects associated with this activity.

Prospective Partnerships, Communication and Maaori funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 4,435 | 10,812 | 10,799 | 10,926 | 10,881 | 10,954 | 10,984 | 11,090 | 11,093 | 11,221 | 11,401 |
| Targeted Rates | - | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 2,375 | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 32 | 38 | 39 | 41 | 42 | 44 | 105 | 171 | 240 | 248 | 256 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | - | - | - | - | - | - | - | - | - | - | - |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 6,841 | 10,850 | 10,838 | 10,967 | 10,923 | 10,998 | 11,089 | 11,261 | 11,333 | 11,469 | 11,657 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 8,015 | 9,090 | 9,494 | 9,854 | 10,091 | 10,381 | 10,706 | 11,040 | 11,363 | 11,693 | 12,042 |
| Finance Costs | 1 | 47 | 44 | 44 | 44 | 46 | 47 | 49 | 51 | 52 | 54 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 8,016 | 9,137 | 9,538 | 9,898 | 10,136 | 10,427 | 10,753 | 11,089 | 11,414 | 11,745 | 12,096 |
| Surplus/(Deficit) of Operating Funding (A - B) | (1,175) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 50 | - | - | - | - | - | - | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 50 | - | - | - | - | - | - | - | - | - | - |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | - | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | 50 | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in reserves | (1,175) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Increase (decrease) of investments | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Capital Funding (D) | (1,125) | 1,713 | 1,300 | 1,068 | 788 | 571 | 336 | 172 | (81) | (275) | (439) |
| Surplus/(Deficit) of Capital Funding (C - D) | 1,175 | (1,713) | (1,300) | (1,068) | (788) | (571) | (336) | (172) | 81 | 275 | 439 |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Growth

Growth is about planning that supports the growth of the city 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.

City Planning

Hamilton is currently the fastest growing city in New Zealand. We need to ensure that the growth our city is experiencing happens in a way that unlocks Hamilton's full potential and promotes the wellbeing of Hamiltonians. 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.

This is carefully managed through the District Plan, which is the key document defining how and where the city grows. We continually monitor its effectiveness to ensure it delivers good urban design across our city, improves housing affordability and

diversity, and enables a city that grows up and out in all the right places.

We need to ensure that Hamilton is resilient and can adapt to the changing climate, so we can minimise the impact on our city and our community. We are preparing for the changes ahead by working towards being a cleaner, healthier, climate resilient city by integrating sustainability across all of Council's activities.

This is done by providing strategic information and direction on climate change, building capacity and capability for climate resilience, and through engagement with our community, external stakeholders, and partners.

Planning Guidance

We work closely with developers to ensure the city is well-designed, safe and sustainable, and enables quality-built housing options that meet the needs of all our people.

We provide information and advice for those planning developments and issue, monitor, and enforce land-use and subdivision consents.

We also carry out duties and functions relating to the Resource Management Act 1991 to ensure the sustainable management of natural and physical resources.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|--|-------------------------|----------------------|----------------------|----------------------|----------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| A sufficient supply of land for housing and business. | There will be at least three years capacity of residential zoned land supplied with development infrastructure for the city. | 5.5 years | At least three years | At least three years | At least three years | At least three years |
| | There will be at least three years capacity of business zoned land supplied with development infrastructure for the city. | 2.7 years | At least three years | At least three years | At least three years | At least three years |
| We will support the delivery of safe, sustainable and attractive development. | Percentage of new resource consent applications processed within statutory timeframes. | New measure | 95% | 95% | 95% | 95% |

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|---------------|--|--|---|
| City Planning | Social, cultural, economic environmental | The rate of population growth puts strain on existing infrastructure and/or create demand for new infrastructure that exceeds our ability to supply. | <p>One of Council's primary roles is to plan, deliver and maintain the infrastructure needed for our growing city. Robust long-term urban and spatial planning allows for the integration of land use and infrastructure, sustainable growth and the provision of both residential and commercial/industrial land to meet our city's needs.</p> <p>This includes ensuring that anticipated growth is identified and planned for to allow for development to occur at the right time and in the right places to meet demand.</p> <p>Our Infrastructure Strategy outlines investments that are anticipated to be required beyond the lifespan of this Long-Term Plan.</p> <p>We also continue to investigate alternative methods of funding and financing infrastructure, when the ability to provide what is required is constrained by Council's debt-to-revenue ratio.</p> |

| Activity | Wellbeing | Effect | Mitigation |
|-------------------|--|---|---|
| City Planning | Social, cultural, economic | Some of the costs of city growth will need to be funded by ratepayers. | Council will continue to look for innovative opportunities, and advocate for changes to the funding and financing system under which local government operates to enable infrastructure investment to service growth. This includes looking to enter into private developer agreements with the development community, recovering the costs of growth through the charging of development contributions, engaging with the LGFA on debt caps, and proposing other alternatives to central government such as transport pricing, a return on the value of GST, value capture mechanisms and City/Regional Funding Deals. |
| Planning Guidance | Social, cultural, economic environmental | The cumulative effects of subdivision, development and intensification can significantly impact our people and our environment. | <p>Council plans the city in an integrated and strategic manner through growth strategies – both at a sub-regional and city level.</p> <p>This ensures that growth and development occur in a planned way so that infrastructure and community facilities can be delivered alongside subdivision, development and intensification, ensuring the best possible outcomes for our communities.</p> <p>The District Plan includes policies and rules to promote the sustainable management of natural and physical resources.</p> <p>We will continue to monitor national, regional and local growth trends and environmental policy initiatives to provide quality advice to our organisation.</p> |
| Planning Guidance | Social, cultural, economic environmental | Poorly planned growth and low-quality development leads to unattractive and impractically designed neighbourhoods that lack community identity. | <p>Council plans the city in an integrated and strategic manner through growth strategies – both at a sub-regional and city level.</p> <p>This ensures that growth and development occur in a planned way so that infrastructure and community facilities can be delivered alongside subdivision, development and intensification, ensuring the best possible outcomes for our communities.</p> <p>The District Plan provides the rule framework that gives effect to the Hamilton Urban Growth Strategy, Future Proof Sub-regional Growth Strategy and Waikato Regional Policy Statement, which all require well planned and high-quality development.</p> |

| Activity | Wellbeing | Effect | Mitigation |
|-------------------|--|--|---|
| Planning Guidance | Social, cultural, economic environmental | Resource Consent approvals and decisions, and the application of the District Plan and Resource Management Act can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well. | The core function of Planning Guidance is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Resource Management Act and District Plan and that consents require mitigation conditions of consent as appropriate. |

Capital projects

| | | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|---|------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City Planning | | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| CE24008 - Strategic Property renewals | R | | 1,226 | 1,242 | 43 | 273 | 1,037 | 50 | 51 | 2,374 | 277 | 730 |
| CE24024 - Strategic Land Acquisition Fund | G | | - | 10,920 | 11,335 | 11,788 | 12,260 | 12,750 | 13,235 | 13,685 | 14,150 | 14,631 |
| Growth total | | | 1,226 | 12,162 | 11,378 | 12,062 | 13,297 | 12,800 | 13,286 | 16,059 | 14,427 | 15,362 |

Prospective Growth funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 10,004 | 9,257 | 8,589 | 9,273 | 8,339 | 13,991 | 13,131 | 13,919 | 14,571 | 15,901 | 16,072 |
| Targeted Rates | 2,789 | 3,254 | 3,775 | 4,350 | 4,969 | 462 | 490 | 521 | 553 | 588 | 625 |
| Subsidies and grants for operating purposes | 750 | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 3,036 | 2,617 | 3,004 | 3,364 | 3,662 | 3,467 | 3,990 | 3,919 | 4,163 | 4,471 | 4,500 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,639 | 3,835 | 3,753 | 3,837 | 3,760 | 3,977 | 4,072 | 4,188 | 4,296 | 3,905 | 4,505 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 18,218 | 18,963 | 19,122 | 20,824 | 20,732 | 21,896 | 21,683 | 22,546 | 23,583 | 24,865 | 25,701 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 15,168 | 15,790 | 16,357 | 17,814 | 17,656 | 18,540 | 17,964 | 18,401 | 19,109 | 20,011 | 20,066 |
| Finance Costs | 844 | 175 | 448 | 950 | 1,445 | 2,040 | 2,675 | 3,368 | 4,152 | 5,015 | 5,946 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 16,012 | 15,965 | 16,806 | 18,763 | 19,101 | 20,579 | 20,639 | 21,769 | 23,261 | 25,026 | 26,012 |
| Surplus/(Deficit) of Operating Funding (A - B) | 2,205 | 2,998 | 2,316 | 2,061 | 1,631 | 1,317 | 1,044 | 777 | 322 | (161) | (311) |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | (1,880) | 1,030 | 11,820 | 10,917 | 11,400 | 12,479 | 11,847 | 12,309 | 15,043 | 13,497 | 14,329 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | (1,880) | 1,030 | 11,820 | 10,917 | 11,400 | 12,479 | 11,847 | 12,309 | 15,043 | 13,497 | 14,329 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | - | - | 10,920 | 11,335 | 11,788 | 12,260 | 12,750 | 13,235 | 13,685 | 14,150 | 14,631 |
| - to improve the level of service | 124 | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | 395 | 1,226 | 1,242 | 43 | 273 | 1,037 | 50 | 51 | 2,375 | 277 | 730 |
| Increase (decrease) in reserves | (230) | 2,674 | 1,877 | 1,458 | 874 | 432 | (27) | (312) | (757) | (1,198) | (1,497) |
| Increase (decrease) of investments | 37 | 129 | 97 | 142 | 95 | 67 | 119 | 112 | 63 | 107 | 154 |
| Total Applications of Capital Funding (D) | 325 | 4,028 | 14,136 | 12,978 | 13,030 | 13,796 | 12,891 | 13,087 | 15,366 | 13,336 | 14,019 |
| Surplus/(Deficit) of Capital Funding (C - D) | (2,205) | (2,998) | (2,316) | (2,061) | (1,631) | (1,317) | (1,044) | (777) | (322) | 161 | 311 |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Regulatory and Safety

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

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. We also facilitate education to schools, businesses and community groups about safety around dogs.

Public Safety

We work with a range of other agencies to deter anti-social behaviour in the central city. We look for opportunities to prevent crime, and support the homeless or vulnerable to enhance perceptions of safety for users of the central city. Services we provide include 24/7 CCTV operations 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. Our City Safe patrols will continue in the central city, and Suburban Response Team patrols will continue in our suburbs.

Building Control

Building Control fulfils an advisory, education, compliance and enforcement role to ensure that Hamilton's buildings are safe, healthy and durable. As part of this we issue, inspect, and certify building consents, issue compliance schedules, audit building warrants of fitness, inspect residential pools, and respond to customer concerns.

Civil Defence and Emergency

We work with our communities to make people feel safe in their neighbourhoods through public education and awareness to be prepared for a disaster and to build community resilience.

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.

Environmental Health and Alcohol Licensing

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. We ensure the sale, supply and consumption of food and alcohol from businesses is undertaken safely and responsibly to minimise the risk of harm to the community.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|---|-------------------------|--------------|--------------|--------------|--------------|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We work with partner organisations and the community to improve safety. | The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime. | 84% | At least 80% | At least 80% | At least 80% | At least 80% |
| A timely response to requests for dog control and excessive noise. | The percentage of urgent dog control requests responded to within 60 minutes. | 100% | At least 95% | At least 95% | At least 95% | At least 95% |
| | The percentage of complaints about excessive noise responded to within 30 minutes. | 95% | At least 95% | At least 95% | At least 95% | At least 95% |
| We will support the delivery of safe, sustainable and attractive development. | The percentage of building consent applications issued within statutory timeframes. | New measure | 95% | 95% | 95% | 95% |
| | The percentage of code compliance certificates issued within statutory timeframes. | New measure | 95% | 95% | 95% | 95% |
| We will provide a citywide coordinated response to and recovery from emergencies to reduce the impact on people and the economy. | The evaluation of our annual exercise as a measure of effectiveness of training delivery | New measure | At least 60% | At least 60% | At least 60% | At least 80% |

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|------------------|--|--|--|
| Building Control | Social, cultural, economic environmental | Building Consent approvals and decisions, and the application of the Building Act, can have a significant effect on the social, cultural and environmental wellbeing of our community if not implemented well. | <p>The core function of Building Control is to manage and mitigate these effects by ensuring that consents are approved in accordance with the requirements of the Building Act and that consents require mitigation conditions of consent as appropriate.</p> <p>We ensure that staff are adequately trained/qualified and have access to all relevant information necessary to make robust decisions that align with legislative requirements in order to mitigate any negative effects.</p> |

Capital projects

| | | R - Renewals LOS - Levels of service G - Growth | | | | | | | | | |
|--|------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Animal Education and Control | | | | | | | | | | | |
| CE21013 - Animal Control building renewals | R | 14 | 13 | 16 | 279 | 15 | 19 | 342 | 20 | 24 | 21 |
| CE24029 - Animal Control development | G | 410 | 284 | - | - | - | - | - | - | - | - |
| CE24031 - Animal Control development | R | 31 | 26 | - | - | - | - | - | 86 | - | - |
| | | 455 | 323 | 16 | 279 | 15 | 19 | 342 | 107 | 24 | 21 |
| Public Safety | | | | | | | | | | | |
| CE21015 - City Safe renewals | R | 235 | 232 | 268 | 474 | 259 | 312 | 650 | 709 | 816 | 719 |
| CE21016 - City Safe upgrades | LOS | 14 | 43 | - | - | - | - | - | - | - | - |
| | | 248 | 275 | 268 | 474 | 259 | 312 | 650 | 709 | 816 | 719 |
| Regulatory and Safety total | | 703 | 598 | 284 | 753 | 275 | 331 | 992 | 815 | 841 | 741 |

Prospective Regulatory and Safety funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 5,391 | 8,045 | 7,703 | 7,459 | 6,818 | 7,889 | 7,190 | 7,855 | 7,932 | 8,016 | 8,272 |
| Targeted Rates | - | 188 | 201 | 216 | 232 | 249 | 268 | 288 | 307 | 327 | 348 |
| Subsidies and grants for operating purposes | 3,440 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Fees and charges | 9,121 | 8,585 | 9,355 | 10,894 | 11,922 | 11,324 | 12,916 | 12,697 | 13,159 | 13,565 | 13,982 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 69 | 121 | 122 | 123 | 124 | 124 | 126 | 127 | 127 | 128 | 129 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 18,021 | 16,992 | 17,433 | 18,744 | 19,148 | 19,639 | 20,553 | 21,019 | 21,577 | 22,088 | 22,784 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 13,992 | 14,269 | 14,934 | 16,127 | 16,420 | 16,825 | 17,452 | 17,875 | 18,454 | 18,889 | 19,402 |
| Finance Costs | 271 | 200 | 201 | 196 | 186 | 169 | 130 | 102 | 82 | 57 | 29 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 14,263 | 14,469 | 15,135 | 16,323 | 16,605 | 16,994 | 17,582 | 17,977 | 18,536 | 18,947 | 19,430 |
| Surplus/(Deficit) of Operating Funding (A - B) | 3,758 | 2,522 | 2,299 | 2,421 | 2,543 | 2,645 | 2,970 | 3,041 | 3,042 | 3,142 | 3,353 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | (413) | 432 | 125 | (353) | (161) | (857) | (986) | (358) | (589) | (445) | (686) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | (413) | 432 | 125 | (353) | (161) | (857) | (986) | (358) | (589) | (445) | (686) |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | - | 410 | 284 | - | - | - | - | - | - | - | - |
| - to improve the level of service | 161 | 14 | 43 | - | - | - | - | - | - | - | - |
| - to replace existing assets | 183 | 280 | 272 | 284 | 753 | 275 | 331 | 992 | 815 | 841 | 741 |
| Increase (decrease) in reserves | 2,985 | 2,197 | 1,784 | 1,723 | 1,588 | 1,485 | 1,603 | 1,643 | 1,610 | 1,810 | 1,861 |
| Increase (decrease) of investments | 16 | 55 | 41 | 61 | 41 | 29 | 51 | 48 | 27 | 46 | 66 |
| Total Applications of Capital Funding (D) | 3,345 | 2,955 | 2,424 | 2,068 | 2,382 | 1,788 | 1,984 | 2,683 | 2,452 | 2,696 | 2,667 |
| Surplus/(Deficit) of Capital Funding (C - D) | (3,758) | (2,522) | (2,299) | (2,421) | (2,543) | (2,645) | (2,970) | (3,041) | (3,042) | (3,142) | (3,353) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Priority three

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 – somewhere that always has something going on, where people can come together and enjoy all that it has to offer.

It is important that as we grow, we are creating a connected, welcoming and diverse central city. Somewhere that people can easily live, work or play, where businesses can thrive, and that Hamiltonians can be proud of. We are working hard, alongside our partners, to ensure our central city is positioned to take advantage of all the opportunities this growth brings so that our central city is somewhere people love to be.

Our central city not only supports the economy of Hamilton Kirikiriroa, but also plays a significant role in servicing the wider region. We want our central city to be somewhere that draws visitors in from across the region and beyond, and that always offers experiences that make people want to return. We also want businesses to choose to base themselves in our central city because it provides great options that meet their needs, making it an ideal location to establish, grow or relocate a business.

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

We want our city to provide something for everyone, both during the day and throughout the evening. Our central city offers a wide range of dining, retail and entertainment choices as well as attractions and activities to suit all ages.

We'll continue to support the creation of inner-city living options that offer a desirable urban lifestyle in an exciting and vibrant centre. We'll support this by focusing on providing a truly liveable city centre for people to call home.

We want our city to be easy to get into, and easy to get around. This means making sure that our city caters to all accessibility needs and is designed well to provide options for all modes of transportation.

The central city enjoys a unique riverside setting so investment in our central city is focused on strengthening the connection and access between the city and the Waikato River to ensure we celebrate and treasure the city taonga (treasure) that it is.

Hamilton Kirikiriroa is home to a thriving visual arts and performance scene. Work is well underway on a new regional theatre that has leveraged existing central city spaces to undertake this initiative. When complete it will offer a truly unique creative experience for residents and visitors to our city.

Here are just some of the ways that we're investing in our central city over the next 10 years:

- \$150.6 million of Crown funding through the Infrastructure Acceleration Fund (IAF) will deliver some of the critical infrastructure needed to enable around 4000 homes for up to 10,000 people in the central city and surrounds by 2035. This includes a new reservoir and pump station; upsizing water infrastructure to increase the capacity of pipes and pumpstations; planning improvements to water supply, wastewater and stormwater networks; and planning for long-term infrastructure on Anglesea Street.
- We're also seeking to reprioritise \$31.5 million of the IAF Crown funding that would have gone towards a walking and cycling bridge across the Waikato River in the central city, towards critical water infrastructure. This is subject to a Ministerial decision.
- We're making it easier to grow up and out from the central city and surrounds through District Plan changes. We're also extending the central city Development Contributions remissions for three years. This includes a 50% remission for developments in the central city and a 100% remission for high-rise buildings above six stories.
- We're investing \$5.9 million to upgrade Embassy Park and Sapper Moore-Jones Place so there is a strong connection to the Waikato River and the new Waikato Regional Theatre when it opens in 2025.
- We've made changes to the rates for commercial properties in the central city's Business Improvement District (BID). Previously, the BID Commercial category has been set at 95% of the Commercial category outside of the CBD for both the General rate and the Government Compliance rate. From July 2024 the BID Commercial category will increase to be the same as the Commercial category, meaning commercial properties in the central city will pay the same General rate and Government Compliance rate as commercial properties elsewhere in the city. By doing this we can generate additional revenue that will be used to reinvest in the central city for all to enjoy. We have committed \$150,000 per annum in Years 1 and 2 to be invested in upgrades to streetscapes and public amenities. This is in addition to \$150,000 per annum, from Year 1, for general upkeep and improvements to central city surrounds.
- Since 2017, Council has been running a trial of two-hours free on-street parking in the central city as an incentive attract visitors to central Hamilton. From October 2024 until June 2026 we will shift to one-hour free on-street parking, and we will introduce demand-responsive pricing for all-day paid parking and the second hour of short-term parking. The new parking prices have been set at rates that remain competitive with the other parking options in the central city. We want to continue to encourage people to choose the central city for its retail, dining and business offerings, while optimising carpark availability and still keeping it affordable. We want the central city to be a place that's easy to get to, and for our car parks to be conveniently available so there is always a good chance of finding a park when you need one.

Priority four

A fun city with lots to do

He taaone hangareka, aa, he
nui ngaa mahi paarekareka



We want Hamilton Kirikiriroa to be a great place for everyone to enjoy, with things to see and do around every corner.

It's important that our city provides opportunities for all our people to play and have fun – from enjoying the rich arts and culture of Waikato Museum, to a wide range of events at one of our H3 event venues, to enjoying the outdoors at any one of our parks, playgrounds, or natural areas.

We want to build on our city's growing reputation for hosting outstanding events, from small community-focused events to those on a national or international scale. We want to ensure we consistently offer experiences and entertainment that our locals love, and that draw people from all over New Zealand to Hamilton Kirikiriroa, bringing economic benefit to our city.

Recreational spaces are also important for our communities; they include indoor and outdoor facilities that host local community sport, and engaging playspaces for our city's tamariki, as well as opportunities to connect with nature along the Waikato River or at Lake Rotoroa.

Our city is home to a range of visitor destinations too, such as Hamilton Gardens, Waikato Museum, and Hamilton Zoo and Waiwhakareke Natural Heritage Park at Te Kaaroro Nature Precinct. These destinations offer opportunities to celebrate our city's rich heritage, arts and culture, and nature at its finest.

We want to continue to offer new, exciting, and unique experiences for our people and our city's visitors. Events, activities, and destinations, that people of all ages and abilities can enjoy and connect with. All of these things contribute to making Hamilton Kirikiriroa a fun place to live, with plenty to do.

Activities aligned to this priority:

o Venues, Tourism and Events

- o Claudelands, FMG Stadium Waikato, Seddon Park
- o Theatres, Tourism and Events Funding
- o Hamilton Gardens
- o Te Kaaroro Nature Precinct (Hamilton Zoo and Waiwhakareke Natural Heritage Park)
- o Waikato Museum

o Parks and Recreation

- o Parks
- o Indoor Recreation
- o Cemeteries and Crematorium
- o Community Facilities

Venues, Tourism and Events

Our city's venues, events and visitor destinations provide all kinds of opportunities for memorable experiences and entertainment. We want to continue to deliver events that support our local business, stimulate our economy, and promote our city.

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 to attract more national and international visitors to our city by offering unique attractions and experiences that are worth coming for. This will in turn positively contribute to our economy.

By taking a strategic and aligned approach to our cultural and tourism assets, we will continue to strengthen their collective profile and maximise their potential and the benefits to the city. Continued investment will see increased visitation, through projects to enhance and improve our facilities, and initiatives that create new and diverse offerings for our people and visitors to Hamilton.

Claudelands, FMG Stadium Waikato, Seddon Park

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

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

Theatres, Tourism and Events Funding

We have invested, alongside a range of partners, to deliver the Waikato Regional Theatre - a new world-class multi purpose performing arts theatre to serve the Waikato region. The theatre is expected to open in 2025. Once opened, we will provide an annual property asset maintenance grant to the Trust for the following 10 years.

We also offer an annual event sponsorship contestable fund to provide financial support to hold events that bring economic and profile benefits to Hamilton Kirikiriroa. Our annual funding to the Regional Tourism Organisation (Hamilton and Waikato Tourism Limited) supports the development of a range of strategic tourism initiatives. These initiatives help strengthen the attraction of both Hamilton Kirikiriroa and the surrounding Waikato region to the visitor market.

Hamilton Gardens

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

We will continue to support the success of Hamilton Gardens and seek to increase the economic contribution the Gardens makes to our city. We plan to leverage growing visitor numbers to the Gardens to support the wider Hamilton tourism industry. Starting in spring 2024 an entry fee will be introduced for visitors to our city over the age of 16. This will coincide with the completion of upgrades to the visitor arrival centre. Resulting revenue will contribute to improving and adding new services and facilities that make visiting Hamilton Gardens easier.

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

Hamilton Zoo and Waiwhakareke Natural Heritage Park create a tourism attraction that provides unique visitor and educational experiences that connect people with nature and wildlife and showcase conservation in action.

As well as being a tourism and recreation park, Hamilton Zoo is committed to the conservation of animals and the environment

by participating in conservation and research projects and contributing to breeding programmes for endangered species.

Connected to the Zoo, Waiwhakareke Natural Heritage Park complements the zoo experience. Developed in partnership with the community, the park aims to reconstruct the natural forest, wetland and lake ecosystems present in pre-European times.

In 2023 we completed upgrades to the visitor precinct which has modernised facilities and improved connections to Waiwhakareke Natural Heritage Park, creating a premier visitor experience.

Waikato Museum

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

In 2023 we commenced phased building upgrades to the Museum to ensure that it meets industry standards for the safe care, storage, and display of objects, taonga, and artworks. These works are scheduled to be completed by late 2024, and will enhance the Museum's visibility, functionality, and access.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|---|--|-------------|----------------|----------------|------------------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| We provide stadia (FMG Stadium Waikato and Seddon Park) and Claudelands to host events. The measure indicates the utilisation of stadia and Claudelands. | The number of people attending events at the Stadia (FMG Stadium Waikato and Seddon Park) and Claudelands. | 556,046 | 530,000 | 530,000 | 530,000 | 530,000 |
| 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. | Total number of visits: | 872,348 visits | 516,000 | 655,000 | 774,000 | 5% increase on previous year |
| | i) Hamilton Zoo ii) Waiwhakareke Natural iii) Waikato Museum iv) Hamilton Gardens (enclosed gardens only). | 247,677 Te Kaaroro 119,314 505,357 | | | | |
| | The average review score across Trip Advisor and Google for each destination. | The average review score across Trip Advisor and Google: i) Hamilton Gardens: a) TripAdvisor b) Google ii) Waikato Museum: a) TripAdvisor b) Google iii) Hamilton Zoo: a) TripAdvisor b) Google | New measure | Greater than 4 | Greater than 4 | Greater than 4 |

Significant negative effects

R - Renewals

LOS - Levels of service

G - Growth

| Activity | Wellbeing | Effect | Mitigation |
|--|--------------------------------|--|--|
| Claudeland's Events Centre, FMG Stadium Waikato, and Seddon Park | Social, economic environmental | Events at Claudeland's Events Centre, FMG Stadium Waikato, and Seddon Park may have temporary environmental and social effects. These include litter, traffic congestion, problematic parking, anti-social behaviour, noise, and lighting effects that cause disruption or nuisance for neighbouring residential areas and businesses. | We manage these effects in compliance with the District Plan and resource consents. Effective event management plans are also put in place to reduce the negative effects. These include alcohol, traffic and security strategies. |
| Hamilton Gardens/Waikato Museum | Cultural | Natural Heritage sites may be adversely impacted as part of further development Hamilton Gardens or by work around the Waikato Museum. | Projects are investigated to identify possible heritage artifacts. Taangata Whenua and other affected parties are consulted prior to the development. |

Capital projects

| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Claudelands FMG Stadium Waikato and Seddon Park | | | | | | | | | | | |
| CE24009 - VTME building renewals | R | 4,318 | 5,072 | 5,580 | 5,032 | 6,329 | 6,860 | 12,392 | 3,998 | 2,361 | 7,957 |
| CE24010 - VTME security and health and safety programmes | LOS | 542 | 546 | - | - | - | - | - | - | - | - |
| CE24011 - VTME operational renewals | R | 2,652 | 3,371 | 3,609 | 3,824 | 8,930 | 4,065 | 4,469 | 3,112 | 4,909 | 6,265 |
| | | 7,511 | 8,989 | 9,189 | 8,856 | 15,259 | 10,925 | 16,860 | 7,110 | 7,270 | 14,223 |
| Hamilton Gardens | | | | | | | | | | | |
| CE24012 - Hamilton Garden renewals | R | 692 | 321 | 313 | 608 | 592 | 1,170 | 639 | 389 | 665 | 891 |
| CE24013 - Hamilton Garden building renewals | R | 947 | 255 | 2,766 | 199 | 52 | 62 | 250 | 174 | 150 | 319 |
| CE24014 - Hamilton Gardens development | LOS | 2,058 | 568 | 295 | - | 418 | 1,160 | 860 | 2,224 | 920 | 951 |
| | | 3,697 | 1,143 | 3,374 | 807 | 1,062 | 2,393 | 1,749 | 2,787 | 1,734 | 2,161 |
| Te Kaaroro Nature Precinct | | | | | | | | | | | |
| CE24016 - Hamilton Zoo building renewals | R | 1,403 | 1,733 | 2,134 | 1,756 | 1,434 | 7,463 | 227 | 391 | 229 | 434 |
| CE24017 - Hamilton Zoo operational renewals | R | 1,128 | 1,669 | 2,550 | 2,864 | 2,032 | 2,862 | 5,016 | 5,573 | 7,841 | 5,872 |
| CE24018 - Hamilton Zoo and Waiwhakareke development | LOS | 3,068 | 79 | 1,402 | 2,334 | 2,571 | 2,681 | 117 | 123 | 871 | 129 |
| | | 5,599 | 3,480 | 6,086 | 6,954 | 6,038 | 13,006 | 5,359 | 6,086 | 8,941 | 6,435 |
| Waikato Museum | | | | | | | | | | | |
| CE24019 - Museum operational renewals | R | 238 | 183 | 381 | 448 | 348 | 205 | 154 | 361 | 538 | 716 |
| CE24020 - Museum building renewals | R | 2,394 | 918 | 142 | 928 | 8,274 | 75 | 77 | 200 | 97 | 936 |
| CE24021 - Collection acquisition fund | LOS | 87 | 85 | 97 | 110 | 99 | 112 | 116 | 121 | 137 | 128 |
| CE24022 - Museum development | LOS | 4,043 | - | - | - | - | - | - | - | - | - |
| | | 6,762 | 1,185 | 620 | 1,487 | 8,721 | 391 | 346 | 682 | 771 | 1,780 |
| Venues Tourism and Events total | | 23,570 | 14,797 | 19,268 | 18,103 | 31,080 | 26,715 | 24,315 | 16,665 | 18,717 | 24,599 |

Prospective Venues, Tourism and Events funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 39,488 | 46,849 | 52,887 | 55,182 | 59,369 | 65,177 | 67,376 | 69,715 | 72,184 | 74,152 | 77,202 |
| Targeted Rates | 3 | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 640 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 |
| Fees and charges | 13,893 | 12,270 | 13,205 | 14,082 | 14,843 | 15,804 | 16,673 | 17,764 | 18,564 | 19,432 | 20,311 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,683 | 2,013 | 2,098 | 2,106 | 2,164 | 2,189 | 2,287 | 2,324 | 2,407 | 2,440 | 2,531 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 55,707 | 61,230 | 68,287 | 71,467 | 76,474 | 83,268 | 86,434 | 89,900 | 93,253 | 96,122 | 100,142 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 42,599 | 39,088 | 42,835 | 43,858 | 45,438 | 47,985 | 48,359 | 49,954 | 51,646 | 53,498 | 55,096 |
| Finance Costs | 2,759 | 4,626 | 4,849 | 5,205 | 5,487 | 6,041 | 6,653 | 7,099 | 7,211 | 7,214 | 7,463 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 45,358 | 43,714 | 47,684 | 49,063 | 50,926 | 54,026 | 55,013 | 57,054 | 58,857 | 60,712 | 62,559 |
| Surplus/(Deficit) of Operating Funding (A - B) | 10,349 | 17,516 | 20,602 | 22,405 | 25,549 | 29,243 | 31,421 | 32,847 | 34,395 | 35,410 | 37,583 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | - | 4,095 | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | 9,801 | 14,655 | 7,137 | 8,968 | 3,295 | 12,764 | 5,398 | 2,451 | (6,080) | (2,107) | 1,501 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 9,801 | 18,750 | 7,137 | 8,968 | 3,295 | 12,764 | 5,398 | 2,451 | (6,080) | (2,107) | 1,501 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | 8,762 | 9,326 | 1,240 | 1,755 | 2,404 | 3,046 | 3,909 | 1,047 | 2,421 | 1,879 | 1,158 |
| - to replace existing assets | 10,212 | 13,807 | 13,557 | 17,513 | 15,699 | 28,034 | 22,805 | 23,268 | 14,244 | 16,837 | 23,441 |
| Increase (decrease) in reserves | 1,028 | 12,618 | 12,556 | 11,534 | 10,360 | 10,659 | 9,631 | 10,533 | 11,396 | 14,158 | 13,869 |
| Increase (decrease) of investments | 148 | 515 | 386 | 570 | 381 | 268 | 474 | 449 | 254 | 429 | 616 |
| Total Applications of Capital Funding (D) | 20,150 | 36,266 | 27,740 | 31,373 | 28,844 | 42,007 | 36,819 | 35,298 | 28,315 | 33,304 | 39,084 |
| Surplus/(Deficit) of Capital Funding (C - D) | (10,349) | (17,516) | (20,602) | (22,405) | (25,549) | (29,243) | (31,421) | (32,847) | (34,395) | (35,410) | (37,583) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Parks and Recreation

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

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

One of the things that makes Hamilton 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.

Our focus is on making sure all Hamiltonians have access to well-maintained parks, open spaces and recreation facilities wherever they are in the city. We are invested in making sure that the quality and range of our parks and recreation options keeps up with our city's growth too. This includes the development of new natural areas, parks and play spaces, necessary upgrades to drainage and irrigation on sports parks, and essential upgrades to existing play areas. Where and how we undertake this investment will be informed by community consultation.

We are also fortunate to be home to some incredible natural features including indigenous bush areas, the riverbank reserve system, wetlands and lake areas, and an extensive system of gullies throughout the city. Keeping our city beautiful is important, and we add to its attractiveness with our street and park trees, gardens and street plantings.

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.

Indoor Recreation

We offer opportunities for indoor recreation through Te Rapa Sportsdrome, a community sporting venue that caters to a range of sports codes. It has recently been fitted out with a new sprung floor providing a much improved experience for users. We also partner with some external agencies to support the development and ongoing operations of facilities, such as the Rototuna Indoor Recreation Centre (“The Peak”).

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 cemeteries serve as passive spaces of reflection and remembrance for the community.

The crematorium provides a critical service for the Waikato region in the event of a pandemic or civil emergency.

Community Facilities

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 some community groups where there is capacity, including sheds/storage and changerooms.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|---|--|--------------------------------------|--|--------------------------------------|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our parks and the facilities in them are accessible. | The percentage of households with access to a neighbourhood park: | | | | | |
| | i. within 400m walking distance for all medium/high density areas. | New measure | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year |
| | ii. within 500m walking distance for all other residential areas. | 80.95% | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year |
| | The percentage of survey respondents who are happy with Hamilton's parks and open spaces. | New measure | 68.00% | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year |
| The city's ecosystems and biodiversity are understood, protected and restored. | The percentage of native vegetation cover in the city. | New measure: 1.7% as at 2022-23 | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year |
| | The number of private gully owners registered with the Gully Restoration Programme. | New measure: 117 landowners currently actively engaged with the GRP) | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year | Maintain or improve on previous year |
| | The number of volunteers for native restoration projects. | New measure: baseline: 1875 (from 2022-23) | 20% increase on previous year | 20% increase on previous year | 20% increase on previous year | 20% increase on previous year |
| | The percentage of overall canopy cover in the city. (this is measured biennially). | New measure: 12.51% in 2022-23 | No Lidar data provided this year | Maintain or improve on previous result | No Lidar data provided this year | Maintain or improve on previous result |
| A timely response to requests for graffiti removal | The percentage of graffiti removed within three working days. | 92% | At least 95% | At least 95% | At least 95% | At least 95% |

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|----------------------------|---|---|---|
| Parks | Social, environmental | Leachate from burial grounds can enter the groundwater. | Soil and water tests are taken regularly as required by resource consents to ensure leachate does not enter any groundwater. |
| | Tree failures have potential to cause injury or damage to assets/property | Our Street Trees are prioritised on a 1 or 2 year inspection frequency. Following inspection, any safety related issues are prioritised for action, followed by preventative maintenance (pruning) to mitigate the risk of tree failure in the transport corridor. Park trees are maintained on request with any safety related issues being prioritised to minimise risk of failure. | Maintenance is done regularly on the cremator units as per the manufacturer's guidelines. This reduces the likelihood of negative cultural or environmental effects on the community. |
| Cemeteries and Crematorium | Environmental | Leachate from burial grounds could enter into groundwater. | Soil and water tests are taken regularly as required by resource consents to ensure leachate does not enter any groundwater. |
| Cemeteries and Crematorium | Social, cultural, environmental | A lack of maintenance on air cremator units could result in discharge into the environment that could contain residual contaminants. | Maintenance is undertaken regularly on the cremator units as per the manufacturer's guidelines. This reduces the likelihood of negative cultural or environmental effects on the community. |

Capital projects

| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cemeteries and Crematorium | | | | | | | | | | | |
| CE10021 - Cemetery and Crematorium building renewals | R | 23 | 22 | 27 | 285 | 2,333 | 31 | 245 | 42 | 40 | 112 |
| CE21004 - Cemeteries and Crematorium renewals | R | 90 | 44 | 225 | 397 | 99 | 119 | 172 | 121 | 155 | 572 |
| CE21007 - Cemeteries and Crematorium development | G | 1,358 | 1,426 | 203 | 754 | 173 | 751 | 169 | 963 | 181 | 1,124 |
| | | 1,471 | 1,492 | 455 | 1,436 | 2,605 | 901 | 586 | 1,126 | 376 | 1,808 |
| Community Facilities | | | | | | | | | | | |
| CE19070 - Community Facilities building renewals | R | 2,628 | 5,193 | 3,477 | 1,773 | 41 | 1,080 | 190 | 1,504 | 64 | 57 |
| | | 2,628 | 5,193 | 3,477 | 1,773 | 41 | 1,080 | 190 | 1,504 | 64 | 57 |
| Indoor Recreation | | | | | | | | | | | |
| CE21008 - Indoor Recreation development | LOS | 3,182 | - | - | - | - | - | - | 8,211 | - | - |
| | | 3,182 | - | - | - | - | - | - | 8,211 | - | - |
| Parks | | | | | | | | | | | |
| CE10030 - Parks and Recreation building renewals | R | 4,950 | 1,982 | 3,755 | 1,910 | 1,349 | 978 | 2,146 | 1,660 | 1,354 | 613 |
| CE17004 - River Plan | LOS | 4,988 | - | - | - | - | - | - | - | - | - |
| CE19007 - Peacocke parks development | G | 330 | - | - | - | - | - | - | - | - | - |
| CE19009 - Rototuna parks development | G | - | - | - | - | - | 401 | - | - | - | - |
| CE21001 - Nursery renewals | R | 673 | 229 | 82 | 262 | 209 | 25 | 209 | 52 | 148 | 135 |
| CE21003 - Parks and Recreation renewals | R | 6,794 | 8,455 | 8,008 | 5,872 | 7,588 | 7,634 | 9,421 | 10,448 | 9,474 | 12,687 |
| CE21006 - Nature In The City gully restoration and development | LOS | - | - | 1,633 | 1,226 | 2,085 | 2,209 | 2,326 | 4,622 | 7,167 | 10,115 |
| CE21010 - Parks and Recreation development | LOS | 3,465 | 2,840 | 1,134 | 3,348 | 2,878 | 4,795 | 3,297 | 3,302 | 4,761 | 3,650 |
| CE24026 - Rotokauri parks development | G | - | - | - | - | 249 | 2,581 | - | - | - | - |
| | | 21,200 | 13,506 | 14,612 | 12,618 | 14,358 | 18,623 | 17,399 | 20,083 | 22,903 | 27,200 |
| Parks and Recreation total | | 28,481 | 20,191 | 18,543 | 15,826 | 17,004 | 20,604 | 18,175 | 30,924 | 23,344 | 29,064 |

Prospective Parks and Recreation funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 28,879 | 34,629 | 39,804 | 45,490 | 51,245 | 55,984 | 61,774 | 65,671 | 67,670 | 72,182 | 75,714 |
| Targeted Rates | 3 | - | - | - | - | - | - | - | - | - | - |
| Subsidies and grants for operating purposes | 1,875 | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 5,279 | 5,964 | 6,314 | 6,709 | 6,935 | 7,383 | 7,670 | 8,125 | 8,384 | 8,653 | 8,929 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 845 | 1,233 | 1,257 | 1,286 | 1,303 | 1,319 | 1,352 | 1,379 | 1,396 | 1,423 | 1,448 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 36,880 | 41,827 | 47,375 | 53,485 | 59,483 | 64,686 | 70,797 | 75,175 | 77,450 | 82,258 | 86,091 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 24,645 | 26,541 | 27,743 | 29,525 | 30,929 | 31,714 | 33,048 | 35,661 | 36,554 | 37,753 | 38,250 |
| Finance Costs | 5,093 | 6,474 | 6,842 | 7,168 | 7,203 | 7,187 | 7,047 | 6,854 | 6,788 | 6,889 | 6,974 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 29,738 | 33,016 | 34,586 | 36,693 | 38,132 | 38,900 | 40,094 | 42,515 | 43,342 | 44,642 | 45,225 |
| Surplus/(Deficit) of Operating Funding (A - B) | 7,142 | 8,811 | 12,790 | 16,792 | 21,351 | 25,786 | 30,702 | 32,660 | 34,108 | 37,616 | 40,867 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 2,750 | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | 1,651 | 654 | 876 | 1,213 | 1,665 | 1,748 | 1,738 | 1,795 | 1,912 | 2,159 | 2,155 |
| Increase (decrease) in debt | 38,019 | 23,066 | 9,965 | 4,791 | (3,943) | (7,450) | (7,856) | (11,016) | 557 | (4,457) | (1,774) |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 42,419 | 23,720 | 10,841 | 6,004 | (2,278) | (5,701) | (6,118) | (9,221) | 2,469 | (2,298) | 381 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 23,273 | 1,688 | 1,426 | 203 | 754 | 421 | 3,733 | 169 | 963 | 181 | 1,124 |
| - to improve the level of service | 13,668 | 12,071 | 2,840 | 2,767 | 4,574 | 4,963 | 7,005 | 5,623 | 16,135 | 11,927 | 13,765 |
| - to replace existing assets | 13,243 | 15,158 | 15,926 | 15,573 | 10,497 | 11,620 | 9,866 | 12,384 | 13,826 | 11,235 | 14,175 |
| Increase (decrease) in reserves | (744) | 3,195 | 3,125 | 3,789 | 2,937 | 2,862 | 3,595 | 4,898 | 5,447 | 11,625 | 11,683 |
| Increase (decrease) of investments | 120 | 419 | 315 | 464 | 310 | 218 | 386 | 366 | 206 | 349 | 502 |
| Total Applications of Capital Funding (D) | 49,561 | 32,531 | 23,631 | 22,797 | 19,073 | 20,085 | 24,584 | 23,439 | 36,578 | 35,318 | 41,248 |
| Surplus/(Deficit) of Capital Funding (C - D) | (7,142) | (8,811) | (12,790) | (16,792) | (21,351) | (25,786) | (30,702) | (32,660) | (34,108) | (37,616) | (40,867) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Priority five

A green city

He taaone tiaki taiao



We're planning for our future by working towards creating a sustainable city. This includes challenging the way our city grows and how we live within it. We love our environment and we're committed to protecting it for future generations.

Shaping a green city involves investing in our city's natural areas, having a clear response to climate change, managing a safe and resilient water supply, managing stormwater and wastewater, and minimising the impact of waste. We want to do these things together in the right way, so our city will get better by the day, and we can leave a legacy we can all be proud of.

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.

Following the repeal of the Three Waters legislation in 2024, we will be working to develop a service delivery plan in line with the Local Government Water Services (Transitional Provisions) Bill as a part of central government's 'Local Water Done Well' programme of reform (refer to Significant Forecasting Assumptions for more details).

Activities aligned to this priority:

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

Water Supply

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

Water treatment and storage; 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-standard drinking water.

We operate, maintain and enhance the water treatment plant, water storage reservoirs, pump stations, hydrants and pipelines and commercial water meters. Our water supply network services more than 57,000 households and 5700 commercial and industrial and rural premises. Water from the city also supplies several thousand properties in Waikato and Waipaa Districts.

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 encouraging residents to conserve our precious water resource,

water restrictions when demand is high, and investment in infrastructure to enhance monitoring and manage water usage better.

We will continue to work with Taumata Arowai, the newly established water services regulator, to ensure all our communities continue to have access to safe and reliable drinking water.

In line with our Water Conservation and Demand Strategy, we will continue implementing water demand zones that help us identify areas where we are losing water. This helps us to target the replacement of pipeline infrastructure most likely to be leaking or at most risk of failure.

Over the next 10 years, there are 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. To improve resilience and meet growth demands upgrades to our Wairoa Water Treatment Plant are needed and planning for a second treatment plant will commence.

A business case to reconsider ways we can reduce water demand, including the option of universal water metering, will be undertaken providing greater certainty of the timing of future water infrastructure investments.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|---|--------------------------------------|--|--|--|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our water network is managed in a way that minimises the loss of water. | The percentage of real water loss from the water network infrastructure in the city. ⁺ | 14% | No more than 16% | No more than 16% | No more than 16% | No more than 12% |
| The water we supply is safe to drink | The extent to which Council's drinking water supply complies with the relevant parts of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and Drinking Water Quality Assurance Rules 2022 for bacteria. Our report on the compliance of our drinking water supplies in our annual reports will include specifically reporting against the following: | | | | | |
| | i. Number of days E.coli detected in Hamilton Supply Zone ⁺⁺ | New measure | 0 days | 0 days | 0 days | 0 days |
| | ii. Number of days E.coli detected in Temple View Supply Zone ⁺⁺ | New measure | 0 days | 0 days | 0 days | 0 days |
| | iii. Number of days E.coli detected in the Claudelands Grandstand Tap Supply Zone ⁺⁺ | New measure | 0 days | 0 days | 0 days | 0 days |
| | The extent to which Council's drinking water supply complies with the relevant parts of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and Drinking Water Quality Assurance Rules 2022 for protozoa. Our report on the compliance of our drinking water supplies in our annual reports will include specifically reporting against the following: | | | | | |
| | i. Number of protozoa log removal credits achieved. ⁺⁺ | New measure | >3.0 log removal credits | >3.0 log removal credits | >3.0 log removal credits | >3.0 log removal credits |
| To be satisfied with the clarity, taste, odour, continuity and pressure of the 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. ⁺ | 5.93 complaints per 1000 connections | No more than 7 complaints per 1000 connections (rounded to nearest whole number) | No more than 7 complaints per 1000 connections (rounded to nearest whole number) | No more than 7 complaints per 1000 connections (rounded to nearest whole number) | No more than 7 complaints per 1000 connections (rounded to nearest whole number) |
| We will work with the community to sustainably manage the supply and use of water. | The average consumption of drinking water per resident per day. ⁺ | 305 litres | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day | No more than 400 litres per resident, per day |

+ Measure required by the Department of Internal Affairs

++ Measure required by the Department of Internal Affairs, modified to align with proposed changes

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|---|-------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| A timely response and a timely resolution if there is a problem with the water supply. | 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.+ | 38 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 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.+ | 2 hours | No more than 5 hours | No more than 5 hours | No more than 5 hours | No more than 5 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.+ | 6 working days | No more than 5 working days | No more than 5 working days | No more than 5 working days | No more than 3 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.+ | 7 working days | No more than 10 working days | No more than 10 working days | No more than 10 working days | No more than 5 working days |

+ Measure required by the Department of Internal Affairs

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|--|--|---|--|
| Water treatment and storage and water distribution | Social, cultural, economic environmental | Extracting an excess volume of water from the Waikato River can impact on the health and wellbeing of the awa and the amount of water available for users downstream from Hamilton. | <p>Managing land use, development and high water user agreements within the limits of our water take from the Waikato River.</p> <p>Ensuring the treatment system is designed and operated to remain within the parameters set by regional resource consents. Development and implementation of the Water Conservation and Demand Management Plan, Three Waters Connection Policy and Hamilton Water Supply Bylaw.</p> |
| Water treatment and storage and water distribution | Social, cultural, environmental | Water management practices utilised in the abstraction of water from natural resources like the Waikato River can vary from Maaori cultural beliefs and practices. | We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. We have a resource consent issued by Waikato Regional Council that sets conditions for the take and use of water from the Waikato River. We work in partnership with iwi to incorporate Maaori values into the management of water-related activities. |
| Water treatment and storage and water distribution | Social, cultural, economic environmental | The cost of necessary infrastructure improvements may exceed the community's ability to pay. | <p>Central government has now released its Local Water Done Well (LWDW) plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community.</p> <p>In addition, Development Contributions contribute to funding growth-related infrastructure and supports our city's long-term growth.</p> <p>Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity.</p> |
| Water treatment and storage and water distribution | Social, cultural, economic environmental | Our growing population creates an increased demand for water that exceeds our capacity to supply. | <p>Managing land use and development within the limits of our water take from the Waikato River, and our network.</p> <p>Understanding and planning for population increases through the development of Water Master Plan which identifies the required policy and infrastructure to support these forecasts.</p> |

| Activity | Wellbeing | Effect | Mitigation |
|--|--|--|---|
| Water treatment and storage and water distribution | Social, cultural, economic environmental | The cost of necessary infrastructure improvements may exceed the community's ability to pay | <p>Central government has now released its Local Water Done Well plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community.</p> <p>In addition, Development Contributions contribute to funding growth-related infrastructure and supports our city's long-term growth.</p> <p>Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity.</p> |
| Water treatment and storage and water distribution | Social, cultural, economic environmental | Unplanned disruption of water supply can result in negative consequences for communities and businesses. | <p>We operate, maintain, renew and replace assets in a manner that minimises risk of failure and ensure compliance with Resource Consents, the Water Services Act, Drinking Waters Standards and Drinking Water Quality Assurance Rules.</p> <p>Planned asset renewals programmes look to ensure that assets are replaced before their end of life is achieved. Operation and maintenance programmes, service and supply contracts are developed, and operational processes ensure quick response to, and resolution of, failures.</p> <p>Where disruptions or shutdowns are required, notification is provided, and where necessary consultation undertaken.</p> |
| Water treatment and storage and water distribution | Social, cultural, economic environmental | Our growing population creates an increased demand for water that exceeds our capacity to supply. | <p>Managing land use and development within the limits of our water take from the Waikato River, and our network.</p> <p>Understanding and planning for population increases through the development of Water Master Plan which identifies the required policy and infrastructure to support these forecasts.</p> |

Capital projects

| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Water Distribution | | | | | | | | | | | |
| CE10123 - Watermain renewals | R | 5,471 | 4,980 | 7,659 | 8,664 | 9,008 | 9,223 | 9,471 | 9,855 | 10,154 | 10,261 |
| CE10124 - Watermain valves and hydrants renewals | R | 802 | 735 | 1,157 | 1,349 | 1,356 | 1,449 | 1,399 | 1,263 | 1,268 | 1,079 |
| CE15127 - Water pipe upgrades | G | 768 | 799 | 829 | 862 | 897 | 932 | 968 | 1,001 | 1,035 | 1,070 |
| CE15128 - Rotokauri upgrade and new watermain stage 1 | G | - | 1,190 | 1,283 | 145 | 333 | 287 | 1,393 | 708 | 2,780 | 470 |
| CE15132 - Water network upgrades to allow new development | G | 210 | 1,202 | 7,747 | 3,537 | - | - | - | - | - | - |
| CE15133 - Water network improvements | LOS | 230 | 352 | 2,833 | 612 | 488 | 6,245 | 7,144 | 7,193 | 7,437 | 7,690 |
| CE15141 - Water demand management | G | 263 | 1,092 | 14,679 | 21,219 | 22,068 | - | - | - | - | - |
| CE15146 - Water customer connections | G | 53 | 55 | 57 | 59 | 61 | 64 | 66 | 68 | 71 | 73 |
| CE15158 - Water model | R | 159 | 147 | 539 | 240 | 294 | 791 | 225 | 233 | 362 | 249 |
| CE15159 - Water Master Plan | G | 158 | 139 | - | 177 | 40 | - | 199 | 45 | - | 219 |
| CE19045 - Ruakura reservoir and associate bulk mains | G | - | - | - | 3,537 | 10,298 | 45,901 | 47,645 | - | - | - |
| CE19046 - Peacocke watermain stage 2 | G | 712 | 1,023 | 78 | - | - | 237 | 850 | 1,568 | 1,650 | 485 |
| CE21036 - Rotokauri upgrade and new watermain stage 2 | G | - | - | - | - | - | - | - | 381 | 593 | 2,206 |
| CE23002 - Infrastructure Acceleration Fund | G | 7,634 | 5,196 | 27,491 | 24,378 | 23,494 | 2,299 | 2,299 | - | 7,075 | 43,894 |
| CE24030 - Infrastructure Acceleration Fund | LOS | 2,341 | 11,653 | 9,147 | 10,127 | - | - | - | 9,412 | 10,900 | - |
| | | 18,799 | 28,562 | 73,499 | 74,906 | 68,336 | 67,427 | 71,659 | 31,726 | 43,325 | 67,695 |
| Water Treatment and Storage | | | | | | | | | | | |
| CE10138 - Treatment plant and reservoir renewals | R | 1,483 | 1,536 | 3,346 | 6,162 | 4,905 | 4,438 | 4,486 | 4,665 | 9,728 | 4,960 |
| CE15139 - Water treatment plant compliance | LOS | 1,099 | 2,813 | 2,370 | 3,701 | 1,635 | 1,931 | 1,988 | 541 | 418 | 578 |
| CE15144 - Upgrade water treatment plant | G | 4,095 | 1,092 | 10,201 | 10,610 | 123 | 638 | 6,617 | 8,211 | 2,830 | 33,652 |
| | | 6,677 | 5,441 | 15,918 | 20,473 | 6,662 | 7,006 | 13,091 | 13,417 | 12,976 | 39,190 |
| Water Supply total | | 25,476 | 34,002 | 89,416 | 95,379 | 74,998 | 74,434 | 84,750 | 45,144 | 56,301 | 106,884 |

Prospective Water supply funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 12,693 | 15,950 | 20,602 | 28,335 | 31,334 | 36,787 | 41,897 | 45,909 | 50,872 | 53,948 | 59,051 |
| Targeted Rates | 11,277 | 13,216 | 14,647 | 16,638 | 18,698 | 22,970 | 26,055 | 28,679 | 31,271 | 32,984 | 35,183 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 575 | 390 | 415 | 445 | 476 | 521 | 564 | 605 | 646 | 678 | 476 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 504 | 316 | 184 | 166 | 133 | 96 | 73 | 42 | 4 | (26) | (59) |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 25,050 | 29,872 | 35,848 | 45,583 | 50,641 | 60,374 | 68,590 | 75,235 | 82,794 | 87,583 | 94,651 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 12,598 | 15,730 | 16,925 | 21,818 | 20,872 | 22,058 | 23,972 | 25,286 | 26,436 | 27,784 | 27,754 |
| Finance Costs | 3,535 | 4,896 | 4,992 | 6,029 | 7,848 | 9,729 | 11,763 | 14,663 | 16,806 | 18,438 | 22,011 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 16,134 | 20,627 | 21,917 | 27,846 | 28,720 | 31,787 | 35,736 | 39,949 | 43,242 | 46,222 | 49,765 |
| Surplus/(Deficit) of Operating Funding (A - B) | 8,916 | 9,245 | 13,931 | 17,737 | 21,921 | 28,587 | 32,854 | 35,286 | 39,552 | 41,362 | 44,887 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 2,241 | 10,727 | 16,903 | 36,695 | 34,563 | 23,555 | 2,363 | 2,365 | 2,972 | 71 | 73 |
| Development and financial contributions | 5,353 | 4,128 | 5,804 | 7,733 | 10,901 | 11,546 | 11,607 | 12,355 | 12,361 | 13,086 | 12,257 |
| Increase (decrease) in debt | 11,021 | 9,243 | 7,476 | 39,393 | 42,113 | 28,335 | 45,192 | 54,663 | 12,915 | 27,861 | 75,953 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 18,614 | 24,098 | 30,184 | 83,821 | 87,577 | 63,436 | 59,162 | 69,383 | 28,249 | 41,019 | 88,284 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 17,990 | 13,892 | 11,787 | 62,100 | 64,521 | 57,314 | 50,356 | 60,038 | 11,983 | 16,034 | 82,067 |
| - to improve the level of service | 2,895 | 3,670 | 14,818 | 14,351 | 14,440 | 2,122 | 8,176 | 9,132 | 17,146 | 18,755 | 8,268 |
| - to replace existing assets | 9,509 | 7,915 | 7,398 | 12,701 | 16,415 | 15,562 | 15,900 | 15,582 | 16,016 | 21,512 | 16,548 |
| Increase (decrease) in reserves | (3,017) | 7,334 | 9,712 | 11,816 | 13,726 | 16,747 | 17,093 | 19,453 | 22,394 | 25,635 | 25,649 |
| Increase (decrease) of investments | 153 | 533 | 400 | 590 | 395 | 278 | 491 | 465 | 263 | 444 | 638 |
| Total Applications of Capital Funding (D) | 27,530 | 33,343 | 44,114 | 101,558 | 109,497 | 92,023 | 92,016 | 104,670 | 67,801 | 82,380 | 133,170 |
| Surplus/(Deficit) of Capital Funding (C - D) | (8,916) | (9,245) | (13,931) | (17,737) | (21,921) | (28,587) | (32,854) | (35,286) | (39,552) | (41,362) | (44,887) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Wastewater

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

Wastewater collection; Wastewater treatment and disposal

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

At the wastewater treatment plant, wastewater is thoroughly treated before being discharged into the Waikato River. Solid waste (biosolids) removed as part of the treatment process is also treated on site and then composted for reuse. The wastewater

network services approximately 57,000 households and 5700 commercial and industrial premises.

Over the next ten years strategic investment in wastewater infrastructure is required to ensure we can continue to meet increasing compliance and community expectations as the city grows.

Investment includes the staged upgrade and re-consenting of the Pukete Wastewater Treatment Plant. Wastewater Storage tanks will be installed to provide increased capacity in wet weather events and a second Wastewater Treatment Plant is planned in collaboration with subregional partners to provide increased resilience and capacity as the city grows.

We'll also be replacing and upgrading ageing wastewater infrastructure which will provide greater reliability and efficiency.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|---|--------------------------------------|--|--|--|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Our wastewater system is designed and maintained to minimise harm to the community and environment. | The number of dry weather wastewater overflows from the wastewater system. ⁺ | 0.64 overflows per 1,000 connections | No more than 4 overflows per 1000 connections | No more than 4 overflows per 1000 connections | No more than 4 overflows per 1000 connections | No more than 2 overflows per 1000 connections |
| We operate and maintain the wastewater system to minimise odour and blockages. | The total number of complaints received about sewage odour, system faults or blockages and responses to issues raised with Council's wastewater system. ⁺ | 12.04 overflows per 1000 connections | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 12 complaints per 1000 connections |
| We operate and maintain the wastewater system to minimise the impact on the environment. | The number of abatement notices received in relation to resource consents for discharge from the wastewater system. ⁺ | 0 abatement notices | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice |
| | The number of infringement notices, enforcement orders and convictions received in relation to resource consents for discharge from the wastewater system. ⁺ | 1 conviction action | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions | 0 infringement, enforcement, or conviction actions |
| A timely response and resolution if there is an urgent problem with the wastewater system. | The median attendance time for call-outs from the time that the Council receives notification of the blockage or other fault to the time that service personnel reach the site. ⁺ | 44 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 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. ⁺ | 3 hours | No more than 4 hours | No more than 4 hours | No more than 4 hours | No more than 4 hours |

⁺ Measure required by the Department of Internal Affairs

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|---|--|---|--|
| Wastewater collection, treatment and disposal | Environmental | If not properly managed, wastewater can have negative environmental effects created by odour, noise, overflows and poor quality of discharge. | Our wastewater system is designed, operated, and maintained in a way that aims to minimise the risk of harm to the community and environment. This is achieved through appropriate land use and development decisions, system operation and maintenance, complying with resource consents and regular monitoring undertaken. This includes maintaining odour control devices at treatment plants and upgrading or replacing infrastructure as necessary. |
| Wastewater collection, treatment and disposal | Cultural | Wastewater discharge practices and methods could vary from Maaori cultural beliefs and practices. | We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. 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. We work in partnership with iwi to incorporate Maaori values into the management of wastewater activities. |
| Wastewater collection, treatment and disposal | Social, cultural, economic environmental | Unplanned disruptions to wastewater services can result in negative consequences for communities and businesses. | <p>We operate, maintain, renew and replace assets in a manner that minimises risk of failure.</p> <p>Planned asset renewals programmes look to ensure that assets are replaced before their end of life is achieved. Operation and maintenance programmes, service and supply contracts are developed, and operational processes ensure quick response to, and resolution of, failures.</p> <p>Where disruptions or shutdowns are required, notification is provided, and where necessary consultation undertaken.</p> |
| Wastewater collection, treatment and disposal | Social, cultural, environmental | Non-compliant discharges (Treated and Untreated) from the wastewater system affects the health and wellbeing of Waikato awa. | The wastewater system is operated and maintained to meet legislation and in line with industry good practice. This includes ensuring that our networks are not overloaded, monitoring of the performance of the system, implementation of planned maintenance programmes, upgrading the networks, and continuing to educate the community about how to treat the network. |
| Wastewater collection, treatment and disposal | Social, cultural, environmental | The timing of wastewater network investments has the ability to limit the city's growth opportunities. | <p>Understanding and planning for population increases through the development of the Wastewater Master Plan which identifies the required infrastructure to support these forecasts. Prioritising areas of the city for development based on ability to fund necessary upgrades.</p> <p>Our Infrastructure Strategy identifies significant capital expenditure decisions that are likely to be required for our city's infrastructure over the next 30 years. It identifies key opportunities and challenges for delivering on this vision and the infrastructure investments planned to meet them.</p> |

Capital projects

| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Wastewater Collection | | | | | | | | | | | |
| CE10100 - Wastewater pump station asset renewals | R | 935 | 693 | 1,598 | 2,319 | 2,720 | 2,634 | 3,459 | 3,185 | 3,326 | 3,509 |
| CE10101 - Wastewater asset renewals | R | 5,770 | 5,118 | 9,625 | 15,153 | 19,328 | 25,783 | 26,483 | 27,430 | 30,394 | 30,780 |
| CE15103 - Wastewater network improvements | LOS | 9,469 | 7,144 | 14,156 | 8,446 | 1,978 | 2,057 | 2,135 | 2,237 | 2,313 | 2,392 |
| CE15104 - Wastewater pipe upgrades | G | 893 | 928 | 963 | 1,002 | 1,042 | 1,084 | 1,125 | 1,163 | 1,203 | 1,244 |
| CE15105 - Rototuna wastewater infrastructure | G | - | - | - | - | 257 | 355 | 2,961 | - | - | - |
| CE15107 - Rotokauri wastewater infrastructure | G | - | - | 397 | 5,937 | - | 505 | 771 | 2,633 | 1,262 | 37 |
| CE15109 - Peacocke wastewater infrastructure stage 1 | G | - | - | 591 | - | - | 1,703 | 209 | 876 | 43 | - |
| CE15111 - Increase capacity of wastewater network | G | - | - | 1,700 | - | - | 11,793 | 4,500 | 4,653 | 6,226 | 6,438 |
| CE15121 - Wastewater customer connections to network | G | 116 | 120 | 124 | 129 | 135 | 140 | 145 | 151 | 156 | 161 |
| CE15160 - Wastewater model | R | 252 | 147 | 386 | 323 | 1,520 | 791 | 225 | 233 | 430 | 351 |
| CE15161 - Wastewater Master Plan | G | 154 | 160 | 498 | 173 | 179 | 560 | 194 | 200 | 622 | 214 |
| CE19040 - Peacocke wastewater infrastructure stage 2 | G | 1,478 | 1,613 | 2,535 | 863 | 158 | 1,226 | 2,249 | 8,914 | 1,757 | 2,014 |
| CE19042 - Peacocke wastewater south network | G | 15,450 | 3,459 | 107 | 409 | - | - | - | - | - | - |
| CE19043 - Increase capacity wastewater west network | G | 5,637 | 7,318 | 16,076 | 2,358 | 7,422 | 31,510 | 40,228 | 11,218 | 11,071 | - |
| CE19044 - Increase capacity wastewater east network | G | 1,050 | 6,571 | 31,255 | 19,098 | 34,157 | 37,615 | 289 | - | - | - |
| CE23004 - Infrastructure Acceleration Fund | G | 864 | 800 | 401 | 433 | 2,299 | 2,299 | 2,299 | - | - | - |
| | | 42,067 | 34,071 | 80,413 | 56,645 | 71,196 | 120,053 | 87,271 | 62,893 | 58,804 | 47,139 |
| Wastewater Treatment and Disposal | | | | | | | | | | | |
| CE10115 - Wastewater treatment plant asset renewals | R | 5,374 | 5,581 | 11,163 | 9,526 | 7,923 | 10,948 | 8,011 | 8,140 | 9,419 | 8,703 |
| CE15117 - Upgrade wastewater treatment plant | G | 22,356 | 27,225 | 59,434 | 50,015 | 43,341 | 54,686 | 56,749 | 71,726 | 43,838 | 94,136 |
| CE15120 - Wastewater treatment plant compliance | LOS | 2,856 | 1,266 | 811 | 4,046 | 2,774 | 4,588 | 4,318 | 4,989 | 4,938 | 3,488 |
| CE21073 - Subregional wastewater treatment plant | G | 3,150 | 4,368 | - | - | - | - | - | - | - | - |
| | | 33,736 | 38,441 | 71,408 | 63,587 | 54,038 | 70,221 | 69,079 | 84,855 | 58,196 | 106,328 |
| Wastewater total | | 75,803 | 72,512 | 151,821 | 120,232 | 125,234 | 190,274 | 156,350 | 147,749 | 116,999 | 153,467 |

Prospective Wastewater funding impact statement

| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | | 28,596 | 31,909 | 41,505 | 53,851 | 66,634 | 78,911 | 91,055 | 102,358 | 114,299 | 122,764 | 133,748 |
| Targeted Rates | | 5,690 | 7,025 | 8,176 | 9,465 | 10,888 | 15,009 | 16,576 | 17,850 | 19,175 | 20,450 | 21,796 |
| Subsidies and grants for operating purposes | | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | | 8,018 | 9,224 | 10,014 | 10,834 | 11,733 | 12,782 | 13,698 | 14,609 | 15,715 | 16,482 | 17,129 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | 1,340 | 1,687 | 1,715 | 1,751 | 1,767 | 1,780 | 1,822 | 1,853 | 1,868 | 1,900 | 1,928 |
| Internal charges and overheads recovered | | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | | 43,643 | 49,845 | 61,410 | 75,901 | 91,023 | 108,482 | 123,150 | 136,670 | 151,057 | 161,597 | 174,601 |
| Applications of Operating Funding | | | | | | | | | | | | |
| Payments to staff and suppliers | | 26,039 | 27,557 | 28,958 | 33,968 | 36,647 | 39,964 | 42,232 | 44,793 | 46,761 | 48,916 | 50,240 |
| Finance Costs | | 6,789 | 10,120 | 12,211 | 16,284 | 21,129 | 25,768 | 31,878 | 39,194 | 45,501 | 51,294 | 57,908 |
| Internal charges and overheads applied | | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | | 32,828 | 37,677 | 41,169 | 50,252 | 57,776 | 65,732 | 74,110 | 83,987 | 92,262 | 100,210 | 108,147 |
| Surplus/(Deficit) of Operating Funding (A - B) | | 10,815 | 12,168 | 20,241 | 25,649 | 33,247 | 42,750 | 49,040 | 52,682 | 58,795 | 61,387 | 66,453 |
| Sources of Capital Funding | | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | | 3,174 | 1,270 | 920 | 526 | 563 | 2,434 | 2,439 | 2,445 | 151 | 156 | 161 |
| Development and financial contributions | | 10,782 | 8,526 | 11,284 | 15,271 | 20,939 | 23,421 | 22,991 | 24,406 | 23,492 | 24,612 | 23,407 |
| Increase (decrease) in debt | | 44,388 | 65,163 | 55,215 | 128,677 | 87,315 | 82,949 | 141,564 | 105,371 | 94,191 | 56,854 | 91,038 |
| Gross proceeds from sale of assets | | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | | 58,343 | 74,959 | 67,420 | 144,473 | 108,817 | 108,804 | 166,994 | 132,222 | 117,833 | 81,622 | 114,606 |
| Application of Capital Funding | | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | | |
| - to meet additional demand | | 52,567 | 51,147 | 52,563 | 114,346 | 80,416 | 88,991 | 143,472 | 111,721 | 101,536 | 66,177 | 104,242 |
| - to improve the level of service | | 4,684 | 12,325 | 8,410 | 14,968 | 12,491 | 4,752 | 6,644 | 6,453 | 7,226 | 7,252 | 5,880 |
| - to replace existing assets | | 9,619 | 12,332 | 11,539 | 22,773 | 27,321 | 31,492 | 40,154 | 38,178 | 38,989 | 43,570 | 43,343 |
| Increase (decrease) in reserves | | 2,088 | 10,626 | 14,624 | 17,263 | 21,318 | 25,954 | 25,121 | 27,943 | 28,533 | 25,428 | 26,758 |
| Increase (decrease) of investments | | 200 | 698 | 524 | 773 | 517 | 364 | 644 | 609 | 344 | 582 | 836 |
| Total Applications of Capital Funding (D) | | 69,158 | 87,127 | 87,661 | 170,122 | 142,064 | 151,553 | 216,034 | 184,904 | 176,628 | 143,008 | 181,059 |
| Surplus/(Deficit) of Capital Funding (C - D) | | (10,815) | (12,168) | (20,241) | (25,649) | (33,247) | (42,750) | (49,040) | (52,682) | (58,795) | (61,387) | (66,453) |
| Funding Balance ((A - B) + (C - D)) | | - | - | - | - | - | - | - | - | - | - | - |

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.

Stormwater network (includes collection, conveyance, treatment and discharge services)

The stormwater system consists of pipes, ponds, wetlands and open watercourses, which collect and release rainwater into the city's streams and 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.

We are working to improve 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 strategic stormwater infrastructure in greenfield areas, improving the resilience of waterways through erosion control works, and improving Stormwater treatment in existing areas.

We are continuing to invest in understanding flood risks through catchment management planning and will invest in flood management in priority areas.

We'll also be replacing and upgrading ageing Stormwater assets which will provide greater reliability.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|--|---|--|--|--|--|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| The stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings. | The number of flooding events [^] that occur within the city. ⁺ | 12 flooding events | No more than 3 flooding events | No more than 3 flooding events | No more than 3 flooding events | No more than 1 flooding event |
| | For each flooding event [^] , the number of habitable floors affected. ⁺ | 0.21 habitable floors per 1000 properties across all events | No more than 1 per 1000 properties | No more than 1 per 1000 properties | No more than 1 per 1000 properties | No more than 1 per 1000 properties |
| The Council will operate and maintain the stormwater system to minimise the impact on the environment. | The number of abatement notices related to the management of the stormwater system. ⁺ | 0 abatement actions | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice | No more than 1 abatement notice |
| | 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 | 0 infringement, enforcement, or conviction actions |
| A timely response if there is a problem with the stormwater system or flooding of a habitable building. | 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. ⁺ | 91 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes | No more than 60 minutes |
| We provide a reliable and effective stormwater system that the community is satisfied with. | The number of complaints received about the performance of the stormwater system. ⁺ | 23.04 complaints per 1000 properties | No more than 20 complaints per 1000 connections | No more than 20 complaints per 1000 connections | No more than 10 complaints per 1000 connections | No more than 20 complaints per 1000 connections |

[^] A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor (a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages)

⁺ Measure required by the Department of Internal Affairs

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|------------|---------------------------------|--|---|
| Stormwater | Social, environmental | There is potential for adverse environmental effects due to stormwater possibly containing contaminants. Examples of potential contaminants could be sediments, oils, greases, rubbish and metal/organic materials that have washed off roads or other surfaces. | We have a resource consent issued by Waikato Regional Council that sets conditions for the diversion and discharge of urban stormwater runoff and associated contaminants to the Waikato River. Effects are managed through land use planning, network design and upgrades, and by implementing and monitoring of the Stormwater Bylaw which outlines the expectations for discharges into the stormwater network. The bylaw requires High Risk sites to have Stormwater Pollution management plans in operation. The Roading authority ensures their assets are maintained to minimise the impact on the stormwater system including street sweeping and catchpit clearing. |
| Stormwater | Social, cultural, environmental | The mixing of stormwater from different water catchments discharging into water bodies and the Waikato River can contrast with Maaori cultural beliefs and practices. | We operate, maintain, renew and replace our infrastructure to meet our obligations under Te Ture Whaimana o Te Awa o Waikato to contribute to the restoration and protection of the wellbeing of the Waikato river. We have a resource consent issued by Waikato Regional Council that sets conditions for the diversion and discharge of urban stormwater runoff and associated contaminants to the Waikato River. We work collaboratively with iwi to incorporate Maaori values into the management of stormwater related activities. |
| Stormwater | Social, cultural, environmental | The cost of necessary infrastructure improvements and flood risk mitigations and maintenance may exceed our ability to fund. | Integrated catchment management plans are being developed for each of the city's stormwater catchments to make sure stormwater infrastructure is planned, developed and managed in the most efficient and practicable way for the specific catchment. Central government has released its Local Water Done Well (LWDW) plan to address long-standing water infrastructure challenges. LWDW includes the repeal of the previous three waters reform and provides for transition to a new water service delivery system. We are anticipating that central Government will set out a framework that will allow councils to self-determine future service delivery arrangements through a water services delivery plan. Our priority will be to ensure that any change provides the best long-term outcomes for our community. Development and implementation of Strategic Master Plans that feed into Activity Management Plans for the activity. |
| Stormwater | Social, cultural, environmental | The timing of the delivery of the development of strategic stormwater network investments has the ability to limit the city's growth opportunities. | Understanding and planning for population increases through the development of the Stormwater Master Plan which identifies the required infrastructure to support these forecasts. Our Infrastructure Strategy identifies significant capital expenditure decisions that are likely to be required for our city's infrastructure over the next 30 years. It identifies key opportunities and challenges for delivering on this vision and the infrastructure investments planned to meet them. |

Capital projects

| | Type | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Stormwater Network | | | | | | | | | | | |
| CE10058 - Stormwater asset renewals | R | 2,616 | 2,646 | 8,855 | 9,657 | 10,137 | 10,620 | 10,253 | 11,093 | 11,552 | 11,646 |
| CE15059 - Rototuna stormwater infrastructure | G | 526 | 3,046 | 2,267 | - | - | 3,538 | 339 | 2,034 | 1,557 | - |
| CE15060 - Rotokauri stormwater infrastructure stage 1 | G | 4,984 | 349 | 1,665 | 4,486 | 18,123 | 21,388 | 23,869 | 849 | 837 | 1,280 |
| CE15062 - Peacocke stormwater infrastructure stage 1 | G | 2,088 | - | - | - | - | - | - | - | - | - |
| CE15063 - Peacocke stormwater infrastructure stage 2 | G | 3,918 | 1,299 | 33 | 35 | - | - | - | - | - | - |
| CE15067 - Comprehensive stormwater consent implementation | LOS | 175 | 162 | 260 | 294 | 314 | 327 | 349 | 190 | 197 | 204 |
| CE15068 - Stormwater customer connections | G | 26 | 27 | 28 | 29 | 31 | 32 | 33 | 34 | 35 | 37 |
| CE15162 - Integrated Catchment Management Plan | G | 2,286 | 6,594 | 6,035 | 6,669 | 3,569 | 22,729 | 17,421 | 14,095 | 20,989 | 15,168 |
| CE19026 - Erosion control works | LOS | 2,319 | 2,874 | 3,715 | 4,868 | 4,407 | 2,875 | 3,202 | 3,034 | 3,020 | 3,902 |
| CE21031 - Flood management | LOS | 525 | 2,255 | 6,067 | - | 4,563 | - | - | - | - | - |
| CE21032 - Stormwater infrastructure upgrades | G | 890 | 926 | 961 | 1,000 | 1,040 | 1,081 | 1,122 | 1,160 | 1,200 | 1,241 |
| CE21062 - Stormwater asset upgrades | LOS | - | - | 660 | 262 | 319 | 47 | 265 | 274 | 283 | 293 |
| CE23003 - Infrastructure Acceleration Fund Stormwater | G | 599 | 535 | 292 | 433 | 2,299 | 2,299 | 2,299 | - | - | - |
| Stormwater total | | 20,952 | 20,712 | 30,838 | 27,733 | 44,800 | 64,935 | 59,152 | 32,762 | 39,669 | 33,769 |

Prospective Stormwater funding impact statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 17,885 | 16,174 | 19,578 | 21,982 | 24,753 | 28,373 | 32,716 | 36,489 | 40,525 | 42,143 | 44,749 |
| Targeted Rates | 2,575 | 2,305 | 2,701 | 3,140 | 3,614 | 5,299 | 5,860 | 6,242 | 6,648 | 7,078 | 7,540 |
| Subsidies and grants for operating purposes | - | - | - | - | - | - | - | - | - | - | - |
| Fees and charges | 384 | 260 | 269 | 278 | 288 | 299 | 310 | 321 | 331 | 342 | 353 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 494 | 427 | 434 | 443 | 447 | 450 | 461 | 469 | 473 | 481 | 488 |
| Internal charges and overheads recovered | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | 21,338 | 19,165 | 22,982 | 25,843 | 29,102 | 34,422 | 39,346 | 43,520 | 47,978 | 50,044 | 53,129 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 4,367 | 4,589 | 4,863 | 5,474 | 5,848 | 6,463 | 7,456 | 7,852 | 8,331 | 8,641 | 8,739 |
| Finance Costs | 1,655 | 2,690 | 3,277 | 4,178 | 5,163 | 6,520 | 8,687 | 11,364 | 13,331 | 14,989 | 16,867 |
| Internal charges and overheads applied | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 6,021 | 7,278 | 8,139 | 9,652 | 11,012 | 12,983 | 16,143 | 19,217 | 21,663 | 23,630 | 25,606 |
| Surplus/(Deficit) of Operating Funding (A - B) | 15,317 | 11,887 | 14,842 | 16,191 | 18,091 | 21,438 | 23,203 | 24,304 | 26,315 | 26,414 | 27,523 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 2,152 | 1,134 | 562 | 320 | 463 | 2,330 | 2,331 | 2,332 | 34 | 35 | 37 |
| Development and financial contributions | 6,211 | 2,001 | 2,278 | 3,294 | 4,564 | 4,805 | 4,186 | 4,063 | 5,892 | 7,585 | 8,226 |
| Increase (decrease) in debt | 9,067 | 17,434 | 15,983 | 24,915 | 19,214 | 32,507 | 51,006 | 44,926 | 20,355 | 28,306 | 21,166 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 17,430 | 20,569 | 18,823 | 28,528 | 24,241 | 39,641 | 57,523 | 51,321 | 26,281 | 35,926 | 29,429 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 12,401 | 15,318 | 12,776 | 11,282 | 12,652 | 25,061 | 51,065 | 45,084 | 18,172 | 24,617 | 17,725 |
| - to improve the level of service | 2,812 | 3,019 | 5,291 | 10,702 | 5,424 | 9,602 | 3,249 | 3,816 | 3,498 | 3,500 | 4,398 |
| - to replace existing assets | 1,295 | 2,616 | 2,646 | 8,855 | 9,657 | 10,137 | 10,620 | 10,253 | 11,093 | 11,552 | 11,646 |
| Increase (decrease) in reserves | 16,186 | 11,320 | 12,815 | 13,677 | 14,463 | 16,183 | 15,623 | 16,311 | 19,742 | 22,518 | 22,963 |
| Increase (decrease) of investments | 53 | 184 | 138 | 203 | 136 | 96 | 169 | 160 | 91 | 153 | 220 |
| Total Applications of Capital Funding (D) | 32,746 | 32,456 | 33,665 | 44,719 | 42,331 | 61,079 | 80,726 | 75,625 | 52,596 | 62,341 | 56,952 |
| Surplus/(Deficit) of Capital Funding (C - D) | (15,317) | (11,887) | (14,842) | (16,191) | (18,091) | (21,438) | (23,203) | (24,304) | (26,315) | (26,414) | (27,523) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Rubbish and Recycling

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery.

We want to encourage and support waste reduction, reuse and recycling through education programmes, and the right infrastructure and services.

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 Transfer Station, Lincoln Street Resource Recovery Centre and the green waste facilities at 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.

How will you know we're delivering?

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|---|--|--------------------------------|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| A timely response if there is a problem with rubbish and recycling. | 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 with greater than five | 0 months with greater than five | 0 months with greater than five | 0 months with greater than five |
| | The number of illegal dumping incidents not resolved within five business days following the initial contractor notification. | New measure | 0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification | 0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification | 0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification | 0 months with no greater than three collections of illegal dumping not resolved within five business days following the initial contractor notification |
| We will promote and encourage waste reduction, reuse and recycling. | The percentage of waste recovered for recycling through Council-owned facilities. | 46.64% | At least 30% | At least 30% | At least 30% | At least 30% |
| | The percentage of waste recovered for recycling through the kerbside collection. | 48.0% | At least 45% | At least 45% | At least 45% | At least 45% |
| | The amount of waste received at Council-operated waste facilities that is diverted from landfill. | 15,129 tonnes | At least 14,500 tonnes per annum | At least 14,500 tonnes per annum | At least 14,500 tonnes per annum | At least 14,500 tonnes per annum |
| | The amount of construction and demolition materials received at Council-operated waste facilities that is diverted from landfill. | New measure | At least 4,000 tonnes per annum | Increase on the previous year | Increase on the previous year | Increase on the previous year |

| What you can expect from us | What we will measure | Latest result (2022/23) | Targets | | | |
|--|---|-------------------------|---|---|---|---|
| | | | 2024/25 | 2025/26 | 2026/27 | By 2033/34 |
| Solid waste activities are delivered in a way that is sustainable, protects the environment, and is economical | The number of enforcement actions against Council for solid waste activities. | New measure | No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions | No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions | No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions | No more than one abatement notice, and 0 infringement notices, enforcement orders, or convictions |
| | The number of reported instances of illegal dumping. | New measure | No more than 2400 annually | No more than 2400 annually | No more than 2400 annually | No more than 2400 annually |

Significant negative effects

| Activity | Wellbeing | Effect | Mitigation |
|-----------------------|---------------------------------|---|---|
| Rubbish and Recycling | Social, environmental | Closed landfill sites could potentially have negative effects on the environment and public health. | Closed landfills are managed to comply with resource consents. These include monitoring gas and leachate and ensuring no migration of gas from closed landfills to adjacent customers’ properties. |
| Rubbish and Recycling | Social, cultural, environmental | Illegal dumping has a negative visual impact on the community and can have negative effects on the environment and public health. | We manage the collection contracts and comply with the Hamilton City Waste Management and Minimisation Bylaw 2019 to minimise the likelihood of these events occurring. In addition, illegal dumping is monitored and where appropriate enforcement action is undertaken. |
| Rubbish and Recycling | Social, cultural, environmental | Kerbside collection has the potential to create an excess of waste to landfill rather than recovering recyclable material. | <p>We encourage waste minimisation and landfill diversion by offering innovative and effective systems for recycling and kerbside collection.</p> <p>Our Waste Management and Minimisation Plan sets out goals, objectives and targets to guide the Council towards waste avoidance, reduction and recovery. This includes education programmes to raise awareness and promote waste minimisation, and monitoring of our kerbside diversion rate.</p> |

Capital projects

| Type | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| Landfill Site Management | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| CE10054 - Closed landfill assets renewals | R | 1,318 | 1,070 | 1,612 | 1,654 | 1,440 | 3,077 | 1,815 | 657 | 1,154 | 1,017 |
| Rubbish and Recycling total | | 1,318 | 1,070 | 1,612 | 1,654 | 1,440 | 3,077 | 1,815 | 657 | 1,154 | 1,017 |

Prospective Rubbish and Recycling funding impact statement

| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-------|--------------|----------------|----------------|----------------|----------------|--------------|-------------|--------------|--------------|----------------|----------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | | 9,608 | 13,309 | 13,755 | 13,913 | 14,789 | 15,140 | 14,373 | 16,092 | 17,582 | 17,836 | 19,719 |
| Targeted Rates | | 28 | 33 | 37 | 42 | 49 | 54 | 60 | 67 | 74 | 80 | 85 |
| Subsidies and grants for operating purposes | | 659 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 |
| Fees and charges | | 38 | 65 | 68 | 70 | 73 | 75 | 78 | 81 | 84 | 86 | 89 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | | 147 | 199 | 163 | 169 | 174 | 180 | 186 | 193 | 198 | 204 | 211 |
| Internal charges and overheads recovered | | - | - | - | - | - | - | - | - | - | - | - |
| Total Operating Funding (A) | | 10,480 | 15,140 | 15,557 | 15,728 | 16,618 | 16,983 | 16,231 | 17,966 | 19,472 | 19,740 | 21,637 |
| Applications of Operating Funding | | | | | | | | | | | | |
| Payments to staff and suppliers | | 10,213 | 11,691 | 12,558 | 13,143 | 14,426 | 15,241 | 15,222 | 17,412 | 19,442 | 20,385 | 22,719 |
| Finance Costs | | 521 | 945 | 927 | 920 | 907 | 899 | 918 | 899 | 863 | 855 | 849 |
| Internal charges and overheads applied | | - | - | - | - | - | - | - | - | - | - | - |
| Other operating funding applications | | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | | 10,735 | 12,635 | 13,484 | 14,063 | 15,332 | 16,140 | 16,141 | 18,310 | 20,305 | 21,240 | 23,568 |
| Surplus/(Deficit) of Operating Funding (A - B) | | (255) | 2,504 | 2,072 | 1,665 | 1,285 | 844 | 91 | (344) | (833) | (1,500) | (1,931) |
| Sources of Capital Funding | | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | | - | - | - | - | - | - | - | - | - | - | - |
| Development and financial contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in debt | | 251 | 1,202 | 869 | 1,341 | 1,265 | 959 | 2,517 | 1,240 | 59 | 607 | 410 |
| Gross proceeds from sale of assets | | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | | 251 | 1,202 | 869 | 1,341 | 1,265 | 959 | 2,517 | 1,240 | 59 | 607 | 410 |
| Application of Capital Funding | | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | | |
| - to meet additional demand | | - | - | - | - | - | - | - | - | - | - | - |
| - to improve the level of service | | 166 | - | - | - | - | - | - | - | - | - | - |
| - to replace existing assets | | 502 | 1,318 | 1,070 | 1,612 | 1,654 | 1,440 | 3,077 | 1,815 | 657 | 1,154 | 1,017 |
| Increase (decrease) in reserves | | (698) | 2,297 | 1,802 | 1,292 | 828 | 315 | (554) | (999) | (1,476) | (2,124) | (2,648) |
| Increase (decrease) of investments | | 26 | 92 | 69 | 102 | 68 | 48 | 85 | 80 | 45 | 77 | 110 |
| Total Applications of Capital Funding (D) | | (4) | 3,707 | 2,941 | 3,006 | 2,550 | 1,803 | 2,608 | 896 | (774) | (894) | (1,521) |
| Surplus/(Deficit) of Capital Funding (C - D) | | 255 | (2,504) | (2,072) | (1,665) | (1,285) | (844) | (91) | 344 | 833 | 1,500 | 1,931 |
| Funding Balance ((A - B) + (C - D)) | | - | - | - | - | - | - | - | - | - | - | - |

Statement of service performance: assumptions and judgements

Ratonga – ngaa whakapae me ngaa whakatauranga

Significant judgements in the selection of non-financial performance measures

We have made a number of judgements in selecting performance measures for inclusion in the Council's 2024-34 Long-Term Plan.

The main judgements made in the selection of performance measures are outlined below:

Community Services;
Partnerships, Communication and Maaori;
Venues, Tourism and Events;
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 with DIA guidance.

DIA has not set any mandatory performance measures in relation to travel times. We consider this to be a material aspect of the service we deliver and have included a performance measure for this outcome in our performance framework.

Support Services

We are required to ensure that our annual reports and long-term plans are legislatively compliant with the Local Government Act 2002. As such, we have included a performance measure relating to our ability to comply with this requirement by reporting on whether we receive an unqualified audit opinion (meaning that these documents are fit for purpose and based on reasonable underlying assumptions and information). This gives assurance to our community that the city's key strategic plan and budget, and our end of year reporting against it, is of an acceptable compliant standard and has been prepared reliant on quality underlying information and assumptions.

Governance

We are required to process official information requests within the statutory timeframes specified in the Local Government Official Information and Meetings Act 1987 (LGOIMA). As such, we have included a performance measure relating to compliance with this timeframe as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

Growth

We are required to process resource consents within a specified timeframe under the Resource Management Act 1991. As such, we have included a performance measure relating to compliance with this timeframe as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

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.

Regulatory and Safety

We are required to process building consents and Code Compliance Certificates within a specified timeframe under the Building Act 2004. As such, we have included performance measures relating to compliance with these timeframes as it is meaningful to our community and demonstrates that we aim to meet our statutory obligations.

Water supply, Wastewater, Stormwater

The Department of Internal Affairs (DIA) has specified a series of mandatory performance measures for these activities. 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 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.

Targets

All targets are set based on past performance results or underlying data. They reflect the level of performance sought for delivery of our services.

An annual target of maintain or increase on previous year's performance recognises the importance of continued and steady progress towards our goals. New performance measures added to the framework in this Long-term plan may have no specified target set in 2024/25 (Year 1), but instead will rely on results in Year 1 to establish a baseline to maintain or improve upon for results in Years 2-10.

As part of the development of service performance measures and setting of targets, consideration has been given to changes to

funding within the Long-Term Plan and any resulting impacts on levels of service.

Aggregation

Where multiple venues or destinations contribute to the overall number of visitations/participations, this has been aggregated into our visitation/participation target. This includes:

- Event attendance at venues
- Visitor numbers at visitor destinations

A number of measures specified in this Long-Term Plan are measures that have previously been included as an aggregated target but have now been separated out for ease of reporting and easier understanding of performance of services. This includes measures for:

- Library issues
- Library visitation
- Community grants
- Neighbourhood parks

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

Reporting

All non-financial performance measures are reported in a consistent manner with both quantitative results and accompanying qualitative information.

Some performance measures are informed by results which are available less frequently than quarterly, such as those that rely on results of the annual 'Pulse' survey. All such measures provide results at a minimum of once annually, as the availability of underlying data allows.

Surveys

To measure the quality of delivery on a range of Council services, we use different types of surveys.

Pulse Survey

- Parks and open spaces satisfaction
- Perception of safety in the central city
- Opportunities to have a say in shaping Hamilton
- Hamilton is a great place to live
- Community pride in Hamilton
- Confidence in decision makers

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 make-up of Hamilton City. 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 and community outcome measures relating to Hamiltonian's perceptions of Council and its services.

Satisfaction measures are informed by results based on a 5-point satisfaction scale from very dissatisfied to very satisfied. The perception of safety in the central city measure is based on responses to how safe survey respondents feel in the central city during the daytime based on a 4-point scale from very unsafe to very safe.

Libraries and Aquatics satisfaction surveys

Customer surveys assess customer satisfaction related to interactions with Council services and facilities. Customers are able to provide feedback either on-site via a self-selecting survey (on an iPad situated on-site or in the municipal building) or through a survey emailed to a sample of respondents at random by an independent survey company (Cemplicity) on our

behalf. We collect email addresses and phone numbers from our customers at or prior to the point of interactions to enable this email survey to be undertaken. We aim to ask customers their perceptions of our services at, or shortly after, their interactions with Council to enable better recall of their experience so that the customer's voice is clear, and feedback can be actioned without delay.

Tiriti o Waitangi partners survey

An annual survey is undertaken toward the end of each year with Council's Tiriti partners to inform levels of satisfaction with Council's performance as a good partner.

The survey is hosted on Council's share your voice platform and is sent directly to our Tiriti o Waitangi partners. The survey includes quantitative and qualitative questions to gather insights as to our Tiriti partner's perceptions of working alongside Council. Satisfaction results are assessed from a singular question about their levels of satisfaction with Council's performance as a good partner, and rely on a 5-point satisfaction scale from very dissatisfied to very satisfied.

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.
- Average processing days is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, or those days between 19

December and 9 January. The processing clock may be stopped at any point should we require further information from the applicant.

- A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages).

All filters, logic, assumptions, definitions, limitations and sources are recorded in detailed Service Performance Measure information sheets.

Presentation of non-financial performance measures

Detail on how to read the service performance measure can be found on page 30. Service performance information is included on pages 36 to 111



Financial matters

Ko ngaa take puutea



Guide to this section

Financial Strategy

As part of its 2024-34 Long-Term Plan, Council must prepare and adopt a financial strategy for all of the consecutive financial years covered by the Long-Term Plan.

The financial strategy is a combination of the financial implications, constraints, and consequences of Council's policy and service delivery decisions.

The purpose of a financial strategy is to:

- facilitate prudent financial management by Council by providing a guide for Council to consider proposals for funding and expenditure against; and
- to provide a context for consultation on Council's proposal for funding and expenditure by making transparent the overall effects of those proposals on Council's services, rates, debt, and investments.

Council's financial strategy must include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including:

- the expected changes in population and the use of land in the city, and the capital and operating costs of providing for those changes; and
- the expected capital expenditure on network infrastructure that is required to maintain existing levels of service currently provided by Council; and
- other significant factors affecting Council's ability to maintain existing levels of service and to meet additional demands for services; and
- a statement of the Council's
 - o quantified limits on rate increases and borrowing; and
 - o assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
 - o policy on the giving of securities for its borrowing; and
 - o specify Council's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

Financial Strategy

Te Rautaki aa-Tahua

The Financial Strategy outlines our overall approach to managing the Council's finances and provides guidance when we make spending decisions.

The budget for the 2024-34 Long-Term Plan has been developed to align with the five priorities, as agreed by Council, and with a view to look after what we have.

The Financial Strategy in the previous Long-Term Plan highlighted the increased pressure and demand on existing infrastructure and services as a result of the growth experienced by Hamilton Kirikiriroa. This demand for services is forecast to continue for the next 10 years.

Along with increasing demand for services, Council continues to face a number of challenges driven by increasing policy and legislation requirements. This includes new direction on growth, water, wastewater and stormwater standards, transport and climate change.

Council's asset base continues to increase with investment in infrastructure assets being the key driver. This in turn results in increased costs to maintain these assets throughout the 10-year period.

The Financial Strategy has been adapted to respond to the challenges outlined above. Council's debt to revenue limits, over the 10 years, match that set by the Local Government Funding Agency (LGFA).

Average rates increase to the median existing residential properties will be:

- 16.5% for 2024-25,
- 15.5% for 2025-26,
- 14.6% for 2026-27,
- 13.5% for 2027-28,
- 12.5% for 2028-29,
- 9% for 2029-30,
- 5% from 2030-31 onward.

Debt

Debt-to-Revenue Limit

The Debt-to-Revenue Ratio will be set at 285% for the year ending June 2025 and decrease to 280% for the year ending June 2026 and beyond.

Council is investing \$4.4 billion across the 10 years in its largest capital programme to date. This includes increasing spending on community infrastructure, on renewing existing assets and on delivering projects that meet the objectives of our five priorities.

The initial Debt-to-Revenue Ratio limit of 285% in the first year, and subsequent reductions, is in line with the limits set by the LGFA.

Remaining under these limits over the 10 years supports Council’s credit rating (AA-). Our ability to fund potential unforeseen events is discussed in the section below.

Table 2 shows budgeted net debt for the financial years ending 30 June 2024 to 30 June 2034.

Projections show Net Debt increasing to a peak of \$2.5 billion in 2034. Rates increases from 2027 onwards will create surpluses to contribute to repaying debt.

By 2034 Council will have \$148 million in debt capacity within the 280% Debt-to-Revenue Ratio limit. Council’s 2021-2051 Infrastructure Strategy shows that debt capacity is needed beyond 2034 for future infrastructure investment.

Table 1: Debt-to-Revenue

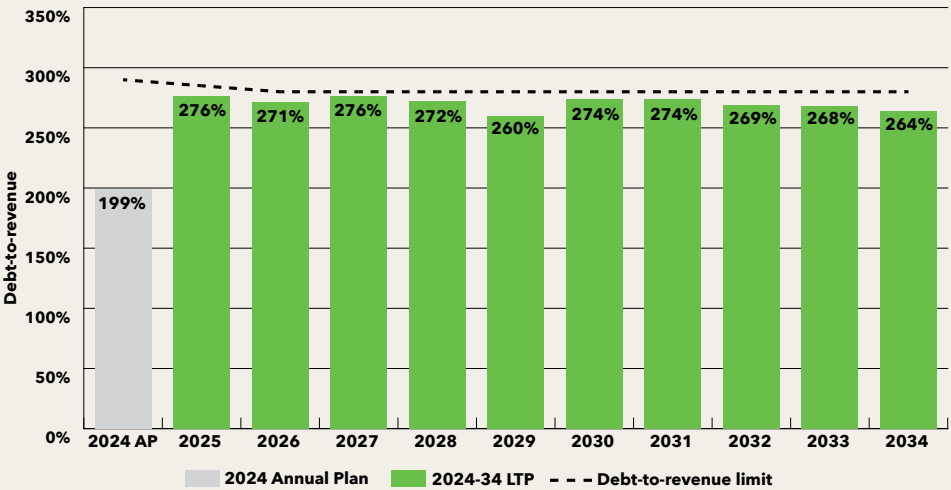
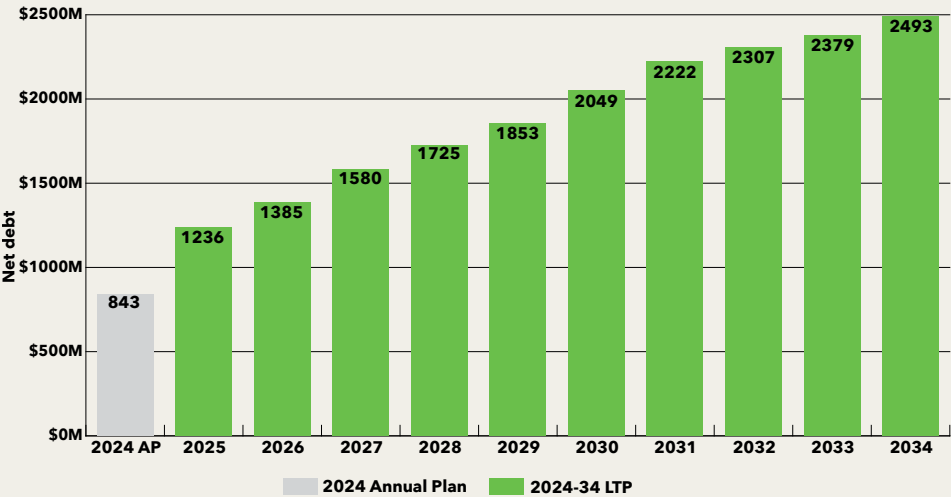


Table 2: Net Debt



Paying for the city’s everyday costs

Everyday costs should be paid for from everyday revenues.

If we fail to achieve this, these costs are funded by increasing debt. This means existing ratepayers are not paying for some of the services and amenities being provided to them. Using debt to fund everyday costs also means future ratepayers will pay for this cost and the extra interest. This is neither prudent nor sustainable.

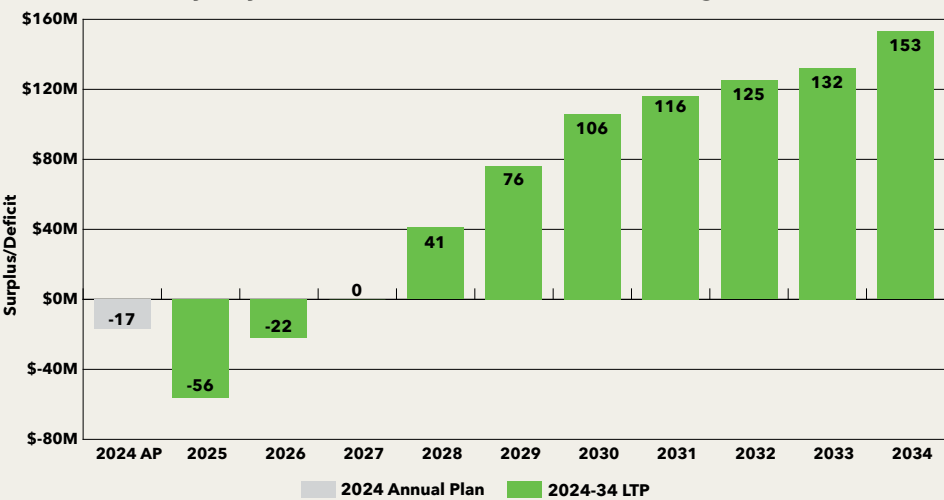
We must operate with surpluses if we are to repay debt and continue to invest in the city’s future by maintaining existing assets and building new infrastructure. Council uses the Balancing the Books measure (table 3) to determine whether everyday costs are being paid from everyday revenues. This measure differs from the Balanced Budget Benchmark (page 190). Items included in the Balanced Budget Benchmark that are not included in Council’s Balancing the Books:

- Capital revenue (except for NZTA renewals subsidy)
- Gains and losses on Plant, Property and Equipment
- Gains and losses on Investment Property

Council chooses to exclude these items as they are not considered everyday revenues or costs.

This Financial Strategy enables a balanced or surplus budget from year three onwards.

Table 3: Everyday costs and revenues (Balancing the books)



Rates

Rating Limits

Rate Increases

Average rate increases to the median existing residential properties will not exceed 16.5% in 2025, 15.5% in 2026, 14.6% in 2027, 13.5% in 2028, 12.5% in 2029 and 9% in 2030. From 2031 onwards, rate increases will not exceed 5%.

After making budget decisions, capping debt and agreeing that paying for everyday costs with everyday revenues was a priority, we have determined our rates limits.

The Council’s rating system has been considered with the intention that it represents the most appropriate rates options to address the present and future needs of the city.

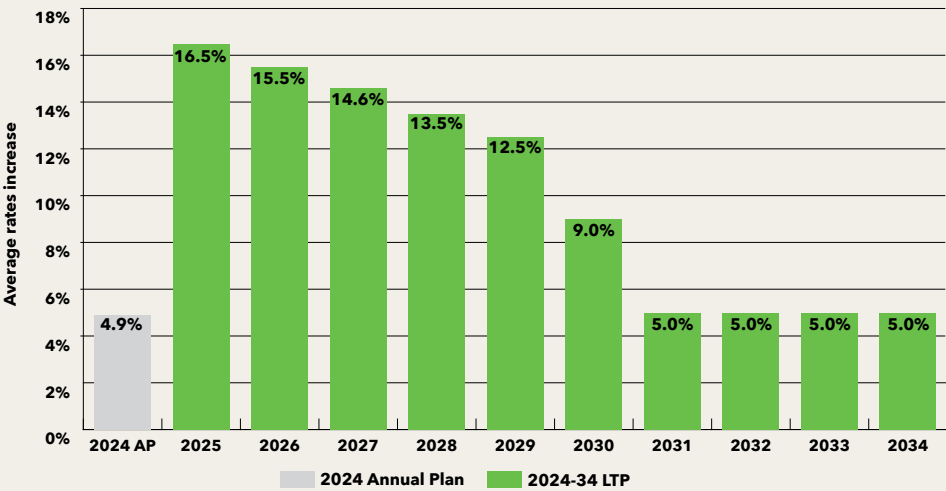
For 2024/25 Council’s adopted rates increase percentage is 16.5%. The General rate, the Uniform Annual General Charge (UAGC), and the Government Compliance rate all increase by Council’s adopted rates increase percentage each year, except in 2024/25 the BID Commercial category of the General rate and the Government Compliance rate will increase to be the same amount as the Commercial category. Average rates increases for existing ratepayers in the previous Financial Strategy were 4.9% per year.

A new targeted rate has been introduced for 2024/25 onwards. The Pool Safety Inspection rate will be set for those properties with a pool that requires inspection by Council every three years.

This rate will cover the cost of the first inspection every three years so it will no longer be invoiced separately.

The average rates increases are set at the lowest level possible to still achieve our capital investment programme. Much of this programme is funded from debt and the amount we can borrow is constrained by our Debt-to-Revenue Ratio limits. The budget shows that at this level we can complete our capital investment programme, maintain services and create surpluses necessary to repay debt.

Table 4: Average rates increases (to existing ratepayers)



Growth

Hamilton continues to experience a period of high growth. This presents a financial challenge for Council. A key guiding principle in the development of this Long-Term Plan is to ensure that those who benefit from growth pay a fair share of the costs incurred supporting that growth.

The National Policy Statement on Urban Development requires councils to provide development capacity for housing and business land to meet demand over the next 30 years. Council has a requirement to provide enabling infrastructure to meet growth demand, with current Government policy settings requiring supply of serviceable land 20% greater than forecast demand.

In this Long-Term Plan, we have adopted the high series of population projections provided by the Waikato University National Institute of Demographic and Economic Analysis (NIDEA). This means we need to supply 12,500 new dwellings over the next 10 years and 38,000 over the next 30 years. Currently there are 63,000 dwellings in Hamilton. The population is projected to grow from 185,300 in 2023 to more than 218,000 in 2034.

Dwelling projections have been used to prepare a 30-year demand forecast for the 2021-2051 Infrastructure Strategy and the related capital expenditure programme for the Long-Term Plan has been prioritised from this forecast.

Table 5: Capital expenditure

| Activity Group | 2024-34 Long-Term Plan | | | |
|------------------------------|------------------------|-------------|------------------|---------------|
| | Growth (\$000) | LOS (\$000) | Renewals (\$000) | Total (\$000) |
| Wastewater | 914,349 | 86,401 | 309,690 | 1,310,440 |
| Stormwater | 233,752 | 52,497 | 89,074 | 375,323 |
| Transport | 587,300 | 109,788 | 512,889 | 1,209,977 |
| Water Supply | 430,358 | 110,877 | 145,551 | 686,786 |
| Other | 126,111 | 158,380 | 558,171 | 842,662 |
| All Activity Groups | 2,291,870 | 517,944 | 1,615,375 | 4,425,188 |
| External Funding (excl DC's) | 592,425 | | | |

Table 5 shows the total cost of projects over 10 years categorised by type of expenditure. Growth capital expenditure provides new or improved assets which supports more residents to live in our city. Capital expenditure to improve service levels is where we are investing in new assets to service the existing population; and renewals restore our current assets to their original function or capacity.

There are additional operating costs, such as depreciation, associated with adding new assets. These costs are included in the rates increase limit.

Risk of growth being higher or lower

Should growth be lower than forecast, revenue budgets for rates, building consents, resource consents and development contributions may not be met. This will constrain borrowing

as the debt limit of 285% in Year 1 is calculated at 2.85 times revenue. We would need to reconsider the appropriateness of the capital programme.

Should growth be higher than forecast, then revenue would be higher. We would then need to consider the speed and timing of the capital programme to maintain housing supply.

These impacts are further considered in the Significant Forecasting Assumptions section of this Long-Term Plan.

Unplanned events

This Long-Term Plan provides for the everyday maintenance of assets and the renewal of assets at the end of their economic life. Unplanned events require earlier than planned investment (e.g. Civil Defence emergencies, natural events, river slips, fire, theft, and safety concerns). These events, if they occur, could result in significant unplanned operating and capital costs.

Council has mitigations that can be executed in the case of such an event. The Council can call on an additional \$100 million in standby facilities. This is made up of a \$60 million Evergreen ANZ facility and a \$40 million standby facility with the New Zealand Local Government Funding Agency (LGFA). These facilities are not included in Council's forecast debt position and drawing on them would increase overall Council debt. This may absorb the debt headroom Council has in years where the debt-to-revenue result is close to its limit. Should Council breach the debt-to-revenue limit, borrowing through the Local Government Funding Agency would continue to be made available to Council,

however may become more expensive. The impact of changes to interest rates has been disclosed in the Significant Forecasting Assumptions, through sensitivity analysis, on page 148. Council has the ability to urgently reprioritise and reduce capital spending and community levels of service spending, to mitigate the risk of breaching debt-to-revenue limits.

Collectively with other councils in the Waikato region, we have an insurance programme through Co-Lab. This programme will fund some operational costs (e.g. business interruption) and capital costs where a claimable event occurs.

All councils in the Co-Lab group have material damage insurance and infrastructure insurance using a maximum probable loss approach rather than reinstatement value for all properties. This policy has the benefit of spreading risk across a wider geographical area. Maximum probable loss is the anticipated value of the biggest monetary loss that might result from an event, whether natural or otherwise.

Additionally, we have a layer of insurance to ensure appropriate cover for key assets including the five Waikato River bridges, other key transportation bridges and underground infrastructure. The water and wastewater treatment plants, reservoirs and pump stations are fully insured including increased costs of operation through business interruption during a disaster event.

Investments

We hold investments in companies, property and cash.

Investments in companies

We are an equity holder in four companies. The principal reason for holding an equity interest in these investments is to achieve efficiency and community outcomes rather than for a financial return on investment. We hold shares in the following companies:

Table 6: Council's Investments

| Company | Shareholding /Control | Principal reason for investment | Budgeted return |
|---|-----------------------|---------------------------------|---------------------|
| Waikato Regional Airport Ltd | 50.00% | Economic development | Nil |
| Co-Lab | 16.02% | Efficient government | Nil |
| New Zealand Local Government Funding Agency Ltd | 8.30% | Borrowing | \$104,000 per annum |
| Civic Financial Services Ltd | 1.8% | Superannuation | Nil |

There are no plans to change our shareholdings. In accordance with good practice, however, this is reviewed regularly.

Property investments

Property investments are divided into three categories:

Municipal Endowment Property

Budgeted rate of return on property value for Municipal Endowment Property is 5%.

From time to time, we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Municipal Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Domain Endowment Property

Budgeted rate of return on property value for Domain Endowment Property is 1%.

From time to time we will buy and sell endowment properties in the portfolio to improve financial returns. Surplus cash is held in the Domain Endowment Fund and is available for reinvestment in property. All endowment transactions are governed by our investment and endowment policies.

Corporate Investment Property

Budgeted rate of return on property value for Investment Property is 3%.

Cash Investments

We hold cash for three main reasons:

- To support the balance of reserves.
- To ensure strong lines of liquidity and access to cash. Cash is supplemented by committed banking facilities
- To provide the funds for maturing debt.

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

Other Investments

As part of borrowing from the Local Government Funding Agency, we are required to invest in financial bonds with the agency. We will receive interest on these bonds.

Policy on securities

To borrow cash, we must offer our lenders security, just like residents do with their mortgage. Like most councils, debt is secured against rates income.

Lenders like this as security and it helps keep our interest rates low. Giving rates as security means that our lenders can make us charge ratepayers more to repay debt. That is why it is important to keep our debt at a sustainable level.

We may also offer other security, including physical assets, in certain circumstances.

The full policy on giving securities can be found in the Investment and Liability Management Policy on our website.

Disclosure Statement

We have included the Disclosure Statement in this Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

The purpose of this statement is to disclose our planned financial performance in relation to various nationally consistent benchmarks. These benchmarks enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

Our Long-Term Plan budget meets or exceeds the measures of financial management as determined by the government.

Our target of everyday revenues paying for everyday costs is more appropriate than the regulation measure for balancing the books. This is because it excludes capital revenue. Capital revenue is used for building assets and not to pay for everyday costs. The result is a more transparent view of what it would normally cost to run the city.

Significant forecasting assumptions

Ngaa whakapae matapae nui

Macro assumptions

Three waters reform

This 2024-34 Long-Term Plan (LTP) reflects policy direction from the new National-led Government in relation to costs for water services delivery. There remains significant uncertainty about future requirements for councils and resulting costs.

In 2023 legislation was passed by the Labour-led Government to remove the costs of water services from councils (and transfer to new organisations) in stages. In its LTP budget, Hamilton City Council (Council) was legally required to remove waters costs from 2025.

Following the 2023 election, the new Government has repealed this legislation. This significantly impacted the draft LTP projections and has substantially wider implications for responsibility for water services costs post-2025.

The previous Government's reform intended to reduce future cost impacts for councils and the public through economies of

scale in regional organisations. The new Government has not indicated any alternate funding support.

Government has advised councils are to self-determine future service delivery arrangements via a water services delivery plan (to be submitted within 12 months).

As a result, Council's water service delivery budgets face increasing pressure to maintain existing levels of service, address existing unfunded waters projects, provide increased funding for growth infrastructure, meet new regulatory and consenting requirements, provide resilience and response to climate change.

Government has stated two new pieces of legislation will be delivered in the next 12 months. The Local Government Water Services Transitional Provisions Bill will set out guidelines relating to how councils will manage water services and water costs and will make it easier for councils to establish council-controlled organisations (CCOs) under the Local Government Act 2002.

The second bill, the Local Water Done Well Bill, will provide guidelines for long-term financial sustainability, a complete economic system for controlling water-related costs, and a new range of structural and financing tools, including a new type of financially independent CCO.

Council has not allocated funding to investigate a CCO or similar partnership involving Hamilton. Establishment costs for any new entity would be significant and likely require a minimum three-year lead time before it could be operational.

There continues to be high level of uncertainty around the Government's proposed changes to legislation, regulation and policy drivers which impact the way in which three water services and infrastructure are provided. This uncertainty means that there are likely to be future implications which are unfunded in this LTP, such as:

- any change required to meet new legislation and regulation, such as the economic regulation signalled by the Government;
- any change in levels of services that may be required in response to new performance measures;
- any investment required to explore alternative three waters delivery models; and
- the former water service reform included centrally-funded procurement for nationally-consistent digital architecture for asset management, service maintenance and customer relationships. Halting the reform programme means these costs will now fall on councils. Council has made no provision to fund these upgrades and faces the future dilemma of establishing bespoke local upgrades or awaiting a potential regional entity to ensure local investment isn't wasted.

Resource Management Act 1991 reform

Our assumption is that the Resource Management Act 1991 (RMA) will continue to be the primary legislation under which Council operates in regard to resource management. Parliament has passed legislation repealing the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 as part of the Government's 100-day plan. While the repeal signals a reversion to the RMA, the Government will retain fast-track consenting provisions for now in advance of a separate bill to be introduced later in the 100-day period; and ensure Treaty settlements are upheld. This assumption has a high level of uncertainty. The government has signalled a full review of the legislation, but there is no timeline or detail known to date. This has limited impact on finances as Council will continue to operate under current legislation for the foreseeable future.

Fast Track Approvals Bill

The new Fast Track Approval Bill has been recently introduced into Parliament. The purpose of the bill is to "fast-track decision-making process that facilitates the delivery of infrastructure and development projects with significant regional or national benefits". It is possible that the Fast Track Approval process will be used to enable developments on the periphery of the exiting Hamilton City boundary. This could result in significant new developments outside the city, that draw development demand away from Hamilton City. This could impact on growth and financial modelling completed to support the LTP.

There is also a lack of clarity around the need for proposed developments to be adequately serviced from a three waters and transport perspective. This could result in poor development

outcomes and potentially infrastructure servicing challenges that require Hamilton City Council support to remedy. These are no investment included in the LTP to provide new infrastructure services to areas outside of the existing city boundary.

The Infrastructure and Assets Group has applied for the following Projects to be included as referred projects within the Fast Track Approval Bill to cater for both the significant historic growth and planned future growth:

1. Metro Wastewater Treatment Plant Service Packaging

A package of over \$1 billion of investment in wastewater treatment, consisting of:

- **Southern Metro Wastewater Treatment Plant**

A staged \$500+ million investment over 30 years into a new wastewater treatment plant to provide for future planned growth in Hamilton's south, the Airport's industrial area and communities south of Hamilton, both in Waipaa and Waikato Districts.

- **Pukete Wastewater Treatment Plant Reconsenting and Expansion**

\$500+ million investment over 15 years into Pukete treatment plant to get ready for subregional growth and higher discharge standards.

2. Hamilton Bulk Wastewater Storage Programme

A total investment of \$130+ million over 10 years, to develop wastewater storage devices used to reduced wastewater overflows and open up additional capacity in the strategic wastewater network.

The outcome of the Fast Track Approvals Bill process is unlikely

to be known when the 2024-34 LTP is adopted.

The assumption has a medium level of uncertainty. The risk is any legislation change could increase the demand for our services and increase growth which will impact on levels of service, expenditure and debt.

Future for Local Government

No substantive policy decisions about the future structure, roles, functions, or funding of the local government sector were made pursuant to the Future for Local Government review prior to the 2023 general election. Our assumption is that no changes will be introduced as a result of the review prior to the adoption of the LTP.

The assumption has a low level of uncertainty. The risk of any local government policy changes could impact on levels of service, revenue, expenditure and debt.

Climate change

The climate in Hamilton Kirikiriroa is already changing, including longer summers, warmer temperatures, extreme rainfall and drought conditions.

Waikato Regional Council's Waikato Regional Climate Impacts Report uses the latest climate modelling data to model the potential future climate for the region. It shows that over the next few decades we will likely experience:

- increase in rainfall intensity
- rising temperatures
- longer hot summer season
- increase in the number of hot nights

- increase in the number of hot days
- changes in wind directions
- increase in tropical cyclones.

This future climate state was used in understanding the risks for our assets and services and the risks that were identified to be high or very high now or in 2050 have been included and adaptation responses integrated into the LTP and Infrastructure Strategy.

In relation to emissions reduction, we have assumed that the current emissions target of net zero by 2050 (excluding biogenic emissions) and emissions budgets set by the government will remain for the duration of this LTP.

The level of uncertainty is low. The risk is climate change events could occur to a greater extent than predicted or in areas we have not predicted which will increase expenditure and debt.

Population growth

Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. On 14 June 2023, through the Strategic Growth Committee, Council adopted the NIDEA high projection (2021) to prepare this LTP.

Population projections from this projection series have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.

As a result of the variability in immigration settings, there

is a high degree of uncertainty around these projections. If government continues with a permissive immigration policy, then the rate of growth is likely to be higher than forecast. A move to a restrictive immigration policy would likely result in growth lower than projected. We monitor population growth and projections can be revised if immigration or growth settings change and growth diverges substantially from projected.

To ensure we have the best information available, we rebase our population projections annually when the latest Statistics New Zealand population estimates are released.

Total population at 30 June is projected to be:

| | | | |
|-------------|---------|-------------|---------|
| 2025 | 188,604 | 2030 | 203,441 |
| 2026 | 191,538 | 2031 | 206,431 |
| 2027 | 194,495 | 2032 | 209,491 |
| 2028 | 197,471 | 2033 | 212,404 |
| 2029 | 200,454 | 2034 | 215,379 |

New households at 30 June are projected to be:

| | | | |
|-------------|-------|-------------|-------|
| 2025 | 1,183 | 2030 | 1,250 |
| 2026 | 1,183 | 2031 | 1,270 |
| 2027 | 1,159 | 2032 | 1,244 |
| 2028 | 1,248 | 2033 | 1,303 |
| 2029 | 1,235 | 2034 | 1,284 |

The assumption has a high level of uncertainty. The risk is population growth could occur faster or slower than predicted which will impact on revenue, expenditure and debt. The impacts have been explained in the sensitivity analysis.

Growth infrastructure investment

It is anticipated that all growth cells will be developed by us in partnership with those providing privately funded infrastructure.

As our current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer-provided infrastructure and the use of private development agreements (PDAs). Council will continue to explore the use of new funding and financing tools such as off-balance sheet structures provided by the Infrastructure Funding and Financing Act 2020.

It has been assumed we will generally make upsizing contributions to developers on an incremental marginal cost basis where these are required. It is also assumed that any strategic infrastructure upgrades required to service development outside of Councils priority development areas (i.e., Stage 1 growth area) will be funded by third parties. No allowance has been included in the LTP for strategic network upgrades that may be needed to service increased densities in existing greenfield development areas (e.g. Peacocke, Ruakura, Rototuna, Rotokauri) from those assumed at the planning stages for those areas.

The assumption has a medium level of uncertainty. The risk is private funding for growth infrastructure might not be received

which will result in growth projects being delayed or not going ahead as planned.

Settlement pattern | Where we're growing

Hamilton Urban Growth Strategy (HUGS), Future Proof Growth Strategy, Operative Waikato Regional Policy Statement and the Operative District Plan (ODP) outline the existing long-term settlement pattern for the city. This LTP has been developed based on the following land use assumptions.

Key considerations as we grow include putting people at the heart, the health and wellbeing of the Waikato River, our environment, improved transport choices, climate change and working with our neighbouring councils.

Central city

The central city is the economic heart of the subregion. As well as providing a place for commercial, cultural and economic growth, the central city will be our primary growth area for residential intensification. To support this growth, Council has received an Infrastructure Acceleration Fund grant of \$150.6 million to deliver some of the \$334 million infrastructure investment required to support more homes in the central city. Council is prioritising investment in the three waters networks to enable intensification in the central city and walkable catchment areas (Stage 1) over other areas of the city.

Citywide intensification

Over time, we'll take a staged approach to enabling intensification in the other nearby centres and suburbs close to the central city. This means redevelopment to promote higher

density growth with a range of housing choices, easy access to jobs, services, education, health, parks and open spaces and community facilities, using a range of transport choices.

Intensification will focus in the central walkable catchment areas (Stage 1). The programme of infrastructure investment focuses on investment at a strategic level including treatment plant headworks and bulk reticulation to support both greenfield and urban infill growth. Future public and private investment will be required locally within these areas to support individual development sites. Council has prioritised investment primarily focussed on addressing priority network performance issues across the city. Future investment will be required to provide for growth and intensification citywide.

Greenfield northeast

Rototuna strategic infrastructure is nearing completion and residential development is expected to be completed within this 10-year period.

Greenfield south

Peacocke Stage 1 residential development will continue and is expected to be completed within this 10-year period, with no further strategic infrastructure investment required. Peacocke Stage 2 will become the city's primary greenfield growth area for residential development following completion of the Housing Infrastructure Fund key strategic transport and wastewater infrastructure in the northern part of the growth area during 2024 and 2025.

No substantial growth is forecast in Templeview due to limitations

associated with infrastructure capacity. No funding is included in the proposed LTP for Council investment in three waters infrastructure to support development of the Templeview area.

Greenfield northwest

Residential growth in Rotokauri Stage 1 is currently limited by the need to invest in strategic stormwater and transport infrastructure. Work is under way with land developers to explore innovative infrastructure funding, financing and delivery options.

Te Awa Lakes and parts of Rotokauri Stage 2 have been zoned through Private Plan Changes and consents for residential development are in place.

Council is working with the major land owners in Te Rapa North on the potential of progressing a plan change for Te Rapa North area (Plan Change 10) to enable the release of deferred industrial land. No substantial growth is forecast until investment is made in the necessary new strategic three waters and transport infrastructure. No funding is included in the proposed LTP for Council investment in three waters infrastructure to support development of the Te Rapa North area.

Greenfield east

The Ruakura growth area in the precinct around the Ruakura Superhub Development has been enabled through private, Hamilton City Council and central Government funding through the Provincial Growth Unit and Crown Infrastructure Partners. As well as providing the Ruakura Superhub, one of New Zealand's largest multi-use developments, the area will continue to provide residential homes.

Emerging areas

Hamilton City Council and Waikato District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of HT1 (Horsham Downs), R2 (Ruakura North) and WA (Wallace Road) when required by the City.

Hamilton City Council and Waipaa District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of SL1 and SL2 (Southern Links 1 and 2).

There is no infrastructure allowance (both physical capacity or consented allocation of potable water or wastewater) made for infrastructure provision for emerging areas. Developers will need to meet Council's Hamilton Urban Growth Strategy (HUGS) out-of-boundary principles including provision of infrastructure and the associated treatment plants and stormwater upgrades and their new consents to ensure any out of boundary emerging areas contribute positively to achieving the city's vision.

Any boundary change will require decisions of both Hamilton City Council and the neighbouring district council, a Local Government Commission process, with any environmental and financial considerations reported in a future annual plan or LTP.

Our settlement pattern assumes that these emerging areas will not be serviced in the short to medium term (e.g. within the next 10 years). Therefore, no funding is included in the proposed LTP for Hamilton City Council investment in three waters infrastructure to support development of any emerging areas.

Infrastructure for prioritised development areas

Development of a revised connections policy in response to intensification, Proposed Plan Change 12 and funding constraints has assumed that Council will prioritise investment in strategic waters infrastructure needed to unlock priority development areas such as the Stage 1 development area.

Infrastructure to support new greenfield developments, emerging development area and priority development areas

No funding is included in the LTP for Council investment in three waters infrastructure to support development of the future greenfield development areas or emerging areas. Investment is targeted at enabling growth in selected priority development areas, addressing existing network performance issues, and ensuring that Council meet necessary levels of service.

The nine land use assumptions above have a low and medium level of uncertainty. The risk is growth could occur in different areas and be faster or slower than predicted this will impact on levels of service, revenue, expenditure and debt.

Revenue

Ratepayer growth

Ratepayer growth considers the annual increases to the number of rating units, Separately Used or Inhabited Parts (SUIPs), land value, and capital value resulting primarily from subdivision and building works.

The ratepayer growth achieved from previous years is compared to the number of completed new dwellings and is projected using the number of total households forecast by NIDEA high.

Building and development activities are highly influenced by the economic climate, building industry, and housing market. Ratepayer growth is not linear from year to year and some variance from forecasts is expected.

As a result of this complexity there is a high level of uncertainty around these forecasts. The percentage increase and additional revenue represent the increase from the previous year due to growth in the:

- general rate,
- UAGC,
- Government compliance rate,
- BID rate,
- council owned property remission,
- community organisation with retail shops remission,
- water, wastewater, and refuse collection services remission.

| | Percentage increase | Additional revenue (\$000) |
|---------|---------------------|----------------------------|
| 2024-25 | 1.53% | 4,374 |
| 2025-26 | 1.52% | 5,106 |
| 2026-27 | 1.50% | 5,856 |
| 2027-28 | 1.45% | 6,509 |
| 2028-29 | 1.54% | 7,882 |
| 2029-30 | 1.50% | 8,502 |
| 2030-31 | 1.49% | 9,035 |
| 2031-32 | 1.50% | 9,644 |
| 2032-33 | 1.44% | 9,913 |
| 2033-34 | 1.49% | 10,910 |

Development contributions revenue

Future revenue has been projected using the Development Contributions (DC) Model and is based on the projects included in the funded infrastructure programme.

The DC revenue assumption considers projected growth from Hamilton City Council's Growth Model, assumed market response to high DC charges, the difference between forecast growth and growth that pays DCs, current and historical payment patterns, DC remissions, capping and phasing of DC charges, and takes consideration of growth modelling error margins.

Should Hamilton Kirikiriroa grow more quickly than expected, then DC revenue is likely to exceed these expectations. However, the increase in revenue will be offset over time by a need to accelerate growth-related core network infrastructure.

Conversely, if growth is slower than expected DC revenue will be lower offset by new infrastructure that may be deferred until needed. In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will be recouped as the demand (and DCs) is realised. The DC Model and its revenue projections is updated every long-term plan to account for what has happened in the past three years.

This assumption has a high level of uncertainty. While DC revenue projections are made using the best information and peer reviewed models, the fact of that uncertainty arises because DC revenue projections themselves are based on inherently uncertain assumptions including long-term growth projections, economic projections, and projected future land use and capital investments. The timing of the receipt of DCs and the capital spend related to the projects for which DCs have been collected, will impact the debt levels. Given the Council is closer to its Debt-to-Revenue threshold, this requires careful management of the timing of the capital programme to align it with revenue growth.

| | Revenue estimate (\$000) |
|----------------|--------------------------|
| 2024-25 | 21,174 |
| 2025-26 | 24,485 |
| 2026-27 | 38,417 |
| 2027-28 | 52,625 |
| 2028-29 | 57,514 |
| 2029-30 | 55,954 |
| 2030-31 | 58,657 |
| 2031-32 | 58,861 |
| 2032-33 | 63,249 |
| 2033-34 | 60,813 |

City Investment Programme

External revenue projections are based on forecast maximum available funding in the current market pool from corporates, trusts and individuals. Targets assume approved priority projects aligned with donor and funder aspirations with at least 30% Council funding. Future central government funding is uncertain until the new government communicates priorities.

The revenue projections of the City Investment Programme for the LTP are considered to have a medium level of uncertainty in 2024-25 and a high level of uncertainty from 2025-26. This is based on a range of internal and external factors including:

- Applicable central government funds are on hold or have significantly reduced levels of distribution;
- There is a higher level of philanthropic and corporate prudence in the current economic environment;

- The current Service Level Agreement with the external organisation to support achievement of targets faces the same challenges and achievability to deliver agreed targets; and
- The final 2024-2025 capital programme may have reduced alignment with investor/donor aspirations.

Central government partnerships

Council continues to advocate for a partnership funding deal with central government to deliver strategic infrastructure priorities (across the metro area). There is no deal currently in place, but key metro priorities have been identified that should be included in any funding deal that is developed.

This assumption has a low level of uncertainty. The risk is partnership funding might be received which would impact revenue and debt.

Expenditure

Cost of growth

As Hamilton grows, costs increase for some services. We have assumed increases for contract escalations relating to the growing number of households as forecast by NIDEA high. This occurs only where the supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause. Further consequential cost of growth will be included in relevant activity budgets to reflect the cost of maintenance and operating new assets that are created.

The assumption has a low to medium level of uncertainty. The risk is growth could occur faster or slower than predicted which will impact on revenue, expenditure and debt.

Inflation treatment

Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost.

Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide information for the period of this LTP. These forecasts are related to the types of costs that the local government sector is likely to incur.

Inflation data being published by Statistics New Zealand, and other Statistical analysis at the time of data preparation, indicated inflation was remaining higher than the October 2023 BERL forecast, therefore Council also utilised its in-house economics team to create

a hybrid approach to finalise the inflation projections, reflecting local data and insights and known contract price escalations.

Council has taken a risk averse approach to potential inflationary pressures due to the limited resilience in our debt headroom and the current Balancing the Book deficit position and limited ability to absorb any unfavourable upwards movement of inflation. Inflation rates are reviewed annually at each Annual Plan and Long-Term Plan.

Treasury inputs for wage/salary growth projections was used along with consideration for the Council's continued commitment to align Council's minimum wage to the Living wage, and the inflationary effects of committed associated remuneration benefits.

Council has increased the capital inflation rate by the historical trend variance, as calculated by analysing forecast capital BERL rates (as assumed in prior Long-Term Plans) and actual inflation rates.

Operating expenditure (excluding personnel) and revenue inflation in financial modelling is:

| Operating inflation | |
|---------------------|------|
| 2024-25 | 0.0% |
| 2025-26 | 3.5% |
| 2026-27 | 3.5% |
| 2027-28 | 3.6% |
| 2028-29 | 3.7% |
| 2029-30 | 3.7% |
| 2030-31 | 3.7% |
| 2031-32 | 3.2% |
| 2032-33 | 3.2% |
| 2033-34 | 3.2% |

Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

| Capital inflation | |
|-------------------|------|
| 2024-25 | 0.0% |
| 2025-26 | 4.0% |
| 2026-27 | 3.8% |
| 2027-28 | 4.0% |
| 2028-29 | 4.0% |
| 2029-30 | 4.0% |
| 2030-31 | 3.8% |
| 2031-32 | 3.4% |
| 2032-33 | 3.4% |
| 2033-34 | 3.4% |

Personnel inflation used in financial modelling is:

| Personal inflation | |
|--------------------|------|
| 2024-25 | 0.0% |
| 2025-26 | 5.5% |
| 2026-27 | 4.0% |
| 2027-28 | 4.0% |
| 2028-29 | 2.5% |
| 2029-30 | 2.5% |
| 2030-31 | 2.5% |
| 2031-32 | 2.5% |
| 2032-33 | 2.5% |
| 2033-34 | 2.5% |

This assumption has a high level of uncertainty. The risk is inflation could be higher or lower than predicted which will impact on revenue, expenditure, and debts. The impacts are explained in the sensitivity analysis.

Future Fit programme

Enduring savings of \$1 million per annum will be saved from Year 2 of the LTP through the Future Fit programme. This will be achieved through business improvement efficiencies which will be identified and implemented in Year 1 of the LTP.

This is in addition to enduring savings of \$7 million per year which has been implemented prior to this LTP through the Future Fit programme.

This assumption has a low level of uncertainty. The risk is the savings predicted might not be achieved which will increase expenditure and debt.

Capital expenditure forecasts

The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous long-term plans, and results in budget provisions which assume a risk management approach to actual costs.

The confidence levels in capital and consequential operational cost estimates vary for different projects based on the level of investigations that have been undertaken to date. Capital cost estimates for three waters and transport infrastructure are based on P50 cost estimates (the estimate of costs such that there is a

50 per cent probability of the project being delivered within that cost estimate). This approach is consistent with previous long-term plans and is appropriate for programmes of works which allow an 'overs and unders' approach to cost management. Consequential operational costs are based on the best available information at the time of budget setting. As project investigations are progressed, consequential operational costs may be impacted.

The assumption has a medium level of uncertainty. The risk is capital expenditure could be more or less than predicted which could impact on our revenue, expenditure, debt and levels of service.

Availability of resources to deliver service levels and to complete the capital programme

Council has assumed that the market has the capacity to not only deliver the capital programme, but also there exists sufficient confidence that the pricing is in line with the capital expenditure forecasts which have been developed using a base estimate, plus a nominal contingency.

The assumption has a medium level of uncertainty. The risk is resources might not be available to deliver our capital programme as predicted. Projects will be delayed and it could impact on Council's revenue, expenditure, debt and levels of service.

Interest rates

Interest on investment

The interest rate applying to cash investments is 6%. It is estimated that an average cash balance of \$50 million will earn approximately \$3 million in interest per annum.

Interest on expenditure

PwC provides these projections based on Council’s projected debt portfolio, as part of their ongoing treasury advisory function.

| | Interest rate |
|---------|---------------|
| 2024-25 | 4.67% |
| 2025-26 | 4.41% |
| 2026-27 | 4.41% |
| 2027-28 | 4.42% |
| 2028-29 | 4.57% |
| 2029-30 | 4.71% |
| 2030-31 | 4.89% |
| 2031-32 | 5.03% |
| 2032-33 | 5.18% |
| 2033-34 | 5.37% |

The interest assumptions have a medium level of uncertainty. The risk is interest rates could be higher or lower than predicted which will impact on revenue, expenditure and debt. The impacts have been explained in our sensitivity analysis.

Credit rating

It is assumed that Council's credit rating AA-/Negative/A-1+ remains unchanged. There is a medium level of uncertainty that sector wide uncertainty and growing debt levels could lead to a downgrade to the Council’s credit rating which could increase the long-term cost of funds. Debt levels are being managed to maintain credit rating.

Property investment

Expect return on investment in property is based on the objective of maximising financial return. This is realised by operating property assets to achieve the market or better than market rates of return through maximum rental income, high levels of building occupancy and quality tenants. Rents have been set in line with prevailing market conditions.

The assumption has a low level of uncertainty. The risk is rent could be higher or lower than predicted which will impact on revenue.

Asset sales

The forecast financial statements include transactions to complete existing contracted asset sales. There are no other asset sales assumed. No financial impact is assumed from minor asset sales (e.g. disposal of surplus operational assets).

The assumption has a low level of uncertainty. The risk is assets sales could occur resulting in a gain or loss on sale and a reduction in revenue from the asset.

Revaluation of non-current assets

Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the Statement of Financial Position. This includes an inflationary allowance calculated in accordance with the GHD cost escalation report provided to Council as at 31 December 2023, in respect of the capital works programme.

This assumption has a high level of uncertainty due to the significant inflationary pressures on the capital programme in a high inflation economy, that has yet to settle. There is also demand pressure on capital resourcing with the additional resource demand caused by the Hawkes Bay and Auckland flood events. Should inflation be higher than the budgeted assumptions for revaluation, insufficient rates may be collected for debt repayment and for future renewals.

Useful lives of significant assets

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These are disclosed in the depreciation note within the Statement of accounting policies, included in the Prospective financial statements.

The assumption has a low level of uncertainty. The risk is the useful lives of significant assets could be higher or lower than predicted this will impact on depreciation and the value of asset.

Acquisition of significant assets

Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months' depreciation for renewal projects in the year the renewals are first budgeted. For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.

The assumption has a medium level of uncertainty. The risk is significant assets might be capitalised earlier or later than predicted this will impact on depreciation.

Seismic rating of Council buildings

In 2018 Detailed Seismic Assessments were completed for Council buildings as required by legislation. This assessment is used to determine if a seismic upgrade is required and subsequent to this date included in Council's Asset Management Plans identifying any known seismic upgrades needed to meet minimum legislative requirements. The majority of Council buildings identified requiring seismic strengthening have been completed. The ongoing programme of work and continued funding in the LTP for seismic upgrades ensures we can meet legislative requirements.

The assumption has a medium level of uncertainty. The risk is additional buildings are identified with seismic issues this could increase expenditure, impairments and reduce the value of the assets.

Investment properties

We revalue investment properties on an annual basis and an annual gain on investment property values of 2.5% has been assumed in each year of this LTP.

The assumption has a medium level of uncertainty. The risk is the valuation could be higher or lower than predicted which will impact on the gain or loss on investment properties and the value of the assets.

Vested assets

The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness.

The assumption has a high level of uncertainty. The timing and value of vesting from developers is very hard to forecast as the timing of the completion of developments and then the time period that developers take to vest the assets is variable. The risk is vested asset could be higher or lower than predicted. There is no cash impact of this, however there can be a depreciation impact depending on the timing of the vesting.

Infrastructure asset condition information

We are spending more on understanding the state of our assets as this helps us make better planning and budget decisions, however, some of our asset data is not as complete as we would ideally like. We are working to improve what we know about our assets, including their age, how well they're performing, and their condition. We use this information to do our planning.

As our data improves, we may need to reprioritise some assets for replacement to reduce to risk of unexpected asset failures.

Only having one water treatment plant and one wastewater treatment plant means if either was unable to operate, this would have a significant impact on the community. We lessen this risk by continuing to update our asset information, asset criticality, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise our replacement and preventative maintenance on our assets, and to ensure we manage the risk of failure for the most-critical infrastructure.

This assumption has a high level of uncertainty. The risk is the condition information of the infrastructure assets could be incorrect which could result in asset failure which would increase expenditure and assets could also be incorrectly valued.

Activity specific assumptions

City planning and growth

Building control and planning guidance

Expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

This assumption has a medium level of uncertainty. The risk is revenue may be higher or lower than predicted which will impact on revenue and debt.

Transport

Third party funding

We have assumed that operating and capital expenditure programmes, which have in the past received NZ Transport Agency Waka Kotahi (NZTA) subsidy, will continue to receive subsidy over the course of the 2024-34 LTP. This assumption, like all previous LTPs, is uncertain.

NZTA provides confirmation of the subsidy programmes as part of its three yearly National Land Transport Programme (NLTP) after each Local Authority has adopted its LTP. Therefore, the subsidy funding for the 2024-27 period has not yet been confirmed. This LTP has more uncertainty based on the emerging priorities of the new government through the draft Government Policy Statement on Land Transport (GPS) which has not yet been finalised.

Subsidy levels for the period after 2024-27 has a high degree of uncertainty. For this period Council has assumed subsidies will continue at similar levels to the 2024-27 period.

We have further assumed that the NZTA Funding Assistance Rate (FAR) of 51% that has generally been applied will continue to apply. For the 2024-27 NTLP period this FAR has been approved by the NZTA Board so the assumption is fairly certain, for later years of the LTP this assumption is highly uncertain.

These assumptions together have a high level of uncertainty. A reduction in expected level of NZTA subsidy received would have a negative impact on Council's ability to deliver its operational and capital transport programmes and its agreed levels of service. If a significant reduction in the level of NZTA subsidies is received, then Council would likely need to reprioritise both its operational and capital programmes to ensure compliance with the Financial Strategy.

Three waters

Water safety plan

The Hamilton Drinking Water Safety Plan was submitted to Taumata Arowai as required in November 2022. This plan identifies potential risks associated with a water supply and details the controls in place to manage those risks.

It is assumed, that the current controls funded in this LTP will be appropriate to manage drinking water safety risks and meet requirements of the Water Services Act 2021.

Drinking Water Standards

Taumata Arowai, the Water Services Regulator, released new quality assurance rules, drinking water standards, and aesthetic guidelines which came into effect from November 2022. Reporting against the new rules has been required since 1 January 2023.

The new water supply regulatory regime is in its infancy. There is a risk that as Taumata Arowai strengthens its monitoring and auditing functions further actions to strengthen water safety across the country may be identified.

Hamilton Kirikiriroa already has a high level of compliance with the Drinking Water Quality Assurance Rules and standards. It is assumed, that the current water supply infrastructure and operational methodologies funded in this LTP will continue to meet compliance.

Freshwater quality standards

Te Ture Whaimana o te Awa o Waikato (Waikato River Vision and Strategy) is the primary direction setting document for activities in the Waikato River Catchment, and compels council to act in a manner that restores and protects the health and wellbeing of the Waikato River. Council's obligations under Te Ture Whaimana are a key driver for planned investment in three waters infrastructure.

The National Policy Statement for Freshwater 2020 sets targets for freshwater quality and Waikato Regional Council is progressing significant changes to the Regional Plan to better reflect Te Ture Whaimana and reflect the changing community expectations around freshwater management.

These changes are increasing emphasis on current Resource Consent compliance. It is assumed that the planned operational and capital interventions to address existing system performance challenges will meet the regulators compliance expectations for the remaining life of the key existing resource consents. Significant investment is included for Puketapu WWTP to improve treated wastewater quality anticipated to be required through the consent renewal process (See resource consent assumptions for further information).

The three assumptions above have a low and medium level of uncertainty. The risk is any changes in standards or legislation could increase expenditure, debt and impact on levels of service.

Project Watershed

Waikato Regional Council financially contribute to the maintenance and remediation of erosion in natural waterways within the City under the Project Watershed Service Level Agreement. This Service Level Agreement is currently under review; however, it is assumed that financial contributions will continue to be received from Waikato Regional Council under any new or revised agreement. These contributions are sourced from a Waikato Regional Council targeted rate for Project Watershed. We will apply these funds to projects meeting the criteria set out in the Project Watershed agreement between us and the Waikato Regional Council.

This assumption has a low level of uncertainty. The risk is revenue might not be received as predicted for project watershed.

Mandatory performance measures

Under the Water Services Act 2021, Taumata Arowai is phasing in new mandatory requirements to monitor and report on the environmental performance of drinking water, wastewater, stormwater and Te Mana O Te Wai. It is assumed that reporting on new measures will utilise existing data and will not require additional investment.

This assumption has a low level of uncertainty. The risk of any changes in legislation could increase expenditure and debt.

Asset management interventions

The delivery of three waters services requires balanced investment between operational and capital interventions. Investment in capital interventions can decrease operational and maintenance demand, whilst investment in operational interventions such as condition assessment is required to ensure efficient capital investment, the two must be balanced to optimise investment.

It is assumed that any unfunded or rephased capital projects will not result in additional operational expenditure.

This assumption has a low level of uncertainty. The risk is any unfunded or rephased capital projects could result in additional operating expenditure which could impact on debt.

Emergency management

Three waters activities are based on the day to day needs of service provision. Funding to cover the potential costs associated with large scale incidents such as low river levels, critical asset

failure, biosecurity responses or supply chain disruption or emergency events such as repeat major wet weather events, or natural disasters have not been included in this LTP.

This assumption has a medium level of uncertainty. The risk is weather events or natural disasters could occur which would increase expenditure and debt.

Rubbish and Recycling

Emissions Trade Scheme and Waste Levy

The government sets the reserve price for the Emission Trade Scheme (ETS) and Waste Levy payable of waste disposed of nationally. The central government Waste Levy Scheme continues to be increased, and scope expanded (all classes of landfills to be included). The Government introduced a Bill in June 2024 that expands the scope of activities that the levy may be used for, the levy will also be incrementally increased from 1 July 2025 to 1 July 2027. Current assumptions are that waste levy contributions will continue at levels set by the Ministry for the Environment (including increases related to growth), over the full term of the LTP. The funds will be used to deliver on actions from the Waste Management and Minimisation Strategy as required by the Waste Minimisation Act 2008.

This assumption has a medium level of uncertainty. The risk is weather events or natural disasters could occur which could increase expenditure and debt.

Other specific assumptions

Unquantified legal claims

This LTP does not assume any provision for legal claims which are currently in progress.

This assumption has a low level of uncertainty. The risk is Council could become liable for legal claims that have not been budgeted which would increase expenditure and debt.

Future legislative change

The details of future legislative changes are unable to be anticipated with any level of certainty. The information that has been made available through various policy announcements to date suggests the potential risks to materially impact this LTP are moderate in scale. However, given the lack of detail available on future legislative changes and their timing, our projects have been planned based on the current legislative regime except where explicitly stated in other assumptions.

Changes to other legislation, regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be anticipated at this point. As a result, this LTP has been developed based on current legislation, regulations, rules and policy except where explicitly stated in other assumptions.

This assumption has a medium level of uncertainty. The risk is any legislation change could increase compliance, expenditure and debt.

Resource consents

Council hold a number of resource consents for three water services. Key resource consents and the years they expire are:

- Wastewater Treatment Plant discharge - 2027
- Comprehensive stormwater consent - 2036
- Water Treatment Plant abstraction - 2044

It has been assumed that current resource consent conditions will continue for the remaining life of the resource consents.

It has also been broadly assumed that these key current resource consents and conditions will remain in place until new consents are secured. Resource consent conditions determine the level of infrastructure investment required.

The Wastewater Treatment Plant discharge consent will expire within the LTP period. It is assumed that securing a new discharge consent will require significant improvements in water quality in line with agreements made through the Metro Wastewater Detailed Business Case Memorandum of Understanding (2022). Accordingly significant investment allowances have been included in the LTP to upgrade the treatment plant to achieve improved discharge standards. The LTP assumes a continued discharge to that Waikato River, albeit with significantly improved treatment and provision for an improved discharge structure. Given that the plant must remain fully operational, the upgrade programme is planned over a 15 year period starting in Year 1. The programme assumes that new resource consents secured post 2027 will include a transition period to achieve the improved discharge standards.

Council has also included investment for a new wastewater treatment plant to meet the needs of Hamilton City in the LTP. Resource Consents are a critical requirement for this activity.

This assumption has a medium level of uncertainty. The risk is resource consents might not continue for the remaining life of the consent or not be issued which could impact on levels of service, increase expenditure and debt.

Flood Hazard Risk

A number of programmes and projects have been identified to reduce and manage predicted flood hazards in events up to the 1% Annual Exceedance Probability in areas of the city. Council has prioritised funding in the LTP to undertake works to reduce flood hazard in several areas considered the highest priority (i.e., Waitaawhiriwhiri and St Andrews catchments). Investment prioritisation considers a range of factors including frequency of flooding, the extent, severity of impact (e.g., number of houses flooded), and deliverability. The LTP does not include funding for an ongoing programme to reduce and manage known flood hazards across the city. However, a strategic networks programme is included in the LTP to improve flood management of large flood hazard areas that require significant investment.

This assumption has a medium level of uncertainty. The risk is flooding events could occur to a greater extent than predicted or in areas we have not predicted which will increase expenditure and debt.

Sensitivity analysis

Inflation

A variance in the LGCI (Local Government Cost Index) operating expenditure rate of inflation by 1% would impact the budget by approximately \$1.350 million per annum (including staff costs). A similar variance in the capital expenditure inflation rate would impact the capital programme by approximately \$6.057 million per annum.

Should actual inflation be lower than budgeted, Council will use surpluses to repay debt. Any increases to actual inflation would be addressed through the Annual Plan process where Council would review the appropriateness of rates, operating and capital spend, to mitigate the risk of breaching the debt-to-revenue limit.

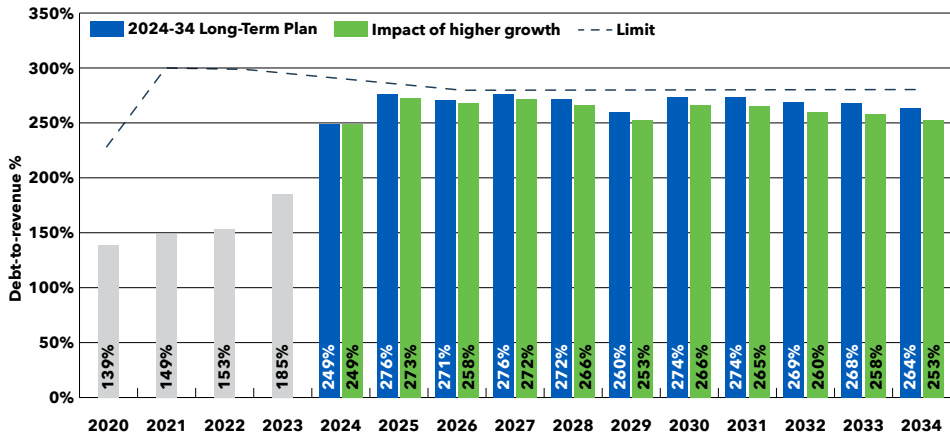
Interest

A 1% variance to interest rates would increase or decrease interest costs by approximately \$13.493 million per annum based on expected 2023/24 debt levels or (\$20,863 million per annum average across all 10 years debt levels) assuming all of Council's debt is floating. Council currently has 57% of its borrowings at fixed rates, therefore the impact of a 1% variance would be \$5.802 million per annum based on 2023/24 debt levels or \$8,971 million per annum across all 10 years.

Growth assumptions

In making these forecasting assumptions we have to be mindful the future may not unfold as expected. Many of our assumptions are based on the NIDEA High growth projections and the spatial distribution of this growth around the city via Council's Growth Model. As such, we need to prepare for variations to these projections. Our current growth assumptions show sustained growth over the next ten years. This matter has the greatest impact on our LTP. It results in more expenditure to run the city, more capital expenditure earlier to provide for the growing city and more revenue to pay for it. Growth affects most of our assumptions and it affects our resilience to manage certain types of assumptions, for example climate change. To be prepared for the possibility of growth happening other than planned, analysis has been done on the effects of a 15% change in growth.

Debt-to-revenue: 15% higher than forecast growth

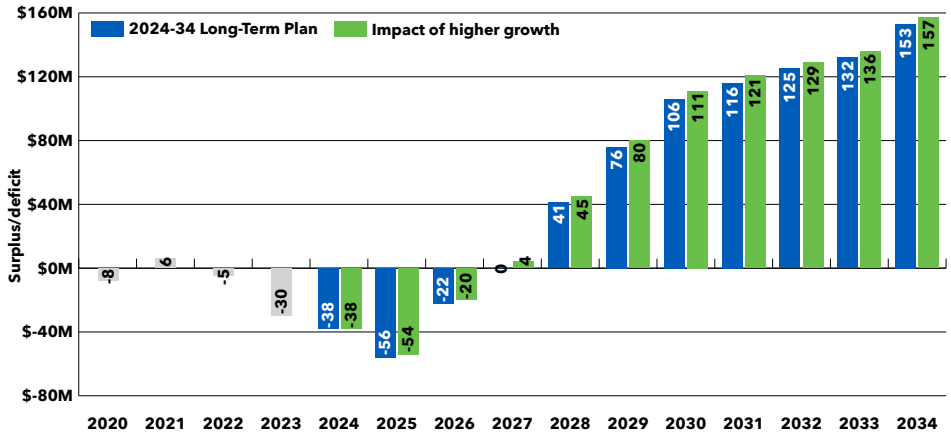


15% higher than forecast growth

Higher growth means more income for growth, particularly in terms of revenue from development contributions, rates and consenting processes. This helps pay for the higher everyday costs of running the city that more people create.

Based on the existing capital programme, Hamilton will be able to accommodate a larger population in the short-term. More infill housing will occur as a result. In time, capital projects currently beyond the ten years will need to be brought forward. A benefit of higher growth would be greater debt capacity for the next big spend when new growth cells need to be opened.

Balancing the books: 15% higher than forecast growth



15% lower than forecast growth

Typically, a recession is likely to occur in any ten-year period, but they are almost impossible to forecast. If growth is lower than assumed our challenges will be greater.

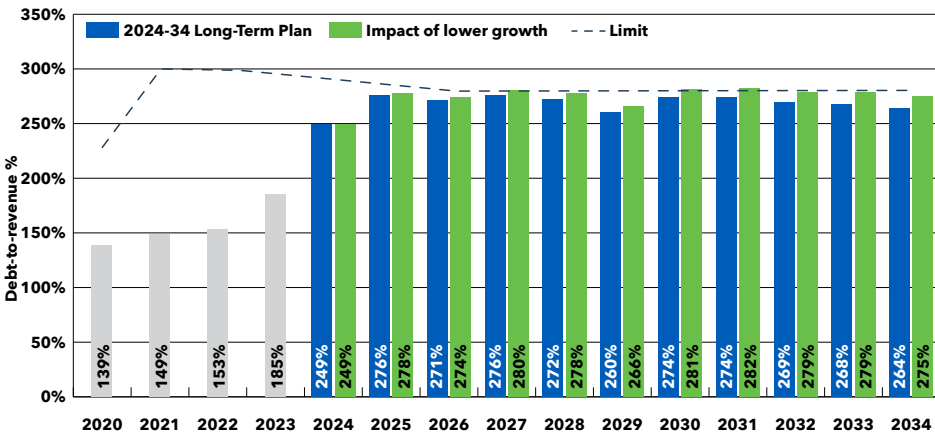
With the Financial Strategy forecast to maximise the debt-to-revenue limit in 2026-27 we are more vulnerable to drops in revenue. Less revenue from grants and subsidies, fees and charges could push us beyond the 280% limit in future years. The biggest impacts come from lower than forecast growth particularly in terms of development contributions, consent processing and rates. Costs are difficult to rein in quickly. Council’s large capital programme will be well underway before

a change in growth would become apparent and once started, contracts and practical arrangements would be difficult to stop.

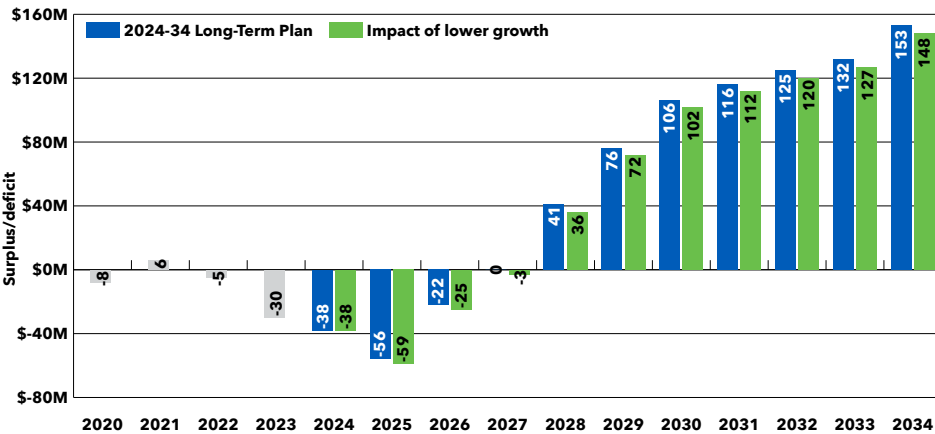
The effect of this on the Financial Strategy would be movements in the wrong direction. The graphs model a lower growth scenario which shows deficits, meaning we would be borrowing more to pay for everyday costs. They also show the impact of less revenue on the debt-to-revenue graphs with one year of debt at the Financial Strategy Limit and two years of debt above the Financial Strategy limit.

We are aware of the risk and constantly monitor actual growth and revenue so we can respond if required.

Debt-to-revenue: 15% lower than forecast



Balancing the books: 15% lower than forecast



An aerial photograph of a suburban area featuring a large, calm lake in the center. The lake reflects the surrounding greenery and the sky. On the left side of the lake, there is a large, organized parking lot filled with many cars, adjacent to some blue-roofed buildings. The background is filled with dense residential housing and lush trees. A large, solid blue circle is positioned on the right side of the image, partially overlapping the lake and the residential area, serving as a backdrop for the text.

Forecast financial statements

Ngaa whakaaturanga
puutea kua matapaetia

Guide to this section

This section shows in detail the prospective financial reports, and accounting policies of Council. The prospective financial statements provide forecast information about Council's assets, liabilities, income, and expenditure.

Council's financial year begins on 1 July and continues until 30 June.

The prospective financial statements include four primary statements:

Prospective statement of comprehensive revenue and expense

This summarises Council's prospective financial performance for the year, listing all income and expenses. It also records other anticipated comprehensive income, such as changes in fair value of Council's infrastructure, property, plant, and equipment.

Prospective statement of changes in net assets/equity

This is often known as the statement of changes in equity. It details the prospective overall changes for the year in relation to Council's net wealth.

Prospective statement of financial position

This is a '30 June' snapshot of Council's prospective financial position at the end of the relevant financial year, that indicates its anticipated assets, liability, and net wealth at that point.

Prospective statement of cash flows

This statement indicates where Council's cash is intended to come from, and where it will be spent in the relevant financial year.

These four statements reflect Council's forecast position across the 10 years of the 2024-34 Long-Term Plan.

Notes to the prospective financial statements

These 'notes' are to provide greater detail and more information on the four primary prospective financial statements:

- Prospective statement of comprehensive revenue and expense;
- Prospective statement of changes in net assets/equity;
- Prospective statement of financial position;
- Prospective statement of cashflows.

The content of the four prospective financial statements and their notes are prepared using Public Benefit Entity accounting standards.

Prospective statement of comprehensive revenue and expense

| Forecast for the year ending 30 June 2024-34 | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Revenue | | | | | | | | | | | | |
| Rates | 2 | 255,752 | 302,672 | 353,981 | 411,135 | 472,959 | 540,479 | 598,592 | 639,043 | 681,901 | 726,064 | 773,995 |
| Fees and user charges | 3 | 50,346 | 50,107 | 54,402 | 59,766 | 64,382 | 67,181 | 72,119 | 75,051 | 78,789 | 81,864 | 84,570 |
| Subsidies and grants | 4 | 21,788 | 10,854 | 11,022 | 11,709 | 11,806 | 12,274 | 12,437 | 13,509 | 13,318 | 13,726 | 13,873 |
| Interest revenue | 5 | 6,124 | 12,163 | 12,378 | 12,621 | 12,759 | 12,861 | 13,131 | 13,355 | 13,483 | 13,694 | 13,898 |
| Other revenue | 6 | 13,011 | 8,173 | 8,554 | 8,224 | 8,536 | 8,885 | 9,157 | 9,446 | 9,702 | 9,484 | 10,239 |
| Development contributions | 7 | 36,605 | 21,174 | 28,485 | 38,417 | 52,625 | 57,514 | 55,954 | 58,657 | 58,861 | 63,249 | 60,813 |
| Capital revenue | 8 | 81,155 | 64,545 | 70,796 | 69,477 | 63,644 | 72,366 | 42,966 | 61,359 | 58,958 | 41,688 | 46,626 |
| Vested assets | 9 | 39,353 | 36,750 | 38,220 | 39,672 | 41,258 | 42,910 | 44,625 | 46,322 | 47,897 | 49,525 | 51,208 |
| Total revenue (excluding gains) | | 504,134 | 506,438 | 577,837 | 651,022 | 727,970 | 814,470 | 848,982 | 916,742 | 962,909 | 999,293 | 1,055,223 |
| Expenditure | | | | | | | | | | | | |
| Personnel costs | | 120,650 | 132,753 | 137,336 | 144,298 | 151,085 | 155,496 | 159,686 | 164,245 | 169,411 | 174,116 | 176,673 |
| Depreciation and amortisation expense | 10 | 94,405 | 112,104 | 122,393 | 133,625 | 138,472 | 150,338 | 162,768 | 169,152 | 184,118 | 199,901 | 204,869 |
| Finance costs | 11 | 33,496 | 61,249 | 66,215 | 73,985 | 81,870 | 90,819 | 101,186 | 114,029 | 124,308 | 134,096 | 143,739 |
| Operating and maintenance costs | | 87,013 | 98,884 | 105,251 | 116,949 | 123,434 | 131,757 | 138,431 | 148,162 | 152,022 | 159,879 | 167,152 |
| Professional costs | | 15,609 | 17,020 | 16,227 | 20,901 | 19,256 | 20,777 | 21,366 | 23,114 | 24,819 | 26,698 | 27,399 |
| Administration costs | | 22,320 | 25,876 | 28,044 | 29,381 | 31,290 | 32,796 | 32,846 | 35,852 | 38,760 | 40,136 | 43,266 |
| Property costs | | 14,931 | 16,829 | 18,453 | 20,142 | 21,949 | 24,968 | 26,759 | 28,429 | 30,358 | 31,919 | 33,447 |
| Total expenses (excluding losses) | | 388,424 | 464,715 | 493,918 | 539,281 | 567,357 | 606,951 | 643,042 | 682,983 | 723,797 | 766,745 | 796,545 |
| Operating surplus/(deficit)* | | 115,710 | 41,723 | 83,919 | 111,741 | 160,613 | 207,518 | 205,939 | 233,759 | 239,112 | 232,548 | 258,677 |
| Gains | | 1,050 | 915 | 938 | 961 | 985 | 1,010 | 1,035 | 1,061 | 1,088 | 1,115 | 1,143 |
| Losses | | - | - | - | - | - | - | - | - | - | - | - |
| Total surplus/(deficit) | | 116,760 | 42,638 | 84,856 | 112,703 | 161,598 | 208,528 | 206,975 | 234,820 | 240,200 | 233,663 | 259,820 |
| Other comprehensive revenue and expense | | | | | | | | | | | | |
| Items that will not be reclassified to surplus/(deficit) | | | | | | | | | | | | |
| Gain on property, plant and equipment revaluations | | 44,376 | 320,951 | 224,574 | - | 432,526 | 280,805 | - | 600,776 | 376,962 | - | 766,116 |
| Total other comprehensive revenue and expense | | 44,376 | 320,951 | 224,574 | - | 432,526 | 280,805 | - | 600,776 | 376,962 | - | 766,116 |
| Total comprehensive revenue and expense | | 161,136 | 363,589 | 309,431 | 112,703 | 594,124 | 489,334 | 206,975 | 835,596 | 617,162 | 233,663 | 1,025,936 |

* Surplus/(deficit) before gains and losses, share of associate's surplus and tax
The accompanying notes form part of these financial statements.

Prospective statement of changes in equity

| Forecast for the year ending 30 June 2024-34 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Equity balance at 1 July | 5,141,868 | 5,483,600 | 5,847,189 | 6,156,620 | 6,269,322 | 6,863,446 | 7,352,780 | 7,559,755 | 8,395,351 | 9,012,513 | 9,246,176 |
| Total comprehensive revenue and expense for the period | 161,136 | 363,589 | 309,431 | 112,703 | 594,124 | 489,334 | 206,975 | 835,596 | 617,162 | 233,663 | 1,025,936 |
| Equity balance at 30 June | 5,303,005 | 5,847,189 | 6,156,620 | 6,269,322 | 6,863,446 | 7,352,780 | 7,559,755 | 8,395,351 | 9,012,513 | 9,246,176 | 10,272,112 |
| Accumulated comprehensive revenue and expense | | | | | | | | | | | |
| Balance at beginning of year | 2,259,847 | 2,326,163 | 2,367,709 | 2,451,521 | 2,563,211 | 2,723,837 | 2,931,419 | 3,137,476 | 3,371,405 | 3,610,743 | 3,843,573 |
| Total surplus/(deficit) | 116,760 | 42,638 | 84,856 | 112,703 | 161,598 | 208,528 | 206,975 | 234,820 | 240,200 | 233,663 | 259,820 |
| Transfers (to)/from restricted and council created reserves | (55) | (1,092) | (1,045) | (1,012) | (972) | (946) | (918) | (891) | (862) | (833) | (802) |
| Balance at end of year | 2,376,552 | 2,367,709 | 2,451,521 | 2,563,211 | 2,723,837 | 2,931,419 | 3,137,476 | 3,371,405 | 3,610,743 | 3,843,573 | 4,102,591 |
| Revaluation reserves | | | | | | | | | | | |
| Balance at beginning of year | 2,839,244 | 3,110,627 | 3,431,578 | 3,656,152 | 3,656,152 | 4,088,679 | 4,369,484 | 4,369,484 | 4,970,260 | 5,347,222 | 5,347,222 |
| Revaluation gains | 44,376 | 320,951 | 224,574 | - | 432,526 | 280,805 | - | 600,776 | 376,962 | - | 766,116 |
| Balance at end of year | 2,883,620 | 3,431,578 | 3,656,152 | 3,656,152 | 4,088,679 | 4,369,484 | 4,369,484 | 4,970,260 | 5,347,222 | 5,347,222 | 6,113,338 |
| Restricted and council created reserves | | | | | | | | | | | |
| Balance at beginning of year | 42,778 | 46,809 | 47,901 | 48,946 | 49,958 | 50,931 | 51,877 | 52,795 | 53,686 | 54,548 | 55,381 |
| Transfers (to)/from reserves | 55 | 1,092 | 1,045 | 1,012 | 972 | 946 | 918 | 891 | 862 | 833 | 802 |
| Balance at end of year | 42,833 | 47,901 | 48,946 | 49,958 | 50,931 | 51,877 | 52,795 | 53,686 | 54,548 | 55,381 | 56,183 |
| Equity balance at 30 June | 5,303,005 | 5,847,189 | 6,156,620 | 6,269,322 | 6,863,446 | 7,352,780 | 7,559,755 | 8,395,351 | 9,012,513 | 9,246,176 | 10,272,112 |

The accompanying notes form part of these financial statements

Prospective balancing the books measure

| Forecast for the year ending 30 June 2024-34 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-----------------|-----------------|-----------------|------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Surplus/(deficit) | 116,760 | 42,638 | 84,856 | 112,703 | 161,598 | 208,528 | 206,975 | 234,820 | 240,200 | 233,663 | 259,820 |
| Remove capital revenue | | | | | | | | | | | |
| Vested assets | (39,353) | (36,750) | (38,220) | (39,672) | (41,258) | (42,910) | (44,625) | (46,322) | (47,897) | (49,525) | (51,208) |
| Part of development and financial contributions ^A | (23,793) | (14,822) | (19,940) | (26,892) | (36,838) | (40,260) | (39,168) | (41,060) | (41,203) | (44,274) | (42,569) |
| Capital subsidy (excluding subsidy on transport renewals) ^B | (29,442) | (33,532) | (26,449) | (12,101) | (12,088) | (26,355) | (15,030) | (29,280) | (28,814) | (13,997) | (15,674) |
| Other capital contributions | (43,792) | (18,315) | (27,376) | (38,529) | (36,025) | (28,477) | (7,298) | (7,531) | (3,559) | (262) | (271) |
| Other items not considered everyday operating revenue ^C | (5,668) | (104) | (104) | (104) | (104) | (104) | (104) | (104) | (104) | (104) | (104) |
| Remove (gains)/losses | | | | | | | | | | | |
| All (gains)/losses | (1,050) | (915) | (938) | (961) | (985) | (1,010) | (1,035) | (1,061) | (1,088) | (1,115) | (1,143) |
| Remove other expenses | | | | | | | | | | | |
| Other items not considered everyday operating expenses ^D | 9,788 | 5,503 | 5,731 | 5,979 | 6,221 | 6,484 | 6,752 | 6,970 | 7,199 | 7,202 | 3,700 |
| Balancing the books surplus/ (deficit) | (16,551) | (56,298) | (22,440) | 422 | 40,521 | 75,896 | 106,467 | 116,432 | 124,735 | 131,588 | 152,551 |

The accompanying notes form part of these financial statements.

A Development contributions contain an element of funding for interest costs that are part of every day expenses. An adjustment is made to match the revenue with the expense. The budget has assumed interest costs funded from development contributions represent 30% of development contributions revenue.

B Subsidy on transport renewals is adjusted to recognise that this is funding a portion of the depreciation on these renewals.

C Adjustment for fair value calculation on the Housing Infrastructure Fund loans and dividends.

D Adjustment for grants to other parties to invest in significant assets for the benefit of the city and fair value discount unwinding on the Housing Infrastructure Fund loans.

Prospective statement of financial position

| Forecast for the year ending 30 June 2024-34 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Assets | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash & cash equivalents | 125,481 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 |
| Receivables | 38,902 | 41,928 | 44,159 | 45,483 | 48,187 | 54,104 | 56,391 | 61,861 | 64,830 | 65,548 | 69,203 |
| Prepayments | 4,540 | 3,839 | 3,973 | 4,112 | 4,260 | 4,418 | 4,581 | 4,750 | 4,902 | 5,059 | 5,221 |
| Inventory | 176 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 | 235 |
| Other financial assets | 12 7,221 | 35,620 | 36,378 | 37,136 | 38,389 | 39,035 | 38,785 | 38,285 | 38,015 | 37,535 | 38,535 |
| Total current assets | 176,320 | 240,853 | 243,976 | 246,197 | 250,302 | 257,022 | 259,222 | 264,361 | 267,212 | 267,607 | 272,424 |
| Non-current assets | | | | | | | | | | | |
| Property, plant and equipment | 6,042,894 | 7,008,100 | 7,454,636 | 7,747,236 | 8,471,224 | 9,078,746 | 9,464,118 | 10,460,882 | 11,158,182 | 11,454,480 | 12,588,854 |
| Intangible assets | 40,213 | 49,106 | 60,036 | 76,301 | 89,975 | 95,447 | 110,492 | 118,591 | 122,318 | 132,697 | 136,908 |
| Investment property | 43,058 | 37,516 | 38,454 | 39,415 | 40,400 | 41,410 | 42,446 | 43,507 | 44,595 | 45,709 | 46,852 |
| Other financial assets | | | | | | | | | | | |
| - Investment in CCOs and other similar entities | 13,168 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 |
| - Other investments | 14,845 | 24,159 | 25,706 | 28,554 | 29,553 | 30,343 | 33,980 | 37,686 | 39,768 | 43,312 | 46,712 |
| Total other financial assets | 12 28,013 | 33,558 | 35,105 | 37,953 | 38,952 | 39,741 | 43,379 | 47,085 | 49,167 | 52,711 | 56,111 |
| Investment in associates | 13 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 |
| Derivative financial instruments | 3,713 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 | 11,759 |
| Total non-current assets | 6,165,321 | 7,147,468 | 7,607,419 | 7,920,094 | 8,659,740 | 9,274,534 | 9,679,623 | 10,689,254 | 11,393,450 | 11,704,785 | 12,847,913 |
| Total assets | 6,341,642 | 7,388,321 | 7,851,395 | 8,166,291 | 8,910,042 | 9,531,556 | 9,938,846 | 10,953,615 | 11,660,662 | 11,972,393 | 13,120,338 |
| Liabilities | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Payables and deferred revenue | 64,528 | 84,325 | 87,276 | 90,331 | 93,583 | 97,046 | 100,636 | 104,360 | 107,699 | 111,146 | 114,702 |
| Employee entitlements | 11,304 | 15,037 | 15,510 | 16,246 | 16,962 | 17,416 | 17,846 | 18,317 | 18,855 | 19,341 | 19,591 |
| Provisions | 3,343 | 4,119 | 4,386 | 4,255 | 4,284 | 5,321 | 4,313 | 3,428 | 3,653 | 2,636 | 2,655 |
| Borrowings | 14 83,241 | 164,035 | 138,135 | 137,335 | 137,335 | 147,335 | 107,557 | 101,798 | 152,699 | 110,385 | 89,035 |
| Derivative financial instruments | - | - | - | - | - | - | - | - | - | - | - |
| Total current liabilities | 162,416 | 267,515 | 245,307 | 248,167 | 252,164 | 267,117 | 230,352 | 227,903 | 282,906 | 243,508 | 225,983 |
| Non-current liabilities | | | | | | | | | | | |
| Employee entitlements | 872 | 631 | 561 | 491 | 421 | 351 | 281 | 211 | 141 | 71 | - |
| Provisions | 10,699 | 15,829 | 14,507 | 13,249 | 11,901 | 9,448 | 7,886 | 7,132 | 6,113 | 6,059 | 5,979 |
| Borrowings | 14 864,650 | 1,256,931 | 1,434,175 | 1,634,836 | 1,781,885 | 1,901,634 | 2,140,346 | 2,322,793 | 2,358,764 | 2,476,353 | 2,616,039 |
| Derivative financial instruments | - | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Total non-current liabilities | 876,221 | 1,273,617 | 1,449,468 | 1,648,802 | 1,794,432 | 1,911,659 | 2,148,739 | 2,330,361 | 2,365,243 | 2,482,708 | 2,622,243 |
| Total liabilities | 1,038,637 | 1,541,132 | 1,694,775 | 1,896,969 | 2,046,596 | 2,178,776 | 2,379,091 | 2,558,265 | 2,648,149 | 2,726,217 | 2,848,226 |
| Net assets | 5,303,005 | 5,847,189 | 6,156,620 | 6,269,322 | 6,863,446 | 7,352,780 | 7,559,755 | 8,395,351 | 9,012,513 | 9,246,176 | 10,272,112 |
| Equity | | | | | | | | | | | |
| Accumulated funds | 2,376,552 | 2,367,709 | 2,451,521 | 2,563,211 | 2,723,837 | 2,931,419 | 3,137,476 | 3,371,405 | 3,610,743 | 3,843,573 | 4,102,591 |
| Other reserves | 2,883,620 | 3,431,578 | 3,656,152 | 3,656,152 | 4,088,679 | 4,369,484 | 4,369,484 | 4,970,260 | 5,347,222 | 5,347,222 | 6,113,338 |
| Restricted reserves | 42,138 | 43,613 | 44,075 | 44,536 | 44,997 | 45,459 | 45,920 | 46,382 | 46,843 | 47,304 | 47,766 |
| Council created reserves | 695 | 4,288 | 4,872 | 5,422 | 5,933 | 6,418 | 6,875 | 7,304 | 7,705 | 8,077 | 8,417 |
| Total equity | 5,303,005 | 5,847,189 | 6,156,620 | 6,269,322 | 6,863,446 | 7,352,780 | 7,559,755 | 8,395,351 | 9,012,513 | 9,246,176 | 10,272,112 |

The accompanying notes form part of these financial statements.

Prospective statement of cash flows

| Forecast for the year ending 30 June 2024-34 | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|-------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Notes | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cash flows from operating activities | | | | | | | | | | | | |
| Cash will be provided from: | | | | | | | | | | | | |
| Rates revenue | | 255,752 | 302,936 | 352,471 | 409,465 | 471,145 | 538,520 | 596,919 | 637,894 | 680,677 | 724,773 | 772,610 |
| Fees and user charges | | 50,346 | 50,107 | 54,402 | 59,766 | 64,382 | 67,181 | 72,119 | 75,051 | 78,789 | 81,864 | 84,570 |
| Government operating subsidies and grants | | 21,788 | 10,854 | 11,022 | 11,709 | 11,806 | 12,274 | 12,437 | 13,509 | 13,318 | 13,726 | 13,873 |
| Government capital subsidies and grants | | 37,363 | 46,230 | 43,420 | 30,948 | 27,619 | 43,889 | 35,668 | 53,829 | 55,399 | 41,426 | 46,355 |
| Other capital contributions | | 80,397 | 39,489 | 55,861 | 76,946 | 88,650 | 85,991 | 63,251 | 66,188 | 62,420 | 63,511 | 61,083 |
| Interest received | | 6,124 | 12,163 | 12,378 | 12,621 | 12,759 | 12,861 | 13,131 | 13,355 | 13,483 | 13,694 | 13,898 |
| Dividends received | | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| Sundry revenue | | 9,908 | 5,822 | 7,729 | 8,466 | 7,542 | 4,823 | 8,439 | 5,021 | 7,853 | 9,953 | 7,865 |
| Total | | 461,781 | 467,705 | 537,386 | 610,026 | 684,008 | 765,643 | 802,070 | 864,950 | 912,043 | 949,050 | 1,000,359 |
| Cash will be applied to: | | | | | | | | | | | | |
| Payments to employees | | 120,650 | 131,472 | 136,933 | 143,632 | 150,439 | 155,112 | 159,326 | 163,844 | 168,943 | 173,700 | 176,494 |
| Payments for suppliers | | 140,892 | 155,930 | 166,964 | 186,542 | 194,772 | 208,965 | 219,029 | 233,997 | 243,839 | 256,643 | 268,105 |
| Interest paid | | 31,761 | 54,938 | 59,733 | 67,309 | 75,024 | 83,778 | 93,949 | 106,703 | 116,836 | 126,664 | 139,866 |
| Total | | 293,303 | 342,340 | 363,630 | 397,483 | 420,235 | 447,855 | 472,304 | 504,544 | 529,618 | 557,007 | 584,465 |
| Net cash flow from operating activities | | 168,478 | 125,365 | 173,756 | 212,542 | 263,773 | 317,787 | 329,765 | 360,406 | 382,424 | 392,043 | 415,894 |
| Cash flows from investing activities | | | | | | | | | | | | |
| Cash will be provided from: | | | | | | | | | | | | |
| Proceeds from reduction in other financial assets | | 448 | 448 | 455 | 463 | 471 | 479 | - | - | - | - | - |
| Proceeds from maturity of NZLGFA borrower notes | | 1,790 | 1,630 | 880 | 880 | 880 | 1,250 | 1,500 | 1,250 | 750 | 480 | - |
| Total | | 2,238 | 2,078 | 1,335 | 1,343 | 1,351 | 1,729 | 1,500 | 1,250 | 750 | 480 | - |
| Cash will be applied to: | | | | | | | | | | | | |
| NZLGFA borrower notes | | 2,845 | 5,306 | 3,640 | 4,950 | 3,603 | 3,164 | 4,887 | 4,456 | 2,561 | 3,544 | 4,400 |
| Purchase of property, plant and equipment and intangible assets | | 309,964 | 334,384 | 317,064 | 402,818 | 402,349 | 439,617 | 518,560 | 526,917 | 460,285 | 457,052 | 526,129 |
| Total | | 312,808 | 339,690 | 320,705 | 407,767 | 405,952 | 442,782 | 523,447 | 531,374 | 462,847 | 460,596 | 530,529 |
| Net cash flow from investing activities | | (310,570) | (337,612) | (319,369) | (406,424) | (404,601) | (441,052) | (521,947) | (530,124) | (462,097) | (460,116) | (530,529) |
| Cash flows from financing activities | | | | | | | | | | | | |
| Cash will be provided from: | | | | | | | | | | | | |
| Finance leases raised | | 73 | - | - | - | - | - | - | - | - | - | - |
| Loans raised | | 237,092 | 297,247 | 260,613 | 282,982 | 229,128 | 211,565 | 290,482 | 228,240 | 132,435 | 171,738 | 175,986 |
| Total | | 237,166 | 297,247 | 260,613 | 282,982 | 229,128 | 211,565 | 290,482 | 228,240 | 132,435 | 171,738 | 175,986 |
| Cash will be applied to: | | | | | | | | | | | | |
| Loan repayments | | 95,000 | 85,000 | 115,000 | 89,100 | 88,300 | 88,300 | 98,300 | 58,522 | 52,763 | 103,664 | 61,351 |
| Finance lease repayments | | 73 | - | - | - | - | - | - | - | - | - | - |
| Total | | 95,073 | 85,000 | 115,000 | 89,100 | 88,300 | 88,300 | 98,300 | 58,522 | 52,763 | 103,664 | 61,351 |
| Net cash flow from financing activities | | 142,092 | 212,247 | 145,613 | 193,882 | 140,828 | 123,265 | 192,182 | 169,718 | 79,672 | 68,074 | 114,635 |
| Cash Balance | | | | | | | | | | | | |
| Net increase/(decrease) in cash held | | - | - | - | - | - | - | - | - | - | - | - |
| Opening cash and cash equivalents balance | | 125,481 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 |
| Closing cash and cash equivalents balance | | 125,481 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 | 159,229 |

The accompanying notes form part of these financial statements.

Notes to the prospective financial statements

Ngaā tuhipoka ki ngaā tauaakii
puutea kua takoto



Note 1: Statement of accounting policies

Reporting entity

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

Our primary objective is to provide goods or services for community or social benefit rather than making a financial return. As such, for the purposes of financial reporting, we are considered a public benefit entity.

These prospective financial statements are for Hamilton City Council as a separate legal entity. Consolidated prospective financial statements covering both us and our subsidiaries and associates have not been prepared as the income and expenditure is not material to our long-term planning.

Basis of preparation

We authorised the prospective financial statements on 4 July 2024. We believe the assumptions underlying these prospective financial statements are appropriate. We accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying these statements and all other required disclosures. No actual results have been included within the prospective financial statements. We do not intend to update the prospective financial statements after they are presented.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

The reporting period for these prospective financial statements is for the 10 years ending 30 June 2034. The prospective financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000), unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented here.

The purpose of the prospective financial information is to support our planning.

Measurement base

The basis for measurement applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are from the latest relevant BERL forecasts and the discount rate is our forecast long-term cost of borrowing.

Judgements and estimations

The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include landfill post-closure costs, asset revaluations, impairments, certain fair value calculations and provisions.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Those that do not relate to a specific note are outlined below.

Standards issued and not yet effective or early adopted

There have been no standards and amendments issued that are not yet effective and early adopted.

Revenue

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

Revenue may come from either exchange or non-exchange transactions.

Exchange transactions

Exchange transactions are transactions where we receive assets (primarily cash) or services, or have liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, we either receive value from or give value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is considered revenue, except to the extent that a liability is also recognised in respect of the same inflow.

At times we satisfy a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset. Doing so reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Gains

Gains include additional earnings on the disposal of property, plant and equipment as well as movements in the fair value of financial assets and liabilities. Gains are classified as exchange revenue.

Goods and services tax (GST)

All items in the prospective financial statements are exclusive of GST except receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Taxation

Income tax expense on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable based on the taxable income for the year. This uses tax rates enacted or substantively enacted at the end of the reporting period, plus any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method. This provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the assets and liabilities. It also takes into account the unused tax losses using tax rates enacted or substantively enacted at the end of the reporting period. Deferred income tax assets are recognised to the extent it is probable future tax profit will be available against which they can be utilised.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments.

The carrying value of cash at bank and short-term deposits with original maturities of less than three months approximates their fair value.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Short-term receivables are recorded at the amount due less any provision for collectability.

A receivable is considered to be uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory

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.

Property, plant and equipment

Property, plant and equipment include:

Operational assets

These are land, buildings (including cultural assets and community and leisure facilities), improvements, non-restricted parks and gardens, plant and equipment, vehicles, sports areas and library books.

Zoo animals

Zoo animals are held primarily for a social and recreational purpose. The capital cost is the actual expense incurred in acquiring the Zoo animals.

Restricted assets

These are parks and reserves we own that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Heritage assets

These are museum collections and library collections (New Zealand Room).

Infrastructure assets

These are the fixed utility systems that we own. Each asset type includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the net surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Revaluation

Land and buildings (operational and restricted), heritage assets, and infrastructural assets (except land under roads) are revalued regularly to ensure that their carrying amount does not differ materially from fair value. These revaluations occur at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to 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.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

Depreciation

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

Heritage assets are not depreciated.

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

- land
- formation costs associated with roading
- investment properties
- non-current asset held for resale
- work in progress and assets under construction.

The useful lives and associated depreciation rates of major classes of assets are estimated as follows:

| Asset Class | Years | Depreciation rate |
|---|----------|-------------------|
| Buildings - structure/fit out/services | 2-200 | 0.5%-50% |
| Plant and vehicles | 3-15 | 6.7%-33.3% |
| Furniture, fittings and equipment | 5-50 | 2%-20% |
| Library books | 3-14 | 7.1-33.3% |
| Zoo animal (acquisition costs) | 10 | 10% |
| Improvements - Parks & Gardens | 2 - 150 | 0.7% - 50% |
| Roads and traffic network: | | |
| Top surface (seal) | 5 - 20 | 5% - 20% |
| Pavement (basecourse) | 50 - 140 | 0.7% - 2% |
| Concrete | 60 | 1.7% |
| Drainage | 60-70 | 1.4-1.7% |
| Carparks | 6 - 110 | 0.9% - 6.7% |
| Footpaths and cycleways | 5 - 75 | 1.3% - 20% |

| Asset Class | Years | Depreciation rate |
|---|----------|-------------------|
| Roads and traffic network ...cntd. | | |
| Kerbs and traffic islands | 20 - 60 | 1.7% - 5% |
| Signs | 15 | 6.7% |
| Street lights | 5 - 50 | 2% - 20% |
| Bridges and culverts | 40 - 150 | 0.7% - 2.5% |
| Underpasses | 80 | 1.3% |
| Traffic signals | 15 | 6.7% |
| Guarding and railing | 20 - 25 | 4% - 5% |
| Bus shelters and fences | 20 | 5% |
| Verge, embankment and retaining walls | 50 - 100 | 1% - 2% |
| Wastewater reticulation: | | |
| Pipes | 30 - 100 | 1% - 3.3% |
| Manholes | 100 | 1% |
| Treatment plant | 5 - 100 | 1% - 20% |
| Valves | 40 - 75 | 1.3% - 2.5% |
| Pump stations | 15 - 100 | 1% - 6.7% |
| Stormwater system: | | |
| Pipes | 30 - 100 | 1% - 3.3% |
| Manholes, inlets and outlets | 100 | 1% |
| Soakage trench | 50 | 2% |
| Fish Pass | 50 | 2% |
| Channels | 70-90 | 1.1%-1.4% |

| Asset Class | Years | Depreciation rate |
|---------------------------------------|----------|-------------------|
| Water reticulation: | | |
| Bulk main chambers | 100 | 1% |
| Backflow devices | 40 | 2.5% |
| Pipes | 40 - 100 | 1% - 2.5% |
| Valves | 40 - 75 | 1.3% - 2.5% |
| Treatment plant | 5 - 100 | 1% - 20% |
| Meters | 15 | 6.7% |
| Hydrants | 50 - 75 | 1.3% - 2% |
| Cathodic Protection Device | 15 - 100 | 1% - 6.7% |
| Reservoirs | 15 - 100 | 1% - 6.7% |
| Refuse - Rubbish and Recycling | 5 - 100 | 1% - 20% |

Investment properties

Properties leased to third parties under operating leases are classified as investment property. This is 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 us, funded either from Corporate Funds, the Domain Endowment Fund or the Municipal Endowment Fund.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and 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.

Intangible assets

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.

Intangible assets include:

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.

These are capitalised at historic cost and are amortised on a straight-line basis over their estimated useful lives (five years). Costs associated with maintaining computer software are recognised as an expense when incurred.

Consents and designations

- Consents and designations not attributed to a specific asset are capitalised at historic cost. These are amortised on a straight-line basis over their estimated useful lives.

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 | 10-100 years |
| Licenses | 3-14 years |
| Models | 7-30 years |

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.

Impairment in term deposits, local authority stock, government stock bonds, general and community loans are recognised directly against the instrument's carrying amounts.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent it will be used by staff to cover those future absences.

The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future. This is in respect of service that employees have

accumulated up until twelve months after balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff. These are based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Employer contribution to KiwiSaver is accounted for as defined contribution superannuation scheme and is expensed in the surplus or deficit when incurred.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from our financing activities. Derivative financial instruments are recognised initially at fair value on the

date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. We have chosen not to hedge account for these derivative financial instruments.

Changes in the fair value of the derivative financial instruments are recognised in the surplus or deficit.

For the purpose of preparing prospective financial statements, the Council has recognised the fair value of contracted derivatives in the prospective statement of financial position. Movements in the fair value of derivatives has not been recognised in the prospective statement of comprehensive revenue and expense.

Provisions

We recognise a provision for future expenditure of uncertain amount or timing when:

- There is a present obligation (either legal or constructive) as a result of a past event.
- It is probable that expenditures will be required to settle the obligation.
- 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. This is done 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 and is included in "finance costs".

Landfill aftercare costs

We have legal obligations under resource consents to provide ongoing maintenance and monitoring services at several of our closed landfill sites. Provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred. This takes into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalized to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalized landfill asset are depreciated over their useful lives.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the Council.

All subsequent changes in the liability shall be recognized in the surplus or deficit and the periodic unwinding of the discount will also be recognised in the surplus or deficit as a finance cost as it occurs.

Contingencies

Financial guarantee

At times we are requested to act as a 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 we do not consider it likely that these loans will require settlement.

Equity

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 the following components:

- accumulated funds
- other reserves - revaluation reserves and fair value through other comprehensive revenue and expense reserve
- restricted reserves
- council created reserves.

Accumulated funds include accumulated surpluses over the years.

Prospective statement of cash flows

Cash and cash equivalents for the purposes of the cashflow statement include bank balances, cash on hand and short-term deposits with a maturity of three months or less.

Operating activities include cash received from all our non-financial revenue sources and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets and investment revenue. Financing activities relate to activities that change our equity and debt capital structure and financing cost.

Public benefit entity financial reporting standard 42 prospective financial statements (PBE FRS 42)

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. The following information is included to satisfy the requirements of PBE FRS 42:

- (i) Description of the nature of the entity's current operation and its principal activities:

Hamilton City Council is a territorial local authority, as defined in the Local Government Act 2002. Our principal activities are outlined within this Long-Term Plan.

- (ii) Purpose for which the prospective financial statements are prepared:

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Long-Term Plan. This allows ratepayers and residents the opportunity to review our projected financial results and position. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Bases for assumptions, risks and uncertainties:

The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined on pages 129 to 150 of the Long-Term Plan.

(iv) Cautionary note:

The financial information is prospective. Actual results are likely to vary from the information presented. These variations may be material.

(v) Other disclosures:

These prospective financial statements were adopted as part of the assumptions that form this Long-Term Plan. We are responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This Long-Term Plan is prospective and as such contains no actual operating results.

Note 2: 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| General rates | | | | | | | | | | | |
| General rates | 243,657 | 288,590 | 338,199 | 393,159 | 452,476 | 516,600 | 571,234 | 608,438 | 648,054 | 689,937 | 734,882 |
| Rates charges to Council properties | (642) | (811) | (937) | (1,074) | (1,219) | (1,371) | (1,495) | (1,569) | (1,648) | (1,730) | (1,817) |
| Targeted rates | | | | | | | | | | | |
| Government compliance rate | 11,024 | 13,062 | 15,309 | 17,798 | 20,483 | 23,386 | 25,859 | 27,544 | 29,340 | 31,237 | 33,273 |
| Metered water supply | 9,370 | 10,495 | 11,460 | 12,934 | 14,435 | 16,756 | 19,185 | 21,354 | 23,462 | 24,668 | 26,325 |
| Metered water charges to Council properties | (486) | (486) | (504) | (522) | (542) | (563) | (584) | (606) | (626) | (646) | (492) |
| Business improvement district rate | 338 | 362 | 385 | 409 | 434 | 462 | 490 | 521 | 553 | 588 | 625 |
| Service category rates (water, refuse and sewerage) | 1,628 | 1,914 | 2,182 | 2,494 | 2,865 | 3,191 | 3,507 | 3,940 | 4,367 | 4,687 | 5,006 |
| Central city rates | 145 | 145 | 145 | - | - | - | - | - | - | - | - |
| Pool safety inspection rate | - | 188 | 201 | 216 | 232 | 249 | 268 | 288 | 307 | 327 | 348 |
| Penalties and remissions | | | | | | | | | | | |
| Rates penalties | 1,183 | 1,462 | 1,689 | 1,935 | 2,197 | 2,471 | 2,694 | 2,828 | 2,970 | 3,118 | 3,274 |
| Rates remissions | | | | | | | | | | | |
| - Hardship | (351) | (409) | (472) | (541) | (614) | (691) | (754) | (791) | (831) | (872) | (916) |
| - HCC utilities | (8,626) | (10,050) | (11,607) | (13,302) | (15,098) | (16,985) | (18,514) | (19,439) | (20,411) | (21,432) | (22,503) |
| - HCC other | (1,151) | (1,400) | (1,618) | (1,854) | (2,104) | (2,367) | (2,580) | (2,709) | (2,844) | (2,987) | (3,136) |
| - Community retail | (72) | (83) | (96) | (110) | (125) | (141) | (154) | (161) | (169) | (178) | (187) |
| - Wastewater, water and refuse | (264) | (307) | (354) | (406) | (461) | (518) | (565) | (593) | (623) | (654) | (687) |
| Total rates | 255,752 | 302,672 | 353,981 | 411,135 | 472,959 | 540,479 | 598,592 | 639,043 | 681,901 | 726,064 | 773,995 |

Note 3: 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 consent fees

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.

Note 3: Fees and charges

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Animal control charges | 1,102 | 1,261 | 1,305 | 1,350 | 1,399 | 1,451 | 1,505 | 1,560 | 1,610 | 1,662 | 1,715 |
| Building and resource consent charges | 11,264 | 8,769 | 9,736 | 11,679 | 12,961 | 12,117 | 14,125 | 13,772 | 14,319 | 14,954 | 15,428 |
| Cemetery and crematorium charges | 1,718 | 1,991 | 2,061 | 2,133 | 2,210 | 2,292 | 2,376 | 2,464 | 2,543 | 2,625 | 2,708 |
| Event facilities charges | 7,964 | 4,757 | 4,911 | 5,096 | 5,266 | 5,475 | 5,663 | 5,887 | 6,060 | 6,268 | 6,452 |
| Hamilton Gardens charges | 1,331 | 2,929 | 3,304 | 3,594 | 3,915 | 4,377 | 4,752 | 5,295 | 5,613 | 5,949 | 6,302 |
| Parking fees | 2,531 | 3,140 | 3,734 | 4,758 | 5,600 | 5,825 | 6,123 | 6,239 | 6,446 | 6,636 | 6,816 |
| Swimming pools charges | 3,296 | 3,843 | 4,145 | 4,497 | 4,876 | 5,284 | 5,665 | 6,033 | 6,302 | 6,586 | 6,886 |
| Trade waste charges | 3,592 | 4,036 | 4,513 | 5,127 | 5,804 | 6,614 | 7,283 | 7,937 | 8,809 | 9,334 | 9,789 |
| Zoo charges | 2,226 | 2,286 | 2,512 | 2,752 | 2,898 | 3,056 | 3,222 | 3,397 | 3,565 | 3,742 | 3,927 |
| Other fees and charges | 3,548 | 3,932 | 4,265 | 4,397 | 4,515 | 4,788 | 4,975 | 5,164 | 5,260 | 5,430 | 5,344 |
| Commission received | 1,034 | 1,149 | 1,194 | 1,236 | 1,281 | 1,329 | 1,379 | 1,430 | 1,477 | 1,525 | 1,574 |
| Sale of goods | 691 | 792 | 970 | 1,063 | 1,144 | 1,198 | 1,292 | 1,356 | 1,456 | 1,523 | 1,636 |
| Operating contributions | 10,047 | 11,221 | 11,753 | 12,084 | 12,513 | 13,375 | 13,759 | 14,515 | 15,330 | 15,631 | 15,993 |
| Total fees and charges | 50,346 | 50,107 | 54,402 | 59,766 | 64,382 | 67,181 | 72,119 | 75,051 | 78,789 | 81,864 | 84,570 |

Note 4: Grants, subsidies and reimbursements

Accounting policy

NZ Transport Agency Waka Kotahi subsidies

NZ Transport Agency 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| New Zealand Transport Agency roading subsidy - operating | 7,608 | 8,940 | 9,108 | 9,795 | 9,892 | 10,360 | 10,523 | 11,595 | 11,404 | 11,811 | 12,107 |
| Waste mininsation levy | 659 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 | 1,534 |
| Other grants | 13,520 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 233 |
| Total grants, subsidies and reimbursements | 21,788 | 10,854 | 11,022 | 11,709 | 11,806 | 12,274 | 12,437 | 13,509 | 13,318 | 13,726 | 13,873 |

Note 5: Interest revenue

Accounting policy

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

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|-------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Term deposits | 6,124 | 12,163 | 12,378 | 12,621 | 12,759 | 12,861 | 13,131 | 13,355 | 13,483 | 13,694 | 13,898 |
| Total interest revenue | 6,124 | 12,163 | 12,378 | 12,621 | 12,759 | 12,861 | 13,131 | 13,355 | 13,483 | 13,694 | 13,898 |

Note 6: Other revenue

Accounting policy

Infringements fees 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 and 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Infringements and fines | 1,856 | 2,499 | 2,890 | 2,428 | 2,715 | 2,756 | 2,773 | 2,856 | 2,871 | 2,953 | 2,966 |
| Rental income | 4,071 | 4,293 | 4,208 | 4,324 | 4,272 | 4,557 | 4,729 | 4,908 | 5,069 | 4,747 | 5,407 |
| Dividend revenue | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| Petrol tax income | 1,266 | 1,266 | 1,310 | 1,356 | 1,405 | 1,457 | 1,510 | 1,566 | 1,617 | 1,668 | 1,722 |
| Sponsorship income | 27 | - | 29 | - | 29 | - | 29 | - | 29 | - | 29 |
| Donations received | 20 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Housing Infrastructure Fund - fair value benefit | 5,668 | - | - | - | - | - | - | - | - | - | - |
| Total other revenue | 13,011 | 8,173 | 8,554 | 8,224 | 8,536 | 8,885 | 9,157 | 9,446 | 9,702 | 9,484 | 10,239 |

Note 7: 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Reserves | 1,651 | 654 | 876 | 1,213 | 1,665 | 1,748 | 1,738 | 1,795 | 1,912 | 2,159 | 2,155 |
| Stormwater | 6,211 | 2,001 | 2,278 | 3,294 | 4,564 | 4,805 | 4,186 | 4,063 | 5,892 | 7,585 | 8,226 |
| Transport | 12,608 | 5,865 | 8,243 | 10,906 | 14,556 | 15,993 | 15,432 | 16,037 | 15,204 | 15,806 | 14,768 |
| Wastewater | 10,782 | 8,526 | 11,284 | 15,271 | 20,939 | 23,421 | 22,991 | 24,406 | 23,492 | 24,612 | 23,407 |
| Water Supply | 5,353 | 4,128 | 5,804 | 7,733 | 10,901 | 11,546 | 11,607 | 12,355 | 12,361 | 13,086 | 12,257 |
| Total development contributions | 36,605 | 21,174 | 28,485 | 38,417 | 52,625 | 57,514 | 55,954 | 58,657 | 58,861 | 63,249 | 60,813 |

Note 8: Capital revenue

Accounting policy

NZ Transport Agency Waka Kotahi roading subsidies - capital

NZ Transport Agency subsidies are recognised upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Capital contributions - general

Capital contributions are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Capital contributions - general | 43,792 | 18,315 | 27,376 | 38,529 | 36,025 | 28,477 | 7,298 | 7,531 | 3,559 | 262 | 271 |
| New Zealand Transport Authority roading subsidy - capital | 37,363 | 46,230 | 43,420 | 30,948 | 27,619 | 43,889 | 35,668 | 53,829 | 55,399 | 41,426 | 46,355 |
| Total capital revenue | 81,155 | 64,545 | 70,796 | 69,477 | 63,644 | 72,366 | 42,966 | 61,359 | 58,958 | 41,688 | 46,626 |

Note 9: 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.

| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|----------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Vested assets | - Stormwater | 5,477 | 5,015 | 5,216 | 5,415 | 5,631 | 5,857 | 6,091 | 6,322 | 6,564 | 6,691 | 7,084 |
| | - Transport | 28,056 | 26,403 | 27,460 | 28,503 | 29,642 | 30,829 | 32,061 | 33,281 | 34,357 | 35,723 | 36,595 |
| | - Wastewater | 3,778 | 3,461 | 3,599 | 3,736 | 3,885 | 4,040 | 4,202 | 4,362 | 4,529 | 4,616 | 4,888 |
| | - Water supply | 2,042 | 1,870 | 1,945 | 2,019 | 2,100 | 2,184 | 2,272 | 2,358 | 2,448 | 2,495 | 2,642 |
| Total vested assets | | 39,353 | 36,750 | 38,220 | 39,673 | 41,258 | 42,910 | 44,625 | 46,323 | 47,898 | 49,525 | 51,209 |

Note 10: Depreciation and amortisation expense by group of activity

Accounting policy

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Community Services | 5,797 | 6,371 | 6,655 | 6,668 | 6,686 | 7,022 | 7,058 | 7,153 | 7,827 | 7,880 | 7,935 |
| Group Support Units | 35 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Growth | 331 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Parks and Recreation | 6,360 | 8,053 | 8,761 | 10,070 | 10,191 | 10,650 | 12,306 | 12,842 | 13,358 | 15,966 | 16,475 |
| Partnerships, Communication & Maaori | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Regulatory and Safety | 102 | 100 | 121 | 135 | 135 | 143 | 143 | 143 | 151 | 151 | 151 |
| Rubbish and Recycling | 595 | 548 | 597 | 597 | 597 | 656 | 656 | 656 | 724 | 724 | 724 |
| Stormwater | 11,506 | 11,520 | 12,888 | 13,155 | 13,468 | 15,107 | 15,580 | 16,261 | 18,628 | 18,945 | 19,330 |
| Support Services | 6,627 | 7,823 | 8,561 | 9,511 | 10,403 | 11,605 | 12,074 | 12,981 | 13,856 | 14,583 | 15,281 |
| Transport | 27,853 | 39,245 | 41,409 | 47,887 | 48,799 | 49,708 | 57,227 | 58,194 | 59,678 | 69,180 | 70,589 |
| Venues, Tourism and Major Events | 10,856 | 11,957 | 12,985 | 13,041 | 13,110 | 13,961 | 13,963 | 14,162 | 15,131 | 15,252 | 15,345 |
| Wastewater | 14,256 | 15,832 | 18,423 | 19,725 | 21,645 | 25,565 | 27,098 | 29,381 | 34,554 | 36,541 | 37,893 |
| Water Supply | 10,088 | 10,604 | 11,941 | 12,784 | 13,385 | 15,870 | 16,614 | 17,330 | 20,160 | 20,627 | 21,096 |
| Total depreciation expense | 94,405 | 112,104 | 122,393 | 133,625 | 138,472 | 150,338 | 162,768 | 169,152 | 184,118 | 199,901 | 204,869 |

*The Annual Plan 2023/24 numbers have been reclassified into the new activities.

Note 11: Finance costs

Accounting policy

All borrowing costs are recognised as an expense in the period in which they are incurred.

Fair value discount unwinding

Fair value discount unwinding is recognised as a finance cost for borrowing at low or zero interest cost. The fair value benefit is recognised as other revenue.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Interest on borrowings | 31,761 | 54,938 | 59,733 | 67,309 | 75,024 | 83,778 | 93,949 | 106,703 | 116,836 | 126,664 | 139,866 |
| Discount unwind on provisions | 447 | 808 | 752 | 697 | 625 | 557 | 484 | 356 | 272 | 229 | 173 |
| Fair value discount unwinding | 1,288 | 5,503 | 5,731 | 5,979 | 6,221 | 6,484 | 6,752 | 6,970 | 7,199 | 7,202 | 3,700 |
| Total finance costs | 33,496 | 61,249 | 66,215 | 73,985 | 81,870 | 90,819 | 101,186 | 114,029 | 124,308 | 134,096 | 143,739 |

Note 12: 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's management model for managing them.

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, Council 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 have transferred substantially all the risks and rewards of ownership.

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.

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 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.

Note 12: Other financial assets

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. Investments in unlisted shares are initially recognised at cost and subsequently measured at fair value with any movements in fair value recognised directly in other comprehensive income. The carrying amount of other financial assets approximates their fair value.

Financial assets at FVTSD

Financial assets at FVTSD are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Impairment

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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Current portion | | | | | | | | | | | |
| Loan to Melody Dairies Partnership Limited | 455 | 455 | 463 | 471 | 479 | - | - | - | - | - | - |
| Term deposits with maturities greater than 3 months but less than 1 year | 6,766 | 35,165 | 35,915 | 36,665 | 37,910 | 39,035 | 38,785 | 38,285 | 38,015 | 37,535 | 38,535 |
| Total current portion | 7,221 | 35,620 | 36,378 | 37,136 | 38,389 | 39,035 | 38,785 | 38,285 | 38,015 | 37,535 | 38,535 |
| Non-current portion | | | | | | | | | | | |
| Investment in CCOs and similar entities | | | | | | | | | | | |
| NZ Local Government Funding Agency Limited | 8,678 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 | 8,785 |
| Shares in subsidiaries | | | | | | | | | | | |
| - Waikato Innovation Growth Limited | 4,000 | - | - | - | - | - | - | - | - | - | - |
| Waikato Local Authority Shared Services Limited | 490 | 614 | 614 | 614 | 614 | 614 | 614 | 614 | 614 | 614 | 614 |
| | 13,168 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 | 9,399 |
| Other investments | | | | | | | | | | | |
| Civic Financial Services Limited | 202 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 | 183 |
| Loan to Melody Dairies Limited Partnership | 1,414 | 1,414 | 951 | 479 | - | - | - | - | - | - | - |
| Term deposits with maturities greater than 1 year | 13,230 | 22,562 | 24,572 | 27,892 | 29,370 | 30,159 | 33,797 | 37,503 | 39,585 | 43,129 | 46,529 |
| | 14,845 | 24,159 | 25,706 | 28,554 | 29,553 | 30,343 | 33,980 | 37,686 | 39,768 | 43,312 | 46,712 |
| Total non-current portion | 28,013 | 33,558 | 35,105 | 37,953 | 38,952 | 39,741 | 43,379 | 47,085 | 49,167 | 52,711 | 56,111 |
| Total other financial assets | 35,235 | 69,178 | 71,483 | 75,089 | 77,342 | 78,776 | 82,164 | 85,370 | 87,182 | 90,246 | 94,646 |

Note 13: 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.

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.

The investment in the associate is carried at cost in Council's financial statements.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Investment in associates | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Waikato Regional Airport Limited | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 |
| Total investments in associates | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 | 7,430 |
| Total investment in CCOs (as per Note 12) and other entities | 20,598 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 | 16,829 |

Note 14: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. 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 ten years from the date of each drawdown. The fair value of 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.

Note 14: Borrowings

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| External debt | | | | | | | | | | | |
| Current portion | | | | | | | | | | | |
| Secured loans - Housing Infrastructure Fund | - | - | 4,100 | 3,300 | 3,300 | 3,300 | 8,522 | 22,763 | 73,664 | 61,351 | - |
| Secured loans - general | 83,168 | 164,035 | 134,035 | 134,035 | 134,035 | 144,035 | 99,035 | 79,035 | 79,035 | 49,035 | 89,035 |
| Finance leases | 73 | - | - | - | - | - | - | - | - | - | - |
| Current portion | 83,241 | 164,035 | 138,135 | 137,335 | 137,335 | 147,335 | 107,557 | 101,798 | 152,699 | 110,385 | 89,035 |
| Non-current portion | | | | | | | | | | | |
| Secured loans - general | 774,091 | 1,132,870 | 1,308,483 | 1,506,465 | 1,650,593 | 1,767,158 | 2,007,640 | 2,205,880 | 2,308,315 | 2,476,353 | 2,616,039 |
| Secured loans - Housing Infrastructure Fund | 90,472 | 124,061 | 125,691 | 128,370 | 131,292 | 134,476 | 132,706 | 116,913 | 50,448 | - | - |
| Finance Leases | 86 | - | - | - | - | - | - | - | - | - | - |
| Non-current portion | 864,650 | 1,256,931 | 1,434,175 | 1,634,836 | 1,781,885 | 1,901,634 | 2,140,346 | 2,322,793 | 2,358,764 | 2,476,353 | 2,616,039 |
| Total external debt | 947,890 | 1,420,966 | 1,572,309 | 1,772,170 | 1,919,219 | 2,048,968 | 2,247,903 | 2,424,591 | 2,511,463 | 2,586,738 | 2,705,073 |
| Adjustments required to determine overall debt: | | | | | | | | | | | |
| External debt | 947,890 | 1,420,966 | 1,572,309 | 1,772,170 | 1,919,219 | 2,048,968 | 2,247,903 | 2,424,591 | 2,511,463 | 2,586,738 | 2,705,073 |
| Less cash held and cash investments | (145,477) | (184,949) | (187,717) | (191,795) | (194,526) | (195,961) | (199,349) | (202,555) | (204,366) | (207,430) | (211,831) |
| Net debt | 802,412 | 1,236,017 | 1,384,592 | 1,580,375 | 1,724,693 | 1,853,007 | 2,048,554 | 2,222,036 | 2,307,096 | 2,379,308 | 2,493,243 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Debt servicing performance indicators Financial ratios | | | | | | | | | | | |
| Liquidity ratio (target >110%) | >110% | >110% | >110% | >110% | >110% | >110% | >110% | >110% | >110% | >110% | >110% |
| Net debt/Total revenue (target 2025: <285% 2026 and thereafter: <280%) | 199% | 276% | 271% | 276% | 272% | 260% | 274% | 274% | 269% | 268% | 264% |
| Net interest on external debt/Total revenue (target <20%) | 6% | 11% | 11% | 11% | 11% | 11% | 12% | 12% | 13% | 14% | 14% |

Liquidity is defined as external term debt plus committed bank facilities plus liquid investments divided by current external debt.

Net debt is defined as total external debt less cash and cash equivalents.

Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.

Cash flow is defined as net surplus (or deficit) plus depreciation, less vested assets, and capital subsidies.

Total revenue is defined as total revenue less vested assets, development contributions, and fair value benefit of Housing Infrastructure Fund loans.

Note 15: Reserves

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 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.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Restricted reserves | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cemetery plot maintenance in perpetuity | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 |
| Municipal endowment fund | 32,081 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 | 32,463 |
| Domain endowment fund | 8,314 | 9,418 | 9,879 | 10,341 | 10,802 | 11,263 | 11,725 | 12,186 | 12,648 | 13,109 | 13,570 |
| Waikato Art Gallery endowment reserve | 11 | - | - | - | - | - | - | - | - | - | - |
| Total restricted reserves | 42,138 | 43,613 | 44,075 | 44,536 | 44,997 | 45,459 | 45,920 | 46,382 | 46,843 | 47,304 | 47,766 |
| Council created reserves | | | | | | | | | | | |
| Project watershed operating reserve | 210 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 |
| Waste minimisation reserve | 485 | 4,059 | 4,643 | 5,194 | 5,705 | 6,189 | 6,646 | 7,075 | 7,476 | 7,848 | 8,188 |
| Total council created reserves | 695 | 4,288 | 4,872 | 5,422 | 5,933 | 6,418 | 6,875 | 7,304 | 7,705 | 8,077 | 8,417 |
| Total restricted and council created reserves | 42,833 | 47,901 | 48,946 | 49,958 | 50,931 | 51,877 | 52,795 | 53,686 | 54,548 | 55,381 | 56,183 |

Note 15: Reserves

| | Activities to which the reserve relates | Opening balance July 2024 | Transfers into reserve | Transfers out of reserve | Closing balance June 2024 |
|--|---|------------------------------|------------------------|--------------------------|------------------------------|
| Restricted reserves | | \$000 | \$000 | \$000 | \$000 |
| Cemetery Plot Maintenance in perpetuity - to maintain and provide for improvements to the cemeteries. | Cemeteries and Crematorium | 1,733 | 922 | (922) | 1,733 |
| Municipal endowment fund - to provide a capital fund for crown endowment land vested in the Council for investment | Strategic Property Investment | 32,463 | - | - | 32,463 |
| Domain endowment fund - to provide a capital endowment fund for domain land for investment in property. Rental income and interest earned from domain endowment land is used to fund parks and reserves operating costs. | Parks and Recreation Stormwater | 8,956 | 4,614 | - | 13,570 |
| Total restricted reserves | | 43,152 | 5,536 | (922) | 47,766 |
| Council created reserves | | | | | |
| 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. | Parks and Recreation Stormwater | 229 | 118 | (118) | 229 |
| 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. | Rubbish and Recycling | 3,429 | 16,398 | (11,638) | 8,188 |
| Total council created reserves | | 3,657 | 16,516 | (11,756) | 8,417 |
| Total restricted and council created reserves | | 46,809 | 22,052 | (12,678) | 56,183 |

Note 16: Reconciliation between Prospective Statement of Comprehensive Revenue and Expense and Prospective Funding Impact Statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|---|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Operating surplus/(deficit) per prospective statement of comprehensive revenue and expense | 116,760 | 42,638 | 84,856 | 112,703 | 161,598 | 208,528 | 206,975 | 234,820 | 240,200 | 233,663 | 259,820 |
| Items recognised as revenue in the statement of comprehensive revenue and expense and as capital expenditure funding sources in funding impact statements: | | | | | | | | | | | |
| Capital subsidies | (37,363) | (46,230) | (43,420) | (30,948) | (27,619) | (43,889) | (35,668) | (53,829) | (55,399) | (41,426) | (46,355) |
| Development, financial and capital contributions | (80,397) | (39,489) | (55,861) | (76,946) | (88,650) | (85,991) | (63,251) | (66,188) | (62,420) | (63,511) | (61,083) |
| Non-cash items recognised in prospective statement of comprehensive revenue and expense and not included in funding impact statements: | | | | | | | | | | | |
| Depreciation | 94,405 | 112,104 | 122,393 | 133,625 | 138,472 | 150,338 | 162,768 | 169,152 | 184,118 | 199,901 | 204,869 |
| Recognition of revenue from vested assets | (39,353) | (36,750) | (38,220) | (39,672) | (41,258) | (42,910) | (44,625) | (46,322) | (47,897) | (49,525) | (51,208) |
| Gain on fair value of investment properties | (1,050) | (915) | (938) | (961) | (985) | (1,010) | (1,035) | (1,061) | (1,088) | (1,115) | (1,143) |
| Housing Infrastructure Fund - fair value benefit | (5,668) | - | - | - | - | - | - | - | - | - | - |
| Housing Infrastructure Fund - fair value discount unwinding | 1,288 | 5,503 | 5,731 | 5,979 | 6,221 | 6,484 | 6,752 | 6,970 | 7,199 | 7,202 | 3,700 |
| Transfer of assets constructed but not owned | - | - | - | - | - | - | - | - | - | - | - |
| Operating funding surplus/(deficit) per prospective funding impact statement | 48,622 | 36,860 | 74,541 | 103,779 | 147,778 | 191,551 | 231,915 | 243,543 | 264,713 | 285,189 | 308,599 |
| Balance as per Council FIS operating surplus/(deficit) of operating funding | 48,622 | 36,860 | 74,541 | 103,779 | 147,778 | 191,551 | 231,915 | 243,543 | 264,713 | 285,189 | 308,599 |

Disclosure Statement

Tauaakii Whakapuakina



This statement discloses our planned financial performance in relation to various benchmarks which help us to assess whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

We are required to include this statement in our Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Please refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

We meet the rates affordability benchmark if:

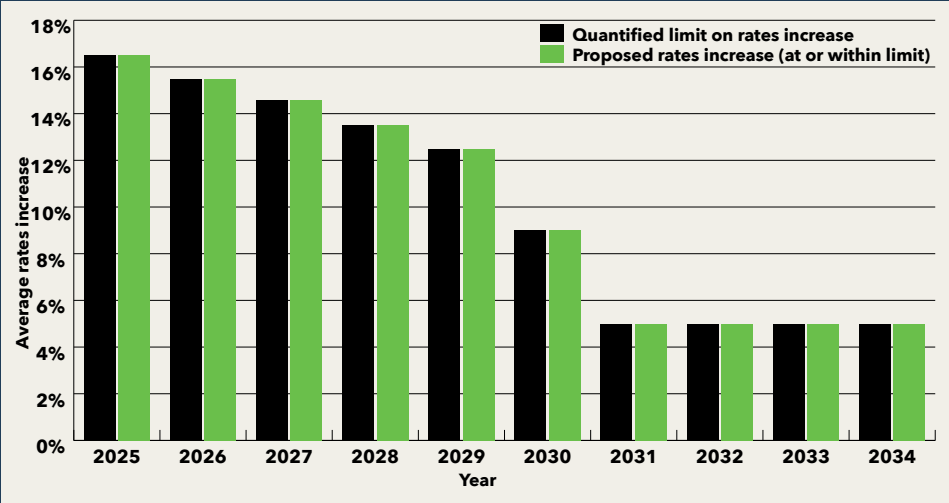
- Planned rates income equals or is less than each quantified limit on rates; and
- Planned rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates in the financial strategy for the 2024-34 Long-Term Plan.

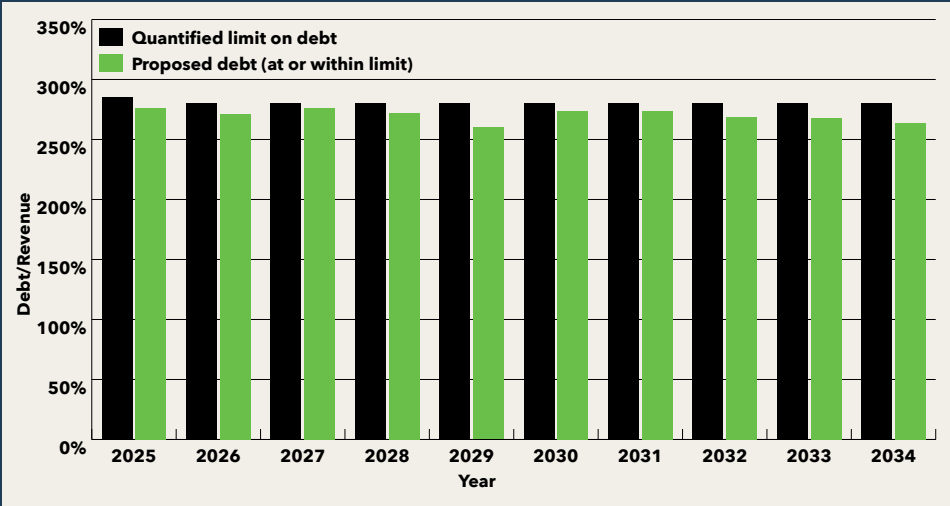
Rates (increases) affordability

The following graph compares our planned rates increases with a quantified limit on rates increases contained in our 2024-34 Financial Strategy. The quantified limit is that average rate increases to existing ratepayers as adopted in the 2024-34 Long-Term Plan, and adjusted by any upward movement in LGCI, when compared with the rate assumptions adopted through the 2024-34 Long-Term Plan.



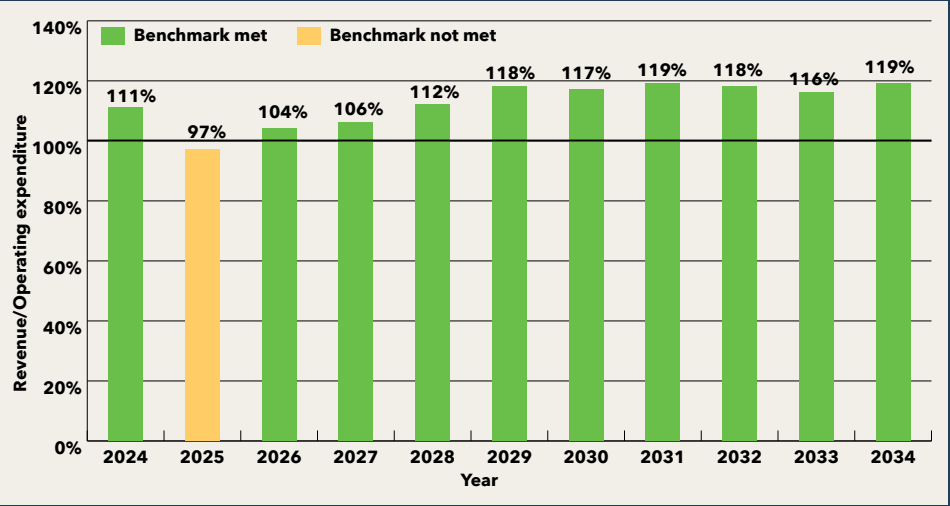
Debt affordability benchmark

We will meet the debt affordability benchmark if our planned borrowing is within each quantified limit on borrowing. The following graph compares our planned debt with a quantified limit on borrowing contained in the 2024-34 Financial Strategy. The quantified limit is that the debt to revenue ratio will remain below 285% in 2025 and 280% thereafter.



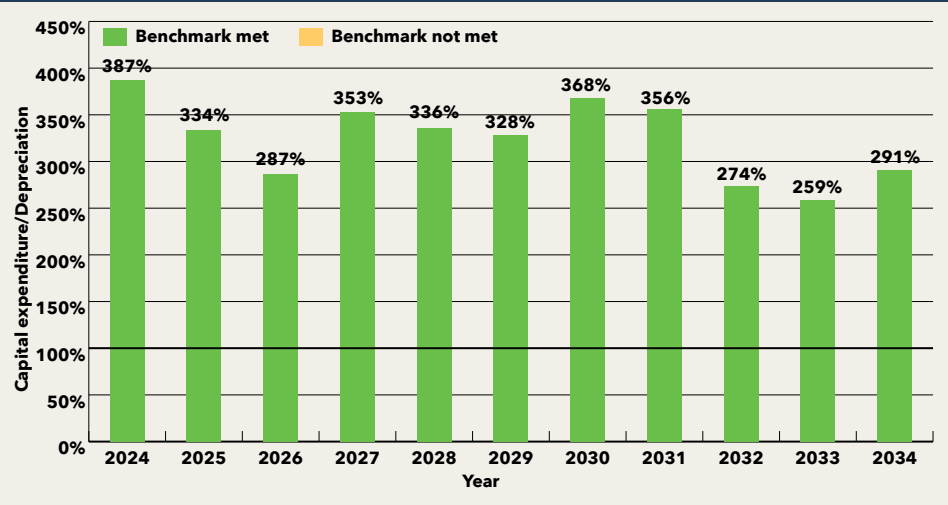
Balanced budget benchmark

The following graph shows our planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). We meet the balanced budget benchmark if our planned revenue equals or is greater than our planned operating expenses.



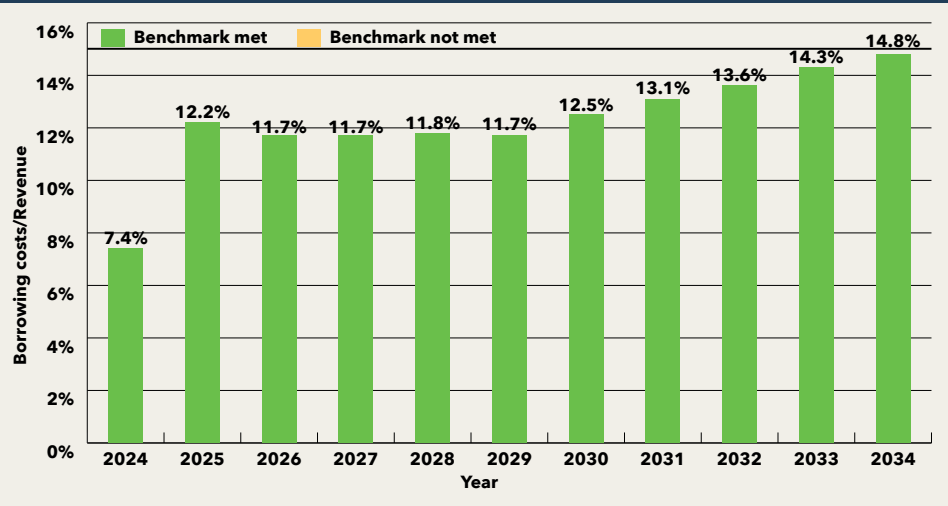
Essential services benchmark

The following graph shows our planned capital expenditure on network services as a proportion of expected depreciation on network services. We meet this benchmark if our planned capital expenditure on network services equals or is greater than the expected depreciation on our network services.



Debt servicing benchmark

The following graph displays our planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects that our population will grow faster than the national population is projected to grow, we will meet the debt servicing benchmark if our planned borrowing costs equal or are less than 15% of our planned revenue.



Council Funding Impact Statement

Tauaakii paanga puatea a te
Kaunihera

The Funding Impact Statement is made up of three parts:

- Rating Information for 2024/25
- Rates Samples for 2024/25
- The Whole of Council Funding Impact Statement.

The Funding Impact Statement should be read in conjunction with our Revenue and Financing Policy and Rating Policy. These can be found on our website.

Figures in this statement include GST unless otherwise stated.

Rating information for 2024/25

We set and assess these rates under the Local Government (Rating) Act 2002:

- General rate
- Uniform Annual General Charge (UAGC)
- Targeted rates include:
 - » Business Improvement District (BID)
 - » Central city
 - » Government compliance
 - » Pool safety inspection
 - » Service use water
 - » Service use wastewater
 - » Service use refuse
 - » Metered water
 - » Commercial and Other category non-metered water

Details of the rates revenue to be collected and the rating categories that will pay these rates are in this funding impact statement.

General rate

A general rate is set and assessed on the capital value of all rateable land.

General rates are set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities 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.

The objective of including differentials in the general rate is to achieve an appropriate distribution of the general rate, considering all factors we believe are relevant.

The total revenue sought is \$277,267,970.

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) |
|--------------|-------------------------|---------------------|-----------------------------------|--|--------------------------|
| 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 |

General rate categories

| General rate category | Description |
|-----------------------|---|
| Commercial | <p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p> |
| BID Commercial | All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy. |
| Other | <p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to the council's water network is not available. |
| Residential | <p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available. |

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, and within the targeted rates revenue where applicable.

Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is set and assessed on all rateable land. The UAGC is set at \$749 per Separately Used or Inhabited Part of a rating unit (SUIP).

The total revenue sought from the UAGC is \$54,610,714.

Separately Used or Inhabited Part of a Rating Unit (SUIP)

An SUIP is every rating unit and, without limitation, every additional dwelling, commercial or community activity. This includes:

- a. any part or parts of a rating unit used or occupied by the ratepayer for more than one single use
- b. any parts, whether or not actually occupied at any particular time, which are used for rental (or other form of occupation) on an occasional or long-term basis
- c. vacant land and vacant premises offered or intended for use or habitation and usually used as such are defined as 'used'.

For the purposes of clarity, every rating unit has a minimum of one SUIP.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for residential purposes:

- the second and each additional SUIP must have a separate bathroom, bedroom or living area and separate sink
- any part of a rating unit as described in a - c above that is inhabited by virtue of a tenancy, lease, license or other agreement on an occasional or long-term basis
- single dwelling with flat attached
- two or more houses, flats or apartments on one rating unit
- ancillary flat or detached dwellings (as defined in the District Plan)
- individually surveyed lots of vacant land on one Certificate of Title offered for sale separately or in groups; and
- residential accommodation rented individually per room. For a residential property to be classified as having additional SUIPs, each part must have a separate bathroom, bedroom or living area and separate sink.

As part of this definition, the list below sets out our intent in the application of SUIPs to rating units used for commercial activities:

- a commercial activity is any activity involving the exchange of goods or services for reward (whether for profit or not)
- any part of a rating unit as described in a - c above that is inhabited through a tenancy, lease, license or other agreement on an occasional or long-term basis
- commercial building where there are clearly defined vacant parts, advertised for lease or tenancy

- business premise with separate permitted residential activity
- home-based business (as defined in the District Plan)
- each use within a single rating unit involving a different activity conducted by a person, company, or organisation different to the ratepayer (i.e. a large store which has a café operating within it, where the café is a separate business entity)
- commercial building leased, or sub-leased, to multiple tenants
- a separate dwelling used for short-term accommodation
- commercial accommodation provided on a single rating unit for short-term stays (where average occupancy is limited as prescribed within the District Plan) will be one SUIP.

In addition to the primary use, the list below defines our intent in the application of SUIPs to rating units used as community activities:

- a community activity is any activity operated by an organisation (including clubs and societies)
- any activity meeting the definition of Schedule 1 of the Local Government Rating Act 2002.

Targeted rates

We are not seeking or inviting lump sum contributions for targeted rates.

Metered water rate

The rate is set and assessed for metered and restricted flow water supply to all rating units that are metered (as defined by Hamilton City Council's Water Supply Bylaw 2013).

The rate is:

- a fixed amount per connected meter, based on the nature of the connection, as follows:
 - i. \$518.40 for all metered rating units (except rating units receiving a restricted flow supply); and
 - ii. \$518.40 for rating units receiving a restricted flow supply.
- a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - i. all metered rating units (except rating units receiving a restricted supply) - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter; and
 - ii. 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.

The rate provides funding to the Water Supply activity. The total revenue sought is \$11,771,688.

Commercial and Other category non-metered water rate

The rate is set and assessed on Commercial and Other category (as defined for the general rate) properties connected to the water network, but not provided with a metered connection. The rate is a fixed amount of \$518.40 per rating unit.

The rate provides funding to the Water Supply activity. The total revenue sought is \$297,562.

Business Improvement District (BID) rate

The rate is set and assessed on all rating units defined within the BID Commercial General rate category and comprises both a fixed amount per SUIP and a rate in the dollar based on the Capital Value.

The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy. The rate is:

- i. a fixed amount of \$252 per SUIP; and
- ii. a rate per dollar of capital value set at \$0.00003443.

The rate provides funding to the Growth activity. The total revenue sought is \$416,294.

Central city rate

The rate is set and assessed on all rating units defined within the BID Commercial General rate category.

The Business Improvement District (BID) and Central City rating areas map is shown on Schedule 1 of the Rating Policy.

The rate is a fixed amount of \$124 per SUIP.

The rate provides funding to the Transport activity. The total revenue sought is \$166,750.

Government compliance rate

The rate is set and assessed on the capital value of all rateable land in the city.

The rate is set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities 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.

The rate provides funding to the Wastewater, Water Supply, Stormwater, and Growth activities. The total revenue sought is \$15,021,789.

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 |

Government compliance rate categories

| Government compliance rate category | Description |
|-------------------------------------|---|
| Commercial | <p>All rating units:</p> <ul style="list-style-type: none"> i. used solely or principally for commercial or industrial purposes; or ii. used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, rest homes, motels, residential clubs, hospital care facilities, hostels, visitor accommodation. Commercial residential purposes are where a property is being provided for residential accommodation at a fee with the average length of stay not exceeding three months; or iii. used as a chartered club, for any area used for restaurant, bar, or gaming machines; or iv. used as a mixed-use development, for any area used commercially; or v. where land is developed or under development for a commercial use; or vi. where a commercial development is marketed for sale or lease, but where works have not yet commenced, whether-or-not wastewater services are currently available; or vii. where vacant land is within any District Plan zone that is predominantly used for commercial or industrial purposes; or viii. used as show homes; or ix. where resource consents require the rating units can only be used for a commercial purpose; or x. used as utility networks. <p>Rating Units that meet the definition above but are located in the Business Improvement District will be categorised as BID Commercial.</p> |
| BID Commercial | All rating units that meet the definition of Commercial above and are located within the Business Improvement District as shown on the 'Business Improvement District (BID) and Central City areas map' in Schedule one of the Rating Policy. |
| Other | <p>All rating units that do not meet the definition of Commercial or BID Commercial rating categories and where:</p> <ul style="list-style-type: none"> i. connection to our wastewater network is not available; and ii. water supply is through a metered connection or connection to the council's water network is not available. |
| Residential | <p>All rating units that do not meet the definition of Commercial, BID Commercial, or Other rating categories; or:</p> <ul style="list-style-type: none"> i. land under development intended for a residential use; or ii. land where a proposed residential development is marketed for sale, whether-or-not water and wastewater services are currently available. |

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 is included within the Residential category.

Pool safety inspection rate

The rate is set and assessed on all rating units receiving a Council pool inspection.

The rate is a fixed amount of \$79 per rating unit.

The rate provides funding to the Regulatory and Safety activity. The total revenue sought is \$216,200.

Service use category

Service Use Category means rating units that are defined by the use of the land, for the purpose of charging water, wastewater and refuse collection, set and assessed as targeted rates.

Service Use Category rating units are provided with one or more of these services and are used:

- i. as a reserve under the Reserves Act 1977
- ii. for conservation, wildlife management or preservation purposes and not for private pecuniary profit and accessible to the public
- iii. by us for:
 - public garden, reserve, or children playground

- games and sports
 - public hall, athenaeum, museum, gallery or similar institution
 - public baths, swimming baths and sanitary convenience.
 - cemeteries or crematorium
- iv. by the Queen Elizabeth the Second National Trust
 - v. by the Royal Foundation of the Blind, except as an endowment
 - vi. by or for an education establishment, special school or other institution under s159(1) of the Education Act 1989
 - vii. by a district health board for health and health related services
 - viii. solely and principally as a place of religious worship, Sunday or Sabbath school or other form of religious worship and not for private pecuniary profit
 - ix. as Maaori meeting house that is Maaori freehold land not exceeding 2ha
 - x. as railway or for the loading and unloading of goods or passengers from trains
 - xi. for the free maintenance or relief of persons in need, not exceeding 1.5 hectares.

Where there is a community, sporting or cultural activity on Council reserve land, and the activity is subject to a lease agreement as defined within our Community Occupancy Policy, these targeted rates will apply.

Upon application, we extend the rating treatment of the Service Use Category to rating units which are operated by not for profit organisations, whom provide benefits to the wider community

and where there is no private pecuniary gain. Refer to the Rates Remissions and Postponements Policy for criteria.

Service use water rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to our water network but are not provided with a metered connection.

The rate is a fixed amount of \$518.40 per SUIP.

The rate provides funding to the Water Supply activity. The total revenue sought is \$79,772.

Service use refuse rate

The rate is set and assessed on properties defined as Service Use Category and which are provided with refuse collection service.

The rate is a fixed amount of \$223 per SUIP.

The rate provides funding to the Rubbish and Recycling activity. The total revenue sought is \$39,165.

Service use wastewater rate

The rate is set and assessed on properties defined as Service Use Category and which are connected to the wastewater network. 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.

The rate provides funding to the Wastewater activity.

The total revenue sought is \$2,081,641.

Inspection of Rating Information Database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 260 Anglesea Street, Hamilton, between the hours of 7:45 am and 5.00 pm on all business days of the week.

Rating base

Total land value for 2024/25 is \$40,362,371,000.

Total capital value for 2024/25 is \$73,095,013,000.

The projected number of rating units for the following ten years are:

| | | | |
|----------------|--------|----------------|--------|
| 2024/25 | 65,106 | 2029/30 | 69,764 |
| 2025/26 | 66,023 | 2030/31 | 70,733 |
| 2026/27 | 66,941 | 2031/32 | 71,718 |
| 2027/28 | 67,840 | 2032/33 | 72,682 |
| 2028/29 | 68,807 | 2033/34 | 73,693 |

2024/25 Rates – sample properties

| General rate differential category | Separate parts (SUIPs) | 2021 capital value | 2023/24 RATES | | | | | 2024/25 RATES | | | | | Total rates change (\$) | Total rates change (%) |
|------------------------------------|------------------------|--------------------|-------------------------------|---------------|-------------|----------------------------|----------------|-------------------------------|---------------|-------------|----------------------------|----------------|-------------------------|------------------------|
| | | | Uniform Annual General Charge | General rates | Other rates | Government compliance rate | Total rates | Uniform Annual General Charge | General rates | Other rates | Government compliance rate | Total rates | | |
| Residential (median) | 1 | 830,000 | 643 | 2,082 | 0 | 113 | 2,838 | 749 | 2,425 | 0 | 131 | 3,306 | 468 | 16.5% |
| Residential (5th percentile) | 1 | 500,000 | 643 | 1,254 | 0 | 68 | 1,965 | 749 | 1,461 | 0 | 79 | 2,289 | 324 | 16.5% |
| Residential (95th percentile) | 1 | 1,475,000 | 643 | 3,700 | 0 | 200 | 4,543 | 749 | 4,310 | 0 | 234 | 5,293 | 750 | 16.5% |
| Residential | 1 | 2,000,000 | 643 | 5,017 | 0 | 272 | 5,932 | 749 | 5,844 | 0 | 317 | 6,910 | 979 | 16.5% |
| Residential (with pool) | 1 | 1,000,000 | 643 | 2,508 | 0 | 136 | 3,287 | 749 | 2,922 | 79 | 158 | 3,909 | 621 | 18.9% |
| Residential | 4 | 1,200,000 | 2,572 | 3,010 | 0 | 163 | 5,745 | 2,996 | 3,507 | 0 | 190 | 6,693 | 948 | 16.5% |
| Residential | 12 | 2,950,000 | 7,716 | 7,400 | 0 | 401 | 15,517 | 8,988 | 8,621 | 0 | 467 | 18,076 | 2,559 | 16.5% |
| Other | 1 | 830,000 | 643 | 1,541 | 0 | 83 | 2,267 | 749 | 1,795 | 0 | 97 | 2,641 | 374 | 16.5% |
| Other (with pool) | 1 | 1,000,000 | 643 | 1,856 | 0 | 101 | 2,600 | 749 | 2,162 | 79 | 117 | 3,108 | 508 | 19.5% |
| Other | 1 | 1,800,000 | 643 | 3,341 | 0 | 181 | 4,165 | 749 | 3,892 | 0 | 211 | 4,852 | 687 | 16.5% |
| Other | 1 | 12,000,000 | 643 | 22,274 | 0 | 1,207 | 24,124 | 749 | 25,950 | 0 | 1,406 | 28,104 | 3,980 | 16.5% |
| Commercial (median) | 1 | 1,075,000 | 643 | 8,026 | 0 | 435 | 9,104 | 749 | 9,350 | 0 | 507 | 10,606 | 1,502 | 16.5% |
| Commercial (5th percentile) | 1 | 500,000 | 643 | 3,733 | 0 | 202 | 4,578 | 749 | 4,349 | 0 | 236 | 5,334 | 755 | 16.5% |
| Commercial (95th percentile) | 1 | 8,910,000 | 643 | 66,523 | 0 | 3,604 | 70,770 | 749 | 77,499 | 0 | 4,199 | 82,447 | 11,677 | 16.5% |
| Commercial | 1 | 830,000 | 643 | 6,197 | 0 | 336 | 7,176 | 749 | 7,219 | 0 | 391 | 8,359 | 1,184 | 16.5% |
| Commercial (no water meter) | 1 | 1,000,000 | 643 | 7,466 | 468 | 405 | 8,982 | 749 | 8,698 | 518 | 471 | 10,437 | 1,455 | 16.2% |
| Commercial | 4 | 2,785,000 | 2,572 | 20,793 | 0 | 1,127 | 24,492 | 2,996 | 24,224 | 0 | 1,312 | 28,532 | 4,041 | 16.5% |
| Commercial | 10 | 25,955,000 | 6,430 | 193,782 | 0 | 10,499 | 210,711 | 7,490 | 225,756 | 0 | 12,231 | 245,477 | 34,766 | 16.5% |
| BID Commercial (median) | 1 | 1,075,000 | 643 | 7,625 | 401 | 413 | 9,082 | 749 | 9,350 | 413 | 507 | 11,019 | 1,937 | 21.3% |
| BID Commercial (5th percentile) | 1 | 500,000 | 643 | 3,546 | 382 | 192 | 4,764 | 749 | 4,349 | 393 | 236 | 5,727 | 963 | 20.2% |
| BID Commercial (95th percentile) | 1 | 8,910,000 | 643 | 63,197 | 658 | 3,424 | 67,922 | 749 | 77,499 | 683 | 4,199 | 83,129 | 15,208 | 22.4% |
| BID Commercial | 1 | 830,000 | 643 | 5,887 | 393 | 319 | 7,242 | 749 | 7,219 | 405 | 391 | 8,764 | 1,522 | 21.0% |
| BID Commercial (no water meter) | 1 | 1,000,000 | 643 | 7,093 | 867 | 384 | 8,987 | 749 | 8,698 | 410 | 471 | 10,329 | 1,342 | 14.9% |
| BID Commercial | 4 | 2,785,000 | 2,572 | 19,753 | 1,555 | 1,070 | 24,951 | 2,996 | 24,224 | 1,600 | 1,312 | 30,132 | 5,181 | 20.8% |
| BID Commercial | 10 | 25,955,000 | 6,430 | 184,093 | 4,511 | 9,974 | 205,008 | 7,490 | 225,756 | 4,654 | 12,231 | 250,130 | 45,123 | 22.0% |

The rates are GST inclusive

Prospective Whole of Council Funding Impact Statement

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of Operating Funding | | | | | | | | | | | |
| General rates, uniform annual general charges, rates penalties | 233,227 | 276,506 | 324,299 | 377,285 | 434,510 | 496,435 | 549,283 | 585,397 | 623,872 | 664,557 | 708,418 |
| Targeted Rates | 22,525 | 26,166 | 29,682 | 33,850 | 38,449 | 44,043 | 49,309 | 53,646 | 58,029 | 61,507 | 65,576 |
| Subsidies and grants for operating purposes | 21,788 | 10,854 | 11,022 | 11,709 | 11,806 | 12,274 | 12,437 | 13,509 | 13,318 | 13,726 | 13,873 |
| Fees and charges | 50,927 | 51,141 | 55,597 | 61,014 | 65,686 | 68,545 | 73,545 | 76,542 | 80,340 | 83,479 | 86,250 |
| Interest and dividends from investments | 6,228 | 12,267 | 12,482 | 12,725 | 12,863 | 12,965 | 13,235 | 13,459 | 13,587 | 13,798 | 14,002 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 6,658 | 7,034 | 7,254 | 6,872 | 7,128 | 7,417 | 7,627 | 7,851 | 8,046 | 7,766 | 8,456 |
| Total Operating Funding (A) | 341,352 | 383,969 | 440,336 | 503,456 | 570,443 | 641,680 | 705,437 | 750,403 | 797,192 | 844,831 | 896,575 |
| Applications of Operating Funding | | | | | | | | | | | |
| Payments to staff and suppliers | 260,523 | 291,362 | 305,311 | 331,671 | 347,016 | 365,794 | 379,088 | 399,802 | 415,371 | 432,748 | 447,937 |
| Finance Costs | 32,208 | 55,746 | 60,485 | 68,006 | 75,649 | 84,335 | 94,433 | 107,059 | 117,108 | 126,894 | 140,039 |
| Other operating funding applications | - | - | - | - | - | - | - | - | - | - | - |
| Total Applications of Operating Funding (B) | 292,731 | 347,108 | 365,795 | 399,677 | 422,665 | 450,129 | 473,521 | 506,861 | 532,479 | 559,642 | 587,976 |
| Surplus/(Deficit) of Operating Funding (A - B) | 48,622 | 36,860 | 74,541 | 103,779 | 147,778 | 191,551 | 231,915 | 243,543 | 264,713 | 285,189 | 308,599 |
| Sources of Capital Funding | | | | | | | | | | | |
| Subsidies and grants for capital expenditure | 81,155 | 64,545 | 70,796 | 69,477 | 63,644 | 72,366 | 42,966 | 61,359 | 58,958 | 41,688 | 46,626 |
| Development and financial contributions | 36,605 | 21,174 | 28,485 | 38,417 | 52,625 | 57,514 | 55,954 | 58,657 | 58,861 | 63,249 | 60,813 |
| Increase (decrease) in debt | 142,092 | 212,247 | 145,613 | 193,882 | 140,828 | 123,265 | 192,182 | 169,718 | 79,672 | 68,074 | 114,635 |
| Gross proceeds from sale of assets | - | - | - | - | - | - | - | - | - | - | - |
| Lump sum contributions | - | - | - | - | - | - | - | - | - | - | - |
| Other dedicated capital funding | - | - | - | - | - | - | - | - | - | - | - |
| Total Sources of Capital Funding (C) | 259,852 | 297,967 | 244,894 | 301,776 | 257,097 | 253,145 | 291,102 | 289,734 | 197,492 | 173,010 | 222,074 |
| Application of Capital Funding | | | | | | | | | | | |
| Capital Expenditure: | | | | | | | | | | | |
| - to meet additional demand | 144,432 | 172,025 | 160,455 | 202,636 | 199,835 | 241,534 | 301,172 | 290,778 | 210,304 | 197,206 | 273,974 |
| - to improve the level of service | 90,823 | 60,524 | 47,320 | 57,201 | 51,463 | 36,611 | 45,289 | 53,719 | 60,644 | 58,015 | 48,671 |
| - to replace existing assets | 74,709 | 101,834 | 109,289 | 142,980 | 151,051 | 161,472 | 172,099 | 182,420 | 189,337 | 201,832 | 203,484 |
| Increase (decrease) in reserves | (2,544) | (3,233) | (390) | (1,333) | (197) | 3,164 | 1,070 | 3,153 | 108 | (1,917) | 143 |
| Increase (decrease) of investments | 1,055 | 3,676 | 2,760 | 4,070 | 2,723 | 1,914 | 3,387 | 3,206 | 1,811 | 3,064 | 4,400 |
| Total Applications of Capital Funding (D) | 308,474 | 334,827 | 319,435 | 405,555 | 404,875 | 444,696 | 523,017 | 533,277 | 462,205 | 458,199 | 530,673 |
| Surplus/(Deficit) of Capital Funding (C - D) | (48,622) | (36,860) | (74,541) | (103,779) | (147,778) | (191,551) | (231,915) | (243,543) | (264,713) | (285,189) | (308,599) |
| Funding Balance ((A - B) + (C - D)) | - | - | - | - | - | - | - | - | - | - | - |

Council Controlled Organisations

Ngaa Whakahaere a te Kaunihera

We are involved with and represented in a number of organisations to support the realisation of our vision for Hamilton City. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have an interest in the following CCOs:

- Co-Lab,
- New Zealand Local Government Funding Agency Ltd,
- Waikato Regional Airport Limited and its subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd.

The following tables explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes. We also have interests in Council Organisations details of which are available on our website.

We manage and monitor our investment in CCOs by reviewing statement of intents, six month and annual reports at our Finance and Monitoring Committee.

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 in the Waikato Region. Council has only one voting right out the 12 voting Local Authorities. | |
| Representation (total members) | 1(6) - Co-Lab has six Directors, with five Directors each representing a shareholder Council, as well as an Independent Chair. | |
| Significant policies and objectives | To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large. | |
| Nature and scope of activities | <ul style="list-style-type: none"> Shared Valuation Data Service Regional Asset Technical Accord Waikato Regional Transportation Model Waikato Building Consent Group Future Proof Energy Management | <ul style="list-style-type: none"> Joint Procurement Initiatives Light Detection and Ranging Technology Waikato Regional Aerial Photography Service Aligned Resource Consent Planning Regional Infrastructure Technical Specifications Local Government Contractor Health & Safety Pre-qualification Scheme |

Key performance targets

- Prioritise and develop business cases for opportunities, including measurable benefits (projected savings/increased revenue to councils of at least \$300K), that are supported by 75% of councils.
- Develop opportunities and deliver projects within agreed budgets (target of 90%) and timelines (target of 80%).
- Ensure projects realise their expected benefits by monitoring measurable benefits and reporting on a six-monthly basis.

Audit & Risk Committee undertake an assessment of projects following implementation for \$200K+ projects, within 15 months, and 90% of quantifiable benefits are realised.

- Ensure existing services are meeting the needs of 80% of councils.
- Foster and promote cross-council collaboration and networking to share a target of four ideas per annum, on improving efficiencies and best practice.

Financial forecasts to be achieved:

| | 2025 | 2026 | 2027 |
|--|----------|----------|----------|
| Earnings before interest, taxation & depreciation (EBITDA) | (\$1.0M) | (\$0.2M) | \$0.1M |
| Net surplus / (deficit) before tax | (\$1.0M) | (\$0.2M) | (\$0.1M) |
| Total assets | \$2.4M | \$2.3M | \$2.2M |
| Total capital funds | \$1.2M | \$0.9M | \$0.9M |

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

- Statement of Corporate Intent, Interim Report and Annual Report is presented to the CCO Subcommittee.
- Financial forecasts, based on the draft Statement of Corporate Intent, to be achieved as follows:

| Financial forecasts to be achieved: | 2025 | 2026 | 2027 |
|-------------------------------------|-----------|-----------|-----------|
| Comprehensive income | | | |
| Net interest income | \$28.3M | \$28.3M | \$27.0M |
| Issuance and on-lending costs | \$4.1M | \$4.2M | \$4.3M |
| P&L | \$15.1M | \$13.1M | \$10.1M |
| Dividend | (\$2.0M) | (\$2.0M) | (\$2.0M) |
| Financial Position | | | |
| Total assets | \$24,465M | \$27,244M | \$28,823M |
| Total LG loans | \$22,086M | \$24,456M | \$26,053M |
| Total Equity | \$130M | \$141M | \$149M |
| Shareholders Funds/Total assets | 2.6% | 2.6% | 2.7% |

Performance targets to be met or exceeded as follows:

LGFA's total operating income for the period to:

- 30 June 2025 will be greater than \$29.8M
- 30 June 2026 will be greater than \$29.8M
- 30 June 2027 will be greater than \$28.5M

LGFA's annualised issuance and operating expenses for the period to:

- 30 June 2025 will no more than \$14.6M
- 30 June 2026 will no more than \$16.6M
- 30 June 2027 will be no more than \$18.4M

Total lending to participating local authorities at:

- 30 June 2025 will be at least \$24,465M
- 30 June 2026 will be at least \$27,244M
- 30 June 2027 will be at least \$28,823M

Waikato Regional Airport Limited (WRAL) and its Subsidiaries, Hamilton & Waikato Tourism Ltd, Titanium Park Ltd and Waikato Regional Airport Hotel Ltd

| | |
|--|--|
| Ownership | 50% |
| Representation (total members) | 0(4) |
| Significant policies and objectives | Council's main objective in the ownership of WRAL (and its subsidiaries) is to support and provide economic growth to our community which can benefit from the opportunities WRAL provides. |
| Nature and scope of activities | <ul style="list-style-type: none"> • Operate an efficient and compliant airport. • Enhance the traveller experience. • Maintain a viable aero nautical business. • Maximise revenue diversification through non-aeronautical business opportunities. |

Key performance targets

- Financial performance targets be achieved as follows:

| Financial forecasts to be achieved: | 2025 | 2026 | 2027 |
|---|---------|---------|---------|
| Consolidated company forecast: | | | |
| Earnings before interest, taxation & depreciation (EBITDA) excluding land sales | \$6.0M | \$7.0M | \$8.0M |
| EBITDA including land sales | \$9.0M | \$20.0M | \$20.0M |
| Net profit before tax | \$2.6M | \$13.0M | \$14.0M |
| Net operating cash flow | \$4.0M | \$5.0M | \$6.0M |
| Total debt | \$39.0M | \$50.0M | \$50.0M |
| Parent Company operations only: | | | |
| Percentage of non- landing charges revenue | 60% | 60% | 60% |
| Interest cover | 3.0x | 3.0x | 3.0x |

Non-financial performance targets:

Health, safety, and wellbeing

- Zero Work Safe notifiable accidents/injuries
- Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.

Aeronautical compliance

- To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
- Ensure airport is operationally available for all scheduled passenger services.

Maintain a viable aeronautical business

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Position and protect the airport as an efficient, cost-effective international port.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Property

- Complete detailed design for Stage One of the Northern Precinct Development.
- Complete ecological management plan and commence development of ecological habitat compensation site.

Climate Change Response

- Reduce Group electricity purchases by at least 20% on 2024 levels (measure in kWh used) due to the solar farm development.
- Advance application for Level 4+ accreditation to the Airport Council International's Airport Carbon Accreditation programme.
- Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.

Revenue and Financing Policy

Kaupapahere Moni Whiwhi me te Whai Puutea

Ko te Puutaketanga | Purpose

1. The policy outlines the choices Hamilton City Council (Council) has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The Policy is a requirement under s102(2)(a) of the LGA along with s103(2)(a)-(j) which notes the sources referred to in s103(1) of the LGA. The policy illustrates Council's compliance with LGA s101(3) which sets out the factors Council must consider in making these decisions. A comprehensive analysis of how Council has complied with this section of LGA s101(3) is included in the Funding Needs Analysis.
2. Deciding the best way to fund Council activities is complex. Complying with legislation takes account of many factors including, but not limited to, the following:
 - Legal
 - Efficiency
 - Transparency
 - Social
 - Equity
 - Accountability
 - Competition
 - Cost
 - Business
 - Affordability
 - Intergenerational equity
 - Strategic alignment
 - Impact of change
 - Benefit

Ko te Whaanuitanga | Scope

3. This Policy applies to all funding decisions made at Council.

Ko ngaa Whakamaaramatanga | Definitions

| Term | Definition in this Policy |
|-------------|---|
| DC | means development contribution. It is a one-off charge imposed on new developments. It contributes to the growth-related cost of our infrastructure network and supports the city's long-term growth. |
| UAGC | means Uniform Annual General Charge. Is a rate set as a fixed amount per SUIP. The UAGC modifies the impact of rating on a city-wide basis. |
| SUIP | Means separately used or inhabited part of the rating unit as defined by Council in the Long Term Plan |

Ko ngaa Tikanga Whakahaere Kaupapahere | Principles of Policy

4. The following guiding principles will be applied when considering our use of funding sources:
 - a) Council will adopt a prudent Financial Strategy which supports its current credit rating.
 - b) The everyday costs of running the city will be met from everyday revenues.
 - c) Council will fund maintenance and renewals as per approved Asset Management Plans.
 - d) Growth cells will be completed to an approved level of service.
- e) Council should explore external funding options for new discretionary projects whenever possible.
- f) When a private benefit can be identified, and it is efficient to collect the revenue user charges will be considered.
- g) Growth will pay for growth.
- h) Asset sale proceeds will be used to pay down debt.
- i) The main source of our everyday revenue will be general rates.
- j) Targeted rates could be used to fund the council portion of new projects where the costs of these activities can be easily identified.
- k) Rates certainty will be considered.
- l) Affordability of rates will be considered.
- m) Rates increases will consider Local Government inflation and interest cost levels to ensure a prudent financial position is maintained.
5. Balancing these principles can be challenging at times. Council must use its judgement in assessing many options in the development of budgets or acquisition of assets and the choice of funding sources to enact these.

Ko ngaa Tikanga | Policy

Funding sources for operating costs

6. Operating costs are the everyday spending on services Council provides. This includes contributions to the wear and tear of assets used (depreciation), interest charged on borrowing for capital projects and overhead costs.
7. We must consider the funding for each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a Business Improvement District Rate, and others from the general rate, such as road maintenance.
8. The funding sources for operating costs are described in the following sections.

User charges (s 103(2)(c) under the LGA 2002 fees and charges)

9. User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity and includes:
 - Entry fees
 - Service charges
 - Hire
 - Rent, lease, licences for land and buildings
 - Permits
 - Regulatory charges
 - Fines and penalties

- Connection fees
 - Disposal fees
 - Deposits
 - Private works
 - Memberships
 - Planning and consent fees
 - Statutory charges
 - Retail sales
10. The price of the service is based on a number of factors, including:
 - The cost of providing the service;
 - The estimate of the users' private benefit from using the service;
 - The impact of cost on encouraging/discouraging behaviours;
 - The impact of cost on demand for the service;
 - Market pricing, including comparability with other councils;
 - The impact of rates subsidies if competing with local businesses;
 - Cost and efficiency of collecting the user charge;
 - The impact of affordability on users;
 - Statutory limits; and
 - Other matters as determined by the Council.
 11. Council's ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a

level that is below cost and in other cases, where provided by legislation (e.g. the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges when determining the cost of providing a service.

12. Where goods or services are sold commercially, and taking into consideration legislative limitations, Council's preference is to charge a market price. This includes leases, rents and licences for land and buildings.
13. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.
14. Revenue from user charges is allocated to the activity which generates the revenue.

Grants, sponsorship and subsidies (s 103(2)(i) under LGA 2002 grants and subsidies)

15. Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can therefore be budgeted for.
16. Council expects to continue to receive substantial subsidies from central government or its agents for road maintenance.

Other income

17. Council receives a distribution of local authorities fuel tax. Fuel Tax is allocated to the transportation activity and is used to fund operating costs of maintaining roads.

18. Some other types of income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, civil defence and other reimbursements, legal settlements and insurance claims).

Investment income (s 103(2)(d) under the LGA 2002 interest and dividends from investments)

19. Council's approach to investments is documented in its Investment and Liability Management Policy. These investments generate income such as dividends, interest, and rents.
20. Investment income funds the activity that owns the asset. The investment income is used to fund the operating costs of the activity.

Development contributions, financial contributions under the Resource Management Act 1991 (RMA) and environmental contributions under the Natural and Built Environment Act 2023 (NBA), proceeds from the sale of assets and lump sum contributions

21. Generally, Council does not collect revenue from these funding sources to fund operating costs.
22. Development Contributions revenue funds the interest cost on debt for growth-related capital projects.

Reserve funds (s 103(2)(j) under the LGA 2002 any other source)

23. Council maintains a small number of cash-funded reserve funds. Some of these reserve funds may be used to meet

operating costs (e.g. cemetery maintenance). Generally, reserve funds are used for the purposes that they were created for.

Borrowing (s 103(2)(e) under the LGA 2002 borrowing)

24. Borrowing is generally undertaken at a whole of Council level subject to constraints on rates increases and debt levels set by the Financial Strategy.
25. Council generally plans to fund all cash operating costs from sources other than borrowing. However, in specific circumstances, where Council decides it is prudent to do so, it may fund some operating costs from borrowing.

Regional fuel taxes under the Land Transport Management Act 2003 (s 103(2)(ia) under LGA 2022)

26. A regional fuel tax provides additional funds to a region to pay for transport projects that would not otherwise be funded. Under the legislation, a regional fuel tax: applies to petrol and diesel, not CNG or LPG, and may be charged up to a maximum rate of 10 cents per litre, plus GST, for a maximum of 10 years. This tax is not being applied to the Waikato Region and is not a source of operating revenue for Council.

Rates

27. Having appropriately exhausted all other funding sources, we fund all remaining operating expenses from rates. For many activities this is the main funding source.
28. The above matters are all considered when determining the

funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).

29. Council may choose to establish targeted rates to fund operating costs.
30. Further information on rates can be found in clauses 55-58 and 71-91 of this policy as well as the Rating Policy, Rates Remissions and Postponements Policy and Rates Funding Impact Statement.

Summary of sources of funding for operating costs by activity

31. Council will apply the funding source preferences noted above to each activity in its Funding Needs Analysis. Table 1 shows the degree to which (expressed as a range) each funding source is used to fund operating costs following the LGA s101(3)(a) assessment.
32. This s101(3)(a) assessment may be modified by the s101(3)(b) assessment. The latter assessment requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. Council's consideration of s101(3)(b) is included later in this policy.
33. The ranges in Table 1 are expressed as a percentage of the revenue required to fund each activity and are indicative only. They may change over time as a result of changes in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources.

Funding sources for capital costs

34. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs are described in the sections that follow.

User charges

35. User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.
36. Council charges for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (e.g. a rural seal extension for dust suppression).

Grants, subsidies, and other income

37. Council relies on significant subsidies for capital works relating to the transport activity. Grants and subsidies may be available for other activities from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.

38. Council relies on significant grant funding for capital works from the Infrastructure Acceleration Fund (IAF). The funding will be used for critical infrastructure projects to facilitate further development in the area - including a new water reservoir and pump station, local waters upgrades and improvements.
39. Grants, subsidies and other income are used wherever they are available.

Development contributions

40. Council collects development contributions (DCs) to fund capital costs necessary to service growth, in accordance with the Development Contributions Policy (DC Policy).
41. DCs are applied on an activity and catchment basis, as identified by the DC Policy. Projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period for which DCs may be collected.
42. Most contributions receipted are used to repay development contributions debt and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.
43. It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes funding matters in more detail as required by section 106(2)(c).

Table 1: Summary of funding sources by activity s.101(3)(a) only

| Activity | General Rates | Targeted Rates | Fees and User Charges | Subsidies and Grants | Other | Borrowing |
|---|---------------|----------------|-----------------------|----------------------|-------|-----------|
| Customer Services | | | | | | |
| Aquatics | ✓ | x | ✓ | x | ✓ | x |
| Libraries | ✓ | x | ✓ | ✓ | ✓ | x |
| Customer | ✓ | x | ✓ | x | x | ✓ |
| Governance | | | | | | |
| Democracy Services | ✓ | x | ✓ | x | x | ✓ |
| Mayor Office | ✓ | x | x | x | x | ✓ |
| Mayoral Support Services | ✓ | x | x | x | x | ✓ |
| Growth | | | | | | |
| Planning Guidance | ✓ | x | ✓ | x | x | ✓ |
| Growth Funding & Analytics | ✓ | x | x | x | x | ✓ |
| Sustainable Communities | ✓ | ✓ | x | x | x | ✓ |
| Strategic Property | ✓ | x | ✓ | x | ✓ | ✓ |
| Urban & Spatial Planning | ✓ | ✓ | ✓ | x | x | ✓ |
| Parks & Recreation | | | | | | |
| Cemetery & Crematorium | ✓ | x | ✓ | x | ✓ | x |
| Community Facilities | ✓ | x | x | x | ✓ | x |
| Nursery & Natural Areas | ✓ | x | ✓ | x | x | ✓ |
| Parks Assets | ✓ | x | ✓ | x | ✓ | x |
| Parks Contracts | ✓ | x | x | x | x | x |
| Parks Service Delivery | ✓ | x | ✓ | x | x | ✓ |
| Partnerships, Communication & Maaori | | | | | | |
| Amorangi Maaori | ✓ | x | x | x | x | ✓ |
| Communication & Engagement | ✓ | x | x | x | x | ✓ |
| Community Partnerships, Funding & Events | ✓ | x | ✓ | x | x | ✓ |
| Partnerships, Communication & Maaori | ✓ | x | x | x | x | ✓ |
| Rubbish & Recycling | | | | | | |
| Resource Recovery | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| Activity | General Rates | Targeted Rates | Fees and User Charges | Subsidies and Grants | Other | Borrowing |
|-----------------------------------|---------------|----------------|-----------------------|----------------------|-------|-----------|
| Regulatory & Safety | | | | | | |
| Animal Control | ✓ | x | ✓ | x | ✓ | ✓ |
| Building Control | ✓ | ✓ | ✓ | x | x | ✓ |
| City Safety Operations | ✓ | x | ✓ | ✓ | x | ✓ |
| Civil Defence & Emergency | ✓ | x | x | x | x | ✓ |
| Environmental Health Control | ✓ | x | ✓ | x | x | ✓ |
| Liquor Licensing | ✓ | x | ✓ | x | x | ✓ |
| Stormwater | | | | | | |
| Stormwater | ✓ | ✓ | ✓ | x | ✓ | x |
| Transport | | | | | | |
| Transport Centre | ✓ | x | x | ✓ | ✓ | x |
| Transportation Network | ✓ | x | ✓ | ✓ | ✓ | ✓ |
| Urban Transport | x | ✓ | ✓ | x | ✓ | ✓ |
| Venues, Tourism and Events | | | | | | |
| Claudlands Events Centre | ✓ | x | ✓ | x | ✓ | x |
| H3 Management | ✓ | x | ✓ | x | x | ✓ |
| Hamilton Gardens | ✓ | x | ✓ | x | ✓ | x |
| Museum | ✓ | x | ✓ | ✓ | ✓ | x |
| Stadia | ✓ | x | ✓ | x | ✓ | x |
| Te Kaaroro (Hamilton Zoo) | ✓ | x | ✓ | ✓ | ✓ | x |
| Theatres | ✓ | x | x | x | x | ✓ |
| Tourism & Events | ✓ | x | x | x | x | ✓ |
| Venues, Tourism & Events | ✓ | x | x | x | x | ✓ |
| Visitor Services & Products | ✓ | x | x | x | x | ✓ |
| Wastewater | | | | | | |
| Wastewater | ✓ | ✓ | ✓ | x | ✓ | x |
| Water Supply | | | | | | |
| Water Supply | ✓ | ✓ | ✓ | x | ✓ | x |

Financial contributions under the Resource Management Act 1991 (RMA) and environmental contributions under the Natural and Built Environment Act 2023 (NBA), proceeds from the sale of assets and lump sum contributions

44. Council collects financial and environmental contributions to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Operative and Proposed Hamilton District Plan. Council receives most contributions as revenue by the vesting of assets although some may be paid directly to us.

Proceeds from the sale of assets

45. From time to time assets are disposed of. Usually these are low value items and the revenue is received by the activity that owns the assets.
46. Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (e.g. Municipal Endowments reserve).

Reserve funds

47. We maintain some reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria for accessing the reserve.

Borrowing

48. Council must borrow to fund its asset programme. The amount of borrowing available is restricted by the Financial Strategy debt limits.
49. Borrowed funds, both the principal and interest components, are generally repaid by future rates.
50. Borrowing spreads the cost of a project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.
51. Council will budget to borrow from the Housing Infrastructure Fund (HIF) in the 2024-34 Long-Term Plan to fund some capital expenditure on growth related infrastructure. This loan is treated the same as other borrowing except that it is interest free for 10 years from the date each loan is drawn down. At the end of the 10 years the loan is required to be repaid and/or refinanced by new borrowing that is subject to interest.

Lump sum contributions

52. When undertaking a major project, Council has the option to seek lump sum contributions to the capital cost of the project from those who are identified in the “capital project funding plan”. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.
53. Generally, Council does not plan to seek lump sum contributions.

Regional fuel taxes under the Land Transport Management Act 2003 (S 103(2)(ia))

54. A regional fuel tax provides additional funds to a region to pay for transport projects that would not otherwise be funded. Under the legislation, a regional fuel tax: applies to petrol and diesel, not CNG or LPG, and may be charged up to a maximum rate of 10 cents per litre, plus GST, for a maximum of 10 years. This tax is not being applied to the Waikato Region and is not a source of capital revenue for Council.

Rates

55. Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.
56. Each year, Council calculates its operating cash surplus which determines the amount of rates funding available to fund capital projects or debt repayment. The greatest portion of this rates funding is allocated to pay for depreciation (which is a non-cash operating cost). These funds are used to fund capital replacement and/or renewal projects.
57. A portion of rates funds the capital (principal) repayments of debt.
58. Council may establish targeted rates to fund specific capital projects. Targeted rates are more likely to be considered where a benefit can be linked to an identifiable individual or group, either arising from the use of the asset or as a consequence of a decision. For clarity, this may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

Potential future funding sources

Infrastructure Funding and Financing Act (IFF)

59. The IFF, which was enacted in August 2020, enables Council to access a new off-balance sheet funding mechanism to support the delivery of infrastructure projects.
60. Council has not yet negotiated any IFF deals, as such, the 2024-34 Long-Term Plan does not reflect any potential off-balance sheet funding arrangement.

Strategic Land Agreements

61. Hamilton City Council is working with neighbouring Councils on Strategic Land Agreements which may result in boundary reorganisation. An agreement with Waikato District Council has been finalised covering land around Hamilton currently in the Waikato District Council area. Council is also working with Waipa District Council to establish a similar agreement. Strategic Land Agreements are intended to provide a degree of certainty around the future expansion of Hamilton and the transfer of land to the City from the District Councils.
62. Strategic Land Agreements outline a clear process to initiate a transfer of land and include financial principles for any land transfer. Financial considerations will be reviewed and reported to the relevant Committee if and when parcels of land are considered for transfer.
63. Once transferred to the City, rates will be set by Hamilton City Council, based on the rating system at that time. Hamilton City Council would also assume responsibility for the direct costs to provide services to the land.

Summary of sources of funding for capital costs by activity

64. As described in the Financial Strategy, Council has a challenge to manage growth, affordable rates increases and debt. To achieve the appropriate balance between these variables Council will take the following approach:
 - a. Council will set the annual rate increase;
 - b. The existing rating base plus an estimate for growth determines the rates income;
 - c. Activity operating revenue and expenditure budgets are determined, within the rate income constraint;
 - d. An amount is budgeted for development contributions payments, which is set aside to fund growth projects or growth debt and interest, as determined by the DC Policy;
 - e. The net cash operating costs is determined (net of cash revenue budgets);
 - f. This leaves the funded portion of operating costs. A small amount may be held in a cash funded reserve; otherwise the funds are available for capital costs. This amount largely represents rate funded depreciation but may include operating surpluses from some activities and accounting provisions not held in reserve funds. This funding is not held by specific activities and is available to fund any capital costs; and
 - g. Council will then set the limit on debt, which determines the maximum debt funding available for capital costs.
65. This process is intended to result in the following funding sources being available to fund capital costs:
 - Cash from general rates, for use on all activities;
 - Cash from targeted rates, for example for use on the Business Improvement District grant
 - Cash from development and financial/environmental contributions, for growth projects and related interest costs;
 - Cash from grants and subsidies, targeted to capital projects; and
 - Cash from borrowing.
66. Council will use the following guidelines when considering the funding of capital projects:
 - All projects are first funded from grants, subsidy or other income, which are budgeted as operating revenues;
 - Growth related projects for network infrastructure to meet increased demand are funded from DCs, as allowed for under the DC Policy;
 - Reserve funds for other purposes are considered. We have a small number of cash funded reserves available for capital costs projects;
 - Targeted rating options may be considered; and
 - Projects that have exhausted previous funding sources are funded from general rates and/or debt.
67. A single project may have a mix of each of the above funding options.

68. Whenever Council resolves to fund a separate project, it will consider the sources of funds above, the Revenue and Financing Policy and LGA section 101(3) to determine an appropriate funding policy for that project. Generally, Council will resolve the funding in setting the budget for the project at the time it is proposed in an Annual Plan or Long-Term Plan.

Overall funding consideration

69. Council is required by LGA s101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. This allows Council, as a final measure, to modify the overall mix of funding that would otherwise apply after the s101(3)(a) analysis.
70. The following applications have been made:
- a. The Financial Strategy has the guiding financial principle that those who benefit from growth pay a fair share of the cost of that growth. Growth drives both operating and capital costs. Council will use all available funding sources to ensure that those who benefit from or create growth contribute an appropriate share towards the costs of providing infrastructure to meet the demands of that growth. This includes financial/environmental contributions, development contributions, user charges and general and targeted rates.
 - b. Council has made the following adjustments to targeted rates:
 - i. A pool safety inspection rate has been introduced.
 - c. Council considers the benefits of services associated with the development of land are realised from the time the development is started.
 - d. Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.

- e. Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).
- f. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
- g. Council may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 of the LGA, in the DC Policy.
- h. Council is required by LGA section 102(3A)(a) that the Revenue and Financing Policy supports the principles set in in the Preamble to Te Ture Whenua Maori Act 1993. The Council will take the principles into account when considering funding decisions.

Rates

71. Council's final consideration of funding by rates comes:
 - a. After considering how other funding sources will be used to fund operating and capital costs;
 - b. After that has been applied to activities in the Funding Needs Analysis; and/or
 - c. After being adjusted for the overall funding considerations.
72. The following section outlines the Revenue and Financing

Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

General rates

73. The general rate will be set on the basis of capital value.
74. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.
75. The Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate and the UAGC:
 - Amorangi Maaori
 - Animal Control
 - Aquatics
 - Building Control
 - Cemetery & Crematorium
 - City Safety Operations
 - Civil Defence & Emergency
 - Claudelands Events Centre
 - Communication & Engagement
 - Community Facilities
 - Community Partnerships, Funding & Events
 - Customer
 - Democracy Services
 - Environmental Health Control
 - Growth Funding & Analytics

- H3 Management
- Hamilton Gardens
- Libraries
- Liquor Licencing
- Mayor's Office
- Mayoral Support Services
- Museum
- Nursery & Natural Areas
- Park (Assets & Contracts)
- Parks Service Delivery
- Partnerships, Communication & Maaori
- Planning Guidance
- Resource Recovery
- Stadia
- Stormwater
- Strategic Property
- Sustainable Communities
- Te Kaaroro (Hamilton Zoo)
- Theatres
- Tourism & Major Events
- Transport Centre
- Transportation Network
- Urban & Spatial Planning
- Urban Transport
- Venue, Tourism & Major events
- Visitor Services & Products
- Wastewater
- Water Supply

76. Council differentiates the general rate into four differential rating categories based on one or more of the uses to which the land is put, the provision or availability to the land of a service provided, the activities 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.

The categories are:

- Residential;
 - Commercial;
 - BID Commercial; and
 - Other.
77. The BID Commercial category will increase to be the same as the Commercial category from 2024/25, meaning commercial properties in the central city will pay the same General rate and Government Compliance rate as commercial properties elsewhere in the city.
78. The full definition of these categories is contained in the Funding Impact Statement.
79. The general rate differential factors will be calculated as shown in the Funding Impact Statement.
80. In setting the differential categories, and the differential factors, Council considers the requirements of the LGA and a number of other considerations, including:
- The activities funded by the general rate and the s101(3) considerations for the activities;
 - The impact of any change, or rate of change to the differential;

- The views of those impacted by the differentials;
- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

Uniform Annual General Charge (UAGC)

81. The level of the UAGC will be determined based on the overall impact of rates to individual ratepayers and categories. There is no direct allocation of any activity nor is there a calculation methodology for the determining the UAGC amount.

Targeted rates

Government compliance rate

82. A Government compliance targeted rate was introduced to fund additional costs in the Council's water services activities as well as the cost of changing the District Plan as a result of legislation introduced by central government.
83. The Government compliance targeted rate has been implemented to clearly identify and explain additional costs associated with water services and changes to the District Plan.
84. The Government compliance targeted rate is applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate.
85. The differential bases are outlined in the Council Funding Impact Statement.

Pool safety inspection rate

86. A pool safety inspection rate was introduced to replace the current three yearly fee with a targeted annual rate to be administratively efficient for the triennial inspections.
87. Pools are required to inspected for safety compliance every 3 years. Council considered all funding sources available and identified that charging a targeted rate would be more efficient. The targeted rate will replace the fees being charged through fees and charges.
88. For more information on the rate refer to the Rating Policy, Funding Impact Statement and Rates Resolution.

Other targeted rates

89. Council collects other targeted rates either to fund activities as identified in the Funding Needs Analysis or as a result of overall funding considerations.

Table 2: Targeted rate types

| Name | Activities funded | Basis for rate |
|---|--|---|
| Central City | Transport activity. | Fixed amount per Separately Used or Inhabited Part of a Rating Unit (SUIP). A SUIP is defined in the Council Funding Impact Statement. |
| Business Improvement District (BID) | Growth activity. | Fixed amount per SUIP and a rate per dollar of capital value for all properties in the BID area. |
| Government Compliance | Wastewater, Water Supply, Stormwater, and Growth activities. | Applied to all rateable land on the basis of capital value, and differentiated on the same basis as the general rate. |
| Metered water supply | Water Supply activity. | Fixed amount per water connection to rateable land supplied with water for land with a water meter or a restricted flow supply and a charge per unit of water consumed or supplied. |
| Commercial and Other Category Non-metered Water Supply | Water Supply activity. | Fixed amount per rating unit with a water connection but without a meter. |
| Service Use water | Water Supply activity. | Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement. |
| Service Use refuse | Rubbish and Recycling Activity | Fixed amount per SUIP for connected land used for certain purposes as defined in the Funding Impact Statement. |
| Service Use wastewater | Wastewater activity. | A rate per dollar of land value and a rate per dollar of capital value for connected land used for certain purposes as defined in the Funding Impact Statement. |
| Pool safety inspection | Regulatory and Safety activity. | Fixed amount per rating unit for all rating units receiving a Council pool inspection. |

90. Council is currently phasing out the Central City targeted rate over 2 years.

91. Council may introduce new targeted rates when setting rates in any year as documented in the relevant year's Funding Impact Statement and Rates Resolution.

Ko te Aroturukitanga me te Whakatinanatanga | Monitoring and Implementation

92. Implementation of the policy will be monitored by the Chief Financial Officer.

93. Performance against this policy will be monitored and reported.

94. The policy will be reviewed in response to any issues that may arise, every three years, at the request of Council or in response to changed legislative and statutory requirements (whichever occurs first).

Ko ngaa Tohutoro | References

95. The Local Government Act 2002. The policy is a requirement under s102(2)(a) of the LGA along with s103(2)(a)-(j) which notes the sources referred to in s103(1) of the LGA.

96. Funding Needs Analysis, as required by s101(3) of LGA, provides the background and analysis to explain the funding decisions Council has made. It is guided by

the funding principles and choices of funding sources documented in the Revenue and Financing Policy.

97. The DC Policy provides further analysis, as required by s106(2)(c) of the LGA. This explains why Council has chosen to use DCs to fund the capital costs needed to meet increased demand for infrastructure.
98. The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.
99. The Rating Policy and Rates Remissions and Postponements Policy further clarifies funding requirements by documenting matters not included in the Funding Impact Statement, rates resolutions or this Revenue and Financing Policy. It includes detailed definitions and maps for rating areas.
100. The Funding Impact Statement is included in each Long-Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for the first year of the 2024-34 Long-Term Plan.
101. The Preamble to Te Ture Whenua Maori Act 1993 includes the principles that the policy must support as required by s102(3A)(a) of the LGA.
102. Together the above documents form the necessary components to lawfully charge under the LGA for Council's revenue requirements. Council must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.



Summary of our significance and engagement policy

Whakaraapopototanga o taa maatou
kaupapahere hira me te koorerorero tahi



What is a significance and engagement policy?

The Local Government Act 2002 (LGA) requires us to have a Significance and Engagement Policy (the Policy).

This Policy provides clear guidance for the community about:

- how we decide if a decision or proposal is significant
- when, and to what degree, the community can expect to be engaged on a decision or proposal.

When and how does this Policy apply?

Every formal decision we make will take this Policy into account.

The Policy is applied in a two-step process:

1. determine the level of significance
2. determine the level of engagement and approach to be taken (if any).

How is significance assessed?

The level of significance of a proposal or decision is identified by assessing the impact of the decision against eight key considerations.

After assessing the proposal or decision against the key considerations, we decide if the level of significance is low, medium or high as follows:*

- if it triggers four or more of the key considerations under the highly significant column, the level of significance will likely be classified as high.

- If it triggers five or more of the key considerations under the low significance column, the level of significance will likely be low.
- If the level of significance is not classified high or low as above, then the level of significance will likely be considered moderate.

How do we decide the level of engagement to be carried out?

The level of engagement on a proposal or decision is guided by the level of significance:

- A high level of significance will mean a high level of engagement and we will develop an appropriate engagement approach to reflect the high significance.
- A medium level of significance will mean a medium level of engagement. In these cases, we will decide whether, and to what extent it is appropriate to engage with the community.
- If the level of significance is low, we are not required to engage.

At any time, we may choose to engage at a higher level than required by the Policy but not at a lower level.

We will apply Principles of Consultation (s82 of the LGA) and consider the communities preferences when deciding the engagement approach.

* the full policy can be found on our website under Policies, bylaws and legislation.

Can we make a decision that is inconsistent with this Policy?

If we choose to make a decision significantly inconsistent with the Policy, we are obligated by section 80 of the LGA to:

- make the inconsistency clear;
- explain the reasons for the inconsistency; and
- explain how we plan to address the discrepancy.

| Key consideration Does the proposal or decision mean... | Highly significant | Moderately significant | Low significance |
|---|--|--|---|
| A service which is part of the Council's significant activities will... | Start or stop. | Change significantly. | Change in a minor way or not at all. |
| There will be a transfer of ownership or control of strategic assets to or from the Council? | If yes, a major transfer. | If yes, a minor or insignificant transfer. | No transfer. |
| There will be financial consequences in the financial year of the proposal/decision that are unbudgeted operating cost or capital costs in the Long-Term Plan that are... | Greater than 10% of total expenses and/or greater than 1% of total assets. | Greater than 5% but less than 10% of total expenses and/or greater than 0.5% but less than 1% of total assets. | Less than 5% of total expenses and/or less than 0.5% of total assets. |
| The ability to reverse the decision will be... | Highly difficult. | Moderately difficult. | Easy. |
| The decision in regard to prior decisions is... | Significantly inconsistent. | Consistent but with some differences. | Consistent. |
| The public will have a... | High level of interest. | Moderate levels of interest. | Low levels of interest. |
| There will be... | A large proportion of the community impacted. | A subgroup or groups within the community impacted. | An individual household or person impacted. |
| The degree of impact on the people affected by the decision will be... | High. | Moderate. | Low. |

Auditor's report

He whakaaro taatari kaute



Auditor's report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

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:
 - o long-term, integrated decision-making and co-ordination of the Council's resources; and
 - o 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 189 to 191 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 121 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 125 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 138 to 140 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.


A handwritten signature in blue ink, appearing to read 'Clarence Susan', with a stylized flourish at the end.

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

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