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A VISION FOR OUR CITY



HAMILTON'S

COMMUNITY PLAN

2004-14

VOLUME II



Hamilton City Council
Te kaunihera o Kirikiriroa



AVISIONFOROURCITY

Whakatauki

Kotahi ano te kohao te ngira
E kuhuna ai te miro ma, te miro whero
Me te miro pango.
A muri I a au kia mau ki te ture,
Ki te whakapono, ki te aroha.
Hei aha te aha! Hei aha te aha!

*There is but one eye of the needle
Through which the white, red and black threads must pass.
After me obey the commandments, keep faith,
And hold fast to love and charity
Forsake all else*

Na Potatau Te Wherowhero, 1858

He Mihi

Na take i korerohia e tatau i mua
Tui ai te kupu korero I korerotia
Kia tu te winiwini kia tu te wanawana
I nga pu korero I wanangatia
I roto I te whai ao I te ao marama

*We bring our combined history and past discussions
Into our plans here for the future.
Be open and stand strongly
For the issues considered and discussed,
To benefit the world, now and in the future.*

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Hamilton City Council
Te kaunihera o Kirikiriroa

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1.0 Introduction to the Funding and Financial Policy

Every local authority is required by Section 281(2) of the Local Government Act 2002 to develop a Funding and Financial Policy. The Funding and Financial Policy 2004-14 is included in Sections 2-13 following this introduction and covers the period 1 July 2004 to 30 June 2014.

The Funding and Financial Policy sets out the guidelines of how Council plans for, and acquires funds, to finance its operation, and the projects and programmes in the Community Plan. It also sets out Council's policy parameters, targets and guidelines concerning a number of policies.

The Funding and Financial Policy includes the following policies and summaries:

- **Revenue and Financing Policy**, which shows how Council's operational and capital expenditure will be funded or financed for each significant service, after taking into consideration a number of different factors.
- **Funding Impact Statement**, which discloses the revenue, operational and capital expenditure requirements and financing mechanisms of Council. It also discloses in detail the rating system and funding sources for Council for 2004/05.
- **Investment Policy**, which sets out how Council will manage its cash investments, trust funds, special and reserve funds, sinking funds and investment in shares and property, recognising that Council is a net borrower for the foreseeable future.
- **Liability Management Policy**, which sets out how Council will manage its borrowing, funding and interest rate risks, recognising that Council is a net borrower for the foreseeable future. The policy guides Council on the specific borrowing limits and funding facilities, debt repayment parameters, credit exposure and foreign exchange risk management.
- **Rating Policy**, which sets out how Council will determine the setting and collecting of rates, types of rates, rate systems, differential rating, rating levels, and remission and postponement policies. The rating policy also outlines the rates for the new rating year, which replaces the procedure for setting rates, via the separate public notices and public meetings approach (Special Order Procedure) under the old Local Government Act 1974.
- **Rates Remission Policies**, which sets out Council's criteria for remitting rates, which involves reducing the amount of rates owing or waiving collection of rates under certain circumstances. These policies are included in the **Rating Policy**.
- **Rates Postponement Policies**, which sets out Council's criteria for postponing rates which involves the payment of rates that is not waived in the first instance, but delayed until a certain time, or until certain events occur. These policies are included in the **Rating Policy**.
- **Remission and Postponement of Rates on Maori Freehold Land Policy**, which sets out Council's criteria for remitting and postponing rates on Maori freehold land, which involves situations where there is no occupier, no economic or financial benefit capable of being derived from the land and there is no practical means of enforcing the rates assessed. This policy is included in the **Rating Policy**.

- **Significance Policy**, which sets out how Council will decide on the significance of proposals and decisions. The policy guides Council on how to consult when making decisions of varying importance to the community. It also lets the community know what is expected in terms of consultation.
- **Partnerships with the Private Sector Policy**, which sets out Council's policy on committing resources to partnerships between Council and the private sector. It also guides Council on the circumstances Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.
- **Development and Financial Contributions Policy**, which sets out how Council will determine the financial contributions to be taken from developers, to develop infrastructure and services to support the provision of services as the City develops and to mitigate the economic, environmental and community impacts of additional development in the City.
- **Appointment and Remuneration of Directors of Council Organisations Policy**, which sets out an objective and process for the identification and consideration of skills, knowledge and experience required of directors of a Council organisation, and the appointment of directors and the remuneration of directors.
- **Freeholding of Council Domain and Municipal Endowment Leases Policy**, which sets out the process Council will follow relating to the sale (freeholding) of Council domain and municipal endowment leases. It also sets out how Council will use the proceeds from the sales of such property.
- **Asset Management Plan Summary**, which sets out summary information about Council's major assets based on asset management plans prepared in 2003.

2.0 Revenue and Financing Policy

2.1 Introduction

Council previously adopted a Long-Term Financial Strategy and Funding Policy to meet the requirements of Part VIIA of the Local Government Act 1974. This Act has now been replaced by the Local Government Act 2002 ("the Act"), under which Council is required to adopt a Revenue and Financing Policy using the special consultative procedure outlined in the Act.

The Revenue and Financing Policy contains Council's policies in respect of funding operating and capital expenditure from available sources. It is an important policy, as it determines who pays for Council's services (activities).

2.2 Legal Requirements of the Revenue and Financing Policy

Section 102(4)(a) of the Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. The requirements of that policy are listed in Section 103.

The relevant legislation is reproduced below:

Section 103 Revenue and Financing Policy

- (1) *A policy adopted under section 102(4)(a) must state -*
 - (a) *the local authority's policies in respect of the funding operating expenses from the sources listed in subsection (2);*
 - (b) *the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).*
- (2) *The sources referred to in subsection (1) are as follows:*
 - (a) *general rates, including -*
 - (i) *choice of valuation system*
 - (ii) *differential rating*
 - (iii) *uniform annual general charges;*
 - (b) *targeted rates;*
 - (c) *fees and charges;*
 - (d) *interest and dividends from investments;*
 - (e) *borrowing;*
 - (f) *proceeds from asset sales;*
 - (g) *development contributions;*
 - (h) *financial contributions under the Resource Management Act 1991;*
 - (i) *grants and subsidies;*
 - (j) *any other source.*
- (3) *A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).*

Council has the following policies to comply with the requirements of Section 103.

2.3 Revenue and Financing Policy Summary

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of its Revenue and Financing Policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each service.

The Revenue and Financing Policy is designed to show how Council has complied with s101(3).

The Revenue and Financing Policy summarises Council's policies in respect of the funding of operating and capital expenditure. The policy incorporates the latest available information regarding the Council's assets and their condition, community priorities and growth expectations and translates them into a financial forecast. It addresses the financial requirements and considerations likely to affect Council, including infrastructural demands, which may arise from growth or to maintain existing investment in assets. Ten year financial projections for operating expenditure, special and capital projects expenditure, and summary financial accounts for the period 2004/05 – 2013/14 are included.

2.4 Funding of Operating and Capital Expenditure

Operating and capital expenditure will be fully funded each year in accordance with the Adopted Plan. Funds to meet the cost of the estimated operating and capital expenses will be contributed through a variety of sources.

For each service, Council has determined the appropriate method of funding and the proportion of expenditure to be funded from each of the sources listed below, and the method for apportioning rates and other charges. The process used is as specified by the Act. The Revenue and Financing Policy shows the Act's requirements and the detailed analysis Council has undertaken to meet these requirements.

Section 103 of the Act also requires Council to produce a Funding Impact Statement (Section 3) that provides details on the funding sources and mechanisms to be used for each year covered by the Community Plan 2004-14. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied. For further details refer to the information presented in the Funding Impact Statement, in particular the summary of funding mechanisms (graph and table) and description of rate funding mechanisms.

2.4.1 Sources of Funds

Council funds operating and capital expenses from the following sources:

- Rates (General Rates and Targeted Rates) – these cover the revenue shortfalls for all significant services after any direct revenue earned has been applied, and are described in the Funding Impact Statement (Section 3) and the Rating Policy (Section 6)
- Fees and Charges (user pays principle) – these are utilised where the services can be quantified and the end customer readily identified

- Other operating revenue – e.g. petrol tax
- Borrowing – used to fund capital and infrastructural developments or refinance existing assets or for other special and capital projects in accordance with the capital expenditure policy.
- Subsidies (including government grants) – e.g., from third parties such as Transfund New Zealand
- Revenue and Other (including dividends and interest) – contributions from associate and subsidiary companies as well as interest arising on investments
- Capital Contributions (including sale of assets) – these can be from any source, including proceeds from the sale of assets and revenue from third parties
- Financial and Reserve Contributions on Subdivision and Development – financial and reserve contributions for the city's asset development needs under the District Plan are outlined in the Development and Financial Contributions Policy (Section 9) included as part of the Funding and Financial Policy.
- Other reserves (e.g. Project Watershed Reserve) – special purpose reserves available to fund special and capital projects.

2.4.2 Operating Expenses

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms Council will use a mix of revenue sources to meet operating expenses, with major sources being fees and charges, subsidies, general rates, a targeted rate for non-domestic water supply, targeted rates for 100% non-rateable properties for water, refuse and wastewater services, and a targeted rate for Temple View loan servicing charges.

A summary of total operating costs, revenue and net cost is presented in Appendix 13.2.

2.4.3 Capital Expenditure (Special and Capital Projects)

The Council policies and practices as regards the funding of its special and capital projects expenditure are set to ensure that it complies with applicable legislation and generally accepted accounting practice. Council is required to identify its major projects for the purpose of completing the Community Plan 2004-14. Council has resolved that all major projects are budgeted for and funded through the Annual Plan process.

In general terms Council will use a mix of funding sources to meet special and capital projects expenditure, with major sources being general rates, borrowings, reserves and funding assistance such as grants and subsidies. Refer to Council's Capital Expenditure Policy in Section 2.4.4.

A summary of special and capital projects expenditure is presented in Appendix 13.3.

2.4.4 Capital Expenditure Policy

Council have determined that loan funding is available as a funding mechanism for all special and capital projects, subject to Council approval. Other methods of funding (subsidies, fees and charges, reserves or rates) should be considered as the primary means of funding prior to loan funding. Each case is however considered on its own merits. Where a loan is employed as the means of funding a special project, the cost of capital is to be spread over significant services on the basis of the book value of land and buildings employed, except where the costs are to be recovered from specific services (as outlined in the Statement of Accounting Policies).

Borrowing is managed within the framework specified in the Investment Policy (in relation to internal borrowing) and the Liability Management Policy.

Special consideration is given to the landfill refuse service, where there is an identified need to ring-fence the financing costs associated with the landfill. Council has agreed that loan funding is appropriate, and that the debt servicing cost will be directly charged to the service and be recovered through fees and charges rather than rates.

2.4.5 Balanced Budget Requirement

Under Section 100 of the Local Government Act 2002, Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

The Forecast Statement of Financial Performance presented in Appendix 13.4 indicates surpluses of \$4.005 million, \$4.232 million and \$3.269 million for the years 2004/05, 2005/06 and 2006/07 respectively. The Council has determined that the balanced budget requirement has been met.

2.4.6 Statement of Financial Performance

The estimated expenses, including debt servicing (interest) and depreciation, and the estimated funding sources of each service is included in the cost of service statements and is summarised in the Statement of Financial Performance. Total rates, capital contributions and other income is also presented in the Statement of Financial Performance.

The Forecast Statement of Financial Performance is presented in Appendix 13.4.

2.4.7 Statement of Financial Position

The statement of financial position estimates the balances of reserves, investments, assets and debt, and also estimates the changes in equity over the period of the Community Plan 2004-14.

The Forecast Statement of Financial Position and Forecast Statement of Movement in Equity are presented in Appendices 13.5 and 13.6.

2.4.8 Cashflow Projections

The Statement of Financial Performance provides the basis of the cashflow projections for the period of the Community Plan 2004-14.

The Forecast Cashflow Statement has been prepared in a summarised format, which details how funds from operating, investing and financing activities will be utilised.

The Forecast Cashflow Statement is presented in Appendix 13.7.

2.4.9 Commitments and Contingencies

It has been assumed for the budget that not all projects undertaken in any financial year are completed within the same financial year. There are therefore some outstanding contractual commitments for any individual year, which need to be provided for. Council also has some future commitments to developers who have advance funded the development of infrastructure. Non-cancellable operating lease commitments are also disclosed.

The Council is at times requested to act as guarantor to loans raised by community organisations and sports clubs. Subject to meeting Council's loan guarantor criteria, Council may agree to such guarantees only so long as the total annual contingent loan servicing charges of all such guarantees do not exceed a sum equivalent to 2 per cent of the proceeds of the general rate for the preceding financial year.

While specific community groups that might require loan guarantees in the future have not been identified, an amount has been included based on the current level of loan guarantee exposure.

The Council may be involved as defendant in various public liability and professional indemnity claims arising out of its normal operations. A portion of these claims may not be covered under specific insurance policies. A general provision has been included for events which have not yet occurred or been identified. The Council is insured for civil disaster, material damage (replacement of buildings) and business interruption. Infrastructural assets including bridges are not insured.

The Statement of Commitments and Contingencies is presented in Appendix 13.8 and summarises the estimated commitments and contingencies based on known events.

2.4.10 Net Debt

The Net Debt Table outlines the projected net debt of Council over the period of the Community Plan 2004-14, and the linkage to the debt servicing targets outlined in the Liability Management Policy.

The Net Debt Table is presented in Appendix 13.9.

2.5 Asset Management Plans

In preparing the Community Plan 2004-14, Council relied on Asset Management Plans that were updated at July 2003.

All of the Asset Management Plans were peer reviewed and the detailed information contained in the plans has been used as a base for the Community Plan 2004-14. The Asset Management Plans provide strong linkage to the long-term planning of Council, particularly in the areas of asset maintenance and renewal, provision of appropriate assets to support services of Council, and the funding of depreciation.

An outline of the Asset Management Plans is included in Section 12.

2.6 Material Error Policy

The Council has defined what constitutes a material error in any current Revenue and Financing Policy, Funding Impact Statement, Investment Policy or Liability Management Policy. The policy is:

Any financial error of \$2.5 million or more in any of these policies (being: Revenue and Financing Policy, Funding Impact Statement, Investment Policy or Liability Management Policy) would constitute a material error.

In the event that such an error is identified, Council is obligated as soon as practicable, by resolution publicly notify and amend the strategy or policy, unless the error is such that Council is satisfied on reasonable grounds that no person will otherwise be significantly disadvantaged. In this event the Council shall prepare and adopt a replacement strategy or policy as early as is lawfully practicable.

2.7 Significant Forecasting Assumptions

Clause 11 of Schedule 10 of the Local Government Act 2002 requires that the significant forecasting assumptions and risks underlying the financial estimates in the Community Plan 2004-14 must be clearly identified. Those assumptions and risks are detailed as follows.

2.7.1 Inflation

The financial estimates have been prepared in 2004/05 dollars with no allowance for inflation.

2.7.2 Accounting Policies

All financial statements in the Community Plan 2004-14 have been prepared in accordance with the accounting policies stated in the Financial Section of Volume I.

2.7.3 Operating Expenditure

Expenditure includes increased operating costs from new projects and infrastructure upgrades. In addition several services have a 1% per annum increase applied to certain costs where there is expected to be a relationship between costs and increased population. Apart from the foregoing instances expenditure is generally assumed to be constant. The list of services that have a 1% per annum increase applied are:

- Carriageways management
- City beautification
- Community assistance
- Community development
- Footways, cycleways and verges
- Library book purchase
- Parks and gardens
- Refuse (excluding Horotiu)
- Stormwater network management
- Traffic services/street lighting
- Wastewater
- Wastewater treatment plant
- Water supply
- Water treatment station
- Youth programme

2.7.4 Operating Revenue

Some projects and infrastructure upgrades attract additional Transfund subsidy or other income and this additional income is included in revenue projections. In addition, the growth related costs of 1% per annum referred to in the comments above on Operating Expenditure sometimes attract Transfund subsidy. In these cases such additional revenue is included. Apart from the foregoing reasons revenue is generally assumed to be constant. Support from government (e.g. Transfund) and other funding providers are assumed to continue at existing levels.

2.7.5 Capital Expenditure

Capital expenditure including renewals is funded from the sources deemed most appropriate by Council. Such sources are sub-divider levies, debt, user charges, other contributions, reserves, asset sales and rates. Refer to the Capital Expenditure Policy (Section 2.4.4) for Council's guidelines for funding Special and Capital Projects.

2.7.6 Depreciation

Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each outcome area. Refer to the Statement of Accounting Policies outlined in the Financial Section of Volume I of the Community Plan 2004-14 for a detailed list of the estimated useful lives for each major class of assets.

2.7.7 Service Levels

It is assumed that the current range of services and their delivery options will continue at the present levels except for refuse services. The Council operated landfill at Horotiu is expected to close at the end of December 2006 at which point Council will no longer operate a landfill. Refuse collection costs are expected to increase as a result. In addition, from 1 January 2007 Council will contract out the operation of the Refuse Transfer Station. It is assumed that this change will have no effect on rates.

2.7.8 City Growth

Projections have been made on city growth which influences several of Council's financial estimates, for example sub-divider levies received, processing of building consents and subdivision assets vested with Council. Should the assumed growth occur at a greater or lesser level this would affect a range of costs and revenues. As a further consequence of urban expansion and city growth, the rating base increases each year. The effect of this is that a portion of the rates levy each year is borne by new ratepayers as well as existing ratepayers. The amount of rates borne by new ratepayers averages approximately \$900,000 per year over the 10-year period 2004/05 – 2013/14.

2.7.9 Debt repayment

Debt is repaid at 4% of opening net debt (i.e. a 25 year repayment term). Some projects incur a greater level of debt repayment above the 4% level, where specific business cases approved by Council deem the loan associated with the project shall be repaid earlier than 25 years, however these amounts are relatively minor.

2.7.10 Interest on Borrowing

Interest paid on debt is assumed to be at the following rates.

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
7.05%	7.20%	7.40%	7.40%	7.40%	7.90%	8.25%	8.45%	8.94%	8.85%

If interest rates increased half of a per cent in 2004/05 the additional interest paid would be \$194,000. Refer to the Liability Management Policy (Section 5) for further details on Council's interest rate risk management policies.

2.7.11 Risk

There are no material risks underlying the financial estimates apart from the effect on costs and revenues inherent in the assumptions listed above.

2.8 Legal Requirements of the Revenue and Financing Policy

Section 103(3) requires that the Revenue and Financing Policy must show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

The relevant legislation is reproduced below:

Section 101(3) Financial Management

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of, -

- (a) *in relation to each activity to be funded, -*
 - (i) *the community outcomes to which the activity primarily contributes*
 - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals*
 - (iii) *the period in or over which those benefits are expected to occur*
 - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity*
 - (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity from other activities*
- (b) *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

2.9 Council's Process for Applying these Legal Requirements

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse the requirements of section 101(3)(a) of the Act. This has involved considering each of the significant services of Council in terms of this section of the Act. The headings used for this analysis which tie back to section 101(3)(a) are:

- Community outcomes
- Distribution of benefits
- Period of benefits
- Exacerbator pays
- Costs and benefits of distinct funding.

The commentary below explains the issues discussed under each heading and how they relate to the Act's requirements. This is the first step used by Council in determining how its activities should be funded.

The next step in Council's process has been to consolidate the results of the individual significant service analyses. The consolidated results were then considered in terms of section 101(3)(b), whereby the overall impact on the community was assessed. The matters taken into account, and the ability to adjust funding demands across different groups, are discussed under the "overall funding considerations" heading below.

Council then used the results of this work to formulate its policy for funding operating and capital expenditure from the available sources.

2.10 Analysis of Section 101(3)(a) Requirements

2.10.1 Community Outcomes

Section 101(3)(a)(i) requires Council to identify the community outcome to which each activity primarily contributes. The community outcomes developed by Council and described in the Community Plan 2004-14 are:

Outcome Area A. Sustaining Hamilton's Environment

1. Hamilton's air, water and soils are unpolluted, and the environment is free from excessive noise
2. Hamilton's healthy ecosystems display improving biodiversity with a strong indigenous component
3. Hamilton's energy resources are used in a sustainable manner
4. Production of solid and liquid waste (including hazardous substances) is minimised, and its disposal is environmentally sustainable

Outcome Area B. Growing Hamilton

5. Hamilton is a compact city with a well distributed mix of residential, employment and service activities, interconnected through a safe, effective and sustainable transport system
6. Hamilton's central area is distinctive, vibrant and people-friendly

Outcome Area C. Promoting Hamilton

7. Hamilton's economy is developing sustainably
8. Hamilton has a positive internal and external image

Outcome Area D. Experiencing Arts, Culture and Heritage in Hamilton

9. Hamilton values and nurtures its rich cultural and artistic capacity
10. Hamilton has a range of suitable venues for the display, performance and appreciation of artistic and cultural endeavours
11. Hamilton's cultural and built heritage is widely appreciated and protected

Outcome Area E. Living in Hamilton

12. Education is recognised both as a key to enable people to realise their full potential as individuals and as a major contributor to Hamilton's economy
13. Hamilton's caring neighbourhood communities support and value members of all ages, backgrounds and abilities
14. All people are enabled and encouraged to participate in the development of Hamilton

Outcome Area F. Enjoying Hamilton

15. Hamilton provides a full range of recreational land, facilities and services to meet the community's passive and active leisure needs.

This Revenue and Financing Policy lists for each service, the outcome or outcomes to which it primarily contributes, and states why each activity is undertaken.

2.10.2 Distribution of Benefits

Section 101(3)(a)(ii) requires Council to assess the benefits from each service flowing to the community as a whole, and those flowing to individuals or identifiable parts of the community.

In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council services, and whether each service is a public or private good.

Public and Private Good(s)

The specific nature of each service provided by Council is categorised into either a Public Good or Private Good, based on the following definitions:

A **public good** is an output that:

- you cannot charge for at point of use, as you cannot control the use of it, and
- use by one person does not stop another person from having the opportunity to also use that good.

An example of a Council–provided public good is "Representation and Civic Affairs". It is not currently possible to exclude someone from using "Representation and Civic Affairs", and use by one person does not reduce the ability of another person to use, and benefit from, the service.

A **private good** is an output that:

- you can control the use of, and
- once used, it is not possible for that good or service to be used by someone else.

An example of a Council–provided private good is "Housing Services". It is currently possible to restrict or control access, and when one person or group of persons are using the "service", others cannot.

Public and Private Benefit(s)

Once the nature of each service has been identified, the next phase of the process involves the analytical assessment of the Public and Private benefit split.

A **Public Benefit** occurs when a Council good or service is of benefit to all, rather than to a particular person, or group of persons.

- A Private Good can provide Public Benefit.
- A Public Good can provide Public Benefit.

A **Private Benefit** is received where a particular person, or group of persons, is directly identifiable as the beneficiary of a particular Council good or service.

- A Private Good can provide Private Benefit.

- A Public Good can provide Private Benefit.

In most instances, Council's outputs will deliver elements of both public and private benefit. Funding for an output could therefore be split between two different types of funding mechanisms (e.g. uniform annual charge and user pays), which closely reflect these dual benefits.

The example of "Libraries" was analysed, as follows:

- private benefit going to the individual or group using the library for their particular pursuit, and
- public benefit going to the community through the Council service enhancing the recreational, educational and cultural environment, and assisting people in the process of lifelong informal learning through the use of lending and information services.

Public and Private Benefit Assessment

Council has used an analytical private/public benefit assessment formula to gauge an aggregate public/private benefit mix for each service. This aggregate is based on an average score from a series of questions used to determine the public/private mix. The aggregate score is aligned with a preset public/private benefit mix, as shown in the Graduation Assessment table below.

Graduation Assessment Table:

Category	Public	Private
Purely Public	100%	0%
Mainly Public	75%	25
Mixed	50%	50%
Mainly Private	25%	75%
Purely Private	0%	100%

Public Benefit/Good

This concept applies where the expenditure:

- is independent of the number of persons who benefit
- generates benefits that do not accrue to identifiable persons or groups of persons
- generates benefits to the community generally.

The community should fund these costs generally, by using an appropriate rating mechanism or combination of these, as it is not possible, not practical, or undesirable to charge people directly, so they are funded through general rates. It is not necessary that the entire community benefits for this principle to be applied.

Thus, "the public" relates to persons or groups that cannot be identified, the community generally, or non-individual beneficiaries rather than individual beneficiaries.

Private Benefit/Good

This concept applies where individual persons or categories of persons receive direct benefits and when it is possible to identify the user and to withhold the service if the user chooses not to pay. These costs should reasonably be paid on a user pays basis rather than from rating mechanisms.

2.10.3 Period of Benefits

Section 101(3)(a)(iii) requires Council to assess the period over which the benefits from each service will flow. This in turn indicates the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Assets, purchased from capital expenditure, provide benefits for the duration of their useful lives. Useful lives range from a few years through to many decades for infrastructural assets such as pipe networks. This introduces the concept of inter-generational equity. This concept reflects the view that benefits occurring over time should be funded over time. Thus, the focus is on allocating the costs of capital expenditure fairly between the ratepayers of today and tomorrow. The principle is that ratepayers should not be required to meet costs until they enjoy the associated benefits. This is most commonly an issue with major capital investments, especially investment in infrastructure. This is particularly relevant for larger capital investments. One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers pay the interest (representing the cost of capital) and depreciation charges that are associated with the asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The costs of reducing existing debt are also relevant in this concept.

Council must address the implications of 'intergenerational equity' as a specific issue, having regard to the impact on different types of assets and different life spans.

The intergenerational equity issue is not restricted to assets. It also involves inherited assets, existing assets that will outlast this year, existing borrowings, past and future environmental obligations, and other issues. An example of a past environmental obligation is the cost to clean up landfill pollution left by previous generations.

These principles of funding operating and capital expenditure are as stated earlier in this policy. They are assumed to apply to each service, unless otherwise stated in the Individual Service Analysis section.

2.10.4 Exacerbator Pays

Section 101(3)(a)(iv) requires Council to assess the extent to which each service exists only because of the actions or inaction of an individual or group.

Sometimes known as polluter pays, the concept of exacerbator aims to identify the costs to the community of controlling the negative effects of individual or group actions. The concept suggests that Council should recover any costs directly from those causing the problem, but only to the extent to which they contribute to the need for that expenditure. Council has considered whether some items are exacerbator or pricing issues.

Example: Wastewater and trade waste. It is suggested that the costs related to wastewater are not exacerbator costs. Wastewater is a “normal course of events” cost. The costs of waste introduced to the wastewater system are different. It is suggested that trade waste is an exacerbator issue, but issues of volume and content could impact this.

Where the exacerbator principle applies, a description of the negative effect, identification of the exacerbator and the impact of the negative effect on the funding decision are provided. Most services do not exhibit exacerbator pays characteristics.

2.10.5 Costs and Benefits of Distinct Funding

Section 101(3)(a)(v) requires Council to consider the costs and benefits of distinct funding for each service. This section is interpreted as requiring Council to consider the costs and benefits of funding each service in a way that relates exclusively to that service. An example of this would be funding swimming pools entirely from user charges, or water from a targeted rate. The consideration of the costs and benefits of distinct funding must include the consequences of the chosen funding method for transparency and accountability.

Transparency and accountability are most evident when a service is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the service, and to assess more readily whether or not the cost to them of the service represents good value.

Funding every service on such a distinct basis would be extremely administratively complex. For some activities the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance would lead Council to fund a number of activities by way of a general rate. The Individual Service Analysis section of this policy does not repeat this argument for each service. Instead it assumes that the requirements of transparency and accountability for each service's funding are adequately met by the publication of the ten year financial projections for operating expenditure, special and capital projects expenditure, summary financial accounts and supporting analysis in the appendices to this policy, and the disclosure of costs by Outcome Areas in Volume I of the Community Plan 2004-14.

Similarly, the funding method indicated by the distribution of benefits for a particular service may include user charges. In some services such as Parks and Gardens the cost of collection may well be higher than revenue collected.

Where it is practical and appropriate to do so, and users of services can be identified, the costs of providing services are recovered by direct charges. The remaining costs are allocated through the general rate across the property sectors, in accordance with taxing principles and with a differential, on the basis that the services generate benefits to the community generally.

In a number of cases, the Distribution of Benefits analysis suggests that a sector benefits less than the rest of the community, or not at all. Council believes that it is most efficient to include the costs to the community as a whole, and recognise different cost and benefit patterns amongst sectors of the community through the use of differentials on the general rate.

The Individual Service Analysis sets out for each service the results of Council's consideration of these matters, and any modifications that have been made to the funding shares and sources that are indicated by the distribution of benefits for the

service. It also outlines the distribution of the public funding between different rating groups, and the basis for that distribution.

2.11 Overall Funding Considerations

2.11.1 Introduction

Following the consideration of the matters referred to in section 101(3)(a), a picture emerges of how different parts of the community benefit from Council's services and an overall indicative allocation of costs is compiled.

The indicative allocation of costs is then examined in the light of the overall considerations set out in section 101(3)(b). This section of the Act requires Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community (i.e. the various aspects of community well-being). It allows Council to modify the overall mix of funding as a final consideration, because many of the benefit distribution assessments and resulting adjustments for individual services are subjective, and benefit from a final overall assessment. Section 101(3)(b) acknowledges that rating decisions involve the balancing of complex current and future social, economic, environmental and cultural factors. It is not a direct cost/benefit analysis that Council is confined to.

2.11.2 Overall Funding Consideration Adjustments

The results of the Individual Service Analysis are presented in the following section. This allocation of costs suggests that Council's costs should be funded under different proportions of benefit (community or individuals/identifiable parts) for each service.

Council has considered the overall impact of the indicative private (individuals/identifiable parts) funding allocations on the community and determined that no changes are required. The current level of user charges for each of Council's services is the result of evaluation over a number of years having regard to the community outcomes sought by each service.

Council has considered the overall impact of the indicative public (community) funding allocations on the community and determined that some changes are required from the funding assessments made under section 101(3)(a). The public funding allocation is collected using a differential general rate levied on the land value of each rating unit. However, to assess the final allocation of rates, Council resolved to determine the final general rate allocation to each rating category using specified rating differential factors. The result of this decision is an adjustment to the allocation of costs to each rating category under section 101(3)(b).

Expressing the rating differential as a differential factor will mitigate the ongoing external influences that could otherwise distort the overall rating mix and relativity between rating categories. These influences are: (a) land moving between rating sectors (particularly rural to residential), which previously the "blunt" land value movement adjustment was used to correct, (b) the impact of revaluations and (c) significant changes in the costs of particular services. The use of a differential factor also makes the allocation of rates to each rating category more transparent.

Council resolved that it wished to maintain the general rate allocation to each property sector for 2004/05 and future years consistent with the general rate differential factor for 2003/04 (after adjusting for the impact of the 1 September 2003 property revaluation), except for a minor change. Council resolved that the commercial/industrial differential factor would increase from 1.99 to 2.00 recognising the benefits received from Council's services of this rating category, relative to the other rating categories. The reason for Council's decision on the differential factors was to maintain the current relative mix of rates funding from the different rating categories of the community (after the property revaluation was taken into account). Council noted the mix of rates determined under section 101(3)(a) as presented in the Funding Needs Consideration Table (Appendix 13.12) and the Individual Service Analysis, would result in differential factors considerably different to those existing in the 2003/04 rating year. If these rating differentials were used for 2004/05, the significant change in the mix of rates would result in large changes in rates levied (increases and decreases) for all properties in the City.

The Council received three submissions from commercial interests substantially opposed to the commercial/industrial differential, noting that one of these submissions is from the EMA which represents 684 businesses and organisations in Hamilton. The Council also received a submission requesting an explanation for the multi-unit differential. Overall, however, there were very few submissions on the differential rating system.

Having considered the submissions requesting that Council amend and clarify its differential, the Council remains of the view that the differential rating system (for the general rate) disclosed in the Community Plan 2004-14 remains equitable. In exercising its discretion on the overall impact of liability under section 101(3)(b), the Council is satisfied that the key elements of the current differential rating system are appropriate and are reasonably well understood and generally accepted across the community. The current commercial/industrial and multi-unit differentials generally compare favourably with similar differentials in other major cities.

The Council sees merit in maintaining a reasonably stable rating system and determined that a significant change in the incidence of rates across the individual rating categories would not be in the interests of the various aspects of community well-being relevant to section 101(3).

The table below shows for the general rates to be levied to each rating category:

- the 2003/04 rating allocations (after adjustment for the 1 September 2003 property revaluation),
- the initial 2004/05 rating allocations after the section 101(3)(a) funding consideration adjustments.
- the 2004/05 rating allocations after the section 101(3)(b) overall funding consideration adjustment (shaded column).

Differential Category	Restated 2003/04 Differential Factor (adjusted for revaluation)	Restated 2003/04 Differential Yield (adjusted for revaluation)	2004/05 Initial Differential Factor (after s101(3)(a) funding consideration adjustments)	2004/05 Initial Differential Yield (after s101(3)(a) funding consideration adjustments)	2004/05 Differential Factor (after s101(3)(b) overall funding consideration adjustment)	2004/05 Differential Yield (after s101(3)(b) overall funding consideration adjustment)
Residential	1.00	64.7921%	1.00	72.5996%	1.00	64.5250%
Inner City	0.92	0.1349%	0.96	0.1749%	0.92	0.1501%
Commercial	1.99	31.8090%	1.31	23.6192%	2.00	31.9716%
Multi Unit	1.50	1.8370%	1.00	1.4381%	1.50	1.9173%
Rural Residential	N/A	N/A	0.88	0.0391%	0.70	0.0276%
Rural Large	0.18	0.3200%	0.14	0.2785%	0.18	0.3252%
Rural Small	0.41	1.1070%	0.62	1.8506%	0.41	1.0831%

Council determined that the overall funding consideration adjustment made under section 101(3)(b) for each rating category would be applied across all services, in proportion to that services share of the total general rates levied for all services. The Individual Service Analysis section outlines for each service the final allocation of rates to each rating category, under the heading "Overall impact of Costs – s101(3)(b)".

Council has determined that the Temple View area (which will be incorporated into Hamilton city from the 1 July 2004) will be rated in accordance with Council's existing rating system, and properties in this area treated the same as the rest of the properties in the Hamilton City area for rating purposes. This is considered appropriate for the well-being of the Temple View community. The exception is two targeted rates over the Temple View area for the financing costs associated with Temple View loans (wastewater and stormwater) raised by the Waipa District Council, and transferred to Hamilton City Council at 1 July 2004. These targeted rates will be assessed on a capital value basis reflecting the same basis that these loans were rated to the Temple View community by the Waipa district Council. Further detail on the rating of the Temple View outlined is outlined in section 6.7 of the Rating Policy.

Council has determined that in relation to each service to be funded, its funding requirements and selection of funding mechanisms (general and targeted rates, user charges and other funding sources) as covered in this Revenue and Financing Policy and the Funding Impact Statement, adequately addresses and takes into consideration the well-being of the community and individuals, having regard for considerations in section 101(3)(b).

2.12 Individual Service Analysis

This section summarises background information and the funding analysis results for each Council service analysed under section 101(3) and in accordance with the revenue and financing principles outlined earlier. The analysis covers the six Outcome Areas of Council, and the individual significant services that comprise each outcome area.

The funding analysis information presented for each significant service in this section is also summarised in two appendices in Section 13:

- Appendix 13.11 – Rate Allocation by Property Sector. This appendix shows how much each property sector contributes to the amount of rates required to fund each service of Council. The tables show both the differential factor (expressed in dollars and the total overall differential factor ratio) and the differential yield (expressed in percentages). The rates required to fund each service is calculated as the total net operating, financing, capital and reserve costs of that service and a proportional allocation of those costs and revenues which are not related to specific services, e.g. provision for disaster recovery.
- Appendix 13.12 – Funding Needs Consideration Summary. This appendix shows the funding consideration for each service of Council in accordance with the steps outlined in section 101(3)(a) of the Local Government Act 2002.

COMMUNITY OUTCOME: SUSTAINING HAMILTON'S ENVIRONMENT

2.12.1 Wastewater Management

Description

Management of the wastewater collection network and delivery to the treatment plant for disposal. The wastewater treatment plant treats the wastewater and delivers the effluent to the Waikato River, while the solids are disposed of at the Horotiu landfill.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a private good with a mainly public benefit component. The public benefit relates to public health and sanitation as well as the environmental benefits of having a public sewerage collection, treatment and disposal system available. These benefits include odour control and minimal impact on waterways.

The private benefit accrues directly to properties that are connected to the system, in that all wastewater generated on a property is disposed of through the system. The private benefit component is reduced because some sectors (large and small rural properties) are not connected to the system.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (30-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, as any planned major infrastructural capital works benefit the current and future communities, the cost of the works should be recovered from the community over time. Where appropriate, the cost of minor capital works will be recovered from private beneficiaries (through infrastructural levies) and or direct charges (e.g. new connections).

Exacerbator Pays - s101(3)(a)(iv)

The exacerbator principle has been applied in relation to sub-dividers in new areas, and a number of infrastructural improvements are being funded through infrastructural levies. Trade waste fees are collected from the commercial properties that discharge this waste.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 13%.

Total benefit to the community as a whole 87% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – nil large rural, nil small rural as no service is provided.

Council considered it would be inequitable to charge the total private benefit component of the service in the absence of a suitable direct charging mechanism. It is not possible to estimate the amount of cost recovery, as it is difficult to establish the extent of use of the service per private beneficiary.

Council considered charging for wastewater by metering the water supply into the property, which has the effect of a full user pays system and would lead to conservation of water. However, there would be high initial capital costs (i.e., meter installation) and ongoing administration costs. Currently, a portion of the private benefit cost is recovered through development levies paid by the developer who ultimately passes the cost onto the landowner through the purchase price of the land.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through trade waste fees, pipe survey fees and laboratory fees (where appropriate). Revenue generated through trade waste fees can be collected only from commercial properties that discharge waste into the wastewater network. This mechanism supports the exacerbator pays principle.

Council have also determined that a targeted rate to 100% (fully) non-rateable properties and 50% non-rateable properties is also set and assessed on a differential basis to recover a share of the cost of this service to those properties that receive the service.

Council concluded that in the absence of metering it was not practical to recover more from private beneficiaries. This is consistent with the current level of cost recovery.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the rural property sectors do not have a cost allocation because there is no direct benefit from the service. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit property and rural-residential sectors on a land value basis.

Council concluded that 13% of this service should be funded from private beneficiaries and 87% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

WASTEWATER MANAGEMENT		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	13%	
Rates	87%	
Rates allocation to sectors:		
Residential	70.1177%	
Inner City	0.1725%	
Commercial	27.6499%	
Multi Unit	2.0235%	
Rural Residential	0.0364%	
Rural Large	0.0000%	
Rural Small	0.0000%	
Total	100%	100%

2.12.2 Stormwater Management

Description

Operation and maintenance of stormwater assets including public piped open drains and watercourses.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit relates to public health as well as convenience, through roadways being passable during times of heavy flooding etc.

The private benefit accrues to individual property owners who benefit to the extent that their buildings and land are kept flood free. A private benefit also accrues to properties that are not connected, but able to be connected to the system, because availability of the public service will be reflected in the market value of the land.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (5-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, as any planned major infrastructural capital works benefit the current and future communities, the cost of the works will be recovered from the community over time. Where appropriate, the cost of minor capital works will be recovered from private beneficiaries (through infrastructural levies) and or direct charges (e.g. new connections).

Exacerbator Pays - s101(3)(a)(iv)

Currently, a portion of the private benefit cost is recovered through development levies paid by the developer who ultimately passes the cost onto the landowner through the purchase price of the land. The exacerbator principle is used to recover infrastructural improvements through infrastructural levies where possible.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 0.13% large rural, 0.13% small rural, rural-residential the same proportion of costs relative to land value as small rural.

Council considered it would be inequitable to charge for this service using a direct charging mechanism. This is because, it is not cost effective to separately identify and rate users when the services are available to all residents directly or indirectly. It is difficult to establish the extent of use of the service. As a result, it is not possible to estimate the amount of cost recovery per private beneficiary.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is through user charges.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the large and small rural properties should pay only for the cleaning of open drains in rural areas. This is the only direct benefit attributable to the large and small rural property sectors. Council determined that rural-residential properties should be rated the same as small rural properties for Stormwater as they receive the same level of service. As a result, the large and small rural, and rural-residential property sectors' cost allocation has been reduced for this service. The balance has been allocated over the residential, inner-city apartments, commercial and multi-unit property sectors on a land value basis.

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

STORMWATER MANAGEMENT FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	70.0246%	
Inner City	0.1723%	
Commercial	28.4036%	
Multi Unit	2.0233%	
Rural Residential	-0.0116%	
Rural Large	0.1865%	
Rural Small	-0.7987%	
Total	100%	100%

2.12.3 Refuse and Recycling

Description

Collection and disposal of refuse, operation of refuse transfer station and management of closed landfills as well as the operation, monitoring and provision of aftercare at Horotiu landfill.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The public benefit from household collections relates to public health and sanitation, control and elimination of vermin, and other waste related nuisances. The public benefit derived from the landfill and transfer station operations is in having the city's waste disposed of in a controlled and acceptable manner. The public benefit from the Organic Recycling Centre's operation is through the provision of an environmentally sustainable waste management service.

The private benefit that accrues from household collection and recycling applies to all residential, multi-unit, rural-residential, rural small and rural large properties, in that rubbish generated by these properties is disposed of by regular weekly collections (inner-city residential apartments and commercial properties do not receive a household collection and recycling service). The private benefit from the refuse transfer station accrues directly to individual users of the facility, including commercial operators, who dispose of their unwanted waste. Private benefits from the landfill facility accrue directly to users, i.e., to commercial operators who have a convenient place to dispose of unwanted waste, including waste from the commercial property sector.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (3-100 years).

Council considered intergenerational equity issues relating to this service and concluded that in respect of the development of the Horotiu landfill, the cost of the works will be recovered from private beneficiaries, in accordance with the exacerbator principle.

Exacerbator Pays - s101(3)(a)(iv)

Exacerbators, such as disposers of waste, are charged by way of fees and charges at the time of disposal.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 65%.

Total benefit to the community as a whole 35% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors for household refuse/recycling collection portion of service – nil commercial, nil inner city as no service is provided.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through refuse transfer station fees, landfill fees and Organic Recycling Centre rents.

Revenue generated through the refuse transfer station and landfill is collected only from those parties within the community who actually use these services. This mechanism supports the exacerbator pays principle.

The refuse service has been established as a self-funded service over the remaining life of the Horotiu landfill (through to 31 December 2006). Over that period the service will generate surpluses in some years and deficits in other years. A reserve has been established which will receive and provide funds as required during this lifecycle which will be used for capital development of the next stage of the landfill and aftercare costs.

Council have also determined that a targeted rate to 100% (fully) non-rateable properties and 50% non-rateable properties is also set and assessed on a differential basis to recover a share of the cost of this service to those properties that receive the service.

Council considered it would be inequitable to charge non-users for this service. It is considered fair and equitable that users (in this case, exacerbators) pay a component of the private benefit cost (i.e., the exacerbator pays). The current cost recovery rate is sustainable in the marketplace.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit. It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that the higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The household collection and recycling cost components of the service are excluded from the inner-city residential apartments and the commercial property sectors, because this service is not provided to them. The contribution (through general rates) from inner-city residential apartments and the commercial property sectors is only in respect of aftercare costs at the landfill sites, and the operation of the refuse transfer station and organic recycling centre. The balance has been allocated over the residential, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 65% of this service should be funded from private beneficiaries and 35% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

REFUSE		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	65%	
Rates	35%	
Rates allocation to sectors:		
Residential	78.9341%	
Inner City	0.0218%	
Commercial	13.6223%	
Multi Unit	2.1998%	
Rural Residential	0.0418%	
Rural Large	2.5049%	
Rural Small	2.6752%	
Total	100%	100%

2.12.4 Water Supply

Description

Management of the water distribution network. Water abstraction from the Waikato River, treatment and storage in reservoirs.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a private good with a mainly public benefit component. The public benefit relates to the public health advantages of having a continuous supply of safe drinking water and assured availability of water for fire fighting purposes.

The private benefit accrues to individual property owners who are connected to the system. If a public water system were not available, an alternative method of supply would have to be found (at a significant capital cost to the property owner). A private benefit also accrues to properties that are not connected, but are able to be connected to the system, because availability of the public service reflects in the market value of the land. A private benefit accrues to the landowner from a public system being in place, to which a connection can be made at the time the owner chooses to develop their land.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (10-120 years).

Council considered intergenerational equity and concluded that whilst some major infrastructural capital works projects should be funded over time (as they benefit the current and future communities), a number could also be funded by user pays. In some cases funding from the community in the year the work is undertaken was considered appropriate. Where appropriate, the cost of minor capital works will be recovered from private beneficiaries (through infrastructural levies) and or direct charges (e.g. new connections).

Exacerbator Pays - s101(3)(a)(iv)

Property developers were identified as exacerbators for this service. Therefore, cost recovery is sought by way of infrastructural levies, wherever possible.

Other exacerbators could be identified if all water consumption was monitored by meter. However, this would involve significant capital costs, which Council considered could not be justified.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 43%.

Total benefit to the community as a whole 57% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – nil commercial, nil large rural, nil small rural as no service is provided.

Council considered it would be inequitable not to charge identifiable users for this service. It is considered fair and equitable that users (in this case, exacerbators) pay the private benefit and a portion of the public benefit component of the costs, i.e., the exacerbator pays. The current cost recovery rate is sustainable in the marketplace. Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges. Council considered charging for water by meter across all property sectors, which has the effect of a full user pays system and would lead to conservation of water. However, there would be high initial capital costs with meter installations and on-going administration costs. Currently, a portion of the private benefit cost is recovered through development levies paid by the developer, who ultimately passes the cost onto the landowner through the purchase price of the land.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is through user charges through a targeted rate for non-domestic water supply ("water-by-meter"), where appropriate. Currently revenue generated through the metering system can be collected only from properties connected to the system. There is no charge to the commercial or rural sectors through the general rate as the cost is recovered through the targeted rate for non-domestic water supply ("water-by-meter" charges).

Council have also determined that a targeted rate to 100% (fully) non-rateable properties and 50% non-rateable properties is also set and assessed on a differential basis to recover a share of the cost of this service to those properties that receive the service.

A full user pays systems was not favoured because of the high capital investment. Council concluded that in the absence of City-wide metering, it was not practical to recover more than 45% of the private benefit component.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit. It is acknowledged that the effect of the policy is that the higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the large and small rural property sectors do not have a cost allocation because there is no direct benefit from the service (rural properties receive a restricted service and are charged for water used by metering). All commercial properties are charged for water used by metering or the minimum fee if it is not economic to install a meter. The balance of costs has been allocated over the residential, inner-city apartments, rural-residential and multi-unit property sectors on a land value basis.

Council concluded that 43% of this service should be funded from private beneficiaries and 57% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

WATER SUPPLY		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	43%	
Rates	57%	
Rates allocation to sectors:		
Residential	97.0923%	
Inner City	0.2401%	
Commercial	0.0000%	
Multi Unit	2.6152%	
Rural Residential	0.0523%	
Rural Large	0.0000%	
Rural Small	0.0000%	
Total	100%	100%

2.12.5 Sustainable Environment

Description

Promotion of environmental education, waste reduction, Festival of the Environment and Keep Hamilton Beautiful.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The private benefit component relates to the benefit that individual property owners receive from environmental projects. These community-based programmes, improve the overall ambience of neighbourhoods benefiting individual property owners. Private benefit also accrues directly to individuals, groups, clubs, schools and community organisations by way of financial (grants), advisory and educational support.

The public benefit comes from creating a cleaner, safer and more sustainable living environment and the "environmentally friendly or green" image that this portrays of the city. Council has undertaken a number of environmental projects that benefit individual parts of the city.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined that there were no intergenerational issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural cost allocation based on approximate cost per property.

Council considered it would be inequitable to charge for the service using a direct charging mechanism. This is because, it is difficult to establish the extent of use of the service and therefore which property owners actually benefit. As a result, it is not possible to estimate the amount of cost recovery per private beneficiary.

Council determined that the most appropriate mechanism for recovering the public benefit (100%) for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be

subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that the funding mechanism should be that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

SUSTAINABLE ENVIRONMENT		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.6 Environmental Health

Description

Monitoring, inspection and enforcement of standards in regards to all food premises, pool water quality, inspections of premises storing hazardous substances, the control of air, noise and land pollution.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome - Sustaining Hamilton's Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The public benefits of the community health functions accrue from general health and safety welfare benefits, which are safeguarded by requiring premises to meet health standards through the enforcement of bylaws and statutory requirements. There are also public benefits through being protected from the hazards of unlicensed traders and hawkers and those who do not comply with Council bylaws.

The public benefits of the environmental control functions accrue from the licensing of dangerous goods, and inspecting and monitoring premises and installations. There are public benefits from the knowledge that public safety is ensured and that buildings and installations meet statutory safety standards as well as from the work associated with responding to complaints about health nuisances and concerns, including air and noise pollution. The private benefit derives from granting licences to the individuals being certified or to particular owners of premises for the use of those premises, as well as the processing of their applications. Individual owners who benefit from advice about improvements to health, hygiene and safety conditions on their premises also derive private benefit.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

This service focuses on regulating the activities of potential exacerbators. Exacerbators are required to pay for enforcement of this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 43%.

Total benefit to the community as a whole 57% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges by way of annual licensing and registration fees, fines and other processing and inspection fees.

Council considered it would be inequitable to charge non-users for this service. It is considered fair and equitable that users (in this case, exacerbators) pay the private

benefit cost as well as the public benefit content of the costs, i.e., the exacerbator pays. The current cost recovery rate is sustainable in the marketplace.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 43% of this service should be funded from private beneficiaries and 57% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ENVIRONMENTAL HEALTH		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	43%	
Rates	57%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.7 Central City Safety

Description

Central City Safety contributes to a reduction of crime in the central city through the active involvement and co-ordination of a range of initiatives and services provided by community groups, government agencies and Hamilton City Council. This includes managing the contracts for CCTV monitoring and the City Nights patrol while working closely with the police, licensed premises, the youth offending team and many other units within Council to ensure that the central city is safe.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Sustaining Hamilton’s Environment.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a public good with both private and public benefit components. The public benefits arise from the reduced negative impression of the central city and by extension the reputation of Hamilton City as a whole.

The private benefit accrues to individuals who use the central city and gain an increased measure of safety. Commercial operators within the central city also derive a benefit being increased safety for themselves, their premises, their customers and their trade.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

People who perpetrate undesirable behaviour in the CBD were the exacerbators identified.

The practice of identifying these persons would exceed the negative effects.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 15%.

Total benefit to the community as a whole 85% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council did not consider it fair and equitable to recover the private benefit component as a charge for services. It is not practical to identify, monitor and charge the users. More direct charging mechanisms to increase the cost recovery are not feasible for collection, efficiency and enforcement reasons.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 15% of this service should be funded from private beneficiaries and 85% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

CENTRAL CITY SAFETY		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	15%	
Rates	85%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

COMMUNITY OUTCOME: GROWING HAMILTON

2.12.8 Road Network Management

Description

Professional and technical work involved in providing ongoing management of the City's roading network.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit accrues from the provision of a safe and efficient roading network providing access to, from, and within the city. The forward planning and development component of the service has public benefits, through Council's control of road network development and its sustainable management.

Public benefit also comes from the comfort that the public can take in being assured that ongoing management of the roading network is in accordance with the requirements of the Transit New Zealand Act, District Plan and Resource Management Act. These public benefits have a social and economic impact on the city. The private benefit accrues to road users, owners of properties adjacent to or connected to the roading network, commercial operators (including retailers) depending on the network, visitors to the city, and travellers.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 29%.

Total benefit to the community as a whole 71% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 50% commercial.

Council considered it would be inequitable to charge for this service using a direct charging mechanism. This is because, it is not cost effective to separately identify and rate users when the services are available to all residents directly or indirectly. It is difficult to establish the extent of use of the service and as a result, the amount of cost recovery per private beneficiary is not possible to estimate. Also, there are no suitable direct charging mechanisms.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from government subsidies through Transfund NZ subsidies. Council's aim is to obtain the maximum subsidies available.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The public benefit component takes into account the benefits of the roading infrastructure in providing the means for staff and customers to visit commercial and industrial ratepayers, which predominantly affect the commercial and industrial sector. For this reason 50% of the cost of the service is charged to the commercial sector. The balance has been allocated over the residential, inner-city apartments, multi-unit, rural-residential, large rural and small rural property sectors on a land value basis.

Council concluded that 29% of this service should be funded from private beneficiaries and 71% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ROAD NETWORK MANAGEMENT		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy	29%	
Rates	71%	
Rates allocation to sectors:		
Residential	43.5985%	
Inner City	0.1056%	
Commercial	55.2890%	
Multi Unit	1.4998%	
Rural Residential	0.0060%	
Rural Large	0.2312%	
Rural Small	-0.7302%	
Total	100%	100%

2.12.9 Carriageways Management

Description

General maintenance, cleaning, resealing, bridge maintenance and construction, rehabilitation and construction of the carriageway component of the roading network.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a public good with both private and public benefit components. The private benefit from the maintenance and construction of roads accrues to road users, owners of properties adjacent to or connected to the roading network, commercial operators (including retailers) dependent on the network, visitors to the city, and travellers. The private benefit from street cleaning goes to shop owners, in that cleanliness in shopping areas enhances their attractiveness and encourages people to the area.

The public benefit comes from the provision of a safe and efficient roading network providing access to, from, and within the city. Public benefits also accrue to people without vehicles as they depend on roads for their daily goods and services, albeit to a greater or lesser extent. The public benefits from street cleaning include public health and attractiveness of the area. These public benefits have a social and economic impact on the city.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (4-150 years).

Council considered intergenerational equity issues relating to this service and concluded that whilst some major infrastructural capital works projects should be funded over time by loan (as they benefit the current and future communities), a number could also be funded by user pays. In some cases funding from the community in the year the work is undertaken was considered appropriate. Where appropriate, the cost of capital works will be recovered from private beneficiaries (through infrastructural levies) and from Transfund NZ subsidies.

Exacerbator Pays - s101(3)(a)(iv)

The exacerbator principle has been applied in relation to sub-dividers, and a number of capital infrastructural improvements are being funded through infrastructural levies.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 13%.

Total benefit to the community as a whole 87% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 50% commercial, 0.13% large rural, 0.13% small rural.

Council considered it would be inequitable to charge for this service using a direct charging mechanism. This is because, it is not cost effective to separately identify and rate users when the services are available to all residents directly or indirectly. It is difficult to establish the extent of use of the service and as a result, the amount of cost recovery per private beneficiary is not possible to estimate. There are no suitable direct charging mechanisms. It is impractical for Council to identify and charge all users and it is also not feasible to exclude non-paying users from using roads. Options to increase the private benefit cost recovery, including direct charging mechanisms are not feasible for technological, collection, efficiency and enforcement reasons.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from government subsidies through Transfund NZ. Council's aim is to obtain the maximum government subsidies available. The available methods of recovering the private benefit cost components of this service are beyond Council's control. Government holds these in the form of road user fees and petrol tax. A portion of that revenue is allocated to Transfund NZ, which in turn distributes it to Council.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The public benefit component takes into account the benefits of the roading infrastructure in providing the means for staff and customers to visit commercial and industrial ratepayers in addition to the benefits of street cleaning which predominantly affect the commercial and industrial sector. For this reason 50% of the cost of the service is charged to the commercial sector.

Council considered that most rural ratepayers have poor quality roading in the vicinity of their properties, or responsibility for this roading lies with Transfund rather than Council. It was therefore decided that the cost to both large and small rural properties should be reduced to compensate for direct usage. The balance has been allocated over the residential, inner-city apartments, multi-unit, and rural-residential property sectors on a land value basis.

Council concluded that 13% of this service should be funded from private beneficiaries and 87% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

CARRIAGEWAYS		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy	13%	
Rates	87%	
Rates allocation to sectors:		
Residential	43.5985%	
Inner City	0.1056%	
Commercial	55.2890%	
Multi Unit	1.4998%	
Rural Residential	0.0060%	
Rural Large	0.2312%	
Rural Small	-0.7302%	
Total	100%	100%

2.12.10 Traffic Services/Street Lighting

Description

Operation and maintenance of roadmarking, safety fences, traffic islands, signs, street lighting, bus shelters and other road safety activities.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e. it is a public good with a mainly public benefit component. The public benefit is the provision of a safe and efficient roading network providing access to, from, and within the city for everyone. These public benefits have a social and economic impact on the city.

The private benefit from traffic markings, road signals and traffic islands accrues to road users, visitors to the city, and travellers.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (12-70 years).

Council considered intergenerational equity issues relating to this service and concluded that, to fund the infrastructural capital works of this service by loan would place Council's debt above prudent levels and so Council decided that the cost should be recovered from the community in the year the work is undertaken. Where appropriate, the cost of capital works will be recovered from private beneficiaries such as Transfund NZ (subsidies).

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 32%.

Total benefit to the community as a whole 68% funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 50% commercial, 0.13% large rural, 0.13% small rural, rural-residential the same proportion of costs relative to land value as small rural.

Council determined that the most appropriate method for recovering the private benefit component for this service is from Government subsidies through Transfund NZ. Council's aim is to obtain the maximum subsidies available.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that the higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The public benefit of this service takes into account the benefits of the roading infrastructure in providing the means for staff and customers to visit commercial and industrial ratepayers and the benefits of traffic lights and facilities that occur predominantly within the commercial and industrial sector. For this reason 50% of the cost of the service is charged to the commercial sector.

Council considered that most rural ratepayers have poor quality roading and associated traffic facilities in the vicinity of their properties, or responsibility for this roading lies with Transfund rather than Council. Council also determined that rural-residential properties should be rated the same as small rural properties for Traffic Services/Street Lighting as they receive the same level of service. It was therefore decided that the cost to both large and small rural properties, and rural-residential properties should be reduced to compensate for direct usage. The balance has been allocated over the residential, inner-city apartments and multi-unit property sectors on a land value basis.

Council concluded that 32% of this service should be funded from private beneficiaries and 68% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

TRAFFIC		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy	32%	
Rates	68%	
Rates allocation to sectors:		
Residential	43.5985%	
Inner City	0.1056%	
Commercial	55.2890%	
Multi Unit	1.4998%	
Rural Residential	0.0060%	
Rural Large	0.2312%	
Rural Small	-0.7302%	
Total	100%	100%

2.12.11 Footpaths, Cycleways and Verges

Description

Maintenance of the City's footpaths, cycleways and verges including resurfacing, cleaning and vegetation control.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit of this service is in the provision of public safety. It also comes from the public having the legal right to travel on foot over public roads.

The private benefit from footpaths and verges relates to those properties adjacent to footpaths and verges, in that a footpath network increases the overall amenity value of the neighbourhood and thus individual property values in the neighbourhood. The private benefit from cycleways accrues directly to cyclists in the form of safer access through the road network.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (50-70 years).

Council considered intergenerational equity issues relating to this service and concluded that, to fund the infrastructural capital works of this service by loan would place Council's debt above prudent levels and so Council decided that the cost should be recovered from the community in the year the work is undertaken. Where appropriate, the cost of capital works will be recovered from private beneficiaries such as Transfund NZ (subsidies).

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 2%.

Total benefit to the community as a whole 98% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 30% commercial, 0.13% large rural, 0.13% small rural, rural-residential the same proportion of costs relative to land value as small rural.

Council considered it would be inequitable to charge for this service using a direct charging mechanism. This is because, it is not cost effective to separately identify and rate users when the services are available to all residents directly or indirectly. It is difficult to establish the extent of use of the service and as a result, the amount of cost recovery per private beneficiary is not possible to estimate. There are no suitable direct charging mechanisms. It is impractical for Council to identify and charge all users and it is also not feasible to exclude non-paying users from using roads. Options to increase

the private benefit cost recovery, including direct charging mechanisms are not feasible for technological, collection, efficiency and enforcement reasons.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from government subsidies through Transfund NZ subsidies. Council's aim is to obtain the maximum subsidies available.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The majority of work on this service is carried out in the central area of the city and the commercial sector is therefore a major beneficiary. For this reason 30% of the cost of this service is charged to the commercial sector.

Council determined that the direct benefit received by the rural properties was minimal as most property owners in this sector do not have footpaths. Council also determined that rural-residential properties should be rated the same as small rural properties for Footpaths, Cycleways and Verges as they receive the same level of service. As a result, the large and small rural properties, and rural-residential properties sectors' cost allocation has been reduced for this service to reflect only a contribution to the network cost of footpaths. The balance has been allocated over the residential, inner-city apartments and multi-unit property sectors on a land value basis

Council concluded that 2% of this service should be funded from private beneficiaries and 98% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

FOOTPATHS, CYCLEWAYS AND VERGES FINAL COST ALLOCATION PERCENTAGE		
Subsidy	2%	
Rates	98%	
Rates allocation to sectors:		
Residential	43.5985%	
Inner City	0.1056%	
Commercial	55.2890%	
Multi Unit	1.4998%	
Rural Residential	0.0060%	
Rural Large	0.2312%	
Rural Small	-0.7302%	
Total	100%	100%

2.12.12 Road Safety Programme

Description

Provides professional and technical input into management of roading safety and community based road safety initiatives.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit accrues from the provision of professional and technical input into management of road safety and community based safety initiatives. The forward planning and development component of the service has public benefits, through Council's control of network development. Public benefit also comes from the comfort that the public can take in being assured that ongoing management of road safety programmes and initiatives are in accordance with the requirements of the Land Transport Safety Authority, Transit New Zealand Act, District Plan and Resource Management Act. These public benefits have a social and economic impact on the city.

The private benefit accrues to road users, owners of properties adjacent to or connected to the roading network, commercial operators (including retailers) depending on the network, visitors to the city, and travellers.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 66%.

Total benefit to the community as a whole 34% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 50% commercial.

Council determined that the most appropriate method for recovering the private benefit component for this service is from government subsidies through Land Transport Safety Authority. Council's aim is to obtain the maximum subsidies available.

Council concluded that the private benefit component be increased to 66% and the public benefit component reduced to 34%. This is consistent with the current level of cost recovery. It is considered fair and equitable that users fund 66%.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and Council considers that higher value properties are likely to receive greater benefit.

It is acknowledged that the effect of the policy is that the higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The public benefit component takes into account the benefits of the roading infrastructure in providing the means for staff and customers to visit commercial and industrial ratepayers which predominantly affect the commercial and industrial sector. For this reason 50% of the cost of the service is charged to the commercial sector.

The balance has been allocated over the residential, inner-city apartments, multi-unit, rural-residential, large rural and small rural property sectors on a land value basis

Council concluded that 66% of this service should be funded from private beneficiaries and 34% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ROAD SAFETY		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy	66%	
Rates	34%	
Rates allocation to sectors:		
Residential	43.5985%	
Inner City	0.1056%	
Commercial	55.2890%	
Multi Unit	1.4998%	
Rural Residential	0.0060%	
Rural Large	0.2312%	
Rural Small	-0.7302%	
Total	100%	100%

2.12.13 Hamilton Transport Centre

Description

Management of the Hamilton Transport Centre in liaison with Environment Waikato.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit accrues to all road users because the Hamilton Transport Centre is provided to reduce traffic congestion in the central business district and in bringing patrons to the city this supports economic development.

The private benefit accrues directly to transport centre patrons, as well as to commercial bus operators and leaseholders located at or near the centre.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, in respect of minor planned capital works, the cost of the works should be partially recovered from private beneficiaries, in accordance with the exacerbator principle and also from the community in the year the work is undertaken.

In respect of the development of the transport centre, Council concluded that this cost would be recovered over time in reflection of the benefit which current and future generations will receive.

Exacerbator Pays - s101(3)(a)(iv)

In the context of this service, commercial bus operators and leaseholders were the exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 33%.

Total benefit to the community as a whole 67% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through rents and subsidy from Environment Waikato. Council aims to obtain the maximum possible subsidy from Environment Waikato to help fund this service.

Council considered that it would be inequitable to recover the full amount of the public benefit from non-users. It is considered fair and equitable that tenants (in this case, exacerbators) pay the private cost as well as a portion of the public benefit component of the cost, i.e., the exacerbator pays.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 33% of this service should be funded from private beneficiaries and 67% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

TRANSPORT CENTRE FINAL COST ALLOCATION PERCENTAGE		
Fees/subsidy	33%	
Rates	67%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.14 Parking

Description

The management of off-street parking spaces in River Road, Knox Street, Frankton, Founders Theatre, Meteor and Museum car parks as well as the management of on-street parking control, parking turnover, vehicle and road safety.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both private and public benefit components. The private benefit accrues directly to commercial operators and retailers in centres where car parks are located and monitored. A private benefit also accrues to individual carpark users, in that motorists "rent" space for an allowable period.

The public benefits from the parking service accrue to the motoring public as well as to the general public, in the form of a high standard of vehicle safety that is supported through the traffic safety function. This role involves checking warrants of fitness on individual vehicles. The public also benefits from having car parks available to use.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (4-50 years).

Council considered intergenerational equity issues relating to this service and concluded that, in respect of planned capital works, the cost of the works should be recovered from private beneficiaries, in accordance with the exacerbator principle.

Exacerbator Pays - s101(3)(a)(iv)

Motorists using car parks were the exacerbators identified.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 100%.

Total benefit to the community as a whole 0% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – nil

Council determined that the most appropriate mechanism for recovering the private benefit for this service is user charges through parking meter receipts, infringements, fines and court recoveries, and off-street parking fees.

Section 43 of the Transport Act allows that all infringement fees and towage fees received by a local authority in relation to metered spaces and time-limited spaces may be retained to defray costs incidental to their collection.

Council considered that it would be inequitable to recover the public benefit from non-users. It is considered fair and equitable that users (in this case, exacerbators) pay the private cost as well as the public benefit component of the cost, i.e., the exacerbator pays. The current cost recovery rate can be sustained in the marketplace.

Council concluded that 100% of this service should be funded from private beneficiaries and 0% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

PARKING		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	100%	
Rates	0%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.15 Building Control

Description

Applying laws relating to the construction and maintenance of new and existing buildings. Provides administrative and business support to the Environmental Services group, customer reception to Council and land Information services (LIM).

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both private and public benefit components. The private benefit accrues to owners and occupiers of buildings, insurance companies and future purchasers. Building owners benefit because they must have the necessary consent before they erect their building, extensions etc. A private benefit also accrues to various commercial operators who rely on the building service to obtain their income by selling building and asset management services to property owners.

The public benefit comes from the regulatory or monitoring component of the service through the promotion of public safety in buildings which are accessible to the public and must have means of escape from fire, as well as complying with the requirements of statutory safety standards and the District Plan.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

The principle behind this service is that the exacerbator should pay. Regulation of building development provides an element of control over developers and owners. Failure to comply may result in penalties.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 84%.

Total benefit to the community as a whole 16% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges by way of building consent applications and other processing and inspection fees.

Council considered it would be inequitable to charge non-users for this service. It is considered fair and equitable that users (in this case, exacerbators) pay the full amount of the private benefit cost as well as a portion of the public benefit content of the costs, i.e., the exacerbator pays. The current cost recovery rate is sustainable in the marketplace.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 84% of this service should be funded from private beneficiaries and 16% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

BUILDING CONTROL		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	84%	
Rates	16%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.16 Planning Guidance

Description

Planning advice, receiving and processing applications for land use and subdivision consents, and to monitor compliance with the Hamilton District Plan and Resource Management Act 1991.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both private and public benefit components. The public benefit derives from the public's opportunity to be involved in notified applications through the consultation and hearing process. The public benefit in non-notified applications is through the Council's control of development and sustainable management of the city's resources. The public benefit also comes from the assurance that subdivisions are carried out in accordance with the District Plan and the Resource Management Act. The planning enforcement component of the service also assures the public that development of the city is consistent with the District Plan. This enforcement role involves monitoring issued land use and subdivision consents to ensure that all of the conditions imposed have been complied with. The enforcement role also involves responding to complaints about activities that are alleged to be in contravention of the District Plan or Resource Management Act.

The private benefit accrues directly to the individual developers, purchasers of subdivided land, and applicants seeking resource consents for developments and projects. Hearings, for example, represent an opportunity for an applicant to acquire private benefit. Through this regulatory function, Council is able to identify non-compliance with legislation and take action against exacerbators.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

Those not complying with legislation were the exacerbators identified.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 53%.

Total benefit to the community as a whole 47% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges by way of application charges, hearing charges, monitoring fees and fines.

Council considered it would be inequitable to recover the full private benefit component from users of this service. It is considered fair and equitable that users (in

this case, exacerbators) pay the private benefit cost. With respect to the resource consent component of the service, Council recovers 100% of the full cost. Council concluded that it could also recover 100% of the full cost of compliance monitoring and consent enforcement from consent holders, because the cost is occasioned or caused by private use of a resource, which may have detrimental effects on the environment. Assistance to the public is provided at no charge and at this stage it is not intended to charge for this service.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 53% of this service should be funded from private beneficiaries and 47% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

PLANNING GUIDANCE		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	53%	
Rates	47%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.17 Animal Care and Control

Description

Animal control, litter and general bylaw enforcement.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both private and public benefit components. The public benefits accrue from public safety and welfare benefits, which are safeguarded through the enforcement of bylaws, the Dog Control Act 1996 and the Impounding Act 1956. The public benefit from the education component of the service comes from having better informed dog owners, who are aware of their responsibility to ensure that their dogs are always under control. The public also benefits through knowledge that public safety is assured from Council responding to complaints about dogs.

The private benefit from the dog registration component of the service accrues to individual dog owners through the processing of their registrations. Individual dog owners benefit from advice given about how they can improve dog control. Private benefits also accrue from the security of knowing that if a dog is lost, it can be identified and returned to the owner. The private benefit that accrues from animal control extends to commercial areas and to retailers, in that the public safety and welfare benefits in that sector enhance its attractiveness and encourage people to the area. In this instance, dog owners are identified as exacerbators.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered the intergenerational equity issues relating to the construction of the animal control centre and concluded that because this asset will benefit current and future generations, the cost should be recovered from the community over time.

Exacerbator Pays - s101(3)(a)(iv)

Dog owners were the exacerbators identified. Dog owners are required to pay through fees.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 52%.

Total benefit to the community as a whole 48% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges by way of dog registrations, impounding fees, fines and disposal fees.

Council considered it would be inequitable to recover the full private benefit component from users of this service. It is considered that users, the dog owners (in this case, exacerbators) pay as much of the private benefit cost of the animal control service, as possible. A total cost recovery policy may be counterproductive in that, if the fees are set too high, dogs may not be registered or may not be claimed from the dog pound, leaving Council with a higher net cost, i.e., the private benefit component cannot be fully recovered without adverse market reaction. As a result, and in the interests of residents and ratepayers, fees should be set at a practical and reasonable level.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

The cost of the public benefit portion of this service has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential, large and small rural property sectors on a land value basis.

Council concluded that 52% of this service should be funded from private beneficiaries and 48% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ANIMAL CARE AND CONTROL		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	52%	
Rates	48%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

2.12.18 Endowment and Investment Property Portfolio Management

Description

Management and administration of endowment properties as well as the management and administration of Council's corporate properties.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Growing Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit goes to groups, clubs and community organisations that lease/tenant municipal and domain endowment properties from Council.

The public benefit accrues to the community through assets held for future community use. The public benefit from the city development component of this service is through assurance that city developments are consistent with the community's interest.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues and concluded that Council has adequate funds (by way of endowment fund) to fund capital purchases in the year the purchase is made. This was the basis of Council's decision to retain property management as one of its core services.

Exacerbator Pays - s101(3)(a)(iv)

Tenants were identified as potential exacerbators. Mechanisms are in place to protect Council's position as landlord.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 100%.

Total benefit to the community as a whole 0% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – no adjustment

Council considered it would be inequitable to charge non-users for this service. It is considered that the benefit to tenants exceeds the benefits to the community. It is considered fair and equitable that users (in this case, exacerbators) pay the private benefit cost as well as the public benefit content of the costs, i.e., the exacerbator pays. The current cost recovery rate is sustainable in the marketplace.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from user charges through rental income.

Council determined that the most appropriate mechanism for recovering the private benefit for this service is user charges through rents and leases. This is consistent with the current funding mechanism for this service.

Council concluded that 100% of this service should be funded from private beneficiaries and 0% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

PROPERTY MANAGEMENT		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	100%	
Rates	0%	
Rates allocation to sectors:		
Residential	66.1261%	
Inner City	0.1624%	
Commercial	27.4378%	
Multi Unit	1.9461%	
Rural Residential	0.0340%	
Rural Large	2.1463%	
Rural Small	2.1473%	
Total	100%	100%

COMMUNITY OUTCOME: PROMOTING HAMILTON

2.12.19 Economic Development

Description

Contributions to Enterprise Hamilton, Business to Hamilton (B2H) and Tourism Waikato and other economic development and marketing programmes.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Promoting Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. Private benefit accrues directly to agencies, businesses and organisations by way of financial support and also to visitors when they obtain information about the city at the visitor information centre.

The public benefit arises from the overall benefits to the city's economy.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council considered intergenerational equity and concluded that contributions granted to "Innovation Park" were intended to benefit current and future generations and were therefore be funded by the community over time.

Exacerbator Pays - s101(3)(a)(iv)

No exacerbators were identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 74% commercial, 0.15% large rural.

An attempt to recover any amount of the private benefit cost to the 50% level, as a commercial charge for services, would greatly diminish the purpose of the service which is to encourage business growth in the region.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the public benefit from this service accrues predominantly to the commercial sector, as Council's expenditure benefits commercial service and the city's economy through funding groups such as Business 2 Hamilton, Innovation Park, Tourism Waikato and the Hamilton Enterprise Agency, and the events its promotes via the Events Fund. For this reason 74% of the cost of the service is charged to the commercial sector.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, multi-unit, rural-residential and small rural property sectors on a land value

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ECONOMIC DEVELOPMENT		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	15.5034%	
Inner City	0.0348%	
Commercial	83.2481%	
Multi Unit	0.9433%	
Rural Residential	0.0030%	
Rural Large	0.2065%	
Rural Small	0.0609%	
Total	100%	100%

2.12.20 City Promotion (Sister Cities)

Description

A programme of people-to-people links at City level to promote international understanding. Hamilton has formal links with three cities: Saitama City (Japan), Wuxi (China) and Sacramento (USA).

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Promoting Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. Private benefit accrues directly to agencies, businesses, organisations and individuals by raising commercial opportunities through the facilitation of formal links with three cities: Saitama City (Japan), Wuxi (China) and Sacramento (USA).

The public benefit arises from the benefits that are generated by raising the city's international profile and the promotion of international understanding at city level.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

No exacerbators were identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 60% land value large rural.

A sudden and significant change in the allocation of costs to the user would be counterproductive. An attempt to recover any amount of the private benefit cost to the 50% level, as a commercial charge for services, would greatly diminish the purpose of the service, which is to encourage commercial opportunities, to raise the city's international profile and promote international understanding at city level.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced by 40% for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

CITY PROMOTION (SISTER CITIES)		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	66.7633%	
Inner City	0.1640%	
Commercial	27.5956%	
Multi Unit	1.9587%	
Rural Residential	0.0344%	
Rural Large	1.3104%	
Rural Small	2.1736%	
Total	100%	100%

COMMUNITY OUTCOME: EXPERIENCING OUR ARTS, CULTURE AND HERITAGE

2.12.21 Hamilton Theatre Services

Description

Management and operation of three unique live performance facilities (Founders Memorial Theatre, WestpacTrust Community Theatre and The Meteor theatre).

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Experiencing Our Arts, Culture and Heritage.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit accrues directly to theatre patrons. The public benefit is from the general promotion of entertainment and community enrichment.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (4-100 years).

Council considered the intergenerational equity issues relating to major upgrades of Council's theatres. Council determined that because these capital assets will benefit current and future generations, the cost should be recovered from the community over time. Council considered that other relatively minor capital works relating to this service benefit the community as a whole and the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 32%.

Total benefit to the community as a whole 68% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

A sudden and significant change in the allocation of costs to the user would be counterproductive. An attempt to recover the private benefit cost to the 75% level, as a charge for services, would greatly diminish the purpose of the service, which is to enrich the cultural life of the community and encourage the use of facilities, which promote the Agenda 21 concept through the provision of leisure, education and tourism opportunities. Ability to pay was a major consideration. High entry fees would be prohibitive making it unlikely that anyone would use the Theatre Services.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through admission fees.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 32% of this service should be funded from private beneficiaries and 68% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

THEATRE SERVICES		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	32%	
Rates	68%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.22 Libraries

Description

Public library services at the central library and five branch libraries.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Experiencing Our Arts, Culture and Heritage.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The private benefit accrues to users of the library service. An individual may lend a book or use a reference tool to gain information or develop their skills.

Public benefits accrue in a community education and cultural sense, from the value of having libraries that are available to everyone. A public benefit comes from the general promotion of literacy and an informed and empowered community, which benefits the wider community and future generations. Public benefits also accrue from having a place that stimulates and builds social cohesion.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (14-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, because planned capital improvements to the Libraries are of a relatively minor nature and benefit the community as a whole, and because the amount of library book purchases is constant from year to year, the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 11%.

Total benefit to the community as a whole 89% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

A sudden and significant change in the allocation of costs to the user would be counterproductive. An attempt to recover the private benefit cost to the 50% level, as a charge for services, would greatly diminish the purpose of the service, which is to enrich the cultural life of the community and encourage the use of facilities that promote the Agenda 21 concept through the provision of leisure, education and tourism opportunities. Ability to pay was a major consideration. High entry fees would be prohibitive making it unlikely that anyone would use the library service.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through rental collection fees and

charges and contributions from other local authorities. The contribution from Waikato District Council is based on usage by their community.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 11% of this service should be funded from private beneficiaries and 89% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

LIBRARIES		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	11%	
Rates	89%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.23 Waikato Museum of Art and History (including Arts Post)

Description

To encourage, support and promote the arts in Hamilton as well as promote and popularise science and technology through Exscite and the operation of a venue for the use by arts groups in the community and to oversee the leases and gallery operating contracts.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Experiencing Our Arts, Culture and Heritage.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The private benefit accrues directly to museum patrons.

Public benefits accrue in a community education and cultural sense, from the value of having a museum which is available to everyone and a place that stimulates and builds social cohesion. Public benefit also comes from the promotion of a sense of identity and a focus for community heritage, which is a benefit to the wider community and to future generations.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (14-100 years).

Some heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value.

Council considered intergenerational equity issues relating to this service and concluded that, because planned capital improvements to the Museum are of a relatively minor nature and benefit the community as a whole, the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 9%.

Total benefit to the community as a whole 91% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Given the current cost recovery rate, a sudden and significant change in the allocation of costs to the user would be counterproductive. An attempt to recover the private benefit cost to the 50% level, as a charge for services, would greatly diminish the purpose of the service, which is to enrich the cultural life of the community and encourage the use of facilities that promote the Agenda 21 concept through the

provision of leisure, education and tourism opportunities. Ability to pay was a consideration, in that high entry fees would be prohibitive making it unlikely that anyone would use the museum service.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through admission fees, lease and rental revenue, and income from community contributions.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 9% of this service should be funded from private beneficiaries and 91% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

MUSEUM		
FINAL COST ALLOCATION PERCENTAGE		
Fees/subsidy	9%	
Rates	91%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

COMMUNITY OUTCOME: LIVING IN HAMILTON

2.12.24 Community Assistance

Description

Management of the dispersal of funds from Creative NZ, the Hillary Commission and Council to the community.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.
--

Total benefit to the community as a whole 50%.
--

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The private benefit relates to the payment of various grants to specific community groups, which directly benefit.

The public benefit relates to the community at large who have indicated through the Annual Residents Survey that they support initiatives such as this programme.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.
--

Council determined there were no intergenerational issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 9%.

Total benefit to the community as a whole 91% (funded collectively with all other services of Council under a general rate).
--

Cost allocated to property sectors – large rural property sector based on approximate cost per property.
--

Council considered that it would be inequitable to collect such a high proportion of the costs from users when the services have been set up specifically to support them. An attempt to recover the private benefit cost to the 50% level by making groups, clubs or community organisations pay when they are unable to do so is not fair and equitable. Council concluded that this would defeat the purpose of providing support in the first place and thus greatly diminish the objective of the service. Council acknowledges the desire of the community to provide this service, as identified by the Council's Annual Residents Survey.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from subsidies through government grants. Council's aim is to obtain the maximum Government grants and subsidies available. Currently, Council receives a grant from Creative NZ, which is distributed throughout the community by Council.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the

general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value.

Council concluded that 9% of this service should be funded from private beneficiaries and 91% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

COMMUNITY ASSISTANCE		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	9%	
Rates	91%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.25 Employment Initiatives

Description

Facilitation of people's entry into employment through training and project based work experience.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The private benefit accrues directly to individuals by way of opportunities into employment. Council recognises the need to provide support in establishing employment opportunities.

The public benefit component arises from various initiatives that impact on the city's economic, environmental and social development. The assessment of private and public benefits was roughly equal.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no identified intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council considered it would be inequitable to recover the full private benefit component from users of this service. It is Council policy to match contributions on a dollar for dollar basis but also to allow for the administration costs required to run the employment programmes.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is through government subsidies. Council's aim is to take advantage of the maximum Government subsidies available and to match the Government subsidy on a dollar-for-dollar basis. There are, however, administrative and salary costs which must be absorbed by Council and hence 50% recovery will not be achieved.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 50% of this service should be funded from private beneficiaries and 50% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

EMPLOYMENT INITIATIVES		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy	50%	
Rates	50%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.26 Youth Programme

Description

Operation and management of Youth Zone facility, youth workers and funding and monitoring of after-school care and holiday programmes.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. Private benefit relates to the neighbourhood youth advisory services, which directly benefit individuals.

The public benefit arises from the benefits that youth and the wider community generally derive from the youth resource centre. Council concluded that the public/private benefit split was even.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined that there were no intergenerational issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 2%.

Total benefit to the community as a whole 98% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council considered that it would be inequitable to collect such a high proportion of the costs from users when the services have been set up specifically to support them. An attempt to recover the private benefit cost to the 50% level by making users pay is impractical, as this sector of the community is perceived to have an inability to pay. Council concluded that a user-pays regime would defeat the purpose of providing support in the first place and thus greatly diminish the objective of the service. Council acknowledges the desire of the community to provide this service, as identified by the Council's Annual Residents Survey.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from subsidies through government grants, if and when they are available. Council's aim is to obtain the maximum government grants and subsidies available.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 2% of this service should be funded from private beneficiaries and 98% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

YOUTH PROGRAMME		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	2%	
Rates	98%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.27 Community Development

Description

Operation and management of community neighbourhood workers, community facilities, community houses and support to ethnic communities.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a public good with both public and private benefit components. Private benefit accrues directly to individuals, groups, clubs and community organisations by way of financial and advisory support.

Public benefit arises from the wider community well-being and safety aspects of the service. Council concluded that the public and private benefit components were roughly equal.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council determined there were no intergenerational issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified relating to this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 1%.

Total benefit to the community as a whole 99% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council considered that it would be inequitable to collect such a high proportion of the costs from users when the services have been set up specifically to support them. An attempt to recover the private benefit cost to the 50% level, as a commercial charge for services, would defeat the purpose of providing support in the first place and thus greatly diminish the objective of the service.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from subsidies through government grants, if and when they are available. Council's aim is to obtain the maximum Government grants and subsidies available.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 1% of this service should be funded from private beneficiaries and 99% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

COMMUNITY DEVELOPMENT FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	1%	
Rates	99%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.28 Cemeteries and Crematorium

Description

Operation and maintenance of burial and cremation of deceased persons.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit accrues directly to individuals and families of the deceased.

The public benefit is from the general promotion of public health and sanitary disposal of the deceased, and Council's obligations under legislation. There are also public benefits from the heritage value of cemeteries and reserves.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (3-100 years).

Council considered the intergenerational equity issues relating to the development of the crematorium and concluded that because these capital assets will benefit current and future generations, the cost should be recovered from the community over time.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified relating to this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 65%.

Total benefit to the community as a whole 35% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider an increase in the recovery of the private benefit component is achievable in the current market.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through interment fees.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be

subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 65% of this service should be funded from private beneficiaries and 35% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

CEMETERIES AND CREMATORIUM		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	65%	
Rates	35%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.29 Community Halls and Leased Buildings

Description

Operation of halls and Council-owned facilities leased for cultural, social and recreational needs.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit accrues directly to groups, clubs and community organisations that use the halls.

The public benefit is from the general promotion and development of a community meeting place that stimulates and builds social cohesion.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

There are no intergenerational equity issues for this service.

Exacerbator Pays - s101(3)(a)(iv)

Users of the facilities are theoretically exacerbators, and Council could take appropriate action if required.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 10%.

Total benefit to the community as a whole 90% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 75% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service.

Any significant change in the allocation of costs could only be effected over an extended period as a number of the community groups have leases, which are not due for renewal for some time. In any event Council concluded that whilst this may be possible it would not achieve Council's goal of promoting community development.

Council concluded that the most appropriate method for recovering the private benefit component of this service is user charges through rents.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 10% of this service should be funded from private beneficiaries and 90% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

COMMUNITY HALLS AND LEASED BUILDINGS FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	10%	
Rates	90%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.30 Housing Services

Description

Operation of affordable housing for older and less-abled persons.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with mainly private benefits that accrue directly to tenants by way of affordable accommodation.

The public benefit component arises from the community well-being considerations of providing the service for the city's older and disabled persons.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues relating to this service and concluded that as the purchase of new housing units benefit the community as a whole, this cost would be recovered over time in reflection of the benefit which current and future generations will receive.

Exacerbator Pays - s101(3)(a)(iv)

The exacerbator principle was considered and it was felt that the tenants were in a position to exert negative effects on this service.

However, in practice, this has not occurred.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 93%.

Total benefit to the community as a whole 7% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council considered it would be inequitable to charge non-users for this service. It is considered fair and equitable that users (in this case, exacerbators) pay the private benefit cost as well as a portion of the public benefit content of the costs, i.e., the exacerbator pays. The current cost recovery rate is sustainable in the marketplace.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is from user charges through rental income.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that the higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 93% of this service should be funded from private beneficiaries and 7% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

HOUSING SERVICES		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	93%	
Rates	7%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.31 Toilets

Description

Operation and cleaning of toilet facilities throughout the City.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. The private benefits can be identified where the public toilet is located – active or passive open spaces, such as parks and gardens or sports areas.

The public benefit is from the general promotion of public health.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered the intergenerational equity issues relating to the planned capital development programme involving the installation of a series of new toilet facilities. Council concluded, that as the capital works are of a relatively minor nature and benefit the community as a whole, the cost should be recovered from the community in the year work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

Council considered that persons who misuse the facilities are exacerbators, but in practice the cost of identifying these persons would exceed the negative effects. No account could therefore be taken of this factor.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery from 0% to the 50% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service.

Council considered that it would be inequitable to collect such a high proportion of the costs from users. Without a significant investment to upgrade current facilities, a user-pays regime is not a realistic funding alternative. Council considered three other ways of collecting revenue from users of the service. Council decided these were cost ineffective. These being:

- 1) to have attendants present at each public convenience

- 2) to install door mechanisms requiring payment to obtain entry
- 3) to install donation boxes at each public convenience

Council acknowledges the desire of the community to provide this service, as identified by the Council's Annual Residents Survey. For the reasons mentioned above, Council determined that it was not practical to recover the private benefit component.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

TOILETS		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.32 Emergency Management

Description

Management of emergency management strategies, programmes and plans that reduce or eliminate the impact of the consequences of a disaster in Hamilton and the Waikato region.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100%.

Council determined that the benefits of expenditure on this service were pure public, i.e., it is a public good with a pure public benefit. The public benefit is in the provision of an essential contingency service, with the whole city benefiting from the knowledge that there is a state of readiness in the event of an emergency. Council recognised it is difficult to determine private benefit for this service until an emergency is declared and individuals needing assistance identified.

Expenditure on this service is solely operating and maintenance. If a disaster occurs in a localised area, the costs incurred will predominantly benefit the residents of that area, but the event is unlikely to have been caused by them and the most fair and equitable way of allocating cost is, as a public benefit. Council noted that the benefits of this service are people related, rather than property related.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

The exacerbator principle was considered, but in practice it is difficult to identify a group or individual who might cause a civil defence emergency. A contribution is made by other local authorities and some government subsidy is provided.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 47%.

Total benefit to the community as a whole 53% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council determined that service is a pure public good and that the public benefit should be recovered from two identifiable parts of the community. The first part comes from other councils within the regional emergency area by way of a contribution and government subsidies on the basis that Council recognises the regional benefits of the service. The second part, Council determined should be recovered by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton city does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 47% of this service should be funded from private beneficiaries and 53% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

EMERGENCY MANAGEMENT		
FINAL COST ALLOCATION PERCENTAGE		
Subsidy/contributions	47%	
Rates	53%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.33 Partnership with Maori

Description

Contribution to the Maori community by way of assistance with Maori development.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both public and private benefit components. Private benefit relates to the various grants to specific Maori community groups, which directly benefit.

The public benefit arises from public consultation and increased community input to the development of the community.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational equity issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council considered that it would be inequitable to collect such a high proportion of the costs from users when the service has been set up specifically to support them. An attempt to recover the private benefit cost to the 50% level by making users pay is not fair and equitable. Council concluded that a user-pays regime would defeat the purpose of providing support in the first place and greatly diminish the objective of the service. Private benefit funding is provided by way of grant and it is illogical to seek to recover this funding from the beneficiaries, as there would be no point in making the grant.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

PARTNERSHIP WITH MAORI FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.34 Representation and Civic Affairs

Description

Provides support to Council's democratic process, including elected members remuneration, meetings, public consultation, communication, civic functions, Office of the Mayor, elections and maintenance of electoral roll.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Living in Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100%.

Council determined that the benefits of expenditure on this service were pure public, i.e., it is a public good with a pure public benefit. The public benefit is from the public's opportunity to be represented and involved in the democratic process, including the benefits arising from public consultation and community input into the development of the city. The public benefit also comes from a lawful component, which assures the public that the city's resources, including community assets and ratepayers' funds, are maintained and managed in accordance with the Local Government Act and all other relevant legislation. Council receives a minor level of income as a recovery from another local authority and the DHB for conducting elections every three years. This income does not accrue in other years and has not been used in agreeing the revenue and funding policy.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Council determined there were no intergenerational issues relating to this service.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 5%.

Total benefit to the community as a whole 95% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – 60% land value large rural.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council also considered whether the current recovery from users was relevant. Council concluded that while this was part of the cost recovery regime, it was deemed to be insignificant and therefore ignored for funding consideration purposes. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced by 40% for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 5% of this service should be funded from private beneficiaries and 95% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

REPRESENTATION AND CIVIC AFFAIRS FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	5%	
Rates	95%	
Rates allocation to sectors:		
Residential	66.7633%	
Inner City	0.1640%	
Commercial	27.5956%	
Multi Unit	1.9587%	
Rural Residential	0.0344%	
Rural Large	1.3104%	
Rural Small	2.1736%	
Total	100%	100%

COMMUNITY OUTCOME: ENJOYING HAMILTON

2.12.35 Sports Areas

Description

Maintenance and development of areas for sport.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. Private benefit relates to the use of sports grounds and facilities by sporting groups, teams, clubs and associations.

The public benefit is through sports grounds being used by the public for passive recreation (walking around, picnicking etc.). Council concluded that the benefit was predominantly to those who directly use the sports areas.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues and decided to apply the exacerbator principle in so far as contributions from private beneficiaries (such as developers) are used to fund the development of additional sports areas in accordance with the District Plan. In other cases, such as changing rooms on parks or asset renewals, it was considered appropriate that the planned capital improvements benefit the community as a whole and the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

Developers have been identified as exacerbators for this service. Development of the city has an impact on green space and peoples enjoyment of these spaces. Council recovers a portion of the development cost from developers.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 6%.

Total benefit to the community as a whole 94% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 75% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service, which is to promote the development of health and fitness within the community. Council also considered whether the increase to 75% of private benefit could be achieved over time.

Council concluded that whilst this may be possible it would not achieve Council's goal as outlined above.

Council concluded that the most appropriate method for recovering the private benefit component of this service is user charges through rents.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 6% of this service should be funded from private beneficiaries and 94% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

SPORTS AREAS		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	6%	
Rates	94%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.36 Parks and Gardens

Description

Maintenance and management of parks and green spaces.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a public good with both private and public benefit components. The private benefit accrues directly to individual users of parks and open spaces and to community groups who lease endowment properties.

The public benefit derives from free and unrestricted access to parks and gardens and the value of having a green space in the community.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues and decided to apply the exacerbator principle in so far as contributions from private beneficiaries (such as developers) are used to fund the development of additional reserves in accordance with the District Plan. In other cases, such as the walkway programme, it was considered appropriate that the planned capital improvements benefit the community as a whole and the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

Developers were identified as exacerbators for this service. The exacerbator principle was applied in considering capital development and has been addressed through the impact of subdivisional levies.

No exacerbators were readily identifiable in operating and maintenance terms.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 13%.

Total benefit to the community as a whole 87% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 50% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service that is to promote the use of the facilities and provide leisure, education, conservation and tourism opportunities. High entry fees would be prohibitive making it unlikely that anyone would use the facilities. Also, as the Parks and Gardens are used almost entirely for passive recreation (walking around, picnicking etc.), it is not practical to identify,

monitor and charge the users. More direct charging mechanisms to increase cost recovery are not feasible for collection, efficiency and enforcement reasons.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through rental lease arrangements on Endowment properties.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 13% of this service should be funded from private beneficiaries and 87% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

PARKS AND GARDENS		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	13%	
Rates	87%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.37 City Beautification

Description

Development and maintenance of beautification areas around the City including trees and traffic island plantings.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 25%.

Total benefit to the community as a whole 75%.

Council determined that the benefits of expenditure on this service were mainly public, i.e., it is a public good with a mainly public benefit component. The public benefit derives from the enhancement value that tree and traffic island planting adds to the city.

The private benefit component is derived from the benefit that individual property owners receive from the planting of trees. This improves the overall ambience of neighbourhoods benefiting individual property owners.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (4-20 years).

Council considered intergenerational equity issues relating to this service and concluded that because the capital development programme was relatively minor and benefited the community as a whole, the costs should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

A minor level of income is obtained from commercial operators in Garden Place. Although these operators do not require Council to incur further costs due to their operations it is considered appropriate to levy a charge.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider it fair and equitable to recover the 25% private benefit component as a charge for services would be unrealistic because it is difficult to define where the area of benefit in terms of city beautification, begins and ends.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through rental income.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and

although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value.

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

CITY BEAUTIFICATION FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.38 Hamilton Gardens

Description

Maintenance and management of Hamilton Gardens and Pavilion.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a public good with both private and public benefit components. The private benefit accrues directly to individuals, groups, clubs and community organisations that use the Gardens and Pavilion.

The public benefit derives from the free and unrestricted access to the Gardens, the value of having a green space in the community, and the tourism opportunities that the Gardens generate and consequent impact on the city's economic base.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational benefits of developing the Gardens and concluded that as the planned capital works are relatively minor in nature and benefit the community as a whole, the cost should be recovered from the community in the year work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 8%.

Total benefit to the community as a whole 92% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 50% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service that is to promote the use of the facilities and provide leisure, education, conservation and tourism opportunities. High entry fees would be prohibitive making it unlikely that anyone would use the Hamilton Gardens. Also, as the Gardens are used almost entirely for passive recreation (walking around, picnicking etc.), it is not practical to identify and charge the users. As a result, an attempt to recover the private benefit cost would not be realistic. With respect to the Pavilion, Council noted the impact that high user charges would have on Pavilion users. It is likely to discourage use of the facility.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through rents for the Pavilion.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis

Council concluded that 8% of this service should be funded from private beneficiaries and 92% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

HAMILTON GARDENS FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	8%	
Rates	92%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.39 Stadiums and Events Facilities

Description

Management and operation of the Waikato Stadium, Westpac Park and Waikato Events Centre.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. Private benefit accrues directly to all users of the stadiums (Waikato Stadium, WestpacTrust Stadium and Waikato Events Centre) such as the sporting groups, teams, clubs, associations and patrons. A private benefit also accrues to commercial operators who benefit from commercial opportunities that arise with the promotion of events held at the stadiums.

The public benefit is from the general promotion of entertainment and community enrichment. Council concluded that the benefit was predominantly to those who directly use the stadiums.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council identified the capital development aspect of this service, which it considered should be funded by the community over time for reasons of intergenerational equity.

Exacerbator Pays - s101(3)(a)(iv)

Developers have been identified as exacerbators for this service. Development of the city has an impact on green space and peoples enjoyment of these spaces. Council recovers a portion of the development cost from developers.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 46%.

Total benefit to the community as a whole 54% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 75% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service, which is to promote entertainment within the community.

Council concluded that the most appropriate method for recovering the private benefit component of this service is user charges through rents, fees and charges.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other

options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 46% of this service should be funded from private beneficiaries and 54% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

STADIUMS AND EVENTS FACILITIES		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	46%	
Rates	54%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.40 Hamilton City Leisure Centre

Description

Operation of a centre promoting affordable fitness, sport and leisure programmes and activities.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit accrues directly to leisure centre patrons.

The public benefit is from the general promotion and development of a healthy community, encouraging social cohesion, and providing a recreational resource and community focal point.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

There are no intergenerational equity issues associated with this service.

Exacerbator Pays - s101(3)(a)(iv)

The operator of the facility is a potential exacerbator, but Council has the option of terminating the management contract.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 0%.

Total benefit to the community as a whole 100% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council maintains the building and makes a grant to the contracted operator. The facility is viewed as a community asset that Council funds in the interests of developing a healthy community. Council encourages the operator to maximise fees and charges and thus minimises Council's contribution.

Council determined that the most appropriate mechanism for recovering the public benefit for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be

subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service, but tax deductibility considerations have been included. The post-tax cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 0% of this service should be funded from private beneficiaries and 100% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

LEISURE CENTRE		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	0%	
Rates	100%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.41 Swimming Facilities

Description

Operation of swimming facilities throughout the City.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 75%.

Total benefit to the community as a whole 25%.

Council determined that the benefits of expenditure on this service were mainly private, i.e., it is a private good with a mainly private benefit component. The private benefit accrues directly to swimmers and other patrons using the pools, spa, hydroslide, barbecue facilities etc.

The public benefit is from water safety education, the general promotion and development of a healthy community, encouraging social cohesion, and providing a recreational resource and community focal point.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, as any planned major capital works benefit the current and future communities, the cost of the works should be recovered from the community over time. Where appropriate, the cost of minor capital works will be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 39%.

Total benefit to the community as a whole 61% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current recovery to the 75% level. This would have an impact on the private beneficiaries ability to pay and would impact on the purpose and function of the service, which is to promote the development of health and fitness within the community. Council also considered whether the increase to 75% of private benefit could be achieved over time. Council concluded that whilst this may be possible it would not achieve Council's goal as outlined above.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through admission fees.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the

general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis with an appropriate adjustment for the impact of tax deductibility considerations for the commercial and multi-unit property sectors.

Council concluded that 39% of this service should be funded from private beneficiaries and 61% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

SWIMMING FACILITIES		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	39%	
Rates	61%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.12.42 Hamilton Zoo

Description

Operation and management of the zoo.

Community Outcomes - s101(3)(a)(i)

Contributes to community outcome – Enjoying Hamilton.

Distribution of Benefits - s101(3)(a)(ii)

Total benefit to individuals or identifiable parts of the community 50%.

Total benefit to the community as a whole 50%.

Council determined that the benefits of expenditure on this service were mixed, i.e., it is a private good with both private and public benefit components. The private benefit accrues directly to visitors to the Zoo.

The public benefit comes from tourism opportunities that the Zoo generates and the consequent impact on the city's economic base, as well as the value of having a green space in the community, which contributes to the attractiveness of the city.

Period of Benefits - s101(3)(a)(iii)

Period of benefits from operating service is one year.

Period of benefits from capital assets in this service varies according to the useful life of assets employed (40-100 years).

Council considered intergenerational equity issues relating to this service and concluded that, because planned capital improvements to the Zoo are of a relatively minor nature and benefit the community as a whole, the cost should be recovered from the community in the year the work is undertaken.

Exacerbator Pays - s101(3)(a)(iv)

There were no exacerbators identified for this service.

Costs and Benefits of Distinct Funding - s101(3)(a)(v)

Total benefit to individuals or identifiable parts of the community 26%.

Total benefit to the community as a whole 74% (funded collectively with all other services of Council under a general rate).

Cost allocated to property sectors – large rural property sector based on approximate cost per property.

Council did not consider that it was fair and equitable to increase the current cost recovery to the 50% level. This would have an impact on the private beneficiaries' ability to pay and would impact on the purpose and function of the service that is to promote the use of the facilities and provide leisure, education, conservation and tourism opportunities. High entry fees would be prohibitive making it unlikely that anyone would use the zoo facilities.

Council determined that the most appropriate mechanism for recovering the private benefit component for this service is user charges through admission fees.

In terms of the public benefit component, Council considered that the most appropriate mechanism for recovering costs for this service is by funding collectively through the general rate. Council considered that the general rate should be preferred over other options. It is the simplest and most readily understood funding mechanism, and although the benefit is equally available to each property. Hamilton City does not use

UAGCs. Council considers that higher value properties should pay more to assist those residents who are generally not in a position to pay.

It is acknowledged that the effect of the policy is that the general ratepayer may be receiving less benefit and subsidising users, and that higher value properties may be subsidising lower value properties but Council considers that the policy is in the best interest of the city.

Council determined that the direct benefit received by the large rural properties was disproportionate to the amount that would be levied strictly on a land value basis. As a result, the large rural property sector's cost allocation has been reduced for this service. The cost approximates that for an average household in the city. The balance has been allocated over the residential, inner-city apartments, commercial, multi-unit, rural-residential and small rural property sectors on a land value basis.

Council concluded that 26% of this service should be funded from private beneficiaries and 74% funded from the public. This is consistent with the current level of cost recovery.

Overall impact of Costs - s101(3)(b)

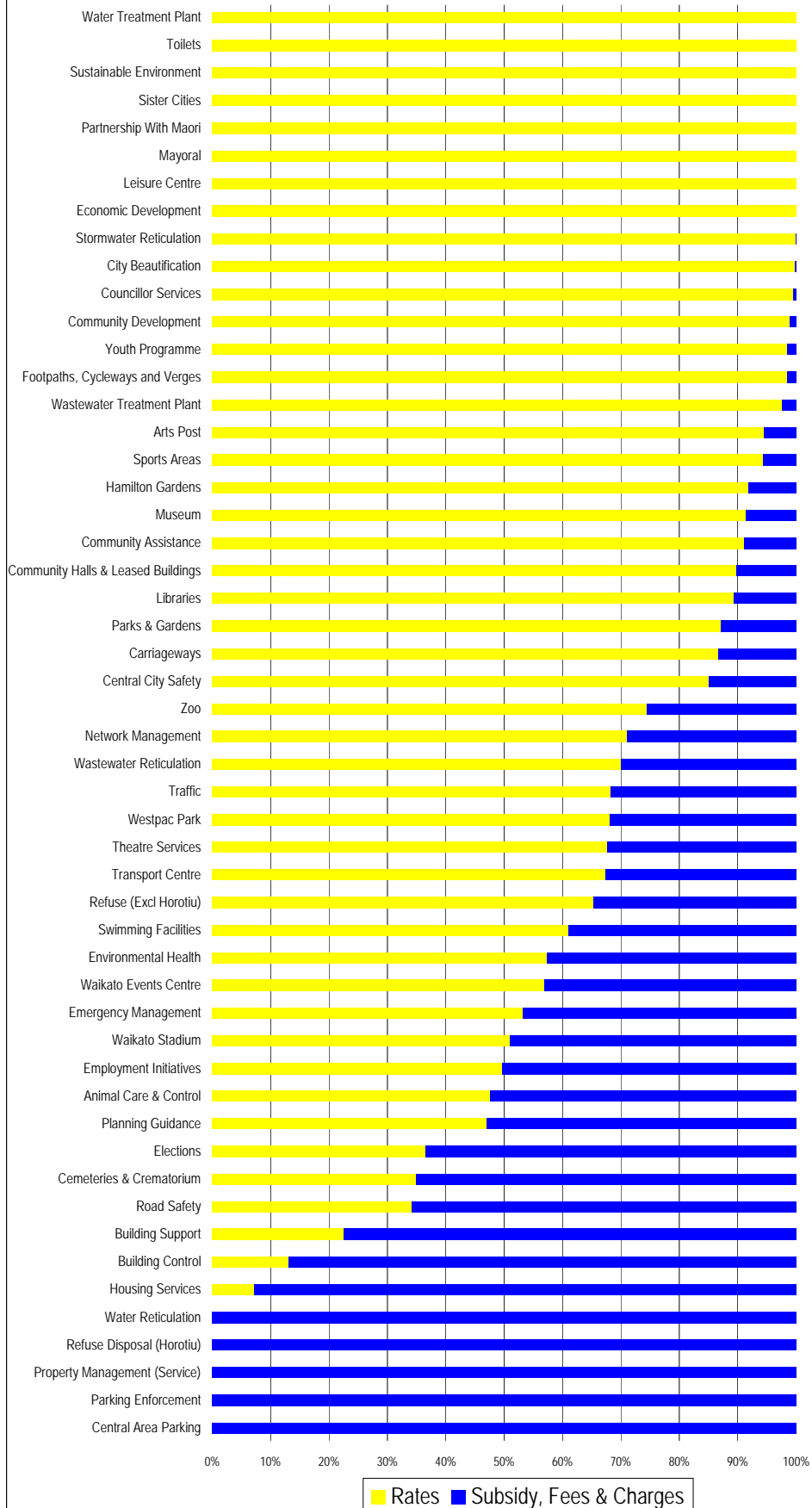
Council concluded that the final cost allocation, taking into consideration any adjustments and the current and future social, economic, environmental and cultural well-being of the community is:

ZOO		
FINAL COST ALLOCATION PERCENTAGE		
Fees and charges	26%	
Rates	74%	
Rates allocation to sectors:		
Residential	67.6099%	
Inner City	0.1662%	
Commercial	27.8054%	
Multi Unit	1.9755%	
Rural Residential	0.0349%	
Rural Large	0.1998%	
Rural Small	2.2085%	
Total	100%	100%

2.13 Targeted Funding Sources and Mechanisms

The Targeted Funding Sources and Mechanisms table shows the overall impact of the selection of funding mechanisms for the 2004/05 financial year. The impact of that selection of mechanisms is based on the Community Plan 2004-14 estimates and the Council's decisions in respect of each service, taking into consideration the well-being of the community and individuals, as outlined further in this Revenue and Financing Policy. See the table on the following page.

2004/05 Targeted Funding Sources & Mechanisms



2.14 Performance Targets

The table below summarises the performance targets set for the Revenue and Funding Policy.

Objective	Target
To maintain the direction specified in the Long-Term Financial Strategy.	Achieve the budgeted figures specified in the Annual Plan.
To manage the level of commitments and contingencies.	<p>Total commitments do not exceed \$2 million.</p> <p>Total contingencies do not exceed 2% of the general rate for the preceding financial year, (noting that for loan guarantees to only include the total annual contingent loan servicing charges of the loans, not the full value of the loan guarantees).</p>
To maintain a mix of funding mechanisms to meet the total funding requirements of the City.	<p>Fees and charges comprise at least 20% of total revenue.</p> <p>Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan.</p>

3.0 Funding Impact Statement

3.1 Introduction

In terms of the Local Government (Rating) Act 2002, and the Local Government Act 2002, each Council is required to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use.

The information in the following sub-sections is intended to achieve compliance with this legislation by, among other things, giving ratepayers full details of how rates are calculated.

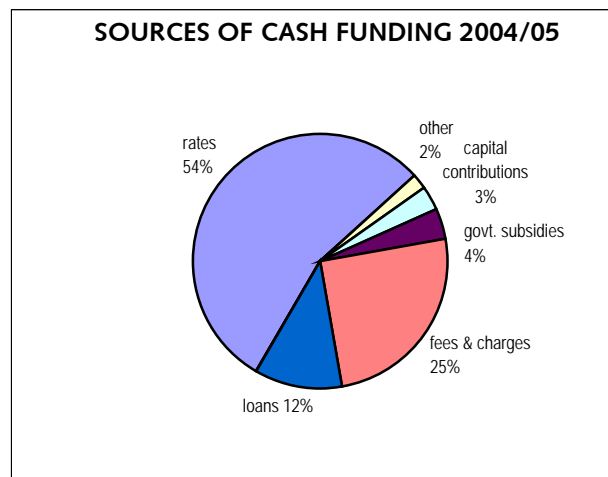
This statement should be read in conjunction with Council's Revenue and Financing Policy (Section 2) which sets out Council's policies in respect of each source of funding of operating and capital expenses - i.e. the revenue and financing mechanisms to be used to cover the estimated expenses of the Council.

A detailed description of funding sources, including the method and impact of both general and targeted rates for 2004/05 and for subsequent years, is covered in the Rating Policy (Section 6). The funding mix as shown in this Funding Impact Statement relates to the 10-year period of the Community Plan 2004-14.

3.2 Summary of Funding Mechanisms and indication of level of funds to be produced by each mechanism

The mix of funding mechanisms for the City as a whole is summarised graphically in the table below:

2004/05 Funding Mix



The table on the following page sets out the categories of expenditure for Council for the next 10 years (2004/05 - 2013/14), and outlines the revenue and financing mechanisms to be used, including the estimated amount to be produced by each mechanism.

Details of user charges, other funding sources and rating mechanisms, and the proportion applicable to each service are outlined further in the Revenue and Financing Policy (Section 2) and the Appendices (Section 13) to this Funding and Financial Policy.

FUNDING IMPACT STATEMENT 2004/05 - 2013/14

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
OPERATING REVENUE										
Fees and charges	65,508	65,203	62,048	58,803	58,581	58,575	58,797	58,571	58,573	58,795
Operating subsidies	3,480	3,320	3,393	3,346	3,409	3,360	3,431	3,379	3,452	3,399
Rates penalties	450	450	450	450	450	450	450	450	450	450
Capital contributions										
Development contributions	3,266	3,133	3,156	3,320	3,263	3,027	2,968	3,029	2,970	3,031
Financial contributions	645	565	565	565	565	565	565	565	565	565
Subsidies	2,384	3,090	2,239	4,247	2,914	2,293	2,343	2,357	2,447	2,363
Other income (interest, petrol tax)	1,677	1,381	1,308	1,176	1,154	1,152	1,152	1,152	1,152	1,152
Total Operating Revenue	77,410	77,142	73,159	71,907	70,336	69,422	69,706	69,503	69,609	69,755
LESS OPERATING EXPENDITURE										
Operational expenditure	114,234	115,222	112,984	112,075	112,276	112,660	112,995	113,512	113,100	113,760
Interest expense	9,392	10,421	11,164	11,093	11,371	12,042	12,117	12,595	13,260	13,428
Other expenses	257	257	257	257	257	257	257	257	257	257
Total Operating Expenditure	123,883	125,900	124,405	123,425	123,904	124,959	125,369	126,364	126,617	127,445
PLUS OTHER FUNDING										
Loans	16,455	21,021	6,192	11,143	8,774	2,500	5,500	4,300	4,750	11,500
Transfers from reserves	3,458	4,153	5,814	4,068	4,053	3,250	3,545	3,844	2,796	2,390
Total Other Funding	19,913	25,174	12,006	15,211	12,827	5,750	9,045	8,144	7,546	13,890
LESS OTHER EXPENDITURE										
Capital expenditure	38,607	42,764	29,616	34,120	32,157	23,685	27,881	27,248	26,650	32,613
Debt repayments	5,633	6,198	6,522	7,032	6,417	6,490	6,334	6,304	6,227	6,171
Transfer to reserves	5,890	5,872	4,765	4,145	4,288	4,052	3,993	4,054	3,995	4,056
Total Other Expenditure	50,130	54,834	40,903	45,297	42,862	34,227	38,208	37,606	36,872	42,840
NET RATES REQUIRED	76,689	78,419	80,143	81,604	83,603	84,015	84,827	86,323	86,334	86,641
RATES FUNDED FROM										
General rate	73,138	74,272	75,676	76,915	78,921	79,330	80,149	81,653	81,664	81,977
Targeted rates										
50% non-rateable properties	40	40	40	40	40	40	40	40	40	40
Water supply (metered properties only)	3,072	3,672	3,995	4,222	4,220	4,221	4,219	4,217	4,217	4,216
Temple View	139	135	132	127	122	124	119	113	113	108
100% non-rateable properties (water/refuse/wastewater)	300	300	300	300	300	300	300	300	300	300
TOTAL RATES	76,689	78,419	80,143	81,604	83,603	84,015	84,827	86,323	86,334	86,641

3.3 Detailed Description of Rate Funding Mechanisms

Council sets the following rates for the year commencing 1 July 2004 and ending 30 June 2005 in pursuance of the powers conferred on it by the Local Government Act 2002 and the Local Government (Rating) Act 2002.

3.3.1 General Rate

A general rate will be assessed on the land value of all rateable land in the City.

General rates are set under Section 13 of the Local Government (Rating) Act 2002 on a differential basis on the land value of all rateable properties. The differential basis is based on the use to which the land is put. The different categories of rateable land (differential) are outlined in the table below.

This funding mechanism covers all services of Council. Total revenue sought - \$73.138 million (excluding GST) or \$82.281 million (including GST).

The general rate will be set and assessed on a differential basis as follows:

Source	Differential Categories	Differential Factor	General Rate in cents per dollar of Land Value for 2004/05	Revenue (GST exclusive) 2004/05
Rates General Rate	Residential	1.00	1.7600 cents per \$ of LV	\$47,192,491
	Inner City Residential	0.92	1.6237 cents per \$ of LV	\$109,804
	Commercial/Industrial	2.00	3.5200 cents per \$ of LV	\$23,383,496
	Multi Unit Residential	1.50	2.6400 cents per \$ of LV	\$1,402,277
	Rural Residential	0.70	1.2320 cents per \$ of LV	\$20,204
	Rural Small	0.41	0.7168 cents per \$ of LV	\$792,172
	Rural Large	0.18	0.3168 cents per \$ of LV	\$237,854

3.3.2 Category Definitions - General Rate Differential

Each rating unit is allocated to a differential rating category (based on the land use) for the purpose of calculating the general rate. Set out below are the definitions used to allocate rating units to categories.

Category A - Residential and Other

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category B or Category C; or
- (ii) 2,000 square metres or less in area, used solely or principally for rural purposes, which receive full water and wastewater services from the Council; or
- (iii) The residential portion of a property which is used for both residential/commercial use, ie, small business operated from residential properties; or
- (iv) Not otherwise categorised in this special order.

Category B - Inner City Residential Apartments

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category C; and
- (ii) Located within the CBD where the Council cannot provide a household refuse collection service.

Category C - Commercial/Industrial

All separately rateable properties -

- (i) Used solely or principally for commercial or industrial purposes, but excluding properties categorised as Category F or G; or
- (ii) Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, resthomes, motels, residential clubs, hostels; or
- (iii) The commercial portion of the property, which is used for both commercial/residential use, ie, small business, operated from residential property.

Category D - Multi-Unit Residential

All separately rateable properties used solely or principally for residential purposes as the home or residence of three or more households, but excluding properties categorised as Category C

Category E - Rural Residential

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households; or
- (ii) Receive all the services of a residential property apart from stormwater, footpaths and traffic/streetlighting services.

Category F - Rural Small Holding

All separately rateable properties less than 10 hectares in area, used solely or principally for rural purposes, excluding properties categorised under paragraph (ii) of Category A or Category E.

Category G - Rural Large Holding

All separately rateable properties over 10 hectares in area, which are used solely or principally for rural purposes.

For categories A, F and G, rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

Note:

Subject to the right of objection in Sections 29 and 39 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the sole use or principal use of any separately rateable property within the district.

3.3.3 Uniform Annual General Charge

The current policy is that Council will not use a uniform annual general charge.

3.3.4 Targeted Rate - Non-Domestic Water Supply

- (a) Pursuant to Section 19(2)(b) and Clause 7 of Schedule 3 of the Local Government (Rating) Act 2002, Hamilton City Council will set and assess the following targeted rate on a differential basis to all rating units supplied with non-domestic water supply (as defined by Hamilton City Council's Water Supply Bylaw 1999) as follows:
- (i) a fixed amount on every separately used or inhabited parts of a rating unit supplied with non-domestic water in accordance with the following scale:
 - \$148 for commercial/industrial properties, non-rateable properties, or other properties with metered supply;
 - \$110 for rural properties receiving a restricted flow supply.
 - (ii) a charge per unit of water consumed or supplied on every separately used or inhabited parts of a rating unit in accordance with the following scale:
 - commercial/industrial properties, non-rateable properties, or other properties with metered supply -
62 cents per kilolitre of water supplied after the first 240 kilolitres of consumption or supply;
 - rural properties receiving a restricted flow supply -
46 cents per kilolitre of water supplied after the first 240 kilolitres of consumption or supply.

Properties in the Waikato District Council and Waipa District Council supplied with water under contractual arrangements will be charged at equivalent rates per unit of water, but outside the rating system.

The Targeted Rate - Non-Domestic Water Supply is summarised in the table shown on the next page.

Summary of Targeted Rate - Non-Domestic Water Supply

Category	Rate per Unit of Water (cents per kilolitre)	Minimum Charge	Rates revenue sought (GST exclusive) 2004/05
Non-Domestic Supply Rateable/Non-Rateable City (Commercial/Industrial Properties and Non-Rateable Properties)	62.0 (after the first 240 kilolitres of consumption or supply)	\$148	\$2,075,466
Non-Domestic Supply Rural - Restricted Flow Supply (Rural Large & Rural Small Properties which receive the service)	46.0 (after the first 240 kilolitres of consumption or supply)	\$110	\$18,400
Outside City - (Waipa District Council & Waikato District Council properties)	62.0 (after the first 240 kilolitres of consumption or supply)	\$148	\$716,444
Waikato District Council (supply agreement)	46.0 (after the first 240 kilolitres of consumption or supply)	\$110	\$261,690

(b) General Information - Targeted Rate for Non-Domestic Water Supply:

Each rating unit, or part of a rating unit, assessed a targeted rate for non-domestic water supply will be charged a rate per unit of water supplied in accordance with the scale of charges above. Where the six monthly consumption is less than 50% of the annual minimum charge, a fixed amount of 50% of the annual minimum charge will be charged to every rating unit or every separately used or inhabited part of a rating unit supplied with non-domestic water.

The charge per unit of water consumed or supplied is on a scale that reflects the difference between City full pressure supply and rural restricted flow supply.

Non-Domestic Supply is defined in the Bylaw as any water supplied for all purposes other than domestic supply (domestic supply is generally limited to City based domestic use).

This funding mechanism covers the Water Supply service. The total revenue sought for 2004/05 is \$3.072 million (excluding GST) or \$3.456 million (including GST).

The revenue from this targeted rate will be applied to fund the operation, and maintenance of capital works, depreciation and financing costs of the water supply service.

The meters will be read twice during the year. The charges will be due and payable in two instalments per year, on receipt of an invoice from the Council.

All amounts stated above include Goods and Services Tax and are for the period commencing 1 July 2004 and ending on 30 June 2005.

3.3.5 Targeted Rate – 100% (fully) Non-Rateable Properties

Council rates a number of categories of non-rateable land assessed under the Local Government (Rating) Act 2002.

The properties which are 100% (fully) non-rateable (excluding water, refuse and wastewater rates) are:

- Educational Institutions
- Churches (Place of Worship)
- Community Organisations (Need Based)
- any land which falls within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002, e.g. Health Services (public hospitals and related services).

Where the land is 100% (fully) non-rateable, three targeted rates will be set and assessed on a differential basis for water supply, waste collection (refuse), and sewerage disposal (wastewater), in accordance with Sections 8, 9 & 16(3)(b) and Schedules 2 & 3 (Clauses 3, 7 & 8) of the Local Government (Rating) Act 2002.

These funding mechanisms cover the Water, Refuse and Wastewater services. The total revenue sought for 2004/05 is \$349,900 including GST (\$311,000 excluding GST).

Category Definitions - 100% (fully) Non-Rateable Properties

Educational Institutions

Educational Institutions are defined in Clause 6 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002.

Churches (Place of Worship)

Land and buildings that are to be used as a place of religious worship (Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These are classified under the Community Organisations' category.

Community Organisations (Need Based)

Community Organisations (Need Based) (as defined in Clause 21 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed.

(Refer: A Good Practice Guide, LGNZ, January 2000, page 20).

Any land (other than Educational Institutions, Churches (Place of Worship), or Community Organisations (Need Based)) defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be rated the same as a Community Organisation (Need Based).

Details of Targeted Rates

To give effect to the foregoing policies on the rating of 100% (fully) non-rateable properties, the Council will set and assess the following targeted rates:

Non-Rateable Water Targeted Rate

A targeted rate for water on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$148 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
 - Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$148 per property), which is estimated to be 0.2424 cents in the dollar;
 - Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$49 per property), which is estimated to be 0.0809 cents in the dollar;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$89 per property), which is estimated to be 0.1454 cents in the dollar.

Non-Rateable Refuse Targeted Rate

A targeted rate for refuse on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$90 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
 - Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$90 per property), which is estimated to be 0.1638 cents in the dollar;
 - Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.0547 cents in the dollar;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$54 per property), which is estimated to be 0.0983 cents in the dollar.

Non-Rateable Wastewater Targeted Rate

A targeted rate for wastewater on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$50 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:

- Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the wastewater services (after allowing for the total revenue raised by the fixed amount of \$50 per property), which is estimated to be 0.2698 cents in the dollar;
- Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$17 per property), which is estimated to be 0.0901 cents in the dollar;
- Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.1619 cents in the dollar.

Notes:

These targeted rates apply only to properties which are 100% (fully) non-rateable in terms of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 and only to those properties supplied with the relevant service.

To calculate each sector's proportion of the cost of each service, the total cost of the service for the relevant year is multiplied by the proportion that the total rateable value of the sector bears to the total rateable value of the City.

3.3.6 Targeted Rate - Temple View Area (for Temple View Loans)

Council have resolved from 1 July 2004 to introduce two targeted rates in the Temple View area (excluding rural properties) to cover the financing costs of existing Temple View loans transferred from the Waipa District Council, assessed on a uniform rate in cents per dollar based on the capital value of the property.

These targeted rates are assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002 as follows:

- A targeted rate - Temple View area (for Temple View wastewater loans), assessable to all Temple View properties excluding rural properties. Targeted Rate of \$0.1762 cents per dollar of capital value.
- A targeted - Temple View area (for Temple View stormwater loans), assessable to all Temple View properties excluding rural and 100% (fully) non-rateable properties (education and church properties). Targeted Rate of \$0.0493 cents per dollar of capital value.

Temple View rural properties are excluded from these targeted rates, as they do not receive the full services for which the loans were originally raised by Waipa District Council.

The Temple View area is defined as those properties that will be incorporated into the Hamilton City Council on 1 July 2004 from the Waipa District Council in accordance with the Order in Council gazetted on the 18 December 2003.

These funding mechanisms cover the financing costs for the Temple View loans transferred from the Waipa District Council. The total revenue sought for 2004/05 is \$156,040 including GST (\$138,702 excluding GST).

3.3.7 Targeted Rates and Activities

The targeted rate for non-domestic water supply funds the operating and depreciation costs of water supplies to Commercial/Industrial, Non-Rateable, Rural properties and other customers outside the City boundary.

The targeted rate for Non-Rateable properties for water, refuse and wastewater, represents a charge for the operating and depreciation costs for these activities.

The targeted rate for Temple View loans funds the financing costs of loans transferred to Hamilton City Council from Waipa District Council as a result of the incorporation of Temple View.

3.3.8 Rating of 50% Non-Rateable Land

Council rates a number of categories of non-rateable land assessed under the Local Government (Rating) Act 2002.

The properties which are 50% non-rateable (excluding water, refuse and wastewater rates) are:

- Community Organisations (Arts Based)
- Sporting and Cultural Organisations (with income under \$500,000 income)
- any land which falls within Part 2 of Schedule 1 of the Local Government (Rating) Act 2002

Where the land is 50% non-rateable as defined under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, rather than assess the existing three targeted rates for water, refuse and wastewater, Council must rate these properties at 50% of the residential general rate (mandatory rates). Council has resolved to introduce a Rates Relief - 50% Non-Rateable Land Policy, in accordance with Sections 16(1), 17 & 18 of the Local Government (Rating) Act 2002, to give properties in this category a further relief by way of new differentials, which bring the rates assessed close to the existing level of rates assessed in 2003/04.

These funding mechanisms cover all the services of Council. The total revenue sought for 2004/05 is \$47,700 including GST (\$42,400 excluding GST).

3.3.9 Targeted Rate - Rating of Community Organisations (Arts Based) - 50% Non-Rateable

Definition

Community Organisations (Arts Based) (as defined in Clause 3 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002) with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed.

(Ref: A Good Practice Guide, LGNZ, January 2000, page 20).

The new rates relief policy is as follows:

Land in the category of Community Organisations (Arts based) - 50% non-rateable will receive a further relief (in addition to 50% general residential mandatory rates) in the form of a lower rate in the dollar of all relevant rates in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate in cents in the dollar on the land value) based on the services provided to these properties:

- (i) Wastewater only (metered water and no refuse collection) - charge 18% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 9% of the general residential rates, which is estimated to be 0.1584 cents in the dollar on the land value.
- (ii) Wastewater & Refuse (metered water) - charge 31% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 15.5% of the general residential rates, which is estimated to be 0.2728 cents in the dollar on the land value.
- (iii) Wastewater, Water & Refuse - charge 58% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 29% of the general residential rates, which is estimated to be 0.5104 cents in the dollar on the land value.
- (iv) Wastewater & Water (no refuse collection) - charge 39% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 19.5% of the general residential rates, which is estimated to be 0.3432 cents in the dollar on the land value.

Community Organisations (Arts Based) with more than three separately used or inhabited parts of one rating unit will be rated at the 50% general residential mandatory rates, and receive no further rates relief.

Unless otherwise stated, any land:

- which is entitled to a 50% rates exemption under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002; but
 - to which the rates relief policies for Community Organisations (Arts based); and Sporting and Cultural Organisations do not apply;
- will be rated in accordance with the rates relief policy for Community Organisations (Arts Based) - 50% non-rateable.

3.3.10 Targeted Rate - Rating of Sporting and Cultural Organisations - 50% Non-Rateable

Definition

An organisation whose principal object is to promote games, sports, recreation, arts or instructions, for the benefit of residents or any group or groups of residents of the district, not for private pecuniary profit in accordance with the definition provided in Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

The new rates relief policy is as follows:

That these properties be classified into two categories based on gross annual income received by these organisations.

Category 1

Land in the category of Sporting and Cultural Organisations - 50% non-rateable, where the organisation has a gross annual income of less than \$500,000, will receive a further relief (in addition to 50% general residential mandatory rates) in the form of a lower rate in the dollar in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate in cents in the dollar on the land value) based on the services provided to these properties:

- (i) Wastewater only (metered water and no refuse collection) - charge 18% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 9% of the general residential rates, which is estimated to be 0.1584 cents in the dollar on the land value.
- (ii) Wastewater & Refuse (metered water) - charge 31% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 15.5% of the general residential rates, which is estimated to be 0.2728 cents in the dollar on the land value.
- (iii) Wastewater, Water & Refuse - charge 58% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 29% of the general residential rates, which is estimated to be 0.5104 cents in the dollar on the land value.
- (iv) Wastewater & Water (no refuse collection) - charge 39% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 19.5% of the general residential rates, which is estimated to be 0.3432 cents in the dollar on the land value.

Sporting and Cultural Organisations (with income under \$500,000) with more than three separately used or inhabited parts of one rating unit will be rated at the 50% general residential mandatory rates, and receive no further rates relief.

Category 2

No further relief will apply to land in the category of Sporting and Cultural Organisations - 50% non-rateable with a gross annual income of \$500,000 or over in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

3.3.11 Rating of Temple View

Council have resolved to rate the Temple View area in accordance with Council's existing rating system, with the addition of a targeted rate over the Temple View area for the financing costs associated with Temple View loans raised by the Waipa District Council, and transferred to Hamilton City Council at 1 July 2004.

Outlined below are the resolutions Council passed for the rating of Temple View for 2004/05 rating year:

- (a) That the Temple View area be rated in accordance with Council's existing land value rating system for general rates updated for any changes made to the land value rating system in the finalisation of the 2004/05 Community Plan.

- (b) That the Temple View area be rated in accordance with Council's existing targeted rate for non-domestic water supply (water-by-meter), updated for any changes made to the targeted rate for non-domestic water supply in the finalisation of the 2004/05 Community Plan. Council note that this means from 2004/05 Temple View residential properties charges for water are included in the general rates, not subject to a separate metered charge. Council also note that Temple View rural, commercial and non-rateable properties will continue to be charged for water subject to a separate metered charge.
- (c) That the Temple View area be rated in accordance with Council's existing rating system for non-rateable land (100% non-rateable and 50% non-rateable), updated for any changes made to the rating of non-rateable land in the finalisation of the 2004/05 Community Plan.
- (d) That all properties in the Temple View area (excluding rural properties) be rated a targeted rate(s) for the financing costs of existing Temple View loans transferred from the Waipa District Council, assessed on a uniform rate in cents per dollar based on the capital value of the property. This targeted rate is assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002. Council note that Temple View rural properties are excluded from this targeted rate, as they do not receive the full services for which the loans were originally raised by Waipa District Council.

Temple View residents should note that as part of the Hamilton City Council rates they will pay, Council will provide to the residents a fully funded refuse and recycling service and free access to the City libraries. Currently the Waipa District Council provides neither of these services to Temple View residents as part of their rates.

(Refer to Section 6.7 of the Rating Policy for further information on the rating of Temple View).

3.3.12 Due Dates for Payment of Rates

The due dates for rates covering the financial period 1 July 2004 to 30 June 2005 are as follows:

INSTALLMENTS

Area	1	2	3	4
North East	09 Sep 2004	25 Nov 2004	24 Feb 2005	26 May 2005
South East	16 Sep 2004	02 Dec 2004	03 Mar 2005	02 June 2005
North West	23 Sep 2004	09 Dec 2004	10 Mar 2005	09 June 2005
South West	30 Sep 2004	16 Dec 2004	17 Mar 2005	16 June 2005

3.3.13 Penalties

Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002:

- (a) A penalty of 10% of the amount of all rates assessed (GST inclusive) in the 2004/2005 financial year (including general and targeted rates) that are unpaid after the due date for each instalment will be added on the day following the due date.

- (b) A penalty of 10% of the amount of all rates assessed (GST inclusive) in any previous financial year (including general and targeted rates) prior to 1 July 2004 that remain unpaid after the 1 September 2004 will be added on the day following that date.
- (c) A penalty of 10% of the amount of all rates assessed (GST inclusive) in any previous financial year (including general and targeted rates) to which a penalty was added pursuant to clause b) above and which is unpaid 6 months after that penalty was added, a further penalty will be applied on the 1 March 2005.

Notes:

The amount of unpaid rates to which any penalty is added includes:

- (i) Any additional charges previously added to the amount of unpaid rates under Section 132 of the Rating Powers Act 1988; and
- (ii) Any penalties previously added to unpaid rates under Section 58 of the Local Government (Rating) Act 2002.

3.4 Funding Rationale

In selecting the rate funding mechanisms outlined in Section 3.3, the Council applied the matters in Section 101 (3) of the Local Government Act 2002 and the funding of each service of Council is further explained in the Revenue and Financing Policy (Section 2).

4.0 Investment Policy

4.1 Objectives

For the foreseeable future, Council will have a permanent net debt/borrowing position and will, where practical, use flexible short-term working capital money market funding lines instead of maintaining cash deposits. Accordingly, it will not have any requirement to be in a surplus cash situation apart from:

- the management of historical sinking funds
- restricted special funds, and
- trust funds.

Therefore, outside of the above-mentioned exceptions, any liquid investments must be restricted to a term that meets future cash flow projections.

The objective of the investment policy is consistent with Council's objectives and with the Long-term Council Community Plan and Annual Plan. It is:

- (i) to maximise interest income on investments approved within the policy, by profiling the investment portfolio to gain from favourable market movements and to protect against adverse movements;
- (ii) to manage short-term cashflows in an efficient and prudent manner;
- (iii) to manage a level of liquidity sufficient to meet both planned and unforeseen cash requirements;
- (iv) to invest only in approved financial securities and maturity time periods permitted by the policy;
- (v) to have an adequate monitoring and reporting process to ascertain existing risk position and to measure performance levels against a predetermined benchmark;
- (vi) to operate a conservative approach to ensure protection of Council's assets;
- (vii) to establish investment and control practices and procedures to prevent unauthorised transactions; and
- (viii) to establish an accurate cashflow forecasting model/schedule to increase efficiency in Council's investment decision-making.

4.2 General Policy

4.2.1 Management Structure

The management structure involves the Funds Accountant, Finance and Administration Manager, General Manager Corporate and Chief Executive Officer who report to Council through the Strategic Policy and Planning Co-ordination Committee. Refer to Section 5.4.3 for full-delegated authorities.

4.2.2 Acquisition of New Investments

Council has adopted a conservative approach to its fiduciary duty to ratepayers. It will generally rely on proven investments (such as cash) but may invest in shares or property where specified criteria are met. These criteria are outlined in Section 4.2.7 (below). The Council has established a level of \$2.5 million to identify significant issues, which require public consultation.

4.2.3 Cash Investments

Council's general, special or reserve funds cash (when required to be held in cash, e.g., Restricted Special Funds which can not be used for internal borrowing) will, as far as practicable, be spread by institution and instrument, having particular consideration to the type of fund being invested, the fund's cashflow requirements, interest rates available, and the risk of default.

4.2.4 Trust Funds

Any funds held by Council that are subject to a form of trust deed will be administered according to the conditions of the appropriate trust deed.

4.2.5 Special Funds and Reserve Funds

From time-to-time, Council establishes special funds or reserve funds. These funds or reserves are usually used for specific purposes and will be accounted for according to the conditions set out at the time of establishing the fund or reserve (or as amended by Council resolution). Liquid assets will not be required to be held against special funds, instead, such commitments to future specified releases will be covered by a committed standby line of credit in the form of a committed credit facility. Such a facility will be for an amount equivalent to the maximum special fund release commitments over a 12-month period and, as in the nature of the facility, will be reviewed annually. Liquid assets (except when restricted to being held in cash as per Section 4.2.3) will be utilised for internal borrowing to offset Council's working capital and debt funding requirements.

Accounting entries representing monthly interest accrual allocations will be made using the lower of:

- Council's average weighted cost of funds for that period, or
- weighted average 90-day bank bill bid rate for that period.

Such a mechanism is subject to a Council resolution, which will supersede previous Council resolutions pertaining to the funding of specific special funds.

4.2.6 Sinking Funds

Council is no longer required to use sinking funds as a mechanism for loan repayments. Where practical, Council will actively pursue the cessation of contributions to existing sinking funds. Accordingly, the existing sinking funds established pre 1 July 1998, will run down over their attributable life to zero.

A statement of sinking funds is prepared annually by the Sinking Fund Commissioner (Public Trust).

Given that Council will be a net borrower for the remaining life of the existing sinking funds, the sinking funds should be invested in short-term financial instruments and the investment return contracted with the Sinking Fund Commissioner should be maturity matched with equivalent borrowings. Council may also choose to utilise sinking funds for internal borrowing purposes and act as the Sinking Fund Commissioner. These methods will negate any interest rate gap risk that occurs when Council borrows at higher rates compared to the investment rate achieved by sinking funds. Such matched borrowings should be netted from the projected net debt level as defined in Section 5.2.2.

4.2.7 Investments in Shares, Property and Other

Council may, by specific resolution, make investments (or sell, or dispose of such investments) in companies, local authority trading enterprises, joint ventures or other organisations, having regard to all relevant information including, but not limited to, the following:

- investments to be in the best interest of the community;
- legislative authority to hold such investments;
- the degree of equity interest or control able to be exercised;
- prudence;
- the likely returns on the investment; and
- other advantages as deemed appropriate by Council.

Investments are deemed to include loans and/or guarantees to community organisations.

Council will monitor its investments in companies and other institutions by reviewing half-yearly financial reports on performance.

4.2.8 Specific Investments

Council considers its specific financial investments (listed below), as representing the best interests of the community and ratepayers. Council's exposure to risk would be that of any other financial shareholder. Specific investments include:

Waikato Regional Airport Limited

In December 1995, Council, along with four other Waikato local authorities, purchased the Crown's 50 per cent shareholding in Waikato Regional Airport Ltd. This purchase increased Hamilton City Council's holding from 32 per cent to 50 per cent.

Reason for the Council holding shares:

The purpose of this shareholding is that the airport is considered to be a significant infrastructural asset, important to the economic health and growth of the region. In 1997, Council evaluated its shareholding in Waikato Regional Airport Ltd and elected to retain its interest at the existing level.

NZLG Insurance Company

This company evolved from the former Municipalities Insurance Co-operative.

Reason for the Council holding shares:

As a member of this Co-operative, Council was entitled to a shareholding related to the level of its premiums.

Hamilton Riverview Hotel Ltd

Council holds 42 per cent of the shares in the Hamilton Riverview Hotel venture. Tainui Development Ltd, AAPC NZ PTY Ltd and AAPC Ltd own the remaining shares.

Reason for the Council holding shares:

In May 1998, Council entered into a joint venture agreement for the purpose of developing a hotel and conference centre on a site bounded by Victoria Street, Alma Street and the Waikato River in Hamilton.

Investments Managed by External Investment Managers

From time-to-time Council may decide to have specific funds managed by external investment managers.

Externally managed funds will be subject to specific contract conditions.

4.3 Hedging Interest Rate Risk

In accordance with the Council's policy to manage the balance sheet on a net basis, Council will be a net borrower for the foreseeable future. All sinking funds and trust funds will be invested on a rolling 90-day basis in keeping with Section 5.2.2 of the Liability Management Policy. Any operating cashflow surpluses will be managed on a prudent cash management basis.

4.4 Approved Financial Instruments

A list of approved instruments can be found in Section 5.4 of the Liability Management Policy.

4.5 Counterparty Credit Risks

Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligation. A counterparty credit risk is incurred whenever Council enters a transaction with a third party which requires the third party to make a payment to Council. The degree of counterparty credit risk will vary according to the perceived creditworthiness of the counterparties.

Refer to Section 5.6 of the Liability Management Policy for the list of authorised counterparties, with whom management is authorised to transact.

4.6 Allowable Investment Instruments

For allowable investment instruments refer to Section 5.4 of the Liability Management Policy.

4.7 Disposal of Assets

Any disposition of proceeds from the sale of assets or investments (other than vehicles and light plant) must be used in the first instance to repay any outstanding borrowings, to reduce the overall debt of Council unless otherwise specifically authorised by Council. If the assets are subject to legislative restrictions, the proceeds are to be used in accordance with the provisions of the appropriate legislation.

4.8 Reporting

For reporting on the Investment Policy, the following reports will be completed and presented to the Strategic Policy and Planning Co-ordination Committee through each quarterly meeting cycle:

- Funding Summary (Financial Overview)
- Funding Facilities/Liquidity Report
- Return on Investments Report
- Counterparty Credit Report

4.9 Performance Targets

The table below summarises the performance targets set for the Funding Policy.

Objective	Target
To manage risks associated with the investments.	Investment policy complied with Section 4.3 of the investment policy.
To use the proceeds from the sale of assets to reduce the overall level of public debt.	Investment policy Section 4.7 complied with.

5.0 Liability Management Policy

Borrowing under this Liability Management Policy includes internal as well as external borrowing (refer to the definition of borrowing in Section 112 of the Local Government Act 2002).

5.1 Objective

The objective of the Liability Management Policy is consistent with Council's objectives and with the Long-term Council Community Plan and Annual Plan. It is:

- to achieve the lowest possible net borrowing costs achievable within the policy parameters, by actively managing funding risk and interest rate risk within the overall limit control of maximising benefits (from favourable interest rate movements) while having levels of protection in place against prolonged and significant adverse interest rate movements.

5.1.1 Active Management and Hedging

Active management of borrowing is the use of direct borrowing methods such as committed or un-committed facilities, bond issues, term loans, overdraft etc. (as detailed in Section 5.4 of this policy).

Hedging is the use of interest rate swap contracts, forward rate agreements, options or swaptions to manage Council's interest rate exposure on existing loans (interest rate risk). There is no purchase or exchange of capital borrowing involved in the use of hedging products (Sections 5.4, 5.4.1 and 5.4.2 of this policy provide details of hedging products).

5.1.2 Definition of Treasury Risks

Council is exposed to a number of risks when borrowing or investing funds, and in the management of treasury functions. These treasury risks are:

- Interest rate risk – Detailed in Section 5.2 of this policy.
- Funding risk – This is the risk of not having funding facilities spread over a reasonable period of years and being unable to source funding when required. To manage this risk Council has in place committed funding facilities with three banks and also issues term debt under its Debenture Trust Deed (further information is available in Section 5.3 of this policy).
- Settlement risk – Settlement risk is the risk that a counterparty fails to transfer funds or equities as agreed in a borrowing or investment contract. To manage this risk Council has become an associate member of Austraclear (a Reserve Bank operated facility to ensure simultaneous transfer of cash and securities at settlement) and only uses counterparties on the approved counterparty list (refer Section 5.6.1).
- Counterparty credit risk – Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligations. This risk is managed by using only counterparties on the approved counterparty list (refer Section 5.6).

The Hamilton City Council will have a permanent net debt/borrowing position (refer Section 4.1 of Council's Investment Policy). Council's cash requirements are managed on a daily basis. These cash requirements are achieved by the use of long term funding facilities, term loans and debenture stock/bond issuances along with short-term bank funding lines and bank overdraft. Investments will only occur occasionally and for brief periods and will be managed according to Council's Investment Policy. Risks associated with cash management in addition to those above are those associated with internal controls of treasury functions. These are managed by the use of formal delegation of authority and authority limits (refer Section 5.4.3) and by the separation of duties so that one person does not initiate a transaction and check confirmations.

5.2 Interest Rate Risk Policy

Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.

The purpose of managing interest rate risk is to have a framework in place under which Council can actively manage its borrowings, within overall guidelines to spread and reduce risks. In this manner, Council has control on the level of financial market interest rate movement exposures, and can maintain a relative balance between such risk and other business investment risks that Council has in its normal course of business.

The control limits cover both the underlying physical borrowing risks and the use of synthetic instruments that may be used to limit, reduce, eliminate and re-profile these physical risks.

5.2.1 Currency Borrowings

Borrowings can only be made in New Zealand dollars (see Section 113 of the Local Government Act 2002).

5.2.2 Net Borrowings

Fixed/floating percentages are calculated on the 12-month projected net debt level based on Council's Long-term Council Community Plan and Annual Plan. Net debt is the amount of total debt net of liquid financial assets/investments (including sinking funds). This allows for pre-hedging in advance of projected physical drawdowns of new debt. When forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

5.2.3 Fixed/Floating Mix

Fixed rate is defined as all debt with interest rate repricing beyond 12-months. It can be made up of fixed rate borrowings, interest rate swap contracts, swaptions, and caps, with more than 12-months to run. Interest rate caps with a rate more than 2 per cent above market rates cannot be considered as fixed rate. Floating rate is defined as all debt with an interest rate repricing within 12-months.

To match the fixed nature of the income that Council generates (i.e., rates), the mix of fixed borrowings at any one time is to be 50 per cent minimum and 95 per cent maximum.

To spread the interest rate risk on the profile of borrowings, the following controls/guidelines have been established:

1 – 3 years	20% (min) – 50% (max) of the Fixed Rate total
3 – 5 years	20% (min) – 50% (max) of the Fixed Rate total
> 5 years	10% (min) – 50% (max) of the Fixed Rate total

The mix of floating borrowings at any one time is to be 5 per cent minimum and 50 per cent maximum.

To spread the interest rate risk on the re-borrowing of maturing financial instruments, total floating borrowing maturities on a single day cannot exceed 20 per cent of the total fixed and floating portfolio amount, except in instances to match known commitments on the day.

Call Market borrowings cannot exceed \$15 million.

5.2.4 Debt Ratios and Limits

Debt will be managed within the following macro limits.

Ratio	
Net debt as a percentage of equity	<15%
Net debt as a percentage of income	<150%
Net interest as a percentage of income	<15%
Net interest as a percentage of annual rates income	<20%
Liquidity (term debt + committed loan facilities to existing net debt including working capital requirements)	>110%
Net debt per capita	<\$1,500

Income is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Information relating to the level of public debt and linkage to debt servicing performance targets has been applied to Council's Long-term Council Community Plan for the next 10 years.

5.3 Funding Risk Policy

Funding risk is the risk to Council of not having funding facilities spread over a reasonable period of years and being unable to source funding when required. The risks can be summarised as follows:

- (i) If the majority of facilities are maturing at or around the same time, there is a risk that it is an unfavourable time to be renewing facilities in the market due to high pricing/margins from lenders.
- (ii) If Council is having some difficulties by having all facilities maturing at one time, this may be detrimental to the ability to either renew the facilities or receive favourable conditions.
- (iii) There is a danger of saturating the market if all the facilities are maturing at the same time and Council has access to only one type of funding, i.e., either bank funding or capital funding.

To spread this risk, it is prudent to have the total debt spread so that a certain proportion is maturing periodically.

Council's debt maturity profile will conform to the following range of control limits, expressed as a percentage of total debt:

Debt/facilities maturing 0 – 1 years time	5	–	50%
Debt/facilities maturing 1– 3 years time	12.5	–	47.5%
Debt/facilities maturing 3– 5 years time	12.5	–	47.5%
Debt/facilities maturing 5 years and over	5	–	47.5%.

5.4 Approved Financial Instruments and their Use

Dealing in interest rate products must be limited to financial instruments approved by Council.

Current approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (term facilities) Uncommitted money market facilities Bond issuance Term loans
Investments	Short-term bank deposits Bank bills Bank certificates of deposit (CD) Treasury bills Local authority stock or state owned enterprise (SOE) bonds Corporate bonds Promissory notes/Commercial paper

Interest rate risk management	<p>Forward rate agreements (FRA) on:</p> <ul style="list-style-type: none"> a) Bank bills b) Government bonds <p>Interest rate swaps including:</p> <ul style="list-style-type: none"> a) Forward start swaps (start date <24-months) b) Amortising swaps (whereby notional principal amount reduces) <p>Interest rate options on:</p> <ul style="list-style-type: none"> a) Bank bills (purchased caps and one for one collars) b) Government bonds <p>Interest rate swaptions (purchased only)</p>
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Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

5.4.1 Definitions

Interest Rate Swap Contract (SWAP)

An interest rate swap contract is an agreement between two parties (one party typically being a bank) to exchange interest rate obligations on an agreed notional principal amount for an agreed time period. There is no physical exchange of principal amounts.

Forward Rate Agreement

A forward rate agreement is a contract between two parties whereby each party agrees to fix an interest rate for a specified contract period and a specified future date, based on an agreed notional amount. Neither party undertakes to lend or borrow a principal amount – it is only the obligation to make the interest payment that is agreed on.

Options

Interest Rate Option

An interest rate option is a contract between two parties where the buyer pays the seller a premium for the right, but not the obligation, to enter into a transaction at an agreed interest rate for an agreed notional principal, maturing on an agreed date.

Government Stock Option

A Government stock option is a specialist contract where the party buying the option has the right, but not the obligation, to purchase or sell Government stock.

Swaption

A swaption is an agreement where the party buying the option has the right, but not the obligation, to enter into an interest rate swap contract.

Counterparties who sell these treasury management products will require Council to sign a Master Agreement that covers all the legal terms, conditions, rights, responsibilities and liabilities under the contract. The Master Agreements protect both parties and cover all individual contracts entered between the counterparty and Council (these are normally confirmed by computer-generated confirmation letters only).

5.4.2 Financial Instrument Use

Interest Rate Swap Contracts (SWAP)

- SWAP contracts cannot exceed 10-years.
- Net outstanding/open interest rate swap contracts cannot exceed 100 per cent of total debt.
- Existing interest rate swap contracts may be closed out or amended prior to maturity by cancellation/amendment with the same counterparty, or by an equal and opposite interest rate swap contract with another counterparty.

Forward Rate Agreements

- Net outstanding/open forward rate agreement contracts cannot exceed 75 per cent of floating rate debt.
- Refer to interest rate swap contracts for transaction limits.

Interest Rate Options, Government Stock Options and Swaptions

- Net outstanding/open bank bill option contracts must be less than 18-months duration.
- Selling of interest rate options is only allowed as part of a combined strategy, including the simultaneous purchase of interest rate options with identical amount and maturity.
- Strike prices must be within 1 per cent of the appropriate SWAP rate.
- Refer to interest rate swap contracts for transaction limits.

5.4.3 Delegation of Authority and Authority Limits

Treasury transactions entered into by Council without the proper authority are difficult to cancel given the legal doctrine of 'apparent authority'. Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

To prevent these types of situations, the following procedures must be complied with:

- all delegated authorities and signatories must be reviewed at least every 12-months to ensure that they are still appropriate and current.
- a comprehensive letter must be sent to all bank counterparties at least every year that details all relevant current delegated authorities of Council and contracted personnel empowered to bind Council.

Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing immediately to ensure that no unauthorised instructions are to be accepted from such persons.

Council has the following responsibilities, either directly itself, or via the following stated delegated authorities. (In the absence of individuals, delegated authorities revert upward to their immediate reporting officer).

Activity	Delegated Authority	Limit
Approving and changing policy	Council	Unlimited
Borrowing new debt	Council Chief Executive Officer (CEO) – delegated by Council General Manager Corporate (GMC) – delegated by the Chief Executive Officer Finance & Administration Manager (F&AM) – delegated by the General Manager Corporate	Unlimited (subject to legislative and other regulatory limitations) Subject to Council resolutions
Overall day-to-day risk management	CEO (delegated by Council) GMC (delegated by CEO) F&AM (delegated by GMC)	Subject to policy
Re-financing existing debt	CEO (delegated by Council) GMC (delegated by the CEO) F&AM (delegated by the GMC)	Subject to policy/Council resolutions
Approving transactions outside policy	Council	Unlimited
Adjust interest rate risk profile	GMC delegating to F&AM each adjustment individually signed off by the GMC	Fixed/floating ratio between 50% and 95% Fixed rate maturity profile limit as per risk control limits
Managing funding maturities in accordance with Council approved facilities	GMC/F&AM	Per risk control limits
Maximum daily transaction amount (borrowing, investing, interest rate risk management)	Council GMC F&AM (delegated by the GMC) Funds Accountant (delegated by the GMC)	Unlimited \$50 million \$15 million \$5 million (limited to daily cash management)
Authorising lists of signatories	GMC	Unlimited
Opening/closing bank accounts	GMC	Unlimited
Annual review of policy	F&AM	N/A
Ensuring compliance with policy	F&AM	N/A

5.5 Liquidity Policy

The objective of the liquidity policy is to ensure adequate financial resources are available to Council to meet all obligations as they arise.

The purpose of the Liquidity Policy is to analyse Council's cash flows, in both the short and long-term for all perceived requirements and contingencies, and arrangement of suitable sources of liquid resources.

5.5.1 Policy

Liquid resources are defined as:

- unencumbered financial assets which can readily be converted to cash in a short space of time to the best interests of Council; and
- un-drawn committed or standby facilities which can be accessed in a suitable timeframe.

There are three aspects to liquidity management:

- short-term operational liquidity management, to be monitored and controlled through daily cash management activities;
- long-term operational liquidity management, to be monitored and controlled through long-term financial planning; and
- contingency crisis management, to be monitored through the long-term and short-term planning process and arrangement of liquidity sources sufficient to meet worst case scenarios.

Council requires a minimum level of surplus liquidity to meet unexpected cash expenditure or revenue shortfall. Liquidity should be flexible enough to manage the rate payment cycle.

5.5.2 Committed Bank Facilities

To ensure the ongoing funding of Council and to manage funding risk (and hence liquidity), it is important that Council obtain committed bank facilities to ensure that sufficient funds can be called upon when required. This form of borrowing would usually be secured through the issuing of a security stock certificate under the Debenture Trust Deed. Committed borrowing facilities plus term debt will be maintained at 10 per cent above the existing net debt amount including working capital. This is deemed to include the value and terms of credit from suppliers including leases, hire purchase and deferred payments agreements.

Council is not permitted to have borrowings from uncommitted bank facilities greater than unutilised committed bank facilities at any one point in time (i.e., used uncommitted facilities are not to exceed unused/available committed facilities).

A list of authorised counterparties is required. This list is approved by the Chief Executive Officer and any additions or deletions to this list require approval.

5.6 Counterparty Credit Risks

Counterparty credit risk is the risk that a party to a transaction will default on its contractual obligation. A counterparty credit risk is incurred whenever Council enters a transaction with a third party, which requires the third party to make a payment to Council. The degree of counterparty credit risk will vary according to the perceived creditworthiness of the counterparties.

The qualifying criteria for lenders on the approved list are that they must meet a minimum credit rating criteria, where appropriate. The counterparty credit limits are as follows:

Credit/Issuer/Authorised Counterparty	Minimum Long-term Credit Rating	Investments maximum per credit (\$m)	Interest Rate Risk management instrument maximum per credit (\$m)	Total maximum counterparty Limit per credit (\$m)
NZ Government	A -	unlimited	none	unlimited
State Owned Enterprises	A -	5	none	5
NZ Registered Banks	A -	***	***	15
ANZ Banking Group	AA -	***	***	15
ASB Bank	AA -	***	***	15
Bank of New Zealand	AA	***	***	15
Deutsche Bank AG	AA -	***	***	15
National Bank of New Zealand	A +	***	***	15
Westpac Banking Corporation	AA -	***	***	15
Corporate Bonds	A -	2*	None	2.
Christchurch International Airport	A	2	None	2
Fonterra	AA -	2	None	2
Ports of Auckland	A	2	None	2
Auckland International Airport	A +	2	None	2
Telecom Corporation of New Zealand Limited	A	2	None	2
Watercare	A +	2	None	2
Local Government Stock	A - (if rated) unrated	5** 2	none none	5 2
Local Authority Bond Trust	unrated	2	None	2
Local Government Finance Corporation	unrated	5	None	2
Members of Austraclear	n/a	none	None	none

- * Subject to a maximum of \$20m investment in corporate bonds/CP at any one point in time.
- ** Subject to a maximum of \$25m investment in Local Government stock at any one point in time, including Local Government Finance Corporation and Local Authority Bond Trust.
- *** These counterparty limits are interchangeable between investments and interest rate risk management instruments within the maximum counterparty limit.

Any changes to the above named counterparties must be approved by the Chief Executive Officer.

In determining the usage of the above gross limits, the following product weightings will be used:

- Money Market (e.g., Bank Deposits) – Transaction Notional x Weighting 100%
- Interest Rate Risk Management (e.g., swaps, FRAs) – Transaction Notional x Maturity (years) x 4%

Each transaction is entered into a reporting spreadsheet and a monthly report prepared for the Finance and Administration Manager to show assessed counterparty actual exposure versus limits.

The Finance and Administration Manager on an ongoing basis reviews ratings and in the event of material credit downgrades, this is immediately reported to the General Manager Corporate and the Chief Executive Officer and assessed against exposure limits. Counterparties exceeding limits are reported to Council.

Risk Management

To avoid undue concentration of exposures, a range of financial instruments must be used with as wide a range of counterparties as possible. The approval process to allow the use of individual financial instruments must take into account the liquidity of the market the instrument is traded in and re-priced from.

5.6.1 Settlement Risk

Counterparty settlement risk is also incurred when a transaction is settled. Whenever there is a physical exchange of cash or securities, Council is at risk that the counterparties cheque will not be honoured or the securities will not be legally transferred.

To avoid settlement risk, Council will require that all settlements are to be made by bank cheque or directed through Austraclear (a Reserve Bank operated facility), to an account in the name of Hamilton City Council. Austraclear is a real-time trade matching, transfer, clearance and settlement system for securities. Once ownership of the security and the ability to pay controls have been checked, the transfer is irrevocable. Transactions are not accepted by the system unless the paying member has sufficient credit provided by their banker within the system to allow the transaction to be completed.

There does still remain a bank-to-bank risk, hence counterparty limits need to be maintained. Transactions will only be entered into with those institutions on the approved counterparty list.

Council is an Associate Member of Austraclear. Should Council be approached by an investor who is not listed in the counterparty list, or is not a member of Austraclear, the General Manager Corporate has the delegated authority to approve such Counterparties on a transaction by transaction basis, with subsequent reporting to Council.

5.7 Debt Repayment Policy

The objective of the debt repayment policy is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.

The purpose of the debt repayment policy is to provide a framework by which Council can manage its financial commitments for debt, through the establishment and maintenance of financial reserves and a suitable debt maturity profile.

5.7.1 Debt Repayment Policy

Debt repayment shall be budgeted to be 4 per cent of the opening balance of net debt (excluding internal borrowing). Debt repayment will include sinking fund interest earned on accumulated sinking funds, but to exclude lump sum debt repayments from asset sales. Opening debt balance will be adjusted down for any lump sum debt repayments from asset sales in the budgeted year.

Funds derived from the disposition of assets or investments (other than vehicles and light plant) are to be utilised for the purpose of repayment of debt as set out in Section 4.7.

5.7.2 Cost of Capital Policy

The liability policy is based on balance sheet funding, with all borrowings or debt deemed to be corporate debt. Debt repayments will be made from revenue. The cost of capital is to be spread over significant services on the basis of the book value of land and buildings employed, except where Council has provided for the costs to be recovered from specific activities (refer Statement of Accounting Policies and Revenue and Financing Policy (Capital Expenditure Policy)).

5.8 Security Policy

The objective of the security policy is to ensure that Council is able to provide suitable security to lenders and investors, while retaining maximum flexibility and control over assets.

The purpose of the security policy is to establish a mechanism through which Council is able to monitor any security given.

All of Council's loans and interest rate risk management instruments will be secured by way of a charge over Council's rates and rates revenue, unsecured, or secured by way of charge over physical assets.

A charge on Council's rates and rates revenue will be granted in favour of a trustee. The trustee will hold the benefit of the charge for all parties to whom Council grants

the benefit of the rates security under a debenture trust deed. Council will engage a trustee, a registrar, paying agent and advisors from time-to-time to act under the debenture trust deed.

Other security may be given under certain circumstances.

Physical assets will be pledged only where:

- there is a direct relationship between the debt and the asset purchase or construction (e.g., operating lease, or project finance);
- Council considers a pledge of physical assets to be appropriate; and
- the Finance and Administration Manager ensures that the required register of charges and any associated documents are provided, filed and kept in accordance with the Local Government Act 2002 and the Securities Act 1978.

5.9 Foreign Exchange Risk Management Policy

Council does not incur large, ongoing, foreign exchange risks in a trading/operating sense, although regular foreign exchange transactions are made for the purchase of items such as library books, subscriptions and seeds. However, from time-to-time large 'one-off' imports such as the purchase of machinery do result in foreign exchange exposures.

The policy is as follows:

- Council cannot borrow in foreign currencies (see Section 113 of the Local Government Act 2002).
- All foreign exchange transactions over \$20,000 must be reported to the Funds Accountant prior to the placement of a firm order/signing of sale and purchase contract.
- Prior to the placement of a firm order/signing of sale and purchase contract, Council is not allowed to enter forward exchange contracts, but may purchase currency options as an insurance protection over the period leading up to the firm order. The option term may be no longer than three-months. The purchase of the option is to be approved by the Finance and Administration Manager. If the order does not go ahead, the only loss is the premium paid up front in cash. If a forward contract is entered and the plant purchase does not take place, the potential loss on the unneeded forward contract is unlimited and unknown.
- Within seven-days of an order being placed with an overseas supplier of \$25,000 or greater, a minimum of 75 per cent of the foreign currency exposure is to be covered forward by way of forward exchange contracts. The remaining 25 per cent may be left open to gain from any favourable trend in the market, but must be covered within three-months of the firm order.
- All foreign currency forward contracts and option contracts are only to be entered into with banks on the approved counterparty list.
- The Funds Accountant in consultation with the Finance and Administration Manager will decide whether or not to cover transactions under \$25,000.
- In reviewing compliance with counterparty limits, foreign exchange forward contracts will be given a weighting equivalent to 10 per cent of contract value.

5.10 Reporting

For reporting on the Liability Management Policy, the following reports will be completed and presented to Council's Strategic Policy and Planning Co-ordination Committee through each quarterly meeting cycle:

- Funding Facilities Report/Liquidity Report
- Financial Instrument Contracts Report
- Cost of Funds Report
- Summary of Funding and Interest Rate Risks
- Actual and Forecast Debt (current year)
- Debt Performance Targets Report
- Funding Summary (Financial Overview).

5.11 Performance Targets

The table below summarises the performance targets set for the funding policy.

Objective	Target
To manage interest rate risk exposure.	Minimum (50%) and maximum (95%) level of fixed borrowing is not exceeded.
To maintain debt within specified limits and ensure adequate provision for repayments to maintain adequate liquidity.	<p>Net city debt does not exceed 15% of total ratepayers' equity.</p> <p>Net city debt does not exceed 150% of total income for the year.</p> <p>City debt interest payments do not exceed 15% of the total income for the year.</p> <p>City debt interest payments do not exceed 20% of the rating income for the year.</p> <p>Liquidity ratio to exceed 110%. Liquidity ratio defined as:</p> <p>Committed borrowing facilities plus term debt is maintained at 10% above the existing net debt amount including working capital requirements.</p> <p>Net city debt does not exceed \$1,500 per capita.</p>
To maintain security for public debt by way of a charge over rates through the Debenture Trust Deed, or registered mortgage over specific assets.	Security documentation is reviewed to ensure compliance.
To ensure that transactions involving foreign currency exceeding \$25,000 in value are hedged by way of forward cover contracts.	Compliance with this policy is monitored by reviewing payments in foreign currency.

6.0 Rating Policy

6.1 Objective

The objective of the Rating Policy is to develop a system, which reflects the following attributes:

- Effectiveness to meet Council's goals, which takes into account the community needs for environmental, economic and social issues.
- Efficiency, in that resources are allocated to best advantage for the benefit of the community.
- Equity, reflecting the accounting principles: ability to pay principle and the benefit principle.
- Simplicity through low cost administration and implementation.
- Transparency, in that the policy is clear and readily understandable.
- Spread the incidence of rates as fairly as possible.
- Be consistent in charging rates.
- Ensure all ratepayers pay their fair share for Council services.
- Provide the income to meet the goals.

The Rating Policy should be read in conjunction with the summary of the Council's Revenue & Financing Policy (Section 2), and the Funding Impact Statement (Section 3).

At various points of this policy summary a level of rate or charge is specified. These are included to give ratepayers an opportunity to calculate their rates in the year covered by this Plan.

6.2 Background

Rates are assessed under the Local Government (Rating) Act 2002, on all rateable rating units on the land value supplied by Quotable Value New Zealand Limited.

6.3 Rating Systems

There are three rating systems available to local authorities under Section 13 of the Local Government (Rating) Act 2002 for the general rate.

Annual Value

These values are based on the rent for which a particular property could be let from year-to-year, with a minimum of 5 per cent of the capital value.

Capital Value

These values are based on the market value of the property, including improvements.

Land Value

These values are based on the market value of land.

6.4 Differential Rating

Differential rating is the system on which rates are made. It is a means where rates assessed on one or more groups of property that may vary from those assessed in respect to others. Under Council's current policy the impact of rating on a differential basis is primarily to shift the rates assessed off residential properties onto other sectors in the community based on funding considerations outlined in the Revenue and Financing Policy.

6.5 Types of Rates

General Rate

Is a rate in the dollar assessed on all rateable rating units.

Targeted Rate

May be set on a uniform basis for all rateable land or only on some categories of rateable land either uniformly or differentially for different categories of rateable land under Sections 16 & 17 of the Local Government (Rating) Act 2002.

Uniform Annual General Charge

Is a fixed amount per rating unit or separately used or inhabited part of a rating unit applied equally to all rateable properties.

6.6 Maximum Uniform Annual Charge Revenue

By law, rating revenue from uniform annual general charges and uniform per property targeted rates (except those for water and wastewater services) cannot exceed 30 per cent of the total rates revenue.

Council has resolved not to assess uniform annual general charges (UAGCs) or targeted rates except for:

- a targeted rate for non-domestic water supply under Section 19(2)(b) and Clause 7 of Schedule 3 of the Local Government (Rating) Act 2002;
- three targeted rates on a differential basis for 100% (fully) non-rateable properties for water supply, refuse and wastewater under Sections 8, 9 & 16(3)(b) and Schedules 2 & 3 (Clauses 3, 7 & 8) of the Local Government (Rating) Act 2002; and
- two targeted rates for Temple View properties for the financing costs of existing Temple View loans transferred from the Waipa District Council, under Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002.
- four targeted rates on a differential basis for 50% non-rateable properties for water supply, refuse and wastewater in accordance with Sections 16(1), 17 & 18 of the Local Government (Rating) Act 2002

Council resolved for 2004/05 to retain its existing rating system and in addition to the targeted rates listed above, to levy general rates under the land value rating system (with differentials).

6.7 Rating System

The following sub-sections describe in detail the Council's rating system.

6.7.1 General Rate

The general rate under Section 13 of the Local Government (Rating) Act 2002 is set based on the rateable value of the land. The rateable value is the land value of the land. General rates are set at different rates in cents per dollar of rateable value for different categories of rateable land, as described below under the heading "General Rate - by Differential".

6.7.2 General Rate - by Differential

The differential basis is based on the use to which the land is put.

For 2004/05 Council has set a general rate based on the land value of each rating unit in the City. The existing six sectors were retained because each has clearly defined patterns of benefit. Council will introduce a new differential category for 2004/05 rating year called Rural Residential. This will be for residential properties in rural areas where they receive the core services of wastewater, water and refuse but do not receive stormwater, traffic/streetlighting or footpaths services.

Council have resolved for 2004/05 to determine the rate allocation between categories of properties on a differential factor, rather than in previous rating years focus on the differential yield/percentage allocation of rates between sectors. The differential will be expressed as a factor, such as the commercial rate in the dollar is 2.00 times that of the residential sector, which is a commercial differential factor of 2.00. Determining the final rate allocation on a differential factor will provide a simpler mechanism to adjust for property movements between categories, as the resulting amendments to cost allocations will be automatically adjusted for in the calculation of the rates split. The use of a differential factor also makes the allocation of rates to each rating category more transparent.

In setting the budget for the 2004/05 year, Council has approved an overall increase in the total general rates of 4.30%, with the increase to existing ratepayers estimated at 1.79%.

For the 2004/05 general rate, the categories of rateable land, the differential factor (compared to residential rates) and the rate in the dollar of land value, are as shown in the table below.

This funding mechanism covers all the services of Council. The total revenue sought for 2004/05 is \$73.138 million (excluding GST) or \$82.281 (including GST).

Sector	Current Differential Factor	Differential Factor 2004/05	Rate in Cents per Dollar of Land Value for 2004/05
Residential	1.00	1.00	1.7600
Inner City Residential Apartments	0.94	0.92	1.6237
Commercial/Industrial	2.32	2.00	3.5200
Multi-Unit Residential	1.49	1.50	2.6400
Rural Residential	-	0.70	1.2320
Rural Small (< 10 hectares)	0.52	0.41	0.7168
Rural Large (> 10 hectares)	0.27	0.18	0.3168

6.7.3 Category Definitions - General Rate Differential

Each rating unit is allocated to a differential rating category (based on the land use) for the purpose of calculating the general rate. Set out below are the definitions used to allocate rating units to categories.

Category A - Residential and Other

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category B or Category C; or
- (ii) 2,000 square metres or less in area, used solely or principally for rural purposes, which receive full water and wastewater services from the Council; or
- (iii) The residential portion of a property which is used for both residential/commercial use, ie, small business operated from residential properties; or
- (iv) Not otherwise categorised in this special order.

Category B - Inner City Residential Apartments

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households, excluding properties categorised as Category C; and
- (ii) Located within the CBD where the Council cannot provide a household refuse collection service.

Category C - Commercial/Industrial

All separately rateable properties -

- (i) Used solely or principally for commercial or industrial purposes, but excluding properties categorised as Category F or G; or
- (ii) Used solely or principally for commercial residential purposes, including, but not limited to, hotels, boarding houses, resthomes, motels, residential clubs, hostels; or
- (iii) The commercial portion of the property, which is used for both commercial/residential use, ie, small business, operated from residential property.

Category D - Multi-Unit Residential

All separately rateable properties used solely or principally for residential purposes as the home or residence of three or more households, but excluding properties categorised as Category C.

Category E - Rural Residential

All separately rateable properties -

- (i) Used solely or principally for residential purposes as the home or residence of not more than two households; or
- (ii) Receive all the services of a residential property apart from stormwater, footpaths and traffic/streetlighting services.

Category F - Rural Small Holding

All separately rateable properties less than 10 hectares in area, used solely or principally for rural purposes, excluding properties categorised under paragraph (ii) of Category A or Category E.

Category G - Rural Large Holding

All separately rateable properties over 10 hectares in area, which are used solely or principally for rural purposes.

For categories A, F and G, rural purposes include agricultural, horticultural or pastoral purposes and the keeping of bees or poultry or other livestock.

Note:

Subject to the right of objection in Sections 29 and 39 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the sole use or principal use of any separately rateable property within the district.

6.7.4 Home Occupations

Although home occupations are permitted activities in all residential zones, Council's present differential rating system charges rates on property 'use or uses' rather than zoning (refer to Section 14(b) of the Local Government (Rating) Act 2002).

Currently, those properties used both for residential and commercial purposes have their values apportioned against the different types of use and are rated accordingly. The residential use portion is charged for through Residential rates, and the commercial use portion is charged for through Commercial rates.

For 2004/05 the apportionment of values for different "uses" on the property will occur through the operation of Section 27(5) of the Local Government (Rating) Act 2002.

6.7.5 Uniform Annual General Charge

The effect of a uniform annual general charge is that properties pay the same fixed amount per rating unit or separately used or inhabited part of a rating unit.

The current policy is that no uniform annual general charge be used. Council considered the use of UAGCs for the 2002/03 rating year but resolved not to introduce a UAGC due to their regressive nature, and in particular their impact on the rating of lower valued properties.

6.7.6 Targeted Rates

Council may set a targeted rate for an activity if the activity is identified in its Funding Impact Statement as an activity for which a targeted rate may be applied.

(1) Targeted Rate for Non-Domestic Water Supply

(1a) Pursuant to Section 19(2)(b) and Clause 7 of Schedule 3 of the Local Government (Rating) Act 2002, Hamilton City Council will set and assess the following targeted rate on a differential basis to all rating units supplied with non-domestic water supply (as defined by Hamilton City Council's Water Supply Bylaw 1999) as follows:

- (i) a fixed amount on every separately used or inhabited parts of a rating unit supplied with non-domestic water in accordance with the following scale:
 - \$148 for commercial/industrial properties, non-rateable properties, or other properties with metered supply;
 - \$110 for rural properties receiving a restricted flow supply.
- (ii) a charge per unit of water consumed or supplied on every separately used or inhabited parts of a rating unit in accordance with the following scale:
 - commercial/industrial properties, non-rateable properties, or other properties with metered supply -
62 cents per kilolitre of water supplied after the first 240 kilolitres of consumption or supply;
 - rural properties receiving a restricted flow supply -
46 cents per kilolitre of water supplied after the first 240 kilolitres of consumption or supply.

Properties in the Waikato District Council and Waipa District Council supplied with water under contractual arrangements will be charged at equivalent rates per unit of water, but outside the rating system.

The Targeted Rate - Non-Domestic Water Supply is summarised in the table shown on the next page.

Summary of Targeted Rate - Non-Domestic Water Supply

Category	Rate per Unit of Water (cents per kilolitre)	Minimum Charge	Rates revenue sought (GST exclusive) 2004/05
Non-Domestic Supply Rateable/Non-Rateable City (Commercial/Industrial Properties and Non-Rateable Properties)	62.0 (after the first 240 kilolitres of consumption or supply)	\$148	\$2,075,466
Non-Domestic Supply Rural - Restricted Flow Supply (Rural Large & Rural Small Properties which receive the service)	46.0 (after the first 240 kilolitres of consumption or supply)	\$110	\$18,400
Outside City - (Waipa District Council & Waikato District Council properties)	62.0 (after the first 240 kilolitres of consumption or supply)	\$148	\$716,444
Waikato District Council (supply agreement)	46.0 (after the first 240 kilolitres of consumption or supply)	\$110	\$261,690

(1b) General Information - Targeted Rate for Non-Domestic Water Supply:

Each rating unit, or part of a rating unit, assessed a targeted rate for non-domestic water supply will be charged a rate per unit of water supplied in accordance with the scale of charges above. Where the six monthly consumption is less than 50% of the annual minimum charge, a fixed amount of 50% of the annual minimum charge will be charged to every rating unit or every separately used or inhabited part of a rating unit supplied with non-domestic water.

The charge per unit of water consumed or supplied is on a scale that reflects the difference between City full pressure supply and rural restricted flow supply.

Non-Domestic Supply is defined in the Bylaw as any water supplied for all purposes other than domestic supply (domestic supply is generally limited to City based domestic use).

This funding mechanism covers the Water Supply service. The total revenue sought for 2004/05 is \$3.072 million (excluding GST) or \$3.456 million (including GST).

The revenue from this targeted rate will be applied to fund the operation, and maintenance of capital works, depreciation and financing costs of the water supply service.

The meters will be read twice during the year. The charges will be due and payable in two instalments per year, on receipt of an invoice from the Council.

All amounts stated above include Goods and Services Tax and are for the period commencing 1 July 2004 and ending on 30 June 2005.

(2) Targeted Rate - Temple View Area (for Temple View Loans)

Council have resolved from 1 July 2004 to introduce two targeted rates in the Temple View area (excluding rural properties) to cover the financing costs of existing Temple View loans transferred from the Waipa District Council, assessed on a uniform rate in cents per dollar based on the capital value of the property.

These targeted rates are assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002 as follows:

- A targeted rate - Temple View area (for Temple View wastewater loans), assessable to all Temple View properties excluding rural properties. Targeted Rate of \$0.1762 cents per dollar of capital value.
- A targeted - Temple View area (for Temple View stormwater loans), assessable to all Temple View properties excluding rural and 100% (fully) non-rateable properties (education and church properties). Targeted Rate of \$0.0493 cents per dollar of capital value.

Temple View rural properties are excluded from these targeted rates, as they do not receive the full services for which the loans were originally raised by Waipa District Council.

The Temple View area is defined as those properties that will be incorporated into the Hamilton City Council on 1 July 2004 from the Waipa District Council in accordance with the Order in Council gazetted on the 18 December 2003.

These funding mechanisms cover the financing costs for the Temple View loans transferred from the Waipa District Council. The total revenue sought for 2004/05 is \$156,040 including GST (\$138,702 excluding GST).

6.7.7 Rates Payable by Instalments

The Council provides for rates to be paid in four equal instalments. A ratepayer may elect to pay weekly, fortnightly, monthly by automatic payment through the banking system. Rates can also be paid by direct debit (monthly or quarterly), Internet and other banking methods.

The due dates for rates covering the financial period 1 July 2004 to 30 June 2005 are as follows:

INSTALMENTS

<i>Area</i>	1	2	3	4
North East	09 Sep 2004	25 Nov 2004	24 Feb 2005	26 May 2005
South East	16 Sep 2004	02 Dec 2004	03 Mar 2005	02 June 2005
North West	23 Sep 2004	09 Dec 2004	10 Mar 2005	09 June 2005
South West	30 Sep 2004	16 Dec 2004	17 Mar 2005	16 June 2005

6.7.8 Discounts for Prompt Payment

The Local Government (Rating) Act 2002, Section 55 authorises a council, if it so desires, to allow a discount for prompt payment of rates. There have been few requests for this concession and there is no change to the current policy of no discount.

6.7.9 Rating Penalties

In accordance with Sections 57 & 58 of the Local Government (Rating) Act 2002, a penalty of 10 per cent is added to all rates assessed (GST inclusive balance) or part thereof in the 2004/05 financial year (including general and targeted rates), which are unpaid after the due date for payment. Previous years rates, which remain unpaid, will have a further 10 per cent added on 1 September 2004 and again on 1 March 2005.

6.7.10 Special Rating Values and Farm Postponement Values

The Local Government (Rating) Act 2002 repealed Sections 22-25 of the Rating Valuation Act 1998, which up until this time had provided for special rating values and farm postponement values. As a result, the Valuer General has determined that from 1 September 2003 with effect from the 2004/05 rating year, no special rating values or farm postponement values will be assessed for rating purposes. These were previously assessed as part of the three yearly revaluation.

The effect of the special rating values has generally been to lower the full market value of a property, to reflect the current use of the property (e.g. residential properties in commercially zoned areas are given a lower special value than the otherwise higher commercial value). The effect of the farm postponement values has been to reduce the rateable value of large rural properties on the edge of the City from potential subdivision basis to use as rural properties (eg farms).

The difference between farm postponement values and special rating values is that the rates on special rating value properties are assessed on the lower value each year (hence the rating burden is spread to other ratepayers). The rates assessed on farm postponement value properties are written off in part after the fifth year of that farm being subject to the scheme (hence a five year deferral of the cost of the rates write-off).

Council has resolved from 1 July 2004 to continue assessing rates on special rating values or farm postponement values then rate the properties at their full market value

and remit the rates back to the special value level by adopting a new remission policy and a new postponement policy. The two policies are outlined below as the Rates Remission - Special Rating Values Policy and Rates Postponement - Farm Postponement Values Policy.

6.7.11 Remission and Postponement Policies

In accordance with Sections 85 & 87 of the Local Government (Rating) Act 2002 and Sections 102(5), 109 & 110 of the Local Government Act 2002, Council will remit and postpone rates as set out in the Rates Remission and Rates Postponement Policies as listed below:

Policy 1

Rate Remissions - Remission of Penalties

Council's current policy is that additional charges by way of penalty may be applied in accordance with Sections 57 & 58 of the Local Government (Rating) Act 2002. These penalties may be remitted in accordance with Section 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002 under the following criteria:

- Remission may be granted where payment has been received after the date fixed for imposition of a late penalty charge, provided that none of the previous four instalments were similarly received late.
- Remission may be granted where a ratepayer either:
 - (a) makes satisfactory arrangements for regular and substantial reduction of arrears. (These arrangements are to include the remission of late penalty charges as long as such arrangements are fully met) or,
 - (b) provides sufficient information which, if considered genuine and if substantiated with reasonable excuse for late payment, would justify remission for late penalty charges.

A written application for remission is normally required. The practice of a penalty for non-payment of rates by due date is an accepted standard practice for local authorities.

Policy 2

Rates Remission - Hardship Relief

Section 109 of the Local Government Act 2002 and Section 85 of the Local Government (Rating) Act 2002 provides for Council to remit part of the rates owing on the rating unit in cases of extreme hardship. Council has approved a Rates Remission - Hardship Relief Policy based on the following criteria:

- (i) Ratepayers must apply to Council in writing to be considered for a remission.
- (ii) The maximum remission under the Rates Remission - Hardship Relief Policy is \$300.

- (iii) The application will be assessed independently from the Government Rates Rebate Scheme.
- (iv) For the purposes of calculating the remission the basic allowable income factor will be set at \$10,000.
- (v) The following essential elements must be met before any remission is granted:
 - the applicant must be the owner of the property, the applicant must reside at the property and the property must be classified as either a residential or inner city residential apartment. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission;
 - Council must be satisfied that extreme financial hardship on any individual exists or would be caused by requiring payment of the whole or part of the rates;
 - the applicant must declare total household income and their total financial position for the purposes of the remission calculation;
 - the applicant's total assets must not exceed the "total assets" formula described in the Rates Remission - Postponement due to Financial Hardship Policy;
 - all applications for rates remission be treated on a case-by-case basis and approved/declined by the General Manager Corporate;
 - Council shall consider whether postponement of rates is a more suitable option.

Policy 3

Rates Postponement - Postponement due to Financial Hardship

Section 110 of the Local Government Act 2002 and Section 87 of the Local Government (Rating) Act 2002 provides for Council to postpone rates in cases of extreme hardship. Postponed rates are a charge against the property and must be paid either at the end of the postponement term or when the property is sold, whichever is the earlier. A delegated authority has been granted to the Chief Executive to decide on qualifying cases within the policy guidelines.

The objective of the postponement policy is to provide a measure of rating relief to property owners where the full payment of rates would otherwise cause financial hardship. The policy criteria for relief to be granted include that:

- the ratepayer is the property owner and the property is used (solely) as the permanent place of residence, and
- the applicant's total assets and household income fall within certain defined minima.

The relief formula sets the minimum rates payable on the property at \$625 plus at least one third of the balance assessed. The amount of relief (potentially the remaining two thirds) is abated by \$1 for every \$20 of household income that exceeds Council's current household income limit of \$13,375. The completion of an application is required for each year of postponement.

The relief formula be indexed for movements in the CPI on an annual basis.

This system complements the rates rebate programme and other schemes run by Government and Voluntary Organisations.

The current policy and the provisions of the Local Government (Rating) Act 2002 appear to be adequate and acceptable to the community.

Policy 4

Remission and Postponement of Rates on Maori Freehold Land

Council's current policy is that a remission of all or part of rates may be granted in respect of rating units which are Maori freehold land in multiple ownership, where the land is both unoccupied and unproductive.

The objective of this policy is to recognise situations where there is no occupier, no economic or financial benefit is capable of being derived from the land, and there is no practical means of enforcing the rates assessed.

Council's Remission and Postponement of Rates on Maori Freehold Land Policy addresses the requirements prescribed under Section 108 and Schedule 11 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002.

The full policy is available upon request.

Policy 5

Rates Remission - Special Rating Values

As from 1 July 2004, in accordance with Section 109 of the Local Government Act 2002, Council may remit rates under Section 85 of the Local Government (Rating) Act 2002 based on the following conditions and criteria:

- (a) That no properties be provided a special rating value other than those properties assessed on this basis at 1 July 2003.
- (b) That special rating values are assessed by Quotable Value NZ as part of the three yearly revaluation.
- (c) That a special rating value will be assessed where a property use either:
 - (i) does not match the zoning of the property; or
 - (ii) is a permitted use within the property zoning but the property is not utilised to its potential.
- (d) That where a property is no longer eligible to receive a special rating value (in accordance with the definitions in (c) above), or where a property is sold after 1 September 2003, and where a special rating value exists on the Rating Information Database, the special rating values will be removed immediately for rating purposes.

The effect of the Rates Remission – Special Rating Values Policy is to remit rates on qualifying properties from being calculated on the full market value to the special rating value.

Policy 6

Rates Postponement - Farm Postponement Values

As from 1 July 2004, in accordance with Section 110 of the Local Government Act 2002, the Council may postpone rates under Section 87 of the Local Government (Rating) Act 2002 based on the following conditions and criteria:

- (a) That no properties be provided a farm postponement value other than those properties assessed on this basis at 1 July 2003.
- (b) That farm postponement values are assessed by Quotable Value NZ as part of the three yearly revaluation.
- (c) That a farm postponement value will be assessed where a property use meets the criteria as defined in Section 22 of the Rating Valuation Act 1998 (now repealed).
- (d) That where a property is no longer eligible to receive a farm postponement value (in accordance with the definition c) above), or where a property is sold after 1 September 2003, and where a farm postponement exists on the Rating Information Database, the farm postponement values will be removed immediately for rating purposes.

The effect of the Rates Postponement - Farm Postponement Values Policy is to postpone rates on qualifying properties based on the difference of rates calculated between the full market value and the farm postponement value.

6.7.12 Rates Relief - 50% Non-Rateable Land Policy

Council has introduced a new relief policy for land that is 50% non-rateable which is used for the purposes of either a community organisation (arts based), a sporting and cultural organisation (income under \$500,000), or any land defined within Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, in accordance with Section 16(1), 17 & 18 of the Local Government (Rating) Act 2002. The effect of this relief policy is to give properties in this category a further relief (in addition to the mandatory 50% of the residential general rate) by way of new differentials.

(Refer to Sections 6.7.13, 6.7.18 & 6.7.19 for more detail on the new differentials and policy definitions).

6.7.13 Rating of 100% (fully) Non-Rateable Land and 50% Non-Rateable Land - General Description

Council rates a number of categories of non-rateable land assessed under the Local Government (Rating) Act 2002. These categories are split into two separate groups:

- (i) those properties which are 100% (fully) non-rateable (excluding water, refuse and wastewater rates):
 - Educational Institutions
 - Churches (place of worship)
 - Community Organisations (Need Based)

- any land which falls within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002, eg Health Services (public hospitals and related services), and
- (ii) those properties which are 50% non-rateable (excluding water, refuse and wastewater rates):
 - Community Organisations (Arts Based)
 - Sporting & Cultural Organisations (with income under \$500,000 income)
 - any land which falls within Part 2 of Schedule 1 of the Local Government (Rating) Act 2002

Where the land is 100% (fully) non-rateable, three targeted rates will be set and assessed on a differential basis for water supply, waste collection (refuse), and sewerage disposal (wastewater), in accordance with Sections 8, 9 & 16(3)(b) and Schedules 2 & 3 (Clauses 3, 7 & 8) of the Local Government (Rating) Act 2002. These funding mechanisms cover the Water, Refuse and Wastewater services. The total revenue sought for 2004/05 is \$349,900 including GST (\$311,000 excluding GST).

Where the land is 50% non-rateable as defined under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, rather than assess the existing three targeted rates for water, refuse and wastewater, Council must rate these properties at 50% of the residential general rate (mandatory rates). Council has resolved to introduce a Rates Relief - 50% Non-Rateable Land Policy, in accordance with Sections 16(1), 17 & 18 of the Local Government (Rating) Act 2002, to give properties in this category a further relief by way of new differentials, which bring the rates assessed close to the existing level of rates assessed in 2003/04. These funding mechanisms cover all the services of Council. The total revenue sought for 2004/05 is \$47,700 including GST (\$42,400 excluding GST).

6.7.14 Rating of Educational Institutions - 100% (fully) Non-Rateable

Definition

Educational Institutions are defined in Clause 6 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002.

The current policy is as follows:

- that all educational institutions (including private schools and tertiary institutions in accordance with the definition as outlined above) be rated for general rates on the same basis. Under the current legislation this means that no general rates will be chargeable;
- that these properties be charged by way of three targeted rates for the full cost of water, refuse and wastewater services supplied, and charged at a rate in cents per dollar on the land value of the property;
- that there be a minimum charge for each service;
- that all educational institutions operating for private pecuniary profit will be rated at full commercial/industrial rates.

6.7.15 Rating of Churches (Place of Worship) - 100% (fully) Non-Rateable

Definition

Land and buildings that are to be used as a place of religious worship (Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) not including associated rooms, halls or buildings which are used for meetings, accommodation and preparation of food. These are classified under the community organisations' category.

The current policy is as follows:

- that these properties be charged by way of three targeted rates for the full cost of water, refuse and wastewater services supplied, discounted by 66.6% on the basis that the services are primarily used on one day of the week, and charged at a rate in cents per dollar on the land value of the property;
- that there be a minimum charge for each service.

6.7.16 Rating of Community Organisations (Need Based) - 100% (fully) Non-Rateable

Definition

Community Organisations - Need Based (as defined in Clause 21 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002) with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed.

(Refer: A Good Practice Guide, LGNZ, January 2000, page 20).

The current policy is as follows:

- that these properties be charged by way of three targeted rates for the full cost of water, refuse and wastewater services supplied, discounted by 40% on the basis that these organisations are of a charitable nature, and charged at a rate in cents per dollar on the land value of the property;
- that there be a minimum charge for each service.

Any land (other than educational institutions, churches (place of worship), or community organisations - need based) defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be rated the same as a community organisation (need based).

6.7.17 Targeted Rates for 100% (fully) Non-Rateable Properties

To give effect to the foregoing policies on the rating of 100% (fully) non-rateable properties, the Council will set and assess the following targeted rates:

Non-Rateable Water Targeted Rate

A targeted rate for water on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$148 per rating unit, or separately used or inhabited part of a rating unit; and

- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
- Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$148 per property), which is estimated to be 0.2424 cents in the dollar;
 - Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$49 per property), which is estimated to be 0.0809 cents in the dollar;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$89 per property), which is estimated to be 0.1454 cents in the dollar.

Non-Rateable Refuse Targeted Rate

A targeted rate for refuse on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$90 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
- Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$90 per property), which is estimated to be 0.1638 cents in the dollar;
 - Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.0547 cents in the dollar;
 - Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$54 per property), which is estimated to be 0.0983 cents in the dollar.

Non-Rateable Wastewater Targeted Rate

A targeted rate for wastewater on all 100% (fully) non-rateable properties as follows:

- (a) a fixed amount of \$50 per rating unit, or separately used or inhabited part of a rating unit; and
- (b) a rate in cents in the dollar on the land value to achieve the following differentials:
- Educational Institutions - the rate in cents per dollar required to meet this sector's proportion of the full cost of the wastewater services (after

allowing for the total revenue raised by the fixed amount of \$50 per property), which is estimated to be 0.2698 cents in the dollar;

- Churches (Place of Worship) - the rate in cents per dollar required to meet 33.3% of the sector's proportion of the full cost of the service (after allowing for the total revenue raised by the fixed amount of \$17 per property), which is estimated to be 0.0901 cents in the dollar;
- Community Organisations (Need Based) (and any other land defined within Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 not including churches (place of worship) or education institutions) - the rate in cents per dollar required to meet 60% of this sector's full cost of the service (after allowing for the total revenue raised by the fixed amount of \$30 per property), which is estimated to be 0.1619 cents in the dollar.

Notes:

These targeted rates apply only to properties which are 100% (fully) non-rateable in terms of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 and only to those properties supplied with the relevant service.

To calculate each sector's proportion of the cost of each service, the total cost of the service for the relevant year is multiplied by the proportion that the total rateable value of the sector bears to the total rateable value of the City.

6.7.18 Targeted Rates for Community Organisations (Arts Based) - 50% Non-Rateable

Definition

Community Organisations (Arts Based) (as defined in Clause 3 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002) with a not-for-profit status, existing to deliver social benefits to the community where neither government nor business is best or appropriately placed.

(Ref: A Good Practice Guide, LGNZ, January 2000, page 20).

The new rates relief policy is as follows:

Land in the category of Community Organisations (Arts based) - 50% non-rateable will receive a further relief (in addition to 50% general residential mandatory rates) in the form of a lower rate in the dollar of all relevant rates in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate in cents in the dollar on the land value) based on the services provided to these properties:

- (i) Wastewater only (metered water and no refuse collection) - charge 18% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 9% of the general residential rates, which is estimated to be 0.1584 cents in the dollar on the land value.
- (ii) Wastewater & Refuse (metered water) - charge 31% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 15.5% of the general residential rates, which is estimated to be 0.2728 cents in the dollar on the land value.
- (iii) Wastewater, Water & Refuse - charge 58% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 29% of the

general residential rates, which is estimated to be 0.5104 cents in the dollar on the land value.

- (iv) Wastewater & Water (no refuse collection) - charge 39% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 19.5% of the general residential rates, which is estimated to be 0.3432 cents in the dollar on the land value.

Community Organisations (Arts Based) with more than three separately used or inhabited parts of one rating unit will be rated at the 50% general residential mandatory rates, and receive no further rates relief.

Unless otherwise stated, any land:

- which is entitled to a 50% rates exemption under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002; but
 - to which the rates relief policies for Community Organisations (Arts based); and Sporting and Cultural Organisations do not apply;
- will be rated in accordance with the rates relief policy for Community Organisations (Arts Based) - 50% non-rateable.

6.7.19 Targeted Rates for Sporting and Cultural Organisations - 50% Non-Rateable

Definition

An organisation whose principal object is to promote games, sports, recreation, arts or instructions, for the benefit of residents or any group or groups of residents of the district, not for private pecuniary profit in accordance with the definition provided in Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

The new rates relief policy is as follows:

That these properties be classified into two categories based on gross annual income received by these organisations.

Category 1

Land in the category of Sporting and Cultural Organisations - 50% non-rateable, where the organisation has a gross annual income of less than \$500,000, will receive a further relief (in addition to 50% general residential mandatory rates) in the form of a lower rate in the dollar in excess of the amounts specified below. The relief policy is to create four new rating differentials (with a rate in cents in the dollar on the land value) based on the services provided to these properties:

- (i) Wastewater only (metered water and no refuse collection) - charge 18% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 9% of the general residential rates, which is estimated to be 0.1584 cents in the dollar on the land value.
- (ii) Wastewater & Refuse (metered water) - charge 31% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 15.5% of the general residential rates, which is estimated to be 0.2728 cents in the dollar on the land value.

- (iii) Wastewater, Water & Refuse - charge 58% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 29% of the general residential rates, which is estimated to be 0.5104 cents in the dollar on the land value.
- (iv) Wastewater & Water (no refuse collection) - charge 39% of mandatory rates (which is 50% of general residential rates). Therefore these properties are paying 19.5% of the general residential rates, which is estimated to be 0.3432 cents in the dollar on the land value.

Sporting and Cultural Organisations (with income under \$500,000) with more than three separately used or inhabited parts of one rating unit will be rated at the 50% general residential mandatory rates, and receive no further rates relief.

Category 2

No further relief will apply to land in the category of Sporting and Cultural Organisations - 50% non-rateable with a gross annual income of \$500,000 or over in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

6.7.20 Rating of Utility Companies

The result of the recent High Court decision in the *Telecom v Auckland City Council* case confirmed that telecommunication utilities were separate rateable properties.

Council, in conjunction with the other territorial local authorities within the Waikato region, engaged a valuation consultant and these utility valuations have been entered on the District Valuation Roll.

While valuation under capital value is possible, legal advice received advises that there is no land value component in these valuations. This means Council will be unable to rate these utility properties for the 2004/05 rating year.

6.7.21 Cap on Residential Rates

Council has confirmed the legal position that a cap cannot be used. However, it is lawful for rates on residential properties to be assessed on a stepped differential basis according to land value. The lowest rate should not be at zero per cent.

Current policy is that there be no cap on residential rates.

6.7.22 Review of Rating System and Differentials

The current Council policy is that the rating system and the differential system be reviewed every three years.

Council reviewed its rating system for the 2004/05 rating year and decided to retain the land value general rating system with differentials for the general rate for the 2004/05 rating year.

Council has also resolved to charge targeted rates as follows:

- a targeted rate for non-domestic water supply

- three targeted rates on a differential basis for 100% (fully) non-rateable properties for water supply, refuse and wastewater
- two targeted rates for the Temple View Area (for Temple View Loans), for the financing costs of existing Temple View loans transferred from the Waipa District Council.
- four targeted rates on a differential basis for 50% non-rateable properties for water supply, refuse and wastewater

Council has resolved not to levy any uniform annual general charges.

Council has reviewed the general rating differential between property sectors, and this has been changed for the 2004/05 financial year to be based on a differential factor rather than on the differential yield/percentage allocation of rates between sectors. Determining the final rate allocation on a differential factor will provide a simpler mechanism to adjust for property movements between categories, as the resulting amendments to cost allocations will be automatically adjusted for in the calculation of the rates split.

Council has made a recommendation to the new Council that will be elected in October 2004 that they establish a process to work with key organisations in the community to discuss the rating system, and the impact and incidence of rates on various sectors of the community. Council recommend the rating review commence in July 2005 with the review to be concluded by February 2006, as part of the development and consultation for the Community Plan 2006-16. Council consider that key organisations could include a selection of rating stakeholders from the various sectors of the rating system (i.e. residential, commercial, industrial). The new Council (to be elected in October 2004) will consider the recommendation to establish a process to work with key organisations in the community to discuss the rating system, and the terms of reference of such a process, at a Council meeting in early 2005.

6.7.23 Temple View Rating

Temple View will be incorporated into Hamilton City from 1 July 2004. A detailed analysis has been completed to determine the ongoing budget impact of Temple View being included in the City. The outcome of this analysis is additional operating costs and some one-off projects. Negotiations have also been held with the Waipa District Council over the incorporation process, and more specifically the financial arrangements between the two Councils.

Hamilton City Council's efforts in negotiation with staff from Waipa District Council have focused on three aims, these being:

- (i) Achieving a rate take from Temple View that will meet the on-going operating costs of the area.
- (ii) Receive a financial contribution from Waipa District Council towards one-off incorporation costs.
- (iii) Having the total rate take for the Temple View area as being as close to neutral as possible, between what was paid in 2003/04 to Waipa District Council and Hamilton City Council (for water-by-meter) and what will be paid to Hamilton City Council in 2004/05.

Following negotiations Council have been able to achieve aim (i) and (ii) but have not achieved aim (iii). The reason for this being that in 2003/04 Waipa District Council

subsidised the cost of servicing Temple View wastewater loans by 64.5%. Temple View has wastewater loans totalling \$1.102 million. Waipa District Council is requiring Hamilton City to pay the full wastewater loan balance of \$1.102 million in addition to existing stormwater loans of \$171,000, thus making a total loan transfer to Hamilton City of \$1.273 million. The annual financing cost to Council of servicing the \$1.273 million loan is budgeted at \$138,702 for 2004/05.

Council have resolved to rate the Temple View area in accordance with Council's existing rating system, with the addition of a targeted rate over the Temple View area for the financing costs associated with Temple View loans raised by the Waipa District Council, and transferred to Hamilton City Council at 1 July 2004.

Outlined below are the resolutions Council passed for the rating of Temple View for 2004/05 rating year:

- (a) That the Temple View area be rated in accordance with Council's existing land value rating system for general rates updated for any changes made to the land value rating system in the finalisation of the 2004/05 Community Plan.
- (b) That the Temple View area be rated in accordance with Council's existing targeted rate for non-domestic water supply (water-by-meter), updated for any changes made to the targeted rate for non-domestic water supply in the finalisation of the 2004/05 Community Plan. Council note that this means from 2004/05 Temple View residential properties charges for water are included in the general rates, not subject to a separate metered charge. Council also note that Temple View rural, commercial and non-rateable properties will continue to be charged for water subject to a separate metered charge.
- (c) That the Temple View area be rated in accordance with Council's existing rating system for non-rateable land (100% non-rateable and 50% non-rateable), updated for any changes made to the rating of non-rateable land in the finalisation of the 2004/05 Community Plan.
- (d) That all properties in the Temple View area (excluding rural properties) be rated a targeted rate(s) for the financing costs of existing Temple View loans transferred from the Waipa District Council, assessed on a uniform rate in cents per dollar based on the capital value of the property. This targeted rate is assessed in accordance with Sections 16(3)(b) & 16(4)(a) and Matters 5 & 6 of Schedule 2 of the Local Government (Rating) Act 2002. Council note that Temple View rural properties are excluded from this targeted rate, as they do not receive the full services for which the loans were originally raised by Waipa District Council.

Temple View residents should note that as part of the Hamilton City Council rates they will pay, Council will provide to the residents a fully funded refuse and recycling service and free access to the City libraries. Currently the Waipa District Council provides neither of these services to Temple View residents as part of their rates.

6.8 Delegation of Rating Functions, Powers and Duties

Section 132 of The Local Government (Rating) Act 2002 allows Council to delegate the exercise of functions, powers or duties conferred by this Act to the Chief Executive or to any officer specified. Council has delegated the responsibility of administering the rating function to the General Manager Corporate, Finance & Administration Manager and Revenue Manager. Section 132 prevents Council from delegating:

- (i) any of the powers to set and assess rates,

- (ii) any of the duties relating to the setting and assessment of replacement rates, and
- (iii) the power to delegate.

The delegation of powers from Council to the Chief Executive and staff is further outlined in the Delegation to Officers Council Policy.

6.9 Three Yearly Revaluation of Property Values

The property values on which the Council bases the general rates calculation are independently revalued every three years.

The revaluation may affect the amounts assessed against individual rating units within each differential rating sector relative to other rating units in that sector.

The new revaluation for the Hamilton City Council including Temple View, was completed as at September 2003 and is effective for rating purposes from 1 July 2004 (2004/05).

6.10 Impact of Rating Policy Decisions

Attached for reader's consideration in the appendices to this Funding & Financial Policy document is a sample of various properties throughout the City, which shows the impact on individual properties of the 2004/05 general rating system.

7.0 Significance Policy

7.1 Objective

To ensure that the community of Hamilton is fully consulted and able to actively participate in the consideration of issues, proposals, decisions or other matters which are significant, and/or which involve the community's strategic assets.

7.2 Policy Outline

This policy outlines the general approach of Hamilton City Council (Council) to determining the significance of issues, proposals, decisions, and other matters. It includes thresholds, criteria and procedures that Council will use in assessing which issues, proposals, decisions and other matters are deemed to be significant as required by Section 90 of the Local Government Act 2002.

It also provides a list of assets which Council considers to be strategic assets.

Council will normally consult on any matters of significance through the preparation, review, or amendment to its Long Term Council Community Plan (*LTCCP*), or where appropriate through its Annual Plan. Notwithstanding this Council may consult at any time, using the Special Consultative Procedure, with its community, where a matter is deemed to be significant through the application of this policy.

7.2.1 Legislative Requirement

Council is required to have a policy on significance under Section 90 of the Local Government Act 2002 (LGA 2002).

7.2.2 Definitions

Section 5 of the LGA 2002 defines 'significance', 'significant' and 'strategic asset' as follows:

significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter; and
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.

strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- (a) any asset or group of assets listed in accordance with Section 90(2) by the local authority;
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in:
 - (i) a port company within the meaning of the Port Companies Act 1988
 - (ii) an airport company within the meaning of the Airport Authorities Act 1966.

7.3 Application of the Significance Policy

In determining the application of this policy Council will have regard to the definition of "Significance", "Significant", and "Strategic Asset" as defined in the LGA 2002, and contained in Section 7.2.2 of this policy. It will further have regard to the general approach to determining which issues, proposals, decisions or other matters are significant (Section 90(1)(a) LGA 2002), the thresholds, criteria, and procedures for determining which issues, proposals, decisions or other matters are significant (Section 90(1)(b) LGA 2002), and those strategic assets and groups of strategic assets as a whole identified by the Hamilton City Council (Section 90(2) LGA 2002). (See *Attachment One*.)

7.3.1 General Approach

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will be guided by the following:

- the likely impact/consequences of the issue, proposal, decision or other matter, on the current and future social, economic, environmental, and cultural well-being of the community;
- the parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter;
- the likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties; and
- the financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.

The more material the impact or consequences of the issue, proposal, decision or other matter *is likely to be*, the higher the standard of compliance required with Part 6 of the LGA 2002, and the more likely the matter will be 'significant'.

In determining whether any issue, proposal, decision or other matter *is significant* Council will consider the thresholds and apply the criteria and procedures set out below in this policy.

7.3.2 Thresholds

When undertaking a process to determine which issue, proposal, decision or other matter is significant Council will recognise the following thresholds in determining significance:

- issues, proposals, decisions, assets, or other matters for which Council will:
 - incur *unbudgeted* operational expenditure exceeding 7.5% of its annual budget for that year
 - incur *unbudgeted* capital expenditure exceeding 2.5% of the total value of Council's assets, or where spent on a strategic asset or strategic asset as a whole as defined in the LGA 2002, or in Attachment One of this policy, exceeds 25% of that asset's value

(provided that emergency works which are required to protect life, property or level of service target as specified in an LTCCP shall be exempted);

- any transfer of ownership or control, or the disposal or abandonment, of a strategic asset as a whole as defined by the LGA 2002 or listed in Appendix One of this policy;
- the sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation;
- a decision that will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Long-Term Council Community Plan;
- entry into any partnership with the private sector to carry out a **significant activity**.

Where any issue, proposal, decision or other matter triggers one or more of the above thresholds, it shall be considered against the criteria spelt out in Section 7.3.3 of this policy in determining whether it is significant.

7.3.3 Criteria

In considering whether any issue, proposal, decision or other matter is significant the following criteria will be used:

- the issue, proposal, decision or other matter affects all or a large portion of the community in a way that is not inconsequential;
- the impact or consequences of the issue, proposal, decision or other matter on the affected persons will be substantial;
- the financial implications of the issue, proposal, decision or other matter on Council's overall resources are substantial;
- the outcomes will dramatically impact on the level of service for any significant activity, and/or will affect the Council's capacity to continue to carry out an established significant activity; and

- a consultation process for the issue, proposal, decision, or other matter is not specifically provided for under the Local Government Act 2002, or any other specific legislation.

7.3.4 Procedures

In achieving this policy:

- Decisions on 'significance' shall be made by Council or a committee were specifically delegated in accordance with Council's Governance Statement, Standing Orders, and the Council Policy Manual.
- Where an issue, proposal, decision or other matter is considered to be significant in accordance with the Policy, any report to Council will also include a statement addressing the appropriate observance of such of Sections 77, 78, 80, 81 and 82 of the LGA 2002 as are applicable.
- Once an issue, proposal, decision or other matter is determined as significant in accordance with the application of this policy, the "Decision Making" provisions of the LGA 2002, shall be applied as outlined in Sections 76 to 82 of the LGA 2002.
- Council will determine the most appropriate means to conduct its consultation on any significant issue, decision or other matter. Generally Council will undertake this as part of the preparation, review or amendment to its Long Term Council Community Plan, or where appropriate through its Annual Plan.
- Council will report annually through its Annual Report on all issues, proposals, decisions or other matters determined to be significant, and subject to the procedure outlined in Sections 76 - 82 of the LGA 2002 as appropriate.

7.4 Strategic Assets of the Hamilton City Council

The LGA 2002 requires that this policy shall identify all the strategic assets, as defined in Section 5 of the LGA 2002, and outlined in Section 7.2.2 above.

The Strategic Assets register (Attachment One) is not an exhaustive list of Council assets but includes those that are considered to be significant in ensuring Council's capacity to achieve or promote any important outcome.

The strategic assets also include, pursuant to Section 90(2)(c)(ii) of the LGA 2002 the Hamilton City Council shareholding in the Hamilton Airport Company Ltd.

Note:

The Hamilton City Council owns a number of assets and assets managed "as a whole" that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the assets' strategic nature. For example the roading network is strategic, but the individual parcels of land that make it up may not be, and the purchase or sale of such parcels of land are unlikely to amount to a significant decision.

ATTACHMENT ONE

Register of Hamilton City Council's Strategic Assets

ASSET	NOTES
Hamilton City Libraries as a whole	Includes books and heritage collections
Waterworld, & Gallagher Pool	Includes all land, buildings and structures
Founders Memorial Theatre, & Westpac Trust Theatre	
Waikato Museum of Art and History	Includes buildings and collections
Pensioner Housing as a whole	
Hamilton Transport Centre	
Hamilton Zoo	Includes all buildings, structures, land, animals and animal enclosures
Hamilton Gardens	Includes all land, buildings and structures
Amenity Parks, Sports Parks and Facilities under the Reserves Act 1977	
Stadiums	Includes Waikato Stadium, Westpac Park, and Porritt Stadium
Cemeteries	
Horotiu Landfill	
Refuse Transfer Station	
Wastewater reticulation system as a whole	Includes pipes, pump stations, and sewer bridge
Stormwater reticulation system as a whole	
Roading system as a whole	Footpaths Off-street Parking Bridges
Reservoirs and water reticulation system as a whole	Includes the land and structures
Waste Water Treatment Plant	Includes all land, buildings and plant
Water Treatment Station	Includes all land, buildings, treatment plant and tanks

8.0 Partnerships with Private Sector Policy

8.1 Objective

To enable Council to enter into partnerships with the private sector, where there is a potential benefit for the well-being of the community in Hamilton City.

8.2 Policy Outline

This policy outlines the circumstances in which Council will consider entering into Public-Private Sector Partnerships (PPPs), when consultation would be undertaken prior to such a partnership, what conditions might be imposed on such partnerships, their risk management, and reporting on the funding and outcomes of any such partnerships. For statutory requirements, refer to Section 107 of the Local Government Act 2002 (LGA 2002).

8.3 Definition

A Public-Private Sector Partnership (PPP) includes any agreement or arrangement that is entered into between one or more councils and one or more persons engaged in business, but does not include:

- a contract for the supply of goods or services to or on behalf of a council; or
- arrangements where the only parties are local authorities, or local authority and local authority controlled organisations.

A partnership as defined in the LGA 2002 is any arrangement involving grants, loans, investments, commitments of resources or guarantees given to one or more persons engaged in business¹ by one or more local authorities. The nature of the entity's activities, rather than its legal form, is the relevant consideration, and can include charitable trusts.

Partnerships should have an identified shared interest, clear roles and responsibilities for both parties, and aim to build long-term relationships based on respect and trust.

This policy on PPPs sets out the processes that Council will adopt with respect to engaging in any PPPs. Once adopted, this policy may only be amended as an amendment to Council's Long-Term Council Community Plan (Section 102, LGA 2002).

8.4 Circumstances

Hamilton City Council (Council) may consider entering into a partnership with a private sector partner, where an activity has been identified in Council's Strategic Plan, Long-Term Council Community Plan (LTCCP) or Annual Plan (henceforth referred to

¹ The term "engaged in business" is defined as "engaging in an activity for profit". The nature of the entity's activities, rather than its legal form, is the relevant consideration. (Opinion from Ann Webster, OAG) The focus is on commercial relationships with entities engaged in trading activities undertaken for the purpose of making a profit. (Opinion from Mike Reid, LGNZ)

generically in this section as LTCCP) as a community priority or desirable community outcome.

The circumstances where a PPP may be entered into shall be limited to one or more of the following:

- where Council may be unwilling or unable to bear all of the risk (usually, though not always defined in terms of financial risks) of a particular project itself;
- where Council may believe a particular project is of significant community benefit, but Council may have legal restrictions on its power to participate fully in that project;
- where neither Council nor a private provider would otherwise provide the services or activity without the partnership;
- where there are identifiable advantages in the project or activity being undertaken as a public private sector partnership rather than by either of the parties separately; and/or
- where the benefits to the community are greater than the costs of the PPP.

8.5 Conditions

Council will enter into a partnership only where it expects that the partnership will help achieve the community outcomes or objectives in the LTCCP, but nothing in this policy commits Council to entering into such a partnership even if it will help achieve community outcomes or objectives.

Before entering into a PPP, Council must be satisfied that:

- the partnership will help achieve the community outcomes or objectives identified in the Strategic Plan or LTCCP;
- the benefit from the partnership is greater than the costs and risks;
- Council is satisfied that the partner has demonstrated an ability to meet the terms of any agreement between Council and the private partner;
- all necessary consents, licenses, or other approvals have been obtained prior to any financial commitment by the Council;
- the partnership and its proposed business are lawful;
- a clear exit/termination strategy is agreed; and
- roles, responsibilities and liabilities of each partner are clearly defined.

Council will not enter into a Public Private Partnership where:

- the activity is primarily speculative in nature;
- insurance cover cannot be obtained that is considered adequate to meet foreseeable risks; and
- the cost or risk of the PPP is judged to be greater to the community than the benefits that would accrue from the PPP.

Where appropriate, Council reserves the right to apply competitive tendering processes, in accordance with Council policy.

Other conditions may be imposed as considered appropriate by Council.

8.6 Types of PPP Involvement

Council will consider the following methods of implementing a PPP:

- Grants, where the assessed benefit to the community justifies, where the PPP is accorded priority by Council, and funds are available for the activity.
- Loans, where the benefit to the community is significant, but it is assessed that income or other funding can in time be accessed, and/or there will also be significant benefits to the private partner and/or it is otherwise unsuitable to provide other funding.
- Investments, where there are deemed to be significant public benefits, and the community has been consulted, either during an LTCCP or Annual Plan consultation or separately using the special consultative procedure.²
- Acting as a guarantor for assets being constructed on Council-owned land.
- Acting as a guarantor in extraordinary circumstances may be considered by Council following community consultation, and where there are appropriate safeguards in place to ensure budgets are not exceeded and where limitations are specified as to the total amount Council is guarantor for.

8.7 Consultation

Council will undertake consultation on any revision of this “Policy on Public-Private Sector Partnerships” as part of a Long-Term Council Community Plan.

Where Council decides to undertake a PPP in accordance with the policy, further consultation will not be required to be undertaken except in specific circumstances (below).

Council will consult on individual PPPs where:

- a PPP is assessed as being greatly beneficial, but falls outside the conditions or circumstances identified in the policy;
- an investment is proposed;
- it is proposed to act as guarantor in extraordinary circumstances;
- the partnership would result in significant positive or negative changes in service levels, as defined in Council’s Significance Policy;
- the proposal would have a material impact on Council’s projected budgets, performance measures, outcomes or other objectives;

² The Policy on Partnership with the Private Sector should be developed to be robust enough to cover most ‘run of the mill’ potential opportunities for public-private sector partnerships (PPPs) without the need for further public consultation. PPPs that are unusual, controversial, or of considerable public interest would be expected to be consulted on separately (either using the special consultative procedure, or in a form otherwise specified in the policy).

- ownership or control of a significant asset (as defined in Council's Significance Policy), is to be transferred to or from Council; and/or
- there is expected to be considerable public interest in whether or not the PPP should proceed and/or it meets the test of significance as set out in Council's Significance Policy.

Where practicable, consultation on PPPs under the above criteria will take place under the Annual Plan or Long-Term Council Community Plan process. Alternatively, a separate special consultative procedure may be undertaken.

8.8 Formation of a PPP

Formation of a public private partnership that meets the conditions of this policy will be by ordinary Council resolution, unless authority to form a partnership is delegated to a committee, sub-committee, or the Principal Administrative Officer, in which case the partnership must also meet the conditions of this policy.

Formation of a partnership that does not meet the conditions of this policy will be by ordinary Council resolution only after appropriate and required consultation, and due consideration of any issues raised by that consultation.

8.9 Risk Management

When considering a public private partnership, the potential risks to Council will be outlined and where the risks are considered significant, in terms of probability and potential effect, Council will assess the level of the risks against their benefits and management strategies.

Risk will be assessed by calculating the probability of an adverse outcome multiplied by the cost/impact of that adverse outcome, while taking into account mitigating strategies and associated costs. Risks which may be considered are:

- Design and construction risk
- Commissioning and operating risk
- Service and under-performance risk
- Maintenance risk
- Risk of change to the legal or regulatory environment
- Risk of legal challenge
- Technology obsolescence risk
- Planning risk
- Price risk
- Taxation risk
- Residual value risk
- Demand or valuation risk
- Occupation safety and health risk
- The relative investment of the private sector partner

- The level of experience / track record of the partner, particularly in that activity
- Risk to the reputation of Hamilton City Council and Hamilton city generally
- Insurance coverage and limitations
- Risk to the capacity of the council to carry out its activities, now and in the future
- Risk to property
- Protection of any intellectual property, and
- Any other risks identified.

Where risks exist and a partnership is to be agreed, a risk management strategy will be put in place to appropriately minimise or provide cover for that risk to the satisfaction of Council. Risk management in any or all of the above areas may be specified as being the responsibility of Council or the partner.

8.10 Monitoring and Reporting

A private sector partner will be expected to report using GAAP (Generally Accepted Accounting Principles) appropriate to their type of financial entity, and to allow auditing of financial and non-financial records as and when reasonably requested by Council or a representative appointed by Council.

Monitoring and reporting requirements will vary, depending on the level of resources Council is expending/investing/protecting, and the nature of the partnership.

The following points may be considered:

- proposals for PPPs should state how they might contribute to outcomes or objectives in the LTCCP;
- measurable and auditable performance standards should be included where appropriate in partnership documents;
- progress on agreed outcomes and objectives should be reported on to Council's Strategic Planning and Policy Committee on a six-monthly basis;
- quarterly or annual financial reports may be required;
- transparency in the conduct and reporting of PPP activities should be emphasised, acknowledging the need to protect commercial confidentiality where appropriate; and/or
- the performance of PPPs will be reported on in Council's Annual Report.

9.0 Development and Financial Contributions Policy

9.1 Objective

To enable financial contributions to be taken that ensures that developers make a fair contribution to the development of infrastructure and services to support the provision of services as the City develops and to mitigate the economic, environmental and community impacts of additional development in the City.

9.2 Policy Outline

This policy outlines the circumstances in which Council intends to require development or financial contributions. For statutory requirements, refer to Section 106 of the Local Government Act 2002.

9.3 Requirement

The Local Government Act 2002 (hence referred to as "the Act") requires Council to adopt a policy on development contributions or financial contributions. This applies regardless of whether it has decided to assess:

- development contributions under the Act; or
- financial contributions under the Resource Management Act 1991 (RMA).

Once adopted, this policy may only be amended as an amendment to Council's Long-Term Council Community Plan (LTCCP).

9.4 Policy

Council's policy is to take contributions pursuant to Section 108 of the Resource Management Act (1991) (RMA), as incorporated in Section 7 and Appendix 8 of the Transitional District Plan until such time as the Proposed District Plan (References version November 2001) comes into force, at which time Rules 6.4 and 6.5 of the Proposed District Plan (References version November 2001) shall apply, as described in the appendices attached to the full policy, available from any Hamilton public libraries and the main Council offices in Garden Place.

Levies are currently payable in respect of the stormwater system, wastewater collection, water supply reticulation system, and the roading network, and for reserves.

9.5 Policy Review

This policy shall be reviewed within two years of the policy coming into force. The review shall specifically consider whether Council will continue to take contributions under the RMA, and/or whether Council will take contributions under the Local Government Act 2002.

Attachment One and Attachment Two following, outline policy requirements in relation to development contributions and financial contributions.

ATTACHMENT ONE

Considerations for Review Process

In reviewing the policy on development contributions or financial contributions, the following requirements for the policy in the Act will be considered. The policy will:

- summarise the capital expenditure (identified in LTCCP), which Council expects to incur to pay for facilities to meet growth;
- state what proportion of that capital expenditure will be funded by:
 - development contributions
 - financial contributions
 - other sources of funding;
- explain (see Section 101(3) of the Act ¹), why these funding sources will be used;
- identify separately each activity or group of activities for which a contribution will be required, and the total amount of funding to be sought by contributions;
- if development contributions will be required, comply with Sections 201 and 202 of the Act. This must:
 - First, include in summary form; the explanation and justification for the calculation method; significant assumptions underlying calculation of the schedule, including potential effects if there is significant uncertainty; conditions and criteria for remission, postponement, or refund of development contributions, or the return of land; the basis on which the value of additional allotments or land is assessed for Section 203(1).
 - Second, contain a schedule specifying: the development contributions payable in each district, calculated in respect of reserves, network infrastructure, and community infrastructure, and the event (trigger) that will give rise to a requirement for a development contribution, whether that is a resource consent, a building consent, or an authorisation for a service connection. If different development contributions are payable in different parts of the district, the schedule must be done for each of those, and also be separately specified for each activity or group of activities for which separate development contributions are required.
- if financial contributions will be required, summarise the provisions that relate to financial contributions in the District Plan;
- if development contributions are required, the full methodology demonstrating how the calculations for those contributions were made must be kept available for public inspection;
- if financial contributions are required, the provisions of the District Plan relating to financial contributions must be kept available for public inspection.

¹ Sources of funding to be determined following consideration of outcomes, benefits, period, exacerbators, costs and benefits of separate funding, and the overall impact on community well-being.

ATTACHMENT TWO

District Plan Excerpts

Contains sections and appendices from:

The Transitional District Plan

Section 7: Subdivision & Development (SU)

Appendix 8: Financial Contributions

The Proposed District Plan (References version November 2001)

Appendix 6.4-I

Appendix 6.4-II

Appendix 6.4-III

Appendix 6.4-IV

Appendix 6.4-V

Appendix 6.4-VI

Appendix 6.4-VII

Appendix 6.5-I

Appendix 6.5-II

Appendix 6.5-III

10.0 Appointment and Remuneration of Directors of Council Organisations Policy

This policy should be read in conjunction with the Council-Controlled Organisations (CCOs) and Council Organisations (COs) pages in the financial section of the Community Plan 2004-14 (Volume I).

10.1 Introduction

Council is required by Section 57 of the Local Government Act 2002 to adopt a policy that sets out an objective and transparent process for:

- the identification and consideration of the skills, knowledge and experience required of directors of a council organisation;
- the appointment of directors to a council organisation;
- the remuneration of directors of a council organisation.

10.2 Definitions

The term "Council Organisation" ("CO") is used in the context of the definitions provided in Section 6 of the Act.

The Act also creates two sub-categories of COs - "Council-Controlled Organisations" ("CCOs") and "Council-Controlled Trading Organisations" ("CCTOs").

The Council has interests that fall in each of these categories.

The following definitions are provided for guidance purposes only. Fuller definitions are provided in Section 6 of the Act.

Meaning of "Council Organisation"

In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.

Meaning of "Council-Controlled Organisation"

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).

Meaning of "Council-Controlled Trading Organisation"

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

10.3 Council-Controlled Organisations

Council owns a shareholding in the following organisations that are defined as CCOs by the Local Government Act 2002. These are:

- Waikato Regional Airport Ltd (Council owns 50% of the shareholding). This company manages and operates the Hamilton International Airport. Other shareholders of this company are:

- Waikato District Council	15.625%
- Matamata-Piako District Council	15.625%
- Waipa District Council	15.625%
- Otorohanga District Council	3.125%

Council must co-operate with the other shareholders for the appointment of directors. The Economic Development Committee of Council monitors the performance of Waikato Regional Airport Limited. The Council's shareholder representative is His Worship the Mayor or in his absence, the Chairperson of the Economic Development Committee.

- Hamilton Properties Ltd (Council owns 100% of the shareholding). This company is retained as a dormant company to protect the tax losses that the company holds.

Council has resolved that whilst Hamilton Properties Ltd is a dormant company it be exempted as a CCO in accordance with the Local Government Act 2002, Section 7 (Clauses 3-5).

10.3.1 Skills Required

Council considers that persons to be considered for directorship must have the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities;
- contribute to the achievement of the objectives of the organisation.

The Council considers that any person that it appoints to be a director of a CCO should, as a minimum, have the following skills:

- intellectual ability;
- an understanding of governance issues;
- either business experience or other experience that is relevant to the activities of the organisation (or both);
- sound judgement;
- a high standard of personal integrity;
- the ability to work as a member of a team.

10.3.2 Appointment of Directors

When vacancies arise in the CCO the Council will undertake the following process:

- Waikato Regional Airport Ltd
The appointment of directors will be undertaken jointly with the other four shareholding councils. Nominations will be received from elected representatives from all current shareholders. The shareholders representatives will shortlist the nominations taking into account the skills required for the positions. The shareholder representatives will interview short listed nominations and a joint

decision made for recommendation to the company AGM. The mix of skills and experience on the board will be taken into account, and consideration given to complementing and reinforcing existing skills and reducing known weaknesses where necessary.

10.3.3 Final Appointment

The final appointment for directors for any CCO will be made in committee thus protecting the privacy and protecting the privacy of natural persons. Public announcements of the appointments will be made as soon as practicable after the Council and/or shareholding councils have made a decision.

10.3.4 Conflicts of Interest

The Council expects that directors of any CCO will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed "at the pleasure of the Council" and may be dismissed for breaches of this code.

10.3.5 Remuneration

Remuneration of directors of CCOs is a matter of public interest. The Council, in conjunction with other shareholders, will set the director's remuneration by resolution at the Annual General Meeting. On reaching a view on the appropriate level of remuneration for directors the shareholder's representative will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors;
- the level and movement of salaries in comparable organisations;
- the past performance of the organisation;
- the financial position of the organisation.

10.4 Council Organisations

10.4.1 Hamilton Riverview Hotel Limited (HRHL)

Council owns 42% of Hamilton Riverview Hotel Limited and in accordance with the joint venture agreement with the other owners, is entitled to appoint up to two of the directors. The Council's shareholder representative is His Worship the Mayor or in his absence, the Deputy Mayor.

Council considers that persons to be considered for directorship must have the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities;
- contribute to the achievement of the objectives of the organisation.

10.4.1.1 Skills Required

The Council considers that any person that it appoints to be a director of HRHL should, as a minimum, have the following skills:

- intellectual ability;
- an understanding of governance issues;
- either business experience or other experience that is relevant to the activities of the organisation (or both);
- sound judgement;
- a high standard of personal integrity;
- the ability to work as a member of a team.

10.4.1.2 Appointment of Directors

The directors will be Anthony John Marryatt, whilst he is employed as Chief Executive Officer of Hamilton City Council, and one other appointed by Council at the triennial Council appointment meeting (or by notice of motion). Council will make the decision taking into account the skills required for the position at the triennial meeting or at a meeting following receipt of a notice of motion.

10.4.1.3 Conflicts of Interest

The Council expects that directors of HRHL will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed "at the pleasure of the Council" subject to the terms of the Chief Executive Officer's Individual Employment Contract and may be dismissed for breaches of this code.

10.4.1.4 Remuneration

The Council, in conjunction with other shareholders, will set the director's remuneration by resolution at the Annual General Meeting. On reaching a view on the appropriate level of remuneration for directors the shareholder's representative will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors;
- the level and movement of salaries in comparable organisations;
- the past performance of the organisation;
- the financial position of the organisation.

10.4.2 Other Council Organisations

10.4.2.1 Introduction

The Council has non-controlling interests in numerous COs. These are not-for-profit bodies. Appointments to COs are made for a number of reasons. These include:

- to provide a means of monitoring where the Council has made a grant to that body;
- to enable Council involvement where the CO's activity is relevant to the Council;
- to satisfy a request from the CO that the Council appoint a representative;
- statutory requirements.

Appointments to a CO are generally for a three year term, and are made after the triennial Council elections at the triennial Council appointments meeting or at a meeting following receipt of a notice of motion.

The Council will endeavour to minimise the number of appointments where the benefit to the Council of such an appointment is minimal.

All appointments will be at the pleasure of Council.

10.4.2.2 Identification of required skills, knowledge and experience of CO Directors, and Appointment

The range of reasons for the appointment of Council representatives to COs results in a wider range of desired attributes for appointees to these bodies.

Council will determine the required skills, knowledge and experience for each appointment. Candidates are not restricted to Councillors – in some cases, it may be more appropriate to appoint Council staff or external people with affiliations to the Council.

10.4.2.3 Remuneration of CO Directors

CO directors appointed by the Council will receive the remuneration (if any) offered by that body.

11.0 Freeholding of Council Domain and Municipal Endowment Leases Policy

11.1 Objective

To freehold Council Domain and Municipal Endowment Perpetual Leases.

Hamilton City Council owns land originally acquired by endowment from the Crown to be held by Council on the terms of the original endowment.

The land is held for the purposes of endowment funds:

- (a) Domain Endowment
- (b) Municipal Endowment

The Domain land (as listed in Attachment One) is held by Council for the purposes of the Domain Endowment Fund which include the maintenance or improvement of reserves, purchase of land in the name of the Crown as Recreation Reserve, or purchase of land in the name of Council for the purposes of the Hamilton Domain Endowment Act 1979.

The Municipal land (as listed in Attachment Two) is held by Council for purposes of the Municipal Endowment Fund, which include the purchase of land to provide revenue to Council.

11.2 Policy

Upon application from the lessee, Council will freehold Council Domain and Municipal Endowment Leases as follows:

11.2.1 Domain Endowment Leases

Freeholding of Domain Endowment Leases shall proceed at 100% of the Current Market Value of the land based on independent valuation. The value may be contestable by arbitration.

The applicant lessee will pay all Councils reasonable costs in the matter, including arbitration costs.

11.2.2 Municipal Endowment Leases

Freeholding of Municipal Endowment Leases shall proceed at not less than 85% of the Current Market Value of the land OR the Lessor's interest value based on independent valuation, whichever is the greatest. The value shall NOT be contestable.

The applicant lessee will pay all Councils reasonable costs in the matter.

The proceeds (11.2.1 & 11.2.2) shall be immediately credited to the relevant Domain Endowment Fund or the Municipal Endowment Fund, and those proceeds shall be used for (in the case of Domain Endowment Land) the maintenance or improvement of reserves, purchase of land in name of Crown as Recreation Reserve, or purchase of land

in name of Council for purposes of the Act; and (in the case of Municipal Endowment Land) for the purchase of other land to be held for the purposes of the Fund.

ATTACHMENT ONE

Domain Endowment Leasehold Land

Property Reference	Property Address	Legal Description	Land Area
10002	297 Ulster Street	Lot 1 DPS 12212	2157.5m ²
10003	9 Willoughby Street	Part Lot 7 DP 19982	801m ²
10005	92 Bryce Street	Lot 1 DPS 28891	1.2228 ha
10007	37 Thackeray Street	Lot 1 DPS 43212	1012m ²
10010	225 Dey Street	Lot 10 DP 35144	812m ²
10014	219 Fox Street	Lot 3 DPS 1525	812m ²
10016	100 Wellington Street	Lot 3 DPS 1200	675m ²
10017	189 Fox Street	Lot 7 DPS 1200	675m ²
10020	5 Henry Street	Lot 8 DPS 2099	759m ²
10026	5 Cotter Place	Lot 8 DPS 4051	679m ²
10027	126 Fox Street	Lot 4 DPS 5647	718m ²
10028	122 Fox Street	Lot 1 DPS 3597	895m ²
10029	103 Dey Street	merged Lots 7 & 8 DP 34426 and Lot 1 DPS 82950	1457m ²
10030	101 Naylor & Dey Streets		
10031	101 Brookfield Street	Lot 4 DPS 176	556m ²
10032	67 Dey Street	Lot 3 DPS 1095	1012m ²
10033	13 Graham Street	Lot 2 DPS 9966	3407m ²
10036	37 Sillary Street	Lot 1 DP 33843	2023m ²

ATTACHMENT TWO

Municipal Endowment Leasehold Land

Property Reference	Property Address	Legal Description	Land Area
20017.001	145-149 Ward Street	Lots 14 & 15 DP 17135	791m ²
20017.002	145-149 Ward Street		
20018	151-155 Ward Street	Lots 16 & 17 DP 17135	971m ²
20019	179 Ward Street	Lots 23 & 24 DP 17135	592m ²
20021.001	109 Ward Street	Lots 1 & 2 DP 17135	590m ²
20021.002	109 Ward Street	Lots 3 & 4 DP 17135	788m ²
20021.003	109 Ward Street	Lots 5 & 6 DP 17135	788m ²
20001	13A Edgecumbe Street	Lot 2 DPS 10245	490m ²
20003	58 Willoughby Street	Lot 11 DP 33796	586m ²
20006	10 Palmerston Street	Lot 2 DPS 13718	1717m ²
20007	92 Clyde Street	Lot 6 DP 35296	559m ²
20008	104 Clyde Street	Lot 3 DP 35296	716m ²
20009	100 Clyde Street	Lot 4 DP 35296	736m ²
20011	16 Cassidy Street	Lot 2 DPS 6250	660m ²
20012	205 Clyde Street	Lot 13 DPS 6250	696m ²
20015	258 Fox Street	Lot 13 DP 35611	558m ²
20016	12 Wiremu Street	Lot 9 DPS 5418	830m ²
20022	5 Lake Road	Lot 2 DPS 8955	690m ²
20023.001	77 Norton Road	Lots 3, 4 & 6 DPS 8955	1668m ²
20023.002	79 Norton Road	Lot 5 DPS 8955	614m ²

12.0 Asset Management Plan Summary

12.1 Introduction To Asset Management Plans

12.1.1 Background

This section sets out summary information concerning Council's major assets based on asset management plans prepared in 2003. Asset management plans describe the infrastructure assets of Hamilton City Council and outline the financial, engineering and technical practices as well as strategies adopted to ensure that the assets are maintained and developed to meet the requirements of the community over the long-term. The relationship between asset management plans and other Council plans and documents is shown in Figure 1.

12.1.2 Improvement Plan

Council's 2003 asset management plans meet the "basic" asset management planning criteria. A few 2003 plans have advanced asset management plan attributes. Council intends to move towards meeting the new requirements of "advanced" asset management planning by the first Community Plan 2006-16, consistent with asset planning provisions of the Local Government Act 2002. It is also Council's intention that asset management plans will provide key input into the Community Plan 2006-16. Advanced asset management plans require more detail and development of processes around levels of service, description of assets, financial forecasts, risk management and consultation. Council will be required to adopt the levels of service and standards after consultation has taken place and then undertake public communication with respect to the levels of service in a "customer charter".

12.1.3 Rationale for Delivery

The legal authority for Council to be involved in the provision of services is contained in the Local Government Act 2002. This Act identifies the purpose of local government to recognise the identities and values of different communities and to provide scope for those communities to make choices between different kinds of local public facilities and services. Council has a role in promoting the social, economic, environmental, and cultural well-being of the community, in the present and for the future. Council's **vision statement, mission statement, strategic goals** and **community outcomes** link to these services. Council's services contribute to achieving the community's desired outcomes. These outcomes are what the community feels Council should be working towards to achieve community well-being.

12.1.4 Identification of Demand and Consumption

City and Population Growth

The City's expansion and population increase has had an impact on infrastructural assets, Council facilities and services. The provision, service delivery, customer expectation and demand on a wide range of infrastructure assets and services have been driven by demographic change. Some key findings in relation to the City are:

- The estimated resident population of Hamilton City as at June 2003 is approximately 125,000 people. It is predicted that by 2021, the population will have grown to about 150,000 people (medium trend) – an increase of 18.6% (Based on 2001 Census statistics).
- The median age of people is 30.8 years compared with 34.8 years for all of New Zealand.
- 10.04% of people (11,538) are aged 65 years and over compared with 12.1% for all of New Zealand.

The asset management plans have attempted to address the issues relating to city and population growth and likely impacts on the demand for infrastructure and associated services.

12.1.5 Service Levels and Standards

Council currently has a commitment to continue its involvement in the provision of services and the designated delivery of agreed levels of service based on the needs of its customers and demand forecasts, until such time as Council changes its policy. Council will be required to report in future asset management plans, the results of public consultation in relation to the public's desired level of service. Consultation will take place over the next two years.

Council's Annual Residents Survey measures community's use and satisfaction with Council provided facilities and services. In the commercial arena a benchmark CSI score (customer survey score) of 84 reflects truly excellent customer service. The CSI scoring index matrix is as follows:

CSI Description	Does the Customer have a choice whether they use the service or not?	
	Yes	No
Exceptional performance	> 84	> 80
Excellent service	82 – 83	78 – 79
Very good service	78 – 81	74 – 77
Good service: potential for improvement	73 – 77	67 – 73
Fair: needs improvement	67 – 72	63 – 66
Needs significant improvement	< 66	< 62

For further details concerning the Council's Annual Residents Survey, refer to Volume I of the Community Plan 2004-14.

Council is certified to ISO 9001. Telarc audits this every six months, with a tri-annual review. All tasks and processes critical to the quality of services offered by the units have written standard operating procedures under the unit's Quality Systems Manual. Council follows a continuous improvement process of service quality across the whole organisation.

12.1.6 Financial

Operating, maintenance and replacement costs and, capital expenditure requirements for 10 years have been identified. Estimates are included in Appendices 13.2 and 13.3.

These estimates are based on current operating practice, current knowledge around city growth, asset condition and performance.

Depreciation (defined as “the measure of the wearing out, consumption or other reduction in the economic benefits embodied in an asset whether arising from use, the passing of time or obsolescence”) is included in the estimates. Under section 100 of the Local Government Act 2002, Council must fund its depreciation. The Community Plan 2004-14 indicates that funding of depreciation requirement is being met. The Council loan servicing and rate funded portion of the capital expenditure programme exceeds the depreciation expense and the Statement of Financial Performance shows a surplus.

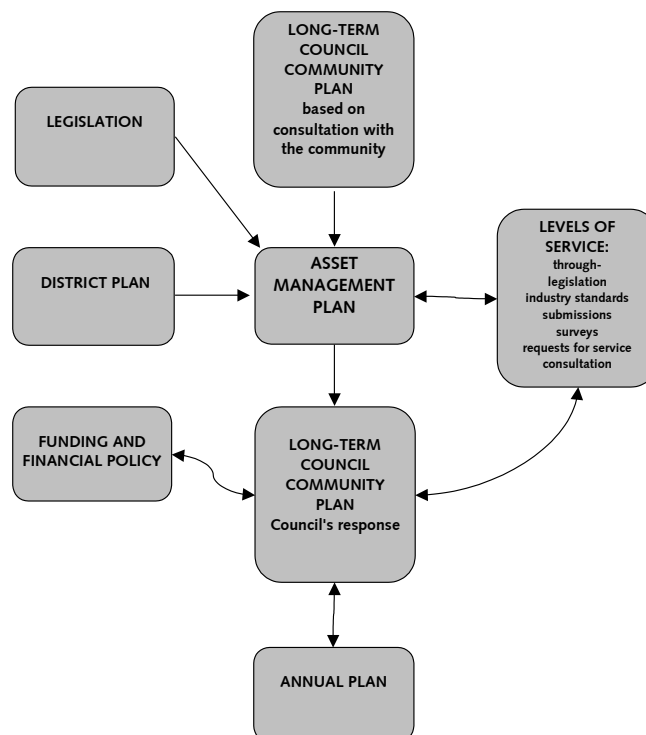


Figure 1: Relationship Between Asset Management Plans and Other Plans

12.2 Animal Care and Control

12.2.1 Identification of Service

The 2003 Animal Care and Control Asset Management Plan covers all the animal care and control assets managed by the Animal Care and Control Unit. This includes the centre, administration block and kennels.

12.2.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 5 and 6
- Community Outcome – Growing Hamilton
- Dog Control Act 2003

12.2.3 Identification of Assets

Major components making up the animal care and control facilities are:

- Animal Care & Control Centre, located at 217 Ellis St, Frankton, Hamilton. The Centre was built during the 1999/00 financial year.
- Administration block
- Separate service rooms
- 5 kennel blocks (totalling 55 kennels)

12.2.4 Identification of Demand and Consumption

The main factors that affect the demand on the animal care and control centre are:

City and Population Growth

Demand for animal care and control services arise from the City's resident population which is expected to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed, by the expansion of the animal facility centre, greater utilisation of current space, or animal education programmes for owners of animals.

Legislative Changes

Changes to the Dog Control Act 1996 has impacted on the powers of dog control officer's who are now permitted to seize and impound unregistered dogs from their owner's properties. This has the potential to create an additional demand on impounding facilities.

Temple View

The transfer of the Temple View area into the City will also create an additional demand on impounding facilities and related dog control services.

Customer Expectations

Customers expect a high level of service and this is reflected in the increase number of call outs and increased usage of the animal centre facility.

12.2.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with animal care and control facilities and services (i.e. 74.2 CSI). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.2.6 Asset Capacity

In general, capacity is adequate. Future demands will be managed by the expansion of facilities and greater utilisation of current space. How effectively and efficiently the centre operates is dependent on the number of roaming dogs, dogs surrendered and the number of dogs seized. Other factors influencing the future usage of the centre include:

- Changes in the community demography
- Increased awareness of the facilities
- Statutory holidays and other events such as firework displays and hot air balloons impact on the usage of the Animal Centre facility
- Visitors to the SPCA (who are on site at the centre) also visit the centre and bring in dogs for surrendering purposes
- Change in Council policy which is required to be reviewed before September 2004.

12.2.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 4 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Animal Care and Control Unit has a service level agreement with the Property and Risk Management Unit.

12.2.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.3 Cemeteries and Crematorium

12.3.1 Identification of Service

The 2003 Cemeteries and Crematorium Asset Management Plan covers all the cemeteries and crematorium assets managed by the Community Support Unit. This includes three properties owned for the purpose of providing suitable facilities for the burial and cremation of deceased persons.

12.3.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 13
- Community Outcome – Living Hamilton

12.3.3 Identification of Assets

Major components making up the cemeteries and crematorium facilities are:

- Hamilton West Cemetery, Willoughby St
- Hamilton East Cemetery, Hungerford Cres
- Hamilton Park Cemetery and Crematorium (Newstead), 395 Morrinsville Rd, State Highway 26

Current area occupied for cemetery purposes is approximately 14 hectares. The property serves as:

- A burial site for deceased persons and memorialisation of same
- A crematorium facility for cremating deceased persons
- An area for interring and memorialising cremated remains
- A chapel facility for services for the deceased
- An administration facility for public enquiries

12.3.4 Identification of Demand and Consumption

The main factors that affect demand on cemetery and crematorium facilities include:

City and Population Growth

Demand is driven by the City's growth. Such change will influence the demand for burial and cremation services in the next decade. In terms of death rates, the numbers of deaths, for the year ended December 2002, totalled 746 resident deaths compared with 707 for the previous December year, showing an increase of 5.5%. An increasing proportion of deaths now tend to occur in the older age groups that can be attributed to an aging population and a significant decline in infant mortality, which is one-quarter of the rate of 40 years ago.

Customer Expectations

Customers expect a high level of service delivery. This is reflected in the increased demand for burial and cremation interment options. Customer's expectation of high service delivery extends to professional cemetery management, service delivery, upgraded facilities, preservation of historic sites, and implementation of technology. Changes to customer expectations are monitored through regular customer and residents surveys.

Legislative Changes

Any future changes to the Burial and Cremation Act may impact on the way cemeteries and crematoria operate.

12.3.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation (e.g. Burials and Cremations Act 1964, Burials and Cremation Regulations 1967, Cremation Regulations 1973), industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with cemeteries and crematorium assets and services (i.e. 81.3 CSI). There has been a steady improvement in the satisfaction ratings over the past few years.

Some levels of service in the asset management plan are set as they are based on Council's statutory obligations. These obligations set the minimum level of service that will be provided and include references to the Resource Management Act 1991, Building Act 1991 and the Local Government Act 2002. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years. The Property and Risk Management Unit maintains the assets at the agreed level so they are fit for the purpose intended.

12.3.6 Asset Capacity

Council owned land available for cemetery purposes is 32.37 hectares. Hamilton Park Cemetery currently utilises approximately 14 hectares. Extended burial grounds comprising approximately one hectare is expected to cater for burials to 2020. The balance of land (externally leased) is currently projected to cater for cemetery needs until the turn of the next century. Crematorium utilisation is approximately 1000 cremations per annum. Only one cremator is in operation and this is operating over the recommended annual creations of 800 per annum.

12.3.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Cemetery and Crematorium Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

Some major upgrades and renewals to the cemeteries and crematorium for next year are:

- Cemetery Road maintenance at Hamilton Park for \$72,000 in 2004/05
- Rebrick of cremator interior for \$50,000 in 2004/05

12.3.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.4 City Beautification

12.4.1 Identification of Service

The 2003 City Beautification Asset Management Plan covers the beautification areas of the City, managed by the Parks and Gardens Unit. This includes city plots, city fountains, amenity and park trees, traffic islands and roundabouts and environmental plantings.

12.4.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.4.3 Identification of Assets

Major components making up the city beautification inventory are:

- Trees and shrubs, located in parks and streets
- Annual, permanent and specialist planting
- Park structures, security systems
- Carparks
- Stormwater drainage, irrigation systems
- Rubbish receptacles
- Park lighting and outdoor furniture
- Public art, memorials commemorative plaques
- Amenity bridges, fences, gates, walls
- Interpretative facilities
- Drinking fountains

12.4.4 Identification of Demand and Consumption

The main factors that affect the demand on city beautification are:

City and Population Growth

Demand for city beautification infrastructures arise from the City's resident population, which is expected to continue to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed. The assets required to deliver the service are mostly located in streets or are trees in parks. The majority of the increase in demand for the resource is in the City's new growth areas. The basic infrastructure to service these areas is subject to planning several years in advance of actual subdivision and building activity. Structure plans

developed in conjunction with the District Plan Review identify high level layout for the City's growth areas. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City
- Around city entrances

Customer Expectations

Customers expect a high level of service delivery and this is reflected in Annual Residents Survey and through consultative planning processes.

12.4.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation (e.g. Reserves Act 1977), industry standards (e.g. National Parks and Recreation Asset Condition Grading Standards), community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with city beautification services (i.e. 74.6 CSI). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.4.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion and redevelopment in conjunction with standards set in the Hamilton City Development Manual and District Plan. Street trees are selected for their maintainability and suitability for particular areas of the City and settings within those areas, thereby limiting the maintenance requirement. In addition street trees are not planted where residents do not want them. This minimises requests for service and damage to trees.

12.4.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Parks and Gardens Unit has a service level agreement with the City Parks Business Unit

Renewals for the next three years are:

- City beautification asset renewals \$10,000 2004/05, \$10,000 2005/06, \$10,000 2006/07

12.4.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates.

12.5 Community Centres

12.5.1 Identification of Service

The 2003 Community Centres Asset Management Plan identified all the assets, managed by the Community Support Unit including the seven properties owned for the purpose of providing suitable facilities in which the community can hold meetings, events, programmes and provide information services. Where applicable the properties are rented out to the community in accordance with our community body leases.

12.5.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 12, 13, 14 and 15
- Community Outcome – Living Hamilton

12.5.3 Identification of Assets

Major properties making up the community centres and facilities are:

- Enderley Park Community Centre, situated in Tennyson Rd, on Council recreational land.
- Celebrating Age Centre, situated at 30 Victoria St, in the central city.
- Caro St Annexe, situated on the corner of Anglesea and Caro Sts, annexed to the main municipal building
- Pukete Educare, situated at 1 Cullimore St, Pukete.
- Central City Citizens Advice Bureau, situated at 55-56 Victoria St, adjacent to the St Peters' Cathedral in the central city.
- Citizens Advice Bureau Kent St, situated at 70-72 Kent Street, Frankton.
- Te Whare Awhina (Richmond Park School) is situated in the grounds of the Richmond Park School in Bader St.

12.5.4 Identification of Demand and Consumption

The main factors that affect demand on community centres include:

City and Population Growth

A substantial demographic change identified as the “baby boom” generation has affected both provision for and customer expectation of Council community centres. Future provisions for community centres will need to take account of:

- Increased numbers participating in leisure programmes for the older persons
- Increased demand for higher standard of facilities to accommodate lifestyle changes of the baby boom generation

- Increased ethnic diversity of the user groups involved in each community

It is predicted that by 2021 the population of Hamilton City will have grown to approximately 150,000 people and will influence the demand for Council services into the following decades. Statistics NZ predict that in future there will be slower population growth, further longevity gains, smaller households, increasing ethnic diversity, an ageing population, an older labour force and a further concentration of population in the northern North Island.

Customer Expectations

An increase in the usage of the community centres and requests for maintenance and upgrading suggest that user groups expect a high level of service delivery and the use of facilities of a high standard.

Legislative Changes

Any changes to legislation relating to the set up and use of community centres will alter future usage trends and needs to be monitored closely.

12.5.5 Service Levels and Standards

Current service levels have been set in response to legislation, building codes and standards, community aspirations, historical practices, customer feedback and a balance between affordability and desire. The community centres were not included in the Annual Residents Survey, so there is no CSI (customer satisfaction) score to report.

Some levels of service in the asset management plan are non-negotiable as they are based on Council's statutory obligations. These obligations set the minimum level of service that will be provided and include references to the Resource Management Act 1991, Building Act 1991 and the Local Government Act 2002. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years. The Property and Risk Management Unit maintains the assets at the appropriate level so they are fit for the purpose intended.

12.5.6 Asset Capacity

How effectively and efficiently the facilities are operated depends on the number of hours that they stay open each week and the type and level of services provided. The services provided vary considerably between community centres, with most centres having their largest contributors as repeat users on a regular basis.

Factors influencing the future usage of the centres include:

- Change in the community demography
- Increased awareness of the facilities
- Surrounding location providing competitive activities and events
- Level of skill in running of programmes
- Criteria of funding available for programmes

A Needs Assessment for future community centres and capacity within the city is required with particular focus on the aging population and centre attendees.

Capital expenditure identified for the Celebrating Age Centre to meet future need includes are:

- Plan and develop a drop-in facility (2002-04)
- Modify the present foyer and front of existing building (2003-07)
- Identify physical barriers with respect to disability awareness (2004-06)

12.5.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Community Support Unit has a service level agreement with the Property and Risk Management Unit.

12.5.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.6 Halls and Leased Buildings

12.6.1 Identification of Service

The 2003 Halls and Leased Buildings Asset Management Plan covers the City's Council-owned halls and buildings, managed by the Parks and Gardens Unit. This includes halls and buildings, which are leased for the cultural and recreational needs of the community.

12.6.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.6.3 Identification of Assets

Major components making up the halls and leased buildings assets are:

- 19 Community halls and buildings

12.6.4 Identification of Demand and Consumption

The main factors that affect the demand on community halls and leased buildings are:

City and Population Growth

Demand for Council halls and leased buildings arise from the City's resident population, which is expected to continue to grow. Such change will influence demand on this infrastructure in the next decade which will be met by providing the facilities where needed. The demand for halls is not high and the Council's provision represents a small part of the market in the City. It is anticipated that a more useful role will be served by a different style of facility in the future, such as the provision of community and recreation centres as foreshadowed in the Recreation and Leisure Plan and the Community Development Plan. Therefore, the demand for the service met by the present community halls is static and any further halls acquired are likely to be for reasons other than community use. For example, the preservation of an historic building.

The situation in terms of housing community groups is different. Though the Council buildings leased by community groups represent only a small part of the total market they meet a valuable function.

Demand and use for halls is managed through facility capacity and a booking system and through desirable limits in the interests of building operation, maintenance and in the case of Frankton Railway Institute Hall and Old St Peter's Hall, the protection of historic buildings. Demand and use for leased buildings is regulated through the availability of suitable buildings and through the application of the Community Assistance Programme criteria.

Customer Expectations

Customers expect a high level of service delivery and this is reflected through direct feedback through routine contacts with users and through consultative planning processes.

12.6.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Use of halls and leased buildings is not sufficiently widespread to enable inclusion in the Annual Residents Survey.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.6.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion and redevelopment in conjunction with standards set in the Hamilton City Development Manual and District Plan. The capacity of the halls is represented by bookable units of time allowing for cleaning and maintenance. Because of the nature of the market for hall space in Hamilton the use runs below capacity at most times. The availability of halls is high but their percentage utilisation is not. The leased buildings are diverse in terms of quality and suitability for current use. Most halls and buildings were not purpose built and are generally 40-80 years old.

12.6.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Parks and Gardens Unit has a service level agreement with the Property and Risk Management Unit.

Some of the buildings are nearing or at the end of their useful life but are maintained either because of their historic value or because of the difficulty of finding alternative affordable accommodation for the present tenants.

12.6.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.7 Hamilton Leisure Centre

12.7.1 Identification of Service

The 2003 Hamilton Leisure Centre Asset Management Plan covers the Hamilton City Leisure Centre, managed under contract to the Leisure Facilities Unit. This includes a centre and auditorium which provide affordable health, fitness, sport and leisure programmes.

12.7.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.7.3 Identification of Assets

Major components making up the Hamilton Leisure Centre assets are:

- Building
- Gymnasium facilities
- Indoor stadium
- Creche
- Carpark

12.7.4 Identification of Demand and Consumption

The main factors that affect the demand on the assets are:

City and Population Growth

Demand on the leisure centre will arise from the City's resident population which is expected to grow. This additional future demand is not expected to be significant. Whatever the impact on this infrastructure in the next decade, it will be met by either expansion of the facility or greater utilisation of space. The impact of urban growth will not be as significant on the centre as might be expected with other leisure related services. This is because the centre is centrally located and away from the urban growth. Participation in centre activities is not on a suburban level. Increases in the rural population that contributes to the catchment will have a slight impact on demand.

Disposable Income

This factor will influence the commercial operators who are deriving an income from activities to a greater extent than community groups whose main focus is on participation rather than profit. Community groups also increasingly struggle with volunteers and meeting costs of recreational activity. Only under strong economic conditions with demand continue to grow.

Product Availability

Is based on a membership philosophy or ad-hoc casual use. Events are booking based with no internal promotional driver.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in increased use of the centre as measured by patronage volume counts. In 2002/03 total patronage at the centre was 153,000 people. These show a steady growth in volume. The public attending any events at the centre have increasing expectations of levels of service from both the event and the venue.

12.7.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with the leisure centre and services (i.e. 67.6 CSI). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.7.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion and redevelopment in conjunction with standards set in the Hamilton City Development Manual and District Plan. The capacity of the centre is represented by bookable units of time allowing for cleaning and maintenance.

12.7.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have been minimal in the past three years, as the indoor stadium proposal has been investigated. Appendices 13.2 and 13.3 identify the programming and financial requirements for the centre and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work on the asset, the Leisure Facilities Unit has a service level agreement with the Property and Risk Management Unit.

12.7.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.8 Housing Services

12.8.1 Identification of Service

The 2003 Housing Services Asset Management Plan identifies all the housing assets managed by the Community Support Unit and owned and maintained by Council. These assets serve the purpose of providing affordable accommodation in Hamilton for tenants that meet the select criteria.

12.8.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 13, 14 and 15
- Community Outcome – Living Hamilton

12.8.3 Identification of Assets

Council owns 452 housing units based at 26 complexes within the City and are mostly located near shopping centres and bus routes. The variety of accommodation available includes bed-sits, single size bedroom or double size bedroom units suitable for individuals or couples. The existing units range in age from the earliest unit constructed in 1956 to the latest unit constructed in 1992. Bed-sit accommodation is generally smaller in area than a 1-bedroom unit and includes an open plan area that serves as a lounge/bedroom. There is a communal laundry in each bedsit complex. Single size /double size 1-bedroom units consist of a bedroom, separate lounge, kitchen and bathroom. Bedrooms include wardrobes and the units usually have gas or electric heating.

12.8.4 Identification of Demand and Consumption

The main factors that affect demand on housing include:

City and Population Growth

It is predicted that by 2021 the population of Hamilton City will have grown to about 150,000 people and will influence the demand for Council housing into the following decades. Statistics NZ predict that in future there will be slower population growth, further longevity gains, smaller households, increasing ethnic diversity, an ageing population, an older labour force and a further concentration of population in the northern North Island. An aging population will put pressure on the existing housing assets.

Customer Expectations

Customers now expect a high level of service delivery. This is reflected by the increase in applications for housing and the number of ongoing maintenance requests. Customer expectations are continually monitored to assist in identifying ongoing maintenance and capital work requirements. A review of tenant requirements will determine future need, and the necessary level of provision for the less-abled tenants.

Legislative Changes

Any future changes to the Residential Tenancy Act will affect future demand trends, primarily in relation to the meeting of criteria.

12.8.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, historical practices, customer feedback and a balance between affordability and desire. The Housing for the Elderly is not included in the Annual Residents Survey, so there is no CSI (customer satisfaction) score to report. Another survey is used instead which identifies that the facilities and services provided achieved a customer satisfaction rating of 95.2%, as measured by the 2004 Housing Services Annual Tenants Survey.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

A key objective of the asset management plan is to match the level of service provided by the assets with the expectations of the customers (tenants). Each tenant is visited by housing liaison staff twice yearly, neighbourhood groups are set up in each complex to offer support and flats are inspected whenever a tenancy begins or ends in order to update maintenance requirements.

12.8.6 Asset Capacity

There is a percentage of the population unable to provide their own housing who will continue to rely on Council to provide housing stock. Council housing offers comfortable, well-maintained accommodation at a much lower rental than the commercial market. Council's Housing Policy allows for 5% of housing stock to be set aside and offered to tenants with physical and/or mental health difficulties. There is a need to review the future capacity within the City to accommodate people with physical and mental health disability as the current need for such housing in Hamilton far exceeds the availability.

The variation in requests for housing on the east in comparison to the west of the City is dependent on the following conditions:

- Availability of services
- Proximity to family members
- Proximity to services
- Age and state of units
- Low maintenance and rental cost.

The waiting list identifies some areas as more desirable than others in the City with the demand in some areas outstripping current needs, suggesting that the provision of housing for the elderly should be increased. There appears to be a steady increase in the demand for units with level access showers and facilities applicable to tenants with health issues.

12.8.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Community Support Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

A report was commissioned in 2001 to evaluate the state of the older complexes built from 1956 – 1964 to consider their suitability to meet the needs of both today and the future. The units were assessed as being in good condition, of solid structure and interior conditions varying from unit to unit. It was reported that the units did not meet the needs and expectations of today's target group and a staged upgrade was recommended depending on the age of the units.

A major upgrade to housing services for next year is:

- Upgrading of older housing \$350,000 2004/05

12.8.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.9 Libraries

12.9.1 Identification of Service

The 2003 Libraries Asset Management Plan covers the City's library network, managed by the Libraries and Museum Unit. This includes the central and community branch libraries and library collection.

12.9.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 9 and 11
- Community Outcome – Experiencing Our Arts and Culture

12.9.3 Identification of Assets

Major components making up the libraries assets are:

- Central library building, located in Garden Place. Provides administration offices and library space.
- 5 Community libraries, located in Chartwell, Dinsdale, Glenview, St Andrews, Hillcrest
- Library collection and heritage assets
- Plant and equipment

12.9.4 Identification of Demand and Consumption

The main factors that affect the demand on library facilities are:

City and Population Growth

Demand for library facilities arise from the City's resident population, which is expected to grow. Such change will influence the demand on this infrastructure in the next decade, which will be met by the expansion of facilities or greater utilisation of space and learning initiatives.

Product Availability

This is limited to books, journals, videos and CDs available to the library user, which is influenced by funding and exchange rate fluctuations.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in increased book issues and use of library facilities as measured by visits to the central library (460,000 annually). These show a steady growth in volume.

12.9.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance

between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with library facilities and services (i.e. 83.2 CSI central library, 79.6 CSI branch libraries). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.9.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion. The library buildings including branch libraries operate well given current utilisation and patronage levels. Future demands on the facilities will be managed through marketing programmes.

12.9.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work on the asset, the Libraries and Museum Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

12.9.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.10 Parks and Gardens

12.10.1 Identification of Service

The 2003 Parks and Gardens Asset Management Plan covers the parks and gardens of the City, managed by the Parks and Gardens Unit. This includes the maintenance and administration of developed and undeveloped passive recreation land.

12.10.2 Rationale For Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.10.3 Identification of Assets

Major components making up the parks and gardens assets are:

- 128 parks comprising an area of 544 hectares
- 49 kilometres of walkways
- 75 playgrounds
- Hamilton Gardens
- Hamilton Gardens Pavilion
- Taitua arboretum
- Plant nursery
- Amenity (plantation) areas, sections of riverbanks and gully
- Ornamental lakes, ponds and pools
- Park structures, security systems
- Carparks
- Stormwater drainage and irrigation systems
- Rubbish receptacles
- Park lighting and outdoor furniture

12.10.4 Identification of Demand and Consumption

The main factors that affect the demand on parks and gardens are:

City and Population Growth

Demand for parks and gardens infrastructure arises from the City's resident population, which is expected to continue to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where

needed. Numerically, the assets required to deliver the service are mainly neighbourhood parks and local amenity reserves but the activity also includes a number of major or iconic parks such as Hamilton Gardens, Hamilton Lake Domain and Claudelands Park. The majority of the increase in demand for the resource is in the City's new growth areas. The basic infrastructure to service these areas is subject to planning several years in advance of actual subdivision and building activity. Structure plans developed identify high level layout for the City's growth areas for parks and gardens purposes. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City

Research carried out in conjunction with the Recreation and Leisure Plan suggest the need for an emphasis on the provision of informal recreation opportunities which can be used with a minimal commitment of time and administration on the part of the average user. Such opportunities include neighbourhood parks and walkway networks.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in Annual Residents Survey and through consultative planning processes.

12.10.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation (e.g. Reserves Act 1977), industry standards (e.g. National Parks and Recreation Asset Condition Grading Standards), community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with parks and gardens facilities and services (i.e. 88.0 CSI Hamilton Gardens, 80.0 CSI city walkways, 78.8 CSI parks and gardens in the city).

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.10.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion and redevelopment in conjunction with standards set in the Hamilton City Development Manual and District Plan. Council has a programme to achieve increases in the capacity of parks and gardens. It includes the acquisition and development of neighbourhood parks and riverside parks, the development of grounds, walkways, cycleways, and the acquisition of play equipment.

12.10.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the

proactive and reactive maintenance work to the asset, the Parks and Gardens Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

Some major upgrades and renewals to parks and gardens for the next three years are:

- Asset refurbishment prog.-structures \$37,000 2004/05, \$37,000 2005/06, \$37,000 2006/07
- Nursery upgrading and improvements \$10,000 2004/05, \$40,000 2005/06, \$30,000 2006/07
- Carpark maintenance programme \$58,000 2004/05, \$33,000 2005/06, \$32,000 2006/07
- Parks and gardens asset renewals \$80,000 2004/05, \$80,000 2005/06, \$80,000 2006/07
- Upgrading of existing riverside walkways \$100,000 2004/05, \$100,000 2005/06

12.10.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.11 Property and Risk Management

12.11.1 Identification of Service

The 2003 Property and Risk Management Plan covers the City's building assets, managed by the Property and Risk Management Unit. This includes the direct management of a number of buildings, and the facilities maintenance of all other building stock on behalf of all Council Units.

12.11.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 5 and 6
- Community Outcome – Growing Hamilton

12.11.3 Identification of Assets

Major components making up the Property and Risk assets are:

- Municipal building (a 10 storey tower block), located in Anglesea St. All building services are inter-linked from a central plantroom housed on the 10th floor of the tower block.
- Duke St depot, covers an area of 1.78 hectares
- 6 substantial commercially leased properties owned by the Municipal Endowment Fund providing market returns.
- Hamilton Transport Centre, located in Anglesea St. The centre includes bus stop, on-site services, visitor information centre, café and public toilets.
- 6 staff houses located on parks

The Property and Risk Management Unit manages the planned and reactive maintenance and renewals of buildings on behalf of all units. This being:

- Public toilets, sports changing buildings, halls and leased buildings, and playcentre for the Parks and Gardens Unit.
- Stadiums, swimming facilities, theatres, zoo facilities for the Leisure Facilities Unit
- Community centres and community/pensioner housing for the Community Support Unit
- The building structures at the wastewater plant and water treatment station for the Water and Waste Services Unit
- Number of carparks associated with Council facilities

12.11.4 Identification of Demand and Consumption

The main factors that affect the demand on the assets are:

City and Population Growth

Demand for facilities arise from the City's resident population, which is expected to grow. Such change will influence the demand on facilities in the next decade, which will be met by adding to the infrastructure asset stock or by greater utilisation of resources.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in increased use of facilities as measured by various surveys such as the Annual Residents Survey.

12.11.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with the Hamilton Transport Centre (i.e. 79.0 CSI) and many other buildings that are associated with services that are managed and maintained by the Property Risk and Management Unit on behalf of other Council units. Generally, there has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years. The services covered under the service level agreement with units meet building code compliance, fire service regulations and code compliance standards and requirements.

12.11.6 Asset Capacity

Demand and asset capacity is driven by the rate of city expansion. The buildings and facilities operate within current utilisation and patronage levels. Long-term forecasts for the future Demand for property requirements to meet the wider community needs can be difficult to assess. Currently this is the responsibility of each unit to consult with both user groups and the wider community giving feedback to the Property and Risk Unit.

12.11.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Generally, the annual programmes of renewals and routine maintenance have kept the assets in fair condition over the past 3 years, however more work is required to keep the building stock inline with customer requirements and meet future demands.. The property management asset renewal programme applies to the refurbishment of Council's assets to ensure tenant/customer satisfaction. Refurbishment work includes replacement/upgrade of equipment or facility components or full replacement of specific plant or infrastructure. The level of expenditure is indicated below. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. The Property and Risk Unit undertakes planned preventative routine maintenance, reactive repairs and maintenance, renewal works

and assists in the planning and construction of new buildings on behalf of other Council units.

Renewals to buildings and facilities for the next three years are:

- Property management renewals \$2.426million 2004/05, \$2.476million 2005/06, \$2.476million 2006/07

12.11.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.12 Refuse/Recycling Management

12.12.1 Identification of Service

The 2003 Refuse Asset Management Plan covers all the refuse service levels and assets managed by the Works and Services Group. This includes the provision of household refuse collection from the kerbside, refuse transfer station and recycling centre, disposal at Horotiu landfill, management of three closed landfills, and kerbside recyclable collection. It also covers the provision of a greenwaste recycling facility operated under licence by a private company.

12.12.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 1, 3 and 4
- Community Outcome – Sustaining Hamilton's Environment

12.12.3 Identification of Assets

The major components making up the refuse assets are the:

- Refuse Transfer Station
- Hamilton Organic Centre
- Landfill sites

All of the refuse services are provided by contract, following a process of competitive tendering. The contracts are long term and the contractors provide all moveable plant and labour for refuse collection, transfer and disposal.

12.12.4 Identification of Demand and Consumption

The main factors that affect the demand on refuse services are:

City and Population Growth

Further demand for refuse services can arise from expansion of the residential and industrial areas of the City.

Waste Minimisation and Waste Management Strategies

In 2003, Council adopted the New Zealand Waste Strategy 2002 as a guide for its future waste management and the review of its Waste Management Plan. This national strategy sets targets for minimising waste production and improving waste management over the next twenty years.

Market Influences

The most powerful factor in predicting waste management demand and consumption is likely to be the level of participation by the private sector in diverting waste away from Council facilities.

12.12.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire.

Annual Residents' Surveys indicate a high level of satisfaction with most of the refuse and recycling services (i.e. 81.7 CSI refuse and household collection, 81.4 CSI kerbside refuse collection, 80.5 CSI Hamilton Organic Centre, 76.6 CSI refuse transfer station). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

Refuse services are provided by Council and the private sector (under contract), to protect the health of the community and the environment. As mentioned above, the scope of the services is defined and reviewed in response to legislation, community aspirations and resource consents. The levels of service take account of environmental, social and economic factors.

The current levels of service includes:

- Weekly collection of not more than two approved bags (up to 60 litres and 20 kilograms each)
- Weekly recyclables collection of a 45 litre crate of mixed (plastic and glass bottles, stainless steel and aluminium cans) with paper and cardboard separately bundled. A second crate can be provided for a nominal fee.

In 2003, Council resolved to adopt the Ministry for the Environment's NZ Waste Strategy 2002. This strategy is the basis of the Council Waste Management Plan review and will influence future levels of service.

12.12.6 Asset Capacity

The capacity and condition of the existing assets has been identified as the first step in determining future maintenance, renewals and replacement. Provision of new assets has been identified by reference to the predicted demand and proposed changes to the services provided. The performance of the assets has been recorded by the ratings in the Annual Residents' Surveys and quarterly customer feedback surveys. The surveys assist in identifying opportunities for improvement. Further performance data has been obtained from resource consent compliance monitoring.

12.12.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. Council funds and provides for capital, renewal and maintenance works through contracted services.

Some major upgrades and renewals to refuse services for the next three years are:

- Refuse transfer station upgrades \$230,000 2005/06

- Horotiu pump replacements \$10,000 2004/05, \$10,000 2005/06, \$10,000 2006/07

12.12.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by these activities are reviewed annually and benchmarked against other similar service providers.

12.13 Roads and Traffic

12.13.1 Identification of Service

The 2003 Roads and Traffic Asset Management Plan covers all the roading assets managed by the Roads and Traffic Unit. This includes the road formation and pavement; footpaths; road drainage; berms; traffic signs, lighting and road marking; road furniture; on and off street parking facilities but not parking meters. The asset management plan does not include the State Highway network that runs through the City and which is managed by Transit NZ. The State Highways form a key part of the roading network in the City and close liaison is maintained with TNZ to ensure the objectives of both parties are met.

12.13.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 5 and 6
- Community Outcome – Growing Hamilton

12.13.3 Identification of Assets

The major components making up the roading system are:

- 554 kilometres of carriageways: earthworks, subgrade, subbase, basecourse, surfacing, drainage and berm
- 920 kilometres of kerb and channel
- 55 traffic bridges
- 852 kilometres of footpaths
- 25 kilometres of on-road cycle lanes and off-road cyclepaths
- Traffic services: signs, road marking, street lighting, traffic signals, traffic control devices, road furniture
- Structures: bridges, retaining walls, culverts
- Land

The roading network is more than the sum of the individual components that make up the physical assets. Council has to ensure that the individual components are built and maintained to a satisfactory standard and that these components are combined in a manner that delivers the required outcome.

Asset details are held in two databases. RAMM is a specialist roading database that includes asset details, condition monitoring and has predictive modelling capability that can assist with development of forward work programmes. It is used to hold data on the road pavement and surfacing, drainage and footpaths. Maximo is a computerised maintenance management system. It is used to hold asset data about streetlights, road markings, traffic signals, signs, street furniture, landscaping, and land. It is also used to manage the request for service system and to manage all maintenance contracts. Some contractors have on line access to Maximo to receive and update work orders. Most of

this data is very reliable but signs data needs upgrading and data is missing on some of the less significant asset types. Very good condition data is available for the road surface and pavement but this needs to be extended to other asset types to provide a sound basis for forward work programmes and monitoring asset condition trends. It is planned to firstly gather location data on the incomplete asset types, then investigate methods and costs for gathering condition data on footpaths.

12.13.4 Identification of Demand and Consumption

Demand for roading services is measured by traffic volume counts. These show a steady growth in volume, which will result in congestion and an unacceptable level of service in critical locations unless additional capacity is provided. In particular an increase in cross-river capacity will be needed within the next 10 years. Several studies are underway or have been completed to determine the best way to provide for this increase in demand.

Demand for extensions to the road network arises from expansion of the residential and industrial areas of the City. Approximately 14 km of road has been added to the network every year for the past 5 years. This is a growth rate of 2.5%, which is in excess of the increase in population.

Consumption is the rate at which the asset “wears out” and must be replaced. Sophisticated computer modelling tools are used to predict the effect on the network of maintenance funding strategies and determine the least cost option.

12.13.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with most roads and traffic network and services (i.e. 75.2 CSI street lighting in general, 72.3 CSI streets in general, 72.3 CSI footpaths in general, 69.3 CSI pedestrian facilities, 67.1 CSI traffic management). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are set each year to reflect the achievements of previous years.

Condition surveys of the pavement are done every 2 years. Results of road roughness and pothole numbers confirm the steady improvement in condition of the road pavement asset. It is intended to develop similar indicators for other asset types in conjunction with condition monitoring.

12.13.6 Asset Capacity

In general capacity is adequate. Congestion is however, apparent at peak periods on some Waikato River bridges and at some key intersections. An overall strategy study, Access Hamilton, is underway to provide a long-term plan for enhancements to the network. The Waikato River bridges will reach capacity within the next few years and will require either a duplication of an existing crossing or provision of a new crossing within this planning period. The deck of the Victoria Bridge will reach its fatigue life by about 2030 and need major refurbishment.

12.13.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for the network and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14.

The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Growth in the length of the network will need to be reflected in maintenance budgets. The addition of new assets has an immediate effect upon items such as street lighting energy charges, road marking, landscaping and street sweeping, but does not impact upon pavement or footpath maintenance for several years. The policy of resealing at an average cycle of 11 years has played an important part in achieving the current standard and needs to be continued. Council has adopted a resurfacing policy that means that some residential streets currently surfaced with smooth seal will be chip sealed when resurfacing is due. Computer modelling tools are becoming useful in predicting pavement condition under various maintenance strategies and will be used to optimise future forward work programmes. The high levels of roading upgrade work carried out in the early 90's will produce a peak in reseal demand in the next few years, but the programme has been smooth the financial impact within sound engineering criteria.

Some major upgrades and renewals to the roads and traffic network for the next three years are:

- Carriageway reseals \$2.261million 2004/05, \$2.304million 2005/06, \$2.348million 2006/07
- Footpaths and verges resurfacing \$481,000 2004/05, \$481,000 2005/06, \$481,000 2006/07
- Subsidised street lighting renewal \$322,000 2004/05, \$322,000 2005/06, \$333,000 2006/07
- Street sign renewal \$176,000 2004/05, \$176,000 2005/06, \$184,000 2006/07

12.13.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.14 Sports Areas

12.14.1 Identification of Service

The 2003 Sports Areas Asset Management Plan covers the City's sports areas and associated amenities and playgrounds on sports areas, managed by the Parks and Gardens Unit. This includes the provision of developed open space in the city comprising neighbourhood and citywide sports facilities.

12.14.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.14.3 Identification of Assets

Major components making up the sports areas assets are:

- 59 sports areas with an area of 428 hectares
- Playgrounds on sports areas
- Amenity and sports turf
- Park structures, security systems
- Roads, carparks, footpaths
- Stormwater drainage and irrigation systems
- Rubbish receptacles and outdoor furniture, fences and gates

12.14.4 Identification of Demand and Consumption

The main factors that affect the demand on sports areas are:

City and Population Growth

Demand for sports areas arise from the City's resident population, which is expected to continue to grow. Such change will influence the demand on this infrastructure in the next decade, which will be met by providing those facilities and amenities where needed. The assets required to deliver the service are mainly active sports facilities and open space. The majority of the increase in demand for the resource is in the City's new growth areas. The basic infrastructure to service these areas is subject to planning several years in advance of actual subdivision and building activity. Structure plans identify the high level reserves layout for the City's growth areas, including the location of active sports parks. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City

Research carried out in conjunction with the Recreation and Leisure Plan suggested the need for an emphasis on the provision of active recreation reserves, which can be used flexibly and informally, as well as by organised sport. These reserves will be developed to accommodate changes in recreational patterns brought about by cultural shift and by the changing demographic structure of the city. There is a greater diversity of codes played and informal sports have shown strong growth. Junior sport has grown markedly. Sports fields are allocated to codes at the beginning of each season and fees are charged to foster efficient allocation and use.

Customer Expectations

Customers expect a high level of service delivery and this is reflected through direct feedback through routine contacts with users and through consultative planning processes.

12.14.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation (Reserves Act 1977), industry standards (e.g. National Parks and Recreation Asset Condition Grading Standards), community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with sports areas, facilities and services (i.e. 73.8 CSI). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.14.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion and by demand for sports areas. Development is to standards set in the Hamilton City Development Manual and District Plan and to industry standards. Council has a development programme to construct further facilities on sport areas.

12.14.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Parks and Gardens Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

The Parks and Gardens Unit has employed an asset management coordinator to extend condition assessment across all assets to supplement existing procedures.

Some major upgrades and renewals to facilities for the next three years are:

- Minogue Park netball courts \$69,000 2006/07
- Sports areas asset renewals \$30,00 2004/05, \$30,000 2005/06, \$30,000 2006/07

12.14.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.15 Stadium and Event Facilities

12.15.1 Identification of Service

The 2003 Stadium and Events Facilities Asset Management Plan covers the three event venues managed by the Stadiums Unit. This includes the Waikato Stadium, Westpac Park and the Waikato Events Centre designed to attract local, national and international sports fixtures as well as other major events and expos.

12.15.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.15.3 Identification of Assets

Major components making up the stadium and event facilities are:

- Waikato Stadium. An outdoor sports arena re-developed from Rugby Park. Predominately a sporting venue catering for rugby, rugby league and soccer, it is can be used by other outdoor events such as concerts, festivals and shows. The stadium has an extensive array of function rooms available for hire
- Westpac Park. An outdoor sporting venue located close the CBD of Hamilton, specifically built for international cricket but available for other sporting and music and cultural events.
- Waikato Events Centre. A conglomerate of buildings and outdoor space built from the early 1960s which cater to the mid size conference, exhibition and event markets.

12.15.4 Identification of Demand and Consumption

The main factors that affect the demand on stadium and events facilities are:

City and Population Growth

Demand for stadium and events facilities arise from the City's resident population, which is expected to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed, expansion of the facilities or by greater utilisation of current space.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in the use of the stadiums and events centre as measured by patronage volume counts. These show a steady growth in volume. With the stadiums being relatively new, the quality of facilities is high with an equally high level of maintenance and refurbishing expectation. The Waikato Events Centre requires a major refurbishment to match market expectations.

Weather

Weather affects the demand on these venues. The winter months have the highest demand for the Waikato Stadium for rugby while over summer the highest demand for Westpac Park is for cricket. Waikato Events Centre is an all year round venue as it has both indoor and outdoor facilities.

12.15.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with both stadium facilities in terms of facility and services offered and relatively poor ratings for the Waikato Events Centre (i.e. 84.4 CSI Waikato Stadium, 74.6 CSI Westpac Park, 63.7 CSI Waikato Events Centre). There has been a steady improvement in the satisfaction ratings over the past few years. Additional assets are provided within those venues to meet expected levels of service along with resources to manage and operate them safely. There are some very specific levels of service at each venue, all of which are different.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.15.6 Asset Capacity

In general the capacity is adequate. The Waikato Stadium is geared to offer a great venue for many years with the spectator capacity of 26,000 being thought of as suitable for Hamilton and the Waikato. The venue is pitched as a second tier venue in regards to capacity like other major Stadia located in Auckland, Wellington and Christchurch. The facilities provided are already recognised as being the best in the country.

Westpac Park is ideal for international Test Cricket. The current spectator capacity of 9,000 limits the value to New Zealand Cricket, especially for One Day Internationals. The venue needs to increase its capacity to 12,000 persons in order to compete with other similar venues. In 2004 the outfield at Westpac Park will be re-drained and surfaced with a sand carpet, which will allow the venue to be highly competitive as a test venue in New Zealand. This will also enable further non-cricket utilisation throughout the winter months.

In 1999, the Hamilton City Council purchased the Waikato Events Centre (formerly Claudelands Showground) from the Waikato Show Trust with the adoption of the Claudelands Park Management Plan in February 2001. Waikato Events Centre has an ideal location but requires a major refurbishment. The centre has a 5,000 spectator capacity. It is very suitable for the smaller to middle sized expo type events. The indoor stadium proposal (if successful) will enable the Centre to be strategically developed over time. Hamilton needs this type of venue which could sustain the function, event and expo business requirements.

12.15.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the assets at the Waikato Stadium and Westpac Park, in good condition over the past 2 and 5 years respectively, and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Leisure Facilities Unit has a service level agreement with the Property and Risk Management Unit.

Renewals to the facilities for the next three years are:

- Waikato Events Centre renewals \$30,000 2004/05, \$30,000 2005/06, \$30,000 2006/07

12.15.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.16 Stormwater Management

12.16.1 Identification of Service

The 2003 Stormwater Asset Management Plan covers all the stormwater service levels and assets managed by the Works and Services Group. This includes the stormwater pipes, manholes, open channels and waterways in the City.

12.16.2 Rationale For Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 1 and 4
- Community Outcome – Sustaining Hamilton's Environment

12.16.3 Identification of Assets

Major components making up the stormwater network are:

- 570 kilometres of pipes, ranging from 225mm to 2300mm in diameter
- 10,536 manholes, providing access points to the pipelines
- Catchpits that collect water from the roadway kerb and channel
- Outlet structures, many of these have structural provision for energy dissipation to prevent scouring at pipeline outlet
- 87 kilometres of open drain channels and waterways
- 3 flood detention dams, that mitigate flood flows

12.16.4 Identification of Demand and Consumption

The main factors that affect the demand on the stormwater system are:

City and Population Growth

Demand for extensions to the stormwater system arise from expansion of the residential and industrial areas of the City. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed. Urban development brings about demand for additional stormwater infrastructure. The City has a number of growth areas. The basic infrastructure needed to service these areas is subject to planning several years in advance of actual subdivision and building activity. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City
- Peacockes in the south of the City

Weather

The weather impacts on catchment runoff and ultimately the design and development of the stormwater network.

12.16.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire.

Annual Residents' Surveys indicate a moderate level of satisfaction with the stormwater system and services (i.e. 65.9 CSI). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

Issues with increased stormwater flows are anticipated with infill housing development and this is being addressed through the Proposed District Plan and the provision of additional stormwater reticulation as required. Fundamental flow capacity standards are:

- Within urban areas pipelines should accommodate storms having a return period frequency of once in 2 years.
- Within industrial areas pipelines should accommodate storms having a return period frequency of once in 5 years.
- Within commercial areas pipelines should accommodate storms having a return period frequency of once in 10 years.

12.16.6 Asset Capacity

In general capacity is adequate. A stormwater services review during the 1970's progressively covered the whole of the City's area at that time. These catchment studies resulted in a major pipeline construction programme that was completed in the 1998/99 financial year. It is recognised that areas for improvement will continue to be identified, and for this reason budgeted expenditure provides for ongoing improvements to stormwater capacity.

12.16.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for network and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. The majority of maintenance and renewal works are managed by service level agreements within Council with the remainder of works managed by external contracts.

Some major upgrades and renewals to the stormwater network for the next three years are:

- Reticulation network renewals \$150,000 2004/05, \$200,000 2005/06, \$180,000 2006/07
- Renew stormwater outlets to kerbs \$30,000 2005/06, \$30,000 2006/07

12.16.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by these activities are reviewed annually and benchmarked against other similar service providers.

12.16.9 Environmental Impact

The environmental impact of the City's stormwater discharge has recently been investigated to quantify the effects and to develop mitigation measures for situations where the impact is not sustainable. This was done to support a resource consent submitted to Environment Waikato six months prior to 1 October 2001, which was the date when all existing consents expired. Processing of the resource consent is still in progress.

For new subdivisions, emphasis is being placed on retaining and enhancing existing natural waterways and integrating their characteristics into the new urban growth designs.

12.17 Swimming Facilities

12.17.1 Identification of Service

The 2003 Swimming Facilities Asset Management Plan covers all the swimming facilities managed by the Leisure Facilities Unit. This includes the swimming facilities throughout the City, that provide swimming complexes.

12.17.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.17.3 Identification of Assets

Major components making up the swimming facilities are:

- Waterworld in Te Rapa, with a 50 metre pool and hall, grandstand seating, judging facilities, conference rooms and storage, dive pool with towers, a 25 metre pool, an outdoor pool, hydroslide, spa pool, mini golf, beach volley ball, gymnasium, café, barbeque equipment and children's playground
- Gallagher Aquatic Centre in Melville, an indoor 25 metre pool and toddler/teaching pool
- Municipal Pool in Victoria St, a 25 metre pool, toddlers pool and grandstand
- Plant

12.17.4 Identification of Demand and Consumption

The main factors that affect the demand on the water system are:

City and Population Growth

Demand for swimming facilities arise from the City's resident population, which is expected to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed, including the development of new facilities. In 2002 an Aquatic Strategy was developed for the City, which illustrates a ten year plan for Aquatics within Hamilton. The focus of the Aquatic Strategy was based around provision of facilities, access of patrons and promotion of facilities.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in the increased demand for swimming related programmes and options. These include learn to swim programmes, health and fitness programmes, aquatics sports and training opportunities and uses, competitive and teaching/coaching programmes and therapeutic uses. All these programmes require physical space and equipment.

Disposable Income

This factor will influence the commercial operators who derive an income from activities to a greater extent than individuals and community groups whose main focus is on participation.

12.17.5 Service Levels And Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with the swimming facilities and services (i.e. 76.8 CSI Waterworld, 75.0 CSI Gallagher Aquatic Centre). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.17.6 Asset Capacity

Use of the swimming facilities is controlled through a notional facility capacity for both casual, programmed and club patrons. This capacity has yet to be realised. Future demands will be assuaged by the development of new facilities and greater utilisation of current space. The swimming facilities at Waterworld were constructed in 1976. Since then additional pools, modifications and use of new technology have all contributed to its increased flexibility, reliability and capacity. The Gallagher Aquatic Centre was constructed in 1997 and the Municipal Pools in 1911. In 2002/03 total patronage at Waterworld and Gallagher Aquatic Centre was 606,000 people. The Municipal Pool patronage levels were 42,000.

Strategies impacting on asset capacity have been addressed through the development of the Aquatic Strategy. Key future strategies include:

- Community participation be enhanced and enabled by preserving available pool capacity and providing additional water space at existing facilities.
- Planning commence toward a new facility to be built in the northeast sector of the City
- Ancillary developments and capital improvements be undertaken to ensure that facilities meet present and future demand.
- The use of the citywide (Council and others) network of existing aquatic facilities is optimised to meet the needs of the community by the ongoing development and evaluation of new and existing education programmes.
- Real and perceived barriers to participation by the community be minimised including increased opportunity for people with disabilities to access facilities.
- The public awareness of partner facilities be developed to relieve pressure on Council facilities.

12.17.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14.

Some major upgrades and renewals to the facility for the next three years are:

- Waterworld full plant replacement \$100,000 2004/05, \$100,000 2005/06
- Waterworld asset renewals \$58,000 2004/05, \$58,000 2005/06, \$58,000 2006/07
- Hydroslide renewal \$300,000 2005/06

12.17.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.18 Theatre Services

12.18.1 Identification of Service

The 2003 Theatres Services Asset Management Plan covers the three live performance venues, the Founders Memorial Theatre, the WestpacTrust Community Theatre and the Meteor managed by the Leisure Facilities Unit. Riverlea Theatre and Arts Centre buildings are leased under a Community Bodies lease to The Riverlea Trust Board who operate and manage the buildings. All these venues cater for a range of entertainment, from cultural and community presentations to commercial and professional events using a range of spaces within venues. Specialised theatre equipment and professional services are also provided for the presentation of events

12.18.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 9 and 10
- Community Outcome – Experiencing Our Arts and Culture

12.18.3 Identification of Assets

Major components making up the theatre facilities are:

- Founders Memorial Theatre. A 1249 seat proscenium arch theatre equipped with lighting, sound and scenery flying systems. The Theatre has dressing rooms, a separately hireable rehearsal room, a foyer with restaurant and bar.
- WestpacTrust Community Theatre. A 590-seat proscenium arch theatre includes a balcony level; it is equipped with lighting, sound and scenery flying systems. Dressing rooms are situated under the stage, at the rear is a separately hireable dance studio plus premises occupied by the Hamilton Operatic Society namely office, wardrobe, workshop and storage spaces.
- The Meteor. A black box theatre space with a capacity of 500 persons with a basic lighting system. The building is comprised of the auditorium, gallery, workshop, offices and dressing room spaces.
- Riverlea Theatre and Arts Centre. A studio style theatre with 140-seat capacity, dining lounge, kitchen and bar plus rehearsal, office and storage spaces.

12.18.4 Identification of Demand and Consumption

The main factors that affect the demand on theatre facilities are:

City and Population Growth

Demand for theatrical entertainment arises from the City's resident population, which is growing, plus the increasing enjoyment by residents of cultural and artistic events. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the facilities, resources and equipment where needed, to enable theatre activity to be best presented to the public.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in the increased use of theatre facilities and related services as measured by patronage volume counts. These show a steady growth in volume. An increase in the usage of the theatres and requests for maintenance and upgrading suggests that user groups are expecting a high grade of facility and service.

12.18.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a moderate level of satisfaction with theatre facilities and services (i.e. 77.0 CSI Founders Theatre, 72.0 CSI WestpacTrust Theatre, 64.2 CSI The Meteor). Riverlea Theatre is not rated in the Annual Residents Survey. There has been a steady improvement in the satisfaction ratings over the past few years. Additional assets are provided within those venues to meet expected levels of service along with resources to manage and operate them safely.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.18.6 Asset Capacity

Overall, capacity is at 50%. This indicates there is capacity still available, however not all of it is at optimum times. The objective is to maximise the potential through application of its booking policy and negotiation processes plus programmes of managed events to complement existing bookings. Capacity is measured in two ways. These being:

- Days hired per year
- Numbers of people attending events – patronage.

The theoretical maximum of 75% capacity is affected by non-optimum times and the physical limitations of the venues. Patronage is at 40% of possible capacity. This is limited by the events offered. Generally, professional events have a higher patronage than community events. These levels suggest there is sufficient capacity with the current venues for the short to medium term. Theatre Services venues will be well placed to respond to future demands.

12.18.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the

proactive and reactive maintenance work to the asset, the Leisure Facilities Unit has a service level agreement with the Property and Risk Management Unit.

Some major upgrades and renewals to the facilities and equipment for the next three years are:

- Theatre equipment renewal \$140,000 2004/05, \$140,000 2005/06, \$140,000 2006/07
- Meteor Theatre Exterior Refurbishment \$180,000 2004/05
- WestpacTrust Theatre Exterior painting \$20,000 2004/05
 Replace 61mm Boiler \$6,000 2004/05
 Interior refurbishments \$63,000 2004/05
 Polyurethane Dance Studio Floor \$8,500 2004/05

12.18.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.19 Toilet Facilities

12.19.1 Identification of Service

The 2003 Toilet Facilities Asset Management Plan covers the City's public toilets, managed by the Parks and Gardens Unit. This includes toilets in public areas including facilities in the central business district.

12.19.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.19.3 Identification of Assets

Major components making up the public toilets assets are:

- 52 facilities located about the city
- Semi-automated toilets
- Sports park amenity blocks
- Small toilet blocks on neighbourhood parks
- Portable toilets

12.19.4 Identification of Demand and Consumption

The main factors that affect the demand on public toilets are:

City and Population Growth

Demand for public toilet facilities arises from the City's resident population, which is expected to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the facilities where needed. The assets required to deliver the service are mainly at venues or sports facilities and at high use areas such as walkways.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in the Annual Residents Survey and through consultative planning processes.

12.19.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards (e.g. National Parks and Recreation Asset Condition Grading Standards), community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a moderate level of satisfaction with public toilets facilities and services (i.e. 65.7 CSI toilet general design and appearance, 62.5 CSI public toilet facilities). There has been a serious attempt to

improve standards of presentation of Public Toilets over the past year and this has been reflected in an improvement in the satisfaction ratings.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.19.6 Asset Capacity

In general, capacity is adequate though perhaps at the low end of acceptability. Demand and capacity is driven by the rate of city expansion and redevelopment in conjunction with standards set in the Hamilton City Development Manual and District Plan. Council has a programme to construct further blocks to serve riverside reserves.

12.19.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Parks and Gardens Unit has a service level agreement with the Property and Risk Management Unit.

12.19.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates.

12.20 Waikato Museum of Art and History

12.20.1 Identification of Service

The 2003 Waikato Museum of Art and History Asset Management Plan covers the City's arts and culture facilities, managed by the Libraries and Museum Unit. This includes the museum building, Exscite Centre and ArtsPost.

12.20.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 9, 10 and 11
- Community Outcome – Experiencing Our Arts and Culture

12.20.3 Identification of Assets

Major components making up the museum assets are:

- Museum building, located at 1 Grantham St. Provides administration offices, collection storage, workshop space and multiple gallery spaces.
- Exscite Centre, located adjacent to the Museum. Provides administration offices, workshop space and two gallery spaces.
- ArtsPost, located on Victoria St. Provides administration offices, workshop space, gallery spaces, artists workshop.
- Museum collection
- Plant and equipment

12.20.4 Identification of Demand and Consumption

The main factors that affect the demand on sports areas are:

City and Population Growth

Demand for museum facilities arise from the City's resident population which is expected to grow. Such change will influence the demand on this infrastructure in the next decade which will be met by expansion of the facilities or greater utilisation of space and exhibition initiatives. The assets required to deliver the service are mainly the facilities and the museum collection including the heritage assets. The Exscite Centre in the museum exists to promote and popularise science and technology, so additional demand on this service can be expected due to city growth. The ArtsPost is a community arts facility. Its purpose is to encourage and promote the arts in Hamilton. No additional demand would be expected as a result of city growth. Overall if the same percentage patronise use of the museum in 2021 as the current population, then usage will rise significantly and will drive the services offered by the museum.

Disposable Income

This factor impacts on patronage levels where exhibitions attract a charge.

Product Availability

This is limited by the exhibitions that are offered to the museum and the cost of holding exhibitions.

Customer Expectations

Customers expect a high level of service delivery and this is reflected in increased use of museum facilities and related services as measured by patronage volume counts (140,000 annually). These show a steady growth in volume.

12.20.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with museum facilities and services (i.e. 79.1 CSI Exscite, 77.7 CSI museum, 77.3 CSI ArtsPost). There has been a steady improvement in the satisfaction ratings over the past few years.

Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

12.20.6 Asset Capacity

In general, capacity is adequate. Demand and capacity is driven by the rate of city expansion. The museum building including the Exscite Centre operate well, given current utilisation and patronage levels. The ArtsPost building is classed as a heritage item (taken from the Hamilton District Plan) and has a 'A' ranking of significance. Any alterations to this building to account for capacity requirements need to be approved by the Historical Trust Society.

12.20.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programmes of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Libraries and Museum Unit has service level agreements with the Property and Risk Management Unit and the City Parks Business Unit.

12.20.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

12.21 Wastewater Management

12.21.1 Identification of Service

The 2003 Wastewater Asset Management Plan covers all the wastewater service levels and assets managed by the Works and Services Group. This includes the wastewater network (pipes, bridges, manholes and pumping stations) and wastewater treatment plant.

12.21.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 1, 3 and 5
- Community Outcome – Sustaining Hamilton’s Environment

12.21.3 Identification of Assets

Major components making up the wastewater network are:

- 720 kilometres of pipes, ranging from 100mm to 1800mm in diameter
- 13,333 manholes, providing access points to the pipelines
- 115 wastewater pumping stations
- 5 major wastewater bridges
- wastewater treatment plant

12.21.4 Identification of Demand and Consumption

The main factors that affect the demand on the wastewater system are:

City and Population Growth

Demand for extensions to the wastewater system arises from expansion of the residential and industrial areas of the City. Such change will influence the demand on this infrastructure in the next decade which will be met by providing the resources where needed. Urban development brings about demand for additional wastewater infrastructure. The City has a number of growth areas. The basic infrastructure needed to service these areas is subject to planning several years in advance of actual subdivision and building activity. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City
- Peacockes in the south of the City

Industry Trends

Changes in industry types within the City, particularly “wet” type industries such as meat or food processing provide a strong influence on wastewater treatment demands. Hamilton currently has very few industries which discharge high volumes. Hamilton’s Economic Strategy focuses on creating a city which is the “World centre of agritech and

biotech innovation". Attracting these types of industries to Hamilton is unlikely to produce high demands on wastewater systems.

12.21.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with the wastewater system and services (i.e. 69.9 CSI). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

For the networks, the target level of service is to collect and transport wastewater to the wastewater treatment plant without overflow. This is normally achieved, except during extreme rain events when the inflow and infiltration that enters the wastewater network overloads some pipelines and pumping stations.

For the wastewater treatment plant, the level of service is to treat and discharge wastewater (including solid, liquid and gases) in compliance with resource consent conditions. A high standard of compliance is normally achieved.

12.21.6 Asset Capacity

Consideration of the capacity and performance of pipe networks include both "dry" and "wet" weather flow conditions. The "wet" weather flows are higher because of rain, groundwater infiltrating the wastewater system. Some of the larger wastewater pump stations in the City need to be reviewed to determine their capacity, performance and storage capability, particularly under very wet conditions. Development plans for the City's growth cells have been or are currently being prepared and these identify trunk and interceptor systems needed to service these new and infill growth areas.

The wastewater treatment plant was constructed in 1975 and an upgrade was completed in 2002 to add both capacity (to a population of 150,000) and improve effluent quality and solids treatment. The capacity requirements for the next 25 years will be reassessed in 2004, during planning for the next major upgrade of the wastewater treatment plant.

12.21.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for network and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. The majority of maintenance and renewal works are managed by service level agreements within Council with the remainder of works managed by external contracts.

Some major upgrades and renewals to wastewater services for the next three years are:

- Replacement of asbestos cement rising mains \$120,000 2004/05, \$80,000 2005/06, \$80,000 2006/07

- Pukete project stage 2 upgrade \$300,000 2004/05, \$300,000 2005/06, \$350,000 2006/07

12.21.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by these activities are reviewed annually and benchmarked against other similar service providers.

12.22 Water Supply

12.22.1 Identification of Service

The 2003 Water Asset Management Plan covers all the water service levels and assets managed by the Works and Services Group. This includes the water network, booster pumping stations, reservoirs and the water treatment station.

12.22.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 1, 3 and 4
- Community Outcome – Sustaining Hamilton’s Environment

12.22.3 Identification of Assets

Major components making up the water network are:

- Water treatment station
- 940 kilometres of pipes, ranging in size from 50 mm to 600 mm nominal bore
- 9 booster pumping stations
- 7 water reservoirs

12.22.4 Identification of Demand and Consumption

The main factors that affect the demand on the water system are:

City and Population Growth

Demand for extensions to the water system arise from expansion of the residential and industrial areas of the City. Such change will influence the demand for water infrastructure in the next decade. The need for more urban developments brings about demand for additional water infrastructure. The City has a number of growth areas. The basic infrastructure needed to service these areas is subject to planning several years in advance of actual subdivision and building activity. Presently the recognised growth areas are:

- Rototuna in the north eastern part of the City
- Rotokauri in the north western part of the City
- Peacockes in the south of the City

With such a large volume of source water (the Waikato River) the City is well placed to respond to future increases in demand. Planning and construction programmes are in place to provide for this future demand through augmentation of treatment, storage and distribution components of the water supply system.

Industry Trends

Changes in industry types within the City, particularly “wet” type industries such as meat or food processing provide a strong influence on water supply demands.

Hamilton currently has very few industries which use high volumes of water. Hamilton's Economic Strategy focuses on creating a city which is the "World centre of agritech and biotech innovation". Attracting these types of industries to Hamilton is unlikely to produce high demands on water supply systems.

12.22.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, from historical practices, customer feedback and a balance between affordability and desire. Annual Residents' Surveys indicate a moderate level of satisfaction with the water network and services (i.e. 84.1 CSI continuity of water, 81.5 CSI water pressure, 69.2 CSI clarity of water, 57.7 CSI taste of water). Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

The Ministry of Health grading of Hamilton City's water supply system is an 'A' grading for treatment and an 'a' for distribution. These grades indicate that water quality is of a high standard. The minimum consumer flow and pressure standards are 10 metres pressure and a flow of 20 litres per minute at the property's building site.

A programme of works is in place to ensure the treatment station continues to produce 'A' grade quality water in the future. Additional water storage capacity and refinements to the bulk water distribution system are needed to provide the required quality, supply future demand and to further optimise energy use in water pumping.

12.22.6 Asset Capacity

The treatment station was commissioned in 1971 and designed for a capacity of 65ML/day. Since then major works, extensions, modifications and use of new technology have all contributed to its increased security, reliability, flexibility, economy and capacity. The treatment station can now supply over 80 ML/day for short periods (a maximum of 76 ML/day sustained production). The most recent upgrade is the construction of an additional storage tank (5 mega litres) to provide extended contact times for chlorine (to achieve higher standard of disinfections), and also to provide additional storage volume for operational flexibility. Development of the treatment station will increase its flow capacity and ensure the station's existing high grade is maintained.

The total storage capacity of all the City's reservoirs is 68 mega litres. This quantity of storage ensures some security of supply in emergency circumstances. Commonly accepted water supply practice is to provide this amount of storage as a minimum safe level. A new bulk water main is needed to strengthen supply to the eastern side of Hamilton and additional reservoir storage is needed to improve the security of supply and to ease operational difficulties in supplying peak demand.

12.22.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. Appendices 13.2 and 13.3 identify the programming and financial requirements for network and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and

replacement of assets for the period 2004-14. The majority of capital, maintenance and renewal works are managed by service level agreements within Council with the remainder of works managed by external contracts.

A system of pipeline condition assessment is needed to ensure appropriate replacement programmes are in place. Some 48% of the pipelines are AC pipe, a material that has variable durability. An improved understanding of its service life and the timing of its replacement are key issues for the renewal programme. An \$18.5m upgrade to the water treatment station has begun. This will provide capacity for Hamilton's residential and industrial growth for the next 20 years.

Some major upgrades and renewals to the water network and water treatment station for the next three years are:

- Water treatment station upgrade \$5million 2004/05, \$10.5million 2005/06, \$3million 2006/07
- Reservoir asset renewal \$13,000 2004/05, \$260,000 2005/06, \$130,000 2006/07
- Water treatment station low lift pump renewal \$80,000 2004/05
- Water network mains renewal \$295,000 2004/05, \$345,000 205/06, \$345,000 2006/07
- Water network fittings renewal \$300,000 2004/05, \$375,000 205/06, \$375,000 2006/07

12.22.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by these activities are reviewed annually and benchmarked against other similar service providers.

12.23 Zoo

12.23.1 Identification of Service

The 2003 Zoo Asset Management Plan covers all the Zoo assets managed by the Leisure Facilities Unit. This includes the buildings and enclosures, landscaped grounds, native and exotic animals set in a 21 hectare zoological garden.

12.23.2 Rationale for Delivery

- The Local Government Act 2002
- Strategic Plan – 2002-12, Goal 16
- Community Outcome – Enjoying Our City

12.23.3 Identification of Assets

Major components making up the Zoo facilities located at 183 Brymer Rd are:

- Administration/education block and cafe
- Staff residence
- Toilet facilities, children's playground and seating
- Carpark
- Plant and equipment
- 3.5 kilometres of cobblestone and gravel paths and boardwalks
- 7 ponds
- Animal housing
- Enclosures
- Service facilities, fencing and barns
- Native and exotic animal collection

12.23.4 Identification of Demand and Consumption

The main factors that affect the demand on Zoo facilities are:

City and Population Growth

Visitor numbers to the Zoo are expected to increase as the City's resident population grows and the surrounding environs. Such change will influence the demand on the facility as a tourist attraction and educational facility in the next decade, which will be met by greater utilisation of current space or expansion of facility and, community and education programme initiatives.

Customer Expectations

Demand for the Zoo facility and related services are measured by patronage volume counts. These show a steady growth in volume. In 2002/03 total patronage at the Zoo was 97,000 people. An increase in the usage of the Zoo and requests for maintenance and upgrading suggest that user groups expect a high grade of facility and service.

12.23.5 Service Levels and Standards

Current service levels have been arrived at in response to legislation, industry standards, community aspirations, historical practices, customer feedback and a balance between affordability and desire. Annual Residents Surveys indicate a high level of satisfaction with Zoo facilities and services (i.e. 82.1 CSI). There has been a steady improvement in the satisfaction ratings over the past few years. Performance targets for use, income, quality issues and specific maintenance works are reconsidered each year based on future expectations and the achievements of previous years.

Licensed by the Ministry of Agriculture and Forestry (MAF) as a Zoological Garden, the Zoo holds institutional membership of ARAZPA (Australasian Regional Association of Zoological Parks and Aquaria). It has agreed to uphold and comply with the ARAZPA Code of Ethics and Code of Practice; and participate in the Australasian Species Management Programme (ASMP). Council is licensed to ISO 9001. The Zoo is also ISO 14001 accredited.

12.23.6 Asset Capacity

In general, capacity is adequate. Future demands will be managed by the development of new facilities or expansion of existing facilities, greater utilisation of current space and programme initiatives. The Zoo is well placed to respond to future demands and developments and will utilise the following initiatives to achieve this:

- A high degree of co-operation between other zoological facilities and conservation networks to maximise outcomes.
- The provision of community and curriculum education programmes necessary for accreditation as a member of the Australasian Regional Association of Zoo Parks and Aquaria (ARAZPA).
- A zoological collection strategy in line with regional and international conservation priorities (assisting conservation captive management programmes for endangered species and reducing the number of low conservation value species).

Other factors influencing the usage and capacity of the Zoo include:

- Changes in the community demography
- Increased awareness of the Zoo facilities and educational programmes
- Statutory holidays and school holidays

12.23.7 Maintenance and Renewal

The asset management plan refers to maintenance, renewal, disposal or replacement requirements, in physical and financial terms. The annual programme of renewals and routine maintenance have kept the asset in good condition over the past 5 years and should continue at the present level to avoid any significant deterioration in the asset. Appendices 13.2 and 13.3 identify the programming and financial requirements for the facilities and services and sets out Council's intentions with respect to the maintenance, acquisition, renewal and replacement of assets for the period 2004-14. To do the proactive and reactive maintenance work to the asset, the Leisure Facilities Unit has a service level agreement with the Property and Risk Management Unit

Renewals to the facilities for the next three years are:

- Zoo asset renewal \$67,000 2004/05, \$86,000 2005/06, \$89,000 2006/07

12.23.8 Financial

Refer to Appendices 13.2 and 13.3 for 10 year estimates. Charges imposed by the Unit are reviewed annually and benchmarked against other similar service providers.

APPENDIX 13.1 INTRODUCTION TO THE APPENDICES

10 Year Financial Estimates 2004/05 – 2013/14

The financial estimates for the 10 year period 2004/05 – 2013/14 contain cost, revenue and rate estimates based on projected levels of service with no allowance for inflation.

The following tables are presented:

Appendix 13.2 – Total Operating Costs, Revenue, and Net Cost by outcome area. Total operating costs include all costs related to an outcome area including depreciation, interest charge, allocation of support costs and direct costs of operation. Revenue includes all income received by an outcome area (this does not include general rates). Net cost is total operating costs less revenue.

Appendix 13.3 – Special and Capital Projects. Capital projects are deemed to be capital rather than operating when accounting convention determines that a Council owned asset will be created or added to. All capital projects for the next 10 years are included in this appendix as well as the additional operating costs resulting from the completion of the capital project. Special projects are those operating (not capital) projects deemed by Council to be of a one off nature, including grants, rather than a normal cost of ongoing operation. All projects of an operating nature listed in this appendix (identified as Type M) are included in the total operating costs for the relevant service as shown in Appendix 13.2.

The total cost of projects is shown and also the rates funding required after deduction of funding from other sources such as reserves, subsidies, loans and contributions.

Projects are presented in a Funded section and an Unfunded section. Whilst the merit of projects listed in the Unfunded section is recognised, Council's financial resources do not allow these projects to proceed. Some will be considered for funding in subsequent years whilst for others Council will endeavour to find alternative sources of funding.

Appendix 13.4 – Statement of Financial Performance.

Appendix 13.5 – Statement of Movements in Equity.

Appendix 13.6 – Statement of Financial Position.

Appendix 13.7 – Statement of Cash Flows.

Appendix 13.8 – Statement of Commitments and Contingencies.

Appendix 13.9 – Net Debt Table and Linkage to the Liability Management Policy and debt servicing targets.

Appendix 13.10 – Recovery Ratios. Recovery ratios for each service are calculated as revenue as a percentage of total operating costs with a maximum of 100%. Total operating costs and revenue are as detailed above in the comments on Appendix 13.2.

Rating System

Appendix 13.11 – Rate Allocation by Property Sector. This appendix shows how much each property sector contributes to the amount of rates required to fund each service of Council. The tables show both the differential factor (expressed in dollars and the total overall differential factor ratio) and the differential yield (expressed in percentages). The rates required to fund each service is calculated as the total net operating, financing,

capital and reserve costs of that service and a proportional allocation of those costs and revenues which are not related to specific services, e.g. provision for disaster recovery.

Appendix 13.12 – Funding Needs Consideration Summary. This appendix shows the funding consideration for each service of Council in accordance with the steps outlined in section 101(3)(a) of the Local Government Act 2002.

Appendix 13.13 – Impact of 2004/05 General Rating System (to existing ratepayers).

Appendix 13.14 – 2004/05 Selected Sample of Indicative Rates.

APPENDIX 13.2 OUTCOME AREAS - TOTAL OPERATING COSTS

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Sustaining Hamilton's Environment										
Wastewater management	11,359	11,361	11,555	11,621	11,746	12,139	12,110	12,317	12,504	12,532
Stormwater management	5,204	5,030	5,127	5,077	5,192	5,225	5,256	5,265	5,310	5,354
Recycling/refuse collection	9,614	9,624	8,077	6,354	6,452	6,535	6,615	6,718	6,800	6,893
Water supply	7,878	9,290	9,998	10,277	10,452	10,624	10,603	10,762	10,963	10,701
Sustainable environment	603	598	585	584	567	557	555	558	553	553
Environmental health	1,284	1,280	1,283	1,282	1,285	1,283	1,281	1,284	1,280	1,279
Growing Hamilton										
Road network management	19,630	19,375	19,955	19,834	20,073	20,084	20,276	20,269	20,543	20,481
Hamilton Transport Centre	532	516	519	513	524	528	533	538	550	548
Environmental services	7,607	7,419	7,279	7,183	7,197	7,188	7,181	7,193	7,174	7,170
Endowment and investment property portfolio management ¹	2,020	1,970	1,983	1,979	1,995	1,986	1,979	1,989	1,974	1,973
Promoting Hamilton										
Economic development	1,106	1,149	1,067	1,067	1,120	1,079	1,080	1,136	1,094	1,096
City promotion	650	650	650	650	650	650	650	650	650	650
Experiencing Arts, Culture and Heritage in Hamilton										
Hamilton theatre services	2,171	2,173	2,185	2,182	2,187	2,184	2,184	2,186	2,184	2,181
Hamilton City Libraries	7,031	7,044	7,112	7,119	7,124	7,122	7,119	7,125	7,117	7,115
Waikato Museum of Art and History	3,951	3,906	3,915	3,913	3,918	3,916	3,912	3,918	3,911	3,909
Living in Hamilton										
Community support	3,270	3,775	3,284	3,287	3,302	3,315	3,317	3,335	3,344	3,349
Community facilities	5,201	5,581	5,318	5,717	5,451	5,851	5,570	5,977	5,680	6,082
Emergency management	565	561	563	562	565	563	562	564	561	560
Partnership with Maori	265	265	265	265	265	265	265	265	265	265
Representation and civic affairs	5,020	4,589	4,671	4,936	4,604	4,580	4,923	4,669	4,535	4,892
Enjoying our City										
Sports areas	2,541	2,566	2,577	2,593	2,672	2,682	2,730	2,796	2,832	2,892
Parks and gardens	8,478	8,601	8,747	8,736	8,837	8,866	8,875	8,995	8,937	9,045
Stadiums and events facilities	6,948	7,652	6,745	6,794	6,828	6,845	6,905	6,959	6,971	7,042
Swimming facilities	4,459	4,463	4,477	4,483	4,487	4,485	4,483	4,487	4,481	4,480
Hamilton Zoo	1,944	1,944	1,952	1,938	1,941	1,939	1,937	1,940	1,935	1,935
TOTAL OPERATING COSTS	119,331	121,382	119,889	118,946	119,434	120,491	120,901	121,895	122,148	122,977

OUTCOME AREAS - REVENUE

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Sustaining Hamilton's Environment										
Wastewater management	1,251	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231	1,231
Stormwater management	2	2	2	2	2	2	2	2	2	2
Recycling/refuse collection	6,547	6,580	3,535	290	290	286	282	282	282	282
Water supply	3,126	3,726	4,049	4,276	4,274	4,275	4,273	4,271	4,271	4,270
Sustainable environment	0	0	0	0	0	0	0	0	0	0
Environmental health	453	453	453	453	453	453	453	453	453	453
Growing Hamilton										
Road network management	3,400	3,240	3,313	3,266	3,329	3,280	3,351	3,299	3,372	3,319
Hamilton Transport Centre	190	190	190	190	190	190	190	190	190	190
Environmental services	6,837	6,657	6,585	6,385	6,385	6,385	6,385	6,385	6,385	6,385
Endowment and investment property portfolio management	4,556	4,556	4,556	4,556	4,556	4,556	4,556	4,556	4,556	4,556
Promoting Hamilton										
Economic development	0	0	0	0	0	0	0	0	0	0
City promotion	0	0	0	0	0	0	0	0	0	0
Experiencing Arts, Culture and Heritage in Hamilton										
Hamilton theatre services	624	622	624	622	624	622	624	622	624	622
Hamilton City Libraries	676	676	676	676	676	676	676	676	676	676
Waikato Museum of Art and History	313	313	313	313	313	313	313	313	313	313
Living in Hamilton										
Community support	807	807	807	807	807	807	807	807	807	807
Community facilities	2,226	2,226	2,226	2,226	2,226	2,226	2,226	2,226	2,226	2,226
Emergency management	254	254	254	254	254	254	254	254	254	254
Partnership with Maori	0	0	0	0	0	0	0	0	0	0
Representation and civic affairs	246	22	22	246	22	22	246	22	22	246
Enjoying our City										
Sports areas	111	111	111	111	111	111	111	111	111	111
Parks and gardens	785	785	785	785	785	785	785	785	785	785
Stadiums and events facilities	2,389	2,464	2,484	2,484	2,484	2,484	2,484	2,484	2,484	2,484
Swimming facilities	1,635	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685	1,685
Hamilton Zoo	672	672	672	672	672	672	672	672	672	672
TOTAL REVENUE	37,100	37,272	34,573	31,530	31,389	31,315	31,606	31,326	31,401	31,569

OUTCOME AREAS - NET COST

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Sustaining Hamilton's Environment										
Wastewater management	10,108	10,130	10,324	10,390	10,515	10,908	10,879	11,086	11,273	11,301
Stormwater management	5,202	5,028	5,125	5,075	5,190	5,223	5,254	5,263	5,308	5,352
Recycling/refuse collection	3,067	3,044	4,542	6,064	6,162	6,249	6,333	6,436	6,518	6,611
Water supply	4,752	5,564	5,949	6,001	6,178	6,349	6,330	6,491	6,692	6,431
Sustainable environment	603	598	585	584	567	557	555	558	553	553
Environmental health	831	827	830	829	832	830	828	831	827	826
Growing Hamilton										
Road network management	16,230	16,135	16,642	16,568	16,744	16,804	16,925	16,970	17,171	17,162
Hamilton Transport Centre	342	326	329	323	334	338	343	348	360	358
Environmental services	770	762	694	798	812	803	796	808	789	785
Endowment and investment property portfolio management	-2,536	-2,586	-2,573	-2,577	-2,561	-2,570	-2,577	-2,567	-2,582	-2,583
Promoting Hamilton										
Economic development	1,106	1,149	1,067	1,067	1,120	1,079	1,080	1,136	1,094	1,096
City promotion	650	650	650	650	650	650	650	650	650	650
Experiencing Arts, Culture and Heritage in Hamilton										
Hamilton theatre services	1,547	1,551	1,561	1,560	1,563	1,562	1,560	1,564	1,560	1,559
Hamilton City Libraries	6,355	6,368	6,436	6,443	6,448	6,446	6,443	6,449	6,441	6,439
Waikato Museum of Art and History	3,638	3,593	3,602	3,600	3,605	3,603	3,599	3,605	3,598	3,596
Living in Hamilton										
Community support	2,463	2,968	2,477	2,480	2,495	2,508	2,510	2,528	2,537	2,542
Community facilities	2,975	3,355	3,092	3,491	3,225	3,625	3,344	3,751	3,454	3,856
Emergency management	311	307	309	308	311	309	308	310	307	306
Partnership with Maori	265	265	265	265	265	265	265	265	265	265
Representation and civic affairs	4,774	4,567	4,649	4,690	4,582	4,558	4,677	4,647	4,513	4,646
Enjoying our City										
Sports areas	2,430	2,455	2,466	2,482	2,561	2,571	2,619	2,685	2,721	2,781
Parks and gardens	7,693	7,816	7,962	7,951	8,052	8,081	8,090	8,210	8,152	8,260
Stadiums and events facilities	4,559	5,188	4,261	4,310	4,344	4,361	4,421	4,475	4,487	4,558
Swimming facilities	2,824	2,778	2,792	2,798	2,802	2,800	2,798	2,802	2,796	2,795
Hamilton Zoo	1,272	1,272	1,280	1,266	1,269	1,267	1,265	1,268	1,263	1,263
TOTAL NET COST	82,231	84,110	85,316	87,416	88,065	89,176	89,295	90,569	90,747	91,408

FUNDED	SAP	TOTAL COST	RATES										10 Yr Total													
			1	2	3	4	5	6	7	8	9	10														
All figures in \$000s																10 Yr Total	10	9	8	7	6	5	4	3	2	1
Museum basement/collection storage O&M impact	110.1 M	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	150	30		
Museum personnel lifter	111.0 C																						30	175		
Museum lighting	112.0 C	85	90																				85	40		
Preservation of the Rangiriri	339.0 M	40																					40			
Outcome Area E: LIVING IN HAMILTON																										
Community Support																										
Community centres construction grant	73.0 M	25	400	25	400	25	400	25	400	25	400	25	400	25	400	25	400	25	400	25	400	25	400	2125		
Community centres construction grant O&M impact	73.1 M	150	150	225	225	300	300	375	375	450	450	450	450	450	450	450	450	450	450	450	450	450	3000			
Community houses operating grants	76.0 M	292	309	326	343	360	377	394	411	428	445	445	445	445	445	445	445	445	445	445	445	445	3685			
Youth at risk grant	309.0 M	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	100			
Northern Lifeguard service grant	67.0 M	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	200			
Bay of Plenty lifeguard service grant	68.0 M	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	150			
Recurring grants	71.0 M	368	372	376	380	384	388	392	396	400	404	404	404	404	404	404	404	404	404	404	404	404	3860			
Non-recurring grants	72.0 M	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	209	2090			
Waikato Abbeyfield	406.0 M	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	40			
Grant to Inline Hockey Association	420.0 M		200																				200			
Waikato Hockey Association grant to construct second w	491.0 M		300																				300			
Violence Intervention Programme grant	496.0 M	25																					25			
Community facilities																										
Upgrade of older housing pt 1	507.0 R	350																					350			
Hamilton West cemetery restoration	51.0 C	10																					40			
Newstead burial lawn extensions	52.0 C																						225			
Cemetery road maintenance-Hamilton Park	53.0 R	72																					163			
Hamilton Park cemetery irrigation system	55.0 C																						206			
Hamilton Park cemetery irrigation system O&M impact	55.1 M																						83			
Cemetery road maintenance-Hamilton East	56.0 R																						120			
Rebrick of crematorium interior	57.0 R	50																					150			
Public toilets	221.0 C	130	115	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	765			
Public toilets O&M impact	221.1 M		5	5	10	10	15	15	20	20	25	25	25	25	25	25	25	25	25	25	25	25	125			
Partnership with Maori																										
Partnership with Maori grants	108.0 M	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	1850			
Maori project fund	109.0 M	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	800			
Outcome Area F: ENJOYING HAMILTON																										
Sports areas																										
Sports area development programme	157.0 C																									
Sports area dev prog O&M impact	157.1 M																									
Mingog Park netball courts	158.0 R																									
New skateboard facilities	161.0 C																									
New skateboard facilities O&M impact	161.1 M																									
Provision of changing rooms on parks	162.0 C																									
Provision of changing rooms on parks O&M impact	162.1 M																									
Asset renewals-Sports Areas	163.0 R	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	300			
Porritt Stadium athletic track resurfacing	485.0 R																						1000			

FUNDED	SAP	TOTAL COST										RATES										10 Yr	Total			
		Ref	Type	TOTAL COST										RATES												
				2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	
All figures in \$000s				1	2	3	4	5	6	7	8	9	10	Total	1	2	3	4	5	6	7	8	9	10	10 Yr	Total
Water supply	261.0	C	140	140	140	140	140	140	140	140	140	140	140	1400												
	262.0	C	394	457	522	529	477	501	597					3477												
	263.0	C		171										171												
	264.0	C		20		20				20	800	1750	1000	100	23	20		20		20		20		20	23	
	265.0	C	23											3573												
	266.0	C	97	480	663	603	398	429	285					2352	603	653	603	550	550	550	550	450	450	450	5409	
	267.0	C	603	653	603	550	550	550	550	550	450	450	450	7100												
	268.0	C	4684	2416																						
	269.0	R	295	345	345	400	400	400	400	400	400	400	400	3785	295	345	345	400	400	400	400	400	400	400	3785	
	270.0	R	300	375	375	380	380	380	380	380	380	380	380	3710	300	375	375	380	380	380	380	380	380	380	3710	
	271.0	C	35	35	35	35	35	35	35	35	35	35	35	350	35	35	35	35	35	35	35	35	35	35	350	
	272.0	C		20	40	20								80		20	40	20							80	
	273.0	C	13	13	13		13				13			78	13	13	13		13		13				78	
	274.0	C												105											105	
	275.0	M	30		35		35							1280	30				35						1280	
	276.0	C																								
	277.0	C	1863	1845		1662	2115							7485												
279.0	M				5	8							13				5	8						13		
280.0	M												10											10		
423.0	M	21	21	22	22	23	23	23	24	24	24	25	25	230	21	21	22	22	23	23	24	25	25	25	230	
424.0	M	21	21	22	22	23	23	23	24	24	24	25	25	230	21	21	22	22	23	23	24	25	25	25	230	
476.0	C	20	20	20	20	20	20	20	20	20	20	20	100	20	20	20	20	20	20	20	20	20	20	20	100	

FUNDED	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total
			1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
			2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
All figures in \$'000s																							
Temple View trunklines duplication	477.0	C		30	1070								1100	30	130	36	15						30
Reservoir asset renewal	278.0	R	13	260	130	36	15						454	13	260	65	115	50	40				454
WTS asset renewal	294.0	R				65	115	50	40				270										270
WTS high lift pump sets	295.0	C	40										40	40									40
WTS low lift pumps	296.0	R	80										80	80									80
WTS filter improvements	298.0	C						610	150	150	150	150	1210					610	150	150	150	150	1210
Reservoir capital improvements	304.0	C	40	30		32	32		40	40			214	30		32	32		40	40			214
Reservoir shutoff controls	422.0	C	25				75						75	25									25
Feasibility study for a second water treatment station	454.0	M										7000											75
Water treatment station upgrade	455.0	C	5000	10500	3000								25500										25500
Water treatment station upgrade O&M impact	455.1	M	225	600	900	1300	1300	1300	1300	1300	1300	1000	10525	225	600	900	1300	1300	1300	1300	1000	1000	10525
Sustainable Environment																							
Hamilton environmental improvement in Riverlea	202.0	M		10	15	15							40		10	15	15						40
Environmental education programme	203.0	M	83	83	83	83	83	83	83	83	83	83	830	83	83	83	83	83	83	83	83	83	830
Festival of the environment	204.0	M	10										10	10									10
Sustainable subdivision	205.0	M	10	15									25	10									25
Waste management plan review	206.0	M	5	10	5	10	5						35	5	10	5	10	5					35
Environmental education centre	207.0	M	10										10	10									10
Gully restoration programme	208.0	M	15	15	15	10	10	7	7	7	7	7	100	15	15	10	10	7	7	7	7	7	100
Waste management plan initiatives	501.0	M	10	10	10	10	10						50	10	10	10	10						50
Environmental Health																							
Environmental noise monitoring	449.0	C	40										40	40									40
Outcome Area B: GROWING HAMILTON																							
Traffic model update	50.0	M				10					10		20							5			10
Strategic network development studies	411.0	M	50										50	50									50
Borman Rd (Resolution to Cate)	6.0	C				50	500						550					500					550
Resolution Dr (Discovery to Borman)	8.0	C	1400										1400										
Resolution Dr (Borman to City Boundary)	9.0	C											1050					55	200	50	1000		1050
Sexton Rd	10.0	C						55	200				255										255
Cate Rd stage 2 (Kay Rd South)	12.0	C											550										550
River Rd (north of Sylvester)	13.0	C			50	600			50	500			1200							32	325		357
Rotokauri growth	14.0	C											2400										2400
Wairere Dr (Hukarui to Tramway)	15.0	C											4800										4800
Subdivision associated works	17.0	C	115	115	115	3300							1150	115	-75	115	115	115	115	115	115	115	1150
Brymer Rd	18.0	C	75	540	250								865	75	540	250							865
Baverstock Rd	19.0	C				60	400						460			60	400						460
Gordon Rd (Crosby to Puketaha)	20.0	C				710							710										
Gordon Rd (Puketaha to Thomas)	21.0	C					610						610										
Ruakura Rd (Peachgrove - Knighton)	25.0	C			50		150	725	725				1650				150	725	725				1650
Norton Rd investigation & design	27.0	C			50								50		50								50
Norton Rd Stage 1	28.0	C				100	500						600										600
Norton Rd Stage 2	29.0	C											500										500
Miscellaneous land purchases	30.0	C	50			50	50	50	50	50	50	50	500	50	50	50	50	50	50	100	50	50	500
Riverlea Rd (Hudson to Acorn Timber)	33.0	C	777										777	389									389

FUNDED	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total		
			1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14			
All figures in \$000s																									
Tui Ave	36.0	C									100		100									8.5		100	100
Lake Domain Dr (Innes Common)	37.0	C	8.5											8.5											8.5
Old Farm Rd	38.0	C	230											230								30			30
Church Rd upgrade	39.0	C	25	115										25	115										140
Kerb & channel replacement	40.0	R	665	665	665	625	625	625	625	625	855	855	6930	509	509	487	487	487	487	487	659	659			5280
Area wide treatment	41.0	R	670	822	830	837	845	853	861	869	877	885	8349	362	444	448	452	456	461	465	474	478			4509
Bridge resurfacing	42.0	R				200							200				108								108
Carriageways reseals	44.0	R	2261	2304	2348	2398	2446	2495	2546	2597	2648	2247	24290	1221	1244	1268	1295	1321	1347	1375	1402	1430	1121		13024
Bridge refurbishment	45.0	R				800							800				432								432
Stormwater quality Improvements	46.0	R	50	50	50	50	50	50	50	50	50	50	500	27	27	27	27	27	27	27	27	27	27		270
Routine bridge maintenance	47.0	M	140	100	140	100	140	100	140	100	140	100	1200	76	54	71	49	71	49	71	49	71	49		610
Pavement deterioration modelling	49.0	M	40										40	40											40
Sylvester Rd	315.0	C				50	440	450	500				1440					50	440	450	500				1440
E1 - East Hamilton arterial design & construction	375.0	C	50				400	3000	3000	3000	3000	3000	12450	50				400							450
Powerline undergrounding grant programme	395.0	M	243	333	257	273	333	333	333	333	333	333	3104	243	333	257	273	333	333	333	333	333	333		3104
Thomas Rd repay advance funding	427.0	A	1600										1600												
Maui St extension advance funding repayment	431.0	A	210										210												
E1 - East Hamilton arterial land purchase	447.0	C		1270									1270												
RAMM management	448.0	M	200	150	240	150	240	150	240	150	240	150	1910	109	81	130	81	130	81	130	81	130	81		1034
Temple View kerb & channel replacement	458.0	R	18	18	18	18	18	18	18	18	18	18	180	18	18	18	18	18	18	18	18	18	18		180
Temple View carriageways reseals	459.0	R	38	38	38	38	38	38	38	38	38	38	197	21	21	21	21	21	22						109
Borman Rd (East of Cate Rd)	497.0	C	70	840									910												
Te Rapa bypass study	498.0	M	184										184	81											81
Gordonton Rd alignment	499.0	M	100										100	100											100
Northern bridge crossing	500.0	M	50		50								150	50	50	50									150
Minor safety improvements	222.0	C	286	288	291	294	296	299	302	305	310	315	2986	126	127	128	129	130	132	133	134	136	139		1314
Traffic improvements	223.0	C	150	150	150	150	150	150	150	150	150	150	1500	150	150	150	150	150	150	150	150	150	150		1500
Traffic calming	224.0	C	150	150	100	100	100	100	100	100	100	100	1100	104	150	100	100	100	100	100	100	100	100		1054
Road safety audit/AIS/traffic signal	225.0	M	25	25	25	25	25	25	25	25	25	25	250	13	13	13	13	13	13	13	13	13	13		130
Amenity lighting	226.0	C	10	10	10	10	10	10	10	10	10	10	100	10	10	10	10	10	10	10	10	10	10		100
Installation of new street lights	227.0	C	200	200	200	200	200	200	200	200	200	200	2000	88	200	200	200	200	200	200	200	200	200		1888
CBD improvements	228.0	C	250	150	150	150	150	150	150	150	150	150	1600	250	150	150	150	150	150	150	150	150	150		1600
Bus shelters	229.0	C	9	9	9	9	9	9	9	9	9	9	90												
Street furniture	230.0	R	20	20	20	20	20	20	20	20	20	20	200	20	20	20	20	20	20	20	20	20	20		200
Replacement of existing street lights	231.0	R	322	322	333	345	348	352	355	359	363	366	3465	184	184	190	197	198	201	202	205	207	209		1977
Traffic signal renewal	232.0	R	90	90	90	75	75	75	75	75	75	75	795	49	49	49	40	40	40	40	40	40	40		427
Street sign renewal	233.0	R	176	176	184	192	194	196	198	200	202	204	1922	95	95	99	104	105	106	107	108	109	110		1038
Traffic signal controller replacement	234.0	R	50	50	50	50	50	50	50	50	50	50	500	27	27	27	27	27	27	27	27	27	27		270
Traffic safety barriers	235.0	R	25	25	25	25	25	25	25	25	25	25	250	14	14	14	14	14	14	14	14	14	14		140
Electronic traffic information signage	416.0	C	80										160	43											86
Peachgrove rail crossing barrier arms	452.0	C	135										135	59											59
TeAroha/Peachgrove intersection	456.0	C	100										100	100											100
Land purchase Park and Ride	457.0	C		250	250	2	4	4	4	4	4	4	500												
Land purchase Park & Ride o&m	457.1	M											30												
Alternative transport modes study	460.0	M	25	20									25												
Temple View street light replacement	467.0	R		50	50								20												
Senior citizens bus subsidy	473.0	M	50										150												11

FUNDED	SAP	TOTAL COST										RATES										10 Yr Total
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
All figures in \$'000s	Ref Type	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	10 Yr Total
Environmental services																						
Parking meters	115.0 C	65																				65
Handheld infringement computers	116.0 C	80																				80
Handheld infringement computers O&M impact	116.1 M																					
Parking meter replacement	117.0 R	20																				20
Animal control centre - dog containment	445.0 C	12																				12
Animal control centre - reception upgrade	446.0 C	12																				12
Outcome Area C: PROMOTING HAMILTON																						
City promotion																						
Event sponsorship fund	78.0 M	630																				630
Event sponsorship fund O&M impact	78.1 M	20																				20
Promotional video & book	79.0 M	30																				30
Christmas festive decorations	85.0 C	15																				15
Economic development promotion	398.0 M	80																				80
Economic development resources	405.0 M	5																				5
Waikato Economic Development funding	439.0 M	750																				750
Visitor Info Centre grant	466.0 M	125																				125
Outcome Area D: EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON																						
Hamilton theatre services																						
Academy of Performing Arts operating grant	217.0 M	126																				126
Theatre improvements programme	219.0 C	28																				28
Theatre improvements programme O&M impact	219.1 M	1																				1
Theatres equipment renewals	220.0 R	140																				140
Hamilton City Libraries																						
Libraries/Museum development programme	104.0 M	70																				70
Council & community archives	105.0 C	40																				40
Library book purchases	106.0 C	899																				899
Flagstaff community library	107.0 C																					
Temple View libraries impact	462.0 C	31																				31
Library information & communication technology plan	480.0 M	45																				45
Installation of information display stands	495.0 M	48																				48
Waikato Museum of Art and History																						
Museum basement/collection storage	110.0 C	10																				10

FUNDED	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total	
			1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10		
All figures in \$000s																								
Museum basement/collection storage O&M impact	110.1	M	15	15	15	15	15	15	15	15	15	15	150	15	15	15	15	15	15	15	15	15	150	
Museum personnel lifter	111.0	C											30										30	
Museum lighting	112.0	C	85	90									85	90									175	
Preservation of the Rangiriri	339.0	M	40										40										40	
Outcome Area E: LIVING IN HAMILTON																								
Community Support																								
Community centres construction grant	73.0	M	25	400	25	400	25	400	25	400	25	400	2125	25	400	25	400	25	400	25	400	25	2125	
Community centres construction grant O&M impact	73.1	M	150	150	225	225	300	300	375	375	450	450	3000	150	150	225	225	300	300	375	450	450	3000	
Community houses operating grants	76.0	M	292	309	326	343	360	377	394	411	428	445	3685	292	309	326	343	360	377	394	411	428	3685	
Youth at risk grant	309.0	M	10	10	10	10	10	10	10	10	10	10	100	10	10	10	10	10	10	10	10	10	100	
Northern Lifeguard service grant	67.0	M	20	20	20	20	20	20	20	20	20	20	200	20	20	20	20	20	20	20	20	20	200	
Bay of Plenty lifeguard service grant	68.0	M	15	15	15	15	15	15	15	15	15	15	150	15	15	15	15	15	15	15	15	15	150	
Recurring grants	71.0	M	368	372	376	380	384	388	392	396	400	404	3860	368	372	376	380	384	388	392	396	400	3860	
Non-recurring grants	72.0	M	209	209	209	209	209	209	209	209	209	209	2090	209	209	209	209	209	209	209	209	209	2090	
Waikato Abbeyfield	406.0	M	4	4	4	4	4	4	4	4	4	4	40	4	4	4	4	4	4	4	4	4	40	
Grant to Inline Hockey Association	420.0	M		200									200										200	
Waikato Hockey Association grant to construct second w	491.0	M		300									300										300	
Violence Intervention Programme grant	496.0	M	25										25	25									25	
Community facilities																								
Upgrade of older housing pt 1	507.0	R	350										350	350									350	
Hamilton West cemetery restoration	51.0	C	10			10							40	10					10				40	
Newstead burial lawn extensions	52.0	C											225										225	
Cemetery road maintenance-Hamilton Park	53.0	R	72					36					163	72				36					163	
Hamilton Park cemetery irrigation system	55.0	C						200					206			6	200						206	
Hamilton Park cemetery irrigation system O&M impact	55.1	M						8	15	15	15	15	83				8	15	15	15	15	15	83	
Cemetery road maintenance-Hamilton East	56.0	R						49					120			71	49						120	
Rebrick of crematorium interior	57.0	R	50					50			50		150	50			50			50			150	
Public toilets	221.0	C	130	115	130		130	130	130	130	130	130	765	130	115	130		130	130	130	130	130	765	
Public toilets O&M impact	221.1	M		5	5	10	10	15	15	20	20	25	125		5	5	10	15	15	20	20	25	125	
Partnership with Maori																								
Partnership with Maori grants	108.0	M	185	185	185	185	185	185	185	185	185	185	1850	185	185	185	185	185	185	185	185	185	1850	
Maori project fund	109.0	M	80	80	80	80	80	80	80	80	80	80	800	80	80	80	80	80	80	80	80	80	800	
Outcome Area F: ENJOYING HAMILTON																								
Sports areas																								
Sports area development programme	157.0	C											2325										2325	
Sports area dev prog O&M impact	157.1	M											840										840	
Mingogue Park netball courts	158.0	R											69										69	
New skateboard facilities	161.0	C											90										90	
New skateboard facilities O&M impact	161.1	M											75										75	
Provision of changing rooms on parks	162.0	C											1929										1929	
Provision of changing rooms on parks O&M impact	162.1	M											150										150	
Asset renewals-Sports Areas	163.0	R											300										300	
Porritt Stadium athletic track resurfacing	485.0	R	30	30	30	30	30	30	30	30	30	30	1000	30	30	30	30	30	30	30	30	30	1000	

FUNDED	SAP	TOTAL COST	RATES	TOTAL COST										RATES										10 Yr Total
				1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
All figures in \$'000s	Ref	Type	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	10 Yr Total	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	10 Yr Total
Convention/events centre feasibility study	505.0	M	75										75	75										75
Parks and gardens																								
Reserves acquisition programme-land purchase	118.0	C	200										200											200
Reserves acquisition prog-land purchase O&M impact	118.1	M											20											20
Reserves Act management planning programme	119.0	M	15										280	15										280
Land acquisition & development of esplanade programme	120.0	C	20										200											200
Land acquisition & dev of esplanade prog O&M impact	120.1	M											90											90
Waahi tapu acquisition & development programme	121.0	C	50										590											590
Waahi tapu acquisition & dev prog O&M impact	121.1	M											135											135
Gully park development programme	122.0	C	120										1200											1200
Gully park development programme O&M impact	122.1	M											61											61
Boundary fencing contributions recreation land	123.0	M	65										53											53
Passive park programme development	124.0	C	85										100											100
Passive park programme development O&M impact	124.1	M											75											75
Hamilton Lake Domain redevelopment	125.0	C	240										540											540
Pest management strategy	126.0	M	40										400											400
Lake Rotorua ecological management programme	128.0	M	34										340											340
Asset refurbishment programme-structures	129.0	R	37										370											370
Riverbank stability programme	130.0	M	50										1231											1231
Claudlands Park grounds development	131.0	C	410										1110											1110
Claudlands Park grounds development O&M impact	131.1	M											210											210
Walkway cycleway system development	133.0	C	90										1750											1750
Walkway cycleway system development O&M impact	133.1	M											95											95
Taitua arboretum-development	134.0	C	98										658											658
Taitua arboretum-development O&M impact	134.1	M											85											85
Carpark development programme	135.0	C	100										650											650
Carpark development programme O&M impact	135.1	M											160											160
Pedestrian linkage on parks	136.0	C	42										233											233
Pedestrian linkage on parks O&M impact	136.1	M											48											48
Recreation equipment programme	137.0	C	100										1000											1000
Recreation equipment programme O&M impact	137.1	M											90											90
Nursery upgrading & improvements	138.0	R	10										110											110
Carpark maintenance programme	139.0	R	58										312											312
Recreation & leisure plan implementation	141.0	M											20											20
Lake Robokaio ecological rehabilitation programme	142.0	M	20										71											71
Parks & Gardens asset renewals	143.0	R	80										800											800
Recreation & leisure plan review	144.0	M											56											56
Riverside walkways signposting	146.0	M											36											36
Riverside walkways signposting O&M impact	146.1	M											28											28
Hammond Bush restoration programme	147.0	M	8										32											32
Hammond Bush restoration programme O&M impact	147.1	M											45											45
Windows on the river (vegetation removal)	148.0	M											100											100
Temple View parks & reserves	463.0	C	33										33											33
Temple View parks & reserves O&M impact	463.1	M											430											430
Development of riverside walkways & cycleways	481.0	C	370										2171											2171
Upgrading of existing riverside walkways	482.0	R	100										800											800

FUNDED All figures in \$'000s	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total
			1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
			2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Seats on parks	483.0	C	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	100
Seats on parks O&M impact	483.1	M		2	2	2	2	2	2	2	2	2	18	2	2	2	2	2	2	2	2	2	18
Interpretive panels (riverside reserves)	484.0	C			15	10	10	10	10	10	10	10	65		15	10	10	10	10	10	10	10	65
Interpretive panels (riverside reserves) o&m impact	484.1	M				5	5	5	10	10	10	10	55			5	5	5	10	10	10	10	55
Ham East Business Assoc & Steele Park Working Group	487.0	M	5										5										5
Community environmental tree planting programme	61.0	M	60	60	60	60	60	60	60	60	60	60	600	25	25	13	18	23	28	33	38	43	50
Com environmental tree planting programme O&M impact	61.1	M	3	8	13	18	23	28	33	38	43	48	255	3	8	13	18	23	28	33	38	43	255
Preservation of notable trees	62.0	M	10	10	10	10	10	10	10	10	10	10	100	10	10	10	10	10	10	10	10	10	100
City beautification asset renewals	65.0	R	10	10	10	10	10	10	10	10	10	10	100	10	10	10	10	10	10	10	10	10	100
Hamilton Gardens development	99.0	C	250	125	125	125	100	100	150	100	100	100	1275	170	100	100	100	75	75	150	100	100	1070
Hamilton Gardens development O&M impact	99.1	M		27	27	32	37	42	47	52	57	62	383		27	27	32	37	42	47	52	57	383
Hamilton Gardens information centre grant	100.0	M	30	15	15	15	15	15	15	15	15	15	165	30	15	15	15	15	15	15	15	15	165
Promotion of Hamilton Gardens	409.0	M	20	20	20	20	20	20	20	20	20	20	200	20	20	20	20	20	20	20	20	20	200
Hamilton Gardens vehicle barriers	478.0	C			34								34										34
Hamilton Gardens entranceway sculpture	479.0	C	45										45										45
Stadiums and events facilities																							
Waikato Events Centre renewals	284.0	R	30	30	30	30	30	30	30	30	30	30	300	30	30	30	30	30	30	30	30	30	300
Asbestos removal at Waikato Events Centre	506.0	M		850									850										
Waikato Stadium No.1 ground turf renewal	488.0	R			150								150										150
YMCA grant	98.0	M	60	60	60	60	60	60	60	60	60	60	600	60	60	60	60	60	60	60	60	60	600
Swimming facilities																							
Waterworld full plant replacement	209.0	R	100	100									200	100	100								200
Waterworld asset renewals	212.0	R	58	58	58	58	58	58	58	58	58	94	652	58	58	58	58	58	58	58	58	94	652
Gallaghers Aquatic Centre asset renewals	213.0	R	12	12	12	12	12	12	12	12	12	12	176	12	12	12	12	12	12	12	12	12	176
Partner pool grants	214.0	M	129.5	121	121	121	121	121	121	121	121	121	1218.5	129.5	121	121	121	121	121	121	121	121	1218.5
Lido leisure pool	216.0	C			2202								4404										
Hydroslide renewal	348.0	R		300									300	300	300								300
Diver towers	349.0	C		160									160	160	160								160
North east sector new pool	351.0	C		40				75	2500				2575		40			75					75
Gallagher Aquatic playground sun shade	486.0	C											40										40
Hamilton Zoo																							
Zoo development programme	310.0	C	229	234	233	245	170	5	5	225	230	233	1809	229	234	233	245	170	5	5	225	230	1809
Zoo asset renewal	311.0	R	67	86	89	93	96	100	104	107	111	114	967	67	86	89	93	96	100	104	107	111	967
Panda exhibit negotiations	312.0	M	15	15	15								45	15	15	15							45
Zoo development-chimpanzee exhibit	313.0	C	350	30	175								350	350	30	175							350
Zoo staff facilities	426.0	C											205										205
Zoo water connections	489.0	C	24		25								49	24		25							49
Zoo sewerage connections	490.0	C	220		80								220	220		80							220
Zoo electrical reticulation	493.0	C											80										80
SUPPORT SERVICES																							
Design Services																							
Survey equipment	442.0	R	21										21	21									21

FUNDED	SAP	TOTAL COST										RATES												
		1	2	3	4	5	6	7	8	9	10	10 Yr	1	2	3	4	5	6	7	8	9	10	10 Yr	
All figures in \$000s																								
Finance and Administration	90.0 M	2004/05		175								350	2004/05		175								350	
		2005/06												2005/06										
Human Resources	403.0 M	2004/05	135	95	115	200	200	200	200	200	200	1745	2004/05	135	95	115	200	200	200	200	200	200	1745	
		2005/06												2005/06										
Information Management	102.0 M	2004/05	100	100	100	100	100	100	100	100	100	1000	2004/05	100	100	100	100	100	100	100	100	100	1000	
		2005/06	159	221	291	231	251	189	197	141	161	141	1982	2005/06	159	221	291	231	251	189	197	141	141	1982
Property and risk management	400.0 C	2004/05										200	2004/05										200	
		2005/06												2005/06										
Works depot in north sector of the city	401.0 C	2004/05	366									366	2004/05	366									366	
		2005/06	4	40								44	2005/06	4	40								44	
Covered storage at City Parks depot	402.0 C	2004/05	789	789	733	732	732	732	732	732	732	7435	2004/05	789	789	733	732	732	732	732	732	732	7435	
		2005/06	2426	2476	2476	2476	2476	2476	2476	2476	2476	24710	2005/06	2426	2476	2476	2476	2476	2476	2476	2476	2476	24710	
Vehicle & plant renewals	149.0 C	2004/05											2004/05											
		2005/06												2005/06										
Property management capital asset renewal	150.0 R	2004/05											2004/05											
		2005/06												2005/06										
Security at Duke St depot	450.0 C	2004/05	95									95	2004/05	95									95	
		2005/06												2005/06										
Strategic	185.0 M	2004/05	40									40	2004/05	40									40	
		2005/06												2005/06										
District plan appeals, variations & reprinting provisions	186.0 M	2004/05	105	134	55	134	55	50	134	55	55	722	2004/05	105	134	55	134	55	50	134	55	55	722	
		2005/06	60	60	60	60	60	60	60	60	60	60	2005/06	60	60	60	60	60	60	60	60	60	60	
Sustainability indicators monitoring	187.0 M	2004/05	50									50	2004/05	50									50	
		2005/06	60	30	30	30	30	30	30	30	30	110	2005/06	60	30	30	30	30	30	30	30	30	110	
Hamilton urban growth strategy	189.0 M	2004/05	50	50	50	50	50	50	50	50	50	500	2004/05	50	50	50	50	50	50	50	50	50	500	
		2005/06	50	60	60	60	60	60	60	60	60	140	2005/06	50	60	60	60	60	60	60	60	60	140	
District plan implementation-monitoring of the district plan	190.0 M	2004/05	900	1000	1000	1000	1000	1000	1000	1000	1000	5900	2004/05	900	1000	1000	1000	1000	1000	1000	1000	1000	5900	
		2005/06												2005/06										
Hamilton district alternative methods programme	191.0 M	2004/05											2004/05											
		2005/06												2005/06										
Strategic land purchase programme	192.0 C	2004/05											2004/05											
		2005/06												2005/06										
Open space review & reserves strategy	193.0 M	2004/05	80									80	2004/05	80									80	
		2005/06												2005/06										
Infill housing-assessment options and implementation	194.0 M	2004/05	65	20	50	115	135	85	85	50		605	2004/05	65	20	50	115	135	85	85	50		605	
		2005/06	20	60	60	60	60	60	60	60	60	80	2005/06	20	60	60	60	60	60	60	60	60	80	
Rolling review programme-district plan	195.0 M	2004/05											2004/05											
		2005/06												2005/06										
Robotuna structure plan-land releases	196.0 M	2004/05											2004/05											
		2005/06												2005/06										
Environmental protection overlay stage 3-review & update	197.0 M	2004/05	60									60	2004/05	60									60	
		2005/06												2005/06										
District plan financial contribution review	198.0 M	2004/05											2004/05											
		2005/06												2005/06										
Stormwater quality strategy	200.0 M	2004/05	140									140	2004/05	140									140	
		2005/06												2005/06										
Peacocke structure plan	201.0 M	2004/05	10									10	2004/05	10									10	
		2005/06	15	50	15	15	15	15	15	15	15	60	2005/06	15	50	15	15	15	15	15	15	15	60	
Policy on equity and access for people with disabilities	440.0 M	2004/05											2004/05											
		2005/06												2005/06										
Hamilton City Council's governance statement	441.0 M	2004/05											2004/05											
		2005/06												2005/06										
Temple View district plan variation to incorporate Temple	504.0 M	2004/05											2004/05											
		2005/06												2005/06										
Works and Services Management	283.0 M	2004/05	30	30	30	30	30	30	30	30	30	300	2004/05	30	30	30	30	30	30	30	30	30	300	
		2005/06	50	50								100	2005/06	50	50								100	
Energy efficiency fund																								
Mighty River Power appeal																								
TOTAL FUNDED		45634	50979	37000	41883	40324	31987	35939	35987	34860	40853	395446	22666	22207	22298	22344	24448	23867	24413	25402	24717	24513	236875	

Type

M Maintenance / operating

C Capital

R Renewal (capital)

A Repayment of funding advanced by developers (capital)

APPENDIX 13.3 SPECIAL AND CAPITAL PROJECTS - UNFUNDED

UNFUNDED All figures in \$000s	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total
			1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
			2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Outcome Area A: SUSTAINING HAMILTON'S ENVIRONMENT																							
Stormwater management																							
Piping open drains pt 2	344.0	C		290	290	290	290	290	290	290	290	290		290	290	290	290	290	290	290	290	290	2610
Outcome Area B: GROWING HAMILTON																							
Road network management																							
Provision for pedestrian overbridges/underpasses	328.0	C		40	410	25	250	700	50	500				40	410	25	250	700	50	500			1975
Cobham Dr underpass	329.0	C	730																				730
Millennium design-riding development	359.0	C	1240											1240									1240
Millennium bridge	360.0	C		500	4500									500	4500								5000
Outcome Area C: PROMOTING HAMILTON																							
City promotion																							
Hamilton brand	321.0	M	100	100	100	100	100	100	100	100	100	100		100	100	100	100	100	100	100	100	100	1000
Millennium development	323.0	C	5350																				5350
Christmas float	325.0	M	5	5	5	5	5	5	5	5	5	5		5	5	5	5	5	5	5	5	5	50
Economic monitoring & reporting	345.0	M	20											20									20
Economic monitoring & reporting O&M impact	345.1	M	5	5	5	5	5	5	5	5	5	5		5	5	5	5	5	5	5	5	5	50
Outcome Area D: EXPERIENCING ARTS, CULTURE AND HERITAGE IN HAMILTON																							
Waikato Museum of Art and History																							
Museum street frontage	338.0	C	19	70										19	70								89
Gallery space	418.0	C	280	230										280	230								510
Gallery space O&M impact	418.1	M	15	30	30	30	30	30	30	30	30	30		30	30	30	30	30	30	30	30	30	285
Outcome Area E: LIVING IN HAMILTON																							
Community Assistance																							
Youth needs survey	346.0	M	25		25		25		25		25				25		25		25		25		125
Community facilities																							
Newstead cemetery gully development	317.0	C		40										40									80
Hamilton Park reception facility	318.0	C			50	450									50	450							500
Hamilton Park reception facility O&M impact	318.1	M					20	20	20	20	20	20					20	20	20	20	20	20	120
Entrance upgrade Celebrating Age Centre	320.0	C																					12
Upgrade of older housing pt 2	331.0	R	12		30	1000									30	1000							1030
Replacement of bedsits	332.0	R					50	1800	50	1500							50	1800	50	1500			3400
New housing for the elderly	333.0	C				50	200	1250								50	200	1250					1500
Outcome Area F: ENJOYING HAMILTON																							
Sports areas																							
Covered storage for cricket wicket clay	399.0	C	20																				20
Parks and gardens																							

UNFUNDED	SAP Ref	Type	TOTAL COST										RATES										10 Yr Total	
			1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10		
All figures in \$000s			2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total	
Hamilton Gardens pavilion kitchen/storage	330.0	C				132						132				132						132		
Hamilton Gardens pavilion kitchen/storage O&M impact	330.1	M									3	18										18		
Replacement of Lake Domain tearooms	341.0	C				1300	3	3	3	3	3	1300				1300	3	3	3	3	3	1300		
Stadiums and events facilities																								
Westpac Park grandstands	365.0	C	500			500						500	500									500		
Waikato Stadium boulevard	373.0	C										500										500		
Swimming facilities																								
Additional changing facilities	350.0	C	300									300	300									300		
Swimming facilities meeting rooms	352.0	C	200									200	200									200		
Waterworld deep water pool	353.0	C	36	1200																				
Municipal pool refurbishment/reconstruction	355.0	C								100	2400	2500							100	2400		2500		
Hamilton Zoo																								
Development of an african savannah exhibit	374.0	C										2900					900	1000	1000			2900		
Zoo playground stage 2	492.0	C		45								45		45								45		
Zoo canopy adjacent café	494.0	C	155									155	155									155		
SUPPORT SERVICES																								
Property and risk management																								
Air conditioning for Council facilities	342.0	C	285				185					470	285				185					470		
TOTAL UNFUNDED			9297	2555	6345	5112	1778	3153	1828	2453	578	2853	34716	3181	1355	6345	5112	1778	3153	1828	2453	578	2853	28636
Type																								
		M																						
		C																						
		R																						
		A																						
				</																				

Type

M Maintenance / operating

C Capital

R Renewal (capital)

A Repayment of funding advanced by developers (capital)

APPENDIX 13.4 STATEMENT OF FINANCIAL PERFORMANCE

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
REVENUE										
Revenue from outcome areas	33,597	33,769	31,069	28,027	27,866	27,812	28,103	27,823	27,898	28,066
Rates	73,500	74,630	76,031	77,265	79,266	79,677	80,491	81,989	82,000	82,308
Revenue assigned to asset development	10,345	10,838	10,010	12,182	10,792	9,935	9,926	10,001	10,032	10,009
Other revenue	1,572	1,381	1,308	1,176	1,104	1,102	1,102	1,102	1,102	1,102
Total Operating Revenue	119,014	120,618	118,418	118,650	119,028	118,526	119,622	120,915	121,032	121,485
EXPENDITURE										
Expenditure from outcome areas	114,556	116,622	115,101	114,160	114,648	115,639	116,043	117,035	117,228	118,054
Other expenditure	40	40	40	40	40	40	40	40	40	40
Total Operating Expenditure	114,596	116,662	115,141	114,200	114,688	115,679	116,083	117,075	117,268	118,094
Net Surplus	4,418	3,956	3,277	4,450	4,340	2,847	3,539	3,840	3,764	3,391

APPENDIX 13.5 STATEMENT OF MOVEMENTS IN EQUITY

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Net surplus for the year	4,418	3,956	3,277	4,450	4,340	2,847	3,539	3,840	3,764	3,391
Increase in revaluation reserves	0	0	50,000	0	0	0	0	50,000	0	0
Total Recognised Revenues and Expenses for the Year	4,418	3,956	53,277	4,450	4,340	2,847	3,539	53,840	3,764	3,391
Equity at beginning of year	1,534,886	1,539,304	1,543,260	1,596,537	1,600,987	1,605,327	1,608,174	1,611,713	1,665,553	1,669,317
Equity at End of Year	1,539,304	1,543,260	1,596,537	1,600,987	1,605,327	1,608,174	1,611,713	1,665,553	1,669,317	1,672,708

APPENDIX 13.6
STATEMENT OF FINANCIAL POSITION

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
EQUITY										
Accumulated funds	1,293,060	1,297,016	1,300,293	1,304,743	1,309,083	1,311,930	1,315,469	1,319,309	1,323,073	1,326,464
Revaluation reserves	222,210	222,210	272,210	272,210	272,210	272,210	272,210	322,210	322,210	322,210
Restricted reserves	6,401	6,826	7,171	7,171	7,171	7,171	7,171	7,171	7,171	7,171
Council created reserves	17,633	17,208	16,863	16,863	16,863	16,863	16,863	16,863	16,863	16,863
Total Equity	1,539,304	1,543,260	1,596,537	1,600,987	1,605,327	1,608,174	1,611,713	1,665,553	1,669,317	1,672,708
ASSETS										
Current Assets										
Investments	0	4,885	332	1,443	0	0	0	0	0	0
Accounts receivable and prepayments	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Inventories	400	400	400	400	400	400	400	400	400	400
Total Current Assets	10,400	15,285	10,732	11,843	10,400	10,400	10,400	10,400	10,400	10,400
Non-Current Assets										
Investment properties	34,048	34,048	34,048	34,048	34,048	34,048	34,048	34,048	34,048	34,048
Investments	19,512	15,324	15,329	14,069	14,069	14,069	14,069	14,069	14,069	14,069
Fixed assets	1,630,674	1,650,134	1,703,681	1,712,384	1,719,006	1,717,762	1,720,367	1,772,103	1,774,290	1,782,910
Total Non-Current Assets	1,684,234	1,699,506	1,753,058	1,760,501	1,767,123	1,765,879	1,768,484	1,820,220	1,822,407	1,831,027
Total Assets	1,694,634	1,714,791	1,763,790	1,772,344	1,777,523	1,776,279	1,778,884	1,830,620	1,832,807	1,841,427
LIABILITIES										
Current Liabilities										
Bank overdraft	300	300	300	300	300	300	300	300	300	300
Accounts payable and income in advance	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Employee entitlements	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Term debt	5,718	11,869	7,017	7,789	6,212	6,127	6,165	6,094	6,044	6,265
Finance lease liabilities	300	300	300	300	300	300	300	300	300	300
Total Current Liabilities	23,818	29,969	25,117	25,889	24,312	24,227	24,265	24,194	24,144	24,365
Non-Current Liabilities										
Employee entitlements	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Term debt	123,512	133,287	133,571	137,003	139,519	135,613	134,741	132,808	131,381	136,489
Finance lease liabilities	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Landfill aftercare provision	5,500	5,775	6,065	5,965	5,865	5,765	5,665	5,565	5,465	5,365
Total Non-Current Liabilities	131,512	141,562	142,136	145,468	147,884	143,878	142,906	140,873	139,346	144,354
Total Liabilities	155,330	171,531	167,253	171,357	172,196	168,105	167,171	165,067	163,490	168,719
Net Assets	1,539,304	1,543,260	1,596,537	1,600,987	1,605,327	1,608,174	1,611,713	1,665,553	1,669,317	1,672,708

APPENDIX 13.7 STATEMENT OF CASH FLOWS

All figures in \$'000s

	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash will be provided from:										
Rates	73,500	74,630	76,031	77,265	79,266	79,677	80,491	81,989	82,000	82,308
Petrol tax	900	900	900	900	900	900	900	900	900	900
Government operating subsidies and grants	3,480	3,320	3,393	3,436	3,409	3,360	3,431	3,379	3,452	3,399
Government capital subsidies and grants	2,384	3,090	2,239	4,247	2,914	2,293	2,343	2,357	2,447	2,363
Fees rents and charges	33,617	33,949	31,176	28,181	27,957	27,952	28,172	27,944	27,946	28,167
Other capital contributions	3,836	3,623	3,646	3,810	3,753	3,517	3,458	3,519	3,460	3,521
Investment income	449	481	408	276	204	202	202	202	202	202
	118,166	119,993	117,793	118,025	118,403	117,901	118,997	120,290	120,407	120,860
Cash will be applied to:										
Salaries and wages	34,108	34,088	34,016	34,021	34,016	34,016	34,021	34,016	34,016	34,021
Payments for supplies and services	50,304	46,268	47,629	43,236	44,436	43,918	43,894	44,178	44,756	45,878
Interest paid	9,394	10,420	11,161	11,107	11,394	12,066	12,141	12,619	13,283	13,452
	93,806	90,776	92,806	88,364	89,846	90,000	90,056	90,813	92,055	93,351
Net Cash Inflow from Operating Activities	24,360	29,217	24,987	29,661	28,557	27,901	28,941	29,477	28,352	27,509
CASH FLOWS FROM INVESTING ACTIVITIES										
Cash will be provided from:										
Sale of fixed assets	180	75	75	75	75	75	75	75	75	75
Investments withdrawn	1,622	0	4,885	332	1,443	0	0	0	0	0
	1,802	75	4,960	407	1,518	75	75	75	75	75
Cash will be applied to:										
Purchase of fixed assets	38,607	42,764	29,616	34,120	32,157	23,685	27,881	27,248	26,650	32,613
	38,607	42,764	29,616	34,120	32,157	23,685	27,881	27,248	26,650	32,613
Net Cash (Outflow) from Investing Activities	(36,805)	(42,689)	(24,656)	(33,713)	(30,639)	(23,610)	(27,806)	(27,173)	(26,575)	(32,538)
CASH FLOWS FROM FINANCING ACTIVITIES										
Cash will be provided from:										
Loans uplifted	16,455	19,671	6,192	11,143	8,774	2,500	5,500	4,300	4,750	11,500
	16,455	19,671	6,192	11,143	8,774	2,500	5,500	4,300	4,750	11,500
Cash will be applied to:										
Loan repayments	5,283	5,828	6,213	6,791	6,392	6,491	6,335	6,304	6,227	6,171
Finance lease repayments	349	371	310	300	300	300	300	300	300	300
	5,632	6,199	6,523	7,091	6,692	6,791	6,635	6,604	6,527	6,471
Net Cash Inflow from Financing Activities	10,823	13,472	(331)	4,052	2,082	(4,291)	(1,135)	(2,304)	(1,777)	5,029
Net increase (decrease) in cash held	(1,622)	0	0	0	0	0	0	0	0	0
Plus opening cash balance 1 July	1,322	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Closing Cash Balance 30 June	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Made up of:										
Bank overdraft	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Closing Cash Balance 30 June	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)

APPENDIX 13.8

STATEMENT OF COMMITMENTS AND CONTINGENCIES

All figures in \$000s	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
COMMITMENTS										
Capital expenditure commitments	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Non cancellable operating lease commitments	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Commitments	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
CONTINGENCIES										
Loan guarantees ¹	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Uncalled capital Waikato Regional Airport Ltd ²	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800
Insurance claim excess and other claims	350	350	350	350	350	350	350	350	350	350
Total Contingencies	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150	12,150

¹ Council is at times requested to act as Guarantor to loans raised by community organisations and sports clubs for the construction of facilities on reserve land

² During May 2004 the shareholders of Waikato Regional Airport Limited (of which HCC has a 50% shareholding) authorised the company to issue further share totalling \$21.6m to existing shareholders. This capital restructure is part of the WRAL Airport Development and allows WRAL to borrow at commercially favourable interest rates.

The WRAL Airport Development is estimated to cost \$20.5m over the next 5 years, which is being funded by new external borrowings of \$14.6m and retained earnings.

Whilst there are no plans to call up the capital, Council has a contingent liability for \$10.8m for uncalled capital

APPENDIX 13.9 NET DEBT TABLE

All figures in \$000s

	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Net debt excluding internal borrowing	123,787	139,016	138,996	143,349	145,731	141,740	140,906	138,902	137,425	142,754
Net debt including internal borrowing	138,787	154,016	153,996	158,349	160,731	156,740	155,906	153,902	152,425	157,754

Council reduces its financing costs by utilising an internal borrowing programme. Rather than sourcing all its borrowing externally, Council utilises funds from reserves and working capital cash to reduce external borrowing and charges an internal interest rate on these funds. Provision for the repayment of internal borrowing is covered via committed external bank funding facilities.

LINKAGE TO THE LIABILITY MANAGEMENT POLICY AND DEBT SERVICING PERFORMANCE LIMITS

	1 2004/05	2 2005/06	3 2006/07	4 2007/08	5 2008/09	6 2009/10	7 2010/11	8 2011/12	9 2012/13	10 2013/14
Policy Limits										
Net debt excluding internal borrowing										
Net debt as % of equity	8.0%	9.0%	8.7%	9.0%	9.1%	8.8%	8.7%	8.3%	8.2%	8.5%
Net debt as % of income	104.0%	115.3%	117.4%	120.8%	122.4%	119.6%	117.8%	114.9%	113.5%	117.5%
Interest as % of income	7.1%	7.8%	8.6%	8.6%	8.8%	9.3%	9.3%	9.5%	11.0%	10.1%
Interest as % of rating income	11.4%	12.7%	13.4%	13.1%	13.1%	13.8%	13.7%	14.0%	16.1%	14.9%
Net debt per capita	990	1,101	1,089	1,111	1,118	1,076	1,059	1,033	1,011	1,040
Liquidity	118.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Net debt including internal borrowing										
Net debt as % of equity	9.0%	10.0%	9.6%	9.9%	10.0%	9.7%	9.7%	9.2%	9.1%	9.4%
Net debt as % of income	116.6%	127.7%	130.0%	133.5%	135.0%	132.2%	130.3%	127.3%	125.9%	129.9%
Interest as % of income	7.8%	8.6%	9.4%	9.3%	9.5%	10.2%	10.1%	10.4%	11.0%	11.0%
Interest as % of rating income	12.7%	13.9%	14.6%	14.3%	14.3%	15.1%	15.0%	15.3%	16.1%	16.3%
Net debt per capita	1,110	1,219	1,207	1,228	1,233	1,190	1,171	1,144	1,122	1,149
Liquidity	118.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

APPENDIX 13.10 RECOVERY RATIOS

	2004/05			2005/06			2006/07		
	Costs	Revenue	Recovery Ratio	Costs	Revenue	Recovery Ratio	Costs	Revenue	Recovery Ratio
All figures in \$000s									
Sustaining Hamilton's Environment									
Wastewater management	11,359	1,251	11%	11,361	1,231	11%	11,555	1,231	11%
Stormwater management	5,204	2	0%	5,030	2	0%	5,127	2	0%
Recycling/refuse collection	9,614	6,547	68%	9,624	6,580	68%	8,077	3,535	44%
Water supply	7,878	3,126	40%	9,290	3,726	40%	9,998	4,049	40%
Sustainable environment	603	0	0%	598	0	0%	585	0	0%
Environmental health	1,284	453	35%	1,280	453	35%	1,283	453	35%
Growing Hamilton									
Road network management	19,630	3,400	17%	19,375	3,240	17%	19,955	3,313	17%
Hamilton Transport Centre	532	190	36%	516	190	37%	519	190	37%
Environmental services	7,607	6,837	90%	7,419	6,657	90%	7,279	6,585	90%
Endowment and investment property portfolio management	2,020	4,556	100%	1,970	4,556	100%	1,983	4,556	100%
Promoting Hamilton									
Economic development	1,106	0	0%	1,149	0	0%	1,067	0	0%
City promotion	650	0	0%	650	0	0%	650	0	0%
Experiencing Arts, Culture and Heritage in Hamilton									
Hamilton theatre services	2,171	624	29%	2,173	622	29%	2,185	624	29%
Hamilton City Libraries	7,031	676	10%	7,044	676	10%	7,112	676	10%
Waikato Museum of Art and History	3,951	313	8%	3,906	313	8%	3,915	313	8%
Living in Hamilton									
Community support	3,270	807	25%	3,775	807	21%	3,284	807	25%
Community facilities	5,201	2,226	43%	5,581	2,226	40%	5,318	2,226	42%
Emergency management	565	254	45%	561	254	45%	563	254	45%
Partnership with Maori	265	0	0%	265	0	0%	265	0	0%
Representation and civic affairs	5,020	246	5%	4,589	22	0%	4,671	22	0%
Enjoying our City									
Sports areas	2,541	111	4%	2,566	111	4%	2,577	111	4%
Parks and gardens	8,478	785	9%	8,601	785	9%	8,747	785	9%
Stadiums and events facilities	6,948	2,389	34%	7,652	2,464	32%	6,745	2,484	37%
Swimming facilities	4,459	1,635	37%	4,463	1,685	38%	4,477	1,685	38%
Hamilton Zoo	1,944	672	35%	1,944	672	35%	1,952	672	34%

APPENDIX 13.11
RATE ALLOCATION BY PROPERTY SECTOR - DIFFERENTIAL YIELD

	Residential	Inner City	Commercial	Multi Unit	Rural Residential	Rural Large	Rural Small	Total Rates Required
Sustaining Hamilton's Environment								
Wastewater management	70.1177%	0.1725%	27.6499%	2.0235%	0.0364%	0.0000%	0.0000%	100.0000%
Stormwater management	70.0246%	0.1723%	28.4036%	2.0233%	-0.0116%	0.1865%	-0.7987%	100.0000%
Recycling/refuse collection	78.9341%	0.0218%	13.6223%	2.1998%	0.0418%	2.5049%	2.6752%	100.0000%
Water supply	97.0923%	0.2401%	0.0000%	2.6152%	0.0523%	0.0000%	0.0000%	100.0000%
Sustainable environment	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Environmental health	66.1261%	0.1624%	27.4378%	1.9461%	0.0340%	2.1463%	2.1473%	100.0000%
Growing Hamilton								
Road network management	43.5985%	0.1056%	55.2890%	1.4998%	0.0060%	0.2312%	-0.7302%	100.0000%
Hamilton Transport Centre	66.1261%	0.1624%	27.4378%	1.9461%	0.0340%	2.1463%	2.1473%	100.0000%
Environmental services	66.1261%	0.1624%	27.4378%	1.9461%	0.0340%	2.1463%	2.1473%	100.0000%
Endowment and investment property portfolio management	66.1261%	0.1624%	27.4378%	1.9461%	0.0340%	2.1463%	2.1473%	100.0000%
Promoting Hamilton								
Economic development	15.5034%	0.0348%	83.2481%	0.9433%	0.0030%	0.2065%	0.0609%	100.0000%
City promotion	66.7633%	0.1640%	27.5956%	1.9587%	0.0344%	1.3104%	2.1736%	100.0000%
Experiencing Arts, Culture and Heritage in Hamilton								
Hamilton theatre services	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Hamilton City Libraries	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Waikato Museum of Art and History	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Living in Hamilton								
Community support	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Community facilities	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Emergency management	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Partnership with Maori	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Representation and civic affairs	66.7633%	0.1640%	27.5956%	1.9587%	0.0344%	1.3104%	2.1736%	100.0000%
Enjoying Hamilton								
Sports areas	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Parks and gardens	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Stadiums and events facilities	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Swimming facilities	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
Hamilton Zoo	67.6099%	0.1662%	27.8054%	1.9755%	0.0349%	0.1998%	2.2085%	100.0000%
General Rate Differential Yield	64.5250%	0.1501%	31.9716%	1.9173%	0.0276%	0.3252%	1.0831%	100.0000%

APPENDIX 13.11
RATE ALLOCATION BY PROPERTY SECTOR - DIFFERENTIAL FACTOR

All figures in \$000s	Residential	Inner City	Commercial	Multi Unit	Rural Residential	Rural Large	Rural Small	Total Rates Required
Sustaining Hamilton's Environment								
Wastewater management	6,023.51	14.82	2,375.29	173.83	3.13	0.00	0.00	8,590.58
Stormwater management	2,909.18	7.16	1,180.03	84.06	(0.48)	7.75	(33.18)	4,154.51
Recycling/refuse collection	2,747.67	0.76	474.19	76.57	1.46	87.20	93.12	3,480.96
Water supply	3,986.67	9.86	0.00	107.38	2.15	0.00	0.00	4,106.07
Sustainable environment	396.18	0.97	162.93	11.58	0.20	1.17	12.94	585.98
Environmental health	558.86	1.37	231.89	16.45	0.29	18.14	18.15	845.14
Growing Hamilton								
Road network management	5,857.37	14.19	7,427.96	201.50	0.80	31.06	(98.09)	13,434.79
Hamilton Transport Centre	257.79	0.63	106.97	7.59	0.13	8.37	8.37	389.85
Environmental services	711.20	1.75	295.10	20.93	0.37	23.08	23.09	1,075.52
Endowment and investment property portfolio management	(2,172.42)	(5.34)	(901.41)	(63.93)	(1.12)	(70.51)	(70.55)	(3,285.27)
Promoting Hamilton								
Economic development	275.41	0.62	1,478.86	16.76	0.05	3.67	1.08	1,776.45
City promotion	13.07	0.03	5.40	0.38	0.01	0.26	0.43	19.58
Experiencing Arts, Culture and Heritage in Hamilton								
Hamilton theatre services	883.07	2.17	363.17	25.80	0.46	2.61	28.85	1,306.12
Hamilton City Libraries	3,783.83	9.30	1,556.14	110.56	1.95	11.18	123.60	5,596.56
Waikato Museum of Art and History	2,248.66	5.53	924.79	65.70	1.16	6.64	73.45	3,325.93
Living in Hamilton								
Community support	1,198.32	2.95	492.82	35.01	0.62	3.54	39.14	1,772.40
Community facilities	2,478.12	6.09	1,019.16	72.41	1.28	7.32	80.95	3,665.33
Emergency management	194.57	0.48	80.02	5.69	0.10	0.57	6.36	287.79
Partnership with Maori	175.39	0.43	72.13	5.12	0.09	0.52	5.73	259.41
Representation and civic affairs	3,115.40	7.65	1,287.70	91.40	1.60	61.15	101.43	4,666.33
Enjoying Hamilton								
Sports areas	1,251.99	3.08	514.89	36.58	0.65	3.70	40.90	1,851.78
Parks and gardens	5,250.03	12.90	2,159.14	153.40	2.71	15.51	171.49	7,765.18
Stadiums and events facilities	1,995.73	4.90	820.77	58.31	1.03	5.90	65.19	2,951.83
Swimming facilities	1,728.11	4.25	710.71	50.49	0.89	5.11	56.45	2,556.01
Hamilton Zoo	1,324.80	3.26	544.84	38.71	0.68	3.91	43.27	1,959.48
TOTAL	47,192.49	109.80	23,383.50	1,402.28	20.20	237.85	792.17	73,138.30
General Rate Differential Factor	1.00	0.92	2.00	1.50	0.70	0.18	0.41	

**APPENDIX 13.12
FUNDING NEEDS CONSIDERATION SUMMARY**

Section 101(3)(a) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Animal Care & Control	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Dog owners were the exacerbators identified. Dog owners are required to pay through fees.	Total costs allocated to the community as a whole 48%. Total costs allocated to individuals or identifiable parts of the community 52%.
Arts Post	Living in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 94%. Total costs allocated to individuals or identifiable parts of the community 6%. Costs allocated to large rural property sector based on approximate cost per property.
Building Control	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.	Developers and owners were the exacerbators identified. They are required to pay through levies.	Total costs allocated to the community as a whole 13%. Total costs allocated to individuals or identifiable parts of the community 87%.
Building Support	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 23%. Total costs allocated to individuals or identifiable parts of the community 77%.
Carriageways	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. roads and traffic network 4-150 years)	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to the community as a whole 87%. Total costs allocated to individuals or identifiable parts of the community 13%. Costs allocated to property sectors - 50% commercial, 0.13% large rural, 0.13% small rural.
Cemeteries & Crematorium	Living in Hamilton	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 3-100 years).		Total costs allocated to the community as a whole 35%. Total costs allocated to individuals or identifiable parts of the community 65%. Costs allocated to large rural property sector based on approximate cost per property.
Central Area Parking	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 4-10 years).	Motorists using carparks were the exacerbators identified. They are required to pay through carparking fees.	Total costs allocated to individuals or identifiable parts of the community 100%. Costs allocated to property sectors - nil.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(a) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Central City Safety	Sustaining Hamilton's Environment	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.	People who perpetrate undesirable behaviour in the CBD were the exacerbators identified. The practice of identifying these persons would exceed the negative effects.	Total costs allocated to the community as a whole 85%. Total costs allocated to individuals or identifiable parts of the community 15%.
City Beautification	Enjoying Our City	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 4-20 years).	People selling goods in Garden Place were the exacerbators identified. Impact on people's enjoyment of greenspace has a negative impact.	Total costs allocated to the community as a whole 100%. Costs allocated to large rural property sector based on approximate cost per property.
Community Assistance	Living in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 91%. Total costs allocated to individuals or identifiable parts of the community 9%. Costs allocated to large rural property sector based on approximate cost per property.
Community Development	Living in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 99%. Total costs allocated to individuals or identifiable parts of the community 1%. Costs allocated to large rural property sector based on approximate cost per property.
Community Halls & Leased Buildings	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Users of facilities were the exacerbators identified. Council could take appropriate action if required.	Total costs allocated to the community as a whole 90%. Total costs allocated to individuals or identifiable parts of the community 10%. Costs allocated to large rural property sector based on approximate cost per property.
Councillor Services	Enjoying Our City	Total benefit to the community as a whole 100%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 99%. Total costs allocated to individuals or identifiable parts of the community 1%. Costs allocated to property sectors - 60% (of the land value allocated) large rural.
Economic Development	Promoting Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 100%. Costs allocated to property sectors - 74.3% commercial, 0.15% large rural.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(a) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Elections	Living in Hamilton	Total benefit to the community as a whole 100%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 37%. Total costs allocated to individuals or identifiable parts of the community 63%. Costs allocated to property sectors - 60% (of the land value allocated) large rural.
Emergency Management	Living in Hamilton	Total benefit to the community as a whole 100%.	Period of benefits from operating service is one year.	It is difficult to identify a group or individuals who might cause a civil defence emergency.	Total costs allocated to the community as a whole 53%. Total costs allocated to individuals or identifiable parts of the community 47%. Costs allocated to large rural property sector based on approximate cost per property.
Employment Initiatives	Living in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 50%. Total costs allocated to individuals or identifiable parts of the community 50%. Costs allocated to large rural property sector based on approximate cost per property.
Environmental Health	Sustaining Hamilton's Environment	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.	This service focuses on potential exacerbators and they are required to pay for enforcement of this service	Total costs allocated to the community as a whole 57%. Total costs allocated to individuals or identifiable parts of the community 43%.
Footpaths, Cycleways and Verges	Growing Hamilton	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 50-70 years).		Total costs allocated to the community as a whole 98%. Total costs allocated to individuals or identifiable parts of the community 2%. Costs allocated to property sectors - 30% commercial, 0.13% large rural, 0.13% small rural, rural residential is the same % of costs relative to land value as the small rural cost allocation.
Hamilton Gardens	Enjoying Our City	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 92%. Total costs allocated to individuals or identifiable parts of the community 8%. Costs allocated to large rural property sector based on approximate cost per property.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(a) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Housing Services	Living in Hamilton	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40 -100 years).	Tenants were in a position to exert negative effects on this service. In practice this has not occurred.	Total costs allocated to the community as a whole 7%. Total costs allocated to individuals or identifiable parts of the community 93%. Costs allocated to large rural property sector based on approximate cost per property.
Leisure Centre	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	The operator of the facility is identified as a potential exacerbator. Council has the option of terminating the management contract.	Total costs allocated to the community as a whole 100%. Costs allocated to large rural property sector based on approximate cost per property.
Libraries	Experiencing Arts, Culture and Heritage in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 14 -100 years).		Total costs allocated to the community as a whole 89%. Total costs allocated to individuals or identifiable parts of the community 11%. Costs allocated to large rural property sector based on approximate cost per property.
Mayoral	Living in Hamilton	Total benefit to the community as a whole 100%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 100%. Total costs allocated to property sectors - 60% (of the land value allocated) large rural.
Museum	Experiencing Arts, Culture and Heritage in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years). Some heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value).		Total costs allocated to the community as a whole 91%. Total costs allocated to individuals or identifiable parts of the community 9%. Costs allocated to large rural property sector based on approximate cost per property.
Network Management (Road)	Growing Hamilton	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 71%. Total costs allocated to individuals or identifiable parts of the community 29%. Costs allocated to property sectors - 50% commercial.
Parking Enforcement	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 4-10 years).	Motorists using carparks were the exacerbators identified. They are required to pay through carparking fees.	Total costs allocated to individuals or identifiable parts of the community 100%. Costs allocated to property sectors - nil.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(e) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Parks & Gardens	Enjoying Our City	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Developers were the exacerbators identified. They are charged subdivisional levies to fund the development of additional reserves.	Total costs allocated to the community as a whole 876%. Total costs allocated to individuals or identifiable parts of the community 13%. Costs allocated to large rural property sector based on approximate cost per property.
Partnership With Maori	Living in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 100%. Costs allocated to large rural property sector based on approximate cost per property.
Planning Guidance	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.	Those not complying with legislation were the exacerbators identified. Council is able to identify these and take action against exacerbators.	Total costs allocated to the community as a whole 47%. Total costs allocated to individuals or identifiable parts of the community 53%.
Property Management (Endowment and Investment)	Growing Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Tenants were identified as potential exacerbators. Mechanisms are in place to protect Council's position as landlord.	Total costs allocated to individuals or identifiable parts of the community 100%.
Refuse (Excl Horotiu)	Sustaining Hamilton's Environment	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 3-100 years).	Disposers of special waste were the exacerbators identified. They are charged by way of fees at the time of disposal.	Total costs allocated to the community as a whole 65%. Total costs allocated to individuals or identifiable parts of the community 35%. Costs allocated to property sectors - nil commercial, nil inner city. No service provided.
Refuse Disposal (Horotiu)	Sustaining Hamilton Environment	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Disposers of special waste were the exacerbators identified. They are charged by way of fees at the time of disposal.	Total costs allocated to individuals or identifiable parts of the community 100%.
Road Safety	Growing Hamilton	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 34%. Total costs allocated to individuals or identifiable parts of the community 66%. Costs allocated to property sectors - 50% commercial.
Sister Cities	Experiencing Arts, Culture and Heritage in Hamilton	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 100%. Costs allocated to property sectors - 60% (of the land value) large rural.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(e) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Sports Areas	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Developers were the exacerbators identified. Development impacts on the green space and people's enjoyment of those spaces. Cost recovery is sought by way of subdivisional levies.	Total costs allocated to the community as a whole 94%. Total costs allocated to individuals or identifiable parts of the community 6%. Costs allocated to large rural property sector based on approximate cost per property.
Stormwater Reticulation	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 30-100 years).	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to the community as a whole 100%. Costs allocated to property sectors - 0.13% large rural, 0.13% small rural, rural residential is the same % of costs relative to land value as the small rural cost allocation.
Sustainable Environment	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 100%. Costs allocated to large rural property sector based on approximate cost per property.
Swimming Facilities	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 61%. Total costs allocated to individuals or identifiable parts of the community 39%. Costs allocated to large rural property sector based on approximate cost per property.
Theatre Services	Experiencing Arts, Culture and Heritage in Hamilton	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 68%. Total costs allocated to individuals or identifiable parts of the community 32%. Costs allocated to large rural property sector based on approximate cost per property.
Toilets	Enjoying Our City	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	People who misuse the facilities were the exacerbators identified. The practice of identifying these persons would exceed the negative effects.	Total costs allocated to the community as a whole 100%. Costs allocated to large rural property sector based on approximate cost per property.

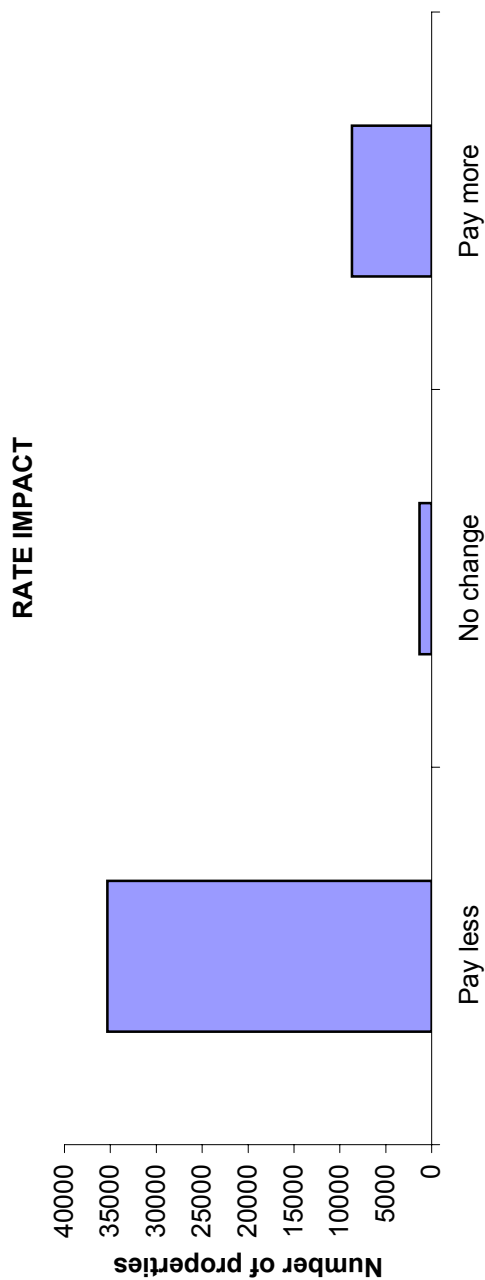
FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(e) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Traffic	Growing Hamilton	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 12-70 years).		Total costs allocated to the community as a whole 68%. Total costs allocated to individuals or identifiable parts of the community 32%. Costs allocated to property sectors - 50% commercial, 0.13% large rural, 0.13% small rural, rural residential is the same % of costs relative to land value as the small rural cost allocation.
Transport Centre	Growing Hamilton	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Commercial bus operators and lease holders were the exacerbators identified.	Total costs allocated to the community as a whole 67%. Total costs allocated to individuals or identifiable parts of the community 33%.
Waikato Events Centre	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Developers were the exacerbators identified. Development impacts on the green space and people's enjoyment of these spaces.	Total costs allocated to the community as a whole 57%. Total costs allocated to individuals or identifiable parts of the community 43%. Costs allocated to large rural property sector based on approximate cost per property.
Waikato Stadium	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Developers were the exacerbators identified. Development impacts on the green space and people's enjoyment of these spaces.	Total costs allocated to the community as a whole 51%. Total costs allocated to individuals or identifiable parts of the community 49%. Costs allocated to large rural property sector based on approximate cost per property.
Wastewater Reticulation	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 15-100 years).	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to the community as a whole 70%. Total costs allocated to individuals or identifiable parts of the community 30%. Costs allocated to property sectors - nil large rural, nil small rural. No service provided.
Wastewater Treatment Plant	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 5-100 years).	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to the community as a whole 98%. Total costs allocated to individuals or identifiable parts of the community 2%. Costs allocated to property sectors - nil large rural, nil small rural. No service provided.

FUNDING NEEDS CONSIDERATION SUMMARY

Section 101(3)(a) Description	s101(3)(a)(i) the community outcomes to which the activity primarily contributes	s101(3)(a)(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals	s101(3)(a)(iii) the period in or over which those benefits are expected to occur	s101(3)(a)(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity	s101(3)(a)(v) the costs and benefits, including the consequences for transparency and accountability, of funding the activity distinctly from other activities
Service Output	Community Outcomes	Distribution of Benefits	Period of Benefits	Exacerbator Pays	Costs and Benefits of Distinct Funding
Water Reticulation	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 20-80 years).	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to individuals or identifiable parts of the community 100%. Costs allocated to property sectors - nil commercial, large rural, nil small rural. No service provided.
Water Treatment Plant	Sustaining Hamilton's Environment	Total benefit to the community as a whole 75%. Total benefit to individuals or identifiable parts of the community 25%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 10-120 years).	Property developers were the exacerbators identified. The cost recovery is sought by way of infrastructural levies.	Total costs allocated to the community as a whole 100%. Costs allocated to property sectors - nil commercial, large rural, nil small rural. No service provided.
Westpac Park	Enjoying Our City	Total benefit to the community as a whole 25%. Total benefit to individuals or identifiable parts of the community 75%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).	Developers were the exacerbators identified. Development impacts on the green space and people's enjoyment of these spaces.	Total costs allocated to the community as a whole 68%. Total costs allocated to individuals or identifiable parts of the community 32%. Costs allocated to large rural property sector based on approximate cost per property.
Youth Programme	Enjoying Our City	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year.		Total costs allocated to the community as a whole 98%. Total costs allocated to individuals or identifiable parts of the community 2%. Costs allocated to large rural property sector based on approximate cost per property.
Zoo	Enjoying Our City	Total benefit to the community as a whole 50%. Total benefit to individuals or identifiable parts of the community 50%.	Period of benefits from operating service is one year. Period of benefits from capital assets in this service varies according to the useful life of assets employed (i.e. 40-100 years).		Total costs allocated to the community as a whole 74%. Total costs allocated to individuals or identifiable parts of the community 26%. Costs allocated to large rural property sector based on approximate cost per property.

APPENDIX 13.13 **IMPACT OF RATING SYSTEM TO EXISTING RATEPAYERS**



Properties where rates move within the range of -1% to +1% are categorised as no change

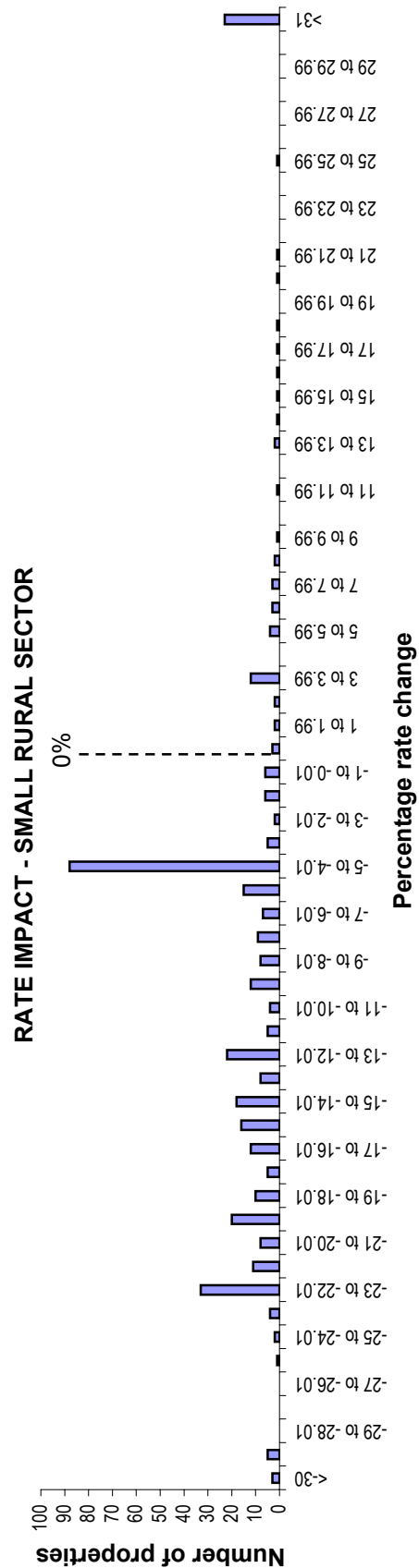
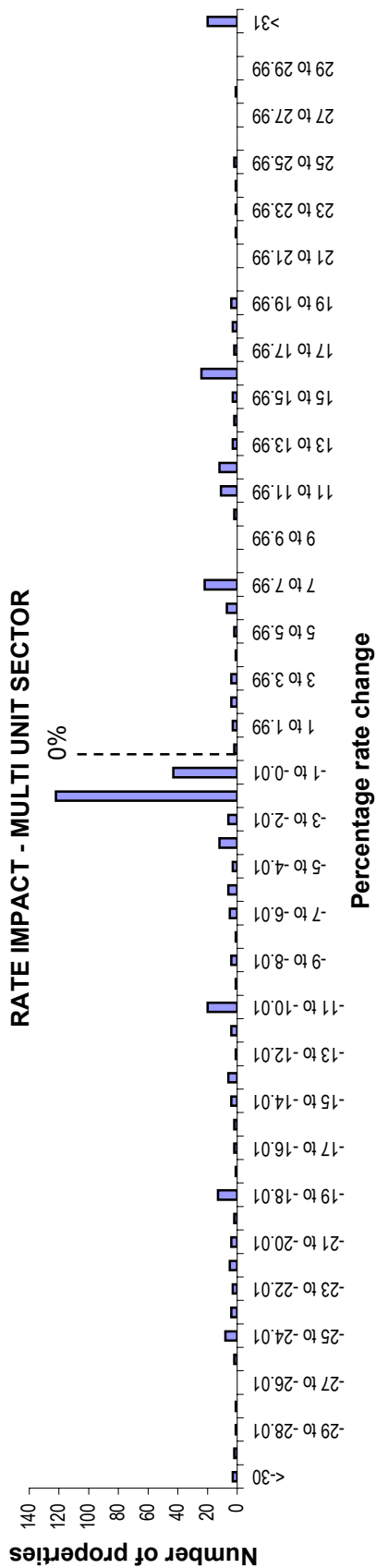
Properties where rates decrease greater than -1% are categorised as pay less

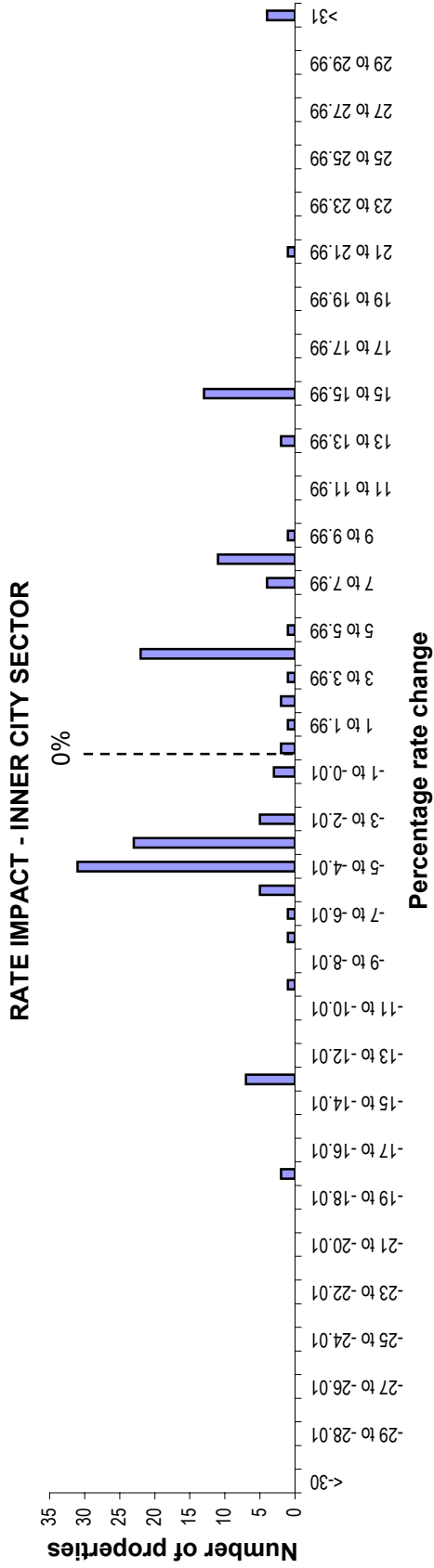
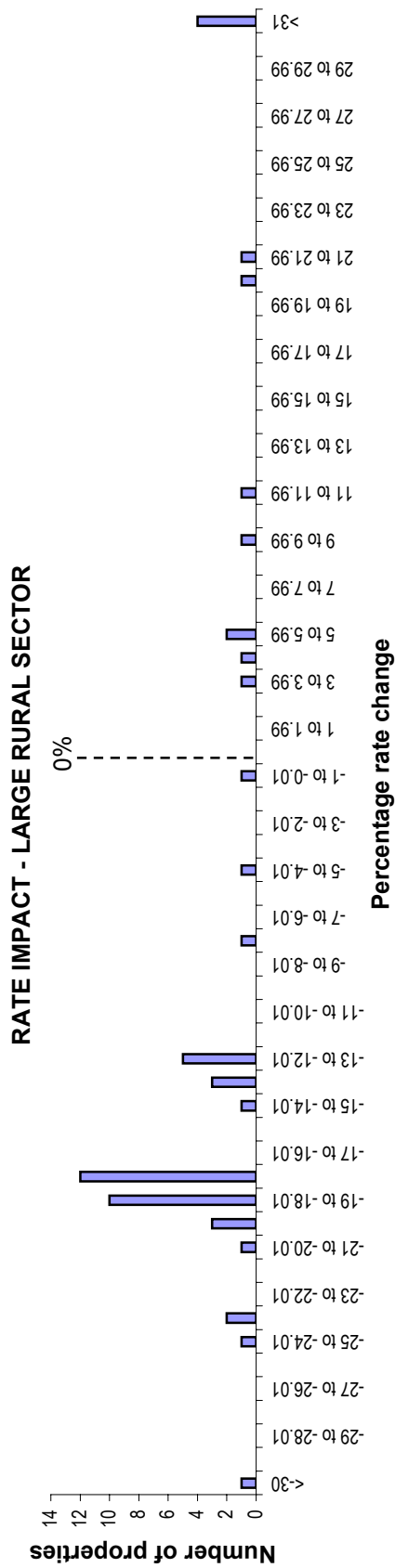
Properties where rates increase greater than 1% are categorised as pay more

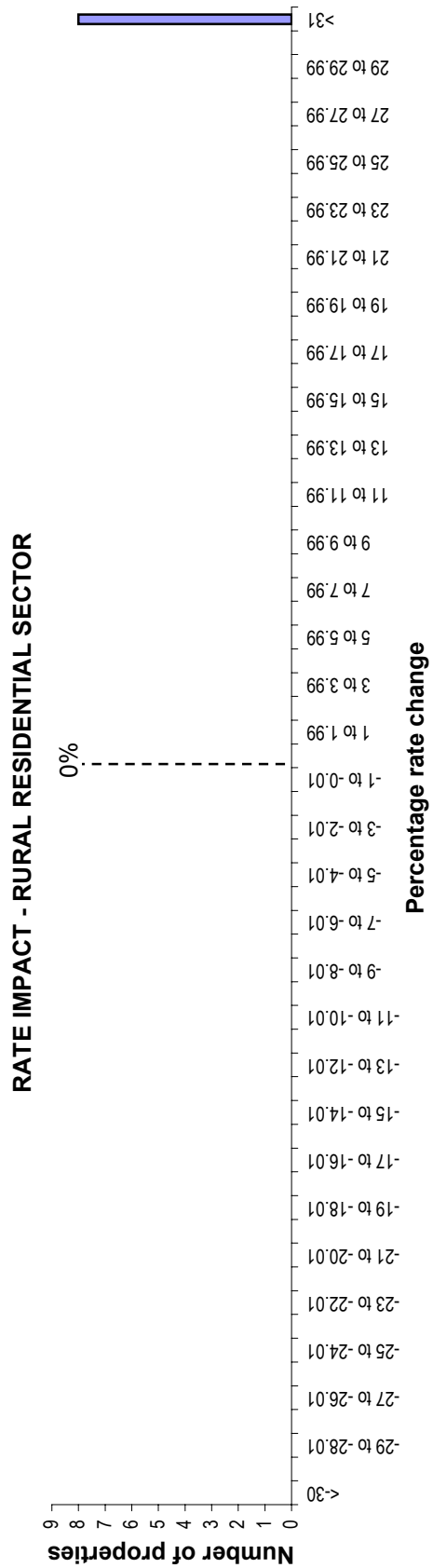
Property Sector	Pay less	Average % decrease	No change	Pay more	Average % increase	Average % overall increase
Residential	32406	3.18%	1101	7464	10.98%	1.79%
Commercial	2203	11.00%	163	937	24.56%	2.14%
Multi-Unit	248	7.85%	45	135	20.06%	1.48%
Small Rural	339	12.64%	9	63	52.79%	1.78%
Large Rural	41	17.26%	1	12	51.25%	1.77%
Inner City	76	5.43%	5	63	11.36%	1.79%
Rural Residential	0	0.00%	0	8	38.00%	38.00%
TOTAL	35313		1324	8682		

APPENDIX 13.14
2004/05 SELECTED SAMPLE OF INDICATIVE RATES (EXCLUDING TARGETED RATE FOR NON DOMESTIC WATER)

Basket of Properties Category	Land Value	Capital Value	Current Rates	Rates Calculated	Difference	% Change
RESIDENTIAL						
Delamare Rd	236,000	610,000	3,469	4,154	684	19.72%
Argyle St	77,000	83,000	1,387	1,355	(32)	(2.29%)
River Rd	700,000	1,300,000	10,706	12,320	1,615	15.08%
Balfour Cres	221,000	460,000	3,370	3,890	519	15.41%
Victoria St	61,000	190,000	1,090	1,074	(17)	(1.54%)
Fernleigh St	73,000	255,000	1,308	1,285	(24)	(1.81%)
Ellicott Rd	77,000	229,000	1,388	1,355	(33)	(2.35%)
Charles Henry Pice	111,000	490,000	1,685	1,954	268	15.93%
Ngalo Place	70,000	221,000	1,269	1,232	(37)	(2.90%)
Lake Domain Dr	320,000	510,000	5,055	5,632	577	11.41%
Jellicoe Dr	105,000	195,000	1,408	1,848	440	31.29%
Casey Ave	99,000	280,000	1,784	1,742	(42)	(2.35%)
Chesterman Rd	88,000	325,000	1,586	1,549	(37)	(2.35%)
Temple View Property A	53,000	160,000	N/A	1,294	N/A	N/A
Temple View Property B	31,000	108,000	N/A	789	N/A	N/A
Temple View Property C	56,000	255,000	N/A	1,561	N/A	N/A
				0	0	
INNER CITY RESIDENTIAL APARTMENTS						
Collingwood Street	50,000	160,000	841	812	(29)	(3.42%)
Garden Place	55,000	215,000	934	893	(41)	(4.38%)
				0	0	
INDUSTRIAL						
Te Rapa Industrial	1,950,000	4,800,000	64,270	68,640	4,370	6.80%
Te Rapa Industrial	1,125,000	2,500,000	36,712	39,600	2,888	7.87%
Te Rapa Industrial	1,210,000	3,300,000	35,195	42,592	7,397	21.02%
Te Rapa Industrial	111,000	550,000	2,990	3,907	917	30.66%
Te Rapa Industrial	179,000	1,075,000	4,831	6,301	1,470	30.43%
Te Rapa Industrial	855,000	2,100,000	18,862	30,096	11,234	59.56%
Frankton Industrial	580,000	1,500,000	24,153	20,416	(3,737)	(15.47%)
Frankton Industrial	70,000	360,000	2,300	2,464	164	7.12%
				0	0	
COMMERCIAL						
Ward St	882,000	1,620,000	40,577	31,046	(9,531)	(23.49%)
Victoria St	810,000	2,000,000	31,054	28,512	(2,542)	(8.19%)







APPENDIX 13.14
2004/05 SELECTED SAMPLE OF INDICATIVE RATES (EXCLUDING TARGETED RATE FOR NON DOMESTIC WATER)

Basket of Properties Category	Land Value	Capital Value	Current Rates	Rates Calculated	Difference	% Change
RESIDENTIAL						
Delamare Rd	236,000	610,000	3,469	4,154	684	19.72%
Argyle St	77,000	83,000	1,387	1,355	(32)	(2.29%)
River Rd	700,000	1,300,000	10,706	12,320	1,615	15.08%
Balfour Cres	221,000	460,000	3,370	3,890	519	15.41%
Victoria St	61,000	190,000	1,090	1,074	(17)	(1.54%)
Fernleigh St	73,000	255,000	1,308	1,285	(24)	(1.81%)
Ellicott Rd	77,000	229,000	1,388	1,355	(33)	(2.35%)
Charles Henry Pice	111,000	490,000	1,685	1,954	268	15.93%
Ngalo Place	70,000	221,000	1,269	1,232	(37)	(2.90%)
Lake Domain Dr	320,000	510,000	5,055	5,632	577	11.41%
Jellicoe Dr	105,000	195,000	1,408	1,848	440	31.29%
Casey Ave	99,000	280,000	1,784	1,742	(42)	(2.35%)
Chesterman Rd	88,000	325,000	1,586	1,549	(37)	(2.35%)
Temple View Property A	53,000	160,000	N/A	1,294	N/A	N/A
Temple View Property B	31,000	108,000	N/A	789	N/A	N/A
Temple View Property C	56,000	255,000	N/A	1,561	N/A	N/A
				0	0	
INNER CITY RESIDENTIAL APARTMENTS						
Collingwood Street	50,000	160,000	841	812	(29)	(3.42%)
Garden Place	55,000	215,000	934	893	(41)	(4.38%)
				0	0	
INDUSTRIAL						
Te Rapa Industrial	1,950,000	4,800,000	64,270	68,640	4,370	6.80%
Te Rapa Industrial	1,125,000	2,500,000	36,712	39,600	2,888	7.87%
Te Rapa Industrial	1,210,000	3,300,000	35,195	42,592	7,397	21.02%
Te Rapa Industrial	111,000	550,000	2,990	3,907	917	30.66%
Te Rapa Industrial	179,000	1,075,000	4,831	6,301	1,470	30.43%
Te Rapa Industrial	855,000	2,100,000	18,862	30,096	11,234	59.56%
Frankton Industrial	580,000	1,500,000	24,153	20,416	(3,737)	(15.47%)
Frankton Industrial	70,000	360,000	2,300	2,464	164	7.12%
				0	0	
COMMERCIAL						
Ward St	882,000	1,620,000	40,577	31,046	(9,531)	(23.49%)
Victoria St	810,000	2,000,000	31,054	28,512	(2,542)	(8.19%)

Basket of Properties Category	Land Value	Capital Value	Current Rates	Rates Calculated	Difference	% Change
Garden Place Retail	50,000	165,000	2,300	1,760	(540)	(23.48%)
Cr Ellis/Killamey Rd	122,000	150,000	4,141	4,294	154	3.72%
Ellis St	180,000	650,000	6,440	6,336	(104)	(1.61%)
Grey St	300,000	930,000	11,041	10,560	(481)	(4.36%)
Te Rapa Rd	1,950,000	4,800,000	64,270	68,640	4,370	6.80%
Suburban Commercial	4,400,000	60,000,000	161,021	154,880	(6,141)	(3.81%)
Ward St	1,150,000	5,200,000	52,907	40,480	(12,427)	(23.49%)
Victoria St	620,000	1,030,000	26,683	21,824	(4,859)	(18.21%)
CBD Car Park	500,000	4,750,000	23,003	17,600	(5,403)	(23.49%)
CBD Shopping Mall & Carpark	5,850,000	41,300,000	269,135	205,920	(63,215)	(23.49%)
London St	280,000	900,000	11,962	9,856	(2,106)	(17.60%)
Te Rapa Hotel	980,000	9,600,000	32,204	34,496	2,292	7.12%
CBD Medical	1,800,000	7,000,000	64,960	63,360	(1,600)	(2.46%)
Te Rapa Commercial	580,000	670,000	13,756	20,416	6,660	48.42%
CBD Retail	2,865,000	12,500,000	102,639	100,848	(1,791)	(1.75%)
Government CBD Premises	1,800,000	17,050,000	57,968	63,360	5,392	9.30%
Ulster Street Motel	500,000	1,450,000	15,642	17,600	1,958	12.52%
Ulster Street Motel	650,000	2,350,000	20,243	22,880	2,637	13.03%
Ulster Street Motel	325,000	1,050,000	10,811	11,440	629	5.81%
CBD Retail	575,000	6,100,000	23,003	20,240	(2,763)	(12.01%)
Te Rapa Commercial	1,075,000	2,550,000	34,044	37,840	3,796	11.15%
MULTI UNITS					0	
Charlemont St - 4 Units	108,000	370,000	2,653	2,851	198	7.48%
Firth St - 10 Units	102,000	580,000	2,741	2,693	(48)	(1.76%)
RURAL RESIDENTIAL					0	
Baverstock Rd	165,000	470,000	1,387	2,033	646	46.56%
Baverstock Rd	210,000	490,000	2,390	2,587	197	8.25%
RURAL SMALL (> 0.2 AND < 10 HECTARES)					0	
Rotokauri Rd - 9.120Ha	340,000	350,000	2,251	2,437	186	8.27%
Thomas Rd - 6.705Ha	990,000	1,000,000	5,014	7,096	2,082	41.53%
Temple View Property D	240,000	650,000	N/A	1,720	N/A	N/A
RURAL LARGE (> 10 HECTARES)					0	
Peacocks Rd - 142.4643Ha	3,450,000	4,200,000	13,398	10,930	(2,468)	(18.42%)
Ohaupo Rd - 23.137Ha	700,000	1,300,000	2,521		(303)	(12.03%)
Temple View Property E	885,000	1,210,000	N/A	2,804	N/A	N/A

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A VISION FOR OUR CITY

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AVISIONFOROURCITY

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