Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 23 MAY 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.

GJ Ion
CHIEF EXECUTIVE

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	29 March 2018
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 28 March 2018.

2. Recommendation

THAT the minutes of the meeting of the Strategy & Finance Committee held on Wednesday 28 March 2018 be confirmed as a true and correct record of that meeting.

3. Attachments

S&F minutes 28 March 2018

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 28 MARCH 2018** commencing at **9.00am.**

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor Mr AM Sanson *[from 9.07am until 10.06am and from 10.21am until 11.11am and from 11.15am]*
Cr A Bech
Cr DW Fulton
Cr S Henderson
Cr SD Lynch *[from 9.05am until 10.34am]*
Cr RC McGuire
Cr F McInally
Cr EM Patterson
Cr NMD Smith
Cr LR Thomson

Attending:

Mr B MacLeod (Chairperson, Raglan Community Board)
Mr G Ion (Chief Executive)
Mrs S O'Gorman (General Manager Customer Support)
Mr T Whittaker (General Manager Strategy & Finance)
Mrs LM Wainwright (Committee Secretary)
Mr C Morgan (Economic Development Manager)
Mr S Thompson (Financial Operations Team Leader)
Ms T Mahuta (Deputy Chair, Waikato Regional Council)
Mr F Lichtwark (Councillor, Waikato Regional Council)
Mr M Garrett (Chief Financial Officer, Waikato Regional Council)
Mr A Wilson (PT Manager, Waikato Regional Council)
Mr J Dawson (Hamilton & Waikato Tourism)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Thomson/Patterson)

THAT an apology be received from Cr Church, Cr Main and Cr Sedgwick

CARRIED on the voices **S&F1803/01**

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Patterson/McGuire)

THAT the agenda for a meeting of the Strategy & Finance Committee held on Wednesday 28 March 2018 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be considered with the public excluded;

AND THAT all reports be received;

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&F1803/02**

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs McInally/Bech)

THAT the minutes of a meeting of the Strategy & Finance Committee held on Wednesday 28 February 2018 be confirmed as a true and correct record of that meeting.

CARRIED on the voices **S&F1803/03**

REPORTS

Waikato Regional Council Long Term Plan 2018-2028 Presentation
Agenda Item 5.1

Representatives from Waikato Regional Council spoke to a powerpoint presentation and answered questions of the committee.

The report was received *[S&F1803/02 refers]* and discussion was held.

Cr Lynch entered the meeting at 9.05am during discussion on the above item.

His Worship the Mayor entered the meeting at 9.07am during discussion on the above item.

His Worship the Mayor withdrew from the meeting at 10.06am during discussion on the above item.

Hamilton & Waikato Tourism Six Monthly Report: 01 July – 31 December 2017
Agenda Item 5.2

The Hamilton & Waikato Tourism Chief Executive spoke to a powerpoint presentation and answered questions of the committee.

The report was received *[S&F1803/02 refers]* and discussion was held.

His Worship the Mayor re-entered the meeting at 10.21am during discussion on the above item.

Cr Lynch retired from the meeting at 10.34am.

The meeting adjourned at 10.34am and resumed at 10.55am

Financial Review of Key Projects
Agenda Item 5.3

The report was received *[S&F1803/02 refers]* and discussion was held.

Waikato Local Authority Shared Services Limited Draft Statement of Intent
Agenda Item 5.4

The report was received *[S&F1803/02 refers]* and discussion was held.

Resolved: (Crs McGuire/Patterson)

THAT pursuant to section 64 of the Local Government Act 2002 the Strategy & Finance Committee supports the Waikato Local Authority Shared Services Limited draft Statement of Intent for 2018/19 and will provide such feedback no later than 30 April 2018.

CARRIED on the voices **S&F1803/04**

Waikato Local Authority Shared Services Limited six monthly report
Agenda Item 5.5

The report was received *[S&F1803/02 refers]* and discussion was held.

Waikato Regional Airport Limited Draft Statement of Intent 2018/19
Agenda Item 5.6

The report was received *[S&F1803/02 refers]* and discussion was held.

Resolved: (Cr McGuire/Fulton)

THAT pursuant to section 64 of the Local Government Act 2002 the Strategy & Finance Committee supports the Waikato Regional Airport Limited draft Statement of Intent for 2018/19 and will provide such feedback no later than 30 April 2018.

CARRIED on the voices **S&F1803/05**

Waikato Regional Airport Interim Report
Agenda Item 5.7

The report was received *[S&F1803/02 refers]* and discussion was held.

Civic Financial Services Limited Annual General Meeting
Agenda Item 5.8

The report was received *[S&F1803/02 refers]* and discussion was held.

His Worship the Mayor withdrew from the meeting at 11.11am during discussion on the above item and re-entered during the public excluded section of the meeting.

EXCLUSION OF THE PUBLIC
Agenda Item 6

Resolved: (Crs McInally/Patterson)

THAT the report of the Chief Executive be received;

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

Confirmation of Minutes dated Wednesday 28 February 2018

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)(h)(i)(j)	Section 48(1)(3)(a)(d)

b. Rates Debt Write Off – Unrecoverable Properties

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)(3)(a)(i)

c. Strada Corporation Limited

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)(b)(ii)(i)	Section 48(1)(3)(d)

CARRIED on the voices **S&F1803/06**

Resolutions S&F1803/07 - S&F1803/09 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 11.41am.

Minutes approved and confirmed this day of 2018.

JM Gibb
CHAIRPERSON
Minutes2018/S&F/180328 S&F Minutes

Waikato District Council
Te Kaunihera aa Takiwaa o Waikato

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	5 April 2018
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 Thursday 29 March 2018.

2. RECOMMENDATION

THAT the minutes of a meeting of the Audit & Risk Committee held on Thursday 29 March 2018 be received;

AND THAT the following recommendations become resolutions of Strategy & Finance:

<u>A&R1708/04 – Risk Appetite Statement</u>

THAT the Audit & Risk Committee recommends adoption of the Risk Appetite Statement to Council.

<u>A&R1708/07 – Risk Assessment of Council Organsations' Draft Statements of Intent</u>

THAT any Audit & Risk Committee feedback be incorporated in Council's response to the draft Statements of Intent for Council Controlled Organisations.

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 on **THURSDAY 29 MARCH 2018** commencing at **1.05pm**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor, Mr AM Sanson *[until 3.48pm]*
Cr AD Bech
Cr JM Gibb *[until 2.42pm and from 2.44pm]*
Cr BL Main

Attending:

Cr SD Lynch
Mr GJ Ion (Chief Executive)
Mr TG Whittaker (General Manager Strategy & Support)
Mrs S O'Gorman (General Manager Customer Delivery)
Ms J Remihana (Acting General Manager Service Delivery)
Mrs RJ Gray (Council Support Manager)
Ms A Diaz (Finance Manager)
Ms L Shirley (Zero Harm Manager)
Mr K Abbott (Organisational Planning & Project Support Manager)
Mr K Pavlovich (Acting Waters Manager)
Mr M Willcock (Chief Information Officer)
Ms M Russo (Corporate Planner)
Mrs M Baena-Escamilla (Continuous Improvement Analyst)
Mr R Java (Procurement Manager)
Ms S Quinn (Procurement Officer)
Mr L Pieterse (Director Audit New Zealand)
Ms M Proctor (Audit Manager Audit New Zealand)
Members of staff

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Main/Bech)

THAT an apology be received from Cr Sedgwick.

CARRIED on the voices **A&R1803/01**

It was noted that the Chair had received feedback ahead of the meeting from Cr Sedgwick.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Gibb/Main)

THAT the agenda for a meeting of the Audit & Risk Committee held on Thursday 29 March 2018 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 in accordance with Standing Order 9.4 the order of business be changed with agenda item 6.6 *[Havelock North Inquiry: Stage Two Discussion Paper]* being considered as the first report on the agenda.

CARRIED on the voices **A&R1803/02**

DISCLOSURES OF INTEREST

The Chair, Ms Devlin, advised members of the committee that there were references to Watercare and Waikato Regional Airport in reports in the agenda. She declared an interest as a Director of Watercare and Waikato Regional Airport. It was also noted that there were no decisions required in respect of Watercare nor of Waikato Regional Airport.

CONFIRMATION OF MINUTES

Resolved: (Crs Gibb/Bech)

THAT the minutes of a meeting of the Audit & Risk Committee held on Wednesday 13 December 2017 be confirmed as a true and correct record of that meeting.

CARRIED on the voices **A&R1803/03**

REPORTS

Havelock North Inquiry: Stage Two Discussion Paper
Agenda Item 6.6

The report was received *[A&R1803/2 refers]* and taken as read. In speaking to the report, the Acting Waters Manager highlighted the following points:

- from the recommendation of Stage Two there does not appear to be any issue with the infrastructure, but there are significant challenges in the operations sector.

- Council supports the six principles of drinking water management detailed in the report.

Project Brief for Natural Hazards RMA Changes 2017
Agenda Item 5.1

The report was received *[A&R1803/2 refers]* and taken as read. It was noted that the focus is on the consenting area to establish a new natural hazards risk assessment evaluation for subdivisions with natural hazards. Discussions are being held with other Waikato Councils regarding potential cost sharing.

In summary it was acknowledged that this remains a high risk to Council. However the current work stream will provide a tool that will create a more robust process for both Council and customers. The team is currently working with other Councils to get a better outcome. In the meantime the risk is being managed on a case by case basis. It was also emphasised that in completing this work, Council should not become too risk averse.

Post Incident Review – Generator Failure on 22 January 2018
Agenda Item 5.2

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Acting General Manager Service Delivery provided a brief overview and answered questions from the members.

Concern was expressed on the cost to Council of this failure. The Committee requested that Management capture the learnings from this incident, such as the need to ensure providers' records on Council infrastructure are accurate as Council was receiving mixed messages at the time, eg WEL.

The Chair suggested that a formal response be written to WEL.

<u>Audit Management Report on Long Term Plan Consultation Document for the Period 1 July 2018 to 30 June 2028</u>
Agenda Item 5.3

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Audit New Zealand Audit Manager highlighted the following points:

- Good communication with the staff and the Finance Team managing the tight timeframes.

- Activity management plans get slightly out of date with reiterations when considering priorities and moving projects around.

- Infrastructure Strategy: noted that there are some opportunities for good practice that have been incorporated in the final draft. To have discussions with Management for inclusion of these in future strategies.

- Performance framework will be covered with the Long Term Plan audit in June.

The Chair agreed that this is a tight timeframe for June but noted the assurances from the Finance Manager.

<u>Current Practices and Culture of Waikato District Council's Workplace Harassment and Bullying</u>
Agenda Item 5.4

The report was received *[A&R1803/02 refers]* and taken as read. The Human Resources Manager answered questions of the members.

Discussion was held on:

- Child Protection Policy and the vetting of staff dealing with young children.

- Harassment and Bullying Policy: it was noted there is an emphasis to all staff to become proactive in reporting what is seen. This was also pertinent to Councillors. His Worship the Mayor advised he would re-emphasise this matter to all Councillors and that the Council has no tolerance of any form of bullying or harassment.

The Committee requested Management review the current procedure in respect of subcontractors.

Risk Appetite Statement
Agenda Item 5.5

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Organisational Planning & Project Support Manager advised changes were reflected in the Risk Appetite Statement.

Discussion was held on:

- the graphic enablers for Zero Harm and People and Culture not reflecting a zero harm risk. The Committee confirmed a zero risk appetite for Health and Safety and Fraud.

- cyber security – important for staff to follow the policy and procedures in place given the level of activity in the wider environment.

The Chief Executive advised that Council is prepared to take moderate risk around growth in the interest of being more agile in promoting growth. It was agreed that the Chief Executive would encourage managers to think differently and be innovative, to have a culture of quality, accountability, and give staff encouragement and freedom about how to do things differently to give overall effect to ratepayers.

It was noted that frameworks are in place to mitigate risk in Council. The Committee requested that risk mitigations need to include oversight of the deliverables.

Resolved: (Crs Gibb/Main)

THAT the Audit & Risk Committee recommends adoption of the Risk Appetite Statement to Council.

CARRIED on the voices **A&R1708/04**

Waikato District Council Zero Harm Safety Management System
Agenda Item 6.1

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Zero Harm Manager highlighted the following points:

- Contractor Management, Event Management and Hazard and Risk Management – reviewing current contracts at low/high risk, relationships and safety plans, and what other organisations are doing for risk standards.

The Chair requested monthly statistics be provided to the next meeting.

The Chief Executive spoke of a zero harm presentation held with staff regarding work safe home safe aimed at reminding people about the importance of health and safety. Councillors commended the staff on the presentation.

The Chief Executive advised that there was a potential issue around leptospirosis in the Ngaruawahia dog pound. Appropriate steps are being taken in terms of exposure to staff in respect of this situation.

Annual Report 2017/2018
Agenda Item 6.2

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Corporate Planner highlighted the following points:

- Timeline is comparative to last year.

- The Committee will view a copy of the annual report at the September 2018 meeting prior to adoption by Council on 8 October 2018.

The Audit New Zealand Director spoke of the annual report and summary complying with legislation. The focus for FY18 will be on property plant and equipment, property reevaluations and property plant not being revalued and development contributions. Audit New Zealand will review the controls Council has in place for fraud risk to ensure staff follow procurement and financial processes.

Management confirmed that the valuation process has been programmed and will be completed within the year end timetable.

The Audit New Zealand Director spoke of sensitive expenditure as being in the auditing standards of the Auditor-General. The Chair requested that any trends identified be discussed with the General Manager Strategy & Support.

It was noted that the multi-year focus by the Office of the Auditor General is on water – quality of water in rivers, and wastewater and treatment with the Havelock north scenario incorporated into the scheme.

Cr Gibb withdrew from the meeting at 2.42pm during discussion on the above item and returned at 2.44pm at the commencement of discussion on the following item.

March Update on Progress against Audit Issues
Agenda Item 6.3

The report was received *[A&R1803/02 refers]* and taken as read by the Corporate Planner. Discussion followed on:

- Staff resourcing requirements.

- IM calendar and disaster recovery management have progressed significantly.

- Cyber security system controls pending.

- Good progress with issues identified, hoping to be completed by end of June 2018.

The Chair expressed concern with actions still active in 2017 that need to be addressed. The General Manager Strategy & Support agreed to liaise with the Organisational Planning & Project Support Manager to review issues that may need culling. A request was made to provide a report to the next meeting to identify what is current and relevant.

Update on Process Audit and Quality Improvement
Agenda Item 6.4

The report was received *[A&R1803/02 refers]* and taken as read. In speaking to the report, the Continuous Improvement Analyst highlighted the following points:

- More mature group of auditors now.

- Working on five minor recommendations received from the Ministry of Primary Industries in recognising the Environmental Health Team as verifiers.

- Encouraging staff to review processes.

The Committee noted the level of progress being made.

Risk Management Policy
Agenda Item 6.5

The report was received *[A&R1803/02 refers]* and the Continuous Improvement Analyst took the report as read. Discussion was held on the revised policy. The Committee supported the revised strategy.

Updated Future Workplan
Agenda Item 6.7

The report was received *[A&R1803/02 refers]* and taken as read and noted that a site visit is organised to visit the Ngaruawahia dog pound following the June Audit & Risk Committee meeting.

Risk statement – the Chair proposed that strategic risks would be reviewed on a rolling basis at each Audit & Risk Committee meeting. This would include assessing the effectiveness of the identified risk mitigations.

EXCLUSION OF THE PUBLIC
Agenda Item 7

Resolved: (Crs Gibb/Main)

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:

Confirmation of Minutes dated 13 December 2017

REPORTS

a. Procurement Manager's Report

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)(b)(ii)(i)	**Section 48(1)(3)(d)**

b. Contract Spend Review March

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)(b)(ii)(i)	**Section 48(1)(3)(d)**

c. Risk Assessment of Council Controlled Organisations' Draft Statement of Intent

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)(b)(ii)(i)	**Section 48(1)(3)(d)**

d. Fraud Declaration

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)**

e. Strada Corporation Limited

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)(b)(ii)(i)	Section 48(1)(3)(d)

f. Register of Members' Interest – Elected Members and Senior Staff

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)

g. Committee Time with Audit New Zealand

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 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)(g)(h)(i)(j)	Section 48(1)(a)(d)

AND FURTHER THAT Ms Devlin (Chair), Mr Pieterse and Mrs Procter (Audit New Zealand) remain in the meeting after the public has been excluded to chair/facilitate the discussion on items in PEX 7 *[Public excluded items]* in the public excluded section of the meeting.

CARRIED on the voices **A&R1708/05**

Resolutions A&R1803/06 – A&R1803/08 are contained in the public excluded section of these minutes.

It was noted that His Worship the Mayor retired from the meeting during the public excluded section of the meeting.

Having concluded the public excluded meeting, the following item was released into open meeting:

REPORTS (CONTINUED)

Risk Assessment of Council Controlled Organisations' Draft Statements of Intent
Agenda Item PEX 2.3

It was resolved *[A&R1803/07]* during the public excluded section of the meeting that the following resolution be released into open meeting but the report remain confidential and unavailable to the public:

'Resolved: (Crs Main/Bech)

THAT any Audit & Risk Committee feedback be incorporated in Council's response to the draft Statements of Intent for Council Controlled Organisations;

AND THAT the recommendation be released into open meeting but the report remain confidential and unavailable to the public.

CARRIED on the voices'

There being no further business the meeting was declared closed at 3.59pm.

Minutes approved and confirmed this day of 2018.

Margaret Devlin
CHAIRPERSON
Minutes2018/A&R/180329/A&R

Waikato District Council
Te Kaunihera aa Takiwaa o Waikato

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	27 April 2018
Chief Executive Approved	Y
Ref #	GOV1318
Report Title	Financial Review of Key Projects

1. Executive Summary

To update the Committee on the monitoring and process that has been undertaken during 2017/2018 to ensure that the financial implications of projects are known at an early stage.

2. Recommendation

THAT the report from the Chief Executive – *Financial Review of Key Projects* - be received.

3. Background

The Chief Executive, on an annual basis, provides details on a range of projects to be monitored and reported to the Strategy & Finance Committee. The projects are selected based on value, level of risk and other factors. A series of projects were identified for particular scrutiny during 2017/2018. Regular reports are provided on progress.

4. Discussion and Analysis of Options

4.1 Discussion

Council has been kept fully informed of the financial consequences of the key projects that were identified at the start of the financial year. This is an interim report for the 2017/2018 financial year and supplements monthly reports to the Infrastructure Committee on the detailed projects.

The table attached to this report gives an update on the specific projects that Council wished to be given special consideration. The list was based on the major non-roading projects which Council planned to undertake for 2017/2018, including carry forwards.

Council has chosen not to reduce the upfront risk. This could have been done by investing in advance design work or other scoping work in advance of setting budgets.

It should also be noted that the nature of a number of these projects is that problems are only uncovered when Council undertakes the project. Reticulation issues, for example, are hidden until the pipes are exposed. Topographical and geotechnical issues can also arise in relation to a number of projects.

Some of the projects are delayed for strategic reasons. An example is where we are awaiting direction on our Housing Infrastructure Fund application. This impacts the upgrade of our Huntly Wastewater Plant.

Councillors should also note that the purpose of this report is to identify progress with key projects from a financial perspective. This simply means that issues are identified earlier so that Council can make decisions before committing Council funds. It does not give certainty around the tender process as this is driven often by market forces, not by the project itself.

4.2 Options

This report is largely for information only. It is to update Councillors on progress with the financial implications of the key projects identified for the 2017/2018 financial year.

The report contains the latest forecast cost and a comparison to the budget allocation.

Council may consider that other actions should be taken to control costs. The emphasis of the report and the requirement was to identify potential issues and to advise Council so that cost implication could be considered before work proceeds.

Any technical questions about the projects or infrastructure requirements should be addressed at the Infrastructure Committee meeting, not as part of this report.

The following is the list of agreed projects for 2017/2018:

- Ngaruawahia Council office upgrade construction (carry forward)
- Tamahere recreation reserve project
- Raglan stormwater reticulation extensions (carry forward)
- Ngaruawahia Kent Street / George Street stormwater network upgrades (carry forward)
- New reservoirs for Huntly, Central District and Hopuhopu and Pokeno reservoir sites (carry forward)
- Land purchases for Pokeno, Central District and Hopuhopu reservoir sites (carry forward)
- Tuakau water supply reticulation extensions
- Pokeno wastewater scheme construction - Stage 2 (carry forward)
- Huntly wastewater treatment plant upgrade (carry forward)
- Meremere wastewater treatment plant upgrade
- Raglan wastewater treatment plant upgrade
- Pokeno stormwater reticulation extensions
- SCADA improvements

It should be noted that upgrades on the Huntly Wastewater Treatment Plant and Meremere Wastewater Treatment Plant are deferred until we progress our Housing Infrastructure Fund detailed business case.

5. CONSIDERATION

5.1 FINANCIAL

All of the projects included in the list form part of the Annual Plan for 2017/2018 or are carry forwards.

5.2 LEGAL

As part of undertaking the work, Council needs to ensure that the approach taken is consistent with the Purpose of Local Government.

Under this Act, good quality in relation to local infrastructure, local public services and performance of regulatory functions means infrastructure, services and performance that are efficient, effective and appropriate to present and anticipated future circumstances.

In other words, to meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The report is concerned with the community outcome of Thriving Waikato in relation to the economic importance of a number of the projects.

The report is also concerned with the economic wellbeing of residents in the district. If costs exceed budgets then alternative funding sources need to be found or elements of the project reviewed.

Projects such as water and wastewater schemes that impact on the Waikato River are of particular significance to Tangata Whenua. For example, discussions are ongoing with Iwi around wastewater and reservoir projects.

In the future we will need to ensure alignment with Council's vision of 'Liveable, Thriving and Connected Communities'.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Councillors will review the list of key projects and identify any change in significance, where appropriate.

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	☑	☐	☐	☐	☐
	This report is an update on progress. It is to inform.				

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
	✓		Households
	✓		Business
			Other Please Specify

6. CONCLUSION

Staff believe that appropriate systems are in place to identify the cost implications of the various key projects that Council wished to ensure were given additional monitoring during the year. Council has been kept informed of cost implications as they arise. This report provides an update on progress with the key projects for 2017/2018.

7. ATTACHMENTS

Financial Review of Key Projects

KEY PROJECTS

Team	Project Description	Project Owner	Full Year Budget	YTD Actual	Remaining Budget	Full Year Forecast	Expected Completion Date	Progress & Risk Comment
Programme Delivery	Ngaruawahia council office upgrade construction	Paul White	424,138	250,337	173,801	330,138	Jun-18	Phase 2 design improvements to raise the height of the accessible counter, install a secondary wall and door have been scoped and are out for quote, the physical works may flow into 2018/19. Quote for noise attenuation for call centre has been received and works to occur in June 2018. The incumbent contractor may be selected to carry out the works resulting in a likely increase to contract sum.
Programme Delivery	Tamahere Recreation Reserve Project	Richard Clark	2,451,919	73,662	2,378,257	539,022	Multi year project	Contract works of $3.677m have been awarded to Fosters Construction for the development of the recreation reserve and includes playground, cycle paths, landscaping, piazza, cricket pitch, skate park, basketball courts, wastewater and water systems for future toilet facilities and provision for carparks and associated bus shelter and furniture. Contract agreement has been reviewed and changes requested before signing. Work is expected to be completed September 2018.
Programme Delivery	Raglan stormwater reticulation extensions	Reuben Rink	365,576	93,136	272,440	93,136	Jun-18	After initial lack of tender response, work has been re-tendered with a close date of 18 May with physical works to occur in the new financial year.
Programme Delivery	Ngaruawahia, Kent St/George St Stormwater Network upgrades	Reuben Rink	471,728	427,818	43,910	471,728	Apr-18	Kent and George Street initial contract is complete, as builts received and Practical Completion Certification has been issued. Currently out to tender for Stage 2 scope (utilising savings from another budget).
Programme Delivery	New Reservoirs for Huntly, Central District, Hopuhopu and Pokeno	Richard Clark	3,538,699	1,355,345	2,183,354	1,339,473	May-18	Pokeno - Reservoir is commissioned. Huntly – Reservoir is fully operational and has been handed over to Operations. Final electrical quality checks complete with some minor issues raised. Central District – Remedial works and curing complete. Reservoir refilling and power installation currently underway. Self-healing is evident due to reduced seepage and commissioning is expected early May. Hopuhopu – Reservoir is full and undergoing pre-commissioning testing. Defects notification period will require new roofing panels to be installed at contractors cost. Demolition of old reservoir to be removed from scope of works and re-tendered for completion during upcoming construction season.
Programme Delivery	Land Purchases for Pokeno, Central District and Hopuhopu Reservoir Sites	Elton Parata	204,905	783	204,122	82,036	May-18	All sites now secured and works underway. Hopuhopu long term agreement is with Waikato Tainui for consideration but struggling to get traction on having agreement signed. The Chief Executive has followed this up.
Waters	Tuakau water supply reticulation extensions	Karl Pavlovich	1,639,774	4,476	1,635,298	43,700	2018/19	To finalise priorities following completion of the proposed District and Structure Plans. Based on demand, this work will not be required until 2018/19 or later.
Programme Delivery	Pokeno Wastewater scheme construction - Stage 2	Paul White	1,905,401	1,706,330	199,071	1,905,401	Mar-18	Works complete including variation negotiations. Extension of time claims to be discussed in May and partial Practical Completion to be issued in June (one line requires remedial works). Additional connections contract to be prepared and advertised in May with the physical works to be undertaken in 2018/19.
Waters	Huntly wastewater treatment plant upgrade	Stephen Howard	1,628,112	0	1,628,112	0	TBA	This project was being considered in conjunction with the Housing Infrastructure Fund detailed business case but has recently been detached with a localised treatment plant being the preferred option for wastewater treatment. For Huntly we have engaged a consultant to review the plant to identify what plant improvements are required to achieve full resource consent compliance along with a timetable and cost estimate.
Waters	Meremere wastewater treatment plant upgrade	Stephen Howard	2,175,854	5,800	2,170,054	3,713	TBA	Underway with planning.
Waters	Raglan wastewater treatment plant upgrade	Karl Pavlovich *	1,196,719	18,703	1,178,016	18,703	On Hold	Project is on hold to ensure any proposed solution is in keeping with changes that may occur as part of the upcoming resource consent renewal. The long term solution will be developed during the consent renewal phase. While the project is on hold, Council is currently at risk of further non compliance implications.
Waters	Pokeno stormwater reticulation extensions	Karl Pavlovich	1,102,912	0	1,102,912	359,326	Jun-19	Dependent on developer schedule, pipeline from Winstones catchment to Pond expected in 2017/18 with remaining works pushed out to 2018/19.
Waters	SCADA Improvements	Robert Ball	1,300,000	96,840	1,203,160	112,849	Multi year project	Contract for procurement of radio telemetry units awarded and installation due to commence early in 2018/19.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	7 May 2018
Prepared by	Alison Diaz Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 1947259
Report Title	Civic Financial Services Limited Statement of Intent

1. Executive Summary

Civic Financial Services Limited is owned by Councils across New Zealand and supplies a range of financial services specifically to Local Government. Council's investment in Civic as at 30 June 2017 was $62,809, which equates to a 0.37% holding.

Civic's final Statement of Intent for the year ended 31 December 2018 is attached for the Strategy & Finance Committee's information.

The 2017 Annual Report is also now available and can be found on Civic's website http://www.civicfs.co.nz. An operating surplus of $828,855 was made, against a Statement of Intent forecast of $338,000. Councillors will recall that the company had agreed to sell Civic House, however, it has become evident that there is an estimated $820,000 of seismic strengthening to undertake. This work is expected to be undertaken within 12 months. The asset has been revalued accordingly.

2. Recommendation

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

3. Attachments

Civic Financial Services Limited Statement of Intent for the year ended 31 December 2018 (with cover letter)

Civic Financial Services Ltd
SERVICING LOCAL GOVERNMENT ACROSS NEW ZEALAND

Mr Gavin Ion
Chief Executive
Waikato District Council
Private Bag 544
NGARUAWAHIA 3742

17 April 2018

Dear Gavin

Civic Financial Services Statement of Intent and Annual Report and Plan to Sell Civic Assurance House

Please find enclosed your copy of Civic's Annual Report for the year ended 2017 and Statement of Intent for 2018.

You will see in our Annual Report that Civic made a pre-tax surplus from normal operations of $828,855 for the year ended 31 December 2017, compared to the forecasted surplus of $338,000 as set out in the 2017 Statement of Intent. The ongoing seismic assessment review on Civic Assurance House has resulted in the value of the building being reduced by $798,043 bringing the before-tax profit to $30,812 for the year ended 31 December 2017.

At the Special General Meeting on 5 October 2017 held in Wellington our shareholders voted in favour of the resolution to sell Civic Assurance House. Your Board has been progressing this forward, acting in the best interest of the company to achieve a satisfactory price for the sale of Civic Assurance House.

As part of the sales pack we had requested an updated seismic assessment review before taking the building to market.

The ongoing seismic assessment review has identified there is strengthening work required for the non-structural south and west boundary walls of Civic Assurance House. The cost to complete this work has been estimated at $820,000 and is expected to be completed within a twelve-month timeframe. Having taken professional advice, the decision was made to complete the strengthening work before taking the building to market.

Upon completion of this work the value of the building is expected to be restored, at which time we will commence the selling process which is envisaged to be completed within a three-month time period. If a satisfactory sale price can be obtained, the proceeds net of selling costs will be distributed to shareholders via a special dividend. The cost for this strengthening work will not be considered as a selling cost.

We will keep you informed of any significant developments.

Yours sincerely

Ian Brown
Chief Executive
Email: ian.brown@civicfs.co.nz

CIVIC FINANCIAL SERVICES LIMITED

STATEMENT OF INTENT

FOR THE YEAR ENDED 31 DECEMBER 2018

TABLE OF CONTENTS

1.0 Mission Statement

Mission Statement of Civic Financial Services Ltd
To provide superannuation and risk-financing solutions to the local government sector

2.0 Corporate Goals

The specific goals of the Company are:

2.1 To operate as a sound and successful business.

2.2 To be the primary supplier of risk-financing and superannuation services to the local government sector.

2.3 To investigate and facilitate, as appropriate, new products and markets in risk-financing and superannuation and such other markets that it believes could prove beneficial to its shareholders and the local government sector.

3.0 Nature and Scope of Activities

3.1 The Company administers superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.

3.2 The Company provides administration, reinsurance, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).

3.3 The Company investigates and facilitates as appropriate such new risk-financing and superannuation services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.

3.4 In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

4.0 Financial Projections

Civic's projected profit outlook over the next three years is shown in the tables below.

Civic's main revenue streams will come from the two following sources: fees from providing administration services and investment income.

Profits from providing administration services: Civic's income in 2018 will come from providing administration services as described in section 3.1 and 3.2.

Profits from investment income: Civic's income in 2018 will come from investment income. This includes the rental income from Civic Assurance House, a ten-storey Wellington CBD office building. At the Special General Meeting ("SGM") held on 5 October 2017 there was overwhelming support from our shareholders to sell Civic Assurance House. Your Board is taking the appropriate action to progress this forward. A recent seismic assessment review has identified there is strengthening work required for the non-structural south and west boundary walls of Civic Assurance House. Having taken professional advice, the decision was made to complete the strengthening work before taking the building to market. We anticipate this work will be completed within the next twelve months. If a satisfactory sale price can be obtained, the proceeds net of selling costs will be distributed to shareholders via a special dividend. This potential sale and subsequent removal of rental income has been taken into consideration in the projections below.

Financial projections for 2018 to 2020 are:

	2018	2019	2020
Administration Income	$2,154,991	$2,129,232	$2,223,377
Investment Income	$ 416,000	$ 291,000	$ 140,000
Revenue	$2,570,991	$2,420,232	$2,363,377
Expenses	$2,123,037	$2,081,114	$2,108,429
Surplus before tax	**$ 447,954**	**$ 339,118**	**$ 254,948**

Please note that these are projections, not firm predictions.

5.0 Performance Targets and Measures

5.1 To provide superannuation services to at least 90% of local authorities.

5.2 To continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

6.0 Reporting to Shareholders

6.1 An audited annual report for 2017 by 30 April 2018.

6.2 A report on the first half of 2018 by 30 September 2018 containing a review of the Company's operations during the half year and unaudited half-yearly accounts.

7.0 Acquisitions/Disposals

Any acquisition or disposal that is equivalent to 50% or more of the Company's assets will constitute a "major transaction" under the Company's constitution and approval of the shareholders will be sought in accordance with the constitution. Any acquisition that is equivalent to 25% or more but less than half of the Company's assets will constitute a "minor transaction" under the Company's constitution and consultation with shareholders will take place.

8.0 Transactions with Related Parties

The Company has 72 local authority shareholder members plus TrustPower (holding 1.22%. Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of the Company. Because it is sharing management resources, the Local Authority Protection Programme (LAPP), Riskpool, CLP and CPP are also considered to be related parties. Transactions with shareholder members include risk-financing services and superannuation related financial services.

Charges to and from shareholder members will be made for services provided as part of the normal trading activities of the Company and its subsidiaries. Transactions with shareholder members are on a wholly commercial basis.

***** END *****

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	10 May 2018
Prepared by	Alison Diaz Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 1950133
Report Title	Operational Budget Reviews

1. EXECUTIVE SUMMARY

This report summarises the issues and results from internal operational budget reviews for the information of the Strategy & Finance Committee.

2. RECOMMENDATION

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

3. BACKGROUND

Council follows a tiered budget review process to support:

- Financial accountability – finding funding solutions at the time of planned expenditure;
- Identification of savings as they arise;
- Improved variance commentary; and
- Removal of duplication of effort.

There are four different levels of budget review, three of which utilise an operational budget review process; movement between budgets within the same cost centre, movement between budgets at the group level, and employment related budget changes.

The fourth type of budget review relates to capital works and non-neutral funding changes (which alter the Annual Plan / Long Term Plan that was adopted and communicated to ratepayers, residents and other stakeholders).

These changes are advised to the relevant committee with specific financial resolutions that identify funding solutions/savings. Where contracts are let under delegated authority and budget changes are required, the tender report includes a resolution to allow funding to be adjusted as identified in that report (i.e. a separate committee report is not required).

The approved process is in place to improve flexibility during the year and aligns with transparency requirements under the Local Government Act 2002.

4. Issues and Results

An organisation-wide budget review process is conducted around March each year to capture the remaining operational variances to mitigate surplus/deficit positions ahead of the financial year end. Invariably budgets differ from actual costs charged, and the purpose of the tiered budget review and operational budget review processes is to manage the impact of these changes without adversely affecting the overall funding position.

The General Accounting Reserve Fund ("GARF") which is comprised of general rate surpluses from prior financial years is used to manage one-off adverse general rate variances. This reserve is expected to have a balance at 30 June 2018 of approximately $690,000. The Chief Executive's submission to the Long Term Plan has requested that this funding be made available to implement internal changes to deliver Councils' vision for Liveable, Thriving, Connected Communities.

In 2017/18 the following general rate funded items have been able to be accommodated from the reserve:

<u>Council resolutions</u>		
China economic development delegation	$ 8,400	(actual cost vs estimate of $25,000)
Additional Sport Waikato resource	$ 15,000	
Land purchase (Rangiriri)	$ 10,000	
<u>Operational budget reviews</u>		
Additional consents team resource	$ 57,000	
Project management framework	$150,000	
Legal costs for vested land	$ 5,000	
Shared recruitment services costs	$100,000	
Housing Infrastructure Fund application	$533,000	
Mental health and other zero harm work	$ 17,000	
Taupiri by-election	$ 4,800	
Body camera replacements (animal control)	$ 7,500	
Tourism Infrastructure co-funding	$120,000	
<u>Less: Additional income/funding offsets</u>		
Rural fire funding	$136,000	
Depreciation savings	$300,000	
Additional general rate received	$411,000	
Salary savings	$508,000	
Total return to the reserve (savings)	**$327,300**	

Targeted rate funding issues are out of scope in these reviews as any decision to increase targeted rates must be consulted on.

5. Conclusion

The operational budget review processes conducted during the year have resulted in a return of funds to GARF. However, as mentioned above, initiatives to deliver the Council's vision of creating Liveable, Thriving, Connected Communities are expected to utilise the remaining balance within the reserve.

6. Attachments

NIL

Waikato DISTRICT COUNCIL
Te Kaunihera aa Takiwaa o Waikato

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	11 May 2018
Prepared by	Juliene Calambuhay Management Accountant
Chief Executive Approved	Y
DWS Document Set #	GOV1318
Report Title	Summary of Movements in Discretionary Funds to 30 April 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 30 April 2018.

2. RECOMMENDATION

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

3. ATTACHMENTS

Summary of Movements in Discretionary Funds to 20 April 2018

EVENTS MANAGEMENT FUND

		PR	2CE21000
2017/2018 Annual Plan			33,286.00
Carry forward from 2016/2017			7,169.10
Total Funding			**40,455.10**
Expenditure			
29-Aug-17	Raglan Community Arts Council - cost of the Raglan Arts Weekend 2018		2,000.00
03-Sep-17	Waikato Rowing Club Committee - Waikato 100 Event		3,000.00
26-Sep-17	Crossroads Mangatangi - cost of the "Light Party" community event		2,373.46
17-Oct-17	Ngaruawahia Community House - towards Picnic @ the Point event		4,000.00
15-Nov-17	Turangawaewae Rugby League Club - cost of hosting a 70th Commemoration event		5,000.00
20-Nov-17	Orini Reserve Committee - cost of 2017 community Christmas party event		5,000.00
19-Mar-18	Ngaruawahia RSA Memorial Club Inc - installing & removing ANZAC commemorative flags		2,000.00
01-Apr-18	Taupiri Community Board - Anzac Day ceremony - wreath		86.96
10-Apr-18	Raglan Returned & Services Asso Inc - Anzac Day ceremony in April 2018		2,150.00
Total Expenditure			25,610.42
Net Funding Remaining (Excluding commitments)			**14,844.68**
Commitments			
28-Nov-17	Onewhero-Tuakau Community Board - Anzac Day ceremony in April 2018 (D&F1711/18)		1,605.00
28-Nov-17	Taupiri Community Board - Anzac Day ceremony in April 2018 (D&F1711/19)	1,000.00	
	Less: Expenses	86.96	913.04
12-Mar-18	Huntly Returned Services Asso Inc - Anzac Day commemoration (D&F1803/08)		1,500.00
12-Mar-18	Ngaruawahia Anzac Day Civic Service (D&F1803/09)		1,575.85
Total Commitments			**5,593.89**
Net Funding Remaining (Including commitments) as of 30 April 2018			**9,250.79**

RURAL WARD DISCRETIONARY FUND 2017/2018

	GL	**1.202.1704**
2017/18 Annual Plan		30,963.00
Carry forward from 2016/17		14,573.85
Total Funding		**45,536.85**
Expenditure		
12-Jul-17	Hukanui Golf Club - cost of upgrading the ladies cloakromm	1,379.72
28-Jul-17	Matangi Community Committee - towards cost of the installation of CCTV cameras in Matangi Village	4,867.95
28-Aug-17	Rural Women of New Zealand - towards cost of community car	5,000.00
20-Nov-17	Scouts Association NZ - Camp Waingaro - cost of completing campsite facilities upgrade	4,533.00
27-Nov-17	Adult Literacy Trust - cost of student literacy development camps	5,000.00
20-Dec-17	Puketaha Primary School - cost of upgrading the school playground	5,000.00
14-Mar-18	Number 8 Network Group - cost of rural mini newspapaer	1,303.39
Total Expenditure		**27,084.06**
Net Funding Remaining (Excluding commitments)		**18,452.79**
Commitments		
14-Aug-17	Orini Hall Committee - stage one to replace the original hall building windows and surrounding frame work (D&F1708/05)	3,000.00
14-Aug-17	Hukanui Golf Club - new Suzuki Quad Truck for the greenkeeper provided the balance of the remaining funds ca be secured (D&F1708/06)	3,000.00
28-Nov-17	Pokeno Community Committee - annual servicing fee for the AED machine (D&F1711/17)	595.00
12-Mar-18	Hukanui Golf Club - cost of repairing damaged water well (D&F1803/04)	4,000.00
12-Mar-18	Te Kowhai Community Group - use of Te Kowhai Dairy amenities facility (D&F1803/05)	1,800.00
Total Commitments		**12,395.00**
Net Funding Remaining (Including commitments) as of 30 April 2018		**6,057.79**

Summary of Movements in Discretionary Funds
As of 30 April 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	-	27,084.06	18,452.79	12,395.00	6,057.79
	Huntly	26,842.38	24,026.00	-	20,545.29	30,323.09	17,168.00	13,155.09
1	**Meremere**	8,929.26	6,421.00	-	3,586.84	11,763.42	2,160.72	9,602.70
	Ngaruawahia	37,439.11	20,999.00	-	19,962.00	38,476.11	17,120.00	21,356.11
	Onewhero Tuakau	28,515.44	28,878.00	-	18,205.34	39,188.10	8,895.43	30,292.67
	Raglan	8,078.47	14,271.00	5,000.00	19,134.64	8,214.83	4,000.00	4,214.83
	Taupiri	2,895.38	1,624.00	-	1,137.09	3,382.29	86.91	3,295.38
2	**Te Kauwhata**	57,105.16	11,278.00	-	20,360.78	48,022.38	31,668.55	16,353.83
	Mayoral	1,943.58	8,000.00	-	2,050.00	7,893.58	1,000.00	6,893.58

1 Meremere budget inclusive of budget for salaries of $4,871

2 Te Kauwhata budget inclusive of budget for salaries of $7,080

mjc 1/05/2018

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	26 April 2018
Prepared by	Mairi Davis Financial Accountant
Chief Executive Approved	Y
Reference #	GOV1318 / 1941016
Report Title	Treasury Risk Management Policy - Compliance Report at 31 March 2018

1. EXECUTIVE SUMMARY

The purpose of this report is to inform the Committee of compliance with Treasury Risk Management Policy.

Counterparty credit risk limits for swaps has exceeded the policy requirement for longer than the prescribed 90 days. This limit relates specifically to the amount placed with any one counter party relative to the maturity dates of the swaps. The limit of $30 million has been exceeded by $0.79 million.

One of Council's existing banking relationships has been extended to include Swaps, with another counterparty agreement underway. The process has taken longer than anticipated and further transactions with BNZ were required in the intervening period to secure broader policy outcomes around interest rate risk. This breach will self-correct as swaps terminate.

Compliance is achieved in all material respects.

2. RECOMMENDATION

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

AND THAT the Strategy & Finance Committee accept the breach of the counterparty credit risk limit as the non-compliance is not material.

3. ATTACHMENTS

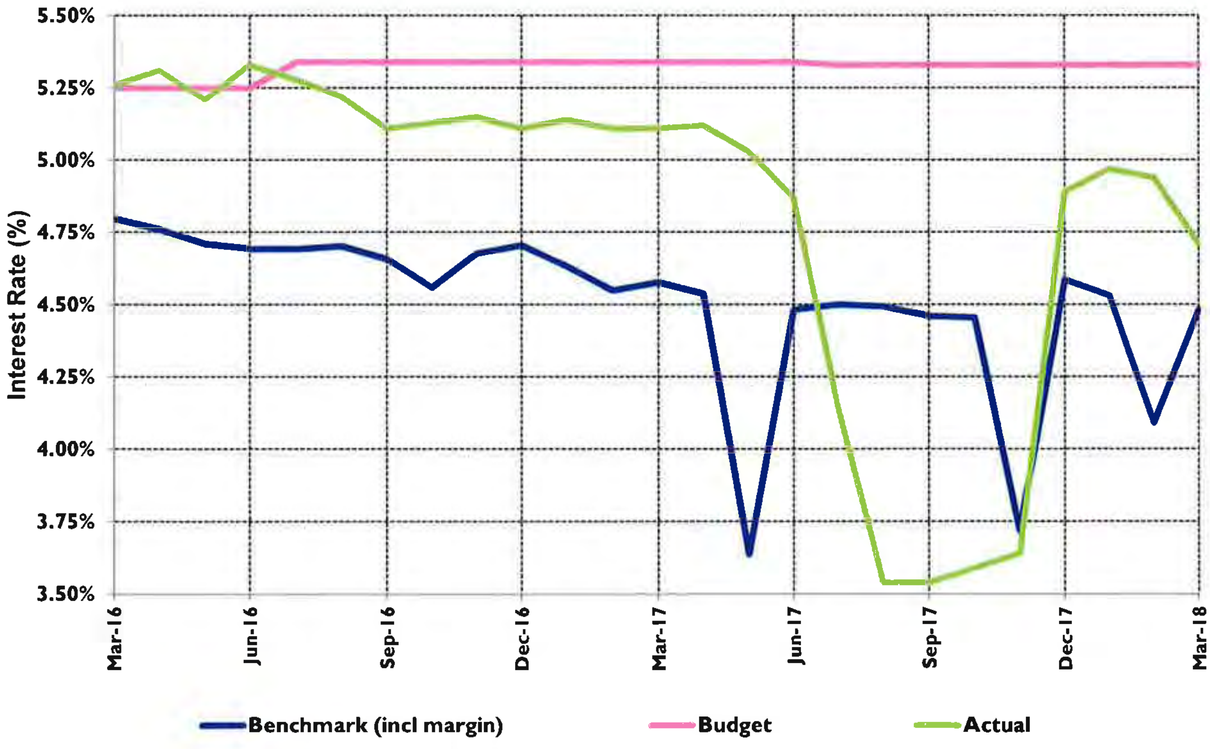
Treasury Risk Management Policy - Compliance Report at 31 March 2018.

Waikato District Council
Treasury risk management policy - Compliance report
As at 31 March 2018

	Policy criteria	Policy limit	Actual	Within policy?
1	The percentage of net external debt to annual revenue	<150%	61.2%	✓
	Net external debt =	total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents		
	Total annual revenue =	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)		
2	Net interest expense on net external debt as a percentage of total annual revenue	<20%	3.1%	✓
	Net interest expense =	total interest and financing costs less interest income		
3	Net interest expense on net external debt as a percentage of annual rates	<25%	4.3%	✓
4	Liquidity ratio	>110%	132%	✓
	Liquidity =	external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt		

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.

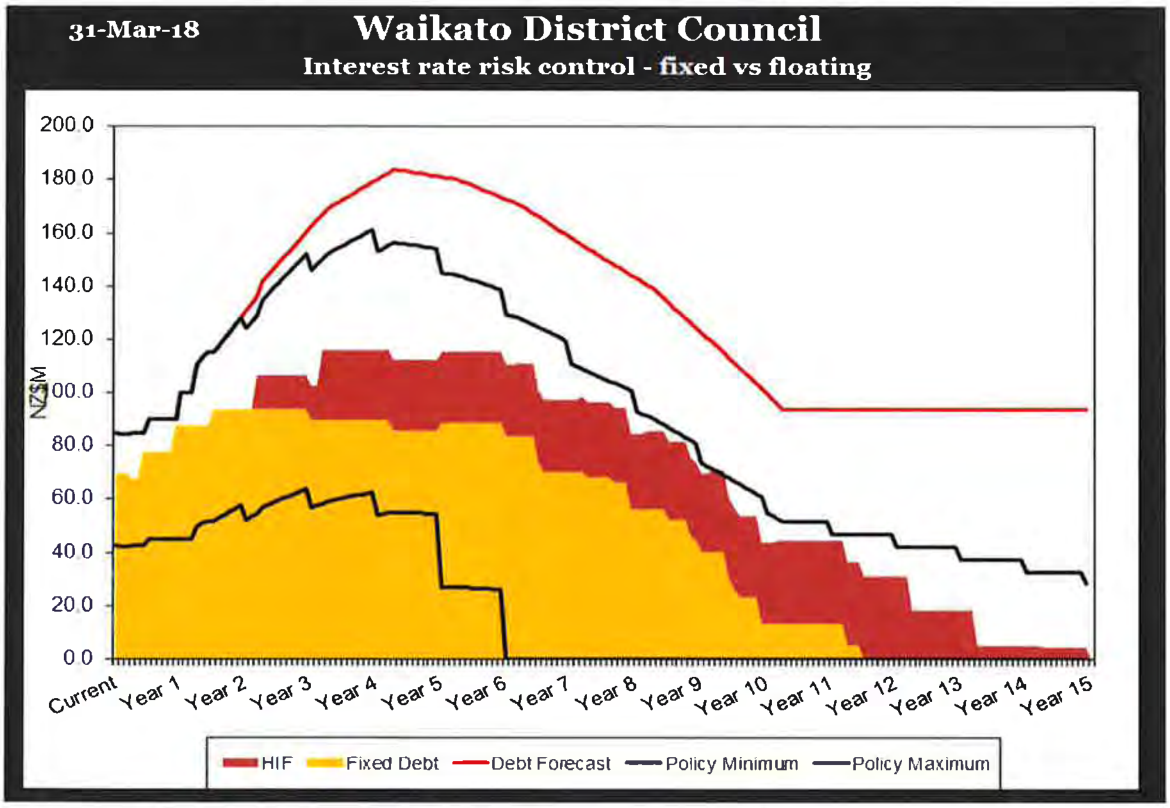


		Budget	Actual	
6	Actual borrowing costs are <= budgeted borrowing costs			
	Current month	$366,095	$353,470	✓
	Year to date	$3,294,858	$2,911,737	✓

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%
		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	4.53%
		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	
		4,000,000	23-Sep-19	23-Mar-20	
		5,000,000	15-Mar-18	30-Jun-20	4.06%
		3,000,000	15-Mar-18	20-Oct-20	4.22%
		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	
		10,000,000	28-Feb-19	27-Feb-26	
		10,000,000	28-Aug-18	30-Aug-27	
		10,000,000	28-Feb-18	28-Feb-28	3.33%
		77,500,000	**Total "live" swaps**		
			Average interest rate of live swaps		**4.21%**
8	Forward start period to be no more than 24 months unless there is a match with the expiry date of an existing swap of the same notional amount		8 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		$30.79m	✗	
	- HSBC		$0m	✓	
	- Westpac		$0m	✓	

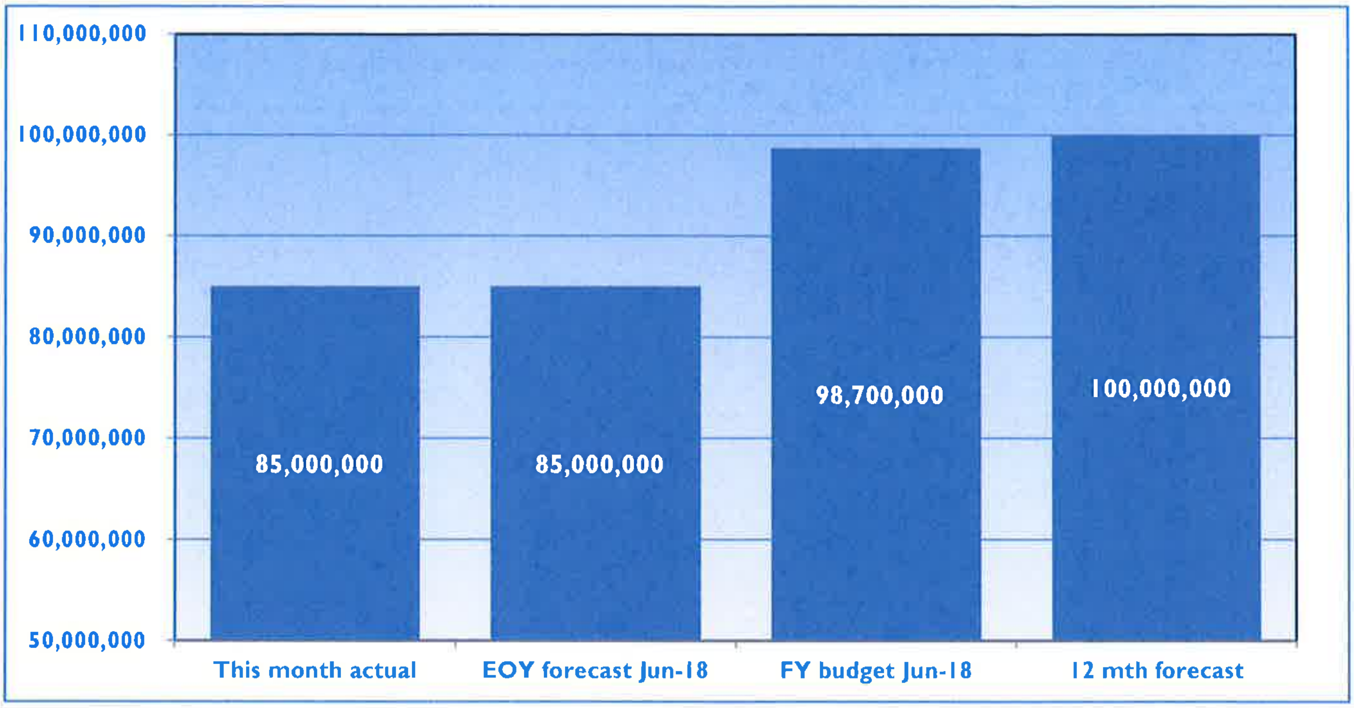
10	Council's net external debt should be within the following fixed/floating interest rate risk control limits.:				

Debt period ending	$m	Policy criteria	Actual	Within policy
Current	85	50% - 100%	82.2%	✓
Year 1	104	45% - 100%	84.3%	✓
Year 2	134	40% - 95%	70.0%	✓
Year 3	162	35% - 90%	63.2%	✓
Year 4	180	30% - 85%	64.4%	✓
Year 5	181	15% - 80%	63.8%	✓
Year 6	173	0% - 75%	64.1%	✓
Year 7	158	0% - 70%	61.7%	✓
Year 8	143	0% - 65%	59.2%	✓
Year 9	123	0% - 60%	56.8%	✓
Year 10	100	0% - 55%	44.0%	✓

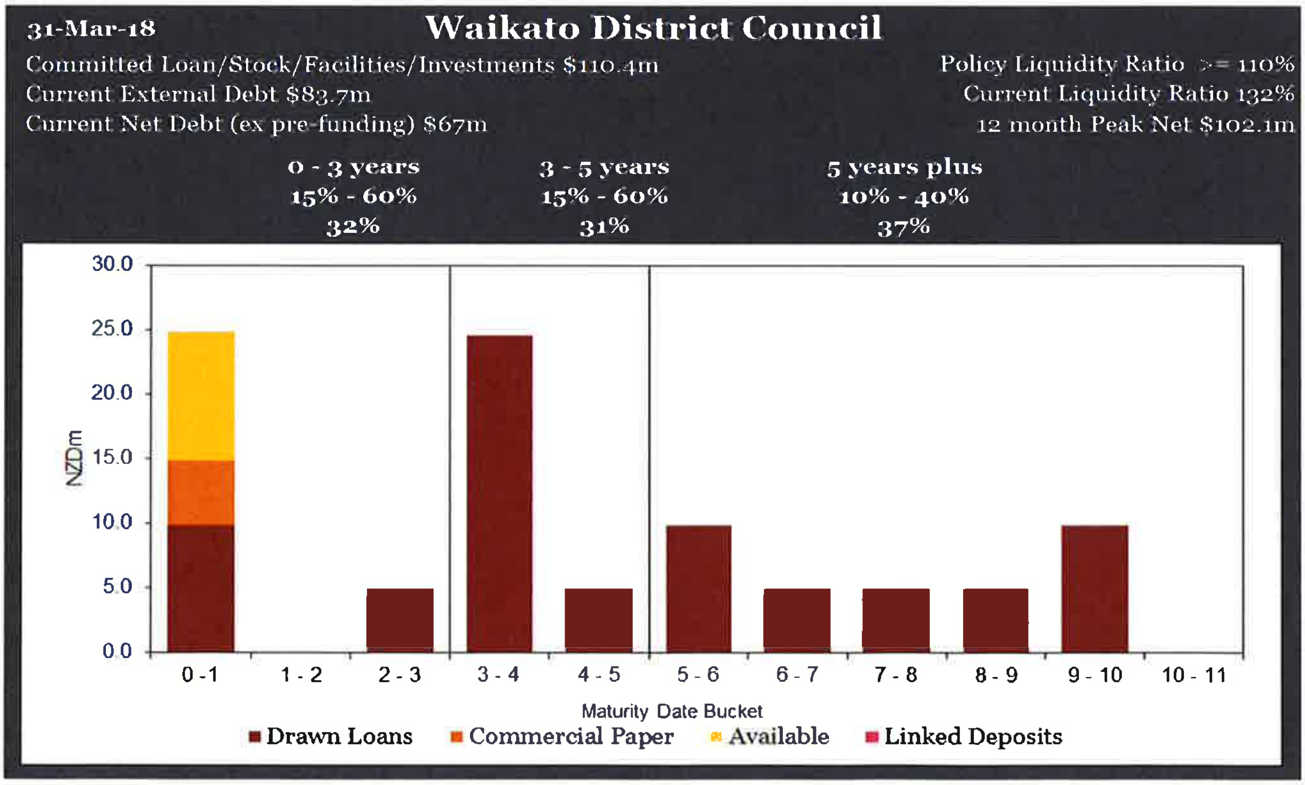


	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	$177m	$85m	✓
12	Balanced budget benchmark (revenue / expenses)	>=100%	108%	✓
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>=100%	150%	✓
14	Debt servicing benchmark (borrowing costs / revenue)	<15%	3.4%	✓
	borrowing costs =	finance expenses per statement of comprehensive revenue and expense		

15 Borrowing at March 2018 — This graph depicts actual borrowing - LGFA plus bank (BNZ).



16	Actual monthly (gross) borrowing is within end-of-year budget	$98,700,000	$85,000,000	✓
17	The maturity profile of the total committed funding in respect of all loans and committed facilities			
	0 to 3 years	15% - 60%	32%	✓
	3 to 5 years	15% - 60%	31%	✓
	5 years plus	10% - 40%	37%	✓



18	Financial assets	$'000
	Share investments held for strategic purposes	
	Local Authority Shared Services Limited	219
	Waikato Regional Airport Limited	12,797
	Strada Corporation Limited	700
	NZ Local Government Insurance Corp Limited	63
	Investments held to reduce the current ratepayer burden	
	Community loans as below	198
	Short-term investments held for liquidity & working capital requirements	
	Bank & cash balances	997
	Short-term bank deposits	16,700
	Total investments	**$14,974**
	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	159,107	Jun-22	all at 6.33%
	Te Kowhai Hall Committee (early repayment)	-	Jun-21	
	Woodlands #2	19,304	Jun-19	
	Tauhei Hall Committee	9,522	Jun-20	
	Opuatia Community Centre	4,200	Dec-20	
	Glen Murray Community Centre	5,000	Dec-18	ex Franklin loans @ 0%
	Onewhero Society of Performing Arts	1,100	Dec-18	
		$198,232		

	Policy criteria	Policy limit	Actual	Within policy?
20	Counterparty credit risk - investments			
	NZ Government	unlimited	$0m	✓
	NZD resistered supranationals	$20m	$0m	✓
	LGFA	$20m	$1.28m	✓
	NZ registered banks (each)	$10m		
	- ANZ / National		$4.18m	✓
	- ASB		$4.18m	✓
	- BNZ		$4.175m	✓
	- HSBC		$0m	✓
	- Westpac		$4.18m	✓

21	Council currently acts as guarantor for:	there are no guarantees in place at reporting date.

22 Cashflow forecast at 31-Mar-18

	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019
Cash opening balance	**17,097,560**	**18,727,052**	**18,661,846**	**16,691,189**	**3,860,929**	**4,126,678**	**13,619,681**	**12,002,505**	**8,920,304**	**5,083,233**	**7,121,246**	**3,345,161**
Cash in												
Operating income	10,638,098	20,640,424	7,052,073	5,799,567	8,428,040	22,024,032	8,822,197	7,286,139	6,698,811	21,422,728	6,020,492	6,102,796
Interest & dividends	6,000	5,000	9,000	14,300	2,600	13,000	9,100	10,400	11,700	10,400	10,400	22,100
Capital income	1,416,708	1,291,772	1,043,447	924,735	1,427,511	527,259	661,703	628,751	804,057	2,057,556	764,514	904,231
Borrowing	-	-	5,000,000	-	5,000,000	-	-	-	-	-	-	20,000,000
GST refund	-	3,034,274	671,670	632,018	724,514	800,433	963,921	1,031,348	-	1,781,163	983,946	922,843
Total cash in	12,060,806	24,971,469	13,776,190	7,370,620	15,582,666	23,364,723	10,456,922	8,956,639	7,514,568	25,271,848	7,779,352	27,951,970
Cash out												
Operating expenses	6,523,161	7,648,339	6,862,474	5,939,004	6,483,930	6,559,476	7,359,895	7,549,948	6,477,159	6,593,422	6,495,440	6,374,801
Borrowing costs	361,663	432,205	379,539	400,668	365,965	368,870	409,383	374,680	377,585	418,098	383,395	386,300
Capital expenditure	3,546,489	7,764,824	7,837,926	13,415,498	8,106,510	2,894,318	3,672,713	3,481,930	4,496,895	11,754,282	4,267,956	5,076,876
Loan repayments (net)	-	5,000,000	-	-	-	-	-	-	-	-	-	10,000,000
GST payment	-	4,191,307	666,908	445,710	360,511	4,049,057	632,107	632,282	-	4,468,033	408,646	428,192
Total cash out	10,431,313	25,036,675	15,746,847	20,200,880	15,316,916	13,871,721	12,074,097	12,038,839	11,351,639	23,233,835	11,555,437	22,266,168
Change in cash	1,629,492	(65,206)	(1,970,657)	(12,830,260)	265,749	9,493,002	(1,617,176)	(3,082,201)	(3,837,071)	2,038,013	(3,776,085)	5,685,802
Cash & term deposit closing balance	**18,727,052**	**18,661,846**	**16,691,189**	**3,860,929**	**4,126,678**	**13,619,681**	**12,002,505**	**8,920,304**	**5,083,233**	**7,121,246**	**3,345,161**	**9,030,963**
Borrowing opening balance	85,000,000	85,000,000	80,000,000	85,000,000	85,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
Change in borrowing	-	(5,000,000)	5,000,000	-	5,000,000	-	-	-	-	-	-	10,000,000
Borrowing closing balance	**85,000,000**	**80,000,000**	**85,000,000**	**85,000,000**	**90,000,000**	**90,000,000**	**90,000,000**	**90,000,000**	**90,000,000**	**90,000,000**	**90,000,000**	**100,000,000**

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	23 May 2018
Prepared by	Debra Dalbeth Business Analyst
Chief Executive Approved	Y
Document Set #	GOV1301 / 1944859
Report Title	2017-2018 Third Quarter Non-Financial Performance Report

1. Executive Summary

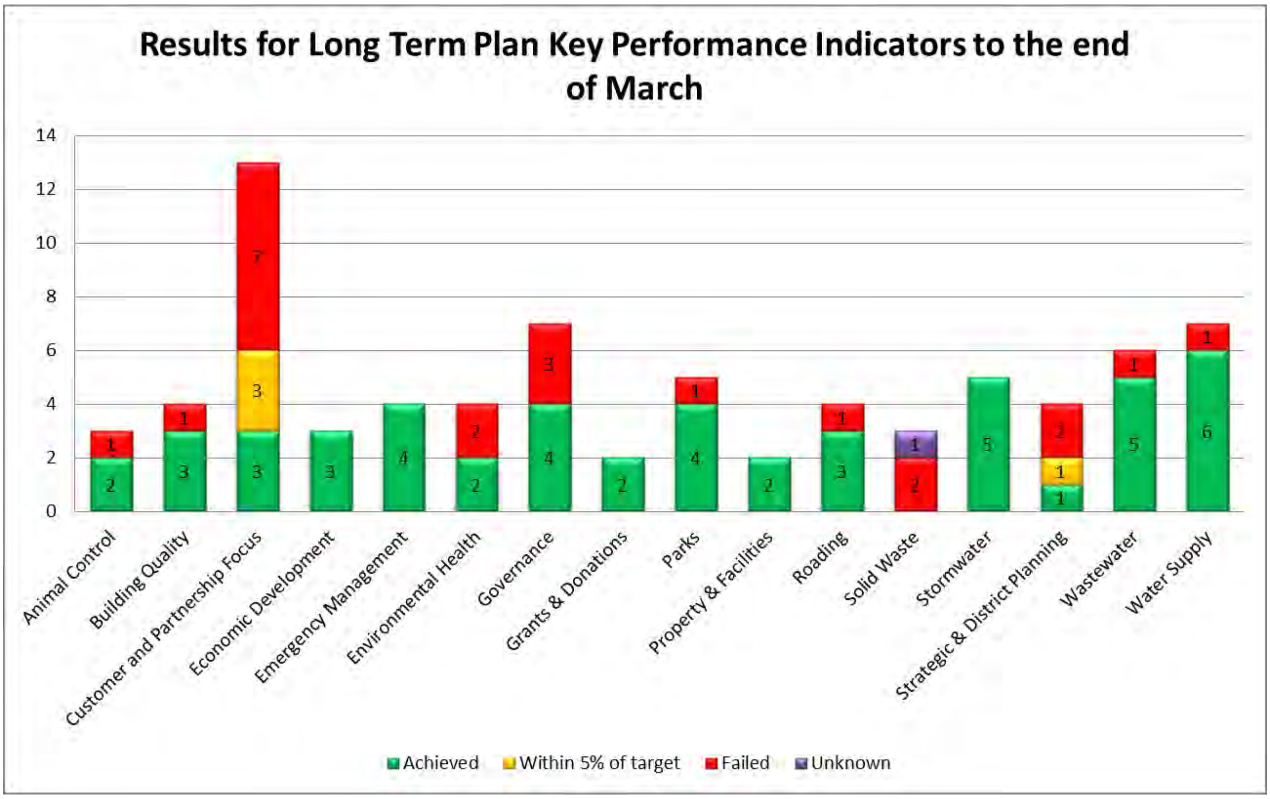
The purpose of this report is to provide the Strategy & Finance Committee with the third quarter non-financial performance results. This includes the 2017/18 Long Term Plan ("LTP") Key Performance Indicators ("KPIs") and the Resident Satisfaction survey.

The results from each quarter are 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



Achieved	Within 5% of target	Not Achieved	Unknown
64%	5%	29%	1%

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 third quarter. The above graph shows the number of KPIs that we are achieving, coming close to or are not achieving at the end of the third quarter.

The below chart shows how results are tracking.

	2014/2015	2015/2016	2016-17 - 1st quarter	2016-17 2nd quarter	2016-17 3rd quarter
Achieving	27 (41%)	67 (68%)	45 (65%)	50 (66%)	49 (64%)
On track	7 (11%)	8 (8%)	5 (7%)	7 (9%)	4 (5%)
Not achieving	32 (48%)	23 (23%)	19 (28%)	19 (25%)	22 (29%)
TOTAL MEASURES	66	98	69	76	76

Attached to this report is *Appendix 1 – 2017-18 Third Quarter LTP KPI report.*

4. Residents Satisfaction Survey

The National Research Bureau ("NRB") surveys Waikato District Council residents at approximately 10 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. The survey summary is attached (*Appendix 2 – 2017-18 Third Quarter Satisfaction Survey Summary*).

Increasing / Decreasing Trends

Trend graphs are attached for questions that have been asked in previous years. In this third quarter almost everything shows a slight improvement from the previous quarter. Attached *Appendix 3 – Third Quarter Survey Trend Graphs.*

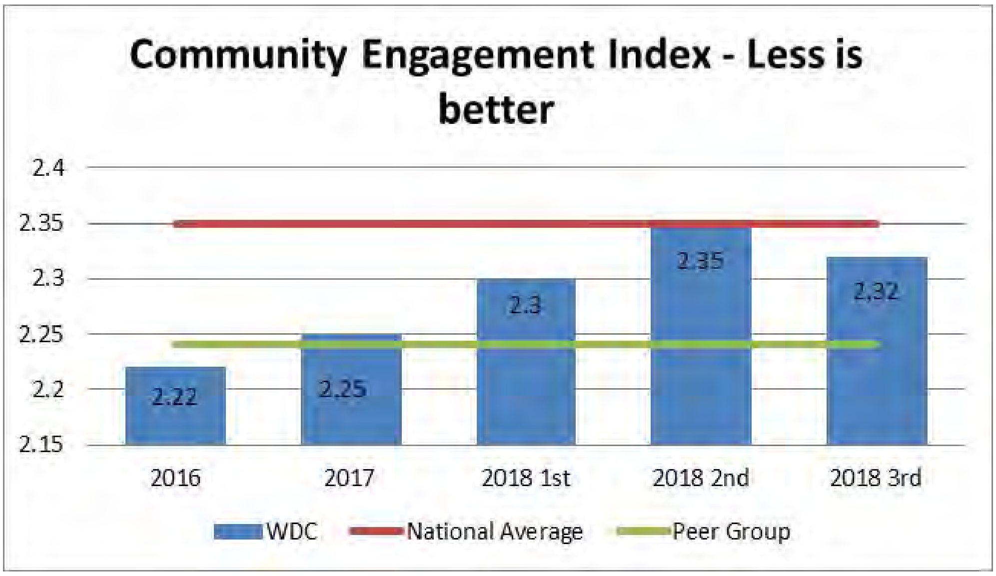
5. Engagement

Engagement is measured from 5 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, the result from the second quarter of this year was 2.35 and the third quarter result is 2.32. This quarter's result is a move in the right direction but overall this year is not as positive as last year.



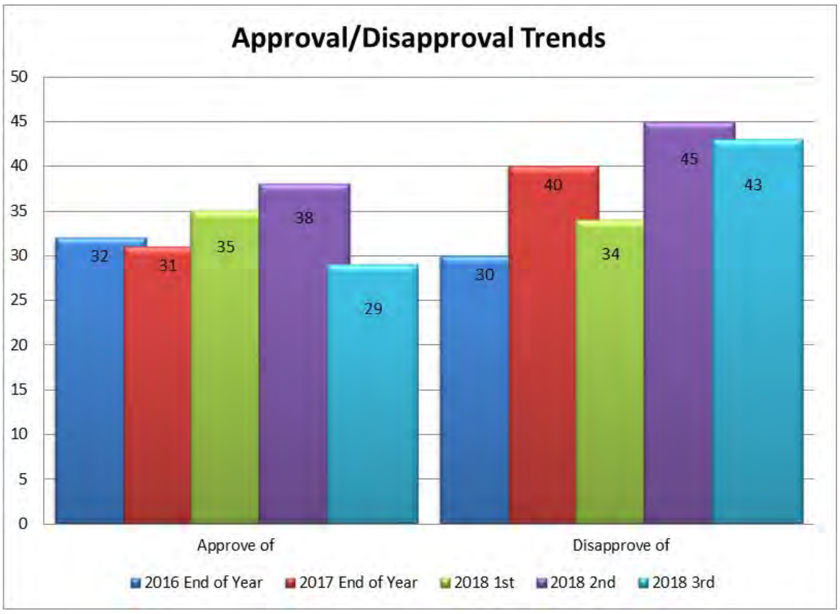
6. OUTCOMES – COUNCILLORS QUESTIONS

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 do like or approve of?
2. Is there any one thing that comes to mind with regard to the Councils 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 29% of residents say there is a Council action/decision/management they approve of which is below our peer group average of 42% and the national average of 46%.

43% of residents say there is a Council action/decision/management they disapprove of which is below our peer group average of 41% and the national average of 46%.



7. New LTP Measures:

There are 8 Long Term Plan measures detailed below that depend on data from the Residents Survey.

Respondents were asked if they feel they have the opportunity to be involved and participate in the way the Council makes decisions, 58% said yes they feel they have the opportunity while 31% said they had actually tried to participate. This compares with 2016/17 end of year result where 59% said they felt they had the opportunity and 21% said they had actually tried to participate.

Over the last two years 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. There has not been a great deal of change in the results, however the number of residents who have tried to participate has jumped from a maximum of 25% in the past to 31% in this quarter. The results from the first five questions below are based on the answers from this 31% of residents.

New Measures	Target	2016 - End of Year	2017 - End of Year	2018 1st quarter	2018 2nd quarter	2018 3rd quarter	Trend
The public are consulted about the right issues	60%	41%	45%	45%	39%	45%	⇔
Information about key community issues is easily accessible	60%	46%	52%	52%	53%	50%	⇔
Information available on these issues is clear and instructive	60%	42%	49%	52%	41%	48%	⇔
There is a suitable range of consultation options available	60%	50%	49%	45%	55%	45%	↓
There is sufficient time and opportunity available to provide feedback	60%	47%	55%	47%	67%	46%	↓
Average level of effort to conduct business with council	<=3	2.6	2.25	2.4	2.7	2.38	↓
Satisfaction with the resolution of a request with council	70%	59%	62%	51%	54%	56%	⇔
Satisfaction of residents that they were able to contact their councillor/Mayor as and when required	100%	76%	83%	97%	62%	65%	⇔

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 were progressing toward our goals.

When there have been no major events impacting our communities, the quarterly results are a good indication of the end of year results. 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 Third Quarter LTP KPI report
- Appendix 2 – 2017-18 Third Quarter Residents Satisfaction Survey Summary
- Appendix 3 – Third Quarter Survey Trend Graphs
- Appendix 4 – Third Quarter Residents Survey Comments from Outcomes

Waikato District Council

Scorecard Report

Period: Jul-17 - Mar-18

Scorecard Name 2015-18 LTP A Year to Date KPIs | **Date From** 01-Jul-2017 | **Date To** 31-Mar-2018

LINKED ITEMS	UNIT	TARGET	ACTUAL	INDICATOR
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	96.69	Green
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 96.69%				
The percentage of complaints regarding stray stock that have council personnel on site within 1 hour	%	95.00	96.70	Green
COMMENTS: 94.12% of service requests relating to stock on roads responded to within the 1 hour target time. This gives us a YTD figure of 96.70%				
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	%	40.00	32.36	Red
COMMENTS: 20.62% of dog owners on Selected owner policy, 11.74% on Farm owner policy - both "Good Dog owners: categories. Total = 3013 owners = 32.36% This figure is below the target of 40% and equates to an additional 711 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 educated them on containment if improvements are required.				
The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD	%	25.00	33.00	Green
COMMENTS: Audit KPI has been met, and buildings will continued to be audited until 30 June 2018.				
The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD	%	75.00	93.00	Green
COMMENTS: Audits on these buildings are on track to meet the required KPI.				
The percentage of swimming pools that are inspected for compliance annually - YTD	%	15.00	17.52	Green
COMMENTS: We have been busy 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 98 inspections carried out in March on Pool Fencing and YTD there has been 376.				
The percentage of building consent applications which are processed within 20 working days - YTD	%	100.00	92.91	Red
COMMENTS: YTD - Currently we are processing 92.91% of standard consents within the statutory timeframe. Fast Track BCs (10days) achieved 73.58% with Dwellings achieving 96.16% The reason we have not met the 100% is we are still experiencing some challenges with the digitisation of the consent process. We are still working with Tech1 and the IM department to solve technical issues. One Planning and Engineering Officer (PEO) left which had also caused some delays in processing. This position has been filled and we are working with the PEO staff to address the timeframes.				
Percentage of resource consent applications which are processed within the statutory time frames	%	100.00	99.62	Yellow
COMMENTS: Year to date, of the 795 consents issued, 3 consents have been issued outside of the statutory timeframe. Of the 75 consents issued in March 2018, all consents were issued within the statutory timeframe.				

% of Service Requests (CRM calls) responded to within agreed timeframes	%	90.00	88.97	

COMMENTS: As an organisation our response rate to service requests has been dropping each month. For the last 7 months the response rate has been below our target of 90%. With only 3 months left in the financial year, it is unlikely that this will go above the 90% target.

Percentage of books that are less than 5 years old	%	50.00	65.62	

COMMENTS: Target exceeded. Waikato District Library meets customer demand by prioritising it's purchasing and acquisitions around popular items and customer requests/recommendations. The newly established relationship with Wheelers has seen a large influx in new material as the arrangements are working towards a shelf ready provision of stock (reducing back of house processing time). This then allows staff additional time to engage with customers personally to ensure our library services and collection are meeting their needs.

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	95.37	

COMMENTS: 95.37 per cent of the entire borrowable library collection is less than 10 years old. This is close to the target set and reflects the effort being put into purchasing and acquisitions by library staff. As we cull the last of our old stock we will see target being met in the coming financial year. Many of our library collections are floating which ensures that our collection is being accessed across the entire district. Library staff use the Collection HQ software to assist in the redistribution of the stock to meet customer demand within each library. Our newly established relationship with Wheelers has seen an influx in quality new collection items that are being well received by our communities. With the launch of our new e-collection and online presence in May, Waikato District Libraries are becoming more accessible to a wider audience.

Reliable daily access to free Internet service at all libraries (excluding supplier issues)	%	100.00	98.89	

COMMENTS: APNK delivers a reliable service to all of our sites. In December 2017 there was a water leak into our premises which required the service to close; during this time the internet service was interrupted. This has resulted in our YTD KPI result is 98.89%. Our customers continue to enjoy our free WIFI provision with 72811 unique sessions year to date. It is interesting to note that Raglan customers makes up 46.68% of the total sessions. As a community linger node, the large number of WIFI customers can impact negatively on the Raglan Integrated Site and innovative solutions to will need to be considered to provide other free WIFI hotspots to support the growing number of tourists and extending tourist season.

Percentage of registered food premises inspected/audited annually	%	50.00	59.37	

COMMENTS: The percentage of food premises verified or inspected in the last 3 months indicates this undertaking is on target to be completed by the end of June 2018. This is however subject to the move to the Food Act requirements which will so some premises inspections moving to the new financial year.

The percentage of medium risk or higher fee category licensed premises that are inspected annually	%	50.00	57.00	

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	76.87	

COMMENTS:	Contracted service provision within target timeframes was lower than normal this month against an average for the period of 83.3%. This was due to an unseasonably higher level of calls (app 17% higher for March), delays in travel due to road works and in particular with Easter traffic volumes. The contractor has confirmed an enhanced presence in the northern part of the district is expected to improve the situation. A WDC led workshop with the contractors, to look at service improvement opportunities, is scheduled in April.			
Percentage of environmental health complaints responded to within agreed timeframes	%	95.00	84.21	Red
COMMENTS:	This month 16 out or 19 Service requests were completed within target timeframes. Those outside time frames were delayed due to access to the parties involved, location or delays in referral. While this is an improvement on the last period a consistent and continued improvement is being targeted going forward.			
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	74.00	Red
COMMENTS:	Consents are being reallocated to manage workload and ensure that we reach 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	97.78	Green
COMMENTS:	As per Lab cert supplied by Hills Laboratories			
The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	80.00	96.13	Green
COMMENTS:	208 road requests were received for the month of March 2018. Of those 205 were responded to within the allocated timeframe, 3 were not responded to on time giving a 98.56% result for the month. For the year 1 July to date the overall response rate is 96.13% (1888/1964 responded to on time).			
The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	80.00	94.39	Green
COMMENTS:	19 footpath requests have been received in the month of March 2018, of which 18 were responded to within the agreed timeframe, or 94.74%. For the year 1 July to date, there have been a total of 101/107 footpath requests that have been responded to on time (94.39%).			
Percentage of minutes of all open meetings that are made publicly available via the Council's website	%	100.00	100.00	Green
COMMENTS:	Completed			

2015-18 LTP Quarterly KPIs

Level of Customer effort	#	3.00	2.49	Green
COMMENTS:	While the result is within target, the level of effort required by customers when dealing with Council has room for improvement.			
Percentage of respondents / customers who are satisfied or very satisfied with the resolution of their request of council	%	70.00	53.67	Red
COMMENTS:	While we are still below target, the results have been slowly improving this year.			

Percentage of respondents who are satisfied or very satisfied with the overall service received when contacting the Council	%	75.00	65.00	

COMMENTS: While staff treat customers in a positive and professional way, overall satisfaction with the service received when contacting council has still fallen well below target.

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

COMMENTS: Our staff numbers remain consistent due to the high commitment and engagement of the staff.
We now have a number of staff embarking on advanced training as well as staff putting up their hands to take teamleader roles under the various functions.

Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	85.00	85.67	

COMMENTS: Good result despite the difficult warm and wet growing season over February. City Care struggled due to the unforeseen February grass flush but have now brought all mowing and gardening back within contract specifications. Staff continue to work with them to improve systems and delivery.

Percentage of Interments completed within the requested timeframe	%	95.00	100.00	

COMMENTS: All burials have taken place within the stated timeframe, any issues have been dealt with immediately in order for the burial process to proceed.
Feed back received by families and funeral directors indicates burials have run smoothly and any issues addressed immediately.
Some issues around community halls have arisen over recent months. Usually around groups using Halls and creating issues ie damage. These issues are being worked through and solutions are being found to ensure bookings are managed more effectively in the future.

Percentage progress of the Playground Strategy implementation plan	%	75.00	75.00	

COMMENTS: Two project to be completed.
First project completed
Second project has been started and on track.

Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey	%	75.00	69.00	

COMMENTS: Had high numbers of visitors over the January and February impacted quality despite the increase in cleaning frequency over this period.

Percentage of buildings that require a warrant of fitness that comply	%	75.00	75.00	

COMMENTS: all buildings that require a BWOF comply

The number of times that bags or bins are missed in Council's kerbside collection	#	200.00	254.00	

COMMENTS: the northern collection have been challenged by a number of breakdowns on collections and in places this has caused delay. Some of these have been recollected but the service request has been raised appropriately

The percentage of kerbside collection complaints that are resolved within agreed timeframes.	%	100.00	89.80	

COMMENTS: All of the complaint were dealt with timely, One bag was not collected for being oversized and the service request was not closed off - however the contractor or the WMO in all cases has made contact with the complainant

The percentage of schools in the district that receive solid waste education	%	30.00	0.00	

COMMENTS: Check last report from XZW.				
The number of flooding events that occurs in the district	#	5.00	0.00	
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	
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	
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	1.56	
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	0.99	
COMMENTS: On track YTD. 2 dry weather overflows this quarter, 11 total YTD.				
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	37.00	
COMMENTS: Target met with a median of 37 minutes YTD. 4 from 4 calls met the target time frame this quarter, 18 from 21 meeting time frames YTD.				
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	147.00	
COMMENTS: Target met with a median of 147 minutes. 4 out of 4 calls resolved within required time frame of 240 minutes this quarter, 18 from 21 meeting time frames YTD.				
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	5.13	
COMMENTS: On track YTD. 19 complaints this quarter. 57 total YTD.				

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	37.00

COMMENTS: On track YTD with a median of 37 minutes.

37 of 45 calls met the 60 minute time frame this quarter, 131 from 151 meeting time frames YTD.

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	82.00

COMMENTS: On track YTD with a median of 82 minutes.

44 out of 45 calls met the required time frame this quarter, 129 from 151 meeting time frames YTD.

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.

115 out of 115 complaints met the 5 day time frame this quarter, 350 from 356 meeting time frames YTD.

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

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

112 out of 115 calls met the 5 day time frame this quarter, 346 from 356 meeting time frames YTD.

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	21.97

COMMENTS: Over target, we have had a lot of multiple complaints to single events in regards to dirty water in Huntly and Raglan. A flushing programme is in place in Huntly with specialist equipment to be used when available.

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

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	4.00

COMMENTS: 4 resulting from annual compliance reports for the 2016/17 compliance year
Meremere - Formal warning
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	

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	

COMMENTS: No breaches in drinking water standards DWS

The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	15.00	15.00	

COMMENTS: No breaches in drinking water standards DWS

Number of enquiries that generate through the Open Waikato website	%	20.00	20.00	

COMMENTS: Open Waikato channels received 78 enquiries this quarter. This is an increase on the previous quarter's results and enquiries were varied, from free business support services, local events and film permits within the district, to large developments coming into the district.

Percentage of councils business continuity processes implemented	%	60.00	100.00	

COMMENTS: Business continuity processes completed. Continual review and improvement initiated.

Satisfaction of residents that they were able to contact their Councillor / Mayor as and when required	%	100.00	74.67	

COMMENTS: 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	

COMMENTS: 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	

COMMENTS: All Council decisions have complied with statutory requirements over the past 9 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	63.00	

COMMENTS: 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	

COMMENTS: All projects in identified areas of growth are on track

Number of discretionary grant funding rounds undertaken per year	#	3.00	3.00	

COMMENTS: Round 1 - opened 1 December 2017, closed 2 February 2018. Round 2 - opens 26 January 2018, closes Friday 6 April 2018.

The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports	%	75.00	75.00	

COMMENTS: On track.

Percentage of customers satisfied that council consults with the community regarding the right issues	%	60.00	43.00	

COMMENTS: 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	51.67	

COMMENTS: 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	47.00	

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	48.33	

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	#	3.00	3.00	

COMMENTS: On track to report to Council in May

Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community	%	60.00	53.33	

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	#	3.00	2.00	

COMMENTS: There have only been the 2 joint committee meetings held in the year to date. One each for Mainapoto and Waikato-Tainui.

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

COMMENTS: No breaches or objections have been notified or identified.

Iwi ki te Haapori - Number of formal governance hui held between council and iwi / hapu groups	#	2.00	1.00

COMMENTS: There has only been 1 hui held this year. It was Ngaati Mahanga hui on Papahua block which was held in the later part of 2017.

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

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

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. 16.03.18. we have received a draft Tourism Infrastructure Fund agreement from MBIE which is currently being reviewed. Housing Infrastructure Fund Detailed Business Case is due for submission early April. The 100 day project has concluded, report to be submitted to Chief Executive 16 March 2018. Long Term Plan submissions opened 14 March and close 16 April.

The percentage of community response plans completed	%	0.00	0.00

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

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

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

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

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 has 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**

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: 28 March 2018

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 8th December - Wednesday 21st March, based on 103 respondents.

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

Kind regards,

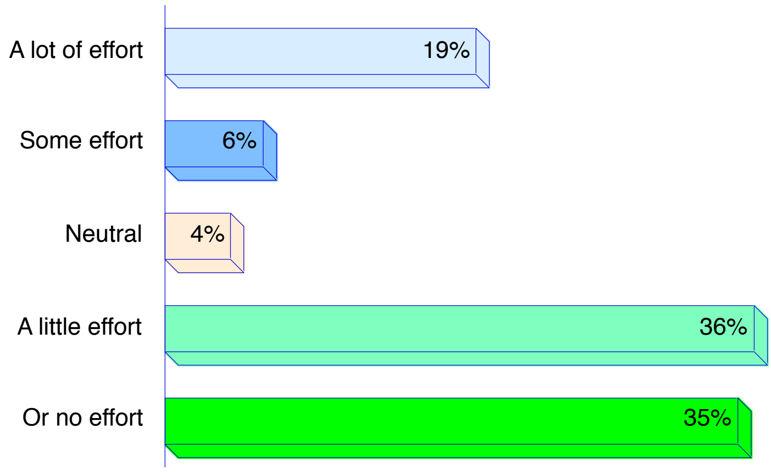
Ken Sutton Janette Simpson

NATIONAL RESEARCH BUREAU LTD

CONTACT WITH COUNCIL

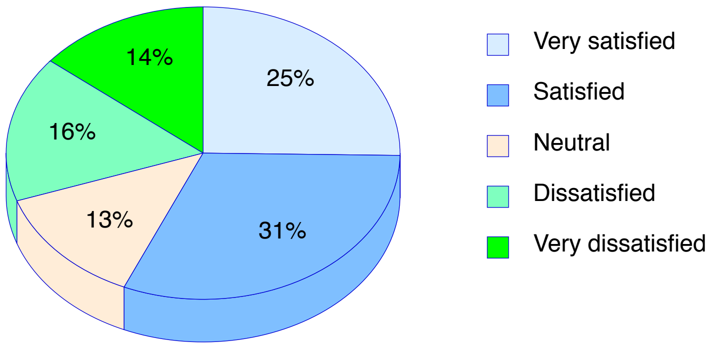
43% of residents have contacted Council staff at the Council offices or service centres by phone, in person and/or by email, in the last 12 months.

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



Base = 48†

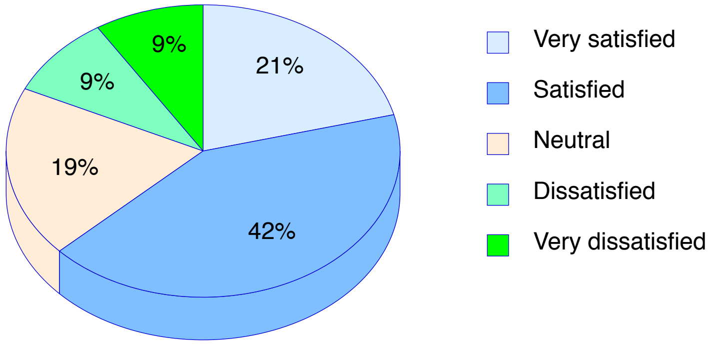
Satisfaction With How Issue Was Resolved



Base = 48†
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



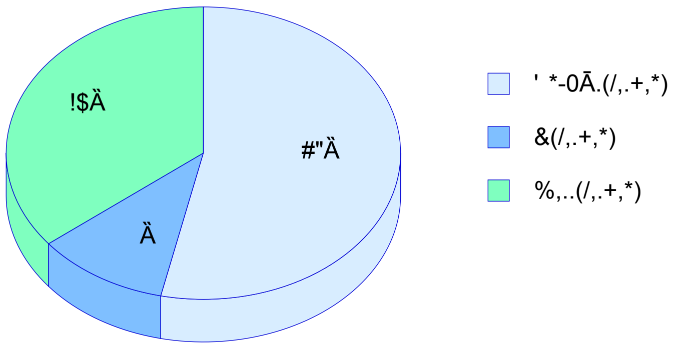
Base = 48†

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

Contact With Councillors/Mayor

In the last 12 months 4% 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 = 5†

Caution: very small base

Does not add to 100% due to rounding

† 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)	**50**	27	**22**	1
Stormwater services†	**44**	21	**19**	17

† does not add to 100% due to rounding

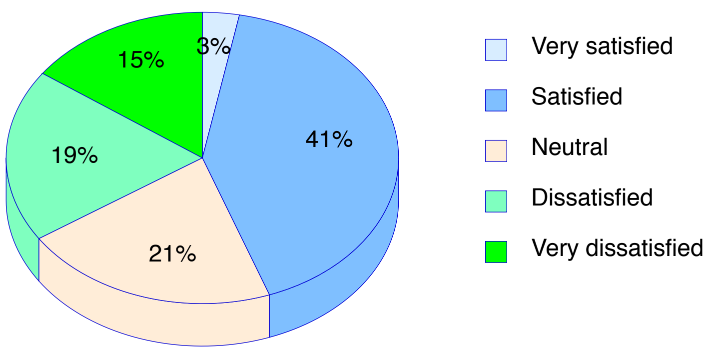
SATISFACTION WITH COUNCIL SERVICES/FACILITIES - USERS

	Base	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Public libraries	51	**98**	-	**2**	-
Animal control, ie, stock and dog control†	*24	**91**	5	**5**	-
Recycling services	86	**90**	4	**6**	-
Parks and reserves, including sports fields and playgrounds†	66	**90**	4	**7**	-
Building and inspection services	*14	**89**	3	**8**	-
Footpaths	82	**81**	6	**13**	-
Public toilets†	48	**73**	21	**7**	-

* 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*

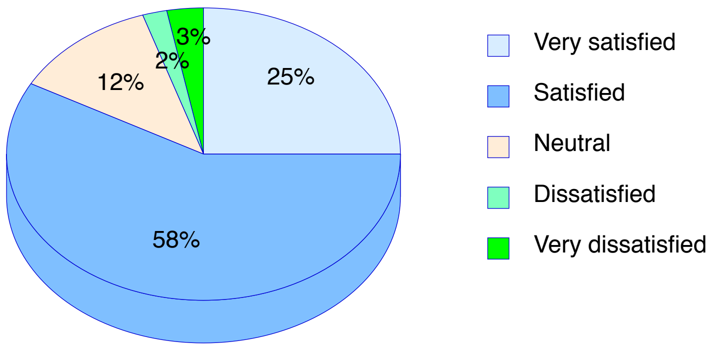


Base = 51
Does not add to 100% due to rounding

SATISFACTION WITH SERVICES PROVIDED BY COUNCIL

Water Supply

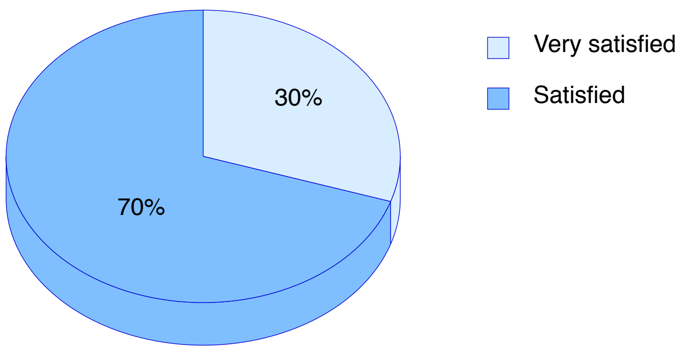
Council Provided Piped Water Supply



Base = 56

Wastewater Services

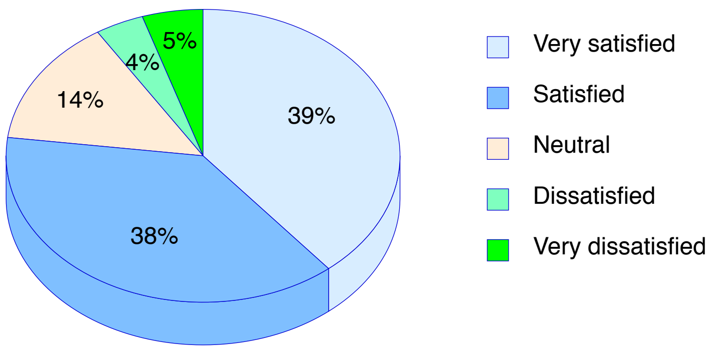
Council Provided Sewerage System



Base = 41

Rubbish Collection Service

Council Provided Regular Rubbish Collection Service



Base = 91

LOCAL ISSUES

Governance/Democracy

58% 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 42% say they don't.

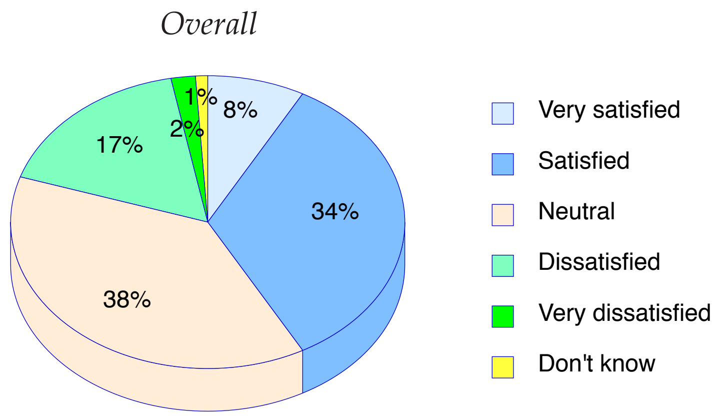
31% of residents have tried to participate in Council's decision making process.

Level Of Satisfaction

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Information about key community issues is easily accessible†	**50**	25	**21**	5
Information available on these issues is clear and instructive	**48**	13	**28**	11
There is sufficient time and opportunity available to provide feedback	**46**	34	**19**	1
The public are consulted about the right issues	**45**	29	**26**	-
There is a suitable range of consultation options available†	**45**	18	**35**	3

Base = 34
(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



Participation In Decision Making Process

In general 9% of residents are interested in participating in Council's decision making process, 18% say they are not, while 74% say it depends on the issue. (Does not add to 100% due to rounding).

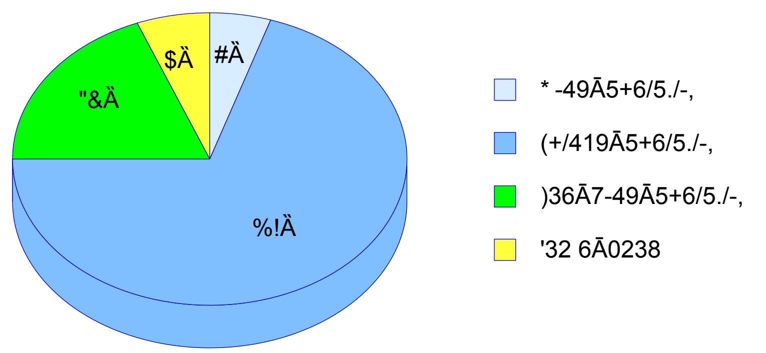
Outcomes

43% of residents say there is a Council action/decision/management they **dislike or disapprove** of, while 29% say there is a Council action/decision/management they **like or approve** of.

Community Engagement

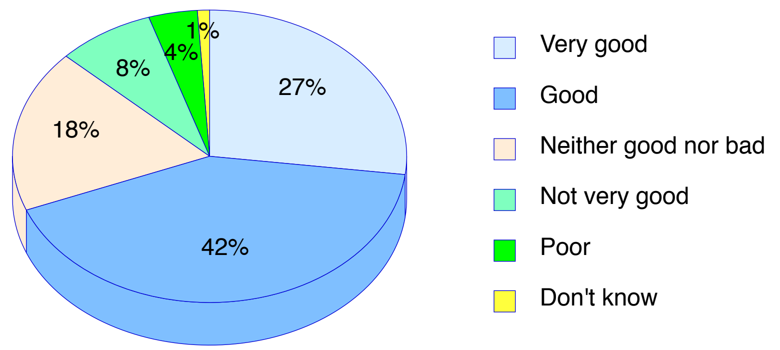
Satisfaction With Rates Spending

Overall



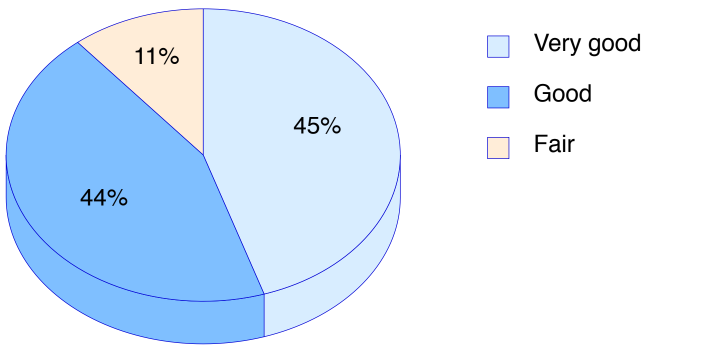
Community Spirit

Overall



Quality Of Life

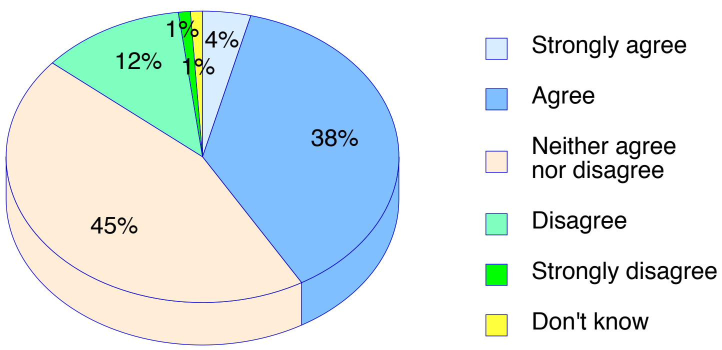
Overall



Council Consultation And Community Involvement

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

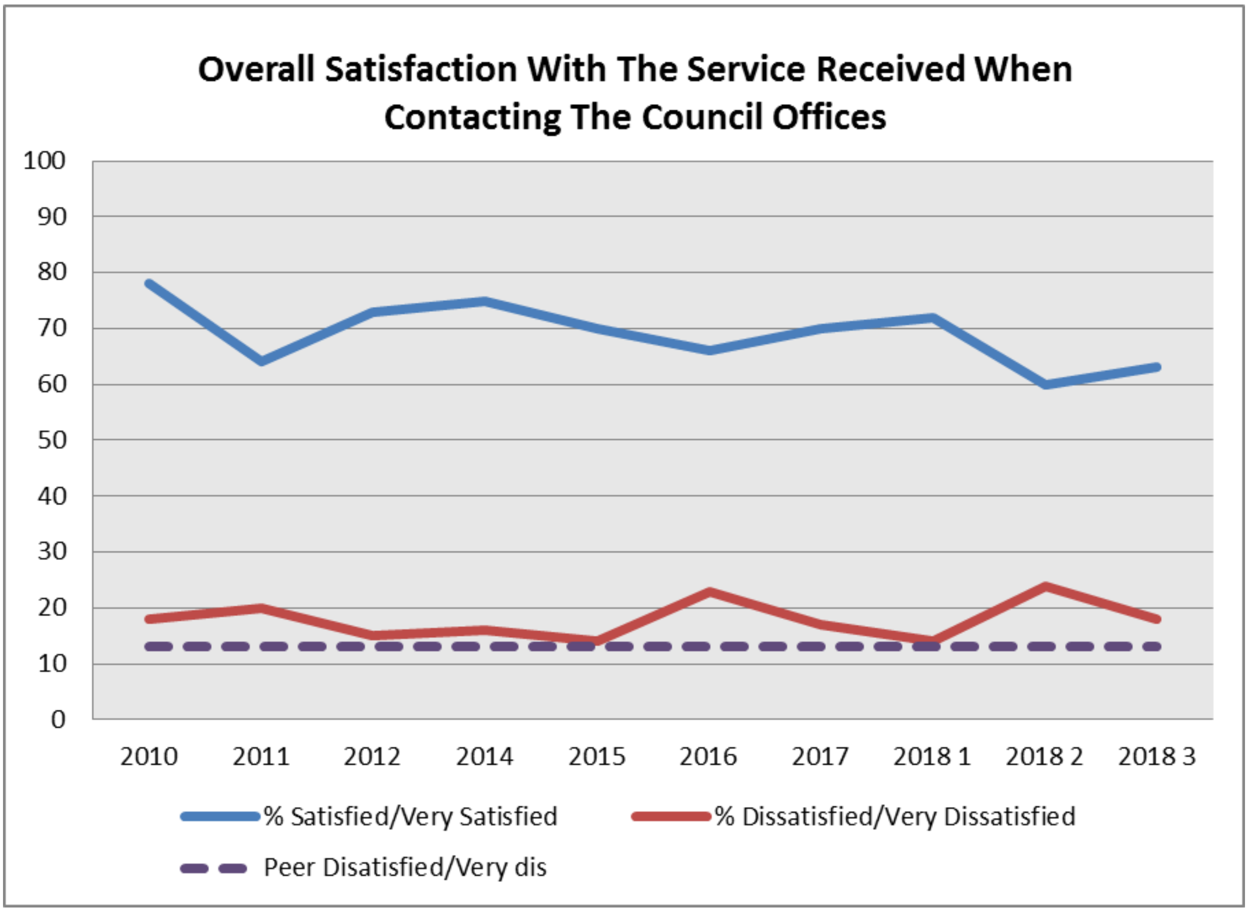
Overall

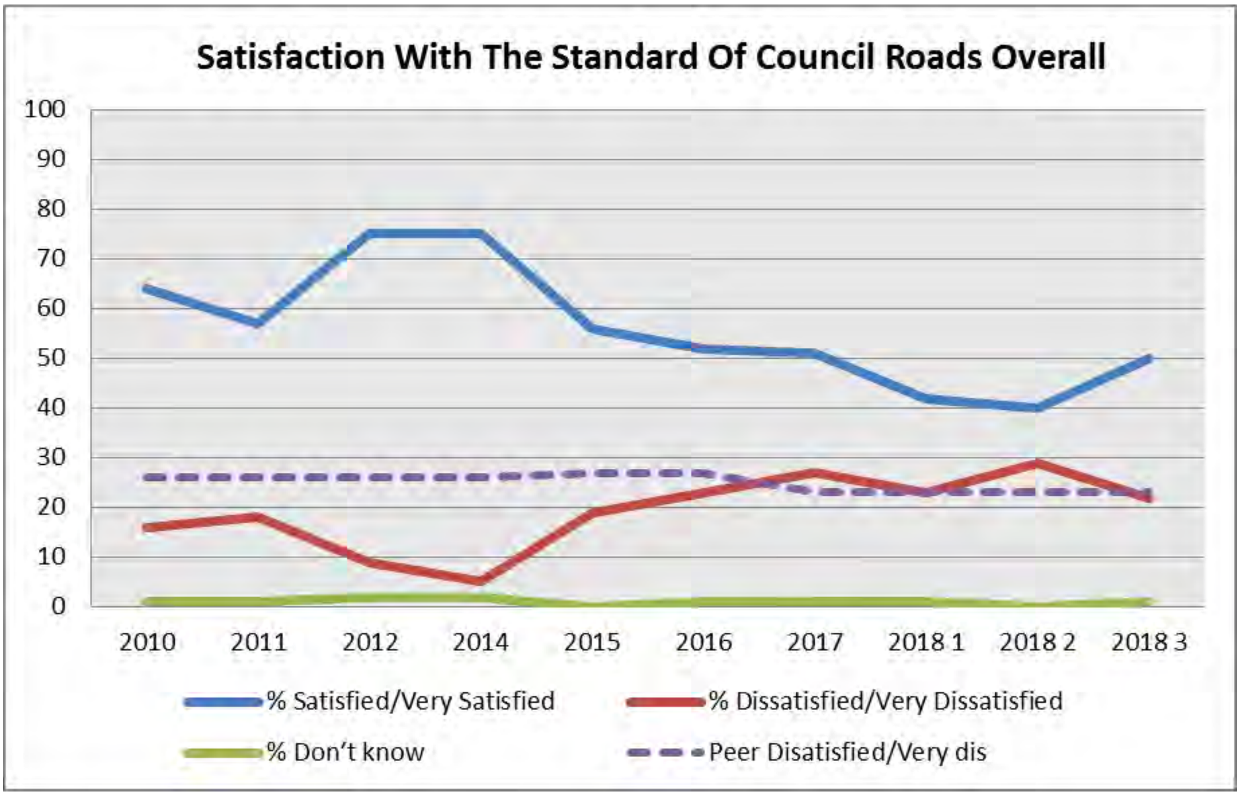


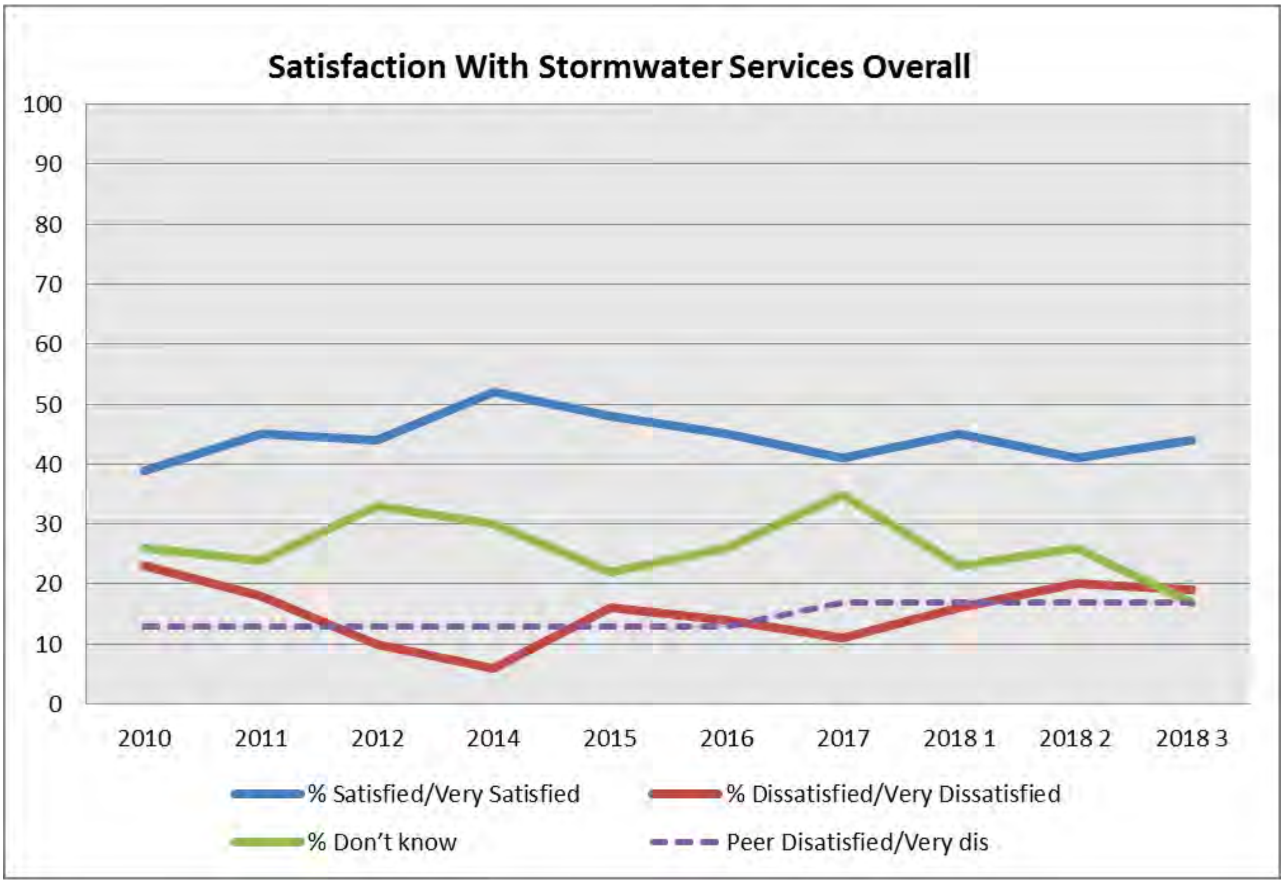
Does not add to 100% due to rounding

Residents Satisfaction Survey Trend Graphs – 2017-18 3rd quarter

- 2018 1 is the first quarter results
- 2018 2 is the second quarter results
- 2018 3 is the third quarter results






Satisfaction With Stormwater Services Overall
100
90
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70
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40
30
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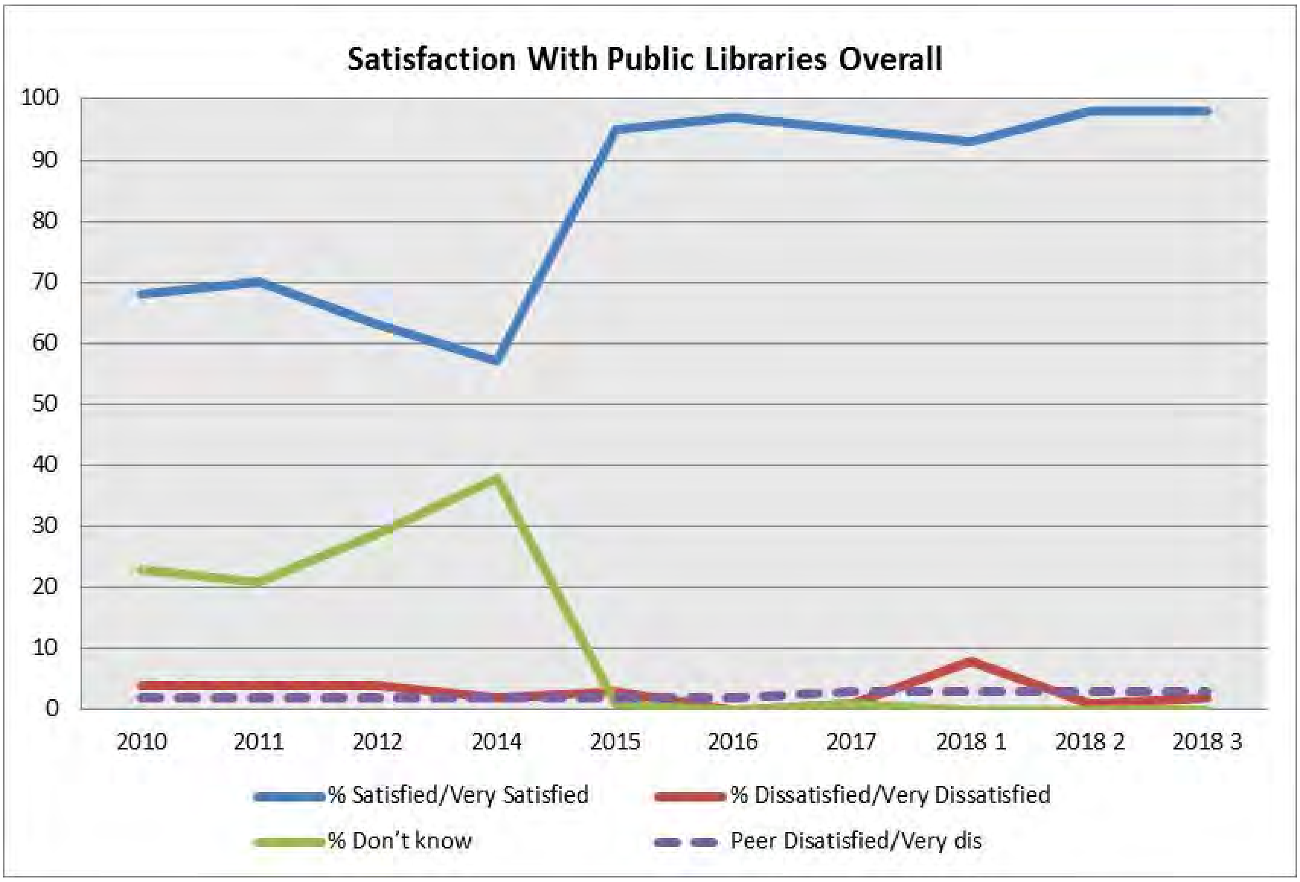
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Disatisfied/Very dis


Satisfaction With Public Libraries Overall
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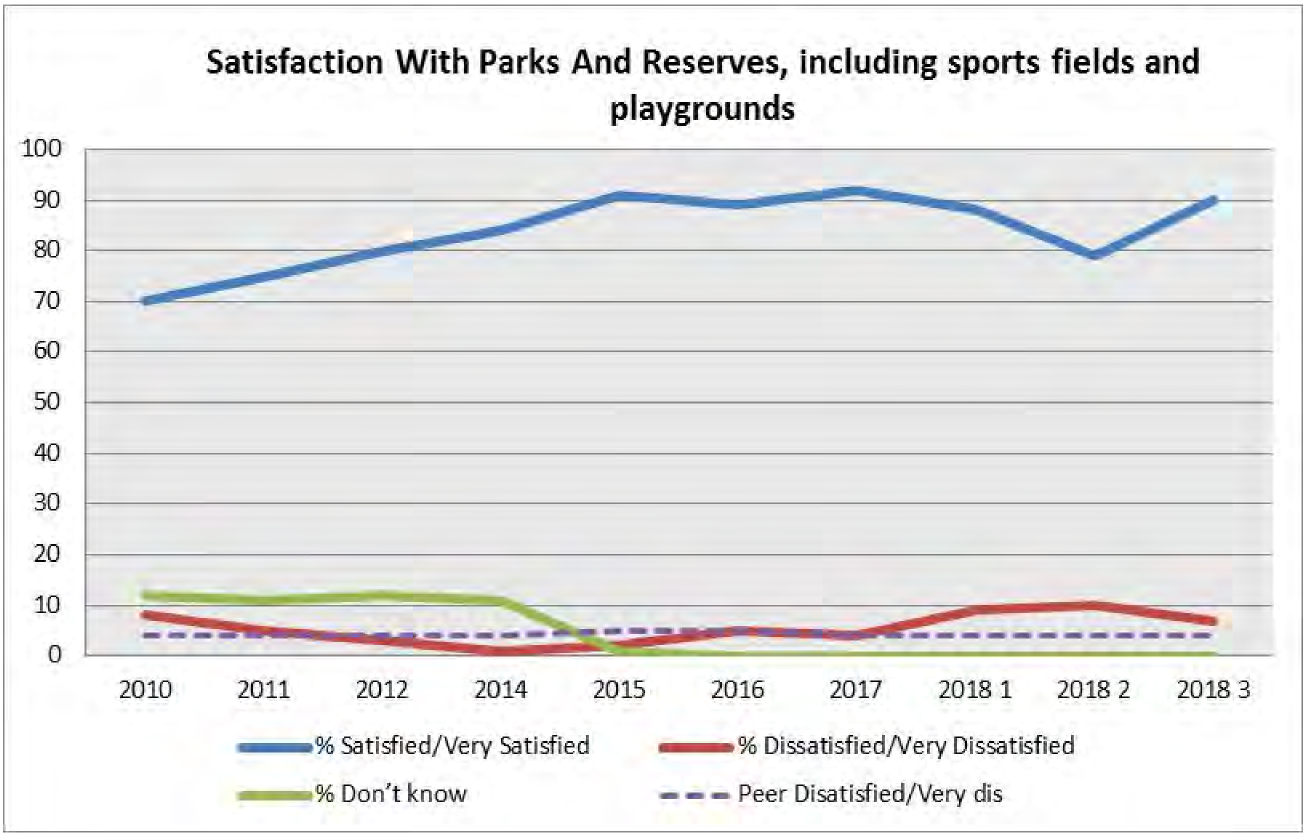
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Disatisfied/Very dis


Satisfaction With Parks And Reserves, including sports fields and playgrounds
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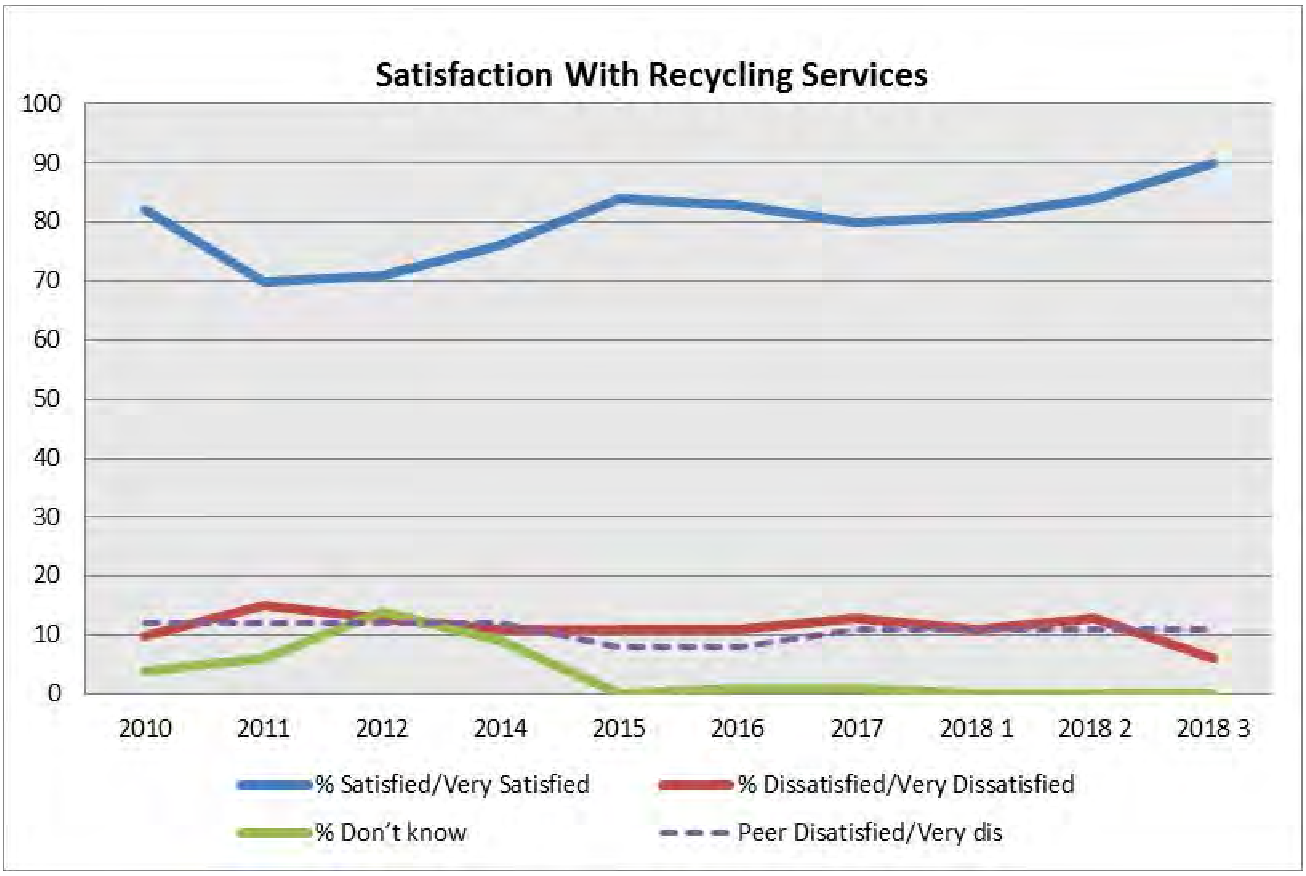
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Disatisfied/Very dis


Satisfaction With Recycling Services
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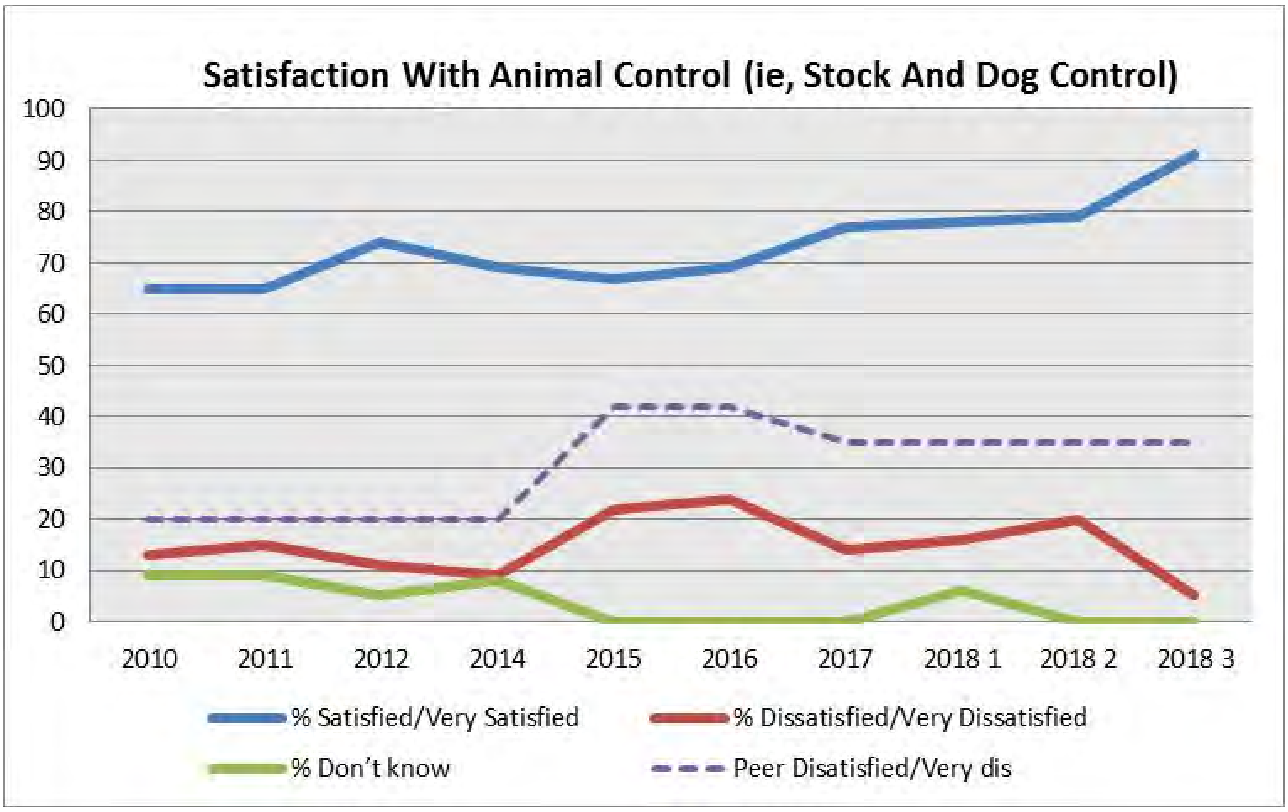
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Disatisfied/Very dis


Satisfaction With Animal Control (ie, Stock And Dog Control)
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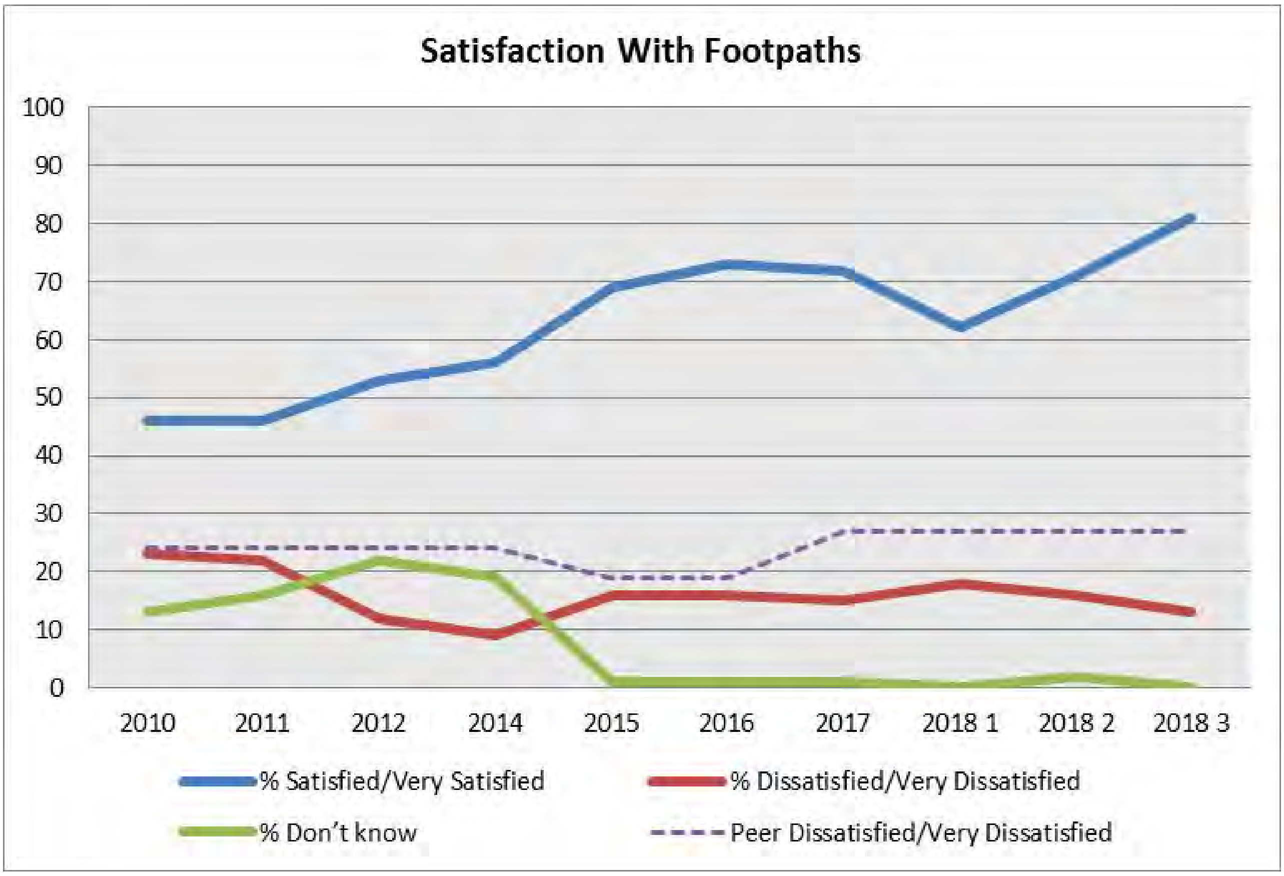
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Disatisfied/Very dis


Satisfaction With Footpaths
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60
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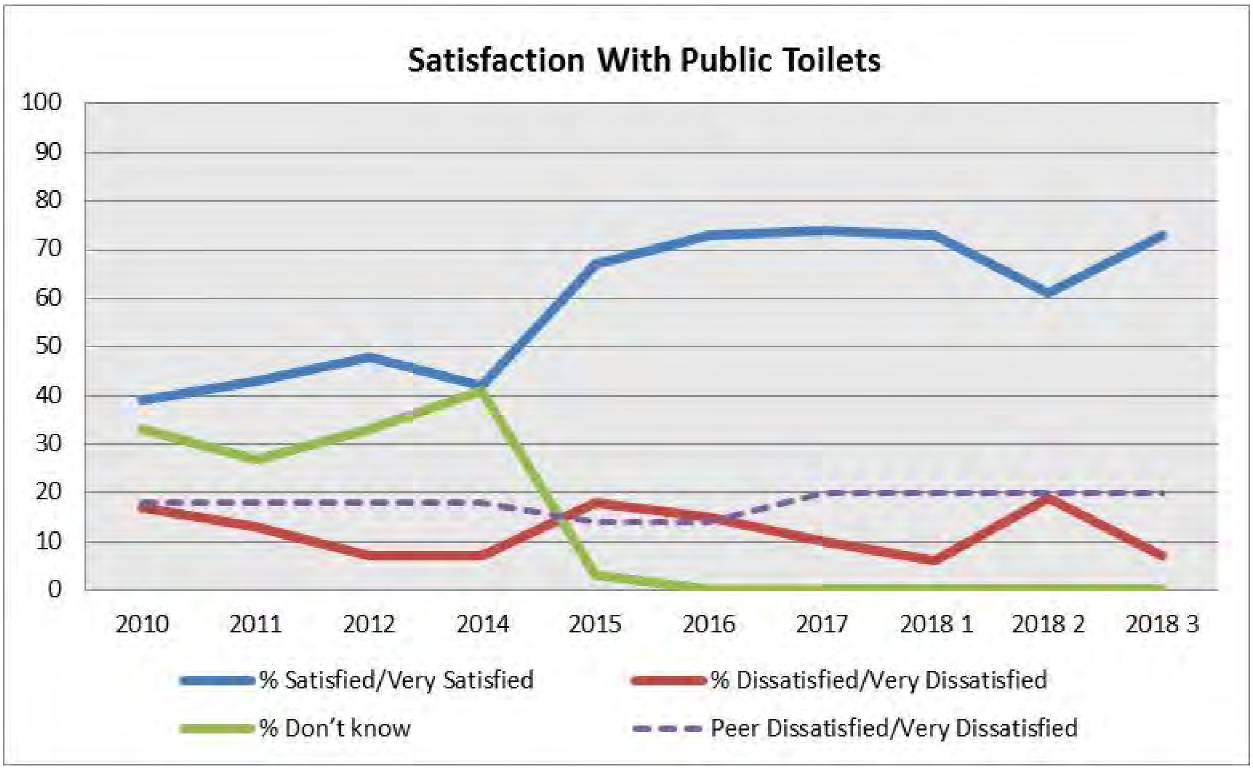
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Satisfaction With Public Toilets
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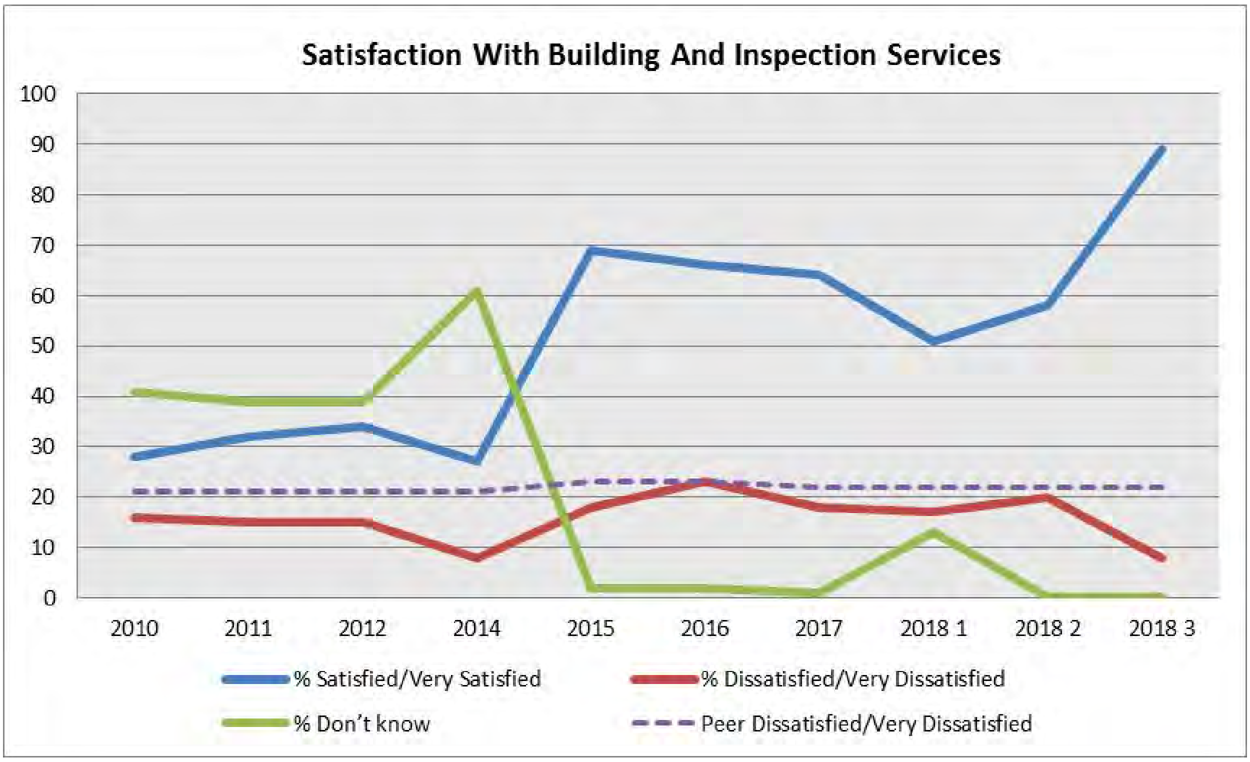
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Satisfaction With Building And Inspection Services
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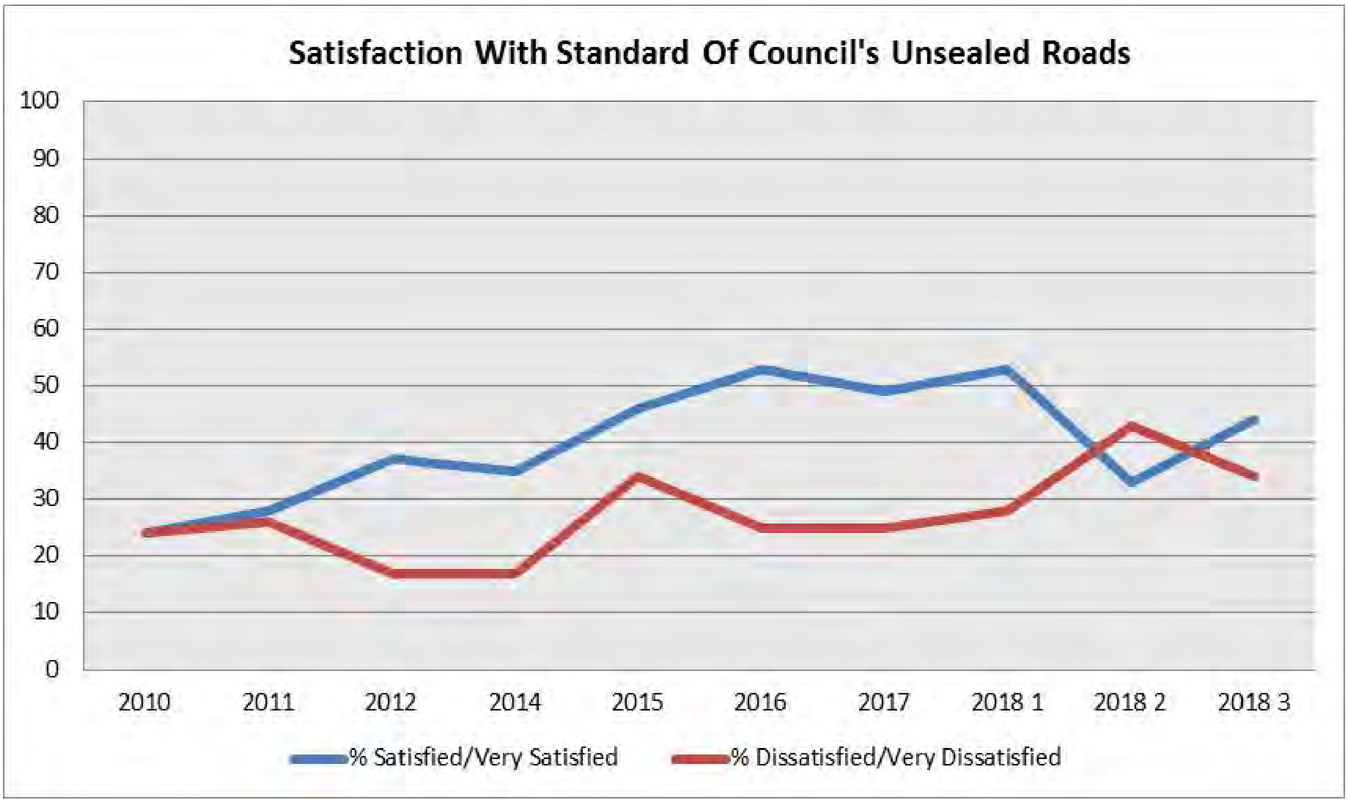
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Satisfaction With Standard Of Council's Unsealed Roads
100
90
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70
60
50
40
30
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2010
2011
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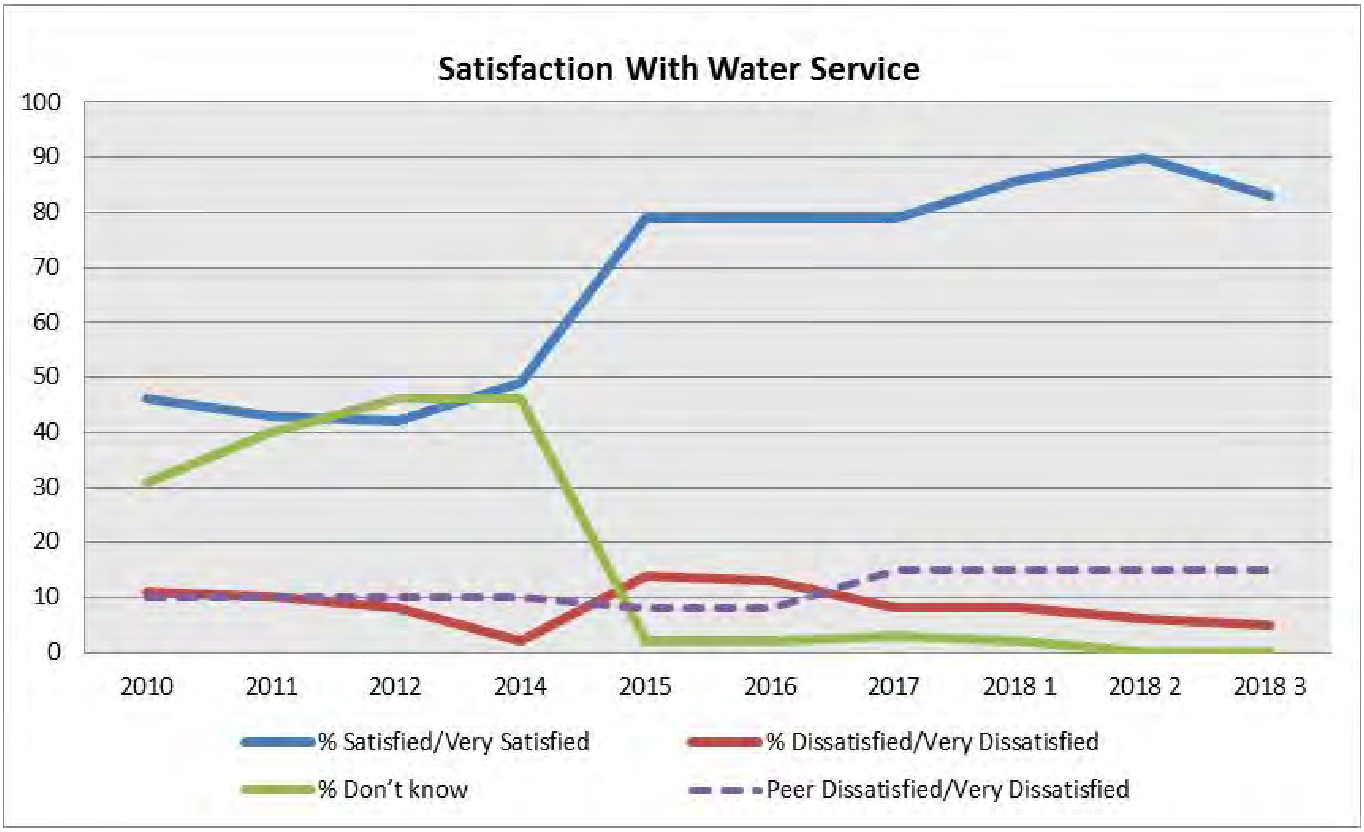
2015
2016
2017
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied


Satisfaction With Water Service
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70
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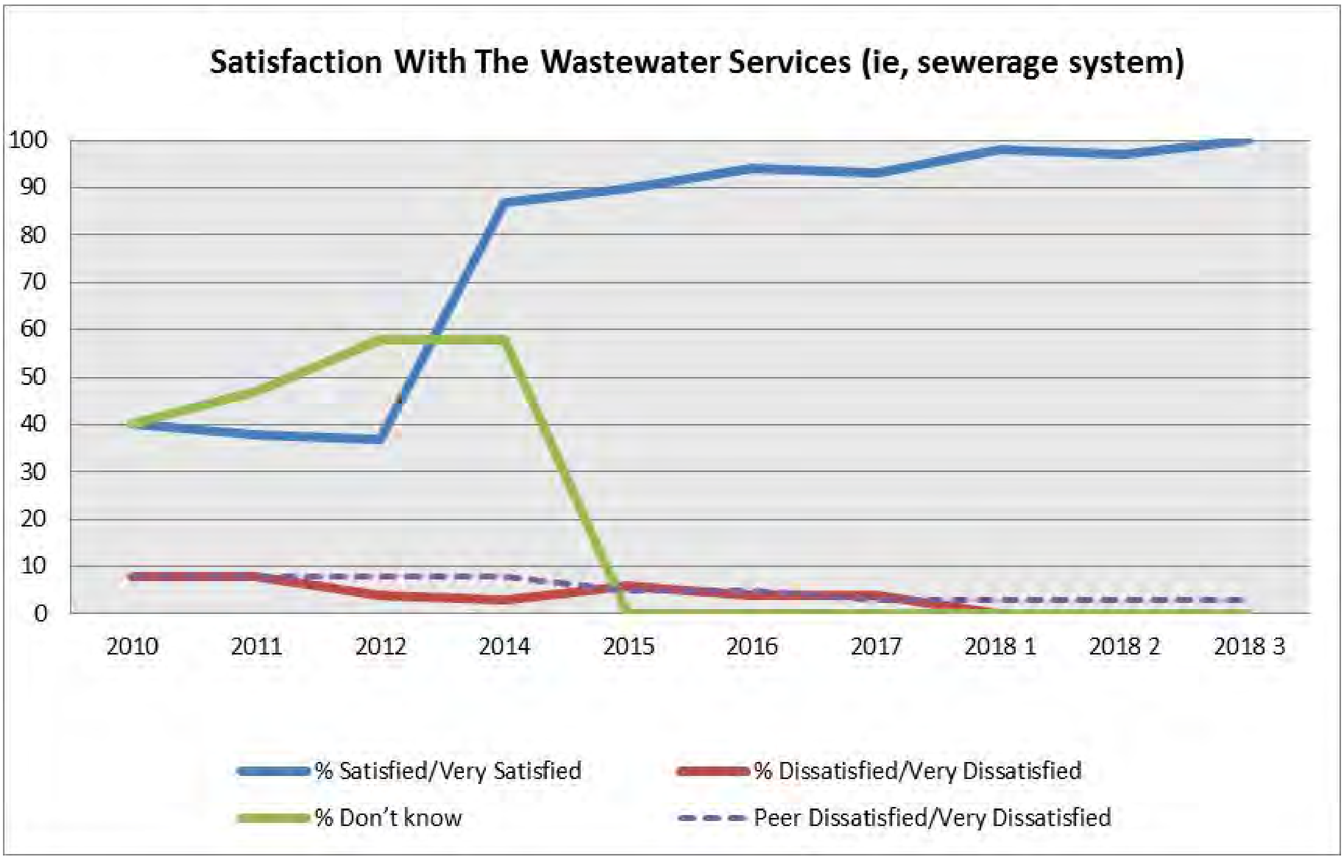
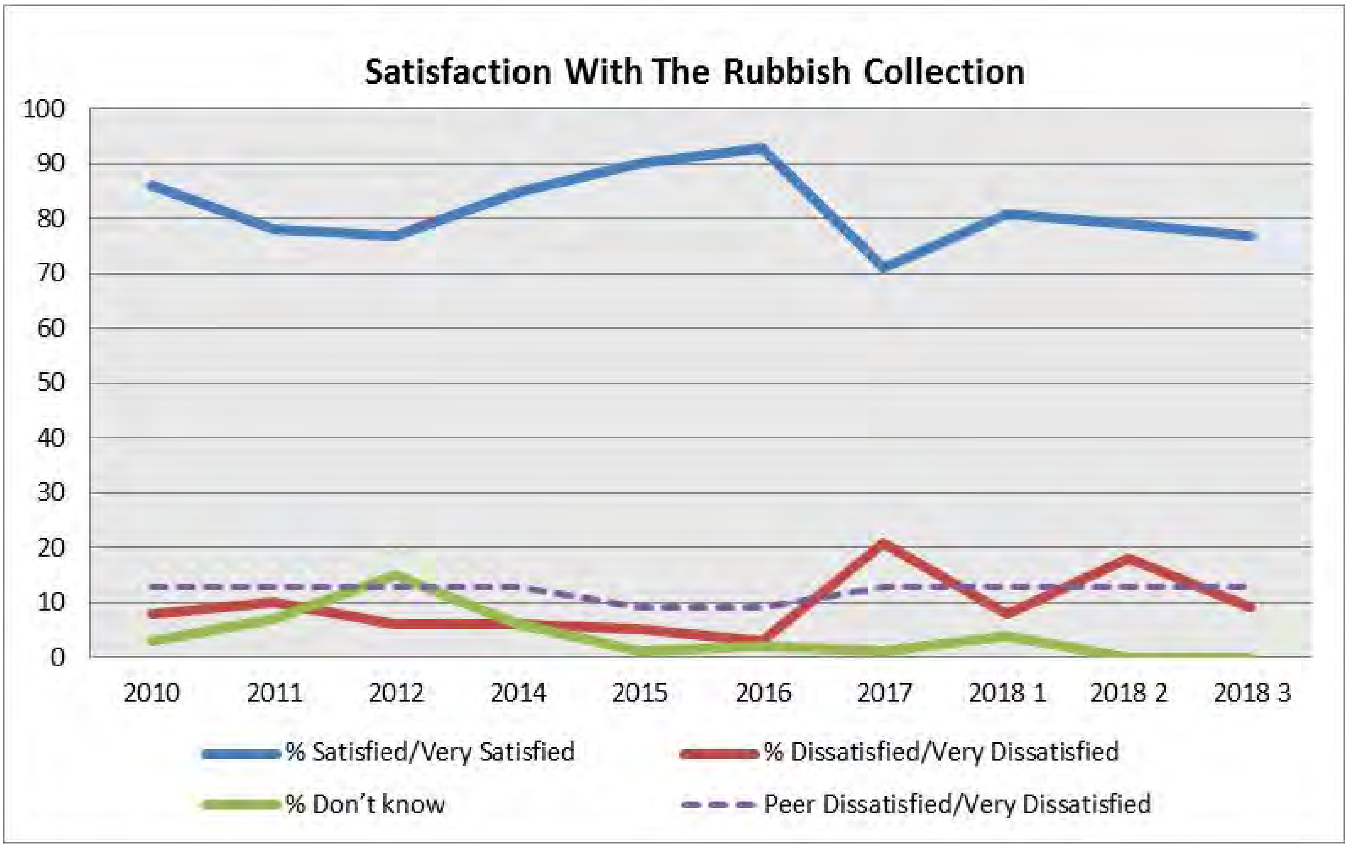
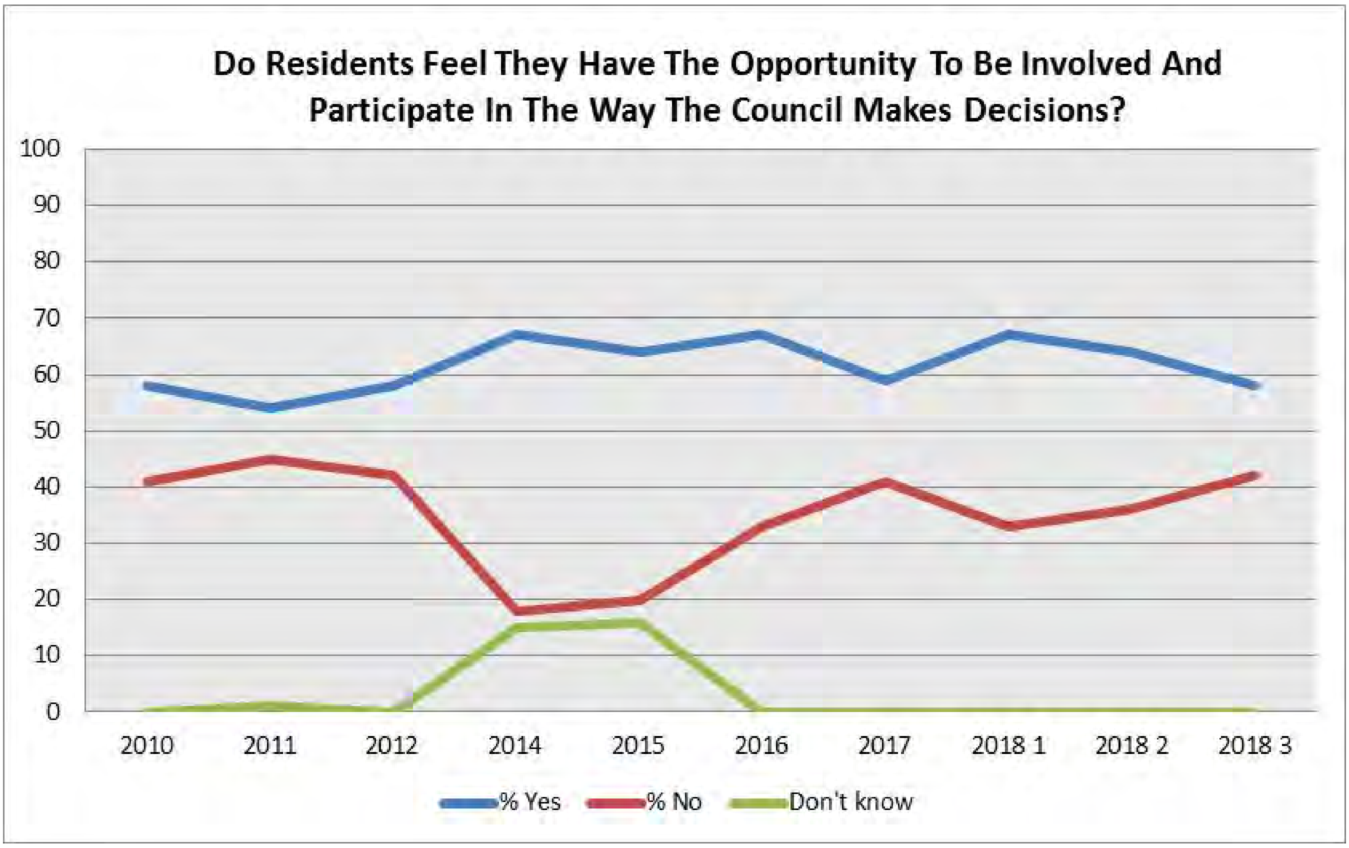
2014
2015
2016
2017
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Satisfaction With The Wastewater Services (ie, sewerage system)
100
90
80
70
60
50
40
30
20
10
0
2010
2011
2012
2014
2015
2016
2017
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Satisfaction With The Rubbish Collection
100
90
80
70
60
50
40
30
20
10
0
2010
2011
2012
2014
2015
2016
2017
2018 1
2018 2
2018 3
% Satisfied/Very Satisfied
% Dissatisfied/Very Dissatisfied
% Don't know
Peer Dissatisfied/Very Dissatisfied


Do Residents Feel They Have The Opportunity To Be Involved And Participate In The Way The Council Makes Decisions?
100
90
80
70
60
50
40
30
20
10
0
2010
2011
2012
2014
2015
2016
2017
2018 1
2018 2
2018 3
% Yes
% No
Don't know

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?
They get the job done eventually.	They get the job done eventually. One of the problems is we are on the edge of the area, Franklin and Ngaruawahia and it doesn't seem to gel.
Library.	Good friendly staff and where it is a nice place with good service, great to have in Huntly.
I like the extra attention given to the playgrounds area in the Fairfield Park area. I think the eternal grooming of the public areas is really good.	The children have become more active in this area and the families enjoy picnicking in the area now.
There are some murals put up in the town.	The murals improve the experience of the town, the shops are in bad condition.
They have given some advice over the phone.	He gave some free advice to do with property approvals and land, it took a long time for him to get back to us though.
I am happy about the opportunity to participate in the decision making process in particular how to best utilise the library in the community.	It gives me a choice on how the Council spends our money.
The rubbish collection is very good, they are very hard working staff. They work late and we really appreciate them. Also the recycling has been really good since July last year.	Before we had the recycling collection we had to organise ourselves and it was very inconvenient also the rubbish collection makes a big difference to us.
Trying to make the community safe.	A big thank you for putting your hand up and taking the guts for making our community safe not everybody would.
The subdivision inspectors.	They always showed up and we never had to wait which is really astounding.
Water ways.	Planting beside the waterways, streams, keeping them clean, they are working very hard at that.
I approve of the Council collecting the inorganic rubbish outside people's houses very promptly when they are notified.	They do a good job of keeping the neighbourhood tidy.
Parks.	The lawns are tidy and clean and the boys are always down there working at the Hakanoa Lake Park.
Communication.	Generally get really good communications from our ward member in Tuakau.

Appendix 4 – Residents Survey Comments from Outcomes

What is it?	Why?
I approve of the waterway care that the Council is doing.	I fish out of the Raglan harbour and the fish have come back into the harbour. The quality of the water has improved and the farmers are being fined for their effluent going into the harbour.
Council phoning.	Warning of upcoming potential flooding, strong winds and high clouds. I thought it was wonderful to check that we were ok and whether we were checking supplies, water and power, much appreciated.
I am impressed with the improvements to the highways.	Because it generally makes our transport easier even though the roadworks are inconvenient.
We now have 2 recycling bins per household.	Because the two bins are encouraging us to recycle. The rubbish is well contained and doesn't tip out.
They have redone the corner of road.	Done the cornerway so water doesn't come over the edge and eroding the bank, put curve on the corner.
BBQ table and more rubbish bins around the lake, all the work done around Lake Hakanoa.	More tables and rubbish bins round the lake.
Got rid of the bus parked on the road.	Bus was moved from outside my house on to owners section, Howard Street.
The bike trail.	Brings families together, mums and dads can go for rides with kids, Te Awa cycleway.
Not running at a loss.	The Council is not in debt, I like that.
Main street Huntly.	It is always clean and tidy.
We like having the inorganic rubbish collection.	The majority of the rubbish is bulky and heavy and it's cost effective for us to have it collected.
Improved the entrances to the Wainui Bush Park.	They have put a lot of work in, upgraded the tracks in the bush and the entrance and the parking area.
Road upgrade	The changes, roadworks to be done, it is keeping the road safe which is important.
Making the river more accessible with walkways is great and more people can enjoy it.	It opens up the area for the community.
Tamahere Recreation Centre.	They are building this and it's a great addition to the area.
Recycling collection.	Just started for 3 months and it is good to get rid of everything, really pleased and working out really well.

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?
Next door to us is a little country road and only two people live on it.	Council have had to regrade as the people were objecting and I object to the amount of money spent on it, Mahoe Road, in the paper last week.
Contacted by staff who told me a building that was consented is not consented now.	It took such a long time to tell me and now I have to go through another process, have had 3 people turn up and they said they would put it in the hands of someone else, they shoved it to someone else, over the Christmas period, may be back to work now are they?
Rates increases.	It eats into your income and another tax we have to pay on everything we own and pay for things we never use, bus and other things.
The street light at Kauri Lane and Hakarimata Road.	Neighbour and I contacted them to get a streetlight at a busy dangerous corner and it took 18mths to get this. The wires went in and then the pole, it was very drawn out and us making phone calls as it is a dangerous intersection.
Need faster broadband.	It's way too slow and I am a commissioned writer which makes fast communication essential. Currently ADSL are far too slow, put on USB stick and drive to nearest friend on fibre.
I would like to see the Huntly playgrounds improved and more facilities provided for all age groups. The older children have nothing, their areas are not big enough.	The children have limited opportunities to get together and also families need more areas to meet.
Infrastructure tourism fund.	They allocated a lot towards Raglan and Ngaruawahia needs promoting as well.
The water meters.	We never had them and so they put them in, we should get free water, we pay for ours.
The ability to change the use of your land.	We are on a crop farm and if we buy another farm we are unable to change the style of farming, ie, cow to cropping, the land use change.
I disapprove of the water rating.	Because we shouldn't have to pay for our water.
You pay your rates and you keep paying again for every service.	We don't get a lot for our rates, we just keep paying over and over and have forgotten whose money it is. There is no accountability, rubbish is classic, changed to user pay and rates have not reduced. We pay for things we don't get.
The approach to environmental things.	The process to the way things have happened regarding healthy rivers. There should have been a better way to go forwards.
The building height for the proposed plan for buildings has been increased from 10 to 12 feet.	It changes the dynamic of the town and the public loses aspects of their views.
The state of the roads has annoyed me, Horsham Downs Road in particular.	The damage to the road causes danger to vehicles and driving safety. It is a health and safety issue.
I live in a village. We are all horrified that we have to pay extra for rubbish collection.	We are all oldies and we have to go to the office to collect the tickets. It's an extra expense and inconvenient.

Appendix 4 – Residents Survey Comments from Outcomes

What is it?	Why?
The river project, Plan1 is causing concern in the area. This is regarding the amount of financial input the farmers may have to contribute to.	This would devalue our property and it be a financial burden.
Council Bureaucracy.	The Council bureaucracy is appalling and the cost to run the Council and the amount they charge to do anything, with no way to justify the costs, it is just shocking.
Rubbish.	Why are we being charged for rubbish collection? We are paying rates and we get very little from the Council, no water, no sewerage, so why do we pay in the country.
Section sizes and subdivisions.	The Council went through the process of what community wanted and now the developers have arrived and the Councillors have rolled over to what they want and not the community wants so what was the point of the process.
Water and rubbish bags.	We now have to pay for our water and rubbish bag stickers, because as a tenant I have to pay the water bill, not like I own the house, not even built in my rent, I have not budgeted for this and now I have to find the money, They say it will be $400 per quarter for the family with teenagers.
Tidier.	They should look after the trees in the grounds and keep them more tidy, several big oak trees on the cricket/rugby ground that could be trimmed.
Water.	Only the explanation to do with the brown water, they said it was safe to drink, it is normal, I took the water into the Council building, I won't drink it.
I love this town and I don't think it is being developed to attract people to the town. We need more interesting things to attract visitors. The Council doesn't seem to be trying to create anything.	The Council is not doing enough for us, the new motorway will be detrimental to our town.
I think the Tamahere community area cost us more for rates, that was offered originally for free.	I disapprove because the concept of the original project involves extra rates and I think the skateboard bowl and the footpaths were originally in the scheme and they now costing the community more rates.
The rates.	They have increased enormously, almost 50% increase for our property and that will be an enormous increase for me. They need to look at a different rates process and it would be better to do it on a per person rated amount then it is even for home owners and flatters.
Huntly hall.	It is closed down and I am hoping it will be renovated. I have not seen anything in the Link about this.
Rates.	They keep going up without seeing an increase in the services.

Appendix 4 – Residents Survey Comments from Outcomes

What is it?	Why?
Rubbish collection.	Some sort of rubbish collection would be welcome in Tikotiko Road. Some sort of time line for sealing Tikotiko Road. They started sealing half the road about 5 years ago, we are waiting for the other half to be completed, please do soon. The sides of the roads have overgrown and this restricts visibility for driving.
The grass berms in town are untidy. The owners of some properties sometimes don't mow the lawns, makes the town look very untidy. The Council used to mow the lawns.	Not everybody looks after their lawns and it is one less thing that the Council does and we pay rates which should cover the lawn mowing for everyone.
Rates increase.	I just feel it is high for what we get and have to pay for rubbish bag stickers. We don't get water or sewerage. It is all going up.
I wish that the recycling service would take all the plastic rubbish. It costs us a fortune to take our rubbish to the dump on top of our rates.	It is very expensive if you are a pensioner to take your rubbish to the dump.
We are having to pay for our rubbish collection. We don't get many services for our rates.	We have got limited services and we are now paying extra for rubbish. Not value for our rates.
Stickers for the rubbish bags.	These were forced upon us and we already pay enough rates.
I do entranceways for new blocks, Council inspections.	They sent someone out who didn’t know what he was doing, only one person who did this, not last few months.
Empty section filled with old cars.	The Council have said it is not commercial and should not be in their area but it’s in a housing area and is an eyesore, Howard Street. Old cars and burnt out ones filled with boxes and things, dirty big rats from the property.
The Council has given approval for new development.	There is only one way in and out, people don’t want 500 more houses when trying to keep little township feeling. People can’t get carparks and some are looking to leave the area due to number of houses etc.
President of the recreation centre, get $1000 from Council but not enough as insurances are rising.	Would like Council to help out with the insurance, all community people trying to do their best.
Council incompetence.	Their decision making not using all the factors, using stats to get outcome they want.
Roading and rubbish.	A lot of people on low incomes and can’t afford the extras, eg, rubbish.
Wasting ratepayers money.	Transport- bus, trains, it is a big loser, it doesn't make money, there must be smaller units they can use.
Regarding the clean river subject. There has to be a means found to isolate the clean areas from the dirty areas.	The testing has not been done on all the catchment areas and so it's unfair on some people.
The public consultations.	The public consultations are a done deal before the meetings and I think they are a waste of money.

Appendix 4 – Residents Survey Comments from Outcomes

What is it?	Why?
Our water charges.	We are charged twice for our water usage, one on the rates and two on the water bill we should only be charged once for water.
Reduce truck speed.	At a Gordonton Council meeting it was asked to have the speed of trucks reduced through the village, we have not seen any results of this or had any feedback about the outcome.
I dislike having to pay extra for our water supply.	It's because we feel that the water should be free. We are thinking about having to get our own rainwater tank. We don't overuse our water, we do conserve our supply.
The water metre is read every 6 months and if we had a leak we wouldn't know about it until our next bill arrives.	In case we have a leak, it makes it really expensive.
I prefer to pay my rates by cash and not online. There is no Bank in Ngaruawahia only an ATM. Not everybody has a computer or a mobile phone. It makes things difficult.	It involves a trip to the base for me to transact payments and it is not always convenient.
More public contact.	More public involvement for future planning, how the city is operating, the PC angel is going overboard. I don't see anything in the Waikato Times. When we have a meeting the public can attend, make them stand out.
Consent for our building.	It is just a waiting game, it has taken 18 days, too drawn out, the building department in Ngaruawahia.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	3 May 2018
Prepared by	Clive Morgan Economic Development Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1301 / 1951284
Report Title	Economic Development Update

1. 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.
- Tourism Infrastructure Fund – Round Two was announced and closes 14 May. Five projects are being considered.
- Section 17a Review of i-SITE contract and North Waikato Visitor Information Services Provision report have been completed.

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 1). The Economic Development Work Programme is on track. Of the 29 actions, 13 have been completed and 16 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. Overall work programme completion is currently 70%. Target of 80% completion and on budget is likely to be achieved.

Open Waikato

Quarterly website statistics:

Measure	2015	2016				2017				2018	
	Nov	Feb	May	Aug	Nov	Feb	May	Aug	Nov	Feb	May
Sessions	1,830	**21,904**	2043	1987	2705	2385	3383	2805	3029	**8313**	2631
Users	1,378	**21,109**	1666	1712	2186	1895	2819	2298	2560	**7593**	2336
New Visitors	80.70%	**96.20%**	78.70%	83.60%	79.45%	77.53%	81.79%	90.50%	91.50%	**93.60%**	91.20%
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**	0:01:15
Bounce Rate*	78.80%	**84.53%**	69.90%	67.89%	64.29%	65.03%	71.30%	71.76%	75.93%	**86.41%**	75.60%

*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.*

The top five users of the Open Waikato website were from New Zealand, Australia, United States, United Kingdom and South Africa. These accounted for 92.24% of all visitors to the site. Of the new and returning visitors, our top three most visited internal pages were:

1. Our Towns
2. Climate
3. Fishing, Surfing and Water Sports

Our organic search results have shown visitors searching for logistics and town-related information (search terms include: demographic Tuakau, logistics hub of New Zealand, towns near Auckland New Zealand). While we are unable to see the full breakdown of search criteria due to user security settings, we can see that the highest landing pages for these groups are related to the top three most visited pages stated above. 'Things to do in the Waikato' and the 'expected temperature' are important to our website visitors, indicating that they interested in visiting the district. The team actively promote the free business service to Facebook audiences and this has reflected in the highest social media referrals from Facebook to the internal business advice page.

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 progressed during this period, Kiri Goulter of Kiri Goulter and Associates was engaged as backfill for two days per week. Ms Goulter, as well as providing general support also managed the following projects:

- Waikato District Tourism and Information Plan
- 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 opportunites idientified 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

A comprehensive Section 17a review of the i-SITE operational contract was undertaken by Kiri Goulter & Associates Ltd with the assistance of Rob MacIntyre of Destination Planning Ltd. The full report will be presented separately to the economic development update.

Northern Facilities Information Services Provision

The northern facilities information services provision report on the future location of the Huntly i-SITE service has been completed by Kir Goulter & Associates Ltd. The full report will be presented separately to the economic development update.

Synlait

Resource consent for Stage One of earthworks has been granted.

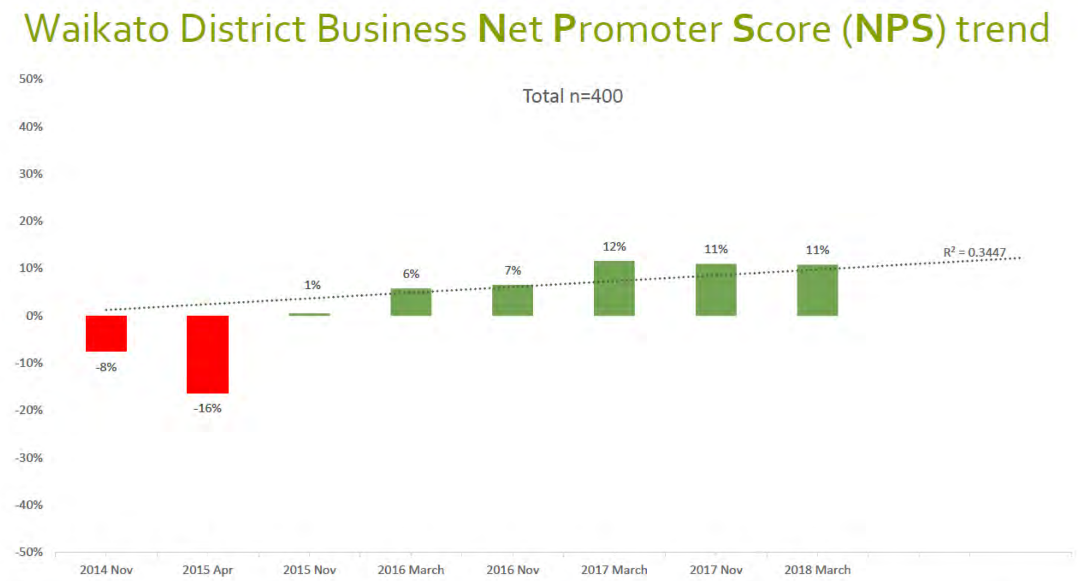
Waikato District Net Promotor Score Survey 2018 March

The March 2018 results for Waikato District Council resulted in the Council receiving a Net Promotor Score (NPS) +11 with an overall rating of 8.6 out of 10. These results are close to the half-yearly results received in November 2017 of +11 with a rating of 8.7 out of 10. The survey was initiated in November 2014 and has streadily improved with a statistically significant improvement trend through to March 2018.

Overall a solid result but there are some strong indicators for us to factor into our business thinking. Here is the respondents feedback by Industry Sector (most common negative feedback):

- <u>Agriculture, forestry and fishing</u>: 'Roads' and 'Less bureaucracy, Resource consents process';

- Retail trade: 'Roads' and 'More facilities/Keep clean and beautiful/More funding';
- Other services: 'Roads' and 'Infrastructure, public transport';
- Construction: 'Roads' and 'General Council improvement';
- Accommodation: 'More facilities/Keep clean and beautiful/More funding' and 'Roads'.



Overall, the past two and a half years have shown only positive levels of NPS ratings. March 2018 resulted in a positive 11% NPS as well, which was similar to November 2017. Using simple linear regression, since 2014 there has been a statistically significant improvement trend in NPS ratings.

Interestingly Huntly has returned a negative result this survey. This is a good opportunity to reflect on our engagements with Huntly over the last 5 months. How positive have they been? Have issues arisen that impact business owners/manager? How have our communications been received over this time period?

The economic development team is working on a business support campaign targeting Onewhero. This campaign won't address the issues highlighted by respondents, however economic development outreach into this business community may help. Onewhero ward commented that 'roads' and 'council comunication' were the top two suggested areas for improvement in Onewhero.

KEY PROJECTS

Tourism Infrastructure Fund – Round Two

The Tourism Infrastructure Fund ("TIF") is a contestable $100M fund available for a duration of four years to local territorial authorities and not-for-profit community groups with local authority support. The fund is administered by the Ministry of Business, Innovation and Employment ("MBIE"). Waikato District Council was successful in obtaining $868,000 for toilets, carparking and rubbish facilities in Raglan in Round One. The signed funding agreement with MBIE has been received and the project is in progress. The project will be managed by the Service Delivery team.

Round two of the Tourism Infrastructure Fund was officially opened on 16 April 2018 with the following priority statements:

"Round two of the TIF will continue the focus on prioritising projects that ***demonstrate immediate need for additional visitor-related public infrastructure in order to meet current visitor demand*** *and providing support for feasibility studies, on a case-by-case basis.*

In addition, I would also like to see a greater emphasis on application that are able to ***demonstrate innovative approaches to the sustainability of the investment****. Examples of this include recovering maintenance costs through charging apps and 'smart' rubbish compactors that alert the collection company when the compactors are full. Sustainable investment ensures that visitors contribute to the ongoing costs of infrastructure."*

- *Hon Kelvin Davis, Minister of Tourism*

Round two closes on 14 May 2018 and the following projects are being considered:

- 'KiwiCamp' pay-per-use facilities for Onewhero and Te Kauwhata identified freedom camping areas
- Toilet for Whatawhata
- Feasiblity study for best-practice wastewater model for tourism surge in Raglan
- Feasibility study for electric shuttle service in Raglan
- Replacement of smaller rubbish facilities and recycling station in Raglan compliant with Xtreme Zero Harm requirements.

Staff have been advised that the 50:50 co-funding requirement for any application from Waikato District Council will not be negotiable in Round two as it was in Round one. Available resourcing to undertake required works and budget will be the main constraints for any applications made for Round two of the Tourism Infrastructure Fund.

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

Smart Waikato – Smart Transitions

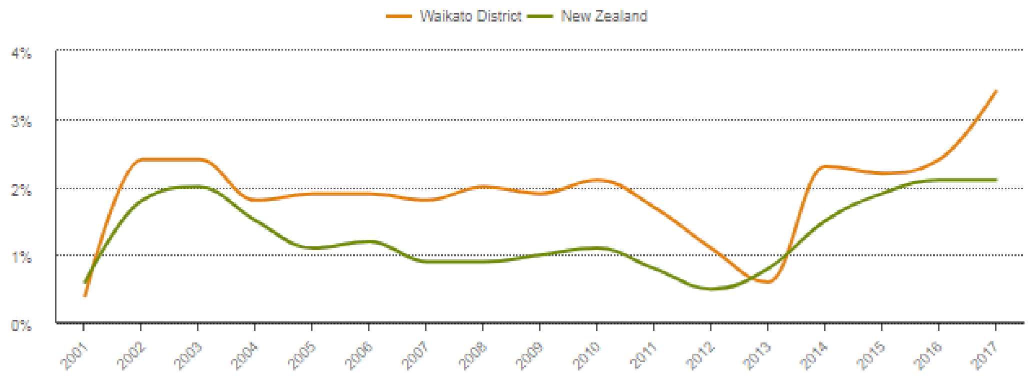
The Smart Waikato *Smart Transitions* 'FANtastic' launch planned for end of March 2018 was postponed due to unforseen circumstances. Staff have met with Smart Waikato regarding the Smart Transitions Gateway Coordinator role and Council have been presented with options regarding a collaboration with our youth engagement programme to further enhance the initiative.

Waikato District Annual Economic Profile 2017

The annual economic profile for 2017 was updated by Infometrics in March this year which shows our district is growing in people, business and skills. Our business units are 8,874 in 2017 which is a growth rate of 2% similar to New Zealand's of 2.1%. The district population is growing at a rapid rate of 3.4%, outstripping the New Zealand average of 2.1%. Most of the population growth is from net migration rather than natural growth (1,700 net migration compared with 700 natural) showing that people are actively selecting the district as their preferred place to live. The full report is available in Appendix 2.

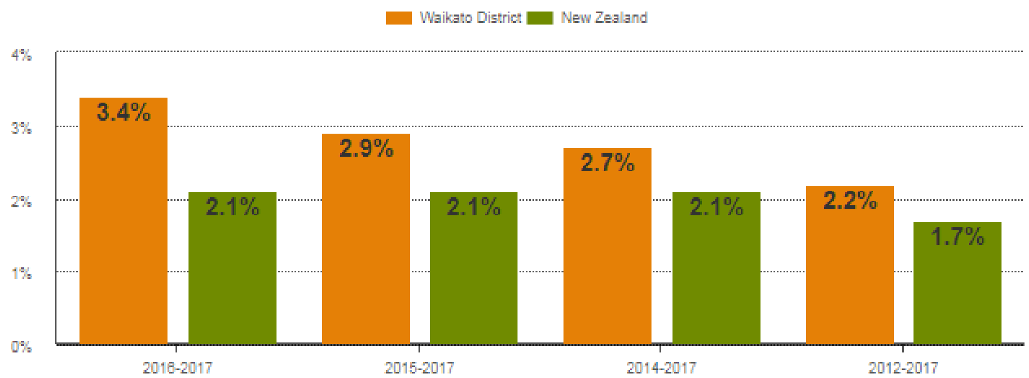
27 Waikato District Annual Economic Profile 2017

Figure 17: Annual population growth



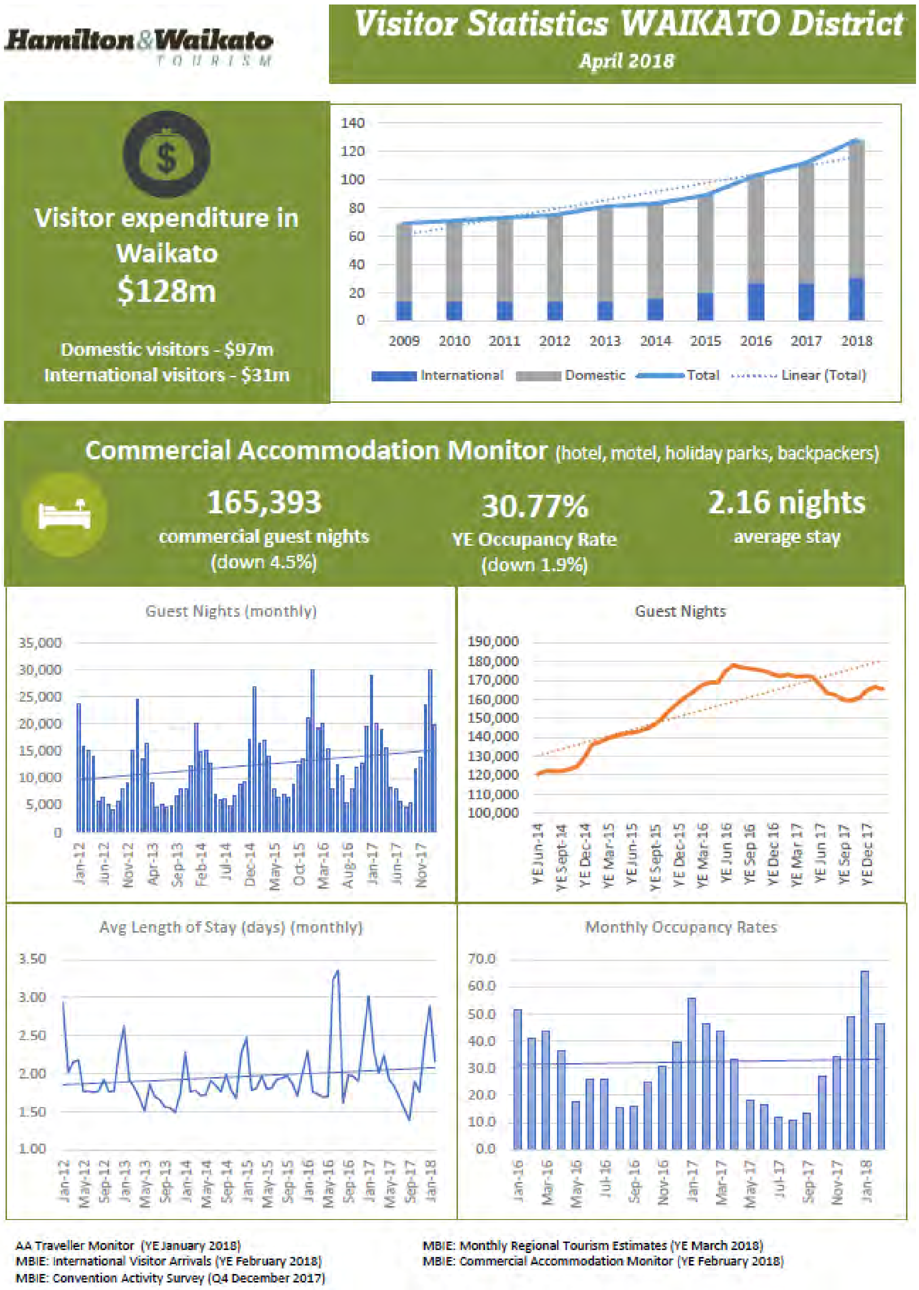
Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	2.4%	1.8%	1.9%	1.9%	1.8%	2.0%	1.9%	2.1%	1.7%	1.1%	0.6%	2.3%	2.2%	2.4%	3.4%
New Zealand	2.0%	1.5%	1.1%	1.2%	0.9%	0.9%	1.0%	1.1%	0.8%	0.5%	0.8%	1.5%	1.9%	2.1%	2.1%

Figure 18: Population growth last 1,2,3 and 5 years



Waikato Tourism Monthly statistics – April 2018

Hamilton & Waikato tourism provide monthly statistics for New Zealand, Waikato region and Waikato district. Tourism expenditure in the Waikato region reached $1.513b in the year to April 2018. The Waikato district reached a new high of $128m, with of which the full breakdown is below:



4. ATTACHMENTS

- Appendix 1: Economic Development Strategy work programme 2017/18
- Appendix 2: Waikato District Annual Economic Profile 2017 Report.

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
Sector Development	Hampton Downs Development	17. Hampton Downs Industry Training Cluster and pre-feasibility study	$5,000	30 June 2018	1%	Staff to meet with MBIE innovation team – initial meeting to progress this study. Next steps: MBIE suggest meeting date.
Open Waikato Marketing & Comms Strategy	Marketing & Comms Plan implementation	19. Promote Open Waikato as an educational resource. Pilot programme through Ngaruawahia High School.	$4,000	30 June 2018	10%	Staff have contacted Ngaruawahia High School to determine interest in the pilot project. To date no reponse has been received.
		20. Continued implementation of the Open Waikato Brand Strategy	$8,000	30 June 2018	80%	2 x fleet vehicles have been signwritten with Open Waikato decal. Internal campaign update is in development.
Population Attraction	Waikato Town Promotion	23. Implement video and associated media/pr campaign for Huntly.	$5,000	31 March 2018	50%	Huntly video shoot has been completed. Working on sign improvements with Parks team to reshoot a scene. Edits and media/pr campaign in development.
		24. Implement video and associated media/pr campaign for Ngaruawahia.	$5,000	31 March 2018	50%	Ngaruawahia video shoot has been completed. Edits and media/pr campaign in development.
Sector development	Business & Political delegations plan	3. Develop a stakeholder plan and political advocacy plan.	$5,000	30 June 2018	50% underway 20% underway	Staff see this piece of work as two separate outcomes. The political advocacy has a longer-term approach and staff have met with a political consultant who is putting together a proposal for WDC to consider. Staff have also connected with a consultant to prepare a proposal for a stakeholder advocacy business plan for consideration.
Excellence in Council services	Large development/ investment customer support processes	8. Ongoing development of high-value customer support processes	-	30 June 2018	50%	Reviewed current process in promapp to identify gaps. Workshop planned in June with key internal team leaders/managers to further progress this piece of work. It is envisaged that this will progress into the next financial year.
Business recruitment	Asia-China Strategy	11. Implement approved recommendations from International relations strategy.	$2,000	30 June 2018	30%	The implementation project will progress into the next financial year due to the sister city agreement and other long-term recommendations. Open Waikato translation continues to be underway.

Strategy	Theme	Action	Budget	Complet ed By	Progress	Status
Skills development and attraction	Digital Enablement Plan	16. Project manage the fibre and rural broadband initiatives	$24,500	2020	20%	Ongoing – 3 year programme. Tamahere-Matangi-Tauwhare, Huntly are next underway. Horotiu completed. Ngaruawahia and Whatawhata nearing completion. Raglan will be completed end of 2019. Chorus towns by 2022.
Business recruitment	Business focused social media campaign	12. Continued prospectus enhancement and social media campaigns targeted to immigrant business.	$4,500	30 June 2018	80%	International business campaign is planned and will run during May in four states of USA.
	Innovation Network	13. Continue promotion of Waikato Innovation park service.	$1,000	30 June 2018	80%	Ongoing. Marketing officer messaging through targeted social media campaigns has found resounding success in Raglan. More targeted mail drop planned for Onewhero/Tuakau areas.
Skills development and attraction	Education to employment	15. Continue to support Smart Waikato and implement strategies to improve employment outcomes for youth.	$6,000	30 June 2018	90%	Fantastic launch of Smart Transitions for Huntly and Ngrauawahia in collaboration with Smart Waikato has been deferred. In discussions re eduation to employment options.
Population attraction	Activate North Waikato Tourism	28. Provide support and resources to assist establishing the Whaingaroa-Raglan Destination Management Organisation.	$1,000	30 June 2018	10%	WRDMO have been advised funding is available, currently awaiting their brief for fund.
	Activate North Waikato Tourism	27. Support Franklin Tourism Group to showcase the north Waikato tourism operation. Investigate repositioning to a DTO	-	30 June 2018	80%	Staff have been working with Franklin Tourism Group over the year to update the Franklin website which is currently under development.
	Activate North Waikato Tourism	26. Campaign with FTG to promote northern section of Waikato (Tuakau Pokeno, Port Waikato, Mercer) & i-SITES during shoulder season	$500	30 June 2018	100%	Completed photo campaign on Facebook for Franklin Country. Photos will be used in website to further promote the area.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
	Activate North Waikato Tourism	29. Ensuring reporting requirements and levels of service agreement with Hamilton Waikato Tourism is maintained	-	30 June 2018	100%	Staff have requested further reporting from HWT to provide monthly tourism data. Latest data received shows a tourism expenditure of $128M to year April 2018. HWT reports 6 monthly to Strategy & Finance Committee and provides an excellent service to the group. An internal review of the agreement will be undertaken as the cost-benefit to WDC outweighs performing a section 17a review.
Skills development and attraction	Emerging Skills	25. 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	100%	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.
Excellence in Council service delivery	Professional development	9. Economic development team training and development	$1,000	30 June 2018	100%	Staff attended the Economic Development Conference in Wellington in October 2017.
Excellence in Council service delivery	Section 17A Reviews	1. Review i-SITE & HWT contracts per S17A./	$60,000	30 April 2018	100%	Report has been completed and reviewed. Will be presented in May Strategy & Finance Committee for consideration.
Excellence in Council services	Stakeholder plan and CRM system	2. Investigate and implement best option for stakeholder and customer management systems	-	30 June 2018	100%	IT Team have created an internal 'Open 4 Business' (O4B) database within Property & Rating.
Excellence in Council services	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	100%	Staff have been involved with LTP planning, engagement and support, and have led the workstream as identified. Business cases have also been created and input as part of the LTP consultation.
Excellence in Council services	Raglan Visitor Infrastructure Study	7. Presentation to Council and key stakeholders and internal units.	$8,500	30 Sept 2018	100%	Completed December 2017.
Spend Attraction	Huntly i-SITE relocation	21. Support Service Delivery team to deliver the i-SITE relocation	-	30 June 2018	100%	ED Team have led this project and report has been completed on North Waikato Visitor Information Services Provision.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
Spend attraction	Product development support	22. Promote new visitor product and product renewal district wide.	$2,000	30 June 2018	100%	Social Media campaign showcasing district visitor aspects ran Dec 2017 to Jan 2018. Staff attend tourism-related meetings frequently to assist businesses an operators in the district.
Sector Development	Freight & Logistics Campaign	14. Promote the Waikato Freight Hub to Auckland businesses.	$6,000	30 June 2018	100%.	Freight & Logistics campaign completed in Dec 2017 with the following results: Impressions: 5,513,917/Clicks: 6786/CTR: 0.12% Editorial ran in FTD Supply Chain Magazine for Feb/March edition.
Business Recruitment	Asia-China Strategy	10. Mayoral delegation to China and development of international relations strategy.	$6,000	30 Oct 2018	100%	Trip completed in October 2017.
Skills development and attraction	Hampton Downs development	18. Support Hampton Downs development plans.	-	30 June 2018	100%	Economic Development Team have met with Hampton Downs and continue to assist. SECTOR DEVELOPMENT

Standard of Living
Population
Businesses
Productivity
Employment
Gross Domestic Product

2017
ANNUAL ECONOMIC PROFILE

Waikato District

Infometrics
Economics put simply

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ECONOMY

The New Zealand economy in 2017

The New Zealand economy grew by 3.6% over the March 2017 year, following 3.6%pa growth the previous year.

Construction was the biggest contributor to growth, with value-added lifting just over 10%. The sector has benefited not only from higher levels of business activity, but population growth and relatively low interest rates have pushed up demand for new houses and commercial premises. However, capacity pressures have mounted.

Demand for professional services rose, with professional, scientific and technical services growing 5.1% over the March 2017 year. An aging population, coupled with strong migration flows, pushed up demand for health services. Health care and social assistance GDP increased by 6.3% over the year. Other services such as retail (5.2%), rental and hiring (3.3%), and finance (3.0%) also contributed significantly to growth.

Another record-breaking year for domestic and international visitor spending saw GDP for accommodation and food services increase 6.2%.

Value-added from agriculture, forestry and fishing slipped 0.5%, as conditions remained challenging for dairy farmers (-1.5%). Nevertheless, many other parts of the primary sector recorded growth, including forestry (4.0%), fishing and aquaculture (2.7%), poultry (4.2%), and horticulture and fruit growing (1.2%).

How fast has Waikato District's economy grown?

This section measures economic performance in Waikato District during the year to March 2017 and previous years. All GDP estimates are measured in constant 2010 prices.

- GDP in Waikato District measured $2,428m in the year to March 2017, down -0.5% from a year earlier. New Zealand's GDP increased by 3.6% over the same period.
- Economic growth in Waikato District averaged 1.3%pa over the last 10 years compared with an average of 2.0%pa in the national economy.
- Growth in Waikato District reached a high of 6.8% in 2003 and a low of -5.8% in 2014.
- Waikato District accounted for 1.0% of national GDP in 2017.

Figure 1: GDP growth (year to Mar 2017)

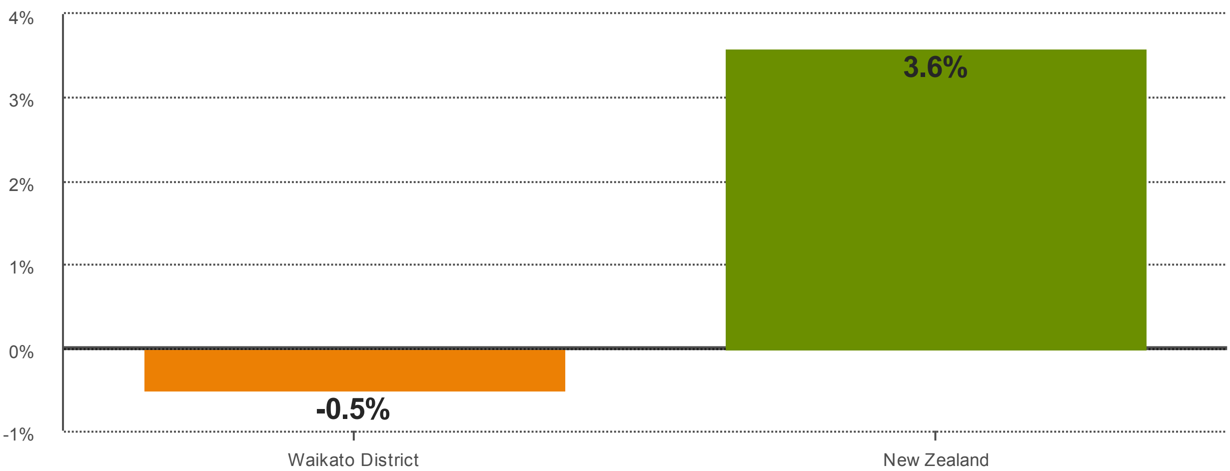
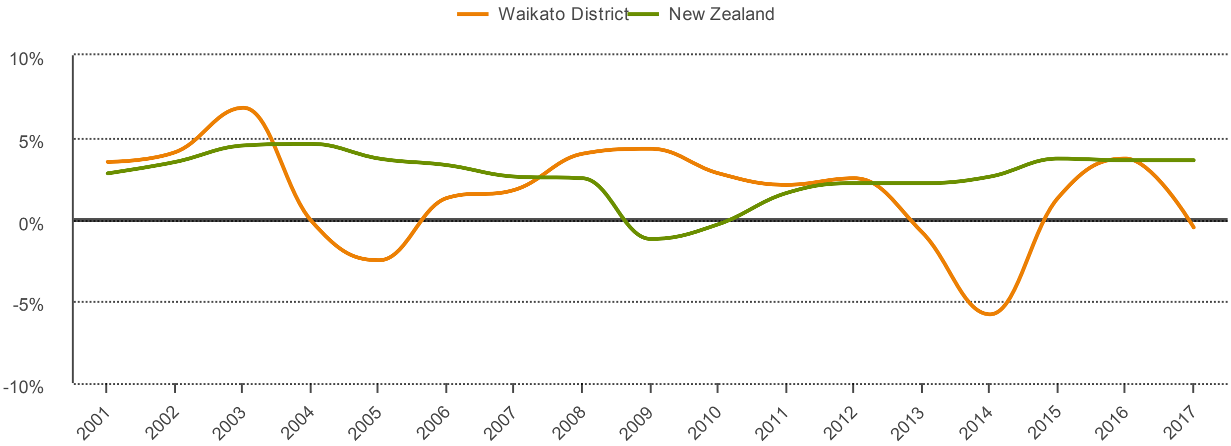
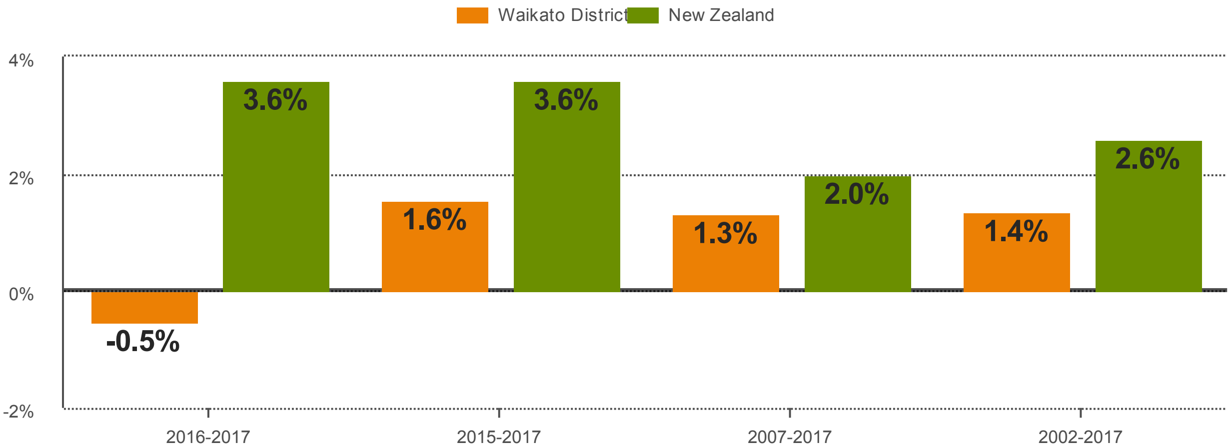


Figure 2: Annual average GDP growth (2000-2017)



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	6.8%	-0.1%	-2.5%	1.3%	1.8%	4.0%	4.3%	2.8%	2.1%	2.5%	-0.8%	-5.8%	1.3%	3.7%	-0.5%
New Zealand	4.5%	4.6%	3.7%	3.3%	2.6%	2.5%	-1.2%	-0.3%	1.6%	2.2%	2.2%	2.6%	3.7%	3.6%	3.6%

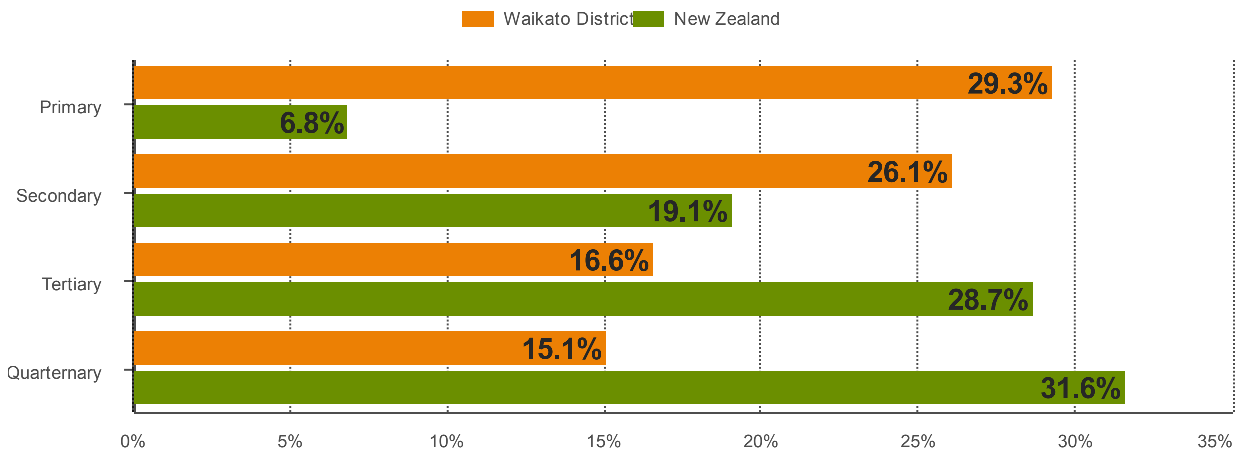
Figure 3: GDP growth over various time periods



What is the industrial structure of Waikato District's economy?

This section describes the structure of the economy in terms of the broad sectors: primary, secondary, tertiary and quaternary. The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries while the quaternary sector includes the higher value-adding, knowledge-based service industries. A full definition of the sectors is given in the technical appendix.

Figure 4: Share of total GDP (2017)



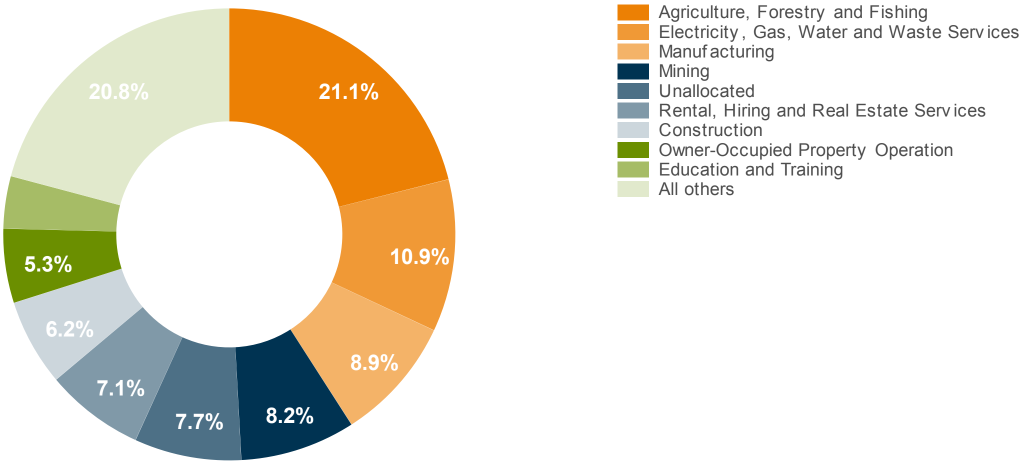
- Primary industries accounted for the largest proportion of GDP (29.3%) in Waikato District, which is higher than in the national economy (6.8%).
- Secondary industries accounted for 26.1% compared with 19.1% in the national economy.
- Tertiary industries accounted for 16.6% compared with 28.7% in the national economy.
- Quarternary industries accounted for the smallest proportion in Waikato District: 15.1% compared with 31.6% in the national economy.

Table 1: GDP by 1-digit industry (2017)

	Waikato District		New Zealand	
Industry	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	$512m	21.1%	$12,940m	5.5%
Mining	$200m	8.2%	$3,079m	1.3%
Manufacturing	$217m	8.9%	$23,226m	9.9%
Electricity, Gas, Water and Waste Services	$265m	10.9%	$6,843m	2.9%
Construction	$151m	6.2%	$14,937m	6.3%
Wholesale Trade	$38.9m	1.6%	$11,769m	5.0%
Retail Trade	$45.1m	1.9%	$11,446m	4.9%
Accommodation and Food Services	$25.7m	1.1%	$5,030m	2.1%
Transport, Postal and Warehousing	$52.1m	2.1%	$10,607m	4.5%
Information Media and Telecommunications	$24.6m	1.0%	$8,603m	3.7%
Financial and Insurance Services	$17.1m	0.7%	$13,443m	5.7%
Rental, Hiring and Real Estate Services	$172m	7.1%	$16,463m	7.0%
Professional, Scientific and Technical Services	$90.3m	3.7%	$19,045m	8.1%
Administrative and Support Services	$22.4m	0.9%	$4,827m	2.0%
Public Administration and Safety	$76.0m	3.1%	$9,822m	4.2%
Education and Training	$91.4m	3.8%	$9,473m	4.0%
Health Care and Social Assistance	$66.6m	2.7%	$14,088m	6.0%
Arts and Recreation Services	$21.2m	0.9%	$3,338m	1.4%
Other Services	$25.6m	1.1%	$4,218m	1.8%
Owner-Occupied Property Operation	$129m	5.3%	$14,285m	6.1%
Unallocated	$186m	7.7%	$18,007m	7.6%
Total	**$2,428m**	**100%**	**$235,489m**	**100%**

- Among broad industries Agriculture, Forestry and Fishing was the largest in Waikato District in 2017 accounting for 21.1% of total.
- The second largest was Electricity, Gas, Water and Waste Services (10.9%) followed by Manufacturing (8.9%)

Figure 5: Share of total GDP (2017)



The table on the following page shows 54 industries ranked according to their contribution to GDP. These industry categories are used by Statistics New Zealand in the national accounts. They are a mix of various levels of industries on the ANZSIC-06 classification. Further information about the industrial classification is given in the Technical Notes at the end of the document.

- Among detailed industries Dairy Cattle Farming was the largest in Waikato District in 2017 accounting for 10.3% of total.
- The second largest was Electricity & Gas Supply (9.7%) followed by Mining (8.2%)

Table 2: GDP by 54 industries (2017)

	Waikato District		New Zealand	
Industry	Level	Share of total	Level	Share of total
Horticulture & Fruit Growing	$43.5m	1.8%	$1,221m	0.5%
Sheep, Beef Cattle & Grain Farming	$94.4m	3.9%	$2,769m	1.2%
Dairy Cattle Farming	$251m	10.3%	$5,257m	2.2%
Poultry, Deer & Other Livestock Farming	$24.5m	1.0%	$361m	0.2%
Forestry & Logging	$6.96m	0.3%	$1,432m	0.6%
Fishing & Aquaculture	$1.72m	0.1%	$325m	0.1%
Agric Support Services & Hunting	$89.9m	3.7%	$1,576m	0.7%
Mining	$200m	8.2%	$3,079m	1.3%
Meat & Meat Product Manufacturing	$51.6m	2.1%	$1,744m	0.7%
Seafood Processing	$1.58m	0.1%	$408m	0.2%
Dairy Product Manufacturing	$33.3m	1.4%	$1,331m	0.6%
Fruit, Cereal & Other Food Product Manu	$17.2m	0.7%	$2,015m	0.9%
Beverage & Tobacco Product Manu	$2.23m	0.1%	$1,921m	0.8%
Textile, Leather, Clothing, Footwear Manu	$2.18m	0.1%	$641m	0.3%
Wood Product Manufacturing	$32.9m	1.4%	$1,408m	0.6%
Pulp & Paper Product Manufacturing	$0.82m	0.0%	$776m	0.3%
Printing	$1.16m	0.0%	$592m	0.3%
Petroleum & Coal Product Manufacturing	$0.00m	0.0%	$1,079m	0.5%
Basic Chemical & Chemical Product Manu	$7.36m	0.3%	$1,339m	0.6%
Polymer Product & Rubber Product Manu	$3.01m	0.1%	$1,319m	0.6%
Non-Metallic Mineral Product Manu	$16.3m	0.7%	$1,188m	0.5%
Primary Metal & Metal Product Manu	$1.50m	0.1%	$617m	0.3%
Fabricated Metal Product Manufacturing	$10.3m	0.4%	$2,149m	0.9%
Transport Equipment Manufacturing	$3.76m	0.2%	$1,120m	0.5%
Machinery & Other Equipment Manu	$27.4m	1.1%	$2,898m	1.2%
Furniture & Other Manufacturing	$4.33m	0.2%	$681m	0.3%
Electricity & Gas Supply	$234m	9.7%	$5,640m	2.4%
Water, Sewerage & Waste Services	$30.6m	1.3%	$1,203m	0.5%
Building Construction	$34.6m	1.4%	$3,130m	1.3%
Heavy & Civil Engineering Construction	$26.0m	1.1%	$4,180m	1.8%
Construction Services	$90.5m	3.7%	$7,627m	3.2%
Wholesale Trade	$38.9m	1.6%	$11,769m	5.0%
Motor Vehicle, Parts & Fuel Retailing	$8.39m	0.3%	$1,639m	0.7%
Supermarket & Specialised Food Retailing	$18.3m	0.8%	$3,345m	1.4%
Other Store & Non Store Retailing	$18.4m	0.8%	$6,462m	2.7%
Accommodation & Food Services	$25.7m	1.1%	$5,030m	2.1%
Road Transport	$40.0m	1.6%	$3,738m	1.6%
Rail, Water, Air & Other Transport	$1.42m	0.1%	$2,219m	0.9%
Postal, Courier & Warehousing Services	$10.7m	0.4%	$4,650m	2.0%
Information Media Services	$4.92m	0.2%	$2,322m	1.0%
Telecomms, Internet & Library Services	$19.7m	0.8%	$6,281m	2.7%
Finance	$12.0m	0.5%	$8,787m	3.7%
Insurance & Superannuation Funds	$0.67m	0.0%	$2,492m	1.1%
Auxiliary Finance & Insurance Services	$4.51m	0.2%	$2,164m	0.9%
Rental & Hiring Services	$12.2m	0.5%	$2,577m	1.1%
Property Operators & Real Estate Services	$160m	6.6%	$13,886m	5.9%
Professional, Scientific & Tech Services	$90.3m	3.7%	$19,045m	8.1%
Administrative & Support Services	$22.4m	0.9%	$4,827m	2.0%
Local Government Administration	$17.1m	0.7%	$1,177m	0.5%
Central Gov Admin, Defence & Safety	$58.9m	2.4%	$8,645m	3.7%
Education & Training	$91.4m	3.8%	$9,473m	4.0%
Health Care & Social Assistance	$66.6m	2.7%	$14,088m	6.0%
Arts & Recreation Services	$21.2m	0.9%	$3,338m	1.4%
Other Services	$25.6m	1.1%	$4,218m	1.8%
Owner-Occupied Property Operation	$129m	5.3%	$14,285m	6.1%
Unallocated	$186m	7.7%	$18,007m	7.6%
Total	**$2,428m**	**100%**	**$235,489m**	**100%**

Which broad industries made the largest contribution to economic growth?

Although an industry may be growing rapidly, if it is small relative to a region's total economy its contribution to overall GDP growth may also be small. This section therefore investigates which broad industries made the largest contribution to the overall growth of Waikato District's economy taking into account their relative sizes.

- Construction made the largest contribution to overall growth in Waikato District between 2016 and 2017. The industry grew by 12% over the year and contributed 0.66 percentage points to the district's total growth of -0.5%.
- The next largest contributor was manufacturing (0.63 percentage points) followed by professional, scientific and technical services (0.29 percentage points).
- The largest detractor from growth over the year was Mining which declined by 23% and contributed -2.42 percentage points to the total growth of -0.5%. Agriculture, Forestry and Fishing (-0.56 percentage points) was the next largest detractor.

Table 3: 1-digit industries ranked by % point contribution to GDP growth

Industry	2016	2017	% point contribution to growth	Annual Growth
Construction	135.0	151.1	0.7%	11.9%
Manufacturing	201.4	216.8	0.6%	7.7%
Professional, Scientific and Technical Services	83.3	90.3	0.3%	8.4%
Rental, Hiring and Real Estate Services	165.2	172.0	0.3%	4.2%
Health Care and Social Assistance	61.5	66.6	0.2%	8.4%
Wholesale Trade	36.1	38.9	0.1%	7.8%
Other Services	22.9	25.6	0.1%	12.0%
Transport, Postal and Warehousing	50.3	52.1	0.1%	3.7%
Public Administration and Safety	74.1	76.0	0.1%	2.5%
Retail Trade	43.7	45.1	0.1%	3.0%
Financial and Insurance Services	15.8	17.1	0.1%	8.3%
Administrative and Support Services	21.3	22.4	0.0%	5.4%
Arts and Recreation Services	20.1	21.2	0.0%	5.4%
Accommodation and Food Services	25.0	25.7	0.0%	3.0%
Education and Training	90.7	91.4	0.0%	0.8%
Information Media and Telecommunications	27.6	24.6	-0.1%	-11.0%
Electricity, Gas, Water and Waste Services	270.8	264.9	-0.2%	-2.1%
Agriculture, Forestry and Fishing	525.2	511.5	-0.6%	-2.6%
Mining	258.9	199.9	-2.4%	-22.8%
Owner-Occupied Property Operation	127.4	128.7	0.1%	1.0%
Unallocated	185.0	185.9	0.0%	0.5%
Total	**2,441**	**2,428**	**-0.5%**	**-0.5%**

Which detailed industries made the largest contribution to economic growth?

The following table shows a ranking of the detailed industries by their contribution to economic growth over the past year.

- Construction Services made the largest contribution to overall growth in Waikato District between 2016 and 2017. The industry grew by 16% over the year and contributed 0.52 percentage points to the district's total growth of -0.5%.
- The next largest contributor was property operators & real estate services (0.31 percentage points) followed by professional, scientific & tech services (0.29 percentage points).
- The largest detractor from growth over the year was Mining which declined by 23% and contributed -2.42 percentage points to the total growth of -0.5%. Electricity & Gas Supply (-0.33 percentage points) was the next largest detractor.

Table 4: 54 industries ranked by percentage point contribution to growth

Industry	2016	2017	% point contribution to growth	Annual Growth
Construction Services	77.9	90.5	0.5%	16.2%
Property Operators & Real Estate Services	152.3	159.8	0.3%	4.9%
Professional, Scientific & Tech Services	83.3	90.3	0.3%	8.4%
Health Care & Social Assistance	61.5	66.6	0.2%	8.4%
Wood Product Manufacturing	27.8	32.9	0.2%	18.1%
Machinery & Other Equipment Manu	22.9	27.4	0.2%	19.5%
Building Construction	30.1	34.6	0.2%	14.7%
Wholesale Trade	36.1	38.9	0.1%	7.8%
Fruit, Cereal & Other Food Product Manu	14.5	17.2	0.1%	19.0%
Other Services	22.9	25.6	0.1%	12.0%
Water, Sewerage & Waste Services	28.3	30.6	0.1%	8.1%
Poultry, Deer & Other Livestock Farming	22.9	24.5	0.1%	7.2%
Non-Metallic Mineral Product Manu	14.7	16.3	0.1%	11.0%
Road Transport	38.5	40.0	0.1%	4.0%
Finance	10.8	12.0	0.0%	10.9%
Fabricated Metal Product Manufacturing	9.1	10.3	0.0%	12.9%
Administrative & Support Services	21.3	22.4	0.0%	5.4%
Central Gov Admin, Defence & Safety	57.7	58.9	0.0%	1.9%
Horticulture & Fruit Growing	42.4	43.5	0.0%	2.6%
Arts & Recreation Services	20.1	21.2	0.0%	5.4%
Forestry & Logging	6.0	7.0	0.0%	15.2%
Meat & Meat Product Manufacturing	50.8	51.6	0.0%	1.6%
Accommodation & Food Services	25.0	25.7	0.0%	3.0%
Education & Training	90.7	91.4	0.0%	0.8%
Local Government Administration	16.4	17.1	0.0%	4.4%
Supermarket & Specialised Food Retailing	17.8	18.3	0.0%	3.0%
Motor Vehicle, Parts & Fuel Retailing	7.9	8.4	0.0%	6.7%
Furniture & Other Manufacturing	3.8	4.3	0.0%	13.4%
Postal, Courier & Warehousing Services	10.2	10.7	0.0%	4.8%
Basic Chemical & Chemical Product Manu	7.0	7.4	0.0%	5.0%
Auxiliary Finance & Insurance Services	4.2	4.5	0.0%	7.1%
Transport Equipment Manufacturing	3.5	3.8	0.0%	7.3%
Other Store & Non Store Retailing	18.1	18.4	0.0%	1.4%
Polymer Product & Rubber Product Manu	2.8	3.0	0.0%	8.4%
Primary Metal & Metal Product Manu	1.3	1.5	0.0%	13.2%
Printing	1.0	1.2	0.0%	16.0%
Fishing & Aquaculture	1.6	1.7	0.0%	5.3%
Pulp & Paper Product Manufacturing	0.8	0.8	0.0%	3.4%
Textile, Leather, Clothing, Footwear Manu	2.2	2.2	0.0%	-2.4%
Petroleum & Coal Product Manufacturing	0.1	0.0	0.0%	-100.0%
Seafood Processing	1.7	1.6	0.0%	-7.5%
Insurance & Superannuation Funds	0.8	0.7	0.0%	-19.7%
Rail, Water, Air & Other Transport	1.6	1.4	0.0%	-10.8%
Information Media Services	5.4	4.9	0.0%	-8.5%
Rental & Hiring Services	12.9	12.2	0.0%	-5.1%
Dairy Product Manufacturing	34.2	33.3	0.0%	-2.7%
Beverage & Tobacco Product Manu	3.2	2.2	0.0%	-29.7%
Heavy & Civil Engineering Construction	27.0	26.0	0.0%	-3.6%
Telecomms, Internet & Library Services	22.2	19.7	-0.1%	-11.6%
Sheep, Beef Cattle & Grain Farming	97.8	94.4	-0.1%	-3.5%
Agric Support Services & Hunting	96.9	89.9	-0.3%	-7.2%
Dairy Cattle Farming	257.5	250.6	-0.3%	-2.7%
Electricity & Gas Supply	242.5	234.4	-0.3%	-3.3%
Mining	258.9	199.9	-2.4%	-22.8%
Owner-Occupied Property Operation	127.4	128.7	0.1%	1.0%
Unallocated	185.0	185.9	0.0%	0.5%
Total	**2,441**	**2,428**	**-0.5%**	**-0.5%**

In which industries does Waikato District have a comparative advantage?

A high concentration of certain industries in a region may be indicative of that region having a comparative advantage in those industries. This may be due to its natural endowments, location, skills of its labour force or other reasons. The location quotient indicates in which industries a region has comparative advantage. A region has a location quotient larger (smaller) than one when the share of that industry in the regional economy is greater (less) than the share of the same industry in the national economy.

The following table shows a ranking of 54 industries by their location quotients.

- The industries in which Waikato District has the largest comparative advantages are Poultry, Deer & Other Livestock Farming (location quotient = 6.6), Mining (6.3), and Agric Support Services & Hunting (5.5).

Table 5: Location Quotient 2017

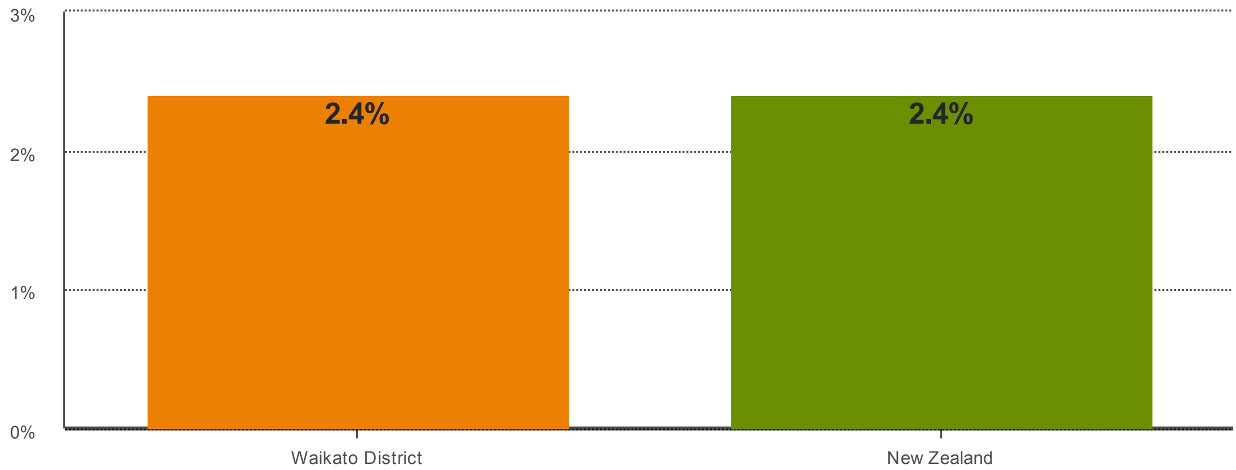
Industry	Waikato District		New Zealand
	Location Quotient	Share of total GDP	Share of total GDP
Poultry, Deer & Other Livestock Farming	6.6	1.0%	0.2%
Mining	6.3	8.2%	1.3%
Agric Support Services & Hunting	5.5	3.7%	0.7%
Dairy Cattle Farming	4.6	10.3%	2.2%
Electricity & Gas Supply	4.0	9.7%	2.4%
Horticulture & Fruit Growing	3.5	1.8%	0.5%
Sheep, Beef Cattle & Grain Farming	3.3	3.9%	1.2%
Meat & Meat Product Manufacturing	2.9	2.1%	0.7%
Water, Sewerage & Waste Services	2.5	1.3%	0.5%
Dairy Product Manufacturing	2.4	1.4%	0.6%
Wood Product Manufacturing	2.3	1.4%	0.6%
Local Government Administration	1.4	0.7%	0.5%
Non-Metallic Mineral Product Manu	1.3	0.7%	0.5%
Construction Services	1.2	3.7%	3.2%
Property Operators & Real Estate Services	1.1	6.6%	5.9%
Building Construction	1.1	1.4%	1.3%
Road Transport	1.0	1.6%	1.6%
Education & Training	0.9	3.8%	4.0%
Machinery & Other Equipment Manu	0.9	1.1%	1.2%
Fruit, Cereal & Other Food Product Manu	0.8	0.7%	0.9%
Central Gov Admin, Defence & Safety	0.7	2.4%	3.7%
Furniture & Other Manufacturing	0.6	0.2%	0.3%
Arts & Recreation Services	0.6	0.9%	1.4%
Heavy & Civil Engineering Construction	0.6	1.1%	1.8%
Other Services	0.6	1.1%	1.8%
Basic Chemical & Chemical Product Manu	0.5	0.3%	0.6%
Supermarket & Specialised Food Retailing	0.5	0.8%	1.4%
Fishing & Aquaculture	0.5	0.1%	0.1%
Motor Vehicle, Parts & Fuel Retailing	0.5	0.3%	0.7%
Accommodation & Food Services	0.5	1.1%	2.1%
Forestry & Logging	0.5	0.3%	0.6%
Fabricated Metal Product Manufacturing	0.5	0.4%	0.9%
Professional, Scientific & Tech Services	0.5	3.7%	8.1%
Rental & Hiring Services	0.5	0.5%	1.1%
Health Care & Social Assistance	0.5	2.7%	6.0%
Administrative & Support Services	0.5	0.9%	2.0%
Seafood Processing	0.4	0.1%	0.2%
Textile, Leather, Clothing, Footwear Manu	0.3	0.1%	0.3%
Transport Equipment Manufacturing	0.3	0.2%	0.5%
Wholesale Trade	0.3	1.6%	5.0%
Telecomms, Internet & Library Services	0.3	0.8%	2.7%
Other Store & Non Store Retailing	0.3	0.8%	2.7%
Primary Metal & Metal Product Manu	0.2	0.1%	0.3%
Postal, Courier & Warehousing Services	0.2	0.4%	2.0%
Polymer Product & Rubber Product Manu	0.2	0.1%	0.6%
Information Media Services	0.2	0.2%	1.0%
Auxiliary Finance & Insurance Services	0.2	0.2%	0.9%
Printing	0.2	0.0%	0.3%
Finance	0.1	0.5%	3.7%
Beverage & Tobacco Product Manu	0.1	0.1%	0.8%
Pulp & Paper Product Manufacturing	0.1	0.0%	0.3%
Rail, Water, Air & Other Transport	0.1	0.1%	0.9%
Insurance & Superannuation Funds	0.0	0.0%	1.1%
Petroleum & Coal Product Manufacturing	0.0	0.0%	0.5%

EMPLOYMENT

How fast has employment grown in Waikato District?

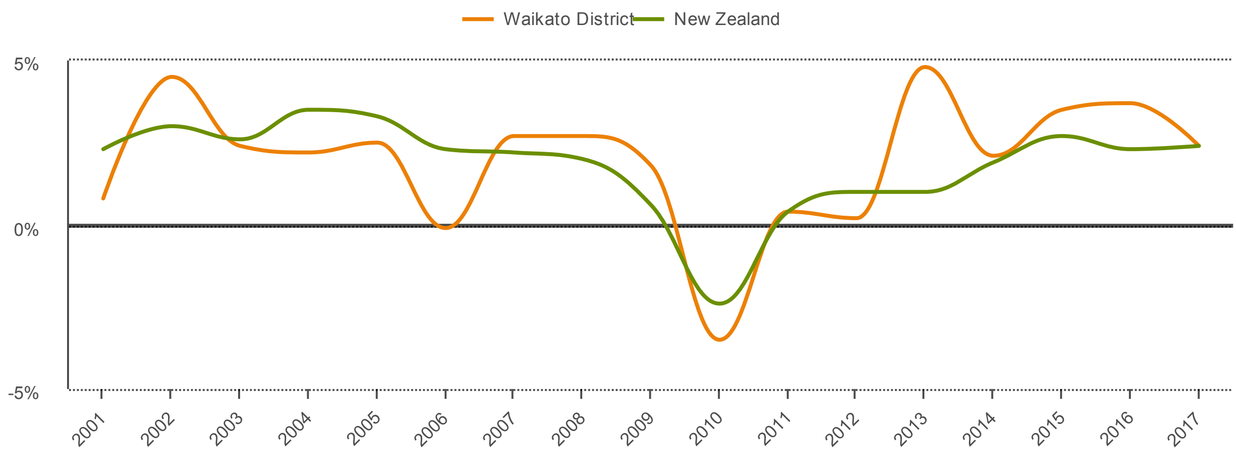
Employment growth provides new opportunities for the region's population to earn income and contribute to the region's economy. This section contrasts Waikato District's recent performance in creating jobs with other regions in the country.

Figure 6: Employment growth (year to Mar 2017)



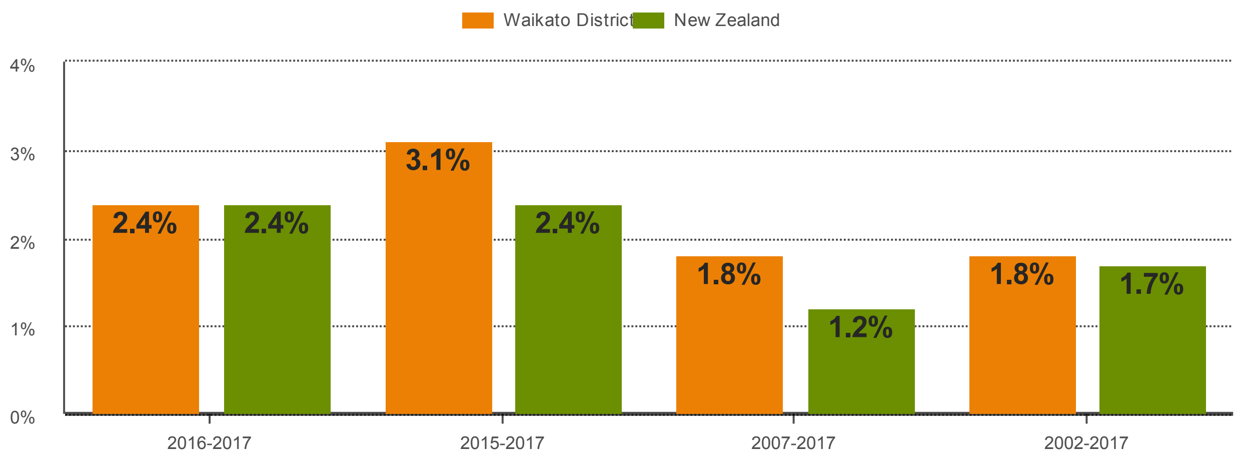
- Total employment in Waikato District averaged 21,375 in the year to March 2017, up 2.4% from a year earlier. Employment in New Zealand increased by 2.4% over the same period.
- Employment growth in Waikato District averaged 1.8%pa over the last 10 years compared with 1.2%pa in the national economy.
- Employment growth in Waikato District reached a high of 4.8% in 2013 and a low of -3.5% in 2010.

Figure 7: Annual average employment growth



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	2.4%	2.2%	2.5%	-0.1%	2.7%	2.7%	1.8%	-3.5%	0.4%	0.2%	4.8%	2.1%	3.5%	3.7%	2.4%
New Zealand	2.6%	3.5%	3.3%	2.3%	2.2%	2.0%	0.6%	-2.4%	0.4%	1.0%	1.0%	1.9%	2.7%	2.3%	2.4%

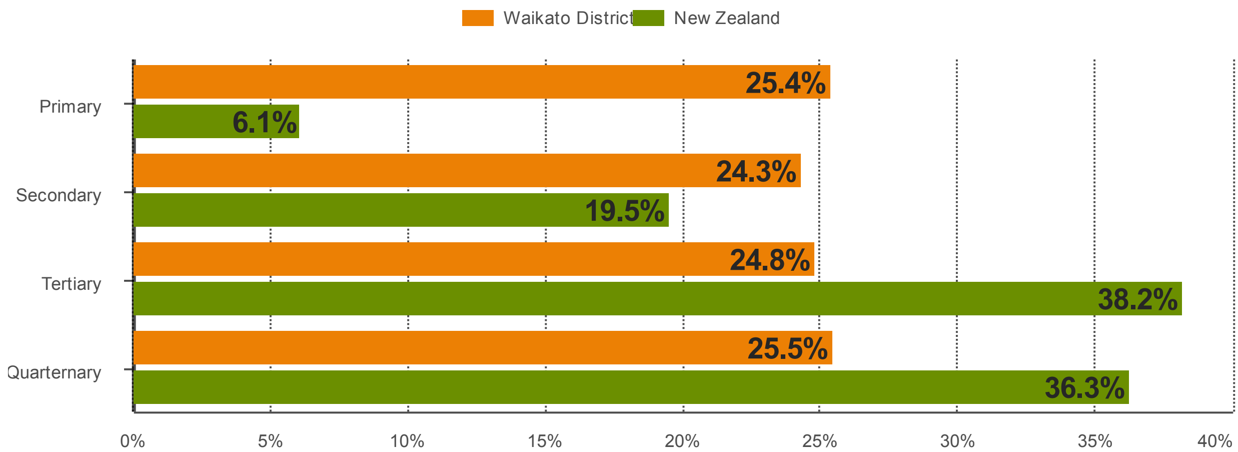
Figure 8: Employment growth over various time periods



What is the industrial structure of employment in Waikato District?

This section describes the structure of the labour market in terms of the primary, secondary, tertiary and quaternary categories and the industries that fall within these categories. The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries while the quaternary sector includes the higher value-adding, knowledge-based service industries. A list of industries making up the quaternary sector is given in the technical appendix.

Figure 9: Employment by broad sector (2017)



- Primary accounted for 25.4% in Waikato District compared with 6.1% in New Zealand.
- Secondary accounted for 24.3% in Waikato District compared with 19.5% in New Zealand.
- Tertiary accounted for 24.8% in Waikato District compared with 38.2% in New Zealand.
- Quarternary industries accounted for the largest proportion of employment (25.5%) in Waikato District, which is lower than in New Zealand (36.3%).

Which are the largest employing industries in Waikato District?

This section identifies the broad industries that make the largest contribution to employment in Waikato District.

Table 6: 1-digit industries ranked by size of employment (2017)

	Waikato District		New Zealand	
Industry	Level	Share of total	Level	Share of total
Agriculture, Forestry and Fishing	5,087	23.8%	140,452	5.8%
Mining	351	1.6%	5,647	0.2%
Manufacturing	2,256	10.6%	233,757	9.7%
Electricity, Gas, Water and Waste Services	450	2.1%	15,695	0.7%
Construction	2,485	11.6%	220,190	9.1%
Wholesale Trade	418	2.0%	119,716	5.0%
Retail Trade	940	4.4%	222,038	9.2%
Accommodation and Food Services	945	4.4%	161,349	6.7%
Transport, Postal and Warehousing	743	3.5%	100,709	4.2%
Information Media and Telecommunications	148	0.7%	42,603	1.8%
Financial and Insurance Services	115	0.5%	63,939	2.7%
Rental, Hiring and Real Estate Services	571	2.7%	58,328	2.4%
Professional, Scientific and Technical Services	1,266	5.9%	229,917	9.5%
Administrative and Support Services	693	3.2%	121,001	5.0%
Public Administration and Safety	996	4.7%	112,555	4.7%
Education and Training	1,818	8.5%	188,236	7.8%
Health Care and Social Assistance	1,101	5.1%	236,735	9.8%
Arts and Recreation Services	341	1.6%	46,100	1.9%
Other Services	649	3.0%	91,194	3.8%
Total	**21,375**	**100%**	**2,410,161**	**100%**

- Among broad industries Agriculture, Forestry and Fishing was the largest in Waikato District in 2017 accounting for 23.8% of total.
- The second largest was Construction (11.6%) followed by Manufacturing (10.6%)

The table on the following page shows the 50 detailed industries among the approximately 500 7-digit ANZSIC industry categories which employ the highest number of people in Waikato District.

- Dairy Cattle Farming was the largest 7-digit industry in Waikato District in 2017 employing 1,701 persons and accounting for 8.0% of total employment in the district. By contrast this industry accounted for 1.5% of total employment in New Zealand.
- The second largest employing industries were other agriculture and fishing support services (1,229) followed by primary education (1,012).

Table 7: 50 largest employing 7-digit ANZSIC industries (2017)

		Waikato District		New Zealand
Rank	Industry	Jobs	% of total	% of total
1	Dairy Cattle Farming	1,701	8.0%	1.5%
2	Other Agriculture and Fishing Support Services	1,229	5.8%	0.9%
3	Primary Education	1,012	4.7%	2.1%
4	House Construction	572	2.7%	1.8%
5	Road Freight Transport	547	2.6%	1.3%
6	Meat Processing	542	2.5%	0.8%
7	Beef Cattle Farming (Specialised)	480	2.2%	0.4%
8	Cafes and Restaurants	468	2.2%	2.9%
9	Correctional and Detention Services	408	1.9%	0.3%
10	Local Government Administration	340	1.6%	0.9%
11	Scientific Research Services	320	1.5%	0.3%
12	Fossil Fuel Electricity Generation	293	1.4%	0.0%
13	Preschool Education	288	1.3%	1.1%
14	Child Care Services	286	1.3%	0.6%
15	Supermarket and Grocery Stores	282	1.3%	2.4%
16	Management Advice and Other Consulting Services	273	1.3%	1.6%
17	Sheep-Beef Cattle Farming	253	1.2%	0.5%
18	Office Administrative Services	240	1.1%	0.4%
19	Painting and Decorating Services	238	1.1%	0.6%
20	Secondary Education	230	1.1%	1.5%
21	Aged Care Residential Services	225	1.1%	1.4%
22	Non-Residential Property Operators	221	1.0%	0.6%
23	Electrical Services	215	1.0%	0.9%
24	Accommodation	206	1.0%	1.4%
25	Real Estate Services	204	1.0%	1.0%
26	Other Automotive Repair and Maintenance	202	0.9%	0.7%
27	Landscape Construction Services	201	0.9%	0.3%
28	Poultry Farming (Meat)	194	0.9%	0.0%
29	Vegetable Growing (Outdoors)	180	0.8%	0.2%
30	Plumbing Services	179	0.8%	0.6%
31	Other Heavy and Civil Engineering Construction	176	0.8%	0.8%
32	Other Allied Health Services	166	0.8%	1.4%
33	Berry Fruit Growing	163	0.8%	0.1%
34	Coal Mining	162	0.8%	0.0%
35	Timber Resawing and Dressing	157	0.7%	0.1%
36	Agricultural Machinery and Equipment Manufacturing	155	0.7%	0.1%
37	Site Preparation Services	142	0.7%	0.5%
38	Takeaway Food Services	142	0.7%	1.2%
39	Accounting Services	127	0.6%	1.0%
40	Other Crop Growing n.e.c.	124	0.6%	0.1%
41	Buildings Cleaning Services	121	0.6%	1.1%
42	General Practice Medical Services	120	0.6%	0.7%
43	Wooden Structural Fittings and Components Manufacturing	117	0.5%	0.3%
44	Gardening Services	116	0.5%	0.3%
45	Engineering Design and Engineering Consulting Services	115	0.5%	1.1%
46	Other Machinery and Equipment Manufacturing n.e.c.	107	0.5%	0.5%
47	Adult, Community and Other Education n.e.c.	106	0.5%	0.5%
48	Horse Farming	105	0.5%	0.1%
49	Cheese and Other Dairy Product Manufacturing	99	0.5%	0.5%
50	Computer Systems Design and Related Services	98	0.5%	1.8%
	All other industries total	**6,732**	**31.5%**	**59.2%**
	Total	**21,375**	**100%**	**100%**

Which industries have created the most jobs?

The section investigates which industries have created and lost the most number of jobs in Waikato District. The employment numbers differ from those published in Business Demography by Statistics New Zealand. The reasons for these differences are explained in the technical appendix.

Table 8: 1-digit industries ranked by number of jobs created

Industry	2016	2017	Change	Annual Growth
Manufacturing	2,064	2,256	192	9.3%
Construction	2,317	2,485	168	7.3%
Professional, Scientific and Technical Services	1,192	1,266	74	6.2%
Other Services	607	649	43	7.0%
Health Care and Social Assistance	1,065	1,101	36	3.4%
Rental, Hiring and Real Estate Services	539	571	33	6.0%
Accommodation and Food Services	916	945	29	3.2%
Wholesale Trade	390	418	28	7.2%
Public Administration and Safety	978	996	18	1.8%
Transport, Postal and Warehousing	727	743	16	2.2%
Education and Training	1,806	1,818	12	0.7%
Administrative and Support Services	686	693	8	1.1%
Electricity, Gas, Water and Waste Services	443	450	7	1.6%
Arts and Recreation Services	335	341	6	1.8%
Financial and Insurance Services	111	115	4	3.9%
Retail Trade	940	940	0	0.0%
Information Media and Telecommunications	156	148	-8	-5.3%
Mining	392	351	-41	-10.5%
Agriculture, Forestry and Fishing	5,209	5,087	-122	-2.3%
Total	**20,871**	**21,375**	**504**	**2.4%**

- Manufacturing made the largest contribution to employment growth in Waikato District between 2016 and 2017 with the industry adding 192 jobs.
- The next largest contributor was Construction (168 jobs) followed by Professional, Scientific and Technical Services (74 jobs).
- The largest detractor from growth over the year was Agriculture, Forestry and Fishing in which employment declined by 122.

The table on the next page shows the 50 industries (out of a total of approximately 500 industries of the ANZSIC 2006 industry classification1) that created the most number of jobs over the past year. Table 15 shows the 50 detailed industries that made the lowest contribution to job creation over the same period.

- Agricultural Machinery and Equipment Manufacturing was the largest creator of jobs in Waikato District between 2016 and 2017 generating an additional 53 positions.
- This was followed by House Construction, which added 52 jobs over the same period.
- Other Agriculture and Fishing Support Services was the largest detractor of jobs in Waikato District between 2016 and 2017 losting 90 positions.
- This was followed by Dairy Cattle Farming, which lost 58 jobs over the same period.

Table 9: The 50 seven-digit industries that created the most jobs between 2016 and 2017

Rank	Industry	Jobs 2016	Jobs 2017	Change 2016 - 2017	% of total 2017
1	Agricultural Machinery and Equipment Manufacturing	102	155	53	0.7%
2	House Construction	520	572	52	2.7%
3	Cafes and Restaurants	417	468	51	2.2%
4	Berry Fruit Growing	134	163	29	0.8%
5	Other Crop Growing n.e.c.	95	124	29	0.6%
6	Landscape Construction Services	173	201	28	0.9%
7	Child Care Services	259	286	27	1.3%
8	Fruit and Vegetable Wholesaling	9	35	27	0.2%
9	Poultry Farming (Meat)	169	194	26	0.9%
10	Cheese and Other Dairy Product Manufacturing	76	99	23	0.5%
11	Meat Processing	521	542	22	2.5%
12	Other Automotive Repair and Maintenance	181	202	22	0.9%
13	Veterinary Services	58	79	21	0.4%
14	Roofing Services	75	95	20	0.4%
15	Primary Education	992	1,012	20	4.7%
16	Takeaway Food Services	121	142	20	0.7%
17	Preschool Education	269	288	19	1.3%
18	Timber Resawing and Dressing	140	157	17	0.7%
19	Wooden Structural Fittings and Components Manufacturing	100	117	17	0.5%
20	Non-Residential Property Operators	205	221	16	1.0%
21	Site Preparation Services	127	142	14	0.7%
22	Regulatory Services	44	59	14	0.3%
23	Electrical Services	201	215	14	1.0%
24	Management Advice and Other Consulting Services	259	273	13	1.3%
25	Real Estate Services	191	204	13	1.0%
26	Scientific Research Services	308	320	12	1.5%
27	Local Government Administration	329	340	12	1.6%
28	Other Food Products Manufacturing n.e.c.	55	67	12	0.3%
29	Road Freight Transport	536	547	11	2.6%
30	Gravel and Sand Quarrying	86	96	11	0.5%
31	Beekeeping	37	47	11	0.2%
32	Bread Manufacturing (Factory-based)	31	42	11	0.2%
33	Painting and Decorating Services	228	238	10	1.1%
34	Milk and Cream Processing	58	67	10	0.3%
35	Hairdressing and Beauty Services	72	82	10	0.4%
36	Tiling and Carpeting Services	56	65	9	0.3%
37	Buildings Cleaning Services	112	121	9	0.6%
38	Bricklaying Services	41	50	9	0.2%
39	Secondary Education	221	230	9	1.1%
40	Other Professional, Scientific and Technical Services n.e.c.	35	44	9	0.2%
41	General Practice Medical Services	111	120	9	0.6%
42	Bakery Product Manufacturing (Non-factory-based)	57	65	9	0.3%
43	Poultry Farming (Eggs)	49	57	8	0.3%
44	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	69	77	8	0.4%
45	Other Construction Material Mining	55	62	7	0.3%
46	Vegetable Growing (Outdoors)	173	180	7	0.8%
47	Other Construction Services n.e.c.	83	90	7	0.4%
48	Apple and Pear Growing	33	40	7	0.2%
49	Fuel Retailing	68	75	7	0.4%
50	Labour Supply Services	54	60	6	0.3%
	All other industries	**12,481**	**12,148**	**-334**	**56.8%**
	Total	**20,871**	**21,375**	**504**	**100%**

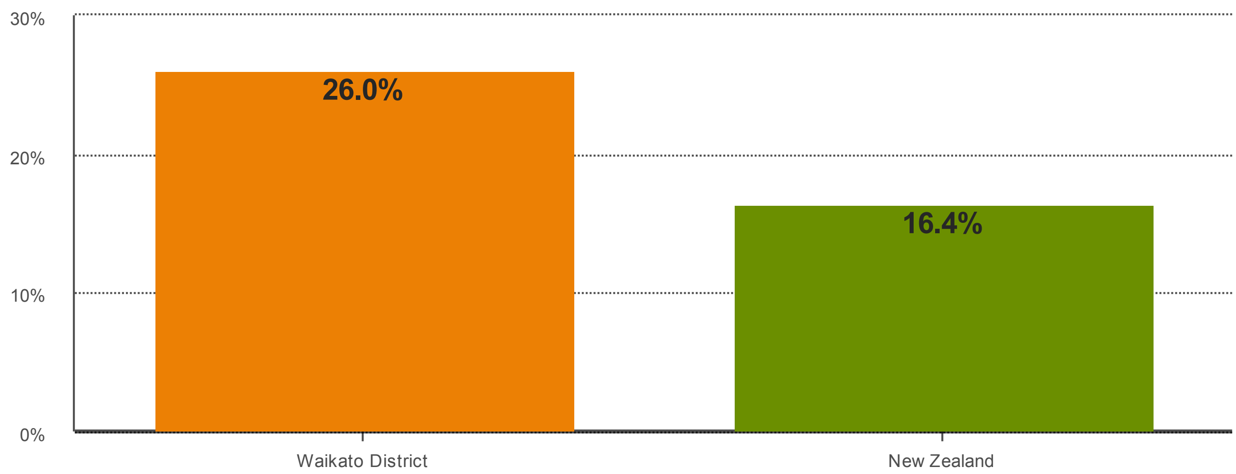
Table 10: The 50 seven-digit industries that lost the most jobs between 2016 and 2017

Rank	Industry	Jobs 2016	Jobs 2017	Change 2016 - 2017	% of total 2017
1	Other Agriculture and Fishing Support Services	1,319	1,229	-90	5.8%
2	Dairy Cattle Farming	1,758	1,701	-58	8.0%
3	Coal Mining	216	162	-54	0.8%
4	Sheep-Beef Cattle Farming	290	253	-37	1.2%
5	Higher Education	55	22	-33	0.1%
6	Mushroom Growing	63	31	-32	0.1%
7	Accommodation	225	206	-19	1.0%
8	Other Livestock Farming n.e.c.	59	41	-17	0.2%
9	Pubs, Taverns and Bars	82	66	-16	0.3%
10	Combined Primary and Secondary Education	56	40	-16	0.2%
11	Vegetable Growing (Under Cover)	63	49	-15	0.2%
12	Other Heavy and Civil Engineering Construction	187	176	-12	0.8%
13	Other Agricultural Product Wholesaling	67	56	-11	0.3%
14	Internet Access Services	30	19	-11	0.1%
15	Poultry Processing	79	69	-10	0.3%
16	Road and Bridge Construction	57	48	-10	0.2%
17	Other Machinery and Equipment Manufacturing n.e.c.	116	107	-9	0.5%
18	Office Administrative Services	249	240	-9	1.1%
19	Sports and Physical Recreation Venues, Grounds and Facilities Operation	31	23	-7	0.1%
20	Other Horse and Dog Racing Activities	87	80	-7	0.4%
21	Non Store Retailing	26	19	-6	0.1%
22	Aged Care Residential Services	231	225	-6	1.1%
23	Newspaper and Book Retailing	18	12	-6	0.1%
24	Other Health Care Services n.e.c.	33	28	-5	0.1%
25	Fruit and Vegetable Retailing	19	14	-5	0.1%
26	Nursery Production (Under Cover)	17	12	-5	0.1%
27	Other Non-Metallic Mineral Mining and Quarrying	33	28	-5	0.1%
28	Investigation and Security Services	18	13	-5	0.1%
29	Shearing Services	37	32	-4	0.2%
30	Dairy Produce Wholesaling	17	13	-4	0.1%
31	Other Grocery Wholesaling	14	10	-4	0.0%
32	Other Fruit and Tree Nut Growing	18	14	-4	0.1%
33	Video and Other Electronic Media Rental	10	6	-4	0.0%
34	Glazing Services	20	16	-4	0.1%
35	Other Goods and Equipment Rental and Hiring n.e.c.	26	22	-4	0.1%
36	Car Retailing	26	22	-4	0.1%
37	Catering Services	14	10	-3	0.0%
38	Newspaper Publishing	8	4	-3	0.0%
39	Clubs (Hospitality)	57	54	-3	0.3%
40	Police Services	69	66	-3	0.3%
41	Liquor Retailing	39	36	-3	0.2%
42	Other Interest Group Services n.e.c.	73	70	-3	0.3%
43	Non-Residential Building Construction	93	90	-3	0.4%
44	Stationery Goods Retailing	6	3	-3	0.0%
45	Furniture Retailing	3	1	-3	0.0%
46	Corporate Head Office Management Services	12	10	-3	0.0%
47	Pumps and Compressors Manufacturing	6	4	-2	0.0%
48	Correctional and Detention Services	410	408	-2	1.9%
49	Other Store-Based Retailing n.e.c.	55	53	-2	0.2%
50	Trailer and Other Motor Vehicle Retailing	3	1	-2	0.0%
	All other industries	**14,376**	**15,464**	**1,088**	**72.3%**
	Total	**20,871**	**21,375**	**504**	**100%**

What proportion of the workforce is self-employed in Waikato District?

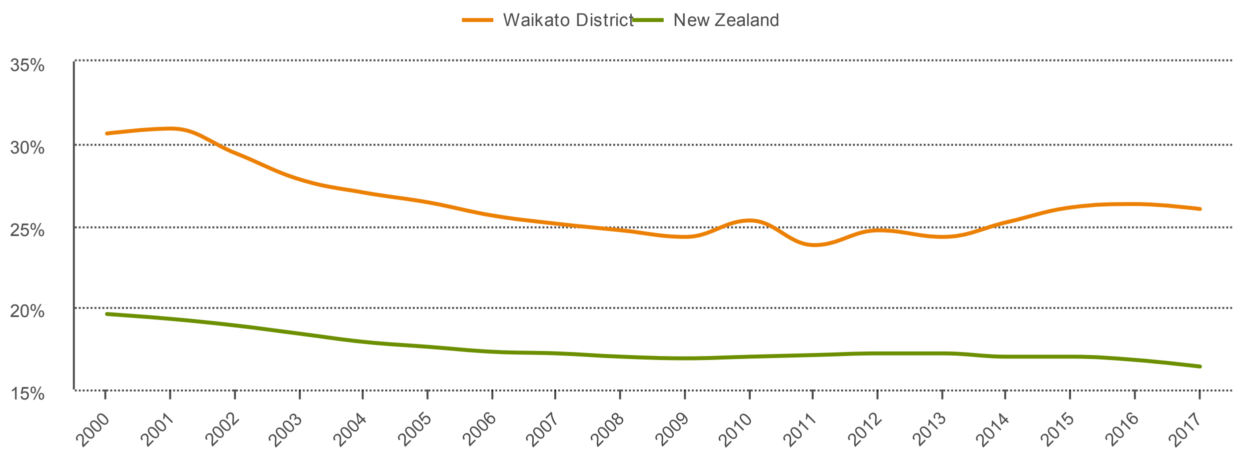
Self-employment makes up a sizeable proportion of total employment in New Zealand although it declined through the economic boom years and stabilised since the recession. This section contrasts self-employment in Waikato District with the national economy.

Figure 10: Self employment rate, 2017



- Self-employed workers accounted for 26.0% of the workforce in Waikato District in 2017, which was a higher rate than in the national economy (16.4%)
- A total of 5,547.0 workers were self-employed in Waikato District in 2017.

Figure 11: Self employment rate



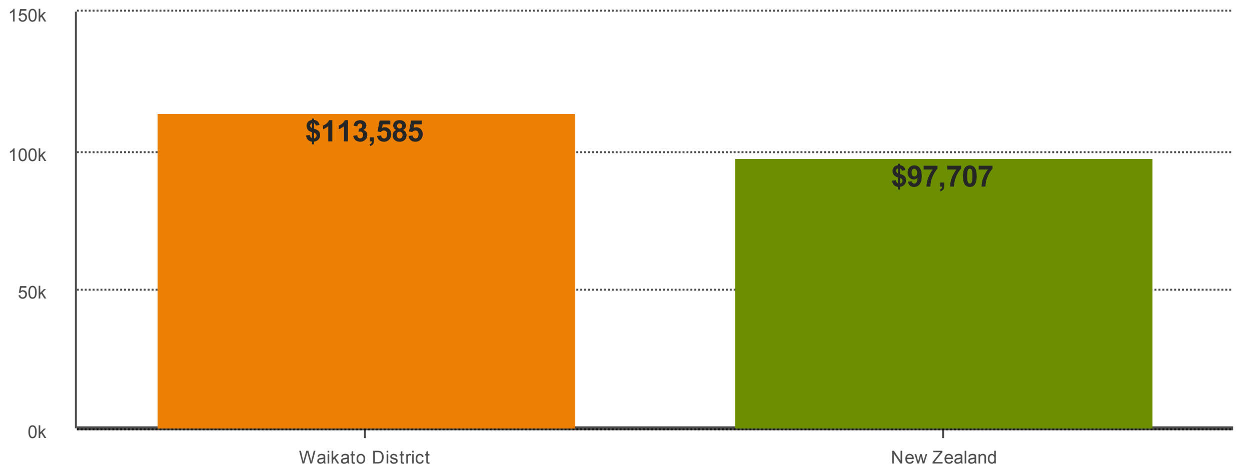
Level	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	27.8%	27.0%	26.4%	25.6%	25.1%	24.7%	24.3%	25.3%	23.8%	24.7%	24.3%	25.2%	26.1%	26.3%	26.0%
New Zealand	18.4%	17.9%	17.6%	17.3%	17.2%	17.0%	16.9%	17.0%	17.1%	17.2%	17.2%	17.0%	17.0%	16.8%	16.4%

PRODUCTIVITY

Productivity is a way of describing the efficiency of production. In this section, we investigate GDP per employee to determine how much economic activity is generated on average by each employee. When looking at this indicator, one needs to consider that labour is only one input into production. As a result, a comparison of a region's labour productivity growth to its own history or to other districts, implicitly assumes that each worker has the same access to machinery, technology, and land.

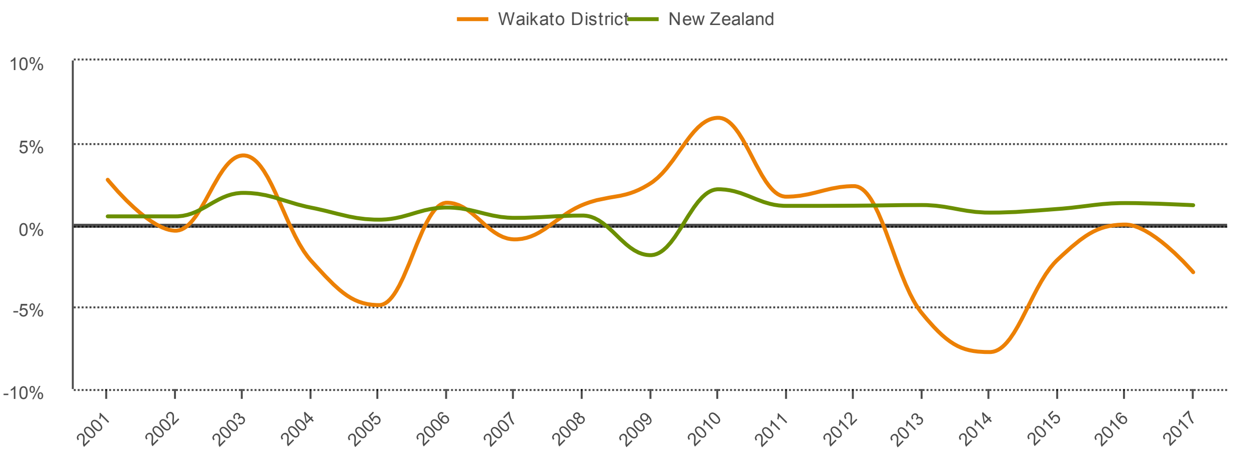
This section describes Waikato District's productivity level during the year to March 2017 and previous years. Productivity is measured by GDP per employee (in constant 2010 prices).

Figure 12: Productivity 2017



- GDP per employee in Waikato District measured $113,585 in the year to March 2017, which was 16% higher than in New Zealand.
- Productivity in Waikato District decreased by 2.9% from a year earlier compared with an increase of 1.2% in New Zealand).
- Productivity growth in Waikato District averaged -0.5%pa over the last ten years compared with an average of 0.9%pa in New Zealand.

Figure 13: Productivity growth



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	4.2%	-2.2%	-4.9%	1.3%	-0.9%	1.2%	2.5%	6.5%	1.7%	2.4%	-5.4%	-7.8%	-2.1%	0.0%	-2.9%
New Zealand	1.9%	1.0%	0.3%	1.0%	0.4%	0.6%	-1.9%	2.2%	1.1%	1.2%	1.2%	0.7%	1.0%	1.3%	1.2%

What are the most productive industries in Waikato District

This section ranks industries according to their level of GDP per employee in Waikato District. The level of GDP per employee may differ between industries because of the skill levels of workers and their inherent efficiency, as well as due to different amounts of machinery, technology, and land being used as production inputs. Table 17 below ranks broad industries by GDP per employee in Waikato District and shows the corresponding GDP per employee in the national economy. Since the capital intensity of industries is often a significant explainer of productivity we also show the capital intensity of each industry in the table. Capital intensity is measured as the share of GDP which is attributable to capital. Industries with a high proportion are thus highly capital intensive.

Table 11: 1-digit industries ranked by productivity (2017)

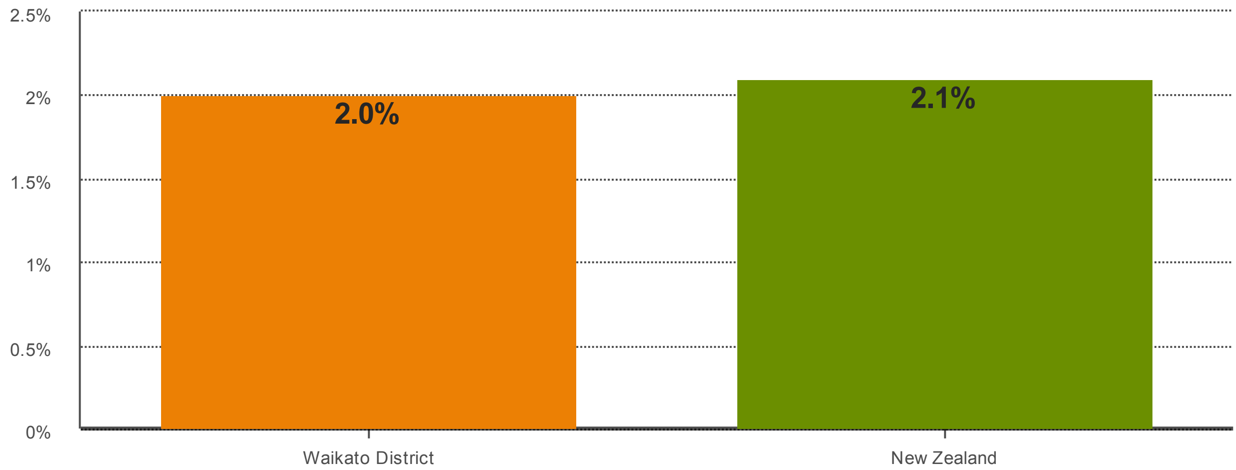
	Productivity		Capital intensity
Industry	Waikato District	New Zealand	New Zealand
Electricity, Gas, Water and Waste Services	588,663	436,006	0.80
Mining	568,852	545,219	0.79
Rental, Hiring and Real Estate Services	301,175	282,250	0.84
Information Media and Telecommunications	165,963	201,934	0.56
Financial and Insurance Services	148,759	210,247	0.52
Agriculture, Forestry and Fishing	100,559	92,131	0.63
Manufacturing	96,091	99,360	0.39
Wholesale Trade	93,065	98,308	0.40
Public Administration and Safety	76,275	87,264	0.17
Professional, Scientific and Technical Services	71,321	82,834	0.24
Transport, Postal and Warehousing	70,191	105,323	0.42
Arts and Recreation Services	62,110	72,408	0.42
Construction	60,796	67,837	0.23
Health Care and Social Assistance	60,505	59,510	0.12
Education and Training	50,283	50,325	0.24
Retail Trade	47,934	51,550	0.31
Other Services	39,422	46,253	0.20
Administrative and Support Services	32,328	39,892	0.17
Accommodation and Food Services	27,211	31,175	0.26
Total	**113,585**	**97,707**	

BUSINESS GROWTH

How fast did the number of business units grow in Waikato District?

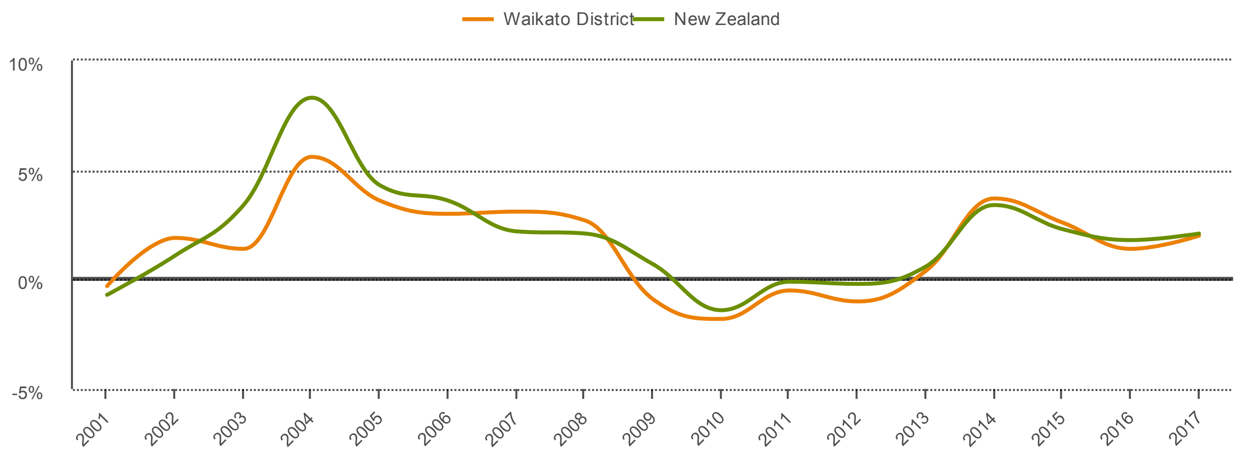
Growth in the number of business units is an indicator of entrepreneurial activity. It indicates an environment in which entrepreneurs are prepared to take risks to start new ventures. This section contrasts Waikato District's recent performance in business unit growth with other regions in the country.

Figure 14: Business unit growth (year to Mar 2017)



- A total of 8,874 business units were recorded in Waikato District in 2017, up 2.0% from a year earlier.
- The number of business units in New Zealand increased by 2.1% over the same period.
- Growth in the number of business units in Waikato District averaged 0.8%pa over the past 10 years compared with 1.1%pa in the national economy.
- Business unit growth in Waikato District varied from a high of 5.6% in 2004 to a low of -1.8% in 2010.

Figure 15: Annual average business unit growth



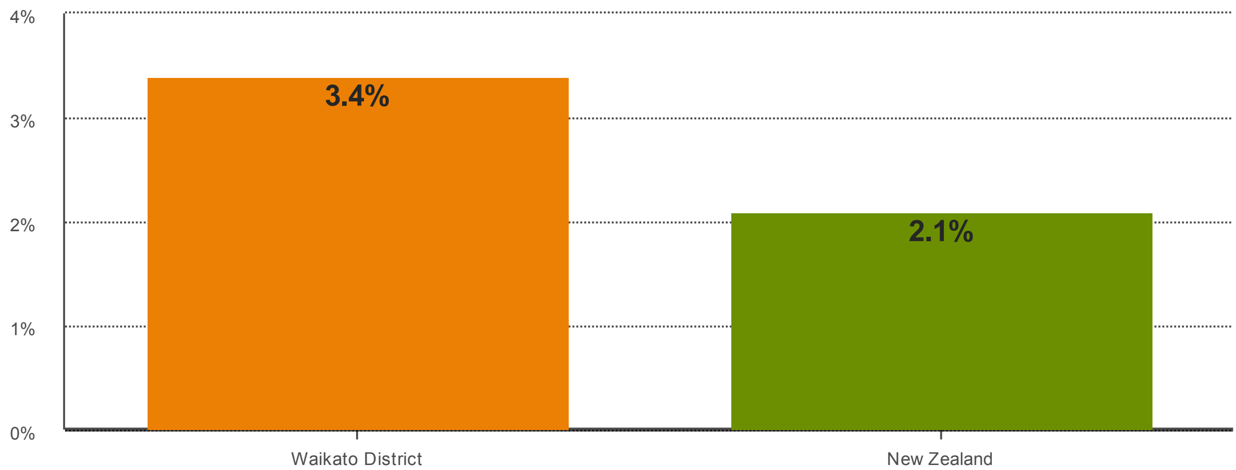
Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	1.4%	5.6%	3.6%	3.0%	3.1%	2.7%	-0.9%	-1.8%	-0.5%	-1.0%	0.4%	3.7%	2.6%	1.4%	2.0%
New Zealand	3.4%	8.3%	4.3%	3.6%	2.2%	2.1%	0.7%	-1.4%	-0.1%	-0.2%	0.6%	3.4%	2.3%	1.8%	2.1%

POPULATION GROWTH

How fast has Waikato District's population grown?

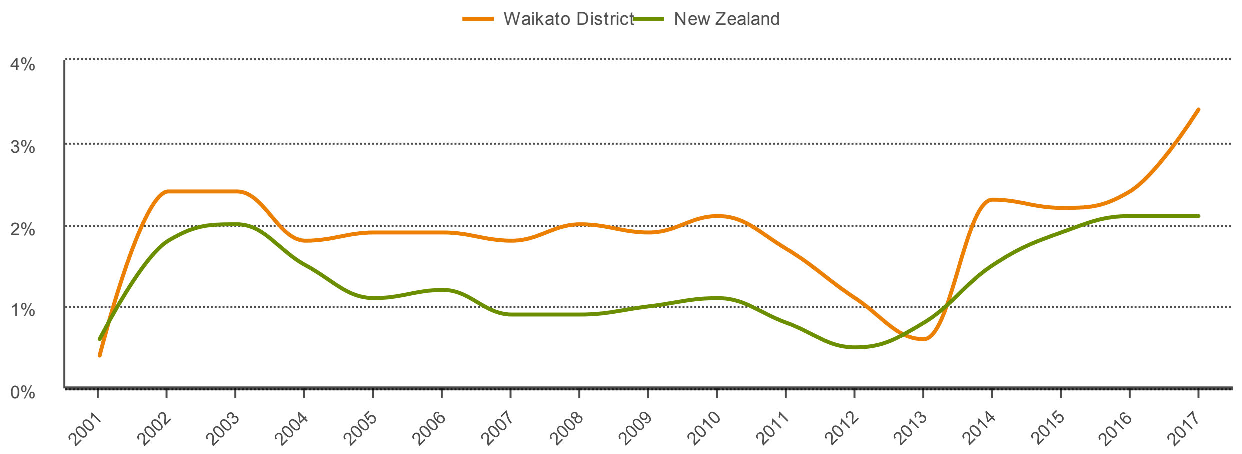
Population growth is an indicator of a region's attractiveness as a place to live and work. A strong regional economy with plentiful job opportunities will help a region retain its population and attract new residents from other regions and abroad. This section contrasts Waikato District's recent population growth with other districts and the country as a whole.

Figure 16: Population growth (year to Jun 2017)



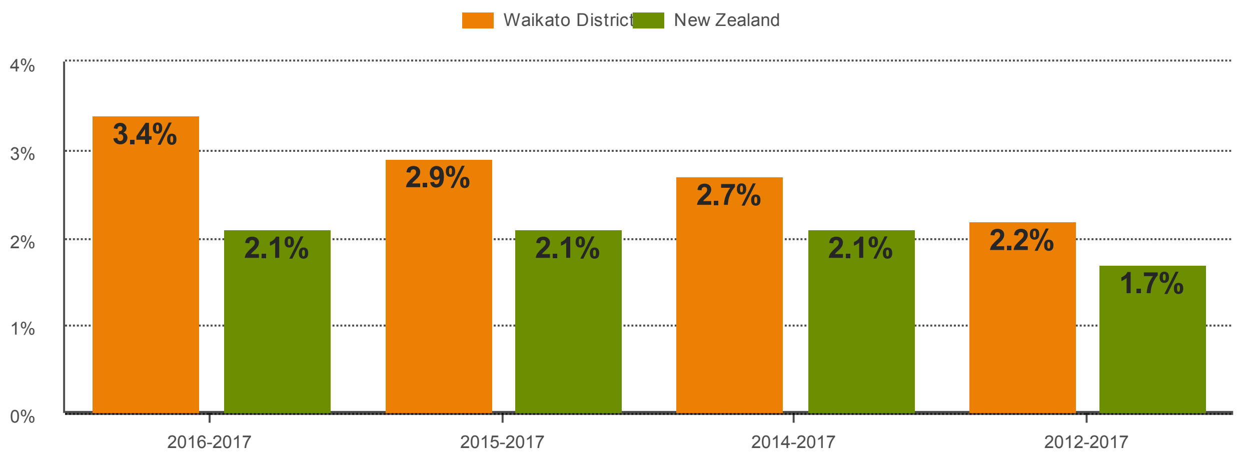
- Waikato District's population was 73,600 in 2017, up 3.4% from a year earlier. New Zealand's total population grew by 2.1% over the same period.
- Population growth in Waikato District averaged 2.2%pa over the last 5 years compared with 1.7%pa in New Zealand.
- Since 2000 growth in Waikato District reached a high of 3.4%pa in 2017 and a low of 0.4%pa in 2001.

Figure 17: Annual population growth



Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	2.4%	1.8%	1.9%	1.9%	1.8%	2.0%	1.9%	2.1%	1.7%	1.1%	0.6%	2.3%	2.2%	2.4%	3.4%
New Zealand	2.0%	1.5%	1.1%	1.2%	0.9%	0.9%	1.0%	1.1%	0.8%	0.5%	0.8%	1.5%	1.9%	2.1%	2.1%

Figure 18: Population growth last 1,2,3 and 5 years

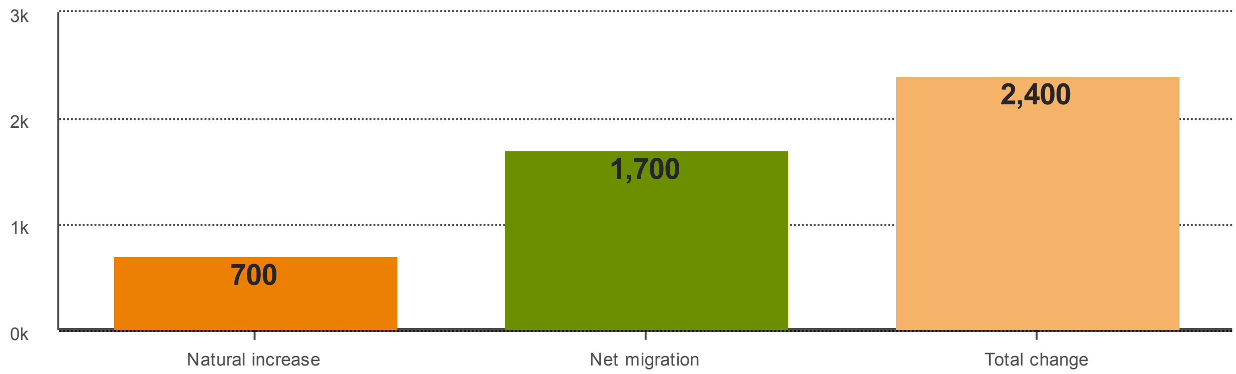


What is the source of Waikato District's population growth?

A region's population can grow through natural growth (births less deaths) and net migration (arrivals less departures). This section describes the relative contributions of these two sources to pupulation growth in Waikato District.

- Waikato District's population increased by 2,400 people in the year to June 2017. This net increase was made up of net migration of 1,700 and natural increase of 700.

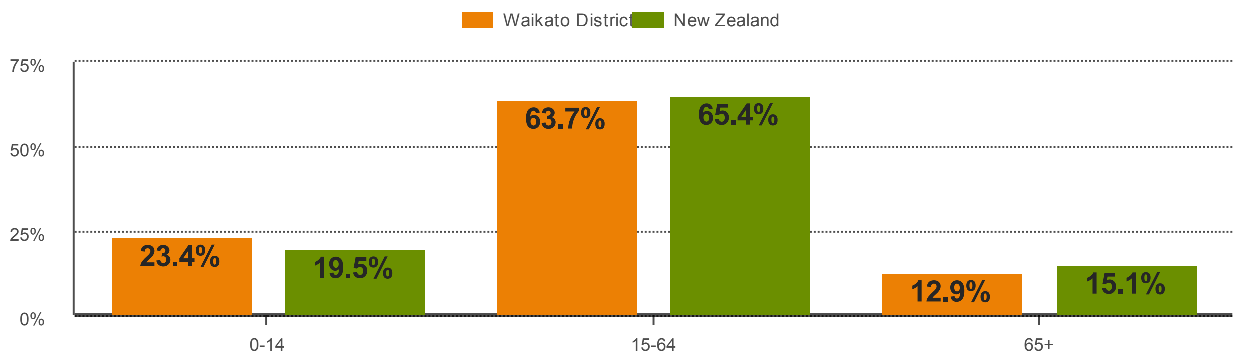
Figure 19: Source of population growth (year to June 2017)



What is the age structure of Waikato District's population?

- In 2017, 63.7% of Waikato District's population was of working age (15-64). This was significantly lower than the proportion of the national population (65.4%).
- Waikato District had a slightly higher proportion (23.4%) of young people (0-14) than the country as a whole (19.5%) and a significantly lower proportion (12.9%) of people 65 years and older compared with New Zealand (15.1%).
- Overall the dependency ratio in Waikato District (57.0%) was higher than in the national economy (52.8%). The dependency ratio expresses the number of persons outside of the working age as a proportion of the number of persons of working age (15 to 64 years).

Figure 20: Age composition of the population (year to June 2017)



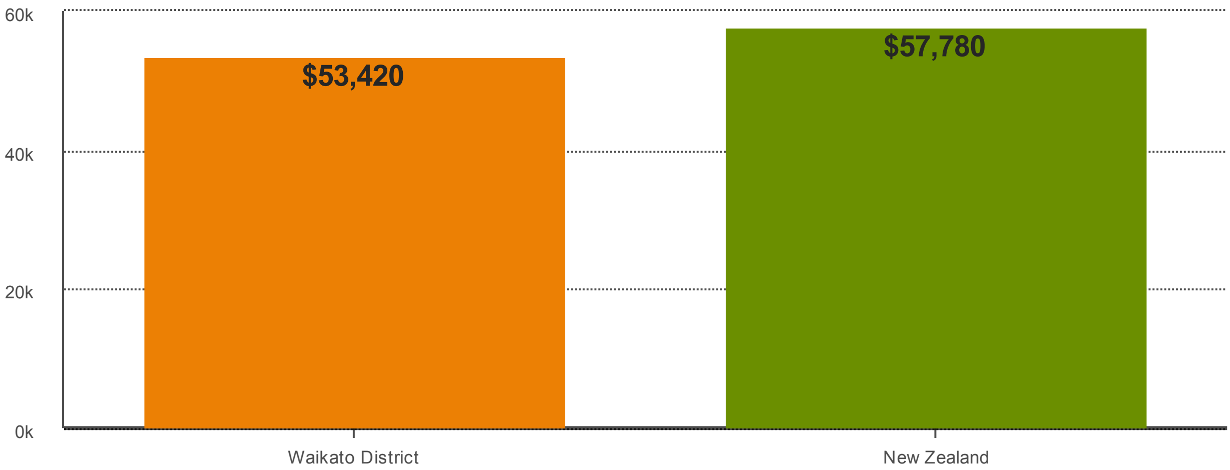
STANDARD OF LIVING

This section describes a few indicators of economic standard of living. It investigates average earnings, house prices and housing affordability. Note that due to data constraints earnings data are provided for the year to March 2016.

What are the mean earnings in Waikato District?

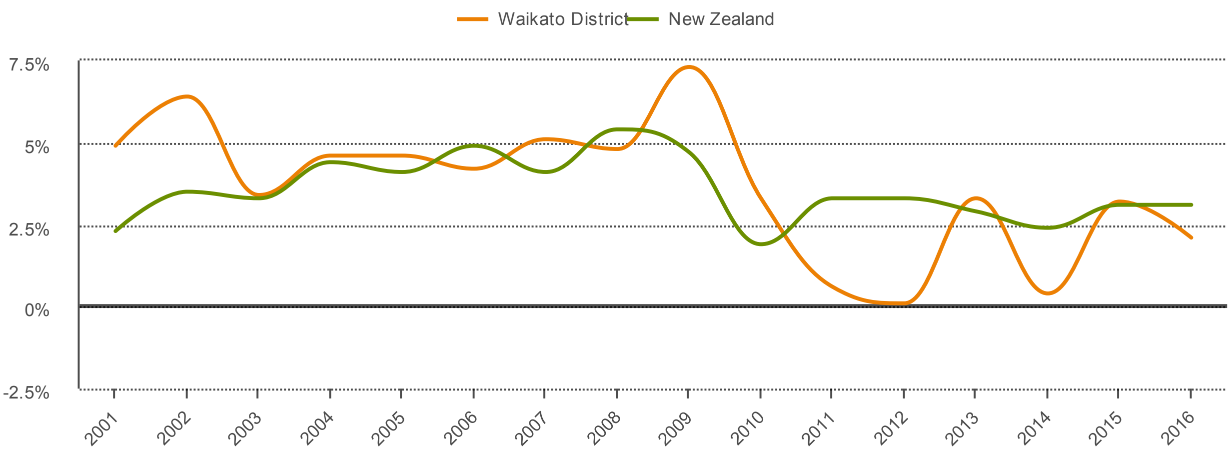
Income earned in the labour market is an important source of household income. This section contrasts Waikato District's mean annual earnings with the country as a whole.

Figure 21: Earnings, 2016



- Mean annual earnings in Waikato District was $53,420 in the year to March 2016, which was lower than the New Zealand mean of $57,780.
- Mean earnings in Waikato District increased by 2.1% over the year to March 2016 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Waikato District reached a maximum of 7.3% in 2009 and a minimum of 0.1% in 2012.

Figure 22: Annual earnings growth



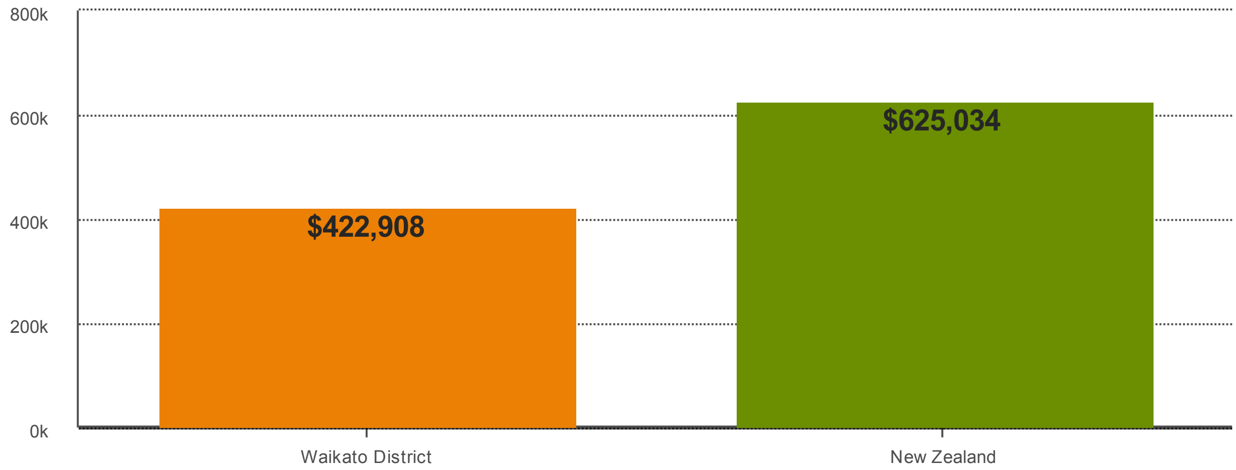
Change	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Waikato District	3.4%	4.6%	4.6%	4.2%	5.1%	4.8%	7.3%	3.3%	0.6%	0.1%	3.3%	0.4%	3.2%	2.1%
New Zealand	3.3%	4.4%	4.1%	4.9%	4.1%	5.4%	4.7%	1.9%	3.3%	3.3%	2.9%	2.4%	3.1%	3.1%

- Mean annual earnings in Waikato District was $53,420 in the year to March 2016, which was lower than the New Zealand mean of $57,780.
- Mean earnings in Waikato District increased by 2.1% over the year to March 2016 compared with an increase of 3.1% in New Zealand.
- Over the last ten years earnings growth in Waikato District reached a maximum of 7.3% in 2009 and a minimum of 0.1% in 2012.

How do house prices in Waikato District compare?

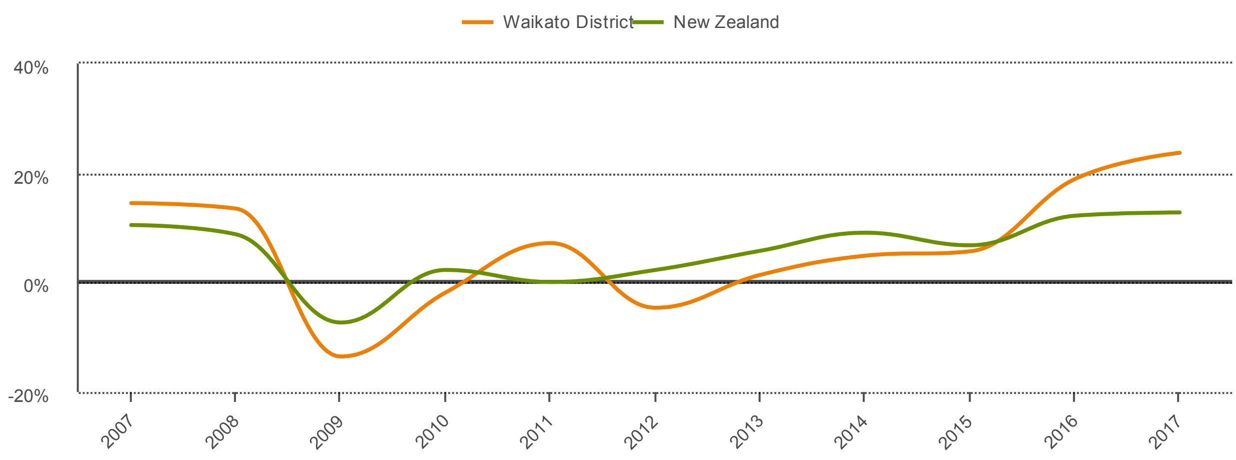
The cost of housing is a major component of household spending.This section describes the cost of housing in Waikato District relative to the rest of the country.

Figure 23: Average current house value, 2017



- The Average current house value in Waikato District was $422,908 in 2017, which was lower than the New Zealand median of $625,034.
- House price growth in Waikato District was 24% for the year to March 2017. Growth was stronger that in New Zealand (13%).

Figure 24: Annual Average current house value growth

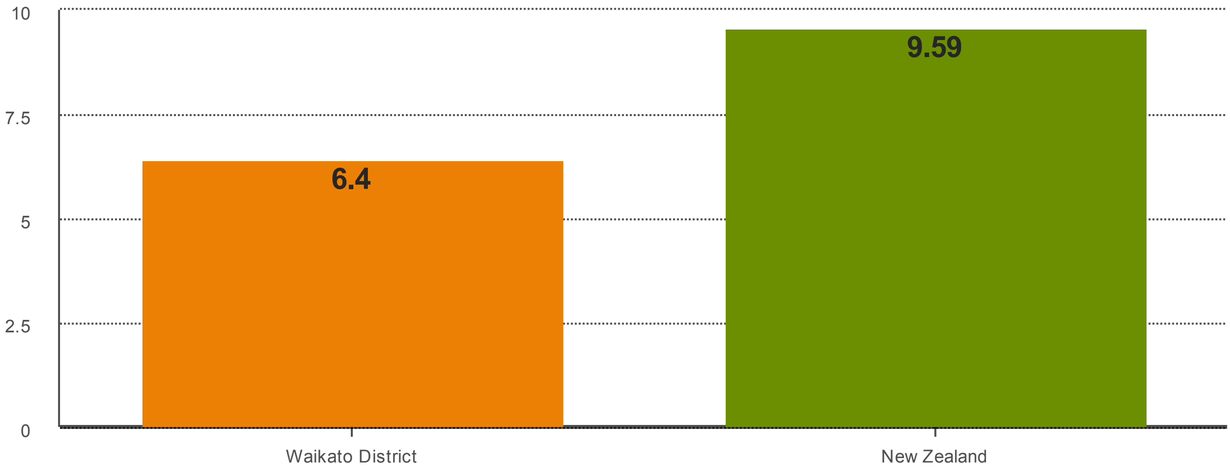


Change	2009	2010	2011	2012	2013	2014	2015	2016	2017
Waikato District	-13.5%	-1.8%	7.2%	-4.6%	1.4%	4.9%	5.7%	18.9%	23.7%
New Zealand	-7.3%	2.3%	0.1%	2.3%	5.8%	9.1%	6.8%	12.2%	12.8%

How affordable is housing in Waikato District?

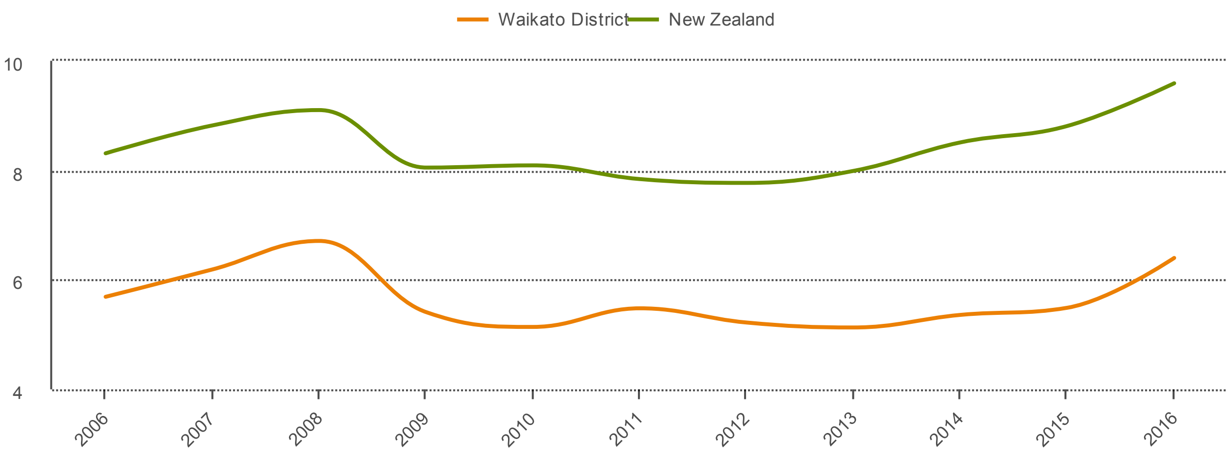
This section investigates the affordability of housing by comparing Average current house values with average earnings. We have estimated a housing affordability index which is the ratio of the Average current house value to annual average earnings measured in the Linked Employer Employee Data. A higher ratio therefore indicates lower housing affordability.

Figure 25: Housing affordibility index 2016



- The housing affordability index in Waikato District was 6.4 in the year to March 2016, which was lower than New Zealand's index of 9.6. This means that housing is more affordable in Waikato District than in New Zealand.

Figure 26: Housing affordibility



Level	2009	2010	2011	2012	2013	2014	2015	2016
Waikato District	5.4	5.1	5.5	5.2	5.1	5.4	5.5	6.4
New Zealand	8.1	8.1	7.8	7.8	8.0	8.5	8.8	9.6

WORKFORCE AND SKILLS

How do skill levels in Waikato District compare with New Zealand?

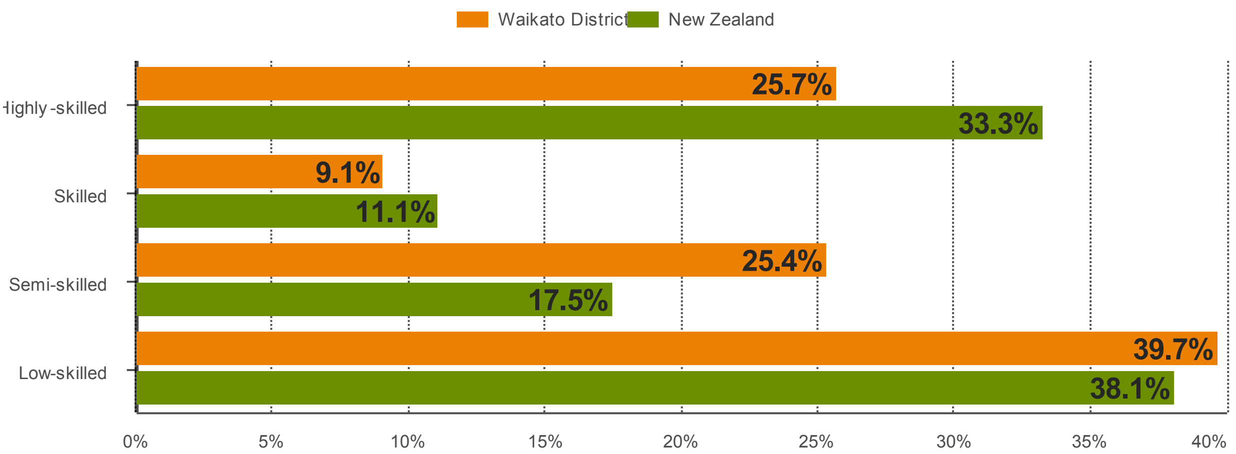
A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It is also has a better chance of retaining its residents and attracting new skills. This section contrasts the skill levels required by jobs in Waikato District with those required in the national economy. The broad skill categories used are defined in the technical section at the end of the report.

Table 12: Employment by broad skill level 2017

Skill level	Waikato District		New Zealand	
	Jobs	% of total	Jobs	% of total
Highly-skilled	5,497	25.7%	802,782	33.3%
Skilled	1,954	9.1%	267,788	11.1%
Semi-skilled	5,437	25.4%	421,918	17.5%
Low-skilled	8,487	39.7%	917,673	38.1%
Total	**21,375**	**100%**	**2,410,161**	**100%**

- Approximately 26% of Waikato District's workforce was employed in highly skilled occupations in 2017. This is lower than in New Zealand (33%).
- Approximately 40% of Waikato District's workforce was employed in low-skilled occupations in 2017. This is higher than in New Zealand 38%.

Figure 27: Employment by broad skill level, 2017



What is the occupational structure of employment in Waikato District?

This section describes the types of occupations that are employed in Waikato District. The following graph shows the distribution of employment across broad occupational categories (1-digit occupations).

- Managers accounted for the largest share of employment (23%) in Waikato District, which is higher than New Zealand (18%).
- Professionals accounted for the second largest share of employment (18%) in Waikato District, which is lower than New Zealand (24%).
- Sales workers accounted for the lowest share of employment (18%) in Waikato District, which is lower than New Zealand (24%).

Figure 28: Employment by broad occupation, 2017

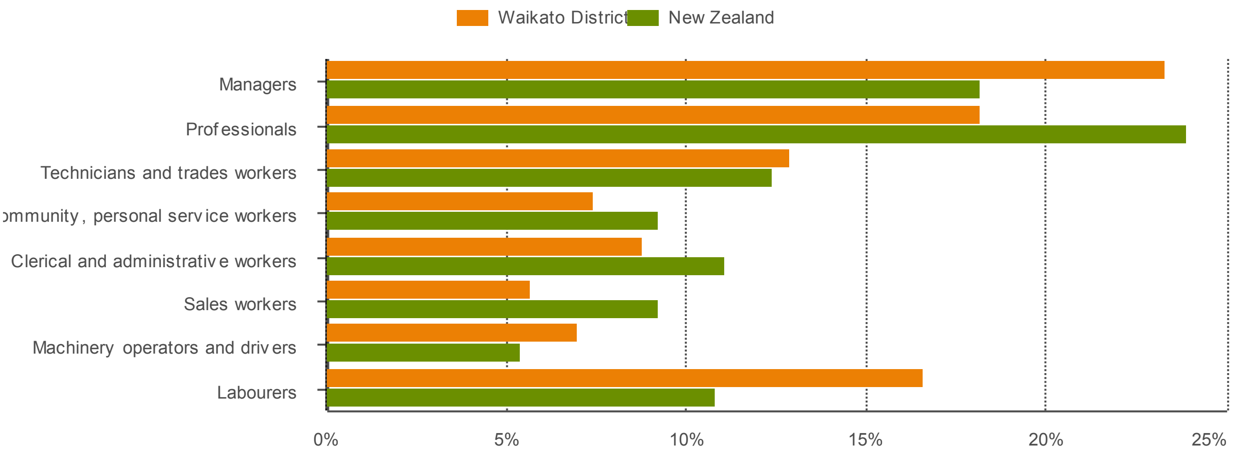


Table 13: Employment by 2-digit occupation (2017)

	Waikato District		New Zealand	
Occupation	Employment	% of total	Employment	% of total
Farmers & Farm Managers	2,249	10.5%	65,566	2.7%
Specialist Managers	1,536	7.2%	197,910	8.2%
Education Professionals	1,505	7.0%	141,627	5.9%
Farm, Forestry & Garden Workers	1,461	6.8%	52,453	2.2%
Construction Trades Workers	708	3.3%	58,003	2.4%
Factory Process Workers	701	3.3%	46,901	1.9%
Business, HR & Marketing Professionals	697	3.3%	125,286	5.2%
Chief Execs, General Managers, Legislators	675	3.2%	84,620	3.5%
Other Labourers	627	2.9%	65,330	2.7%
Road & Rail Drivers	612	2.9%	51,874	2.2%
Design, Engineering, Science Professionals	610	2.9%	81,123	3.4%
Sales Assistants & Salespersons	591	2.8%	119,105	4.9%
Carers & Aides	591	2.8%	79,800	3.3%
Automotive & Engineering Trades Workers	533	2.5%	60,954	2.5%
Office Managers & Program Administrators	521	2.4%	61,791	2.6%
Hospitality, Retail & Service Managers	509	2.4%	89,516	3.7%
Sales Representatives & Agents	497	2.3%	74,327	3.1%
Mobile Plant Operators	419	2.0%	21,833	0.9%
Skilled Animal & Horticultural Workers	396	1.9%	25,009	1.0%
Health Professionals	392	1.8%	97,012	4.0%
General Clerical Workers	378	1.8%	48,155	2.0%
Engineering, ICT & Science Technicians	359	1.7%	46,395	1.9%
Machine & Stationary Plant Operators	341	1.6%	33,317	1.4%
Construction & Mining Labourers	330	1.5%	24,457	1.0%
Cleaners & Laundry Workers	317	1.5%	50,760	2.1%
Food Trades Workers	302	1.4%	40,955	1.7%
Hospitality Workers	291	1.4%	48,202	2.0%
Protective Service Workers	284	1.3%	30,956	1.3%
Legal, Social & Welfare Professionals	280	1.3%	51,450	2.1%
Numerical Clerks	262	1.2%	44,172	1.8%
ICT Professionals	256	1.2%	56,594	2.3%
Other Clerical & Administrative Workers	249	1.2%	40,995	1.7%
Sports & Personal Service Workers	245	1.1%	38,310	1.6%
Electrotech & Telecoms Trades Workers	239	1.1%	29,794	1.2%
Other Technicians & Trades Workers	229	1.1%	37,102	1.5%
Inquiry Clerks & Receptionists	228	1.1%	34,485	1.4%
Health & Welfare Support Workers	172	0.8%	24,052	1.0%
Arts & Media Professionals	154	0.7%	22,533	0.9%
Personal Assistants & Secretaries	147	0.7%	20,693	0.9%
Storepersons	134	0.6%	22,223	0.9%
Sales Support Workers	131	0.6%	27,351	1.1%
Food Preparation Assistants	118	0.6%	19,332	0.8%
Clerical & Office Support Workers	101	0.5%	17,836	0.7%
Total employment	**21,375**	**100%**	**2,410,161**	**100%**

Employment in knowledge intensive industries in Waikato District

Knowledge intensive industries are those in which the generation and exploitation of knowledge play the predominant part in the creation of wealth. These sectors represent an increasing share of the New Zealand economy's output and employment, and will most likely be the source of the future productivity growth.

An industry is defined as knowledge-intensive if it meets two criteria: at least 25 per cent of the workforce is qualified to degree level and at least 30 per cent of the workforce is in professional, managerial and scientific and technical occupations. Further details of the definition are providing in the technical notes at the end of the report.

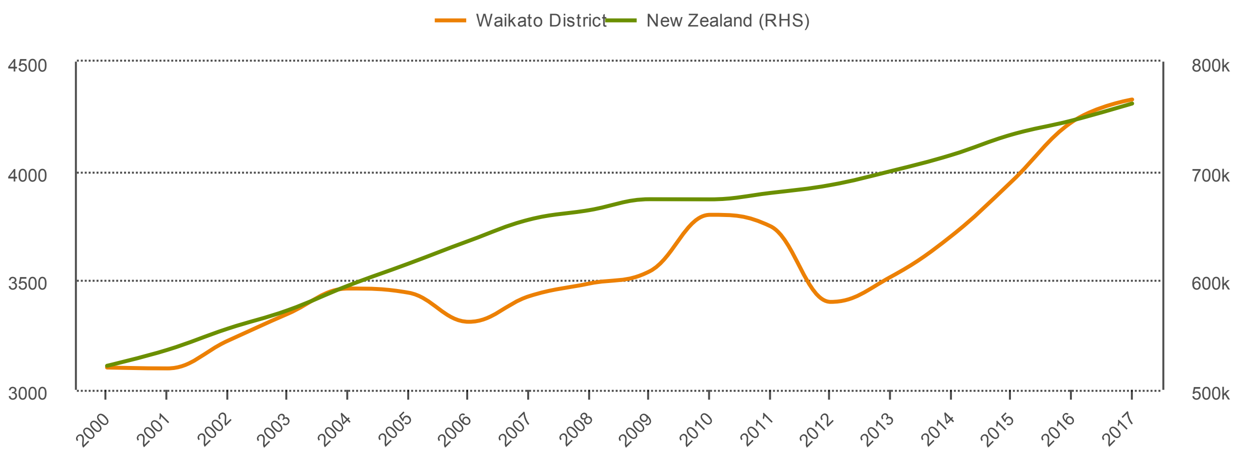
This section describes employment in knowledge intensive industries in Waikato District.

Table 14: Employment in knowledge intensive industries (2017)

	Employment in KI industries 2017	KI employment as share of total employment 2017	Annual growth in KI employment 2017	Annual average grwoth in KI employment 2007-2017
Waikato District	4,327	20%	2.4%	2.4%
New Zealand	761,730	32%	2.1%	1.5%

- During 2017, there were 4,327 jobs in Waikato District's knowledge intensive industries. At 20% of total employment, this was lower than in New Zealand (32%).
- During the year March 2017, growth in employment in knowledge intensive industries was 2.4%, compared with a change of 2.1% in New Zealand.

Figure 29: Employment in knowledge intensive industries



What are the top knowledge intensive industries in Waikato District?

Table 15: Top 30 knowledge intensive industries in Waikato District, 2017

		Waikato District		New Zealand	
Rank	Industry	Employment	% of total employment	Employment	% of total employment
1	Primary Education	1,012	4.7%	51,799	2.1%
2	Local Government Administration	340	1.6%	22,805	0.9%
3	Scientific Research Services	320	1.5%	8,015	0.3%
4	Management Advice and Other Consulting Services	273	1.3%	38,064	1.6%
5	Secondary Education	230	1.1%	35,030	1.5%
6	Other Allied Health Services	166	0.8%	32,694	1.4%
7	Accounting Services	127	0.6%	24,162	1.0%
8	General Practice Medical Services	120	0.6%	15,771	0.7%
9	Engineering Design and Engineering Consulting Services	115	0.5%	26,645	1.1%
10	Adult, Community and Other Education n.e.c.	106	0.5%	12,278	0.5%
11	Computer Systems Design and Related Services	98	0.5%	42,335	1.8%
12	Veterinary Services	79	0.4%	5,818	0.2%
13	Pharmaceutical, Cosmetic and Toiletry Goods Retailing	77	0.4%	10,960	0.5%
14	Other Interest Group Services n.e.c.	70	0.3%	12,543	0.5%
15	Hospitals (except Psychiatric Hospitals)	63	0.3%	69,876	2.9%
16	Central Government Administration	62	0.3%	31,761	1.3%
17	Other Administrative Services n.e.c.	62	0.3%	12,525	0.5%
18	Technical and Vocational Education and Training	59	0.3%	10,381	0.4%
19	Regulatory Services	59	0.3%	6,310	0.3%
20	Creative Artists, Musicians, Writers and Performers	54	0.3%	3,641	0.2%
21	Dental Services	49	0.2%	7,334	0.3%
22	Religious Services	48	0.2%	9,239	0.4%
23	Other Professional, Scientific and Technical Services n.e.c.	44	0.2%	2,524	0.1%
24	Libraries and Archives	43	0.2%	3,932	0.2%
25	Legal Services	43	0.2%	18,555	0.8%
26	Combined Primary and Secondary Education	40	0.2%	5,416	0.2%
27	Domestic Government Representation	40	0.2%	177	0.01%
28	Specialist Medical Services	39	0.2%	5,148	0.2%
29	Advertising Services	36	0.2%	7,167	0.3%
30	Employment Placement and Recruitment Services	32	0.1%	13,027	0.5%

Which qualifications are in demand in Waikato District?

This section examines the types of qualifications, in terms of NZQA level and field of study, that are in demand in Waikato District. The demand for qualifications is derived from our estimates of the demand for occupations by using assumptions about the types of qualifications which are ideally required for each occupation. Thus our estimates do not describe the educational profile of the region's workforce but rather the type of qualifications that are ideally required in the region. Further details are provided in the technical notes at the end.

Table 16: Employment by level of qualification and field of study in Waikato District

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Number					
Natural and Physical Sciences	345	154	133	363	996
Information Technology	276	44	58	191	568
Engineering and Related Technologies	1,720	1,371	363	658	4,112
Architecture and Building	627	1,106	117	181	2,032
Agriculture, Environmental and Related Studies	869	938	52	126	1,984
Health	565	244	185	536	1,530
Education	432	148	89	1,246	1,914
Management and Commerce	1,543	614	463	1,026	3,646
Society and Culture	992	295	298	804	2,389
Creative Arts	469	136	94	305	1,004
Food, Hospitality and Personal Services	648	389	100	62	1,199
Totals	8,487	5,437	1,954	5,497	21,375
% of total					
Natural and Physical Sciences	1.6%	0.7%	0.6%	1.7%	4.7%
Information Technology	1.3%	0.2%	0.3%	0.9%	2.7%
Engineering and Related Technologies	8.0%	6.4%	1.7%	3.1%	19.2%
Architecture and Building	2.9%	5.2%	0.5%	0.8%	9.5%
Agriculture, Environmental and Related Studies	4.1%	4.4%	0.2%	0.6%	9.3%
Health	2.6%	1.1%	0.9%	2.5%	7.2%
Education	2.0%	0.7%	0.4%	5.8%	9.0%
Management and Commerce	7.2%	2.9%	2.2%	4.8%	17.1%
Society and Culture	4.6%	1.4%	1.4%	3.8%	11.2%
Creative Arts	2.2%	0.6%	0.4%	1.4%	4.7%
Food, Hospitality and Personal Services	3.0%	1.8%	0.5%	0.3%	5.6%
Totals	39.7%	25.4%	9.1%	25.7%	100%

- The greatest demand in Waikato District in 2017 was for qualifications at the level of Certificate (level 1-3). Approximately 40% of all positions in Waikato District required this level of qualification.
- By field of study, the highest demand was for Engineering and Related Technologies. Approximately 19% of all positions in Waikato District required this field of study.

Table 17: Change in employment by level of qualification and field of study in Waikato District 2007 - 2017

Field of study	Certificate (level 1-3)	Certificate (level 4)	Diploma (level 5-6)	Degree (level 7+)	Total
Absolute change					
Natural and Physical Sciences	43	-7	8	29	74
Information Technology	36	2	18	75	132
Engineering and Related Technologies	209	56	56	166	488
Architecture and Building	97	161	35	48	340
Agriculture, Environmental and Related Studies	46	-69	11	16	4
Health	73	-5	70	149	286
Education	73	-7	38	372	476
Management and Commerce	197	-10	164	321	673
Society and Culture	177	12	127	224	541
Creative Arts	66	11	30	120	227
Food, Hospitality and Personal Services	97	82	27	18	224
Totals	1,115	226	584	1,540	3,465
annual average % change					
Natural and Physical Sciences	1.3%	-0.4%	0.6%	0.8%	0.8%
Information Technology	1.4%	0.5%	3.9%	5.2%	2.7%
Engineering and Related Technologies	1.3%	0.4%	1.7%	3.0%	1.3%
Architecture and Building	1.7%	1.6%	3.6%	3.1%	1.9%
Agriculture, Environmental and Related Studies	0.6%	-0.7%	2.3%	1.3%	0.0%
Health	1.4%	-0.2%	4.8%	3.3%	2.1%
Education	1.9%	-0.5%	5.6%	3.6%	2.9%
Management and Commerce	1.4%	-0.2%	4.5%	3.8%	2.1%
Society and Culture	2.0%	0.4%	5.7%	3.3%	2.6%
Creative Arts	1.5%	0.8%	4.0%	5.1%	2.6%
Food, Hospitality and Personal Services	1.6%	2.4%	3.2%	3.6%	2.1%
Totals	1.4%	0.4%	3.6%	3.3%	100%

- The number of positions in Waikato District requring a Degree (level 7+) increased by 1,540 between 2007 and 2017, ranking it as the qualification level with the largest absolute increase in demand.
- By field of study, Management and Commerce experienced the highest increase in demand between 2007 and 2017. The number of positions requiring this field of study increased by 673 over the 10 year period.

TOURISM

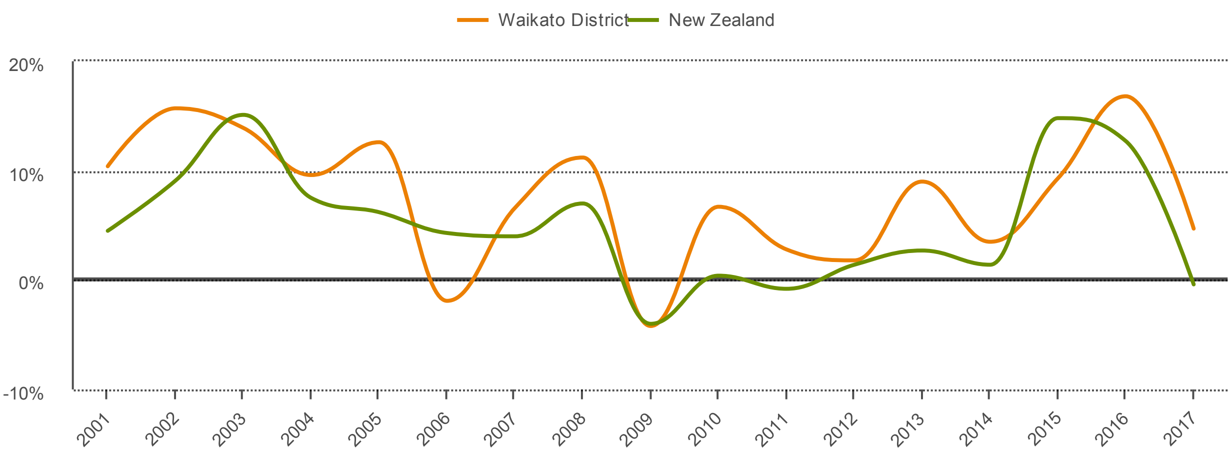
Tourism has grown rapidly in New Zealand since 2000. Not only has the number of overseas tourist arrivals increased substantially, but the level of domestic tourism has also expanded rapidly as spending on leisure by New Zealand residents increased. This section describes the contribution of tourism to Waikato District's economy.

Tourism GDP

Table 18: Tourism GDP (2001-2017)

	Waikato District		New Zealand	
Year	Level	Change	Level	Change
2000	$15.0m		$5,714m	
2001	$16.5m	10.4%	$5,970m	4.5%
2002	$19.1m	15.7%	$6,512m	9.1%
2003	$21.7m	13.9%	$7,492m	15.1%
2004	$23.8m	9.6%	$8,055m	7.5%
2005	$26.8m	12.6%	$8,555m	6.2%
2006	$26.3m	-1.9%	$8,925m	4.3%
2007	$28.0m	6.6%	$9,284m	4.0%
2008	$31.2m	11.2%	$9,936m	7.0%
2009	$29.9m	-4.2%	$9,540m	-4.0%
2010	$31.9m	6.7%	$9,582m	0.4%
2011	$32.8m	2.8%	$9,503m	-0.8%
2012	$33.3m	1.8%	$9,635m	1.4%
2013	$36.3m	9.0%	$9,896m	2.7%
2014	$37.6m	3.5%	$10,032m	1.4%
2015	$41.1m	9.3%	$11,518m	14.8%
2016	$48.0m	16.8%	$12,978m	12.7%
2017	$50.2m	4.7%	$12,930m	-0.4%

Figure 30: Annual average tourism GDP growth (2001-2017)



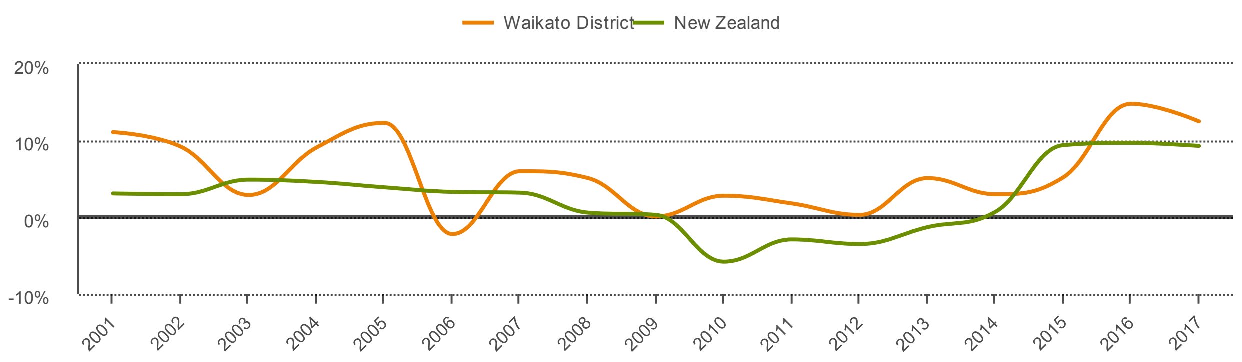
- The tourism industry contributed $50.2m towards GDP in Waikato District in 2017. This amounted to 2.1% of the Waikato District's economic output in 2017, up from 1.3% ten years ago.
- Economic output in Waikato District's tourism industry increased by 4.7% in 2017, compared with a -0.4% decline in New Zealand.
- Growth in the industry in Waikato District has averaged 6.0% over the last ten years, compared with 3.4% in New Zealand.

Tourism Employment

Table 19: Tourism employment (2001-2017)

	Waikato District		New Zealand	
Year	Level	Change	Level	Change
2000	360		153,942	
2001	400	11.1%	158,751	3.1%
2002	437	9.2%	163,440	3.0%
2003	450	2.9%	171,423	4.9%
2004	491	9.1%	179,373	4.6%
2005	551	12.3%	186,321	3.9%
2006	539	-2.2%	192,507	3.3%
2007	571	6.0%	198,687	3.2%
2008	600	5.1%	199,935	0.6%
2009	600	0.1%	200,445	0.3%
2010	618	2.8%	188,727	-5.8%
2011	629	1.8%	183,330	-2.9%
2012	630	0.3%	176,985	-3.5%
2013	662	5.1%	174,762	-1.3%
2014	682	3.0%	176,043	0.7%
2015	717	5.2%	192,504	9.4%
2016	824	14.8%	211,089	9.7%
2017	926	12.5%	230,793	9.3%

Figure 31: Annual average tourism employment growth (2001-2017)



- The tourism industry employed an average of 926 people in Waikato District in 2017. This amounted to 4.3% of the Waikato District's total employment in 2017, up from 3.2% in 2007.
- Employment growth in the industry in New Zealand has averaged 5.0% over the last ten years, compared with 1.5% in New Zealand.
- Employment in the tourism industry increased by 12% in 2017, compared with a 9.3% increase in New Zealand.

TECHNICAL NOTES

Time period

This economic profile reports on March years (eg. 2017 refers to the 12 months to March 2017) for all indicators except population (as at June), dairy sector statistics (May year), and government social service expenditure and beneficiary data (June years).

Gross Domestic Product

Gross Domestic Product (GDP) measures the value economic units add to their inputs. It should not be confused with revenue or turnover. A company's value adding is broadly equivalent to its sales revenue less the cost of materials (eg steel for making motor cars) and services (eg telecommunications) purchased from other firms.

Total GDP is calculated by summing the value added to all goods and services for final consumption – i.e. it does not include the value added to goods and services used as intermediate inputs for the production of other goods as this would result in double counting. As a result, GDP estimates should not be confused with revenue/turnover/gross output.

In this profile Gross Domestic Product for each region and territorial authority (TA) is estimated by Infometrics. A top down approach breaks national production-based GDP (published by Statistics New Zealand) down to territorial authority level by applying TA shares to the national total. Each TA's share of industry output is based on the share of earnings measured in the Linked Employer Employee Data (LEED), which is, in turn, based on taxation data. This approach captures differences in productivity between TAs and changes in productivity over time. Our estimates are benchmarked on regional GDP published by Statistics New Zealand

GDP is measured in constant 2010 prices .

Prices

In this profile, we present all GDP estimates in constant 2010 prices. GDP presented in constant prices is sometimes referred to as real GDP. By using constant prices we remove the distractionary effect of inflation. It enables us to meaningfully compare GDP from one year to the next.

Industrial classification

This profile uses industry categories from the 2006 Australia New Zealand Standard Industrial Classification (ANZSIC). The ANZSIC is a hierarchical classification with four levels, namely divisions (the broadest level also referred to as 1-digit categories), subdivisions (3-digit), groups (4-digit) and classes (7-digit).There are approximately 500 7-digit industries.

This profile also uses a grouping of 54 industries. These are the industries used by Statistics New Zealand in the national accounts.

Unallocated

Unallocated items include taxes levied on the purchaser rather than the producing industry (such as GST, import duties, and taxes on capital transactions), and items that cannot easily be allocated to a specific industry (such as the seasonal adjustment balancing item). A seasonal adjustment balancing item is necessary to ensure that the sum of all seasonally adjusted industries can be reconciled with total GDP.

Broad economic sectors

The primary sector extracts or harvests products from the earth and includes agriculture, forestry, fishing, and mining. The secondary sector produces manufactured and other processed goods and includes manufacturing, electricity, gas and water, and construction. The tertiary sector includes all service industries that are not knowledge intensive, such as retail trade, and food and accommodation services. The quaternary sector includes knowledge intensive service industries. 'Other' includes owner occupied property operation and unallocated activity.

Employment by industry

Employment is measured as an average of the four quarters making up each year. The unit of measurement is filled jobs.

Regional employment numbers are from Infometrics' Regional Industry Employment Model (RIEM). The model draws heavily on quarterly and annual Linked Employer Employee Data (LEED) published by Statistics New Zealand. RIEM differs from data from Business Demography in that it is a quarterly series (BD is annual) and it includes both employees and self-employed, whereas BD only includes employees.

Self-employment

Self-employment rates are from Annual Linked Employer Employee Data (LEED).

Employment by occupation

Employment in each industry is converted to occupational employment using the relationship between industry and occupational employment observed in various Population Censuses. The Population Census measures the occupational composition of employment in each industry and how this changes over time. Occupations confirm to the categories used in the Australian New Zealand Standard Classification of Occupations (ANZSCO).

Productivity

Productivity measures the efficiency of production. In this profile, we measure productivity as GDP per filled job (ie. The amount of economic activity generated on average by each filled job). One needs to be aware that labour is only one input into production. The output of each employee may differ across industries in a region due to differing access to machinery, technology, and land. Therefore, productivity comparisons should only be made in circumstances where it is reasonable to assume that capital intensity will be broadly the same – for example, when looking at productivity within an industry over a limited-time period, or when comparing productivity of a particular industry with that same industry in another region.

Earnings

Earnings data comes from the quarterly Linked Employer Employee Data published by Statistics New Zealand. LEED publishes the mean earnings of full quarter jobs for each quarter. Full quarter jobs may include full time and part time jobs. Earnings include overtime and lump sum payments. We sum the mean earnings for the four quarters making up the year to arrive at an estimate of average annual earnings.

House prices

House value (dollar value) are sourced from QVNZ. The levels used are average current values. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house’s price between sales.

Population

The estimated resident population is an estimate of all people who usually live in that area at a given date. Visitors from elsewhere in New Zealand or from overseas are excluded.

The estimated resident population at 30 June 2013 is based on the 2013 census usually resident population count, adjusted for:

- net census undercount (based on the 2013 Post-enumeration Survey)
- residents temporarily overseas on census night
- births, deaths, and net migration between census night and the date of the estimate
- reconciliation with demographic estimates at ages 0–9 years.

The estimated resident population is not directly comparable with the census usually resident population count because of these adjustments.

The estimated resident population is sourced from Statistics New Zealand.

Dependency ratio

The dependency ratio is the number of under 15 year olds and over 65 year olds as a ratio of the rest of the population (working age).

Business Units

Data on the number of businesses is sourced from the Business Demography statistics from Statistics New Zealand. Businesses are measured by geographic units, which represent a business location engaged in one, or predominantly one, kind of economic activity at a single physical site or base (eg. a factory, a farm, a shop, an office, etc). All non-trading or dormant enterprises, as well as enterprises outside of New Zealand, are excluded from business demography statistics.

A significant number of enterprises are recorded as having zero employment. Enterprises in the zero employee count size category may have:

- working owners who don't draw a wage from their business
- labour provided by other businesses or contractors
- business activity that requires no labour (eg. holding company).

Only business units that are economically significant enterprises are included. To be regarded as economically significant they must meet at least one of the following criteria:

- annual expenses or sales subject to GST of more than $30,000
- 12-month rolling mean employee count of greater than three
- part of a group of enterprises
- registered for GST and involved in agriculture or forestry
- over $40,000 of income recorded in the IR10 annual tax return (this includes some units in residential property leasing and rental).

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	15 May 2018
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

1. 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 28 March 2018

<u>REPORTS</u>

a. Economic Development 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)**

b. Section 17a Review of Waikato Enterprise Agency Operational Contract for i-SITEs

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)(b)(i)(ii)(c)(i)(f)(i)(h)(i)(j)	Section 48(1)(3)(d)

c. North Waikato Visitor Information Services Provision

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)(b)(i)(ii)(c)(i)(f)(i)(h)(i)(j)	Section 48(1)(3)(d)