

Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 28 FEBRUARY 2018** commencing at **9.00am**.

Information and recommendations are included in the reports to assist the Board in the decision making process and may not constitute Council's decision or policy until considered by the Committee.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

Representatives from Waikato Enterprise Agency will be in attendance from 9.00am to discuss item 6.1.

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

Meeting held on Wednesday 22 November 2017 3

5. RECEIPT OF AUDIT & RISK COMMITTEE MINUTES

Meeting held on Wednesday 13 December 2017 12

6. REPORTS

6.1	Waikato Enterprise Agency	22
6.2	2017-2018 Second Quarter Non-Financial Performance Report	47
6.3	Development Contributions Policy Proposal	88
6.4	Community Engagement Update	130
6.5	Summary of Procurement Savings for the Financial Year 2017-2018 as at 31/12/2017	143
6.6	Undertaking a Rolling Review versus a Full Review of the Waikato District Plan	146
6.7	Strada Corporation Limited Annual Report 2017	151
6.8	Summary of Movements in Discretionary Funds to 14 February 2018	176
6.9	Treasury Risk Management Policy – Compliance Report at 31 December 2017	178

6.10	Waikato District Community Wellbeing Trust Draft Statement of Intent for the year ended 30 June 2019	185
6.11	Waikato District Council Community Wellbeing Trust – Interim Performance Report for the 6 months ended 31 December 2017	199
6.12	Update on District Plan Review Project Financials	203
6.13	Local Government Funding Agency Quarterly Report	205
6.14	Summary of Movements in Community Administration Funding to 14 February 2018	224
6.15	Financial performance summary for the period ending 31 January 2018	226
6.16	Economic Development Update	228
7.	<u>EXCLUSION OF THE PUBLIC</u>	242

GJ Ion

CHIEF EXECUTIVE

Agenda2018\S&F\180228 S&F OP

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	23 November 2017
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on Wednesday 22 November 2017.

2. RECOMMENDATION

THAT the minutes of the meeting of the Strategy & Finance Committee held on Wednesday 22 November 2017 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

S&F minutes 22 November 2017

MINUTES for a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 22 NOVEMBER 2017** commencing at **9.00am**.

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor Mr AM Sanson [*until 9.02am and from 9.03am*]
Cr A Bech
Cr JA Church
Cr DW Fulton
Cr S Henderson
Cr SD Lynch
Cr RC McGuire
Cr FM McInally
Cr BL Main
Cr EM Patterson
Cr JD Sedgwick
Cr NMD Smith [*until 9.49am and from 9.54am until 11.22am*]
Cr LR Thomson

Attending:

Mr B MacLeod (Chair Raglan Community Board)
Mr G Ion (Chief Executive)
Mr T Harty (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr T Whittaker (General Manager Strategy & Support)
Mrs LM Wainwright (Committee Secretary)
Ms D Dalbeth (Business Analyst)
Mr C Morgan (Economic Development Manager)
Ms S Kelly (Youth Engagement Advisor)
Ms M Russo (Corporate Planner)
Mr V Ramduny (Planning & Strategy Manager)
Mrs L Van den Bemd (Community Development Officer)
Mrs J Vernon (Strategic Planning and Resource Management Team Leader)

APOLOGIES AND LEAVE OF ABSENCE

All members were present.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Main/Sedgwick)

THAT the agenda for a meeting of the Strategy & Finance Committee held on Wednesday 22 November 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be considered with the public excluded;

AND THAT all reports be received;

AND FURTHER THAT the following item be withdrawn from the agenda:

- **Item No. 6.9 Approval of SCADA Upgrade Budget and Supplier Selection Process**

AND FURTHER THAT the Chair of the Raglan Community Board be given speaking rights for the duration of the open section of this meeting.

CARRIED on the voices

S&F1711/01

DISCLOSURES OF INTEREST

There were no disclosures of interest.

His Worship the Mayor withdrew from the meeting at 9.02am following discussion on the above item.

CONFIRMATION OF MINUTES

Resolved: (Crs Thomson/Henderson)

THAT the minutes of a meeting of the Strategy & Finance Committee held on Wednesday 27 September 2017 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

S&F1711/02

RECEIPT OF MINUTES

Resolved: (Crs Main/McInally)

THAT the minutes of a meeting of the Audit & Risk Committee held on Friday 22 September 2017 be received.

CARRIED on the voices

S&F1711/03

Resolved: (Crs Sedgwick/Fulton)

THAT the minutes of a meeting of the Audit & Risk Committee held on Tuesday 31 October 2017 be received.

CARRIED on the voices

S&F1711/04

REPORTS

2017-2018 First Quarter Non-Financial Performance Report

Agenda Item 6.1

The Business Analyst and Economic Development Manager answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

His Worship the Mayor re-entered the meeting at 9.03am during discussion on the above item.

Youth Engagement Update

Agenda Item 6.2

The Youth Engagement Advisor gave a verbal update answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Community Engagement Update

Agenda Item 6.3

The Corporate Planner and Planning & Strategy Manager answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Cr Smith withdrew from the meeting at 9.49am during discussion on the above item.

Waikato District Community Committee Plan and Administration Funding Criteria

Agenda Item 6.4

The Community Development Officer gave a verbal update and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs Sedgwick/Bech)

THAT the Strategy & Finance Committee recommends to Council that it adopt the funding criteria for the Waikato District Community Committee Plans and Administration Funding ,subject to the following groups being removed from the list:

- Tamahere Community Committee,
- Tuakau and Districts Development Association, and
- Hall Committees.

CARRIED on the voices

S&F1711/05

Cr Smith re-entered the meeting at 9.54am during discussion on the above item and was present when voting took place.

The meeting adjourned at 10.19am and resumed at 10.41am.

Submission for the Hamilton City Te Awa Lakes Private Plan Change
Agenda Item 6.5

The Strategic Planning and Resource Management Team Leader answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs Smith/Fulton)

THAT the Strategy & Finance Committee recommends the approval to Council on the submission for the Hamilton City Te Awa Lakes Private Plan Change.

CARRIED on the voices

S&F1711/06

Hearing Commissioners for Plan Change 20 and 21
Agenda Item 6.6

The Strategic Planning and Resource Management Team Leader answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs Fulton/Smith)

THAT the Strategy & Finance Committee recommends to Council that an independent hearing panel comprising Dr Phil Mitchell (Chair), Alan Watson and Linda Te Aho be appointed for Plan Change 20 and that this panel be delegated authority to hear and decide on all submissions received;

AND THAT the Strategy & Finance Committee recommends to Council that Alan Watson be appointed as sole commissioner to hear and decide on all submissions received on Plan Change 21.

CARRIED on the voices

S&F1711/07

Plan Change 20 Submission – Retrospective Approval
Agenda Item 6.7

The Strategic Planning and Resource Management Team Leader answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs Fulton/Smith)

THAT the Strategy & Finance Committee recommends to Council that the Waikato District Council submission on Plan Change 20 – Lakeside Development, as attached to the agenda, be retrospectively approved.

CARRIED on the voices

S&F1711/08

Wastewater Generator Budget Transfer
Agenda Item 6.8

The General Manager Service Delivery answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs Patterson/Thomson)

THAT the Strategy & Finance Committee approve the budget transfer of \$86,427 to purchase a standby generator and trailer;

AND THAT the Strategy & Finance Committee approve the release of \$25,000 operational budget no longer needed in order to realise a portion of operational savings commitment made in the 2016/17 Annual Plan.

CARRIED on the voices

S&F1711/09

Approval of SCADA Upgrade Budget and Supplier Selection Process
Agenda Item 6.9

This item was withdrawn from the agenda.

Financial Review of Key Projects
Agenda Item 6.10

The report was received [*S&F1711/02 refers*] and discussion was held.

Housing Infrastructure Fund – Progress Report
Agenda Item 6.11

The Corporate Planning Team Leader gave a verbal presentation and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Local Government Funding Agency Annual Report 2017
Agenda Item 6.12

The General Manager Strategy & Support gave a verbal presentation and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Summary of Movements in Discretionary Funds to 09 November 2017
Agenda Item 6.13

The report was received [*S&F1711/02 refers*] and discussion was held.

Waikato Regional Airport Limited Annual Report 2017
Agenda Item 6.14

The General Manager Strategy & Support gave a verbal presentation and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Treasury Risk Management Policy – Compliance Report as at 30 September 2017
Agenda Item 6.15

The General Manager Strategy & Finance answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Minutes of the Waikato Plan Leadership Group
Agenda Item 6.16

The Planning & Strategy Manager gave a verbal update and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Raglan Visitor Infrastructure Study
Agenda Item 6.17

The Economic Development Manager gave a verbal update and answered questions of the committee.

The report was received [*S&F1711/02 refers*] and discussion was held.

Resolved: (Crs McGuire/Henderson)

THAT the recommendations in the Raglan Visitor Infrastructure Study are adopted;

AND THAT Council consider making provision for the recommendations through the Long Term Plan.

CARRIED on the voices

S&F1711/10

Cr Smith retired from the meeting at 11.55am following discussion on the above item.

EXCLUSION OF THE PUBLIC
Agenda Item 7

Resolved: (Crs Thomson/Patterson)

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Strategy & Finance Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Wednesday 27 September 2017

Receipt of Minutes:

- **Audit & Risk Committee dated Friday 22 September 2017**
- **Audit & Risk Committee dated Tuesday 31 October 2017**

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	15 December 2017
Prepared by	Rose Gray Council Support Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Receipt of Minutes – Audit & Risk Committee

1. EXECUTIVE SUMMARY

To receive the minutes of the Audit & Risk Committee meeting held on Wednesday 13 December 2017.

2. RECOMMENDATION

THAT the minutes of a meeting of the Audit & Risk Committee held on Wednesday 13 December 2017 be received.

3. ATTACHMENTS

A&R minutes

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Committee Rooms 1 and 2, District Office, 15 Galileo Street, Ngaruawahia held on **WEDNESDAY 13 DECEMBER 2017** commencing at **9.00am**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor Mr AM Sanson
Cr AD Bech
Cr JM Gibb
Cr BL Main
Cr JD Sedgwick

Attending:

Cr DW Fulton
Cr RC McGuire
Cr SD Lynch
Cr NMD Smith
Mr GJ Ion (Chief Executive)
Mr TG Whittaker (General Manager Strategy & Support)
Mr T Harty (General Manager Service Delivery)
Mrs RJ Gray (Council Support Manager)
Ms A Diaz (Finance Manager)
Ms L Shirley (Zero Harm Manager)
Ms K Anderson (Zero Harm Advisor)
Mr K Abbott (Organisational Planning & Project Support Team Leader)
Mrs M Baena-Escamilla (Continuous Improvement Analyst)
Ms M Russo (Corporate Planner)
Mr A Marais (GIS Team Leader)
Mrs M Proctor (Audit Manager Audit New Zealand)
Mr L Pieterse (Director Audit New Zealand)
Mr D Sutton (KPMG)

APOLOGIES AND LEAVE OF ABSENCE

All members were present.

CONFIRMATION OF STATUS OF AGENDA ITEMS**Resolved: (Crs Gibb/Main)****THAT** the agenda for a meeting of the **Audit & Risk Committee** held on **Wednesday 13 December 2017** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;**AND THAT** all reports be received;**AND FURTHER THAT** the following items be discussed at an appropriate time during the course of the meeting:

- **Heavy Items Contained in Ceiling Space**
- **Havelock North Report.**

CARRIED on the voices**A&R1712/01****DISCLOSURES OF INTEREST**

There were no disclosures of interest.

CONFIRMATION OF MINUTES**Resolved: (Crs Gibb/Main)****THAT** the minutes of a meeting of the **Audit & Risk Committee** held on **Tuesday 31 October 2017** be confirmed as a true and correct record of that meeting.**CARRIED on the voices****A&R1712/02****REPORTS**Waikato District Council Health and Safety Framework
Agenda Item 5.1

The report was received [A&R1712/01].

The Chief Executive introduced the newly appointed Zero Harm Manager, Lynn Shirley, to the members. The report was taken as read.

The Chief Executive provided an overview of the report and questions raised were answered by the Chief Executive and the Zero Harm Manager:

- The Zero Harm Manager advised that a review against the current quality standards is currently underway to ensure that the appropriate standards are being used.

- Safety Action Team: the team meets monthly and considers issues raised eg air conditioning and issues at the Tuakau office, eg fire alarm and air conditioning. It was noted that most issues have been rectified. The safety action team will become a more effective part of the health and safety system going forward.

Zero Harm Update

Agenda Item 6.1

The report was received [A&R1712/01].

The report was taken as read.

The Chief Executive provided a brief overview of the report and noted that the monitoring engagement with safety conversations indicated the need for all conversations to be recorded.

Information was provided on the following issues:

- Drug and Alcohol Policy: all testing is post incident, random testing has not been implemented at this stage.
- Overspeeds are addressed as firstly a safety concern rather than simply breaking the law. There was discussion on how the newly implemented speed increase to 110kph on two main roads; Cambridge section of the expressway and the Eastern section of the Tauranga expressway would be addressed. The Chief Executive advised that neither of these routes were used frequently by WDC staff.
- A new desk top and phone app has been introduced that enables the logging of a near miss or incident that is automatically included in the system and also allows for the recording of safety conversations.
- Agreed that a site visit be organised in 2018.

Contract Spend Review

Agenda Item 5.2

The report was received [A&R1712/01].

The report was taken as read.

In speaking to the report the General Manager Strategy & Support provided the following points:

- The Chief Executive met with the senior leadership team and made clear his expectations of checking policies are correct rather than just complying with them. There was also a conversation regarding the team members providing support to the requirements of the Procurement Manager's role.

- Internal audits are being carried out to ensure processes are on track along with training of staff.
- Extended Contracts: A concern was raised in respect of a recent example of extending a contract beyond the contract date prior to the approval of the increase in approved contract sum. It was agreed that Council needed to be more proactive with awareness of contracts reaching their expiry date. Mr Sutton, KPMG, agreed that the consideration of reviewing contracts for further funding at the commencement of the financial year is good practice.
- An update is required for the March meeting on progress of this review. The Director Audit New Zealand was comfortable with the approach that has been adopted, and having regular updates. KPMG confirmed that in their view the approach being proposed was solid.

It was agreed that:

- The issues of the role of the Procurement Manager had been addressed by reinforcing the support required to the SLT members and there is now an additional resource of a support person in procurement.
- The renewing of contracts would be dealt with in a proactive manner.
- A report will be provided by the Procurement Manager to the Audit & Risk meetings.
- There is an opportunity to look at a systemised monitoring concept as a bridging process.
- A progress report based on the action plan contained in the report will be provided to the March 2018 meeting.

Final Management Report for Year Ended 30 June 2017

Agenda Item 6.2

The report was received [A&R1712/01].

The report was taken as read. The report for Council was considered first in the discussion.

Mrs Proctor provided an overview of the audit process. She advised there were two new issues raised, but were more of a reminder to the changes in the Construction Contracts Act in March 2017 and to be aware of reviewing the process and compliance with the Holidays Act.

Mrs Proctor thanked the Finance Manager and her team for the good progress made.

Discussion was held around the following issues:

- The Holidays Act: accruals of holidays - no concerns were raised regarding staff not taking holidays. It was noted that Managers have a dashboard report that identifies leave and the organisation KPI states a maximum of 25 days can be accumulated. There were some challenges around staff backpay, and this is currently being

addressed. Three reviews of the payroll system have been undertaken and no issues were found. Reviews were carried out prior to going live with Datacom and review of their controls and parallels were carried out. It was noted that the system is compliant in respect of the Holidays Act. Council has good documentation on leave when staff change their roles. A report is provided from Datacom on the audit of their systems. A request was made for staff to request a statement from Datacom stating they are compliant in respect of risk and the Holidays Act.

- IT issues: monitoring and reporting on IT service performance, change management, review of users who have remote access and process of approving card access to the computer room were raised for discussion. It was noted that some have been addressed and continuing to work on the remainder. Having no timeline for the recommendations was discussed but advised that the timeline is included in a further report that is provided. There was a recommendation from Audit New Zealand to prioritise a number of items of which the General Manager Strategy & Support advised that the high risk recommendations had been dealt with in the first instance. The IT Team is still working through the other recommendations.
- The General Manager Strategy & Support had discussed with the Director of Audit NZ the capitalisation of assets and an update on the recommendation will show progress has been made at the next meeting. The Director Audit New Zealand advised he was happy with the progress made and this will be confirmed next year.
- Reimbursement of expenses/proberty and expenses: elected members mileage claim forms are approved by the Council Support Team with miscellaneous items signed off by the Chief Executive. Expense claims for the Mayor are signed off by the Chief Executive and Deputy Mayor. There is a clear criteria of what is signed off.
- Credit card – Council has one card and under the control of the Chief Executive that has a modest limit. It was noted the importance to have a proper process in place that stands up to scrutiny.

The General Manager Strategy & Support provided an overview on the annual report of Strada:

- Alcohol spend: discussion had been held with the Chair of Strada and it had been agreed in writing that the alcohol spend would be reimbursed to Strada.
- Vehicle Sale: An explanation of the process of the sale of vehicles to related persons of the Chief Executive was received.
- The Director Audit New Zealand was concerned that the process did not go well for the auditing of Strada and expressed concern with meeting statutory deadlines and an issue of vehicles sold to related persons of the Chief Executive. Due process was not followed and this was raised in the management report. An explanation was provided in a letter from the Chair of Strada. He was however comfortable that based on the work carried out by Audit NZ the value received for the vehicles did reflect the market value and as such there was no detriment to Strada in respect of these sales.

- Bring accounting issues in-house: the Chief Executive is to have further discussions with the Director Audit New Zealand regarding this.
- In summary, the concerns raised in the report need to be addressed as a matter of urgency to mitigate the current risk. Management were also requested to ensure that the reimbursement in respect of the alcohol purchases is made.

Update on Process Audit and Quality Improvement

Agenda Item 6.3

The report was received [A&R1712/01].

The Continuous Improvement Analyst took the report as read.

There were no concerns raised and the focus next year is on a work plan on process improvement.

Post Implementation Review – Easier Consenting Project

Agenda Item 6.4

The report was received [A&R1712/01].

The report was taken as read. The Consents Manager answered questions from the members.

- A significant amount of work was done in a short space of time to comply and the effort made by the team was noted.
- The process was comprehensive and the report clarified where Council is at and the risks going forward.
- Future Enhancements – gap in terms of submissions not in line with online ability for plan changes: a full end to end digital solution to cover has not yet been explored for the consenting process, but an online portal for customers to see tracking has been discussed.
- Natural Hazards – part of legislation changes included an emphasis to how natural hazards should be evaluated when Council is processing subdivisions.
- High risks remaining in the business - a project scope is to be signed off and to commence in late January in terms of getting the team to do this and are engaging a specialist to assist and vet what is created, and help with training.

In summary, it was agreed that an update on progress of the risks be provided to the March meeting. The Committee acknowledged the work completed on this project.

December Update on Progress Against Audit Issues
Agenda Item 6.5

The report was received [A&R1712/01].

The report was taken as read. In speaking to the report, the Corporate Planner answered questions of the members.

- IT matters – concern with the issues that are identified as pending or to be confirmed to be addressed. Significant movement will be made in the near future and will be identified in a report to the next meeting. There has been significant work around DR and recovery systems in Tuakau.
- Request to capture date of issue when first raised to be included in the schedule.
- Councillors have provided support to Council to progress two key additional roles in the IT area that are part of the LTP business planning.

Updated Future Work Plan
Agenda Item 6.6

The report was received [A&R1712/01].

The report was taken as read and invitations have been sent for dates in 2018.

Heavy Items contained in the Ceiling Space
Additional Item

There have been reports of media contacting Councils regarding heavy items contained in ceiling spaces, in particular air conditioners. A request was made to provide a report to the next meeting on this.

Havelock North Report
Additional Item

The General Manager Service Delivery advised that a report on this item would be provided to the Infrastructure Committee in the New Year.

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Crs Bech/Sedgwick)**THAT the report of the Chief Executive be received;****AND THAT the public be excluded from the meeting to enable the Audit & Risk Committee to deliberate and make decisions on the following items of business:****a. Confirmation of Minutes dated 31 October 2017****REPORTS****a. Fraud Declaration**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(a)**Section 48(1)(a)(d)****b. Register of Members' Interests – Elected Member and Senior Staff**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(f)(h)(i)(j)**Section 48(1)(3)(a)(d)**

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Prepared by	Sharlene Jenkins PA General Manager Strategy & Support
Chief Executive Approved	Y
Reference #	GOV1318 / 1895077
Report Title	Waikato Enterprise Agency

1. EXECUTIVE SUMMARY

Kim Bredenbeck, General Manager Waikato Enterprise Agency will be in attendance to present the i-Site Six Month Report for July to December 2017.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Waikato Enterprise Agency i-Site Six Month Report for July to December 2017

2017
JULY TO DECEMBER

iSITE
SIX MONTH
REPORT

Kim Bredenbeck

CONTENTS

EXECUTIVE SUMMARY	... 1
TOURISM NEW ZEALAND	... 2
STAKEHOLDER FEEDBACK	... 3
STRATEGIC PLAN	... 4
HUNTLY I-SITE	... 6
RAGLAN I-SITE	... 8
OUR STAFF	... 10
FAMILS	... 17
WEBSITE STATISTICS	... 22

GLOSSARY

WEA - Waikato Enterprise Agency

RTO - Regional Tourism Organisation

HWT - Hamilton Waikato Tourism is the name of our RTO

NZT - New Zealand Tourism

FIT - Free Independent Travellers overseas travellers using their own means to travel around NZ

iSITE - Visitor Information Centres affiliated to Tourism New Zealand. These agencies are QualMarked and audited with very strict guidelines to operate within

Yammer - iSITE networking on-line communication tool

Famils - Short for familiarisation tours

Regional Cluster Meetings - The Waikato Regional Network of 15 visitor centres meeting on a 6 weekly basis to share ideas and work together in cooperation with the Waikato RTO

New Zealand Inc - The big picture for tourism our identity and reputation as a country

KDT - Kiwi Domestic Traveller

LOCALS - Residents

BBT - Boutique Bus Tours





EXECUTIVE SUMMARY

The following report outlines the operational activities for the Raglan and Huntly iSITE's. This report reflects the months of July to December 2017 encompassing three seasonal variations of low, medium and the start of the high season. The iSITES at Huntly and Raglan have been steady during this period and our teams have recorded the following notable observations;

The Winter section has been relatively steady. In previous years it has not been unusual for sites such as Raglan to experience very quiet trading times over July and August, Huntly has always had the benefit of being on State Highway One and servicing the ski traffic both international and domestic.

58,042

Combined Total Visitors

The sites hosted a combined total of **58,042** up **+11,370** from last year's total of **46,672** which had been a decrease of -481 on the previous year. Our assumptions were that an inclement six-month period with 104 days of rain experienced out of 184 for the period impacted on domestic travellers. Our key market was opting to stay at home or hit the mall instead. We have had a similar somewhat colder winter than the previous and recorded 103 days of rain in 2017 and yet our numbers have increased. We believe this has occurred because of an increase in boutique bus and van tourism businesses that have recently entered the market with new migrants playing host to their countryman.

TOURISM NEW ZEALAND

Tourism New Zealand has released their key indicators report and some of the key findings sit with our trends. Both sites processed a total of 6424 transactions that generated a total of \$78,983.21 in sales across retail, accommodation, activities and travel.

\$48,097.46

Accommodation &
Activities

\$22,344.34

Retail

\$8,541.41

Travel

The trend is that bookings are down as numbers to iSITES increase, the staff work hard to secure bookings for their members but often visitors want to view a property before they confirm the deal or they have other on-line platforms they can choose. However, the work they do should not lessen the value provided by the iSITES as the promotional work has usually been done before a customer arrives to view a property so local knowledge and expertise is being accessed however visitors are booking directly with the accommodation provider. This trend will only increase as online options grow with enhanced internet access across the county.

The staff have been recording these transactions for this period as we attempt to quantify the true value of the work our team do to provide information about our members and communities. A total of 2731 inquiries were responded to without securing a sale from visitors inquiring about accommodation and activities.

At their one-day conference in May 2017 the visitor information network talked to predominantly local government owners. They heard that:

- Eight million visitors seek out an iSITE every year,
- Generating a turnover of 76mil,
- For every dollar provided by council's in funding, the network returns on average \$8.70 in GDP,
- i-SITES Are Vital Distribution Channels for Tourism,
- iSITES help to ensure international and domestic visitors do and spend more while they travel around New Zealand.
- Many international visitors wait until they arrive in New Zealand to book parts of their holiday including local transport, accommodation, and activities.
- The brand is trusted by visitors to provide good quality, useful and relevant information that is vital to ensuring they have a safe, stress free and rewarding time in New Zealand.
- 59% of international holiday arrivals are aware of the iSITE brand which equates to 1.1 million people.
- 47% of internationals use iSITES.
- While more visitors are seeking out information from the network, they are choosing to book through alternatives.

source: <https://www.tourismnewzealand.com/news/value-of-i-sites-explained-to-local-government-owners/>

STAKEHOLDER FEEDBACK

Our team are now recording feedback from mostly our domestic visitors who have sought advice from primarily our Raglan office to assist them to remedy a disastrous Airbnb booking or their Bookabach booking as on their arrival they are very disappointed with the product. The numbers are relatively low at this stage we have recorded feedback from six couples. It is our intention to monitor this.

Subsequently we have also received feedback from some of our members and operators who are not happy about the online platform of "Booking.com". It is inflexible and takes large fees for the service as shared to us from an operator recently who told us they intend to step away from that site and stick with their local i-SITE and their website, facebook mediums.

Our staff have been recording referrals to our members even if we don't secure a booking, we send members these stats every month.

example of referral report email sent to members:



NOTE: The total stated only includes referrals made in response to direct inquiries made to us, it does not include walk-ins or off-hand referrals.

We greatly value your support and hope you gained business from our referrals!

Thank you for being part of the iSITE family.

- the iSITE Team

ONLINE ACCOMMODATION PLATFORMS THAT WILL TEST ON-GOING SUPPORT FROM RATEPAYERS

The impacts of sites such as Bookabach will continue to be contentious to the industry and the community given the increased burden on local infrastructure and the non-taxed revenue streams that most certainly must be in the hundreds of millions. The tourism sector that is paying tax and rates appropriate to their use and this will be successfully challenged as ratepayers are required to pick up the added costs of wear and tear in relation to water, waste and rubbish. Bookabach is also about to increase its costs.

STRATEGIC PLAN

This plan sets out a blueprint for cross integration of staff to build greater local district knowledge, provide greater variety for staff and create seamless service support throughout the team. Five portfolios were identified and distributed across the key team members in early 2017 we are intending to review the work undertaken within these portfolios. We will focus on evolving these work streams based off the review.



Tourism Quality Service Manager:

Manage all training requirements for staff, develop service model practise for presentation of sites, staff, Health and Safety Policy and Practise

Public Relations Leader:

Visit as many members and operators to market the services of the iSITEs. Build stronger relationships.

Tourism Product Awareness Leader:

Develop soft and hard promotional material to support members and market the district

Retail and Customer Service Leader:

Review stock and develop a purchasing plan aligning strong product knowledge information sharing for staff. Develop customer service resources

Stakeholder Relationship Leader:

Co-ordinate Famils, develop information about new products ensuring staff are made aware of all products to market effectively

PERSONAL DEVELOPMENT

Our teams have undertaken significant personal development during this time from first aid training, social media, closing the deal and selling skills, outstanding customer service to level three in tourism training with the Tourism New Zealand training team.

HUNTLY & RAGLAN iSITE BUSINESS AND STRATEGIC PLAN TO 2020

OUR VISION: *MOVE PEOPLE FORWARD*

OUR MISSION

Showcase and promote our district and our members to all visitors via our iSITES

OUR STORY

The Waikato Enterprise Agency has been delivering tourism services since 1996 and has been a member of VIN then iSITE Network since its inception.

We have amassed a large amount of experience, resources and intellectual knowledge during this time.

OBJECTIVES

Consistently strive to present the best tourism opportunities to all visitors to our district by developing resources and systems that deliver on this.

Research opportunities to develop and build key relationships with major stakeholders that have been identified in order to strengthen credibility, knowledge and professionalism.

Look for joint venture opportunities to build sustainable income streams.

GOALS

- 1 Streamline iSITE processes to ensure both sites are closely aligned and operating to the highest standard of service.
- 2 Grow retail shop turnover in Huntly and Raglan sites.
- 3 Develop a public relations focus to social media soft and hard material to socialise across mediums.
- 4 Grow our iSITE Membership. Look at opportunities to provide professional development for staff focussing on continuous improvement and best practise.

PROJECT ONE

Develop a clear tourism strategy to meet the future needs of the Huntly iSITE as the new highway is completed and bypasses Huntly.

PROJECT TWO

Re-develop websites to better reflect the iSITE service models. Develop soft and hard promotional material to support members. Promote our walks, tracks and cycle ways. Newsletters. Drive social media through Facebook, Instagram, twitter, etc. Work with Jed to enhance our websites and their presentation.

PROJECT THREE

Develop a cross site roster to ensure staff work at both sites, re-develop retail focus and ensure all staff are compliant with their required training in tourism, health and safety and customer service.

PROJECT FOUR

Explore joint venture opportunities and new business ideas to champion in order to grow the business of tourism within the Waikato District

HUNTLY i-SITE

Service Definition:

- Located on State Highway One
- Facilitating a quicker service often relating to Information regarding directions, events in the district and region
- Working with larger volumes of visitors from buses and of FIT's
- Providing public transport information, bookings
- On selling local walks, cycle-ways, water sport options



Huntly Visitor Statistical Breakdown 2017

Country	Location	July	Aug	Sept	Oct	Nov	Dec	TOTAL
Australia	Brisbane, Sydney, Perth, Tasmania	421	584	747	1,229	1,765	1,266	6012
Pacific	New Caledonia, Tahiti, Hawaii	143	245	35	319	385	149	1276
Asia	Malaysia, Japan, Indonesia, Philippines, Taiwan, Korea, Vietnam, Dubai, Hong Kong, China, Pakistan, Iraq	1,587	2,347	2,399	4,466	3,303	3,896	17998
India		5	497	358	300	1,095	946	3201
Europe	Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Turkey	326	399	228	1476	1438	667	4534
UK	England, Wales, Scotland, Ireland	646	255	360	390	932	646	3229
USA/Canada	Mexico, Puerto Rico, America, Canada	684	285	541	1327	1953	939	5729
South America	Brazil, Argentina, Peru, Chile, Colombia	39	142	216	422	178	180	1177
Africa	South Africa		14	4		17	35	70
TOTAL		3,851	4,738	4,888	9,929	11,066	8,724	43,226
FIT - International		710	113	203	344	151	172	1693
Bus - International		1,344	3,500	4,060	7,560	7,980	6,755	31,199
Domestic		291	802	528	1,291	192	177	3,281
Local		94	175	163	161	130	72	795

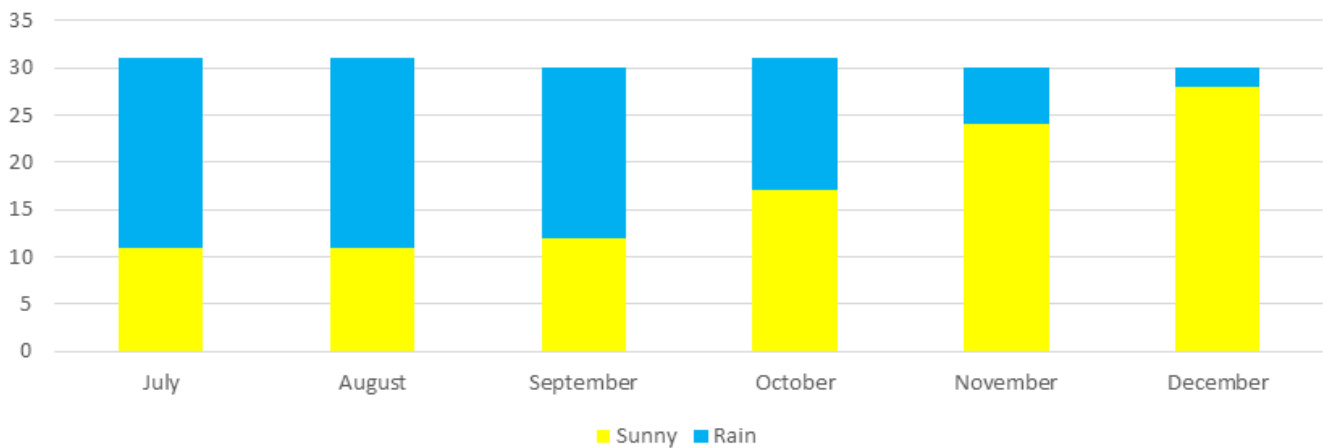
WEATHER

HUNTLY i-SITE

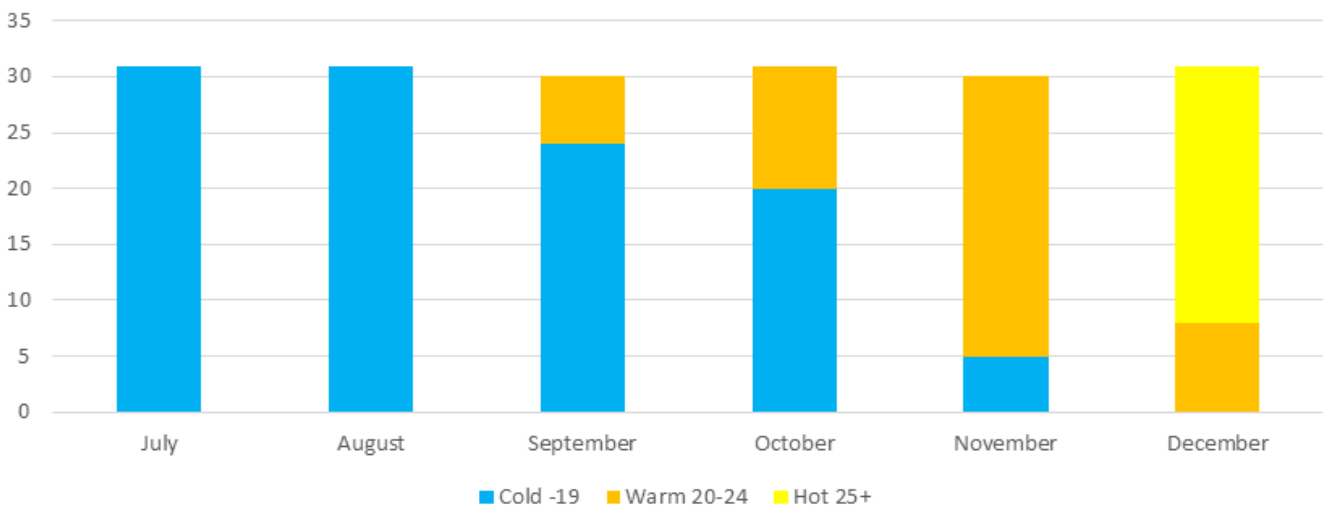
Whilst we had a wet and cold winter period our statistics increased significantly in the bus market. We have noted a resurgence of bus tours particularly as they had been waning as a preferred choice of travel form countries such as China and India. We also noticed real growth in boutique bus and van tours this ensured a steady stream over winter as these start-up companies saw a gap in the market for smaller more intimate tours that are relatively more laid back, organised but not rigid either. This is the feedback we have received from passengers who have arrived and shared their thinking around the appeal of this type of first visit.

Huntly and districts experienced four cold months noting that 111 days over the period of 184 days were 19 degrees and under, cold. Noting a sharp improvement for November and December with a total of five days in November going under 19 degrees. However a total of 90 days experienced rain as opposed to 103 in Raglan.

Huntly Weather Statistics 2017



Huntly Temperature Statistics 2017



RAGLAN i-SITE

Service Definition:

- Key Destination
- Expectation of excellent local knowledge
- Requirement by staff to spend longer-periods of time with visitors
- High level of use by residents
- Visitors are closely split between International, domestic and local



The market is broken into three key segments: FIT – Free Independent Traveller, DOM – Domestic Kiwi Traveller and LOC – Local residents. It is worth noting that Raglan attracts large numbers from Auckland who visit the iSITE regularly to stay current with any new products and services.

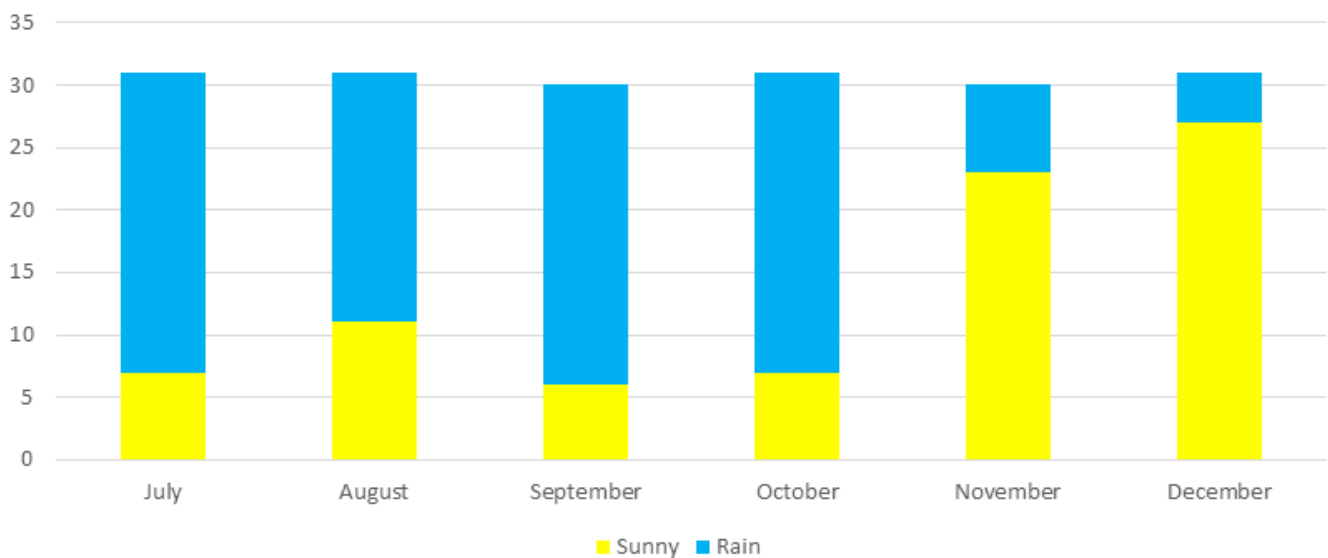
Country	Location	July	Aug	Sept	Oct	Nov	Dec	TOTALS
Australia	Brisbane, Sydney, Perth	41	79	169	194	145	161	789
Pacific	New Caledonia, Tahiti	9	26	0	0	6	3	44
Asia	China, Malaysia, Japan, Indonesia, Philippians, Taiwan, Korea, Vietnam, Dubai, Hong Kong	79	45	41	56	33	69	323
India		17	10	0	30	7	2	66
Europe	Russia, France, Germany, Netherlands, Estonia, Poland	159	125	152	348	482	523	1,789
UK	England, Wales, Scotland, Ireland	155	95	43	141	111	184	729
USA/Canada	Mexico, Puerto Rico, Hawaii	77	29	71	86	154	195	612
South America	Brazil, Argentina	7	2	14	16	21	50	110
Africa	South Africa	0	0	0	0	0	4	4
Domestic	Auckland, Hamilton, South Island	1,470	556	943	2,445	778	671	6,863
Local		585	821	616	418	362	685	3,487
TOTALS		2,599	1,788	2,049	3,734	2,099	2,547	14,816
FIT TOTAL		544	411	490	871	959	1,191	4,466
Museum TOTAL		199	129	277	566	327	302	1,800

WEATHER

RAGLAN i-SITE

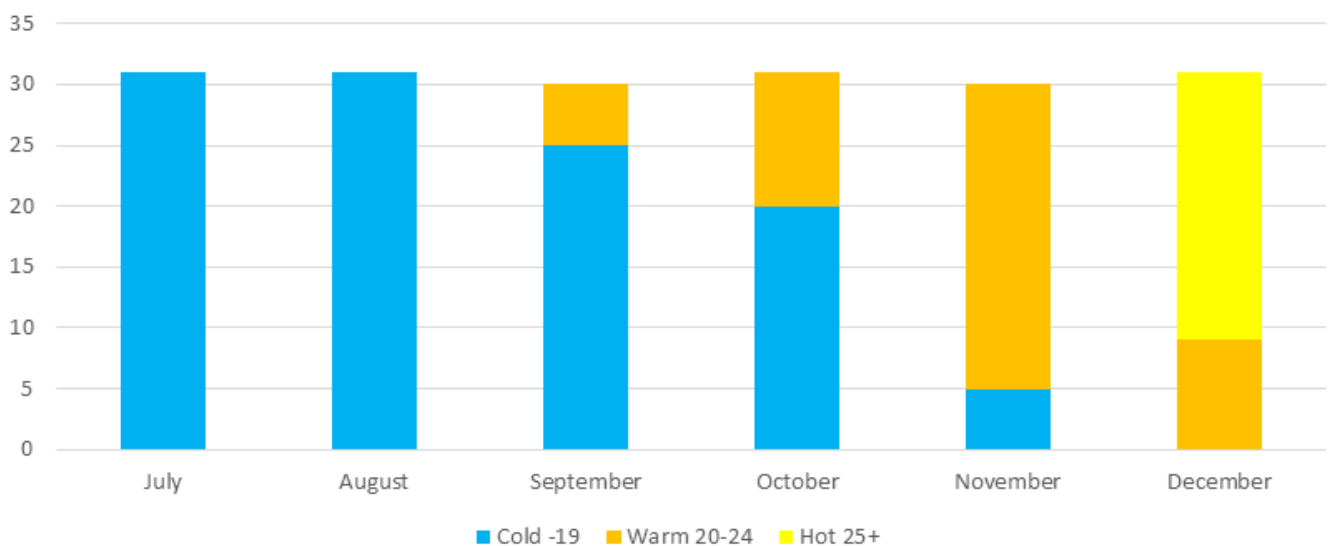
The weather plays a big part in how and when people travel, we have a large domestic market and the months of June, July and August were extremely wet. In reviewing our report for the same period last year it was noted that out of a total of 184 days 104 were wet or weather was not conducive to outdoor activities or travel these were spread across the six months up until the end of December 2017. For this period, we had a total of 103 days that had rain, however they were experienced over the months of June, July, August, September and then a notable increase of warm weather experienced in November and December where a total of seven wet days in November and four in December made 11 wet days over eight weeks.

Raglan Weather Statistics 2017



Daily temperatures were similar in that July, August and most of September recorded days below 19 degrees and were deemed cold.

Raglan Temperature Statistics 2017



OUR STAFF

First Aid and Service IQ Training

Name	First Aid	Service IQ L3
Holly Kereopa	7.10.17	Complete
Allison Lake	7.10.17	Complete
Te Aronui Maihi	26.8.17	Complete
Marigold Wellington	7.10.17	Complete
Yui Nepia	26.8.17	Complete
Denise Neilson	7.10.17	Complete

HAMILTON WAIKATO TOURISM SYMPOSIUM 2017

Date: 2nd November 2017

Attendees: Marigold and Te Aronui

Tourism Opportunities Plan Game Changer #4 Home of Kiingitanga - Introducing new product towards this Game Changer

- Tahi Rangiawha, Bridal Veil Falls – A cultural walking tour
<http://www.waicliff.co.nz/gallery/>
- Taaniko and Vienna Nordstrom, Soldiers Road Portraits
<https://soldiersrd.nz/>

Stand out from the rest – Point of Differences

- Katrina Collins & Julian Acraman, Service IQ

Importance of Business Events in Tourism

- Lisa Gardiner, Tourism New Zealand
- Hamilton & Waikato Tourism Update
- Jason Dawson, Hamilton & Waikato Tourism

CONFERENCE 2017

Date: 13th – 15th September 2017

Attendees: Allison, Denise, Yui, and Te Aronui



ISITE NEW ZEALAND STRATEGY UPDATE – PAUL YEO, EXECUTIVE MANAGER

Key metrics

- 8 million in-person visitors (+6.7%)
- 528,000 bookings (-4.0%)
- \$64 million travel sales turnover (+1.6%)
- \$112 – average travel booking value (+1.8%)
- \$7.1 million retail sales turnover (+10.9%)
- 484 staff (323 FTEs)
- \$10.3 local government funding (-1.0%)

Source: Deloitte Annual Survey 2016 vs. 2015.



- Our network is growing.

Brand and Awareness

- Strategy feedback discussion workshops
 - Is our campaign work with Tourism NZ taking us in the right direction?
 - How can we make it work better for you?
 - What other material should we look at producing?
 - What would you do to make newzealand.com/isite better?
 - Do we need a stronger online presence – with or without a booking option?
 - Do we still think an i-SITE brand refresh to incorporate 100% Pure New Zealand is important?
 - How do we raise our profile in the domestic market?
 - How do we get RTOs to support us more?
 - Could i-SITE and DOC do more together to leverage each others brands?
 - Do you know exactly who your visitors are, where they are from and how they found you?

- Visitors from Germany and the UK have the highest awareness. Australia provide the biggest number that use i-SITE's, but visitors from Germany and UK are more likely to visit. China has lower usage.

Productivity



- Strategy feedback discussion workshops
 - Are you taking advantage of the inventory booking systems we have?
 - Are you doing enough to encourage your suppliers to put their inventory online and keep it updated?
 - Are you taking as much advantage of technology to save time and money?
 - Are you measuring all your key indicators and benchmarking with other i-SITEs?
 - Are you best matching staff resources to customer demand?
 - Do your staff have the best product knowledge to do their job?
 - Are your staff trained and motivated to sell?

- Visitors from the USA and UK are booking with us much less – those from Germany are strongest.
According to Bookit, New Zealand is the number 1 market to book online. We over perform in European markets and under perform in Asian markets.

Customer Experience



- Strategy feedback discussion workshops
 - Are you measuring your customers feedback?
 - Do you have a process for discussing and actioning feedback from customers?
 - Are your staff fully supportive and open to receiving feedback both positive and negative?
 - Have you looked at your own business from a customers perspective?
 - Have you taken an in-depth look at your competitors and/or other i-SITEs to see what they are doing better than you?

- Visitors from the USA and UK rate us more highly where visitors from Germany are more critical

Valued Network



- Strategy feedback discussion workshops
 - Could your relationship with your owners be improved?
 - How can you raise your profile in your own community?
 - Do your elected representatives know what you do?
 - Are you using your Qualmark assessment to seek improvements in your overall performance that will deliver added value?
 - Do you provide non-commercial services to your community and talk these up?
 - What more can you do to provide more focus on visitor care issues?
 - How can you improve your DOC relationship?

- Visitors from the UK and Australia are influenced in their decision making after visiting an i-SITE, where as those from Germany and the USA are less influenced.

DEPARTMENT OF CONSERVATION

– HEATHER PEACOCKE. DIRECTOR AND CUSTOMER ENGAGEMENT UNIT

The Department of Conservation are battling with the increase of travelers. DOC are trying to create visitor friendly environments without disturbing the natural beauty that makes New Zealand so wonderful. In doing so they are working closely with local iwi, communities, and producing high quality advertising for international/domestic tourist explaining the importance of saving our native wild life and how they can help.

The conservation challenge

- 8.7 m ha of public conservation land – 30% of NZ's land area
- 13 National Parks
- 44 marine reserves and 6 marine mammal sanctuaries
- 2,800 threatened species
- 326 campsites, 967 huts and 13,429 km of tracks

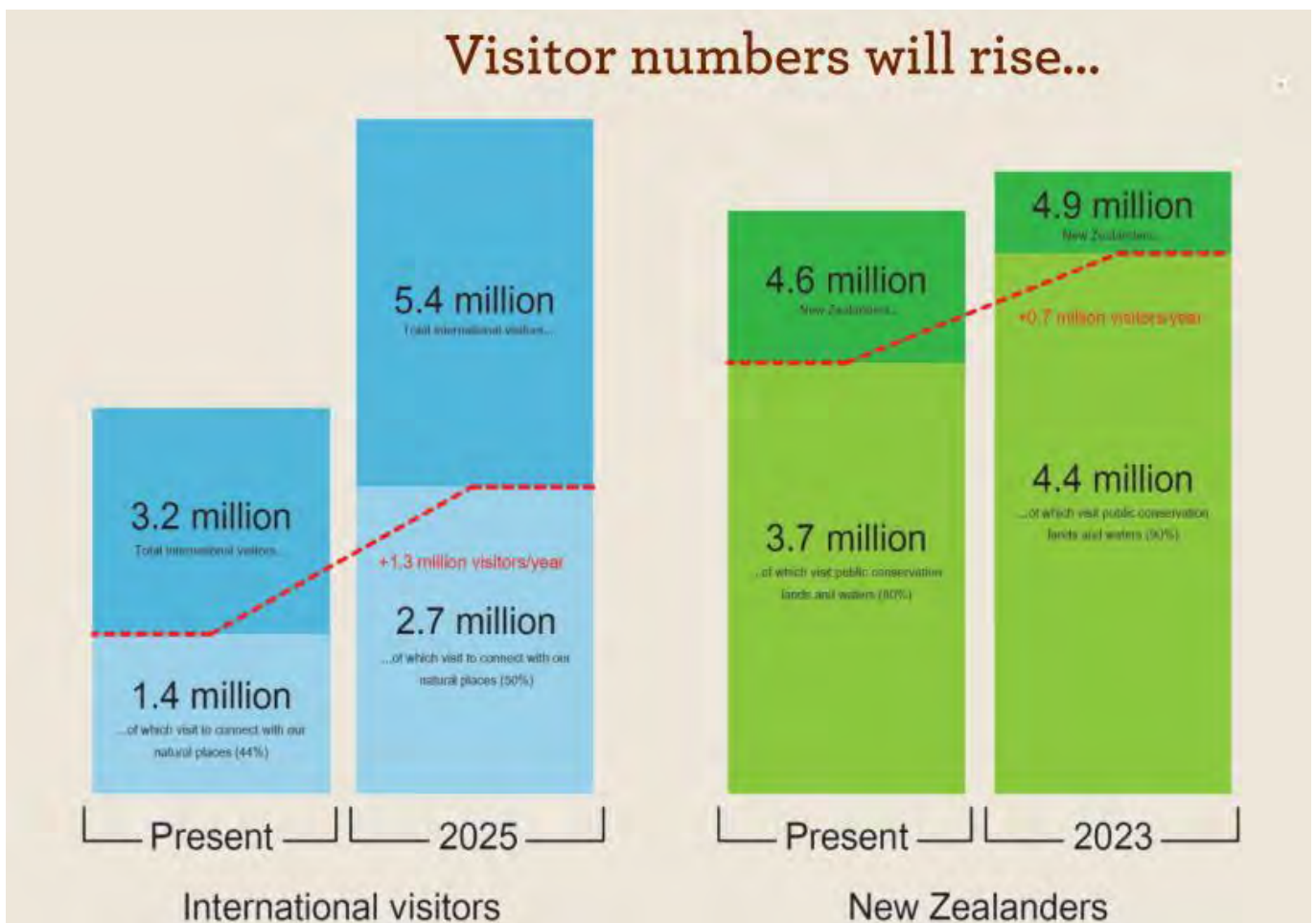


Visitors and conservation can go together

- Ensuring visitors and concessionaires pay a fair price for the value they receive
- Conservation is everyone's business
- The benefits of visitation

COMMITTED TO working together

Develop and share a partnership vision to work together delivering a **world leading official information and booking network** that is **coordinated** and **consistent** for both **international and domestic** visitors.



DESTINATION KAIKOURA (DEALING WITH DISASTERS) – LYNDA KEENE. COMMUNICATIONS EXECUTIVE

Lynda Keene first starts of by talking about Kaikoura i-SITE and what they went through when the 7.8 earth quake hit Kaikoura in 2016.

Dealing with a Natural Disaster :

1# Well-being of each other, communities and visitors

2# Make home and workplace safe

Develop Key messages to share with media/ agents in NZ and offshore

Keep updating key messages as status changes.

KAIKOURA Pop. 3,700 14 November 2016 at 12.02am (midnight) <small>Source: Wikipedia</small>		CHRISTCHURCH Pop. 389,000 22 February 2011 at 12.51pm (midday)	
Richter scale	7.8	Richter scale	6.3
Length	2 minutes	Length	10 seconds
Loss of life	2 (NZ)	Loss of life	185 (97 from NZ, 88 from 20 countries)
Dimension	200kms - 15km from Culverden, 60km south west Kaikoura, 15km depth	Dimension	10km south-east of city, depth 5km
Total distance		Total distance	
GNS Science opinion	Complex sequence of ruptures. Motion on the Kekerengu Fault of up to 10 m (33 ft), movement on the Hundalee Fault, a newly identified fault in Waipapa Bay, as well as minor motion on the Seaward segment of the Hope Fault , ^[17] rupture on the Humps Fault	GNS Science opinion	Rupture of an 8km x 8km fault running east-northeast at a depth of 1–2 km beneath the southern edge of the Avon-Heathcote Estuary and dipping southwards at an angle of about 65 degrees from the horizontal beneath the Port Hills
Main area of impact	Farmland, South Bay marina/harbour and SH1 road access. Total road isolation for 3 weeks before Inland Route 70 was reopened.	Main area of impact	CBD and eastern/coastal suburbs. A lot of liquefaction but areas accessible. Major impact Port Lyttelton affecting cruise business
Military support/aid	NZ Defence Forces + Australian Navy, US Navy, Japanese, Canadian Navy	Military support/aid	NZ Defence Forces
Effect on accomm	Approx. 20% accom affected	Effect on accomm	90% major hotels in CBD affected
Effect on activities Major	Two largest tourism operators Whale Watch Kaikoura/Encounter Kaikoura not operating for 8 weeks. Down 75-80%	Effect on activities Major	Arts & Crafts centre, hotel conference centres, Lyttelton marina for cruise, retail, hospitality and heritage offering.
Recovery period	SH1 to reopen one year	Recovery period	4 years and still a work-in-progress

There are some really good points in regards to dealing with a disaster:

- Immediate Response: Day 1-7
- iSITE Visitor Duty of Care and Travel Flow
- What Kaikoura did/are doing
- What businesses need to know
- Who to communicate with
- What to communicate
- What we need to assist ourselves as iSITE operators to prepare ourselves for such a disaster
- Reputation and Risk Management
- What you need in an Emergency Go Bag
- Make a plan

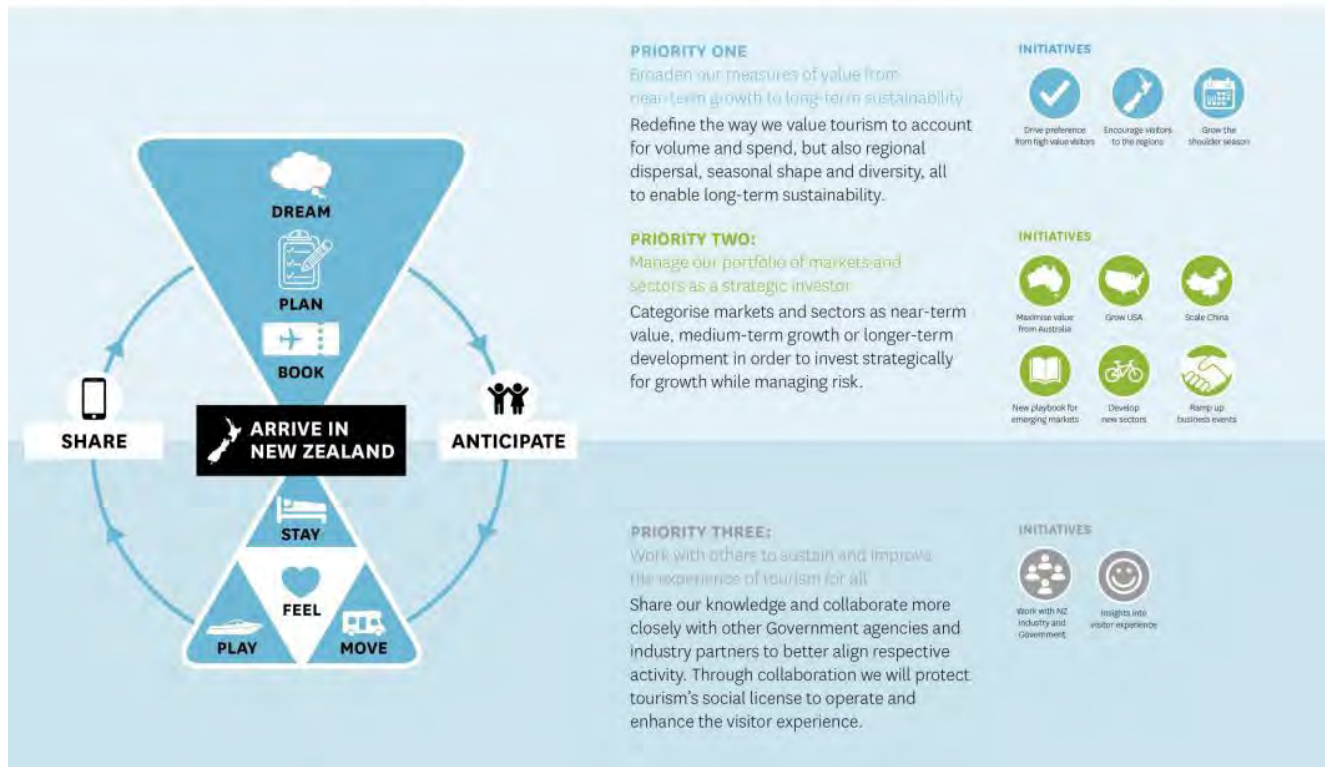
This presentation was most valuable to the iSITE and everyone that attended.

TOURISM NEW ZEALAND STRATEGY UPDATE

– RENE DE MONCHY, DIRECTOR TRADE, PR AND MAJOR EVENTS



MISSION: To boost New Zealand's economy by growing the value of international visitors



The current market is growing and continues to grow from Australia, China, USA, UK, Japan, Germany.

There is also continue growth in some new markets India, Indonesia, Brazil, and Argentina.

FY17 Success, Building Momentum

Encouraging Chinese visitors to explore more of New Zealand

- Wu Ershan – Chinese film director
- Shu Qiao – China's writer to bring profile to the region
- Campaign #DiscoverTheHeartoftheLongWhiteCloud ranked top 3 on Sina Weibo hot topic list.

FY18 direction and Priorities

- Strong performance continues
- Outlook Overall positive with some pressure points
- Opportunity to amplify the voice of the visitor
- License to operate key to continuing sustainable growth

WORKSHOPS

Commercial Focus Group

1. Amy Swain – iSITE Operations Manager Destination Marlborough
Working with Red Cross and Civil Defense
2. Jane Libby - Napier iSITE Manager
Exclusive Retail Range – Six Sisters/ Little buildings Napier
3. Gina Ashworth & Phillip Barnett – Greymouth Travel Centre
Inbound Market
4. Julie-Ann Bell – Auckland Visitors Centre – Area Manager
Journey of a new centre – Auckland wharf i-SITE development
5. Darin Rainbird – Akaroa i-SITE Manager
Increase commission – 15%

HIGHLIGHTS

- Destination Kaikoura

Dealing with natural disaster - Priorities

- Wellbeing of each other, community and Visitors
- Make home and workplace safe
- Develop key messages to share with media/ agents in NZ and offshore
- Keep updating key messages as status changes

What Businesses need to know?

Who to communicate with?

What to Communicate?

How can iSITES add value to councils?

- Meeting other i-SITE's Members and learning about what happens in their town.

CONFERENCE FAMILS



Attendee: Yui
Forgotten World Adventure (5 tunnel tour)



Attendee: Yui
Taumarunui: Lauren's Lavender Farm

STAFF FAMIL

A total of 47 Memberships were visited by the designated staff member whose portfolio identified the opportunity to meet and greet members with the aim of marketing the iSITEs alongside building stronger relationships with a further 66 members marketed by email.

ACTIVITY	DATE
GoSkydive NZ Ltd	3/07/2017
Green Wave Surf School	13/07/2017
Hairy Feet Waitomo	5/07/2017
Harrison Cape Rumer Tours	28/06/2017
Mitai	
Nikau Caves	
Raglan Electric Bikes (Solar Cycle)	26/06/2017
Surf Safe Ltd	3/06/2017
Taupo Tandem Skydiving	28/06/2017
Raglan Shuttle & Service	
Raglan Watersports & Scenic Tours	
Spellbound	9/08/2017
Surf & Turf Horse Riding	3/07/2017
Raglan Surfing School & Sleeping Lady Wahinemoe	12/06/2017
Skyline	
Cornorstone Alpaca Stud	30/06/2017
Waingaro Hot Spring	27/06/2017
Classic Museum Ltd & Jukebox Diner	
Waitomo Glowworm Caves	

ACCOMMODATION	DATE
Blue Gables	
Bow St Studio	27/07/2017
Clarks Beach Holiday Park	26/06/1917
Harbour View Lookout	20/08/2017
Harmony Hours B&B & Retreat	
Norma's	
Pauline's BnB	23/06/2017
Pete's Place	3/08/2017
Raglan Backpackers	30/06/2017
Norma's	
Kathy's BnB	
Kauri Tree Retreat	25/07/2017
Kawhia Beach S-Cape	26/06/2017
Remember then at Kauri Lane	9/08/2017
Ruapuke B&B	
Remember then at Kauri Lane	9/08/2017
Ruapuke B&B	
Studio 16	
The Clubhouse Farmstay	17/07/2017
Waitomo Big Bird B&B	1/08/2017
Manorviews Hotel	
Joyce's Place	3/08/2017
Taupiri Tavern	1/09/2017
Manu Bay Villa	
Raglan Palm Beach Motel	
Raglan Retreat	2/08/2017
Solscape	30/06/2017
The Silos	

OTHER FAMILIS

WAITOMO FAMILIS

Date: 22.8.2017

Attendees: Yui



Waitomo Adventures-St Benedict Tour, Spellbound, Glowing Adventure

FRANKLIN TOURISM: OYSTER FARM TOURS AT CLEDON

Date: 2.10.2017

Attendees: Yui and Denise



ROTORUA CANOPY TOURS

Date: 16th November 2017

Attendees: Marigold, Holly and Te Aronui



ROTORUA FAMILIS

Date: 16th November 2017

Attendees: Te Aronui



Rock Solid Backpackers

Rotorua Mini Golf

Mitai Maori Village

Skyline Rotorua

MEETINGS & NETWORKING

RAGLAN NATURALLY

The iSITE is a member of this local initiative with the working group aiming to review and update the original Raglan Naturally document. The Raglan Naturally team consists of a coordinator, the advisory board, support teams (in areas such as communications, funding and revision) and several focus groups.

FRANKLIN TOURSIM

Staff have attended a couple of events during this time, this group usually takes the opportunity to mix a famil with a networking meeting.

WAIKATO REGIONAL CLUSTER MEETINGS

These meetings are where Managers from all over the Waikato meet. Coming from Waitomo, Morrinsville, Tirau, Hamilton, Te Awamutu, Te Aroha, Waihi, Cambridge, Matamata, Raglan, Otorohanga and Huntly. Since the 26th April 2017 we have also had two members from Coromandel join the group.

Three cluster meetings were held in 2017 April – October, all at the Te Awamutu iSITE.

The topics these meetings cover include:

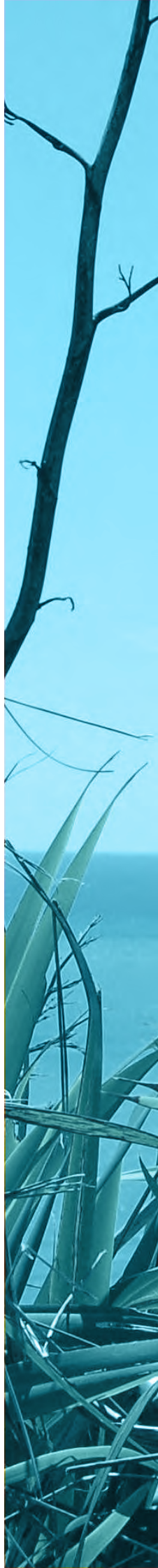
1. Waikato i-SITE Representative for HWT – Hailey Max
2. Qualmark Evaluation
3. i-SITE Online presence
4. Great Journeys partnership proposal to i-SITE New Zealand
5. Bus Changes – Cathy/Michelle
6. HWT Visitor Guide
7. General Business

MILLENNIAL TOOLS FOR ENHANCED STAFF COMMUNICATION.

The staff across both sites have created two private groups so they can share general information and events as they communicate in real time. This is a closed group and only staff are included. The second group is designed specifically for accommodation and activity inquiries and availability updates.

WAIKATO REGIONAL NETWORK OF iSITES AND INFORMATION CENTRES

The network met three times over this period to share best practice, network with Tourism New Zealand for industry feedback and updates. The group take minutes and support each other with shared resources, good ideas for income etc. They plan famils and upskill events and remain committed as a strong network for tourism in the Waikato Region.



SUPPORTING COMMUNITY EVENTS AND PROJECTS

The Raglan and Huntly iSITE provide a local notice board which community groups and individuals who are fundraising use to advertise free of charge.

Huntly and Raglan have developed their own local directories which have been created to ensure all businesses and community groups contact details are current as the community expects us to have this information.

Raglan and Huntly iSITES support Raglan and Huntly Wearable Arts Events, that are held bi-annually. In 2016 we sold a total of 374 tickets in Raglan and 350 in Huntly.

We also promote local events on both Facebook sites and share those events with the local and regional community pages to drive more visitors to our district.

EVENT TICKETING

In November 2017 Raglan iSITE signed up to Eventfinda, this enables us to book events on behalf of operators all over New Zealand. Many of the local events here in Raglan use Eventfinda as their ticketing system such as The Yot Club, Raglan Club, Soundsplash and many more.

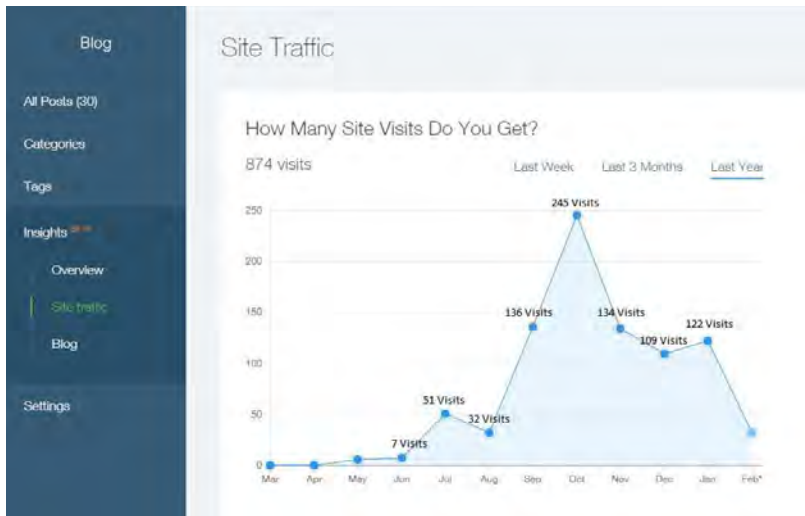
WAIKATO DISTRICT SPORTS AWARDS

The iSITE has been a long time sponsor of this event.

JUSTICE OF THE PEACE SERVICE

Huntly iSITE has a JP available on site, assisting on average two to three citizens per day.

WEBSITE STATISTICS



From looking at the statistics pulled off our Huntly website, we can see that we get most of our visitors in the months preceding the High Season, with October reaching 245 individual visitors. With this information, we are able to strategically use this to our advantage - placing relevant information and events, and advertising our members at this time before people arrive so as to better help plan their visit.

Huntly Website Data - Amount of visitors per month

Raglan statistics show that domestic visitors are viewing our website during our High Season - this reflects what we experience in person as we interact with many New Zealanders who have come to Raglan seeking a weekend getaway or day trip. Whereas overseas visitors are visiting our site at an earlier date for planning their trip to New Zealand. An example has been provided below of visitors from Germany, the amount peaks in November. Domestic visitors peak in January.



Raglan Website Data - Amount of domestic visitors per month



Raglan Website Data - Amount of German visitors per month

Open Meeting

To	Strategy & Finance Committee			
From	Tony Whittaker General Manager Strategy & Support			
Date	08 February 2018			
Prepared by	Debbie Dalbeth Business Analyst			
Chief Executive Approved	Y			
Reference #	GOV1318 / 1893872			
Report Title	2017-2018	Second	Quarter	Non-Financial
	Performance Report			

I. EXECUTIVE SUMMARY

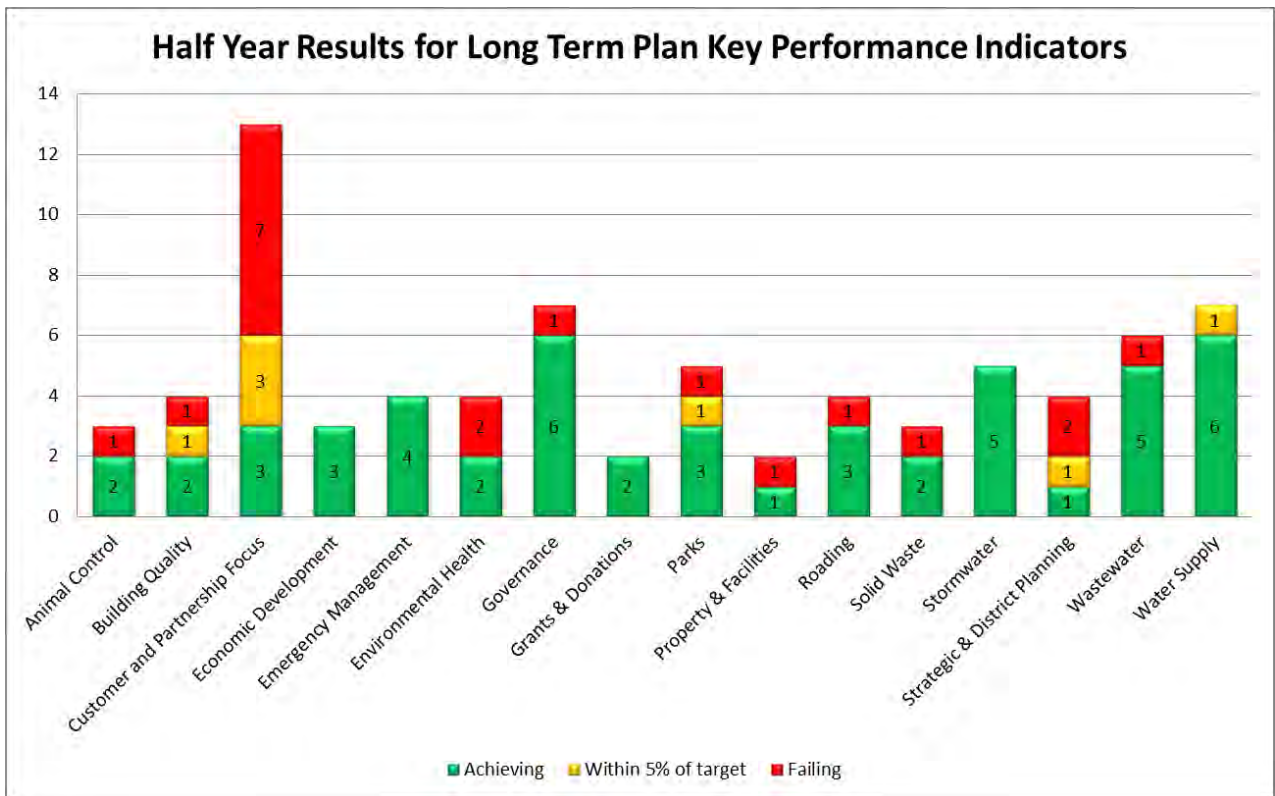
The purpose of this report is to provide the Strategy & Finance Committee with the Second Quarter Non-Financial performance results. This includes the 2017/18 Long Term Plan (“LTP”) Key Performance Indicators (“KPIs”) and the Resident Satisfaction Survey.

The results from each quarterly report will be used to inform the annual report at year end.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. LTP KPIs



Achieving	Within 5% of target	Not Achieving
66%	9%	25%

There are ninety eight KPIs that are reported in the Annual Report. Some can only be measured annually which leaves 76 KPIs being measured at the end of the second quarter. The above graph shows the number of KPIs that are achieving, coming close or are not achieving at the years half way point.

The below chart shows how results are tracking.

	2014/2015	2015/2016	2016-17 - 1st quarter	2016-17 2nd quarter
Achieving	27 (41%)	67 (68%)	45 (65%)	50 (66%)
On track	7 (11%)	8 (8%)	5 (7%)	7 (9%)
Not achieving	32 (48%)	23 (23%)	19 (28%)	19 (25%)
TOTAL MEASURES	66	98	69	76

Attached to this report is *Appendix 1 - 2017-18 2nd Quarter KPI report*.

4. RESIDENTS SATISFACTION SURVEY

The National Research Bureau (“NRB”) surveys Waikato District Council residents at approximately ten residents per week. At the end of each quarter, after 100 residents are surveyed, we receive interim data. This approach is optimal to mitigate seasonal bias or ‘moment in time’ events from slanting Councils annual results.

Background

Previously the survey was conducted once a year in early April, it was long, expensive and results were influenced by events that had just occurred.

In 2014 a project team, along with a Councillor working party, reviewed the survey. As a result the survey was reduced in length, repetition was removed and filter questions were introduced to try to remove the ‘perception’ element and ensure data was from those who had actually used the service. The cost to conduct the survey dropped from \$30,000+GST in 2014 to \$19,500+GST the following year. The total cost for the survey this year is \$21,500+GST.

A phone survey conducted on landlines was chosen due to it being the most cost effective way to get statistically reliable data. In the Statistics NZ 2006 Census 92% of New Zealand households had landlines which dropped to 86% in the 2013 Census, the percent of residents with landlines in the Waikato District was 83% in 2013. Updated statistics will be available after the Census that is conducted in March 2018. At this time we can review the effectiveness of using a landline based survey.

A sample size of 400 is used as it balances accuracy with cost. A sample size of 400 residents gives a margin of error of +/- 5%, increasing the sample size decreases the margin of error however, not by a substantial amount e.g. a sample size of 1,000 has a margin of error of +/- 3%. The margin of error on the quarterly sample of 100 residents is +/- 10%.

The NRB Survey summary is attached: *Appendix 2 – 2017-18 2nd Quarter Residents Satisfaction Survey Summary*.

Trends

Trend graphs are attached for questions that have been asked in previous years. In this quarter there are no major trend changes from the last few years. Most questions in the survey achieve a similar result from year to year with a few exceptions.

Increasing Trends

There is a general upward trend in satisfaction for Animal Control, Wastewater Systems and the Water Supply.

Decreasing Trends

There is a sharp downward trend this year in satisfaction with Public Toilets, Parks and Reserves, including Sportsfields and Playgrounds, the Service Received when Contacting the Council Offices, the Standard of Council’s Unsealed Roads, and for Roads Overall. Attached *Appendix 3 – 2nd Quarter Survey Trend Graphs*

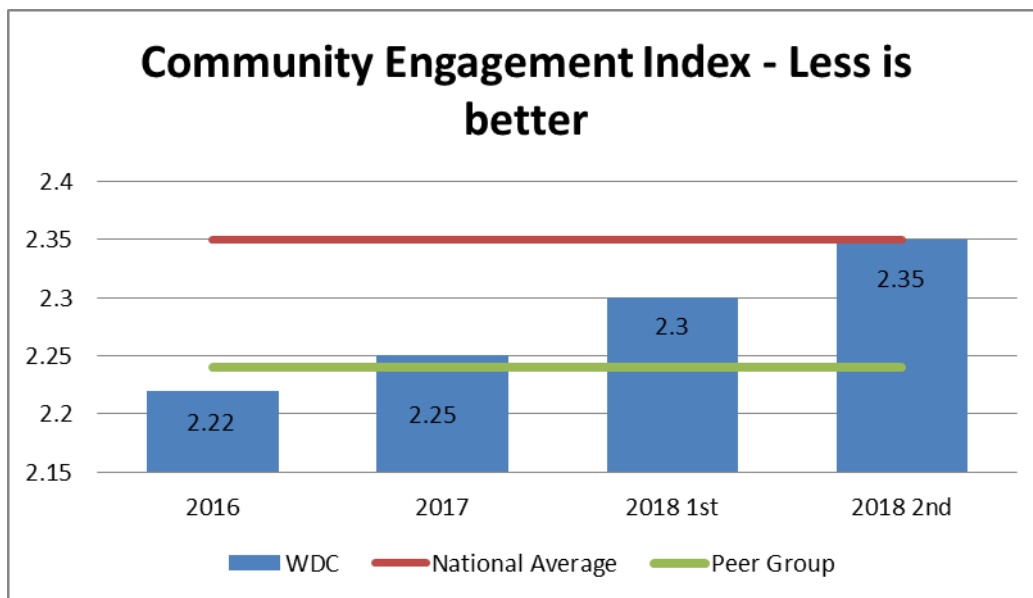
5. ENGAGEMENT

Engagement is measured from five key questions in our Residents Survey. These were chosen as they are also asked in the National Research Bureau's Communitrak survey which gives us benchmarking data against other Councils and aids in the measuring of the 2020 challenge to have the most engaged community in New Zealand.

1. Satisfaction with the way Council involves the public in the decisions it makes
2. Satisfaction with Rates Spending
3. Satisfaction with Community Spirit
4. Satisfaction with Quality of Life
5. Satisfaction that Council makes decisions that meet the needs and aspirations of their residents

Residents are asked for their satisfaction on a scale of 1 to 5 and the results from these five questions form an engagement index, the target we have set for ourselves is to have 2.25 or less.

At the end of the 2016/17 financial year our peer group of Councils had an index of 2.24 and we had an engagement index of 2.25. The first quarter result for this financial year was 2.3 and unfortunately the result from the second quarter of this year is 2.35 equal with the national average. As a district we are trending in the wrong direction for community engagement.



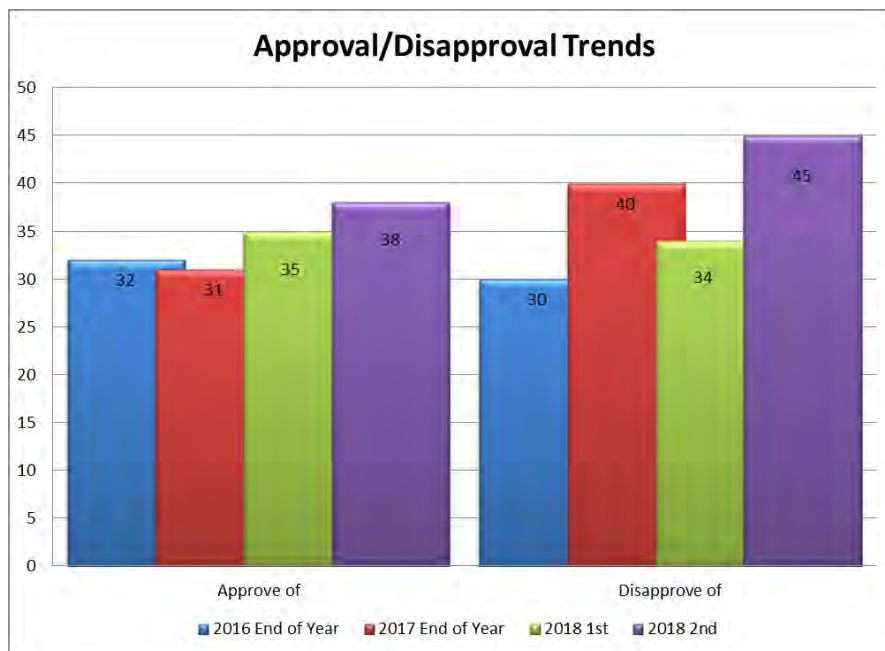
6. OUTCOMES – COUNCILLORS ASKED FOR TWO QUESTIONS TO BE ADDED TO THIS SURVEY

1. Is there any one thing about the Council's actions, decisions or management in the last few months that comes to mind as something you like or approve of?

2. Is there any one thing that comes to mind with regard to the Council's actions, decisions or management in the last few months that you dislike or disapprove of?

This is asked to gauge the level of support residents had for Council's actions and decisions. This quarter 38% of residents say there is a Council action/decision/management they approve of. This is below the national average of 46% and our peer group average of 42%.

45% of residents say there is a Council action/decision/management they disapprove of, which is above our peer group average of 41% but below the national average of 46%. This year a higher percent of residents are answering this question, with the approval and disapproval rates higher than before.



Verbatim comments are available in the attached *Appendix 4 – Residents Survey Comments from Outcomes*

7. NEW LTP MEASURES:

There are eight new LTP measures detailed below that depend on data from the Residents Survey. Over the last year Council has undertaken a significant amount of consultation and engagement with the public in line with legislative requirements and as part of our 2020 challenge. It is disappointing the levels of satisfaction have not reached target however, the percent of respondents who are neither satisfied nor dissatisfied around consultation and engagement is quite high and ranges between 20% and 40%.

During the last quarter respondents were asked if they feel they have the opportunity to be involved and participate in the way the Council makes decisions, 64% said yes they feel they have the opportunity while 25% said they had actually tried to participate. The results from the first five questions below are based on the answers from this 25% of residents.

New Measures	Target	2016 - End of Year	2017 - End of Year	2018 1st quarter	2018 2nd quarter	Trend
The public are consulted about the right issues	60%	41%	45%	45%	39%	↓
Information about key community issues is easily accessible	60%	46%	52%	52%	53%	↔
Information available on these issues is clear and instructive	60%	42%	49%	52%	41%	↓
There is a suitable range of consultation options available	60%	50%	49%	45%	55%	↑
There is sufficient time and opportunity available to provide feedback	60%	47%	55%	47%	67%	↑
Average level of effort to conduct business with council	≤3	2.6	2.25	2.4	2.7	↑
Satisfaction with the resolution of a request with council	70%	59%	62%	51%	54%	↔
Satisfaction of residents that they were able to contact their councillor/Mayor as and when required	100%	76%	83%	97%	62%	↓

8. CONCLUSION

This is the third year in the current long term plan where we are using the new quarterly approach of surveying residents for the Residents Satisfaction Survey. This approach has smoothed out seasonal bias and enabled us to get an early indication of how we are progressing toward our goals.

The quarterly results reported last year were a good indication of the end of year result. If this trend continues we can say that, except for community engagement, we are on track to perform in a similar fashion to last year.

9. ATTACHMENTS

Appendix 1 - 2017-18 2nd Quarter KPI report

Appendix 2 – 2017-18 2nd Quarter Residents Satisfaction Survey Summary

Appendix 3 – 2nd Quarter Survey Trend Graphs

Appendix 4 – Residents Survey Comments from Outcomes



Waikato District Council

Scorecard Report

Period: Jul-17 - Dec-17

Scorecard Name

2015-18 LTP A Year to Date KPIs

Date From

01-Jul-2017

Date To

31-Dec-2017

LINKED ITEMS	UNIT	TARGET	ACTUAL	INDICATOR
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2015-18 LTP Monthly KPIs

The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

96.25



COMMENTS: 100.00% of service requests relating to aggressive dogs were responded to within the 1 hour target time. This results in a YTD figure of 96.25%

The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

98.45



COMMENTS: 95.00% of service requests relating to stock on roads responded to within the 1 hour target time. This gives us a YTD figure of 98.45%

The number of dog owners on the selected owner policy list (i.e. good dog owners) for known dog's increases by 5% each year

%

35.00

32.72



COMMENTS: 20.74% of dog owners on Selected owner policy, 11.97% on Farm owner policy - both "Good Dog owners: categories. Total = 3041 owners = 32.72%

This figure is below the target of 35% and equates to an additional 210 owners required to change policy. We will continue to encourage dog owners to apply for a reduced rate policy and work with our customers to educate them on containment if improvements are required.

The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD

%

17.00

17.00



COMMENTS: N/A

The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD

%

50.00

56.00



COMMENTS: N/A

The percentage of swimming pools that are inspected for compliance annually - YTD

%

10.00

7.37



COMMENTS: We have had a good start inspecting pools to try and catch up with the annual quota. We will be applying extra resource over the coming months to ensure the KPI is met. There were 62 inspections carried out in December on Pool Fencing and YTD there has been 158.

The percentage of building consent applications which are processed within 20 working days - YTD

%

100.00

95.67



COMMENTS: YTD - Currently we are processing 95.67% of standard consents within the statutory timeframe. Fast Track BCs (10days) achieved 97.56% with Dwellings achieving 97.60%
The reason we have not met the 100% is we are still experiencing some challenges with our digitisation of the consent process and staff training. We are working with staff to ensure they understand what is required of them in respect of completing all portions of the digitised form. We are also working with Tech1 and the IM department to solve technical issues.

Percentage of resource consent applications which are processed within the statutory time frames

%

100.00

99.17



COMMENTS: Of the 84 consents issued in December 2017, all consents were issued within the Statutory timeframe. This compares with 96 consents issued in December 2016, all of which were issued within the Statutory timeframe.

% of Service Requests (CRM calls) responded to within agreed timeframes

%

90.00

89.32



COMMENTS: As an organisation our response rate to service requests has been dropping each month. For the last 4 months the response rate has been below our target of 90%. A lot of work is required to bring the level back up above the 90% target.

Percentage of books that are less than 5 years old	%	50.00	65.17	
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COMMENTS: There are 56,669 items in our collection of 86,950 items that are less than 5years old . We are still well above our target of 50 percent.

Percentage of books that are less than 10 years old (excluding reference, specialist items, local history and core stock of long term value)	%	100.00	95.57	
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COMMENTS: There are 83,104 items in our collection of 86,950 that are less than 10 years old. This is 95.57 % . The staff have just begun culling the 2010 books so this figure will rise once this task is completed.

Reliable daily access to free Internet service at all libraries (excluding supplier issues)	%	100.00	81.67	
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COMMENTS: There were problems with water leaking in the Huntly Library and Office between Xmas and the New Year . This resulted in the site closing early for 2 days. There was no Internet available at this site during this time.

Percentage of registered food premises inspected/audited annually	%	42.00	42.00	
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COMMENTS: The percentage of food premises verified or inspected in the last 6 months indicates this undertaking is on target to be completed by the end of June 2018. The transition of food premises from the old regulations to the provisions of the new Food Act 2014 continues with target dates, for remaining sector categories, to complete transition in 2018 and 2019. Currently there are approximately 114 Food Act registrations, 161 premises still operating under the health regulations and 46 food premises that are operating food control plans under the old legislation. As part of this process some plans/programmes/premises will not be processed (verified/inspected etc) until 2018/19.

The percentage of medium risk or higher fee category licensed premises that are inspected annually	%	50.00	56.70	
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COMMENTS: There are 67 medium and high risk premise that are inspected annually. This undertaking is on target to be completed by the end of June 2018.

Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district)	%	90.00	85.15	
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COMMENTS: For the past 18 months actual delivery figures have been running at around 81 to just over 85%. Armourguard have advised that they are using officers out of greater Auckland to cover calls in the northern part of the district since they currently have no employees located locally. This is impacting adversely on KPI performance. There are also delays in dispatch of officers due to the electronic system currently used by Armourguard. Armourguard believe a new call system being implemented in March 2018 will provide human resource efficiencies that will improve the response to calls across the district. Some improvement has been noted after a joint Council/Armourguard effort to improve parameters of the current electronic systems. Armourguard have been asked to ensure long term solutions are in place to meet service delivery and this will be monitored at regular contractor meetings.

Percentage of environmental health complaints responded to within agreed timeframes	%	95.00	85.00	
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COMMENTS: A total of 101 complaints/service requests were received in the period. The numbers completed within timeframes were 91 to 100% during the first quarter of the period. The subsequent fall in compliance appears to be associated with the resignation of two staff and recruitment of two trainees. Systems to check workflow and improve data entry are being implemented that will see this KPI improve in 2018.

The percentage of all landuse consents that have been issued and are current that have been monitored for compliance in the past 2 years	%	79.00	73.00	
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COMMENTS: All land use resource consents are checked after they have been issued and put into a database which schedules when monitoring is required. The monitoring frequency is based on the level of risk posed by the consent. In some cases where there is low risk then monitoring may occur less frequently than 2 years. We will increase the frequency of monitoring of these lower risk consents to ensure we meet the target.

Percentage of time that pool water meets the NZS5826 Part 1 Water Standards : 2000 code of practice for the operation of swimming pools	%	95.00	98.67	
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COMMENTS: Results provided by Belgravia .

The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	80.00	93.99	
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COMMENTS: 155 road requests were received for the month of December. Of those 123 were responded to within the allocated timeframe, 32 were not responded to on time giving a 79.35% result for the month. For the year 1 July to date the overall response rate is 93.99% (1281 calls, 1204 responded to on time).

The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	80.00	92.98	
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COMMENTS: 9 footpath requests have been received in the month of December, of which 7 were responded to within the agreed timeframe, or 77.78%. For the year 1 July to date, there have been a total of 53/57 footpath requests that have been responded to on time (92.98%).

Percentage of minutes of all open meetings that are made publicly available via the Council's website	%	100.00	100.00	
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COMMENTS: Completed

2015-18 LTP Quarterly KPIs

Level of Customer effort	#	3.00	2.55	
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COMMENTS: It appears our customers are finding it requires more effort to deal with Council, the result is up from 2.4 last quarter

Percentage of respondents / customers who are satisfied or very satisfied with the resolution of their request of council	%	70.00	52.50	
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COMMENTS: Result of 54% in the second quarter is slightly up from the last quarter result of 51%

Percentage of respondents who are satisfied or very satisfied with the overall service received when contacting the Council	%	75.00	66.00	
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COMMENTS: Results have slipped from 72% last quarter to 60% this quarter.

Council maintains a minimum number of trained staff to fulfil core Emergency Operations Centre roles	#	30.00	30.00	
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COMMENTS: Minimum number remain trained

Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	85.00	83.50	
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COMMENTS: First dip below the Target of 85% for several years. Survey comments offer only minor constructive feed back. Staff are aware of most of the issues raised or the matter is outside staff and Councils control. There has been a major influx of rubbish particularly in Raglan and Pokeno this is because of increase patronage to parks over the warm spring and summer.

Percentage of Interments completed within the requested timeframe	%	95.00	100.00	
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COMMENTS: Burials were all completed within the requested timeframes. Customers satisfied with result of burials. No further issues.

Percentage progress of the Playground Strategy implementation plan	%	50.00	50.00	
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COMMENTS: Progressing as planned

Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey	%	75.00	67.00	
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COMMENTS: The high usage of Council toilet facilities over the peak summer period has surpassed the previous years from approx. 8,000 visits at the same period for the past two years to in excess of 22,000 visits. The frequency of these cleans is increased through the summer season, however not to cater for these new levels of use. This is currently being addressed.

Percentage of buildings that require a warrant of fitness that comply	%	50.00	50.00	
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COMMENTS: All buildings that require a Building warrant of fitness have a current BWoF with the majority due to expire Nov 2018.

The number of times that bags or bins are missed in Council's kerbside collection	#	200.00	197.00	
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COMMENTS: High number of missed collections and non-collections due to changes in service dates over the Christmas period and incident with Northern Contractor (Smart) late Dec. Very high number of SRs received 23-27 Dec.

The percentage of kerbside collection complaints that are resolved within agreed timeframes.	%	100.00	93.59	
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COMMENTS: Christmas/New Year holiday period resulted in issues with contractors resolving SRs within KPI timeframes. Vast majority of these occurred in the Northern contract.

The percentage of schools in the district that receive solid waste education	%	20.00	21.95	
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COMMENTS: New EnviroSchools funding agreement signed in Nov which facilitates education for 20 schools around the district.

The number of flooding events that occurs in the district	#	5.00	0.00	
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COMMENTS: On track for meeting this target, no flood events.

The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event	#	0.30	0.00	
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COMMENTS: On track for meeting this target, no flood events.

The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	m	480.00	0.00	
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COMMENTS: On track for meeting this target, no flood events

The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system

#

4.00

0.89



COMMENTS: On track.

The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system

#

5.00

0.81



COMMENTS: On track YTD.

8 dry weather overflows this quarter.

The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site.

m

60.00

44.00



COMMENTS: Target met with a median of 44 minutes YTD.

10 from 13 calls met the target timeframe this quarter.

The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault.

m

240.00

151.00



COMMENTS: Target met with a median of 151 minutes.

16 out of 17 calls resolved within required timeframe of 240 minutes this quarter.

The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system):

#

25.00

3.33



COMMENTS: On track YTD.

25 complaints this quarter.

The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system

m

60.00

39.00



COMMENTS: On track YTD with a median of 39 minutes.

46 of 51 calls met the 60 minute timeframe this quarter

The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system

m

240.00

76.00



COMMENTS: On track YTD with a median of 76 minutes.

46 out of 51 calls met the required timeframe this quarter.

The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system

Days

5.00

1.00



COMMENTS: On track YTD with a median of 1 day.

128 out of 131 complaints met the 5 day timeframe this quarter.

The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	Days	5.00	1.00	
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COMMENTS: On track YTD with a median of 1 day.

127 out of 131 calls met the 5 day timeframe this quarter.

The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	#	17.00	17.37	
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COMMENTS: Over target, we have had a lot of multiple complaints to single events in regards to dirty water in Huntly and Raglan.

Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	#	0.00	0.00	
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COMMENTS: No notices

Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders	#	2.00	3.00	
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COMMENTS: 3 resulting from annual compliance reports for the 2016/17 compliance year
Raglan - Letter of direction
TK - Formal warning
Huntly - Letter of direction

Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system,	#	0.00	0.00	
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COMMENTS: No convictions

The extent to which Councils drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria)	#	18.00	18.00	
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COMMENTS: No non-compliances

The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	15.00	15.00	
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COMMENTS: No non-compliances

Number of enquiries that generate through the Open Waikato website	%	20.00	20.00	
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COMMENTS: Open Waikato channels received 50 business enquiries this quarter. This is an increase on the previous quarter's results. Most of the received enquiries were for the free business support service in Raglan, Tuakau and Huntly.

Percentage of councils business continuity processes implemented	%	20.00	100.00	
<i>COMMENTS:</i> Achieved implementation of key business continuity processes. Full review has commenced but is not expected to be completed until end of financial year				
Satisfaction of residents that they were able to contact their Councillor / Mayor as and when required	%	100.00	79.50	
<i>COMMENTS:</i> The contact details of our councillors are publicly available on the website or through the Call Centre. Some of our councillors also write regular columns for community newspapers with their contact details provided and their contact details are also regularly provided in The Link newsletter				
Number of upheld objections/appeals lodged against election process	#	0.00	0.00	
<i>COMMENTS:</i> There have been no upheld objections/appeals lodged against any election process in this year so far.				
Percentage of Council decisions that comply with statutory requirements	%	100.00	100.00	
<i>COMMENTS:</i> All Council decisions have complied with statutory requirements over the past 6 months				
Percentage of residents who feel they have the opportunity to be involved and participate in publicly-notified Council projects and processes, to help Council make informed decisions.	%	72.00	65.50	
<i>COMMENTS:</i> Opportunities for engagement continue to be provided through the website, community open days, The Link newsletter, hearings etc. As indicated previously, Council has undertaken a number of projects/initiatives which have been notified through statutory processes (either through the Local Government Act, the Resource Management Act or the Reserves Management Act). Council maintains an engagement register containing a list of engagement activities. This register is updated on an ongoing basis and is reported to Council bi-monthly.				
The percentage of projects in identified areas of growth and as contained in the Long Term Plan, which are on track or completed.	%	100.00	100.00	
<i>COMMENTS:</i> All projects in identified areas of growth are on track				
Number of discretionary grant funding rounds undertaken per year	#	2.00	2.00	
<i>COMMENTS:</i> N/A				
The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports	%	50.00	70.00	
<i>COMMENTS:</i> N/A				
Percentage of customers satisfied that council consults with the community regarding the right issues	%	60.00	42.00	
<i>COMMENTS:</i> Although Council recently undertook a comprehensive round of consultation on various issues with affected residents the results are not improving.				
Percentage of customers satisfied with the ease of access to information regarding key community issues	%	60.00	52.50	
<i>COMMENTS:</i> Information will continue to be provided to the community through various means (e.g. website, social media, The Link, through community open days, letter drops, counter pamphlets etc). Staff are also always on hand to address any request for information. Council has a robust repertoire of tools through which information can be made easily accessible to the public but suggestions for improvements are always welcome.				

Percentage of customers satisfied that the material available on key issues is clear and provides sufficient information to allow feedback	%	60.00	46.50	
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COMMENTS: Our communications team helps with the review and layout of information provided to the public. Complex issues are always simplified for the purpose of ease of understanding by our community without detracting from legislative requirements. We are continuously looking at best practices and the way information is provided by other councils to improve our approach.

Percentage of customers satisfied that council provides a suitable range of options and avenues to engage through	%	60.00	50.00	
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COMMENTS: Council continues to provide a range of tools with regards to engagement. These include: online (submissions and feedback forms), community 'open days', community market days, newsletter (The Link), letter drops etc. Additionally, Council places a lot of emphasis on engaging with the community informally prior to initiating any statutory consultation requirements.

Number of publicly shared reports assessing Council's progress against its goals and objectives	#	2.00	2.00	
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COMMENTS: On track to report to Council in February

Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community	%	60.00	57.00	
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COMMENTS: Council provides appropriate time for engagement - be it for community open days, hearings etc. For hearings, an equal amount of time is allocated for each submitter to present to ensure fairness and efficiency for the process. Additionally, community boards and communities are also important stakeholders for Council to engage with. Staff maintain a list of stakeholders (which forms a useful basis for ensuring that any engagement is undertaken with key people and relevant interest groups).

Iwi ki te Haapori - Number of joint committee meetings held per annum	#	2.00	2.00	
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COMMENTS: 1 each of mainapoto and waikato-tainui meetings.

Iwi ki te Haapori - Number of identified or notified breaches/ objections under Joint Management Agreements, MOU's and MOA's	#	0.00	0.00	
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COMMENTS: N/A

Iwi ki te Haapori - Number of formal governance hui held between council and iwi / hapu groups	#	1.00	1.00	
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COMMENTS: Ngaati Mahanga hui on Papahua block.

2015-18 LTP Half Year KPIs

% increase in Net Promoter Score (level of likelihood that business owners will recommend WDC as a district to do business in)	%	20.00	20.00	
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COMMENTS: Respondents in the business perception survey rated the Waikato District Council 8.7 out of 10 as a place to do business (the same as previous half-yearly results) and we achieved a Net Promoter Score of +11 (down 1 point from last half-yearly results). Commenters noted the location and growth of the area as two of the main positive influencing factors.

The percentage delivery of the Economic Development strategic work programme	%	40.00	40.00	
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COMMENTS: The Economic Development team has successfully concluded the Tourism Infrastructure Fund project, is continuing to assist with the Housing Infrastructure Fund project, the 100 day plan and the Long Term Plan project. All projects are on track.

The percentage of community response plans completed	%	0.00	0.00	
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COMMENTS: Work continues on starting and supporting CRPs

Council manages local participation in the national Get Ready, Get Thru campaign annually	%	100.00	100.00	
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COMMENTS: Get Ready Week is held every year to mark the International Day for Natural Disaster Reduction (13 October). The week, which started 9 October last year, is an opportunity for us to focus on public education and preparedness activities. This year the theme for Get Ready Week was Stay Safe, Stay Informed. Our front of house and libraries promoted the get ready material during the course of the campaign.

Percentage of natural areas (categorised in parks strategy) which have had restoration efforts undertaken	%	4.00	7.94	
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COMMENTS: Ecological enhancement activities proceeding within budget and on target.

Percentage of development areas that have co-ordination plans for forward works programming and development requirements complete.	%	0.00	66.00	
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COMMENTS: The development programme for Pokeno is completed. A co-ordination plan is in place for Te Kauwhata which was developed as part of the HIF (Housing Infrastructure Fund). Tuakau for 17/18.

The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	#	-1.00	1.00	
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COMMENTS: For the 6 month period July - December 2017, 24 crashes (fatal and or serious) were recorded. This is a decrease from the previous 6 month period of 8. There was one fatality recorded for the period. Of the 24 crashes recorded, 1 was noted as having loss of control due to loose metal on the seal, this resulted in a serious crash.

Note that the CAS data is recorded up to 17/12/2017 and the result is subject to change as records are updated.

Overall Performance	%	0.00	0.00	
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**NATIONAL RESEARCH BUREAU LTD**

PO Box 10118, Dominion Road, Auckland 1446, New Zealand

Tel: (09) 6300-655, Web: www.nrb.co.nz

To: Debbie Dalbeth

From: Ken Sutton and Janette Simpson

Of: Waikato District Council

Date: 18 December 2017

Dear Debbie,

**QUARTERLY SUMMARY OF
ONGOING SATISFACTION SURVEY RESULTS**

The following is a quarterly summary of your Ongoing Satisfaction survey results for the period: Friday 15th September - Thursday 7th December, based on 100 respondents.

If you have any queries, please give one of us a call.

Merry Christmas.

Kind regards,

Ken Sutton

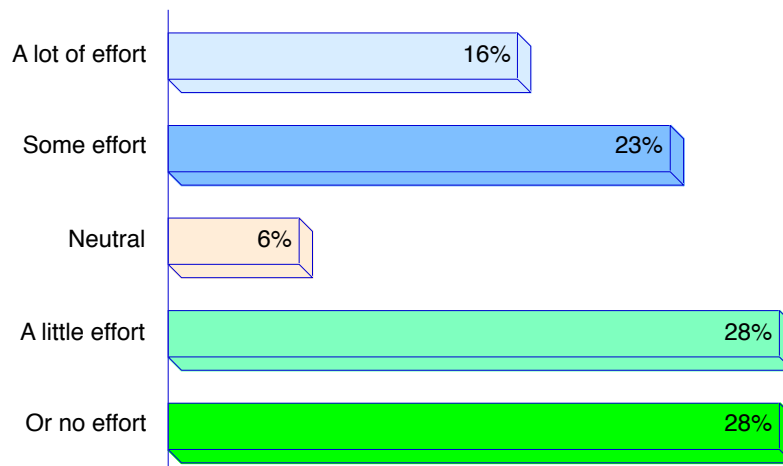
Janette Simpson

NATIONAL RESEARCH BUREAU LTD

CONTACT WITH COUNCIL

50% of residents have contacted Council staff at the Council offices or service centres by phone, in person and/or by email, in the last 12 months.

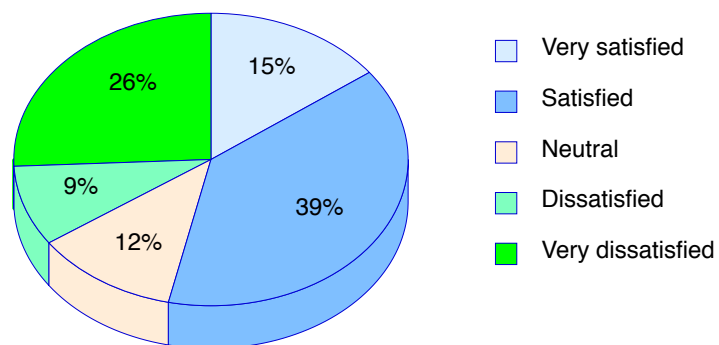
How Much Effort Did It Take To Conduct Business With Council ...



Base = 50[†]

Does not add to 100% due to rounding

Satisfaction With How Issue Was Resolved

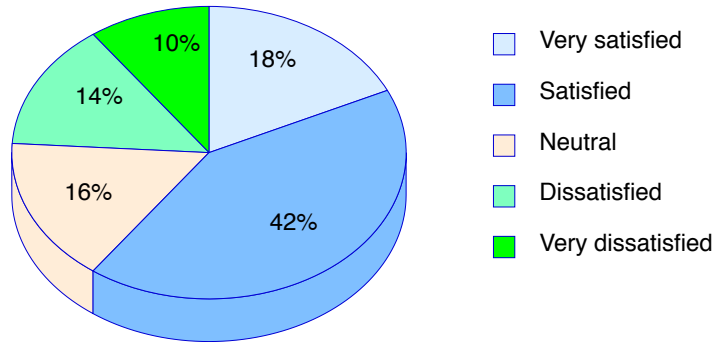


Base = 50[†]

Does not add to 100% due to rounding

[†] those residents who say they have contacted Council in last 12 months

Satisfaction With Overall Service Received



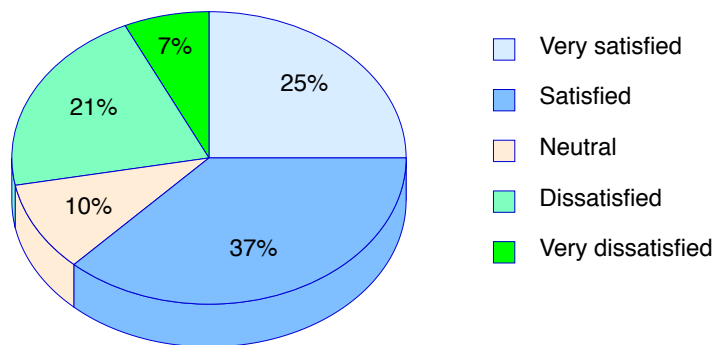
Base = 50[†]

[†] those residents who say they have contacted Council in last 12 months

Contact With Councillors/Mayor

In the last 12 months 13% of residents have contacted, or attempted to contact, a Councillor (including the Mayor).

Satisfaction That They Are Able To Contact Them Should The Need Arise ...



Base = 13[†]

Caution: small base

[†] those residents who say they have contacted or attempted to contact a Councillor in last 12 months

SATISFACTION WITH SERVICES AND FACILITIES - OVERALL

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Standard of Council's roads overall (excluding State Highways)	40	31	29	-
Stormwater services	41	13	20	26

SATISFACTION WITH COUNCIL SERVICES/FACILITIES - USERS

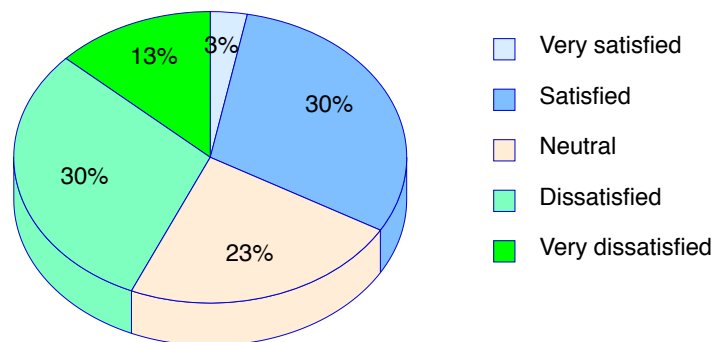
	Base	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Public libraries	39	98	1	1	-
Recycling services	99	84	3	13	-
Animal control, ie, stock and dog control†	*18	79	-	20	-
Parks and reserves, including sports fields and playgrounds†	51	79	12	10	-
Footpaths	56	71	11	16	2
Public toilets†	31	61	21	19	-
Building and inspection services	*14	58	22	20	-

* caution: small base

† does not add to 100% due to rounding

Satisfaction With The Standard Of Council's Unsealed Roads

*Driven On An **Unsealed** Council Road*



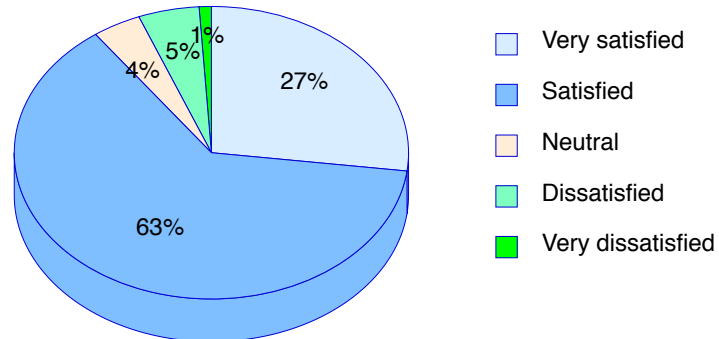
Base = 42

Does not add to 100% due to rounding

SATISFACTION WITH SERVICES PROVIDED BY COUNCIL

Water Supply

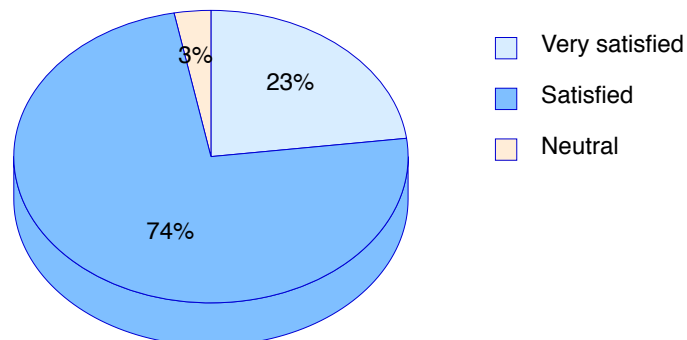
Council Provided Piped Water Supply



Base = 52

Wastewater Services

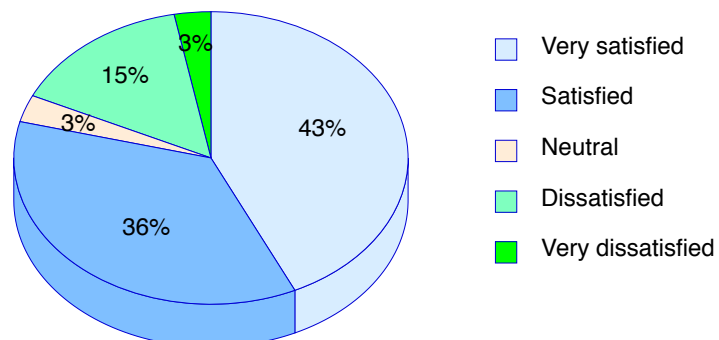
Council Provided Sewerage System



Base = 36

Rubbish Collection Service

Council Provided Regular Rubbish Collection Service



Base = 95

LOCAL ISSUES

Governance/Democracy

64% of residents feel that as a ratepayer or resident they have the opportunity to be involved and to participate in the way the Council makes decisions, while 36% say they don't.

25% of residents have tried to participate in Council's decision making process.

Level Of Satisfaction

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
There is sufficient time and opportunity available to provide feedback [†]	67	20	12	-
There is a suitable range of consultation options available	55	31	14	-
Information about key community issues is easily accessible	53	24	23	-
Information available on these issues is clear and instructive	41	20	39	-
The public are consulted about the right issues [†]	39	40	22	-

Base = 26

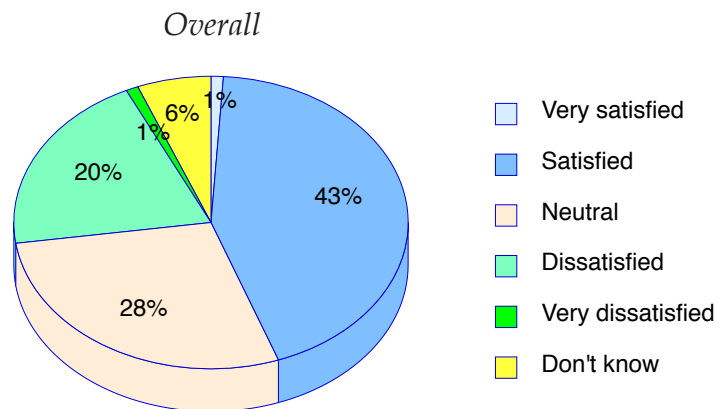
Caution: small base

(those residents who say they have tried to participate in Council's decision making process)

% read across

[†] does not add to 100% due to rounding

Overall Satisfaction With The Way Council Involves The Public In The Decisions It Makes



Does not add to 100% due to rounding

Participation In Decision Making Process

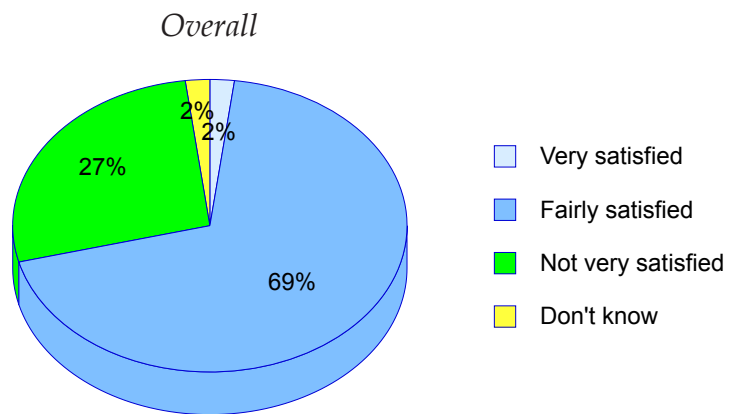
In general 17% of residents are interested in participating in Council's decision making process, 25% say they are not, while 58% say it depends on the issue.

Outcomes

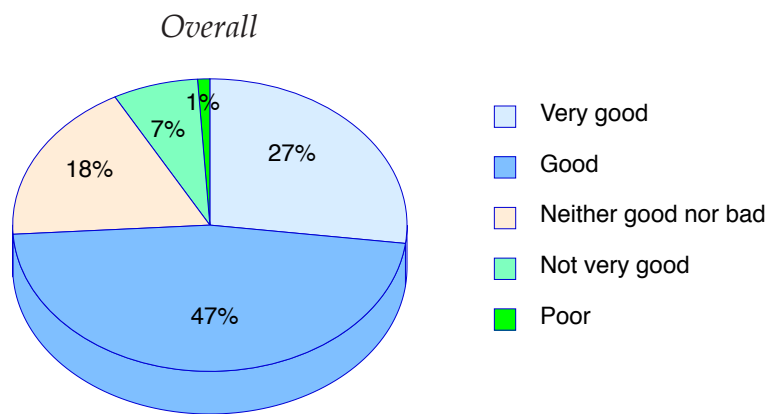
45% of residents say there is a Council action/ decision/ management they **dislike or disapprove** of, while 38% say there is a Council action/ decision/ management they **like or approve** of.

Community Engagement

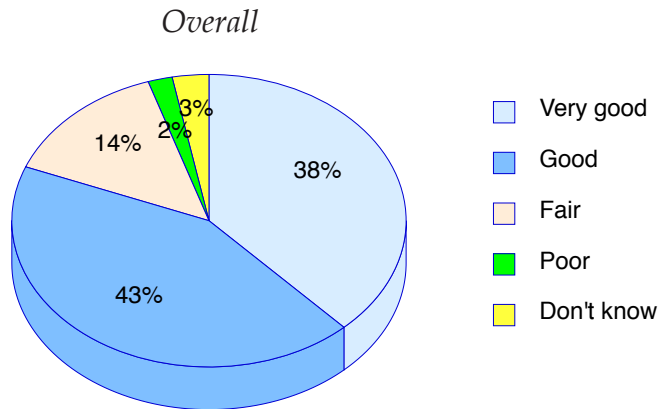
Satisfaction With Rates Spending



Community Spirit

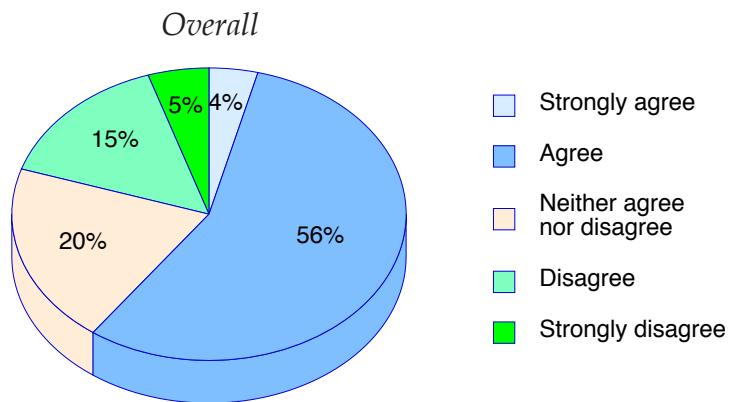


Quality Of Life



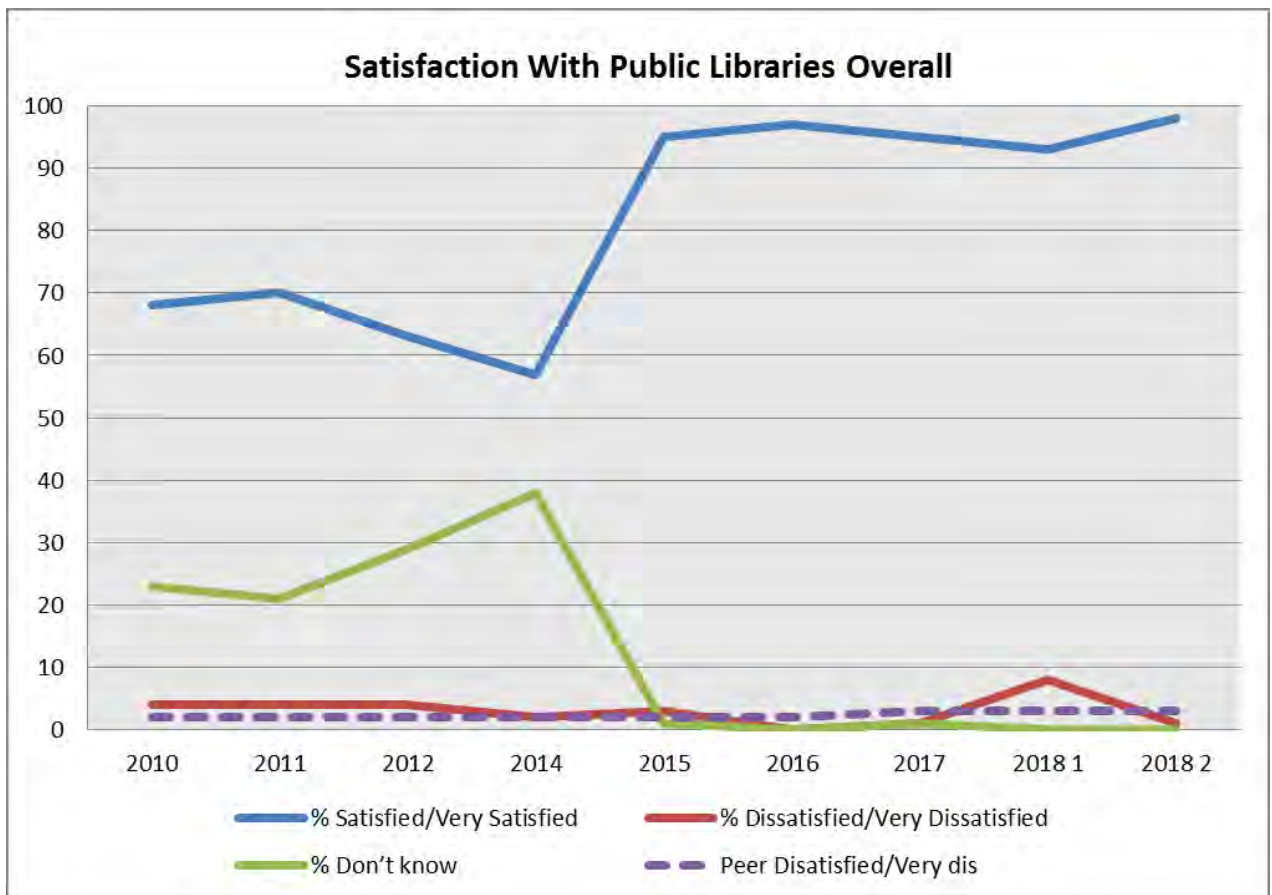
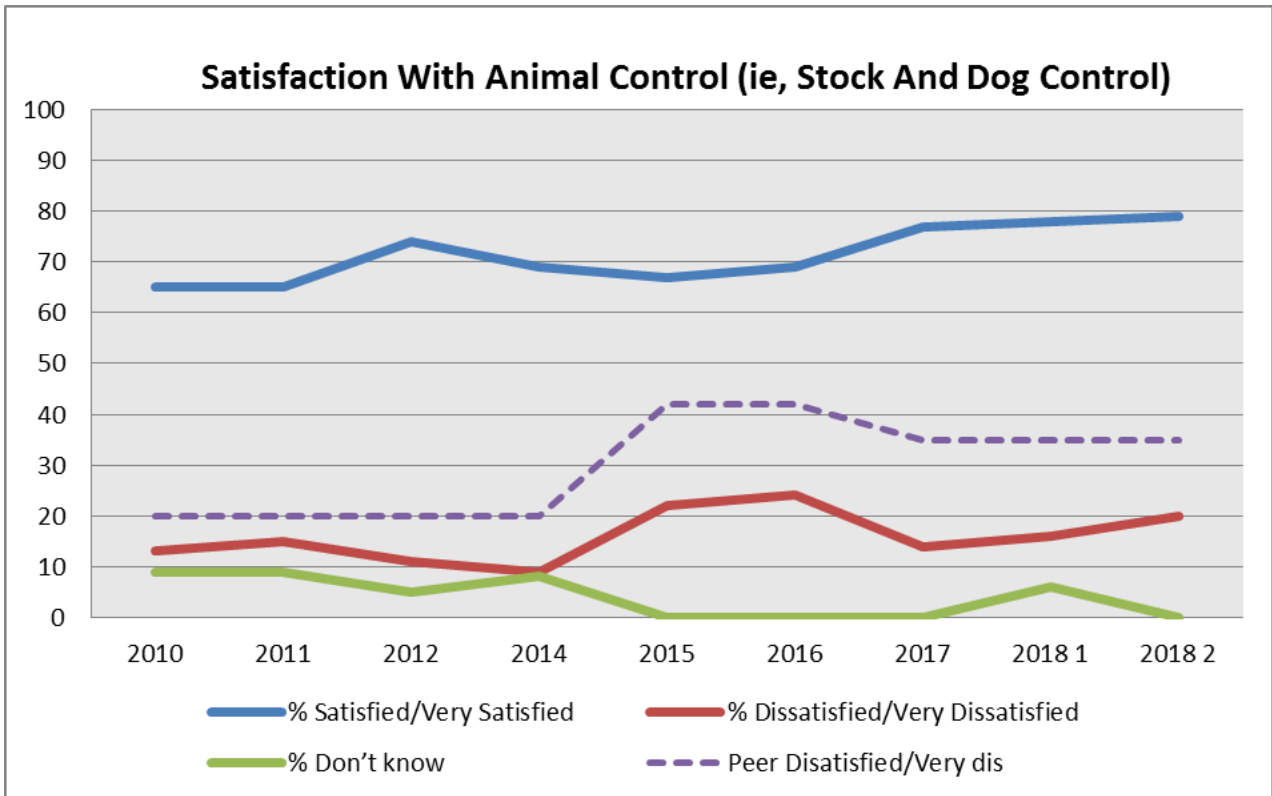
Council Consultation And Community Involvement

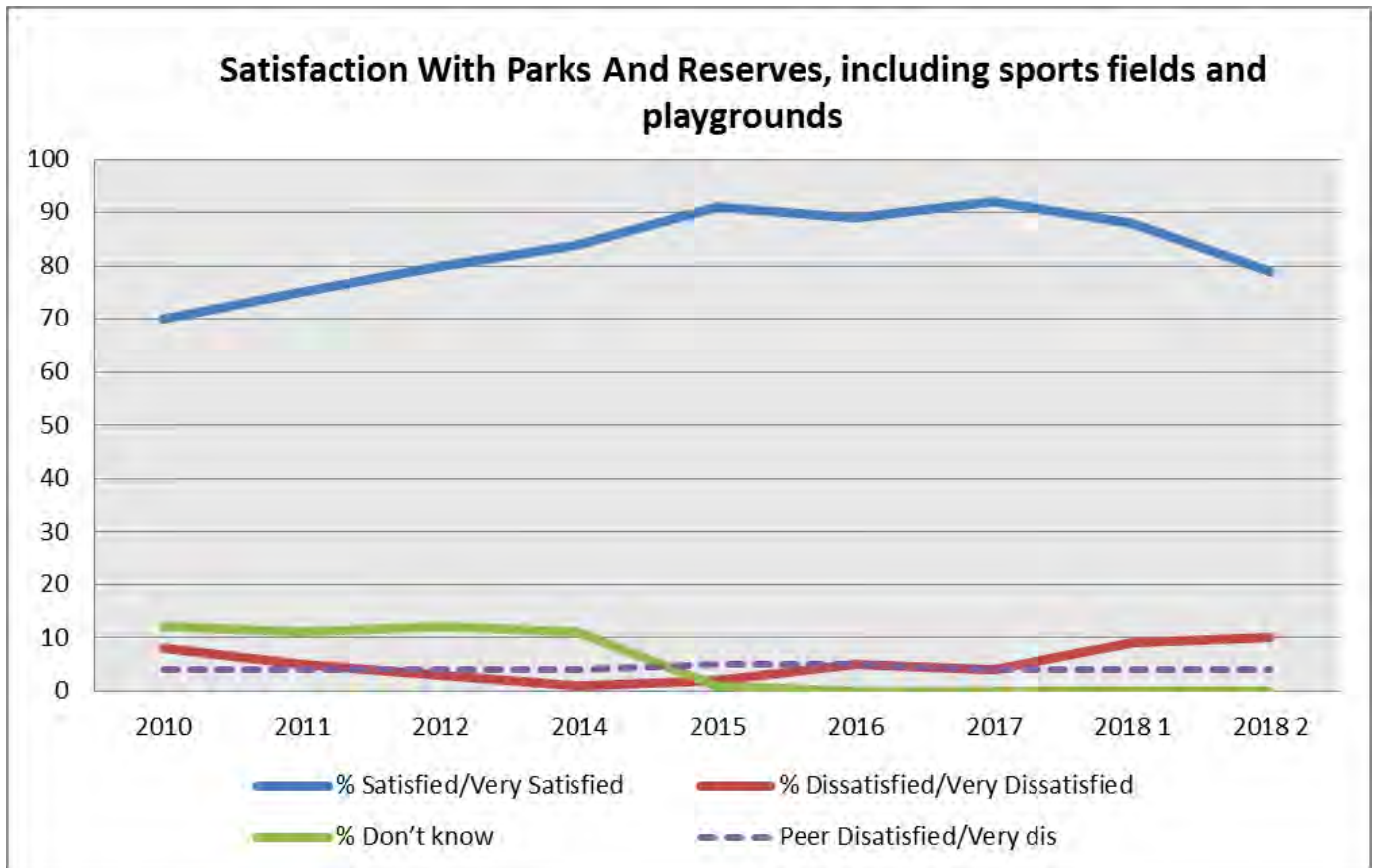
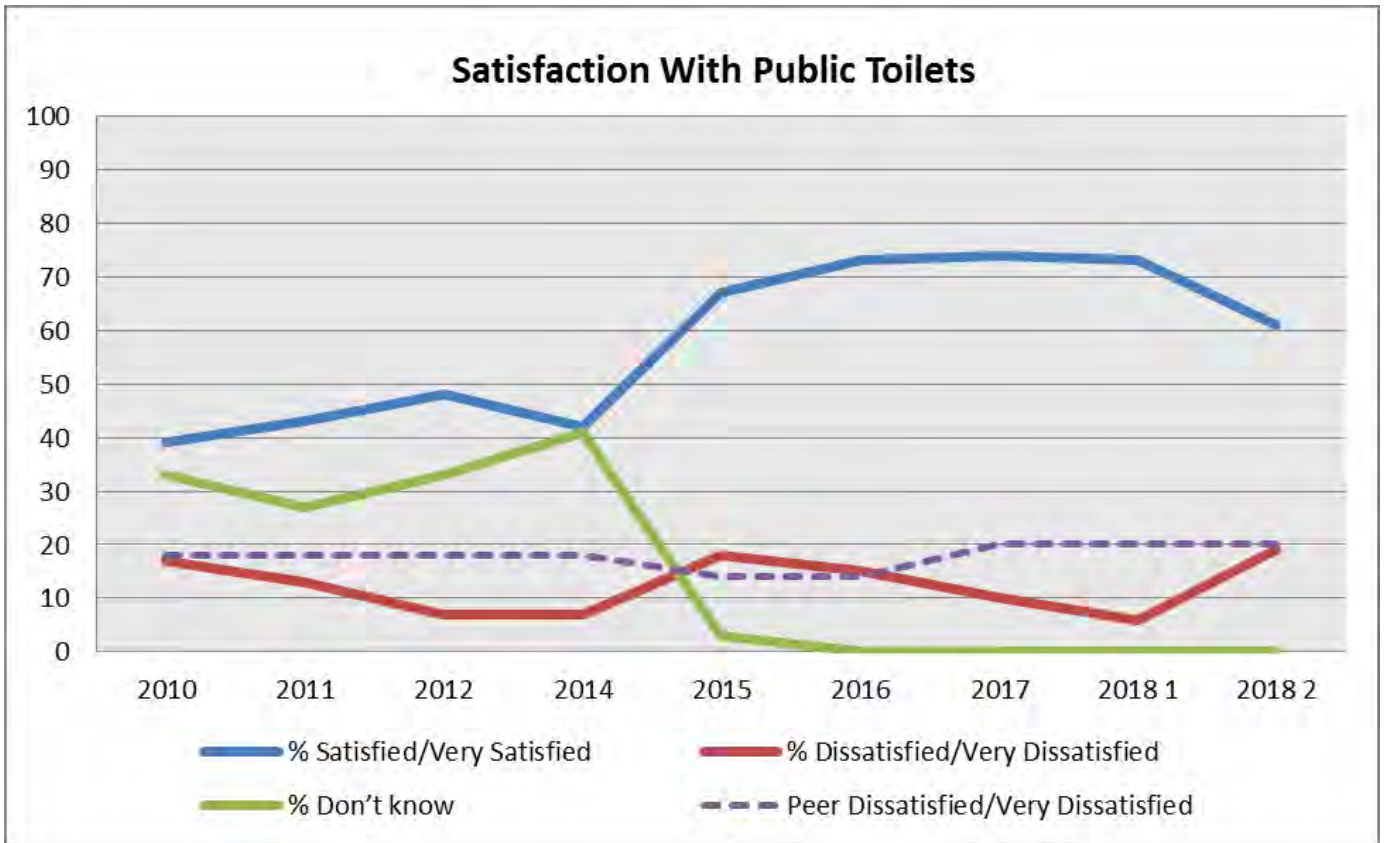
Council Makes Decisions That Meet The Needs And Aspirations Of Their Residents?

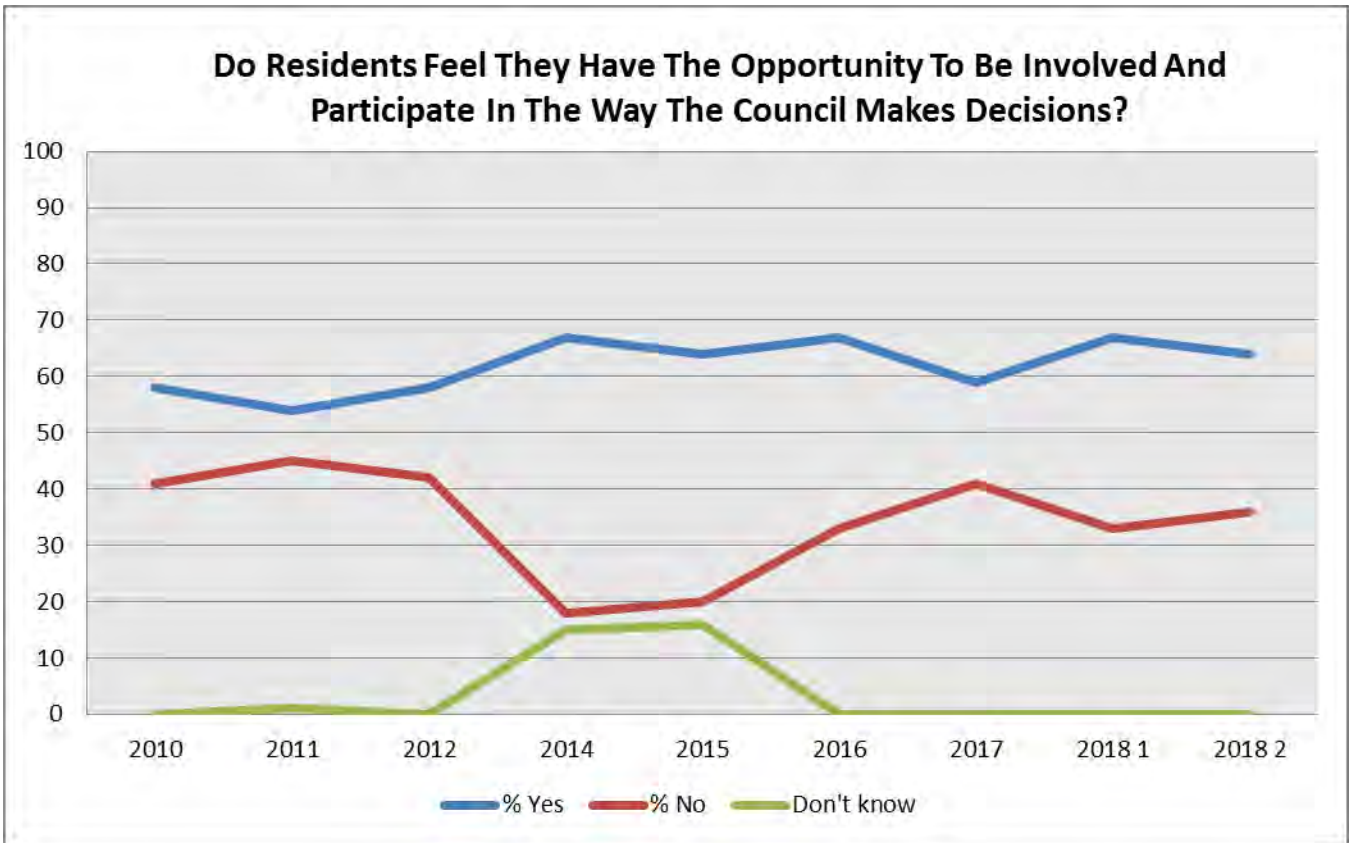
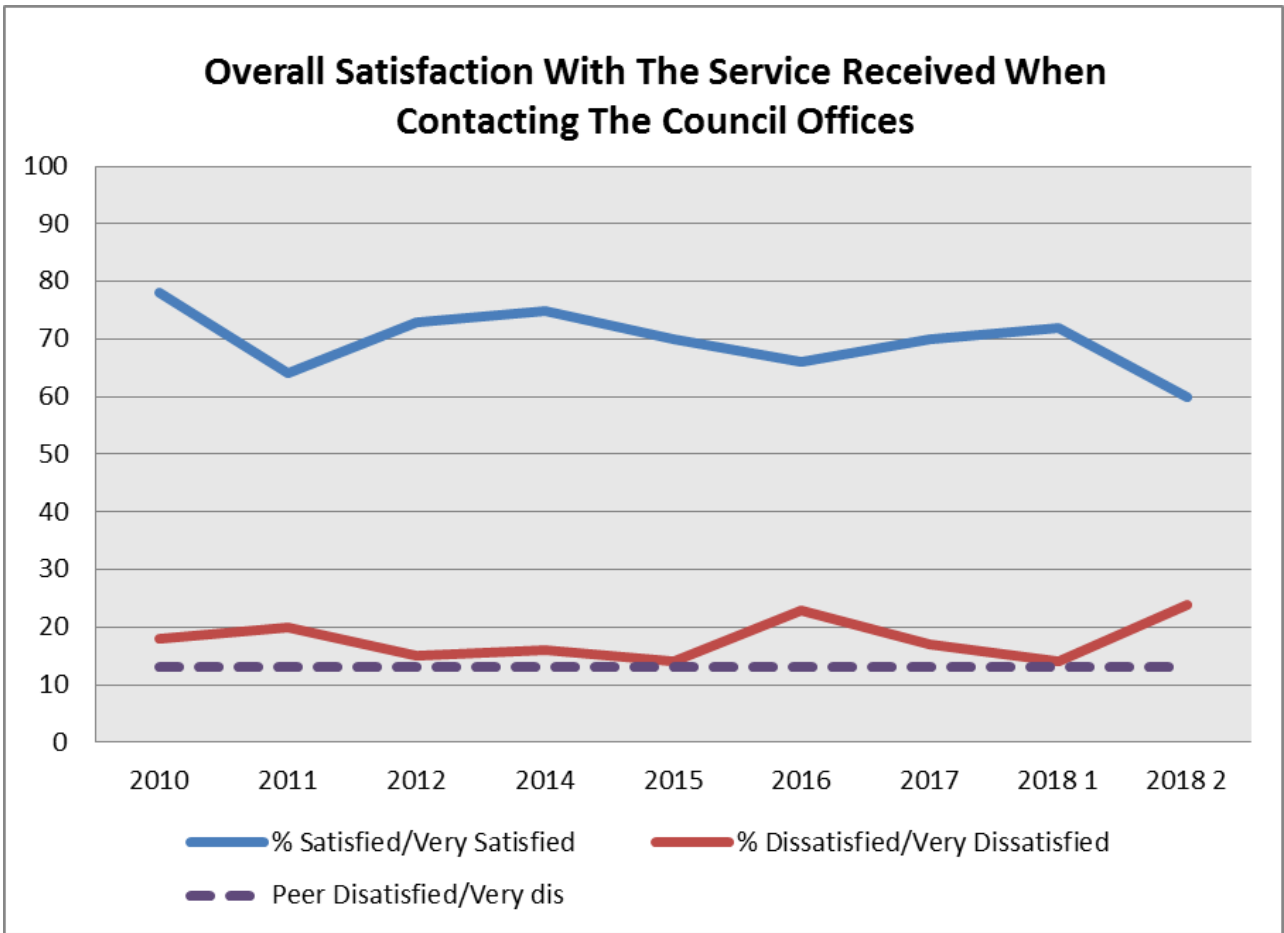


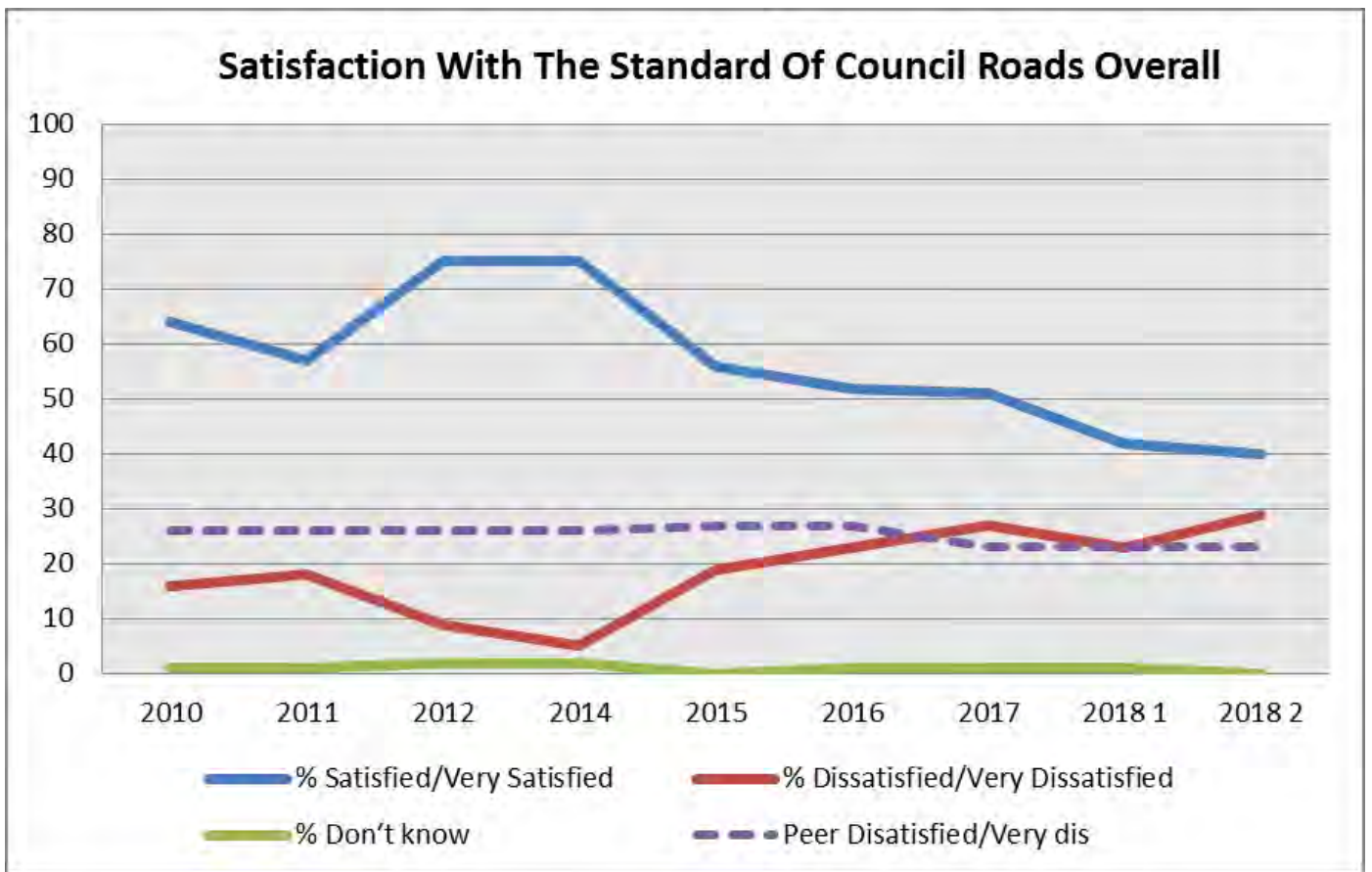
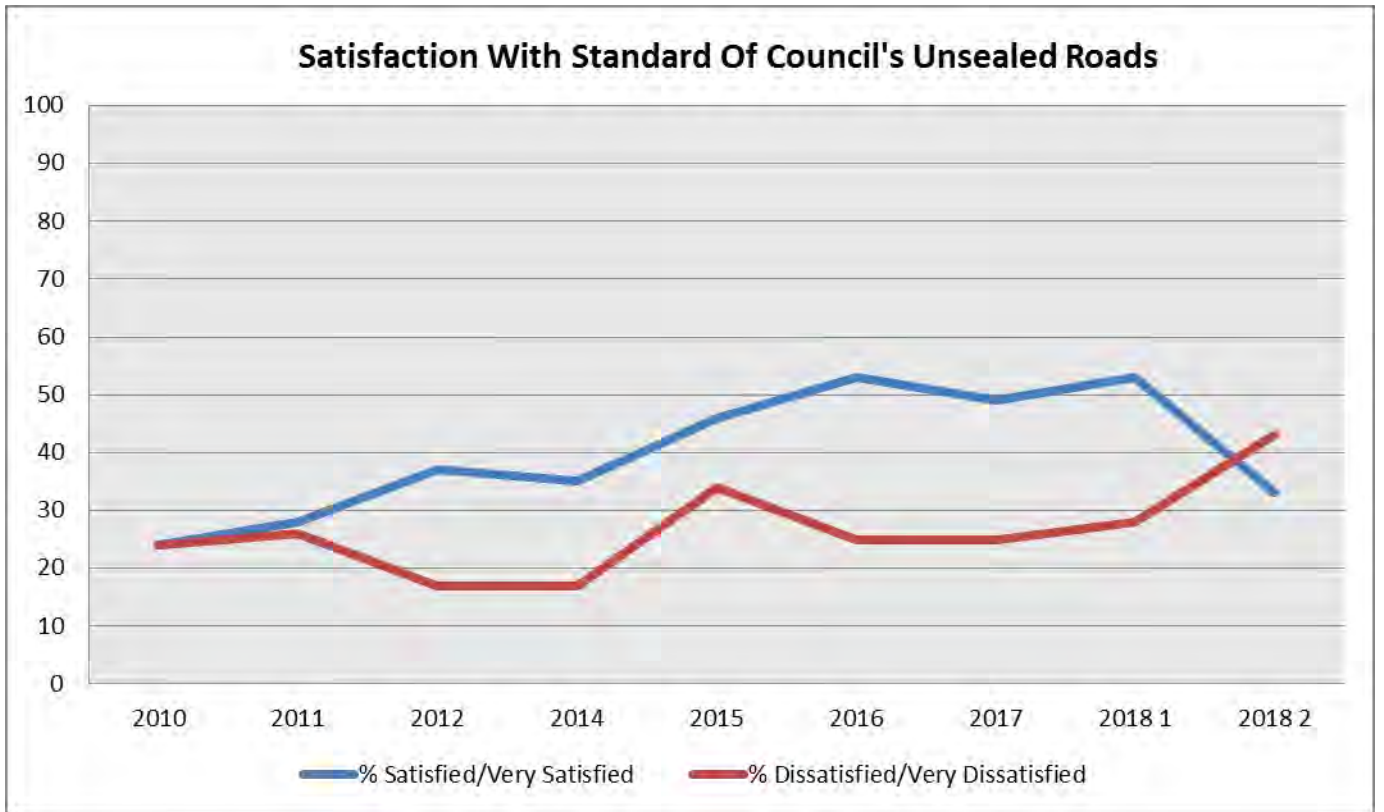
Residents Satisfaction Survey Trend Graphs – 2017-18 2nd quarter

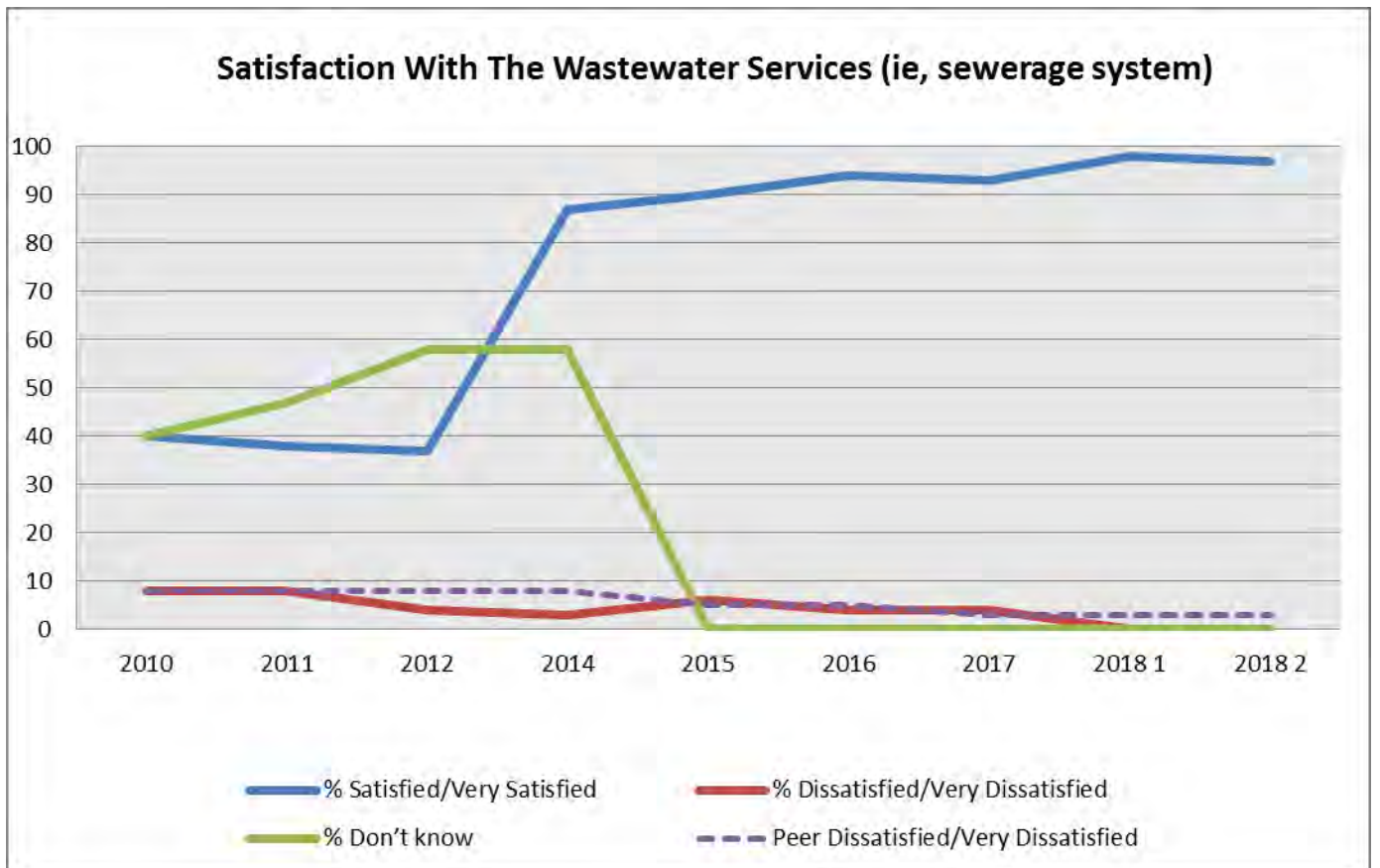
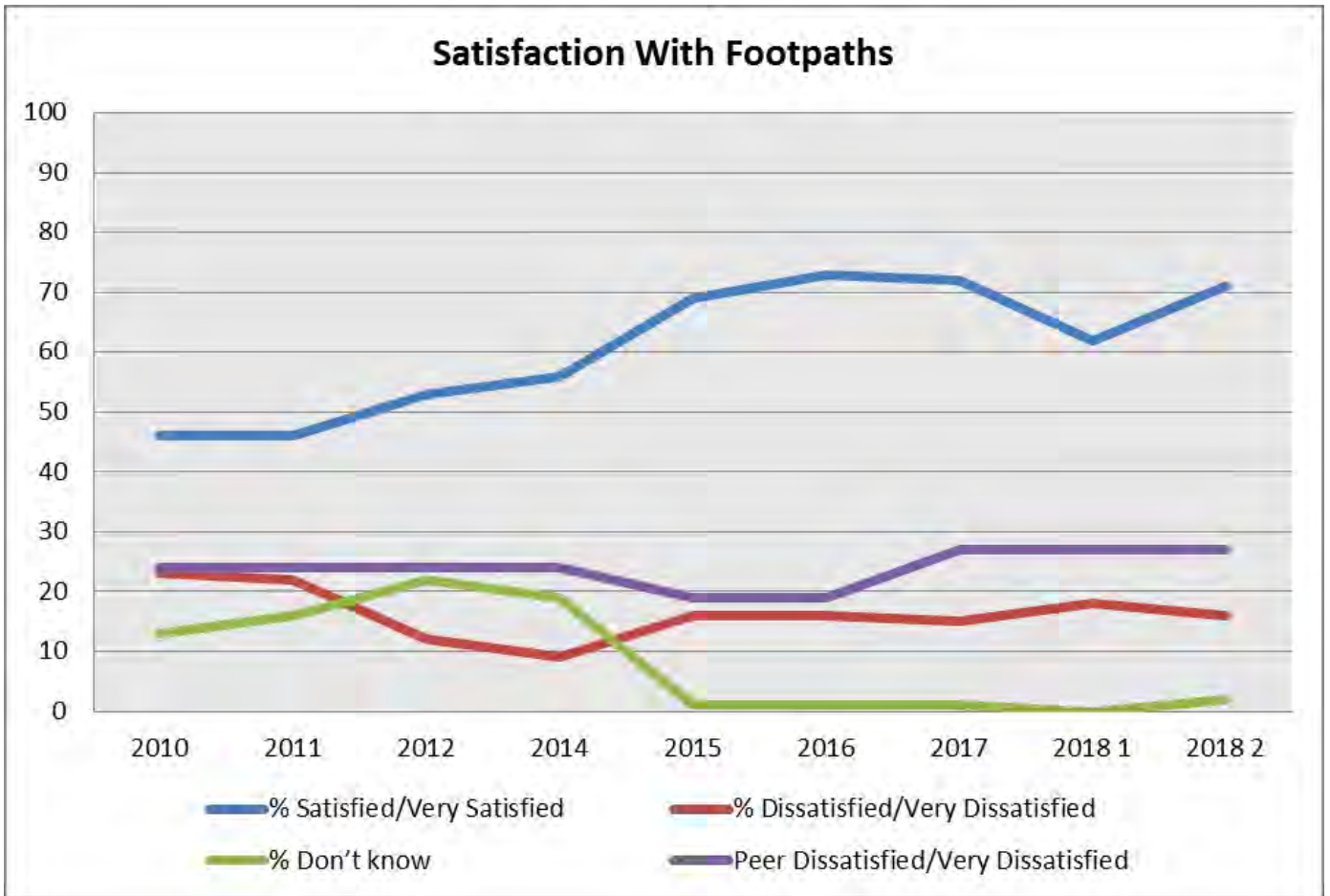
- 2018 1 is the first quarter results
- 2018 2 is the second quarter results



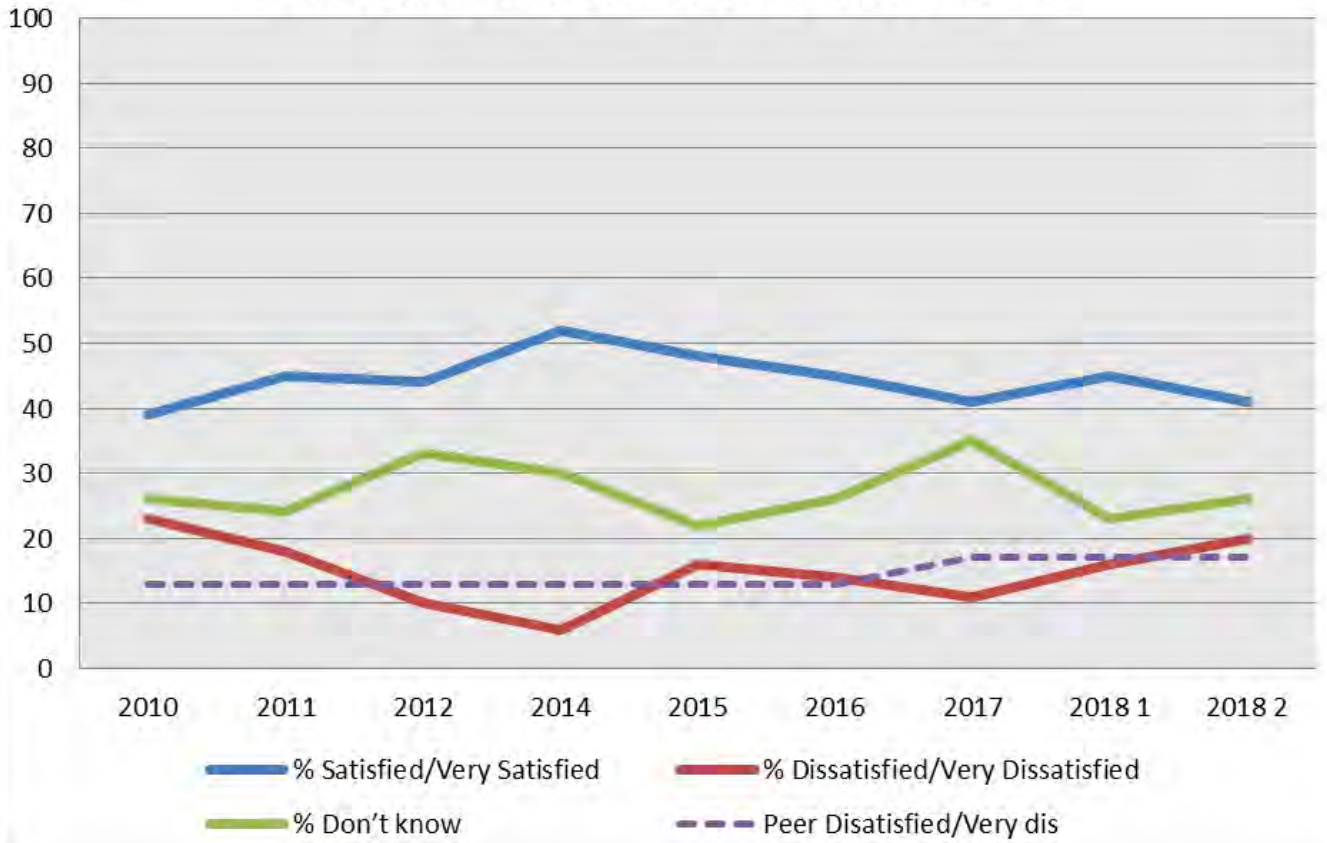




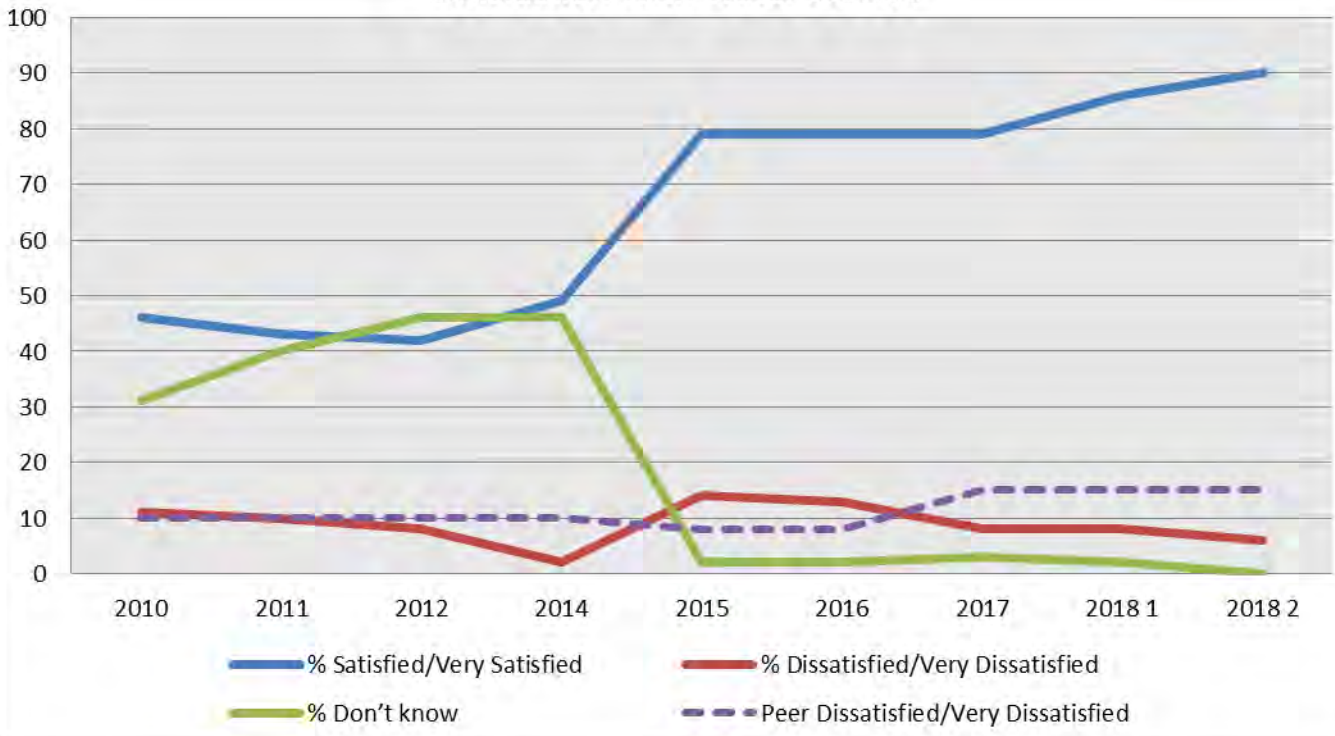


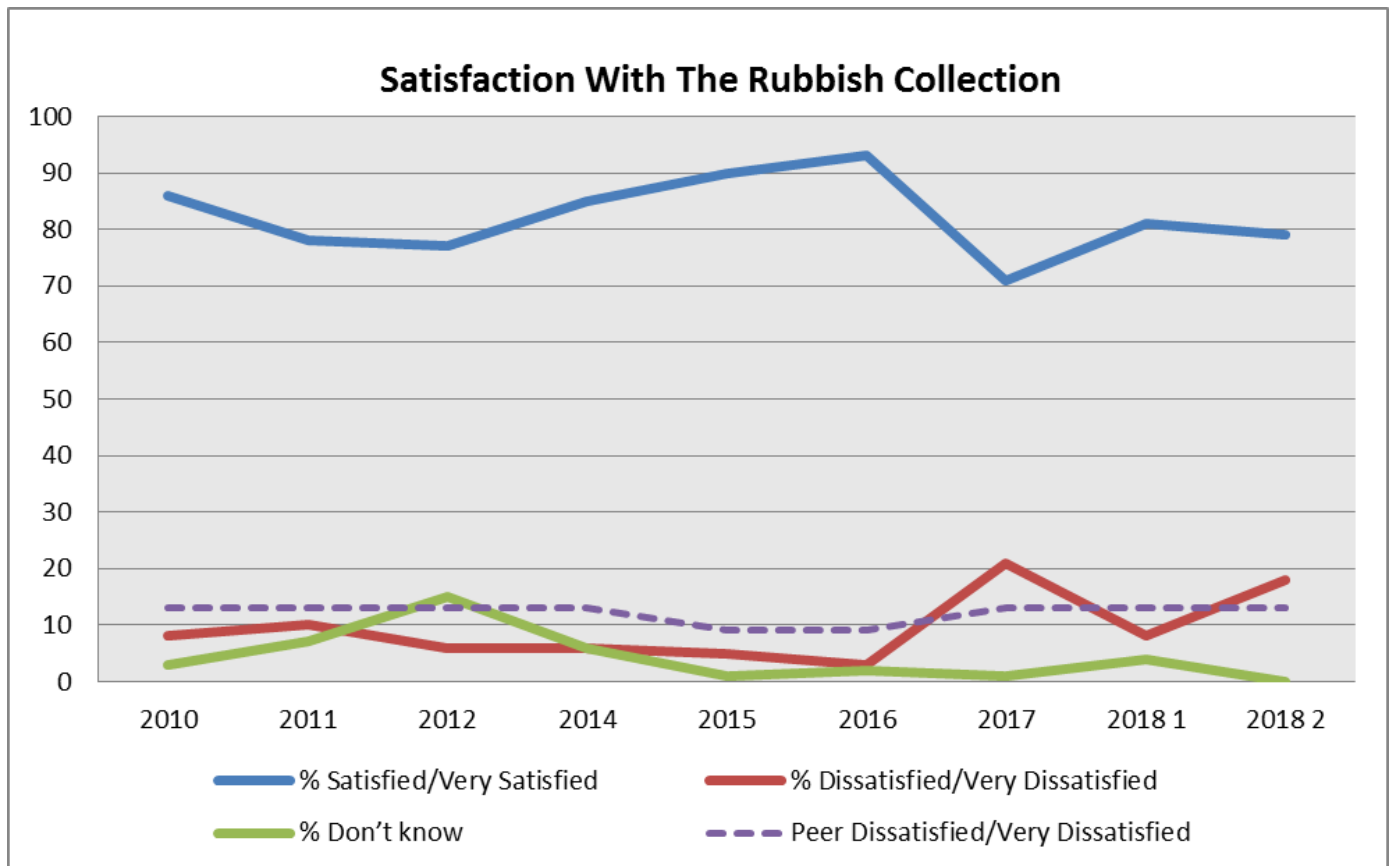
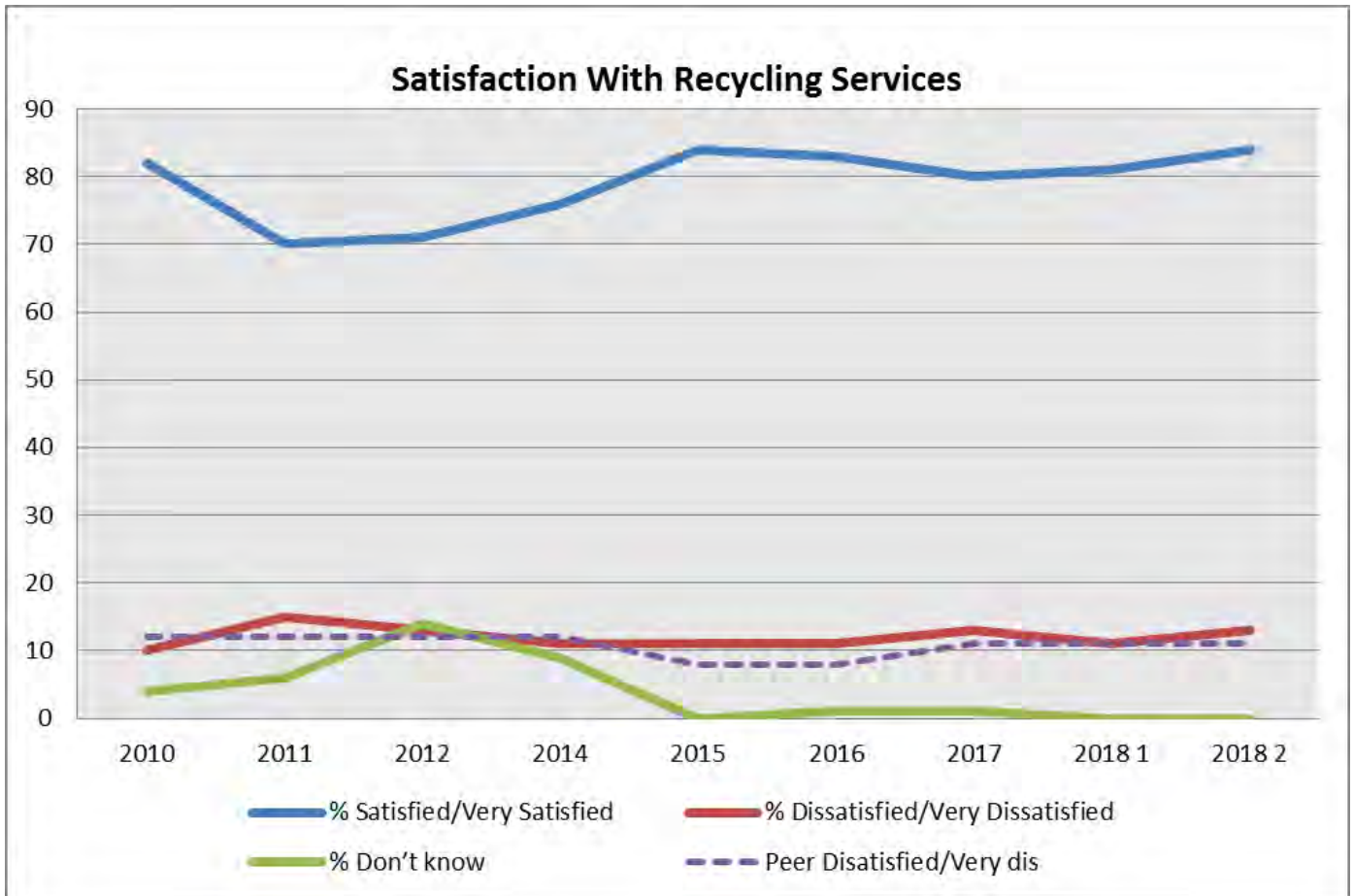


Satisfaction With Stormwater Services Overall



Satisfaction With Water Service







Appendix 4 – Residents Survey Comments from Outcomes

Is there one thing that comes to mind with regard to the council's actions, decisions or management in the last few months that you like or approve of?

What is it?	Why?
Recycling and rubbish service.	Great not to have to take it somewhere.
Services are better than other places in the country.	Lots of toilets and things are maintained.
Jan Sedgewick is very accessible.	Easy to get things done.
The playground below Te Kauwhata township is very good and lots of kids play there and they seem to have a lot of fun there.	My granddaughter was over from England and we took their son to play in the park and they loved it.
They've been consulting with us well - the Tamahere playground - to get the specifics we wanted, there was much consultation in terms of funding.	The consultation process involved and we were able to choose.
Funding the Te Opanau walkway is excellent.	It's great for the community - when it's finished it will be a great community Council asset.
The communication is better.	It's better all around.
The recycling.	Convenience - better for the environment.
Moving Council buildings to Ngaruawahia.	It has improved the facilities and they've got to have offices somewhere but we miss it not being in Huntly.
Fixed up the road round the corner, the landslip – Howden Road.	Made it safer.
The way they keep the parks and the domain and they've upgraded the main street in Huntly. The Huntly domain is well utilised and the walks around the lakes are well maintained.	It just makes it more pleasant and it is well used when it is well maintained. You see families and children playing which is great.
Encouraging more recycling.	Better for the environment, but weird that we have to put our paper in a plastic bag.
Finally added a rubbish collection in our area when we live across the road from the dump!	It should've been done years ago.
Consultation regarding the Tamahere park.	They asked residents if they wanted to pay an extra \$38 in the rates for extra facilities at the park.
Like being able to use the Hamilton libraries wouldn't want that to change.	Too far to go to Waikato District Council libraries.
Recycling and rubbish.	Didn't have it before and much easier than doing it ourselves.
The rubbish collecting staff are great.	They do a great job.
Consultation about future library services and how they could be provided.	Gave a number of good options to think about and were actually asking the ratepayers rather than making a unilateral decision themselves.
Decision made to build a walkway between Sale Road and to the end of Blunt Road, Te Kauwhata.	I thought it is a jolly good idea to provide walking tracks for the village other than just having to walk around the village. Scenic walking track.
I like decision about collecting food waste (peelings etc) at the gate - it is well organised. Not sure how it will go during the heat of summer but hopefully it will be okay then too.	I think they are making compost out of it. People don't have to throw it in their back gardens and attract rats, etc.

Appendix 4 – Residents Survey Comments from Outcomes

I like that certain Councillors have commented on social forums like Neighbourly and given information that way about public issues involving the Council.	Good way to inform the public of events that affect the community - issues affecting us directly.
I like what has been done in terms of motorway extensions - aesthetics (planting and planning).	Looks like it has been well planned.
Our park has been upgraded on Te Kowhai Road and it looks quite nice.	Somewhere for the children in the area with the skate park and the playground - the grandchildren like to go down there when they are here.
Gave us permission to put a lock up on the bank building.	It was a Lions Club project. Good for the people.
Like the way they are caring for the Huntly Domain.	It's better for the kids - I'm involved with the soccer club and they cut the grass every week and keep it down.
They sent a survey by post about the library services. I thought that was good.	We have a Councillor who puts information on the Pokeno community Facebook page.
New water system, well overdue but really good result, pressure has improved.	Improved water pressure.
The rubbish collection that we have recently been included in.	Nice having a rubbish collection. You don't have to try and find somewhere else to get rid of it.
They stopped the demolition of the Memorial Hall.	It's a historic building and there is money to restore it and the community would go back to using it heaps if they restored it.
They gave us bigger recycling bins, that was good.	You can put more rubbish out.
Have been good at most things when we have dealt with Council but not the extra charges.	They did what they said they were going to do.
Walk path and bridge at Horotui is very good.	It gets the community involved.
Repairs to Otonga Valley Road.	Initial response was very rapid - a culvert failed and they fixed it within 24 hours.
The river walk and bridges over the river in the area.	They are great assets.

Appendix 4 – Residents Survey Comments from Outcomes

Is there one thing that comes to mind with regard to the council's actions, decisions or management in the last few months that you dislike or disapprove of?

What is it?	Why?
The roads in the area, many only patched rather than fixed.	Need to fix those roads before they get worse.
Having to have stickers for the rubbish.	We were already paying in rates and have increased the dumping of rubbish.
The building process takes too long and so many hassles and also costs too much, not only happens to me but hear from lots of people that they have problems.	Shouldn't be that complicated.
Going to be charged \$80 to inspect the pool.	Not fair that I have to pay and will charge more if it doesn't pass.
Just had a letter informing me that the swimming pool inspections will be mandatory with a fee of \$80 and failure will result in another inspection with a fee of \$160 - not negotiable.	I don't like that there is no consultation.
Lack of action on erosion - Hakanoa Stream, rudeness of staff not returning phone calls. Installation of water meters and proposal that residents pay cost of connecting them, cost and efficient waste of space.	Inefficient, rude, not strategic, seem to believe that ratepayers are a money tree. Given the Waikato's strategic location, they could do a lot more to increase regional prosperity. My only awareness of the Council's activities have all been 'cock-ups'.
Losing paperwork on my NO SPRAY on the roadside and wanting me to pay the fee to get it reinstated.	Inefficiency. When I asked for copies, they said they don't keep them.
Rate rises.	We don't take much interest in what's going on and let them get on with it.
The \$1.50 for the rubbish bags.	Just another cost - we don't get much out here.
Have to put them out in the morning and get you to do it early because of the dogs. Wheelie bins can be used and re-used and save plastic bags going everywhere.	Save plastic bags going into landfill.
Putting the rates up and having to pay for water.	It's terrible that you own your own home and are retired and you have to pay for water and some people can't afford to live here any longer and they were born and bred here because it is too expensive to live here.
Pulling down the war memorial. They are doing something about it now and they are at last giving us wheelchair access which they didn't have before.	We are hoping they will provide toilets, etc, for wheelchair access which they never had before at the War Memorial for people who came in wheelchairs.
The Coal museum and the community hall- they've sold off our assets and we've now got a very substandard museum. Lots of political issues that Council could have dealt with better.	I think it was all political - there was no consultation and it was not transparent. They didn't maintain the hall and it's now been closed and we don't have a community hall as it apparently needs a lot of money to get it upgraded.
The Council forces me to take the phone and the power because I have subdivided, Butcher Road, Matangi.	I shouldn't have to pay for it as I have had it for 10 years.

Appendix 4 – Residents Survey Comments from Outcomes

Roading - very unhappy that there has been no maintenance on Churchill Road for the last 5 years. Maintenance is only done on the metal road if we push for it.	Causing safety issues - it's a hazard.
I don't think they should be consulting about libraries it should be a community service - core business.	It should be core business - a right for community. Shouldn't even think of stopping it because it is a valuable community service.
The walking bridge over SH1 got hit by a truck a few months ago and hasn't been repaired, it doesn't look like it is getting fixed any time soon.	Lots of people disadvantaged by this bridge being out.
Disapprove of the Council and how they are going about their business. They make decisions without consultation AND then put the rates up and charge through the nose. Most staff don't even live in the area.	Make decisions for the area.
Stickers of the rubbish bags is a nuisance.	Keep forgetting.
The handling of people wanting to subdivide.	No clear ruling on the issue and takes a long time, they don't have a plan.
The Council doesn't listen and despite consulting the public they don't take any notice of what the public want and they don't care.	Not democratic and a waste of money.
Not impressed paying \$1200 a year for an empty paddock that I will build on later but for which I am getting nothing at this point.	It is a money making rort.
The water rates are not good.	Already pay for our water in rates.
Consents granted for subdivision in Raglan but they don't have their own sewerage system and will use the Raglan one which is already struggling to cope. This could be better managed.	Would make sense to apportion the cost to the user at the source and make it part of the developers cost.
Rural roads.	Rural roads are not maintained.
Implemented water charges and waste water charges. Decisions are made BEFORE meetings are held - Council have already made a decision before the public are involved.	They've made the decision without involving the ratepayers - meetings appear to be just to pass the legal side of things.
I live on Tregoweth Lane and the fertilizer works were allowed to build without consultation with the neighbours about it and now we've got trucks up and down the lane and fertilizer blowing everywhere.	There are no footpaths and the trucks tear up and down. It's a 70 kph area and it's dangerous to get out of the way. We complained to the Police but their hands are tied because of the speed limit. Apparently it is up to the Council to reduce the speed limit as the Police can't do it.
Their zoning doesn't allow us to subdivide our land at the front of our property when we live so close to the city. The change of zoning is ludicrous.	There is a cottage already on the land where we want to subdivide so it is ridiculous that we can't build on it or replace the cottage with a larger home and this is due to the new rulings. Our property is rural but very close to the city, it's only 7.5 acres so it's not big enough for farming.
We pay very high rates but don't see what we are paying for.	Lack of services. Transport is a big one - we pay for it but there isn't any public transport. Road management - we are on the fringes of the Waikato District Council - build in a new subdivision then nothing happens - feels like a forgotten area.

Appendix 4 – Residents Survey Comments from Outcomes

The grass verge policy which has recently come in.	You have to now mow outside your property boundaries but in my case I have an area large enough to put a home unit on it so I am expected to mow and maintain that? Until now this has been done by the Council.
Dissatisfied to know that Councillors have special treatment - they get paid for doing the job. Decisions about keeping buildings that aren't used when houses can be built there.	Inappropriate use of rates.
The whole red tape thing. Hard to find the information - rules keep on changing.	Councillors aren't responsible for the decisions they make.
Onewhero cemetery has no water supply at it, was told to run down to the creek and get water if I wanted it.	It is really hard to keep plants alive on graves and flowers.
Having to buy rubbish tickets - prefer the way it was.	We've changed our tactics now and don't put it out every week.
Not mowing the berms as they used to in the Te Kauwhata area.	Makes it untidy and means that the public has to do it.
The rates increase is too big an increase and will increase rates even though the Council says that it won't. Valuation has gone up 30% and rates will also do that next year but Council had originally said they wouldn't.	Council has misled the people on this issue.
The new law they are bringing about swimming pool charges - you have to pay someone to come in and look at it and it costs you \$250. Our pool is not in the ground but we have to pay.	When we got our pool there was not a charge because it is not in the ground so you didn't need it fenced. The new law says you have to bring them in to look and see if it needs a fence and we have to pay them to come and look at it.
They put a massive pipe through our property and my father's been dead 26 years and they sent him a letter asking him if he wanted to rent our previously-owned land which Council had taken from us.	They took our land under some government scheme and put this huge pipe on it and then they wanted us to rent the land underneath it from them. There is nothing you could do with this land so why would we want to rent it. It was very upsetting to get a letter about this addressed to my dad when he had been dead for 26 years.
Not happy with PC16.	In our area it was supposed to be re-zoned and now after PC16, we don't know what to do.
Not satisfied with the Easter Trading outcome.	I got no response to the submission that I made specific to my submission either directly or indirectly. What they did send out, the issues I had raised were not mentioned and I am sure I was not the only one who made the submissions that I did.
Disagree with the subdivision rules in the District Plan.	Agree with unsubdivided farmland staying protected -say property over 10 hectares. They should have no rights of further subdivision but that where land has been subdivided below that level in the last 20 years, that further subdivision, where practicable, be allowed to the minimum size of 5,000 sq. metres in all the rural area outside of the living zone. In living zone minimum subdivision size-2,500m.

Appendix 4 – Residents Survey Comments from Outcomes

Mass infill housing in Pokeno area has caused too many issues and it is a rural area.	Too many houses for the infrastructure.
A bureaucracy that doesn't listen to the people.	They need to listen to the ratepayers, not a happy place to work I don't think.
Reservoir at Ngaruawahia - weren't consulted and feel that they should have been.	The people need to be consulted.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy and Support
Date	08 February 2018
Prepared by	Annette Brodie Development Contributions Coordinator
Chief Executive Approved	Y
Reference #	GOV1318 / 1898040
Report Title	Development Contributions Policy Proposal

I. EXECUTIVE SUMMARY

The Local Government Act 2002 requires Council to undertake a review of its development contributions policy every 3 years. The Policy is now due for review.

The proposal to amend the Development Contributions Policy is in two parts; the first part addresses wording amendments to the draft Development Contributions Policy to clarify the technical aspects of the Policy. This is the part of the process that is contained within the attached proposal.

The proposal was circulated for the approval of Council during January and this report formally ratifies the decision made at that time.

The second part addresses any changes to capital programmes made through the draft Long-Term Plan process and the impact on draft Development Contributions Levies. Consultation on the related Development Contribution Policy appendices will run concurrently with the draft Long-Term Plan Consultation.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received;

AND THAT Council in accordance section 82A(2) of the Local Government Act 2002 formally ratifies their decision to make the draft Development Contributions Policy 2018/19 proposal publicly available on Councils Website and via Growing Places Newsletter from the 24 January 2018;

AND FURTHER THAT feedback received between 24 January and 23 February 2018 on proposed wording changes to the draft Development Contributions Policy be reviewed by way of a report to Council;

AND FURTHER THAT all changes to the draft Development Contributions Policy arising as a result of the draft Long Term Plan Considerations be consulted on in March/April 2018.

3. BACKGROUND

There have been no legislative changes since Council adopted their current Development Contributions Policy. The underlying methodology in the Policy is not proposed to change, as prior consultation efforts showed that developers wanted input on an individual project level rather than the methodology itself and there is a good process in place for reviewing applications for reconsiderations.

Council has received 43 requests for reconsideration since 01 July 2015 under the current policy. This equates to approximately 17 per year over the period the policy has been in force. This is a reasonably low level of requests in relation to the number of consents that are processed. In addition, one formal objection was lodged through the stipulated Local Government Act 2002 process which was found in favour of Council. The most common reconsideration requests were for:

- minor dwellings where people didn't realise they would be charged development contributions;
- travellers accommodation where levies are based on demand; and
- retrospective requests for special assessments where the commercial conversion factors do not suit the type of activity.

The proposed Development Contribution Policy changes aim to clarify the issues raised through both the reconsideration requests and other queries staff receive on the Policy. The proposed changes relate to general definition updates, specifying what constitutes a minor dwelling including aged person facility application, expansion of how credits are applied and the introduction of a new "tiny" residential category to pick up the current trend in sustainable housing solutions.

In order to communicate directly with developers, surveyors, builders etc. in a timely manner using an existing newsletter format (no additional cost) and to allow policy feedback from customers to be considered before releasing proposed Long Term Plan development contribution levies for consultation, Councillors were asked to approve the Statement of Proposal in January ahead of the recommencement of official meetings in February. The approval to proceed on the basis of cost minimisation and overall process benefits was gathered via email.

Council undertook a series of workshops in February 2018 in preparation for adopting a draft Long Term Plan that will impact the appendices to the Development Contributions Policy. To incorporate any changes to the capital works programme and anticipated growth, further consultation with interested parties will coincide with the draft Long Term Plan consultation timeframe. Final decisions on the policy content will be made in June 2018.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

The minor wording amendments proposed in the draft Development Contributions Policy have not affected the intent of the proposed policy, but have clarified the technical aspects of Council's existing development contribution regime.

OPTIONS

Option 1 – status quo (retain current 2015 policy)

Council may choose to not amend the policy based on the proposed amendments and feedback received during the consultation process. This would not allow for clarification of the technical aspects of the policy.

Option 2 – amend the policy based on the proposed amendments and in considering feedback received during the consultation process

5. CONSIDERATION

5.1 FINANCIAL

The Long Term Plan process will alter the appendices to the Development Contributions Policy, especially the Capital works schedules and the associated levies.

5.2 LEGAL

The Local Government Act 2002 and its amendments requires Council to undertake a review of its development contributions policy every 3 years.

A consultation process must be followed to amend a development contributions policy, as outlined under Section 82 of the Local Government Act 2002.

The proposal was prepared to fulfil the purpose of section 82A(2) of the Local Government Act 2002.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The proposed changes are not deemed to be significantly different to the provisions contained within the Council's current Development Contributions Policy.

The proposal allows for feedback to be provided to inform policy content or possible options for consultation during March/April 2018.

The following stakeholders will be engaged with:

Planned	In Progress	Complete	
	✓		Surveyors
	✓		Developers
	✓		Architects/Designers
	✓		Builders/Tradespeople
	✓		Planners
✓			Council
	✓		Members of the public

6. CONCLUSION

Staff recommends that Council retrospectively ratifies the approval of the Statement of Proposal and related draft Development Contributions Policy 2018/19 to provide transparency of the process to the public.

7. ATTACHMENTS

- Development Contributions Policy – proposal to amend policy
- Draft Development Contributions Policy

Development Contributions Policy – proposal to amend policy

This is a proposal to amend Council’s Development Contribution Policy by 30 June 2018.

This proposal includes:

1. the reasons for amending the policy
2. a summary of the legislation related to the consultation process
3. analysis of options
4. instructions on how to provide feedback on the proposed policy
5. the proposed Development Contributions Policy 2018 showing amendments from the 2016 policy.

1. Reasons for amending the policy

- a) The Local Government Act 2002 requires Council to undertake a review of its development contributions policy every 3 years.
- b) To address issues that may have arisen since 1 July 2015; and
- c) Council will undertake a series of workshops in February 2018 prior to adopting a draft Long Term Plan that will impact the appendices to the Development Contributions Policy 2018. To incorporate any changes to the capital works programme and to allow for anticipated growth, consultation with interested parties on the proposed Development Contributions Policy 2018 will coincide with consultation on the draft Long Term Plan. Final decisions on the policy content will be made in June 2018.

2. Legislation

A consultation process must be followed to amend a development contributions policy, as outlined under Section 82 of the Local Government Act 2002.

This proposal has been prepared to fulfil the purpose of section 82A(2) of the Local Government Act 2002.

3. Analysis of options

Option 1 – status quo (retain current 2015 policy)

Council may choose to not amend the policy based on the proposed amendments and feedback received during the consultation process. This would not allow for clarification of the technical aspects of the policy.

Option 2 – amend the policy based on the proposed amendments and in considering feedback received during the consultation process

The minor amendments proposed have not affected the intent of the proposed policy, but have clarified the technical aspects of Council’s existing development contribution regime.

Following the outcome of Council workshops in February 2018 further changes may be required to the wording of the proposed policy. If changes are required then consultation/feedback for these changes would coincide with the draft Long Term Plan consultation process in March/April 2018.

Council welcomes any feedback you may have at this stage in the process, to help inform policy development. Feedback must be received by the 23 February 2018.

4. How can you give feedback?

Your feedback on the wording of our proposed policy can be:

- **entered online** at www.waikatodistrict.govt.nz/sayit
- **emailed to** consult@waidc.govt.nz
- **posted to** Waikato District Council, 15 Galileo Street, Ngaruawahia 3720
- **dropped off** at any Waikato District Council office or library.

<p style="text-align: center;">Important Dates to Remember:</p> <p style="text-align: center;">Feedback closes 5pm, Friday 23 February 2018</p>
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What happens next?

Council will acknowledge receipt of the feedback you have provided.

All feedback will be reported to and reviewed by the Councillors to inform any potential changes required to the draft policy wording.

Further amendments made to the proposed policy will be consulted on in March/April 2018.

Note: submissions are public information. Your feedback will be used for purposes such as reports to Councillors, which are made available to the public, media and on our website. If you would like your personal information concealed please tell us in your submission.

5. Summary of proposed wording changes

Proposed wording changes to the proposed Development Contributions Policy 2018 are for clarity. All changes are marked in red, underlined words are additions and ~~strikethrough~~ words are proposed to be deleted.

This review is of the policy wording only so no appendices have been included at this stage. The new Development Contributions Levies and related appendices will be consulted on as part of the Fees and Charges under the Long Term Plan so look out for these in March/April 2018.

I Introduction

Waikato district has experienced significant growth in recent times which is expected to continue. In particular, Waikato district has seen exponential growth in the north including Pokeno and Te Kauwhata and is envisaging increased growth in other areas such as Raglan and Ngaruawahia.

Although growth is often described as positive for the community, it also presents a number of challenges. One of the greatest challenges for the council is expanding its infrastructure networks to cater for increased demand.

The cost of expanding these networks is typically high, and the issue of funding inevitably arises. A range of funding sources is available to Council including rates grants, subsidies and development contributions. Funding infrastructure for growth via general rates (or other indirect means) can be inequitable, where existing ratepayers are neither the primary cause nor the primary beneficiaries of the growth. Where new infrastructure also benefits the wider community, an appropriate funding balance must be struck.

3 Definitions

Accommodation units means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation. Accommodation units are classed as a residential activity.

Dwelling means any building, whether permanent or temporary, that is used for the purpose of residential accommodation.

LTP means the councils Long Term Plan

Minor residential unit means a secondary residential unit with a gross floor area that does not exceed 70 square metres (excluding garaging) The minor residential unit may be separate, or be part of a main dwelling.

Network utility operator has the same meaning as in section 166 of the Resource Management Act 1991.

PPI means the Producers Price Index Outputs for Construction provided by Statistics New Zealand.

Resource consent has the same meaning as in section 2 (1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

Tiny residential unit means a dwelling with a gross floor area that does not exceed 30 square metres and includes any vehicle, trailer, tent, marquee, shipping container, caravan or boat, whether fixed or moveable, used as a dwelling regardless of whether or not it connects to council services.

6.3 Relationship to Financial Contributions under the Resource Management Act (RMA)

The Council continues to levy Financial Contributions that have been assessed under previous development contributions policies.

Section 198 2A of the LGA states: ‘For the purposes of subsection (2), a development contribution must be consistent with the content of the policy adopted under section 102(1) that was in force at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information.’

7.1 Timing

Note that in order for the charges within the current policy to apply to a development that already has consent, the existing consent would need to be surrendered and a new consent obtained. Applicants would need to give consideration to the impact of any changes in the district plan that may have come into effect during the corresponding period.

11.3.1 Resource consent applications

The creation of allotments via subdivision provides scope for new dwellings, and therefore attracts development contributions at a rate of one HEU per additional allotment or service connection.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

Any resource consent application that creates the potential to build additional independent dwellings will also attract development contributions at a rate of one HEU per additional allotment, service connection or dwelling.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Rooding and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

11.3.2 Building consent applications

Dwellings constructed on allotments with registered titles may attract development contributions under this policy. The extent of any contributions payable will depend on whether any payments were made at earlier stages in the development process, as well as the specific services that the development is connected to.

Additions and alterations to residential dwellings do not attract development contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Rooding and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

11.3.3 Service connection applications

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section **Error! Reference source not found.**

Service connection applications that are not accompanied by building or resource consent applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate-out shared water meters will not attract contributions.

11.4.1 Subdivision

Subdivisions will attract development contributions on each additional allotment created or service connection required.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

If the intended built form/design and land use is unknown at the time of subdivision, each allotment will be charged a development contribution based upon the HEUs set out in Table 2 in Section 9. The balance will then be assessed at the time a building consent, land use consent or service connection application is lodged.

11.4.2 Land use and building consent applications

Non-residential developments will attract development contributions based on their GFAs and intended land use.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

11.4.3 Service connection application

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section **Error! Reference source not found.**

Service connection applications that are not accompanied by building or resource consent applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate-out shared water meters will not attract contributions.

11.6 Special Assessments

The approach taken to identify a long term infrastructure programme and the required expenditure is based upon “averaging” the likely demand from anticipated development, acknowledging that some development will create a higher level of demand and some will be lower. This approach is also reflected in the development contributions policy.

There is the possibility that some development may be proposed that would have markedly different characteristics in terms of demand for infrastructure capacity, for instance:

- a) Early childcare centres, kindergartens, schools, technical training institutions and universities
- b) Hospitals, aged care facilities/care beds, palliative care facilities, medical facilities (doctors surgeries)

- c) Accommodation activities e.g. travelers accommodation, farm stay accommodation, hostels/backpackers, hotels and motels
- d) Papakonga housing
- e) Wet industry including water Bottling facilities, high use water and/or waste water activities
- f) Chicken sheds, bulk store facilities
- g) Supermarkets

Special assessment provisions will apply to such types of development, and any other development that is considered by the council to generate a level of demand that is significantly in excess of the levels identified in section 9 Table 2.

A decision on whether a special assessment will be undertaken will be made by the council at the application stage, once details of the development are known. Applicants are expected to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater capacity to enable a special assessment to be undertaken. This information will be used to calculate an equivalent HEU and the development contributions for the development will be charged accordingly.

11.7 Development Agreements

Section split out only no wording changes

11.8.2 Consent variations

Applications to change or cancel resource consent conditions or to amend a building consent will trigger a reassessment of development contributions. Any increase in the number of HEUs (relative to the original assessment) will be calculated and the contributions adjusted to reflect this. No automatic refund will be made for any decrease in the number of HEUs relative to the original assessment.

11.9.1 Overview

When applying credits for a change of use, credits are calculated on the original use.

For example, if converting a commercial building into residential apartments, credits will be calculated for the existing commercial activity based on GFA for the existing services only. These credits would then offset any development contributions associated with the new residential use. No credits would apply for reserves or community facilities development contributions as these are not applicable to commercial activities

Another example is if converting a dwelling into a commercial activity then a 1 HEU credit for the existing dwelling would apply to the services connected to the dwelling. The demand for services for the new activity would be calculated, the 1 HEU credit applied and any additional development contributions required for the additional demand assessed. DCs for reserves and community facilities cannot be credited against other development contributions.

In other words, credit will also be given for the pre-existing status of properties as at the commencement of this policy (1 July 2018), even if no previous financial contribution or development contributions have been paid. Credits will be associated with the existing title and calculated and assigned to individual activities. More details on the nature of these credits are outlined below.

To clarify: where there is no connection to a reticulated system at the time development contributions are paid (either because unavailable or because an approved service is provided on site), a credit will be applied for those activities for which no connection exists. If a subsequent connection is made, development contributions will be required for that service connection at the service connection stage in accordance with the provisions of this policy. Also, if a property was not connected to a service prior to 1 July 2018, no credit will be given in respect of the service. That is to say that when subdividing a vacant lot where no water, wastewater or stormwater connections exist, but the service is available, no credit will be given for those services. All lots requiring a connection will be charged (rather than just the additional lots being created).

12.1 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked pursuant to a Council resolution, and are not able to be requested by applicants. Remissions are usually triggered by significant changes to the levies or a change of legislation.

12.2 Reconsiderations

All reconsideration requests must be made within 10 working days of receiving notice from the Council of the level of development contributions required.

Requests must provide the reference number of the relevant consent or service connection and must be short and concise, but fully outline the reasons why reconsideration is being sought, and provide sufficiently reliable data to enable a revised estimate of demand and associated development contribution charge to be made.

12.3 Objections to Development Contributions

A formal objections process with Ministry registered commissioners is available in accordance with section 199 of the LGA. Schedule 13A of the LGA outlines the objection process in detail. Section 150A of the LGA outlines costs of development contribution objections.

13.6 GST

The process for calculating development contributions is GST exclusive. Once all calculations are complete, GST is added to the levy calculations as required by the prevailing legislation and/or regulations of the day. Note that while Development Contribution Advice Notices are inclusive of GST they do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985. Council can issue an invoice on request.

Development Contribution Policy

Policy Owner:	Development Contributions Coordinator
Date approved:	XX
Next review date:	XX
Document number:	XX
Engagement required:	External

I Introduction

Waikato district has experienced significant growth in recent times which is expected to continue. In particular, Waikato district has seen exponential growth in the north including Pokeno and Te Kauwhata and is envisaging increased growth in other areas such as Raglan and Ngaruawahia.

Although growth is often described as positive for the community, it also presents a number of challenges. One of the greatest challenges for the council is expanding its infrastructure networks to cater for increased demand.

The cost of expanding these networks is typically high, and the issue of funding inevitably arises. A range of funding sources is available to Council including rates grants, subsidies and development contributions. Funding infrastructure for growth via general rates (or other indirect means) can be inequitable, where existing ratepayers are neither the primary cause nor the primary beneficiaries of the growth. Where new infrastructure also benefits the wider community, an appropriate funding balance must be struck.

This document sets out the Council's policy on development contributions.

2 Purpose

The purpose of this policy is to:

- a) Ensure that new development contributes fairly to the funding of Council's infrastructure;
- b) Establish a policy framework for the calculation and application of development contributions;
- c) Set development contribution levies at a level which supports district plan and infrastructure strategy outcomes.

3 Definitions

Accommodation units means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation. Accommodation units are classed as a residential activity.

Activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation, e.g. water supply, transport networks.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991.

Allotment area is the total land area of an allotment.

Applicant is the person/persons that apply for resource consent, building consent or service connection.

Asset management plan means council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Capital expenditure means the cost of capital works for network infrastructure, reserves and community infrastructure.

Catchment means the area served by a particular infrastructure investment.

Commercial means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

For the purposes of development contributions any consents deemed to be a commercial land use type will be assessed for development contributions.

Community facilities means reserves, network infrastructure, or community infrastructure that development contributions may be required for in accordance with section 199 of the Local Government Act 2002.

Community infrastructure means land or buildings and structures on land (development assets) on land, owned or controlled by the territorial authority to provide the following public amenities:

- a) Community centres or halls for the use of a local community or neighbourhood
- b) Play equipment that is located on a neighbourhood reserve
- c) Toilets for use by the public.

Community outcomes means the outcomes that the Council aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

Council means the Waikato District Council.

Development means

- a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) does not include the pipes or lines of a network utility operator.

Development agreement means a voluntary contractual agreement made under sections 207A to 207F of the LGA between one or more developers and one or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in one or more districts or a part of a district

Development contribution means a contribution -

- a) provided for in this policy; and
- b) calculated in accordance with the methodology; and
- c) comprising –
 - i. money; or
 - ii. land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - iii. both.

Development contribution policy means this policy on development contributions included in the Long Term Plan of the Council under section 102 (2) (d) of the Local Government Act 2002.

District means the Waikato district.

District Plan means the District Plan of Waikato District Council.

Dwelling means any building, whether permanent or temporary, that is used for the purpose of residential accommodation.

Financial contribution has the same meaning as Financial Contributions in section 108 (9) (a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST) means goods and services tax under the Goods and Services Tax Act 1985.

Gross Floor Area (GFA) means the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- a) car parking
- b) loading docks
- c) vehicle access and manoeuvring areas/ramps
- d) plant and equipment enclosures on the roof
- e) service station canopies
- f) pedestrian circulation space in an enclosed retail shopping centre
- g) any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place

Household Equivalent Unit (HEU) means an average residential dwelling occupied by a household of average size.

Impervious Surface Area (ISA) means the area of any site that is not capable of absorbing water and includes any area that is:

- a) covered by buildings
- b) covered by decks
- c) occupied by swimming pools
- d) used for parking, manoeuvring or loading of motor vehicles
- e) paved with a continuous surface with a run-off coefficient of greater than 0.45.

Industrial means any:

- a) premises used for any industrial or trade purposes; or
- b) premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or
- c) other premises from which containment is discharged in connection with any other industrial or trade process;
- d) activity where people use materials and physical effort to:
 - i. Extract or convert natural resources
 - ii. Produce goods or energy from natural or converted resources
 - iii. Repair goods
 - iv. Store goods (ensuing from an industrial process)

For the purposes of development contributions any consents deemed to be an industrial land use type will be assessed for development contributions.

LGA means the Local Government Act 2002

Local authority means a regional council or territorial authority.

LTP means the councils Long Term Plan

Methodology has the same meaning as in section 197 of the Local Government Act 2002.

Minor residential unit means a secondary residential unit with a gross floor area that does not exceed 70 square metres (excluding garaging) The minor residential unit may be separate, or be part of a main dwelling.

Network infrastructure means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network utility operator has the same meaning as in section 166 of the Resource Management Act 1991.

Non-residential development means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural. It further includes, but is not limited to, commercial and industrial (as defined below);

PPI means the Producers Price Index Outputs for Construction provided by Statistics New Zealand.

Residential development means any activity in a residentially zoned area.

Accommodation units in accordance with the Local Government Act 2002 are deemed to be residential.

Resource consent has the same meaning as in section 2 (1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

RMA means the Resource Management Act 1991.

Service connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

Service connection fee means a charge for physically connecting to a service provided by, or on behalf of, a territorial authority.

Subdivision has the same meaning as in Section 218 of the Resource Management Act 1991.

Third party funds mean funding or subsidy, either in full or in part, from a third party. e.g. New Zealand Transport Agency subsidies for the roading network.

Tiny residential unit means a dwelling with a gross floor area that does not exceed 30 square metres and includes any vehicle, trailer, tent, marquee, shipping container, caravan or boat, whether fixed or moveable, used as a dwelling regardless of whether or not it connects to council services.

Unit of demand means the measure of demand for community facilities.

4 Navigating this Document

This document comprises the following sections:

- 4.1 *Section 1* provides a brief **overview of the policy**, including the purpose of development contributions, when contributions may be required, the types of development that may be charged, and other general information regarding development contributions.
- 4.2 *Section 2* addresses the **adoption and implementation** of this policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions.
- 4.3 *Section 3* summarises the **capital expenditures** the council expects to incur (and has already incurred) to cater for growth.
- 4.4 *Section 4* presents the **schedule of development contributions charges**, and details any limitations on the use of those funds.
- 4.5 *Section 5* provides a simple flowchart diagram that shows **how to calculate** the contributions payable on developments.
- 4.6 *Section 6* demonstrates **application of the policy** to various development activities and outlines how credits are granted.
- 4.7 *Section 7* presents the council's policy on **remissions, reconsiderations, objections, refunds, and postponement** of development contributions

- 4.8 Section 8 provides details on **additional administrative matters**, such as invoicing and payment, service connection fees and the handling of GST.
- 4.9 Section 9 outlines **how demand has been measured**, including the definition of household equivalent units.
- 4.10 Section 10 presents the methodology used to calculate charges and outlines the significant assumptions underlying this policy.

5 Significance

- 5.1 Any changes proposed during a review of this policy would need to be assessed against the Significant and Engagement Policy to determine the level of engagement required.

Policy statements

6 Policy Overview

6.1 Purpose of development contributions

The purpose of development contributions under the LGA is to recover from persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

It is the Council's position that costs of growth-related capital expenditures should largely come from participants in the property development process, rather than from general rates or any other indirect funding source.

6.2 When development contributions may be required

According to the LGA, development contributions may be required in relation to developments if:

- a) the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence,
- b) The council incurs capital expenditure to provide appropriately for those assets.¹

The council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

6.3 Relationship to Financial Contributions under the Resource Management Act (RMA)

The Council continues to levy Financial Contributions that have been assessed under previous development contributions policies.

¹ In this context, "effect" includes the cumulative effect that a development may have in combination with another development.

Section 198 2A of the LGA states: 'For the purposes of subsection (2), a development contribution must be consistent with the content of the policy adopted under section 102(1) that was in force at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information.'

6.4 Types of development that may be charged

Any development that generates a demand for community facilities - whether residential or non-residential - may be required to pay a development contribution. Only the pipes or lines of a network utility operator are explicitly exempt under the LGA.

6.5 Types of activities that may be funded

The council may charge development contributions to help fund the total capital cost of:

- a) *Network Infrastructure* – This includes roads and other transport, water, wastewater, and stormwater networks.
- b) *Community Infrastructure* – This includes land purchases or the development of assets on land owned or controlled by the council to provide public amenities, specifically community halls, play equipment on neighbourhood reserves and public toilets.
- c) *Reserves* – this includes both land acquisition and development but does not include land that forms or is to form part of any road or is used or is to be used for stormwater management purposes

Note that onsite works (within the boundaries of each development) remain the sole responsibility of developers and do not form part of this policy.

7 Adoption, implementation and review

7.1 Timing

Any application for resource consent, building consent or service connection submitted on, or after 1 July 2018 will be subject to the conditions of this policy (and any amendments).

Applications determined prior to this date will be assessed under previous development contributions policies. The method for calculating current charges payable under previous policies are available on council's website

<https://www.waikatodistrict.govt.nz/your-council/fees-and-charges/development-contributions>

Note that in order for the charges within the current policy to apply to a development that already has consent, the existing consent would need to be surrendered and a new consent obtained. Applicants would need to give consideration to the impact of any changes in the district plan that may have come into effect during the corresponding period.

7.2 Frequency and scope of reviews

As required by the LGA, the Council will review this policy at least once every three years (or more frequently if deemed necessary). Such reviews may be triggered by – and will take into account – the following factors:

- a) any changes to the significant assumptions underlying the development contributions policy
- b) any changes in the capital works programme for growth
- c) any significant changes in the costs of labour, construction or technology
- d) any changes in the expected nature, scale, location or timing of development
- e) any changes that require new or significant modelling of the networks
- f) any changes to the District Plan
- g) the regular reviews of the Funding and Financial Policies, and the LTP
- h) any other matters the council considers relevant.

Each review will include a detailed analysis of the factors listed above. Any proposed changes will be carefully considered, and subject to consultation under Sections 82 and 82A of the LGA.

In addition to these regular reviews, the council will, in accordance with Section 106 (2C) [of the LGA](#), annually increase its charges (excluding the portion relating to interest) in accordance with the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased. The Council will make publicly available information setting out details of the adjustment before it takes effect.

8 Planning for growth

This section presents historic and future growth trends, which provide both the context and need for this policy. It also outlines capital expenditures required to service the amount of growth in the district.

8.1 Growth projections

Accurate growth projections are a fundamental component of any development contributions policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread.

For the purposes of this policy, growth projections have been produced separately for residential and non-residential developments. This allows any differences in the rates of growth to be accommodated

8.2 Capital expenditure required to service growth

Appendix 3 contains a table presenting capital expenditures (from the LTP) that the council expects to incur to meet the increased demands resulting from growth. It also identifies historic growth-related expenditures that the council has incurred in anticipation of demand. These will also be recovered from future development through this policy. Appendix 4 relates to specific Parks and Reserves infrastructure that was completed or substantially underway in August 2014 which now falls outside the LGA definition of

‘community infrastructure’. Council is able to continue to recoup these costs via the development contributions methodology in accordance with clause 8 of schedule 1AA.

8.3 Policy rationale

Section 106 (2) (c) of the LGA requires the council to explain – in terms of the matters outlined in section 101(3) [of the LGA](#) - why it has determined to use development contributions to meet the expected capital expenditure set out above in Section 3.2 of this policy.

8.3.1 Community outcomes

Council’s growth related capital expenditure primarily contributes to the “Economy” community outcome, as set out in Waikato District Council’s LTP:

“We will promote sustainable growth, maintain accessible, safe and connected infrastructure and services, create an attractive business environment and provide sound financial governance.”

The principle of sustainable growth is promoted by fairly apportioning the cost of expenditure for increased demand to developers. Development contributions provide a suitable method for funding increases in demand.

8.3.2 Distribution of benefits

By definition, capital works funded by development contributions are primarily for the benefit of future residents and businesses. Their aim is to increase capacity to accommodate new users, not to improve service levels for existing users. Using development contributions to fund growth-related works therefore aligns with the principle of benefits-based funding. The benefits arising from these projects for existing communities and users is assessed and funded separately from development contributions.

8.3.3 Period over which benefits occur

Due to their ‘lumpy’ nature, most capital works provide additional capacity for long periods of time. Thus, in order to achieve intergenerational equity, and avoid over-recovery of costs allocated to development contribution funding, the council must fund them over relatively long time spans, too. Development contributions facilitate this, by spreading the cost over multiple years, thereby more closely aligning the period of funding with the period of benefit. Council has used a maximum cost recovery period of 25 years as the interest impact beyond this period is deemed to be uneconomic.

8.3.4 Need to undertake activity

Development related growth pressures are a key driver of capital works funded by development contributions. Hence, requiring them to be largely funded by the growth community ensures that costs are borne by those who cause them to be incurred. This is both efficient and equitable.

Non-growth related capital expenditure is not funded by development contributions. The benefits from new or improved infrastructure for existing users are funded instead by loans to be repaid via rates over time. Appraising the overall benefits to the community is an important principle in determining the correct apportionment of costs between growth and existing users.

8.3.5 Separation from other activities

Growth-related capital works do not usually stand-alone within the council's capital works programme; they are usually included within much larger projects that simultaneously cater for a number of different needs.

The use of development contributions to fund the growth components means council must allocate the costs of capital works between various project drivers and recover those costs accordingly in proportion to the persons who will benefit from the assets provided.

8.3.6 Catchments

Whilst some services, such as roading, are generally available to all district residents on an unrestricted basis, the size and diversity of geographical characteristics across the district define natural catchments for services such as water supply, wastewater and stormwater. These characteristics, as well as the nature of the specific project, have been used to define catchment areas for the recovery of development contributions. Catchment areas vary between services, for instance a wastewater network may extend further than a natural stormwater catchment. As a consequence, development contributions vary across the district depending on the extent of works providing additional capacity.

In terms of reserves and community infrastructure the proposed works form part of a district-wide network that is available to all residents. Grouping across the entire district for these activities provides, on average, a lower development charge than would be experienced via a catchment methodology and is consistent with fairness and equity considerations of council's other funding policies e.g. general rather than targeted rates fund the ongoing operational and maintenance costs of these services. Accordingly they are charged on a district wide basis.

The district comprises a large rural area with multiple small urban areas. Its significant growth areas (Te Kauwhata, Pokeno, Tuakau and Tamahere) will have relatively few HEUs, even when anticipated development is complete. The capital cost of providing reserves and community infrastructure in catchments based on these small growth centres, or indeed any other basis that is less than catchment wide, would be prohibitive on a per HEU basis. It is Council's policy that all residents should have reasonable access to reserves and community infrastructure, and to make that possible the cost must be shared by all users. Accordingly, development contributions for reserves and community infrastructure are charged on a district wide basis as it would be impractical to do otherwise.

To clarify: The council sets charges for water, wastewater and stormwater on a catchment-specific basis, but sets charges for roads, reserves and community facilities on a

district-wide basis. In addition, the council has set catchment-specific roading charges where significant area-specific works are required. E.g. new structure plan areas.

9 Charges, usage and limitations

9.1 Schedule of charges

Appendix I contains a schedule of development contributions charges.

To incentivise early development the calculated levies for each year of the LTP include a long range (20 year+) consumer price index adjustment of 2.5% per annum. If these discounts help drive development to occur earlier than anticipated this will in turn reduce the amount of interest originally estimated and trigger a review of the charges based on the factors discussed in section 2.2.

In addition to these regular reviews, the council will, in accordance with Section 106 (2C), annually increase its charges (excluding the portion relating to interest), in accordance with the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased.

The Council will make publicly available information setting out details of the adjustment before it takes effect.

9.2 Use of development contributions

The council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment.

Contributions may not be redistributed across catchments or across activities, but they may be reallocated across projects within a catchment for a given activity. Thus, for instance, contributions collected for water projects in a specific water catchment will only be spent on water projects in that catchment.

9.3 Limitations

The council will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

- a) where, under S108(2)(a) of the Resource Management Act (RMA), it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- b) where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- c) where it has already required a development contribution for the same purpose, in respect of the same building work, on the granting of a [resource consent](#), building consent or [on the issuing of a](#) certificate of acceptance; or
- d) where it has received, or will receive, full funding from a third party.

In addition, council will not charge a development contribution for the provision of any reserve:

- a) if the development is non-residential in nature; or
- b) for the non-residential component of a development that has both a residential component and a non-residential component.

Development contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

10 How to calculate contributions payable

The following table demonstrates how to calculate the contributions payable on a development.

Step	What to do	Where do I find it?
1. Identify catchments	Using the catchment maps, identify what catchment your development falls in for each development contribution.	Appendix 2
2. Identify contribution payable	Use the development contributions schedule to identify the contributions payable per unit of demand for the catchments identified in step 1.	Appendix 1
3. Calculate the number of Household Equivalent Units (HEU)	Use the units of demand table to calculate the number of HEUs generated for each activity. Subtract any credits that may apply. (In general credits are given for the pre-existing status of properties. Credits may also be granted for historic payments of development or financial contributions).	Section 9 Section 6.8
4. Calculate charges for each service	Multiply the HEUs calculated in step 3 by the contributions payable identified in step 2.	
5. Aggregate charges	Calculate the total development contributions payable by adding together the charges calculated in step 4.	

11 Assessment and application of policy

11.1 Timing of assessment

Development contributions do not automatically apply to every development in the district. Only developments that place extra demands on infrastructure - and which cause the council to incur capital costs – will be liable.

Whether or not a development will have to pay development contributions will usually be decided when granting/issuing:

- a) a resource consent under the RMA for a development;
- b) a building consent under the Building Act 2004; or
- c) an authorisation for a service connection; or
- d) a certificate of acceptance under the Building Act 2004.

11.2 Assessment process

Assessment of whether development contributions will be required will be made against the first consent application lodged for each development, and when (if any) subsequent consent is sought, a re-assessment will be undertaken. If, for whatever reason, development contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

11.3 Residential activities ²

11.3.1 Resource consent applications

The creation of allotments via subdivision provides scope for new dwellings, and therefore attracts development contributions at a rate of one HEU per additional allotment or service connection.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

Any resource consent application that creates the potential to build additional independent dwellings will also attract development contributions at a rate of one HEU per *additional* allotment, service connection or dwelling.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

² Accommodation units are classified as a residential activity

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Roding and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

11.3.2 Building consent applications

Dwellings constructed on allotments with registered titles may attract development contributions under this policy. The extent of any contributions payable will depend on whether any payments were made at earlier stages in the development process, as well as the specific services that the development is connected to.

Additions and alterations to residential dwellings do not attract development contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges.

Minor residential units and tiny residential units shall be assessed at 0.5 HEUs and 0.25 HEUs, respectively. However, if no separate connections are required (for water, wastewater or stormwater) the fee shall be waived for each such service.

Resthome care rooms or beds will be assessed as a special assessment.

Dwellings that are part of a retirement village will attract development contributions as though each unit were a private standalone development. Roding and Roads & Transport for dwellings that are part of a retirement village will be assessed based on a Traffic Impact Assessment provided by the developer to the satisfaction of the council.

11.3.3 Service connection applications

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section 0.

Service connection applications that are not accompanied by building or resource consent applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate-out shared water meters will not attract contributions.

11.3.4 Certificates of Acceptance

Where the Council grants a certificate of acceptance under the Building Act 2004, a development contribution may be payable at the time of issuing the certificate if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is issued.

11.4 Non-residential activities

11.4.1 Subdivision

Subdivisions will attract development contributions on each additional allotment created or service connection required.

On occasions where the property being subdivided is vacant land that has never been connected to services, development contributions for services will be charged for all allotments with no credit given for the existing allotment.

If the intended built form/design and land use is unknown at the time of subdivision, each allotment will be charged a development contribution based upon the HEUs set out in Table 2 in Section 9. The balance will then be assessed at the time a building consent, land use consent or service connection application is lodged.

Any additional demand over that originally assessed will require additional development contributions to be paid proportionate to the level of increase.

If the intended built form is known at the time of subdivision, contributions will be based on each lot's planned gross floor area (GFA) and the intended land use.³

11.4.2 Land use and building consent applications

Non-residential developments will attract development contributions based on their GFAs and intended land use.

When building on a vacant lot that does not have existing service connections, development contributions will be charged for the required services.

11.4.3 Service connection applications

Service connection applications accompanied by building or resource consent applications will not be assessed separately. Instead, they will be assessed as per section 0.

Service connection applications not accompanied by a building or resource consent will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought.

Applications to separate shared water meters will not attract contributions.

11.4.4 Certificate of Acceptance

³ Noting that stormwater charges will be based on the impervious surface area of each non-residential development, not the gross floor areas.

Where the Council **issues** a certificate of acceptance under the Building Act 2004, a development contribution may be payable at the time of **issuing** the certificate if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is **issued**.

11.5 Council developments

The council is exempt from paying development contributions on any development (capital expenditure) for which development contributions are required. This avoids the possibility of collecting development contributions for one activity and using them to help fund another activity. However, any development undertaken by other local authorities may be liable for development contributions.

11.6 Special assessments

The approach taken to identify a long term infrastructure programme and the required expenditure is based upon “averaging” the likely demand from anticipated development, acknowledging that some development will create a higher level of demand and some will be lower. This approach is also reflected in the development contributions policy.

There is the possibility that some development may be proposed that would have markedly different characteristics in terms of demand for infrastructure capacity, for instance:

- a) Early childcare centres, kindergartens, schools, technical training institutions and universities
- b) Hospitals, aged care facilities/care beds, palliative care facilities, medical facilities (doctors surgeries)
- c) Accommodation activities e.g. travelers accommodation, farm stay accommodation, hostels/backpackers, hotels and motels
- d) Papakanga housing
- e) Wet industry including water Bottling facilities, high use water and/or waste water activities
- f) Chicken sheds, bulk store facilities
- g) Supermarkets

Special assessment provisions will apply to such types of development, and any other development that is considered by the council to generate a level of demand that is significantly in excess of the levels identified in section 9 Table 2.

A decision on whether a special assessment will be undertaken will be made by the council at the application stage, once details of the development are known. Applicants are expected to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater capacity to enable a special assessment to be undertaken. This information will be used to calculate an equivalent HEU and the development contributions for the development will be charged accordingly.

11.7 Development Agreements

In some circumstances a development may have particular needs, such as a specific level of service for water supply, or may involve the provision of infrastructure as part of the development. Another unusual circumstance is where a significant development is proposed and capital expenditure is required but none has been budgeted for and no development contribution has been set. In these circumstances, where the council believes it is in the best interests of the community, development agreements may be entered into with a developer. Development agreements may be used in lieu of charging development contributions (at the Council's sole discretion) where a developer and the Council agree that particular infrastructure and/or services can be provided in a manner different to the council's standard procedures/guidelines, and where the council's minimum level of service will be achieved.

Such agreements must clearly state:

- a) the rationale for the agreement;
- b) the basis of any cost sharing;
- c) how and when the associated infrastructure will be provided;
- d) which lot(s) the agreement refers to; and
- e) the matters set out in section 207 C (2) and (3) of the LGA.

11.8 Application in other circumstances

11.8.1 Cross-boundary developments

Some developments may span several catchments and/or straddle the district boundary with another territorial authority. In this event, the following rules will apply:

- a) Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs in each catchment will then be used to calculate contributions payable.
- b) Where a development straddles the district boundary with another territorial authority, development contributions will only be payable to Waikato District Council on the HEUs (or parts thereof) that are located within the Waikato district. (Development contributions may also be payable to other territorial authorities).

11.8.2 Consent variations

Applications [to change or cancel resource consent conditions](#) or [to amend](#) a building consent will trigger a reassessment [of development contributions](#). Any increase in the number of HEUs (relative to the original assessment) will be calculated and the contributions adjusted to reflect this. No automatic refund will be made for any decrease in the number of HEUs relative to the original assessment.

11.8.3 Boundary adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, development contributions will not be required.

11.9 Credits

11.9.1 Overview

As shown in section 6, the calculation of contributions payable requires the council to assess whether any credits shall apply. There are two types of credit. The first relates to development contributions that have already been paid in the past. For instance, a development may have paid contributions at the subdivision stage, and these must be taken into account if any further or additional development triggers reassessment at subsequent stages.

In general, credits will be given towards the activities for which payment was made on a HEU by HEU basis. Thus, if a development has already paid for two water HEUs, a credit for two water HEUs will be given at any reassessment. To clarify: credits are not provided for the dollars paid, but for the number of HEUs to which any previous payments correspond.

Provided written evidence of payment can be provided, no historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. This also applies to historic payments for financial contributions to the extent that such contributions related to the same infrastructure for which a development contribution is sought.

The second type of credit relates to the existing use or uses of a site. It recognises that development contributions only apply to increases in infrastructure demands caused by developments. For instance, if a dwelling is demolished and replaced with a new dwelling, development contributions would not usually apply because there is no corresponding increase in infrastructure demand.

When applying credits for a change of use, credits are calculated on the original use. For example, if converting a commercial building into residential apartments, credits will be calculated for the existing commercial activity based on GFA for the existing services only. These credits would then offset any development contributions associated with the new residential use. No credits would apply for reserves or community facilities development contributions as these are not applicable to commercial activities

Another example is if converting a dwelling into a commercial activity then a 1 HEU credit for the existing dwelling would apply to the services connected to the dwelling. The demand for services for the new activity would be calculated, the 1 HEU credit applied and any additional development contributions required for the additional demand assessed. DCs for reserves and community facilities cannot be credited against other development contributions.

In other words, credit will also be given for the pre-existing status of properties as at the commencement of this policy (1 July 2018), even if no previous financial contribution or development contributions have been paid. Credits will be associated with the existing title

and calculated and assigned to individual activities. More details on the nature of these credits are outlined below.

To clarify: where there is no connection to a reticulated system at the time development contributions are paid (either because unavailable or because an approved service is provided on site), a credit will be applied for those activities for which no connection exists. If a subsequent connection is made, development contributions will be required for that service connection at the service connection stage in accordance with the provisions of this policy. Also, if a property was not connected to a service prior to 1 July 2018, no credit will be given in respect of the service. That is to say that when subdividing a vacant lot where no water, wastewater or stormwater connections exist, but the service is available, no credit will be given for those services. All lots requiring a connection will be charged (rather than just the additional lots being created).

11.9.2 General principles of credit

- a) Residential credits will apply at the rate of one HEU per connected service per existing allotment or independent dwelling unit.
- b) Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Table 2 in Section 9.
- c) On subdivision of undeveloped land, historic credits of one HEU per service connected per existing allotment will be allocated.
- d) For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- e) For existing residential buildings that are demolished or destroyed, no development contributions will be payable provided that the same number or fewer independent dwelling units are rebuilt. Any additional units will be assessed for payment of development contributions according to the terms of this policy.
- f) Credits must be allocated to the same allotment or allotments. This prevents the transfer of credits from one allotment to another.
- g) Credit will not be granted for infrastructure provided in excess of that required as a condition of any consent(s) issued by the council.
- h) Credits cannot be used to reduce the total number of HEUs to a negative number. That is to say, credits cannot be used to force payments by the council to the developer.

12 **Remissions, reconsiderations, objections, refunds and postponement**

12.1 **Remissions**

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked pursuant to a Council resolution, and are not able to be requested by applicants. Remissions are usually triggered by significant changes to the levies or a change of legislation.

12.2 **Reconsiderations**

An applicant may request a reconsideration of the development contribution payable on their development where there are grounds to believe that:

- a) The development contribution levies were incorrectly calculated/assessed in accordance with the development contributions policy, or
- b) The Council has incorrectly applied its development contributions policy, or
- c) The information used to assess the application, or the way in which the Council has recorded or used it when requiring a development contribution, is incomplete or contained errors.

Reconsideration will only be undertaken if requested by the applicant.

All reconsideration requests must be made within 10 working days of receiving notice from the Council of the level of development contributions required.

Requests must provide the reference number of the relevant consent or service connection and must be short and concise, but fully outline the reasons why reconsideration is being sought, and provide sufficiently reliable data to enable a revised estimate of demand and associated development contribution charge to be made.

Requests can be lodged with the Council in the following ways:

- email at: DCReviewCommittee@waidc.govt.nz
- writing to Council at the following address:

Attention: DC Review Committee
Waikato District Council
Private Bag 544
Ngaruawahia 3742

Requests need to include in the subject line 'request for reconsideration' and the reference number of the relevant council consent.

In undertaking a review the council:

- a) must consider the request as soon as reasonably practicable
- b) may, at its discretion, uphold, reduce, or cancel the original amount of development contributions required on the development and will communicate its decision in writing to the applicant within 15 working days of receiving all relevant information pertaining to the request
- c) may delegate this role to council officers or other suitably qualified persons as required.

In reaching a decision, the council will take account of the following matters:

- a) the Development Contributions Policy
- b) the extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by the council in its capital works programme
- c) the level of existing development on the site
- d) contributions paid and/or works undertaken and/or land set aside
- e) any other matters the council considers relevant.

12.3 Objections to Development Contributions

A formal objections process with Ministry registered commissioners is available in accordance with section 199 of the LGA. Schedule 13A of the LGA outlines the objection process in detail. [Section 150A of the LGA outlines costs of development contribution objections.](#)

12.4 Refunds

There may be occasions where the council must refund development contributions collected under this policy. The specific circumstances in which this may occur – as well as the way in which refunds must be handled - are set out in sections 209 and 210 of the LGA. In essence, refunds may occur if:

- a) the development or building does not proceed; or
- b) a consent lapses or is surrendered; or
- c) the council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

Any refund will be issued to the consent holder of the development to which the refund applies.

The refund amount will be the contribution paid, less any costs already incurred by the council in relation to the development or building and its discontinuance, and will not be subject to any interest or inflationary adjustment.

12.5 Postponement

The Council will not consider postponements of contributions payable under the policy.

13 Other administrative matters

13.1 Reassessment and invoicing

The LGA allows the council to assess applications (for consents and service connections) at various stages of the development process to determine the extent of any development contributions payable. The council's policy is to undertake such assessments as early as possible.

These assessments will be reassessed on 1 July each year, taking into account the rate of increase (if any) of the Producers Price Index since the development contribution was last set or increased, and any change of the number of HEUs since the original consent was granted for the respective development. An applicant can also request an invoice be generated at any time. If not requested by the applicant, an invoice will be issued at the earliest of:

- a) an application for a certificate under section 224(c) of the RMA; or
- b) an application for a Code Compliance Certificate under section 92 of the Building Act 2004; or

- c) an application for a Certificate of Acceptance under section 96 of the Building Act 2004; or
- d) a grant of land use consent where the use triggers additional demand, but a section 224(c) certificate, code compliance certificate or additional service connection is not required.
- e) a request for service connection.

13.2 Timing of payments

The due date for payment will be:

- a) For subdivision resource consents: prior to issue of the section 224c certificate.
- b) For other resource consents: prior to the commencement of consent.
- c) For building consents: prior to issue of the Code Compliance Certificate.
- d) For service connections: prior to connection.
- e) For certificates of acceptance: prior to issue.

Note: In order to avoid Producers Price Index (PPI) increases, development contributions may be paid earlier, as outlined in clause 8.1 above.

13.3 Non-payment and enforcement powers

Until a development contribution required in relation to a development has been paid, the council may:

- a) In the case of a development contribution assessed on subdivision, withhold a certificate under section 224(c) of the RMA.
- b) In the case of a development contribution assessed on building consent, withhold a Code Compliance Certificate under section 95 of the Building Act 2004.
- c) In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development.
- d) In the case of a development contribution assessed on a land use consent application, prevent the commencement of resource consent under the RMA.
- e) In the case where a development has been undertaken without a building consent, withhold a Certificate of Acceptance for building work already done.

The council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the LGA.

13.4 Contributions taken as money in first instance

The LGA specifies that contributions may be taken either as money, land or both. The council will usually take contributions as money, but may also accept land from time to time at its sole discretion as per the development contributions policy in place at time of assessment.

13.5 Service connection fees

Where physical connections to the network are required, the council will require service connections fees for the following services:

- a) potable water
- b) wastewater
- c) stormwater

These are separate from, and are charged in addition to, development contributions.

13.6 GST

The process for calculating development contributions is GST exclusive. Once all calculations are complete, GST is added to the levy calculations as required by the prevailing legislation and/or regulations of the day. Note that while [Development Contribution Advice Notices](#) are inclusive of GST they do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985. [Council can issue an invoice on request.](#)

14 Measuring demand

14.1 Units of demand

Units of demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. The council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from other forms of development as HEU multipliers (also known as conversion factors). These show the number of HEUs that shall apply per 100m² of gross floor area (GFA) for non-residential development. For stormwater, the calculations are based on impervious surface area (ISA), not GFA.

The following subsections outline the demand characteristics of each HEU and the conversion factors used to convert non-residential demand to HEUs.

14.2 Base units

The following table summarises the demand characteristics of each household equivalent unit, which represents an average household living in a single dwelling.

Table 1: Base Units (Demand per HEU) *Trickle feed only

Activity	Base Unit	Demand per HEU
Roading	Vehicle trips per day	10
Water Supply – Urban	M ³ /day/lot	0.7
Water Supply – Rural*	M ³ /day/lot	1.8
Wastewater	M ³ /day/lot	0.49
Stormwater	Impervious surface area (ISA)	260m ²

Community facilities	Base Unit determined by Level of Service per lot for respective service area	I
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14.3 Conversion factors

The following table outlines the conversion factors used to convert non-residential developments to household equivalent units (HEUs). These have been based on the conversion factors used by other Councils, and are consistent with local experience. However, the Council will continue to monitor the infrastructure demands created by non-residential developments to ensure that these factors remain relevant, and with a view to review as required.

Note that section 6.6 of this policy allows a special assessment to be undertaken where the application of these factors may result in an unreliable estimate of infrastructure demands.

Table 2: HEUs per 100m² of Gross Floor Area (*ISA for stormwater)

Activity	HEUs per 100m ² GFA
Roading	0.4
Water Supply	0.25
Wastewater	0.25
Stormwater*	0.25
Community facilities	n/a
Reserves	n/a

15 Methodology and significant assumptions

15.1 Methodology overview

The method the Council uses to calculate development contributions comprises the following eight steps:

Step	Explanation	LGA reference
I. Define catchments	<p>For network based services, such as water, stormwater and wastewater the total costs are allocated across catchments, which are based on the area to be serviced by the network.</p> <p>For arterial and collector roading networks the catchment is based on structure plan boundaries. For some more localised infrastructure a sub-catchment is in place.</p> <p>For the small portion of district-wide</p>	<p>Schedule 13(1)(a)</p> <p>Section 197AB(g)</p>

	<p>intersection improvements, safety and pavement rehabilitation works related to growth in the capital works schedule the catchment is the Waikato district.</p> <p>For community infrastructure and reserves the catchment is the Waikato district.</p>	
2. Define Levels of Service	Review the capital works programme in terms of Council's asset management plans to determine whether there are any shortfalls in the current service levels.	
3. Identify growth related capital works	<p>Capital expenditure already incurred in anticipation of growth, net of third party contributions.</p> <p>The proportion of total future capital works planned in the LTP resulting from growth.</p> <p>Service level and renewal related costs are met from funding other than development contributions.</p>	<p>Schedule 13(1)(b)</p> <p>Section 101(3)</p>
4. Allocate project costs between growth & non-growth drivers	<p>100% of growth related capital expenditure will be funded by development contributions.</p> <p>The costs relate directly to expenditure within the LTP and the proportion identified for growth can be reasonably identified.</p> <p>The cost of capital (interest) is split between growth & non-growth. The growth related interest is included in the development contribution charge, and the non-growth related interest is rate payer funded.</p>	Section 106(2)(b)
5. Define appropriate units of demand	<p>Council will use household equivalent units (HEUs) differentiated on a residential and non-residential basis.</p> <p>For residential development, HEU charges will be applied uniformly for each</p>	Schedule 13(1)(b)

	<p>allotment for simplicity and cost effectiveness of administration. Further dwellings (subject to minor residential unit considerations) will also have the charges applied on this uniform basis.</p> <p>For non-residential development, HEUs are calculated on the basis of Gross Floor Area (GFA) and Impervious Surface Area (ISA) conversion factors. Water, wastewater and stormwater conversions equate to 1 HEU for every 400m² of GFA (ISA for stormwater). Rooding conversions equate to 1 HEU for every 250m².</p> <p>Where demand is demonstrably different from the demand outlined in this policy, a special assessment is likely to be required.</p>	
6. Identify the capacity life for growth	<p>The period where spare capacity is available for new users will vary across each asset.</p> <p>Costs are distributed over the capacity life of a project to a maximum of 25 years. Beyond this period the interest impacts are deemed uneconomic.</p>	<p>Section 197AB(b)</p> <p>Schedule 13(1)(b) and (2)</p>
7. Allocate costs to each unit of demand	<p>The development contribution per HEU is calculated by spreading the total cost of capital expenditure resulting from growth (including debt servicing) of each catchment across their capacity life.</p>	<p>Schedule 13(1)(b)</p>
8. Calculate fees by activity and catchment	<p>A schedule of charges is included in the policy to enable development contributions to be calculated by infrastructure type and catchment.</p> <p>The significant assumptions, criteria for credits, remission, reconsiderations and refunds, valuation basis for maximum reserve charges and catchment maps support this policy.</p>	<p>Section 201(2)</p> <p>Section 201(1)(a),(b),(c) and (d)</p>

A detailed discussion of this methodology is provided in the Development Contributions Methodology Report (available at the Council's offices). A brief summary of the report is as follows.

16 Methodology Steps

16.1 Define catchments

Service catchments are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose the council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and which will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the district, regardless of whether they caused (or benefited from) the investment.

Given the intentions of the LGA - to allocate costs on the basis of causation and benefits received - it follows that catchments should be used where appropriate, i.e. where the size and diversity of geographical characteristics across the Waikato district define natural catchments for services.

16.2 Define levels of service

Service levels define the quality of service, and are typically embedded in the council's asset management plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

16.2.1 Identify growth-related capital works

Next, the specific capital works need to be identified for which development contributions are sought. These comprise both future capital works – as listed in the LTP – and historic works undertaken in anticipation of growth.

16.2.2 Allocate project costs

Many of the capital works projects underlying this policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called "economies of scope." Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single-purpose projects.

Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this policy are based on a two-staged approach. In stage one, the method checks whether a project is to any degree required to service growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- a) Section 101(3) of the LGA. This sets out the issues to which the Council must have regard when determining its funding sources. These include the distribution of benefits, (in terms of the time period over which the benefits arise and the area that receives the benefit) the extent of any cost causation, and the impacts on community outcomes and policy transparency. It also requires the Council to consider the overall impact of any allocation of liability for revenue needs on the community.
- b) Asset management plans, which provide details about the scale and nature of capital works.
- c) Network modelling, which helps understand the usage of infrastructure networks.
- d) Cost allocation principles, such as standalone costs and incremental costs.
- e) The presence of any third party funding.

More detail on the council's cost allocation methodology can be found in the Council's Development Contributions Methodology Report (available at Council offices).

16.2.3 Define appropriate units of demand

After identifying the specific capital works for which contributions will be required, we need to identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

The council considers the household equivalent unit (HEU), which captures the demands of an average household, as the appropriate unit of demand, and specifies the demands imposed by other forms of development as multipliers. This approach mirrors that used by other councils in New Zealand.

16.2.4 Identify the capacity life for growth

The capacity life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In accordance with section 197AB(b), project costs should be spread over the asset's capacity life. This makes sense, because only developments occurring within the capacity life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and a shorter funding period may be used. In this development contributions policy, costs are spread over an asset capacity life of up to a maximum of 25 years.

16.2.5 Allocate costs to each unit of demand

This is a fairly straightforward exercise, and is carried out within the development contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing) costs to the various developments that are predicted to fall within the same catchment and within the asset's design life.

16.2.6 Calculate fees by activity and catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of development contributions.

16.3 **The funding model**

A funding model has been developed to calculate charges under this policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also incorporates growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- a) All capital expenditure estimates are inflation-adjusted and GST exclusive.
- b) The backlog, renewal and maintenance portions of each project will not be funded by development contributions.
- c) Methods of service delivery will remain largely unchanged.
- d) Interest will be earned by the council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at the weighted average interest cost of borrowings.
- e) Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- f) The development contributions will be adjusted on 1 July each year at the rate of increase in the Producers Price Index Outputs for Construction. This has been modeled as an average increase of 1 per cent per annum. Developers may pay the required development contributions prior to the due date, to avoid paying for annual increases in the Producers Price Index.
- g) Increases in general rates and user charges - due to increases in the number of ratepayers – will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

16.4 **Other significant assumptions**

A number of other important assumptions underlie this policy. The most significant of these are outlined below.

16.4.1 Planning timeframe

This policy is based on the ten-year time frame of the LTP and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale require the council to build assets of greater capacity that extend beyond the timeframe of the LTP.

The council accepts that, in such cases, it may have to bank roll costs and recover them over time from future developments. Any costs incurred in anticipation of future growth (i.e. beyond the LTP) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 25 years.

16.4.2 External funding

This policy assumes that the eligibility criteria used - and the level of funding provided - by third parties (such as New Zealand Transport Agency) remain unchanged over the life of the LTP.

16.4.3 Best available knowledge

The growth projections and capital works programme contained in the Council's LTP underlying this policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated in the policy at review times.

16.4.4 Changes to capital works programme

Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.

16.4.5 Avoidance of double-dipping

Development contributions will not be sought for projects already funded by other sources, such as external subsidies or financial contributions.

16.5 Identification of risks

The main risks associated with this policy are uncertainty over (i) the rate and timing of growth, and (ii) the exact nature of future growth-related capital works, and their associated cost and timing. In both cases, the most effective risk mitigation strategy is to constantly monitor and update the policy as better information becomes available.

17 **Policy review**

17.1 This policy must be reviewed at least every three years.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	14 February 2018
Prepared by	Melissa Russo Corporate Planner
Chief Executive Approved	Y
Reference #	GOV1318 / 1897286
Report Title	Community Engagement Update

I. EXECUTIVE SUMMARY

The purpose of this report is to provide the Strategy & Finance Committee (“the Committee”) with an update on engagement initiatives that Council has completed since November 2016 or are currently being undertaken. It is also an opportunity for the Committee to provide feedback on how these initiatives are progressing and to identify any other initiatives that should be noted.

Below is a list of some of the more recent engagement initiatives are as follows:

Completed

- Tuakau Dog Exercise area bylaw review
- Dogs in Libraries
- Spey me Baby
- Priority Projects
- Tamahere Business Hub and Reserve
- Perry's Te Awa Cycleway Bridge
- Annual Report 2016/17
- Onewhero and Glen Murray Recycling drop off
- Ngaruawahia Community Facility

In Progress

- Huntly Garden Place placemaking
- Community Plans (all communities)
- Huntly Memorial Hall
- Natural Parks Reserve Management Plan

- The Point Reserve Management Plan
- Representation Review

Ongoing

- Dogs in Libraries
- Boy Racer Bylaw
- Whatawhata Community Facility

Planned

- LTP Roadshow
- Future Proof
- Representation Review
- Raglan Boat Ramps - Wallis and Wainui

For a full list of engagement projects and their progress please refer to the attachment to this report, *Community Engagement register*.

Staff would also appreciate feedback from the Committee on: this report as a standing item; whether Councillors find the report useful; and whether or not it is achieving its purpose of keeping Councillors informed on engagement projects.

2. RECOMMENDATION

THAT the report from the General Manager Strategy and Support be received;

AND THAT the Strategy & Finance Committee provide feedback to staff on how best to achieve the purpose of the report.

3. BACKGROUND

An engagement register was initially developed for staff to be made aware of other engagement activities that were being undertaken throughout the organisation.

The register then formed the attachment to this report as a standing item to the Strategy & Finance Committee to keep Councillors informed of the engagement activities being undertaken by staff.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Staff are seeking feedback on whether or not this standing report provides useful updates to Councillors on engagement activities that are planned for, in progress, ongoing or completed.

4.2 OPTIONS

1. Continue with the current format of the report.
2. Agree on an alternative means to keep Councillors informed of the engagement activities being undertaken

5. CONSIDERATION

5.1 FINANCIAL

There is no financial impact of continuing this reporting.

5.2 LEGAL

There are no legal implications.

6. CONCLUSION

An update on the more recent engagement activities has been provided, however staff are seeking feedback from Council on how this report best achieve its purpose.

7. ATTACHMENTS

Community Engagement Register

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Freedom Camping Bylaw	Customer Support	District Wide	Consult	Yes (SCP)		Complete	Adopted at the September Council meeting
Dog Exercise area bylaw review	Customer Support	Pokeno and Tamahere community	Consult	No		Complete	The two dog exercise areas at Pokeno and Tamahere were adopted at the September Council meeting. Final decision letters are scheduled to be sent to submitters by mid-November.
Alcohol licensing workshops	Customer Support	District Wide	Inform	No	no	Complete	Workshops for duty managers and licensees to be held for on/off licensees following workshops for clubs completed last year.
Hakarimata Waharoa Project	Strategy & Support	Ngaruawahia	Collaborate	yes	yes	Complete	The Waharoa was unveiled in December 2016.
Youth Engagement Plan	Strategy & Support	District Wide	Empower	No	no	Complete	Govern Up programme developed to engage with young people and support with governance and leadership training. Engaged with young people in Onewhero, Tuakau, Pokeno, Te Kauwhata, Meremere, Huntly and Ngaruawahia to develop groups and projects. Raglan and Tamahere contacted but no response back. Project ends 30 June 2017.
5 year Review of the JMA's with Waikato-Tainui and Maniapoto Maori Trust Board	Strategy & Support	District Wide	Involve	yes	yes	Complete	Review is complete and report has been issued.
MOU with Ngaati Haua	Strategy & Support	Tamahere	involve	no	yes	Complete	The MOU with Ngaati Haua iwi Trust was signed on 18 April 2017.
Easter Trading Policy	Strategy & Support	District wide	Involve	Yes	no	Complete	The Easter Trading Policy was adopted by Council on 10 April.
Annual plan 2017/18	Strategy & Support	District Wide	Inform (TBC)	Yes	no	Complete	Hearings and deliberations were completed on 31 May and 1 June. The Annual Plan was adopted at an Extra-ordinary Council meeting on 28 June.
Fees and Charges	Strategy & Support	Consult		Yes		Complete	Consultation and a hearing has been undertaken. Submitters yet to be notified of Council's decision.
Roading Roadshow	Service Delivery	Te Mata	Consult	No	No	Complete	Engagement with the Te Mata Community to receive feedback on roading related issues
Roading Roadshow	Service Delivery	Waerenga	Consult	No	No	Complete	Engagement with the Waerenga Community to receive feedback on roading related issues
Post Cyclone Recovery Meeting	Service Delivery	Onewhero	Consult	No	No	Complete	Engagement with the Onewhero Community post cyclone with MPI and other agencies

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Roadshow	Service Delivery	Te Kowhai	Consult	No	No	Complete	Engagement with the Te Kowhai Community to receive feedback on roading related issues
Roading (Alliance)	Service Delivery	District Wide	Consult	No	No	Complete	Engaged with utility companies (WEL Networks, Counties Power & chorus), in order to coordinate forward work programmes
Karioi track (3.4km walking/biking track from Wainui Road)	Service Delivery	Raglan	Collaborate	No		Complete	Before work can commence consultation is required with neighbouring land owners. Discussions with Raglan Community Board on the best way forward due to commence in September/October.
Roading Raglan	Service Delivery	residents/ratepayers in local area	Inform	No		Complete	To introduce the community to the Waikato District Alliance and discuss the changed method of delivering roading maintenance and roading renewal activities. To identify any local issues on the roading network.
Huntly Library upgrade	Service Delivery	Huntly Ward	Inform	No		Complete	
Sunset Beach erosion report	Service Delivery	Port Waikato/extended community	Collaborate	No	yes	Complete	Adopted at June 2016 Council meeting
Meremere Library	Service Delivery	Meremere Community	Consult	No	no	Complete	Consultation completed - works on detailed design now underway
Raglan Wharf - handrail and balustrade renewals	Service Delivery	Raglan Wharf stakeholders and tenants	Consult	No		Complete	Consultation complete. Works to commence in the next few weeks.
Pukekawa refuse and recycling	Service Delivery	Pukekawa	Consult	No	No	Complete	<p>The reaction from the community was fantastic - 65% of letter recipients (431 rate payers) took the time to let Council know their preferred option.</p> <p>Of those responses, 74% (321) voted in favour of a weekly kerbside pre-paid refuse and recycling collection, which includes a weekly two-crate recycling collection, and an annual inorganic collection.</p> <p>As a result of this response, the monthly recycling drop-off service at Pukekawa Hall has ceased.</p>

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Ngaruawahia Community Facilities	Service Delivery	Ngaruawahia Community	Consult	No	no	Complete	Council determined following a period of consultation that a community hub incorporating the library and Arts Centre will not proceed.
LTP - Forestry target rate	Service Delivery	Forestry companies and local residents	Consult	No	no	Complete	Council indicated as a part of the LTP workshops in February that a forestry targeted rate will not be implemented through the 2018 LTP.
Waikato River Authority funding application August 2015	Service Delivery	Rotokauri lake catchment	Empower	No	yes	Complete	August 2015: Application to WRA submitted with endorsements from WDC, Rotokauri committee, WRC, HCC and Iwi. December 2015: Funding approved for Rotokauri Lake catchment. Feb 2016: Report to Infrastructure committee advising both funding amount granted and potential work programme for the catchment. Deed to Infrastructure and Council approved for implementation. Signed by Councillors Peterson and Baddley. Year one for the WRA programme successfully delivered.
Speed Management Plan - Speed Bylaw	Service Delivery	Port Waikato & Pokeno	Involve	Yes	no	Complete	Council has pass the Bylaw for all roads with one exception. Pot Waikato road will be left status quo and returned to the ad-hoc list for consideration next year.
Rangiriri WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Rangiriri - Te Kauwhata	Involve	No	yes	Complete	The final local road handover process in underway.
Mangawara Bridge construction (Taupiri)	Service Delivery	Taupiri Township	Involve	No	yes	Complete	The project consultation is complete and the project is entering the design and construct phase.
Tamahere business hub and reserve	Service Delivery	Tamahere Ward	Involve		yes	Complete	The Tamahere Recreational Reserve is being undertaken in stages – Stage one is earthworks, Stage two is the development of playground, landscape, fitness trail and skate park. The Commercial Hub is a development being undertaken by Fosters. Currently working through funding for Stage II. Met with Ngati Haua 9 May to discuss requirements. targeted rate consultation open 30 July 2017 – 25 August 2017. Will workshop results with Councillors 11 September 2017.
Taupiri Boat Ramp Upgrade	Strategy & Support	Taupiri	Involve	no	yes	Complete	Awaiting input from Taupiri Marae representatives.
Dog Exercise Area - Tuakau Bylaw Review	Customer Support	Tuakau	Engage	No	No	Complete	Consultation on two additional Off Leash Dog Exercise areas was consulted on with the Tuakau community late 2017.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Annual Report 2016/17	Strategy & Support	District Wide	Inform	Yes	No	Complete	Council scheduled to adopt Annual report and Summary on 9 October. The summary will be circulated with the LINK in late October.
Onewhero and Glen Murray Recycling Drop off	Service Delivery	Glen Murray area	Consult	No	No	Complete	Review of process to be conducted as a high volume of negative feedback from concerned residents was received. Re-consult may be required here. Report in process of being prepared for ELT which will outline options on this
Spey me Baby	Customer Support	District wide	Engage	No	No	In progress	Central government has made a commitment to reduce dog bites and as a result of this, a fund has been developed to subsidise desexing of classified menacing dogs. WDC has made application for funding for 100 dogs plus advertising costs which has been approved. This programme is now happening with a large number of dogs already registered. Funding use has been extended for another 6 months which will enable us to complete the 100 planned desexings.
Huntly Garden Place Place making	Strategy & Support	Huntly Ward	collaborate	No	T	In progress	The Huntly Community Board has an initiative to re-develop Garden Place in Huntly as a community-driven project with a view to revitalising this precinct. The Board are taking a staged approach to this redevelopment. The first stage has seen a seat built which can accommodate 24 people. This was designed by a member by the Huntly Community Board and built with community help. The seat surrounds the existing tree at the fore front of Garden Place. Discussions are underway with local artists on painting the seat. The board is currently researching quotes for a sunshade for the area and following up with photos and quotes for a wrap for the public toilet. Further discussions are underway with Council staff on the feasibility of removing the coal skips. One of the little Free Libraries is due to be installed within this area.
Place making	Strategy & Support	District Wide	collaborate	No	no	In progress	Place making is gaining momentum in the district. Staff are working alongside groups in Raglan, Huntly, Tauwhare, Tuakau and Pokeno. A presentation was provided to the Pokeno community in November 2015 with a view to kick starting projects in that area. Pokeno have identified a project that will see a little free library installed in to a public area by October 2016. Workshops have been run with the community committee and the wider community. Staff will continue to present Place making strategy to community boards and committees in 2016. A web page has been created for communities to access for ideas and information. Staff are building momentum for the Place making concept across the district.
Youth Action Groups	Strategy & Support	District Wide	Empower	No	no	In progress	Youth Action Groups winding down for 2017. Ngaruawahia YAG running Retro Gaming event on 19th Nov at War Memorial Hall. A thank you lunch has been planned to acknowledge the mentoring and leadership of youth reps and youth mentors on Community Boards on 29th November. Youth Engagement Advisor attending Kimihia gala Day (24th Nov), Huntly Youth Day 28th Nov, and Keep Huntly Safe event 30th Nov.
Priority projects	Strategy & Support	District Wide	Collaborate	No	no	In progress	The Community Boards and Committees received a report at their December meeting requesting they develop, through engagement with their communities, their community plans. The Community Plan template was supplied. As a part of the template, the community board/committee have provided a list of projects to be included in the LTP. The projects to be included in the LTP have been provided to Council and was discussed at the February workshops.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Pokeno Future Growth	Strategy & Support	Pokeno	Involve	No	yes	In progress	The first community 'Drop-in' session was held on Saturday 29 October 2016. This was to begin the planning process of where the community sees the need and aspirations for future growth in and around their town. This project will lead eventually to new Structure plan for the Pokeno area following on from PC 24. approximately 95 people attended this drop in session and was well received.
Signage at Te Kopua Native Reserve	Strategy & Support	Whaingaroa / Raglan	Collaborate	Yes	yes	In progress	This is still in progress and currently sitting with the Hounuku Trust.
MOU with Ngaati Tamainupoo	Strategy & Support	Ngaruawahia and surrounds	Involve	no	yes	In progress	Ngaati Tamainupoo wish to enter into a MOU with the Council. The MOU will be finalised and signed in 2017.
Community Plan (all communities)	Strategy & Support	District Wide	Empower	No	No	In progress	The work has been taken over by Betty who will assist communities to write their communities plans as resourcing allows.
Waikato Plan	Strategy & Support	District Wide	Consult	Yes	yes	In progress	The draft plan was workshopped with the councillors on 6 March 2017. Adoption of draft Plan and summary – Feb 2017 Public consultation – March/April 2017 (advertised in Franklin News, North Waikato News, Raglan Chronicle, Waikato Times & The Herald. Also a link on our website) Final sign-off – August 2017 Implementation underway
Invites for Formal Hui with Iwi Governance Groups	Strategy & Support	District Wide	Collaborate	no	yes	In progress	Letters have been sent to all iwi, hapuu and Marae groups and council have attended 2 meetings in 2017 with more being planned.
Joint Committee hui (Waikato Tainui and Maniapoto Maaori Trust Board)	Strategy & Support	District Wide	Collaborate	no	yes	In progress	The first hui for 2017 have been held with both Waikato-Tainui and Maniapoto. Two further hui are planned toward the end of the year.
Long Term Plan 2018-28	Strategy & Support	District Wide	Involve	Yes	yes	In progress	Formal consultation with our community will occur between 14 March and 16 April. The Consultation Document will be sent to every resident and ratepayer. The community boards and committees will be meeting on 14 March as a part of their normal 6 monthly meeting with the focus of the discussion being on the LTP.
Mana whenua reps	Strategy & Support	District Wide	Consult	No	Yes	In progress	Discussion with mana whenua reps from North Waikato and Waikato-Tainui regarding a better process to ensure that iwi/ hapuu are involved early in developments, to ensure that iwi values and aspirations are preserved and taken into account during the planning of these developments. To be discussed further across the organisation including as a JMA project

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Sunset beach erosion	Service Delivery	Port Waikato, Sunset beach	Collaborate	No	yes	In Progress	Collaborative approach to dealing with the retreat of public assets from eroding Sunset beach, Port Waikato. Key dates: Dec 2014: Consultation with local stakeholders and GHD report produced for council. June 2015: GHD report published and presented to beach residents, other stakeholders and OTCB. July 2015: Report presented to residents and ratepayers AGM and webpage set up. August 2015: Report presented to Iwi. September 2015: Stakeholder open day to discuss retreat options. Oct 2015 to Jan 2016: Feedback on options and time frames. Feedback closes on 10 February 2016. March 2016: Report to council advising of options for managed retreat of community assets in Sunset beach. Report made public and meetings with Iwi and Community organisations. November 2016: Cultural Impact Assessment completed. May 2017 to October 2017 work continues with a community working group from Port Waikato to
Huntly Memorial Hall	Service Delivery	Huntly	Consult	Yes	Yes	In Progress	Any further consultation on the Huntly Hall has been postponed due to the uncertainty of Coalfields remaining in the Civic Centre.
Pokeno Waste Water Phase 2	Service Delivery	Old Pokeno Village residents	Consult	No	yes	In progress	Construction is underway, continuing to engage with property owners with a view to having more properties connect.
Te Kauwhata Walkway/Cycle ways	Service Delivery	Te Kauwhata	Consultation	No	no	In progress	Consultation to include selected stakeholders (inc Committee, NZTA) through using a Consultant to inform the Te Kauwhata Cycle and Walkway strategy, expect draft from consultant end of Jan 2017.
Water Meters installation	Service Delivery	Raglan, Huntly, Ngaruawahia	Inform	No	no	In progress	In progress beginning 01/07/2017. Majority of meters are installed, a few hundred still to go.
Waste Water spill mitigation	Service Delivery	Raglan Ward+ depends on location impacted	Inform	No	see comment	In progress	Provide Raglan Community Board with Waters Service Request Dashboard monthly (suggest make this report available on request to Iwi/hapu in Raglan)

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
North Waikato Passenger Transport Review	Service Delivery	North Waikato	Involve	Yes - next phase of project	no	In Progress	Council have now approved the LTP for public consultation, which included the NWPT enhanced bus service. Discussions continue on the passenger transport link between Hamilton and Auckland with a particular focus on a rail link. The 2nd stage of the ILM workshop is complete.
Longswamp WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Te Kauwhata - Hampton downs	Involve	Yes	yes	In progress	Project construction phase is well underway. Most local road issues resolved at design phase. Expect a possible few local issues to tidy up nearer end of contract in 2019.
Hamilton WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Gordonton to Tamahere	Involve	Yes	yes	In progress	Staff attend regular meetings with NZTA and the City Edge Alliance regarding this project. An issues register has been prepared to track all outstanding tasks. Co ordination is progressing however there are still a few issues that are stalled pending funding decisions.
Northern Feasibility programme (Northern iSite, Pokeno Sports Park and Pokeno Library)	Service Delivery	North Waikato		No	potentially	In progress	Assessment is complete, next steps to progress project ready for presentation to Council March 2017.
State Highway transfers to local road (will require some community engagement)	Service Delivery	TBC-depends on location impacted			no	In progress	Staff continue to work through this process with NZTA. Project plans and work programmes are in place. Investigation on SH1B has commenced from a safety perspective.
Wi Neera Street connectivity	Service Delivery	Raglan Ward			yes	On hold	Project has been put on hold due to local Iwi withdrawing support for the project at this time. Further discussions are to be undertaken between the Iwi , Mayor and CE.
North Waikato Integrated Programme Business Case	Strategy & Support & Service Delivery Groups	Northern Waikato	Inform, Consult, Involve, Collaborate & Empower	Yes (outputs will inform District Plan Review, Future Proof Review and LTP)	Yes, this is being done through Future Proof and will be done through the District Plan Review Iwi Reference Group	In progress	Workshop with councillors held on 4 April 2017. This has been followed by a presentation to Future Proof and community workshops with the following: <ul style="list-style-type: none"> - Onewhero Tuakau Community Board (1 May 2017) - Te Kauwhata Community Committee (3 May 2017) - Pokeno Community Committee (9 May 2017) - Meremere Community Committee (11 May 2017). Further engagement sessions will be held with the Huntly Community Board (16 May) and Franklin Local Board (6 May). Engagement with the District Plan Review Iwi Reference Group will be done on 18 May.
Natural Parks Reserve Management Plan	Service Delivery	District wide	Consult	Yes	yes	In progress	Engagement to seek input as to what should be included in the draft plan occurred between 1 February and 3 March 2017. Feedback was received from 30 interested parties. Staff are now beginning to prepare the draft management plan (taking public feedback in to consideration). Once completed the draft will be taken to Council for approval to complete a second stage of public consultation (likely to occur mid 2017).
District Wide Toilets	Service Delivery	Tuakau and Ngaruawahia	Consult	No	no	In progress	Centennial Park to be constructed, minor repairs to the Point and Tuakau (whilst site being established - now linked to Northern Feasibility)
Rainwater Tank Strategy	Service Delivery	District Wide	Education	Yes	Yes	In Progress	We are currently developing the community engagement plan and education documents for roll out in July

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Future Proof	Strategy & Support	District Wide	Consult	Yes	yes	In progress	Draft Future Proof Strategy was workshopped with the councillors on 28 February. Feb – March: Draft Strategy and a summary will be completed. Strategy
Representation Review	Strategy & Support	District Wide		Yes	yes	In progress	Council determined in 2017 that WDC would not incorporate a Maori ward as part the 2019 elections. Engagement with the wider community will be held during the review of representation arrangements.
The Point Reserve Management Plan	Service Delivery	District wide - emphasis on Ngaruawahia	Consult	Yes	yes	In progress	Staff are currently planning for a second round of consultation mid 2018.
Development Contributions Policy review	Customer Support	Targeted through Growing Places newsletter	Consult	Yes	No	In progress	A review of the Development Contributions policy was undertaken and amendments proposed. Consultation on the policy closes on 23 February. To date one submission has been received. This was advertised through the Growing Places newsletter.
Dogs in Libraries	Customer Support	District Wide	Inform	No	no	Ongoing	As per our business plan, the animal control team wanted to introduce initiatives that would allow our officers to interact with the community in a positive way whilst providing education. We have teamed with the library leadership team to develop the Dogs in Libraries programme that will involve school children reading to dogs in the library environment. This has been proven to improve children's literacy skills, build self confidence and lowers anxiety of children. This programme is now running and has been launched in Ngaruawahia, Raglan, Tuakau, Huntly, Te Kauwhata and Meremere Libraries. This sees staff sitting with up to 20 children a week to teach dog safety, build confidence, encourage library attendance and contributes towards our 20/20 engagement challenge.
Alcohol liaison statutory agency meetings	Customer Support	District Wide	Collaborate	No	no	Ongoing	Meetings of alcohol licensing statutory reporting agencies held three times per year.
Dogsmart Education Programme	Customer Support	District Wide	Inform	No	no	Ongoing	An education package has been created to present to school age children. This presentation teaches children about caring for their pets, staying safe around dogs and what to do if approached by an aggressive dog. We have committed to presenting this programme at least 2 times per month but are optimistic that we will exceed this target significantly.
Dog Registration Process	Customer Support	District Wide	Inform	No	no	Ongoing	Each year we send out yearly invoices to dog owners reminding them of their obligations to register their dogs. This year we increased the material that we sent out with our yearly invoices to educate dog owners to the changes to our bylaws following the bylaw review. We also sent out information on payment options and worked with a designer to make our forms and information more engaging with our community. This process was successful and we are preparing to begin again for the upcoming 2017/18 registration period.
Food Act 2014 transition	Customer Support	District Wide	Inform	No	no	Ongoing	Education and information of food businesses on requirements of new Act. Involves one on one interactions with business owners and targeted correspondence to businesses nearing transition dates. Information also provided in Food Safety newsletter.
Food Safety newsletter - stakeholder engagement	Customer Support	District Wide	Inform	No	no	Ongoing	Biennial food safety newsletter implemented to send to food business owners and Marae in WDC.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Huntly Bypass Stakeholder meetings	Customer Support	Huntly	Inform	No	yes	Ongoing	Update on progress to stakeholders approx. every 3 months
Hamilton Bypass Stakeholder Meetings	Customer Support	Horsham Downs, Tamahere	Inform	No	No	Ongoing	WRC, NZTA and Alliance to track progress and identify community concerns
Community Liaison Group Meeting Genesis Energy	Customer Support	Huntly	Inform	No	Yes	Ongoing	Update on progress to stakeholders annually
Holcim CLG Meetings	Customer Support	Pokeno	Inform	No	no	Ongoing	Update on progress to stakeholders quarterly
Perry's	Customer Support	Tuakau	Inform	No	yes	Ongoing	Update for stakeholders every 6 months
Yashili	Customer Support	Pokeno	Inform	No	potentially	Ongoing	Update for stakeholders every 6 months
Community Liaison Group Meeting Titoki Sands	Customer Support	Tamahere	Inform	No	no	Ongoing	To update stakeholders and interested parties (Tamahere Community Committee, Tamahere school, Environment Tamahere Inc., DoC every 6 months).
Economic Development Work Programme	Strategy & Support	District Wide	Collaborate	No	yes	ongoing	The Work Programme is reported three monthly through the Strategy and Finance Committee. Current: Section 17a review of iSITE contracts is being undertaken by external consultants K. Goulter and R. McIntyre. The consultation period will be completed at end of February and draft report to S&F committee by end April 2018.
District Plan Review	Strategy & Support	District Wide	Involve	yes	yes	ongoing	Support staff in District Plan Engagement with Iwi reps. This is ongoing, providing feedback through the district plan review currently being undertaken by Vishal's team from Iwi's perspective.
Liquor Control Bylaw	Customer Support	District Wide	Consult	Yes (SCP)	no	Planned	To be undertaken in 2018.
Raglan boat ramps - Wallis and Wainui	Service Delivery	Raglan Community inc emergency services (Wallis) and Coastguard (both)	Inform	No	yes	Planned	Renewal works to be undertaken at the boat ramps, have made initial contact with the coastguard and will work with identifying stakeholders as the assessments are undertaken.
Boy Racer Bylaw	Service Delivery	District Wide - residents on roads specified in the relevant schedule	Consult	Yes	No	Planned	Amendments to the Public Places Bylaw have been drafted and will seek approval to consult in March 2018.
Whatawhata community Facility	Service Delivery	Whatawhata community	Involve	Yes	Yes	Planned	Consultation on a community facility for Whatawhata will be undertaken early 2018. Consultation will be targeted to those living in the area.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Customer Survey in Growing Places E-Newsletter	Customer Support	District wide	Consult	No	no	In progress	As part of our quarterly building and resource consents e-newsletter (Growing Places), we have surveyed the recipients to ascertain the value of the newsletter, what more they'd like to see in it, and what interest there is in a face-to-face opportunity to get together (eg a developers' forum). Results still to come.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Prepared by	Rajendra Java Procurement Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 1895372
Report Title	Summary of Procurement Savings for the Financial Year 2017-2018 as at 31/12/2017

I. EXECUTIVE SUMMARY

This report summarises the savings achieved during the last six months (01 July 2017 - 31 December 2017).

Procurement savings take into account the gains from using the All of Government (“AoG”) and syndicated procurement contracts, in addition to those arising out of negotiated local procurement and contracts. The total savings amount to \$492,936 for the half year of FY2017-2018.

The Savings are shown as two distinct groups as explained below:

1. **Completed:** Savings where all activities have been completed, and the savings have been accrued or reported by Ministry of Business, Innovation and Employment (MBIE) for AoG contracts. The current report is based on the quarter ending 30 September 2017 and some information has been missed.

The savings of over \$300K from the Housing Infrastructure Fund (HIF) business case contract was achieved through collaboration with a team of PSP consultants which provided us with an amicable split of work packages that resulted in the most cost effective and efficient outcome.

Savings from banking transactions are reported on a calendar year basis, therefore the figure reported pertains to the 2017 calendar year.

2. **Potential:** These are actions which have been completed to produce savings in the coming years:
 - a. Recruiting Services Contract expected to result in savings of over \$28,500 for 90 job applications processed every year.
 - b. Telecommunications costs that would be lower by over \$22,000 due to use of new Telecommunications as a Service (TaaS) contracts initiated by Department of Internal Affairs. A detailed report of savings to be compiled at the end of the financial year.

Out of the total savings reported, over \$309,541 were initiatives that were put in place in this financial year and the rest were from activities initiated earlier than 2017/18.

In addition to this, the procurement function is involved in a number of one off initiatives which are not included above. For example, supporting tender processes, preparing project briefs and contract documentation, support of Local Authority Shared Services (LASS) procurement projects, and undertaking activity arising out of recent internal audits.

A significant number of Waikato Local Authority Shared Services (“WLASS”) projects are being used collaboratively to generate savings for all WLASS councils. Waikato District Council has joining agreements for initiatives such as the Professional Services Panel and Information Technology Services Panel, Dataprint, Smartrak, Fleetsmart and Internal Audits (KPMG). These savings have not been captured at this stage.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Savings Register FY 2017-2018 as at 31 December 2017

Savings Register FY2017-2018 (As at 31st Dec 2017)										
S	Month	Description of Goods/Service	Category	Status	New/Old to 2017/18	Proposed /Historic Price	New / Final Price	Savings Reported	Type	Remarks
1	Dec-17	Banking Transaction Fees	AOG	Completed	Old	\$ 65,792	\$ 11,040	\$ 53,335	Annual	Annual fees report from BNZ for calendar year
2	Oct-17	HIF Concept design work to feed into the Detailed Business Case for MBIE	PSP	Completed	New	\$ 477,325	\$ 170,988	\$ 306,337	One time	The initial proposal was presented to a panel of chosen PSP consultants who split the assignment between themselves in the most economical manner
3	Dec-16	Fuel from BP	Syndicated	Completed	Old		\$ 189,665	\$ 64,050	Annual	Based on Savings report received as of 10th Jan 2018. Savings calculated as difference between amount charged and the National Average Pump Price for Fuel.
6	Jan-17	Recruiting Services through Aotal	WDC	Completed	Old	\$ 52,500	\$ 24,000	\$ 28,500	3y contract	Saving of \$500 per application process for about 80 hires in the year. In addition to that there has been considerable savings in process time required for each applicant.
8	Jul-16	Telecommunications	Syndicated	Completed	Old			\$ 22,534	Annual	Saving through shared pool of data based on number of phone connections. Only data devices connected to same pool at nominal charge of 5\$ per month. All call and TXT msg to numbers in NZ & Australia will be free and unlimited. There is another notional savings in the form of cancellation of termination charges for existing contracts worth 30K. Being notional this has not been included in the savings.
9	Jun-17	AOG contracts - Reported savings not included above	AoG	As of Q4	New		\$ 8,072	\$ 143	FY 17-18	Based on MBIE report dated 24th Nov 2017 for Quarter ending 30th Sept 2017
			AoG	As of Q4	Old				FY 17-18	
			AoG	As of Q4	Old		\$ 27,557	\$ 5,464	FY 17-18	
			AoG	As of Q4	Old		\$ 98,339	\$ 9,512	FY 17-18	
			AoG	As of Q4	Old				FY 17-18	
			AoG	As of Q4	New		\$ 35,199	\$ 3,061	FY 17-18	
			AoG	As of Q4	Old				FY 17-18	
								\$ 441,902		
								\$ 51,034		
								\$ 492,936		
								\$ 309,541		
								\$ 154,895		

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Prepared by	Kelly Nicolson Policy Planner
Chief Executive Approved	Y
Reference #	GOV1318 / 1897311
Report Title	Undertaking a Rolling Review versus a Full Review of the Waikato District Plan

I. EXECUTIVE SUMMARY

In April 2014, Council resolved to undertake a full review of the Operative Waikato District Plan.

The purpose of this report is to seek a Strategy & Finance Committee resolution that recommends to Council that this approach be changed in favour of a rolling review to enable the climate change and natural hazard topic to be reviewed and notified at a later date when critical updated technical data is available and therefore dealt with separately from the rest of the district plan topics.

This matter was discussed and supported at a Council workshop on the District Plan Review on 22 August 2017. This report therefore seeks a Council resolution to formalise the approach that was discussed at that workshop.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received;

AND THAT the Strategy & Finance Committee recommends to Council that the following resolution (WDC 1404/08/1/7) be revoked:

“THAT a review of the Operative Waikato District Plan (including the Franklin Section) commences with Stage One for future notification;

AND THAT all matters pertaining to the district plan review be presented to the whole Council with the option to delegate matters to a subcommittee if desired.”

AND FURTHER THAT the Strategy & Finance Committee recommends to Council that, pursuant to section 79(1) of the Resource Management Act 1991, a rolling review of the Operative Waikato District Plan be commenced forthwith;

AND FURTHER THAT the topic concerning climate change and natural hazards be reviewed and notified separate from the rest of the district plan topics once critical updated technical data is available.

3. BACKGROUND

Council initiated a full review of the Operative Waikato District Plan in April 2014 through Resolution No. WDC1404/08/1/7 following the recommendation of the Policy & Regulatory Committee in March 2014 (P&R1403/07/9). This means that every section of the Operative Waikato District Plan must be reviewed and may be submitted on when the Proposed Waikato District Plan is publicly notified.

The current review process (which is described as Stage One in Resolution No WDC1404/08/1/7) has included identification of the significant resource management issues, gathering technical evidence, drafting of objectives and provisions, consultation with iwi, stakeholders and the community, drafting of the section 32 evaluation report and completion of a draft district plan that sought informal feedback.

Through the process of reviewing the climate change and natural hazards topic, it has become evident that critical updated technical data will not be available to finalise this topic prior to notification of the Proposed Waikato District Plan in May 2018.

This data deficit is not within the control of Waikato District Council staff and relates to the following matters:

- A 2D flood model for the Waikato and Waipa Rivers based on the 1% AEP flood event, factoring in the effects of climate change and sea level rise. This information is required to identify the 1% AEP flood plain, the high risk flood hazard areas, the residual risk areas and, potentially, the ponding areas adjacent to the Waikato River flood scheme as required by the Waikato Regional Policy Statement. Waikato Regional Council is currently carrying out 2D flood modelling for the Huntly urban area only as this is the most densely populated area within the region with the highest flood risk. The intention is to carry out 2D flood modelling for the entire Waikato River, however for the purpose of the district plan review, the Huntly area is the priority;
- A coastal hazard assessment involving identification of coastal hazard areas and including high risk coastal hazard areas as required by the Waikato Regional Policy Statement (2016). This assessment is currently underway, however the timeline for the completion of that work will not enable new provisions for coastal hazards to be included in the Proposed Waikato District Plan;
- The assessment of liquefaction risk areas is also included although not a high priority because it can be addressed during the development of structure plans when significant areas of rezoning are intended.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Staff have considered the options available to address the issues resulting from the deficit of critical updated technical data for the natural hazard and climate change topic.

4.2 OPTIONS

Legal advice provided the following three options:

1. Notify the Proposed Waikato District Plan in May 2018 including the currently operative provisions for climate change and natural hazards that have not yet undergone a full review. This option has some risk as the section 32 evaluation is unlikely to stack up and because the existing operative provisions are unlikely to give effect to the Waikato Regional Policy Statement they are likely to be challenged through submissions. It is expected that this option would necessitate a variation to the Proposed Waikato District Plan at a later date;
2. Undertake a rolling review whereby changes to the natural hazards and climate change provisions are fully reviewed once critical technical data is received and notified at a later date (i.e. after May 2018). This option means that the existing operative provisions will remain with full effect until such time as the review of this topic has been notified;
3. A combined approach is taken where some new provisions for climate change and natural hazards are included in the Proposed Waikato District Plan where current information is available. Where such information is not available to enable a robust review, then existing provisions would be carried over. This option still requires a high level of good information because provisions need to be accurate and reliable, especially where areas are mapped. This option would also require Council undertaking a variation to existing provisions when information is available.

All three options listed above require existing operative provisions to be reviewed within a 10 year period. This review process can be achieved through a full review or, alternatively, a rolling review that may or may not involve a variation.

In this instance, Option 2 which describes a rolling review is considered to be the most appropriate and is provided for in section 79 (clauses (1)-(3)) of the Resource Management Act 1991.

4.3 PROPOSED PLAN CHANGES 20 (LAKESIDE) AND 21 (POKENO)

In addition to allowing for the natural hazards and climate change topics to be notified at a later date, a rolling review also allows any plan changes to the operative district plan to be effectively 'ring fenced'. This has implications for managing the Private Plan Change 20 (Lakeside in Te Kauwhata - involving changes to zoning and provisions in the Waikato Section with a hearing set for 12 and 13 March 2018) and Private Plan Change 21 (Grahams Block at Pokeno - involving changes to zoning and provisions in the Franklin Section and a hearing is set for 21 March 2018). These plan changes will potentially overlap with the notification of the Proposed District Plan ("PDP") and would be problematic under a Full District Plan Review.

If Council resolves to proceed with a rolling review (as opposed to a full review), the PDP can be notified without carrying through either the notified or decision versions of Plan Change's 20 and 21. Once beyond challenge, and made operative these plan changes can become part of the PDP by way of Council initiated changes. The merging of any plan change with a PDP is time dependent and will be reported to Council at a later date.

5. CONSIDERATION

5.1 FINANCIAL

The review of the Waikato District Plan is proceeding in terms of the Council approved budget.

5.2 LEGAL

Legal advice on this matter offered the three options listed in section 4.2 above. The recommended Option 2 to carry out a rolling review to enable provisions for natural hazards and climate change to be notified after the May 2018 notification date is provided for in section 79 (clauses (1)-(3)) of the Resource Management Act 1991.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The recommended option to carry out a rolling review will allow for provisions that address natural hazard risk and the effects of climate change to align with the statutory requirements under Part 2 sections 6(h) and 7(i) of the Resource Management Act 1991, as well as give effect to the Waikato Regional Policy Statement (2016).

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Any Council decision to undertake a rolling review to enable natural hazards and climate change provisions to be notified after the rest of the district plan topics will need to be communicated to the public who include property owners and occupiers, iwi, community boards and community committees and any organisation that is directly responsible for hazard management.

Highest levels of engagement	Inform <input checked="" type="checkbox"/>	Consult <input type="checkbox"/>	Involve <input type="checkbox"/>	Collaborate <input type="checkbox"/>	Empower <input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	Communications team to initiate a media update on the rolling review process and its implications to the community and identified stakeholders.				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	✓		Internal
✓			Community Boards/Community Committees
✓			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
✓			Households
	-		Business
	✓		Other Please Specify – Mercury Energy and Waikato Regional Council

6. CONCLUSION

Due to matters that are outside the control of Council staff, there is a significant lack of critical updated technical data to enable a full review of the natural hazard and climate change topic.

It will be necessary to continue to develop a suite of objectives, policies and methods to manage natural hazard and climate change, plan for the continued assessment of hazards including coastal hazards, liquefaction risk areas, develop the 2D flood model for the Waikato and Waipa Rivers and consult on any identified hazard areas.

It is concluded that a rolling review is appropriate in order to address this topic. This process is provided for by section 79 (clauses (1)-(3)) of the Resource Management Act 1991 and will enable the completion of the review of all provisions relevant to natural hazards and climate change when the necessary data is received and notification of the new provisions after May 2018.

7. ATTACHMENTS

NIL

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 1895313
Report Title	Strada Corporation Limited Annual Report 2017

I. EXECUTIVE SUMMARY

Council has received Strada Corporation's 2017 Audited Annual Report.

The operating profit of \$16,414 was essentially underpinned by net profit on disposal of assets upon the winding down of the Strada business.

The only remaining assets are an advance to Waikato Quarries Limited, repayment of which is contingent upon warranties provided during the sale of the quarry. Final repayment of this amount is due in April 2019.

The Audit Management letter from Audit New Zealand was received and discussed at the Audit & Risk Committee in December 2017.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Strada Corporation Limited Annual Report 2017

STRADA CORPORATION LIMITED
CONTENTS

Directors' Report	2
Chairmans' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 21
Statement of Service Performance	22 - 23
Directory	24
Auditors' Report	25 - 26

STRADA CORPORATION LIMITED
DIRECTORS' REPORT

Your Directors present the Annual Report and Financial Statements of Strada Corporation Limited for the year ended 30 June 2017.

FINANCIAL RESULTS

	\$
Gross Income	884,165
Operating Profit / (Loss) Before Tax	16,414
Total Comprehensive Income Net of Tax	16,414
Share of Joint Venture Profit / (Loss)	-
Retained Earnings	319,306

DIVIDENDS AND SUBVENTIONS

Dividends of \$700,000 were declared and paid.
\$2,500,000 of share capital was returned.
\$1,300,000 of contributed capital was returned.
No Subvention payment was provided for.

DIRECTORS

Mr DB Fisher and Mr PM De Luca.

AUDITORS

As required by the provisions of the Local Government Act 2002, the Auditor General represented by Audit New Zealand continues as auditors of the Company in the ensuing year.

STATUTORY INFORMATION

The Shareholders have resolved that the Company is not required to report to the full extent of Section 211 (1) of the Companies Act 1993. However, the following is disclosed:

Use of Company Information

No notices were received from Directors requesting use of Company information received in their capacity as Directors, which would not have been otherwise available to them.

Share Dealing

No Director acquired or disposed of any interest in shares in the Company during the year.

Remuneration

Total Directors' remuneration paid during the financial year was \$46,666 (2016: \$129,999)

Insurance

The cost of liability insurance incurred by the Company was \$14,750 (2016: \$8,000).

Signed for and on behalf
of the Board of Directors



P M De Luca
CHAIRMAN

10 November 2017

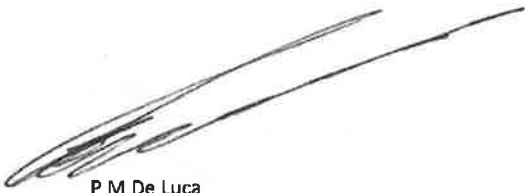


**STRADA CORPORATION LIMITED
CHAIRMAN'S REPORT**

Strada Corporation Limited reports a pre-tax profit of \$16,414 for the 2016-17 financial year.

In line with the strategy agreed between the Directors and the Shareholder, Strada has ceased its business operations and has moved to dispose of all of its assets. That process is almost complete and the Shareholder will receive a return of all the remainder of its capital plus a further sum by way of dividend.

On behalf of the Company




**P M De Luca
CHAIRMAN**



STRADA CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
Revenue	2	-	4,571,363
Finance Income	3	12,398	5,459
Other Income	2	871,767	208,797
Total Income		884,165	4,785,619
Employee Benefits Expense		280,701	1,579,352
Depreciation and Amortisation Expense		61,569	436,695
Finance Costs	3	-	157,387
Impairment of Equity Accounted Joint Venture		-	233,842
Impairment of Receivable from Joint Venture		105,468	-
Other Expenses	4	420,013	4,112,233
Total Expenditure		867,751	6,519,509
Operating Profit / (Loss) Before Tax		16,414	(1,733,890)
Share of Joint Venture's Operating Profit / (Loss) After Tax	12	-	(2,438,233)
Profit / (Loss) Before Tax		16,414	(4,172,123)
Income Tax Expense / (Income)	5	-	(25,966)
Profit / (Loss) After Tax		16,414	(4,146,158)
<i>Profit / (Loss) for the Year Attributable to: Equity Holders of the Parent</i>		16,414	(4,146,158)
Other Comprehensive Income			
<i>Items that will not be Reclassified to Profit / (Loss):</i>			
Revaluation of Land & Buildings		-	(100,000)
Income Tax on Items that will not be Reclassified		-	28,000
Total Comprehensive Income for the Year Net of Tax		16,414	(4,218,158)
<i>Total Comprehensive Income for the Year Attributable to: Equity Holders of the Parent</i>		16,414	(4,218,158)

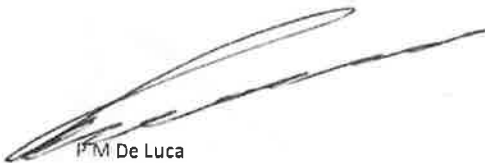
These financial statements are to be read in conjunction with the accompanying notes on pages 8 - 21



STRADA CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	<i>Note</i>	As At 30 Jun 17 NZ\$	As At 30 Jun 16 NZ\$
Current Assets			
Cash and Cash Equivalents	7	629,857	2,229,695
Trade and Other Receivables	8	37,464	526,434
Inventories	9	-	14,320
Prepayments		-	21,284
Tax Receivable	5	-	180
Property, Plant, and Equipment	11	5,670	2,477,973
Total Current Assets		672,990	5,269,887
Non-Current Assets			
Intangible Assets	10	-	-
Trade and Other Receivables	8	404,532	625,000
Total Non-Current Assets		404,532	625,000
Total Assets		1,077,522	5,894,887
Current Liabilities			
Trade and Other Payables	13	51,716	315,130
Employee Benefit Liabilities	14	-	66,863
Provisions	15	6,500	10,000
Total Current Liabilities		58,216	391,993
Total Liabilities		58,216	391,993
NET ASSETS		1,019,306	5,502,893
EQUITY			
Ordinary Share Capital	16	-	2,500,000
Capital Contribution		700,000	2,000,000
Retained Earnings		319,306	891,633
Asset Revaluation Reserve		-	111,259
TOTAL EQUITY		1,019,306	5,502,893

On behalf of the Directors, dated *10 November 2017*


P M De Luca
DIRECTOR


D B Fisher
DIRECTOR

These financial statements are to be read in conjunction with the accompanying notes on pages 8 - 21

STRADA CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
Opening Balance as at 1 July			
Share Capital		2,500,000	2,500,000
Capital Contribution		2,000,000	2,000,000
Retained Earnings		891,633	3,638,466
Asset Revaluation Reserve		111,259	1,582,588
		<u>5,502,892</u>	<u>9,721,054</u>
Movements During Period			
Retained Earnings (Operating Profit / (Loss) Net of Tax)		16,414	(4,146,158)
Retained Earnings (Realisation of Asset Revaluation Reserve)		111,259	1,399,329
Share Capital (Repurchase of Shares)		(2,500,000)	-
Capital Contributions (Return of Capital Contribution)		(1,300,000)	-
Retained Earnings (Dividends Paid)		(700,000)	-
Asset Revaluation Reserve (Gain / (Loss) on Valuations)	11	-	(72,000)
Asset Revaluation Reserve (Transfers to Retained Earnings)		(111,259)	(1,399,329)
		<u>(4,483,586)</u>	<u>(4,218,158)</u>
Closing Balance as at 30 June			
Share Capital	16	-	2,500,000
Capital Contribution		700,000	2,000,000
Retained Earnings		319,306	891,633
Asset Revaluation Reserve		-	111,259
		<u>1,019,306</u>	<u>5,502,893</u>



These financial statements are to be read in conjunction with the accompanying notes on pages 8 - 21

STRADA CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from Customers		385,290	5,425,504
Interest Received		12,398	5,459
Tax Refunded		180	71,820
		<u>397,868</u>	<u>5,502,782</u>
<i>Cash was disbursed to:</i>			
Payments to Suppliers & Employees		802,456	6,279,364
Interest Paid		-	173,521
Goods & Services Tax (Net)		42,752	31,931
		<u>845,208</u>	<u>6,484,815</u>
Net cash inflow / (outflow) from operating activities		<u>(447,340)</u>	<u>(982,034)</u>
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Proceeds from Sale of Property, Plant and Equipment		3,174,669	4,088,073
Proceeds from Sale of Miscellaneous Goods		57,833	-
Proceeds from Sale of Investment Property		-	446,954
		<u>3,232,502</u>	<u>4,535,027</u>
<i>Cash was applied to:</i>			
Purchase of Property, Plant and Equipment		-	1,595
		<u>-</u>	<u>1,595</u>
Net cash inflow / (outflow) from investing activities		<u>3,232,502</u>	<u>4,533,432</u>
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Repayments from Related Parties		115,000	1,750,000
		<u>115,000</u>	<u>1,750,000</u>
<i>Cash was applied to:</i>			
Repayment of Borrowings		-	3,250,000
Repurchase of Share Capital		2,500,000	-
Return of Capital Contribution		1,300,000	-
Dividends Paid		700,000	-
		<u>4,500,000</u>	<u>3,250,000</u>
Net cash inflow / (outflow) from financing activities		<u>(4,385,000)</u>	<u>(1,500,000)</u>
Net increase / (decrease) in cash, cash equivalents, and bank overdrafts		(1,599,838)	2,051,399
Cash, cash equivalents, and bank overdrafts as at 1 July		2,229,695	178,296
Cash, cash equivalents, and bank overdrafts as at 30 June	7	<u><u>629,857</u></u>	<u><u>2,229,695</u></u>

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

These financial statements are to be read in conjunction with the accompanying notes on pages 8 - 21

**STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1 Statement of Accounting Policies

Reporting Entity

Strada Corporation Limited is a profit-oriented Company registered under the Companies Act 1993, is domiciled in New Zealand and operated as a civil engineering and contracting service business until the Board resolved to sell all its operational assets and extinguish all of its liabilities during the year ended 30 June 2017. Subsequent to the Board resolution, the Company is a non-trading entity. The Company is a Council-Controlled Organisation as defined in Section 6 of the Local Government Act 2002, being wholly owned by Waikato District Council. The Company's 50% share in the Waikato Quarries Limited Joint Venture is equity accounted.

Waikato Quarries Limited is a profit-oriented Company registered under the Companies Act 1993, is domiciled in New Zealand and is a non-trading entity. The Company is a Council-Controlled Organisation as defined in Section 6 of the Local Government Act 2002.

The Financial Statements of the Company are for the year ended 30 June 2017. The Financial Statements were authorised for issue by the Board of Directors on *10 November 2017*

BASIS OF PREPARATION

Statement of Compliance

The financial statements of Strada Corporation Limited have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). Strada Corporation Limited is a for-profit entity for the purpose of complying with NZ GAAP. The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

Strada Corporation Limited is eligible and has elected to report in accordance with Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that the entity has no public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the entity has applied disclosure concessions.

Measurement Base

Realisation Basis

The Company's financial statements have been prepared on a realisation basis as the Board resolved to sell all its operational assets and extinguish all of its liabilities during the year. Whilst the entity will remain open after this point to receive the final settlement payments in relation to the disposal of the joint venture, the entity does not intend to remain a going concern. As such, the financial statements have been prepared on a realisation basis.

As a result of preparing the financial statements on a realisation basis, all assets have been measured at the lower of their carrying amount and fair value less costs to sell. Additionally, all assets and liabilities have been classified as current, except for related party receivables expected to be settled more than 12 months from balance date, which are classified as non-current. No additional liabilities have been recognised as a result of the realisation basis.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Company and its Investment is New Zealand dollars.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Provision of Services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Sale of Goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of goods.

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Investment Income

Rental income is recognised in the Statement of Comprehensive Income on an accruals basis. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Dividend income is recognised when the right to receive payment has been established.

Construction Contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract Costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Comprehensive Income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented as a liability.

Borrowing Costs

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

Income Tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly to equity.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly to equity.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, short term deposits with an original maturity of three months or less, and bank overdrafts.

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

For the purpose of the cash flow statement, cash and cash equivalents consist of cash equivalents as defined above, net of outstanding bank overdrafts.

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Trade and Other Receivables

Short-term trade and other receivables are recorded at their face value, less any provision for impairment.

Financial Assets

Financial assets are recognised initially at fair value, plus transactions costs.

The Company has the following classes of financial assets at balance date:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalents, trade and other receivables, tender deposits, and inter company loans.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income.

Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the profit or loss.

Loans and Receivables

Impairment is established when there is evidence that the Company will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, or probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised within profit or loss. When a receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Property, Plant, and Equipment

Property, Plant, and Equipment consists of only operational assets that include land, buildings, motor vehicles, plant and equipment, and office equipment.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other asset classes are carried at depreciated historical cost.

Revaluations of property, plant, and equipment are accounted for on an asset-by-asset basis.

The net revaluation results are recognised within other comprehensive income and are accumulated in an asset revaluation reserve in equity. Where this would result in a revaluation loss in the asset revaluation reserve, the loss is recognised in profit or loss. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

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

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

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds, if any, with the carrying amount of the asset. Gains and losses on disposals are reported net in the profit or loss. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Depreciation

Depreciation is provided for using a mixture of the straight-line basis and diminishing value basis on all property, plant, and equipment other than land. The estimated useful lives and associated depreciation rates of major classes of assets have been prescribed as follows:

Buildings	10 to 40 years	(3% to 10%)
Motor Vehicles	5 to 15 years	(7% to 20%)
Plant and Equipment	1 to 20 years	(5% to 100%)
Office Equipment	4 to 8 years	(13% to 25%)

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

Joint Venture

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Company's statement of financial position at cost and adjusted thereafter to recognise the Company's share of profit or loss and other comprehensive income of the associate or joint venture.

When the Company's share of losses of an associate or joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of NZ IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect of the Company's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with NZ IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with NZ IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with NZ IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

**STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Trade and Other Payables

Trade and other payables are initially measured at fair value and are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. They are non-interest bearing and are usually settled on 30 day terms.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and included in "Finance Costs".

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST with the exception of Trade Receivables and Trade Payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed exclusive of GST.

Statement of Cash Flows

For the purpose of the cash flow statement cash and cash equivalents include cash on hand and in current accounts and investments in money market instruments, net of outstanding bank overdrafts. The following terms are used in the statement of cash flows:

Operating Activities are the principal revenue producing activities of the Company and other activities that are not investing or financing activities.

Investing Activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing Activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Critical Accounting Estimates, Assumptions, and Judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As at balance date the Company has reviewed its estimate of useful lives for property, plant and equipment as a result of the financial statements being prepared on a realisation basis. Property, plant and equipment have been stated at fair value less costs to sell. In estimating the fair value of property, plant and equipment, the company has used market observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of land and buildings has been disclosed in note 12. The carrying value of plant and equipment has been reviewed by the directors at balance date. The carrying value of plant and equipment has been assessed as approximating the fair value of plant and equipment at balance date.

The recognition of revenue and costs from construction contracts requires estimates to be made of the outcome under each contract, which requires assessments and judgements to be made on a range of factors, such as: recovery of pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities (including the recoverability of retentions) and changes in costs. A fundamental condition for being able to estimate construction contract revenue and costs is that construction revenues and costs can be reliably estimated. The recoverability of retentions receivable and the likelihood of construction rework costs eventuating have been estimated using the best available information as at balance date.

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Intangible Assets

Software Acquisition

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs.

Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a straight-line or diminishing value basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the profit or loss.

The estimated useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	4 years	(25%)
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Impairment of Property, Plant, and Equipment and Intangible Assets

Intangible assets that have an indefinite useful life, or are not yet available for use, not subject to amortisation and are tested for annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent of the asset's ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining service

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a loss to the revaluation reserve, the balance is recognised in the profit or loss.

For assets not carried at fair value, the total impairment loss is recognised in the profit or loss.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the profit or loss, a reversal of the impairment loss is also recognised in the profit or loss.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the profit or loss.



STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
2 Revenue			
<i>Revenue</i>			
Revenue - Construction Contracts		-	4,301,877
Rental Income		-	269,486
		<u>-</u>	<u>4,571,363</u>
<i>Other Income</i>			
Net Profit on Disposal of Property, Plant, and Equipment		813,934	47,576
Net Profit on Disposal of Investment Property		-	46,954
Sundry Income		57,833	8,799
Gain on Cessation of Joint Venture Arrangement		-	105,468
		<u>871,767</u>	<u>208,797</u>
3 Finance Income and Finance Costs			
<i>Finance Income</i>			
Interest Income			
-Call Deposits		12,398	2,232
-Other		-	3,226
		<u>12,398</u>	<u>5,459</u>
<i>Finance Costs</i>			
Interest Expense			
-Bank Borrowings		-	150,571
-Other		-	6,816
		<u>-</u>	<u>157,387</u>
4 Other Expenses			
Other Expenses include:			
Operating Expenses		294,233	3,639,148
Inventory Consumption		-	390,506
Annual Audit Fees - Audit NZ		19,385	46,123
Bad Debts		106,395	7,054
Impairment Loss - Computer Software		-	29,402
		<u>420,013</u>	<u>4,112,233</u>



STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
5 Income Tax Expense			
Operating Profit / (Loss) Before Tax		16,414	(1,733,891)
Prima Facie Income Tax calculated at 28%		4,596	(485,490)
<i>Adjustment for Tax Effect of Permanent Differences:</i>			
- Non Deductible Expenditure and Adjustment for Reclassification		30,210	65,776
- Prior Period Adjustment		-	69,824
- Tax Losses Not Recognised		(127,081)	606,213
- Reconcile Movements in Fixed Assets for Deferred Tax		92,275	-
- Adjustment to Deferred Tax to Reflect Assets Now Held For Sale		-	(282,289)
Income Tax Expense		<u>-</u>	<u>(25,966)</u>
Comprising:			
Current Year Tax		-	-
Deferred Tax		-	(95,790)
Deferred Tax Reclassification		-	-
Prior Period Adjustment		-	69,824
Income Tax Expense		<u>-</u>	<u>(25,966)</u>
6 Deferred Tax Assets / (Liabilities)			
Total Deferred Tax Liability			
Opening Balance as at 1 July		-	(53,966)
(Charged) / Credited to the Profit and Loss		-	95,790
(Charged) / Credited to Revaluation Reserves		-	28,000
Prior Period Adjustment		-	(69,824)
Closing Balance as at 30 June		<u>-</u>	<u>-</u>
Total Plant and Equipment			
Opening Balance as at 1 July		(7,369)	(273,265)
(Charged) / Credited to the Profit and Loss		7,369	237,896
(Charged) / Credited to Revaluation Reserves		-	28,000
Closing Balance as at 30 June		<u>-</u>	<u>(7,369)</u>
Total Employee Benefits			
Opening Balance as at 1 July		12,800	32,330
(Charged) / Credited to the Profit and Loss		(12,800)	(19,530)
Closing Balance as at 30 June		<u>-</u>	<u>12,800</u>
Total Other Provisions			
Opening Balance as at 1 July		(82,481)	(7,680)
(Charged) / Credited to the Profit and Loss		77,265	(74,801)
Closing Balance as at 30 June		<u>(5,216)</u>	<u>(82,481)</u>

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
Total Tax Losses			
Opening Balance as at 1 July		77,049	194,684
(Charged) / Credited to the Profit and Loss		(71,833)	(117,599)
Closing Balance as at 30 June		<u>5,216</u>	<u>77,049</u>
Deferred tax asset not recognised in the statement of financial position for tax losses of \$1,711,186 (\$479,132 at 28%) (2016: \$2,165,047.50 (\$606,213.30 at 28%)).			
7 Cash and Cash Equivalents			
Cash at Bank and on Hand		<u>629,857</u>	<u>2,229,695</u>
Cash and cash equivalents include the following for the purposes of the statement of Cash flows :			
Cash and cash equivalents		345,792	2,079,695
Term Deposits		<u>284,065</u>	<u>150,000</u>
		<u>629,857</u>	<u>2,229,695</u>
8 Trade and Other Receivables			
Trade Receivables		3,483	342,702
Related Party Receivables		-	492
Retentions Receivable		33,981	164,907
Related Party Retentions Receivable		-	18,332
Total Classified as Current		<u>37,464</u>	<u>526,434</u>
Related Party Receivables	19	<u>404,532</u>	<u>625,000</u>
Total Classified as Non-Current		<u>404,532</u>	<u>625,000</u>
9 Inventory			
Fuel (at Cost)		-	1,709
Bitumen (at Cost)		-	8,553
Bulk Cement (at Cost)		-	4,058
		<u>-</u>	<u>14,320</u>
No inventories are pledged as security for liabilities (2016: Nil).			
10 Intangible Assets			
Acquired Computer Software			
<i>Cost</i>			
Carrying Amount as at 1 July		190,279	190,279
Additions		-	-
Disposals		(38,023)	-
Carrying Amount as at 30 June		<u>152,256</u>	<u>190,279</u>
<i>Accumulated Amortisation and Impairment Losses</i>			
Carrying Amount as at 1 July		190,279	87,794
Amortisation Expense		-	73,083
Impairment Loss		-	29,402
Reversal on Disposal		(38,023)	-
Carrying Amount as at 30 June		<u>152,256</u>	<u>190,279</u>
<i>Carrying Amount</i>			
Carrying Amount as at 1 July		-	102,485
Carrying Amount as at 30 June		<u>2,337</u>	-

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities. There were no intangibles in the course of construction at balance date (2016: Nil).

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

11 Property Plant & Equipment
30 Jun 17

	Cost/ Revaluation	Accumulated Depreciation & Impairment	Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Reclassification
	1/07/2016	1/07/2016	1/07/2016			
Land	325,000	-	325,000	-	(325,000)	-
Buildings	174,981	-	174,981	-	(174,981)	-
Vehicles	2,391,952	(1,824,413)	567,539	-	(2,391,952)	-
Plant and Equipment	5,121,516	(3,738,182)	1,383,334	-	(5,121,516)	-
Office Equipment	105,598	(78,478)	27,119	-	(69,208)	-
Total Property, Plant, and Equipment	8,119,046	(5,641,073)	2,477,973	-	(8,082,657)	-

	Current Year Depreciation	Accumulated Depreciation Disposed	Revaluation	Cost/ Revaluation	Accumulated Depreciation & Impairment	Carrying Amount
				30/06/2017	30/06/2017	30/06/2017
Land	-	-	-	-	-	-
Buildings	(649)	649	-	-	-	-
Vehicles	(13,108)	1,837,521	-	-	-	-
Plant and Equipment	(39,333)	3,777,515	-	-	-	-
Office Equipment	(8,480)	56,239	-	36,390	(30,719)	5,670
Total Property, Plant, and Equipment	(61,570)	5,671,924	-	36,390	(30,718)	5,670

30 Jun 16

	Cost/ Revaluation	Accumulated Depreciation & Impairment	Carrying Amount	Current Year Additions	Current Year Disposals	Current Year Reclassification
	1/07/2015	1/07/2015	1/07/2015			
Land	3,205,000	-	3,205,000	-	(2,880,000)	-
Buildings	1,135,001	-	1,135,001	-	(860,020)	-
Vehicles	3,523,405	(2,798,223)	725,182	-	(1,131,453)	-
Plant and Equipment	6,449,524	(4,645,092)	1,804,432	1,595	(1,329,603)	-
Office Equipment	159,079	(76,206)	82,874	-	(53,482)	-
Total Property, Plant, and Equipment	14,472,010	(7,519,521)	6,952,489	1,595	(6,254,558)	-

	Current Year Depreciation	Accumulated Depreciation Disposed	Revaluation	Cost/ Revaluation	Accumulated Depreciation & Impairment	Carrying Amount
				30/06/2016	30/06/2016	30/06/2016
Land	-	-	-	325,000	-	325,000
Buildings	(31,247)	23,984	(100,000)	174,981	-	174,981
Vehicles	(67,120)	1,040,930	-	2,391,952	(1,824,413)	567,539
Plant and Equipment	(238,931)	1,145,841	-	5,121,516	(3,738,182)	1,383,334
Office Equipment	(26,315)	24,043	-	105,598	(78,478)	27,119
Total Property, Plant, and Equipment	(363,613)	2,234,798	(100,000)	8,119,046	(5,641,073)	2,477,973

No impairment losses have been recognised for property, plant, and equipment for the current period (2016: Nil).

There are no property, plant, and equipment in the course of construction at balance date (2016: Nil).

There are no items of plant and equipment held under finance leases in the current period (2016: Nil).

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
12 Investment in Waikato Quarries Limited			
The Company's interest in the Waikato Quarries Limited investment is accounted for as a jointly controlled entity using the equity method.			
Investment in Waikato Quarries Limited		-	2,000,000
<i>Movements in the carrying amount of the investment</i>			
Balance at 1 July		-	2,672,075
Share of Total Comprehensive Income		-	(2,438,233)
Impairment of Equity Accounted Investment		-	(233,842)
Balance at 30 June		<u>-</u>	<u>-</u>
The Company's interest in the jointly controlled operation are as follows:			
Current Assets		137,279	177,365
Non-Current Assets		500,000	625,000
Current Liabilities		407,507	568,523
Non-Current Liabilities		-	-
Income		106	3,764,685
Expenses		4,176	6,202,918
The investment has a contingent liability in relation to Fulton Hogan. For further details, refer to Note 18.			
13 Trade and Other Payables			
Trade Payables		3,413	160,309
Accrued Expenses		48,303	54,486
Goods and Services Tax - Net		-	42,752
Amounts Due to Related Parties	19	-	7,583
Deposit on Sale of 27 Glasgow Street, Huntly		-	50,000
		<u>51,716</u>	<u>315,130</u>
Trade and Other Payables are non-interest bearing and receipt is normally on 20th of the month following terms. Therefore, the carrying value of Trade and Other Payables approximates their fair value.			
14 Employee Benefits Liabilities			
Accrued Pay		-	20,484
Annual Leave		-	43,696
Sick Leave		-	2,019
Other Employee Liabilities		-	664
Total Employee Benefit Liabilities		<u>-</u>	<u>66,863</u>
<i>Comprising:</i>			
Current		-	66,863
Non-Current		-	-
		<u>-</u>	<u>66,863</u>



STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
15 Provisions			
<i>Contract Completion Costs</i>			
Opening Balance		10,000	15,589
Additional provisions made during the year		6,500	-
Amounts used		(10,000)	(5,589)
		6,500	10,000

All provisions are classed as current liabilities.

Provisions for contract completion costs are estimated based on the likelihood of further construction work required to rectify construction deficiencies.

16 Equity

Authorised Issued and Paid Up Capital is 1 share at 1 July 2017 (1 July 2016: 2,500,000).

All shares carry equal voting rights, the right to dividends and the right to share in any surplus on the winding up of the Company. None of the shares carry fixed dividend rights. Shares had no par value.

The asset revaluation reserve arises on the revaluation of land and buildings. Where revalued land and building is sold, that portion of the asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly to retained earnings.

The Statement of Changes in Equity details the movements in equity.

17 Capital Commitments and Operating Leases

17a Capital Commitments

Significant items of capital expenditure contracted for purchase as at balance date nil (2016: nil).

17b Operating Leases

15 Tasman Road, Hamilton

The company leased the property at 15 Tasman Road, Hamilton from an independent third party and the lease expired on 7 December 2016. There are no future minimum payments to be made.

Not later than one year

-	48,219
-	48,219

18 Contingencies

Contingent Liabilities - Joint Ventures

Company's share of joint venture's contingent liabilities	2,500,000	2,500,000
---	-----------	-----------

A contingent liability has arisen as a result of the Company's interest in its joint venture. The amount disclosed represents the maximum amount of the contingent liability (excluding any legal or professional costs) for which the Company as an investor is liable. The extent to which an outflow of funds will be required is dependent on any claims being made by Fulton Hogan in relation to the sale of the business operations and assets of Waikato Quarries Limited. The Company is not contingently liable for the liabilities of other venturers in its joint venture.

Contingent Liabilities of \$95,106 exist for the Company at 30 June 2017 (30 June 2016: \$343,262) as a result of bonds guaranteed by the ANZ National Bank Limited and will be payable if the Company cannot fulfil its contractual obligations.

STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
19 Related Party Transactions			
The Company has related party relationships with its ultimate parent organisation, joint venture company, joint venture partner company, and key management personnel. There have been no provisions required or made for impairment of any loans or receivables.			
ULTIMATE PARENT			
Waikato District Council			
Revenue - Road Construction/Maintenance and Urban Services		-	1,087,365
Expenses - Rates		872	6,955
Trade & Other Receivables -including claim accruals and work in progress		-	492
Retentions Receivable		-	18,332
Dividends		700,000	-
Share Repurchase		2,500,000	-
Capital Distribution		1,300,000	-
Property Purchase - 2 & 8A Brownlee Avenue		-	1,210,000
JOINT VENTURE			
Waikato Quarries Limited			
Revenue - Lease		-	246,985
Loan Receivable from Waikato Quarries Limited		404,532	625,000
JOINT VENTURE PARTNER			
Perry Aggregates Limited			
Expenses - metal purchases		-	28,800
KEY MANAGEMENT PERSONNEL			
Key Management Personnel include the Directors, Chief Executive, CFO, Finance Manager, Operations Manager - Maintenance, and the Operations Manager - Construction. Key Management Personnel compensation is set out below:			
Salaries and Other Short Term Employee Benefits (including defined retirement contribution plan expenses)		217,379	527,149
		<u>217,379</u>	<u>527,149</u>
Tompkins Wake			
The Company has a Director who is also a partner in Tompkins Wake.			
Expenses - Legal and Employment Advice Services		8,914	77,717
Trade & Other Payables		160	7,583

20 Events after the Balance Date

No material events have occurred subsequent to 30 June 2017.

21 Financial Instruments**21a Financial Instrument Categories**

The accounting policies for financial instruments have been applied to the line items below:

Financial Assets*Loans and Receivables*

Cash and Cash Equivalents	629,857	2,229,695
Trade and Other Receivables	36,697	526,434
Related Party Receivables	404,532	625,000

**STRADA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	<i>Note</i>	Year Ended 30 Jun 17 NZ\$	Year Ended 30 Jun 16 NZ\$
Financial Liabilities			
<i>Financial Liabilities at Amortised Cost</i>			
Trade and Other Payables		51,716	272,378

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Trade and Other Receivables, Trade and Other Payables, and Cash and Cash Equivalents:

The carrying value of these items approximates their fair value because all amounts are expected to be collected within one year and are not impaired.

21b Fair Value Hierarchy Disclosures

There were no instruments recognised at fair value in the statement of financial position that required hierarchy disclosures (2016: Nil).

22 Breach of section 69 of the Local Government Act 2002

The Company did not adopt its audited financial statements within three months of balance date (30 September 2017) as required by section 69 of the Local Government Act 2002.

STRADA CORPORATION LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2017

The results achieved compare with financial performance criteria in the Statement of Corporate Intent as follows:

	2017	2016
<i>Net Profit after tax as a percentage of average shareholder funds</i>		
Statement of Corporate Intent	n/a	6.0%
Actual Achievement	n/a	-24.5%
<i>Debt Equity Ratio</i>		
Statement of Corporate Intent	n/a	20 : 80
Actual Achievement	n/a	0 : 100
<i>Interest Coverage Ratio</i>		
Statement of Corporate Intent	n/a	5.0 : 1
Actual Achievement	n/a	-9.9 : 1
<i>Proprietorship Ratio</i>		
Statement of Corporate Intent	n/a	80%
Actual Achievement	n/a	104%

The Debt Equity ratio is the ratio of long term debt to shareholders funds. The interest coverage ratio is the ratio of earnings before interest and tax to the annual interest cost. The proprietorship ratio is the shareholders funds to total assets.

The Statement of Intent was formulated for only Strada Corporation Ltd and does not recognise any share of the joint venture's profit or loss. Therefore, the above calculations exclude the share of the joint venture's profit or loss from Net Profit after tax and retained earnings as a component of equity.

Explanation of the company's financial performance is provided in the Chairman and Chief Executives' Report on page 3 of this Annual Report.

The results achieved compare with non-financial performance criteria in the Statement of Corporate Intent as follows:

<i>Loss Time Injury (LTI) Rate</i>		
Statement of Corporate Intent	n/a	0.0%
Actual Achievement	n/a	1.5%
The Company continues to focus on training, assessing hazards and safety.		
<i>Maintain the company's tertiary accreditation with the ACC.</i>		
Statement of Corporate Intent	n/a	Retain accreditation June 2014 - assessed by ACC on bi-annual basis. Accreditation lasted until 30 June 2016. No assessment made in June 2016 as business is going through board managed closure.
Actual Achievement	n/a	
<i>Maintain optimum ISO9001/2008 objectives outlined in Telarc registration.</i>		
Statement of Corporate Intent	n/a	Maintain optimum ISO9001/2008 objectives Assessment completed in July 2015 which noted certification continued for the 2015/16 year.
Actual Achievement	n/a	

Achieve an average Staff Satisfaction rating of 3 (1= least satisfied, 5 = most).

No staff survey was completed in 2016/17 due to the business going through a board managed closure.

**STRADA CORPORATION LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2017**

Asset Realisation

Statement of Corporate Intent Target: All assets realised by 31 December 2016 (with the exception of a balance receivable in respect of the investment in Waikato Quarries Limited).

Actual Achievement: Not met. For a listing of assets not yet realised, please refer to the Statement of Financial Position and the accompanying notes.

Debt Repayments

Statement of Corporate Intent Target: All debt repaid by 30 June 2016.

Actual Achievement: Met - all borrowings have been repaid. The outstanding liabilities as at 30 June 2017 relate to professional service fees and provisions for contract completion costs. Please refer to notes 13 & 15 for further details.



**STRADA CORPORATION LIMITED
DIRECTORY****REGISTERED ADDRESS AND COMPANY OFFICE**

Tompkins Wake
Westpac House
430 Victoria Street
Hamilton

Phone: 07 824 5195
Fax: 07 824 5193

DIRECTORS

P M De Luca (Chairman)
LL.B, M Com Law (Hons)

T T P Houpapa
MNZM JP, MBA
Resigned September 2016

D B Fisher
BBS

J M Elder
PhD
Resigned September 2016

CHIEF EXECUTIVE

G E Blomfield
NZCE (Civil)
Resigned November 2016

BANKERS

ANZ Bank New Zealand Limited
Ngaruawahia

AUDITOR

Audit New Zealand
Auckland
On behalf of the Auditor General

SOLICITORS

Tompkins Wake
Hamilton

TAX ADVISORS

Deloitte
Hamilton



Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	14 February 2018
Prepared by	Juliene Calambuhay Management Accountant
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 1897297
Report Title	Summary of Movements in Discretionary Funds to 14 February 2018

1. EXECUTIVE SUMMARY

To provide the Strategy & Finance Committee with a summarised report giving balances of all the discretionary funds including commitments as at 14 February 2018.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Summary of Movements in Discretionary Funds to 14 February 2018

**Summary of Movements in Discretionary Funds
As of 14 February 2018**

	Carry Forward 2016/17	Annual Plan Budget 2017/18	Plus Income / Grants 2017/18	Less Expenditure 2017/18	Net Funding Remaining 2017/18	Less Commitments 2017/18	Funding Remaining after Commitments
Rural Ward	14,573.85	30,963.00	-	25,780.67	19,756.18	6,000.00	13,756.18
Huntly	26,842.38	24,026.00	-	18,105.94	32,762.44	18,125.39	14,637.05
1 Meremere	8,929.26	6,421.00	-	2,930.32	12,419.94	850.00	11,569.94
Ngaruawahia	37,439.11	20,999.00	-	19,932.00	38,506.11	14,910.00	23,596.11
Onewhero Tuakau	28,515.44	28,878.00	-	17,492.30	39,901.14	9,121.61	30,779.53
Raglan	8,078.47	14,271.00	5,000.00	17,552.90	9,796.57	1,500.00	8,296.57
Taupiri	2,895.38	1,624.00	-	137.09	4,382.29	1,086.91	3,295.38
2 Te Kauwhata	57,105.16	11,278.00	-	15,173.33	53,209.83	35,606.00	17,603.83
Mayoral	1,943.58	8,000.00	-	1,800.00	8,143.58	1,000.00	7,143.58

1 Meremere budget inclusive of budget for salaries of \$4,871

2 Te Kauwhata budget inclusive of budget for salaries of \$7,080

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	08 February 2018
Prepared by	Mairi Davis Financial Accountant
Chief Executive Approved	Y
Reference #	GOV1301 / 1895448
Report Title	Treasury Risk Management Policy - Compliance Report at 31 December 2017

1. EXECUTIVE SUMMARY

The purpose of this report is to inform the Strategy & Finance Committee of compliance with Treasury Risk Management Policy.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Treasury Risk Management Policy - Compliance Report at 31 December 2017

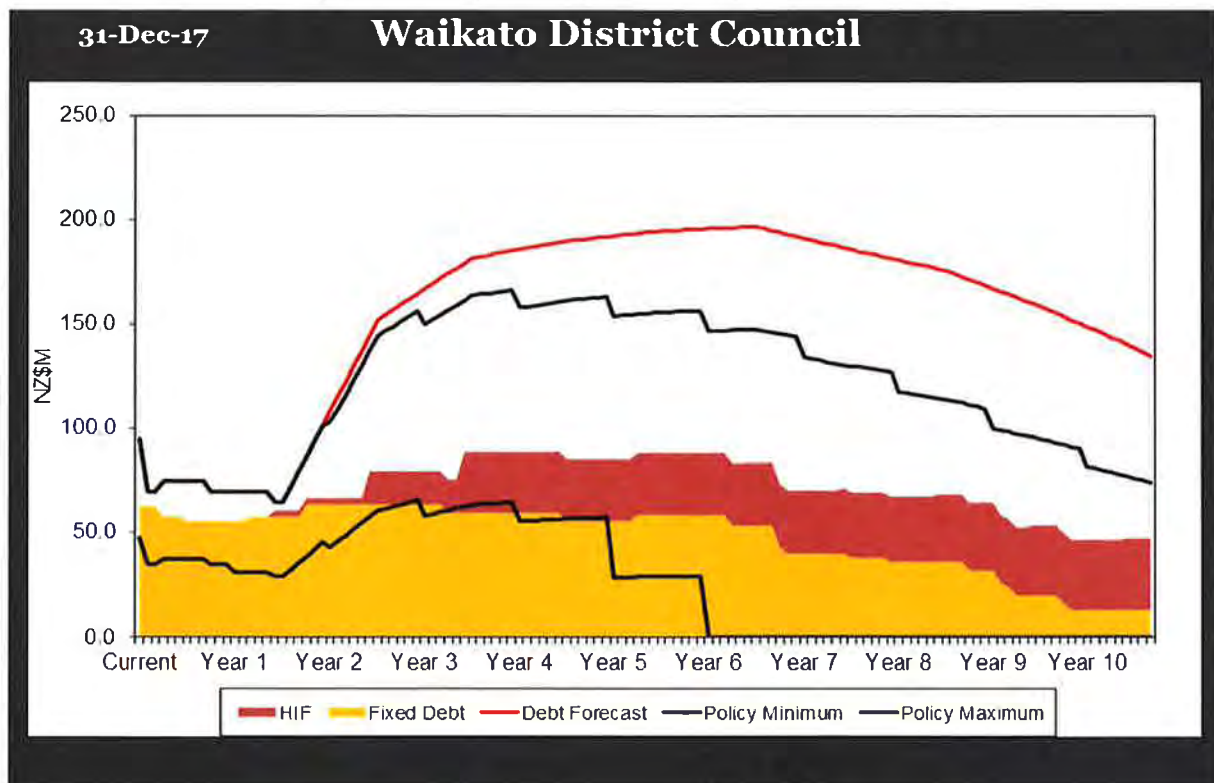
Waikato District Council
Treasury risk management policy - Compliance report
As at 31 December 2017

Policy criteria	Policy limit	Actual	Within policy?																																								
1 The percentage of net external debt to annual revenue Net external debt = Total annual revenue =	<150% total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets)	65.6%	✓																																								
2 Net interest expense on net external debt as a percentage of total annual revenue Net interest expense =	<20% total interest and financing costs less interest income	2.8%	✓																																								
3 Net interest expense on net external debt as a percentage of annual rates	<25%	4.0%	✓																																								
4 Liquidity ratio Liquidity =	>110% external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt	116%	✓																																								
5 Interest rate benchmark chart Comparison of actual monthly and year-to-date accrued returns vs investing the entire treasury portfolio at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years. <div style="text-align: center;"> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Estimated Interest Rate Data (%)</caption> <thead> <tr> <th>Month</th> <th>Benchmark (incl margin)</th> <th>Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr><td>Dec-15</td><td>4.95</td><td>5.25</td><td>5.30</td></tr> <tr><td>Mar-16</td><td>4.80</td><td>5.25</td><td>5.25</td></tr> <tr><td>Jun-16</td><td>4.70</td><td>5.25</td><td>5.35</td></tr> <tr><td>Sep-16</td><td>4.65</td><td>5.25</td><td>5.15</td></tr> <tr><td>Dec-16</td><td>4.70</td><td>5.25</td><td>5.15</td></tr> <tr><td>Mar-17</td><td>4.55</td><td>5.25</td><td>5.15</td></tr> <tr><td>Jun-17</td><td>4.60</td><td>5.25</td><td>4.90</td></tr> <tr><td>Sep-17</td><td>4.45</td><td>5.25</td><td>3.60</td></tr> <tr><td>Dec-17</td><td>4.60</td><td>5.25</td><td>4.60</td></tr> </tbody> </table> </div>				Month	Benchmark (incl margin)	Budget	Actual	Dec-15	4.95	5.25	5.30	Mar-16	4.80	5.25	5.25	Jun-16	4.70	5.25	5.35	Sep-16	4.65	5.25	5.15	Dec-16	4.70	5.25	5.15	Mar-17	4.55	5.25	5.15	Jun-17	4.60	5.25	4.90	Sep-17	4.45	5.25	3.60	Dec-17	4.60	5.25	4.60
Month	Benchmark (incl margin)	Budget	Actual																																								
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6 Actual borrowing costs are <= budgeted borrowing costs Current month Year to date	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Budget</th> </tr> </thead> <tbody> <tr> <td>Current month</td> <td style="text-align: right;">\$366,095</td> </tr> <tr> <td>Year to date</td> <td style="text-align: right;">\$2,196,572</td> </tr> </tbody> </table>		Budget	Current month	\$366,095	Year to date	\$2,196,572	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Actual</th> </tr> </thead> <tbody> <tr> <td>Current month</td> <td style="text-align: right;">\$239,558</td> </tr> <tr> <td>Year to date</td> <td style="text-align: right;">\$1,891,555</td> </tr> </tbody> </table>		Actual	Current month	\$239,558	Year to date	\$1,891,555	✓ ✓																												
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Year to date	\$1,891,555																																										

7 Current interest rate swaps (including forward starts)	Amount	Effective date	Termination date	Fixed rate (if effective)
	\$			
	3,000,000	20-Jul-12	20-Oct-20	5.59%
	2,000,000	2-Mar-09	1-Mar-19	6.45%
	2,000,000	19-Jun-12	22-Mar-21	5.23%
	2,000,000	19-Jun-13	19-Mar-21	5.95%
	5,000,000	17-Jun-13	15-Mar-18	5.67%
	3,000,000	22-Jun-13	22-Mar-23	4.00%
	4,000,000	22-Jun-13	22-Jun-22	3.83%
	4,000,000	22-Jun-13	23-Mar-20	3.64%
	4,000,000	22-Jun-13	23-Sep-19	3.58%
	2,000,000	21-Mar-16	21-Mar-24	4.94%
	2,000,000	22-Jun-16	22-Jun-18	3.49%
	2,000,000	15-Mar-18	16-Sep-19	
	2,000,000	23-Sep-15	23-Sep-19	4.41%
	3,000,000	23-Mar-15	25-Mar-24	4.64%
	4,000,000	23-Mar-20	25-Mar-24	
	3,000,000	23-Mar-15	23-Sep-24	4.53%
	4,500,000	23-Dec-15	23-Sep-24	4.59%
	4,000,000	22-Jun-16	23-Sep-24	4.62%
	3,000,000	20-Oct-20	21-Oct-24	
	3,000,000	22-Sep-17	23-Sep-24	4.78%
	4,000,000	23-Mar-20	25-Mar-24	
	3,000,000	20-Oct-20	21-Oct-24	
	2,000,000	22-Jun-16	20-Mar-18	3.89%
	3,000,000	19-Jun-17	29-Mar-18	2.97%
	4,000,000	23-Sep-19	23-Mar-20	
	5,000,000	15-Mar-18	30-Jun-20	
	3,000,000	15-Mar-18	20-Oct-20	
	6,000,000	31-Oct-17	29-Jan-27	3.67%
	2,000,000	1-Mar-19	1-Dec-25	
	2,000,000	25-Sep-17	25-Feb-27	3.67%
	2,000,000	22-Jun-17	23-Jun-25	3.52%
	3,000,000	22-Mar-23	22-Jun-29	
	4,000,000	25-Mar-24	25-Sep-26	
	4,000,000	25-Mar-24	25-Mar-27	
	4,000,000	23-Sep-24	23-Sep-27	
	3,000,000	21-Oct-24	21-Oct-27	
	10,000,000	30-Sep-19	28-Sep-29	
	5,000,000	30-Jun-20	29-Jun-29	
	67,500,000	Total "live" swaps		
		Average interest rate of live swaps		4.39%
8 Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount			10 swaps with start periods > 24 months forward all but two are matched with existing swaps	
9 Counterparty credit risk - swaps				
NZ registered banks (each)	\$30m			
- ANZ / National			\$0m	✓
- ASB			\$0m	✓
- BNZ			\$13.86m	✓
- HSBC			\$0m	✓
- Westpac			\$0m	✓

10 Council's net external debt should be within the following fixed/floating interest rate risk control limits.:

Debt period ending	\$m	Policy criteria	Actual	Within policy
Current	74	50% - 100%	85%	✓
Year 1	70	45% - 100%	80%	✓
Year 2	109	40% - 95%	62%	✓
Year 3	167	35% - 90%	48%	✓
Year 4	186	30% - 85%	48%	✓
Year 5	193	15% - 80%	44%	✓
Year 6	196	0% - 75%	45%	✓
Year 7	192	0% - 70%	37%	✓
Year 8	181	0% - 65%	37%	✓
Year 9	168	0% - 60%	39%	✓
Year 10	149	0% - 55%	32%	✓

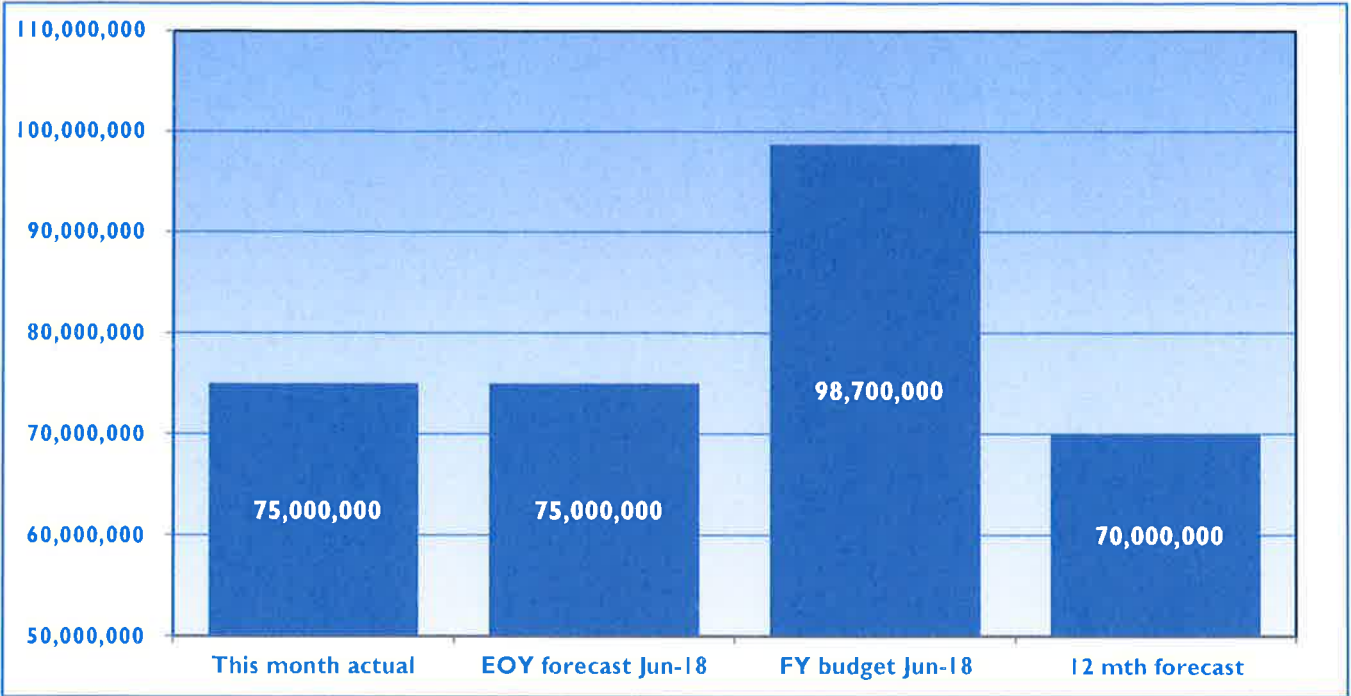


	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	\$177m	\$75m	✓
12	Balanced budget benchmark (revenue / expenses)	>=100%	106%	✓
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>=100%	146%	✓
14	Debt servicing benchmark (borrowing costs / revenue) borrowing costs =	<15%	3.3%	✓

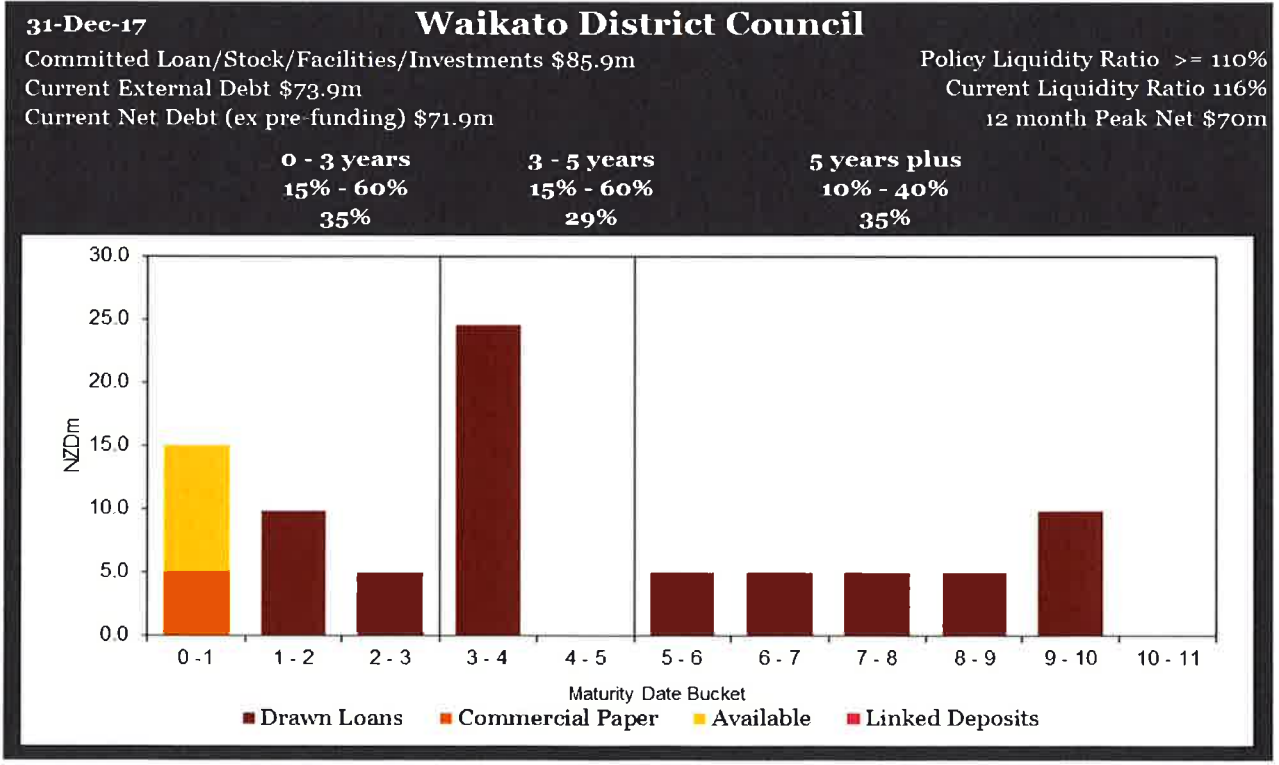
finance expenses per statement of comprehensive revenue and expense

15 Borrowing at December 2017

This graph depicts actual borrowing - LGFA plus bank (BNZ).



16	Actual monthly (gross) borrowing is within end-of-year budget	\$98,700,000	\$75,000,000	✓
17	<u>The maturity profile of the total committed funding in respect of all loans and committed facilities</u>			
	0 to 3 years	15% - 60%	36%	✓
	3 to 5 years	15% - 60%	29%	✓
	5 years plus	10% - 40%	35%	✓



18	Financial assets				\$'000			
<i>Share investments held for strategic purposes</i>								
Local Authority Shared Services Limited						219		
Waikato Regional Airport Limited						12,797		
Strada Corporation Limited						700		
NZ Local Government Insurance Corp Limited						63		
<i>Investments held to reduce the current ratepayer burden</i>								
Community loans as below						308		
<i>Short-term investments held for liquidity & working capital requirements</i>								
Bank & cash balances						837		
Short-term bank deposits						2,000		
Total investments						\$14,924		
For treasury purposes, LGFA borrower notes are netted off against related borrowing								
19	Community loans	Borrower	Current balance \$\$	Maturity date	Interest rate			
Tamahere Hall Committee						169,647	Jun-22	} all at 6.33%
Te Kowhai Hall Committee						23,017	Jun-21	
Woodlands #2						22,035	Jun-19	
Tauhei Hall Committee						9,522	Jun-20	
Opuatia Community Centre						4,200	Dec-20	
Glen Murray Community Centre						5,000	Dec-18	
Onewhero Society of Performing Arts						1,100	Dec-18	} loans @ 0%
						<u>\$307,697</u>		
	Policy criteria	Policy limit	Actual	Within policy?				
20	Counterparty credit risk - investments							
NZ Government						unlimited	\$0m	✓
NZD resistered supranationals						\$20m	\$0m	✓
LGFA						\$20m	\$1.12m	✓
NZ registered banks (each)						\$10m		
- ANZ / National							\$0.5m	✓
- ASB							\$0.5m	✓
- BNZ							\$0.5m	✓
- HSBC							\$0m	✓
- Westpac							\$0.5m	✓
21	Council currently acts as guarantor for:	there are no guarantees in place at reporting date.						

	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Cash opening balance	2,236,842	6,750,218	3,633,034	4,215,508	3,724,183	9,654,935	7,481,592	2,493,518	3,640,375	8,781,131	8,086,337	4,574,519
Cash in												
Operating income	20,539,262	6,478,484	6,604,700	10,590,247	20,580,969	7,004,675	5,758,680	8,376,067	21,894,708	8,773,110	7,244,292	6,637,479
Interest & dividends	8,000	8,000	17,000	6,000	5,000	9,000	14,300	2,600	13,000	9,100	10,400	11,700
Capital income	518,978	1,265,760	1,622,852	1,614,296	1,291,772	1,043,447	924,735	9,251	9,251	9,251	9,251	9,251
Borrowing	-	-	5,000,000	-	-	-	-	-	-	-	-	-
GST refund	2,182,513	1,523,982	1,433,399	-	2,475,493	656,570	631,053	723,440	798,898	962,902	1,030,384	-
Total cash in	23,248,752	9,276,226	14,677,951	12,210,544	24,353,234	8,713,692	7,328,768	9,111,358	22,715,857	9,754,362	8,294,327	6,658,429
Cash out												
Operating expenses	6,482,908	6,522,760	6,413,121	6,425,489	7,515,658	6,732,950	5,931,574	6,475,620	6,547,447	7,352,027	7,542,523	6,469,360
Borrowing costs	473,463	338,097	341,309	361,663	432,205	379,539	469,381	435,228	438,682	479,745	445,592	449,047
Capital expenditure	2,134,432	4,693,463	6,480,901	5,914,716	5,354,319	3,113,500	5,474,003	696,246	1,562,785	1,989,120	3,189,660	3,288,436
Loan repayments	5,000,000	320,000	-	-	-	-	-	-	5,000,000	-	-	-
GST payment	4,644,572	839,090	860,147	-	5,120,300	661,045	441,883	357,407	4,026,187	628,264	628,369	-
Total cash out	18,735,376	12,713,411	14,095,477	12,701,868	18,422,483	10,887,035	12,316,842	7,964,501	17,575,101	10,449,156	11,806,145	10,206,843
Change in cash	4,513,376	(3,437,185)	582,474	(491,324)	5,930,751	(2,173,343)	(4,988,074)	1,146,857	5,140,756	(694,793)	(3,511,819)	(3,548,413)
Cash closing balance	6,750,218	3,313,034	4,215,508	3,724,183	9,654,935	7,481,592	2,493,518	3,640,375	8,781,131	8,086,337	4,574,519	1,026,106

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 1895492
Report Title	Waikato District Community Wellbeing Trust Draft Statement of Intent for the year ended 30 June 2019

I. EXECUTIVE SUMMARY

Pursuant to section 64 of the Local Government Act 2002, a Council Controlled Organisation is required to provide a draft Statement of Intent to its shareholder (Council) by 01 March each year. Council then has the opportunity to provide feedback on the draft within two months of 01 March, after which time the Council Controlled Organisation must provide a completed Statement of Intent to the shareholder by 30 June.

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received.

AND FURTHER THAT the **Strategy & Finance Committee** provides support or suggested changes to the **Waikato District Community Wellbeing Trust Trustees**.

3. BACKGROUND

The Trustees of the Waikato District Community Wellbeing Trust (“Wellbeing Trust”) are required to present a Statement of Intent for the year ended 30 June 2019 to Council by 01 March 2018. This draft Statement of Intent retains the principles developed in the inaugural Statement of Intent which are:

- Ensure the real (inflation adjusted) value of the fund is protected;
- Ensure the total grants distributed do not exceed 50% of the accumulated retained net income after allowing for the CPI movement and expenses;
- Ensure no more than 10% of the capital is distributed in any one year;
- Identify opportunities to grow the fund;
- Have a process for promoting the fund availability and allocating the fund;

- Monitor performance of investments by receiving and considering financial information.

The Statement of Intent has been prepared based on a long term return on investment of 7.26% before fund manager fees (previously 6.88% after fund manager fees). The grant distributions are based on the formula above, which reflects the discussions between trustees and Kiwi Wealth Limited, whereby in future distributions will be based on the understood long term sustainable return (7.26%). Hence, distributions will not increase in years where the return is higher than 7.26%, which will also support distributions in years where returns are lower than 7.26% or even negative. This is a continuation of prior years' practice.

4. OPTIONS CONSIDERED

A draft Statement of Intent is required to be provided to Council by 01 March each year as required by section 64 of the Local Government Act 2002.

5. CONCLUSION

The Strategy & Finance Committee is being asked to consider the draft Statement of Intent for the Waikato District Community Wellbeing Trust and to provide any feedback for inclusion into the final Statement of Intent.

6. ATTACHMENTS

- Waikato District Community Wellbeing Trust Draft Statement of Intent for the year ended 30 June 2019

Waikato District Community Wellbeing Trust

Statement of intent

For the year ending 30 June 2019

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Table of contents

Introduction	3
Entity information	3
Prospective statement of financial performance	6
Prospective statement of financial position	7
Prospective statement of cash flows	8
Statement of accounting policies	9
Forecast assumptions.....	11
1. Portfolio income	11
2. Expenses.....	11
3. Grants expenditure.....	11
4. Creditors and other payables	11
5. Accrued expenses.....	11
6. Equity.....	11
Other financial disclosures.....	12

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Introduction

This Statement of Intent (SOI) is presented by the Waikato District Community Wellbeing Trust (the Trust) as required by Section 64(1) of the Local Government Act 2002.

The SOI forms the basis for the accountability of the Trustees of the Trust to Waikato District Council, and sets out the objectives, scope of activities undertaken, and performance targets by which the Trust will be measured.

The purpose of this statement of intent is to:

- State publicly the activities and intentions of this council controlled organisation for the year and the objectives to which those activities will contribute;
- Provide a basis for accountability and transparency.

This Statement of intent covers the year to 30 June 2019 and also includes prospective financial information for the following two financial years.

Jacqui Church (Chair)

Entity information

Legal name

Waikato District Community Wellbeing Trust.

Type of entity and legal basis

The Trust was incorporated on 1 November 2010 under the Charitable Trust Act 1957 and is domiciled in New Zealand. On the same date the Trust was registered in accordance with the Charities Act 2005 to give it charitable status.

The Trust was established by Waikato District Council (WDC) and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002, by virtue of WDC's right to appoint the Trustees.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Objectives of the Trust

The principal activities of the Trust are undertaken to:

- Promote the social, environmental and cultural wellbeing of the Waikato district and its communities;
- Deliver on the aspirations and community outcomes of the Waikato district as identified and promoted by the community; and,
- Fund projects identified by Council's planning documents.

Governance

The Trust will be governed in accordance with the terms of the Trust Deed.

Objective

1. To comply with the terms of the Trust Deed and in particular with the duties of the Trust as set out in clause 11 of the Deed.

Clause 11 of the Deed lists the Trust's objectives as:

- a) To consider and approve projects submitted by Waikato District Council (Council);
- b) To publicise the projects and activities of the Trust;
- c) To actively promote the work of the Trust with a view to ensuring the long term operations of the Trust;
- d) To ensure information about the Trust's activities and objectives is available to people within the area and fosters a sense of community achievement and betterment;
- e) To develop appropriate funding allocation mechanisms; and,
- f) To be guided by a clearly defined set of principles.

Performance measure

1. Undertake an annual legal review of compliance with the Trust Deed; no later than two months after the end of the financial year.

Investment

The Trust will, in accordance with the Trust Deed, invest or reinvest part or parts of the Trust Fund not immediately required for the purposes of the Trust (whether income or capital) in investments or securities, as the Trust Board considers beneficial to the Trust Fund. The Trust will also seek other opportunities and avenues for growing the trust Fund. The intention of the Trustees is that the real value of the Trust Fund is preserved.

Objective

1. To adhere to the Trust's *Management of Investment Portfolio and Distribution Policy*.
2. To review, on an annual basis, the investment mandate and the performance of the portfolio manager.

Performance measure

1. At each quarterly meeting, review compliance with the Trust's *Management of Investment Portfolio and Distribution Policy* during that quarter.

Waikato District Community Wellbeing Trust Statement of intent For the year ending 30 June 2019

Fund disbursement

The Trust will, as appropriate, disburse funds towards projects that meet the Trust's criteria and meet the objectives of the Trust Deed...

Objective

1. As per the *Management of Investment Portfolio and Distribution Policy*, to distribute total grants that do not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

Performance measures

1. A distribution process is undertaken that distributes the annual fund to eligible recipients in accordance with funding targets set up by the Trustees in accordance with the *Management of Investment Portfolio and Distribution Policy* for the current year
2. Six monthly reports are received from all successful applicants within the required time frames.

Portfolio and distribution policy compliance

Agreed targets

1. Ensure that the real (inflation adjusted) value of the Fund is protected.
2. Ensure that no more than 10% of the capital is distributed in any one year.
3. Ensure there is diversification of investments with a 2% cap on the value of any single investment in the portfolio.
4. The portfolio investment manager will report regularly to the Trustees.
5. The Trustees will annually review the performance of the portfolio manager.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust.

The operation and administration of the Trust are undertaken by staff of WDC. Those staff are: Finance Manager, PA to the General Manager-Strategy & Support, Community Development Coordinator and Financial Accountant.

The Trustees are:

Mayor	Allan Sanson
Councillor	Jacqui Church (Chair)
Councillor	Rob McGuire
WDC appointee	Eileen Bateup
WDC appointee	Judi Muru

Main sources of the Trust's cash and resources

The Trust's introductory fund was provided by distribution of the capital fund of the Waikato Foundation Trust.

The proceeds of that distribution are invested in a portfolio of financial assets managed by Gareth Morgan Investments. The returns from the portfolio are the Trust's source of continuing revenue.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Prospective statement of financial performance

	FY Budget		FY Forecast		
	2017/18	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Revenue					
Finance income	52,582	102,839	61,429	62,374	63,206
Dividend income from portfolio of investments managed by Gareth Morgan Investments (GMI)	25,340	24,107	28,937	29,382	29,774
Realised gains on investments	-	177,135	113,718	115,467	117,007
Unrealised gains on investments	175,481	243,355	100,519	102,065	103,426
Total revenue	253,403	547,436	304,603	309,288	313,413
Expenses					
Audit fees	7,500	7,700	7,700	7,700	7,700
Portfolio management fees	24,439	23,552	26,013	26,413	26,765
Other expenditure	1,272	909	1,150	1,163	1,174
Grants	75,842	145,529	217,258	76,108	77,397
Unrealised losses on investments	-	-	-	-	-
Total expenses	109,053	177,690	252,121	111,384	113,036
Surplus/(deficit) for the period	144,350	369,746	52,482	197,904	200,377

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Prospective statement of financial position

	FY Budget		FY Forecast		
	2017/18	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Assets					
Current assets					
Bank accounts and cash	308,564	326,470	290,439	245,161	343,430
Other financial assets	3,354,531	3,870,093	3,970,612	4,072,677	4,176,103
Accrued interest	-	-	-	-	-
Total current assets	3,663,095	4,196,563	4,261,051	4,317,838	4,519,533
Total assets	3,663,095	4,196,563	4,261,051	4,317,838	4,519,533
Liabilities					
Current liabilities					
Creditors and other payables	85,784	215,386	227,392	86,275	87,593
Accrued expenses	7,540	7,700	7,700	7,700	7,700
Total current liabilities	93,324	223,086	235,092	93,975	95,293
Total liabilities	93,324	223,086	235,092	93,975	95,293
Net assets	3,569,771	3,973,477	4,025,959	4,223,863	4,424,240
Equity					
Introductory fund	2,579,899	2,579,899	2,579,899	2,579,899	2,579,899
Capital maintenance fund	403,364	406,932	486,402	566,921	651,398
Accumulated funds	586,508	986,646	959,658	1,077,043	1,192,943
Total net assets / equity	3,569,771	3,973,477	4,025,959	4,223,863	4,424,240

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Prospective statement of cash flows

	FY Budget		FY Forecast		
	2017/18	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Cash flows from operating activities					
Cash was received from:					
Interest receipts	52,582	102,841	61,429	62,374	63,206
Dividends received	25,340	24,107	28,937	29,382	29,774
Cash was applied to:					
Payments to donees	(241,297)	(118,798)	(205,529)	(217,258)	(76,108)
Payments to suppliers	(33,162)	(31,744)	(34,587)	(35,245)	(35,613)
Net cash flows from operating activities	(196,537)	(23,594)	(149,750)	(160,747)	(18,741)
Cash flows from investing and financing activities					
Cash was received from (applied to):					
Sale (acquisition) of investments	194,728	177,135	113,718	115,467	117,007
Net cash flows from investing and financing activities	194,728	177,135	113,718	115,467	117,007
Foreign exchange translation differences	-	-	1	2	3
Net increase (decrease) in cash for the year	(1,809)	153,541	(36,031)	(45,278)	98,269
add opening bank accounts and cash	310,373	172,929	326,470	290,439	245,161
Closing bank accounts and cash	308,564	326,470	290,439	245,161	343,430

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Statement of accounting policies

Basis of preparation

The Board of Trustees has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* for Tier 3 entities on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2million.

Notwithstanding the comments above, the following Tier 2 PBE accounting standards have been applied:

PBE IPSAS 4 The effects of changes in foreign exchange rates; and,
 PBE IPSAS 29 Financial instruments: recognition and measurement.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

Goods and services tax

The Trust is not registered for GST. All amounts in the performance report are inclusive of GST.

Significant accounting policies

Interest and dividend revenue

Interest revenue is recognised as it is earned during the year.
 Dividend revenue is recognised when the dividend is declared.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand Dollars using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at the end of the period exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in surplus (deficit) for the year.

Grant expenditure

All grants made by the Trust are classified as discretionary.

Discretionary grants are those grants where the Trust has no obligation to award on receipt of the grant application. Such grants are recognised as expenditure when approved without condition by the Board and the approval has been communicated to the applicant. Discretionary grants made subject to conditions are recognised as expenditure when all conditions have been met.

Income tax

The Trust has charitable status and is exempt from income tax.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Statement of accounting policies (cont)

Bank accounts and cash

Bank accounts and cash comprise cash on hand and deposits held at call with financial institutions.

Investment portfolio

Components of the investment portfolio are classified as financial assets at fair value through surplus (deficit) for the year. The reason for this classification is that the portfolio is comprised of identified financial instruments which are managed together and for which there is evidence of short-term profit-taking.

All financial assets in the portfolio are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus (deficit) for the year.

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Forecast assumptions

1. Portfolio income

GMI have estimated an average return on the portfolio of 7.26% per annum before expenses. The split of the total return between interest, dividends and gains/losses is estimated using proportions calculated from an average of past results.

2. Expenses

Audit fees are estimated at \$7,700 for each of the four forecast years.

Portfolio management fees are assumed at a rate of 0.61% of the opening portfolio value in each year.

Other expenditure comprises annual return fees, bank charges, custodial fees (portfolio) and audit disbursements.

3. Grants expenditure

It is assumed that for the current year all outstanding grants will be paid by 30 June 2018.

It is further assumed that in subsequent years 80% of the maximum allowable distribution will be approved and fully paid by year end.

The maximum allowable distribution is set out in the *Management of Investment Portfolio and Distribution Policy*. Total grants must not exceed 50% of the accumulated net income after allowing for accumulated expenses, inflation movements and prior year distributions.

4. Creditors and other payables

Creditors and other payables are made up of the amount owing to Waikato District Council and the June portfolio management fee.

It is assumed that the total year-end balance owing to WDC is paid in full in the following year.

5. Accrued expenses

Accrued expenses is made up of audit and bank fees.

6. Equity

The Trust was established with an initial capital contribution resulting from the transfer of 35% of funds previously held by the Waikato Foundation Trust as at 31 January 2012. This was recognised as revenue in that year and transferred to the introductory fund.

The capital maintenance fund is made up of accumulated annual charges transferred from accumulated funds to maintain the real value of the Trust fund.

The accumulated funds and capital maintenance funds together represent the total net increase in the fund value since the inception of the Trust.

Waikato District Community Wellbeing Trust
Statement of intent
For the year ending 30 June 2019

Other financial disclosures

Ratios

The Local Government Act 2002 requires a statement of intent to include the projected ratio of equity to total assets.

The ratio of equity to total assets is forecast as follows:

2017/18	94.7%
2018/19	94.5%
2019/20	97.8%
2020/21	97.9%

Compensation

The Trustees will not seek any fees or expenses for work undertaken on behalf of Waikato District Community Wellbeing Trust.

Information to be provided to the Trustees

The Trustees will be provided with the following information:

- Within four months of the end of the financial year the audited financial statements plus a summary of how the Trust has performed against its objectives and performance targets;
- Quarterly reports on the performance of investments; and,
- A draft statement of intent for consideration in February of each year.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 1895327
Report Title	Waikato District Council Community Wellbeing Trust – Interim Performance Report for the 6 months ended 31 December 2017

I. EXECUTIVE SUMMARY

Attached are the Waikato District Council Community Wellbeing Trust (“Wellbeing Trust”) six month financial statements to 31 December 2017. The operating surplus is \$283,562 for the six months, compared to a full year surplus budget of \$144,350 as approved in the statement of intent.

The Wellbeing Trust Trustees will receive the financial statements at their meeting on 22 February 2018.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

AND THAT the financial statements be received in accordance with the Local Government Act.

3. BACKGROUND

Pursuant to section 66 of the Local Government Act 2002, Council is required to receive regular financial reports from the Wellbeing Trust.

The Wellbeing Trust was established in May 2010 to receive, manage and distribute the funds received from the Waikato Foundation Trust. The funds were actually received in January 2012 by way of transfer to Gareth Morgan Investments (“GMI”) from the Foundation Trust, as GMI managed the funds for the Foundation Trust. Trustees of the Wellbeing Trust have adopted an investment policy intended to provide a long term sustainable return which protects the real value of the fund and provides for funds to be distributed to approved community projects, via an application process.

4. ISSUES

The Wellbeing Trust delivered a surplus of \$283,562 for the six months ended 31 December 2017. This is a positive result relative to budget given the performance of financial markets during this time. Although Trustees are aware that financial returns fluctuate from year to year, the Trustees take a long term view and their investment and distribution policy reflects this. Once reserves are built up by distributing only 50% of the earnings after an inflation adjustment, there will be opportunities for the Trustees to make distributions without using the fund's capital.

The financial performance year to date is above the budgeted assumption around a long term sustainable return of 7.26% (as provided by GMI as Fund Manager). The return since inception of the Fund in May 2010 is 79.2% which equates to an annualised return of 9.9%. Hence, the reference above to the Trustee's acknowledging there will be years where performance will vary relative to this average, and in some times quite significantly. The Trustees are comfortable with the long term return delivered to date.

Three grant payments were made during the period: Holy Trinity Church \$10,017; Ngaruawahia RSA \$4,025; and Te Kauwhata Events Committee \$40,000. Grant commitments remaining total \$151,487. This does not include the amount previously approved for the Onewhero Old School Building Group.

5. OPTIONS CONSIDERED

The Trustees have the Governance responsibility for the Wellbeing Trust. Council is receiving this report as required under the Local Government Act.

6. CONSIDERATION OF VIEWS OF THOSE AFFECTED

The six month financial statements will be made available on Council's website.

7. CONCLUSION

The Wellbeing Trust is a Council Controlled Organisation, hence it is required to provide its six month report to Council. The performance of the fund, being a year to date surplus of \$283,562 is a favourable result relative to budget given the performance of financial markets during this time.

8. ATTACHMENTS

Waikato District Community Wellbeing Trust Interim Performance Report for the 6 months ended 31 December 2017

Waikato District Community Wellbeing Trust
Statement of financial performance
For the six months ended 31 December 2017

	6 mths		Full year	
	Actual \$ 2017/18	Actual \$ 2016/17	Budget \$ 2017/18	Actual \$ 2016/17
Revenue				
Finance income	75,032	3,067	52,582	4,543
Dividend income from portfolio of investments managed by Gareth Morgan Investments (GMI)	11,007	16,052	25,340	34,454
Realised gains on investments	125,655	50,558	-	115,374
Unrealised gains on investments	98,339	87,887	175,481	202,342
Total revenue	310,033	157,564	253,403	356,713
Expenses				
Audit fees				
- Current year	-	-	7,500	7,628
Other expenditure	12,429	11,055	25,711	22,825
Grants	14,042	96,104	75,842	178,798
Unrealised losses on investments	-	-	-	-
Total expenses	26,471	107,159	109,053	209,251
Surplus (deficit) for the period	283,562	50,405	144,350	147,462

Waikato District Community Wellbeing Trust
Statement of financial position
For the six months ended 31 December 2017

	6 mths		Full year	
	Actual \$ 2017/18	Actual \$ 2016/17	Budget \$ 2017/18	Actual \$ 2016/17
Assets				
Current assets				
Cash and cash equivalents	248,007	143,872	308,564	137,494
Other financial assets	3,849,761	3,526,431	3,354,531	3,662,173
Accrued interest	-	-	-	1
Total current assets	4,097,768	3,670,303	3,663,095	3,799,668
Total assets	4,097,768	3,670,303	3,663,095	3,799,668
Liabilities				
Current liabilities				
Creditors and other payables	182,687	163,629	85,784	128,149
Accrued expenses	27,789	-	7,540	67,788
Total current liabilities	210,476	163,629	93,324	195,937
Total liabilities	210,476	163,629	93,324	195,937
Total assets less total liabilities (net assets)	3,887,292	3,506,674	3,569,771	3,603,731
Trust equity				
Introductory fund	2,579,899	2,579,899	2,579,899	2,579,899
Capital maintenance fund	370,894	300,293	403,364	334,856
Accumulated funds	936,499	626,482	586,508	688,976
Total Trust equity	3,887,292	3,506,674	3,569,771	3,603,731

Waikato District Community Wellbeing Trust
Statement of cash flows
For the six months ended 31 December 2017

	6 mths		Full year	
	Actual \$ 2017/18	Actual \$ 2016/17	Budget \$ 2017/18	Actual \$ 2016/17
Cash flows from operating activities				
Cash was received from:				
Interest receipts	75,033	3,069	52,582	4,544
Dividends received	11,007	16,051	25,340	34,449
Cash was applied to:				
Payments to donees		-	(241,297)	(51,048)
Payments to suppliers	(11,932)	(11,165)	(33,162)	(29,921)
Net cash flows from operating activities	74,108	7,955	(196,537)	(41,976)
Cash flows from investing and financing activities				
Cash was received from:				
Sale of investments	1,622,939	1,156,795	194,728	2,309,402
Cash was applied to:				
Acquisition of investments	(1,621,860)	(1,302,434)	-	(2,410,862)
Net cash flows from investing and financing activities	1,079	(145,639)	194,728	(101,460)
Foreign exchange translation differences	(109)	(133)	-	(759)
Net increase (decrease) in cash for the year	75,078	(137,817)	(1,809)	(144,195)
Add opening bank accounts and cash	172,929	281,689	310,373	281,689
Closing bank accounts and cash	248,007	143,872	308,564	137,494

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	14 February 2018
Prepared by	Vishal Ramduny Planning & Strategy Manager
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 1897291
Report Title	Update on District Plan Review Project Financials

I. EXECUTIVE SUMMARY

The purpose of this report is to provide the Strategy & Finance Committee with an update on the financials for the District Plan Review project.

A high level update on the project financials was provided at the councillor workshop on 14 February 2018 at which it was brought to the councillors attention that there will be a budget shortfall from securing an extension to project management resources, procuring additional technical resources, support for iwi consultation and communications. It was also noted that the this shortfall will be 'forward funded' from the LTP 2018-2028 budget allocation for post-notification work to get the District Plan operative through the Schedule 1 process of the Resource Management Act (RMA). The total shortfall amount is \$216,000.00 as per the table below. The project financials will be monitored and updates will be provided at subsequent Committee meetings.

DISTRICT PLAN REVIEW PROJECT FINANCIALS						
	Annual Plan Budget 2017- 2018	Carry Forward Budget	Budget Adjustments 2017-2018	TOTAL	Actual costs as of 24 Jan 2018	Remaining Budget as at 7 February 2018
Salaries & other related costs	205,192			205,192	109,666	95,526
General Consultants (and other operating costs)	80,264	174,053	445,000	699,317	258,545	440,772
Total Budget	285,456	174,053	445,000	904,509	368,211	536,298
Total consultant budget	699,317					
Actual costs (consultants) as at 7 February 2018	258,545					
Estimated additional (consultant) costs as at 7 February 2018	230,000					
Costs committed to date	426,977					
Total costs committed & forecasted (additional resources)	656,977					
Less remaining consultant budget	440,772					
Shortfall	(216,205)					

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received;

AND THAT the **Strategy & Finance Committee** recommends to **Council** that the estimated budget shortfall to complete the **District Plan Review** be 'forward funded' from the **LTP 2018-2028** budget allocation for the **District Plan**.

3. ATTACHMENTS

NIL

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	12 February 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 1895319
Report Title	Local Government Funding Agency Quarterly Report

I. EXECUTIVE SUMMARY

Attached is the Local Government Funding Agency (“LGFA”) Quarterly Report to shareholders for second quarter ending 31 December 2017. Although Council is not a shareholder of the LGFA, Council is a guaranteeing Local Authority and hence receives this reporting.

The requirements of the Statement of Intent include the provision of Council borrowers and their compliance with financial covenants based upon their annual reports as at 30 June 2017. All Council borrowers have complied with LGFA lending conditions and remain in compliance with covenants.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Local Government Funding Agency Quarterly Report ending 31 December 2017

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



Contents	Page
A. December quarter issuance and highlights summary	2
B. Tenders during quarter	3
C. Key performance indicators	6
D. Summary financial information (provisional and unaudited)	7
E. Quarterly compliance summary	8
F. Performance against SOI objectives	9
1. Providing savings in annual interest costs for all Participating Local Authorities ("PLAs") on a relative basis to other sources of financing	9
2. Making longer-term borrowings available to PLAs	11
3. Enhancing the certainty of access to debt markets for PLAs, subject always to operating in accordance with sound business practice	11
4. Offering more flexible lending terms to PLAs	14
5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each PLAs financial position and the general issues confronting the Local Government sector	14
6. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy	14
7. Provide at least 50% of aggregate long-term debt funding for PLAs	15
8. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses	15
9. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015	15
10. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency	16
11. Achieve the Financial Forecasts	16
G. Investor relations / outlook	17
H. Key trends	18

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



A. December quarter issuance and highlights summary

Quarter	Total	Bespoke	2017	2019	2020	2021	2023	2025	2027	2033
Bonds issued \$m	364	N/A	-	40	100	40	40	104	-	40
Term Loans to councils \$m	253	235	-	-	5	-	-	1	12	-
Term Loans to councils #.	22	18	-	-	1	-	-	1	2	-

Year to date	Total	Bespoke	2017	2019	2020	2021	2023	2025	2027	2033
Bonds issued \$m	619	N/A	-	40	180	70	79	144	36	70
Term Loans to councils \$m	518.4	452.4	-	5	5	-	-	8	40	8
Term Loans to councils #	57	47	-	1	1	-	-	3	4	1

Key points and highlights for the December quarter:

- The bond curve flattened over the quarter with the curve falling but long dated bond yields declining more than the short end. The 2019 bond yield fell 11 bps (0.11%) while the 2033 bond yield fell 31 bps (0.31%) over the quarter.
- LGFA issued \$364 million of bonds during the quarter across three tenders which is in line with the historical average amount issued. The average term of issuance of 5.13 years was very short compared to the average term for the 2016-17 year of 8.87 years. LGFA bonds outstanding as at 31 December 2017 were \$7.459 billion (including \$350 million of treasury stock).
- We successfully refinanced and settled the \$1.015 billion of LGFA bonds and related \$992 million of council loans that matured on 15th December 2017.
- LGFA margins to swap narrowed between 5 bps (2019s) and 19 bps (2033s) while spreads to NZGB were mixed with spreads wider by between 3 bps and 5 bps out to 2023s and narrower on the 2027s and 2033s.
- Long dated on-lending to council borrowers was \$253 million including \$235 million of bespoke loans (93% of total lending) during the quarter. Much of this borrowing activity related to council refinancing of their December 2017 loans. The average term of on-lending during the quarter was 5.62 years which was significantly shorter than the 8.2 years average term for the 2016-17 year.
- LGFA market share of 84% for the rolling 12-month period to December 2017 was a decline from the record 95% for the 12-month period to September 2017 following issuance by Dunedin City Treasury and Christchurch City Holdings Limited.
- The short-term council borrowing product remains well supported by councils with loans outstanding of \$332 million as at 31 December 2017. This was an increase of \$36 million over the quarter with the number of councils using this product unchanged at twenty-five.
- LGFA Net Operating Gain (unaudited) for the six months to December 2017 was \$6.036 million or \$0.144 million above budget.
- We established an AUD Medium Term Notes programme for Business Continuity Purpose. It is not our intention to utilise this programme for borrowing unless the New Zealand markets were closed.
- Rangitikei District Council joined as a non-guarantor borrower, bringing the number of participating local authorities to fifty-four.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



B. LGFA bond tenders during quarter

LGFA held three bond tenders over the quarter.

Tender 50: 4 October 2017

\$120 million

Tender 50 Tender date: 4 Oct 2017	Mar-19	Apr-20	Apr-25	
Total amount offered \$m	40	40	40	<p>We tendered a smaller amount and shorter maturities than normal. There were ample bids for all maturities with the best coverage ratio (but weakest price tension) in the 2025s.</p> <p>Despite the small issue size, and shorter duration, demand remained slightly soft for the 2025s with a 1 bps successful bid range but yields were 3 bps above the prevailing market yield at the time of the tender. Demand was stronger for the 2019s and 2020s.</p> <p>The spread to swap compared to the August tender was 0.5 bps wider on the 2020s. We had not issued 2019s since November 2016 and the 2025s were last issued in the July 2017 tender at a spread to swap 14 bps tighter. Spreads to NZGB were 2 bps tighter on the 2020s compared to the August 2017 tender and 8 bps wider on the 2025s compared to the July 2017 tender.</p> <p>The average maturity of the LGFA bonds issued at 3.84 years was the shortest of any of the past fifty tenders.</p> <p>Coverage ratio of 2.71 times was satisfactory but the tender size was again modest.</p> <p>While we issued \$120 million of LGFA bonds we on-lent a small \$45 million to four councils. Bespoke lending comprised \$44 million or 98% of total lending across 5 transactions with the four councils.</p>
Total amount allocated \$m	40	40	40	
Total number bids received	8	9	15	
Total amount of bids received \$m	100	81	144	
Total number of successful bids	2	2	6	
Highest accepted yield %	2.10	2.493	3.665	
Lowest yield accepted %	2.210	2.490	3.655	
Highest yield rejected %	2.275	2.540	3.720	
Lowest yield rejected %	2.210	2.500	3.665	
Weighted average accepted yield %	2.210	2.493	3.659	
Weighted average rejected yield %	2.236	2.519	3.684	
Coverage ratio	2.50	2.03	3.60	
NZGB spread at issue bps	28.0	41.0	86.0	
Swap spread at issue bps	10.6	17.7	60.0	
Swap spread: AA council bps	21.5	28.5	68.5	
Swap spread: AA- council bps	26.5	33.5	73.5	
Swap spread: A+ council bps	31.5	38.5	78.5	
Swap spread: unrated council bps	36.5	43.5	83.5	

Quarterly Report

Quarter 2: 2017 - 2018
Period ended: 31 December 2017



Tender 51: 08 November 2017

\$124 million

Tender 51					
Tender date: 08 Nov 2017	Apr-20	May-21	Apr-23	Apr-25	
Total amount offered \$m	20	40	40	30	<p>We tendered four tranches of short to mid curve bonds of average tender size. The 3.28 years average maturity of LGFA bonds issued was the shortest of all previous tenders</p> <p>Price support was strong for the three shorter maturities but weakest in the 2025s. The three shorter maturities were issued at or below prevailing secondary market yields but there were insufficient bids in the 2025s and therefore average yields were 3 bps above market. There were 2 bps to 3 bps successful bid ranges for the shorter maturities and a 6-bps range on the 2025s</p> <p>Credit market sentiment was mixed with strong support for front end bonds from bank liquidity books but very little demand in the longer dated bonds. This has been the general theme since April 2017 and we have adjusted our issuance strategy to reflect this.</p> <p>The spread to swap compared to the October 2017 tender was ¼ bps wider on the 2020s and ½ bps wider on the 2025s. We last issued the 2021s and 2023s in August 2017 and the spreads to swap were ¾ bps wider on the 2021s but 2 bps tighter on the 2023s. Spreads to NZGB were approximately 1 bps to 2 bps wider compared to the previous two tenders.</p> <p>Coverage ratio of 1.54 times was a historic low despite the tender size being modest.</p> <p>While we issued \$124 million of LGFA bonds we on-lent \$125 million to six councils. Bespoke lending comprised \$120 million or 96% of total lending across 6 transactions with five councils.</p>
Total amount allocated \$m	20	40	40	24	
Total number bids received	10	12	7	5	
Total amount of bids received \$m	38.5	76.5	61	24	
Total number of successful bids	4	6	5	5	
Highest accepted yield %	2.435	2.695	3.070	3.535	
Lowest yield accepted %	2.410	2.665	3.050	3.475	
Highest yield rejected %	2.510	2.750	3.110		
Lowest yield rejected %	2.435	2.695	3.070		
Weighted average accepted yield %	2.432	2.690	3.065	3.509	
Weighted average rejected yield %	2.466	2.711	3.083		
Coverage ratio	1.93	1.91	1.53	0.80	
NZGB spread at issue bps	43.00	56.00	66.00	85.00	
Swap spread at issue bps	17.50	26.50	37.50	59.50	
Swap spread: AA council bps	28.75	40.5	53.75	69.0	
Swap spread: AA- council bps	33.75	45.5	58.75	74.0	
Swap spread: A+ council bps	38.75	50.5	63.75	79.0	
Swap spread: unrated council bps	43.75	55.5	68.75	84.0	

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



Tender 52: 13 December 2017

\$120 million

Tender 52	Apr-20	Apr-25	Apr-33	
Tender date: 13 Dec 2017				
Total amount offered \$m	40	40	40	A strong tender result across all maturities with successful average yields between 2.5bps (2033s) and 1 bps (2020s) below prevailing secondary market yields and successful bid ranges were only 0 to 1 bps wide.
Total amount allocated \$m	40	40	40	
Total number bids received	11	20	26	
Total amount of bids received \$m	150	182	140.5	Credit market sentiment had strengthened over the prior month as there were \$10.7 billion of bonds maturing in December 2017, of which \$8.6 billion matured on the 15th December. The bond indices also move longer by 0.4 years on this date so there was both outright buying of LGFA bonds using maturity proceeds and buying to match the index lengthening. Supply has been noticeably absent with no Kauri issuance since September, the 2029 NZGB syndication deferred until 2018 and two months until the next tender in February 2018.
Total number of successful bids	2	5	2	
Highest accepted yield %	2.325	3.440	4.260	
Lowest yield accepted %	2.325	3.435	4.250	
Highest yield rejected %	2.370	3.655	4.675	
Lowest yield rejected %	2.325	3.440	4.275	
Weighted average accepted yield %	2.325	3.438	4.255	
Weighted average rejected yield %	2.347	3.485	4.393	
Coverage ratio	3.75	4.55	3.51	
NZGB spread at issue bps	38.00	76.00	107.00	The spread to swap compared to the November 2017 tender was 8 bps tighter on the 2020s and set a record low. The spread to swap on the 2025s was 7 bps tighter and while the spread to swap on the 2033s was the widest compared to the four previous tenders, it had narrowed in the secondary market by 8 bps over the prior week. Spreads to NZGB were approximately 5 bps to 10 bps tighter than when we previously issued the bonds.
Swap spread at issue bps	9.00	52.50	87.00	
Swap spread: AA council bps	20.0	62.5	93.5	
Swap spread: AA- council bps	25.0	67.5	98.5	
Swap spread: A+ council bps	30.0	72.5	103.5	
Swap spread: unrated council bps	35.0	77.5	108.5	
				The average maturity of LGFA bonds issued was 8.07 years and in line with long term averages.
				Coverage ratio of 3.94 times was very strong with only nine historical instances (out of fifty-two tenders) of ratios above 4 times.
				While we issued \$120 million of LGFA bonds we on-lent \$53 million to six councils. Bespoke lending comprised \$41 million or 77% of total lending across 5 transactions with four councils. The balance of the proceeds was used to repay our December 2017s and fund associated short dated lending to some councils.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



C. Key performance indicators

We have met two of the four KPIs and not achieved the other two KPIs. While there was an improvement in estimated interest cost savings over the past quarter, our council borrowing cost savings are not as significant as they were as at June 2017. This is because the lack of issuance by Auckland Council in the domestic market over the past six months has led to a tightening in single name council margins, credit market conditions have been generally positive and there remains relatively stronger demand for more higher yielding assets as the RBNZ (OCR) is likely to remain on hold over the coming year.

Our council lending is currently below SOI forecast and this is due to the December 2017 loans rolling off, more subdued borrowing relative to forecast by the sector and our largest borrower Auckland Council preferring to borrow in offshore markets. We would expect to be close to the full year lending target by June 2018.

Measure		Prior full year to June 2017	Q1 30 Sep 17	Q2 31 Dec 17	Q3 31 Mar 18	Q4 30 Jun 18
Average base margin over cost of funds for short term and long-term lending	Target %		0.10%	0.10%	0.10%	0.10%
	Average actual %	0.104%	0.094% (0.1086% for long term and 0.08% for short term) ✓	0.097% (0.1071% for long term and 0.09% for short term) ✓		
Estimated interest cost savings %	Target %		Improvement on prior year	Improvement on prior year	Improvement on prior year	Improvement on prior year
	2019 maturity At quarter end	12 bps	11 bps ✗	10 bps ✗		
	2021 maturity At quarter end	20 bps	13 bps ✗	18 bps ✗		
	2025 maturity As at quarter end	17 bps	5 bps ✗	14 bps ✗		

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



Issuance and operating expenses (excluding AIL) YTD	Target (\$ m)		\$1.33 m	\$2.73 m	\$4.09 m	\$5.45 m
	Actual (\$ m) Year to date	\$4.67 m	\$1.20 m ✓	\$2.55 m ✓		
Lending (short and long term) to participating councils	Target (\$ b)		\$7.834 b	\$7.932 b	\$8.03 b	\$8.128 b
	Actual (\$ b) Year to date	\$7.736 b	\$8.101 b ✓	\$7,481.5 b ✗		

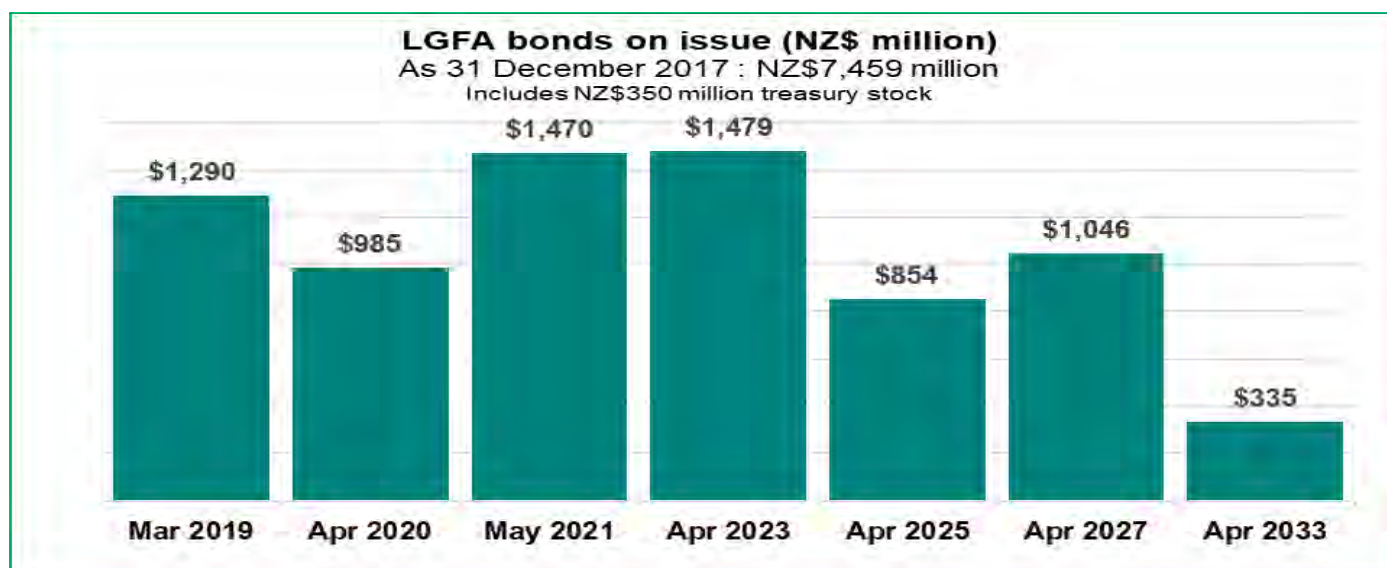
D. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
	30-Sep-17	31-Dec-17	31-Mar-18	30-June-18
Comprehensive income				
Interest income	88.68	178.15		
Interest expense	83.95	168.53		
Net interest revenue	4.73	9.62		
Issuance and On-lending costs	0.49	1.09		
Approved issuer levy	0.19	1.02		
Operating expenses	0.71	1.47		
Issuance and operating expenses	1.39	3.58		
Net Profit	3.34	6.04		

Financial position (\$m)	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18
Retained earnings + comprehensive income	30.83	33.52		
Total assets (nominal)	8,338.71	7,721.93		
Total LG loans (nominal)	8,101.05	7,488.52		
Total LGFA bills (nominal)	350.00	370.00		
Total LGFA bonds (nominal)	7,760.00	7,109.00		
Total borrower notes (nominal)	124.45	114.43		
Total equity	55.83	58.52		

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



E. Quarterly compliance summary

Policy	Limit	Policy page ref	Continuous Compliance
One-month Liquidity Monitor	>120%	S1-1.1	Yes
Three Month Liquidity Monitor	>110%	S1-1.2	Yes
Twelve Month Liquidity Monitor	>110%	S1-1.3	Yes
Council Exposure (any 12-month period)	<10% of Balance Sheet	S1-1.5	Yes
Liquidity Buffer	>110%	S1-1.4	Yes
Partial Differential Hedge (PDH Interest Rate Gap Report)	\$40,000	S3-4.1	Yes
Value at Risk (VaR)	\$250,000	S3-4.2	Yes
Council Maturity (any 12-month period)	\$100m or 33% of LGFA borrowing	S1-1.6	Yes
Funding Largest Council Exposure	>100%	S1-1.7	Yes
Foreign Exchange Exposure	Nil	S7-3.1	Yes
NZDMO Facility Utilisation	Report monthly	S8-8.5	Yes
Counterparty Credit Limits	80% of Portfolio \$125m Counterparty (category 3)	S4	Yes
Auckland Council Exposure (proportion of total Council exposure)	<40%	S1-1.8	Yes
Balance Sheet Maturity Mismatch	<15% of Balance Sheet	S2-2.1	Yes
Financial Covenants	Various (as set out on p13)	S9	Yes
Authorising Treasury transactions	Two approvers, one signature	S8-8.4	Yes

Details for compliance breaches over quarter.

There were no breaches over the quarter.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



F. Performance against SOI objectives and performance targets

Primary objectives

1. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing

The LGFA on-lending base margins have been held constant since August 2015 at 9 bps (2017s and 2019s), 10 bps (2020s and 2021s) and 11 bps (2023s and longer). The actual average base lending margin paid by council borrowers will depend upon the term of council borrowing. The base margin charge covers our operating costs and provides for our capital to grow in line with the growth in our balance sheet to maintain a capital buffer.

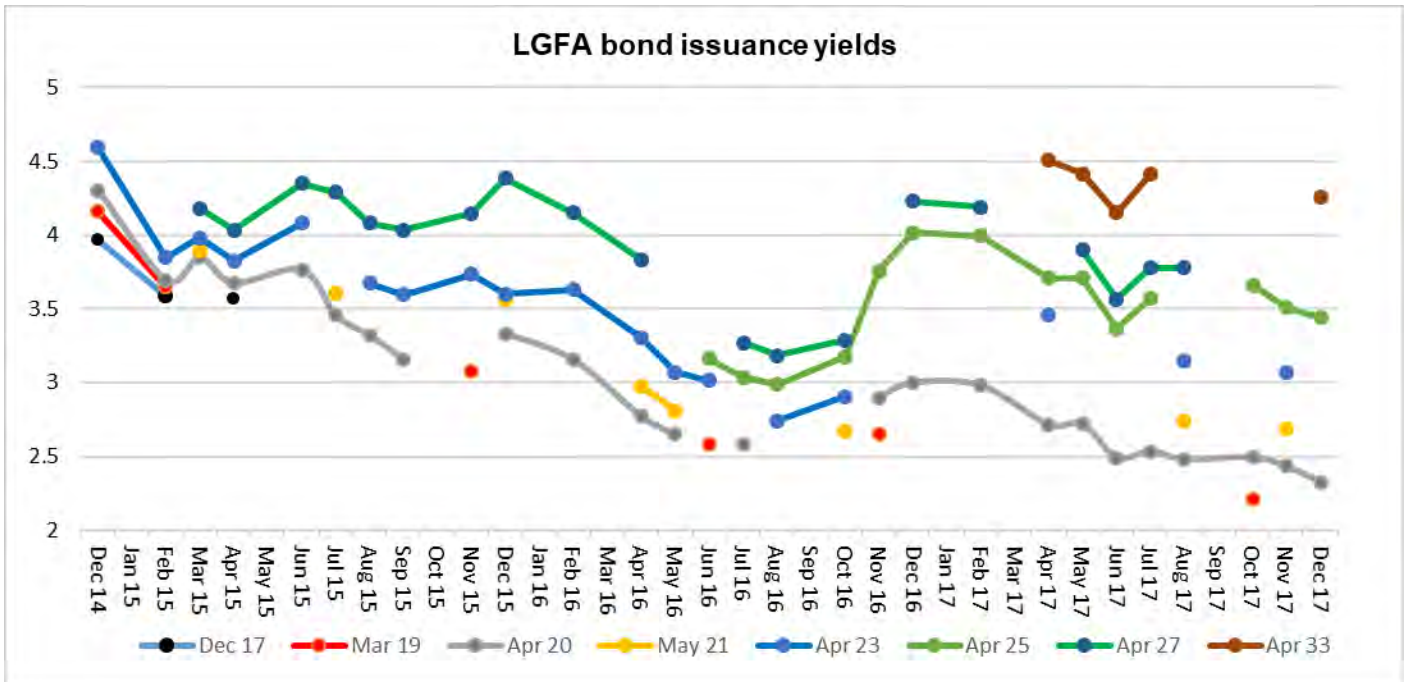
Our estimated annual savings to councils based upon the secondary market levels at 31 December 2017 of LGFA bonds compared to bonds issued by Auckland and Dunedin councils is between 10 bps and 22 bps depending upon the term of borrowing. The amount of savings has improved over the past quarter as LGFA borrowing spreads have narrowed more than the narrowing in Auckland and Dunedin borrowing margins. While Auckland Council has not issued in the domestic capital markets for almost a year, Dunedin City Treasury issued a 2020 and 2024 maturity in October 2017.

31-Dec-17	Savings to AA rated councils (bps)				
	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils margin to swap	27	41	47	47	68
Less LGFA margin to swap	-8	-9	-19	-22	-43
LGFA Gross Funding Advantage	19	32	28	25	25
Less LGFA Base Margin	-9	-10	-10	-10.5	-11
Total Saving	10	22	18	14.5	14

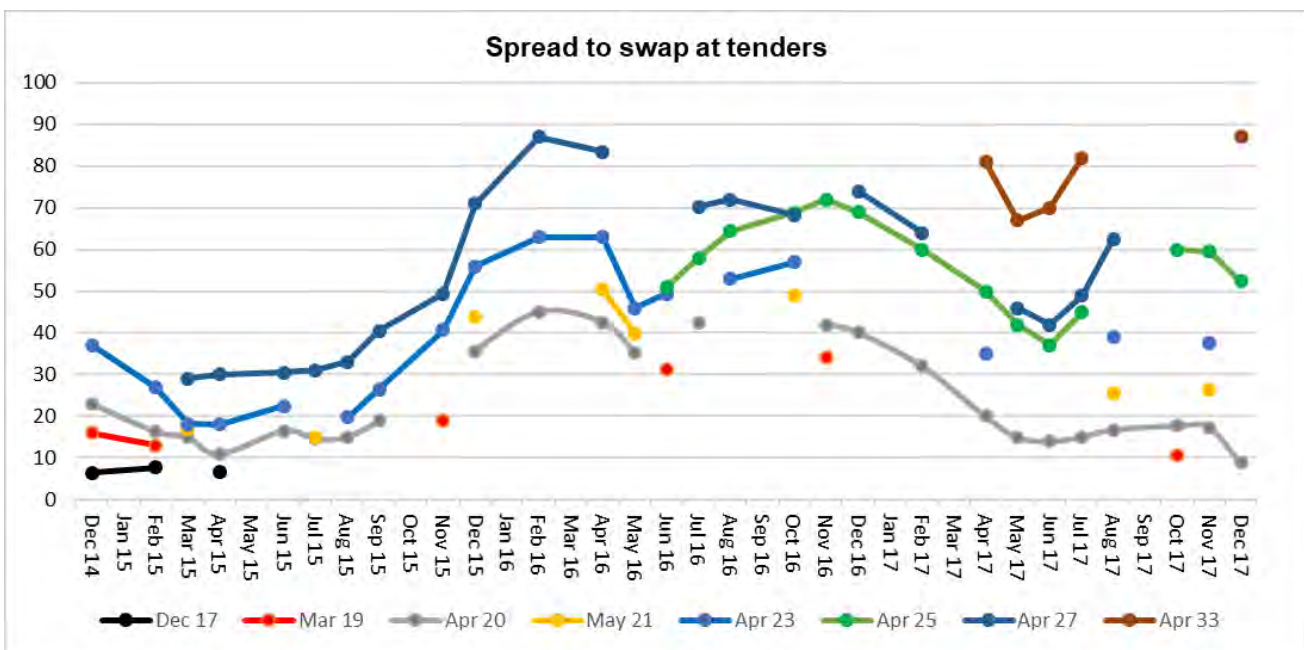
Note that from 30 June 2017 we have removed the implied "LGFA effect" of 10 bps of savings in borrowing costs from the analysis. The LGFA effect was the assessment of immediate savings to councils when LGFA first commenced lending to councils in February 2012.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



We held three tenders during the December quarter with total issuance of \$364 million. This was higher than the previous quarters issuance (\$255 million) and the average quarterly issuance of \$347 million since LGFA commenced issuing in 2012. Credit market sentiment was positive over the quarter with spreads contracting as investors sought additional yield pick-up given the subdued outlook for the Official Cash Rate ("OCR"). High grade corporate bond supply remained light (in particular Kauri issuance) despite the large amount of maturities in the quarter. Secondary market spreads to swap for LGFA bonds narrowed between 5 bps (2019s) and 19 bps (2033s) over the quarter, reversing the prior quarter widening.



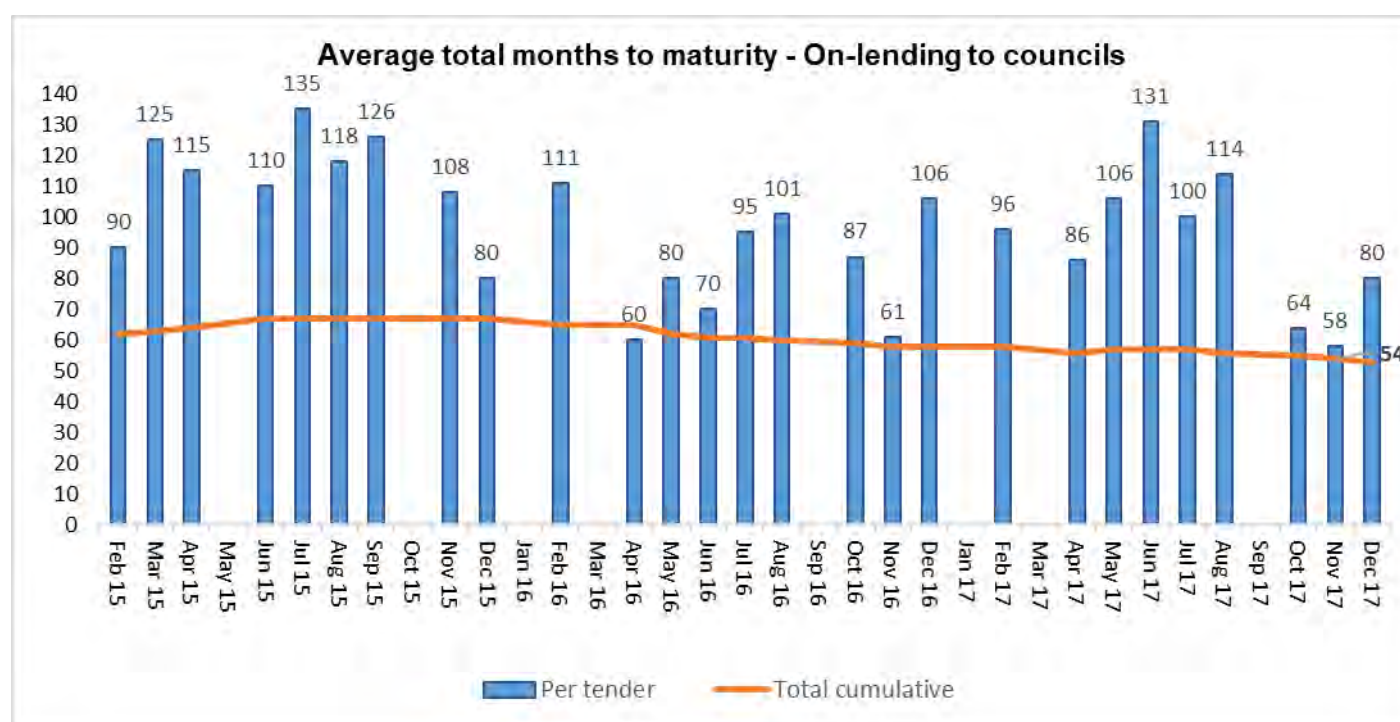
Quarterly Report

Quarter 2: 2017 - 2018
Period ended: 31 December 2017



2. Making longer-term borrowings available to Participating Local Authorities

The average borrowing term (excluding short dated borrowing) for the December 2017 quarter by council members was 5.62 years and this was significantly shorter than the September 2017 quarter average of 8.41 years and the 8.10 years for the 2016-17 year. The shortening in term was due to councils in the quarter reacting to the recent widening of borrowing margins in the longer dated maturities. Also, many councils had taken advantage of the tighter margins in early 2017, using the opportunity to extend longer when the 2033 maturities were first made available in April 2017.

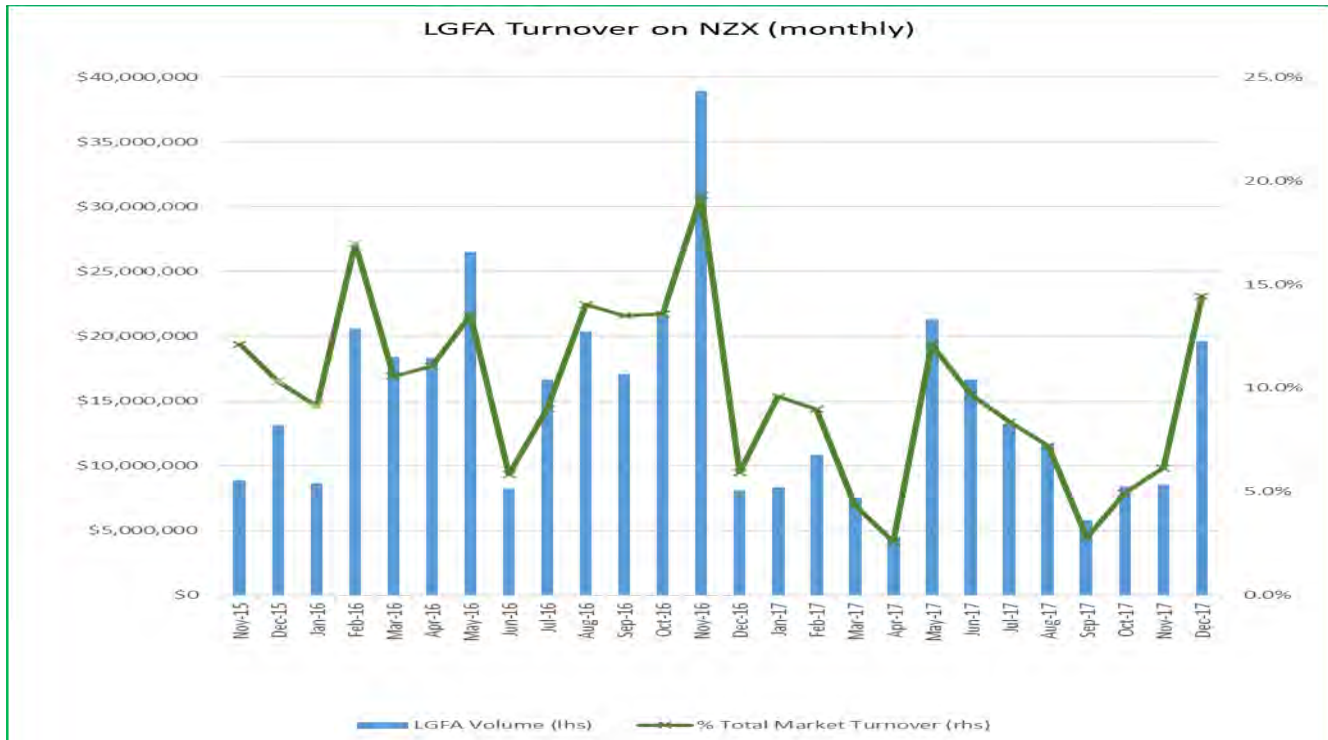


3. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice

The listing of LGFA bonds on the NZX Debt Market in November 2015 has led to greater investor awareness of LGFA bonds. Average turnover on the NZX Debt market since listing has been \$15 million per month or 9.5% of the total turnover of the NZX Debt Market. Turnover has reduced in recent months as retail investors are more attracted to high term deposit rates.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



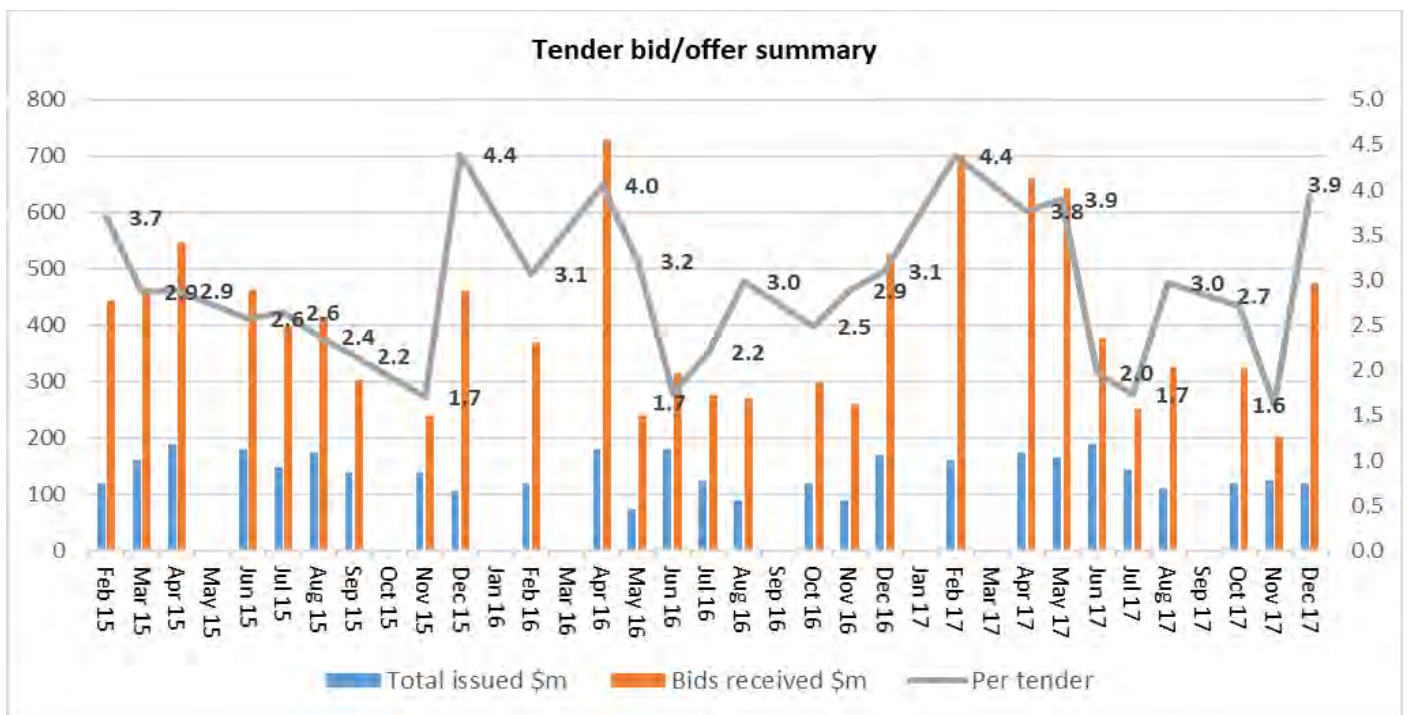
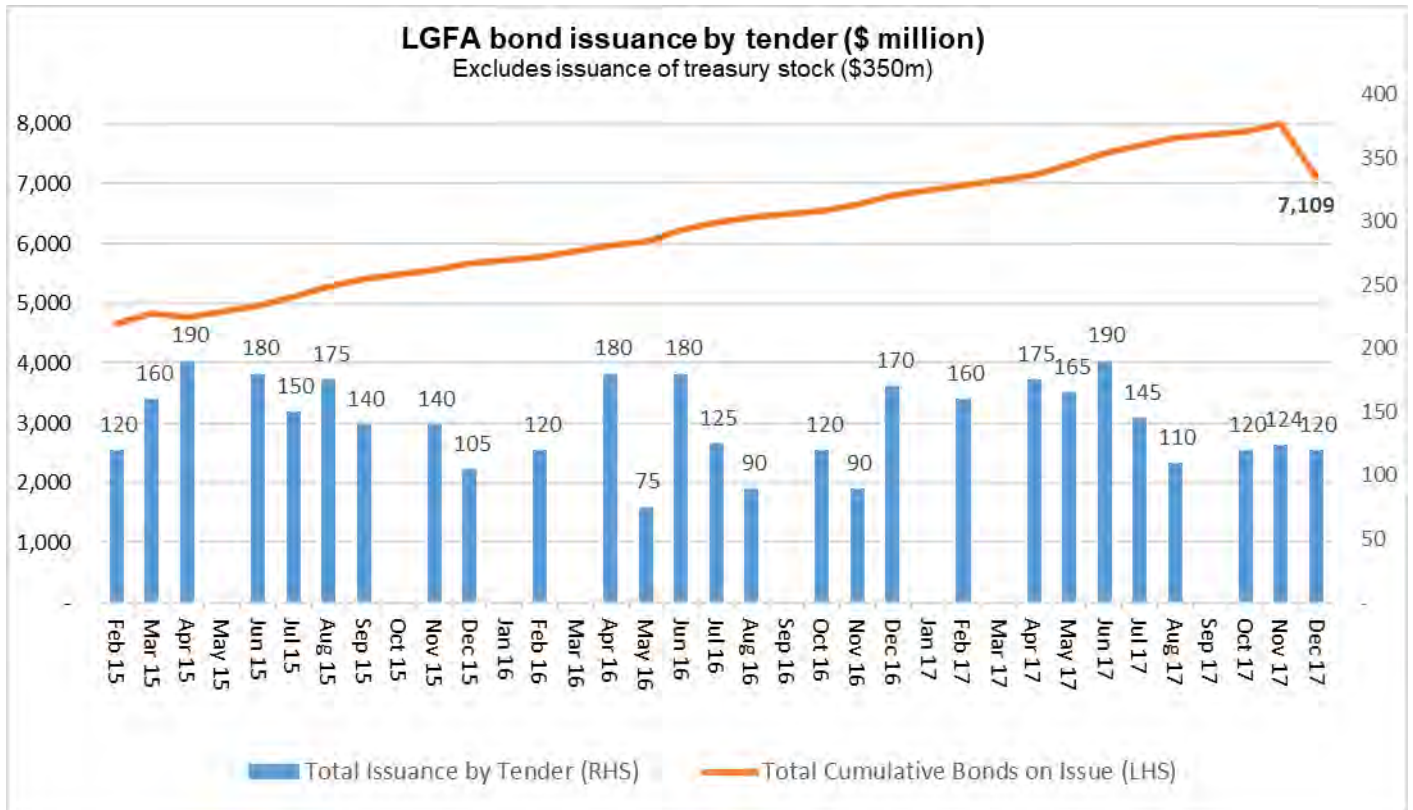
LGFA began issuing 3-month and 6-month LGFA Bills and commenced short dated (less than 1 year) lending to councils in late 2015. LGFA has short term loans to twenty-five councils of \$332 million outstanding as at 31 December 2017.

LGFA documented an Australian Medium-Term Notes Programme in November 2017 to provide the ability to issue in currencies other than NZD. It is not our intention to use this programme but to have it established to provide some flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

The three LGFA bond tenders during the quarter were supported by the market with the coverage ratios across the three tenders averaging 2.74 times (compared to 2.27 times in the prior quarter). However, we did under accept the November 2017 tender due to poor demand for the 2025s but bidding was then very strong in the December tender. We continue to offer three or four LGFA maturities at each tender and try to maintain the volume offered within the \$130 million to \$170 million range to ensure ongoing price tension.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



4. Offering more flexible lending terms to Participating Local Authorities

Bespoke lending continues to be a popular borrowing option for council members. Since we introduced the ability for councils to choose their preferred maturity and date of drawdown in February 2015 we have lent \$1.645 billion in bespoke transactions. During the December 2017 quarter, we lent \$210 million on a bespoke basis to seventeen councils. This comprised 83% of total term lending by LGFA to its members during the quarter.

Short term borrowing by councils has been well received with loan terms to date of between 3 months and 12 months on \$332 million of loans outstanding as at 31 December 2017.

5. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector.

LGFA had meetings with sixteen councils over the December quarter to discuss their financial performance and any developments with the underlying council operations. LGFA reviews council agendas and management reports on an ongoing basis for those councils on the LGFA borrower watch-list.

LGFA commenced work on credit default assessment analysis of its member councils in preparation for adopting IFRS9 for accounting purposes.

LGFA management met representatives from Crown Irrigation Investments Limited, MBIE, Department of Internal Affairs, Treasury and OAG to discuss the local government sector and issues relating to specific councils.

LGFA presented at the LGNZ Quarterly media briefing on the sector financial position and provided an LGFA update.

Additional objectives

6. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy

LGFA's Net Operating Gain on an unaudited management account basis of \$6.036 million for the six-month period to 31 December 2017 was slightly above the management forecast of \$5.892 million. The average cost of funds for the first six months of the 2017-18 financial year was 3.10%. This is lower than the 3.56% for the 2016-17 financial year due to the lower level of interest rates and much shorter term of LGFA bond issuance than the previous financial year. The LGFA Board has the sole discretion to set the dividend.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



7. Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities

LGFA estimates market share from the PwC Local Government Quarterly Debt Report and the most recent report is for the December 2017 quarter. LGFA market share of total sector borrowing for the December 2017 quarter was 52% and for the year to December 2017 was 84%. During the quarter, borrowing by Dunedin City Treasury of \$80 million and \$150 million of borrowing by Christchurch City Holdings Limited (a subsidiary of Christchurch City Council) reduced our rolling annual market share from the record high of 95% in the year to September 2017. Our market share remains strong compared to our global peers but will be influenced by the amount of borrowing undertaken by Auckland Council and Dunedin City Councils in their own name.

Rangitikei District Council joined LGFA as a non-guarantor during the quarter. There are now fifty-four participating local authorities.

8. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses

Expenses for the half-year period on an unaudited basis are \$3.58 million which is \$130k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.088 million were \$82k below budget. There were lower fees than budgeted relating to the NZDMO facility offset by higher registry costs and legal costs than forecast. The larger amount of short term lending and establishment of an AUD bond programme increased legal costs.
- Operating costs at \$1.475 million were \$40k below budget and reflected lower overheads and personnel costs than forecast.
- Approved Issuer Levy payments of \$1.02 million were in line with our forecast of \$1.03 million.

9. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff committee and reporting on Health and Safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

Following the November 2016 Kaikoura earthquake, we were unable to access the LGFA Wellington CBD office. Following repairs and refurbishment we relocated back into the building in December 2017.

Quarterly Report

Quarter 2: 2017 - 2018
Period ended: 31 December 2017



10. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency

LGFA has credit ratings from Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") and meets with both agencies in September and October each year. Meetings were held in 2017 with both agencies and S&P affirmed the long-term rating of LGFA at AA+ (stable outlook) on 25 September 2017 and Fitch affirmed the rating at AA+ (stable outlook) on 10 November 2017.

11. Achieve the financial forecasts

As at the end of second quarter, Net Interest Income was estimated by management on an unaudited basis to be \$15k above budget while expenses are \$129k below budget. Net Operating Gain of \$6.036 million was \$144k above budget and 14% above the Net Operating Gain for the equivalent period in the prior year.

Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017

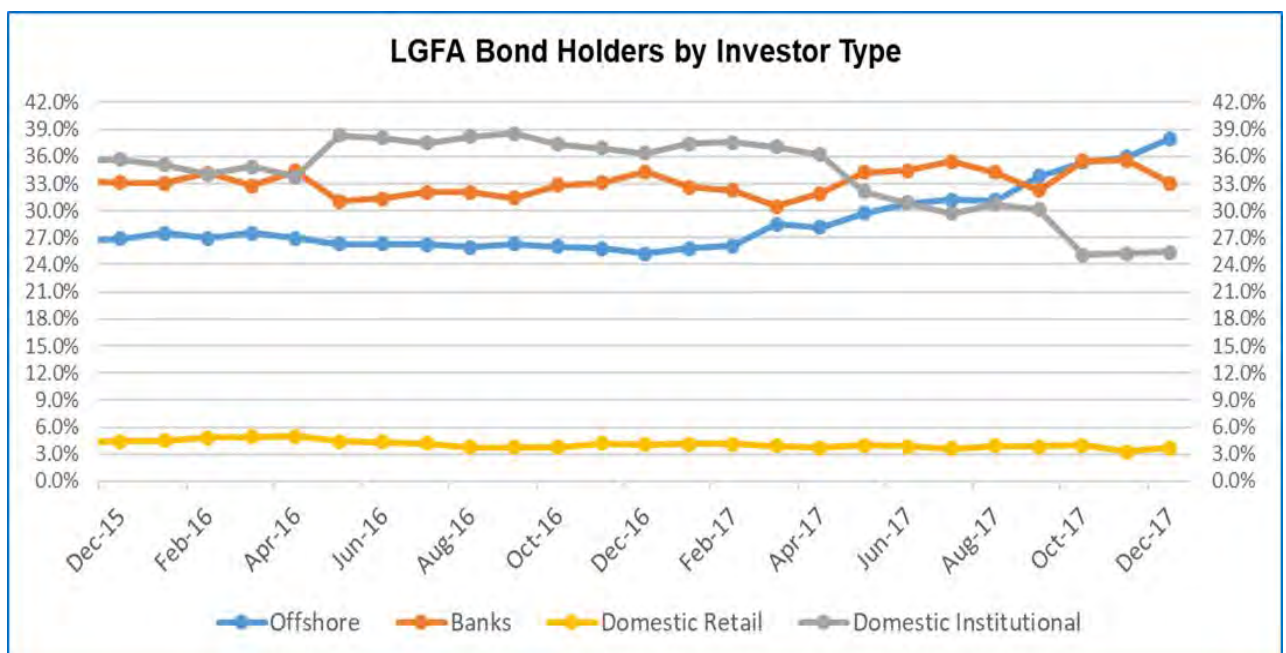


G. Investor relations / outlook

Managing relations with our investor base is very important as the amount of LGFA bonds on issue has yet to peak and we require investors and banks to support our tender issuance. Our focus is on growing and diversifying the offshore investor group as these investors have the most potential given that we already receive strong support from the domestic banks and institutional investors.

Offshore investors increased their holdings of LGFA bonds during the December quarter while domestic investor holdings declined but the activity is distorted by the December 2017 bond maturity.

- Offshore investors increased their holdings by \$77 million over the December quarter and by \$384 million over the past six months. They are estimated to hold \$2.7 billion (38% of outstandings) compared to \$1.72 billion (25.3% of outstandings) as at 31 December 2016. Offshore investor holdings are at a record high and they have become our largest investor group.
- Domestic institutional and retail investors reduced their holdings by \$569 million over the quarter and were estimated to hold \$2.1 billion (29.1% of outstandings) compared to \$2.8 billion (40.5% of outstandings) as at 31 December 2016. The decline has been due to the maturing of December 2017 LGFA bonds held in money market funds and a small number of domestic investors have reduced their holdings as they are less optimistic on the credit market outlook.
- Domestic banks reduced their holdings by \$158 million over the quarter but increased holdings by \$239 million over the past six months. This reduction was due to the maturing December 2017 bond which was mainly held by banks in their liquidity portfolios and the increase in offshore investor holdings who buy from bank secondary market trading books. Bank holdings of \$2.4 billion (33% of outstandings) compared to \$2.3 billion (34.3% of outstandings) as at 31 December 2016.

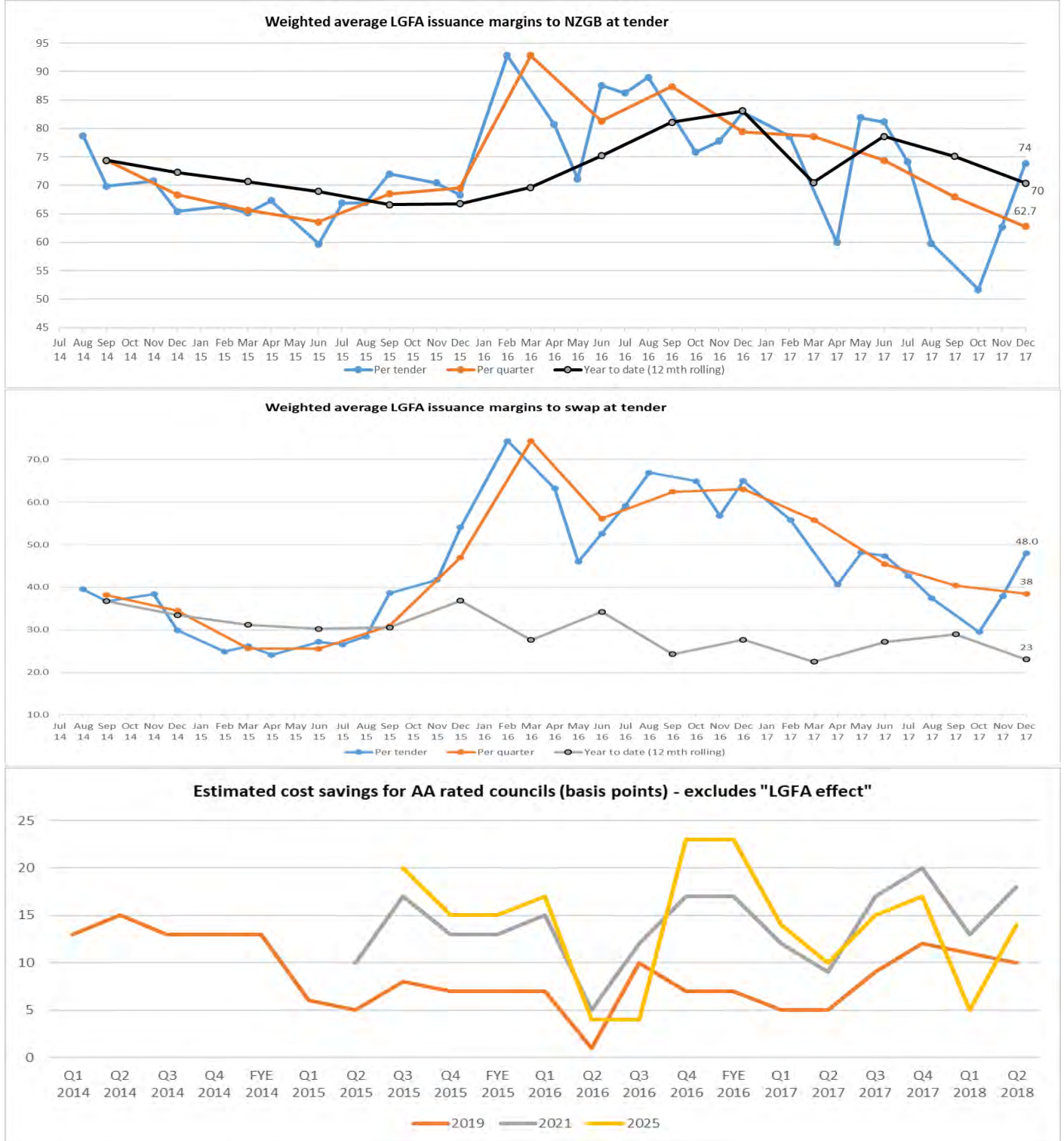


Quarterly Report

Quarter 2: 2017 - 2018
 Period ended: 31 December 2017



H. Key trends



Note: Weighted average margins are a function of the term of issuance at each tender as the longer the borrowing term, the wider the margin (assuming everything else remains constant).

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	14 February 2018
Prepared by	Juliene Calambuhay Management Accountant
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 1897302
Report Title	Summary of Movements in Community Administration Funding to 14 February 2018

1. EXECUTIVE SUMMARY

To provide the Strategy & Finance Committee with a summarised report giving balances of all Community Administration Funding including commitments as at 14 February 2018.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Summary of Community Administration Funding to 14 February 2018

COMMUNITY ADMINISTRATION FUNDING

	GL	I-210-1689
2017/2018 Annual Plan		10,000.00
Carry forward from 2016/2017		5,000.00
Total Funding		<u><u>15,000.00</u></u>
Expenditure		
7-Aug-17 Tamahere Community Committee - grant as per S&F1706/06 to cover Dataprint Inv 58024		1,966.45
9-Oct-17 North West Waikato Community Group - classified ads of public meeting / events in local paper		300.00
26-Oct-17 Glen Afton Pukemiro Community Committee - administration costs		300.00
16-Nov-17 Raglan Community Board - to support the review of Raglan Naturally WDC1706/14		5,000.00
14-Feb-18 Whatawhata Residents and Taxpayers Committee - administration costs		88.00
Total Expenditure		<u><u>7,654.45</u></u>
Income		
Total Income		<u>-</u>
Net Expenditure		<u><u>7,654.45</u></u>
Net Funding Remaining (Excluding commitments)		<u><u>7,345.55</u></u>
Commitments		
28-Jun-17 Newstead Resident Association Inc		500.00
28-Jun-17 North East Waikato Community Committee		300.00
28-Jun-17 Te Kowhai Community Committee		585.93
28-Jun-18 Tamahere Community Committee	3,300.00	
Less: Expenses	<u>1,966.45</u>	1,333.55
28-Jun-17 Gordonton Community Committee		4,000.00
28-Jun-17 Tauwhare Community Committee		300.00
26-Jun-17 Mercer School - reimbursement of copy charges up to \$500		500.00
Total Commitments		<u><u>7,519.48</u></u>
Net Funding Remaining (Including commitments) as of 14 February 2018		<u><u>(173.93)</u></u>

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	20 February 2018
Prepared by	Alison Diaz Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 1900535
Report Title	Financial performance summary for the period ending 31 January 2018

I. EXECUTIVE SUMMARY

This report presents year-to-date financial performance against the 2017/18 Annual Plan and those budgets carried forward from the 2016/17 financial year.

The report provides a summary of revenue and expenses, capital expenditure, and key reserve balances for the first two months of the year.

Information on NZ Post bill-pay services is included as a reference point. Council offices and libraries will no longer accept payment by cash from 17 February onwards and as such we will continue to monitor the uptake of bill pay services for the remainder of this financial year.

The charts show transaction count and amounts paid from December 2016 (start of arrangement) through to the end of January 2018. A breakdown of customer payment methods is also included for the month of January.

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received.

3. ATTACHMENTS

Financial Performance Summary

AT A GLANCE

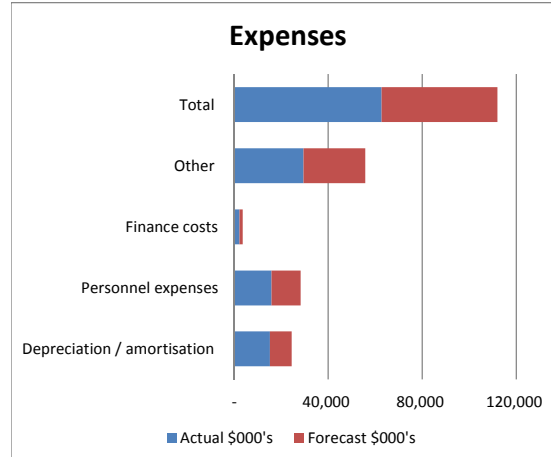
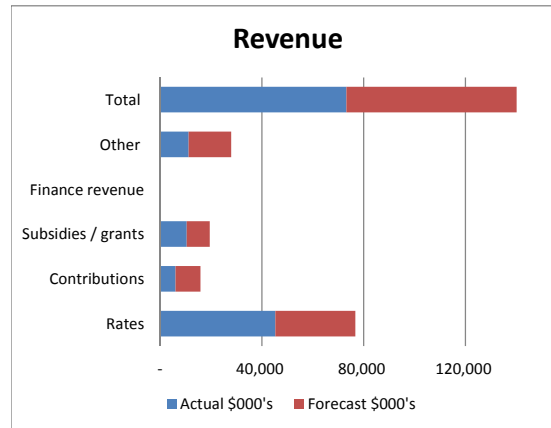
A number of projects are out for tender and expenditure levels are expected to rise over the next quarter to be in line with budget expectations. Income from development is relatively low which will increase reserve deficits as interest compounds.

The NZ Post Bill Pay statistics for January shows that \$243,000 of customer payments were made at post shops in January, 85% more than the same period last year. There is an upwards trend on the number of transactions taken at these outlets during rates instalment time. Bill Pay statistics will continue to be monitored following the move to cash-free Council office and library sites.

	Jan-18	Open Bal
Reserve Balances Summary	\$000's	\$000's
Restricted reserves	185	182
Council reserves	20,393	25,748
Development contributions	(37,258)	(38,753)
Replacement funds	16,650	14,412
Targeted rate reserves	(5,482)	(5,465)
Total	(5,512)	(3,876)

Key reserves (included in balances above)

	Jan-18	Open Bal
	\$000's	\$000's
Disaster recovery	390	392
Hamilton East Property proceeds	2308	2308
LTCCP Contribution reserve	2054	2057
Structure plan non-growth reserve	773	760
Northgate development area	(4,170)	(3,470)
Pokeno Structure plan	(9,556)	(10,534)
Tamahere Structure plan	(2,115)	(2,098)
DW water targeted rate	(4,080)	(3,795)
DW wastewater targeted rate	(4,724)	(4,888)



FINANCIAL PERFORMANCE SUMMARY

For the period ending 31 January 2018

	Actual \$000's	FY Forecast \$000's	% usage	YTD Variance \$000's	Ref.
Revenue					
Rates	45,341	76,782	59%	(552)	
Development and financial contributions	6,074	15,897	38%	3,199	1
Subsidies and grants	10,430	19,437	54%	908	
Finance revenue	282	100	282%	(224)	2
Other revenue	11,159	27,933	40%	5,135	3
Total revenue	73,286	140,149	52%	8,468	
Expense					
Depreciation and amortisation expense	15,155	24,462	62%	(886)	
Personnel expenses	15,897	28,252	56%	583	
Finance costs	2,260	3,589	63%	(166)	
Other expenses	29,447	55,739	53%	3,067	4
Total operating expenses	62,759	112,042	56%	(44,085)	
Surplus (deficit) before tax	10,527	28,107	37%	(5,843)	

Year-to-date net operating surplus of \$10.5 million is approximately \$5.8 million behind year to date expectations.

Items to note are as follows:

Income

- Unfavourable - Development income is below YTD expectations. \$4 million of development contribution levies have been assessed in 2017/18 and will be paid at a future date relating to the relative timing of their developments.
- Favourable - Term deposits which were not budgeted for have delivered a higher than anticipated level of interest income.
- Unfavourable - Vestment of State Highway timing (\$4,936 YTD). This accounts for the majority of the YTD surplus variance.

Expense

- Favourable - This is a timing difference. Operational expenditure will increase during the coming months.

Watch Points

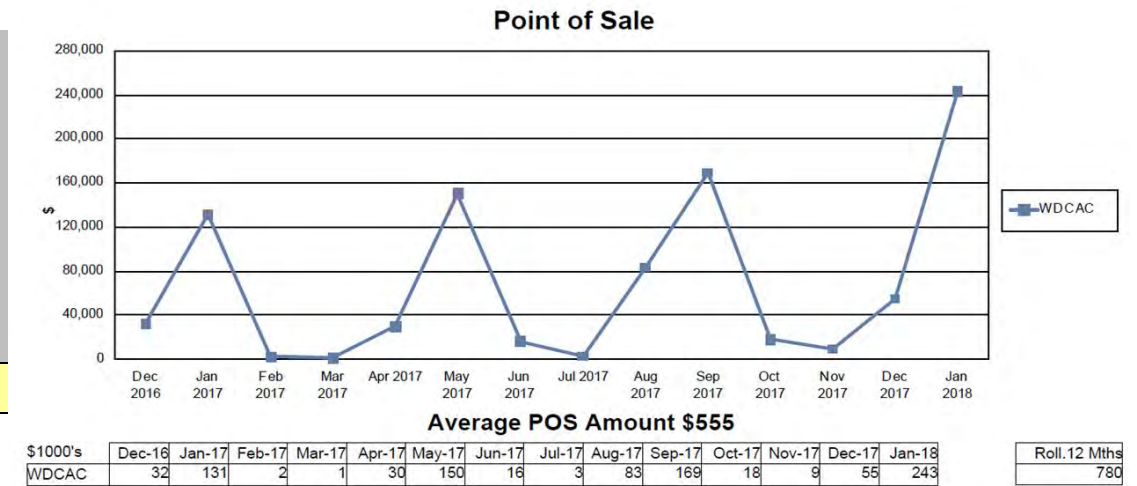
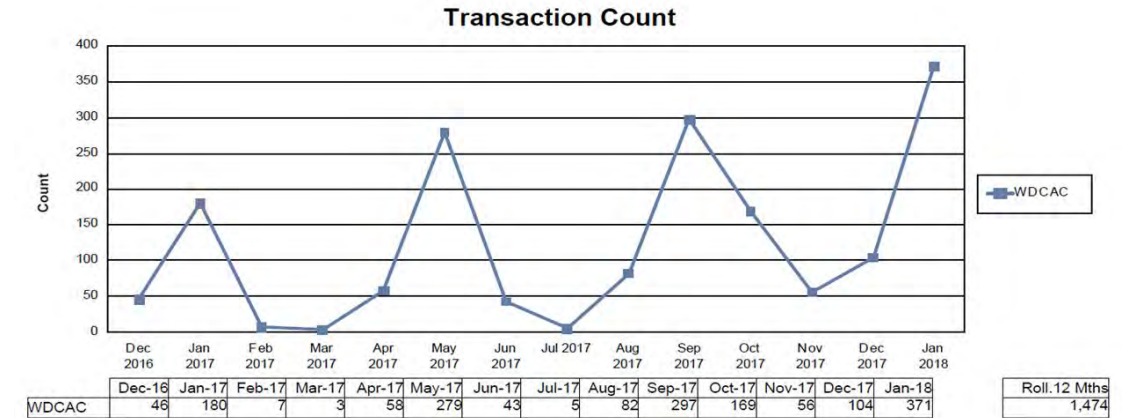
- Refuse and recycling income is \$347,000 behind YTD expectations and costs are projected to be \$431,000 higher than budget by year end. This has been factored into LTP budgeting and the targeted rates are proposed to increase from year 1.
- There is a differential between the amount being charged by Watercare for water development contributions and what council is passing on to developers. This is due to the underlying household equivalent unit measures and amounts to approx. \$80,000 per annum. This is also being factored into LTP budgeting.

Net Operating Surplus (Deficit) Breakdown	Actual \$000's	FY Forecast \$000's	YTD Variance \$000's	Favourable / Unfavourable
Roading	3,571	20,092	8,149	U - Subsidy and contributions income timing
Water	1,600	4,080	780	U - Water-by-meter income difference
Wastewater	2,295	(1,848)	(3,373)	F - Rating income and fees and charges higher, activity expenditure low
Stormwater	814	317	(629)	F - Activity expenditure low and development contribution income higher
Sustainable Communities	2,594	6,595	1,253	U - Timing of fees and charges and development contributions
Sustainable Environment	(538)	(1,632)	(414)	F - Additional rates income and lower activity expenditure
Governance	353	134	(275)	F - Timing of expenditure
Organisational Support	(987)	(3,780)	(1,218)	F - Timing of penalty income, permanent variance on higher interest income
Total Group of Activities	9,702	23,958	4,274	
General rate usage	825	1	(824)	F - The general rate income recognised currently exceeds the amount of general rate used. This number will adjust throughout the year relative to activity expenditure
Surplus (deficit)	10,527	23,959	3,449	

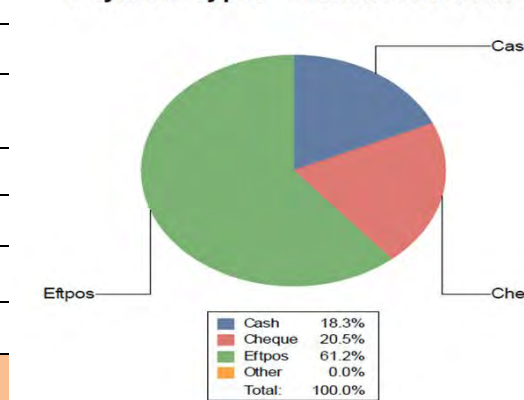
Capital expenditure	Actual \$000's	Budget \$000's	% usage
Roading	10,733	22,498	48%
Water	2,316	11,916	19%
Wastewater	3,765	13,592	28%
Stormwater	653	5,933	11%
Sustainable Communities (P&R, halls, pools, toilets, walkways)	3,314	15,413	22%
Sustainable Environment (landfills)	60	28	214%
Governance	30	-	0%
Organisational Support (plant, offices/libraries & IM)	1,057	6,829	15%
Total Group of Activities	21,928	76,209	29%

Capital expenditure is tracking below forecast mainly in relation to land purchase and timing of developer led programmes. Full detail on progress of capital works is captured in the dashboard reporting contained in the Infrastructure committee monthly agendas.

BILL PAY SERVICE STATISTICS

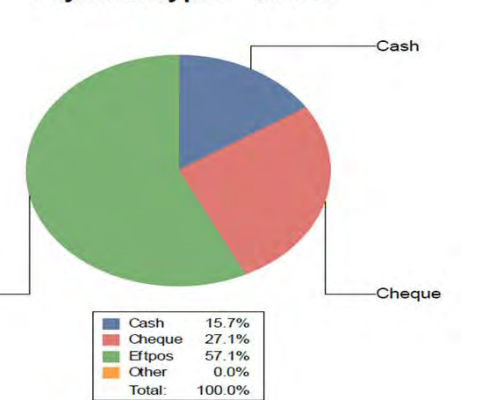


Payment Types - Transaction Count



	Total
Cash	68
Cheque	76
Eftpos	227
Other	
Total	371

Payment Types - \$ POS



	Total
Cash	\$38,197
Cheque	\$65,852
Eftpos	\$138,611
Other	
Total	\$242,660

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	07 February 2018
Prepared by	Clive Morgan Economic Development Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 1896243
Report Title	Economic Development Update

I. EXECUTIVE SUMMARY

The purpose of this report is to update Council on the various economic development projects and other economic development activity. The key items include:

- Economic Development Work Programme on track;
- Council's Tourism Infrastructure Fund application was successful in obtaining \$868,000 of central government funding for Raglan toilets and carparking projects;
- Google image optimisation has achieved over 1,269,245 views of the Waikato district;
- Section 17A Review of i-SITE contract is underway by external consultants Kiri Goulter and Rob McIntyre which will inform the Huntly i-SITE relocation business case.

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received.

3. REPORT

BACKGROUND

The purpose of this report is to update Council on the various economic development projects and activity.

ECONOMIC DEVELOPMENT STRATEGY WORK PROGRAMME

The Economic Development Strategy ("EDS") and associated Implementation Plan were adopted by Council in December 2015 and March 2016 respectively.

The implementation work programme prioritises projects to commence in 2016.

The EDS actions sit under seven strategic focus areas:

- Sector development;
- Business recruitment;
- Business start up;
- Spend attraction;
- Population attraction;
- Skills development and attraction;
- Excellence in Council service delivery.

Work Programme 2017/18

A work programme status report is attached ([Appendix I](#)). The Economic Development Work Programme is on track. Of the 20 actions, 4 have been completed and 14 have been initiated. Staff are mindful that careful scheduling of programme activities is required in order to run in sequence with the Long-Term Plan consultation and planning processes, whilst ensuring progress continues.

Open Waikato

Website statistics over the three months ending the month shown:

Measure	2015	2016			2017				2018	
	Nov	Feb	May	Aug	Nov	Feb	May	Aug	Nov	Feb
Sessions	1,830	21,904	2043	1987	2705	2385	3383	2805	3029	8313
Users	1,378	21,109	1666	1712	2186	1895	2819	2298	2560	7593
New Visitors	80.70%	96.20%	78.70%	83.60%	79.45%	77.53%	81.79%	90.50%	91.50%	93.60%
Average Session Duration	0:01:15	0:00:20	00:01.5	00:01:145	0:02:03	0:02:33	0:01:47	0:01:34	0:01:25	0:00:30
Bounce Rate*	78.80%	84.53%	69.90%	67.89%	64.29%	65.03%	71.30%	71.76%	75.93%	86.41%

This refers to the percentage of visits that go to only one page before leaving the site. Bold figures represent months that targeted campaigns ran.

Activity over the three months to February 2018 has seen increased users and sessions and new visitors to the site, which is the result of two targeted campaigns during December and January focused on Invest - Freight & Logistics and Visit - recreational activities around the district.

Freight & Logistics Campaign

Open Waikato ran a Freight & Logistics campaign targeted toward Auckland-based senior management which utilised display and native display advertising through a number of

websites such as Stuff, NZHerald, Accuweather and Newshub. The campaign ran for four weeks over the Christmas period.

At the conclusion of the campaign, the highest performing message was ‘Waikato’s Freight & Logistics Hub is closer than you think’ with a Click Through Rate (“CTR”) of 0.17% and “Find out how Waikato is changing the game of Freight & Logistics” with a CTR of 0.15% (for reference, the industry average for a typical campaign has a CTR of 0.02-0.03%). The highest performing sites were NZHerald, with a CTR of 0.29% and Newshub with a CTR of 0.24%.

The campaign linked to a new landing page on the Open Waikato website with links to the freight & logistics brochure, Northgate Business Park and Gateway Industrial park. In-page analytics denoted 13% of visitors to the landing page then clicked on Northgate Business Park. 8.6% to Gateway Industrial Park and 49% on to the Toolkit and Contact us pages.

Staff have submitted an editorial to FTD Supply Chain magazine regarding the Ports of Auckland Waikato Freight Hub and the opportunities that exist within Waikato district. The article has been accepted by the editor and will be running in the February/March issue along with updated images of the development.

Economic Development Team Support

The Economic Development Manager has been seconded into the 100 Day Plan project team through to April 2018. To ensure the economic development programme progresses during this period, Kiri Goulter of Kiri Goulter and Associates has been engaged as backfill for two days per week. Ms Goulter, as well as providing general support will also manage the following projects:

- Waikato district Tourism and Information Strategy;
- Section 17A review of the i-SITE contract with Waikato Enterprise Agency;
- Business Case for the future location of the Huntly i-SITE.

The Waikato District Tourism and Information Strategy will capture the strategic opportunities identified through the Hamilton & Waikato Tourism – Tourism Opportunities Plan, the economic development programme Visitor Product strategy and other associated visitor related plans and strategies.

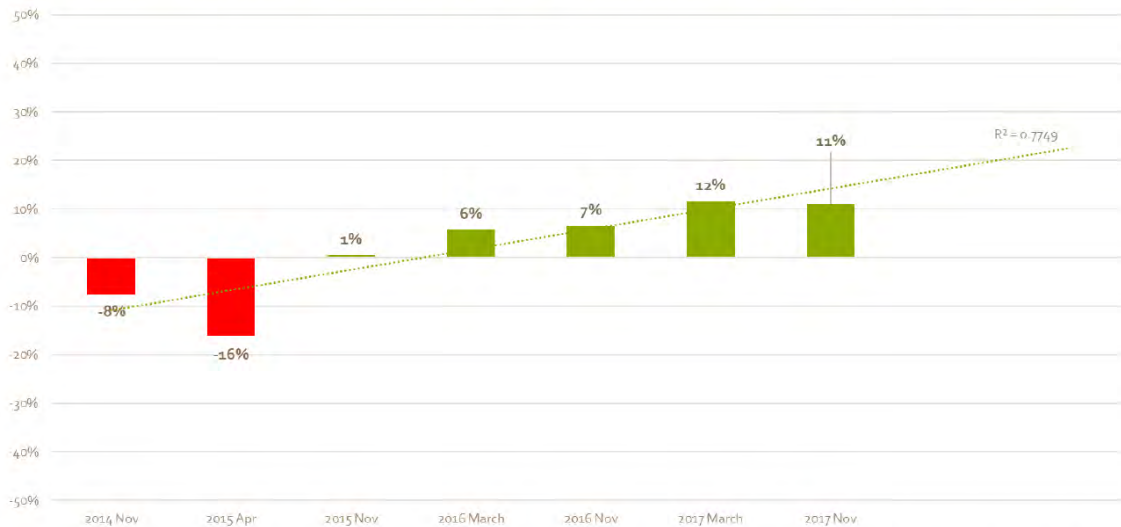
Section 17A Review and Huntly Relocation Business Case

The Economic Development team has engaged the services of Rob MacIntyre to assist Kiri Goulter to undertake the Section 17A review of the i-SITE contract. The results of the review will inform a business case for the Huntly i-SITE relocation project. Both the review and business case are expected to conclude by the end of April 2018. The project brief is included as [Appendix 2](#).

Waikato District Net Promotor Score Survey 2017 November

The November 2017 results for Waikato District Council resulted in the Council receiving a Net Promotor Score (“NPS”) +11 with an overall rating of 8.7 out of 10. These results are close to the half-yearly results received in March 2017 of +12 with a rating of 8.7 out of 10. The survey was initiated in November 2014 and has steadily improved with a statistically significant improvement trend through to November 2017.

Waikato District Business Net Promoter Score (NPS) trend



Overall, the past two years have shown only positive levels of NPS scores. November 2017 resulted in a positive 11% NPS as well, which was very close to March 2017. Using simple linear regression, since 2014 there has been a statistically significant improvement trend in NPS ratings.

A new question was introduced to the survey in November 2017 (“*In your opinion, what ONE thing could be done to improve the score you just gave*”) to provide Council with more detailed information on how to maintain or improve the NPS ratings. The most common suggestions for improvements across all correspondents were ‘roads’ and ‘resource consents process (cheaper, faster, easier)’. Onewhero Ward surveyed businesses continue to provide negative NPS ratings (the only ward across the district) with the most cited improvement being ‘roads’ for this group. Across all other wards in the district there has been an improving trend in NPS scores over time.

Staff will be undertaking a test campaign in the Onewhero Ward area to promote Council’s Economic Development services and to engage directly with some of the Ward’s businesses. Councillor Main will be consulted to assist with the campaign development. Staff will gauge the success of the campaign based on any changes to the next NPS result in April 2018.

Tuakau Business Support

The Economic Development Team have identified a need for further support in the upper Waikato district based on discussions with local business enterprises. Direct feedback has been further reinforced by the results of the NPS survey. A decision has been made to have one staff member available in Tuakau one day fortnightly to provide support to the business communities of Tuakau and Pokeno. Although one day per fortnight is considered by staff to be minimal, at this time increasing this commitment is not attainable due to current workflows.

Google Image Optimisation

As of 23 January 2018, 147 photos of Waikato district have been added to Google Images which have been viewed 1,274,966 times.

Highlights include:

- Mount Taupiri – 519,186 views (two images)
- Te Kauwhata Anzac memorial – 131,241 views (two images)
- Gateway Industrial Park & Pokeno Village Estate – 113,338 views (two images)
- Open Waikato – 67,714 views



Examples of the Mount Taupiri and Te Kauwhata images.

KEY PROJECTS

Tourism Infrastructure Fund

The Council's application to the Tourism Infrastructure Fund for toilet and rubbish facilities in Raglan was successful in obtaining \$868,000 for this project. This is subject to the successful negotiation of a funding agreement with the Ministry of Business, Innovation and Employment and, when achieved, will be project managed by the Service Delivery team. Council is currently awaiting the draft funding agreement.

Digital Enablement Plan

Staff will be reviewing the Digital Enablement Plan due to changes in the way the providers are contracted by government to roll out the services and changes to the level of awareness of Fibre technologies.

OTHER ACTIVITY

Ngaruawahia Cultural Tourism

Staff continue to support Waikato-Tainui tourism offering in Ngaruawahia, led by Te Rakau Humarie o Kiingitanga. The successful trial result has led to Te Rakau Humarie looking to identify a suitable location for a cultural centre in Ngaruawahia. Staff have been assisting with their enquiries and have presented a number of options for their consideration and we are expecting an update later this month. This venture has strong participation from local marae and rangatahi have been involved in cultural displays and performances. Staff have also met with local group Open Up Ngaruawahia Tourism Incorporated regarding their proposed plans for tourism in Ngaruawahia. Staff have offered guidance on aligning with the

Hamilton Waikato Tourism Opportunities Plan as well as Waikato District Council's economic development plans.

Smart Waikato – Smart Transitions

Staff have met with Smart Waikato to organise a FAN launch of the Smart Transitions – Gateway Coordinator role for Huntly and Ngaruawahia-based students. The role is fully funded by three high schools, Te Wharekura O Rakaumangamanga, Huntly College and Ngaruawahia High School and is aimed at transitioning students into the workforce. The coordinator will be resourced via Smart Waikato, however most of the role will be out in community, strengthening partnerships between educators, students and employers.

The FANtastic launch will be at end of March 2018 and aims to:

- identify, create and develop work opportunities for local rangatahi;
- introduce Gateway co-ordinator (Leah Crawford) funded by schools;
- generate employer leads; and
- showcase employer champions (e.g.: Fonterra Farm Source Smart Transitions staff).

Staff are working with Smart Waikato to run this event and the economic development team have provided funding of \$6,000+GST to assist with logistics and associated costs of the event.

4. ATTACHMENTS

- Appendix 1: Economic Development Strategy Work Programme 2017/18
- Appendix 2: Project Brief – Waikato District Council Section 17A i-SITE Review and Huntly i-SITE Relocation Business Case

Appendix 1: Economic Development Strategy Work Programme 2017/18

The table below summarises the priority projects and activities for the 2017/18 financial year as at 10 February 2018.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
Excellence in Council service delivery	Section 17A Reviews	1. Review i-SITE & HWT contracts per S17A.	\$5,000	30 April 2018	Underway	Engaged external consultant to conduct i-SITE review and business case (details in Appendix 2). Currently discussing HWT review with external consultant.
	Stakeholder plan and CRM system	2. Investigate and implement best option for stakeholder and customer management systems.	\$8,000	30 June 2018	Not started	Initial meeting to be arranged IT team to discuss best process for CRM system due to longer-term implementation timeframe.
	Business & Political delegations plan	3. Develop a business and political delegations plan.	\$5,000	30 June 2018	Underway	Currently investigating potential consultants to develop plan.
	LTP planning and engagement	4. LTP engagement and planning support. 5. Lead LTP social sector workstream consultation/engagement. 6. Resource business cases for additional ED support.	\$12,000	30 June 2018	Underway	Ongoing.
	Raglan Visitor Infrastructure Study	7. Presentation to Council and key stakeholders and internal units.	\$8,500	30 Sept 2018	Completed	Completed December 2017.
	Large development/investment customer support processes	8. Ongoing development of high-value customer support processes.	\$1,000	30 June 2018	Underway	Reviewed current process in promapp to identify gaps.
	Professional development	9. Economic Development team training and development.	\$1,000	30 June 2018	Not started	On hold due to lack of capacity.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
Business Recruitment	Asia-China Strategy	10. Mayoral delegation to China and development of international relations strategy.	\$6,000	30 Oct 2018	Completed.	Completed.
		11. Implement approved recommendations from International relations strategy.	\$2,000	30 June 2018	Underway	Ongoing. Consultant developing letter for Chinese New Year to hosts of October's Mayoral delegation and sister city prospect Jianing. Open Waikato website translation underway.
	Business focused social media campaign	12. Continued prospectus enhancement and social media campaigns targeted to immigrant business.	\$4,500	30 June 2018	Not started	On hold due to priority projects.
	Innovation Network	13. Continue promotion of Waikato Innovation park service.	\$1,000	30 June 2018	Underway	Ongoing. Marketing officer messaging through targeted social media campaigns has found resounding success in Raglan. More targeted mail drop planned for Onewhero/Tuakau areas.
Sector Development	Freight & Logistics Campaign	14. Promote the Waikato Freight Hub to Auckland businesses.	\$6,000	30 June 2018	Completed.	Freight & Logistics campaign completed in Dec 2017 with the following results: Impressions: 5,513,917/Clicks: 6786/CTR: 0.12% Editorial supplied to FTD Supply Chain Magazine for Feb/March edition will finalise campaign.
	Digital Enablement Plan	15. Project manage the fibre and rural broadband initiatives.	\$24,500	2020	Underway	Ongoing – 3 year programme.
	Hampton Downs Industry Development	16. Hampton Downs Industry Training Cluster and pre-feasibility study.	\$5,000	30 June 2018	Not started	On hold.
		17. Support Hampton Downs development plans.	-	30 June 2018	Underway	Economic Development Team have met and continue to assist.
Open Waikato Marketing & Communications Strategy	Marketing & Communications Plan implementation	18. Promote Open Waikato as an educational resource. Pilot programme through Ngaruawahia High School.	\$4,000	30 June 2018	Underway	Met with Youth Advisor as how to best implement this programme in the local community.
		19. Continued implementation of the Open Waikato Brand Strategy.	\$8,000		Underway	Pool Vehicle has been signwritten with Open Waikato decal. More promotional campaigns are planned for 2018.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
Spend Attraction	Huntly i-SITE relocation	20. Support Service Delivery team to deliver the i-SITE relocation.	-	30 June 2018	Underway	Underway. The Section 17A review work will inform this piece and a business case is underway with completion date of end April 2018.
	Product development support	21. Promote new visitor product and product renewal district wide.	\$2,000	30 June 2018	Completed	Social Media campaign showcasing district visitor aspects ran December 2017 to January 2018.
	Activate North Waikato Tourism	22. Campaign with HWT and FTG to promote northern section of Waikato (Tuakau Pokeno, Port Waikato, Mercer) & i-SITES during shoulder season.	\$3,000	30 June 2018	Not started	Pending results of website development.
		23. Support Franklin Tourism Group to showcase the north Waikato tourism operation. Investigate repositioning to a DTO.	-	30 June 2018	Underway	Initial website concepts received. Currently undergoing website development meetings and providing branding/marketing advice to group.
		24. Provide support and resources to assist establishing the Whaingaroa-Raglan Destination Management Organisation.	\$1,000	30 June 2018	Not started	WRDMO have been advised funding is available, currently awaiting their brief.
		25. Ensuring reporting requirements and levels of service agreement with Hamilton Waikato Tourism is maintained.	-	30 June 2018	Not started	In discussions with external consultant as part of S17A review (see 1.)
Population Attraction	Waikato Town Promotion	26. Implement video and associated media/pr campaign for Huntly.	\$2,500	31 Mar 2018	Underway	Initial Huntly video has been received – undergoing edits.
		27. Implement video and associated media/pr campaign for Ngaruawahia.	\$2,500	31 Mar 2018	Underway	Video shoot has been undertaken and is currently being edited.
Skills Development and Attraction	Education to Employment	28. Continue to support Smart Waikato and implement strategies to improve employment outcomes for youth.	\$6,000	30 June 2018	Underway	Organising FANtastic launch of Smart Transitions for Huntly and Ngaruawahia in collaboration with Smart Waikato.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
	Emerging Skills	29. Labour Market Demands Study. Identify emerging demand for skills and occupations in the district to inform key stakeholders and to inform key stakeholders in the region.	\$2,000	30 Dec 2017	Completed	Completed labour market report and presented to regional representatives. Met with MSD regarding social development role for the district. To be further developed as part of the social development strategy in next FY.

Appendix 2: Project Brief

PROJECT BRIEF

Waikato District Council Section 17A i-SITE Review and Huntly i-SITE Relocation Business Case

Introduction

Under section 17A of the Local Government Act, Local Authorities are required to review the cost effectiveness of arrangements for the delivery of infrastructure, services or regulatory functions when they are delivered by an entity outside of council.

Waikato District Council (WDC) currently contracts Waikato Enterprise Agency to operate the Huntly and Raglan i-SITEs on behalf of the Council. Both Huntly and Raglan centres are members of New Zealand's i-SITE network. As part of a section 17A review, the Council is looking to assess its contract with Waikato Enterprise Agency for the operation and the Centres.

In addition, the Huntly section of the Waikato Expressway is due for completion in 2020 and WDC is looking for a new location for the Huntly i-SITE. A number of locations have been considered and Beca undertook a review of the options, however a decision is yet to be made. WDC considers that the future location of the Huntly service needs to be included as part of this i-SITE review process with the goal of providing a recommendation to Council on the best solution and location for the new centre.

Purpose of the review

- 1) The purpose of the review is to determine whether the current i-SITE arrangement is the most efficient and cost-effective way to provide visitor information services and evaluate options for delivery of a visitor information service(s). It will seek to assess:
 - Efficiency – how well does each i-SITE ensure the services are provided in the best way possible?
 - Relevance – is this activity being performed with the desired benefits, is the service still relevant to potential customers?
 - Effectiveness – how effective are the services provided?
 - Impact – does the activity have an impact in its community or beyond?
 - Sustainability – how sustainable is the current business model, do things need to change in terms of delivery, contract, expectations, what might not continue as a service?
- 2) The purpose of the business case is to identify the preferred location based on desired outcomes and deliverables resulting from the Section 17a review.

i-SITE Operating Context

The scope of the review will include the following;

- Overview of i-SITE New Zealand strategy, structure and network performance
- National, regional and district visitor statistics and trends
- Delivery of tourism promotion and development – region and district level
- Location, structure and operating models of the region's visitor information centres and review of i-SITE Charter
- Waikato District's strategy for the delivery of tourism and information services including any current and future plans
- Role of i-SITEs and community outcome linkages;
 - How is the i-SITE expected to support the community outcomes, is it clearly articulated? How is this measured and reported?

Best Practice Visitor Information

- Best practice across New Zealand and a brief overview of international visitor information developments
- Current and future trends for visitor information services including channels best likely to deliver the service over the next 5-10 years based on user behaviour and demand.
- i-SITEs in the context of digital and mobile booking technology

Operations and Performance

- Review contract agreements including;
 - Roles and responsibilities of Waikato District Council, Waikato Enterprise Agency, funding levels, management, governance, accountability and reporting
- Review operational characteristics including;
 - Products and services provided
 - Visitor numbers, origin and types of enquiries
 - Revenue streams
 - Financial performance
 - Current constraints and opportunities

Analysis of Services

- Assess revenue generating activities, bookings, service charges, event ticketing, merchandise retail, operator display fees
- Undertake comparative benchmarking analysis of Raglan and Huntly i-SITEs against the YE June 2017 national benchmark survey data collected by Deloitte on behalf of i-SITE NZ (This requires written permission from the owner/contractor for both i-SITEs for Deloitte to release their individual survey data)
- What does a lead practice i-SITE facility and service look like and how do Huntly and Raglan i-SITEs compare?
- Value to community and tourism operators

Location and Operating models

- Review strengths, weaknesses, efficiencies and effectiveness of current locations and operating models
- Recommend potential operating models/service delivery for the future provision and funding of visitor information services in the Waikato District
- Review the Huntly relocation work to date, undertake key stakeholder consultation, assess options and recommend preferred location
- Present other options where visitor information provision may be beneficial including use of unmanned information or pop-up i-SITE services.

Stakeholder Engagement and Site Visits

It is recommended that the following consultation and is undertaken;

- Initial liaison with Waikato District Council's Economic Development Manager and relevant GMs (TBC) to confirm objectives, project timeframes, consultation requirements and budget
- Consultation with i-SITE Managers, Waikato Enterprise Manager and Chairperson, Community Board Chairs (TBC) , Chamber of Commerce (Raglan?)
- Consultation with key i-SITE staff in each centre
- Liaison with i-SITE New Zealand, Tourism New Zealand, Hamilton & Waikato Tourism, Department of Conservation
- Consultation with tourism industry and other key stakeholders
- Stakeholder engagement plan

Operator Survey

A survey will be carried out (Survey Monkey) to garner input from a wider range of district and regional tourism operators. This will provide information on the degree to which the tourism industry supports the i-SITE centres, the services they most value, and improvements they suggest. Operator details will be required from each i-SITE for the survey distribution.

Input and Reference Resources

The following information is required for the review;

- Contracts between Waikato District Council and Waikato Enterprise Agency for Raglan and Huntly i-SITEs
- Report(s) from Waikato Enterprise Agency for 2017, 2016 and 2015 delivery and performance
- Detailed financial reporting for each i-SITE business
- Rental and other property cost records
- Staff rosters and pay levels
- Customer contact records with as much detail on origin of customer and type of service provided as possible
- Detailed travel booking data including access to IBIS and Bookit reporting which should now be could accessible
- Retail (souvenirs, books, maps etc) records
- Records on paid display/advertising by operators
- Brochures distributed through the i-SITE

National Benchmark Surveys

The following surveys will be used to inform the project;

- the RTONZ benchmark survey
- i-SITE NZ Benchmark Survey (Deloitte)

Raglan and Huntly i-SITEs will be compared to the national average for New Zealand and the average for their peer group of “Rural/Small Town” i-SITE.

Access to the Deloitte CHC to extract and provide Raglan and Huntly’s i-SITE data with the national data is estimated at \$800 + GST and will form a valuable part of the report.

Huntly Relocation

The following information on the Huntly relocation is also required;

- Beca Northern Communities Facilities Assessment July 2016
- Information or minutes on any meetings or discussions with stakeholders re the relocation
- Other relevant documents and reports (what are these?)

Project Timeline

Below is a possible project schedule below to deliver a final report by mid/end April 2018. This is a tight schedule so there are some risks in meeting this deadline relating to availability of stakeholders who need to be consulted and access to data and documents.

Outputs

- Report – i-SITE section 17a Review 2018
- Business case – Huntly i-SITE relocation
 - Preferred location
- Waikato District Tourism and Information Strategy

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	16 February 2018
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. EXECUTIVE SUMMARY

To exclude the public from the whole or part of the proceedings of the meeting to enable to the Strategy & Finance Committee to deliberate and made decisions in private on public excluded items.

2. RECOMMENDATION

THAT the report from the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Strategy & Finance Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Wednesday 22 November 2017

Receipt of Minutes:

Audit & Risk Committee dated Wednesday 13 December 2017

REPORTS

a. Economic Development Verbal Update

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under:

Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f)(i)(h)(i)(j)

Section 48(1)(3)(a)(d)