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# FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE

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This past financial year has seen a number of significant events, including the election and swearing in of a new Council and the practical completion of one of this city's biggest projects – the Waikato Stadium.

Waikato Stadium has already proved to be of great value to the city. An economic impact study produced during the All Blacks v Italy test showed \$2.1 million of 'new money' was injected into the Waikato economy. The stadium also received an impressive customer satisfaction index score of 94 out of 100 for satisfaction in its first year in the Annual Residents Survey.

Those newly elected to Hamilton City Council have settled to the job and the everyday work of Council has continued at pace. City growth has been a major factor in Council's planning and this was underscored by the fact that the 2001 census revealed Hamilton is the fourth largest stand-alone city in New Zealand.

Indicators of this growth include: a rise of 20.3 per cent in residential consents issued compared with the previous year; having more than 27,000 students currently enrolled at Hamilton's two largest tertiary education facilities; and Hamilton's population growth rate of 9 per cent over the last six years.

Council has balanced its projects to meet the demands of this rapidly expanding city on a budget of \$143 million, of which 45 per cent comes from rates (\$64 million). Council made a net surplus after tax of \$29 million, which is an increase of \$3.4 million on what was budgeted. This increase is mainly due to the additional assets Council has acquired (particularly the other funders' contributions to Waikato Stadium) increased development income and operational savings.

A key project completed in this financial year was the Pukete Wastewater Treatment Plant. This will serve Hamilton for the next 25 years, with options for expansion as the city grows. It is a very sophisticated facility able to deal with our waste efficiently and effectively in an environmentally sound way.

Council has built a new five-million-litre (ML) clearwater tank and modified the existing 7ML tank to address the city's increasing potable water needs. Work on both projects was completed on budget and in time to meet the summer demand.

Refuse management reached a new level with the completion of stage six at the Horotiu Landfill, and preparation for introduction of kerbside recycling enabling a successful launch on 1 July.

Refurbishment of the Founders Memorial Theatre has been a talking point. This project included proudly displaying the Hotere mural in the foyer, and a new transparent lobby structure adding 50 square metres of space.

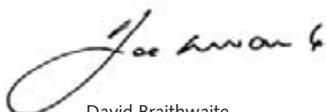
Groundwork was completed at Claudelands Park for year one in the eight-year project. This park will officially open in November, and be a real city asset.

The Hamilton Economic Development Forum, of which Council is a major funder along with other key organisations in the city, launched its new name in September, along with a highly targeted website. Business 2 Hamilton (B2H) aims to do just that – attract business. A major part of that strategy was to develop an Innovation Park and after hard work, the group received a pledge for \$2 million from Industry New Zealand.

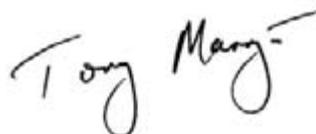
The Municipal Endowment Fund has invested \$1.9 million to purchase the Allied Worldwide distribution building, adding to a portfolio of investments that contribute funds to reduce rates.

This overview shows much of what has been achieved and how Council has carefully balanced Hamilton's infrastructure needs with its social and well-being needs.

This Annual Report was adopted by Council on 17 September 2002.



David Braithwaite  
OBE, JP, FACA, Hon.TCL  
Mayor, Hamilton City Council



Tony Marryatt  
Chief Executive, Hamilton City Council

# MAI TE TUMUAKI O TE KAUNIHERA O KIRIKIROA RAUA KO TE RANGATIRA KAIWHAKAHAERE O TE KAUNIHERA WHAKAHAERE O KIRIKIROA

He maha ngaa aahuatanga e kite nei maatou mai te tau i mahue ake nei. Ko teetehi aahutanga ko te pooti, te ooti hoki ngaa tangata kaatahi anoo ka uru atu ki te Te Kaunihera Hou o Kirikiriroa. Ko te mea tino nui rawa atu ko te tutukitanga o Te Taiwhanga o Waikato.

Kua tutuki pai Te Taiwhanga o Waikato i moohio nei maatou, no te mea mai i te whakataetae whutupaoro a te tiima tuatahi o Aotearoa raaua ko Itaaria, \$2.1 miriona taara hei uru atu ki roto i te taha orange o Kirikiriroa, araa Waikato whaanui. Ko te nuinga o wheenei puutea he 'moni hou'. E ai ki ngaa koorero mai i te tiro whaanui o ngaa tangata noho kainga, 94 mai i te 100 orau kua maakona e pa ana ki te Te Taiwhanga o Waikato.

E pai ana te haere o ngaa tangata e noho mai na ki runga i te taumata o Te Kaunihera o Kirikiriroa. Ko Kirikiriroa te tuawha o ngaa taaone nui e tu motuhake o Aotearoa, koinei ngaa koorero o te tataunga- aaiwi o Aotearoa 2001.

Mai whenei koorero ka piki ki te 20.3 pai heneti ngaa tangata i tonohia mai nei, mo te whare noho e taurite ana i te tau mahue ake. Taapiri atu ki wheenei 27,000 ngaa tauira e haere ana ki ngaa whare waananga, koira te take ka piki haere ki te 9 pai heneti mo ngaa tau e ono mahue ake.

Na Te Kaunihera o Kirikiriroa i taurite \$143 miriona taara, mai whenei putea 45 pai heneti i ahu mai i ngaa reehi (\$64 miriona taara). \$29 miriona he toenga whai muri te takoha, he mea piki ake \$3.4 miriona whenei puutea e tumanako ana. Ko te take e piki ake whenei puutea katoa ko Te Whainga o Waikato (ngaa tangata e tokaha ana), ko ngaa puutea e tiaki ana me ngaa taha whakahaere puutea moni.

Ko teetehi kaupapa i oti nei maatou ko te wheketere o Pukete manaaki i ngaa wai paruparu. Ko teneki whare ka ora tonu mo ngaa tau e heke mai nei (25 nga tau) kia whenei mai mehemea ka rahi haere te taaone nui. He wheketere mau i ngaa aahutanga pakari mo te taiao.

Na Te Kaunihera i hanga teetehi kurawai rima miriona rita (MI) ngaa wai e pupuri nei, ka whakarekeke te kurawai tawhtio (7MI) ka piki ake ngaa hiahia o te taaone nui nei. Kua tutuki te katoatia o ngaa kurawai i mua te kaupeka raumati teneki tau.

Ngaa rapahi kua tutuki noa, ki Horotiu, ara noa atu, ngaa ipu kakariki nei kei waho aau koutou rori ko te tuatahi o Hurae teeneki.

Ko te whare tapere 'Founders' kua oti nei. Kei reira te pikitia a Hotere e whakatau nei i ngaa manuwihiri ki roo whare, 50 te mita e tapiri teeneki wahanga o te whare tapere. Ko te wahi paaka o 'Claudelands' kua tutuki. Koinei te tau tuatahi hei tirohanga whaanui mo ngaa tau e waru tu mai nei. Ka tuuwhera te paaka nei a te marama o Noema, he taonga mo te taaone nei.

Ko tetehi wahanga o te 'Hamutana Whai Puutea Roopu' (Ko Te Kaunihera o Kirikiriroa teetehi) me ngeetehi atu, i whakarewatia te marama o Hepetema me aau raatou ipurangi.

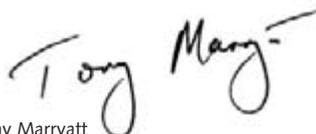
Ko te 'Business 2 Hamutana' (B2H) te ingoa nei, koinei te putake o te ingoa nei. Ko teetehi kaupapa whaanui he 'Innovation Paaka' ka mutu te puku mahi, ka whiwhi te roopu nei \$2 miriona taara mai 'Industry Niu Tiireni'.

Ko te 'Municipal Endowment Fund' e homai nei ki a maatou \$1.9 miriona taara, hei hoko te whare 'Allied Worldwide'. Ko te tikanga ka mama ake te putea.

Wheenei whakaaturanga katoa ngaa hua hei taurite mo ngaa rawa katoa o Kirikiriroa, tikanga-a-iwi, me te taha hinengaro.



David Braithwaite  
OBE, JP, FACA, Hon. TCL  
Te Tumuaki o te Kaunihera o Kirikiriroa



Tony Marryatt  
Rangatira Kaiwhakahaere o  
Kirikiriroa

# COUNCIL MEMBERS

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## ELECTED BY ALL RESIDENTS

His Worship The Mayor



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# COUNCIL ORGANISATION

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**Mayor Of Hamilton**  
David Braithwaite

**Deputy Mayor**  
Grant Thomas

## Council Committees

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**Economic Development**  
Chairperson Cr Ewan Wilson

**Statutory Management**  
Chairperson Cr Ted Armstrong

**Works And Services**  
Chairperson Cr Brian Impson

**Strategic Planning And Policy Co-ordination**  
Chairperson Cr Dave Macpherson

**Social And Community**  
Chairperson Cr Pippa Mahood

**Stadium Management Board**  
Chairperson Cr Peter Bos

## Management Executive

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From Left to Right: Philip Burton, Sue Duignan, Mike Theelen, Tony Marryatt, Mike Garrett, Sally Davis, Graeme Fleming.

**General Manager Communication and Marketing**  
Philip Burton

- Communication and Marketing
- Events Sponsorship
- Economic Development Communication

**General Manager Community Services**  
Sue Duignan

- City Parks
- Community Support
- Leisure Facilities
- Libraries and Museum
- Parks and Gardens
- Stadiums

**General Manager Strategic**  
Mike Theelen

- Strategic/District Plan
- Annual Plan and Report
- Sustainable Environment
- Iwi Liaison

**Chief Executive**  
Tony Marryatt

**General Manager Corporate**  
Mike Garrett

- Finance and Administration
- Human Resources and Organisational Development
- Information Management
- Property and Risk Management

**General Manager Works And Services**  
Sally Davis

- Design Services
- Roads and Traffic
- Utilities Works
- Water and Wastewater Plants
- Water, Drainage and Refuse

**General Manager Environmental Services**  
Graeme Fleming

- Animal Care and Control
- Building Control
- Business Support
- Environmental Health
- Parking Enforcement
- Planning Guidance

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## Advisors

**Auditor**  
Audit New Zealand, Hamilton

**Solicitors**  
Swarbrick Dixon, Barristers and Solicitors, Alexandra Street, Hamilton

**Bankers**  
Bank of New Zealand, Victoria Street, Hamilton

Looking over Hamilton Gardens to the city, circa 1990.

# INTRODUCTION



# HAMILTON CITY

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Hamilton is strategically located on the banks of the majestic Waikato River, in the heart of the fertile Waikato plains. Although almost half of all New Zealand's residents live within a 135 kilometre radius of the city, Hamilton offers its residents a lifestyle choice, with all the advantages of a vibrant city yet without the stress and congestion experienced by larger cities such as Auckland.

Hamilton's earliest settlers were Maori from the Tainui canoe. They called the area Kirikiriroa, which means long strip of cultivated land. Formal European settlement was established on 24 August 1864, when Captain William Steele disembarked from the gunboat Rangiriri and established the first redoubt near today's Memorial Park.

The name Kirikiriroa was dropped in favour of Hamilton in honour of Captain John Hamilton, a Crimean and Waikato war veteran and commander of the Esk, who was killed at Gate Pa in 1864. The Borough of Hamilton was established on 27 October 1877, with a population of 1245. Sixty-eight years later, on 13 December 1945, Hamilton became a city with 20,000 citizens.

Today Hamilton is New Zealand's fourth largest urban area and has expanded from its original 752 hectares to 9427 hectares. The city's population as at June 2002 was 122,000 people, and is projected to grow to around 150,000 by the year 2021.

Hamilton has spread relatively evenly along both banks of the Waikato River, and most parts of the city are within a ten minute drive of the city's central area. Hamilton's increasing population, and changing population composition, have a range of implications for the city's development in areas such as housing, industrial and commercial activities.

Higher density housing (including greater infill development) will make more efficient use of the city's infrastructure, and provide more accommodation choices for Hamilton's increasingly diverse community. High quality infrastructure will continue to be developed and maintained to meet the city's ongoing needs. The city's roading network, bus routes, cycle lanes and walking routes are designed to accommodate a range of transport options.

Hamilton has a key role as the service centre for the greater Waikato region. Hamilton's central area is the focal point of the city and region's retail, commercial and entertainment spheres. As such, it caters for a range of economic, social and cultural needs.

Strong ties to the surrounding dairy industry strengthens Hamilton's economy, but the city also has a wide business base, with over 9,150 businesses operating in 2002. The city's five largest sectors of employment are spread between manufacturing, health and community services, retail trade, property and business services, and education. World-class research and educational institutions, and the new Innovation Park, are some of the lynchpins securing Hamilton's place as a leading player in the knowledge economy.

New opportunities, such as tourism and biotechnology, offer the potential to provide more employment and to broaden the economic base of the city and region. Employment opportunities are good, while mortgages and rents in Hamilton tend to be lower than in Auckland or Wellington, and the city is known for having the lowest grocery prices in the country.

Socially, Hamilton is thriving, with cafes, restaurants and bars that cater to different age groups and tastes. Theatres, art galleries, the museum, and sports stadiums provide for varied sporting, cultural and leisure interests, with cultural groups and festivals adding colour and diversity. River paths, Hamilton Zoo, and the Hamilton Gardens provide a tranquil and interesting background to the city.

The Waikato River is a taonga (treasure) for the whole community (particularly tangata whenua), and a major natural resource that provides a focus for the city. Among its attractions are accessible walking paths along the river, while boat ramps allow dragon-boaters, rowers, and other recreational users to launch their vessels from within the city, and for the less athletically inclined the Waipa Delta offers leisurely river tours.

Recreational facilities and greenspace provide for informal leisure, help protect our biodiversity, and add form and vitality to the city's structure. The protection and enhancement of the city's biodiversity is a significant challenge. As the city grows, new development needs to protect and enhance the gully networks and areas of indigenous flora and fauna.

In addition to the mild climate and the range of leisure venues and entertainment that Hamilton offers its residents and visitors, Hamilton also has a well defined cultural and built heritage. Facilities in the city that attract regional, national and international sporting, recreational and cultural events contribute to the city's economic and social life, and further enhance the city's reputation.

Hamilton is a place where individuals can make a difference and be part of a community, and yet still be able to enjoy the varied entertainment options a major city has to offer.

# HAMILTON CITY COUNCIL'S MISSION AND GOALS

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Council's mission statement sets out the purpose of the organisation, i.e., 'why we exist'. The five goals outline the key contributions that Council makes to the city, and form the basis for Council's significant activities.

The mission statement adopted by Council in October 1996 is:

**To work in partnership with the people of Hamilton to meet the needs of the community by providing quality services and sustainably managing the city's natural and physical environment according to the principles of Agenda 21.**

## Goals

1. To promote an environment which encourages the development of a quality of life aimed at meeting community needs and expectations.
2. To ensure the provision and maintenance of essential services in an efficient and effective manner in response to existing and future requirements.
3. To obtain and administer the financial resources necessary for the cost effective management of the city.
4. To develop an effective and efficient corporation that is responsive, responsible and accountable to the community.
5. To develop a positive climate which encourages development opportunities to achieve a sound economic base for the city.

# GUIDE TO THE ANNUAL REPORT

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The annual report is required by statute under the Local Government Act 1974. It is one of the three annual publications relating to a given financial year, and the final one to be produced. The other two reports are the draft, and final annual plans. Every three years Council is required to publish a 10 year Long-term Financial Strategy.

The draft and final annual plans contain policies, objectives, financial forecasts (including sources of funds) and work programmes proposed to be undertaken during the financial year, together with the performance measures against which Council's performance will be judged.

The annual report is published after the completion of the financial year. It contains the audited accounts for the year and reconciles the performance measures set out in the annual plan with the results actually achieved, as at 30 June.

Hamilton City from Whitiora Bridge.

# SIGNIFICANT HIGHLIGHTS



# SIGNIFICANT HIGHLIGHTS

## WAIKATO STADIUM

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To celebrate the construction of the Waikato Stadium, which occurred mainly in the 2001/02 year, Waikato Stadium held a public open day on Sunday 21 July 2002. The open day was a way to further involve the community in celebrating this wonderful asset. Visitors had a unique opportunity to look behind the scenes and discover how the stadium is operated.

The public was able to visit areas that they may not normally see, such as the media rooms, catering facilities and player changing areas.

Various entertainers, from cultural groups to buskers, were stationed throughout the stadium to help create a carnival-like atmosphere. Different areas and rooms were set up so that everyone could visualise what the venue is like for an event.

People came away with a sense of what the stadium is all about, and how many different people and organisations are involved in making it work.

Hamilton schools were also invited to take special group tours of the facility on Friday 19 July.

The Chiefs home game versus the Crusaders filled Waikato Stadium to its 27,500 capacity at its first event, which kicked off at 7:35pm on 1 March 2002.

The stadium has probably Australasia's best playing surface through the latest turf technology, full catering facilities replace the old pie cart and total stadium management all combine to make a true stadium atmosphere. Being a multi-function facility, a wide range of events can be staged at the stadium that appeal to different groups within the Waikato.

Waikato Stadium has already proved to be of great value to the city. An economic impact study showed \$2.1 million of 'new money' was injected into the Waikato economy during the All Blacks v Italy test.

## RESIDENTS SUPPORT FOR FACILITIES AND SERVICES INCREASES

---

The service provided by Council staff to residents of Hamilton continues to be highly rated according to the top line results from Council's 2002 Annual Residents Survey.

The Customer Satisfaction Index (CSI) for staff service has remained the same as last year with a CSI score of 80. A CSI score of 75 or above is regarded as 'truly excellent customer service' in the local government arena. An independent research company, Research Solutions Ltd carries out the survey on behalf of Council.

The survey randomly selected 710 Hamilton residents who completed the survey.

Satisfaction with Waikato Stadium was surveyed for the first time this year, with the new facility now owned and run by Council. The stadium topped the satisfaction ratings with a CSI score of 94, just heading off Hamilton Gardens at 92.

The lowest rated services or facilities were central city parking with a CSI score of 56 and Waikato Events Centre at 58.

Top rated facilities or services:

| Facility/service | 2002 | 2001      |
|------------------|------|-----------|
| Waikato Stadium  | 94   | Not asked |
| Hamilton Gardens | 92   | 92        |
| Exscite Centre   | 87   | 83        |
| Hamilton Zoo     | 87   | 86        |
| Central Library  | 86   | 88        |

Lowest rated facilities or services:

| Facilities/services   | 2002 | 2001 |
|-----------------------|------|------|
| The Meteor theatre    | 63   | 69   |
| Taste of Water        | 62   | 65   |
| Cycling Facilities    | 60   | 59   |
| Waikato Events Centre | 58   | 58   |
| Central City Parking  | 56   | 57   |

There were a total of 55 services and facilities that were rated by residents in the survey, with 26 of these receiving a CSI score of 75 or above, reflecting truly excellent customer service in the local government arena.

## WASTEWATER TREATMENT PLANT EXPANSION A MAJOR STEP FORWARD

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The \$27m secondary treatment facility at Hamilton's Wastewater Treatment Plant was constructed through the 2001/02 year and was officially opened on 28 September 2002.

The commissioning of the secondary treatment process significantly improves the quality of the discharge from the plant. The operation is now removing 97 per cent of solids, where previously primary treatment was only able to take out about 60 per cent.

The old process used a chemical process to sanitise the wastewater but with the upgrade a new ultra-violet process is used to kill any bugs before entering the river. The result is, when mixed, the treated water meets bathing water standards. This too is a significant and desirable improvement.

The expansion is very modern and forward thinking. The development means the city has an environmentally sustainable facility, which positions Hamilton for a safe future. It is capable of servicing a population of 150,000, with further planned upgrades to take that beyond 200,000.

Consultation with key stakeholders has been integral to the success of the treatment plant. Noise, odour control and ensuring an attractive design of the plant have been three key areas that Council has focused on in striving and succeeding to be a considerate neighbour in the community.

Earlier in 2002 Council installed two 920kW biogas engines to compensate for the increased power needs of the plant. The co-generators run on a mix of natural gas and gas produced at this plant.

- In addition to the Wastewater Treatment Plant expansion, Council also built a new five-million-litre (ML) clearwater tank and modified the existing 7ML tank to address the city's increasing potable water needs. Work on both projects was completed on budget and in time to meet the summer demand.

## SORT IT OUT

---

Much of the work preparing for the move to kerbside recycling was undertaken in the 2001/02 year. From 1 July Hamilton residents enthusiastically began to 'sort it out' with the introduction of Hamilton's new kerbside recycling and bags-only refuse service. Over 44,000 residents took to sorting out the environment while sorting out their waste for recycling.

Central to the implementation of the service is the easy to remember 0800 phone number 0800 10 10 10. Residents can call this number anytime with any queries or matters about kerbside recycling and refuse collection.

The new service achieves environmentally responsible collection and disposal of refuse at the best value for ratepayers for a timeframe that incorporates long-term planning for the city. The service, which includes kerbside recycling, refuse collection and the operation of the Refuse Transfer Station, is being provided by Waste Management NZ Ltd under the terms of a 15-year contract.

Collection days have stayed the same and paper is still collected as it has been—bundled or bagged separately. Other recyclables, plastic (type 1 and 2: mainly milk and soft drink bottles), cans (steel and aluminium) and glass (bottles and jars) go into the recycling crate. Kerbside recycling means there is less waste material going into refuse bags.

The move to bags-only improves the method in which refuse is collected and brings the city in line with current best practice around New Zealand. Around 80 per cent of households are already using disposable bags. Bags are cleaner, hygienic, relatively odourless and tidier. It means the collection service can be done more quickly, while lowering the health and safety risk to collection contractors, and saving ratepayers' money.

The crates have been manufactured locally by Vertex Pacific Ltd using recycled plastics and were distributed from mid June so that all residents had them ready to use from 1 July. In the crate was a brochure explaining details of what can be recycled and how it should be sorted.

### **DRAMA ON TRISTRAM STREET**

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Construction of Founders Memorial Theatre's exciting front-of-house upgrade was completed this year. The design pays special attention to the use of light reflecting off the Hotere artwork, which has been restored during the construction period.

The full height atrium entrance to the theatre has a theatrical sense of drama to it. The view of the venue from the Tristram Street corner is an exciting and memorable one and creates a sense of occasion as patrons arrive at the venue. This will be reinforced by reflections of people on the Hotere mural as they move towards the auditorium doors.

The biggest feature of the design is the new transparent lobby structure where access from both Tristram Street and the Norton Road car park converges. This has added 50 square metres of extra space and will lead people past the redesigned box office counter. The new lobby enhances the security of the venue and increases the comfort of patrons.

### **B2H**

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The Hamilton Economic Development Forum was formed out of Council's economic development strategy which was launched in the 2001/02 year. Council is a major funder along with other key organisations in the city. The group's new name was made public in September 2002, along with a highly targeted website [www.b2h.co.nz](http://www.b2h.co.nz). Business 2 Hamilton (B2H) aims to do just that—attract business. A major part of the strategy was to develop an Innovation Park, which will be based adjacent to the Ruakura research centre and the University of Waikato. The group received pledges for \$2 million toward the project from each Industry New Zealand and from the WEL Energy Trust.

Once completed, it is anticipated the park will provide a 4 per cent increase in economic growth to the Waikato and provide up to 2500 new jobs. The park is a joint initiative between Council, the University of Waikato, Crown Research Institutes, Tainui and the business community.

### **COUNCIL DECISION ON PROPOSED DISTRICT PLAN RELEASED**

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Council's released its decisions on the submissions and further submissions to the Hamilton City Proposed District Plan on 27 October 2002.

The processing of the plan was a major undertaking by Council over the preceding 12 months with the dedication of both councillors and staff to progress the hearings through an extremely tight timeframe.

Council made over 720 separate decisions in response to 7834 submissions and further submissions involving 508 submitters. A total of 57 references on Council's decisions were lodged with the Environment Court by submitters and further submitters during the appeal period.

As a result of Council's decisions, the fundamental approach adopted in the Proposed District Plan as notified on 30 October 1999 remains unchanged, however, there have been a number of significant alterations made due to the submission process. The major areas of change include the reduction in the extent of the Environmental Protection Overlay, and the freeing-up of the retail controls in both the industrial and commercial service zones throughout the city.

The introduction of the Environmental Protection Overlay was an important element in managing the effects of urban development on the natural environment. Because of submissions the provisions apply six different smaller layers based on the identification and protection of specific natural features.

To accommodate the trend to larger scale discount shopping and car-oriented service activities the Proposed District Plan extended the Commercial Service Zone around the central area to a number of other locations in the city. In response to the submissions to the commercial service and industrial areas, retail activities within these zones have been broadened, and the extent of the Commercial Service Zone throughout the city reduced.

The other principal issues covered by Council's decisions include:

- reducing the extent of the Commercial Service Zone to mainly the central area and re-zoning other Commercial Service areas mainly Industrial
- reducing the reserves contribution for industrial subdivision
- amending car-parking requirements for various activities
- removing separate provision for community care housing
- increasing the height limit to the Residential High Density Areas
- extending the Residential Zone (High Density Area) at Ruakura
- changing the protection of archaeological sites in the city
- including background information for financial and reserves contributions
- changing the classification of some arterial roads and high noise routes
- reducing some Amenity Protection Area requirements in the industrial zone
- relaxing and clarifying a number of controls over network utilities
- showing high voltage power lines on the planning maps.

A wide range of other alterations have also been made to correct, clarify or modify the detailed provisions of the plan.

# ANNUAL RESIDENTS SURVEY

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Council's Annual Residents Survey is one of the main methods of ascertaining residents' views on how effectively Council is operating, and whether or not it is meeting the community's needs. Specifically the annual residents survey provides a number of performance measures for Council's annual plan, as well as providing background information for a number of Council studies/decisions. Statistics from this survey (performance indices) are included among the performance measures for most of Council's 14 significant activities.

The survey has been carried out each year since 1984 by an independent research company, and provides a useful measure of community opinion over time. Up until 1997 the survey used the face-to-face interview methodology. Since 1997 the survey has been conducted by telephone interview.

Between 16 May and 16 June 2002, 710 randomly selected Hamilton residents aged 18 years or older were surveyed, with each telephone interview taking around 25 minutes. The survey was performed by Research Solutions Ltd. As with face-to-face interviews, telephone interviewing has a high degree of accuracy, i.e., for a sample of 710 people, the statistical margin of error is 3.7 per cent at the 95 per cent confidence level – that is, one can be 95 per cent confident that a given survey result reflects a precision of 3.7 per cent around any statistics.

Results from the 2002 Annual Residents Survey show that residents' satisfaction with Council's facilities and services has changed little from last year. The survey gives a Customer Satisfaction Index (CSI) out of 100, with anything rating 75 or above reflecting excellent customer satisfaction. In 2002, 26 of Council's facilities and services were considered excellent compared with 27 last year.

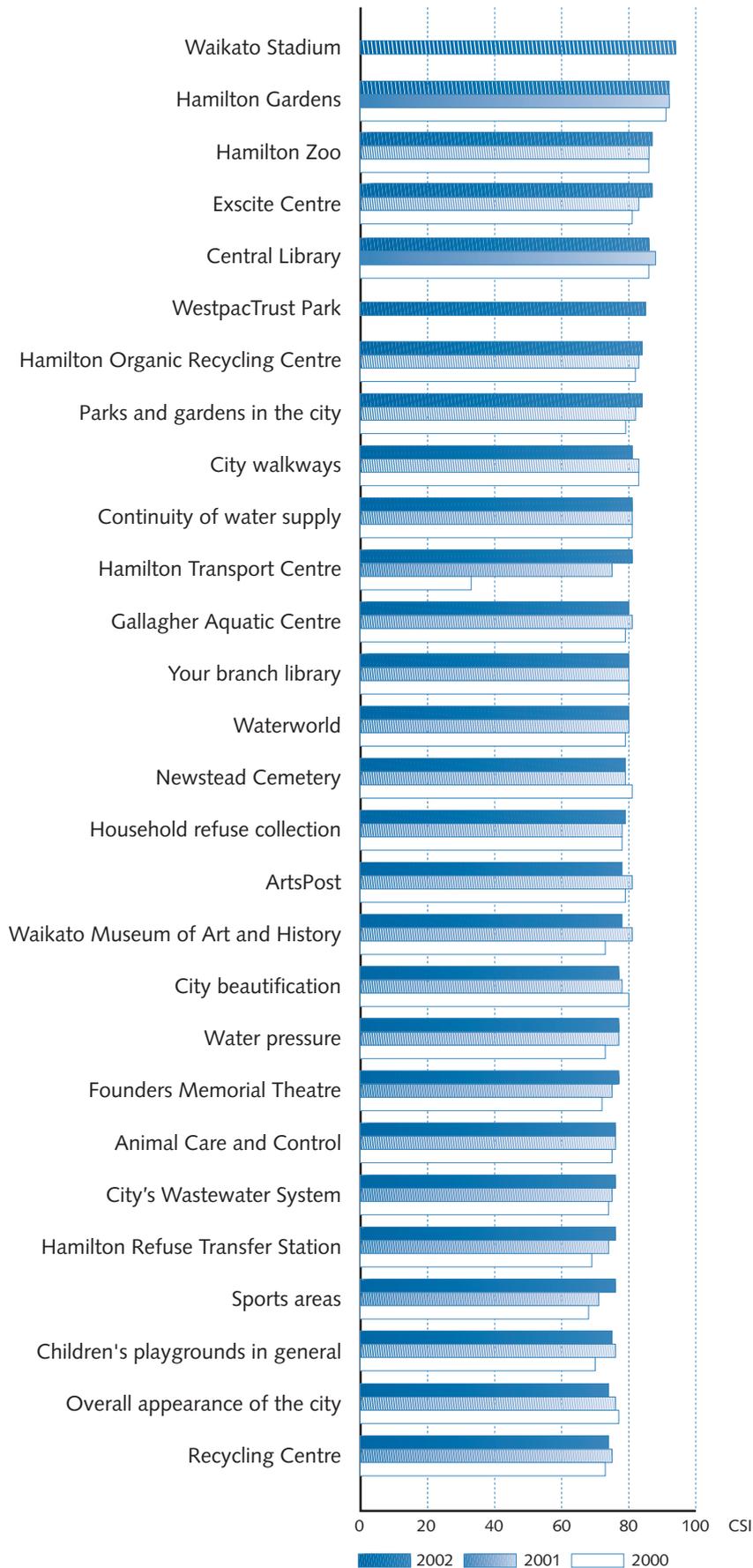
Overall, of the 55 facilities and services surveyed in the 2002 Annual Residents Survey, 21 increased their CSI rating, 22 went down, 10 stayed the same, and two new facilities and services were surveyed (i.e., Waikato Stadium and WestpacTrust Park).

Services that received CSI ratings of 80 or above (out of 100) were: Waikato Stadium [94], Hamilton Gardens [92], Excite Centre [87], Hamilton Zoo [87], Central Library [86], WestpacTrust Park [85], Parks and Gardens [84], Hamilton Organic Recycling Centre [84], Hamilton Transport Centre [81], Continuity of Water Supply [81], City Walkways [81], Gallagher Aquatic Centre [80], Waterworld [80] and Branch Libraries [80].

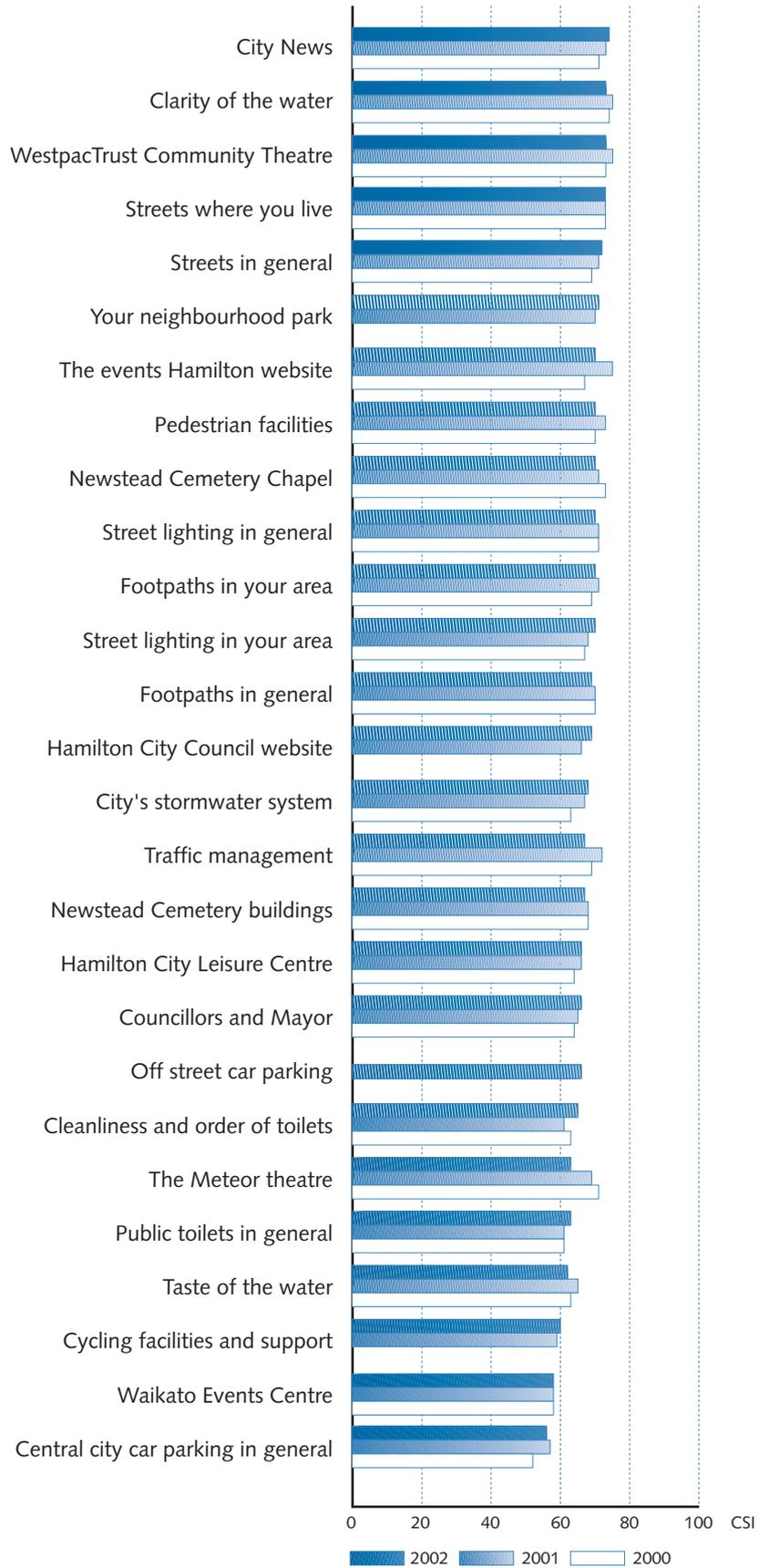
Council is striving to be a world-class organisation and to provide Hamilton with facilities and services of the same high standard. These results show that Council is continuing to maintain the high standard set last year, with its continual drive toward making a difference in the community, and the dedication of staff to that vision, being major factors in the organisation being so highly regarded.

Council measures its performance against community satisfaction then uses the survey results to plan future services tailored to the community's needs. An example of this was building the new transport centre. The CSI rating has increased to 81 this year, up from last year's 75, which was already a significant increase from 33 the previous year. Following refurbishment, both the Waikato Stadium and WestpacTrust Park have rated highly in this year's survey.

## SATISFACTION WITH SERVICES AND FACILITIES



## SATISFACTION WITH SERVICES AND FACILITIES



## A. SUSTAINING HAMILTON'S ENVIRONMENT

### DAVID BELLAMY LAUNCHES THE FESTIVAL OF THE ENVIRONMENT

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The nine-day Festival of the Environment ran from 8 to 17 March 2002. Now in its fourth year of fun, education and entertainment in the Waikato region, it was jam-packed with interactive and exciting events, displays and stalls, and high profile entertainment.

The festival featured three special events with Professor David Bellamy, including a special opening. The event focused on creating environmental awareness and making real environmental improvements. The annual celebration of the environment had something to interest everyone, with activities for the keener environmentalists as well as the general public.

The festival included a wide range of environmental events. Fashion, food and adventure were key themes and made for an exciting and fun-filled week.

### HORC WINS THE SUPREME POUNAMU ENVIRONMENTAL AWARD

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The Hamilton Organic Recycling Centre (HORC), in conjunction with Council's water, drainage and refuse unit was joint winner of the BP Pounamu award at this year's Waikato business and the environment awards. The award recognises the integration of environmental management into everyday business practice.

### HOUSEHOLD CHALLENGE

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The Household Challenge competition initiated by Council set the scene for a new three-year strategy to educate Hamilton households in what it means to be environmentally sustainable. The three households that participated in the competition were all committed to making changes to the way they live.

The households were very innovative and went to some lengths pursuing the prize—\$5000 worth of groceries from Hamilton's two Pak 'N Save supermarkets—the extraordinary lengths these households went to helped to show the community just what can be done when striving to be more environmentally sustainable.

The Household Challenge was the launch for the strategy and required typical Hamilton households to compete to see who could cut back the most on their use of water, electricity and transport and the amount of waste going to the landfill.

Council's three-year strategy will highlight the four areas—water, waste, transport and energy—one by one, giving people advice and suggestions on how to make practical, sustainable changes in their everyday living, to not only reduce impacts to the environment, but to their finances as well.

## B. GROWING HAMILTON

### ALLIED WORLDWIDE

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The Municipal Endowment Fund has invested \$1.9 million to purchase the Allied Worldwide distribution building, adding to a portfolio of investments that contribute funds to reduce rates.

The development was completed early in the 2002 year. The property is leased on a long-term agreement to Allied Worldwide (New Zealand) Limited, a company that combines Allied Pickfords and Allied Movers.

The development is a 2200 square metre warehouse with a stud height of nine metres. This is in line with the continuing trend for buildings to be designed to cope with better stacking technology—pallets can be stacked higher—and the increasing use of pallets.

The Carter Holt Harvey tissue building, which was recently purchased by Council, also has a nine-metre stud.

Council has purchased the new development through the municipal endowment fund. This fund is used for commercial purchases and is required to be invested in property to maximise the return to the city. The returns are used to offset rates. Properties range from small perpetual leases, industrial buildings, commercial, office and retail buildings.

Council's property and risk management unit, which oversees the fund, manages more than 350 city properties for Council and residents of Hamilton for investment and other strategic purposes. The unit is required to consider the orderly development of the city, as well as the community interest and the city's strategic planning requirements.

Recently added to the Council's properties is the new \$7.3m Hamilton Transport Centre opened on 8 January 2001. Bus use has gone up noticeably since the opening of the new centre. Other purchases made for the municipal endowment fund recently have been the Carter Holt Harvey distribution building in Te Rapa, a building in Te Rapa leased to the National Bank, and a building in Kaimiro Street leased to Steel and Tube.

### IS COUNCIL DOING ENOUGH FOR CYCLING

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Council's annual residents survey, and submissions to recent draft annual plans (particularly from cycling special interest groups), show a strong concern to support cycling initiatives in the city.

As traffic volumes increase, cycling becomes more vulnerable. Good progress has been made over recent years to extend and improve cycling facilities.

Council's first policy to help cycling was in 1988 - early for a New Zealand council. A network of off-road paths has been developed since then in the Braithwaite Park/Flagstaff/Harrowfield area. This includes three cycle bridges (one over the Waikato River) and several kilometres of path alongside and under new arterial roads. A rebuilt riverside path was pushed north from the central city to Awatere Avenue, including another bridge and a boardwalk.

A strengthened cycling policy was formed in 1995, a major study report was conducted in 1999, followed by a series of 'strategy actions' in 2000. During this time Council worked closely with local cycling groups to oversee progress.

Green-surfaced 'advanced stop lines' were trialled in Hamilton East from 1999 - this was a first for New Zealand.

An extension of these will see continuous cycle lanes from the central city to university in the coming months. Designers are working on similar treatments in the western suburbs, to create a network in future years across the whole city.

Other initiatives include:

- cycle lanes have been worked into general roading projects, such as Mill Street widening and a host of smaller resurfacing projects
- proactive road safety campaigns featuring Waikato rugby icon 'Mooloo'—many particularly aimed at children—have grabbed the public's attention
- this year all households received a cycle route map funded through the environment project fund. It was a joint venture project of Council's sustainable initiatives and Cycle Action Waikato
- annually, National Bikewise Week is organised to promote cycling. This year it included the Bikewise Business Battle on cycling to work

## **NEW SHELTERS AT TRANSPORT CENTRE**

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Council has been quick to listen to its customers over shelters at the new transport centre.

Full shelter from wind and driving rain on the platform was a matter raised by some bus users over the visually stunning and otherwise well-received new Hamilton Transport Centre. To address this, four 'I' shaped glass screens have been installed between the existing shelters.

In addition, seats have been fitted on both sides of the screens, which will increase the seating capacity on the platform by 60 per cent. The new screens will further shelter bus users from driving rain that can occasionally blow under the high roof. In a separate initiative, twenty shelters, the same as those at the new transport centre, will also be installed at various sites around the city, sponsored by advertiser Adshel.

Both sets of new shelters are in line with Hamilton's Integrated Transport Strategy, which aims to make bus use more attractive. The new transport centre has already been credited with a significant boost in bus use since it opened in January 2002.

## **ROUNDBOUT TO PROVIDE EASIER ACCESS TO HAMILTON GARDENS**

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Work on the roadway at the Cobham Drive/Galloway Street and Cobham Drive/Grey Street intersections in Hamilton east began after the Fieldays event finished on 15 June 2002.

The construction of the roundabout at Galloway Street, and a 'seagull' island at the intersection of Grey Street, is expected to vastly improve the safety and convenience aspects of access to Hamilton Gardens. The seagull island will be the first in the city. It will allow traffic to turn safely into and out of Grey Street by providing a designated lane for vehicles accessing this route.

Work began on widening and improving the access road to Hamilton Gardens from the Galloway Street intersection and a new entrance to the Council plant nursery.

Traffic has not been diverted during construction on the roadway. At least one lane in each direction has been open at all times. Work on the new carriageways, the roundabout and new traffic island is scheduled to be completed in December.

## C. PROMOTING HAMILTON

### DEPUTY PM TOURS WAIKATO 'WORLD FIRSTS'

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The Minister of Economic Development, Deputy Prime Minister Jim Anderton, visited Hamilton on 1 March 2002 and toured local sites to see 'world first' innovations first hand.

The minister began his day with a speech to the Waikato Chamber of Commerce on regional economic development. From there he visited the following exciting Waikato-based projects:

**Dexcel's Greenfield Site** - Dexcel has installed New Zealand's first robotic milking system which is successfully milking a small herd of cows at its purpose-built research farmlet in Hamilton. This milestone has the potential to transform the labour-intensive nature of New Zealand dairy farming. Dexcel has a partnership with Hamilton sensor company, Sensortec, which is designing sensors for online detection of somatic cells in milk. Sensortec is the first company in the world set up to focus solely on online sensor development in the dairy industry.

**Landcare Research's LENZ Technology** - This new technology developed at Landcare Research can be applied to help locate optimal sites for novel crops, or for identifying the best cultivars to grow in particular regions. The classification system uses data from climate and soil surveys collected over several decades, combined with state-of-the-art computer processing capability.

**AgResearch's Double-Muscling of Sheep Project** - AgResearch is studying the role of the 'myostatin gene' which regulates muscle development in sheep. Published studies have indicated a better understanding of the role of myostatin which may assist in disorders such as heart attacks, muscle wasting in old age and muscular dystrophy.

**Integrated Systems Engineering Dairy Effluent Treatment** - This on-farm system for treating dairy effluent processes the waste in a patented energy-efficient digester. The result is that the manure is converted into an environmentally friendly fertiliser, while the methane gas removed from the digester during conversion is used as fuel for cogeneration.

From Hamilton, the minister travelled to Christchurch, where he was the keynote speaker at the INNOVATE conference (5-7 March), which demonstrated how regions can capitalise on innovative technologies to transform their economies. Representatives from Hamilton City Council and B2H attended this symposium.

### RETURN OF X-AIR

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Council sponsored Vodafone X-Air 2002, the New Zealand extreme games, kicked off its fourth and hottest year yet. This year's games featured skateboarding, stunt BMX, freestyle moto-x, inline skating, motorcycle trials, ski jumping and wakeboarding events. All sports went off to the sounds of 20 hours of live and exclusively New Zealand music, headlined by The Feelers, King Kapisi and Salmonella Dub.

Vodafone X-Air is all about core extreme sports, live music, a festival atmosphere and having a good time. Fifty of the world's best extreme sports athletes, including BMX legend Dave 'Miracle Man' Mirra and freestyle moto-x superstar Tommy 'Tomcat' Clowers, joined 80 of our own top New Zealand athletes for 2002.

The action was centred at the Waikato Events Centre for all land-based events and the Hora Hora Domain at Lake Karapiro for on-water mayhem.

Vodafone X-Air has continued to grow from the 2001 event, and is New Zealand's largest summer extreme sports competition, with an amazing list of international competitors and over \$40,000 in prize money. Hamilton City Council continues to be a major sponsor of this unique Hamilton event.

As a special promotion of the main event, Vodafone X-Air opened with a free Hamilton City Skate Jam in Garden Place. The Skate Jam brought the best New Zealand and international skaters back into the environment where they prefer to skate (using natural 'street' obstacles).

## **RUBBER DUCKIE YOU'RE THE ONE**

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It wasn't the usual sight of a bird flying over Hamilton but Rubber Duckie, the Council sponsored special shaped balloon in the 2002 Wel Energy Trust Balloons Over Waikato Festival, held 3-7 April 2002 was the big attraction with kids of all ages.

Rubber Duckie was joined by two other special shaped balloons: Mr Potato Head from the USA and Scottish Piper from the United Kingdom. None of these balloons had been to New Zealand before.

A total of 38 balloons participated in the festival. This is a record number, not only for this festival but also for any balloon festival in New Zealand. Balloons came from New Zealand, England, America, Korea and Australia.

The highly popular NightGlow show is also the highlight of the programme and this year was no different. Promising and established local musicians showcased their talents in a specially organised show. A variety of strolling entertainers added interest and amused children and adults alike. Once again the balloons created a magnificent spectacle as they lit up the night sky, and fireworks from the lake provided a popular finale.

The festival hosted New Zealand's first national ballooning championship, organised by the Balloon Association of New Zealand. It was open only to New Zealand pilots and ran concurrently with an open competition for all other participating balloonists.

## **GET REVVED UP FOR THIS YEAR'S MOTORSHOW**

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Hamilton icon event the Motorshow has been growing by 10 per cent every year and is now the biggest event of its kind in New Zealand. Interest from manufacturers has continued with international companies attending. Nine separate companies brought in their whole team and products for the show.

This year's motorshow was an exhilarating array of automotive passion. Manufacturers Subaru, Ford, Honda, Suzuki, Nissan and Lotus were there, as well as the classics, performance, speedway, dream machines, motor homes, hundreds of club cars, motorsport, 4WDs, along with two new additions, hot rods and the huge truck display.

The show 'n' shine display featured some of New Zealand's most impressive trucks with chrome fittings gleaming and lustrous paintwork polished to a shine deep enough to swim in!

## D. EXPERIENCING OUR ARTS, CULTURE AND HERITAGE

### NEW LOOK LIBRARIES

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The physical appearance of Hamilton libraries and the services they offer took a dramatic change in preparation to face competition from other information and leisure providers.

It is hoped the new measures will help increase the existing customer base of 60,000 people. The proposed changes to the city's libraries are contained in the libraries draft strategic plan.

The Central, Glenview and Dinsdale libraries are the first of Hamilton's six libraries to receive a new orange, blue and teal paint job. The paint job has been designed for impact. It is part of a deliberate strategy to move away from the traditional quiet library image and to raise the profile of its libraries. Stage one of the new image involves painting a stylised bright orange ticket on a teal and blue backdrop on exterior walls.

The ticket is symbolic of an airport ticket and represents the idea that libraries can send your mind anywhere you want. Hamilton libraries offer more than 400,000 experiences through a huge variety of media, including novels, the internet and CDs.

The libraries also plan to improve their processes based on worldwide best practice. One result of these improvements is that new books will arrive on library shelves even before they hit the bookshops.

### WIDE EXPOSURE EXPECTED FOR MAGNUM EXHIBITION

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The Waikato Museum of Art and History hosted large numbers of visitors to one of the world's top photography exhibitions that was open from 10 June to 19 August 2002. The Magnum collection of photographs is regarded as the most prestigious example of international photojournalism.

The exhibition of 320 images featured photographs which capture some of history's most powerful moments during the decade 1989 to 1999, including the fall of the Berlin Wall, the funeral of Diana Princess of Wales, as well as world trouble spots such as Kosovo, Rwanda and the Gulf War. The exhibition also had images of cultural rituals and customs, and captured insightful aspects of people's daily lives.

### CELEBRATING 100 YEARS IN HAMILTON @ ARTSPOST

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The building now known as ArtsPost, at 120 Victoria Street turned 100 years old in 2002. It was built as Hamilton's first Post and Telegraph Office in 1901. It was extended in 1916, and for the 40 years between 1940 and 1980 the building was used for social welfare purposes. Between 1980 and 1989, the Maori Land Court was situated in the building, and for the next eight years it had various tenants, including a Youth Resource Centre and a local member of parliament. The building was bought by Council, which refurbished it for use by the arts community.

ArtsPost has been in existence for three successful years. It is a joint venture between Hamilton City Council (which owns and maintains the building), the Waikato Society of Arts (contracted to run the galleries and the Waikato School of Art) and the Hamilton Community Arts Council, which administers arts funding, and events. Two representatives from each of the groups form a management team with an independent chairperson.

Approximately 30,000 visitors attend the galleries each year, 1200 adults and children come to classes at the art school, and more than 100 groups and individuals receive funding through the Hamilton Community Arts Council.

Individuals and groups can book a three-week exhibition in the galleries and take part in the artist-in-residence workshops.

Intermediate and secondary schools were invited to design a 'postage stamp' to commemorate the ArtsPost Centenary and there was a colouring competition in a community newspaper. ArtsPost exhibited the 'stamps' at a Centennial Exhibition by local artists, and an edible art award competition was run where a number of restaurants participated.

## FX EXSCITES

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Public interest in the \$2m Special FX show at the Exscite Science Interactive Centre was a box office winner. The exhibition interactively explained the concepts and techniques involved in special effects for film. Visitors were able to delve into animation, sound effects, makeup, high speed film image 'morphing'- the art of changing one shape into another - and blue screen technology.

This technology allowed participants to take part in a number of imaginary scenes, such as fighting a dragon, walking into a volcano or exploring the solar system and then watching themselves on video at home. The age of participants ranged from three-year-olds through to senior citizens.

## **E. LIVING IN HAMILTON**

### **NEWSTEAD CHAPEL UPGRADED**

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The chapel facilities at Hamilton Park Cemetery and Crematorium, Newstead, were upgraded this year. The alterations effectively double the size of the facility with an increased seating capacity of the chapel (130 to 240) and also provides additional internal standing room for the congregation. A toilet facility has been added that provides for disability access and additional toilets have been installed along with a new sound system and control room, which are all located at the back of the chapel. The sanctuary/altar area has been modified to provide a more user-friendly environment by lowering it and providing a ramp to the area. The new entrance features a large foyer, modern glass doors, and a new curved feature wall at the front that will screen and protect the funeral cortege to comfortably deliver the casket in all weathers, as well as providing a reception area for the family. The gardens surrounding the chapel have also been redeveloped.

### **DRAFT CHILD AND FAMILY POLICY**

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The draft of Hamilton's first social policy for children and their families became available for community consultation in March 2002. The policy helps Council identify and address its social responsibilities and goals to positively affect the well-being of the community. Hamilton currently has social policies for youth and for older people, and the new child and family policy will link to these.

The purpose of the policy is to ensure that Council plans ahead for children and their families in the city, that access to services and facilities is promoted, and that there is a voice and advocate on behalf of children and their families in Hamilton.

The need for a social policy for children and their families was identified in the Community Development Plan 2000.

An advisory group made up of representatives from a wide range of child and family service providers (e.g. Plunket, Parentline, Child Youth and Family (CYFS), Te Runanga o Kirikiriroa) met on a regular basis since November 2000 to develop the policy. Extensive consultation was conducted with over 400 children and their parents and caregivers to determine what the needs and issues are that families face. The draft policy is a reflection of these needs and issues.

### **NEW COMMUNITY CENTRE FOR HAMILTON EAST**

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A new community centre has been established in Hamilton east by the South East Kirikiriroa Community Association with the support of Council's community development unit. The new community centre is based in an existing Housing New Zealand property located on 51A Wellington Street.

A wide range of community based services and programmes that respond to identified community needs are being provided from the new community centre, including additional resources for programmes and activities that enhance community well-being in the southeast area.

The centre is ideally located as it borders a small reserve, is on the main bus route and it is within comfortable walking distance to the Hamilton east shops and Steele Park.

It has become a valued meeting place for the local community and for local community service providers.

### **YOUTH COUNCIL LAUNCHED INTO ACTION**

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Council's inaugural Youth Council became a reality when 15 people aged between 13 to 25 years were selected from 57 nominations of a diverse range of young people of various ethnic groups and backgrounds. The nominees were rated on their range of networks and how they would link with other young people, their experience and involvement in youth projects, and their views of what the Youth Council should be involved in. Selection panel members also considered that the Youth Council needed to have good representation of males and females, across age groups, ethnicity, occupation and geographical location.

The Youth Council is a voice for youth and youth issues within Council and the wider community. They plan and carry out projects for youth in the areas of recreation, entertainment, arts and culture; advise Council on issues and policy that will impact on youth, for example, planning recreation facilities, youth policy; and liaise with other youth groups locally and with other youth councils nationally.

## **EIT CRACKS 100 JOB PLACEMENTS**

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Council's community development, employment initiatives team (EIT) placed 100 people into permanent sustainable employment over the financial year.

Taskforce Green and Activity in the Community participants, originally referred to EIT by the Department of Work and Income (DWI), were placed with a wide variety of Hamilton employers, which volunteered the opportunity of a better future to job-seeker participants. Before being referred to EIT, the participants are required to meet the DWI criteria of a minimum of 52 weeks unemployment registration and, in some cases, the registration has been much greater.

Employment Initiatives task is to build up confidence, motivation and work ethics, and to encourage and assist participants in their job search.

Many of the participants this year have entered into technical and trade opportunities and are gaining further qualifications.

## **COMMUNITY WORKERS TO BECOME COUNCIL EMPLOYEES**

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From 1 July 2002, the five community development workers and five youth workers that were working for community agencies became Council employees.

For the past six years, the community agencies tendered for the contracts to employ the community workers every three years. Last year Council commissioned an independent review of the community contracts for these workers. One of the review findings was that competitive tendering can have a negative impact in a community environment.

Council wants to assist five community houses and their associations get to a position where they can employ, manage and accommodate community workers. The goal is to have a neighbourhood development worker and youth worker at each of the community houses. At present, some of the houses are new, and others do not have the space to accommodate the community workers.

As the community workers will all have the same employer, they will be able to work more collectively on citywide projects, and also become more familiar with and use Council's resources and training opportunities. At the same time, the workers will be located in the community so they will continue to be easily accessible to community members and able to keep abreast of their needs.

## F. ENJOYING OUR CITY

### TAITUA ARBORETUM

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Hamilton's Taitua Arboretum (collection of trees) near Whatawhata, opened to the public full-time on 16 February 2002, after necessary work on bridges and paths was completed.

The arboretum promises to be a hugely popular attraction, given the attendance at the open day last year. About 500 people trekked the 20ha park despite heavy rain during the open day.

Initially only the front half of the arboretum will be open to the public, due to lack of proper paths further back. The park is open from 8am to dusk, seven days a week to accommodate as many people as possible. John and Bunny Mortimer gifted Taitua Arboretum to Council in 1997 to preserve the project and open it to the public. The couple spent 30 years developing the arboretum but found it was getting too large for them to maintain.

The Mortimer's contacts overseas gave them access to rare and unusual trees, which they were able to import. It would be impossible to gather a collection such as this again.

Taitua Arboretum, on Taitua Road behind the Park International Country Club golf course, is home to 1500 species of indigenous and exotic trees, five ponds, and beef cattle that keep the grass down in the open areas. Three of the five ponds, all bird sanctuaries, contain islands for nesting sites.

### FAIRFIELD PARK SKATEBOARD FACILITY

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Construction of the new skateboard facility at Fairfield Park began in May 2002 after a 12-month period involving evaluation of several city sites and public consultation.

The citywide evaluation of potential sites identified several possibilities, and after taking into account the matters raised through public consultation, Council decided to place the new facility on the Clarkin Road frontage of Fairfield Park.

Final plans were drawn up on the basis of the community's wishes and the project put out to tender. The facility is expected to become a major asset to the Fairfield community. Local youth have difficulty in making the journey across town to the Melville Park facility and the new facility will provide a much-needed alternative.

### RUSSIAN BELL GIFTED TO HAMILTON

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Hamilton has been gifted a beautiful bell from Moscow, to go with the recently completed Russian Bell Tower at the Hamilton Gardens. Moscow gave the bell as a sign of goodwill and to strengthen ties with Hamilton and our Russian community.

The bell was cast in January 2002 from 80 per cent copper and 20 per cent tin. It weighs 64kg, is 47cm high, 43cm in diameter and has inscribed on it words in old Slavic that mean 'gift from government of Moscow city'.

The Russian Bell Tower, bell included, was completed in April 2002. It can be seen from the Garden Cafe, and is located at the end of the path above the Rhododendron Lawn.

### CHAR BAGH GARDEN FOUNDATION STONE LAID

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A ceremony which celebrated the laying of the official foundation stone marked the beginning stages of development of Hamilton Gardens' Indian Char Bagh Garden.

The new garden will be part of the Paradise Garden Collection. The collection demonstrates the main small garden traditions throughout history, and so far includes the Chinese Scholars Garden, the American Modernist Garden, and the Italian Renaissance Garden, which is still being developed.

## THE CHEETAH HAVE LANDED

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Two cheetah arrived at Hamilton Zoo, adding to its collection of exotic and endangered creatures. The male and female cheetah have come direct from South Africa, and will play a vital part in the zoo's commitment to the Australasian breeding programme.

Both big cats are of different bloodlines, meaning they can be bred in Hamilton.

Cheetah are an endangered species with fewer than 12,000 now surviving in the wild. Conservation programmes have been responsible for greatly extending their life span of seven years in the wild to around 12 years in captivity.

## AUSTRALASIAN FIRST FOR HAMILTON ZOO

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Hamilton Zoo is the first Australasian zoo to receive official recognition for its environmental management systems by the International Organisation for Standardisation (ISO).

ISO 14001 is valuable to the zoo as an educator on environmental and conservation issues, and recognition that the zoo is intent on quality practices.

The zoo now has recognition from a respected, objective organisation that proves it has met high environmental standards, which is particularly important as the zoo has a strong emphasis on education.

Hamilton Zoo has been independently certified to ISO 14001 by auditing agency, Telarc. The zoo will be regularly reviewed through auditing both internally and externally to assess performance and identify further improvement opportunities.

ISO 14001 is an international standard that enables businesses to understand both positive and negative environmental impacts. Hamilton Zoo has proved that it has identified those impacts, and developed a continual improvement plan to address those impacts.

ISO's standards are used by an estimated 409,000 organisations of all types in 158 countries.

- Council has been certified as a whole organisation to ISO standards for quality practices since 2000.

## MUNICIPAL POOL UPGRADE COMPLETE

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Upgrades to Hamilton's Municipal Pool were completed in time for the new swimming season, with swimmers already taking advantage of this historical facility.

A full engineering assessment of the Municipal Pool completed in June 2001 showed it was in need of work to enable it to remain operating.

Essential work included re-piling and re-flooring the old grandstand, painting the pools, upgrading the filtering system, and fitting new stainless steel handrails for the small pool.

The refurbishment is expected to provide another five years' use of the pool. The assessment was carried out as part of the development of a longer-term strategy for swimming in Hamilton.

Hamilton's Municipal Pool is considered the first public in-ground pool established in New Zealand that is still operational. The pool was built in 1912 and has a 'Heritage B' status.

The facility is presently managed and operated by the Hamilton Amateur Swimming Club and caters for approximately 34,000 customers a year.

The Municipal Pool is a community asset catering for schools and community groups in a way other swimming facilities cannot. As such, it is a vital element in Council's aquatic facilities strategy.

## INTERNAL

### COUNCIL KILLING THE WATTS

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Killing the Watts and saving even more energy was the goal as Council rose to the Government's challenge for the public sector to reduce electricity consumption by 15 per cent. Staff at the Garden Place offices and at Waterworld had already begun to make some significant savings in power. When savings began (30 July) there had been an average saving of nine per cent. From day to day, savings had been upwards of 15 per cent, however the cold snap in August meant more heating was needed. Outside temperature plays a significant part in determining energy consumption on a daily basis, however actions taken by staff made a difference.

On a number of floors, office lighting near windows was switched off. On some floors the lighting load has been reduced by up to 83 per cent. The 'on time' of the heating and ventilation plant was shortened without making a noticeable difference to the room temperatures.

The savings made were on top of the projects initiated last year where Council was able to reduce its energy costs by \$300,000. In addition, the old 240kW co-generator at the wastewater treatment plant was temporarily recommissioned. It is estimated the generator supplied nine per cent of Council's power needs. The unit fed into the supply circuit at the plant, while at the same time the new co-generation plant was producing about 1.8 MW.

The plant had first call on the electricity and the excess was exported to the National Grid helping the electricity situation.

### MAXIMO SERVICE

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Council invested in computer program Maximo to better organise the considerable amounts of data it holds on city assets, and as a result improve customer service. Maximo combines the information Council has in a number of databases and in doing so, increases the uses for that information.

While information has been available, it has been difficult to access. Maximo takes all the data and turns it into an easy to access package. Maximo will also help track progress on customers' requests for work to be done.

Maximo has been introduced to help Council along the path to becoming a world-class organisation. It was identified as one of 11 key projects that better resource staff and continually improve customer service.

### COUNCIL RAISES THE STANDARD

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Council received its new ISO 9001:2000 upgrade—a year earlier than expected. Receiving the new standard 12 months early is unprecedented for an organisation of Council's size.

Council had previously met the ISO standards established in 1994 and was moving towards the new benchmark.

ISO is a set of quality management standards. The purpose is to provide a single set of standards that organisations everywhere recognise and respect. ISO first published its quality standards in 1987, revised them in 1994 and then published an updated version in 2000. Council has now met the standards for the updated version.

The standards means Council has immediate access to best practices around the world. This in turn improves the organisation's effectiveness and efficiency and brings cost savings.

Efficiency also relates to timely service and a customer-focused approach to business. ISO helps Council give ratepayers the best value for their dollar. This is just one tool Council is using to continually improve as an organisation.

The major changes made by Council as part of meeting the new standards related to a greater focus on customer service, staff training and an increased awareness of areas of responsibility and the improvement of key processes.

## INTERNAL POLICIES

### EQUAL EMPLOYMENT OPPORTUNITIES PLAN FOR 2001/02

#### Our Commitment

Hamilton City Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees. The organisation provides a welcoming, positive environment and implements a purposeful programme of action to ensure that its activities and services are carried out with an awareness of, and an intent to eliminate, any discrimination in the areas of race, colour, ethnic or national origin, gender, religion, marital status, family responsibilities, sexual orientation, disability or age. This commitment is not only because of legal and moral obligations, but also because EEO makes good business sense. EEO is about good management practices, it is about valuing and encouraging diversity, developing our human resource and attracting the best people to our available positions.

The following actions contribute to our commitment to EEO:

| Council Goal | Objectives   | Performance Measures   | Results  |
|--------------|--|--|--|
| 4            | To select the best person for the job.                               | Ensure all recruitment and selection procedures are based on EEO principles and everyone involved in recruitment is aware of the procedures to be followed. All recruitment and selection procedures are reviewed and audited annually against the EEO policy. | All recruitment and selection procedures are based on EEO principles. Documentation such as job descriptions, person profiles, advertisements, application forms, corporate policy and procedures are reviewed regularly to ensure they are in line with EEO principles and legislation. A Human Resources Advisor is present at selection interviews. |
| 4            | To develop an EEO database.  | EEO statistical data is collected from information supplied by people applying for vacancies to show the number of people from EEO groups applying for positions, being interviewed and being appointed to positions.  | Applicants are asked to complete a confidential EEO form at the time of making application. Data collected from the EEO form includes ethnicity, gender, and disability. The results are reported below.   |
| 4            | EEO principles are demonstrated in the Corporate Training programme. | Bi-cultural training forms an integral part of the Corporate Learning and Development programme, and is an ongoing component in the Training Calendar.   | Te Reo, Waiata, and Treaty of Waitangi awareness training was held during the year.<br><br>The Annual Te Waka Awhina Hui was hosted by Wellington City Council in November 2001 and Hamilton City Council was represented by ten employees.  |
| 4            | Council's Organisational Development Plan reflects EEO principles.   | Organisational Development policy and procedures are in line with EEO principles.  | The Quality Systems Manual contains the principles and intent of the EEO policy.   |
| 4            | Council is a member of the EEO Trust.                                | Ongoing liaison and consultation with EEO Trust and other EEO organisations.   | Council continues to be a financial member of the EEO Trust.   |

## EEO Statistics as at 30 June 2002

| Female              |     | Male                |     |
|---------------------|-----|---------------------|-----|
| Permanent Full-time | 215 | Permanent Full-time | 336 |
| Permanent Part-time | 167 | Permanent Part-time | 49  |
| Temporary           | 29  | Temporary           | 18  |
| Casual/On-call      | 74  | Casual/On-call      | 71  |
| Total Female staff  | 485 | Total Male staff    | 474 |

## ORGANISATIONAL DEVELOPMENT

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Council is continuing to implement a programme of organisational development, which aims to assist the organisation to achieve its vision by becoming a world-class organisation. To become world-class, the principles of best practice continue to be incorporated at all levels of the organisation.

Application of best practice continues to have a positive impact on results such as revenue and expenditure, and brings other benefits through improvements in key organisational processes and improved customer and employee satisfaction.

Organisational development is specifically focused on developing best practice through the ongoing improvement of key organisational processes. Considerable work has been done to identify key areas for organisational development. From this the "first XI" key actions have been defined and Corporate Action Plans developed. The "first XI" target customer focus, information management development and human resource best practice, which continue to be priority areas for development.

To support Council's development and understanding of best practice, and to support our ability to compare ourselves against a range of organisations, Council continues to have active involvement in the New Zealand Benchmarking Club, run by Massey University.

In 2001 Council applied for the Performance Excellence Study Award. These awards are administered by the Ministry for the Environment and use the Baldrige Criteria for Business Excellence as the framework for evaluation. Council was successful in being awarded the "Most Improved" applicant in the Local Government section, and was the only local government applicant to apply on the basis of the whole organisation. As a result of this success two general managers (the general manager corporate and general manager strategic) participated in a study tour to the United States in late 2002, where they visited a range of organisations which have previously won business excellence awards, based on the Baldrige Criteria for Business Excellence. The learnings from that tour have contributed to Council's own direction and prioritisation of key strategies for organisational development.

## CORPORATE VISION

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### **Making a difference in our community**

To achieve this we will:

- focus on our customers
- develop a strong, motivated workforce
- incorporate our values into the way we work.

## OUR CORPORATE GOALS

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- Our processes are world-class
- We are a strong motivated workforce
- We contribute to Hamilton's success
- We are a customer focused organisation
- We build a leadership culture.

## OUR CORPORATE VALUES

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### **Working together**

We work and communicate across the organisation and with our community.

### **Honesty and openness**

We act with integrity to promote a climate of mutual trust and respect.

### **Getting things done**

We make quality decisions based on best information, within agreed timeframes and budget. We are responsible for our actions.

### **Challenging our performance**

We review and continuously improve the way we do our business. We learn from our mistakes and move forward.

## QUALITY MANAGEMENT

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Council has achieved its new certification to ISO 9000:2000 in April 2002, 18 months ahead of schedule. Hamilton City Council is the first council to achieve this and the only city council in New Zealand to be certified to this standard as a whole organisation. Quality initiatives this year have focused on simplifying and standardising quality systems, procedures and documentation across the organisation, by introducing an electronic process mapping system.

The quality system continues to support organisational development initiatives, providing a framework from which key areas are identified for development or improvement activity.

It is important for Council to set a good example to other organisations/businesses in Hamilton by minimising its own impacts on the local environment. Hamilton Zoo has undertaken the development of an Environmental Management System (EMS) with the goal of gaining ISO 14001 accreditation. Environmental Management Systems (EMS) have been shown to provide a systematic and consistent approach to environmental management across organisations providing numerous benefits including improved financial performance, financial savings and improved quality of service delivery.

## INFORMATION MANAGEMENT

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Council has continued to upgrade its information technology platform in line with its modernisation strategy. Significant achievements in 2001/02 include:

- the implementation of a corporate asset management system to manage Council's infrastructural assets
- the continued implementation of the "thin client" strategy to reduce desktop computer costs
- upgrade of the GIS system to enable customer services staff to access all property related information from a single system
- the development of plans to replace the Land Information and Revenue systems
- plans to migrate from aging PABX technology to better integrated voice and data technologies for improved customer service and reduced telecommunications costs.

## ENERGY MANAGEMENT

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Energy use is a significant expenditure for Hamilton City Council, and the energy management teams led by Council's energy manager have made substantial savings on energy costs. For example, between 1999 and June 2002, Council's energy cost savings total over \$600,000. Energy savings have grown to 1,300,000 kWh per year.

The high focus on energy management in the organisation has resulted in ongoing improvements in a number of areas. For example, the energy performance of Council's Municipal Offices has continued to improve as a result of cost effective technology retrofits, optimised controls, and conservation measures taken by staff. The average energy consumption per square metre of office space has dropped from 220kWh/m<sup>2</sup> to 168 kWh/m<sup>2</sup>, a 24 per cent energy saving.

A comprehensive energy monitoring system has been installed and commissioned. The system has already proven its worth by enabling the easy identification of incorrect tariff rates and improved budgeting.

Identifying and implementing further energy savings will continue to be a key priority for the organisation.

## HEALTH AND SAFETY MANAGEMENT

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Council is continuing its commitment to the prevention and management of workplace injury and illness. Active involvement by managers, supervisors and other dedicated personnel, in recovery, rehabilitation and workplace-based return to work programmes is a standard approach to business.

Council's health and safety management approach is focused on having robust systems in place, the involvement of all staff in decision-making and the setting of realistic and achievable goals to ensure a safe and healthy working environment.

An annual health and safety training programme and a team of health and safety representatives in all areas of Council ensures understanding and awareness of individual responsibilities and that all staff have the opportunity to contribute to improving health and safety.

The commitment to continual improvement and development of a best practice framework of health and safety processes has culminated in Council achieving the highest performance level (tertiary) in the Accident Compensation Corporation Workplace Safety Management Practices audit.

Construction of riverside walkway by Awatere Avenue.  
**HAMILTON'S SUSTAINABLE DEVELOPMENT**



# HAMILTON'S SUSTAINABLE DEVELOPMENT AND AGENDA 21

Council's Strategic Plan 2002-2012 is a vision for the Hamilton of the future, created by the community, for the community. The vision and goals in Part One of Hamilton's Strategic Plan 2002-2012 are the community's view of what a more sustainable Hamilton should be like.

## WHAT IS SUSTAINABLE DEVELOPMENT?

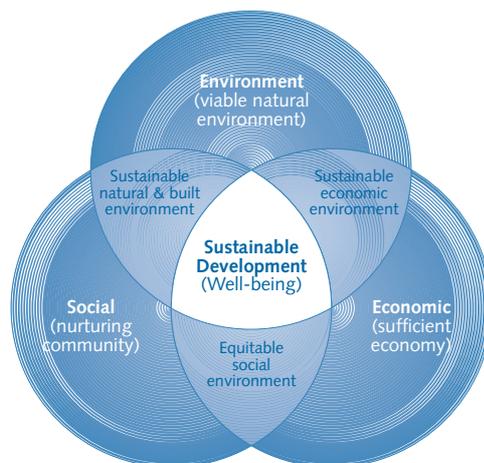
Sustainable development, often referred to as sustainability, can be described as a desirable state of conditions that persists over time. Sustainable development is defined as:

**'Development which meets the needs of the present without compromising the ability of future generations to meet their needs.'**<sup>1</sup>

In other words, we need to think hard about the effects of our actions. We need to make sure that we do not sacrifice a healthy environment and healthy people for a strong economy or vice versa, either now or in the future. It is about finding the right balance.

The model below is a widely accepted model of sustainable development, showing it to be an ideal balance between environment, social and economic factors.

## CONCEPT OF SUSTAINABLE DEVELOPMENT



Source: Ministry for the Environment

'Sustainability is related to the quality of life in a community—whether the economic, social and environmental systems that make up the community are providing a healthy, productive, meaningful life for all community residents, present and future.'<sup>2</sup>

A report from the Office of the Parliamentary Commissioner for the Environment<sup>3</sup> notes that sustainable development can be thought of as '**Getting more, from less, for longer**'.

But what does all this mean for Hamilton in the new millennium? Most of us enjoy the material things that a modern economy provides for our comfort, convenience and health, and most of us hope to have more of these things in the future. It is easy to forget, however, that these things are created from elements in nature, many of which cannot be replaced—and the processes of creating them can also damage our environment. As a result there is a very real threat that unless we show more care for our natural resources than we have in the past, our environment may not survive.

1. *Brundland Report 1982 - Our Common Future*. London, Earth Scan

2. From the 'Sustainable Measures' website ([www.sustainablemeasures.com](http://www.sustainablemeasures.com))

3. *The Cities and their People - New Zealand's Urban Environment*. Office of the Parliamentary Commissioner for the Environment, June 1998

Sustainable development means that we do not take for granted the taonga (treasures) of our environment, and that we seek to find a balance between what we want and what we really need. It also means distributing the benefits we gain from the environment more equally between people, and making sure we leave a healthy environment for future generations. Significantly, sustainable development is closely related to the principle of kaitiakitanga (guardianship) in tikanga Maori.

Developing our society and economy in a sustainable way means we will also become more concerned with improving the quality of our life rather than its quantity (as measured in terms such as financial wealth and economic growth). Indeed, unrestrained economic growth can often lead to further degradation of our environment and an overall decline in our quality of life.

## SUSTAINABLE DEVELOPMENT AND AGENDA 21

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Agenda 21 is the title of a document resultant from the 1992 Rio de Janeiro Earth Summit—a document that heralded a new era in human attitudes to the environment. The Earth Summit, formally known as the United Nations Conference on Environment and Development (UNCED), came after two decades of growing concern over environmental issues from the United Nations and governments around the world. Almost 180 governments (including New Zealand) participated in UNCED.

Agenda 21 is a global plan for sustainable development in the 21st century. It contains 27 key principles and 40 chapters that address nearly all aspects of human activity.

Sustainable development is the cornerstone of Agenda 21, and it recognises that global issues need to be addressed at the local level—hence the expression **'think globally, act locally'**. It also emphasises the need for people to be actively involved in decision-making in their own community. The Labour Government, in its 1999 manifesto for local government, stated that it will 'encourage local authorities to incorporate Agenda 21 principles into their planning'.

A key focus of the Johannesburg World Summit on sustainable development, held between August 26 and 4 September 2002, was on assessing global change since the Earth Summit of 1992. The gathering considered the impact of the revolutions in technology, biology and communications that have changed the world since 1992, while keeping in mind that there are still vast sections of the global community to whom this knowledge is inaccessible.

In New Zealand the Rio+10 Community Programme has been initiated in order to gather community views on the state of our environment and the priorities for action to sustain it. This information was compiled in a report for the World Summit (Rio+10). In addition, central government is in the process of establishing a sustainable development strategy for New Zealand. As part of this strategy for sustainable development, central government (Statistics New Zealand) has also produced an experimental report on indicators that reflect some of the major sustainability issues facing New Zealand. This report was part of New Zealand's preparation for the Johannesburg World Summit on sustainable development. The report, entitled *Monitoring Progress Towards a Sustainable New Zealand* was released in August 2002. This report provides an experimental selection of information and analysis to help assess New Zealand's progress towards sustainable development.

## WHAT DOES SUSTAINABLE DEVELOPMENT MEAN FOR HAMILTON?

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Hamilton City Council first endorsed the principles and objectives of Agenda 21 in March 1993, and became a member of the International Council for Local Environmental Initiatives (ICLEI) in August 1993. Hamilton was selected as the only New Zealand city to take part in an international Local Agenda 21 Model Communities Programme.

Hamilton's approach to ascertain what sustainable development means to the city has been to **'envision'** it, i.e.:

'Rather than trying to define sustainability, local governments should instead begin to envision it. This approach allows the concept to remain flexible and applicable to a community's unique qualities. Out of that vision come the goals and priorities of the community, which represent the needs it must meet through its planning and development process'.<sup>4</sup>

The vision and goals in Hamilton's Strategic Plan 2002-2012 are the community's vision of what a more sustainable Hamilton should ultimately be like. The review of the plan has seen the 16 goals arranged under six strategic areas. The plan's vision, strategic areas, and goals are outlined below:

## VISION

Hamilton enjoys a unique and beautiful setting, amidst intricate gullies embracing the Waikato River, and is surrounded by rolling farmland with fertile soils. The city has a distinctive character, based on its natural history as well as the human history forged by those who have been here before us – both tangata whenua and European settlers.

What we see and feel around us today is the legacy of the way our forebears interacted with this environment and used its resources. We in turn are creating the legacy that our descendants will inherit. It is an awesome responsibility.

That is why thousands of Hamilton's residents have taken time to pause and look around them, to carefully consider the way we live and the long-term effects of our lifestyles, and to think about the state of the environment and the culture we want to pass on to our children. The community's vision for Hamilton is that:

**Hamilton will continue to develop in a sustainable way, using fewer resources to achieve more social, economic, and environmental benefits for everyone in the city.**

## STRATEGIC AREAS

The plan's vision is underpinned by six strategic areas as shown below.

**Relationship of the strategic plan's vision to the six strategic areas**



Each of the plan's 16 strategic goals is linked to one of the six strategic areas.

### STRATEGIC AREA A: SUSTAINING HAMILTON'S ENVIRONMENT

#### Strategic Plan Goals

- 1 Clean air, water and soil, and an environment free from excessive noise.
- 2 Healthy ecosystems displaying improved biodiversity, with a strong indigenous component.
- 3 Energy resources are used in a sustainable manner, and air emissions are reduced.
- 4 Production of solid and liquid waste (including hazardous substances) is minimised, and disposal is carried out in an environmentally sustainable manner.

## STRATEGIC AREA B: GROWING HAMILTON

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### Strategic Plan Goals

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

## STRATEGIC AREA C: PROMOTING HAMILTON

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### Strategic Plan Goals

- 7 A sound economy developing sustainably.
- 8 Hamilton has a positive internal and external image.

## STRATEGIC AREA D: EXPERIENCING OUR ARTS, CULTURE AND HERITAGE

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### Strategic Plan Goals

- 9 Hamilton values its rich culture and artistic achievement.
- 10 Kirikiriroa is established as a centre for traditional and modern arts and culture.
- 11 Cultural and built heritage is widely appreciated and protected.

## STRATEGIC AREA E: LIVING IN HAMILTON

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### Strategic Plan Goals

- 12 A diverse range of learning and training opportunities is available to meet the needs of the community and business at all levels.
- 13 Local neighbourhoods address the needs of their residents – socially, physically and emotionally.
- 14 All people are enabled and encouraged to participate in the development of the city.
- 15 A supportive community where families, youth, and older persons are valued.

## STRATEGIC AREA F: ENJOYING OUR CITY

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### Strategic Plan Goal

- 16 A full range of land, facilities and services is available to meet the community's recreation and leisure needs.

## MEASURING OUR PROGRESS

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### Introduction and Background

Hamilton is a dynamic and growing city. Population growth has averaged around 1.6 per cent per annum over the last 10 years (approximately 1500 people every year). The city's population composition (such as age groups, household formation and ethnicity) is also undergoing significant change.

Hamilton's increasing population, and changing population composition, have a range of implications for the city's development.

It is imperative then that key components of Hamilton's economy, environment and society are monitored to provide information that can assist in the optimum development of the city. The city will achieve this through monitoring and reporting on a range of indicators that inform the community about our progress towards becoming a more sustainable city.

### What are Sustainability Indicators?

Sustainability indicators provide ways in which we can measure, directly or indirectly, changes to the environment, society and economy over a period of time. They provide a picture of what is going on around us that we can use to guide our future planning.

Hamilton's Sustainability Indicators comprise a set of 25 indicators that, along with other programmes/initiatives (such as the establishment of a Community Action Plan) will help us determine whether Hamilton is moving towards or away from becoming a more sustainable city.

### How were the Sustainability Indicators developed?

One of the key elements of forming the sustainability indicators is that they should be developed by the community for the community. Seven publicly advertised workshops were held in May 1998 to develop potential indicators. More than 150 people representing a wide cross-section of Hamilton's community were involved, and produced over 1000 potential indicators. The sustainability indicators produced at the workshops were developed using the goals from Hamilton's first strategic plan (1997-2017).

A community steering group comprising approximately 40 volunteers (including three Hamilton City Councillors) from the original workshop participants then developed a smaller representative set of 25 sustainability indicators.

In addition, a parallel process was conducted by Maori, for Maori, resulting in a document known as Whakakitenga Marama. The material from this document and the smaller representative indicator set developed by the community steering group form the basis of the set of sustainability indicators.

Council staff then commenced the process of obtaining data for the sustainability indicators from within Council as well as from a wide range of external organisations. Although this process resulted in some adjustments being made to the original set of 29 indicators shown in Hamilton's Strategic Plan 1999-2019 (due to data being unavailable/unreliable, only being available at a national level, etc.) the revised set of 25 sustainability indicators has retained the 'integrity' of the original set 29 community-derived sustainability indicators.

Although there are 25 sustainability indicator headings, in most cases an indicator will comprise a number of component sub-indicators. In total then, the set of 25 sustainability indicators comprise 65 sub-indicators.

Hamilton's first Sustainability Indicator's report was adopted by Council in April 2002. Subsequent to this a summary report was distributed to all Hamilton households, and a full final report was published in September 2002. The role of this first report, in addition to compiling a full set of sustainability indicators, is to establish a benchmark that will not only establish a measurement baseline, but provide a tool to assist business, Council, and the community to make positive changes for the environment, the economy, and society. In the case of Council it will provide the opportunity to make decisions about projects, work practices, and processes that will contribute positively to the city's sustainability.

### What makes an effective Sustainability Indicator?

An effective sustainability indicator should possess most of the following characteristics:

- Is the indicator **measurable**? Will it show improvement or deterioration in the condition it targets? Will the changes it shows be useful to decision-makers?
- Is the indicator **easy/affordable to collect**? Is data for the indicator already collected/available or not too difficult or costly to obtain?
- Is the indicator **user-friendly and comparable over time**? Is it easy to understand or will it cause confusion? Will methods to measure the indicator be available to be carried out in the same manner and conditions each year to ensure that comparisons will be valid?
- Does the indicator provide a balanced measure of **social, environmental and economic conditions**? Indicators that can provide information that is useful in more than one area are of most value.
- Can the indicator be **influenced by actions**? Is it possible for any agency or the community in general to do things that will move the indicator towards showing greater sustainability?

These characteristics were used in the process of determining the final set of 25 sustainability indicators for Hamilton.

## GROUPING OF HAMILTON'S SUSTAINABILITY INDICATORS

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The 25 sustainability indicators (and the 65 component sub-indicators) have been grouped under the strategic plan's six strategic areas in terms of their best fit i.e.:

### STRATEGIC AREA A: SUSTAINING HAMILTON'S ENVIRONMENT

#### 1. Air Quality

- The level of small suspended particles (PM<sub>10</sub>)

#### 2. Waikato River Water Quality

- Water quality of the Waikato River and local streams and tributaries
- Suitability for swimming in the Waikato River

#### 3. Water Usage

- Total water usage
- Average quantity of water used per person on a daily basis
- Commercial and industrial water usage per annum

#### 4. Hamilton Lakes

- Trophic level index of Lake Rotoroa (Hamilton Lake)

#### 5. Soil Health

- Percentage of confirmed contaminated sites remediated

#### 6. Noise

- Number of excessive noise complaints to Hamilton City Council's Environmental Health Unit

#### 7. Urban Trees

- Number of exotic and indigenous trees protected and planted in Hamilton
- Area of significant stands of native trees within Hamilton
- Number of individuals and organisations undertaking native tree restorations in Hamilton

#### 8. Energy

- Total energy usage by consumer sector

#### 9. Solid Waste

- Quantity of residential and industrial/commercial waste sent to landfill from Hamilton
- Quantity of waste per person from the household kerbside collection
- Total amount of materials collected for reuse and recycling at Council run or co-ordinated facilities and services

### STRATEGIC AREA B: GROWING HAMILTON

#### 10. Urban Development

- The total number of building consents for new residential dwellings (in greenfield areas versus infill areas) and the total floor area of those consents
- Population densities in residential areas
- The average size of new houses
- The average number of people per dwelling

#### 11. Transport

- Means of travel to work
- Car ownership per household
- Total passenger numbers using public transport
- Distance travelled by all transport modes
- Length of roads and cycle networks

## 12. Housing Affordability

- The proportions of dwellings owned and rented by the occupants
- Home mortgage affordability index
- House sale price index
- The median rent for houses and flats in Hamilton

## STRATEGIC AREA C: PROMOTING HAMILTON

### 13. Work

- Unemployment rate
- Labour force participation rate
- Number of job vacancy advertisements
- Ratio of those in the working age group to those in the non-working age groups (dependency ratio)

### 14. Income

- Average weekly gross income and earnings
- Average yearly expenditure
- Personal income distribution

### 15. Business

- Number and size of businesses
- Employment levels in different industries
- Business gains and losses, and survival rates

### 16. Visitor Accommodation

- Number of guest nights and occupancy rates for hotels and motels
- Visitors to Hamilton as a proportion of visitors to the Waikato region
- Origin of guests

## STRATEGIC AREA D: EXPERIENCING OUR ARTS, CULTURE AND HERITAGE

### 17. Historic Structures and Sites

- The number of built heritage and sites of archaeological, historic, and cultural significance protected within the Proposed District Plan

## STRATEGIC AREA E: LIVING IN HAMILTON

### 18. Education

- Enrolments at the University of Waikato and the Waikato Institute of Technology
- Participation in continuing education courses
- Highest qualification gained

### 19. Public Involvement in Decision-Making

- Voter turnout at general and local authority elections
- Number of candidates standing in local authority elections
- Community satisfaction with Hamilton City Council's provision of opportunities for community involvement in decision-making

### 20. Youth Well-Being

- Use of youth facilities
- Number of young people committing or attempting suicide
- Juvenile offending

### 21. Partnership with Maori

### 22. Crime and Safety

- Burglaries, sexual offences, and violent offences per 10,000 population
- Rate of care and protection notifications to Child, Youth and Family Services
- Perceptions of safety in the central business district and in neighbourhoods

### 23. Cultural Well-Being

- Ethnic composition
- Number of ethnic groups obtaining citizenship in Hamilton
- Number and membership of cultural groups
- Organised cultural activity in the city

## 24. Health

- Life expectancy of people living in the Waikato Region
- The total number of publicly funded hospital discharges of Hamilton residents, and the number of those discharges due to complications of pregnancy, childbirth, and the puerperium, infectious and parasitic diseases, and diseases of the respiratory system
- The number of hospitalisations of Hamilton residents due to motor vehicle crashes and poisoning
- The number of suicides in Hamilton per 100,000 population

## STRATEGIC AREA F: ENJOYING OUR CITY

### 25. Community and Recreational Facilities

- Survey of residents on their usage and satisfaction with a number of Council owned community and recreational facilities
- The total amount of greenspace in the city

### Ongoing Monitoring/Reporting

Hamilton's first sustainability indicators report is a benchmark that can be built on. Investigation of additional indicators/information for each of the 25 indicators is part of an ongoing refinement and improvement process. The Sustainability Indicators report also fulfils the requirement of the Resource Management Act 1991 that Council monitor and report on the state of the city's environment. The sustainability indicators will be reported on annually, and a summary of each report will be included in Council's Annual Report.

### Who will use the indicators/How can they be improved?

Monitoring the sustainability indicators over time can assist in identifying areas where we are making progress towards making Hamilton a more sustainable city, and alert us to areas that require action.

Everyone can make a change in their own lifestyle choices that will lead to improvements in the sustainability indicators, e.g., recycling materials such as paper and glass, taking the bus to work instead of the car, etc. The sustainability indicators are a key means of determining the success of such actions/sustainability initiatives. *'Evidence of positive progress (towards sustainability) is important for justifying past expenditures on sustainability indicators and building support for new initiatives'*.<sup>5</sup>

# RESULTS FROM THE FIRST SUSTAINABILITY INDICATORS REPORT

Hamilton's first Sustainability Indicators report shows areas where the city is making progress towards sustainability, and identifies potential areas for improvement. Of the 25 sustainability indicators, eight appear to be getting better, three to be getting worse, nine are remaining stable, and there is insufficient information to show the progress or otherwise of five indicators.



## GETTING BETTER

### 4. Hamilton Lakes

While the overall condition of Lake Rotoroa remains poor, the ecological health has improved from supertrophic to eutrophic.

### 5. Soil Health

Although the number of confirmed contaminated sites in Hamilton city has increased between 1999 and 2001, the number of sites being remediated and/or managed relative to this has also increased. The increased management of contaminated sites is a positive step towards improving soil health.

### 7. Urban Trees

Hamilton's trees are valued as an important part of the urban environment. This is evident through established planting and protection measures and the involvement of the community in planting projects.

### 9. Solid Waste

The quantity of solid waste sent from Hamilton city to the Horotiu Landfill has started to decline, and the amount of waste collected per household through the kerbside collection has also stabilised in quantity in recent years. While the amount of recyclable material collected at the Hamilton Refuse Transfer Station has fluctuated, recycling totals have not fallen below 1996/97 levels. The volume of green waste collected for recycling is increasing steadily. Kerbside recycling in Hamilton will be undertaken from July 2002.

### 12. Housing Affordability

Home mortgage affordability, the price of houses, and rental prices in Hamilton have improved in recent years, meaning housing has become more affordable.

### 14. Income

Incomes in Hamilton are generally increasing, even though at a level slightly lower than the national average. Income levels in Hamilton are similar to national levels.

### 15. Business

Hamilton's business environment appears to be reasonably buoyant (including an increase in the number of small businesses) and it has a relatively broad employment base.

### 25. Community and Recreational Facilities

In general, satisfaction with key Hamilton City Council-owned community and recreational facilities has remained consistently high. However, we currently do not have data on non-Council owned facilities nor data about the accessibility of the city's community and recreational facilities. The area of greenspace in Hamilton city has increased.



## REMAINING STABLE

### 1. Air Quality

Air quality in Hamilton between 1998 and 2001 was generally good.

### 2. Waikato River Water Quality

Water quality in Hamilton's waterways varies between different locations.

### 3. Water Usage

The amount of water used by Hamilton city continues to increase, alongside a similar increase in population and the number of businesses. Residential water usage per person per day remains relatively constant.

### 10. Urban Development

Although Hamilton's new housing growth over the last six years has primarily occurred in the city's greenfield areas, the building growth spurt of the late 1990s appears to have levelled off. Overall, population density is increasing, and this increases potential economies of scale for provision of public transport and other facilities.

The average size of new houses increased significantly in the early 1990s. As the number of people per house has not increased with the trend towards larger houses, more resources are used to house each person.

### 13. Work

The number of job vacancy advertisements in the Waikato Region, and the dependency ratio in Hamilton are both exhibiting positive trends. However, Hamilton's unemployment rate may be worse than the national average.

### 16. Visitor Accommodation

Hamilton has experienced an increase in the number of visitor nights in hotels and motels, and has occupancy rates well above the national average. However, Hamilton's tourism industry remains vulnerable due to its relatively heavy reliance on domestic tourism.

### 18. Education

Education in Hamilton exhibits no clear trends. Tertiary enrolments are increasing. However, significant ethnic disparities are a source of concern.

### 19. Public Involvement in Decision-Making

Overall, public involvement in decision-making in Hamilton shows no clear trends. Satisfaction with Hamilton City Council's provision of opportunities for involvement in decision-making, and the number of candidates in local authority elections, show positive signs. However, the percentage of voter turnout has decreased since 1986.

### 24. Health

Life expectancies in the Waikato region, and the number of hospitalisations from motor vehicle crashes and poisoning, are showing positive trends. However, the high rate of publicly-funded hospital discharges and the suicide rate for Hamilton city residents show a negative trend.



## GETTING WORSE

### 11. Transport

Means of travel in Hamilton is dominated by private motor vehicles. Car ownership is increasing, however recent trends show that the number of passengers using the bus service is increasing slightly.

### 20. Youth Well-Being

The number of youth offenders in Hamilton has fluctuated between 1990 and 2000, and it is difficult to ascertain a trend. Attempted suicides by young people have decreased since a large peak in 1993/94, but both suicides and attempted suicides are still higher than in 1991/92. The increased use of youth facilities since 1998 may indicate a positive change, but overall there is room to improve the situation for young people.

### 22. Crime and Safety

In terms of safety and crime, most of the indicators show that Hamilton compares unfavourably with other cities.



## INSUFFICIENT INFORMATION TO DETERMINE A TREND

### 6. Noise

Noise complaints in Hamilton between 1993 and 2001 have steadily increased. However, we do not currently have data to show whether background noise levels across the city are improving or not.

### 8. Energy

Insufficient data is available to determine whether or not energy is being used sustainably in Hamilton.

### 17. Historic Structures and Sites

Insufficient information is available to determine the extent to which all of Hamilton's historic sites and structures are valued/protected.

### 21. Partnership with Maori

The commentary focuses on Hamilton City Council's evolving relationship with agencies representing Maori in Hamilton.

Further investigation on the relationships that other key agencies have with Maori in Hamilton will enable the development of a set of key indicators to monitor partnership with Maori.

### 23. Cultural Well-Being

Hamilton has a wide range of ethnic groups, but from the data we have conclusions cannot be made about cultural well-being.

The table below outlines the results of the sustainability indicators report at a glance.

## HAMILTON'S SUSTAINABILITY INDICATORS: SUMMARY OF TRENDS



### GETTING BETTER

- 4. Hamilton Lakes
- 5. Soil Health
- 7. Urban Trees
- 9. Solid Waste
- 12. Housing Affordability
- 14. Income
- 15. Business
- 25. Community and Recreational Facilities



### REMAINING STABLE

- 1. Air Quality
- 2. Waikato River Water Quality
- 3. Water Usage
- 10. Urban Development
- 13. Work
- 16. Visitor Accommodation
- 18. Education
- 19. Public Involvement in Decision-Making
- 24. Health



### GETTING WORSE

- 11. Transport
- 20. Youth Well-Being
- 22. Crime and Safety



### INSUFFICIENT INFORMATION TO DETERMINE A TREND

- 6. Noise
- 8. Energy
- 17. Historic Structures and Sites
- 21. Partnership with Maori
- 23. Cultural Well-Being

## FINANCIAL OVERVIEW

Council has reported a net surplus after tax of \$29.0m for the 2001/02 financial year (2000/01 \$13.0m). The increase is primarily due to the vesting of the Waikato Stadium and WestpacTrust Park to Council of \$21.2m during the year, which represents other funding contributions to the stadium project. Council received \$64.0m (2000/01 \$61.5m) of rate revenue inclusive of rates penalties. Compared to 2000/01, Council's net operating cost of providing services excluding depreciation allowance, decreased by \$0.1m to \$41.8m.

Interest cost incurred in servicing city debt remained constant at \$6.8m (2000/01 \$6.8m) and the overall net city debt (excluding internal borrowing) increased to \$91.0m (2000/01 \$81.5m).

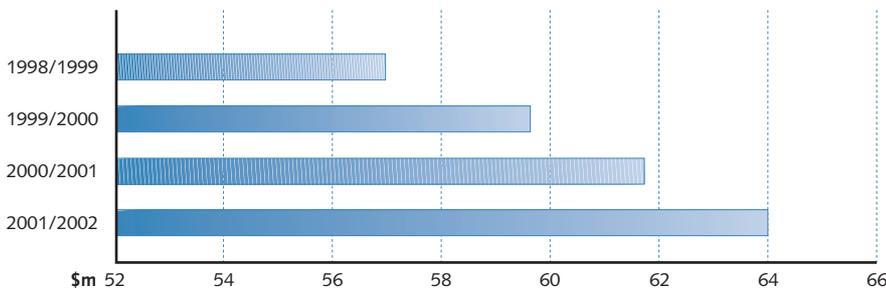
During the year, a revaluation of assets was undertaken as required by New Zealand Accounting Standards, which resulted in revaluation reserves increasing to \$220.1m (2001 \$31.3m) and total fixed assets increasing to \$1615.5m.

Compared to 2000/01, capital expenditure decreased by \$24.4m to \$39.0m. A major share, nearly 47 per cent or \$18.2m of the \$39.0m of capital expenditure was directed to city growth programmes relating to wastewater (\$2.3m), roads and traffic (\$8.5m), water supply (\$2.9m), refuse (\$3.8m) and stormwater (\$0.7m). This included major capital works for the continuation of construction on the Pukete wastewater secondary treatment plant (\$1.5m), clearwater storage tank development at the water treatment station (\$1m), and construction of stage 6 of the Horotiu landfill (\$3.7m). Other capital expenditure included the purchase of the Allied Worldwide building as an investment property funded from the Municipal Endowment Fund (\$1.9m), and contributions to the Waikato Stadium construction and fitout (\$7.5m).

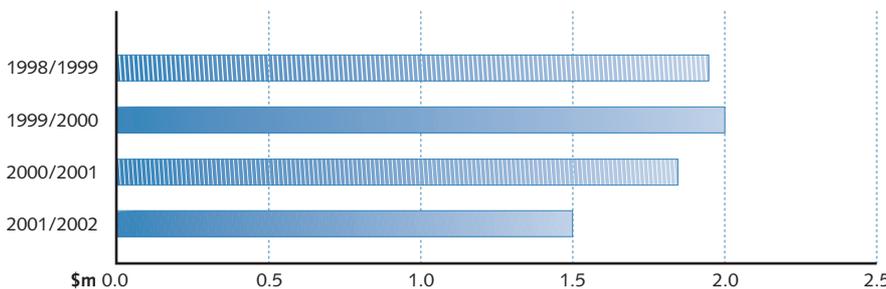
## FINANCIAL SUMMARY

The financial summary of key items from June 1999 to June 2002 is shown as follows:

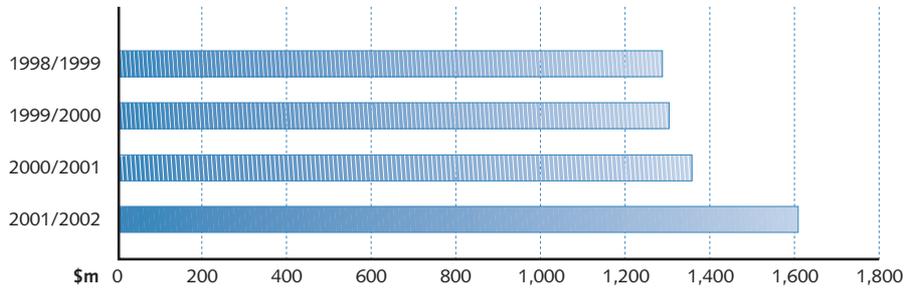
### RATES



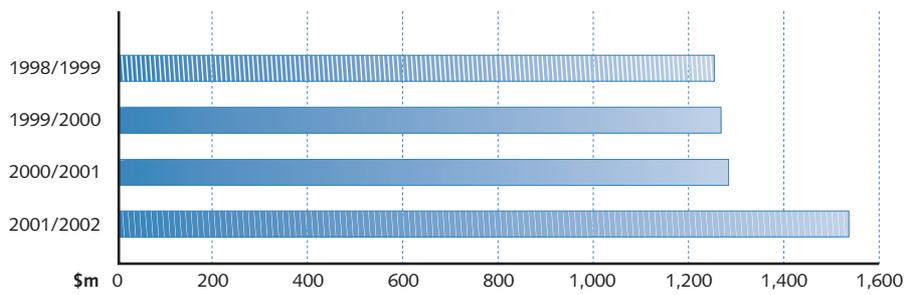
### RATES OUTSTANDING



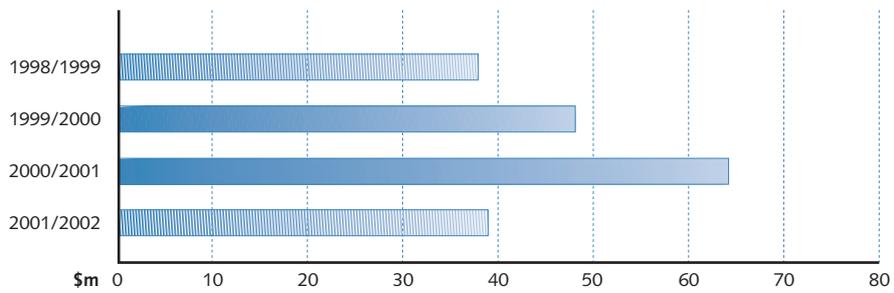
### TOTAL FIXED ASSETS



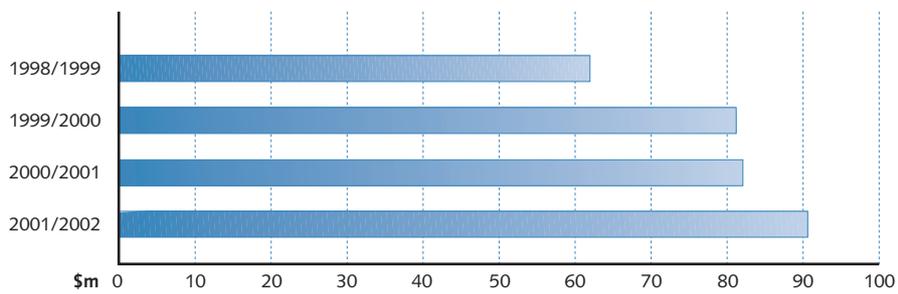
### RATEPAYERS' EQUITY



### CAPITAL EXPENDITURE



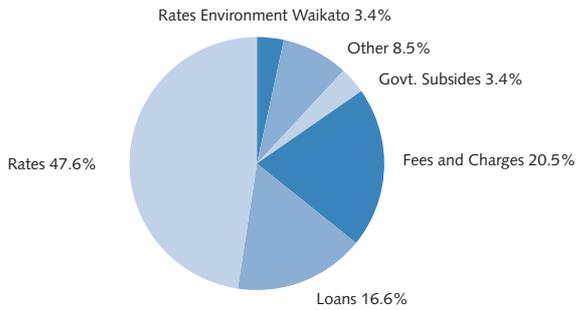
### NET CITY DEBT (excl. internal borrowing)



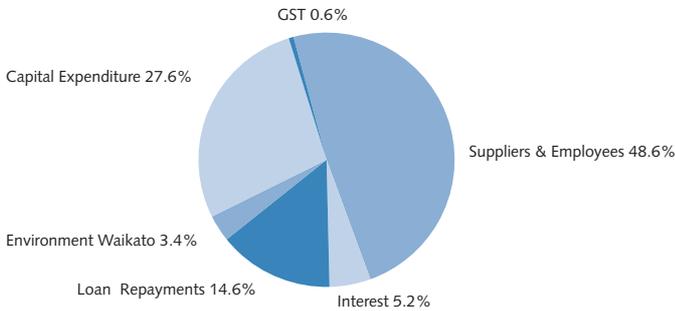
## CASH FLOW

The sources and uses of cash for the year ended 30 June 2002 is summarised as follows:

### SOURCES OF CASH (\$135m)



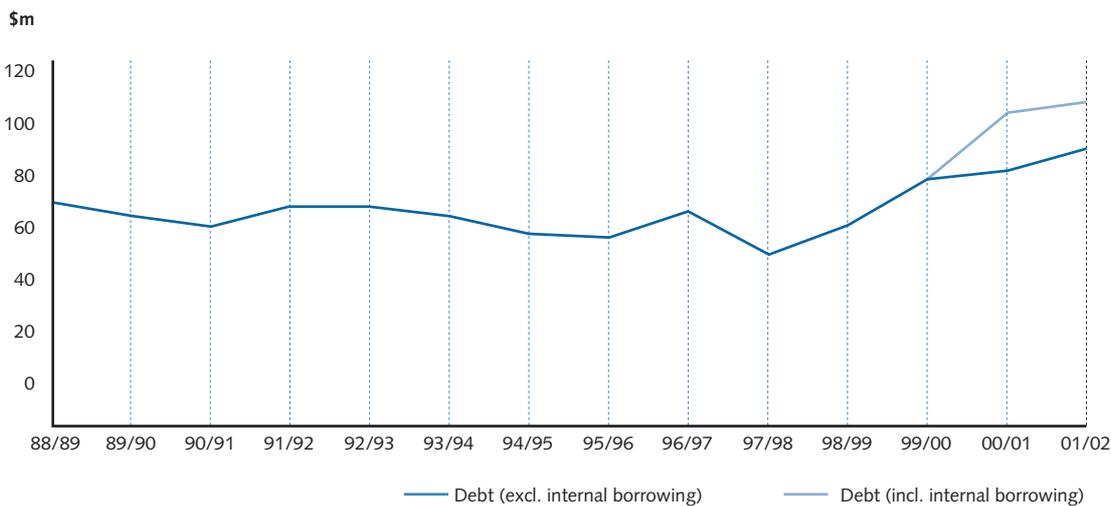
### USES OF CASH (\$136m)



## CITY DEBT

The graph below shows the net city debt levels from June 1989 to June 2002.

### NET CITY DEBT LEVELS



Council introduced an internal borrowing programme during the 2000/01 financial year. Rather than sourcing all its borrowing externally, Council utilises funds from reserves to reduce external borrowing and charges an internal interest rate on these funds, which is then added to the reserves.

Council has three key financial performance targets for the management of city debt. These are:

**1. The total cost of servicing interest payments shall not exceed 15 per cent of rating income for that year.**

Total interest costs met from rating revenue in 2001/02 was \$6.8m. Based on rating income of \$64.0m, the proportion absorbed in debt servicing was 10.6 per cent. If interest on internal borrowing of \$0.771m is included the percentage of rating income was 11.8 per cent.

**2. The repayment of debt shall not be less than 4 per cent of rating income for the year.**

Contractual commitments to provide for loan repayments and actual loan repayments in 2001/02 were \$5.4m. The provision for repayment of debt in 2001/02 was 8.4 per cent.

**3. The total net city debt shall not exceed 8.5 per cent of total ratepayers equity.**

Council's net city debt (excluding internal borrowing) as at 30 June 2002 was \$91.0m compared with ratepayers' equity of \$1515.4m, with the net city debt to ratepayers' equity ratio at 6.0 per cent. If internal borrowing of \$15.4m is included, the net city debt position for the same period is \$106.4m and the net city debt to ratepayers' equity ratio is 7.0 per cent.

| FINANCIAL SUMMARY   | 1998/99     | 1999/00     | 2000/01     | 2001/02     |
|---|-------------|-------------|-------------|-------------|
| Rates Revenue   | \$56.9 m    | \$59.6 m    | \$61.5 m    | \$64.0 m    |
| Rates Outstanding   | \$1.9 m     | \$2.0 m     | \$1.8 m     | \$1.5 m     |
| Total Fixed Assets  | \$1,287.7 m | \$1,320.2 m | \$1,364.0 m | \$1,615.5 m |
| Ratepayers' Equity  | \$1,248.3 m | \$1,263.5 m | \$1,277.6 m | \$1,515.4 m |
| Capital Expenditure   | \$37.4 m    | \$48.2 m    | \$63.4 m    | \$39.0 m    |
| City Debt Repaid During Year  | \$ 6.3 m    | \$ 4.3 m    | \$ 5.0 m    | \$ 5.4 m    |
| Net City Debt*  | \$62.8 m    | \$80.8 m    | \$81.5 m    | \$91.0 m    |
| Net City Debt (incl. internal borrowing)                            | \$62.8 m    | \$80.8 m    | \$104.5 m   | \$106.4 m   |
| <b>FINANCIAL INDICATORS</b>   |             |             |             |             |
| % Rates Outstanding to Rate Income                                  | 3.3%        | 3.4%        | 2.9%        | 2.3%        |
| Net City Debt* per Rateable Property                                | \$1,478     | \$1,859     | \$1,813     | \$1,979     |
| Net City Debt* per Capita   | \$530       | \$682       | \$697       | \$767       |
| Net City Debt* as % of Rating Revenue                               | 110%        | 136%        | 133%        | 142%        |
| Interest Payment as % of Rating Revenue                             | 8.7%        | 9.7%        | 11.1%       | 10.6%       |
| Loan Principal Repayment as % of Rating Revenue                     | 6.8%        | 7.4%        | 8.1%        | 8.4%        |
| Net City Debt* as % of Ratepayers' Equity                           | 5.0%        | 6.4%        | 6.4%        | 6.0%        |
| Net City Debt (incl. internal borrowing) as % of Ratepayers' Equity | 5.0%        | 6.4%        | 8.2%        | 7.0%        |
| *Excluding internal borrowing                                       |             |             |             |             |

# SIGNIFICANT INTEREST IN OTHER ACTIVITIES

## WAIKATO REGIONAL AIRPORT LTD (Local Authority Trading Enterprise)

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Waikato Regional Airport Ltd replaced the Airport Authority in 1989.

The airport is a public utility, providing transportation facilities essential to the region. The objective of the airport company is to operate a successful commercial business, providing safe, appropriate and efficient services for the transportation of people and freight in and out of the port of Hamilton.

Council holds 50 per cent of the airport company's shares. The remaining shares are owned by Matamata-Piako, Otorohanga, Waikato and Waipa district councils.

The company reported an operating surplus after taxation of \$176,289 for the 2001/02 financial year (2000/01 \$962,874). No dividend was paid in 2001/02 (2000/01 Nil).

Performance targets set for the operation of the airport and results are:

- Operating surplus after taxation to average shareholders' funds  
*Target 6.0%, 2001/02 result 2.2% (2000/01 13.0%)*
- Operating surplus before taxation and interest to total assets  
*Target 8.6%, 2001/02 result 5.8% (2000/01 11.5%)*
- Operating surplus after taxation to total assets  
*Target 3.3%, 2001/02 result 1.0% (2000/01 6.7%)*
- Operating surplus before taxation and interest to average shareholders' funds  
*Target 15.5%, 2001/02 result 12.8% (2000/01 22.4%)*
- Percentage of non-landing charges revenue to total revenue  
*Target 78.3%, 2001/02 result 78.8% (2000/01 76.0%)*
- Total liabilities to shareholders' funds  
*Target 51:49, 2001/02 result 54:46 (2000/01 45:55)*

For more information on the activities of the Waikato Regional Airport Ltd, contact: Hugh McCarroll, Chief Executive, Airport Road, RD2, Hamilton.

## HAMILTON RIVERVIEW HOTEL LTD (NOVOTEL) (Shareholding in a Joint Venture)

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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.

Council holds 42 per cent of the shares in the Hamilton Riverview Hotel Ltd. Tainui Development Ltd and AAPC NZ PTY Ltd hold the remaining shares.

For the 2001/02 financial year, no dividend was paid (2000/01 Nil).

For more information on the activities of Hamilton Riverview Hotel Ltd, contact Mike Garrett, General Manager Corporate, Hamilton City Council, Private Bag 3010, Hamilton.

### **PIRONGIA MOUNTAIN AFFORESTATION COMMITTEE (Local Authority Trading Enterprise)**

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Council holds 25.6 per cent shareholding in a joint venture, which manages a forest reserve on Pirongia Mountain.

The remaining shares are owned by Otorohanga, Waikato, and Waipa district councils.

The purpose of the joint venture is to manage the reserve for the benefit of the joint venture partners, but as well to ensure access to the reserve for recreational users and to preserve the integrity of the area as a sound water catchment.

For the 2001/02 financial year, no contribution was required from the partners to assist cashflows (2000/01 Nil).

For more information on the activities of the Pirongia Mountain Afforestation Committee, contact John Mills, Corporate Services Manager, Waipa District Council, Private Bag 2402, Te Awamutu.

### **BUS HIRE JOINT VENTURE (Interest in a Joint Venture)**

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Council has sold its interest in the Bus Joint Venture effective 30 April 2001 for \$28,000. The deed of termination of the Joint Venture Agreement was signed on 2 August 2001.

Council received a final share of net surplus before tax of \$1,000 during 2001/02, which related to the 2000/01 financial year (2000/01 \$3,000).

### **HAMILTON PROPERTIES LTD (Local Authority Trading Enterprise)**

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Hamilton Properties Ltd is no longer trading and is 100 per cent owned by Council. Council has retained Hamilton Properties Ltd as a non-operating company, with the view to utilising its tax losses in the future.

Hamilton has a network of beautiful river walkways.

# SIGNIFICANT ACTIVITIES





Taking a closer look—an Ostrich at Hamilton Zoo.

## ENVIRONMENT

### HIGHLIGHTS

#### **Hamilton Gardens**

The final stage of the Italian Renaissance Garden was completed this year, adding to the notable collection of themed gardens at Hamilton Gardens. The garden was opened to the public in July 2002. The work proposed on the infrastructure required to support future gardens in the Enclosed Sector was partly completed. Funding for the balance of the construction will be carried over into 2002/03.

#### **Lake Domain Redevelopment**

Redevelopment of the Hamilton Lake Domain was continued into the third year of an eight year programme with further upgrading of the children's playground, and a resource consent for the Lake Rotoroa Esplanade Walkway and associated landscape restoration was obtained. Funding for the balance of the construction will be carried over into 2002/03.

#### **Riverside Walkways**

Work on extending Hamilton's riverside walkway network was started this year on the walkway from Arcus Street to Awatere Avenue. This will link existing walkways and complete the walk alongside the St Andrews Golf Course. Work on the project began in 2000/01 and will be completed in 2002/03. A programme to provide signage at the entry points to riverside walkway paths was also completed.

#### **Community Tree Plantings**

Protecting and enhancing the city's distinctive parks, gardens and reserves continued this year through Council's community planting programme. At least 60 community-based groups took part, planting more than 32,000 trees and shrubs provided by Council on public reserves across the city.

#### **Claudelands Park**

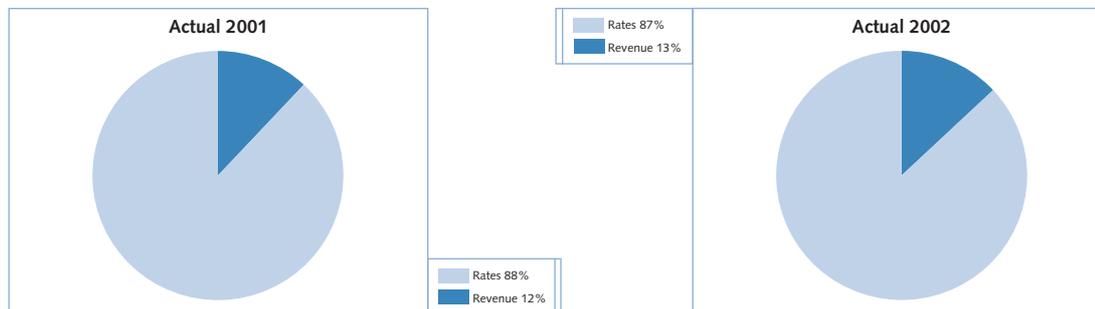
The development of Claudelands Park (formerly the Claudelands Showgrounds) as a public park was started with the establishment of lawns and landscaping. The park development will be completed over a period of seven years in accordance with the Claudelands Park Management Plan. The road frontage fences will be removed to provide public access to the completed stage 1 during November 2002.

## ENVIRONMENT

### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                                | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|--------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>  |                      |                      |
|                      | <b>Parks and Gardens</b>       |                      |                      |
| 3,031                | Grounds and Buildings          | 3,928                | 3,762                |
| 63                   | Hamilton Domain Board          | 63                   | 63                   |
| 1,539                | <b>City Beautification</b>     | 1,739                | 1,612                |
| 1,399                | <b>Hamilton Zoo</b>            | 1,582                | 1,383                |
| 1,484                | <b>Hamilton Gardens</b>        | 1,565                | 1,601                |
| 571                  | <b>Sustainable Environment</b> | 507                  | 645                  |
| <b>8,087</b>         | <b>Total Expenditure</b>       | <b>9,384</b>         | <b>9,066</b>         |
|                      | <b>Less Revenue</b>            |                      |                      |
| 340                  | Domain Board Rents             | 570                  | 492                  |
| 495                  | Zoo Admission Fees             | 523                  | 452                  |
| 90                   | Hamilton Gardens               | 137                  | 89                   |
| 28                   | Sundry Revenue                 | 27                   | 8                    |
| <b>953</b>           | <b>Total Revenue</b>           | <b>1,257</b>         | <b>1,041</b>         |
| <b>7,134</b>         | <b>Net Cost Of Service</b>     | <b>8,127</b>         | <b>8,025</b>         |
| <b>2,956</b>         | <b>Capital Expenditure</b>     | <b>2,647</b>         | <b>4,259</b>         |

### Cost of service funded by:



## HAMILTON ZOO

### Description

Hamilton Zoo provides the city with a recreation and leisure facility, a conservation base, and an educational experience. It also assists economic development through tourism and visitor attraction.

development of a high quality, modern, zoological garden with relevant programmes that emphasise conservation, education, and recreation. It will continue to encourage an appreciation of wildlife and the living world, delivered in a context that encourages family participation and that provides value for money.

Hamilton Zoo is committed to the ongoing

| Council Goal | Objectives   | Performance Measures   | Results  |
|--------------|--|--|--|
| 1            | To provide a facility and programmes that meet the expectations of user groups and customers.        | User satisfaction measure for Hamilton Zoo maintained at 86 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>The performance objectives of the contract with the Ministry of Education were met resulting in acceptance of tendered milestone reports.<br><br>Usage measure for Hamilton Zoo maintained at 43% or greater, as measured by Council's 2002 Annual Residents Survey. | A user satisfaction measure of 87 for Hamilton Zoo was achieved.<br><br>All performance objectives were met resulting in the Ministry of Education accepting all milestone reports.<br><br>A usage measure of 47% for Hamilton Zoo was achieved. |
| 1            | To maintain a standard of animal husbandry and housing that meets or exceeds contemporary standards. | Received no non-compliance reports from audits carried out by the Ministry of Agriculture and Forestry and maintained a licence status as an 'A' grade zoo.  | No non-compliances were recorded. The zoo maintained its status as a registered 'A' grade zoo.   |

## PARKS AND GARDENS (including playgrounds)

### Description

The parks and gardens activity provides for the contractual operation and administration of developed and undeveloped passive recreational land, managed for prescribed environmental objectives. Council uses a mix of internal and external contracts, the outputs of which are monitored and audited to ensure the

provision of quality services for the community within the resources available. Hamilton's strategic plan, Council's district plan, and various reserves management plans set out the rationale for, and methods by which, parks and gardens are acquired and maintained, and long-term development plans established.

| Council Goal | Objectives  | Performance Measures  | Results  |
|--------------|---|---|--|
| 1            | To provide and maintain a natural urban setting for the people of Hamilton.   | Completed Stage 2 of the riverside walkway from Arcus Street to Awatere Avenue, within budget, by 30 June 2002.<br><br>Developed Claudelands Park to a standard suitable for public open space in accordance with Claudelands Park Management Plan. | Because of the length of time taken to obtain resource consents, the construction was not completed, and the project will continue until November 2002.<br><br>The project stage was completed, but because of weather conditions it will not be opened to the public until November 2002. |
| 1            | To contribute towards meeting the recreational needs of the community through the provision and maintenance of parks, reserves and other forms of open space, and facilities on them. | User satisfaction measure for parks and gardens in the city maintained at 79 or greater and for children's playgrounds in general at 70 or greater, as measured by Council's 2002 Annual Residents Survey.  | A user satisfaction measure of 84 for parks and gardens in the city was achieved.<br>A user satisfaction measure of 75 for children's playgrounds in general was achieved.   |

## HAMILTON GARDENS

### Description

Hamilton Gardens, including the Pavilion, provides a high quality visitor and events venue that enhances the quality of life of residents and promotes the image of Hamilton. The gardens are the most popular visitor

destination in the city, and host more than 1000 events each year. The gardens' development programme is supported by sponsorship, employment initiative programmes, and widespread public involvement.

| Council Goal | Objectives  | Performance Measures  | Results  |
|--------------|---|---|--|
| 1            | To develop and maintain standards of presentation and service at Hamilton Gardens and the Pavilion which fulfil the community's expectations.         | User satisfaction measure for Hamilton Gardens maintained at 91 or greater, as measured by Council's 2002 Annual Residents Survey.  | A user satisfaction measure of 92 for Hamilton Gardens was achieved.   |
| 1            | To develop Hamilton Gardens within budget to provide a high quality visitor and events venue in accordance with the Hamilton Gardens Management Plan. | Continued implementation of the Hamilton Gardens development programme through completion of Stage 4 of the Italian Renaissance Garden and start of infrastructure in the enclosed area for the themed gardens by 30 June 2002. | Stage 4 of the Italian Renaissance Garden was completed, other than some additional sponsored items that will be completed by October 2002. The infrastructure was started but some aspects, such as pathway layout and an internal service road, will be carried over into 2002/03. |

## CITY BEAUTIFICATION

### Description

This activity enhances the city's image by providing, parks, streets, and traffic island plantings. Maintenance developing, and maintaining beautification areas is carried out under an internal contract. around the city, including trees within open spaces,

| Council Goal | Objectives   | Performance Measures  | Results   |
|--------------|--|---|---|
| 1            | To meet the community's wishes (expressed in Hamilton's Strategic Plan) for the maintenance and enhancement of beautification areas and amenity trees within the city. | User satisfaction measure for city beautification maintained at 80 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Planted 32,000 new trees and shrubs during the 2001/02 financial year. | A user satisfaction measure of 77 for city beautification was achieved.<br><br>At least 32,000 new trees and shrubs were planted. |
| 1            | To ensure that all the city's fountains are refurbished and operating efficiently.   | Completed the Waikato Museum of Art and History fountain refurbishment within budget, so as to be operating efficiently by 30 June 2002.  | The fountain was refurbished by 30 June 2002 except for some painting awaiting warmer weather.                                    |
| 1            | To involve the community in the establishment of urban vegetation on public open space through the Community Planting Programme.                                       | Planted trees on public open space with the involvement of not less than 60 community organisations, adjacent property owners and interested stakeholders.  | More than 60 different groups worked on projects to plant trees on public open space.   |

## SUSTAINABLE ENVIRONMENT

### Description

This activity includes environmental education, waste reduction, Festival of the Environment and Keep Hamilton Beautiful. The key focus is to firstly address and resolve local environmental issues through collective community action, and secondly to promote urban sustainability through community education and the implementation of Council policy.

| Council Goal | Objectives  | Performance Measures   | Results   |
|--------------|---|--|---|
| 1            | To increase knowledge and awareness of environmental issues amongst target groups identified in Council's Environmental Education Strategy. | Developed an adult environmental education programme, in accordance with Council's environmental education strategy by 30 June 2002. | An adult environmental education programme was developed and launched by 30 June 2002. The three-year programme, launched with the exciting 'Household Challenge', will show people simple environmental tips and actions that will help improve the local environment. |
| 1            | To encourage the ecological restoration of privately owned land within the city boundary.   | Developed a programme to implement the use of Council's gully restoration guidelines by private landowners by 30 June 2002.          | A strategy for the restoration of Hamilton's privately owned gullies was initiated by 30 June 2002. As part of this strategy an eco-sourcing steering group was established to educate landowners about the importance of eco-sourced plants and provision of plants.   |
| 1            | To support sustainable community environments through community programmes and the distribution of grants.                                  | Membership of the Hamilton community environmental programme increased by 20% by 30 June 2002.                                       | Membership of the community environmental programme increased 33% by 30 June 2002. Growth in membership has exceeded expectations and allowed for greater community involvement in projects.  |



Water supply pipes on Norton Road being replaced with new long-lasting PVC pipes.

## WATER SUPPLY

### HIGHLIGHTS

#### Rototuna Urban Growth

Installation of new water supply reticulation trunks in the Rototuna growth cell continued this year. This ongoing programme ensures the development of essential water supply infrastructure to meet the demands of residential growth and expansion in the city's northern area.

#### Water Supply Upgrades In Elevated Areas

Work was completed to upgrade the water supply pressure in the Newcastle, Houchen Road, and Hillcrest areas, with further work planned in the Mahoe area next year.

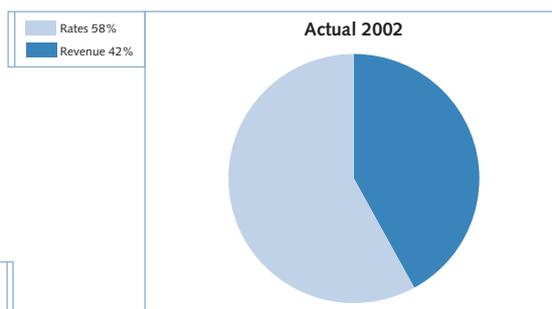
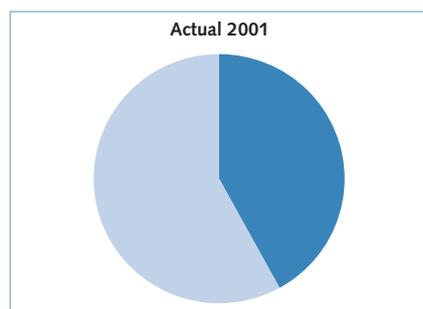
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### WATER SUPPLY

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |  | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|--|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>          |                      |                      |
| 3,312                | Network Maintenance                    | 3,458                | 3,179                |
| 2,446                | Treatment Station and Reservoirs       | 2,821                | 2,628                |
| 14                   | Water Conservation Management Strategy | 0                    | 0                    |
| <b>5,772</b>         | <b>Total Expenditure</b>               | <b>6,279</b>         | <b>5,807</b>         |
|                      | <b>Less Revenue</b>                    |                      |                      |
| 2,365                | Sale of Water                          | 2,581                | 2,401                |
| 50                   | Contributions for Damage Repairs       | 52                   | 65                   |
| <b>2,415</b>         | <b>Total Revenue</b>                   | <b>2,633</b>         | <b>2,466</b>         |
| <b>3,357</b>         | <b>Net Cost Of Service</b>             | <b>3,646</b>         | <b>3,341</b>         |
| <b>2,904</b>         | <b>Capital Expenditure</b>             | <b>2,906</b>         | <b>3,327</b>         |

#### Cost of service funded by:



## Description

The water supply activity includes water treatment, storage, and network distribution through the operation and maintenance of the water treatment and pumping stations, reservoirs, booster pumps, and over 914km of reticulation network. Quality water, which meets the New Zealand Drinking Water Standards 2000, provides potable (drinkable) water and fire protection to the community and is delivered to over 44,000 premises, servicing more than 122,000 persons.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 2             | To maintain a continuous supply of potable (drinkable) water with adequate supplies for urban fire fighting.                         | <p>Maintained a water supply that meets the New Zealand Drinking Water Standards 2000.</p> <p>Retained the Ministry of Health's grading of the city's water treatment station operation at 'A', and the city's water pipe network system at 'a', as assessed by the Ministry every three years.</p> <p>User satisfaction measures for continuity of supply maintained at 80 or greater, water pressure at 75 or greater, clarity of water at 73 or greater, and taste of water at 62 or greater, as measured by Council's 2002 Annual Residents Survey.</p> <p>Provided customers with new water connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases.</p> <p>Maintained a reliable water supply to all consumers, including emergencies and scheduled works, accounting for less than 738,000 unplanned customer minutes out of service.</p> <p>The construction of a backwash water system at the Water Treatment Station completed by 30 June 2002.</p> <p>Flows and pressures complied with the standards set out in the Hamilton City Development Manual.</p> | <p>The water supply met the New Zealand Drinking Water Standards 2000.</p> <p>Not reviewed by the Ministry of Health this year. Gratings of 'A' and 'a' were retained.</p> <p>A user satisfaction measure of 81 for continuity of supply was achieved.<br/>A user satisfaction measure of 77 for water pressure was achieved.<br/>A user satisfaction measure of 73 for clarity of water was achieved.<br/>A user satisfaction measure of 62 for taste of water was achieved.</p> <p>Connections were provided in 20 days in 90% of cases.</p> <p>There was a total of 660,000 unplanned customer minutes out of service.</p> <p>This project is delayed. Council is awaiting a resource consent from Environment Waikato.</p> <p>All flow and pressure monitoring showed compliance with the Hamilton City Development Manual standards.</p> |
| 1 & 2         | To implement the city's Water Future Development Plan 1997, to ensure the quality, capacity and security of the city's water supply. | The water reticulation network upgraded and extended by 10km within budget by 30 June 2002.   | 22km of mains were either extended or upgraded within budget.   |
| 2             | To complete upgrading the water pipe network to meet the standards set out in the Hamilton City Development Manual by 2010.          | The water reticulation network upgraded and extended by 10km within budget by 30 June 2002.   | 22km of mains were either extended or upgraded within budget.   |



The new digester building under construction at the Wastewater Treatment Plant.

## WASTEWATER

### HIGHLIGHTS

#### Pipe Network Condition Assessment

Work continued on assessing the condition of existing pipes and manholes that make up the wastewater network. The results of these investigations have been used to determine the rate of deterioration and anticipated lifespan of the pipe network. A programme of remedial and upgrade works has now been implemented.

#### Western Wastewater Interceptor

Work was completed on the western wastewater interceptor upgrade, including the Dinsdale pump station, to meet Council's design standards.

#### Rototuna Wastewater Trunk

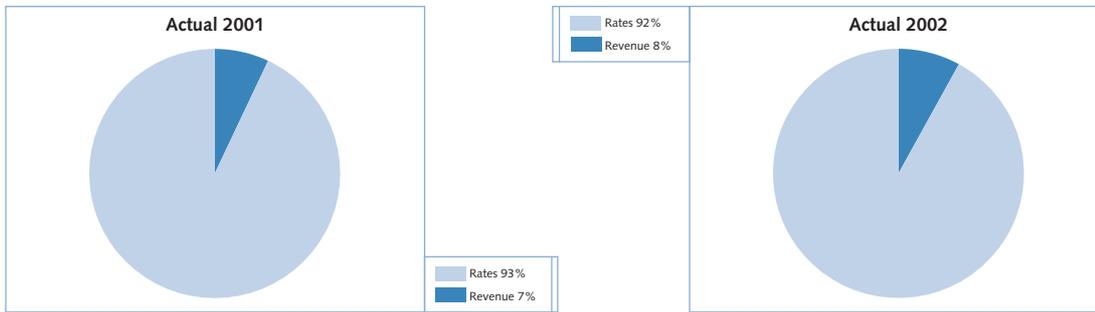
Installation of wastewater reticulation trunks in the Rototuna growth cell continued, ensuring the wastewater network keeps up with residential growth and development in the Rototuna area.

### WASTEWATER

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
| 4,011                | Sewer Network Maintenance     | 3,746                | 4,367                |
| 4,906                | Wastewater Treatment Plant    | 5,804                | 5,808                |
| 37                   | Condition Assessment Report   | 0                    | 0                    |
| <b>8,954</b>         | <b>Total Expenditure</b>      | <b>9,550</b>         | <b>10,175</b>        |
|                      | <b>Less Revenue</b>           |                      |                      |
| 640                  | Trade Waste Fees              | 758                  | 700                  |
| 9                    | Pipe Survey Fees              | 14                   | 15                   |
| <b>649</b>           | <b>Total Revenue</b>          | <b>772</b>           | <b>715</b>           |
| <b>8,305</b>         | <b>Net Cost Of Service</b>    | <b>8,778</b>         | <b>9,460</b>         |
| <b>19,689</b>        | <b>Capital Expenditure</b>    | <b>2,346</b>         | <b>4,933</b>         |

**Cost of service funded by:**



**Description**

The wastewater reticulation network provides for protection of public health by collecting wastewater and waterborne wastes. These wastes are transported through the network to the Wastewater Treatment Plant, where they are treated prior to discharge to the Waikato River. The network includes 711km of pipes

ranging from 100mm to 1800mm in diameter, 13,228 manholes, 110 pumping stations, and five major wastewater bridges. The Wastewater Treatment Plant has just been upgraded to secondary treatment, further improving the quality of the treated wastewater.

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1             | To continue to develop the wastewater network to provide for growth of the city   | <p>Completed the next stage of wastewater trunk mains to serve the Rototuna growth area by 30 June 2002.</p> <p>Customers provided with new wastewater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of cases.</p>  | <p>All work required to meet current development demands was achieved.</p> <p>Connections were provided in 20 days in 85% of cases. The overall average achieved for the three utility connections of water, wastewater and stormwater was 20 days in 90% of cases. Work will continue in 2002/03 to streamline the connection process.</p>        |
| 1 & 2         | To accept, convey, treat, and dispose of all wastewater from the city, in accordance with Council's resource consent, efficiently and without nuisance. | <p>Year 3 of a 9 year programme to upgrade the Wastewater Treatment Plant completed within the budget of \$2.8m by 30 June 2002.</p> <p>No more than 60 wastewater blockages per 100km of reticulation network per year.</p> <p>User satisfaction measure for the city's wastewater system maintained at 68 or greater, as measured by Council's 2002 Annual Residents Survey.</p> | <p>All year 3 works were completed within budget. Commissioning of the treatment process is continuing.</p> <p>There were 45 blockages per 100km of reticulation network.</p> <p>A user satisfaction measure of 76 was achieved for the city's wastewater system.</p>  |
| 2             | To maintain the integrity of the wastewater reticulation network and pumping stations.  | <p>The second stage of the upgrade of the western wastewater interceptor completed by 30 June 2002.</p> <p>Provided an annual report to Environment Waikato by 30 September 2002, which raised no major concerns regarding compliance with the Wastewater Treatment Plant's resource consents for the year ended 30 June 2002.</p>   | <p>The second stage of the upgrade of the western wastewater interceptor was completed on time and within budget.</p> <p>The annual report for Environment Waikato is not due until 30 September 2002 with no issues to date apart from some odour events associated with the biological commissioning of the new secondary treatment process.</p> |



A stormwater grate holds the interest of a Paddington's kindergarten toddler in Nawton.

## STORMWATER

### HIGHLIGHTS

#### Stormwater Upgrading

Council continued upgrading Hamilton city's stormwater system to lessen the effects of flooding on roads and private property. Upgrading work was undertaken in Kakanui Avenue and Nevada Road to reduce localised flooding.

#### Environment Waikato Resource Consents

All existing Environment Waikato resource consents to discharge stormwater to natural waterways expired in October 2001. Applications have been lodged with Environment Waikato to renew these consents. Ongoing consultation and work on developing a

citywide stormwater management plan continued throughout the year.

#### Rototuna Urban Growth

Installation of the stormwater reticulation system in the Rototuna growth cell continued, ensuring the stormwater network keeps up with urban growth and development in the area.

#### Network Pipe Upgrades

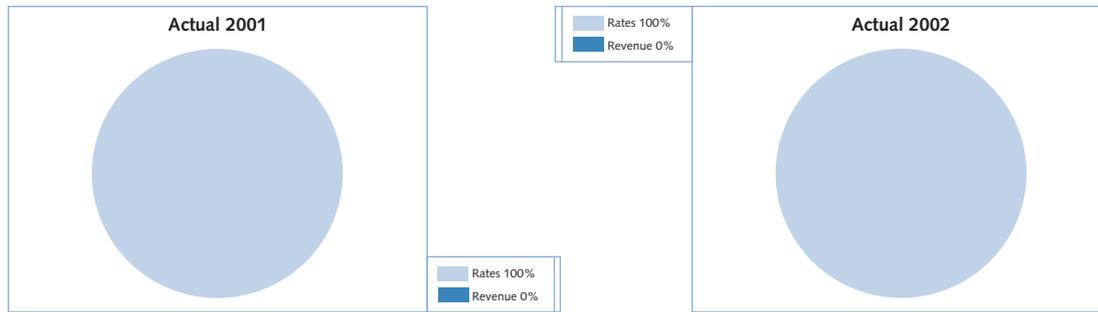
The programme of upgrading the stormwater pipe network in association with roading projects continued during the year.

### STORMWATER

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
| 3,631                | Network Maintenance           | 3,802                | 4,093                |
| 58                   | Ohote Stream Contribution     | 0                    | 0                    |
| <b>3,689</b>         | <b>Total Expenditure</b>      | <b>3,802</b>         | <b>4,093</b>         |
|                      | <b>Less Revenue</b>           |                      |                      |
| 12                   | Pipe Survey Fees and Sundry   | 6                    | 3                    |
| <b>12</b>            | <b>Total Revenue</b>          | <b>6</b>             | <b>3</b>             |
| <b>3,677</b>         | <b>Net Cost Of Service</b>    | <b>3,796</b>         | <b>4,090</b>         |
| <b>1,871</b>         | <b>Capital Expenditure</b>    | <b>699</b>           | <b>1,661</b>         |

**Cost of service funded by:**



**Description**

The stormwater network provides for the protection of both public health and property, and includes all public piped drains and watercourses within the city. It includes 559km of piping ranging from 225mm to 2300mm in diameter, 10,414 manholes, and 86km of open drains. The network collects stormwater runoff to minimise flooding, and transports it to the city's major watercourses, lakes or the Waikato River.

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 2 & 5         | To minimise flooding and facilitate development within the city by providing stormwater and land drainage to all urban areas to the standards set out in the Hamilton City Development Manual. | Year 5 of the 20 year Rototuna stormwater programme completed by 30 June 2002.  | All work required to meet current development demands was achieved.  |
|               |  | Customers provided with new stormwater connections within 20 working days of application and payment, or by a later date as specified by the customer, in 90% of the cases. | Connections were provided in 20 days in 95% of cases.  |
|               |  | Ensured that all new stormwater vested in the city complies with the standards set out in the Hamilton City Development Manual.   | All new stormwater was inspected to ensure Hamilton City Development Manual compliance prior to vesting to the city. |
|               |  | The open drain cleaning programme completed by 30 June 2002.  | The open drain cleaning programme was completed by 30 June 2002.   |
| 2             | To ensure that Hamilton city's stormwater resource consent conditions are complied with.   | No major concerns raised by Environment Waikato around stormwater consent compliance.   | No major concerns were raised by Environment Waikato regarding stormwater consent compliance.                        |



Compost from the Hamilton Organic Recycling Centre.

## REFUSE

### HIGHLIGHTS

#### Landfill Development And Control

Council provides essential refuse services including household refuse collection, operation of the Refuse Transfer Station and the Horotiu Landfill. This year Council continued to fill stage 4 of the Horotiu landfill and almost completed preparation for the final stage 6.

#### Closed Refuse Disposal Sites

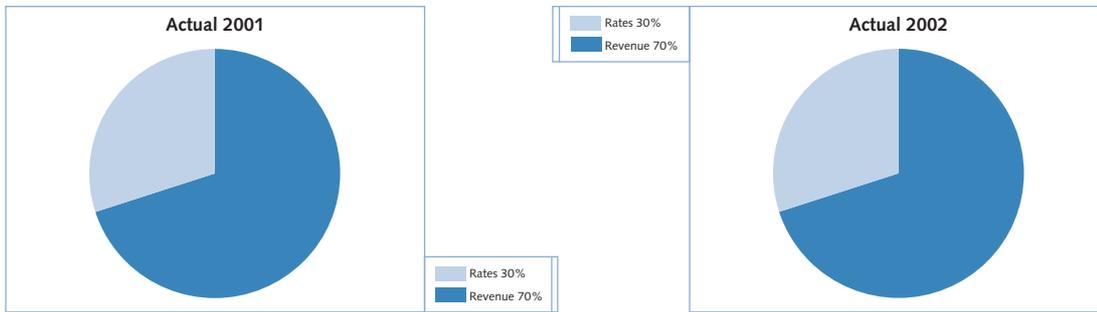
Resource consent applications for the control of discharges from three closed refuse sites are still waiting to be heard by Environment Waikato. They are expected to be completed by late 2002. Works to prevent gas migration at the Rototuna landfill have been completed.

### REFUSE

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
| 1,935                | Household Collection          | 2,208                | 1,972                |
| 2,126                | Transfer Station              | 2,600                | 1,809                |
| 5,042                | Horotiu Landfill              | 4,896                | 5,017                |
| 117                  | Management Old Landfill Sites | 229                  | 295                  |
| 90                   | Organic Recycling Centre      | 109                  | 112                  |
| <b>9,310</b>         | <b>Total Expenditure</b>      | <b>10,042</b>        | <b>9,205</b>         |
|                      | <b>Less Revenue</b>           |                      |                      |
| 1,557                | Transfer Station Fees         | 1,888                | 1,084                |
| 4,879                | Landfill Fees                 | 5,074                | 3,429                |
| 42                   | Recycling Centre Rent         | 41                   | 41                   |
| <b>6,478</b>         | <b>Total Revenue</b>          | <b>7,003</b>         | <b>4,554</b>         |
| <b>2,832</b>         | <b>Net Cost Of Service</b>    | <b>3,039</b>         | <b>4,651</b>         |
| <b>2,158</b>         | <b>Capital Expenditure</b>    | <b>3,841</b>         | <b>1,750</b>         |

**Cost of service funded by:**



**Description**

This activity provides for the essential services of household refuse collection for over 44,000 residential properties, and the operation of the Refuse Transfer Station (including the recycling centre), Hamilton's Organic Recycling Centre and the Horotiu Landfill. The landfill accepts waste from various sources in Hamilton city and the neighbouring districts.

| Council Goals | Objective   | Performance Measures  | Results  |
|---------------|---|---|--|
| 1, 2 & 4      | To plan, manage, and administer all refuse operations in an efficient, cost-effective, and environmentally sensitive way, including refuse collection and disposal, refuse transfer, bulk haulage, recycling, and hazardous waste disposal. | <p>Satisfied 90% of requests relating to non-collection of household refuse within 24 hours.</p> <p>The Hamilton Organic Recycling Centre, Refuse Transfer Station, and landfill facilities operated every day, except New Year's Day, Good Friday and Christmas Day.</p> <p>User satisfaction measures for the Refuse Transfer Station maintained at 70 or greater, for the Hamilton Organic Recycling Centre at 80 or greater, and for household refuse collection at 75 or greater, as measured by Council's 2002 Annual Residents Survey.</p> <p>Annual reports provided to Environment Waikato and Waikato District Council by 30 September 2002, which raised no major concerns regarding compliance with the Horotiu Landfill's resource consents for the year ended 30 June 2002.</p> <p>Recovered at least 18,000 tonnes of waste for recycling through kerbside paper collection, recycling centre operations and greenwaste composting at the Hamilton Organic Recycling Centre.</p> | <p>95% of requests relating to non-collection of household refuse were satisfied within 24 hours.</p> <p>All facilities were open every day throughout the year, except for the public holidays specified.</p> <p>A user satisfaction measure of 76 for the Refuse Transfer Station was achieved.</p> <p>A user satisfaction measure of 84 for the Hamilton Organic Recycling Centre was achieved.</p> <p>A user satisfaction measure of 79 for household refuse collection was achieved.</p> <p>The annual reports for Environment Waikato and Waikato District Council are not due until September 2002. There are no major concerns on compliance to date.</p> <p>An estimated total of 19,000 tonnes was recycled by these three operations.</p> |



Victoria/Alma Streets roundabout.

## ROADS AND TRAFFIC

### HIGHLIGHTS

#### **Cycling**

Enhancements to the CBD to university cycle routes were completed. These routes now provide over 7km of continuous on-road cycle lane along most of Clyde Street, Ruakura Road, Te Aroha Street, Peachgrove Road and Grey Street. Western sector designs have been completed, and works on Massey Street, Hall Street, Rifle Range Road, Whatawhata Road and Ellicott Road are due for completion early in the new financial year.

#### **Street Lighting**

The street lighting improvement programme resulted in the upgrade of 88 street lights during the year. Unfortunately the programme was not completed due to poor weather conditions in the last quarter of the financial year. A further 112 street lights were replaced under the subsidised lighting renewal programme.

#### **Seddon Road Upgrade**

The urban upgrade of Seddon Road between the Old Boys Rugby Club and Goldsmith Street was completed in October 2001. The project included significant earthworks, and new carriageways, footpaths, and street lighting.

#### **Cobham Drive/Hamilton Gardens Entrance**

Construction of a roundabout at the intersection of Galloway Street and Cobham Drive to improve safety and ease access to Hungerford Crescent and Hamilton Gardens began in May 2002. This work is part of a joint Hamilton City Council/Transit New Zealand project which includes improvements at the Cobham Drive/Grey Street intersection and closure of the median at Nixon Street. The work is targeted for completion in October 2002.

#### **Minor Safety Improvements**

The minor safety improvements programme aimed at addressing traffic safety problems resulted in the installation of traffic management features, such as throat islands, pedestrian refuges, and kerb protrusions, at 39 sites throughout the city.

#### **Dey Street Local Area Traffic Management**

Work began on a traffic calming scheme to slow traffic and improve safety in Dey Street between Cambridge Road and Clyde Street. Two way chicanes and speed cushions will be used to address a long standing local traffic management issue. Physical works have been delayed due to adverse weather conditions. The project is expected to be completed in 2002.

#### **Whitoria Bridge**

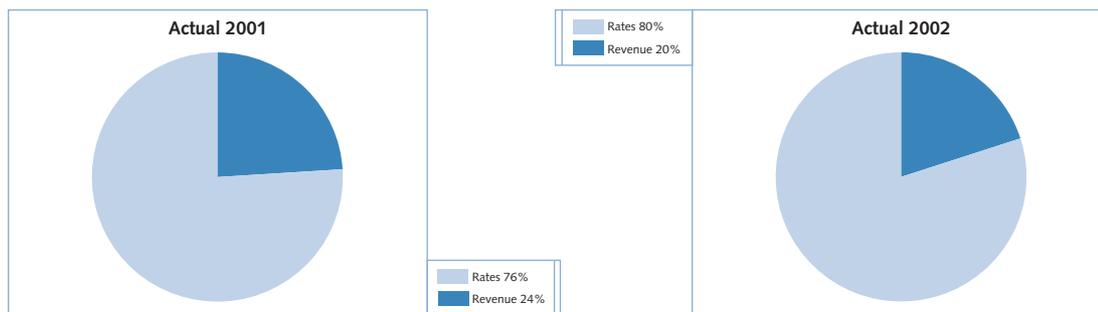
The lifting of the Whitoria Bridge north barrier fence to provide increased safety for cyclists was completed. Major maintenance work, including the repair and replacement of the deck joints and resurfacing of the road, has been deferred until January 2003 due to adverse weather conditions.

# ROADS AND TRAFFIC

## Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |  | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|--|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>          |                      |                      |
|                      | <b>Carriageways</b>                    |                      |                      |
| 9,199                | Maintenance                            | 11,771               | 9,422                |
|                      | <b>Traffic Services</b>                |                      |                      |
| 1,795                | Maintenance                            | 1,730                | 1,901                |
| 1,605                | Street Lighting                        | 1,615                | 1,699                |
|                      | <b>Footpaths, Cycleways and Verges</b> |                      |                      |
| 3,210                | Maintenance                            | 3,768                | 3,523                |
| 1,162                | <b>Network Management</b>              | 1,078                | 918                  |
| 243                  | <b>Roads Safety Programme</b>          | 358                  | 210                  |
| 516                  | <b>Hamilton Transport Centre</b>       | 313                  | 315                  |
|                      | <b>Parking</b>                         |                      |                      |
| 1,182                | Parking Enforcement                    | 1,374                | 1,244                |
| 234                  | Off-Street Parking                     | 239                  | 221                  |
| <b>19,146</b>        | <b>Total Expenditure</b>               | <b>22,246</b>        | <b>19,453</b>        |
|                      | <b>Less Revenue</b>                    |                      |                      |
| 2,013                | Transfund Subsidy                      | 1,856                | 2,195                |
| 199                  | Contributions                          | 210                  | 92                   |
| 108                  | LTSA for Safety Programmes             | 161                  | 108                  |
| 164                  | Hamilton Transport Centre Rent         | 155                  | 138                  |
| 536                  | Parking Meter Receipts                 | 564                  | 515                  |
| 535                  | Parking Infringements                  | 522                  | 545                  |
| 799                  | Fines and Court Recoveries             | 789                  | 781                  |
| 235                  | Off-Street Parking Fees                | 230                  | 204                  |
| <b>4,589</b>         | <b>Total Revenue</b>                   | <b>4,487</b>         | <b>4,578</b>         |
| <b>14,557</b>        | <b>Net Cost Of Service</b>             | <b>17,759</b>        | <b>14,875</b>        |
| <b>15,763</b>        | <b>Capital Expenditure</b>             | <b>8,452</b>         | <b>14,097</b>        |

### Cost of service funded by:



## ROAD NETWORK MANAGEMENT

### Description

This activity provides for the professional and technical work involved in providing ongoing management of the city's roading network. It includes policy development, forward planning, development control, road safety co-ordination, and various systems management.

| Council Goals | Objectives  | Performance Measures  | Results  |
|---------------|---|---|--|
| 1, 2 & 5      | To carry out the road network management function in an efficient and effective manner, to meet the needs of the community. | Achieved a 75% satisfaction rating for acknowledgement of, and response to, requests for service, as measured by the roads and traffic unit's monthly feedback surveys.<br><br>Processed all engineering designs for subdivision applications within 20 working days. | A satisfaction rating of 81% was achieved through the roads and traffic unit's monthly feedback surveys.<br><br>All engineering designs for subdivision applications were processed within 20 working days.  |
| 4             | To carry out all subsidised works in accordance with the National Roading Plan (NRP) agreement with Transfund.              | Satisfactorily achieved all the performance measures contained within the National Roading Plan (NRP) agreement with Transfund.   | The target for smooth travel exposure of 93% or better was not achieved. However it was agreed with Transfund that inaccurate data had been used to set this figure at an unreasonably high level. All other Transfund performance measures were achieved. |

## CARRIAGEWAYS

### Description

This activity provides for general maintenance, cleaning, resealing, bridge maintenance and construction, rehabilitation and construction of the carriageway component of roading projects. All of the work is carried out by external contractors, covering approximately 540km of carriageways, 2.4km of unsealed carriageways, 958km of kerb and channel, and 55 traffic bridges, large culverts, pedestrian bridges and underpasses.

| Council Goals | Objectives   | Performance Measures   | Results   |
|---------------|--|--|---|
| 1, 2 & 5      | To construct, improve and maintain a network of roads adequate for the movement of vehicles and people in a safe and efficient manner. | <p>Maintenance work completed by 30 June 2002, in accordance with contract specifications, which provide quality control and criteria for cleaning, kerb and channel repairs, and minor road maintenance.</p> <p>Capital works programme completed within budget by 30 June 2002, in accordance with contract specifications which provide quality control including:</p> <ul style="list-style-type: none"> <li>Investigation and design of Hukanui Road between Callum Brae Drive and Thomas Road</li> <li>Investigation and design of Brymer Road between Highgrove Drive and Baverstock Road</li> <li>Upgrading of Seddon Road to urban standards across the gully between Hamilton Old Boys Rugby Club and Goldsmith Street</li> <li>Construction of Mill Street between Tristram Street and Hall Street.</li> </ul> <p>User satisfaction measures for streets in general throughout the city maintained at 70 or greater and for streets in your area at 73 or greater, as measured by Council's 2002 Annual Residents Survey.</p> | <p>Road cleaning, kerb and channel repairs and minor road maintenance work was completed by 30 June 2002, in accordance with contract specifications.</p> <p>The investigation and design of Hukanui Road between Callum Brae and Thomas Road is underway in anticipation of construction during 2002/03.</p> <p>Re-evaluation of annual plan priorities has meant that the project has been delayed. Design work to identify basic alignment details was completed. The work will continue in 2002/03.</p> <p>The upgrade of Seddon Road to urban standards across the gully between Hamilton Old Boys Rugby Club and Goldsmith Street was completed.</p> <p>The construction of Mill Street between Tristram Street and Hall Street has been delayed due to land purchase difficulties.</p> <p>A user satisfaction measure of 72 for streets in general throughout the city was achieved.</p> <p>A user satisfaction measure of 73 for streets in your area was achieved.</p> |
| 1             | To improve riding quality (roughness) in conjunction with the carriageway maintenance and renewal reseal programmes.                   | <p>The smooth travel exposure on Hamilton roads maintained at 93%* or better.</p> <p><i>* Smooth travel exposure monitors what per cent of total vehicle kilometres are travelled on smooth roads. The smoothness is measured in NAASRA counts.</i></p> <p>Between 2 and 5 kilometres of carriageway refurbishment completed by 30 June 2002.</p>  | <p>The target for smooth travel exposure of 93% or better was not achieved. A rating of 87% was achieved. However it was agreed with Transfund that inaccurate data had been used to set this figure at an unreasonably high level.</p> <p>3.3km of carriageway refurbishment was completed.</p>  |
| 1 & 2         | To maintain an 11 year (average) reseal cycle for all carriageways within the city.  | <p>Between 38 and 47 kilometres of reseals/resurfacing to maintain an average 11 year reseal cycle completed by 30 June 2002.</p>  | <p>37.4kms of resurfacing was completed. This was below the target due to increased demand to provide higher cost, higher quality asphalt surfacing.</p>  |

## TRAFFIC FACILITIES

### Description

This activity provides for improvement and day-to-day operation and maintenance of road marking, safety fences, traffic islands, traffic signals, signs, street lighting, bus shelters, and various road safety activities. All of the work over the 540km of roads is carried out by external contractors, covering 43 signal-controlled intersections, approximately 12,050 traffic signs (including those on State Highways), 13,895 street lights, and 123 bus shelters.

| Council Goal | Objectives   | Performance Measures   | Results   |
|--------------|--|--|---|
| 2            | To provide, improve and maintain the city's traffic facilities and traffic management systems. | User satisfaction measures for traffic management maintained at 70 or greater, for street lighting in general throughout the city at 70 or greater, and for street lighting in your area at 67 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Year 4 of the 12 year programme to upgrade street lights within the budget of \$0.3m completed by 30 June 2002. | A user satisfaction measure of 67 for traffic management was achieved.<br>A user satisfaction measure of 70 for street lighting in general throughout the city was achieved.<br>A user satisfaction measure of 70 for street lighting in your area was achieved.<br><br>The programme was not completed due to poor weather conditions in the last quarter of the financial year. |
| 2            | To optimise the safety and efficiency of the road network.                                     | Maintenance work completed by 30 June 2002, in accordance with contract specifications which provide quality control and criteria for road marking, street signage, traffic facilities and the street light network at current (or better) condition.  | Road marking, street signage, traffic facilities and street light network maintenance work was completed by 30 June 2002, in accordance with contract specifications.   |

## FOOTPATHS, CYCLEWAYS AND VERGES

### Description

This activity provides for improvement and maintenance of the city's footpaths, cycleways, and verges. It includes general maintenance, resurfacing, cleaning, litter collection and rehabilitation of footpaths, landscape maintenance, and vegetation control. All work is externally tendered and covers nine pedestrian/cycle underpasses, 838km of footpaths, and 25km of cycleways.

| Council Goals | Objectives  | Performance Measures  | Results   |
|---------------|---|---|---|
| 1             | To ensure that berm areas are maintained to an acceptable standard.   | Completed a minimum of 3.9km of footpath refurbishment, 0.6km of new footpath construction and 31km of footpath resurfacing by 30 June 2002.  | 3.63km of footpath refurbishment, 0.48km of new footpath construction and 25.2km of footpath resurfacing were completed by 30 June 2002. The performance measures were not achieved due to poor weather conditions in the final quarter of the financial year.  |
| 1 & 2         | To construct, improve and maintain a network of footpaths and cycleways to provide for the safe movement of pedestrians and cyclists. | Maintenance work completed by 30 June 2002, in accordance with contract specifications which provide quality control and criteria for ensuring that footpaths, cycleways and verges remain in their current state (or better) condition.<br><br>User satisfaction measures for footpaths in general throughout the city maintained at 70 or greater, for footpaths in your area at 70 or greater and for pedestrian areas and facilities at 70 or greater, as measured by Council's 2002 Annual Residents Survey. | Footpaths, cycleways and verges maintenance work was completed by 30 June 2002 in accordance with contract specifications.<br><br>A user satisfaction measure of 69 for footpaths in general throughout the city was achieved.<br>A user satisfaction measure of 70 for footpaths in your area was achieved.<br>A user satisfaction measure of 70 for pedestrian areas and facilities was achieved. |
| 1 & 2         | To continue with development of the cycleway network throughout the city.   | User satisfaction measure for cycle facilities and support for cycling throughout the city rated at 40 or greater, as measured by Council's 2002 Annual Residents Survey.   | A user satisfaction measure of 60 for cycle facilities and support for cycling throughout the city was achieved.  |

## PARKING FACILITIES

### Description

This activity involves management of the city's off-street parking spaces provided within the city in the street parking facilities. There are currently 1034 off-Knox Street, River Road, and Kent Street car parks.

| Council Goal | Objective   | Performance Measure  | Result   |
|--------------|---|--|--|
| 1            | To provide, maintain and manage the city's parking facilities to ensure the availability of public parking in a safe and efficient manner, in accordance with Council policies. | User satisfaction measure for off-street car parking maintained at 59 or greater, as measured by Council's 2002 Annual Residents Survey. | A user satisfaction measure of 66 for off-street car parking was achieved. |

## PARKING ENFORCEMENT

### Description

The purpose of this activity is to provide on-street parking control, removal of abandoned vehicles, enforcement of heavy motor vehicle parking regulations, and the control and promotion of safety on the Waikato River. Parking officers also, in the course of their duties, give aid and assistance to the public where appropriate or requested.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1, 2 & 4      | To contain or prevent illegal parking of vehicles on roads, to achieve public safety and availability of parking spaces within the city. | Achieved a turnover of parking space in the inner city area that is better than or equal to, the time limits set for these areas as measured by an independent annual survey of parking turnover.<br><br>Maintained a paid before prosecution rate for parking regulation offences better than 84%. | The parking enforcement unit achieved survey results during 2001/02 indicating that on weekdays an average of 1.01 vehicles were parked per half-hour at 30-minute meters, and 1.81 vehicles per hour at 60-minute meters, therefore turnover of parking space was better than the time limits set for the areas.<br><br>During the year the gross rate declined to an annual average of 82.11%. Similar declines have been experienced by other councils and many factors are involved, including Department of Courts procedures, Courts collections processes, and a public tendency to defer payment until after the Court process. |
| 1             | To limit the number of motor vehicles that are unlicensed, without valid evidence of inspection, or have unsafe tyres.                   | Limited the number of motor vehicles defective in display of a valid licence, evidence of inspection, or both to less than 4% two or more months overdue: as measured by a standard survey conducted annually during normal working hours of the parking enforcement unit.                          | A survey of 2300 parked vehicles produced a result of 1.91% less than two or more months overdue. The rate has steadily declined from 1999 onwards when it was 2.96%.   |



Garden Place.

## HEALTH, ORDER AND SAFETY

### HIGHLIGHTS

#### **Planning Management**

The planning guidance unit introduced a money-back guarantee programme to demonstrate Council's commitment to providing timely resource consent decisions. Applicants who fail to get an answer from the planning guidance unit within the deadline automatically have part of their resource consent application processing fee returned. This programme offers a new approach to addressing customer concerns with time frames for applications for non-notified resource consents.

#### **Animal Care And Control Centre Partnership**

The animal care and control unit and the local branch of the SPCA have settled well into the new premises. Public interest and feedback on the centre has been overwhelming. Both organisations continue to be committed to promoting responsible pet ownership through educational programmes and by working with existing and new pet owners to ensure awareness and compliance with legislative requirements. Both the unit and the SPCA have a strong and successful focus on finding responsible owners for unclaimed animals.

#### **Environmental Health**

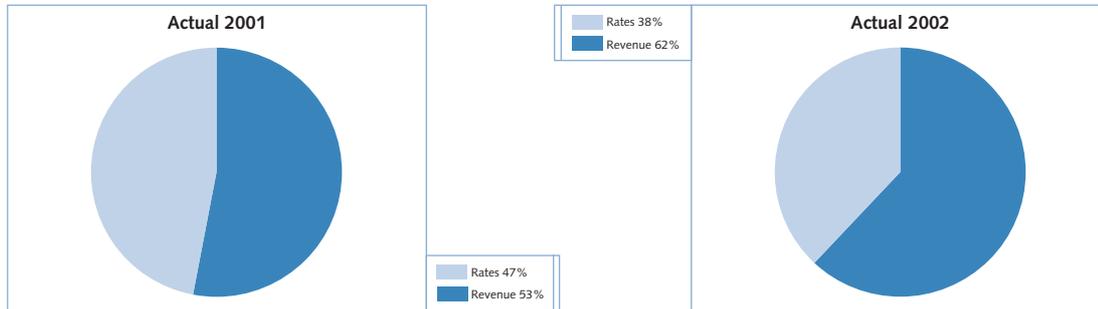
The annual risk assessment survey of the city's food businesses has shown no decline in the standards of food hygiene. The 2001 food safety award ceremony was held on Friday, 14 September 2001 at the Waikato Institute of Technology in Anglesea Street. The mayor presented the award to the management and staff of 28 Hamilton food businesses. This is the fourteenth year that these awards have been presented.

# HEALTH, ORDER AND SAFETY

## Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000          |  | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|-------------------------------|--|----------------------|----------------------|
| <b>Direct Operating Costs</b> |  |                      |                      |
| 2,142                         | Building Control                       | 2,554                | 2,417                |
| 789                           | Environmental Health                   | 840                  | 876                  |
| 1,302                         | Planning Guidance                      | 1,284                | 1,119                |
| 750                           | Animal Care and Control                | 850                  | 773                  |
| <b>4,983</b>                  | <b>Total Expenditure</b>               | <b>5,528</b>         | <b>5,185</b>         |
| <b>Less Revenue</b>           |  |                      |                      |
| 1,399                         | Building Control Fees and Charges      | 2,045                | 1,924                |
| 373                           | Environmental Health Fees and Licences | 395                  | 386                  |
| 530                           | Planning Guidance Fees                 | 556                  | 585                  |
| 361                           | Dog Licences, Fees and Fines           | 413                  | 393                  |
| <b>2,663</b>                  | <b>Total Revenue</b>                   | <b>3,409</b>         | <b>3,288</b>         |
| <b>2,320</b>                  | <b>Net Cost Of Service</b>             | <b>2,119</b>         | <b>1,897</b>         |
| <b>0</b>                      | <b>Capital Expenditure</b>             | <b>0</b>             | <b>0</b>             |

### Cost of service funded by:



## BUILDING CONTROL

### Description

The purpose of this activity is to work with people to safeguard public health and maintain public safety by educating and fairly applying laws relating to the construction and maintenance of new and existing buildings.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1             | To receive and process all building consents and project information memoranda within statutory timeframes and to achieve compliance with the Building Act 1991. | <p>Processed 100% of all building consents in accordance with the Building Regulations 1992 within the following timeframes after receiving an application:</p> <ul style="list-style-type: none"> <li>• Buildings up to \$500,000 - 10 working days.</li> <li>• Buildings over \$500,000 - 20 working days.</li> </ul> <p>Audited 100% of the fire safety records of all buildings identified as high risk on Council's compliance schedule matrix by 30 June 2002.</p> <p>Inspected all buildings subject to a building consent after notice that the work was ready for inspection within the following timeframes:</p> <ul style="list-style-type: none"> <li>• Commencement of construction - 2 working days</li> <li>• All other construction - 1 working day.</li> </ul> | <p>99.41% of building consents and project information memoranda were completed within 10 working days. 0.59% (13 consents) of building consents and project information memoranda were not processed within the time frame of 10 working days as key staff members were on extended leave.</p> <p>82.61% of building consents and project information memoranda were completed within 20 working days. 17.39% (8 consents) of building consents and project information memoranda were not processed within the time frame of 20 working days as key staff members were on extended leave.</p> <p>100% of the fire safety records of all buildings identified as high risk on Council's compliance schedule matrix were audited.</p> <p>100% of buildings were inspected within 2 working days after notice.</p> <p>99.10% of buildings were inspected within 1 working day after notice. 0.90% of building inspections were not attended to within 1 working day because all inspectors were fully booked for the day that the request for inspection was made.</p> |
| 2             | To receive and process all land information memoranda in compliance with the Local Government Official Information and Meetings Act 1987.                        | Processed 100% of all project and land information memoranda within 10 working days of receiving an application.  | 100% of all project and land information memoranda were processed within 10 working days of receiving an application.   |

## PLANNING GUIDANCE

### Description

To provide planning advice and make recommendations, including receiving and processing applications for land use and subdivision consents, and to monitor compliance with the Hamilton City District Plan and the Resource Management Act 1991.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1             | To ensure that all new subdivisions and existing land uses in the city meet standards and comply with the Hamilton City District Plan.   | All resource consent applications and certificates processed within the statutory time limits of the Resource Management Act 1991.  | <p>98.8% of all resource consent applications (notified, non-notified controlled, discretionary, and subdivisions applications) were processed within the statutory time limit of the Resource Management Act 1991. This performance measure was not reached as staff had to assess applications under two District Plans (transition and proposed), requiring more time in giving advice to customers and in assessing applications.</p> <p>100% of all certificate applications were processed within the statutory time limit of the Resource Management Act 1991.</p> |
|               |  | Inspected and effectively monitored at least 50 resource consents per month during 2001/02.   | Inspected and effectively monitored 708 notified and non-notified resource consent applications - an average of 59 per month.   |
| 1 & 5         | To provide planning and land subdivision interpretation and advice to ensure that resource consent applications are dealt with in an efficient, consistent, fair, and expeditious manner within the statutory framework. | <p>A minimum of 45% of costs for resource consents recovered through fees and charges.</p> <p>Maintained 90% acceptance of resource consent recommendations made by staff to the Council's Statutory Management Committee; and 90% of cases taken to the Environment Court and supported by staff are successful.</p> | <p>A minimum of 45.5% costs for the unit was recovered through fees and charges.</p> <p>Maintained a 93.8% acceptance of resource consent recommendations made by staff to the Council's Statutory Management Committee and to Commissioners; and 100% of cases taken to Environment Court and supported by staff were successful.</p>  |

## ANIMAL CARE AND CONTROL

### Description

The purpose of this activity is to achieve good dog control, a reduction in litter, and compliance with general Council bylaws, by using education and enforcement techniques.

| Council Goal | Objectives   | Performance Measures  | Results   |
|--------------|--|---|---|
| 1            | To maximise dog registration, minimise dog attacks, and promote effective dog ownership.   | <p>Recovered 60% of costs for animal care and control activity through fees and charges.</p> <p>User satisfaction measure for animal care and control services maintained at 75 or greater, as measured by Council's 2002 Annual Residents Survey.</p> <p>Completed a minimum of 30 animal care and control presentations within the community by 30 June 2002 in conjunction with the requirements of the education plan contained within the Dog Control Policy 1997.</p> | <p>51% cost recovery from fees and charges was achieved.</p> <p>Fees were maintained at the existing levels for the purpose of maximising the collection of overall fees against the target.</p> <p>A decision was taken to hold fees and charges while continuing to absorb cost of service increases. This increased operational cost was due to unforeseen circumstances, e.g., unanticipated staff turnover, increased legal expenditure.</p> <p>A user satisfaction measure of 76 for animal care and control services was achieved.</p> <p>56 educational presentations were achieved with key partners and within the community. The unit has excelled in this area because educating the community has a direct benefit in maintaining public safety and impacts on the number of dog attacks reported.</p> |
| 1            | To respond to litter offences and take appropriate action to deter further incidents.  | Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48 hours, as measured by Council's complaints system.   | <p>97.1% of all urgent requests for service involving public safety were responded to within 1 hour (which equates to 170 requests for service).</p> <p>The 2.9% not achieved equates to 5 requests for service. The requests for service that did not meet the target were a result of opportunities for improvement in the process, which have been identified and remedied.</p>  |
| 1            | To detect offences against Council's bylaws (e.g., skateboarding, advertising signs, merchandise displays, buskers, mobile shops in public places), and identify overgrown and overhanging vegetation. | Responded to urgent requests for services involving public safety within one hour of receipt and to all routine requests for service within 48 hours, as measured by Council's complaints system.   | <p>98.3% of all routine requests for service were responded to within 48 hours (which equates to 6787 requests for service).</p> <p>The 1.7% not achieved equates to 111 requests for service.</p> <p>The 111 that went over target were not public safety issues, and went over target as a result of urgent requests for service that took priority.</p>  |

## ENVIRONMENTAL HEALTH

### Description

The purpose of this activity is to protect and promote public health by undertaking monitoring, inspection and enforcement of standards in regard to all food premises, licensed premises, hairdressers, drinking and pool water quality; to investigate any incidences of communicable diseases; to licence, inspect and monitor premises storing hazardous substances; to control noise pollution; to carry out environmental noise monitoring; and to investigate contaminated sites.

| Council Goal | Objectives  | Performance Measures  | Results   |
|--------------|---|---|---|
| 1            | To optimise the safety of all food manufactured, prepared, packed, stored, handled by, or sold from, food establishments in Hamilton.   | Approximately 1700 inspections of food premises completed during 2001/02 in accordance with regulations under the Health Act 1956 and Council's monthly inspection schedules.<br><br>The average risk factor for food businesses maintained at no more than +5% of the currently recorded average risk factor of 5.4, derived from Council's risk assessment programme. | 1319 inspections of food businesses were completed during the year as per the monthly inspection schedules. The performance measure was not met due to staff involvement in a number of development projects.<br><br>The average risk factor for food businesses was 5.2. This is within the +5% of the currently recorded average risk factor for the previous year. |
| 1            | To operate a reasonable system of control over the sale and supply of liquor to the public, with the aim of contributing to a reduction in liquor abuse, so far as that can be achieved by legislative means. | Approximately 200 inspections of licensed premises completed during 2001/02 in accordance with regulations under the Sale of Liquor Act 1989 and Council's monthly inspection schedules.  | 217 inspections of licensed premises were completed during the year in accordance with Council's monthly inspection schedules and regulations under the Sale of Liquor Act 1989.  |
| 1            | To minimise noise emission and take enforcement action where required.  | All complaints regarding excessive noise investigated within 30 minutes of the time of complaint.   | 7478 complaints regarding excessive noise were received during the year. 95% of these were investigated within 30 minutes and appropriate enforcement action taken. The performance measure was not met at times when the rate of noise complaints exceeded the ability to process them.  |
| 1            | To licence and inspect industrial and trade premises where dangerous goods are stored.  | Approximately 600 inspections of premises storing dangerous goods completed during 2001/02 in accordance with regulations under the Dangerous Goods Act 1974 and Council's monthly inspection schedules.  | 702 inspections of premises storing dangerous goods were completed during the year in accordance with Council's monthly inspection schedules and regulations under the Dangerous Goods Act 1974.  |



Ferrybank Reserve by the Waikato River.

## COMMUNITY SUPPORT

### HIGHLIGHTS

#### **Community Centres**

Funding of \$400,000 for identified community centre projects was allocated to the Western Community Centre Trust, St Andrews Park Community Sports Incorporated and the Hamilton Multi Cultural Centre Trust.

#### **Child And Family Policy**

Extensive consultation was conducted with children, parents and service providers, and the child and family policy and associated action plan was adopted by Council in June 2002.

#### **Hamilton Youth Council**

The Youth Council conducted a youth road show to promote Council activities, facilities and services specific to young people in the city. The Youth Council implemented two events/projects for youth in the city.

#### **Newstead Cemetery Chapel**

An extension and upgrade of the existing chapel facility at Newstead Cemetery to increase seating capacity from 130 to 240, and to provide new toilet facilities and disability access, was completed within budget in July 2002.

#### **24-Hour Monitoring Facility**

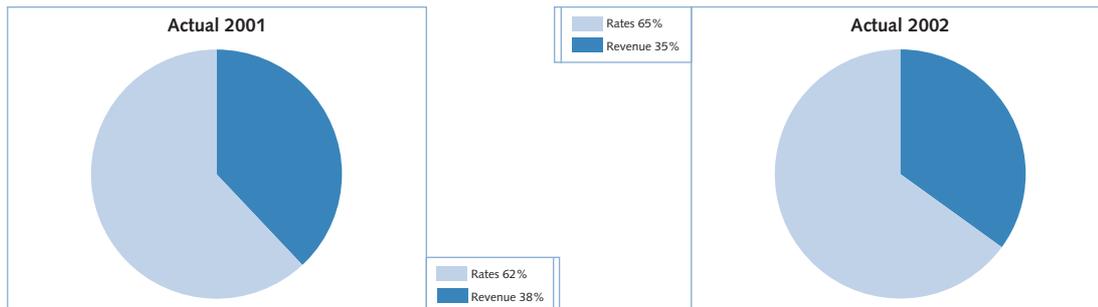
The Crime Prevention Trust has been working to achieve an income that will pay for ongoing monitoring of the CBD through an all-hours camera network. Some funding has been achieved and the trust is negotiating with possible providers of the monitoring services. The trust is confident that a monitoring station will be in operation before November 2002.

## COMMUNITY SUPPORT

### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                                  | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|----------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>    |                      |                      |
| 677                  | Community Development            | 864                  | 715                  |
| 686                  | Community Centres                | 764                  | 951                  |
| 56                   | Safer Communities                | 52                   | 52                   |
|                      | <b>Community Assistance</b>      |                      |                      |
| 693                  | Community Assistance Grants      | 890                  | 894                  |
| 146                  | Hillary Commission Grants        | 150                  | 140                  |
| 70                   | Creative NZ Grants               | 70                   | 70                   |
| 371                  | Youth Programme                  | 434                  | 440                  |
| 1,817                | Housing Services                 | 1,601                | 1,553                |
| 1,418                | Employment Initiatives           | 1,311                | 1,715                |
| 273                  | Emergency Management             | 270                  | 413                  |
| 895                  | Interment Facilities             | 923                  | 918                  |
| 369                  | Toilets                          | 462                  | 473                  |
| <b>7,471</b>         | <b>Total Expenditure</b>         | <b>7,791</b>         | <b>8,334</b>         |
|                      | <b>Less Revenue</b>              |                      |                      |
| 18                   | Community Assistance             | 12                   | 51                   |
| 154                  | Hillary Commission               | 137                  | 140                  |
| 70                   | Creative NZ                      | 70                   | 70                   |
| 1,388                | Housing Services Rents           | 1,491                | 1,440                |
| 601                  | Employment Initiatives Subsidies | 370                  | 799                  |
| 0                    | Emergency Management             | 8                    | 136                  |
| 596                  | Interment Fees                   | 627                  | 609                  |
| 47                   | Sundry Income                    | 41                   | 36                   |
| <b>2,874</b>         | <b>Total Revenue</b>             | <b>2,756</b>         | <b>3,281</b>         |
| <b>4,597</b>         | <b>Net Cost Of Service</b>       | <b>5,035</b>         | <b>5,053</b>         |
| <b>463</b>           | <b>Capital Expenditure</b>       | <b>553</b>           | <b>1,413</b>         |

### Cost of service funded by:



## COMMUNITY DEVELOPMENT SERVICES

### Description

The community development programme promotes the well-being and safety of people through research, policy setting, funded service contracts, facilities provision and government partnerships. It manages five community contracts for neighbourhood workers, and operates two large community facilities: one for

older persons, the other in the Enderley community. It supports and provides funds to five community houses and provides a co-ordinator to support ethnic communities. In partnership with central government, it funds and supports the Safer Communities Council.

| Council Goal | Objectives   | Performance Measures   | Results  |
|--------------|--|--|--|
| 1            | To strengthen communities by supporting community groups, neighbourhood development and the establishment and development of community centres.                                | <p>Implemented year two community development team objectives from the six year community development plan by 30 June 2002.</p> <p>\$400,000 allocated to identified community centre projects in accordance with the community centre implementation plan and policy by 30 June 2002.</p> <p>The Hamilton citywide profile giving city demographics is updated, published and available to the public by 30 June 2002.</p> <p>A community house is operational in the southeast area by 30 June 2002.</p> | <p>72% of year two community development plan objectives were implemented by 30 June 2002.</p> <p>Obj 1.1 - Performance indicator regarding a neighbourhood survey was not achieved due to changes to the community workers contract, which delayed the survey and report process.</p> <p>Obj 1.2 - Performance indicator regarding partnerships and recommendations was not achieved due to changes in the external funding partners.</p> <p>Obj 2.2 - Performance indicator regarding educational workshops in relation to an Auckland University initiative was not achieved. Hamilton City Council is linking with this process.</p> <p>Obj 2.4 - Citywide profile (refer performance measure below).</p> <p>Funding of \$400,000 for identified community centre projects was allocated to the Western Community Centre Trust, St Andrews Park Community Sports Incorporated and the Hamilton Multi Cultural Centre Trust.</p> <p>Census data from Statistics New Zealand was released in June 2002. The Hamilton citywide profile giving city demographics is due to be completed by December 2002.</p> <p>The South-East Kirikiriroa Community Association house, in the southeast area was officially opened in December 2001.</p> |
| 1            | To increase support to Hamilton's children by advancing access to community services and activities, advocating children's needs and issues and the distribution of resources. | A new Council social policy to support children and their families produced and published by 30 June 2002.   | Extensive consultation was conducted with children, parents and service providers, and the child and family policy and associated action plan was adopted by Council in June 2002. The policy needed to be adopted by Council prior to going to print.   |
| 1            | To work in partnership with the Safer Hamilton Community Council to promote, establish and support crime prevention initiatives in the community.                              | Safer Hamilton Community Council provides two, six-monthly performance reports to Council to show its goals are on target.   | The Safer Hamilton Community Council provided two, six-monthly performance reports in December 2001 and June 2002.   |

## YOUTH SERVICES

### Description

The Youth Services programme encourages youth participation in the city. It includes provision and management of the Youth Zone facility, monitoring of five youth worker contracts, and funding and monitoring of after-school activities programmes and holiday programmes.

| Council Goal | Objective  | Performance Measures  | Results  |
|--------------|--|---|--|
| 1            | To strengthen the provision of services, activities, resources and programmes to Hamilton's youth/rangatahi and children/tamariki. | Hamilton Youth Council initiates two projects by 30 June 2002.  | The Youth Council conducted a youth road show in October 2001 to promote Council activities, facilities and services specific to young people in the city. The Youth Council also implemented two events/projects for youth in the city. |
|              |  | The number of Council funded after-school activities programmes increased from eight to nine by 30 June 2002.                                   | Nine after-school activities programmes were funded by Council by June 2002.   |
|              |  | An evaluation is conducted on the effectiveness of neighbourhood youth workers by 30 June 2002, as specified in the community development plan. | Evaluation of effectiveness of neighbourhood youth workers has been deferred to December 2002 as a result of youth workers becoming Council employees from July 2002.  |

## COMMUNITY ASSISTANCE PROGRAMME

### Description

Funds from Creative New Zealand, the Hillary Commission and Council are dispersed to community organisations and projects annually.

| Council Goal | Objective   | Performance Measures  | Results   |
|--------------|---|---|---|
| 1            | To enhance the provision of services in the community through the allocation of funds to community organisations. | Distributed approximately \$404,000 of small grants in accordance with Council policy and the programme's criteria by 30 June 2002. | The available funding of \$397,301 was distributed to 317 community groups according to Council policy and programme criteria by June 2002. |

## HOUSING SERVICES

### Description

Council provides and maintains affordable housing for older persons. It has 452 single or double units in 26 locations around the city. While the units are predominantly for older persons, approximately 5 per cent are for persons with disabilities. All tenants must meet income and asset criteria.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1 & 2         | To provide well maintained and safe living environments for tenants.   | <p>Responded to 100% of maintenance calls by prioritising and alerting the property and risk management unit within two days.</p> <p>The number of neighbourhood support groups in Council housing complexes is maintained at 90% or greater in 2001/02.</p>  | <p>100% of maintenance calls were prioritised, reported to the property and risk management unit and actioned within two days.</p> <p>100% of Council housing complexes have a neighbourhood support group operating.</p>   |
| 2 & 4         | To provide an affordable housing service that meets the needs of our customers, yet is 94% cost recoverable. | <p>Recovered 94% of costs with rents below the market rate for matched accommodation.</p> <p>Provided all tenants with up-to-date information on community services via the visiting programme of two personal visits and one other contact in addition to three newsletters posted by 30 June 2002.</p> <p>Achieved 85% customer satisfaction with Council's housing services as measured by the 2002 Annual Tenants Survey.</p> | <p>Rent recovered in excess of 94.5% of costs and rent remains below the nationally benchmarked market rate.</p> <p>90% of all tenants received two personal visits, one other contact, and three newsletters were sent to tenants by 30 June 2002. 10% of visits were not achieved due to cancellation of appointments and unavailability of tenants.</p> <p>A customer satisfaction rating of 88% was achieved.</p> |

## EMPLOYMENT INITIATIVES

### Description

The employment initiatives programme facilitates people into employment through training and project-based work experience. The programme is a co-operative one between the Department of Work and Income, Hamilton City Council and the community. It completes projects, which are of benefit to communities and the environment in Hamilton.

The stop graffiti programme has a two-way approach to the problem of graffiti in the city. The police, youth aid, courts and Child Youth and Family Services make referrals to the programme. The programme is designed to rehabilitate and motivate the participants.

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1             | To enable employment initiatives participants to gain employment through participation in Council's training and work experience programme. | <p>Ensured that a minimum of 50 participants in the programme over the twelve month period ending 30 June 2002 move into stable employment .</p> <p>Provided 15 Council sponsored community work projects before 30 June 2002.</p> | <p>101 participants from Taskforce Green and Community Work moved into employment by 30 June 2002.</p> <p>16 Council sponsored community work projects were provided throughout Hamilton city by 30 June 2002.</p> |
| 3 & 4         | To structure and deliver employment and training programmes, which attract external funding.  | Achieved 50% of the funding for the programmes from sources other than Council.  | 59% of programme funding was sourced from Central Government, Skill New Zealand and WINZ (Department of Work and Income New Zealand).  |
| 1 & 5         | To operate the stop graffiti programme and to include a life skills training component for young people who are referred to the programme.  | 100% of participants in the stop graffiti programme complete their community service hours and 60% progress to youth training programmes.  | Eight participants attended the stop graffiti programme. Four completed their community service hours, but none of them progressed into a training programme. This programme ceased operating in June 2002.        |

## EMERGENCY MANAGEMENT

### Description

The purpose of emergency management is to prepare strategies, programmes and plans that will minimise, reduce or eliminate the impact of the consequences of a disaster.

Under the new proposed civil defence and emergency management legislation, Council will become a key member of the new regional civil defence emergency management group. This will have a significant impact on Council's emergency response and recovery procedures. The changes will create a framework for

the development of a more robust emergency response system throughout the central Waikato.

A cluster of neighbouring local authorities comprising Waikato, Waipa, Otorohanga, Waitomo and Hamilton city form the Waikato Valley Emergency Operating Area (WVEOA), which will be combined under a common hazardscape. Hamilton City Council will be the administering authority for the combined area and the lead response agent for any significant regional emergency events.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 1 & 2         | To ensure response and recovery plans are prepared by emergency management and are continuously reviewed.  | Developed standard operating procedures for emergency response and recovery plans by 30 June 2002, and maintained ISO 9002 registration.        | Telarc re-certification was achieved as part of the organisational ISO 9000 audit. Standard operating procedures have also been audited, with improvements made to ensure that the city is prepared in the event of a major disaster. |
| 1 & 2         | To maintain public awareness of the need for emergency preparedness for the city.  | Attained 30% public awareness of the need to be self-reliant in the event of a disaster, as measured by Council's 2002 Annual Residents Survey. | 90% of participants were aware of the need to have a survival kit or ready access to items to make one. 49% of participants had an emergency plan, 20% had a survival kit and a further 63% had ready access to items to make one.    |
| 1 & 2         | To negotiate and develop service level requirements with WVEOA member organisations.   | Service requirements agreed with WVEOA members by March 2002.   | Service requirements with WVEOA members are on hold pending the enactment of new emergency management legislation.  |
| 1 & 2         | To develop a fully integrated, comprehensive, emergency management system for Hamilton city.   | Emergency Management staff participated in all of the city's emergency planning meetings with the key stakeholders.                             | Staff attended a number of emergency management planning meetings, including but not limited to, welfare, hazardous substances, airport, emergency services, civil defence and emergency management sub-committee meetings.           |
| 1 & 2         | To develop partnerships with all other emergency response agencies that will support Council's response to and recovery from any declared emergency event. | Contact with at least 50 groups, organisations, or schools regarding emergency preparedness established by 30 June 2002.                        | Contact was made with 63 schools, groups and organisations.   |

## CEMETERY AND CREMATORIUM

### Description

Hamilton Park Cemetery and Crematorium provides the varied cultural, economic and social needs of the burial, cremation, ash memorialisation and chapel local community. services within a supportive environment that reflects

| Council Goals | Objectives  | Performance Measures  | Results   |
|---------------|---|---|---|
| 2             | To provide a burial and cremation service to the people of Hamilton and the Waikato region. | All requests for cremation and burial were accommodated in accordance with legal requirements and Council's bylaw.  | All cremations (986) and burials (267) were accommodated in accordance with legal requirements and Council's bylaws.  |
| 1             | To maintain the cemetery facilities and environment to the satisfaction of customers.       | User satisfaction rating for the overall environment at Newstead Cemetery maintained at 75 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Customer service monitoring programme implemented by 30 June 2002. | A user satisfaction measure of 79 for the overall environment at Newstead Cemetery was achieved.<br><br>Four customer surveys were completed and showed an 87% of customer satisfaction of service delivery.                      |
| 4             | To implement the year-three goals and objectives in the nine year cemetery management plan. | Chapel refurbishment completed by 30 June 2002.   | An extension and upgrade of the existing chapel facility at Newstead Cemetery to increase seating capacity from 130 to 240, and to provide new toilet facilities and disability access, was completed within budget in July 2002. |

## TOILETS

### Description

This activity provides toilets that are physically accessible and appropriately located, and designed, built, cleaned and maintained to a high standard. There are currently 50 facilities located throughout the city, ranging from semi-automated toilets (e.g., Frankton Village and Hamilton Gardens), to sports park amenity blocks, to small toilet blocks on neighbourhood parks. They are operated and serviced through external contracts.

| Council Goals | Objectives  | Performance Measures   | Results   |
|---------------|---|--|---|
| 1 & 2         | To provide well-serviced facilities in accordance with NZS 4241: Public Toilets that meet the community's needs and expectations. | User satisfaction measure for public toilets in general, and for the cleanliness and working order of the toilets, maintained at 61 or greater, as measured by Council's 2002 Annual Residents Survey. | A user satisfaction measure of 63 for public toilets in general was achieved. A user satisfaction measure of 65 for cleanliness and working order of the public toilets was achieved. |
| 2             | To develop new facilities in areas where the public identifies a need.  | A semi self-cleaning unisex toilet constructed within budget to service the St Andrews-Pukete walkway operational by March 2002.   | The toilet block was not installed until June 2002 and will be commissioned in July 2002 due to unforeseen planning issues.   |



Learn to swim classes are popular at Waterworld.

## RECREATION AND LEISURE

### HIGHLIGHTS

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#### **Waikato Stadium**

The WestpacTrust Park and Waikato Stadium came under Council management in December 2001 and April 2002 respectively. The final cost of the development is still to be determined. The strategic and policy direction for both facilities is being set by the Stadiums Management Board (previously Waikato Stadium and WestpacTrust Park Management Committee) that includes four community representatives.

#### **Aquatic Facilities Strategic Plan**

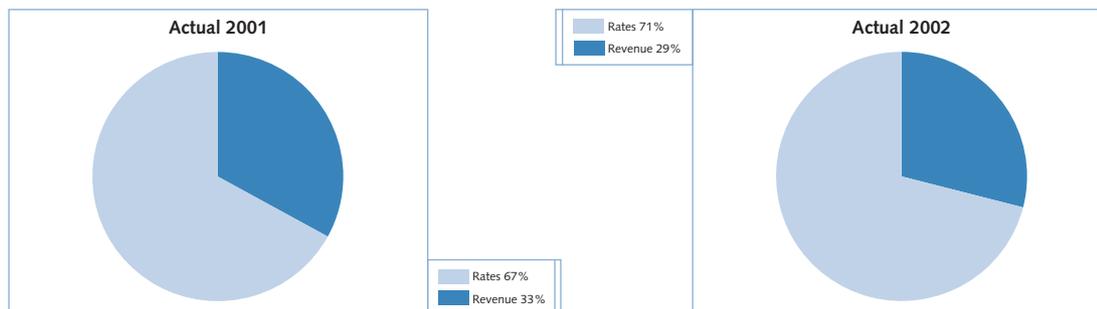
A 10 year strategic plan for the provision of swimming facilities was developed and adopted by Council. It guides Council's provision of swimming facilities in Hamilton over the period 2002-2012 and represents a collaborative approach by Council and representatives of community and interest groups. The plan recommends strategies, goals and outcomes and promotes actions to meet changing use patterns and customer expectations. The plan is to be reviewed on a three-yearly cycle.

## RECREATION AND LEISURE

### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                                       | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|---------------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>         |                      |                      |
| 188                  | Hamilton City Leisure Centre          | 187                  | 190                  |
|                      | <b>Swimming Facilities</b>            |                      |                      |
| 3,762                | Swimming Pools                        | 4,173                | 3,858                |
| 72                   | Grants - Other Pools                  | 52                   | 45                   |
| 302                  | Community Halls                       | 319                  | 326                  |
| 970                  | Waikato Events Centre                 | 1,337                | 1,384                |
|                      | <b>Sports Areas</b>                   |                      |                      |
| 1,530                | Grounds and Buildings                 | 2,237                | 1,977                |
| 92                   | Waikato Stadium and WestpacTrust Park | 1,700                | 1,832                |
| 142                  | Grant - WestpacTrust Park             | 0                    | 0                    |
| 50                   | Grant - Mystery Creek Seating         | 0                    | 0                    |
| <b>7,108</b>         | <b>Total Expenditure</b>              | <b>10,005</b>        | <b>9,612</b>         |
|                      | <b>Less Revenue</b>                   |                      |                      |
| 1,643                | Pools Admission Fees                  | 1,645                | 1,493                |
| 589                  | Waikato Events Centre                 | 524                  | 581                  |
| 44                   | Community Halls Rents                 | 32                   | 48                   |
| 0                    | Waikato Stadium and WestpacTrust Park | 591                  | 574                  |
| 97                   | Sports Areas Rents                    | 97                   | 88                   |
| <b>2,373</b>         | <b>Total Revenue</b>                  | <b>2,889</b>         | <b>2,784</b>         |
| <b>4,735</b>         | <b>Net Cost Of Service</b>            | <b>7,116</b>         | <b>6,828</b>         |
| <b>6,853</b>         | <b>Capital Expenditure</b>            | <b>8,954</b>         | <b>4,493</b>         |

### Cost of service funded by:



## HAMILTON CITY LEISURE CENTRE

### Description

The Hamilton City Leisure Centre provides high quality, affordable health, fitness, sport and leisure programmes and activities. The facility also provides an auditorium available for hire for sporting events. The centre is managed under contract to Council by the YMCA (Metro Y Auckland).

| Council Goal | Objectives   | Performance Measures   | Results  |
|--------------|--|--|--|
| 1            | To provide, maintain, and promote the facility and equipment, to encourage a range of recreational activities.   | Monitoring and evaluation of the management contract with Metro Y reveals contract compliance and satisfactory performance rating of the contractor.<br><br>Achieved a patronage total that is equal to the average of the previous three years. | No non-compliances to the contract with Metro Y were recorded.<br><br>151,368 patrons were recorded against an average of 151,264 for the previous three years.                              |
| 1            | To ensure provision of a range of quality and affordable health, fitness, sport and leisure programmes and services in response to identified community needs. | User satisfaction measure for the Hamilton City Leisure Centre maintained at 67 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Maintained certification of the independent ISO quality system developed by Metro Y.   | A user satisfaction measure of 66 for the Hamilton City Leisure Centre was achieved.<br><br>Certification to the ISO 9002 certification was maintained for the Hamilton City Leisure Centre. |

## THE WAIKATO EVENTS CENTRE (CLAUDELANDS)

### Description

The Waikato Events Centre operates on a commercial basis providing facilities and equipment that are hireable in terms of time and space. This provides commercial and community benefits towards economic development, and recreational opportunities for the community.

| Council Goal | Objectives   | Performance Measures  | Results   |
|--------------|--|---|---|
| 1            | To optimise the use of the centre's facilities and services. | Maintained income turnover at existing base of \$535,000.   | An income turnover of \$531,000 was achieved. This is within 99% of the target. The need of hirers is variable in terms of equipment, staff and time purchased.   |
| 1            | To improve the aesthetics and ambience of the complex.       | Usage measure for the Waikato Events Centre maintained at 64% or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Developed a business plan for the Waikato Events Centre as required under the Reserves Act Management Plan by 30 June 2002. | A usage measure of 59% for the Waikato Events Centre was achieved.<br><br>The development of the business plan for the Waikato Events Centre has been deferred until a proposal to build a 4500 seat indoor stadium has been considered by Council. |

## SWIMMING FACILITIES

### Description

Swimming facilities provides, operates and funds swimming facilities throughout the city, to provide safe exposure to family orientated water based education for a community that is geographically remote from natural coastal water features.

through Learn To Swim and Swim Safe programmes, while also addressing intergenerational needs through related health and fitness programming.

It encourages an appreciation of water safety education

The needs of a range of aquatic sports clubs and associations are also met by ensuring the availability of training opportunities.

| Council Goal | Objectives  | Performance Measures  | Results   |
|--------------|---|---|---|
| 1            | To operate and maintain swimming facilities for the safety and health of users, to balance recreational, competitive, teaching/coaching, and therapeutic uses, and to promote ongoing efficiencies and programme development. | Achieved 580,000 visits at city funded pools in the year ending 30 June 2002.   | Swimming Facilities achieved a patronage of 639,916 patrons for the year.   |
| 1            | To provide and promote educational water safety and recreational programmes.  | Instructed the Swim Safe programme to 10 schools, which cannot attend current facilities, by 30 June 2002.  | This was not achieved as no off-site programmes were delivered. Schools found that coming to Waterworld and the Gallagher Aquatic Centre was more beneficial. These facilities delivered 1330 programmes and services to 31,582 children.   |
| 1            | To ensure optimum use of swimming facilities to meet community needs.   | Usage satisfaction measures for Waterworld maintained at 79 or greater and for the Gallagher Aquatic Centre at 75 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Usage measure for Waterworld maintained at 51% or greater and for Gallagher Aquatic Centre maintained at 15% or greater, as measured by Council's 2002 Annual Residents Survey. | A user satisfaction measure of 80 for Waterworld was achieved.<br>A user satisfaction measure of 80 for the Gallagher Aquatic Centre was achieved.<br><br>A usage measure of 45% for Waterworld was achieved. However the activity recorded an increase of 46,000 patrons over the previous year. The deviation may be explained by the fact that the survey does not target residents that are under 18 years of age.<br>A usage measure of 17% for the Gallagher Aquatic Centre was achieved. |

## COMMUNITY HALLS AND LEASED BUILDINGS

### Description

This activity provides and maintains halls and Council-owned buildings leased for the cultural, social and recreational needs of the community. These halls provide venues for a diverse range of community-based activities, including clubs, housie, indoor sports, band practice, arts and theatre.

Community halls include: Old St. Peters Hall, Fairfield Hall, Tomin Road Hall, and Frankton Hall. Leased buildings include: Pukete Farm Park House, 50 Pembroke Street, Riverlea Theatre, Ward Park Arts Centre, Yendell Park and 9 Pembroke Street.

| Council Goal | Objective   | Performance Measure   | Result   |
|--------------|---|---|--|
| 1            | To provide and service minor halls and leased buildings, in order to enable a wide range of recreation, leisure and community activities in the city. | Maintained a 30% occupancy rate for community halls and 100% for leased buildings during 2001/02. | An occupancy rate of 27% was achieved for community halls and 100% for leased buildings. |

## SPORTS AREAS

### Description

This activity provides areas for formal and informal sport. Land is acquired primarily through the provisions of the district plan, is developed through external contracts and maintained through a mix of internal and external contracts. These contracts are reviewed and audited annually. Regular liaison with users ensures that the best possible service is delivered to the community within the resources available.

| Council Goal | Objectives  | Performance Measures   | Results   |
|--------------|---|--|---|
| 1            | To consult with users and the wider community to determine requirements for active recreation, through regular liaison meetings and contact with users. | Assessed user needs by meeting with summer sports codes before September 2001, and with winter sports codes before April 2002.<br><br>User satisfaction measure for sports areas maintained at 68 or greater, as measured by Council's 2002 Annual Residents Survey. | Meetings with summer and winter codes were held as planned.<br><br>A user satisfaction measure of 76 for sports areas was achieved.   |
| 1            | To meet the community's need for active recreational opportunities through the development and maintenance of sports areas.                             | Changing rooms and toilets provided at Discovery Park by 31 March 2002, as part of the continuing programme of sports area development.  | The project was completed in April 2002.  |
| 1            | To review Council's Recreation and Leisure Plan.  | The Recreation and Leisure Plan reviewed by 28 February 2002.  | The review of the Recreation and Leisure Plan was started but will not be completed until October 2002, largely because of an extended consultation and research programme. |



The Meteor Theatre.

## ARTS & CULTURE

### HIGHLIGHTS

#### Founders Theatre Upgrade

This year part two of the Founders Memorial Theatre Upgrade Project was completed. The development provided increased office and foyer space by developing a new entryway. Interior decor has been enhanced with new carpeting, paint livery, improved signage and lighting for the foyer and restaurant, and a new ticketing and service area. Additional elements were funded by a Lottery Commission grant of \$100,000. These included two covered walkways to enable patrons to access the theatre from both the car park and street in inclement weather, and the establishment of a courtyard to host functions and to increase useable restaurant space. The Ralph Hotere mural was also renovated.

#### Hamilton City Libraries

A new vibrant visual identity for Hamilton City Libraries was launched this year. Implementation commenced with the frontage of the Central Library building that now has a new bright and up-to-date appearance. This change alone has attracted wide positive comment and has spurred increased use of the facility. New library cards and information brochures using the new identity have also been produced.

A new strategic plan for libraries has been drafted and will be presented to Council in the 2002/03 financial year. The plan includes a range of initiatives that will ensure libraries continue in the future to provide relevant and up-to-date services.

Encompassed are a number of process improvement projects that will result in more new books arriving more quickly in the libraries. Significant developments in the area of information technology are also planned.

#### Waikato Museum Of Art And History

The draft of a new strategic plan for the Waikato Museum of Art and History was approved by Council. A subsequent independent study has demonstrated that strong support for the plan exists in the community. The plan sets out to make a difference in the community by "making our region renowned for its rich cultural heritage and artistic vibrancy. The Waikato Museum of Art and History, the place to visit". The plan contains a number of significant projects. These include; the development of a state of the art permanent history exhibition, improvements in collection storage, and the implementation of a new approach to customer service.

A rich and varied programme of exhibitions has been provided. This has included works from local and international artists within a mix of visual art, history and ethnology. In particular, the museum presented *Magnum: our turning world*, a major photographic exhibition toured internationally by Magnum Photos, London. Marking their 50 year anniversary, the exhibition was both poignant and challenging in its view of our world at the beginning of the new millennium. Also exhibited at Te Papa and the Dunedin Public Art Gallery, the exhibition was voted by the New Zealand Listener readers as the most important exhibition of 2001. The exhibition attracted over 14,000 visitors to the museum, of whom more than two thirds were from outside the city.

### ArtsPost

In total 29,462 people visited ArtsPost to view the 61 exhibitions that were hosted during the year. Two successful Artist in Residence programmes have been conducted. These have both resulted in installations that have attracted wide positive comment from visitors to ArtsPost.

A series of arts and crafts markets Second Sunday @ The Southend, has been instituted. These have attracted significant numbers of visitors to the ArtsPost and museum complex.

### EXSCITE

Excite has just completed its most successful year ever in terms of visitor numbers. Two excellent

exhibitions in particular have raised the profile of the centre and resulted in record visitor numbers. Excite is increasing in popularity, with about 39,000 visitors through the door in 2001/02. This is an increase of almost 10,000 visitors compared with the last two years, and is the result of good exhibition selection, supported by marketing to spread the word.

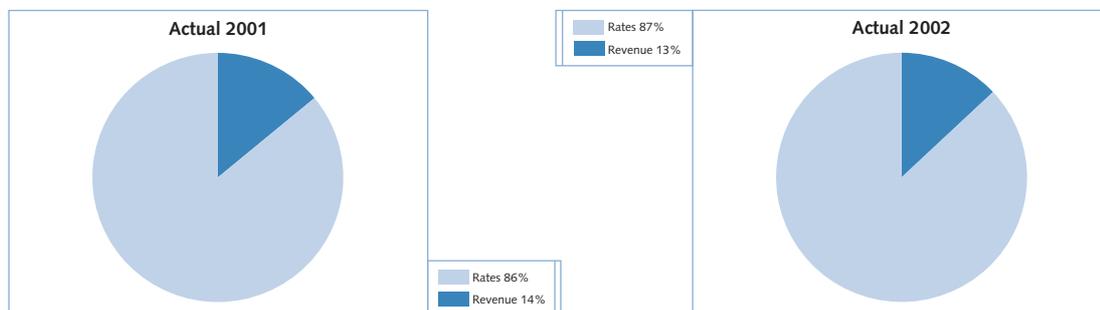
The two exhibitions that really made the difference were Out of the Toy Box, and Special FX2. Out of the Toy Box was a particular success because it was designed and created in-house, and has been highly acclaimed at other national centres. The Excite team believes they can build on that success and see further improvements in the next few years.

## ARTS AND CULTURE

### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                                   | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-----------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>     |                      |                      |
| 2,421                | Theatre Services                  | 2,010                | 1,768                |
| 2,832                | Waikato Museum of Art and History | 3,114                | 3,000                |
| 205                  | ArtsPost                          | 222                  | 216                  |
| 629                  | Excite                            | 674                  | 620                  |
| 5,480                | Libraries                         | 6,322                | 5,890                |
| <b>11,567</b>        | <b>Total Expenditure</b>          | <b>12,342</b>        | <b>11,494</b>        |
|                      | <b>Less Revenue</b>               |                      |                      |
| 582                  | Theatre Services                  | 626                  | 534                  |
| 241                  | Waikato Museum of Art and History | 191                  | 118                  |
| 7                    | ArtsPost                          | 10                   | 4                    |
| 129                  | Excite                            | 155                  | 174                  |
| 339                  | Library Rental Collection Fees    | 171                  | 335                  |
| 354                  | Library Fees and Charges          | 482                  | 318                  |
| <b>1,652</b>         | <b>Total Revenue</b>              | <b>1,635</b>         | <b>1,483</b>         |
| <b>9,915</b>         | <b>Net Cost Of Service</b>        | <b>10,707</b>        | <b>10,011</b>        |
| <b>2,092</b>         | <b>Capital Expenditure</b>        | <b>1,699</b>         | <b>1,859</b>         |

### Cost of service funded by:



## HAMILTON THEATRE SERVICES

### Description

Theatre services provide the city with the management and operation of three dissimilar live performance venues, being Founders Memorial Theatre, WestpacTrust Community Theatre and The Meteor, in a quality, affordable and accessible manner, to enhance the recreation and cultural environment of

the city. These venues cater for a diverse range of entertainment from community presentations to commercial and professional events using a range of spaces within the venues. Theatre services also provides specialised theatre equipment and professional services for the presentation of events within the community.

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1             | To provide quality performance facilities and services to meet the needs of live performance and events in Hamilton, through the management of three performance venues served by centralised management and ticketing systems. | <p>'As expected or better' rating for overall quality of service delivery by clients maintained for all venues at 92% or greater in 2001/02 as measured by performance reports.</p> <p>Combined percentage occupancy days for all Theatre Services venues of 50% achieved for 2001/02.</p> <p>User satisfaction measure for theatres maintained at 72 or greater, as measured by Council's 2002 Annual Residents Survey.</p> | <p>A 92% rating was achieved for overall quality of service delivery as measured by performance reports.</p> <p>A 50.96% combined percentage occupancy days for all Theatre Services venues was achieved for 2001/02.</p> <p>A user satisfaction measure of 63 for The Meteor was achieved.<br/>A user satisfaction measure of 73 for the WestpacTrust Community Theatre was achieved.<br/>A user satisfaction measure of 77 for the Founders Memorial Theatre was achieved.</p> |
| 2             | To protect ratepayers' investment by undertaking annual maintenance and compliance checks of theatre operational equipment, as specified by electrical regulations and mechanical safety codes of practice.                     | <p>Checked 100% of inventory of operational equipment at all Theatre Services venues by 30 June 2002.</p> <p>Installation and commissioning of new lighting equipment and a cyclorama backdrop at WestpacTrust Community Theatre by October 2001.</p>  | <p>100% of the operational equipment inventory at all Theatre Services venues was checked prior to 30 June 2002.</p> <p>The new PVC cyclorama was installed in October 2001.<br/>18 Strand SL600 light fittings arrived in November and were installed in December 2001 at WestpacTrust Community Theatre.</p>   |
| 2 & 4         | To increase TICKETEK business levels.   | <p>Combined total patronage for Theatre Services venues of 135,000 was achieved for 2001/02.</p> <p>Booking office income maintained at \$101,000 or greater in 2001/02.</p>   | <p>The combined total patronage for Theatre Services venues was 143,000 for 2001/02.</p> <p>Booking office income was \$123,943 for 2001/02.</p>   |

## LIBRARIES

### Description

The city offers library services at the Central Library in Garden Place and at five satellite libraries located at Chartwell, Dinsdale, Glenview, Hillcrest, and St Andrews. The libraries provide a range of books and other materials that enhance the recreational, educational and cultural environment of the city. The libraries contribute significantly towards the intellectual

and commercial development of the city, by assisting people with lifelong, informal learning through the use of its lending and information resources and services. In addition to core reference and information services, extensive use is made of the libraries by the community for social and recreational reasons.

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1             | To enhance services to customers by providing after hours book drop facilities at all libraries.             | After-hours book drop facilities installed at all libraries by 30 June 2002.  | After-hours book drop facilities were installed at all community libraries, and one is planned for the central library.  |
| 1, 2 & 4      | To actively care for, preserve and make available archives of significance to the city's heritage.           | Professional archivist appointed to city and community archives position by 30 June 2002.   | A professional archivist took up duties in January 2002 and is currently working on the establishment of the Council and community archive.  |
| 1, 2          | To maintain and develop a libraries environment that delivers excellent resources and services to customers. | <p>Library material issues maintained at 1.5 million items in 2001/02.</p> <p>Active registered borrowers maintained at 60,000 in 2001/02.</p> <p>Visits to the central library maintained at 450,000 in 2001/02.</p> <p>User satisfaction measure for the central library maintained at 86 or greater and for your branch library at 80 or greater, as measured by Council's 2002 Annual Residents Survey.</p> | <p>Library issue rates were maintained at around the 1.5 million level (1,477,894) for 2001/02.</p> <p>The number of active registered borrowers increased to 67,469 by June 2002.</p> <p>442,001 visits were made to the central library.</p> <p>A user satisfaction measure of 86 for the central library was achieved.</p> <p>A user satisfaction measure of 80 for your branch library was achieved.</p> |

## WAIKATO MUSEUM OF ART AND HISTORY

### Description

The Waikato Museum of Art and History, Te Whare Taonga o Waikato, enriches the recreational, intellectual and cultural life of the city by providing a broad-based programme of exhibitions with associated activities and professional services for the benefit and enjoyment of people of all ages.

The museum's collections focus on the growth and

development of the city and the Waikato region and constitute a major part of our national cultural heritage. They also include Beale Cottage, the Rangiriri, public art and sculptures.

ArtsPost (a community arts facility) and the Exscite Science Centre are also part of the Museum organisation and operation.

| Council Goals | Objectives   | Performance Measures   | Results   |
|---------------|--|--|---|
| 1             | To increase the number of temporary exhibitions that draw on the museum's resources.   | Exhibitions and projects based on the collection increased by 50% over the previous year.  | Seven out of a total of 24 exhibitions (29%) held in 2001/02 included material from the museum's collections. This represents a 9% increase over the previous year.   |
| 1             | To complete a management plan for Beale Cottage including the refurbishment and use of the building and the development of the garden. | Management plan for Beale Cottage completed by October 2001.<br><br>Garden project for Beale Cottage completed by June 2002.   | Planning for the development of the management plan for Beale Cottage has not been completed. It will be completed by the end of June 2003.<br><br>The development of the garden project for Beale Cottage has been postponed pending completion of the management plan for the building.   |
| 1 & 4         | To research and develop at least one national touring exhibition.  | National touring exhibition opened at Waikato Museum of Art and History by June 2002.  | 'Revisionist Paintings' by Tony de Lautour, an exhibition developed by the Waikato Museum of Art and History, has begun a national tour where it will be presented in a number of centres.  |
| 1 & 4         | To increase the usage of the Waikato Museum of Art and History.  | Usage measure for the Waikato Museum of Art and History increased from 46% to 57%, as measured by Council's 2002 Annual Residents Survey.<br><br>Feasibility study completed to provide public access to the museum's collection by 30 June 2002.<br><br>User satisfaction measure for the Waikato Museum of Art and History increased from 73 to 79, as measured by Council's 2002 Annual Residents Survey. | A usage measure of 44% for the Waikato Museum of Art and History was achieved. However, 92,272 people visited the museum in 2001/00. This represents a 21% increase on the previous year.<br><br>A feasibility study to provide public access to the museum's collection has not been completed due to the need to first improve the collection storage area. The study has, however, been included in the strategic plan for the museum and is now scheduled for 2003/04.<br><br>A user satisfaction measure of 78 for the Waikato Museum of Art and History was achieved. |

## ARTSPOST

### Description

ArtsPost is a community arts facility adjacent to the Waikato Museum of Art and History. Its purpose is to encourage, support and promote the arts in Hamilton.

Waikato Society of Arts and volunteers); and the leased office of the Hamilton Community Arts Council (HCAC) which administers funding from Creative New Zealand.

The ArtsPost building contains: a community meeting room; an Artist in Residence Studio; art studios leased by the Waikato Society of Arts School of Art (WSA); the ArtsPost Galleries (operated by contract with the

ArtsPost is jointly administered by a management committee of representatives from the Waikato Museum of Art and History, the Waikato Society of Arts and the Hamilton Community Arts Council.

| Council Goals | Objectives  | Performance Measures   | Results  |
|---------------|---|--|--|
| 1             | To provide a venue that is appropriate for use by arts groups in the community and to oversee the leases and gallery operating contracts. | The leases and gallery agreement reviewed by August 2001.<br><br>User satisfaction measure for ArtsPost maintained at 79 or greater as measured by Council's 2002 Annual Residents Survey. | The lease and gallery agreements for ArtsPost were reviewed by November 2001 and signed in May 2002.<br><br>A user satisfaction measure of 78 for ArtsPost was achieved. |
| 1 & 4         | To manage the artist in residence programme in co-operation with other venture partners.  | Sponsorship received for at least one artist in residence by June 2002.  | External sponsorship for two artist in residence programmes was secured by June 2002.  |

## EXSCITE

### Description

The Exscite Science Centre, adjacent to the Waikato Museum of Art and History, exists to promote and popularise science and technology.

| Council Goals | Objectives   | Performance Measures  | Results  |
|---------------|--|---|--|
| 1 & 5         | To provide science and technology-based education workshops to pre-school, primary and secondary students. | Participation in Exscite's approved public programmes maintained at 12,000 for the year ending 30 June 2002.  | 13,709 people attended Exscite's public programmes, a 14% increase on the previous year.   |
| 1             | To promote and popularise science and technology through a medium of changing interactive displays.        | User satisfaction measure for Exscite maintained at 81 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Usage measure for Exscite increased from 29% to 32% as measured by Council's 2002 Annual Residents Survey. | A user satisfaction measure of 87 for Exscite was achieved.<br><br>A usage measure of 24% for Exscite was achieved. However, 38,806 people visited Exscite in 2001/02, representing a 31% increase on the previous year. |



Novotel Tainui Hotel.

## PARTNERSHIP WITH MAORI

### HIGHLIGHTS

A significant partnership exists between Council and Maori in the city.

Te Runanga O Kirikiriroa (TeROK) is an organisation representing Maori living in Hamilton. Council recognises TeROK represents Hamilton Maori on Article III issues of the Treaty of Waitangi.

A joint committee comprising the mayor, two councillors and TeROK's executive committee, has been established to allocate funding for Maori projects. This committee is charged with allocating the \$75,000 and monitoring progress of the funded

projects. Council also receives separate policy advice and service assistance on a wide range of issues affecting the Maori community.

Of particular significance in this relationship is the opportunity to increase Maori community participation in Council projects. The evolutionary nature of this relationship will ensure that the needs of the Maori community are more effectively addressed, through increased participation in policy development and decision-making.

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### PARTNERSHIP WITH MAORI

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
|                      | <b>Grants</b>                 |                      |                      |
| 158                  | Maori Development Grants      | 173                  | 172                  |
| 0                    | Maori Projects Grants         | 74                   | 75                   |
| <b>158</b>           | <b>Total Expenditure</b>      | <b>247</b>           | <b>247</b>           |
|                      |                               |                      |                      |
| <b>158</b>           | <b>Net Cost Of Service</b>    | <b>247</b>           | <b>247</b>           |
| <b>0</b>             | <b>Capital Expenditure</b>    | <b>0</b>             | <b>0</b>             |

#### Cost of service funded by:



## Description

In recognition of the principles of the Treaty of Waitangi, Council makes a contribution to the Maori community by way of assistance with Maori development. In recognition of Kingitanga, Council acknowledges the status of tangata whenua and regularly consults with them through Te Kauhanganui.

committee (comprising representatives of Council and the runanga) to allocate funding to, and monitor, Maori projects funded by Council. Council also contracts the provision of services and policy advice on urban Maori issues through Te Runanga O Kirikiriroa.

Council is in partnership with Te Runanga O Kirikiriroa, which embodies a commitment by both parties to work toward a strong community for all people. The partnership provides for the operation of a joint

Council also recognises Nga Mana Toopu O Kirikiriroa (NaMTOK) as the representative of Waikato iwi with regard to natural and physical resource management issues under the Resource Management Act 1991.

| Council Goals | Objective   | Performance Measures   | Results   |
|---------------|---|--|---|
| 1 & 4         | To promote and strengthen the partnership between Council and tangata whenua. | <p>The distribution of the Maori projects fund by Te Runanga O Kirikiriroa monitored six-monthly.</p> <p>An orientation programme completed by Te Runanga O Kirikiriroa with councillors on the Treaty of Waitangi, local history, Te Reo, and marae protocol by 1 April 2002.</p> <p>The outcome of a joint working party of Council and Te Runanga on Maori representation/ electoral options presented to Hamilton City Council by 31 September 2001.</p> | <p>Te Runanga O Kirikiriroa only conducted a single funding round in 2001/02. A total of \$91,305.50 was distributed to 18 groups working with Maori and Pacific Islanders in the community. The funding process was monitored through a councillor participating with the funding allocation committee, and through the receipt of a report detailing the applications made, the evaluation process adopted, and the grants allocated. This was undertaken at the conclusion of the funding allocation process.</p> <p>Council commenced planning towards the proposed orientation programme in February 2001. However, the programme was not completed by 1 April 2002. The orientation and training process for councillors will be undertaken during 2002/03.</p> <p>The joint working party met during 2001, and reported its recommendations to the strategic planning and policy co-ordination committee in September 2001. The working party recommended that Council consider the adoption of STV as its preferred electoral system. This recommendation was adopted by Council on 3 October 2001.</p> |



The Mayoral Wing.

## REPRESENTATION AND CIVIC AFFAIRS

### HIGHLIGHTS

#### Elections

Hamilton City Council held the triennial election for the mayor and councillors during October 2001, in addition to conducting the elections for the Hamilton constituencies of Environment Waikato and the Waikato District Health Board. A comprehensive communication programme was carried out at the time of the triennial local authority election. The communication involved providing information to potential candidates and voters. The Council's website was used extensively as a communication tool and recorded 8,391 visits to the site during October 2001. Other communication initiatives included extensive radio advertising, newspaper feature articles, and modified election hoardings promoting the election and encouraging electors to vote.

#### Citizenship Ceremonies

A total of 683 people became new citizens of New Zealand at Hamilton's four citizenship ceremonies during the year. In comparison, there were 844 people in the previous year. Forty-five nationalities were represented in 2001/02. The attendance rate of the new citizens invited for the ceremonies was 97.8 per cent.

#### Internet Website

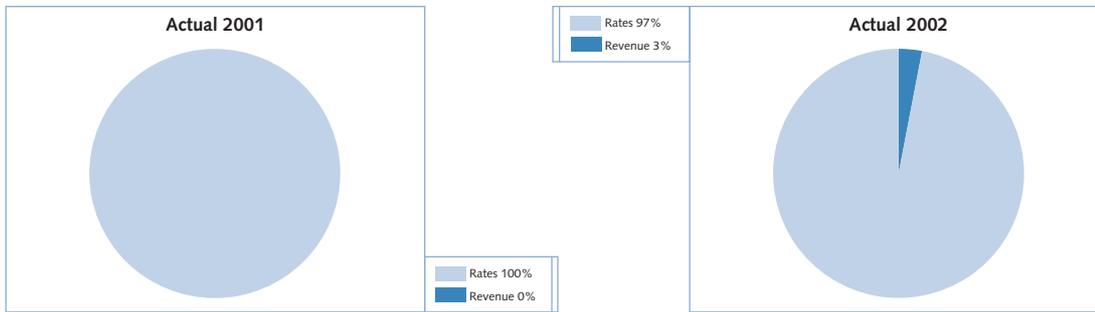
There has been significant growth in the number of visits to the Hamilton City Council website [www.hcc.govt.nz](http://www.hcc.govt.nz) during the 2001/02 year. The year ended with visits at approximately 7000 per month, compared to 3000 per month in the previous year. An increased amount of information has been made available on the website.

### REPRESENTATION AND CIVIC AFFAIRS

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
| 0                    | Elections                     | 276                  | 362                  |
| 2,175                | Councillor Services           | 2,463                | 2,348                |
| 1,557                | Mayoral Services              | 1,740                | 1,743                |
| 9                    | Sister Cities                 | 15                   | 20                   |
| <b>3,741</b>         | <b>Total Expenditure</b>      | <b>4,494</b>         | <b>4,473</b>         |
|                      | <b>Less Revenue</b>           |                      |                      |
| 0                    | Elections                     | 148                  | 226                  |
| 0                    | Sundry Income                 | 3                    | 0                    |
| <b>0</b>             | <b>Total Revenue</b>          | <b>151</b>           | <b>226</b>           |
| <b>3,741</b>         | <b>Net Cost Of Service</b>    | <b>4,343</b>         | <b>4,247</b>         |
| <b>9</b>             | <b>Capital Expenditure</b>    | <b>0</b>             | <b>0</b>             |

**Cost of service funded by:**



**Description**

Effective communication is essential for responsible local government, enabling Council to represent the best interests of the community, and to inform residents about its activities. This activity provides for the costs of Council's democratic and decision-making

processes, including elected members' remuneration, meetings, public consultation, communication and civic functions. Provision is also made for conducting any elections, as well as maintenance of the electoral roll.

| Council Goals | Objectives   | Performance Measures  | Results   |
|---------------|--|---|---|
| 4             | To keep the public informed about Council and city activities.                               | Council's free publication City News distributed to all households 11 times per year.<br><br>User satisfaction rating for City News maintained at 71 or greater, as measured by Council's 2002 Annual Residents Survey. | 11 monthly issues of City News were published and distributed free to all Hamilton households.<br><br>A user satisfaction measure of 74 for City News was achieved.   |
| 4             | To maintain the democratic process of local government as required by legislation.           | Annual plan, annual report and district plan produced in compliance with legislative requirements.  | Council's 2001/02 Annual Plan and 2000/01 Annual Report were completed within statutory timeframes, and in compliance with all relevant legislation. One hundred and thirty nine submissions were received to the 2001/02 Annual Plan. The Proposed District Plan is presently subject to References which are being resolved through either direct negotiation, mediation, or hearing before the Environment Court.<br><br>The October 2001 triennial elections undertaken within all legislative requirements and the preliminary results declared on the day that voting closed. A total of 78,674 voting papers were issued, with 36,863 returned during the three week voting period, resulting in a voting turnout of 46.9%. Progressive processing was used for the first time to process voting papers, and a preliminary result was declared at 3pm on polling day, significantly earlier than the 7pm results of previous elections. All legislative requirements of the Local Electoral Act 2001 were met. |
| 1 & 4         | To support the implementation of Council's policy and guidelines for community consultation. | Staff training programme for effective community consultation carried out by 30 June 2002.  | Advice and support to staff undertaking community consultation was provided on request. Specialist training in consultation models and facilitation techniques, such as participatory appraisal and open space technique, was provided to staff.  |
| 4             | To issue decisions on submissions to the Proposed District Plan.                             | Decisions issued on submissions to the Proposed District Plan by October 2001.  | Council completed the hearing of submissions and further submissions to its Proposed District Plan in October 2001. Decisions were publicly notified on 27 October 2001.  |



Live camera shot of Victoria Bridge.

# ECONOMIC DEVELOPMENT AND MARKETING

## HIGHLIGHTS

### Economic Development Strategy

Council supported two major projects in 2001/02 as part of its endorsement for the city's economic development strategy. These were:

- The rebranding of the Economic Development Forum as Business2Hamilton with the establishment of its own website [www.b2h.co.nz](http://www.b2h.co.nz).
- Support of the Innovation Park as the single most important initiative to progress a life sciences research strategy. As a consequence the Innovation Park was able to employ a fulltime chief executive officer and secure a promise of funding from Industry New Zealand, the WEL Energy Trust, and Council.

### Events Sponsorship

Three of Hamilton's icon events, which have been developing over a number of years, are now the largest events of their kinds in the country. Vodafone X-Air, The National Motorshow and Balloons Over Waikato all grew substantially in 2001/02. These events were strongly supported by Council's Events Sponsorship Fund.

### Visitor Information Centre

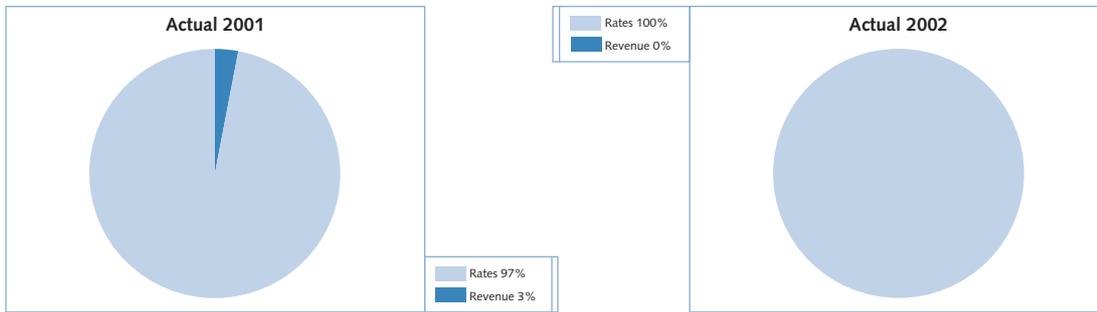
Following the relocation to the new Hamilton Transport Centre in January 2001, the Visitor Information Centre has continued to experience much greater interaction with the public. There were 159,400 desk enquiries in 2001/02, which was an increase of 30 per cent over the previous year.

## ECONOMIC DEVELOPMENT AND MARKETING

### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |                               | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|-------------------------------|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b> |                      |                      |
|                      | <b>Grants</b>                 |                      |                      |
| 218                  | Enterprise Hamilton Grant     | 218                  | 218                  |
| 351                  | Tourism Waikato Grant         | 357                  | 357                  |
| 537                  | Events Sponsorship Fund       | 439                  | 415                  |
| 63                   | Economic Development Forum    | 62                   | 62                   |
| 0                    | Hamilton City Banners         | 24                   | 50                   |
| <b>1,169</b>         | <b>Total Expenditure</b>      | <b>1,100</b>         | <b>1,102</b>         |
|                      | <b>Less Revenue</b>           |                      |                      |
| 36                   | Sponsorship                   | 0                    | 0                    |
| <b>36</b>            | <b>Total Revenue</b>          | <b>0</b>             | <b>0</b>             |
| <b>1,133</b>         | <b>Net Cost Of Service</b>    | <b>1,100</b>         | <b>1,102</b>         |
| <b>0</b>             | <b>Capital Expenditure</b>    | <b>0</b>             | <b>0</b>             |

**Cost of service funded by:**



**Description**

Marketing and economic development are key components in creating a positive image for Hamilton, positioning the city as a great place to live, work and play, and producing economic and cultural benefits for the community. This area of activity supports Council's commitment to economic development and marketing programmes, which assist the organisation to achieve its strategic goals.

| Council Goal | Objectives   | Performance Measures   | Results  |
|--------------|--|--|--|
| 5            | To support, assist and contribute towards the funding of approved organisations, to enable them to assist Council achieve its goal of developing a sound economic base for the city. | Worked with the Economic Development Forum to implement a specific project to communicate the economic development strategy (making Hamilton a world centre of life sciences) before June 2002.  | Council led a communication project to rebrand the Economic Development Forum as Business2Hamilton. Included in this project was the establishment of a specific website <a href="http://www.b2h.co.nz">www.b2h.co.nz</a> with the aim of communicating the city's economic development strategy. This strategy is aimed at taking greater advantage of Hamilton's strength as a centre for agricultural research.   |
| 5            | To support, assist or contribute towards city events which have an economic benefit, create a strong and vibrant city, and grow as icons of the city over time.                      | Allocated at least 20% of the Event Sponsorship Fund to the growth or development of significant "icon" events for the city before 30 June 2002.   | The Vodafone X Air, National Motorshow and Balloons Over Waikato events combined together received 30% of the funds allocated by the Event Sponsorship Committee of Council.   |
| 5            | To provide regular information to existing and potential business stakeholders on economic indicators in Hamilton city.  | Produced two six-monthly calendars that promote Hamilton events to tourism, events businesses and overseas markets, and a monthly publication that lists events in the city and is available from all Council facilities.<br><br>Usage of the Hamilton City Council website at 10%, of people with internet access, as measured by Council's 2002 Annual Residents Survey.<br><br>User satisfaction measure for Hamilton City Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> maintained at 65 or greater, as measured by Council's 2002 Annual Residents Survey.<br><br>Hamilton city economic indicators monitoring information distributed quarterly and made available on the internet by 31 December 2001. | Two six-monthly event calendars were published and distributed.<br><br>A usage measure of 11% for the Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> was achieved.<br><br>A user satisfaction measure of 69 for the Hamilton City Council's website <a href="http://www.hcc.govt.nz">www.hcc.govt.nz</a> was achieved.<br><br>Economic monitoring information was distributed quarterly throughout the year and made available regularly on Council's website and the B2H website. |



Hamilton's latest strategic facility-the Hamilton Transport Centre.

## PROPERTY MANAGEMENT

### HIGHLIGHTS

Council purchased a new building through the Municipal Endowment Fund that is leased for a period of eight years to Sirva New Zealand Ltd, formerly known as Allied Worldwide. The building, which is achieving a 9 per cent net return, has a floor area of 2200m<sup>2</sup> and a nine-metre stud, making it as large as an aircraft hangar. Approximately half of the building is occupied by Allied Pickfords (specialists in household

and business relocations), while Pickfords Records and Information Managers, (providers of document storage, retrieval and destruction), occupy the balance. The building is situated on a 7655m<sup>2</sup> site on Avalon Drive at the north end of Te Rapa. In the medium term, the tenants anticipate the need for additional space, and this can be accommodated on the site, which has sufficient room for a second, similar sized building.

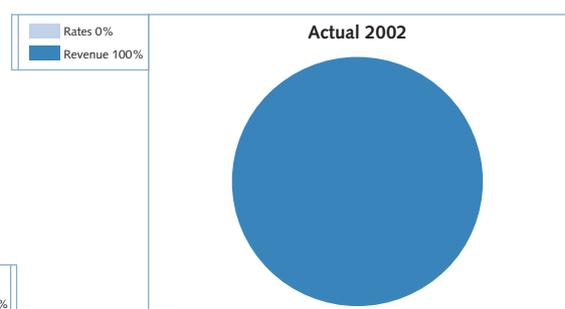
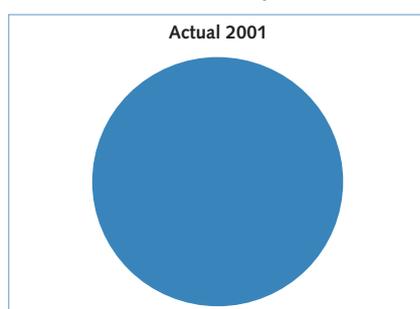
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### PROPERTY MANAGEMENT

#### Cost of service for the year ending 30 June 2002

| Actual 2001<br>\$000 |   | Actual 2002<br>\$000 | Budget 2002<br>\$000 |
|----------------------|---|----------------------|----------------------|
|                      | <b>Direct Operating Costs</b>           |                      |                      |
| 1,404                | Administration, Repairs and Maintenance | 2,156                | 1,268                |
| 1,404                | <b>Total Expenditure</b>                | 2,156                | 1,268                |
|                      | <b>Less Revenue</b>                     |                      |                      |
| 3,720                | Property Revenue                        | 3,969                | 3,948                |
| 3,720                | <b>Total Revenue</b>                    | 3,969                | 3,948                |
| (2,316)              | <b>Net Cost Of Service/(Revenue)</b>    | (1,813)              | (2,680)              |
| 5,036                | <b>Capital Expenditure</b>              | 1,890                | 0                    |

#### Cost of service funded by:



## Description

The property and risk management unit manages more than 350 city properties for Council and citizens of Hamilton for investment and other strategic purposes. The unit is required to have regard for the orderly development of the city, as well as the community interest and the strategic planning requirement of the city.

The Domain Endowment Fund is used for the improvement, development and creation of reserves,

and the Municipal Endowment Fund for commercial purchases, both of which are required to be invested in property in order to maximise the return to the city.

Properties range from small perpetual leases, Council owned and occupied buildings, Council owned and leased buildings, and stakes in significant city developments. The unit now carries out the management of all Council properties in-house.

| Council Goals | Objectives  | Performance Measures  | Results  |
|---------------|---|---|--|
| 2 & 4         | To manage properties owned and occupied by Council in a manner, which enables essential services to be delivered efficiently and effectively. | Developed asset maintenance plans for significant properties and planned maintenance for Council's properties based on funds allocated in the Annual Plan 2001/02.                    | Condition assessments were completed on all major buildings. A computerised asset management system is now operational with 11 preferred suppliers supporting the building maintenance programme. Further to this, a long-term renewals programme has been developed to assist in the maintenance of Council's building stock.   |
| 2             | To provide safe and healthy buildings by ensuring that they comply with the Building Act 1991.  | Ensured statutory compliance with the Building Act 1991 in respect of all Council owned buildings for the year ending 30 June 2002.   | All buildings are under contracted agreements for continued compliance with the Building Act 1991 and other relevant legislation.  |
| 3 & 5         | To manage the Endowment Fund properties to provide a return specified by the Endowment Fund Policy.   | Achieved a gross return of 8.9% on Endowment Fund properties, a 5% gross return from ground leases and an investment growth of 3% for the portfolio for the year ending 30 June 2002. | A net return of 10.85% was achieved on commercial properties within the Municipal Endowment Fund, which has been used to offset rates. Net returns have been used to track performance as this is considered a more appropriate way to show returns in a commercial portfolio. The buildings have remained nearly fully tenanted, which has seen the portfolio maintain its value with an increase in value over the past 12 months of 1.05%. A gross return of 5.06% has been achieved on the ground leases held within the municipal and domain funds. |
| 4             | To provide an efficient, multi-modal transport centre for the people of Hamilton and for visitors.  | User satisfaction measure for the Hamilton Transport Centre of 60 or greater, as measured by Council's 2002 Annual Residents Survey.  | A user satisfaction measure of 81 for the Hamilton Transport Centre was achieved.  |

## HAMILTON CITY - A PROFILE

| A SELECTION OF COMPARISONS (AS AT 30 JUNE)                   | 2001               | 2002                    |
|--|--------------------|-------------------------|
| <b>Population</b> (usually resident in Hamilton)             | 119,500 (est)      | 122,000 (est)           |
| <b>Housing</b> (number of permanent private dwellings)       | 43,617 (Mar)       | 44,295 (Mar est)        |
| <b>Employment</b> <sup>1</sup>                               | 51,370 (Feb)       | 53,920 (Feb)            |
| <b>Businesses</b> <sup>2</sup>                               | 9,078 (Feb)        | 9,150 (Feb)             |
| <b>Environment</b>   |                    |                         |
| Number of parks and gardens                                  | 122 (529 hectares) | 124 (541.2 hectares)    |
| Number of sports areas (NB. Duke St Park no longer included) | 57 (425 hectares)  | 59 (425.7 hectares)     |
| Number of play areas   | 75                 | 75                      |
| Number of swimming pools                                     | 3                  | 3                       |
| Walkways in parks and reserves                               | 44km               | 44km                    |
| Number of street trees                                       | 25,000 (est)       | 27,200 (est)            |
| <b>Infrastructure</b>  |                    |                         |
| Traffic bridges over Waikato River                           | 6                  | 6                       |
| Number of bridges <sup>3</sup>                               | 52                 | 55                      |
| Length of streets (road centreline length)                   | 530km              | 540km                   |
| Length of footpaths  | 827km              | 838km                   |
| Length of cycleways <sup>4</sup>                             | 16.6km             | 25km                    |
| Length of wastewater pipes                                   | 698km              | 711km                   |
| Length of stormwater pipes                                   | 547km              | 559km                   |
| Length of open stormwater drains                             | 86km               | 86km                    |
| Length of water pipes  | 892km              | 914km                   |
| <b>Refuse Disposal</b> (deposited at the Horotiu Landfill)   |                    |                         |
| City   | 77,104 tonnes      | 84,934 tonnes (June 02) |
| Other areas <sup>5</sup>                                     | 18,242 tonnes      | 17,124 tonnes (June 02) |
| <b>Rating</b>  |                    |                         |
| Rating System  | Land Value         | Land Value              |
| Rateable properties (all excluding not rated)                | 44,944 (July)      | 45,991 (July)           |
| Rateable land value (all excluding not rated)                | \$3,321m (July)    | \$3,363m (July)         |
| Rateable capital value (all excluding not rated)             | \$8,546m (July)    | \$9,483m (July)         |
| Date of city revaluation                                     | 1 Sept 2000        | 1 Sept 2000             |
| <b>Net City Debt</b> (including internal borrowing)          | \$104.5m           | \$106.4m                |
| <b>Years Of Rate Revenue To Repay</b>                        |                    |                         |
| <b>Net City Debt</b> (including internal borrowing)          | 1.69 years         | 1.66 years              |
| <b>Rates Revenue</b>   | \$61.5m            | \$64.0m                 |

- 1 Full-time equivalents (i.e., the total number of full-time employees and working proprietors plus half of the number of part-time employees and working proprietors. Those working less than 30 hours per week are defined to be part-time).
- 2 Business birthing practice changes mean that valid comparisons cannot be made between 2001 and previous year's data.
- 3 'Bridges' includes traffic bridges, large culverts, and pedestrian bridges/underpasses.
- 4 Includes on-road and off-road cycling facilities.
- 5 Includes waste from other districts.

Hamilton has an excellent range of well kept playgrounds.

# FINANCIAL STATEMENTS



# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002 (IN \$'000)

| Council & Consolidated Net Expenditure 2001  | Services Provided   | Note        | Council & Consolidated Revenue 2002 | Council & Consolidated Expenditure 2002 | Council & Consolidated Net Expenditure 2002 | Council & Consolidated Net Budget 2002 |
|--|---|-------------|-------------------------------------|---|---|--|
| <b>SIGNIFICANT ACTIVITIES</b>                |   |             |                                     |   |   |  |
| 7,134  | Environment   |             | 1,257                               | 9,384                                   | 8,127                                       | 8,025                                  |
| 3,357  | Water Supply  |             | 2,633                               | 6,279                                   | 3,646                                       | 3,341                                  |
| 8,305  | Wastewater  |             | 772                                 | 9,550                                   | 8,778                                       | 9,460                                  |
| 3,677  | Stormwater  |             | 6                                   | 3,802                                   | 3,796                                       | 4,090                                  |
| 2,832  | Refuse  |             | 7,003                               | 10,042                                  | 3,039                                       | 4,651                                  |
| 14,557                                       | Roads and Traffic   |             | 4,487                               | 22,246                                  | 17,759                                      | 14,875                                 |
| 2,320  | Health, Order and Safety  |             | 3,409                               | 5,528                                   | 2,119                                       | 1,897                                  |
| 4,597  | Community Support   |             | 2,756                               | 7,791                                   | 5,035                                       | 5,053                                  |
| 4,735  | Recreation and Leisure  |             | 2,889                               | 10,005                                  | 7,116                                       | 6,828                                  |
| 9,915  | Arts and Culture  |             | 1,635                               | 12,342                                  | 10,707                                      | 10,011                                 |
| 158  | Partnership with Maori  |             | 0                                   | 247                                     | 247   | 247                                    |
| 3,741  | Representation and Civic Affairs                                  |             | 151                                 | 4,494                                   | 4,343                                       | 4,247                                  |
| 1,133  | Economic Development and Marketing                                |             | 0                                   | 1,100                                   | 1,100                                       | 1,102                                  |
| (2,316)                                      | Property Management   |             | 3,969                               | 2,156                                   | (1,813)                                     | (2,680)                                |
| (522)  | Net Off of Interest on Internal Borrowing                         | 12          | 0                                   | (771)                                   | (771)                                       | (653)                                  |
| <b>63,623</b>                                | <b>Subtotal</b>   | <b>1, 2</b> | <b>30,967</b>                       | <b>104,195</b>                          | <b>73,228</b>                               | <b>70,494</b>                          |
| 167  | Loss/(Gain) on Revaluation/Disposal of Investments                | 3           |                                     |   | 227   | 0                                      |
| 172  | Prior Year Adjustments  |             |                                     |   | 0   | 0                                      |
| 179  | Sundry Expenditure  |             |                                     |   | 362   | 127                                    |
| <b>64,141</b>                                | <b>Total</b>  |             |                                     |   | <b>73,817</b>                               | <b>70,621</b>                          |
| <b>GENERAL REVENUES</b>                      |   |             |                                     |   |   |  |
| 61,477                                       | Rates (including penalties, service charges and rates remissions) |             |                                     |   | 64,045                                      | 63,851                                 |
| 886  | Petrol Tax  |             |                                     |   | 899   | 900                                    |
| 1,421  | Investment Income   |             |                                     |   | 586   | 725                                    |
| 76   | Sundry Revenue  |             |                                     |   | 123   | 0                                      |
| 3  | Dividends and Share of Profits                                    |             |                                     |   | 1   | 15                                     |
| <b>63,863</b>                                | <b>Total General Revenues</b>                                     | <b>2</b>    |                                     |   | <b>65,654</b>                               | <b>65,491</b>                          |
| <b>REVENUE ASSIGNED TO ASSET DEVELOPMENT</b> |   |             |                                     |   |   |  |
| 4,774  | Transfund NZ Capital Subsidies                                    |             |                                     |   | 2,363                                       | 3,775                                  |
| 3,139  | Other Capital Contributions                                       | 2           |                                     |   | 3,496                                       | 2,019                                  |
| 5,339  | Contributions - Fixed Assets Vested                               |             |                                     |   | 31,353                                      | 24,886                                 |
| <b>13,252</b>                                | <b>Total Revenue Assigned To Asset Development</b>                | <b>2</b>    |                                     |   | <b>37,212</b>                               | <b>30,680</b>                          |
| 12,974                                       | Surplus Before Tax  |             |                                     |   | 29,049                                      | 25,550                                 |
| (3)  | Tax Expense/(Tax Credit)  | 4           |                                     |   | 0   | 0                                      |
| <b>12,977</b>                                | <b>Net Surplus After Tax</b>                                      | <b>3</b>    |                                     |   | <b>29,049</b>                               | <b>25,550</b>                          |

The accompanying accounting policies and notes form part of these financial statements.

## EXPLANATION OF COUNCIL NET SURPLUS AFTER TAX AND MAJOR VARIANCES FROM BUDGET

Council made a net surplus after tax of \$29.0m which is an increase of \$3.4m over the budgeted net surplus after tax of \$25.6m.

The major reasons for this favourable variance were: additional level of assets vested to Council \$6.5m, higher contribution from subdividers \$1.3m and operational savings.

The total value of the Waikato Stadium and WestpacTrust Park vested to Council during the year was \$21.2m. Major items offsetting these favourable variances were: lower level of Transfund subsidies received (\$1.4m), and the increase in the depreciation charge.

As a result of the revaluation of assets at 1 July 2001, there were two categories of assets that had significant increases in depreciation compared to budget. Operational buildings were broken down to component levels (previously held as one structure) which resulted in shorter useful lives and a higher depreciation charge. Roads and traffic network assets were reviewed to better reflect the remaining service potential, resulting in shorter useful lives and a higher depreciation charge.

# STATEMENT OF MOVEMENTS IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2002 (IN \$000)

| Council & Consolidated Actual 2001 |  | Note | Council & Consolidated Actual 2002 | Council & Consolidated Budget 2002 |
|------------------------------------|--|------|------------------------------------|------------------------------------|
| 1,263,547                          | Opening Equity   |      | 1,277,647                          | 1,307,432                          |
| 0                                  | Adjustment for recognition of Heritage Assets              | 8    | 21,951                             | 0                                  |
| 0                                  | Adjustment for recognition of Landfill Aftercare Provision | 14   | (1,982)                            | 0                                  |
| 1,263,547                          | Adjusted Opening Equity                                    |      | 1,297,616                          | 1,307,432                          |
| 12,977                             | Net Surplus After Tax                                      |      | 29,049                             | 25,550                             |
| 1,123                              | Net Increase/(Decrease) in Revaluation Reserves            | 5    | 188,746                            | 0                                  |
| 14,100                             | Total Recognised Revenues And Expenses For The Period      |      | 217,795                            | 25,550                             |
| 1,277,647                          | Closing Equity   | 5    | 1,515,411                          | 1,332,982                          |

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2002 (IN \$000)

| Council & Consolidated Actual 2001 |   | Note | Council & Consolidated Actual 2002 | Council & Consolidated Budget 2002 |
|------------------------------------|---|------|------------------------------------|------------------------------------|
| <b>RATEPAYERS' EQUITY</b>          |   |      |                                    |                                    |
| 1,219,897                          | Accumulated Funds                           | 5    | 1,277,613                          | 1,332,982                          |
| 31,316                             | Revaluation Reserves                        | 5    | 220,062                            | 0                                  |
| 5,354                              | Restricted Reserves                         | 5    | 3,492                              | 0                                  |
| 21,080                             | Council Created Reserves                    | 5    | 14,244                             | 0                                  |
| <b>1,277,647</b>                   | <b>Total Ratepayers' Equity</b>             |      | <b>1,515,411</b>                   | <b>1,332,982</b>                   |
| <b>ASSETS</b>                      |   |      |                                    |                                    |
| <b>Current Assets</b>              |   |      |                                    |                                    |
| 221                                | Cash and Bank                               | 9    | 70                                 | 0                                  |
| 8,030                              | Investments                                 | 6    | 2,111                              | 1,614                              |
| 6,179                              | Accounts Receivable and Prepaid Expenditure | 7    | 7,575                              | 7,000                              |
| 447                                | Inventories                                 |      | 424                                | 350                                |
| 24                                 | Mortgages                                   |      | 11                                 | 30                                 |
| 2,222                              | Properties for Resale                       | 8    | 2,555                              | 0                                  |
| <b>17,123</b>                      | <b>Total Current Assets</b>                 |      | <b>12,746</b>                      | <b>8,994</b>                       |
| <b>Non-Current Assets</b>          |   |      |                                    |                                    |
| 706                                | Properties for Resale                       | 8    | 1,150                              | 0                                  |
| 85                                 | Mortgages                                   |      | 28                                 | 100                                |
| 29,778                             | Investment Properties                       | 8    | 31,510                             | 34,000                             |
| 13,812                             | Investments                                 | 6    | 13,214                             | 13,766                             |
| 1,331,249                          | Fixed Assets                                | 8    | 1,580,266                          | 1,397,183                          |
| <b>1,375,630</b>                   | <b>Total Non-Current Assets</b>             |      | <b>1,626,168</b>                   | <b>1,445,049</b>                   |
| <b>1,392,753</b>                   | <b>Total Assets</b>                         |      | <b>1,638,914</b>                   | <b>1,454,043</b>                   |
| <b>LIABILITIES</b>                 |   |      |                                    |                                    |
| <b>Current Liabilities</b>         |   |      |                                    |                                    |
| 0                                  | Bank Overdraft                              | 9    | 0                                  | 300                                |
| 14,044                             | Accounts Payable and Income in Advance      | 10   | 16,140                             | 10,000                             |
| 2,976                              | Employee Entitlements                       | 11   | 3,045                              | 2,500                              |
| 10,792                             | Term Liabilities                            | 12   | 3,656                              | 12,595                             |
| 0                                  | Finance Lease Liabilities                   | 13   | 90                                 | 0                                  |
| <b>27,812</b>                      | <b>Total Current Liabilities</b>            |      | <b>22,931</b>                      | <b>25,395</b>                      |
| <b>Non-Current Liabilities</b>     |   |      |                                    |                                    |
| 1,394                              | Employee Entitlements                       | 11   | 1,453                              | 1,300                              |
| 85,900                             | Term Liabilities                            | 12   | 95,585                             | 94,366                             |
| 0                                  | Finance Lease Liabilities                   | 13   | 352                                | 0                                  |
| 0                                  | Landfill Aftercare Provision                | 14   | 3,182                              | 0                                  |
| <b>87,294</b>                      | <b>Total Non-Current Liabilities</b>        |      | <b>100,572</b>                     | <b>95,666</b>                      |
| <b>115,106</b>                     | <b>Total Liabilities</b>                    |      | <b>123,503</b>                     | <b>121,061</b>                     |
| <b>1,277,647</b>                   | <b>NET ASSETS</b>                           |      | <b>1,515,411</b>                   | <b>1,332,982</b>                   |

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The accompanying accounting policies and notes form part of these financial statements.



David Braithwaite  
Mayor  
17 September 2002



Tony Marrayatt  
Chief Executive  
17 September 2002

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2002 (IN \$000)

| Council &<br>Consolidated<br>Actual 2001    | Note   | Council &<br>Consolidated<br>Actual 2002 | Council &<br>Consolidated<br>Budget 2002 |
|---|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |  |  |  |
| <b>Cash was provided from:</b>              |  |  |  |
| 61,855                                      | Rates  | 64,273                                   | 63,851                                   |
| 4,402                                       | Rates - Environment Waikato                                | 4,650                                    | 4,600                                    |
| 882   | Petrol Tax   | 899                                      | 900                                      |
| 2,911                                       | Government Operating Subsidies and Grants                  | 2,180                                    | 3,501                                    |
| 25,550                                      | Fees, Rents and Charges                                    | 27,730                                   | 24,866                                   |
| 3,139                                       | Other Capital Contributions                                | 3,496                                    | 1,919                                    |
| 884   | Interest on Investments and Special Funds                  | 60                                       | 32                                       |
| 674   | Interest on Sinking Funds                                  | 589                                      | 1,346                                    |
| 23  | Dividends  | 10                                       | 15                                       |
| 42  | Income Tax Received  | 0  | 0  |
| <b>100,362</b>                              |  | <b>103,887</b>                           | <b>101,030</b>                           |
| <b>Cash was applied to:</b>                 |  |  |  |
| 4,402                                       | Rates Paid to Environment Waikato                          | 4,650                                    | 4,600                                    |
| 26,328                                      | Salaries and Wages   | 27,321                                   | 26,895                                   |
| 34,386                                      | Payments for Supplies and Services                         | 38,683                                   | 43,669                                   |
| 6,650                                       | Interest Paid  | 7,100                                    | 9,000                                    |
| 627   | Net GST Paid   | 817                                      | 0  |
| <b>72,393</b>                               |  | <b>78,571</b>                            | <b>84,164</b>                            |
| <b>27,969</b>                               | <b>Net Cash Inflow/(Outflow) from Operating Activities</b> | <b>25,316</b>                            | <b>16,866</b>                            |
|   | 15   |  |  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b> |  |  |  |
| <b>Cash was provided from:</b>              |  |  |  |
| 4,774                                       | Government Capital Subsidies and Grants                    | 2,363                                    | 3,380                                    |
| 52  | Sale of Fixed Assets                                       | 451                                      | 1,079                                    |
| 976   | Sale of Properties   | 284                                      | 0  |
| 7,579                                       | Mortgage Principal and Investments Withdrawn               | 5,713                                    | 0  |
| <b>13,381</b>                               |  | <b>8,811</b>                             | <b>4,459</b>                             |
| <b>Cash was applied to:</b>                 |  |  |  |
| 0   | Investments Made   | 0  | 466                                      |
| 61,040                                      | Purchase of Fixed Assets                                   | 37,478                                   | 33,809                                   |
| <b>61,040</b>                               |  | <b>37,478</b>                            | <b>34,275</b>                            |
| <b>(47,659)</b>                             | <b>Net Cash Inflow/(Outflow) from Investing Activities</b> | <b>(28,667)</b>                          | <b>(29,816)</b>                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b> |  |  |  |
| <b>Cash was provided from:</b>              |  |  |  |
| 16,439                                      | Loans Uplifted   | 22,447                                   | 10,993                                   |
| <b>16,439</b>                               |  | <b>22,447</b>                            | <b>10,993</b>                            |
| <b>Cash was applied to:</b>                 |  |  |  |
| 12,231                                      | Loan Repayments  | 19,898                                   | 4,918                                    |
| <b>12,231</b>                               |  | <b>19,898</b>                            | <b>4,918</b>                             |
| <b>4,208</b>                                | <b>Net Cash Inflow/(Outflow) from Financing Activities</b> | <b>2,549</b>                             | <b>6,075</b>                             |
| (15,482)                                    | Net Increase/(Decrease) in Cash Held                       | (802)                                    | (6,875)                                  |
| 16,354                                      | Plus Opening Cash Balance 1 July 2001                      | 872                                      | 8,189                                    |
| <b>872</b>                                  | <b>Closing Cash Balance 30 June 2002</b>                   | <b>70</b>                                | <b>1,314</b>                             |
| <b>Made up of:</b>                          |  |  |  |
| 651   | Investments at Call  | 0  | 1,614                                    |
| 221   | Cash and Bank  | 70                                       | 0  |
| 0   | Bank Overdraft   | 0  | (300)                                    |
| <b>872</b>                                  | <b>Closing Cash Balance 30 June 2002</b>                   | <b>70</b>                                | <b>1,314</b>                             |

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF COMMITMENTS

## AS AT 30 JUNE 2002 (IN \$'000)

This statement is a disclosure of projects contractually committed, projects authorised but not contractually committed, and operating lease commitments.

| Council &<br>Consolidated<br>2001                |  | Council &<br>Consolidated<br>2002 |
|--|--|-----------------------------------|
| <b>Contractual Commitments</b>                   |  |                                   |
| 2,948  | Community Services Group                               | 755                               |
| 1,910  | Corporate Group  | 82                                |
| 5,639  | Works and Services Group                               | 1,957                             |
| <b>10,497</b>                                    | <b>Total Contractual Commitments</b>                   | <b>2,794</b>                      |
| <b>Commitments Authorised But Not Contracted</b> |  |                                   |
| 297  | Chief Executive's Group                                | 3,151                             |
| 3,191  | Community Services Group                               | 4,337                             |
| 496  | Corporate Group  | 1,252                             |
| 14   | Environmental Services Group                           | 125                               |
| 3,921  | Works and Services Group                               | 8,022                             |
| <b>7,919</b>                                     | <b>Total Commitments Authorised But Not Contracted</b> | <b>16,887</b>                     |
| <b>18,416</b>                                    | <b>Total Capital Commitments</b>                       | <b>19,681</b>                     |
| <b>Operating Lease Commitments</b>               |  |                                   |
| 1,060  | Not later than one year                                | 1,072                             |
| 545  | Later than one year and not later than two years       | 788                               |
| 461  | Later than two years and not later than five years     | 428                               |
| 168  | Later than five years                                  | 160                               |
| <b>2,234</b>                                     | <b>Total Operating Lease Commitments</b>               | <b>2,448</b>                      |

The accompanying accounting policies and notes form part of these financial statements.

# STATEMENT OF ACCOUNTING POLICIES

## FOR THE YEAR ENDED 30 JUNE 2002

### REPORTING ENTITY

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Hamilton City Council is a territorial local authority governed by the Local Government Act 1974 (the Act). The financial statements of Hamilton City Council and Group are prepared in accordance with the requirements of Section 223E of the Act, which includes the requirement to comply with generally accepted accounting practice.

The financial statements cover all the activities of Hamilton City Council and its 100 per cent owned Local Authority Trading Enterprise (LATE), Hamilton Properties Ltd. As this LATE is non-trading, we have not disclosed Council and consolidated figures separately in the financial statements.

### MEASUREMENT BASE

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The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain fixed assets.

### ACCOUNTING POLICIES

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The following accounting policies, which materially affect the measurement of results and financial position, have been applied:

#### 1. Consolidation

The results of Hamilton Properties Ltd have been consolidated using the purchase method. The company's balance date is 30 June. The company is inactive.

#### 2. Equity Accounting

The results of Waikato Regional Airport Ltd, Pirongia Mountain Afforestation Committee, and Hamilton Riverview Hotel Ltd (Novotel), a joint venture company, have been reflected in the financial statements on an equity accounting basis. This method shows the share of surpluses/deficits in the Statement of Financial Performance and the original investment updated for the share of post-acquisition increases/decreases in net assets in the Statement of Financial Position.

#### 3. Revenue Recognition

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis. Transfund roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council (with or without conditions) are recognised as revenue when control over the assets is obtained.

#### 4. Goods and Services Tax (GST)

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

#### 5. Taxation Expense

Income tax expense is charged in the Statement of Financial Performance in respect of the current year's surplus, after allowing for permanent differences.

Deferred taxation is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are recognised only when there is virtual certainty of realisation.

## 6. Fixed Assets, Investment Properties and Properties for Resale

These assets consist of:

### **Operational Assets**

These include land, buildings, improvements, plant and equipment, vehicles, library books and zoo animals.

### **Restricted Assets**

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

### **Heritage Assets**

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

### **Infrastructural Assets**

These are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function.

### **Investment Properties and Properties for Resale**

These are investment properties owned by Council, funded either from Corporate Funds, the Domain Sales Endowment Fund or the Municipal Crown Endowment Fund. Council properties surplus to requirements are identified as properties for resale.

### **Valuation**

Assets have been valued in accordance with FRS-3 as follows:

**Operational Buildings** were revalued by Beca Valuations Ltd effective 1 July 2001 at market value where possible otherwise depreciated replacement cost.

**Plant and Equipment** (excluding vehicles) were revalued by Beca Valuations Ltd effective 1 July 2001 at market value where possible otherwise depreciated replacement cost.

**Vehicles** are recorded at cost less depreciation.

**Library Books** were valued at cost by Council's professionally qualified library staff at 30 June 1992 ('deemed cost'). Subsequent purchases were expensed in the Statement of Financial Performance until 30 June 1998. From 1 July 1998 purchases of library books have been capitalised at cost and depreciated in the Statement of Financial Performance.

**Zoo Animals** were revalued effective 1 July 2001 at estimated replacement cost by the zoo manager.

**Heritage Assets** were revalued effective 1 July 2001 by professionally qualified library staff (library collection) and an independent consultant, Robin Watt & Associates (museum collection).

**Infrastructural Assets** (excluding land) were revalued by Meritec Ltd at depreciated replacement cost effective 1 July 2001.

**Infrastructural Land** was revalued by Beca Valuations Ltd at market value effective 1 July 2001.

**Investment Properties and Properties for Resale** are revalued annually at net current value by independent registered valuers. The result of the revaluation is credited or debited to the investment property reserve. Where this results in a debit balance in the reserve, this balance is expensed in the Statement of Financial Performance.

**Work in Progress.** All costs associated with the development of land and buildings and other assets are initially capitalised as work in progress. On completion, the total cost of the project is transferred to the appropriate asset class.

**Vested Assets.** Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been valued at the latest appropriately certified government valuation or at a mutually agreed market value or at a value determined through arbitration. Vested infrastructural assets have been based on the actual quantities of infrastructural components vested and current 'in the ground' cost of providing identical services.

Additions between valuations are recorded at cost. Changes on revaluation of assets are included in the appropriate asset revaluation reserve.

## 7. Depreciation

Depreciation is provided on a straight-line basis at rates, which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives of major classes of assets have been estimated as follows:

- |                                       |                |
|---------------------------------------|----------------|
| • Buildings                           | 40 - 100 years |
| • Plant and Vehicles                  | 3 - 15 years   |
| • Furniture, Fittings and Equipment   | 5 - 10 years   |
| • Library Books                       | 14 years       |
| • Zoo Animals                         | 10 years       |
| • Roads and Traffic Network:          |                |
| top surface (seal)                    | 6 - 18 years   |
| pavement (basecourse)                 | 25 - 50 years  |
| catchpits                             | 50 years       |
| culverts                              | 60 - 80 years  |
| footpaths                             | 50 - 70 years  |
| kerbs and traffic islands             | 70 years       |
| signs                                 | 12 years       |
| street lights                         | 25 years       |
| bridges                               | 150 years      |
| traffic signals                       | 15 years       |
| barriers                              | 25 - 40 years  |
| bus shelters and parking meters       | 4 - 10 years   |
| verge, embankment and retaining walls | 60 years       |
| • Wastewater Reticulation:            |                |
| pipes                                 | 60 - 100 years |
| manholes                              | 75 years       |
| treatment plant                       | 5 - 100 years  |
| bridges                               | 75 - 100 years |
| pump-stations                         | 15 - 100 years |
| • Stormwater System:                  |                |
| pipes                                 | 100 years      |
| manholes, cesspits                    | 100 years      |
| service connections and outlets       | 30 - 100 years |
| • Water Reticulation:                 |                |
| pipes                                 | 60 - 80 years  |
| butterfly valves                      | 50 - 75 years  |
| treatment plant                       | 10 - 120 years |
| meters                                | 20 years       |
| hydrants                              | 50 years       |
| reservoirs                            | 30 - 80 years  |
- Heritage assets are depreciated by a nominal amount to reflect their extremely long life and heritage value.

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

- Land
- Formation costs associated with roading
- Investment properties
- Properties for resale
- Work in progress and assets under construction

Any work undertaken on infrastructural assets to reinstate (termed 'renewal') or add to the service potential is capitalised.

## 8. Investments

All investments are stated at cost, except for shares in other organisations, which are at the lower of cost or net realisable value.

The Pirongia Mountain Afforestation Joint Venture investment was revalued at 30 June 2002, based on a valuation of the forest by forestry consultants PL Tempest and Associates Ltd.

## 9. Employee Entitlements

Provision is made in respect of the liability for annual leave, long service leave and retirement gratuities.

The provision for annual leave and long service leave has been calculated on an actual entitlement basis at current rates of pay. The provision for retirement gratuities has been calculated on an actuarial basis bringing to account what is likely to be payable in the future in respect of service that employees have accumulated up until 30 June 2002.

## 10. Leases

Leases consist of:

### Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. The leased assets are depreciated over the period Council is expected to benefit from their use.

### Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

## 11. Landfill Post-Closure Costs

Council, as operator of the Horotiu landfill, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

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

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

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

Within reserves a transfer is made to Horotiu Aftercare Reserve, which exists to fund the aftercare costs of the Horotiu Landfill after the site closes in December 2006.

## 12. Equity

Accumulated Funds comprise accumulated surpluses over the years.

Revaluation Reserves comprise accumulated revaluation increments/decrements.

Restricted Reserves are those funds subject to external restrictions accepted as binding by Council, which may not be revised by Council without reference to the courts or a third party.

Council Created Reserves are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose.

### 13. Accounts Receivable

Accounts receivable are stated at expected realisable value after providing for doubtful and uncollectable debts.

### 14. Mortgage Assets

Mortgages are held over a number of properties. These mortgages are valued at cost.

### 15. Inventories and Work in Progress

Inventories are valued at the lower of cost (determined on a first-in-first-out basis) and net realisable value. Work in progress is valued at the lower of cost and net realisable value.

### 16. Foreign Currency

Foreign currency transactions have been converted into New Zealand dollars at the rate of exchange at the date of the transaction. Gains or losses on exchange have been recognised in the Statement of Financial Performance.

### 17. Statement of Cash Flows

Cash comprises cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of Council and cash payments made for goods and services. Agency transactions (for example, the collection of Regional Council rates) are recognised as receipts and payments in the Statement of Cash Flows as they flow through Council's bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in debt capital structure of Council.

### 18. Cost of Service Statements

The Cost of Service Statements report the costs and revenues relating to the significant activities of Council.

Expenditure includes an allocation of support services and an allocation of interest.

- Support services are those activities, which are not considered to be direct services to the public and are allocated across the significant activities on a basis, which reflects usage of the support services. Included in the allocation for support services is an allocation of the business unit surpluses/deficits. These are allocated where possible on a usage basis.
- Interest is allocated to the significant activity on the basis of the book value of land and buildings employed for each item in the Cost of Service Statements except for water, wastewater, stormwater, refuse, transport centre, outdoor stadium, community assistance grants, economic development grants, property improvements and any other specific projects where the interest on the value of loans appropriated for those activities are allocated entirely to the significant activity.

### 19. Financial Instruments

Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are shown at their estimated fair value except for loans, which are recorded at cost, and those items are covered by a separate accounting policy.

## CHANGES IN ACCOUNTING POLICIES

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Council has changed its accounting policy for the valuation of land and buildings in order to comply with the new FRS-3: Property, Plant and Equipment. This standard came into effect for periods ending on or after 31 March 2002. It requires assets to be revalued at fair value, which has been determined by reference to their highest and best use. The previous policy had been to determine the fair value of those items by reference to their existing use. In accordance with the transitional provisions of FRS-3, an adjustment has been made against equity of \$21.951m for the value of the heritage assets at the beginning of the current period.

The landfill post-closure provision is now measured in accordance with financial reporting standard FRS-15: Provisions, Contingent Liabilities and Contingent Assets. This is in addition to a charge that is made each year on tonnage processed through the landfill to fund the estimated cost of the landfill aftercare.

The implementation of the new policy has the following impact on the consolidated financial statements for the current year:

- The overall effect of the change is to create an aftercare liability of \$3.182m, and to introduce a landfill asset of \$0.850m in the Statement of Financial Position. The two are not equal, given that the landfill has already been in operation for 16 years.
- A charge for depreciation of \$0.142m and interest expense of \$0.208m has been reflected in the Statement of Financial Performance.
- In accordance with the transitional provisions of FRS-15, the adjustment to the liability and the associated asset has been made against equity \$1.982m at the beginning of the current financial reporting period.
- The ongoing annual charge to the Statement of Financial Performance arising from the landfill will now comprise depreciation of the landfill asset, and the interest expense associated with unwinding the discount.

There have been no other changes from the accounting policies adopted in the last audited financial statements. All policies, other than those noted above, have been applied on a basis consistent with the previous period.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2002 (IN \$000)

### NOTE 1: COST OF SUPPORT SERVICES

| Council & Consolidated Net Cost 2001                                 | Total Revenue Actual | Direct Operating Cost Actual | Interest on Public Debt Actual | Depreciation Actual | Total Expenditure Actual | Council & Consolidated Net Cost 2002 | Council & Consolidated Budget 2002 |
|--|----------------------|------------------------------|--------------------------------|---------------------|--------------------------|--------------------------------------|------------------------------------|
| <b>SUPPORT SERVICES</b>  |                      |                              |                                |                     |                          |                                      |                                    |
| 481 Chief Executive  | 0                    | 588                          | 0                              | 0                   | 588                      | 588                                  | 559                                |
| 93 Internal Audit  | 0                    | 90                           | 0                              | 0                   | 90                       | 90                                   | 106                                |
| 2,785 Finance and Administration                                     | 715                  | 3,495                        | 0                              | 10                  | 3,505                    | 2,790                                | 2,893                              |
| 380 Information Management   | 4,831                | 4,906                        | 0                              | 91                  | 4,997                    | 166                                  | 127                                |
| 510 Human Resources  | 1                    | 848                          | 0                              | 0                   | 848                      | 847                                  | 879                                |
| 67 Risk Management   | 0                    | 80                           | 0                              | 0                   | 80                       | 80                                   | 106                                |
| 171 Property Management *  | 8,970                | 3,983                        | 2,238                          | 7,266               | 13,487                   | 4,517                                | (352)                              |
| 1,264 Strategic  | 20                   | 1,436                        | 0                              | 0                   | 1,436                    | 1,416                                | 1,669                              |
| 897 City Marketing   | 8                    | 926                          | 0                              | 4                   | 930                      | 922                                  | 921                                |
| 394 Works and Services Administration                                | 68                   | 426                          | 0                              | 3                   | 429                      | 361                                  | 497                                |
| 623 Corporate Administration   | 0                    | 711                          | 0                              | 0                   | 711                      | 711                                  | 642                                |
| 184 Environmental Services Administration                            | 0                    | 192                          | 0                              | 0                   | 192                      | 192                                  | 205                                |
| 290 Community Services Administration                                | 0                    | 307                          | 0                              | 0                   | 307                      | 307                                  | 330                                |
| 8 Nursery  | 474                  | 477                          | 0                              | 0                   | 477                      | 3                                    | 3                                  |
| 0 Parks and Gardens  | 1,204                | 1,204                        | 0                              | 0                   | 1,204                    | 0                                    | 0                                  |
| (142) Water, Drainage and Refuse Business Units                      | 2,029                | 1,910                        | 0                              | 0                   | 1,910                    | (119)                                | (117)                              |
| <b>8,005 Total</b>   | <b>18,320</b>        | <b>21,579</b>                | <b>2,238</b>                   | <b>7,374</b>        | <b>31,191</b>            | <b>12,871</b>                        | <b>8,468</b>                       |
| 8,005 Total Cost of Support Services                                 |                      |                              |                                |                     |                          | 12,871                               | 8,468                              |
| (499) Less Support Services Allocated to Business Units              |                      |                              |                                |                     |                          | (413)                                | (564)                              |
| 91 Business Unit (Surplus)/Deficit                                   |                      |                              |                                |                     |                          | (290)                                | (95)                               |
| <b>7,597 Allocated as Support Services to Significant Activities</b> |                      |                              |                                |                     |                          | <b>12,168</b>                        | <b>7,809</b>                       |
| <b>1,985 Capital Expenditure</b>                                     |                      |                              |                                |                     |                          | <b>3,626</b>                         | <b>6,175</b>                       |

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Support Services Costs and Business Unit (surpluses)/deficits were allocated to significant activities as follows:

| Net Cost 2001                          | Net Cost 2002 | Budget 2002  |
|--|---------------|--------------|
| <b>SIGNIFICANT ACTIVITIES</b>          |               |              |
| 581 Environment                        | 685           | 412          |
| 291 Water Supply                       | 666           | 349          |
| 320 Wastewater                         | 855           | 377          |
| 232 Stormwater                         | 471           | 278          |
| 320 Refuse                             | 815           | 300          |
| 658 Roads and Traffic                  | 1,570         | 506          |
| 529 Health, Order and Safety           | 800           | 571          |
| 585 Community Support                  | 970           | 610          |
| 468 Recreation and Leisure             | 740           | 468          |
| 645 Arts and Culture                   | 1,174         | 646          |
| 0 Partnership with Maori               | 0             | 0            |
| 2,705 Representation and Civic Affairs | 3,087         | 3,002        |
| 0 Economic Development and Marketing   | 0             | 0            |
| 263 Property Management                | 335           | 290          |
| <b>7,597</b>                           | <b>12,168</b> | <b>7,809</b> |

\* During the year operational buildings were revalued, and the assets were broken down to component level (previously held as one structure). The greater level of assets detail resulted in shorter useful lives being used and an increase in the depreciation charge of \$4.635m to \$7.266m. This increase in depreciation is disclosed in Property Management (as shown above), and is reallocated across the significant activities, and is the primary reason for the difference between net cost and budget.

**NOTE 1: CONTINUED: BUSINESS UNITS INCLUDING TRANSFUND FUNDED ACTIVITIES**

Council's current policy relating to Business Unit operations is to allocate surpluses and deficits across the Significant Activities. Section 20A of the Transit NZ Act requires Council to separately disclose those activities which receive funding from Transfund. The purpose of this requirement is to clearly show Government support to Council's programme from the Land Transport Fund. This note discloses the Council activities or functions which received funding, either directly or indirectly from this Fund.

**Transfund Funded Activities Are:**

| Business Unit                   | Function   | Objective   |
|---------------------------------|--|---|
| Roads and Traffic Business Unit | Professional services for the management of the roads and traffic assets.                  | To provide an efficient and cost effective service for the management of the roads and traffic assets.                                      |
| Design Services Business Unit   | Professional services contract for investigation, reporting and design work.               | To provide a timely, cost effective and quality service which will contribute to the success of the client in its service to the community. |
| City Parks Business Unit        | Physical works contract for landscape maintenance (traffic islands and verge maintenance). | To provide an efficient and effective standard of service in landscape maintenance, as required by the client.                              |

| Surplus/ (Deficit) 2001 | Business Units  | In House Professional Services For Transfund | Minor and Ancillary Works For Transfund | Other Activities | Total Revenue | Direct Operating Costs | Support Services Depreciation | Total Expenditure | Surplus/ (Deficit) 2002 | Budget 2002 |           |
|-------------------------|---|--|---|------------------|---------------|------------------------|-------------------------------|-------------------|-------------------------|-------------|-----------|
| (54)                    | Roads and Traffic Business Unit   | 446  | 0                                       | 1,298            | 1,744         | 1,626                  | 55                            | 0                 | 1,681                   | 63          | 18        |
| (79)                    | Design Services Business Unit   | 304  | 0                                       | 1,672            | 1,976         | 1,989                  | 62                            | 0                 | 2,051                   | (75)        | 4         |
| (133)                   | <b>Total Transfund Funded Business Units</b>                              | <b>750</b>                                   | <b>0</b>                                | <b>2,970</b>     | <b>3,720</b>  | <b>3,615</b>           | <b>117</b>                    | <b>0</b>          | <b>3,732</b>            | <b>(12)</b> | <b>22</b> |
| (100)                   | City Parks Business Unit  | 0  | 0                                       | 5,743            | 5,743         | 5,259                  | 199                           | 0                 | 5,458                   | 285         | 53        |
| 142                     | Utilities Works Unit  | 0  | 0                                       | 3,709            | 3,709         | 3,595                  | 97                            | 0                 | 3,692                   | 17          | 20        |
| (91)                    | <b>Total Business Units</b>   | <b>750</b>                                   | <b>0</b>                                | <b>12,422</b>    | <b>13,172</b> | <b>12,469</b>          | <b>413</b>                    | <b>0</b>          | <b>12,882</b>           | <b>290</b>  | <b>95</b> |
| (91)                    | Total Business Unit Surplus/(Deficit) Allocated To Significant Activities |  |   |                  |               |                        |                               |                   |                         | 290         | 95        |
| 10                      | Capital Expenditure   |  |   |                  |               |                        |                               |                   |                         | 0           | 0         |

**NOTE 2: TOTAL REVENUE**

| Council & Consolidated Actual 2001 |                                       | Council & Consolidated Actual 2002 | Council & Consolidated Budget 2002 |
|------------------------------------|---------------------------------------|------------------------------------|------------------------------------|
| 28,414                             | Revenue from Significant Activities   | 30,967                             | 28,367                             |
| 63,863                             | General Revenues                      | 65,654                             | 65,491                             |
| 13,252                             | Revenue Assigned to Asset Development | 37,212                             | 30,680                             |
| <b>105,529</b>                     |                                       | <b>133,833</b>                     | <b>124,538</b>                     |

Included in the revenue assigned to asset development are the following contributions:

| Actual 2001  |                                       | Actual 2002  | Budget 2002  |
|--------------|---------------------------------------|--------------|--------------|
|              | <b>Other Capital Contributions</b>    |              |              |
| 996          | Contributions to Subdivision Reserves | 1,283        | 650          |
| 721          | Infrastructural Subdivision Fund      | 1,368        | 661          |
| 47           | Cemetery Maintenance Fees             | 52           | 45           |
| 1,375        | Capital Contributions                 | 793          | 663          |
| <b>3,139</b> |                                       | <b>3,496</b> | <b>2,019</b> |

**NOTE 3: OPERATING SURPLUS**

The following items are included in the Statement of Financial Performance:

| Council &<br>Consolidated 2001                             |   | Council &<br>Consolidated 2002 |
|--|---|--------------------------------|
| <b>AFTER CHARGING:</b>                                     |   |                                |
| 96   | Audit Fees  | 96                             |
| 3  | Other Fees Paid to Auditors                         | 0                              |
| 27   | Bad Debts Written-Off                               | 9                              |
| 9  | Debenture Premium Amortised                         | 0                              |
| <b>Depreciation:</b>                                       |   |                                |
|  | Operational Buildings                               | 7,306                          |
|  | Improvements - Parks and Gardens                    | 1,483                          |
|  | Plant and Equipment                                 | 1,766                          |
|  | Vehicles  | 334                            |
|  | Library Books                                       | 1,053                          |
|  | Zoo Animals   | 98                             |
|  | Heritage Assets                                     | 26                             |
|  | Refuse  | 1,859                          |
|  | Roads and Traffic Network                           | 10,185                         |
|  | Stormwater System                                   | 2,064                          |
|  | Wastewater System                                   | 1,868                          |
|  | Wastewater Treatment Plant                          | 729                            |
|  | Water System  | 2,163                          |
|  | Water Treatment Plant                               | 479                            |
| <b>21,748</b>  | <b>Total Depreciation</b>                           | <b>31,413</b>                  |
| 6,767  | Interest Expense                                    | 6,776                          |
| 1,575  | Loss on Disposal of Assets                          | 414                            |
| 561  | Mayor and Councillors' Remuneration                 | 585                            |
| 1,491  | Operating Leases Rental Expense                     | 1,193                          |
| (42)   | Increase/(Decrease) in Provision for Doubtful Debts | 23                             |
| <b>AFTER CREDITING:</b>                                    |   |                                |
| 3  | Dividend Income                                     | 1                              |
| 24   | Gain on Disposal of Assets                          | 346                            |
| 1,421  | Interest Income                                     | 586                            |
| <b>LOSS/(GAIN) ON REVALUATION/DISPOSAL OF INVESTMENTS:</b> |   |                                |
| 777  | Hamilton Riverview Hotel Ltd (Novotel)              | 361                            |
| (4)  | NZ Local Government Insurance Co Ltd                | (29)                           |
| (1)  | Pirongia Mountain Afforestation Committee           | 2                              |
| (479)  | Waikato Regional Airport Ltd                        | (107)                          |
| (126)  | Gain on Disposal of Bonds                           | 0                              |
| <b>167</b>   |   | <b>227</b>                     |

**Reconciliation of Approved to Restated Operating Budget:**

| Significant Activities   | Approved<br>Budget | carryover<br>from 00/01 | Other        | Restated<br>Budget |
|--|--------------------|-------------------------|--------------|--------------------|
| Environment  | 7,910              | 199                     | (84)         | 8,025              |
| Water Supply   | 3,318              | 82                      | (59)         | 3,341              |
| Wastewater   | 9,314              | 165                     | (19)         | 9,460              |
| Stormwater   | 4,044              | 54                      | (8)          | 4,090              |
| Refuse   | 4,650              | 7                       | (6)          | 4,651              |
| Roads and Traffic  | 14,603             | 260                     | 12           | 14,875             |
| Health, Order and Safety   | 1,900              | 29                      | (32)         | 1,897              |
| Community Support  | 4,983              | 102                     | (32)         | 5,053              |
| Recreation and Leisure   | 6,828              | 12                      | (12)         | 6,828              |
| Arts and Culture   | 10,051             | 88                      | (128)        | 10,011             |
| Partnership with Maori   | 247                | 0                       | 0            | 247                |
| Representation and Civic Affairs   | 4,145              | 75                      | 27           | 4,247              |
| Economic Development and Marketing   | 1,037              | 65                      | 0            | 1,102              |
| Property Management  | (2,691)            | 14                      | (3)          | (2,680)            |
| Net Off of Interest on Internal Borrowing                                    | (653)              | 0                       | 0            | (653)              |
|  | <b>69,686</b>      | <b>1,152</b>            | <b>(344)</b> | <b>70,494</b>      |
| Annual Plan Surplus For The Year   |                    |                         |              | 25,863             |
| Capital Expenditure Transferred From Cost of Service                         |                    |                         |              | 290                |
| Projects Carried Over From 2000/01   |                    |                         |              | (1,152)            |
| Revenue From Asset Development   |                    |                         |              | 495                |
| Transfers From Support Services and Business Units                           |                    |                         |              | 54                 |
| <b>Budget Surplus For The Year As Per Statement Of Financial Performance</b> |                    |                         |              | <b>25,550</b>      |

**NOTE 4: TAXATION**

Taxation is payable by Hamilton City Council on any income from its LATEs. Council has only one LATE, Hamilton Properties Ltd, which has been inactive since 1998. Accordingly there is no income or tax liability.

| Council &<br>Consolidated 2001 |                                     | Council &<br>Consolidated 2002 |
|--------------------------------|-------------------------------------|--------------------------------|
| 12,974                         | Surplus Before Tax                  | 29,049                         |
| 4,281                          | Tax at 33%                          | 9,586                          |
|                                | Tax Effect of Permanent Differences |                                |
| (4,284)                        | Permanent Differences               | (9,586)                        |
| <b>(3)</b>                     | <b>Tax Expense/(Tax Credit)</b>     | <b>0</b>                       |

The group has no deferred tax balance on timing differences.

Tax losses of the group of \$479,709 (2001 \$479,709), tax effect \$158,304 (2001 \$158,304) have not been recognised.

**NOTE 5 : RATEPAYERS' EQUITY**

| Council &<br>Consolidated 2001            |   | Council &<br>Consolidated 2002 |               |                  |
|---|---|--------------------------------|---------------|------------------|
|   | Note  |                                |               |                  |
| <b>Accumulated Funds</b>                  |   |                                |               |                  |
| 1,203,173                                 | Opening Balance   | 1,219,897                      |               |                  |
| 12,977                                    | Net Surplus After Tax   | 29,049                         |               |                  |
| 40  | Transfer from Revaluation Reserve on Disposal of Assets         | 0                              |               |                  |
| (297)                                     | Transfer to Revaluation Reserve on Revaluation of Shareholdings | 0                              |               |                  |
| 0   | Adjustment for recognition of Heritage Assets                   | 21,951                         |               |                  |
| 0   | Adjustment for recognition of Landfill Aftercare Provision      | (1,982)                        |               |                  |
| 51,634                                    | Transfers from Restricted and Council Created Reserves          | 26,785                         |               |                  |
| (47,630)                                  | Transfers to Restricted and Council Created Reserves            | (18,087)                       |               |                  |
| <b>1,219,897</b>                          | <b>Total Accumulated Funds</b>                                  | <b>1,277,613</b>               |               |                  |
| <b>Revaluation Reserves</b>               |   |                                |               |                  |
| <b>General Asset Revaluation Reserves</b> |   |                                |               |                  |
| 29,818                                    | Opening Balance   | 30,462                         |               |                  |
| 359                                       | Increase/(Decrease) in Revaluation on Assets                    | 187,864                        |               |                  |
| (40)                                      | Transfer to Accumulated Funds on Disposal of Assets             | 0                              |               |                  |
| 297                                       | Transfer from Accumulated Funds on Revaluation of Shareholdings | 0                              |               |                  |
| 28  | Increase/(Decrease) in Revaluation of Shareholdings             | 13                             |               |                  |
| <b>30,462</b>                             | <b>Closing Balance</b>  | <b>218,339</b>                 |               |                  |
| <b>Property Revaluation Reserves</b>      |   |                                |               |                  |
| 118                                       | Opening Balance   | 854                            |               |                  |
| 736                                       | Increase/(Decrease) in Revaluation of Investment Properties     | 869                            |               |                  |
| <b>854</b>                                | <b>Closing Balance</b>  | <b>1,723</b>                   |               |                  |
| <b>31,316</b>                             | <b>Total Revaluation Reserves</b>                               | <b>220,062</b>                 |               |                  |
| <b>Restricted Reserves</b>                |   |                                |               |                  |
|   | Income  | Expenditure                    |               |                  |
| 1,146                                     | Cemetery Plot Maintenance in Perpetuity                         | 116                            | 64            | 1,198            |
| 1,135                                     | Domain Sales Endowment Reserve                                  | 416                            | 496           | 1,055            |
| 3,049                                     | Municipal Crown Endowment Reserve                               | 213                            | 2,048         | 1,214            |
| 24  | Waikato Art Gallery Endowment Reserve                           | 1                              | 0             | 25               |
| <b>5,354</b>                              | <b>Total Restricted Reserves</b>                                | <b>746</b>                     | <b>2,608</b>  | <b>3,492</b>     |
| <b>Council Created Reserves</b>           |   |                                |               |                  |
| 1   | Dame Hilda Ross Library Memorial                                | 0                              | 0             | 1                |
| 5   | Debt Repayment Reserve  | 1,547                          | 1,552         | 0                |
| 1,729                                     | Disaster Recovery Fund  | 173                            | 0             | 1,902            |
| 226                                       | General Interest Reserve  | 442                            | 225           | 443              |
| 481                                       | Horotiu Aftercare Reserve                                       | 237                            | 0             | 718              |
| 1,694                                     | Horotiu Landfill Reserve  | 500                            | 3,770         | (1,576)          |
| 461                                       | Infrastructural Subdivision Fund                                | 1,451                          | 331           | 1,581            |
| 0   | Loan Funds  | 9,988                          | 9,988         | 0                |
| 12,571                                    | Loan Repayment Reserves   | 1,443                          | 7,085         | 6,929            |
| 736                                       | Parking Reserve   | 41                             | 0             | 777              |
| 62  | Passenger Transport Reserve                                     | 3                              | 0             | 65               |
| 4   | Roman Catholic Schools Library Fund                             | 0                              | 0             | 4                |
| 230                                       | Stadium Interest Reserve  | 4                              | 234           | 0                |
| 151                                       | Storm Damage Reserve  | 61                             | 0             | 212              |
| 2,726                                     | Subdivisional Reserve   | 1,451                          | 989           | 3,188            |
| 3   | Waterworks Reserve  | 0                              | 3             | 0                |
| <b>21,080</b>                             | <b>Total Council Created Reserves</b>                           | <b>17,341</b>                  | <b>24,177</b> | <b>14,244</b>    |
| <b>1,277,647</b>                          | <b>Total Ratepayers' Equity</b>                                 |                                |               | <b>1,515,411</b> |

**NOTE 6: INVESTMENTS**

| Council & Consolidated 2001 |   | Council & Consolidated 2002 |
|-----------------------------|---|-----------------------------|
| 651                         | Investments at Call                           | 0                           |
| 542                         | Investments Less Than a Year                  | 542                         |
| 6,837                       | Sinking Fund Commissioners Less Than a Year   | 1,569                       |
| 8,030                       | Current                                       | 2,111                       |
| 5,735                       | Sinking Fund Commissioners                    | 5,360                       |
| 8,077                       | Shares and Investments in Other Organisations | 7,854                       |
| 13,812                      | Non-Current                                   | 13,214                      |

Council placed \$512,400 on term deposit with ANZ Banking Group (New Zealand) Ltd on 10 April 2000, which is held as security over the portion of outstanding loans by Hamilton Riverview Hotel Ltd (Novotel). The amount is included in the figures stated above.

**Shares and investments in other organisations are comprised as follows:**

| 2001         |  | Number of Shares | % Holding | Balance Date | 2002         |
|--------------|--|------------------|-----------|--------------|--------------|
| 9            | Bus Hire Joint Venture - Share of Equity                   |                  | 50.00     | 30 Jun       | 0            |
| 3,525        | Hamilton Riverview Hotel Ltd (Novotel)                     | 42               | 42.00     | 31 Dec       | 3,164        |
| 0            | Hamilton Properties Ltd                                    | 1,000            | 100.00    | 30 Jun       | 0            |
| 316          | NZ Local Government Insurance Co Ltd                       | 202,729          | 3.17      | 31 Dec       | 345          |
| 289          | Pirongia Mountain Afforestation Committee                  | 11               | 25.58     | 30 Jun       | 301          |
| 3,938        | Waikato Regional Airport Ltd                               | 1,430,000        | 50.00     | 30 Jun       | 4,044        |
| <b>8,077</b> | <b>Total Shares and Investments in Other Organisations</b> |                  |           |              | <b>7,854</b> |

Council's equity share in the Bus Hire Joint Venture was sold during the year.

Council investments include a \$1000 investment in Hamilton Properties Ltd which has been eliminated on consolidation.

The Pirongia Mountain Afforestation Committee forestry interest was revalued as at 30 June 2002 by forestry consultants PL Tempest and Associates. The forestry interest was valued at \$1,751,219 (2001 \$1,673,912).

**The weighted average effective interest rates on investments are:**

| 2001  |                     | 2002  |
|-------|---------------------|-------|
| 5.80% | Short-Term Deposits | 6.48% |
| 5.59% | Sinking Funds       | 5.74% |

**The repricing maturities on the above investments are:**

|                     | Less Than 6 Months | 6-12 Months | 1-2 Years    | 2-5 Years    | > 5 Years  | Total        |
|---------------------|--------------------|-------------|--------------|--------------|------------|--------------|
| Short-Term Deposits | 30                 | 512         | 0            | 0            | 0          | 542          |
| Sinking Funds       | 1,519              | 50          | 1,321        | 3,388        | 651        | 6,929        |
|                     | <b>1,549</b>       | <b>562</b>  | <b>1,321</b> | <b>3,388</b> | <b>651</b> | <b>7,471</b> |

**NOTE 7: ACCOUNTS RECEIVABLE AND PREPAID EXPENDITURE**

| Council &<br>Consolidated 2001   |  | Council &<br>Consolidated 2002 |
|----------------------------------|--|--------------------------------|
| 1,763                            | Rates  | 1,503                          |
| (98)                             | Less Provision for Doubtful Debts                        | (89)                           |
| <b>1,665</b>                     | <b>Net Rates Receivable</b>                              | <b>1,414</b>                   |
| <b>Other Accounts Receivable</b> |  |                                |
| 516                              | Transfund New Zealand                                    | 769                            |
| 677                              | Water by Meter   | 978                            |
| 2,573                            | Sundry Receivables                                       | 2,979                          |
| 314                              | GST Refund Due   | 977                            |
| 4,080                            | Subtotal Other Accounts Receivable                       | 5,703                          |
| (58)                             | Less Provision for Doubtful Debts                        | (76)                           |
| <b>4,022</b>                     | <b>Net Other Accounts Receivable</b>                     | <b>5,627</b>                   |
| <b>492</b>                       | <b>Prepaid Expenditure</b>                               | <b>534</b>                     |
| <b>6,179</b>                     | <b>Total Accounts Receivable and Prepaid Expenditure</b> | <b>7,575</b>                   |

**NOTE 8: FIXED ASSETS, INVESTMENT PROPERTIES AND PROPERTIES FOR RESALE**
**A. Schedule of Fixed Assets, Investment Properties and Properties for Resale as at 30 June 2002:**

|  | Council &<br>Consolidated<br>At Cost 2002 | Council &<br>Consolidated<br>At Valuation 2002 | Council &<br>Consolidated<br>Accum Dep 2002 | Council &<br>Consolidated<br>Book Value 2002 |
|--|---|--|---|--|
| <b>Operational Assets</b>  |   |  |   |  |
| Land   | 0   | 26,831   | 0   | 26,831                                       |
| Buildings  | 37,840                                    | 95,621   | (7,167)                                     | 126,294                                      |
| Land - Parks and Gardens   | 1,191                                     | 98,514   | 0   | 99,705                                       |
| Improvements - Parks and Gardens   | 1,232                                     | 20,993   | (1,484)                                     | 20,741                                       |
| Plant and Equipment  | 2,286                                     | 7,649  | (1,647)                                     | 8,288  |
| Vehicles   | 3,711                                     | 0  | (1,986)                                     | 1,725  |
| Library Books  | 14,805                                    | 0  | (3,684)                                     | 11,121                                       |
| Zoo Animals  | 0   | 976  | (98)  | 878  |
|  | <b>61,065</b>                             | <b>250,584</b>                                 | <b>(16,066)</b>                             | <b>295,583</b>                               |
| <b>Restricted Assets</b>   |   |  |   |  |
| Land   | 102                                       | 4,103  | 0   | 4,205  |
| <b>Heritage Assets</b>   |   |  |   |  |
| Museum and Library   | 11  | 21,951   | (26)  | 21,936                                       |
| <b>Infrastructural Assets</b>  |   |  |   |  |
| Land   | 0   | 6,082  | 0   | 6,082  |
| Refuse   | 878                                       | 10,049   | (1,717)                                     | 9,210  |
| Roads and Traffic Network  | 9,290                                     | 842,044  | (10,149)                                    | 841,185                                      |
| Stormwater System  | 1,456                                     | 144,206  | (2,064)                                     | 143,598                                      |
| Wastewater System  | 1,231                                     | 81,419   | (1,868)                                     | 80,782                                       |
| Wastewater Treatment Plant   | 25,561                                    | 16,106   | (729)                                       | 40,938                                       |
| Water System   | 3,405                                     | 89,789   | (2,163)                                     | 91,031                                       |
| Water Treatment Station  | 0   | 21,511   | (479)                                       | 21,032                                       |
|  | <b>41,821</b>                             | <b>1,211,206</b>                               | <b>(19,169)</b>                             | <b>1,233,858</b>                             |
| <b>Work in Progress</b>  | 24,684                                    | 0  | 0   | 24,684                                       |
| <b>Investment Properties</b>   | 0   | 31,510   | 0   | 31,510                                       |
| <b>Properties for Resale</b>   | 0   | 3,705  | 0   | 3,705  |
| <b>Total Fixed Assets, Investment Properties and Properties for Resale</b> | <b>127,683</b>                            | <b>1,523,059</b>                               | <b>(35,261)</b>                             | <b>1,615,481</b>                             |
| <b>Book Value Analysed:</b>  |   |  |   |  |
|  |   | <b>Current</b>                                 | <b>Non-Current</b>                          | <b>Total</b>                                 |
| Fixed Assets   |   | 0  | 1,580,266                                   | 1,580,266                                    |
| Investment Properties  |   | 0  | 31,510                                      | 31,510                                       |
| Properties for Resale  |   | 2,555  | 1,150                                       | 3,705  |
|  |   | <b>2,555</b>                                   | <b>1,612,926</b>                            | <b>1,615,481</b>                             |

During the year, fixed assets, investment properties and properties for resale were revalued in accordance with FRS-3, which resulted in revaluation reserves increasing to \$220.1m (2001 \$31.3m), and an adjustment to opening equity of \$21.9m for Heritage Assets. The impact of this revaluation was that accumulated depreciation to 30 June 2001 was reversed and assets have been depreciated over the remaining lives based on the new asset values.

**B. Schedule of Fixed Assets, Investment Properties and Properties for Resale as at 30 June 2001:**

|  | Council &<br>Consolidated<br>At Cost 2001 | Council &<br>Consolidated<br>At Valuation 2001 | Council &<br>Consolidated<br>Accum Dep 2001 | Council &<br>Consolidated<br>Book Value 2001 |
|--|---|--|---|--|
| <b>Operational Assets</b>  |   |  |   |  |
| Land   | 6,435                                     | 23,605   | 0   | 30,040                                       |
| Buildings  | 10,587                                    | 84,114   | (3,501)                                     | 91,200                                       |
| Land - Parks and Gardens   | 10,007                                    | 36,844   | 0   | 46,851                                       |
| Improvements - Parks and Gardens   | 1,557                                     | 7,993  | (1,391)                                     | 8,159  |
| Plant and Equipment  | 17,863                                    | 0  | (12,602)                                    | 5,261  |
| Vehicles   | 3,844                                     | 0  | (2,139)                                     | 1,705  |
| Library Books  | 2,461                                     | 11,458   | (2,628)                                     | 11,291                                       |
| Zoo Animals  | 119                                       | 553  | (134)                                       | 538  |
|  | <b>52,873</b>                             | <b>164,567</b>                                 | <b>(22,395)</b>                             | <b>195,045</b>                               |
| <b>Restricted Assets</b>   |   |  |   |  |
| Land   | 171                                       | 2,986  | 0   | 3,157  |
| <b>Infrastructural Assets</b>  |   |  |   |  |
| Land   | 171                                       | 4,624  | 0   | 4,795  |
| Refuse   | 15,588                                    | 0  | (7,013)                                     | 8,575  |
| Roads and Traffic Network  | 47,064                                    | 738,794  | (20,506)                                    | 765,352                                      |
| Stormwater System  | 10,910                                    | 107,182  | (6,488)                                     | 111,604                                      |
| Wastewater System  | 12,474                                    | 69,321   | (6,245)                                     | 75,550                                       |
| Wastewater Treatment Plant   | 775                                       | 11,908   | (601)                                       | 12,082                                       |
| Water System   | 4,768                                     | 94,421   | (6,363)                                     | 92,826                                       |
| Water Treatment Station  | 2,842                                     | 10,001   | (1,165)                                     | 11,678                                       |
|  | <b>94,592</b>                             | <b>1,036,251</b>                               | <b>(48,381)</b>                             | <b>1,082,462</b>                             |
| <b>Work in Progress</b>  | 50,585                                    | 0  | 0   | 50,585                                       |
| <b>Investment Properties</b>   | 0   | 29,778   | 0   | 29,778                                       |
| <b>Properties for Resale</b>   | 0   | 2,928  | 0   | 2,928  |
| <b>Total Fixed Assets, Investment Properties and Properties for Resale</b> | <b>198,221</b>                            | <b>1,236,510</b>                               | <b>(70,776)</b>                             | <b>1,363,955</b>                             |
| <b>Book Value Analysed:</b>  |   |  |   |  |
|  |   | <b>Current</b>                                 | <b>Non-Current</b>                          | <b>Total</b>                                 |
| Fixed Assets   |   | 0  | 1,331,249                                   | 1,331,249                                    |
| Investment Properties  |   | 0  | 29,778                                      | 29,778                                       |
| Properties for Resale  |   | 2,222  | 706   | 2,928  |
|  |   | <b>2,222</b>                                   | <b>1,361,733</b>                            | <b>1,363,955</b>                             |

**C. Investment Properties**

Investment Properties have been valued by two independent valuers as at 30 June 2002:

|                             |               |
|-----------------------------|---------------|
| Attewell Gerbich Havill Ltd | 24,535        |
| Quotable Value New Zealand  | 6,975         |
|                             | <b>31,510</b> |

**D. Properties for Resale**

Properties for Resale have been valued by two independent valuers along with two properties that had a negotiated sales price as at 30 June 2002:

|                            |              |
|----------------------------|--------------|
| Quotable Value New Zealand | 1,150        |
| Telfer Young Waikato Ltd   | 800          |
| Valued at Net Sale Price   | 1,755        |
|                            | <b>3,705</b> |

**E. Reconciliation of Approved to Restated Capital Expenditure Budget:**

| Actual<br>2001 | Actual<br>2002 | Approved<br>Budget | Prev.Years<br>Carryover | Other      | Restated<br>Budget |
|----------------|----------------|--------------------|-------------------------|------------|--------------------|
| 2,956          | 2,647          | 3,154              | 1,105                   | 0          | 4,259              |
| 2,904          | 2,906          | 1,913              | 1,414                   | 0          | 3,327              |
| 19,689         | 2,346          | 4,543              | 390                     | 0          | 4,933              |
| 1,871          | 699            | 1,495              | 166                     | 0          | 1,661              |
| 2,158          | 3,841          | 1,140              | 610                     | 0          | 1,750              |
| 15,763         | 8,452          | 11,678             | 2,419                   | 0          | 14,097             |
| 0              | 0              | 12                 | 0                       | (12)       | 0                  |
| 463            | 553            | 866                | 547                     | 0          | 1,413              |
| 6,853          | 8,954          | 1,258              | 3,235                   | 0          | 4,493              |
| 2,092          | 1,699          | 981                | 878                     | 0          | 1,859              |
| 0              | 0              | 0                  | 0                       | 0          | 0                  |
| 9              | 0              | 0                  | 0                       | 0          | 0                  |
| 0              | 0              | 0                  | 0                       | 0          | 0                  |
| 5,036          | 1,890          | 0                  | 0                       | 0          | 0                  |
| 1,985          | 3,626          | 4,876              | 997                     | 302        | 6,175              |
| 10             | 0              | 0                  | 0                       | 0          | 0                  |
| 1,602          | 1,398          | 1,469              | 0                       | 0          | 1,469              |
| <b>63,392</b>  | <b>39,013</b>  | <b>33,385</b>      | <b>11,761</b>           | <b>290</b> | <b>45,436</b>      |

\* Acquisition of property was funded from the Municipal Crown Endowment Reserve.

**NOTE 9: BANK OVERDRAFT**

The bank overdraft on the daily trading account is secured by way of debenture trust deed over general rates. The facility totals \$500,000. At 30 June 2002 the interest rate on the facility was 13.95 per cent per annum.

The bank overdraft on the direct fees account is also secured by way of a debenture trust deed over general rates. The facility totals \$10,000. At 30 June 2002 the interest rate on the facility was 13.95 per cent per annum.

**NOTE 10: ACCOUNTS PAYABLE AND INCOME IN ADVANCE**

| Council &<br>Consolidated 2001 |   | Council &<br>Consolidated 2002 |
|--------------------------------|---|--------------------------------|
| 12,735                         | Trade Creditors and Accruals                        | 14,830                         |
| 367                            | Agency Funds  | 267                            |
| <b>13,102</b>                  |   | <b>15,097</b>                  |
| 942                            | Income in Advance                                   | 1,043                          |
| <b>14,044</b>                  | <b>Total Accounts Payable and Income in Advance</b> | <b>16,140</b>                  |

**NOTE 11: EMPLOYEE ENTITLEMENTS**

| Council &<br>Consolidated 2001 |                                     | Council &<br>Consolidated 2002 |
|--------------------------------|-------------------------------------|--------------------------------|
| 634                            | Accrued Pay                         | 665                            |
| 2,178                          | Annual Leave and Long Service Leave | 2,213                          |
| 1,558                          | Retirement Gratuities               | 1,620                          |
| <b>4,370</b>                   | <b>Total Employee Entitlements</b>  | <b>4,498</b>                   |
|                                | Made up of:                         |                                |
| 2,976                          | Current                             | 3,045                          |
| 1,394                          | Non-Current                         | 1,453                          |
| <b>4,370</b>                   | <b>Total Employee Entitlements</b>  | <b>4,498</b>                   |

**NOTE 12: TERM LIABILITIES**

The city's debt has been issued in accordance with the Local Government Act 1974. The loans are secured through the debenture trust deed over all rates with one exception. The \$5.204m loan used to purchase Claudelands Park is secured by way of a mortgage over the Claudelands Park property.

| Council &<br>Consolidated 2001 |   | Council &<br>Consolidated 2002 |
|--------------------------------|---|--------------------------------|
| 92,484                         | Opening Balance                           | 96,692                         |
| 39,372                         | Loans Raised                              | 22,447                         |
| (35,164)                       | Loans Repaid                              | (19,898)                       |
| <b>96,692</b>                  | <b>Closing Balance</b>                    | <b>99,241</b>                  |
|                                | <b>Weighted<br/>Average %</b>             |                                |
| <b>2001</b>                    |   | <b>2002</b>                    |
| 41,022                         | Payable no later than one year            | 43,451                         |
| 10,914                         | Later than one, not later than two years  | 17,309                         |
| 19,439                         | Later than two, not later than five years | 17,607                         |
| 25,317                         | Later than five years                     | 20,874                         |
| <b>96,692</b>                  | <b>Total Term Liabilities</b>             | <b>99,241</b>                  |
|                                | <b>6.31%</b>                              |                                |
| 41,022                         | Payable within one year                   | 43,451                         |
| 30,230                         | Less renewal loans to be raised           | 39,795                         |
| 10,792                         | Current                                   | 3,656                          |
| 85,900                         | Non-Current                               | 95,585                         |
| <b>96,692</b>                  | <b>Total Term Liabilities</b>             | <b>99,241</b>                  |

Council uses synthetic instruments (Swaps and FRAs) to manage its interest rate risk profile (see note 17). The effect of these instruments is that the overall weighted average interest rate on debt changes from 6.31 per cent to 6.50 per cent.

Term liabilities includes a loan from Transit NZ \$1.021m (2001 \$2.307m), and interest free loan from the Energy Efficiency and Conservation Authority (EECA) \$0.269m (2001 \$0.289m).

Under authority of the Local Government Act 1974 (Local Authorities Loans Act 1956), Sinking Funds to the value of \$6.929m (2001 \$12.572m) are held to provide for the repayment of debt.

Under the Local Government Amendment Act (No.3) 1996, Section 223(e), there have been no significant variations or material departures from Council's Borrowing Management Policy.

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 banking funding facilities.

Internal borrowing from cash held for special funds and working capital as at 30 June 2002 is \$15.432m (2001 \$22.933m). If this is added to Council's net debt of \$91.022m (2001 \$81.524m) (excluding Sinking Funds, Transit NZ and EECA) the overall net city debt at 30 June 2002 is \$106.454m (2001 \$104.457m).

The statement of financial performance, reflects a net off of \$0.771m (2001 \$0.522m) to eliminate the internal interest charged to significant activities.

**NOTE 13: FINANCE LEASE LIABILITIES**

Council has entered into new finance lease contracts during the year. These finance lease liabilities are analysed as follows:

| Council &<br>Consolidated 2001              | Council &<br>Consolidated 2002 |
|---|--------------------------------|
| 0 Payable no later than one year            | 122                            |
| 0 Later than one, not later than two years  | 122                            |
| 0 Later than two, not later than five years | 282                            |
| 0 Later than five years                     | 0                              |
| 0   | 526                            |
| 0 Future finance charges                    | (84)                           |
| <b>0 Total Finance Lease Liabilities</b>    | <b>442</b>                     |
| Made up of:                                 |                                |
| 0 Current                                   | 90                             |
| 0 Non-Current                               | 352                            |
| <b>0 Total Finance Lease Liabilities</b>    | <b>442</b>                     |

**NOTE 14: LANDFILL AFTERCARE PROVISION**

Hamilton City Council gained resource consent in October 1985 to operate the Horotiu landfill. Council has the responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities such as the following:

**Closure Responsibilities:**

- final cover application and vegetation
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring
- completing facilities for monitoring and recovery of gas.

**Post-closure Responsibilities:**

- treatment and monitoring of leachate
- groundwater and surface monitoring
- gas monitoring and recovery
- implementation of remedial measures such as needed for cover, and control systems
- ongoing site maintenance for drainage systems, final cover and control.

**Capacity of the Site**

Under the term of the resource consent Horotiu is required to close no later than 31 December 2006. As at 30 June 2002 the remaining capacity was 467,000 cubic metres. The remaining capacity has been determined using estimated tonnage of 360,000 tonnes multiplied by a compaction rate of 0.77.

The cashflow outflows for landfill post closure are expected to occur between 2007 and 2056. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted using a discount rate of 7 per cent.

This is the first year Council has disclosed a provision for Landfill aftercare, as per FRS-15 an opening adjustment of \$1.982m has been made to equity.

**NOTE 15: RECONCILIATION OF NET SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

| Council &<br>Consolidated 2001                              | Council &<br>Consolidated 2002 |
|---|--------------------------------|
| 12,977  | 29,049                         |
| <b>Net Surplus After Tax</b>                                | <b>29,049</b>                  |
| <b>Add/(Less) Non-Cash Items:</b>                           |                                |
| 9   | 0                              |
| 167   | 227                            |
| 172   | 0                              |
| 23,299  | 31,481                         |
| (5,339)   | (31,353)                       |
| <b>18,308</b>   | <b>355</b>                     |
| <b>Add/(Less) Movements in Working Capital:</b>             |                                |
| 318   | (1,396)                        |
| (72)  | 23                             |
| 1,807   | 2,096                          |
| 45  | 128                            |
| <b>2,098</b>  | <b>851</b>                     |
| <b>Add/(Less) Items Classified as Investing Activities:</b> |                                |
| (4,774)   | (2,363)                        |
| (640)   | (2,576)                        |
| <b>(5,414)</b>  | <b>(4,939)</b>                 |
| <b>27,969</b>   | <b>25,316</b>                  |
| <b>Net Cash Inflow/(Outflow) from Operating Activities</b>  | <b>25,316</b>                  |

**NOTE 16: RELATED PARTIES**

Council's wholly owned subsidiary, Hamilton Properties Ltd which previously managed Council's property portfolio and received most of its income from management fees, ceased trading as at 31 October 1998. As a result, there are no related party transactions included in these accounts.

Council placed \$512,400 on term deposit with ANZ Banking Group (New Zealand) Ltd on 10 April 2000, which is held as security over the portion of outstanding loans by Hamilton Riverview Hotel Ltd (Novotel), an equity accounted related party.

No councillors or senior management were involved in any transactions with Council apart from payments of rates and use of Council services as part of a normal customer relationship.

**NOTE 17: FINANCIAL INSTRUMENTS****Credit Risk**

In the normal course of business, Council incurs credit risk from trade debtors and financial institutions. Council has placed its cash, interest bearing deposits and funds to be managed with financial institutions of high credit worthiness and limits its amount of credit exposure to any one such institution.

### Interest Rate Risk

In the normal course of business, all long-term debt is at fixed interest rates. Short-term borrowing and investments are subject to normal market fluctuations. Long-term debt is detailed in Note 12.

| Instrument          | Term              | Interest Rate % | Amount |
|---------------------|-------------------|-----------------|--------|
| Interest Rate Swaps | 12 September 2002 | 6.09            | 2,000  |
|                     | 1 September 2003  | 6.71            | 7,500  |
|                     | 15 January 2004   | 5.62            | 7,000  |
|                     | 10 August 2004    | 5.97            | 2,000  |
|                     | 1 October 2004    | 6.74            | 7,500  |
|                     | 15 December 2004  | 6.45            | 5,000  |
|                     | 15 February 2006  | 6.49            | 6,000  |
|                     | 5 May 2006        | 7.56            | 5,500  |
|                     | 11 December 2006  | 6.33            | 8,000  |
|                     | 10 November 2008  | 6.25            | 3,000  |
|                     |                   |                 |        |

### Fair Value

The fair value of financial instruments is shown as follows:

| Council & Consolidated Carrying Amount 2001 | Council & Consolidated Fair value 2001 |                           | Council & Consolidated Carrying Amount 2002 | Council & Consolidated Fair value 2002 |
|---|--|---------------------------|---|--|
| <b>Assets</b>                               |  |                           |   |  |
| 8,030                                       | 8,030                                  | Current Investments       | 2,111                                       | 2,111                                  |
| 13,812                                      | 13,812                                 | Non-Current Investments*  | 13,214                                      | 13,214                                 |
| <b>Liabilities</b>                          |  |                           |   |  |
| 96,692                                      | 96,814                                 | Term Liabilities          | 99,241                                      | 99,464                                 |
| 0   | 0                                      | Finance Lease Liabilities | 442   | 442                                    |

\* Shares and investments in other organisations are carried at values as stated in Note 6. It is not practical to estimate fair values of Council's shareholdings as there are no quoted market prices for the shares.

The revaluation of interest rate swaps held by Council shows an unrealised gain of \$76,969 as at 30 June 2002 (2001 \$484,000). This has not been recognised in the Statement of Financial Performance.

### NOTE 18: CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency forward exchange rates are used to manage foreign currency exposure. Council's policy is that foreign currency exposure of amounts greater than \$10,000 are to be covered by way of forward exchange contracts. Council held no foreign currency forward exchange contracts as at 30 June 2002.

| Council & Consolidated Carrying Amount 2001 | Council & Consolidated Fair value 2001 |   | Council & Consolidated Carrying Amount 2002 | Council & Consolidated Fair value 2002 |
|---|--|---|---|--|
| 59  | 51                                     | Foreign Currency Forward Exchange Contracts | 0   | 0                                      |

### NOTE 19: REMUNERATION OF THE CHIEF EXECUTIVE

The Chief Executive Mr A. J. Marryatt was appointed under section 119C(1)(a) of the Local Government Act 1974 and receives a salary of \$215,166 (2001 \$198,290).

In terms of his contract, the Chief Executive also received the following additional benefits: motor vehicle including fringe benefit tax \$16,709 (2001 \$15,369).

For the year ended 30 June 2002, the total annual cost (including fringe benefit tax) to Hamilton City Council of the remuneration package being received by the Chief Executive is calculated at \$224,945 (2001 \$213,374).

Mr Marryatt is also a Director of Hamilton Riverview Hotel Limited (appointed by Hamilton City Council) and receives Directors fees of \$12,600 (2001 \$12,000) for his work in that capacity.

**NOTE 20: MISCELLANEOUS EXPENDITURE**

This information is presented in accordance with the requirements of the Local Government Act 1974.

| Council &<br>Consolidated 2001                  |   | Council &<br>Consolidated 2002 |
|---|---|--------------------------------|
| <b>Miscellaneous Expenditure (Section 223J)</b> |   |                                |
| 490   | Insurance Premiums                                  | 557                            |
| 0   | Ex Gratia Payments                                  | 0                              |
| 75  | Ceremonies for the Public                           | 77                             |
| 0   | Insignia and Robes of Office                        | 0                              |
| 7   | Entertainment                                       | 9                              |
| 3,577   | Subscriptions, Levies, Fees and Contributions       | 3,222                          |
| <b>0</b>  | <b>Unauthorised Expenditure (Section 223K)</b>      | <b>0</b>                       |
| <b>Staff Termination (Section 223E)</b>         |   |                                |
| 0   | Final Payments to Staff Exceeding \$50,000 Totalled | 0                              |

**NOTE 21: STADIUM DEVELOPMENT AND UPGRADES**

During the 2001/02 financial year, Hamilton City Council, in association with community funding organisations, (including WEL Energy Trust, Trust Waikato, and Lotteries Commission) funded the development and upgrade of two facilities - WestpacTrust Park and Rugby Park now known as Waikato Stadium.

The WestpacTrust Park upgrade was completed during the 2001/02 financial year at a cost of \$2.586m.

On the 19 April 2002, the construction of the Waikato Stadium was completed, and the ownership and operation of the facility was transferred to Hamilton City Council. However, further project enhancements continued up to 30 June 2002 and are planned to be completed in 2002/03.

Due to the complex and large scale nature of the Waikato Stadium construction/upgrade project, the costs of the project have not been finalised at 30 June 2002. An amount of \$35.829m has been capitalised for the Waikato Stadium and this represents all certified construction costs and estimated additional claim costs for the project to 30 June 2002.

The amount of \$21.237m was vested in Council to fund the Waikato Stadium (\$35.829m) and WestpacTrust Park (\$2.586m). During the 2002/03 financial year, the final cost of the Waikato Stadium project will be established once final accounts and contractual claim costs for the 2002/03 financial year are agreed and paid. Funding for the project will also be finalised in the 2002/03 financial year. When the final cost and funding of the project is established, the 2002/03 financial statements will show final adjustments to fixed assets and the funding sources (vested assets and loans).

**NOTE 22: CONTINGENCIES**

**Guarantees**

Council is at times requested to act as Guarantor to loans raised by community organisations and sports clubs to construct facilities on reserve land. These structures form part of the reserve but are not included in the fixed asset figures. Council's potential liability under the guarantees is as follows:

| Council &<br>Consolidated 2001 |              | Council &<br>Consolidated 2002 |
|--------------------------------|--------------|--------------------------------|
| <b>Lending Institution</b>     |              |                                |
| 137                            | WestpacTrust | 191                            |
| 892                            | ASB          | 843                            |
| <b>1,029</b>                   |              | <b>1,034</b>                   |

**Insurance and Liability Claims**

Council was involved as defendant in various public liability and professional indemnity claims at 30 June 2002. Council's potential liability, if at all, would be its insurance excess. Council has also estimated its other liability claims.

| Council &<br>Consolidated 2001 |                        | Council &<br>Consolidated 2002 |
|--------------------------------|------------------------|--------------------------------|
| 184                            | Insurance Claim Excess | 263                            |
| 455                            | Other Liability Claims | 285                            |
| <b>639</b>                     |                        | <b>548</b>                     |

### ANZ Banking Group

Council placed \$512,400 on term deposit with ANZ Banking Group (New Zealand) Ltd on 10 April 2000, which is held as security over the portion of outstanding loans by Hamilton Riverview Hotel Ltd (Novotel). This deposit could be drawn upon by ANZ Banking Group (New Zealand) to meet the outstanding loan of Hamilton Riverview Hotel Ltd.

### WEL Energy Trust

Council is a 63 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of its 63 per cent share.

### Waikato Stadium

The final cost of the Waikato Stadium construction/upgrade project has not been finalised at the 30 June 2002, as a result of contractual claim costs submitted by contractors yet to be agreed with Hamilton City Council, and ongoing project enhancements being undertaken and yet to be completed. At the 30 June 2002, \$35.829m has been capitalised for the Waikato Stadium construction.

The total amount claimed by contractors yet to be agreed but included in the amount capitalised is \$3.441m. This amount is included in Trade Creditors and Accruals (note 10) as at 30 June 2002.

Hamilton City Council has agreed to fund the project from working capital in the 2002/03 financial year until final construction costs are established, and external funding by way of a committed \$2m underwriting agreement and other grants are received. The 2002/03 Hamilton City Council Annual Plan includes an allowance to fund \$6m from working capital during the 2002/03 financial year, with a loan of \$4m to be raised on 30 June 2003 and underwriting of \$2m to be received on the same date.

### NOTE 23: EXTERNAL CONSULTANTS

The following payments comprising legal and professional fees were made to external consultants:

| Council &<br>Consolidated 2001 |                          | Council &<br>Consolidated 2002 |
|--------------------------------|--------------------------|--------------------------------|
| 52                             | Chief Executive's Office | 165                            |
| 186                            | Community Services       | 273                            |
| 208                            | Corporate                | 251                            |
| 105                            | Environmental Services   | 120                            |
| 87                             | Works and Services       | 105                            |
| <b>638</b>                     |                          | <b>914</b>                     |

### NOTE 24: STATEMENTS OF SERVICE PERFORMANCE

During the period 16 May to 16 June 2002 Research Solutions Ltd carried out a survey on public perceptions and interpretation of Council services and representation. The survey is prepared on a scientific basis with a margin of error of plus or minus 3.7 per cent at the 95 per cent confidence level, having a random sample of 710 residents in the city of Hamilton. The survey results have been reported in the Statements of Service Performance.

Council has controls in place for monitoring and improving the quality of the services it provides. The controls consist of inspections by technical staff and reports to Council. Other controls are by response to public enquires and concerns.

All physical maintenance and capital works are carried out under contract. Planning, programming, management, supervision and auditing the standards of the roading and utilities networks are carried out by Council's in-house engineering business units or independent consultants. All design work is undertaken by registered engineers. These contracts remain in maintenance until the required performance is achieved and only then is the contract fully paid.

# STATEMENT OF FINANCIAL INVOLVEMENT IN LATES AND OTHER COMPANIES OR ORGANISATIONS

## Hamilton City Council has control over the following entity:

- Hamilton Properties Ltd (Local Authority Trading Enterprise).

## It has a significant interest in:

- Hamilton Riverview Hotel Ltd (Novotel) (Shareholding in a Joint Venture)
- Pirongia Mountain Afforestation Joint Venture (Local Authority Trading Enterprise)
- Waikato Regional Airport Ltd (Local Authority Trading Enterprise).

Details of financial interests in these entities are detailed in Note 6.

## The cost to each of the above enterprises for the financial interests, finance or financial assistance of Council is as follows:

|   | Dividends 2002 \$000 | Interest 2002 \$000 | Total 2002 \$000 |
|---|----------------------|---------------------|------------------|
| <b>Subsidiary</b>                             |                      |                     |                  |
| Hamilton Properties Ltd                       | 0                    | 0                   | 0                |
| <b>Associates</b>                             |                      |                     |                  |
| Bus Hire Joint Venture*                       | 1                    | 0                   | 1                |
| Hamilton Riverview Hotel Ltd (Novotel)        | 0                    | 0                   | 0                |
| Pirongia Mountain Afforestation Joint Venture | 0                    | 0                   | 0                |
| Waikato Regional Airport Ltd                  | 0                    | 0                   | 0                |

## Total Cost

The provision of financial assistance by Hamilton City Council to most of these organisations is by share capital and in the case of Pirongia Mountain Afforestation Joint Venture also through an additional cash contribution.

Council has sold its interest in the Bus Hire Joint Venture with an effective date of 30 April 2001. The deed of termination of the Joint Venture Agreement was signed on 2 August 2001, with proceeds of the sale received in the 2001/02 financial year.

\* Represents Council's 50 per cent share of the net surplus before tax.

# REPORT ON LONG-TERM FINANCIAL STRATEGY AND POLICIES

## INTRODUCTION

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Each local authority is required to prepare and adopt a Long-Term Financial Strategy, Funding Policy, Investment Policy, and Borrowing Management Policy.

Section 122V of the Local Government Act 1996 specifies that every local authority must provide in its annual report sufficient information about each of the documents listed above to enable an informed assessment of the extent to which the objectives and provisions of the strategy and policies have been met during that year.

The information required should include an explanation of any significant variation between:

- the objectives and policies of the Long-Term Financial Strategy, Funding Policy, Investment Policy and Borrowing Management Policy set out in the Annual Plan for the financial year, and
- the actual achievement of those objectives and policies.

## OVERVIEW

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During 2001/02 Council made significant progress towards the achievement of objectives and policies for the year as set out in the Annual Plan relating to its Long-Term Financial Strategy, Funding Policy, Investment Policy and Borrowing Management Policy.

Details of achievement against the objectives and policy are set out on the following pages.

## 1. LONG-TERM FINANCIAL STRATEGY (LTFS)

### Background

The Long-Term Financial Strategy (LTFS) as outlined in the Annual Plan identifies significant activities of Council and provides for the associated estimated future expenses, revenues, cashflows and other movements in the Statement of Financial Position. The general aim of the LTFS is to ensure that Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- prudent management of Council activities in the interest of the city and its inhabitants
- adequate provision for expenditure needs of Council
- adequate consideration and assessment of benefits and costs of different options
- lawful funding mechanisms that on reasonable grounds can be considered as appropriate
- maintaining prudent levels of debt in accordance with the Borrowing Management Policy, and
- operating revenue to cover all projected operating expenses.

### Overall Performance

The net surplus after tax for the year 2001/02 was \$29.0m, which is \$21.9m greater than that outlined in the LTFS of \$7.1m.

The significant variations to the LTFS are explained as follows:

- Fixed assets vested for year at \$31.4m was \$27.2m greater than in the LTFS, reflecting mainly the vesting of the Waikato Stadium and WestpacTrust Park to Council of \$21.2m and a higher level of sub-divisional assets vested of \$10.2m.
- There has been an increase in the level of depreciation of \$5.5m. This is a result of the revaluation of assets during the year under FRS-3, and changes in useful lives and depreciation charges, particularly for operational buildings and road and traffic network assets.
- Revenue from significant activities was \$4.9m greater, due principally to landfill fees, which were set to meet the cost of disposal of the household collection and refuse transfer station, and the addition of new services including Waikato Stadium.
- Other major items were the increase in rates income of \$2.5m and a reduction in interest expense due to the lower interest rates of \$1.6m.

### Specific Objectives and Targets

| Objectives   | 2002 Targets   | Performance  | Significant Variations, Comments   |
|--|--|--|--|
| To maintain the direction specified in the Long-Term Financial Strategy. | Achieve the budgeted figures specified in the Annual Plan.                       | Some significant variations. Refer to attached financial statements for comparisons.   | Refer to Statement of Financial Performance for an explanation of major budget variations. The Statement of Financial Position shows that fixed assets and ratepayers' equity have increased significantly over budget due to the revaluation of assets. |
| To manage the level of commitments and contingencies.                    | Total contractual commitments do not exceed \$2m.                                | This target was not met. Contractual commitments totalled \$2.794m, with a majority of these relating to roads and traffic, refuse, and parks and gardens projects. Refer to the Statement of Commitments.   | Council has a number of projects that were committed but not completed in the 2001/02 financial year. Funding for these projects in the 2001/02 financial year will be carried forward to 2002/03.   |
|  | Total contingencies do not exceed 2% of the general rate for the financial year. | Achieved. Current contingencies are 1.0% of the general rate for the financial year. This figure is based on the total annual contingent loan servicing charges on loans Council has guaranteed, plus any insurance claim excess and other liability claims, as disclosed in Note 22 and outlined in Section 2.7.2 of the FMP. | No significant variation.  |

## 2. FUNDING POLICY

### Background

The Funding Policy, as outlined in the Annual Plan, is designed to ensure that the allocation of costs by function is met by the people or groups benefiting from the function.

### Overall Performance

Council has generally achieved the planned mix of funding.

The actual allocation of the costs of Council's functions is not significantly changed from the Annual Plan.

### Specific Objectives and Targets

| Objective   | 2002 Targets  | Performance  | Significant Variations, Comments                |
|---|---|--|---|
| To maintain a mix of funding mechanisms to meet the total funding requirements of the city. | General rates do not exceed 55% of total revenue.   | Achieved. General rates comprised 48% of total revenue. Refer to Note 2 for details. | No significant variation.                       |
|   | Fees and charges comprise at least 20% of total revenue.  | Achieved. Fees and charges comprised 23% of total revenue.                           | No significant variation.                       |
|   | Differentials on property sectors maintained to achieve the rate recovery specified in the Annual Plan. | Achieved.  | Rate revenue higher than budgeted by \$194,000. |

The above targets are based on the results coming out of the process associated with developing the funding policy.

## 3. INVESTMENT POLICY

### Background

Council delegates responsibility for management, monitoring and reporting of Council investment and activities to its Strategic Planning and Policy Co-ordination Committee, and its Finance and Administration Unit. A Council Policy document sets out the parameters for the operation of the Finance and Administration Unit, and the volume of investments that Council will be involved with. The mix of investments between current and non-current is determined according to Council's working capital needs.

### Overall Performance

There are no significant variations or material departures from Council's Investment Policy as reported in the Annual Plan or as revised by Council during the year.

### Specific Objectives and Targets

| Objectives   | 2002 Targets   | Performance                              | Significant Variations, Comments |
|--|--|--|----------------------------------|
| To manage risks associated with investments.                         | Any operating cash flow surpluses to be managed on a prudent cash management basis.  | Achieved.                                | No significant variations.       |
|  | Synthetic instruments may be used to manage interest rate and exchange rate risk.  | No synthetic instruments currently used. |                                  |
| Use of proceeds of asset sales (excluding vehicles and light plant). | Investments remain within counterparty limits.   | Achieved.                                |                                  |
|  | Proceeds to be used for reduction of debt except as specifically authorised by Council or subject to legislative restrictions. | Achieved.                                |                                  |

## 4. BORROWING MANAGEMENT POLICY

### Background

The main function of the Borrowing Management Policy is to ensure that Council's debt and its associated risks are maintained at prudent levels. Refer to the Annual Plan for a detailed outline of the policy.

### Overall Performance

There are no significant variations or material departures from Council's Borrowing Management Policy as reported in the Annual Plan.

There were some minor departures from the fixed/floating mix during the financial year that were advised to the Strategic Planning and Policy Co-ordination Committee quarterly meeting, but these were monitored and corrected with consultation and advice from Council's external treasury advisors by 30 June 2002.

### Specific Objectives and Targets

| Objectives   | 2002 Targets  | Performance   | Significant Variations, Comments  |
|--|---|---|---|
| To maintain adequate liquidity.  | Committed borrowing facilities are maintained at 10% above maximum forecasted requirements. | Achieved.   |   |
| To manage interest rate and credit risk exposure.  | Minimum (50%) and maximum (95%) levels of fixed borrowing are not exceeded.                 | Achieved.   | Minor variations during the year that were advised to the Strategic Planning and Policy Co-ordination Committee. No significant variations to policy at 30 June 2002. |
| To maintain debt within specified limits and ensure adequate provision for repayments.   | City debt interest payments do not exceed 15% of the rating income for the year.            | Achieved: 10.6%. Refer to Financial Overview.   |   |
|  | Net city debt does not exceed 8.5% of total ratepayers' equity.                             | Achieved: 6.0%. (7.0%, if internal borrowing included) Refer to Financial Overview.   |   |
|  | Repayment of debt is not less than 4% of the rating income for the year.                    | Achieved: 8.4%. This is based on the contractual commitment to provide for loan repayments and actual loan repayments. Refer to Financial Overview. |   |
| To maintain security for public debt by way of a charge over rates.  | Security documentation is reviewed to ensure compliance.                                    | Achieved.   |   |
| To ensure that transactions involving foreign currency exceeding \$10,000 in value are hedged by way of forward cover contracts. | Compliance with this policy is monitored by reviewing payments in foreign currency.         | Achieved. All known foreign currency payments hedged.   | Working with Council staff to capture all foreign currency payments in advance to achieve compliance with policy.   |

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

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## Compliance

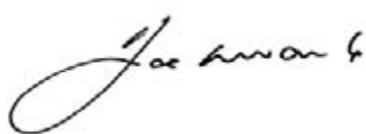
Council and management of Hamilton City Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

## Responsibility

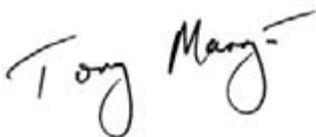
Council and management of Hamilton City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

Council and management of Hamilton City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of Council and management of Hamilton City Council, the annual Financial Statements for the year ended 30 June 2002 fairly reflect the financial position and operations of Hamilton City Council.



**D J Braithwaite**  
Mayor  
17 September 2002



**A J Marrayatt**  
Chief Executive  
17 September 2002



**M D Garrett**  
General Manager Corporate  
17 September 2002

# REPORT OF THE AUDITOR-GENERAL TO THE READERS OF THE FINANCIAL STATEMENTS OF HAMILTON CITY COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2002

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We have audited the financial statements on pages 45 to 132. The financial statements provide information about the past financial and service performance of Hamilton City Council and group and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 109 to 114.

## **Responsibilities of the Council**

The Local Government Act 1974 requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Hamilton City Council and group as at 30 June 2002 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

## **Auditor's responsibilities**

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The Auditor-General has appointed B H Halford of Audit New Zealand to undertake the audit.

## **Basis of opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Hamilton City Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Hamilton City Council or any of its subsidiaries.

### Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Hamilton City Council and group on pages 45 to 132:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - Hamilton City Council and group's financial position as at 30 June 2002;
  - the results of its operations and cash flows for the year ended on that date; and
  - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 17 September 2002 and our unqualified opinion is expressed as at that date.



**B H Halford**

Audit New Zealand

On behalf of the Auditor-General  
Hamilton, New Zealand



Audit New Zealand