

Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 22 NOVEMBER 2016** commencing at **1.00pm**.

*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 Board.*

**1. APOLOGIES AND LEAVE OF ABSENCE**

**2. CONFIRMATION OF STATUS OF AGENDA**

**3. DISCLOSURES OF INTEREST**

**4. RECEIPT OF MINUTES**

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Gj Ion  
**CHIEF EXECUTIVE**  
Agenda2016/S&F/161122 S&F OP.dot

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**Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	10 November 2016
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference</b>	GOV1301
<b>Report Title</b>	Receipt of Minutes

**1. EXECUTIVE SUMMARY**

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To receive the minutes of a meeting of the Strategy & Finance Committee held on Tuesday 27 September 2016.

**2. RECOMMENDATION**

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**THAT the minutes of the Strategy & Finance Committee meeting held on Tuesday 27 September 2016 be received.**

**3. ATTACHMENTS**

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S&F Minutes 27 September 2016

**MINUTES** of a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia held on **TUESDAY 27 SEPTEMBER 2016** commencing at **9.02am**.

**Present:**

Cr JC Baddeley (Chairperson)  
His Worship the Mayor Mr AM Sanson [*until 10.32am and from 11.05am until 12.14pm and from 12.16pm*]  
Cr J Church  
Cr R Costar  
Cr DW Fulton [*until 10.30am and from 11.01am until 11.02am and from 11.03am*]  
Cr JM Gibb  
Cr WD Hayes  
Cr SD Lynch  
Cr RC McGuire [*until 10.41am and from 11.06am*]  
Cr LM Petersen  
Cr JD Sedgwick [*until 10.32am and from 11.01am*]  
Cr NMD Smith  
Cr MR Solomon  
Cr GS Tait

**Attending:**

Mr GJ Ion (Chief Executive)  
Ms S Duignan (General Manager Customer Support)  
Mr T Harty (General Manager Service Delivery)  
Mr TG Whittaker (General Manager Strategy & Support)  
Mrs LM Wainwright (Committee Secretary)  
Ms A Diaz (Finance Manager)  
Ms J Macartney (Senior Policy Planner)  
Ms J Vernon (Strategic Planning & Resource Management Team Leader)  
Mr D Totman (Strategic Planning Project Manager)  
Ms B Connolly (Senior Policy Planner)  
Ms L Van Den Bemd (Community Development Advisor)  
Ms D Rawlings (Management Accountant)  
Mr C Morgan (Economic Development Manager)  
Ms A Brodie (Development Contributions Co-ordinator)  
Mr B MacLeod (Member Raglan Community Board)  
Mr J Dawson (Chief Executive Hamilton & Waikato Tourism)  
Mr G Osborne (Chairman Hamilton & Waikato Tourism)  
Mr N Kotze (Audit Manager Audit New Zealand)  
Mr L Pieterse (Director Audit New Zealand)  
Members of the media

## **APOLOGIES AND LEAVE OF ABSENCE**

All members were present.

## **CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Crs Church/Sedgwick)**

**THAT** the agenda for a meeting of the **Strategy & Finance Committee** held on **Tuesday 27 September 2016** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be discussed with the public excluded;

**AND THAT** in accordance with Standing Order 3.7.2 the order of business be changed with agenda item 7.19 [*Financial performance summary for the period ending 31 August 2016*] being considered after agenda item 7.1 and agenda item 7.8 [*Presentation of the Annual Report 2015/16 and Summary*] being considered after agenda item 7.20.

**CARRIED on the voices**

**S&F1609/01**

## **DISCLOSURES OF INTEREST**

There were no disclosures of interest.

## **CONFIRMATION OF MINUTES**

**Resolved: (Crs Sedgwick/Gibb)**

**THAT** the minutes of a meeting of the **Strategy & Finance Committee** held on **Tuesday 23 August 2016** be confirmed as a true and correct record of that meeting.

**CARRIED on the voices**

**S&F1609/02**

## **MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the minutes.

## **RECEIPT OF COMMITTEE MINUTES**

**Resolved: (Crs Hayes/Sedgwick)**

**THAT** the minutes of a meeting of the **Audit & Risk Committee** held on **Wednesday 10 August 2016** be received and that the following recommendation becomes a resolution of the **Strategy & Finance Committee**:

**Risk Management Maturity Assessment**

**THAT** the committee support the engagement of KPMG to undertake a risk management maturity assessment review;

**AND THAT** the Strategy & Finance Committee seek funding from the 2015/16 General Rate surplus to fund this review.

**CARRIED on the voices**

**S&F1609/03**

**REPORTS**

Hamilton & Waikato Tourism Annual Report to Local Government 2015-16  
Agenda Item 7.1

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

**Resolved: (Crs Smith/Lynch)**

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

**CARRIED on the voices**

**S&F1609/04/1**

Financial performance summary for the period ending 31 August 2016  
Agenda Item 7.19

**Resolved: (Crs Sedgwick/Church)**

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

**CARRIED on the voices**

**S&F1609/04/2**

Plan Change 16: Tuakau Structure Plan Stage 1 (Rezoning for residential and industrial purposes)  
Agenda Item 7.2

**Resolved: (Crs Church/Petersen)**

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

**AND THAT** the Committee recommend to Council that an independent commissioner, two qualified Councillors and an iwi representative be appointed as the hearings panel;

**AND FURTHER THAT** the hearings panel is delegated the authority to make the decision on Plan Change 16.

**CARRIED on the voices**

**S&F1609/04/3**

Update on the budget expenditure for the Tuakau and the Ngaruawahia & Surrounds Structure Plan Projects  
Agenda Item 7.3

**Resolved: (Crs Smith/Gibb)**

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

**CARRIED on the voices**

**S&F1609/04/4**

Financial Review of Key Projects  
Agenda Item 7.4

**Resolved: (His Worship the Mayor/ Cr Sedgwick)**

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

**CARRIED on the voices**

**S&F1609/04/5**

Summary of Movements in Discretionary Funds to 15 September 2016  
Agenda Item 7.5

**Resolved: (Crs Tait/Smith)**

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

**CARRIED on the voices**

**S&F1609/04/6**

Proposed Submission for Healthy Rivers – Plan for Change – Wai Ora He Rautaki Whakapaipai  
Agenda Item 7.6

**Resolved: (His Worship the Mayor/Cr Church)**

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

**CARRIED on the voices**

**S&F1609/04/7**

Waikato Mayoral Forum Minutes 04 July 2016  
Agenda Item 7.7

**Resolved: (His Worship the Mayor/Cr McGuire)**

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

**CARRIED on the voices**

**S&F1609/04/8**

Local Authority Shared Services Limited 2016 Annual Report  
Agenda Item 7.9

**Resolved: (Crs Gibb/Lynch)**

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

**CARRIED on the voices**

**S&F1609/04/9**

Raglan Kopua Holiday Park Financial Statements for the year ended 30 June 2016  
Agenda Item 7.10

**Resolved: (Crs Church/Sedgwick)**

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

**CARRIED on the voices**

**S&F1609/04/10**

Final Draft Ngaruawahia, Hopuhopu, Taupiri, Horotiu, Te Kowhai and Glen Massey Structure Plan  
Agenda Item 7.11

The Strategic Planning Project Manager gave a powerpoint presentation and answered questions of the committee.

**Resolved: (Crs Smith/Gibb)**

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

**AND THAT the Strategy & Finance Committee recommends to Council that the Final Draft Ngaruawahia, Hopuhopu, Taupiri, Horotiu, Te Kowhai and Glen Massey Structure Plan be accepted for further community engagement;**

**AND FURTHER THAT the Final Draft Ngaruawahia, Hopuhopu, Taupiri, Horotiu, Te Kowhai and Glen Massey Structure Plan be made available for further community engagement.**

**CARRIED on the voices**

**S&F1609/04/11**

Cr Fulton withdrew from the meeting at 10.30am during discussion on the above item and was not present when voting took place.

His Worship the Mayor withdrew from the meeting at 10.32am during discussion on the above item and was not present when voting took place.

Cr Sedgwick withdrew from the meeting at 10.32am during discussion on the above item and was not present when voting took place.

Cr McGuire withdrew from the meeting at 10.41am following discussion on the above item and was present when voting took place.

The meeting adjourned at 10.41am and resumed at 11.01am.

Heritage Forum Update

Agenda Item 7.12

**Resolved: (Crs Church/Gibb)**

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

**CARRIED on the voices**

**S&F1609/04/12**

Cr Fulton re-entered the meeting at 11.01am and withdrew from the meeting at 11.02 am during discussion on the above item and was not present when voting took place.

Cr Sedgwick re-entered the meeting at 11.01am during discussion on the above item and was present when voting took place.

Heritage Project Fund

Agenda Item 7.13

**Resolved: (Crs Church/Lynch)**

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

**CARRIED on the voices**

**S&F1609/04/13**

Cr Fulton re-entered the meeting at 11.03am during discussion on the above item and was present when voting took place.

Section 17A Service Review Update

Agenda Item 7.14

**Resolved: (Crs Gibb/Lynch)**

**THAT the report of the General Manager Strategy & Support be received.**

**CARRIED on the voices**

**S&F1609/04/14**

His Worship the Mayor re-entered the meeting at 11.05am during discussion on the above item and was present when voting took place.

Update on Placemaking initiatives within the District  
Agenda Item 7.15

The Senior Policy Planner and Community Development Advisor gave a powerpoint presentation and answered questions of the committee.

**Resolved: (Crs Sedgwick/Costar)**

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

**CARRIED on the voices**

**S&F1609/04/15**

Cr McGuire re-entered the meeting at 11.06am during discussion on the above item and was present when voting took place.

Waikato District Community Wellbeing Trust 2016 Annual Report  
Agenda Item 7.16

**Resolved: (Crs Fulton/Sedgwick)**

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

**CARRIED on the voices**

**S&F1609/04/16**

Waikato Regional Airport Limited Annual Report 2016  
Agenda Item 7.17

**Resolved: (Cr Smith/His Worship the Mayor)**

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

**CARRIED on the voices**

**S&F1609/04/17**

Economic Development Update  
Agenda Item 7.18

**Resolved: (Crs Church/Fulton)**

**THAT the report of the General Manager Strategy & Support be received.**

**CARRIED on the voices**

**S&F1609/04/18**

Audit & Risk Committee Key Achievements

Agenda Item 7.20

**Resolved: (Crs Gibb/Sedgwick)****THAT the report from the Chair Audit & Risk Committee be received.****CARRIED on the voices****S&F1609/04/19**Presentation of the Annual Report 2015/16 and Summary

Agenda Item 7.8

**Resolved: (Cr Baddeley/His Worship the Mayor)****THAT the report from the General Manager Strategy & Support be received;****AND THAT the final audited Annual Report 2015/16 and Summary as amended be recommended to Council for adoption.****CARRIED on the voices****S&F1609/04/20****EXCLUSION OF THE PUBLIC**

Agenda Item 8

**Resolved: (Crs Costar/Tait)****THAT the report of the Chief Executive be received;****AND THAT the public be excluded from the meeting during discussion on the following items of business:**

- a. **Confirmation of Minutes dated Tuesday 23 August 2016**
- b. **Receipt of Audit & Risk Committee Minutes dated Wednesday 10 August 2016**

**REPORTS**

- 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:**

<b>Reason for passing this resolution</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
<b>7(2)(f)(i)(h)(i)(j)</b>	<b>Section 48(1)(a)(d)</b>

**b. Development Contributions Deferral Request Subdivision Matangi Farm Lands Ltd**

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	Ground(s) under section 48(1) for the passing of this resolution
7(2)(i)	Section 48(1)(d)

**CARRIED on the voices**

**S&F1609/05**

*Resolutions S&F1609/06 – S&F1609/09 are contained in the public excluded section of these minutes.*

Having resumed open meeting the following items were released into open meeting:

**REPORTS (CONTINUED)**

Development Contributions Deferral Request Subdivision Matangi Farm Lands Limited  
Agenda Item PEX 4.2

It was resolved [*Resolution No. S&F1609/08/2*] 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 Smith/Hayes)*

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

*AND THAT the Committee recommend to Council that the draft agreement be approved;*

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

**CARRIED on the voices”**

**S&F1609/10**

There being no further business the meeting was declared closed at 12.17pm.

Due to the 2016 Local Body Elections, His Worship the Mayor and the Chief Executive Mr GJ Ion, signed off the 'end of term' September 2016 Strategy & Finance Committee Minutes.

.....  
AM Sanson  
**HIS WORSHIP THE MAYOR**

.....  
GJ Ion  
**CHIEF EXECUTIVE**

### Open Meeting

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	28 October 2016
<b>Prepared by</b>	Alison Diaz Finance Manager
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	CPM0803 / 1636548
<b>Report Title</b>	Approved Counterparty Review

## I. EXECUTIVE SUMMARY

Treasury related transactions can only be entered into with organisations specifically allowed for under Council's Treasury Risk Management Policy.

Counterparties and limits are approved on the basis of long-term and short-term credit ratings of A- and above, and A2 or above respectively. Limits are spread across a number of Counterparties to manage credit exposure.

Counterparty limits are reported quarterly, while credit ratings are reviewed on an ongoing basis with any material credit downgrades dealt with immediately. The Standard & Poors ratings are reported to the committee every six months and any changes noted.

The current credit ratings are shown in the table below:

	Long Term		Short Term		Within Policy?
	S&P	Policy	S&P	Policy	
ANZ Bank	AA-	A-	A-1+	A2	√
ASB Bank	AA -	A-	A-1+	A2	√
Bank of New Zealand	AA -	A-	A-1+	A2	√
HSBC	AA -	A-	A-1+	A2	√
Westpac	AA-	A-	A-1+	A2	√

All the counterparties on Council's current counterparty list meet Council's credit rating requirements. While there has been no change since the ratings were last reported, in July 2016 Standard and Poor's revised the rating outlook from "stable" to "negative" for BNZ, ASB, ANZ and Westpac due to Australian Government fiscal stance. There is a high probability that Australasian banks will be downgraded to A+. This will not impact Council's control limits, as the counterparty limits use a minimum A- as the key measurement.

**2. RECOMMENDATION**

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

**3. ATTACHMENTS**

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NIL

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**Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	11 November 2016
<b>Prepared by</b>	Alison Diaz Finance Manager
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	CVN0201 / 1636545
<b>Report Title</b>	Civic Assurance Half Yearly Accounts to 30 June 2016

## **1. EXECUTIVE SUMMARY**

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NZ Local Government Insurance Corporation Limited (trading as Civic Assurance) is owned by Local Government and supplies a range of financial services. Council's investment in Civic Assurance as at 30 June 2016 was \$58,532, which equates to a 0.37% holding.

Surplus after tax for the first six months of 2016 is \$1,095,000, which is 39% of the full year expected level.

## **2. RECOMMENDATION**

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

## **3. ATTACHMENTS**

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Civic Assurance Half Yearly Accounts to 30 June 2016

## NZ Local Government Insurance Corporation Ltd (Trading as Civic Assurance)

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	Six Months				Full Year	
		2016 Group	2015 Group	2016 Parent	2015 Parent	2015 Group	2015 Parent
<b>REVENUE</b>							
Underwriting Surplus/ (Deficit)		1,774	12	1,774	12	2,613	2,613
Administration Fees		1,362	1,449	1,362	1,449	2,757	2,757
Income from Investments		201	51	201	51	68	68
Property Income		369	359	369	359	852	852
Interest Income			-		-	4	4
		<u>3,706</u>	<u>1,871</u>	<u>3,706</u>	<u>1,871</u>	<u>6,294</u>	<u>6,294</u>
<b>EXPENDITURE</b>							
Property Operating Expenses		219	227	219	227	416	416
Depreciation & Amortisation		21	36	21	36	54	54
Employee Remuneration		884	515	884	515	1,321	1,321
Other Expenses		1,067	813	1,067	814	1,678	1,678
		<u>2,191</u>	<u>1,591</u>	<u>2,191</u>	<u>1,592</u>	<u>3,469</u>	<u>3,469</u>
Plus Share of Profit of Associate		6	-	6	-	-	-
Less Taxation Expense/ (Credit)	5	426	78	426	78	44	44
<b>NET SURPLUS/ (DEFICIT) AFTER TAXATION</b>		<u>1,095</u>	<u>202</u>	<u>1,095</u>	<u>201</u>	<u>2,781</u>	<u>2,781</u>
<b>STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)</b> FOR THE SIX MONTHS ENDED 30 JUNE 2016							
		Six Months				Full Year	
		2016 Group	2015 Group	2016 Parent	2015 Parent	2015 Group	2015 Parent
Equity as at 1 January		16,032	13,251	16,099	13,318	13,251	13,318
Net Surplus After Taxation		1,095	202	1,095	201	2,781	2,781
Ordinary Shares issued during the year		197	-	197	-	-	-
<b>EQUITY AS AT 30 JUNE</b>		<u>17,324</u>	<u>13,453</u>	<u>17,391</u>	<u>13,519</u>	<u>16,032</u>	<u>16,099</u>
<b>STATEMENT OF FINANCIAL POSITION (Unaudited)</b> AS AT 30 JUNE 2014							
		2016 Group	2015 Group	2016 Parent	2015 Parent	2015 Group	2015 Parent
<b>EQUITY</b>							
Capital		10,764	10,566	10,764	10,566	10,566	10,566
Retained Earnings		6,560	2,887	6,627	2,953	5,466	5,533
<b>TOTAL EQUITY</b>		<u>17,324</u>	<u>13,453</u>	<u>17,391</u>	<u>13,519</u>	<u>16,032</u>	<u>16,099</u>
Represented By:							
<b>Current Assets</b>							
Bank & Cash Equivalents		6,949	794	6,899	743	454	404
Receivables		313	328	313	328	49,349	49,349
Reinsurance Recoveries		-	488,188	-	488,188	519,559	519,559
<b>TOTAL CURRENT ASSETS</b>		<u>7,262</u>	<u>489,310</u>	<u>7,212</u>	<u>489,259</u>	<u>569,362</u>	<u>569,312</u>
<b>Non-Current Assets</b>							
Property, Plant & Equipment & Intangible Assets		285	248	285	248	265	265
Deferred Tax Asset		3,206	3,598	3,206	3,598	3,632	3,632
<b>TOTAL NON CURRENT ASSETS</b>		<u>3,491</u>	<u>3,846</u>	<u>3,491</u>	<u>3,846</u>	<u>3,897</u>	<u>3,897</u>
<b>Investments</b>							
NZ Government & Local Authority Stock, LG Online		3	3	-	-	3	-
Investment Property		7,587	7,181	7,587	7,181	7,425	7,425
<b>TOTAL INVESTMENTS</b>		<u>7,590</u>	<u>7,184</u>	<u>7,587</u>	<u>7,181</u>	<u>7,428</u>	<u>7,425</u>
<b>TOTAL ASSETS</b>		<u>18,343</u>	<u>500,340</u>	<u>18,290</u>	<u>500,286</u>	<u>580,687</u>	<u>580,634</u>
<b>Current Liabilities</b>							
Sundry Creditors & Accrued Charges		307	533	307	533	553,927	553,927
<b>TOTAL CURRENT LIABILITIES</b>		<u>307</u>	<u>533</u>	<u>307</u>	<u>533</u>	<u>553,927</u>	<u>553,927</u>
<b>INSURANCE PROVISIONS</b>		592	486,234	592	486,234	10,608	10,608
<b>Non Current Liabilities</b>							
Subordinated Debt		120	120	-	-	120	-
<b>TOTAL LIABILITIES</b>		<u>1,019</u>	<u>486,887</u>	<u>899</u>	<u>486,767</u>	<u>564,655</u>	<u>564,535</u>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<u>17,324</u>	<u>13,453</u>	<u>17,391</u>	<u>13,519</u>	<u>16,032</u>	<u>16,099</u>

The notes to the accounts on page 3 form part of and are to be read in conjunction with these Statements.

## NZ Local Government Insurance Corporation Ltd (Trading as Civic Assurance)

STATEMENT OF CASH FLOWS (Unaudited)  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	Six Months				FULL YEAR	
		2016 Group	2015 Group	2016 Parent	2015 Parent	2015 Group	2015 Parent
<b>Cash Flows from Operating Activities</b>							
Cash from operating activities:		11,297	16,390	11,297	16,390	6,769	6,769
Cash applied to operating activities:		4,873	19,736	4,873	19,737	10,200	10,200
<b>Net Cash Outflow from Operating Activities</b>	4	6,424	(3,346)	6,424	(3,347)	(3,431)	(3,431)
<b>Cash Flows from Investing Activities</b>							
Cash provided from investing activities:		6	100	6	100	0	0
Cash applied to investing activities:		132	184	132	184	339	339
<b>Net Cash Inflow from Investing Activities</b>		(126)	(84)	(126)	(84)	(339)	(339)
<b>Cash Flows from Financing Activities</b>							
Cash was provided from financing activities:		197	-	197	-	-	-
Cash applied to financing activities:		-	-	-	-	-	-
<b>Net Cash Inflow from Financing Activities</b>		197	-	197	-	-	-
Net Decrease in Cash Held		6,495	(3,430)	6,495	(3,431)	(3,770)	(3,770)
Opening Cash Balance as at 1 January		454	4,224	404	4,174	4,224	4,174
<b>Closing Cash Balance as at 30 June</b>		<u>6,949</u>	<u>794</u>	<u>6,899</u>	<u>743</u>	<u>454</u>	<u>404</u>
<b>Being:</b>							
Bank & Cash Equivalents		<u>6,949</u>	<u>794</u>	<u>6,899</u>	<u>743</u>	<u>454</u>	<u>404</u>

The notes to the accounts on page 3 form part of and are to be read in conjunction with this statement.

## NZ Local Government Insurance Corporation Ltd (Trading as Civic Assurance)

## Notes to the Financial Statements

## 1 Accounting policies

The accounting policies applied in the preparation of the half year financial statements are consistent with those disclosed in the 2015 annual report except the investment property has not been revalued.

## 2 Basis of Preparation

These interim financial statements have been prepared in accordance with FRS-24 and should be read in conjunction with the Company's annual financial report for the year ended 31 December 2015. Disclosures in these interim financial statements are less extensive than those in the annual financial report.

## 3 Comparative figures.

The comparative figures are for the six months ended 30 June 2015 and the year ended 31 December 2015.

## 4 Reconciliation of net surplus after tax with cash flow from operating activity.

	Six Months				Full Year	
	2016 Group	2015 Group	2016 Parent	2015 Parent	2015 Group	2015 Parent
<b>Reported Surplus After Taxation</b>	1,095	202	1,095	201	2,781	2,781
<b>Add/(less) non cash items</b>						
Depreciation	21	36	21	36	54	54
Insurance Provisions	(10,016)	(22,336)	(10,016)	(22,336)	(497,962)	(497,962)
Deferred Tax Liability	426	78	426	78	44	44
Net change in fair value of property	-	-	-	-	(133)	(133)
Unrealised net change in value of investments	-	-	-	-	101	101
	(9,569)	(22,222)	(9,569)	(22,222)	(497,896)	(497,896)
<b>Add/(less) movements in other working capital items</b>						
Accounts Receivable	568,593	19,582	568,593	19,582	(60,810)	(60,810)
Accounts Payable	(553,621)	(614)	(553,621)	(614)	552,781	552,781
Reinsurance Received in Advance	-	(326)	-	(326)	326	326
Tax Refund Due	2	39	2	39	39	39
	14,974	18,681	14,974	18,681	491,684	491,684
<b>Less Items Classified as investing activity</b>	(76)	(7)	(76)	(7)	-	-
<b>Less Items Classified as financing activity</b>	-	-	-	-	-	-
<b>Net Cash Outflow from Operating Activities</b>	<u>6,424</u>	<u>(3,346)</u>	<u>6,424</u>	<u>(3,347)</u>	<u>(3,431)</u>	<u>(3,431)</u>

## 5 Income Tax

The income tax liability for June 2016 is nil as the Company has unused tax credits with which it will use to offset any income tax expense.

## 6 Contingent liabilities.

The contingent liabilities are:

- i) 100,000 uncalled shares in the wholly owned subsidiary, Local Government Superannuation Trustee Limited
- ii) 1,000 uncalled shares in the wholly owned subsidiary, Local Government Mutual Funds Trustee Limited
- iii) 1,000 uncalled shares in the wholly owned subsidiary, Civic Assurance Limited
- iv) 100,000 uncalled shares in the wholly owned subsidiary, NZ Local Government Finance Corporation Limited (LGFC).
- v) 100 uncalled shares in the wholly owned subsidiary, SuperEasy Limited.
- vi) 100 uncalled shares in the wholly owned subsidiary, Local Government Finance Corporation Limited.

## 7 Events occurring after reporting date

There have been no significant events since the reporting date that affect the results disclosed in the half year financial statements.

## 8 Financial Strength Rating

The Company's current AM Best Financial Strength Rating, dated 7 April 2016, is "B+, Stable outlook" and Issuer Credit Rating is bbb- (stable outlook). AM Best is a rating agency approved by the Reserve Bank of New Zealand.

An explanation about AM Best's Credit Ratings is available on AM Best's website at [www.ambest.com](http://www.ambest.com).

## 9 Solvency

The Company's current Solvency Margin as set out in our most recent solvency return as at 30 June 2016 filed with the Reserve Bank of New Zealand was \$8.849m with a ration of 2.69.

---

### **Open Meeting**

<b>To</b>	Strategy & Finance Committee				
<b>From</b>	Tony Whittaker General Manager Strategy & Support				
<b>Date</b>	03 November 2016				
<b>Prepared by</b>	Alison Diaz Finance Manager				
<b>Chief Executive Approved</b>	Y				
<b>Reference/Doc Set #</b>	GOV1318 / 1636553				
<b>Report Title</b>	Local Government	Funding	Agency	Annual	Report 2016

## **1. EXECUTIVE SUMMARY**

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The attached Annual Report for the Local Government Funding Agency provides detail on the agencies performance for the 2015/16 financial year and outlines the key achievements.

## **2. RECOMMENDATION**

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

## **3. ATTACHMENTS**

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- Cover letter to LGFA Guarantors
- LGFA Annual Report 2016

23 September 2016

Dear LGFA Guarantor

**LGFA Annual Report 2015/16**

For your information, I have attached our Annual Report for 2015/16.

We are pleased to highlight another strong year for LGFA that included a number of achievements.

**1. We have made longer dated borrowing options available to an increased number of council borrowers**

By 30 June 2016, LGFA had lent \$6.401 billion to fifty participating councils. This is an increase of \$1.422 billion in loans and we added five new council members from a year ago. Bespoke lending has grown in popularity with loans via this flexible borrowing option for councils totaling \$357 million or 31% of long term loans over the past year.

**2. We have made short term borrowing available to councils.**

We introduced to councils the ability to borrow on terms from one month to one year. As at 30 June 2016, thirteen councils have short term borrowings of \$158.7 million outstanding.

**3. A strong financial position has ensured a dividend payment of 5.57% for shareholders.**

The financial strength of LGFA has been enhanced with a Net Operating Profit of \$9.5 million achieved for the 2015/16 year. As a result of this outcome, a \$1.3925 million dividend has been declared by the LGFA Board for the year ended 30 June 2016.

A copy of the Annual Report is attached, it will also be available on our website [www.lgfa.co.nz](http://www.lgfa.co.nz) from today. If you would like a hard copy version please contact [jane.phelan@lgfa.co.nz](mailto:jane.phelan@lgfa.co.nz).

Please do not hesitate to contact me if you have any comments or questions.

Kind regards



Mark Butcher  
Chief Executive



NEW ZEALAND  
LOCAL GOVERNMENT  
FUNDING AGENCY



# ANNUAL REPORT

30 JUNE  
**2016**



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Cover: Victoria Street, Wellington. Upgraded lanes, parking and pedestrian area on Victoria Street. Wellington City Council.

Left: Te Ara I Whiti Cycleway and Walkway – linking Upper Queen Street to Quay Street. Auckland Council. Photo: Hakan Nedjat.

# CHAIRMAN'S REPORT

FOR THE YEAR ENDED 30 JUNE 2016

“Over the past four-and-a-half years LGFA has exceeded expectations with strong growth in assets, market share and development of products that have reduced the cost of borrowing, extended the term of the sector debt and provided greater access to markets.”

*Craig Stobo, Chairman LGFA Board*



Directors are pleased to report another strong period of financial and non-financial performance of LGFA to 30 June 2016 and to highlight the following developments over the past year.

## **Strong Financial and Operational Performance**

LGFA total interest income for the financial year of \$278 million was a 25% increase over the 2014-15 financial year result of \$223 million while net operating profit of \$9.55 million for the financial year was a 4% increase on the 2014-15 financial year result of \$9.20 million. Net operating profit did not match the growth in interest income as operating expenses were higher due to the listing of LGFA bonds on the NZX; the introduction of short-dated lending to councils; new issuance of LGFA Bills, transition to Financial Markets Conduct Act and the admittance of five new council members. These expenses are largely non-recurring and are an investment in the future business through making LGFA bonds a more attractive investment and delivering longer-dated and cheaper funding to council borrowers.



The financial strength of the LGFA was reaffirmed by credit rating agencies Standard and Poor's and Fitch who both maintained our credit rating at AA+, which is the same as the New Zealand Government.

LGFA successfully transitioned all front, middle and back office activities from the New Zealand Debt Management Office (NZDMO) on 1 July 2015. NZDMO remain the counterparty for derivative transactions.

The performance of the organisation was recognised with LGFA receiving the INFINZ Excellence in Treasury Award for 2015 and Mark Butcher receiving the KangaNews New Zealand Treasurer of the Year Award for the fourth time in the past five years.

### **Borrowing activity**

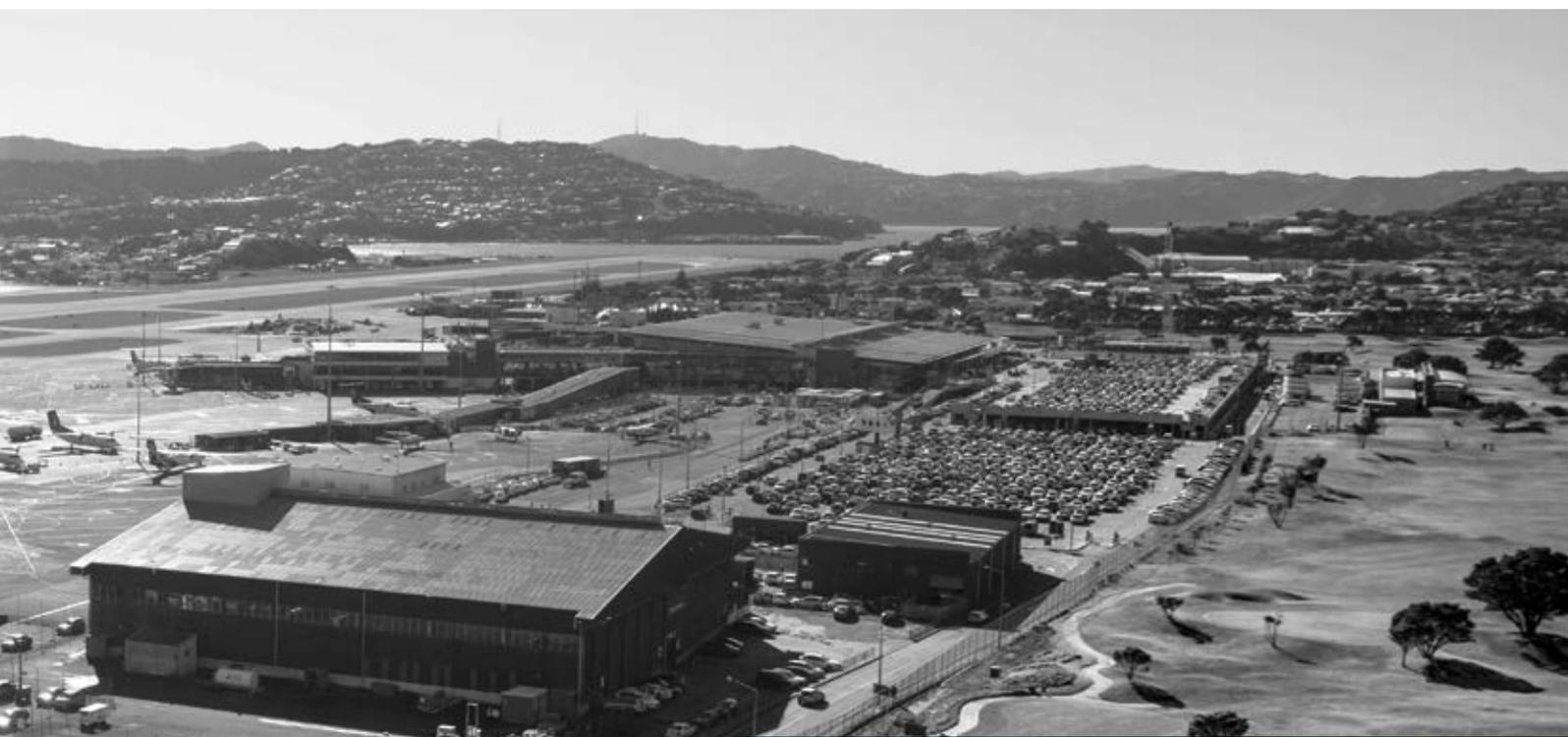
LGFA issued \$1.265 billion of bonds over the year and outstandings now total \$6.220 billion across seven maturities from 2017 to 2027. LGFA commenced issuance of an April 2025 bond in June 2016 and continued with its proven issuance strategy of replicating the New Zealand Government Bond curve. LGFA is now one of the largest issuer of NZD securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar (NZD) debt instruments available for investors.

LGFA successfully launched its short-dated LGFA Bill programme in October 2015 and now tenders 3-month and 6-month LGFA Bills on a monthly basis. Outstandings under the programme have reached \$225 million. These instruments provide a source of funding for short-dated lending to our council borrowers and also assist LGFA with liquidity management.

### **NZX listing**

On 16 November 2015, LGFA listed its bonds on the NZX Debt Market which was the largest listing in the history of the NZX. This has increased our domestic and offshore investor base and added to the liquidity of our bonds. Since listing, LGFA bonds have accounted for approximately 11% of market turnover on the NZX Debt market.

Wellington Airport, Southern end of Wellington Airport showing the runway. Wellington City Council.



### Lending to the sector

LGFA was established four-and-a-half years ago to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. It is pleasing to note the following achievements over the past financial year:

- We added five new members with Buller District Council, Canterbury Regional Council, Gore District Council, Kaipara District Council and South Wairarapa District Council. Total membership is now fifty councils.
- Bespoke lending continues to be popular for councils in that it provides flexibility as to maturity dates of borrowing and the date of drawdown. LGFA lent \$407 million on a bespoke basis over the financial year. This was approximately 31% of our total long-dated lending over that period.
- Following the issuance of LGFA Bills we were able to offer short-dated lending (less than 365 day terms) to councils. As at 30 June 2016, LGFA had \$158.7 million of short-term loans outstanding to thirteen councils.
- The tenor of lending by LGFA to the sector continued to lengthen with the average term of borrowing by councils for the financial year of 8.1 years.

### Milestone – Five years of delivering value to local government in New Zealand

This is the fifth annual report for LGFA and directors and staff are proud of the achievements since we were established in December 2011. Over the past four-and-a-half years LGFA has exceeded expectations with strong growth in assets, market share and development of products that have reduced the cost of borrowing, extended the term of the sector debt and provided greater access to markets.

We are looking forward to the next five-year growth phase of the LGFA. We believe we have the right structures in place to manage this next phase and meet the needs of our various stakeholder groups – council borrowers, local and central government as shareholders, council guarantors and our investor base comprising domestic and offshore institutional and retail investors.

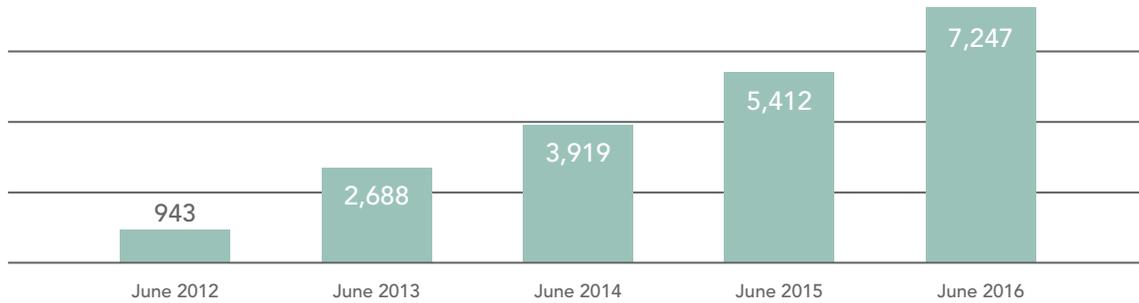
During the growth phase directors will maintain a consistent and conservative approach to our capital management strategy through:

- Providing steady dividends to our shareholders in line with our cost of borrowing, noting that we commenced dividend payments earlier than forecast in the foundation business plan;
- Providing the lowest funding margins for our borrowers; and
- Building our capital base through retained earnings to maintain our credit rating and to minimise risk for our guarantors.

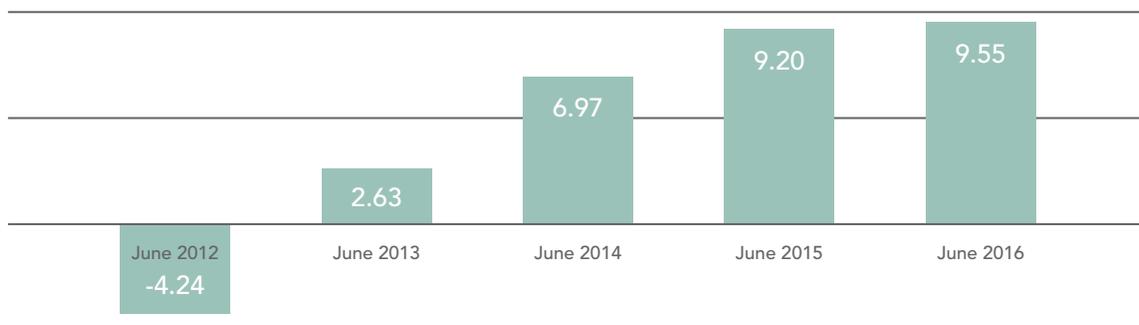
The Agency's work cannot be implemented without the support of our staff and fellow directors all of whose efforts should be acknowledged. In that regard I would like to acknowledge the contribution of your new directors Linda Robertson and Mike Timmer. I would like to also thank Mark Butcher, our Chief Executive for his leadership of the organisation over the past year. Directors believe the Agency's future remains positive and look forward to working with all stakeholders in the year ahead.

Craig Stobo  
Chairman, LGFA Board

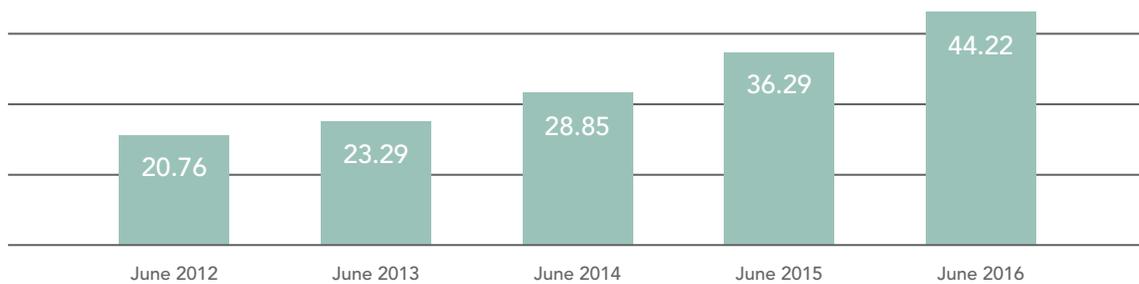
### Total Assets (NZ\$m)



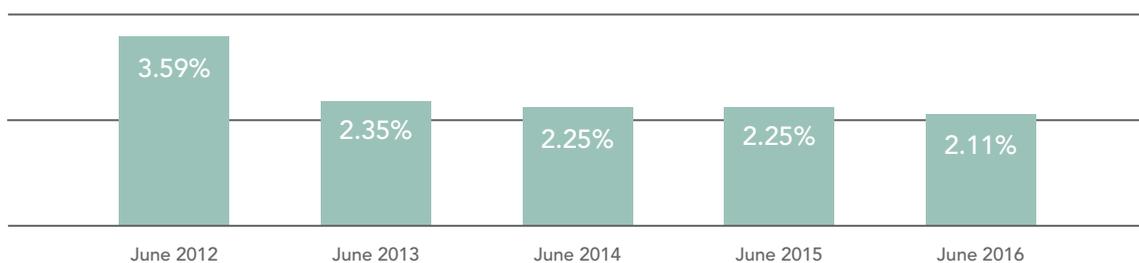
### Profit and Loss (NZ\$m)



### Shareholder Equity (NZ\$m)



### Shareholder Funds / Total Assets (%)





# CORPORATE GOVERNANCE

## Corporate Governance Best Practice Code

LGFA supports the NZX Corporate Governance Best Practice Code. Although the company considers its governance practices have not materially differed from the NZX Code for the year-ended 30 June 2016, the specific areas where LGFA governance practices have differed from the NZX Code are as follows:

NZX Corporate Governance Best Practice Code	LGFA Governance Practice
<p>An Issuer should formulate a code of ethics to govern its conduct (1.1)</p>	<p>LGFA requires high standards of conduct for directors and staff, the expectations of which are documented in:</p> <ul style="list-style-type: none"> <li>• The Constitution of New Zealand Local Government Funding Agency Limited</li> <li>• LGFA Board Charter</li> <li>• Conflicts of Interest Policy</li> <li>• Gifts and Entertainment Policy</li> </ul>
<p>An Issuer should establish a nomination committee to recommend Director appointments to the Board (3.11,3.12,3.13)</p>	<p>The process for the nomination and remuneration of directors is documented in the Constitution of New Zealand Local Government Funding Agency Limited and outlined in the section below.</p>
<p>An Issuer should establish remuneration committee to recommend a remuneration packages for Directors to shareholders (3.8,3.9,3.10).</p>	

Left: A floating platform to host a pumping structure capable of supplying 70 million litres of water daily to the Hamilton water treatment plant is lifted into the Waikato River for testing. Hamilton City Council.

This section sets out the Company's commitment to sound governance practices.

The LGFA governance structure comprises the LGFA shareholders, the LGFA Shareholders' Council and the LGFA Board of Directors.

### LGFA Shareholders

LGFA has 31 Shareholders, comprising the New Zealand Government (20%) and thirty councils (80%).

Auckland Council	Palmerston North City Council
Bay of Plenty Regional Council	Selwyn District Council
Christchurch City Council	South Taranaki District Council
Gisborne District Council	Tasman District Council
Greater Wellington Regional Council	Taupo District Council
Hamilton City Council	Tauranga City Council
Hastings District Council	Thames-Coromandel District Council
Hauraki District Council	Waimakariri District Council
Horowhenua District Council	Waipa District Council
Hutt City Council	Wellington City Council
Kapiti Coast District Council	Western Bay of Plenty District Council
Manawatu District Council	Whakatane District Council
Marlborough District Council	Whanganui District Council
Masterton District Council	Whangarei District Council
New Plymouth District Council	New Zealand Government
Otorohanga District Council	

### LGFA Shareholders' Council

The LGFA Shareholders' Council comprises five to ten appointees from the Council Shareholders and the Crown. The role of the Shareholders' Council comprises the following:

- Review and report performance of LGFA and the Board;
- Recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors;
- Recommendations to Shareholders as to any changes to policies, or the Statement of Intent (SOI), requiring their approval;
- Update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

As at the date of this Annual Report, the members of the LGFA Shareholders' Council are:

- Alan Adcock, Whangarei District Council, Chairman
- John Bishop, Auckland Council, Deputy Chairman
- David Bryant, Hamilton City Council
- Mohan De Mel, Tauranga City Council
- Mike Drummond, Tasman District Council
- Douglas Marshall, Selwyn District Council
- Brian McMillan, New Zealand Government
- Matt Potton, Western Bay of Plenty District Council
- Martin Read, Wellington City Council
- Mat Taylor, Bay of Plenty Regional Council

## LGFA Board

### LGFA Board Charter

The LGFA Board has adopted a Board Charter which describes the Board's role and responsibilities and regulates the Board's procedures. The Board Charter states that the role of the Board is to ensure the Company achieves the Company Goals. Having regard to its role the Board will direct, and supervise the management of, the business and affairs of the Company including, in particular:

- ensuring that the Company Goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from Management);
- establishing policies for strengthening the performance of the Company;
- ensuring strategies are in place for meeting expectations set out in the current Statement of Intent and monitoring performance against those expectations, in particular the Company's primary objective of optimising the debt funding terms and conditions for participating local authorities;
- monitoring the performance of Management;
- appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the Company;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place. In the normal course of events, day-to-day management of the Company will be in the hands of Management. The Board will satisfy itself that the Company is achieving the Company Goals; and engaging and communicating with Shareholders Council.

### Conflicts of interest

The Company recognises impartiality and transparency in governance and administration are essential to maintaining the integrity of the LGFA. Accordingly, LGFA has formally adopted a conflicts of interest policy which provides guidance to employees and directors of the LGFA in relation to conflicts of interest and potential conflicts of interest, including specific guidance on the process for managing potential conflicts that may arise for non-independent directors. Directors and employees are expected to avoid all actions, relationships and other circumstances that may impact on their ability to exercise their professional duties.

### Board composition

The LGFA Board must comprise between four and seven directors, the majority of which are required to be independent. An independent director is a director who, within five years prior to appointment, was not an employee of any shareholder, employee of a CCO owned by a shareholder, or a councillor of any local authority which is a shareholder.

**The Directors of LGFA as at the date of this Annual Report are:****Craig Stobo. Independent Chair**

*BA (Hons) Economics. First Class, Otago*

Craig has worked as a diplomat, economist, investment banker and Chief Executive Officer of BT Funds Management (NZ) Limited. He has completed the Advanced Management Programme at Wharton Business School in Philadelphia, authored reports to the New Zealand Government on the Taxation of Investment Income (which led to the PIE regime) and the creation of New Zealand as a funds domicile. He currently chairs Precinct Properties New Zealand Limited, AIG Insurance New Zealand Limited and Fliway Group Limited and is a director of Bureau Limited. He has private equity interests in financial services and other businesses. He was chair of the Establishment Board and acting Chief Executive of LGFA. He is chair of the Establishment Board of the Local Government Risk Agency.

**John Avery. Independent Director**

*LLB, C.F.Inst.D*

John was managing partner, then chairman of Hesketh Henry. He was a director of The Warehouse Group Limited, Signify Limited, several start-up businesses and an industry cooperative "ITM." He is currently an independent director of Fund Managers Auckland Limited, Regional Facilities Auckland Limited, Spider Tracks Limited and Strategic Pay Limited and a trustee of the New Zealand School of Dance.

**Philip Cory-Wright. Independent Director**

*LLB (Hons), BCA Business Management, INFINZ (Cert), C.F.Inst.D*

Philip is a solicitor of the High Court of New Zealand and Victoria. He has worked as a corporate finance adviser in New Zealand to the corporate sector on debt and equity matters for more than 25 years. He is currently a director of South Port New Zealand Limited and Matariki Forests Limited and strategic adviser to clients in the energy and infrastructure sectors. He was a member of the Local Government Infrastructure Expert Advisory Group tasked with advising the Minister of Local Government on improvements in local government infrastructure efficiency.

**Abby Foote. Independent Director and Chair, Audit and Risk Committee**

*LLB (Hons), BCA Business Management, INFINZ (Cert), C.M.Inst.D*

Abby is an experienced director of both publicly listed and Crown companies. Based in Christchurch, she has worked in a range of corporate, treasury and legal roles over the last 20 years. Abby is a director of a number of companies including The Museum of New Zealand Te Papa Tongarewa, Z Energy Limited, BNZ Life Insurance Limited and Livestock Improvement Corporation Limited.

Abby's previous directorships include Transpower New Zealand Limited and Diligent Corporation.

**Linda Robertson. Independent Director**

*B.Com, Dip Banking, INFINZ (Fellow), C.F.Inst.D, GAICD*

Linda is a professional Director with over 30 years experience in executive finance roles, having worked in the banking and energy sector in New Zealand. She is currently a director of Auckland Council Investments Limited, Dunedin City Holdings Limited, Dunedin City Treasury Limited, NZ Registry Services Limited, NZPM Group Limited, Crown Irrigation Investments Limited and King Country Energy Limited. Linda is also a member of the Audit & Risk Committee for the Ministry of Social Development, a member of the Treasury Advisory Committee of the New Zealand Export Credit Office and Chairman of the Audit and Risk Committee for Central Otago District Council. Her previous directorship roles include New Zealand Post Limited, Kiwibank Limited, the Earthquake Commission, Catalyst Risk Management Limited and Speirs Group Limited.

Right: Eva Street, Wellington. Upgrade to Eva Street Laneway. Wellington City Council.



**Mike Timmer. Non Independent Director**

CA, BBS, BAgSci, INFENZ (Cert), M.Inst.

Mike has worked for Citibank in its financial market section and held accountancy and treasury roles in the Health Sector and is presently Treasurer at the Greater Wellington Regional Council. He is Chairman of the Finance Committee of Physiotherapy New Zealand Incorporated and past Deputy Chair of the LGFA Shareholders' Council.

**Nomination of Directors**

Director nominations can only be made by a shareholder by written notice to the Company and Shareholders' Council, with not more than three months, nor less than two months before a meeting of shareholders. All valid nominations are required to be sent by the Company to all persons entitled to attend the meeting.

**Retirement and re-election of Directors**

Directors are appointed to the Board by an Ordinary Resolution of shareholders. At each Annual General Meeting, two directors must retire and, if desired, seek re-election. The directors who retire each year are one each of the independent and non-independent those, who have been longest in office since their last appointment or, if there are more than one of equal term, those determined by lot, unless the Board resolves otherwise.

**Director tenure**

Director	Originally appointed	Last reappointed/elected
Craig Stobo (Chair)	1 December 2011	19 November 2013
John Avery	1 December 2011	24 November 2015
Philip Cory-Wright	1 December 2011	1 December 2011
Abby Foote	1 December 2011	25 November 2014
Linda Robertson	24 November 2015	24 November 2015
Mike Timmer	24 November 2015	24 November 2015

**Meetings of the Board**

The table below shows attendances at Board, committee and strategy meetings by directors during the year ended 30 June 2016. In addition to the scheduled meetings, additional meetings are convened as necessary to consider specific issues.

Number of meetings	Board, including Strategy Day	Audit & Risk Committee
Craig Stobo	8/8	--
Paul Anderson	4/4	3/3
John Avery	8/8	2/2
Philip Cory-Wright	8/8	4/4
Abby Foote	8/8	4/4
Linda Robertson	4/4	1/1
Mike Timmer	4/4	1/1

## Diversity

The Board does not have a formal policy on diversity. Appointments to the LGFA Board are made in accordance with the Constitution of New Zealand Local Government Funding Agency and the Shareholders Agreement dated 7 December 2011. As at balance date, the gender diversity of directors and officers is as follows:

	Female	Male
As at 30 June 2016*	2	5
As at 30 June 2015*	1	5

\* For the purpose of this disclosure, Mark Butcher, Chief Executive, is deemed the sole officer of the company.

## Remuneration

Board remuneration is determined by an Ordinary Resolution of shareholders. The current Board remuneration was approved by shareholder resolution at the 2015 Annual General Meeting on 24 November 2015.

## Indemnities and insurance

Under the Company's constitution, LGFA has indemnified directors for potential liabilities and costs they may incur for acts of omission in their capacity as directors.

LGFA has arranged Directors' and Officers' liability insurance covering directors and management acting on behalf of the Company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Company. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulation, or duty to the Company, improper use of information to the detriment of the Company, or breach of professional duty.

## Audit and Risk Committee

The LGFA Audit and Risk Committee (ARC) is a committee of the Board.

The ARC is governed by an Audit and Risk Committee Charter, which states that the purpose of ARC is to provide advice, assurance and observations to the Board relating to the effectiveness and adequacy of internal control and risk management systems, processes and activities across the LGFA. It assists the Board to fulfil its duties by considering, reviewing, monitoring and approving:

- Risk management framework and processes;
- Internal control environment and mechanisms;
- Processes relating to the preparation and audit of financial statements of the LGFA;
- The integrity of performance information (including financial reporting);
- The governance framework and process;
- Policies, processes and activities to ensure compliance with legislation, policies and procedures; and
- Statutory/regulatory disclosure and reporting and performance against Statement of Intent targets.

## ARC composition

ARC members are to be appointed by the Board. Membership will comprise at least three directors, the majority of whom must be independent. The members of the ARC as at the date of this Annual Report are:

- Abby Foote (Chair)
- Philip Cory-Wright
- Linda Robertson
- Mike Timmer



# STATEMENT OF SERVICE PERFORMANCE

The decommissioning of the 250mm pipe from above  
Temptsky Road to Glover Road and reinstatement  
of pipe bridge. South Taranaki District Council.

## Performance Against Objectives and Performance Targets

### 1 PRIMARY OBJECTIVES

#### LGFA operates with two primary objectives

1. Optimising the debt funding terms and conditions for participating local authorities.
2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector.

#### 1.1 Optimising the debt funding terms and conditions for participating local authorities

##### (i) Providing savings in annual interest costs for all participating local authorities

LGFA measures the pricing performance of bond tenders against two key benchmarks:

- LGFA aims to reduce its margin over New Zealand Government bonds (NZGBs)
- LGFA aims to minimise its margin over swap rates to provide cost effective funding to councils.

The LGFA margin to swap and NZGB will depend upon a number of factors including the relative demand and supply of high grade bonds, general credit market conditions, performance of NZGBs and swap rates, investor perceptions of LGFA and the issuance volume and tenor of LGFA bonds.

Given that LGFA tends to match fund its on-lending to councils, i.e. tends to issue bonds in the same tenor and volume as its on-lending, LGFA only has direct influence over investor perception amongst the above factors that determine LGFA spreads to NZGB and swap.

There will be periods within the interest rate and credit market cycles when LGFA bonds will outperform its benchmarks (spread narrowing) and there will be periods of time when LGFA bonds underperform (spread widening).

LGFA spreads to its benchmarks have consistently narrowed since it first began issuing bonds in February 2012, but these spreads have widened from the historic lows over the past twelve months.

Over the course of the twelve-month period to 30 June 2016:

- LGFA margins to NZGB widened by between 4 bps (2017s) and 35 bps (2027s)
- LGFA margins to swap widened by between 14 bps (2017s) and 39 bps (2027s)

These secondary market pricing movements are summarised in the following tables:

MARGINS – 15 December 2017	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	36	40	4
NZGB margin to swap	(29)	(19)	10
LGFA margin to swap	7	21	14

MARGINS – 15 MARCH 2019	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	44	54	10
NZGB margin to swap	(33)	(21)	12
LGFA margin to swap	11	33	22

MARGINS – 15 APRIL 2020	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	49	61	12
NZGB margin to swap	(34)	(23)	11
LGFA margin to swap	15	38	23

MARGINS – 15 MAY 2021	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	58	72	14
NZGB margin to swap	(42)	(29)	13
LGFA margin to swap	16	43	27

MARGINS – 15 APRIL 2023	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	67	89	22
NZGB margin to swap	(47)	(39)	8
LGFA margin to swap	20	50	30

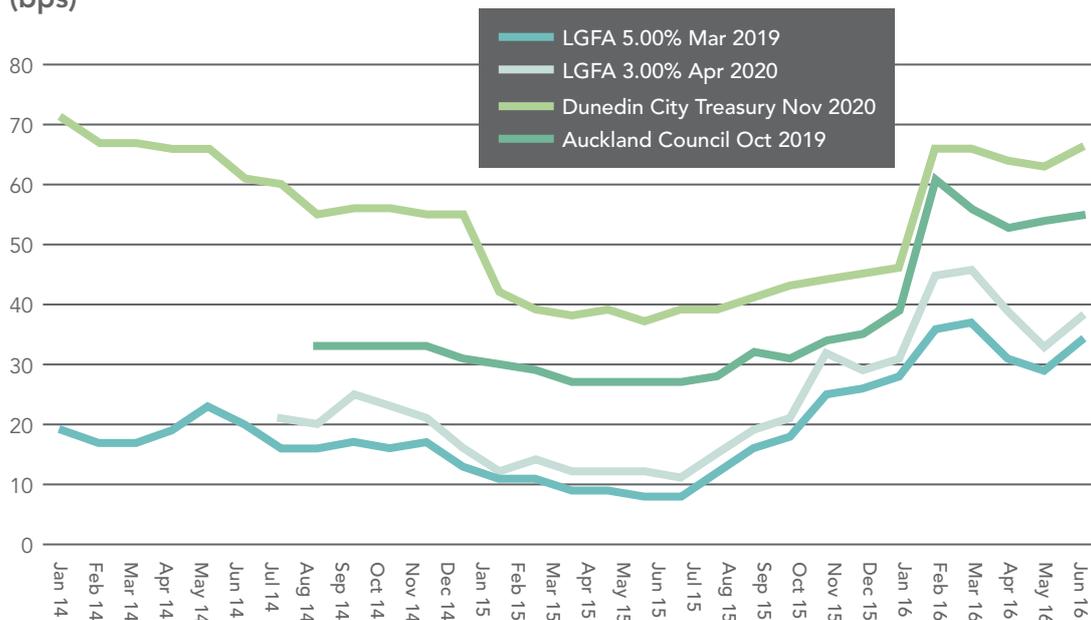
MARGINS – 15 APRIL 2027	As at 30 June 2015 (bps)	As at 30 June 2016 (bps)	Pricing movement
LGFA margin to NZ Government Bonds	71	106	35
NZGB margin to swap	(40)	(36)	4
LGFA margin to swap	31	70	39

The widening in our margin to swap and NZGB over the past twelve months has reversed the improvement in the 2014-15 year. Until July 2015, credit market conditions were strong and margins on LGFA bonds to NZGB or swap were at or near historic lows.

Over the past twelve months there have been a number of factors that have led to a widening in spreads for all non-government borrowers. Investors have been concerned over the global economic outlook, volatility arising from events such as BREXIT and managing investments in a low interest rate environment. As a result, there has been a reduction in risk sentiment and this has reduced demand for NZD investments and for bonds issued by non-government borrowers.

LGFA has delivered on increased borrowing cost savings for councils over the past year based upon our estimate of savings for AA-rated councils. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury. The implied pricing advantage of LGFA is unchanged over the past year in the 2019 maturity but has improved by 4 bps in the 2021 maturity and 8 bps in the 2025 maturity. Both Auckland and Dunedin Councils have been active in borrowing over the past year in the domestic capital markets.

### LGFA March 2019 and April 2020 secondary market credit margin over swap (bps)



Source PwC and LGFA

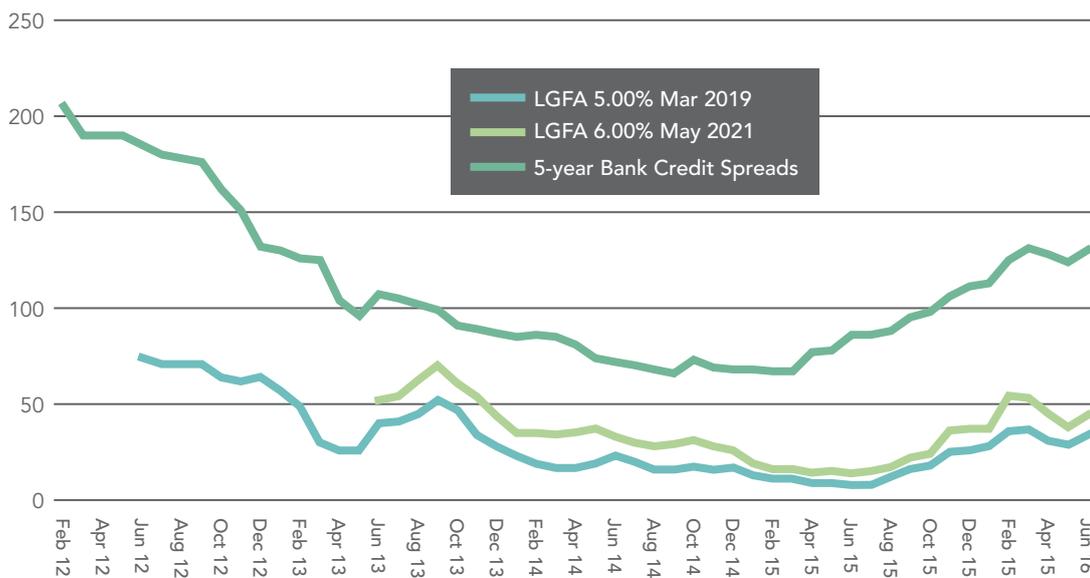
From the table below we estimate that as at 30 June 2016, LGFA was saving AA-rated councils between 17 bps for a 2019 (three-year) maturity and 33 bps for a 2025 (nine-year) maturity.

30 June 2016	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA-rated councils margin to swap	49	63	70	78	91
Less LGFA margin to swap	(33)	(38)	(43)	(47)	(57)
LGFA Gross Funding Advantage	16	25	27	31	34
Less LGFA Base Margin	(9)	(10)	(10)	(10.5)	(11)
LGFA Net Funding Advantage	7	15	17	20.5	23
Add 'LGFA Effect' *	10	10	10	10	10
<b>Total Saving</b>	<b>17 bps</b>	<b>25 bps</b>	<b>27 bps</b>	<b>30.5 bps</b>	<b>33 bps</b>

\* The 'LGFA effect' represents the estimated conservative reduction in AA-rated councils' margin to swap as a result of LGFA operations. From May to June 2012, the margin to swap for AA-rated councils fell by 10 bps, with no corresponding move in swap spreads for other borrowers. This suggests that potential access to cost-effective LGFA funding has enabled these councils to reduce their borrowing margin by around 10 bps.

These costs savings for the sector have improved over the past twelve months as the margins on the higher-rated LGFA bonds have not widened as much as the single name council bonds. LGFA remains the cheapest source of borrowing for the sector as illustrated in the chart below which shows the widening borrowing cost for banks

### LGFA March 2019 and May 2021 secondary market credit margin over swap and 5-year senior bank bonds credit swap (bps)



Source PwC and LGFA

#### (ii) Making longer-term borrowings available to participating local authorities

Over the past twelve months, LGFA issued bonds into three maturity dates in excess of six years:

- 15 April 2023 bond (six years). This maturity has comprised 22% of total issuance in the twelve-month period to 30 June 2016
- 15 April 2027 (ten years). This maturity comprised 37% of total issuance in the twelve-month period to 30 June 2016
- 15 April 2025 (eight years). In June 2016, LGFA commenced issuance of a 2025 bond.

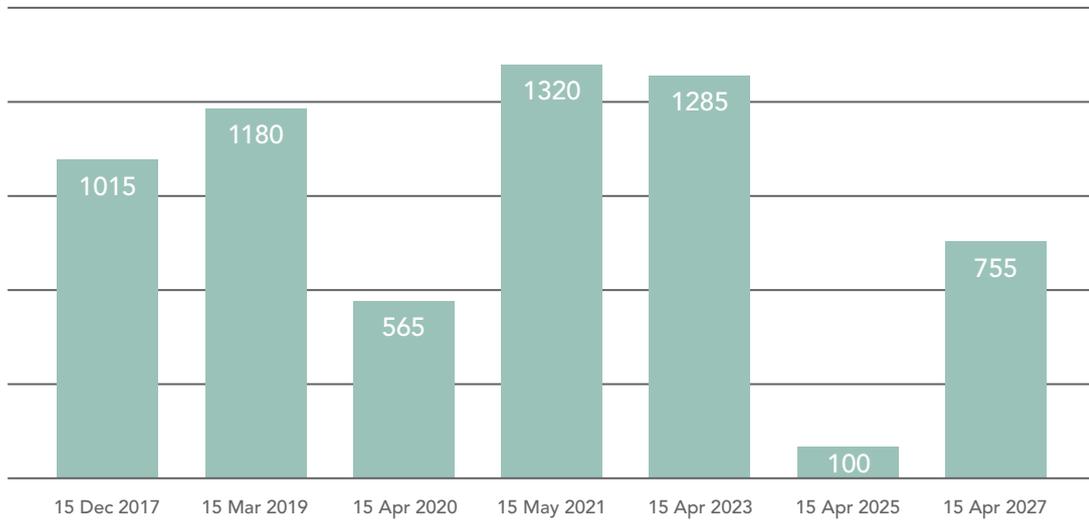
Over the twelve-month period to 30 June 2016, LGFA issued \$1,265 million of debt with a weighted average maturity of 8.0 years. This is also similar to the average maturity for the 2014-15 year of 7.9 years. Nearly 67% of LGFA bond issuance for the twelve-month period was in the three longest dated maturities – 2023, 2025 and 2027.

#### 2015-16 financial year issuance (\$ million)

Mar 19	Apr 20	May 21	Apr 23	Apr 25	Apr 27	Total
\$70 million	\$200 million	\$150 million	\$275 million	\$100 million	\$470 million	\$1265 million
5.5%	15.8%	11.9%	21.7%	7.9%	37.2%	100%

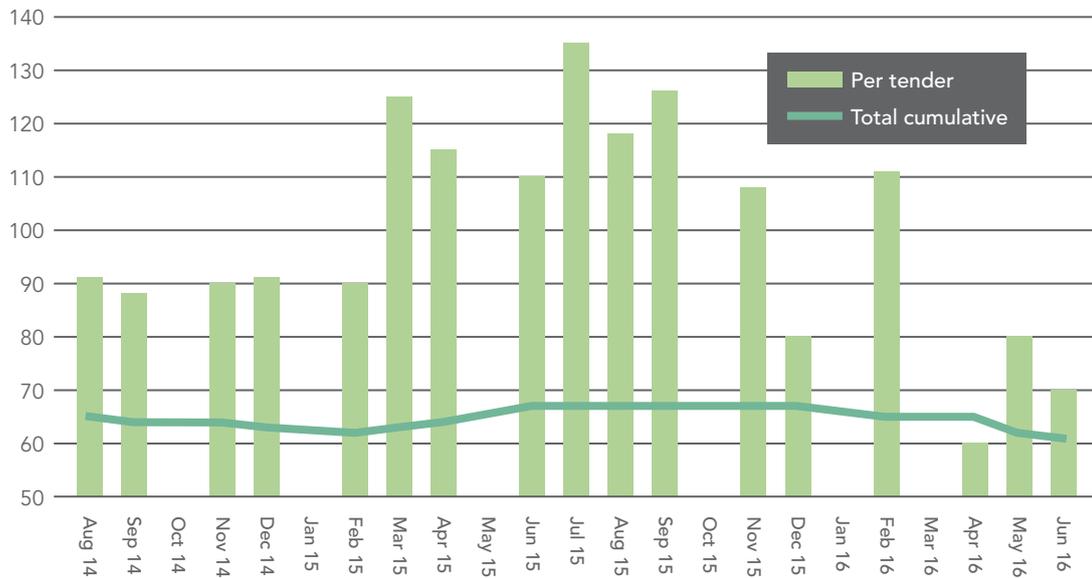
The following chart shows the total LGFA bond outstandings by maturity as at 30 June 2016.

**LGFA bonds outstandings as at 30 June 2106**



The following chart shows the average months to maturity for on-lending to councils at each tender, and the average months to maturity for all LGFA on-lending to councils as at each tender.

**Average total months to maturity – On-lending to councils**

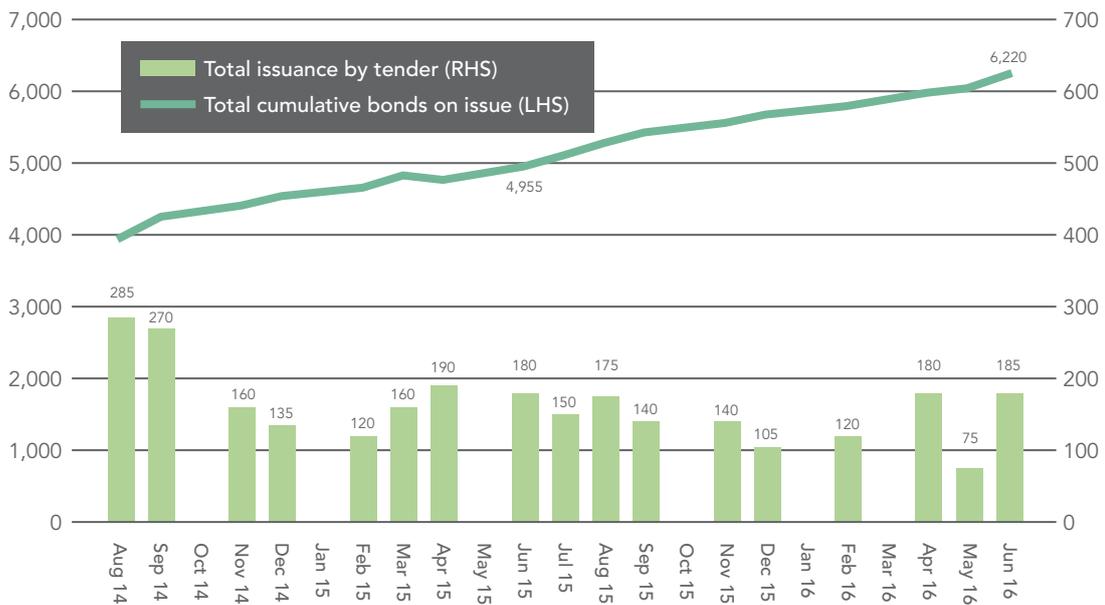


The average term of borrowing by councils from LGFA was 8.08 years for the twelve-month period to 30 June 2016. This is similar to the 8.12 years average term for the 2014-15 year.

(iii) **Enhancing the certainty of access to debt markets for participating local authorities, subject always to operating in accordance with sound business practice**

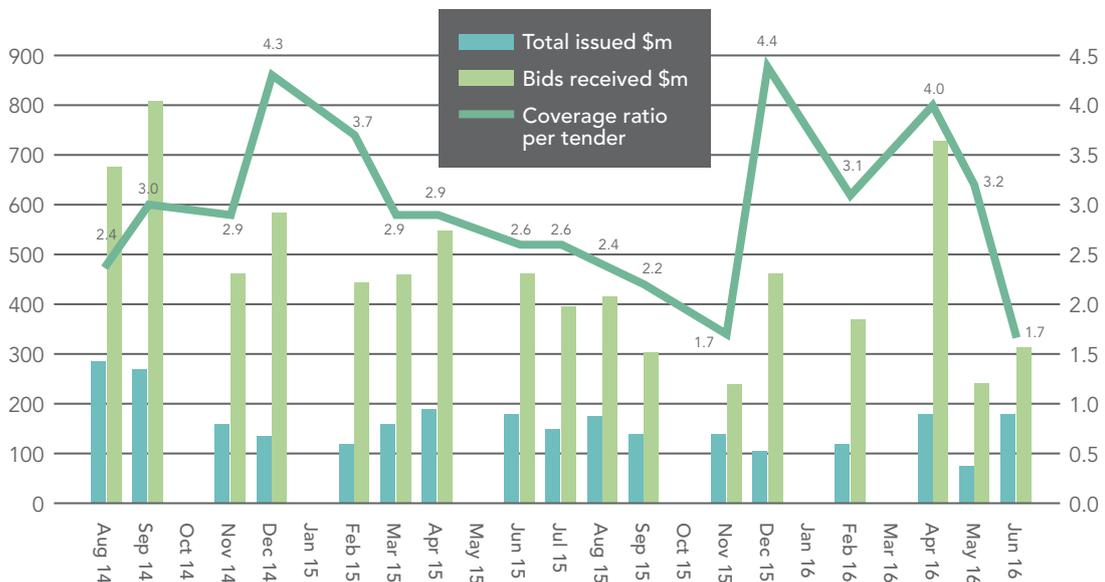
LGFA held nine tenders during the twelve-month period to 30 June 2016, with an average tender volume of \$141 million. The volume offered at each tender ranged from \$75 million to \$180 million and all tenders were successful and fully subscribed. Total issuance during the twelve-month period of \$1,265 million resulted in outstandings of LGFA bonds of \$6,220 million as at 30 June 2016.

LGFA bond issuance by tender (\$ million)



Over the twelve-month period, total bids received across the nine tenders was \$3.466 billion for the \$1.265 billion of LGFA bonds offered resulting in a coverage ratio of 2.7 times. The LGFA cover ratio for each tender over the past two years is shown in the following chart.

Tender bid/offer summary



While the coverage ratio for the past twelve months is lower than the average coverage ratio of 3.2 times since LGFA first commenced issuing in February 2012, this is not surprising given the longer duration of LGFA bonds being currently tendered, the smaller tranche sizes being offered, relatively tight spreads to both NZGB and swap and low outright yields. Furthermore, offshore investor demand for LGFA bonds has been noted in the secondary market rather than at LGFA tenders.

While LGFA issues fixed coupon debt to investors, councils were provided the choice of either fixed or floating rate borrowing for their borrowing from LGFA. Councils tend to borrow predominantly on a floating rate basis from LGFA.

Certainty of access for councils was improved with the commencement of bespoke lending in February 2015 and short-dated lending (less than one-year terms) in November 2015.

Bespoke lending allows councils to have flexibility in the tenor of their borrowing and the timing of their drawdown.

(iv) **Offering more flexible lending terms to participating local authorities**

The successful introduction of bespoke lending and short-dated lending has provided councils with flexible lending terms for any maturity from 30 days to 11 years.

- LGFA first offered bespoke lending in February 2015 where council borrowers could select their preferred borrowing maturity date and their preferred date of borrowing drawdown. In the twelve-month period to 30 June 2016 LGFA lent \$407 million on a bespoke basis for 41 transactions. Total nominal bespoke lending outstanding as at 30 June 2016 was \$486 million.
- LGFA first offered short-dated lending to councils in November 2015 and as at 30 June 2016 there were loans of \$159 million outstanding to thirteen councils. Councils can now borrow out to 364 days where previously the shortest borrowing maturity was to December 2017

1.2 **LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each participating local authority's financial position and the general issues confronting the Local Government sector. This includes:**

(i) **LGFA will review each participating local authority's financial position, its financial head-room under LGFA policies and visit each Participating Local Authority on an annual basis;**

LGFA undertakes a detailed financial assessment on each of its borrowers and meets with all member councils on an annual basis while monitoring council performance throughout the year. LGFA reviews the Annual and Long Term Plans for each council and the annual financial statements. LGFA assigns an internal credit rating to each of its council members as part of the review exercise. All council members were compliant with LGFA covenants at June 2015.

(ii) **LGFA will commence work on analysing finances at the Council group level in addition to parent level. Previously the analysis was undertaken at the Council parent level**

LGFA reviews the financial position of each council on a Group basis where appropriate, e.g. where council services are delivered through subsidiaries or the council holds substantial investments in subsidiaries.

(iii) **LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues**

LGFA staff and directors have met with the OAG during the past twelve months and staff have met with DIA. LGFA presented at LGNZ quarterly media briefings during the year and authored the LGNZ report on local government sector finances in December 2015.

[www.lgnz.co.nz/assets/LGNZ-Financial-Sector-Report.pdf](http://www.lgnz.co.nz/assets/LGNZ-Financial-Sector-Report.pdf)

## 2 ADDITIONAL OBJECTIVES

LGFA has a number of additional objectives which complement the primary objectives. These additional objectives are to:

### 2.1 Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6 of the Statement of Intent (SOI)

The LGFA's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA cost of funds plus 2%.

On 20 September 2016, the directors of LGFA declared a dividend for the year to 30 June 2016 of \$1,392,500.00 (\$0.0557 per share). This is calculated on the LGFA cost of funds for the 2015-16 year of 3.57% plus the 2% margin.

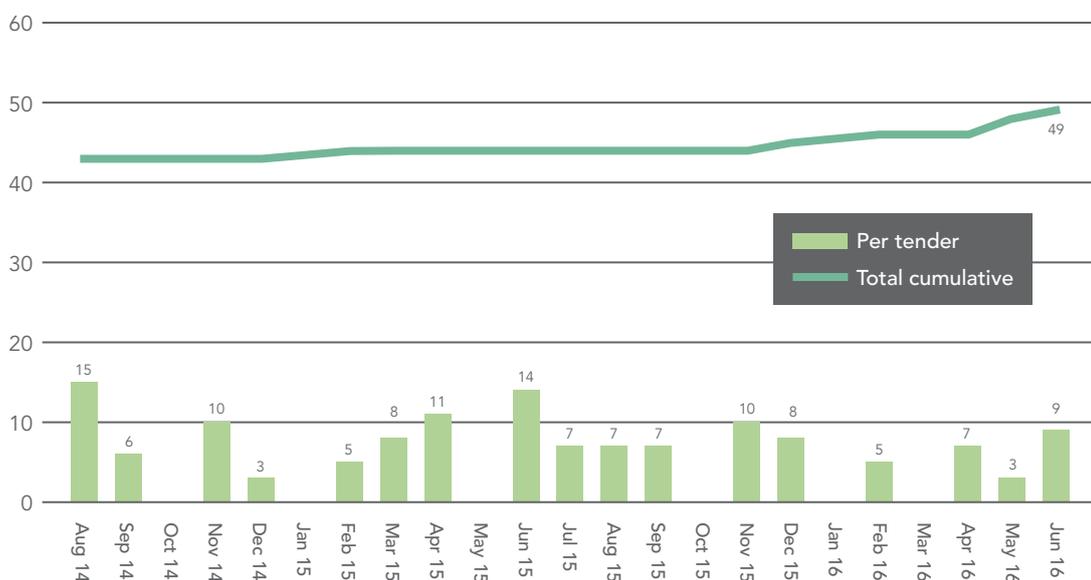
The impact from falling interest rates is that LGFA has a lower cost of funds than previous years. While council borrowers benefit from lower borrowing costs, the dividend payment, calculated on the above guidance, is lower than previous years.

### 2.2 Provide at least 50% of aggregate long-term debt funding for participating local authorities

Five councils joined LGFA in the twelve-month period, Buller District Council as a borrower, Environment Canterbury as a borrower and guarantor, Gore District Council as a borrower, Kaipara District Council as a borrower and guarantor, and South Wairarapa District Council as a borrower, bringing the total number of council members to 50. Councils have strongly supported LGFA and by 30 June 2016, 49 participating councils have borrowed from LGFA.

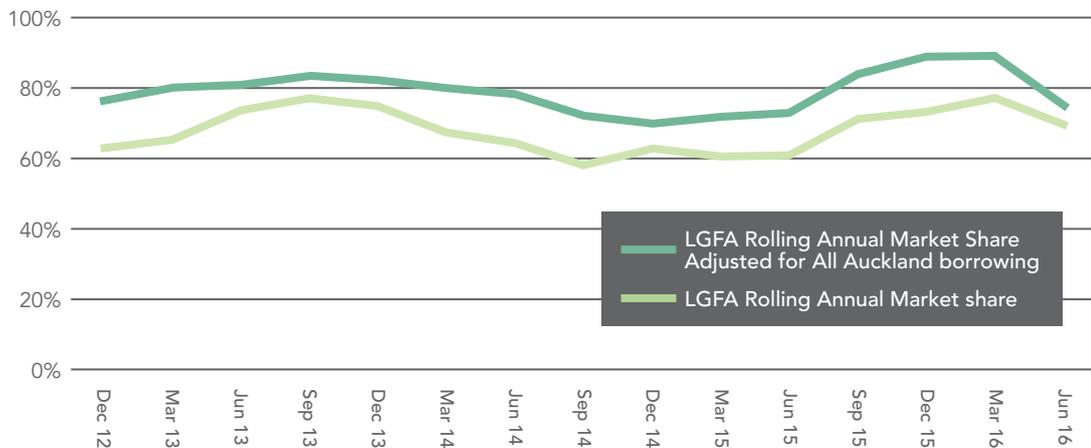
The strong council support for LGFA is demonstrated in the following chart which shows the progression of council participation in each bond tender.

Participating councils



The following chart shows LGFA's share of new local government long-term debt issuance. Our share of long-term borrowing by the sector including non-members of LGFA was 70% for the twelve-month period to 30 June 2016. The market share is influenced by the amount of debt issued by the sector's largest borrower, Auckland Council in its own name in the domestic market. Auckland Council is required to issue debt under their own name as LGFA is restricted by its foundation policies to a maximum of 40% of total loans outstanding to Auckland. If Auckland Council's external borrowing is excluded from the data, then our estimated market share for the twelve-month period to 30 June 2016 was 75%.

LGFA Market Share – rolling one-year average



Source PwC

**2.3 Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4 of the Statement of Intent**

Issuance and Operating Expenses for the twelve-month period to June 2016 were \$5.98 million compared to a full year SOI budget of \$5.94 million.

Legal costs and expenses associated with the listing of LGFA bonds on the NZX debt markets, transition to the Financial Markets Conduct Act (FMCA), admitting five new member councils and the introduction of short-dated lending were higher than planned. These additional expenses are predominantly non-recurring and were offset by lower than forecast expenditure on Approved Issuer Levy (AIL), NZDMO facility fee and general operating expenses.

**2.4 Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency**

LGFA met with both S&P and Fitch rating agencies in September 2015 as part of their annual review process. S&P subsequently affirmed the long-term rating of LGFA at AA+ (stable outlook) on 10th November 2015 and Fitch affirmed the long-term rating as AA+ (positive outlook) on 13th November 2015.

Fitch subsequently lowered the rating outlook of LGFA from positive to stable on 1 February 2016 following the lowering of the New Zealand Government outlook from positive to stable.

Both the S&P and Fitch ratings are the same as, and are capped by, New Zealand's sovereign credit ratings. Fitch has defined LGFA as a credit-linked Public Sector Entity and our credit rating is now explicitly linked to the New Zealand Sovereign credit rating.

**2.5 Achieve the Financial Forecasts set out in section 4 of the Statement of Intent**

LGFA's financial results for key items set out in section 4 of the SOI for the twelve-month period to 30 June 2016 are:

In \$ million	30 June 2016 Actual	30 June 2016 SOI
Net interest revenue	15.53	16.36
Issuance and operating expenses	(5.98)	(5.94)
Net Profit	9.55	10.42

Net interest revenue was \$830k lower than the SOI due to lower than forecast interest rates reducing returns on investment assets, amortisation differences on transition from the NZDMO treasury system to the LGFA treasury management system and timing differences associated with bespoke lending.

Issuance and operating expenses were \$40k greater than the SOI forecast due to higher than expected legal and NZX costs associated with listing the LGFA bonds on the NZX, transition to the FMCA, admitting five new member councils and larger take up of short-dated and bespoke lending than planned.

## 2.6 Meet or exceed the Performance Targets outlined in section 5

Current performance targets	Target	Result for 12-month period to 30 June 2016	Outcome
1 Average cost of funds on debt issued relative to New Zealand Government Securities for the 12-month period <sup>1</sup>	≤0.50%	0.74%	No
2 Average base on-lending margin above LGFA's cost of funds	≤0.10%	0.106%	No
3 Annualised issuance and operating expenses <sup>3</sup>	≤\$5.94 million	\$5.98 million	No
4 Long-term lending to participating councils	≥\$5,885 million	\$6,241 million	Yes

1. The average cost of funds of all issuance for the twelve-month period ending 30 June 2016 relative to NZGS was 0.74%. This compares to a spread of 0.64% for the twelve-month period to 30 June 2015. The widening in the margin is due to a softening in credit market sentiment for non-government bonds and the disproportionate amount of longer dated bonds issued (which have a wider margin) over the past six months.

2. The margin is a function of duration of council borrowing as the current margin is 0.09% for council borrowing to March 2019, 0.10% from April 2020 to May 2021 and 0.11% for terms longer than April 2023. Given that councils have been borrowing for longer tenors, the average margin is above the average margin offered of 0.10%

3. As mentioned previously, expenses exceeded budget by \$40k or 0.5% of the budget due to non-recurring legal expenses due to new lending products, new council members, NZX listing fees and transition to the FMCA.

## 2.7 Comply with its Treasury Policy, as approved by the Board

LGFA was compliant at all times with the Treasury Policy for the twelve-month period ending 30 June 2016.



# FINANCIAL STATEMENTS

Wainui Hill Pukeatua Bridge – providing greater pedestrian access from the Eastern Hill and East Harbour Regional Park. Hutt City Council.

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In the opinion of the directors of the New Zealand Local Government Funding Agency Limited, the financial statements and notes on pages 32 to 57:

- Comply with New Zealand generally accepting accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2016, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.
- The directors believe that proper accounting records have been kept which enables, with reasonable accuracy, the determination of the financial position of the Company and facilitates the compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors



C. Stobo, Director  
20 September 2016



A. Foote, Director  
20 September 2016

For the year ended 30 June 2016 in \$000s

	Note	Year Ended 2016	Year Ended 2015
<b>Interest income from</b>			
Cash and cash equivalents		1,153	1,472
Loans to local government		212,438	201,352
Marketable securities		3,333	283
Deposits		3,991	3,467
Derivatives		57,237	16,207
Fair value hedge ineffectiveness	2c	-	-
<b>Total interest income</b>		<b>278,152</b>	<b>222,781</b>
<b>Interest expense on</b>			
Bills		3,224	-
Bonds		256,247	205,908
Borrower notes		3,150	3,000
<b>Total interest expense</b>		<b>262,621</b>	<b>208,908</b>
<b>Net interest income</b>		<b>15,531</b>	<b>13,873</b>
<b>Operating expenses</b>			
Issuance and on-lending expenses	3	3,166	2,526
Operating expenses	4	2,820	2,143
<b>Total expenses</b>		<b>5,986</b>	<b>4,669</b>
<b>Net operating profit</b>		<b>9,545</b>	<b>9,204</b>
<b>Total comprehensive income for the year</b>		<b>9,545</b>	<b>9,204</b>

For the year ended 30 June 2016 in \$000s

	Note	Share capital	Retained Earnings	Total equity
Equity as at 30 June 2014	10	25,000	3,848	28,848
Net operating profit			9,204	9,204
Total comprehensive income for the year			9,204	9,204
Transactions with owners				-
Dividend paid			(1,765)	(1,765)
<b>Equity as at 30 June 2015</b>	<b>10</b>	<b>25,000</b>	<b>11,287</b>	<b>36,287</b>
Net operating profit		-	9,545	9,545
Total comprehensive income for the year		-	9,545	9,545
Transactions with owners				
Dividend paid	10	-	(1,608)	(1,608)
<b>Equity as at 30 June 2016</b>		<b>25,000</b>	<b>19,224</b>	<b>44,224</b>

As at 30 June 2016 in \$000s

	Note	2016	2015
<b>Assets</b>			
<b>Financial assets</b>			
Cash and bank balances		37,084	31,708
Trade and other receivables		-	38
Borrower notes receivable	13	800	-
Loans to local government	5	6,451,332	5,031,942
Marketable securities		139,339	5,345
Deposits		89,828	70,896
Derivatives in gain	2	537,379	270,503
<b>Non-financial assets</b>			
Prepayments		535	324
Other assets	12	955	1,081
<b>Total assets</b>		<b>7,257,252</b>	<b>5,411,838</b>
<b>Equity</b>			
Share capital		25,000	25,000
Retained earnings		19,224	11,287
<b>Total equity</b>		<b>44,224</b>	<b>36,287</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade and other payables		182	444
Loans to local government not yet advanced	13	50,000	-
Accrued expenses		593	344
Bills	6	223,916	-
Bonds	7	6,819,658	5,274,319
Borrower notes	8	108,415	85,120
Derivatives in loss	2	10,264	15,324
<b>Total liabilities</b>		<b>7,213,028</b>	<b>5,375,551</b>
<b>Total equity and liabilities</b>		<b>7,257,252</b>	<b>5,411,838</b>

For the year ended ended 30 June 2016 in \$000s

	Note	Year Ended 2016	Year Ended 2015
<b>Cash flow from operating activities</b>			
Cash applied to loans to local government		(1,374,440)	(1,284,042)
Interest paid on bonds issued		(296,800)	(231,648)
Interest paid on bills issued		(3,224)	-
Interest paid on borrower notes		-	(292)
Interest paid on loans		(25)	-
Interest received from cash & cash equivalents		1,142	1,472
Interest received from loans to local government		218,821	195,923
Interest received from marketable securities		1,076	464
Interest received from deposits		4,059	3,114
Net interest on derivatives		89,718	44,657
Payments to suppliers and employees		(6,165)	(4,426)
<b>Net cash flow from operating activities</b>	9	<b>(1,365,838)</b>	<b>(1,274,778)</b>
<b>Cash flow from investing activities</b>			
Purchase of marketable securities		(133,068)	(5,525)
Purchase of deposits		(19,000)	(24,000)
Purchase of plant and equipment		125	(1,081)
<b>Net cash flow from investing activities</b>		<b>(151,943)</b>	<b>(30,606)</b>
<b>Cash flow from financing activities</b>			
Dividends paid		(1,608)	(1,765)
Cash proceeds from borrower notes		19,346	20,520
Cash proceeds from bonds issued		1,349,468	1,296,179
Cash proceeds from bills issued		223,916	-
Cash applied to derivatives		(67,964)	(32,968)
<b>Net Cashflow from financing activities</b>		<b>1,523,158</b>	<b>1,281,966</b>
<b>Net (decrease) / increase in cash</b>		<b>5,377</b>	<b>(23,418)</b>
Cash, cash equivalents and bank overdraft at beginning of year		31,708	55,126
<b>Cash, cash equivalents and bank overdraft at end of year</b>		<b>37,084</b>	<b>31,708</b>

## 1 Statement of accounting policies

### A. REPORTING ENTITY

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2016.

These financial statements were authorised for issue by the Directors on 20 September 2016.

### B. STATEMENT OF COMPLIANCE

LGFA is an issuer in terms of the Financial Reporting Act 1993. The financial statements comply with the Financial Reporting Act 1993, in accordance with the transitional provisions under Section 55 of the Financial Reporting Act 2013 and Schedule 4 of the Financial Markets Conduct Act 2013.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

### C. BASIS OF PREPARATION

#### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

#### Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

#### Changes in accounting policies

There have been no changes in accounting policies.

#### Early adoption standards and interpretations

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

**Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

- NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

**D. FINANCIAL INSTRUMENTS****Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

**Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

**Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

**E. OTHER ASSETS****Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

**Intangible Assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight line basis over the estimated useful life of the software (3 to 7 years). Costs associated with maintaining computer software are recognised as expenses.

## F) OTHER LIABILITIES

### Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

## G) REVENUE AND EXPENSES

### Revenue

#### Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

#### Expenses

Expenses are recognised in the period to which they relate.

#### Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

#### Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

#### Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## H. LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

## I. SEGMENT REPORTING

LGFA operates in one segment being funding of participating local authorities in New Zealand.

## J. JUDGEMENTS AND ESTIMATIONS

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

## 2 Analysis of financial assets and financial liabilities

### A. CATEGORIES OF FINANCIAL INSTRUMENTS

Derivative financial instruments are the only instrument recognised in the Statement of Financial position at fair value.

Derivative financial instruments are valued under level 2, determined according to the following hierarchy.

- *Level 1* – Quoted market prices: Fair value based on quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Valuation techniques using observable market inputs: Fair value based on a valuation technique using other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- *Level 3* – Valuation techniques using significant non-observable market inputs: Fair value based on a valuation technique using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is determined using a discounted cash flow analysis. Interest rates represent the most significant assumption used in valuing derivative financial instruments. The interest rates used to discount estimated cash flows are based on the New Zealand dollar swap curves at the reporting date.

#### **Financial instruments recognised in the Statement of Financial Position at amortised cost**

Fair values of financial instruments not recognised in the Statement of Financial Position at fair value are determined for note disclosure as follows:

#### **Cash and bank, trade & other receivables, trade & other payables**

The carrying value of cash and bank, trade & other receivables, trade & other payables approximate their fair value as they are short-term instruments.

#### **Marketable securities and bonds**

The fair value of bonds and marketable securities are determined using the quoted price for the instrument (Fair value hierarchy level 1).

### Deposits

The fair value for deposits is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on current market interest rates (Fair value hierarchy level 2).

### Loans to local government

The fair value of loans to local government authorities is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date plus an appropriate credit spread to reflect the counterparty's credit risk (Fair value hierarchy level 2).

### Borrower notes

The fair value of borrower notes is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date (Fair value hierarchy level 2).

### Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

As at 30 June 2016 in \$000s	Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	Financial assets measured at fair value in accordance with IFRS 9	Fair value
<b>Financial assets</b>				
Cash and bank balances	-	37,084	-	37,084
Trade and other receivables	-	-	-	-
Loans to local government	-	6,451,332	-	6,692,415
Marketable securities	-	139,339	-	139,661
Deposits	-	89,828	-	90,016
Derivatives	-	-	537,379	537,379
		<b>6,717,583</b>	<b>527,115</b>	<b>7,496,555</b>
<b>Financial liabilities</b>				
Trade and other payables	182	-	-	182
Loans payable	50,000	-	-	50,000
Bills	223,916	-	-	223,898
Bonds	6,819,658	-	-	6,869,372
Borrower notes	107,615	-	-	108,044
Derivatives	-	-	10,264	10,264
	<b>7,201,371</b>	-	<b>10,264</b>	<b>7,261,760</b>

As at 30 June 2015 in \$000s	Financial Liabilities at Amortised Cost	Financial Assets at Amortised Cost	Financial assets measured at fair value in accordance with IFRS 9	Fair value
<b>Financial assets</b>				
Cash and bank balances	-	31,708	-	31,708
Trade and other receivables	-	38	-	38
Loans to local government	-	5,031,942	-	5,163,921
Marketable securities	-	5,345	-	5,383
Deposits	-	70,896	-	70,986
Derivatives	-	-	270,503	270,503
	-	<b>5,139,929</b>	<b>270,503</b>	<b>5,542,539</b>
<b>Financial liabilities</b>				
Trade and other payables	(444)	-	-	(444)
Loans payable	-	-	-	-
Bonds	(5,274,319)	-	-	(5,379,311)
Borrower notes	(85,120)	-	-	(85,776)
Derivatives in loss	-	-	(15,324)	(15,324)
	<b>5,359,883</b>	-	<b>(15,324)</b>	<b>35,480,855</b>

## B. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for carrying out the business of LGFA in accordance with risk management policies, including those relating to investing, lending, borrowing and treasury activities. The use of financial instruments exposes LGFA to a number of financial risks, the most significant being market risk, credit risk, and liquidity risk. The exposure and management of these risks is outlined below.

### Market risk

Market risk is the risk that changes in market prices will affect LGFA's income or value of financial instruments. The most significant market risk which LGFA is exposed to is interest rate risk. LGFA has no significant exposure to foreign exchange risk.

### Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of financial instruments will decrease because of a change in market interest rates. LGFA is exposed to interest rate risk through its interest-bearing financial assets and liabilities. Interest rate risk is managed by matching the interest rate repricing profile of its assets against the repricing profile of its liabilities. Where mismatches occur, interest rate swaps are used to economically convert the repricing profile of financial liabilities.

The table below indicates the earliest period in which interest-bearing financial instruments reprice.

As at 30 June 2016 in \$000s	Face Value	Less than 6 Months	6 months - 1 Year	1-2 Years	2-5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and Bank Balances	37,084	37,084	-	-	-	-
Loans to Local Government	6,400,918	5,309,071	5,147	155,500	687,200	244,000
Marketable Securities	137,200	95,000	1,200	31,000	10,000	-
Deposits	89,000	89,000	-	-	-	-
<b>Financial Liabilities</b>						
Loans payable	(50,000)	(50,000)	-	-	-	-
Bills	(225,000)	(225,000)	-	-	-	-
Bonds	(6,220,000)	-	-	(1,015,000)	(3,065,000)	(2,140,000)
Borrower Notes	(99,059)	(81,672)	-	(2,488)	(10,995)	(3,904)
Derivatives	-	(5,114,200)	-	865,500	2,329,450	1,919,250
<b>Total</b>	<b>70,142</b>	<b>59,283</b>	<b>6,347</b>	<b>34,512</b>	<b>(49,345)</b>	<b>19,346</b>

As at 30 June 2015 in \$000s	Face Value	Less than 6 Months	6 months - 1 Year	1-2 Years	2-5 Years	Over 5 Years
<b>Financial Assets</b>						
Cash and Bank Balances	31,708	31,708	-	-	-	-
Loans to Local Government	4,978,500	4,037,000	-	-	439,500	502,000
Marketable Securities	5,000	-	-	-	5,000	-
Deposits	70,000	70,000	-	-	-	-
<b>Financial Liabilities</b>						
Loans payable	-	-	-	-	-	-
Bills	-	-	-	-	-	-
Bonds	(4,955,000)	-	-	-	(2,490,000)	(2,465,000)
Borrower Notes	(79,656)	(64,592)	-	-	(7,032)	(8,032)
Derivatives	-	(4,015,700)	-	-	2,045,450	1,970,250
<b>Total</b>	<b>50,552</b>	<b>58,416</b>	<b>-</b>	<b>-</b>	<b>(7,082)</b>	<b>(782)</b>

**Interest rate sensitivity**

Changes in interest rates impact the fair value of fixed rate assets and liabilities, cash flows on floating rate assets and liabilities, and the fair value and cash flows of interest rate swaps. A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss and equity by the amounts shown in the following table. This analysis assumes that all other variables remain constant.

For the period ending 30 June 2016 in \$000s	2016		2015	
	100 bps increase \$000s	100 bps decrease \$000s	100 bps increase \$000s	100 bps decrease \$000s
<b>Fair value sensitivity analysis</b>				
Fixed rate assets			-	-
Fixed rate liabilities	260,219	(264,820)	188,425	(201,409)
Derivative financial instruments	(260,219)	264,820	(188,425)	201,409
	-	-	-	-
<b>Cash flow sensitivity analysis</b>				
Variable rate assets	51,295	(51,295)	40,370	(40,370)
Variable rate liabilities	(820)	820	(646)	646
Derivative financial instruments	(52,172)	52,172	(40,157)	40,157
	<b>(1,697)</b>	<b>1,697</b>	<b>(433)</b>	<b>433</b>

**Credit risk**

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. LGFA is exposed to credit risk through its lending and investing activities.

Credit risk associated with lending activities is managed by requiring local authorities that borrow from LGFA to meet specific credit lending criteria and to provide security against the borrowing. The LGFA's credit risk framework restricts credit exposures to specific counterparties.

Credit risk associated with investing activities, excluding on-lending, is managed by only investing with New Zealand Government Agencies or counterparties that meet a minimum credit rating of A (Standard & Poor's equivalent). The LGFA's credit risk framework limits concentrations of credit risk for any particular counterparty.

**Exposure to credit risk**

LGFA monitors the concentration of credit risk by the type of counterparty. The carrying value and maximum exposure to credit risk at the reporting date, before taking account of collateral or other credit enhancements, for significant counterparty types are shown in the table below.

As at 30 June 2016 in \$000s	NZ Government Agencies	NZ Local Authorities	NZ Registered Banks	Other counter- parties	Total carrying value
<b>Financial assets</b>					
Cash and bank balances	36,834	-	250	-	37,084
Trade and other receivables	-	-	-	-	-
Loans to local government	-	6,451,332	-	-	6,451,332
Marketable securities	26,644	-	70,039	42,657	139,339
Deposits	-	-	89,828	-	89,828
Derivatives	527,615	-	-	-	527,615
	<b>591,093</b>	<b>6,451,332</b>	<b>160,117</b>	<b>42,657</b>	<b>7,245,198</b>

As at 30 June 2015 in \$000s	NZ Government Agencies	NZ Local Authorities	NZ Registered Banks	Other counter- parties	Total carrying value
<b>Financial assets</b>					
Cash and bank balances	31,078	-	630	-	31,708
Trade and other receivables	-	-	-	38	38
Loans to local government	-	5,031,942	-	-	5,031,942
Marketable securities	5,345	-	-	-	5,345
Deposits	-	-	70,896	-	70,896
Derivatives	270,503	-	-	-	270,503
	<b>306,926</b>	<b>5,031,942</b>	<b>71,526</b>	<b>38</b>	<b>5,410,432</b>

**Collateral and credit enhancements**

LGFA holds collateral against borrowings from local authorities in the form of debenture securities and guarantees.

**Credit quality of financial assets**

All financial assets are neither past due or impaired. The carrying value of the financial assets is expected to be recoverable.

**Liquidity risk**

Liquidity risk is the risk that LGFA will encounter difficulty in meeting the obligations of its financial liabilities. LGFA manages liquidity risk by holding cash and a portfolio of liquid assets to meet obligations when they fall due.

The New Zealand Debt Management Office (NZDMO) also provide a committed liquidity facility

that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall. As at 30 June 2016, the undrawn committed liquidity facility was \$400 million (2015: \$400 million).

### Contractual cash flows of financial instruments

The contractual cash flows associated with financial assets and liabilities are shown in the table below.

As at 30 June 2016 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
<b>Financial assets</b>							
Cash and bank balances	37,084					37,084	37,084
Trade and other receivables						-	
Loans to local government		220,061	204,136	4,611,787	2,432,363	7,468,347	6,451,332
Marketable securities		86,608	11,824	42,957		141,389	139,339
Deposits		30,494	60,137			90,631	89,828
<b>Financial liabilities</b>							
Trade and other payables							
Loans payable		(50,000)				(50,000)	(50,000)
Bills		(150,000)	(75,000)			(225,000)	(223,916)
Bonds		(29,500)	(293,950)	(5,025,700)	(2,496,200)	(7,845,350)	(6,819,658)
Borrower notes				(76,719)	(45,234)	(121,953)	(108,415)
<b>Derivatives</b>							
		(13,051)	131,464	348,914	130,946	598,273	527,115
	<b>36,834</b>	<b>94,612</b>	<b>38,611</b>	<b>(98,761)</b>	<b>21,875</b>	<b>93,171</b>	<b>42,709</b>

As at 30 June 2015 in \$000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
<b>Financial assets</b>							
Cash and bank balances	31,708	-	-	-	-	31,708	31,708
Trade and other receivables	-	38	-	-	-	38	38
Loans to local government	-	48,627	160,884	3,148,926	2,859,955	6,218,392	5,031,942
Marketable securities	-	-	300	5,450	-	5,750	5,345
Deposits	-	40,813	30,855	-	-	71,668	70,896
<b>Financial liabilities</b>							
Trade and other payables	-	(444)	-	-	-	(444)	(444)
Loans payable	-	-	-	-	-	-	-
Bills	-	-	-	-	-	-	-
Bonds	-	(27,750)	(238,175)	(3,345,950)	(2,791,625)	(6,403,500)	(5,274,319)
Borrower notes	-	-	-	(47,647)	(55,358)	(103,005)	(85,120)
<b>Derivatives</b>							
	-	(18,294)	86,213	185,705	25,604	279,228	255,180
	<b>31,708</b>	<b>42,990</b>	<b>40,078</b>	<b>(53,516)</b>	<b>38,575</b>	<b>99,835</b>	<b>35,227</b>

**C. HEDGE ACCOUNTING**

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA manages this interest rate risk through the use of interest rate swaps. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowing.

The gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships is shown in the table below.

For the year ended ended 30 June 2016 in \$000s	2016 Gain/(loss)	2015 Gain/(loss)
Hedging instruments – interest rate swaps	236,449	178,578
Hedged items attributable to the hedged risk – fixed rate bonds	(236,449)	(178,578)
<b>Ineffectiveness recognised in profit or loss from fair value hedges</b>	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds) are mapped to the same fair value account. For this reason, the Statement of Comprehensive Income will only report any ineffectiveness arising from the fair value hedge.

**D. OFFSETTING**

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously. LGFA does not offset any amounts. The following table shows amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position:

As at 30 June 2016 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	537,379	10,264
Amounts offset	-	-
Carrying amounts	537,379	10,264
Amounts that don't qualify for offsetting		
Financial Assets & liabilities	(10,264)	(10,264)
Collateral	-	-
<b>Net Amount</b>	<b>527,115</b>	-

As at 30 June 2015 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	270,503	15,324
Amounts offset		
Carrying amounts	270,503	15,324
Amounts that don't qualify for offsetting		
Financial Assets & liabilities	(15,324)	(15,324)
Collateral		
<b>Net Amount</b>	<b>255,179</b>	<b>-</b>

### 3 Issuance and on-lending expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

For the year ended 30 June 2016 in \$000s	2016	2015
NZDMO facility fee <sup>1</sup>	400	283
NZDMO processing fees	-	149
NZX	177	-
Rating agency fees	527	500
Legal fees for issuance	144	203
Regulatory, registry, other fees	52	23
Trustee fees	100	101
Approved issuer levy <sup>2</sup>	1,628	1,192
Promotion/roadshow	18	11
Information Services	120	64
	<b>3,166</b>	<b>2,526</b>

1. The increased cost for NZDMO facility fee followed a contractual price increase in February 2015.
2. The amount of Approved Issuer Levy is a function of the number of offshore holders of LGFA bonds.

#### 4 Operating expenses

Operating expenses are all other expenses that are not classified as 'Issuance and on-lending expenses.'

For the year ended 30 June 2016 in \$000s	2016	2015
Consultants <sup>1</sup>	164	95
Directors fees <sup>2</sup>	307	257
Insurance	61	63
Legal fees <sup>3</sup>	327	94
Other Expenses <sup>1</sup>	698	532
Auditors' Remuneration		
Statutory Audit	86	80
Personnel	1,163	998
Recruitment	14	24
	<b>2,820</b>	<b>2,143</b>

1. The key driver for increased costs for Consultants and Other Expenses are costs associated with the treasury management system implemented on 1 July 2015.
2. The number of directors increased from five to six in the 2015-16 year.
3. Legal expenses included legal costs associated with the listing on LGFA bonds on the NZX, transition to the Financial Markets Conduct Act and the introduction of short-dated lending to councils. These expenses are predominantly non-recurring.

## 5 Loans to local government

For the year ended 30 June 2016 in \$000s	Face value	Unamortised Premium / (Discount)	Accrued Interest	Total
Ashburton District Council	25,125	705	(4)	25,825
Auckland Council	2,132,000	14,580	12,034	2,158,614
Buller District Council	20,000	-	2	20,002
Canterbury Regional Council	25,000	-	36	25,036
Christchurch City Council	1,266,889	2,909	5,048	1,274,846
Far North District Council	10,000	-	40	10,040
Gisborne District Council	22,000	-	30	22,030
Gore District Council	12,037	-	30	12,068
Greater Wellington Regional Council	255,000	-	660	255,660
Grey District Council	20,000	497	159	20,655
Hamilton City Council	230,000	-	663	230,663
Hastings District Council	50,000	-	175	50,175
Hauraki District Council	34,000	-	133	34,133
Horizons Regional Council	10,000	-	15	10,015
Horowhenua District Council	54,084	520	274	54,877
Hurunui District Council	17,000	-	69	17,069
Hutt City Council	79,000	210	501	79,711
Kaipara District Council	35,000	-	156	35,156
Kapiti Coast District Council	150,000	-	471	150,471
Manawatu District Council	51,000	(270)	305	51,035
Marlborough District Council	28,000	(104)	171	28,067
Masterton District Council	47,032	-	139	47,171
Matamata-Piako District Council	24,500	-	73	24,573
Nelson City Council	45,041	-	137	45,178
New Plymouth District Council	61,000	-	193	61,193
Opotiki District Council	5,000	168	42	5,210
Otorohanga District Council	9,000	171	75	9,246
Palmerston North City Council	77,000	-	295	77,295
Porirua City Council	33,500	-	103	33,603
Queenstown Lakes District Council	75,000	909	462	76,371
Rotorua District Council	98,700	437	888	100,025
Selwyn District Council	35,000	-	56	35,056
South Taranaki District Council	72,000	-	224	72,224
South Wairarapa District Council	7,500	-	36	7,536
Tararua District Council	9,000	-	33	9,033
Tasman District Council	90,000	-	314	90,314
Taupo District Council	125,000	-	431	125,431
Tauranga City Council	275,000	697	1,312	277,009
Thames-Coromandel District Council	35,000	-	69	35,069
Timaru District Council	60,876	30	155	61,062
Upper Hutt City Council	24,500	-	91	24,591
Waikato District Council	60,000	-	212	60,212
Waimakariri District Council	85,115	275	476	85,866
Waipa District Council	13,000	-	18	13,018
Wellington City Council	233,000	-	884	233,884
Western Bay of Plenty District Council	70,000	-	233	70,233
Whakatane District Council	31,019	-	72	31,091
Whanganui District Council	41,000	-	162	41,162
Whangarei District Council	132,000	38	488	132,526
	<b>6,400,918</b>	<b>21,771</b>	<b>28,643</b>	<b>6,451,332</b>

For the year ended 30 June 2015 in \$000s	Face value	Unamortised Premium / (Discount)	Accrued Interest	Total
Ashburton District Council	15,000	829	113	15,941
Auckland Council	1,725,000	16,818	11,396	1,753,214
Buller District Council	-	-	-	-
Canterbury Regional Council	-	-	-	-
Christchurch City Council	932,500	3,219	5,463	941,183
Far North District Council	10,000	-	55	10,055
Gisborne District Council	17,000	-	51	17,051
Gore District Council	-	-	-	-
Greater Wellington Regional Council	155,000	-	741	155,741
Grey District Council	20,000	592	163	20,754
Hamilton City Council	225,000	-	771	225,771
Hastings District Council	50,000	-	204	50,204
Hauraki District Council	34,000	-	184	34,184
Horizons Regional Council	10,000	-	18	10,018
Horowhenua District Council	47,000	618	366	47,985
Hurunui District Council	12,000	-	67	12,067
Hutt City Council	49,000	281	401	49,682
Kaipara District Council	-	-	-	-
Kapiti Coast District Council	130,000	-	480	130,480
Manawatu District Council	41,000	27	303	41,330
Marlborough District Council	28,000	-129	175	28,046
Masterton District Council	40,000	-	194	40,194
Matamata-Piako District Council	24,500	-	98	24,598
Nelson City Council	25,000	-	150	25,150
New Plymouth District Council	56,000	-	221	56,221
Opotiki District Council	3,500	49	25	3,574
Otorohanga District Council	9,000	235	73	9,308
Palmerston North City Council	77,000	-	376	77,376
Porirua City Council	20,000	-	140	20,140
Queenstown Lakes District Council	60,000	1,096	444	61,539
Rotorua District Council	55,000	599	573	56,172
Selwyn District Council	35,000	-	66	35,066
South Taranaki District Council	62,000	-	234	62,234
South Wairarapa District Council	-	-	-	-
Tararua District Council	9,000	-	45	9,045
Tasman District Council	90,000	-	428	90,428
Taupo District Council	100,000	-	423	100,423
Tauranga City Council	215,000	525	1,062	216,587
Thames-Coromandel District Council	35,000	-	89	35,089
Timaru District Council	51,000	45	334	51,378
Upper Hutt City Council	18,000	-	72	18,072
Waikato District Council	50,000	-	215	50,215
Waimakariri District Council	55,000	324	409	55,733
Waipa District Council	13,000	-	22	13,022
Wellington City Council	138,000	-	712	138,712
Western Bay of Plenty District Council	70,000	-	127	70,127
Whakatane District Council	28,000	-	101	28,101
Whanganui District Council	41,000	-	182	41,182
Whangarei District Council	98,000	43	507	98,550
	<b>4,978,500</b>	<b>25,170</b>	<b>28,272</b>	<b>5,031,942</b>

## 6 Bills issued

As at 30 June 2016 in \$000's	Face Value	Unamortised Premium	Accrued Interest	Total
13 July 2016	50,000	(42)	-	49,958
17 August 2016	50,000	(156)	-	49,844
14 September 2016	50,000	(238)	-	49,762
12 October 2016	25,000	(163)	-	24,837
16 November 2016	25,000	(219)	-	24,781
14 December 2016	25,000	(266)	-	24,734
	<b>225,000</b>	<b>(1,084)</b>	-	<b>223,916</b>

## 7 Bonds Issued

As at 30 June 2016 in \$000's		Face Value	Unamortised Premium	Accrued Interest	Fair Value Hedge Adjustment	Total
15 December 2017	6% coupon	1,015,000	24,292	2,662		
15 March 2019	5% coupon	1,180,000	29,129	17,315		
15 April 2020	3% coupon	565,000	(18,322)	3,566		
15 May 2021	6% coupon	1,320,000	79,629	10,115		
15 April 2023	5.5% coupon	1,285,000	70,428	14,869		
15 April 2025	2.75% coupon	100,000	(3,157)	579		
15 April 2027	4.5% coupon	755,000	23,373	7,148		
<b>Total</b>		<b>6,220,000</b>	<b>205,372</b>	<b>56,254</b>	<b>338,032</b>	<b>6,819,658</b>

As at 30 June 2015 in \$000's		Face Value	Unamortised Premium	Accrued Interest	Fair Value Hedge Adjustment	Total
15 December 2017	6% coupon	1,015,000	40,097	2,496		
15 March 2019	5% coupon	1,110,000	33,719	16,137		
15 April 2020	3% coupon	365,000	(21,839)	2,274		
15 May 2021	6% coupon	1,170,000	72,162	8,775		
15 April 2023	5.5% coupon	1,010,000	41,034	11,535		
15 April 2027	4.5% coupon	285,000	8,683	2,663		
		<b>4,955,000</b>	<b>173,856</b>	<b>43,880</b>	<b>101,583</b>	<b>5,274,319</b>

## 8 Borrower notes

Borrower notes are subordinated debt instruments (which are required to be held by each local authority that borrows from LGFA in an amount equal to 1.6% of the aggregate borrowings by that local authority).

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

As at 30 June 2016 in \$000's	Face value	Accrued Interest	Total
Ashburton District Council	240	30	270
Auckland Council	34,112	3,118	37,230
Buller District Council	320	6	326
Canterbury Regional Council	400	5	405
Christchurch City Council	19,224	1,508	20,732
Far North District Council	160	17	177
Gisborne District Council	272	20	292
Gore District Council	96	1	97
Greater Wellington Regional Council	4,080	257	4,337
Grey District Council	320	38	358
Hamilton City Council	3,680	434	4,114
Hastings District Council	800	85	885
Hauraki District Council	544	43	587
Horizons Regional Council	160	16	176
Horowhenua District Council	752	81	833
Hurunui District Council	272	15	287
Hutt City Council	1,264	79	1,343
Kaipara District Council	560	3	563
Kapiti Coast District Council	2,400	236	2,636
Manawatu District Council	816	62	878
Marlborough District Council	448	38	486
Masterton District Council	704	75	779
Matamata-Piako District Council	392	37	429
Nelson City Council	560	38	598
New Plymouth District Council	976	94	1,070
Opotiki District Council	80	3	83
Otorohanga District Council	144	20	164
Palmerston North City Council	1,232	103	1,335
Porirua City Council	376	23	399
Queenstown Lakes District Council	1,200	119	1,319
Rotorua District Council	1,579	124	1,703
Selwyn District Council	560	86	646
South Taranaki District Council	992	86	1,078
South Wairarapa District Council	120	0	120
Tararua District Council	144	11	155
Tasman District Council	1,440	150	1,590
Taupo District Council	2,000	182	2,182
Tauranga City Council	4,400	394	4,794
Thames-Coromandel District Council	560	52	612
Timaru District Council	816	89	905
Upper Hutt City Council	392	21	413
Waikato District Council	960	76	1,036
Waimakariri District Council	1,200	71	1,271
Waipa District Council	208	21	229
Wellington City Council	3,728	216	3,944
Western Bay of Plenty District Council	1,120	107	1,227
Whakatane District Council	448	45	493
Whanganui District Council	656	55	711
Whangarei District Council	1,952	165	2,117
	<b>99,859</b>	<b>8,556</b>	<b>108,415</b>

As at 30 June 2015 in \$000s	Face value	Accrued Interest	Total
Ashburton District Council	240	19	259
Auckland Council	27,600	1,999	29,599
Buller District Council	-	-	-
Canterbury Regional Council	-	-	-
Christchurch City Council	14,920	920	15,840
Far North District Council	160	12	172
Gisborne District Council	272	11	283
Gore District Council	-	-	-
Greater Wellington Regional Council	2,480	153	2,633
Grey District Council	320	24	344
Hamilton City Council	3,600	311	3,911
Hastings District Council	800	58	858
Hauraki District Council	544	26	570
Horizons Regional Council	160	11	171
Horowhenua District Council	752	50	802
Hurunui District Council	192	7	199
Hutt City Council	784	40	824
Kaipara District Council	-	-	-
Kapiti Coast District Council	2,080	161	2,241
Manawatu District Council	656	37	693
Marlborough District Council	448	19	467
Masterton District Council	640	51	691
Matamata-Piako District Council	392	25	417
Nelson City Council	400	22	422
New Plymouth District Council	896	61	957
Opotiki District Council	56	1	57
Otorohanga District Council	144	14	158
Palmerston North City Council	1,232	63	1,295
Porirua City Council	320	11	331
Queenstown Lakes District Council	960	74	1,034
Rotorua District Council	880	77	957
Selwyn District Council	560	66	626
South Taranaki District Council	992	53	1,045
South Wairarapa District Council	-	-	-
Tararua District Council	144	6	150
Tasman District Council	1,440	101	1,541
Taupo District Council	1,600	117	1,717
Tauranga City Council	3,440	259	3,699
Thames-Coromandel District Council	560	34	594
Timaru District Council	816	57	873
Upper Hutt City Council	288	11	299
Waikato District Council	800	49	849
Waimakariri District Council	880	30	910
Waipa District Council	208	15	223
Wellington City Council	2,208	115	2,323
Western Bay of Plenty District Council	1,120	126	1,246
Whakatane District Council	448	30	478
Whanganui District Council	656	34	690
Whangarei District Council	1,568	102	1,670
	<b>79,656</b>	<b>5,464</b>	<b>85,120</b>

## 9 Reconciliation of net profit / (loss) to net cash flow from operating activities

For the year ended 30 June 2016 in \$000's	2016	2015
Net profit/(loss) for the period	9,545	9,204
<b>Cash applied to loans to local government</b>	<b>(1,374,440)</b>	<b>(1,284,042)</b>
<b>Non-cash adjustments</b>		
Amortisation and depreciation	(756)	(185)
<b>Working capital movements</b>		
Net change in trade debtors and receivables	(224)	192
Net change in prepayments	(212)	(98)
Net change in accruals	248	151
<b>Net Cash From Operating Activities</b>	<b>(1,365,838)</b>	<b>(1,274,778)</b>

## 10 Share Capital

As at 30 June 2016 LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

**Shareholder Information**

Registered holders of equity securities as at 30 June 2016.

	2016		2015	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,960	8.3%	3,731,960	8.3%
Greater Wellington Regional Council	3,731,960	8.3%	3,731,960	8.3%
Tasman District Council	3,731,960	8.3%	3,731,960	8.3%
Tauranga City Council	3,731,960	8.3%	3,731,960	8.3%
Wellington City Council	3,731,960	8.3%	3,731,960	8.3%
Western Bay of Plenty District Council	3,731,960	8.3%	3,731,960	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North City Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	<b>45,000,000</b>	<b>100%</b>	<b>45,000,000</b>	<b>100%</b>

**Capital Management**

LGFA's capital is equity, which comprises share capital and retained earnings. The objective of managing LGFA's equity is to ensure LGFA achieves its goals and objectives for which it has been established, whilst remaining a going concern.

**Dividend**

During the year LGFA paid a dividend of \$1,607,500 (\$0.06826 per paid up share) on 15 October 2015. (2015: \$1,765,000 (\$0.0706 per paid up share).

**11 Operating Leases**

The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

For the year ended 30 June 2016 in \$000's	2016	2015
Less than one year	69	67
Between one and five years	89	133
<b>Total non-cancellable operating leases</b>	<b>158</b>	<b>200</b>

**12 Other Assets**

As at 30 June 2016 in \$000s	2016	2015
Property, plant and equipment	43	46
Intangible Assets <sup>1</sup>	912	1,035
<b>Total Other Assets</b>	<b>955</b>	<b>1,081</b>

1. Intangible assets comprise acquired and internally developed software costs incurred for the implementation of LGFA's treasury management system.

**13 Loans to local government not yet advanced**

As at 30 June 2016, loans to local government totalling \$50 million, and corresponding borrower notes for \$800,000, had been contractually agreed for forward settlement in July 2016.

**14 Capital Commitments**

As at 30 June 2016, there are no capital commitments.

**15 Contingencies**

There are no material contingent liabilities at balance date.

**16 Related parties****Identity of related parties**

The Company is related to the local authorities set out in the Shareholder Information in note 10.

The Company operates under a Statement of Intent with the respective local authorities that requires the Company to provide debt to them at the lowest possible interest rates and to enhance their certainty of access to debt markets.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

#### **Related party transactions**

LGFA was established for the purpose of raising funds from the market to lend to participating councils. The lending to individual councils is disclosed in note 5, and interest income recognised on this lending is shown in the Statement of comprehensive income.

The purchase of LGFA borrower notes by participating councils is disclosed in note 8, and the interest expense on these is shown in the Statement of comprehensive income.

Transactions with key management personnel

Salaries      \$704,084 (2015: \$563,231)

Fees paid to directors are disclosed in operating overheads in Note 4.

## 17 Subsequent events

Subsequent to balance date, LGFA has issued \$215 million in bonds through two tenders.

Subsequent to balance date, on 20 September 2016, the Directors of LGFA declared a dividend of \$1,392,500.00 (\$0.0557) per paid up share



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND  
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2016.**

The Auditor-General is the auditor of New Zealand Local Government Agency Limited (the company). The Auditor-General has appointed me, Graeme Edwards, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information of the company on her behalf.

**Opinion on the financial statements and the performance information**

We have audited:

- the financial statements of the company on pages 32 to 57, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 18 to 27.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2016; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards.
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 20 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

**Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence shareholders overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information in order to design audit procedures that are



appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

**An audit also involves evaluating:**

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Responsibilities of the Board of Directors**

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is also responsible for preparation of the performance information for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Markets Conduct Act 2013.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

**Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

**Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the company.

Graeme Edwards

KPMG

On behalf of the Auditor-General  
Wellington, New Zealand

## Credit Rating

As at 30 June 2016, LGFA has the following credit ratings:

Rating Agency	Local currency		Foreign currency	
	Long term	Short term	Long term	Short term
Standard & Poors	AA+	A-1+	AA	A-1+
Fitch	AA+	F1+	AA	F1+

## Board of Directors

### INTERESTS REGISTER

Name of Director	Nature and extent of interest	
Craig Stobo	<b>Director</b> Precinct Properties New Zealand Limited Elevation Capital Management Limited Saturn Portfolio Management Limited Stobo Group Limited AIG Insurance NZ Limited Fliway Group Limited Bureau Limited	<b>General disclosure</b> Chair, Establishment Board, Local Government Risk Agency
John Avery	<b>Director</b> Spider Tracks Limited Fund Managers Auckland Limited Regional Facilities Auckland Limited Strategic Pay Limited Strategic Pay Trustee Service Limited	<b>General disclosure</b> The New Zealand School of Dance (Trustee) Stinger Trust (Trustee)
Philip Cory-Wright	<b>Director</b> South Port New Zealand Limited Matariki Forests Limited	
Abby Foote*	<b>Director</b> Z Energy Limited BNZ Life Insurance Limited Livestock Improvement Corporation Limited	
Linda Robertson	<b>Director</b> RML Consulting Limited Dunedin City Holdings Limited Dunedin City Treasury Limited King Country Energy Limited NZ Registry Services Limited NZPM Group Limited Auckland Council Investments Limited Crown Irrigation Investments Limited	<b>General disclosure</b> Audit and Risk Committee, Ministry of Social Development Technical Advisory Committee, NZ Export Credit Office Chair, Audit and Risk Committee, Central Otago District Council
Mike Timmer		<b>General disclosure</b> Officer, Greater Wellington Regional Council Chairman of Finance Committee, Physiotherapy New Zealand

\* Subsequent to balance date: Director,  
The Museum of New Zealand Te Papa  
Tongarewa

**DIRECTOR REMUNERATION**

Director	2016(\$)
Craig Stobo	\$84,000
Paul Anderson*	\$19,833
John Avery	\$47,600
Philip Cory-Wright	\$47,600
Abby Foote	\$50,400
Mike Timmer**	\$28,692
Linda Robertson**	\$28,692
Total	\$306,817

\* Resigned during year.

\*\* Commenced during year.

**STAFF REMUNERATION**

Total remuneration	2016
\$100,000 to \$109,999	1
\$190,000 to \$199,999	1
\$240,000 to \$249,999	1
\$450,000 to \$459,999	1
Total staff receiving \$100,000 or more	4

**DONATIONS**

No donations were made by LGFA during the year ended 30 June 2016.

**WAIVERS FROM NZX LIMITED (NZX)**

LGFA's fixed rate bonds are quoted on the NZX Debt Market (**LGFA Bonds**). NZX has granted LGFA a number of waivers from the NZX Listing Rules.

**Waiver from Rule 3.2.1**

NZX has granted LGFA a waiver from NZX Listing Rule 3.2.1(a) to the extent that this requires the trust deed under which the LGFA Bonds are issued (**Trust Deed**) to provide that the appointment of a new trustee is to be approved by an extraordinary resolution of the holders of the Securities to which the Trust Deed relates. Effective from 10 May 2016, LGFA ceased to rely on this waiver as the Trust Deed was amended to comply with NZX Listing Rule 3.2.1(a).

**Waiver from Rule 5.2.3**

NZX has granted LGFA a waiver from NZX Listing Rule 5.2.3 to the extent that this requires the LGFA Bonds to be held by at least 100 members of the public holding at least 25% of the number of securities of that class issued.

The waiver from NZX Listing Rule 5.2.3 was provided on the conditions that:

- LGFA clearly and prominently disclose the waiver, its conditions and its implications in its annual reports and in each profile or offering Document for the LGFA Bonds;
- LGFA will disclose market liquidity as a risk in each offering document (excluding any offering document referred to in paragraph (f) of the definition of "Offering Document" under NZX Listing Rule 1.6.1) for the LGFA Bonds; and
- the nature of LGFA's business and operations do not materially change from its business and operations as at the date of the waiver decision.

The effect of the waiver is that the LGFA Bonds may not be widely held and there may be reduced market liquidity in the LGFA Bonds.

**Waiver from Rule 6.3.2**

NZX has granted LGFA a waiver from NZX Listing Rule 6.3.2 so that the deemed date of receipt of notices for a holder of LGFA Bonds who has supplied LGFA with an address outside of New Zealand, will be five working days after that notice is posted to that physical address.

**NET TANGIBLE ASSETS**

Net tangible asset per \$1,000 of listed bonds as at 30 June 2016 is \$1.17 (2015: \$1.09)

**EARNINGS PER SECURITY**

\$1.53 (2015: \$1.85)

**AMOUNT PER SECURITY OF FINAL DIVIDENDS**

Not applicable

**SPREAD OF QUOTED SECURITY HOLDERS**

Spread of bondholders (LGF010, LGF020, LGF030, LGF040, LGF050, LGF060 and LGF070) as at 31 August 2016

Nominal Holding Range	Holder Count	Nominal Holding Quantity	Holding Quantity %
10,000 to 50,000	659	16,774,000	0.3%
50,001 to 100,000	154	11,357,000	0.2%
100,001 to 500,000	234	54,341,000	0.8%
500,001 to 1,000,000	37	28,546,000	0.4%
Over 1,000,000	175	6,323,982,000	98.3%
Total	1,259	6,435,000,000	100.0%



LGFA Board of Directors. From left. Craig Stobo (Chair), John Avery, Abby Foote, Mike Timmer, Linda Robertson, Philip Cory-Wright.



LGFA Staff. From left. Koshick Ranchhod, Louise Mckenzie, Andrew Michl, Jane Phelan, Mark Butcher (Chief Executive), Neil Bain.

### Postal address

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### Street address

#### WELLINGTON

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142 Featherston Street  
Wellington 6011

#### AUCKLAND

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Corner Albert and Custom Street  
Auckland 1010

### Office hours

Monday through Friday, 09.00-17.30 hrs  
Except Public Holidays

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+64 4 974 6530

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firstname.lastname@lgfa.co.nz

### Website

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Right: Ashley Bridge (Cones Road, Rangiora) – midway through construction. December 2014. Waimakiriri District Council. Photo: Aaron Campbell.

Back cover: Walter Nash Centre – opened October 2015. The centre comprises five indoor courts, meeting rooms, the Taita Library and a fitness suite. Hutt City Council.





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**Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	11 November 2016
<b>Prepared by</b>	Julienne Calambuhay Management Accountant
<b>Chief Executive Approved</b>	Y
<b>DWS Document Set #</b>	GOV1318 / 1636526
<b>Report Title</b>	Summary of Movements in Discretionary Funds to 10 November 2016

## **1. EXECUTIVE SUMMARY**

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To provide the Committee with a summarised report giving balances of all the discretionary funds including commitments as at 10 November 2016.

## **2. RECOMMENDATION**

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

## **3. ATTACHMENTS**

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Summary of Movements in Discretionary Funds to 10 November 2016

**Summary of Movements in Discretionary Funds  
As of 10 November 2016**

	<b>Carry Forward 2015/16</b>	<b>Annual Plan Budget 2016/17</b>	<b>Plus Income 2016/17</b>	<b>Less Expenditure 2016/17</b>	<b>Net Funding Remaining 2016/17</b>	<b>Less Commitments 2016/17</b>	<b>Funding Remaining after Commitments</b>
<b>Rural Ward</b>	17,325.00	30,963.00	-	15,193.35	33,094.65	20,144.17	12,950.48
<b>Huntly</b>	25,941.00	24,026.00	-	9,415.30	40,551.70	17,250.58	23,301.12
1 <b>Meremere</b>	5,871.00	6,325.00	-	214.70	11,981.30	990.00	10,991.30
<b>Ngaruawahia</b>	51,473.00	20,999.00	-	7,913.09	64,558.91	57,509.35	7,049.56
<b>Onewhero Tuakau</b>	30,656.00	28,878.00	-	17,168.61	42,365.39	20,417.59	21,947.80
<b>Raglan</b>	6,718.00	14,271.00	-	2,883.39	18,105.61	14,316.36	3,789.25
<b>Taupiri</b>	7,870.00	1,624.00	206.16	1,952.70	7,747.46	500.00	7,247.46
2 <b>Te Kauwhata</b>	64,087.00	11,139.00	-	7,010.00	68,216.00	55,826.00	12,390.00
<b>Mayoral</b>	2,383.00	8,000.00	-	4,201.77	6,181.23	-	6,181.23

1 Meremere budget inclusive of budget for salaries of \$4,775

2 Te Kauwhata budget inclusive of budget for salaries of \$6,941

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**Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	11 November 2016
<b>Prepared by</b>	Mairi Davis Financial Accountant
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318 / 1636574
<b>Report Title</b>	Treasury Report to 30 September 2016

## **1. EXECUTIVE SUMMARY**

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The purpose of this report is to inform the Committee of treasury risk management compliance.

## **2. RECOMMENDATION**

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**THAT** the report of the General Manager Strategy & Support be received.

## **3. ATTACHMENTS**

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Treasury Report to 30 September 2016

## Waikato District Council

## Treasury risk management policy - Compliance report

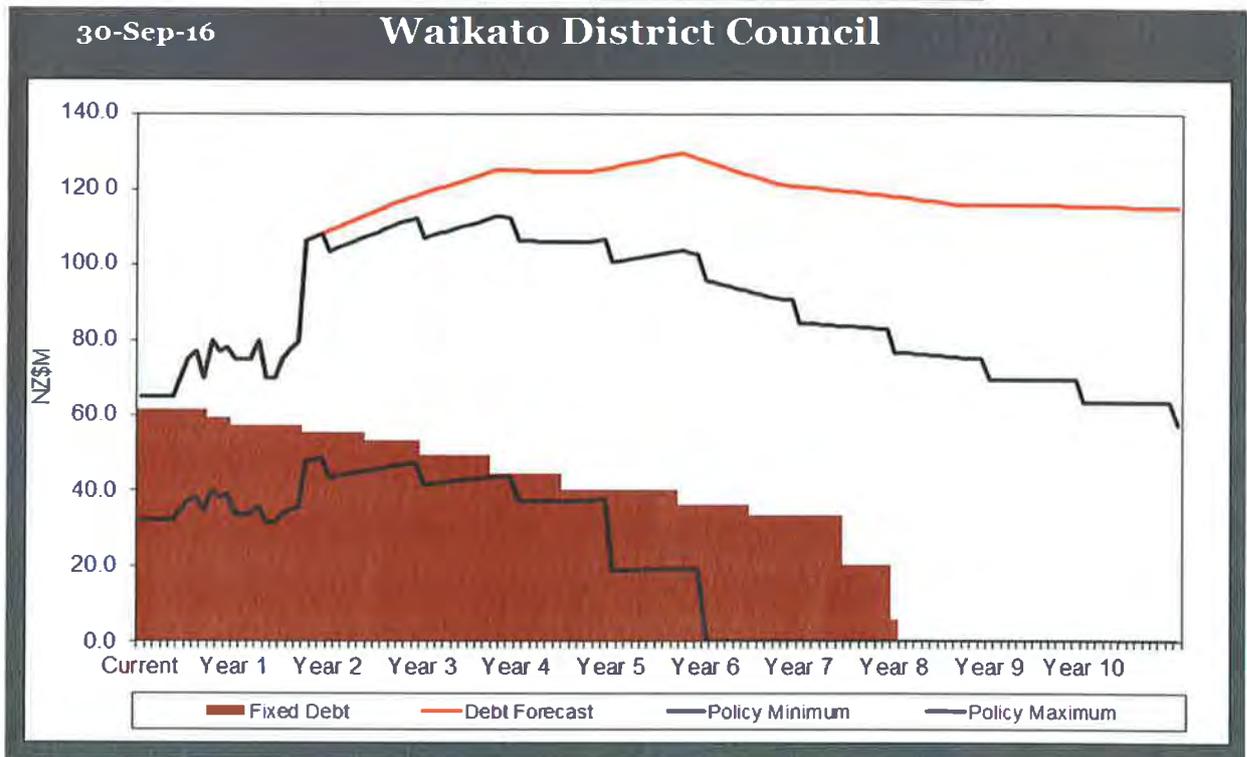
As at 30 September 2016

Policy criteria	Policy limit	Actual	Within policy?																																								
<b>1</b> The percentage of net external debt to annual revenue Net external debt =  Total annual revenue =	<150%  total external debt (net of related borrower notes) less available cash / cash equivalents	61.9%	✓																																								
<b>2</b> Net interest expense on net external debt as a percentage of total annual revenue Net interest expense =	<20%  total interest and financing costs less interest income	3.7%	✓																																								
<b>3</b> Net interest expense on net external debt as a percentage of annual rates	<25%	4.8%	✓																																								
<b>4</b> Liquidity ratio Liquidity =	>110%  external term debt plus committed bank facilities plus available cash/cash equivalents as a percentage of external term debt	131%	✓																																								
<b>5</b> <u>Interest rate benchmark chart</u> Comparison of actual monthly and year-to-date accrued returns vs investing the entire treasury portfolio at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years. <div style="text-align: center;"> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Estimated data for Interest Rate Benchmark Chart</caption> <thead> <tr> <th>Month</th> <th>Benchmark (incl margin) (%)</th> <th>Budget (%)</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr><td>Sep-14</td><td>5.30</td><td>5.40</td><td>5.40</td></tr> <tr><td>Dec-14</td><td>5.30</td><td>5.40</td><td>5.40</td></tr> <tr><td>Mar-15</td><td>5.30</td><td>5.40</td><td>5.40</td></tr> <tr><td>Jun-15</td><td>5.15</td><td>5.40</td><td>5.30</td></tr> <tr><td>Sep-15</td><td>5.05</td><td>5.25</td><td>5.25</td></tr> <tr><td>Dec-15</td><td>4.95</td><td>5.25</td><td>5.25</td></tr> <tr><td>Mar-16</td><td>4.80</td><td>5.25</td><td>5.25</td></tr> <tr><td>Jun-16</td><td>4.75</td><td>5.35</td><td>5.35</td></tr> <tr><td>Sep-16</td><td>4.70</td><td>5.35</td><td>5.10</td></tr> </tbody> </table> </div>				Month	Benchmark (incl margin) (%)	Budget (%)	Actual (%)	Sep-14	5.30	5.40	5.40	Dec-14	5.30	5.40	5.40	Mar-15	5.30	5.40	5.40	Jun-15	5.15	5.40	5.30	Sep-15	5.05	5.25	5.25	Dec-15	4.95	5.25	5.25	Mar-16	4.80	5.25	5.25	Jun-16	4.75	5.35	5.35	Sep-16	4.70	5.35	5.10
Month	Benchmark (incl margin) (%)	Budget (%)	Actual (%)																																								
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Jun-16	4.75	5.35	5.35																																								
Sep-16	4.70	5.35	5.10																																								
<b>6</b> Actual borrowing costs are <= budgeted borrowing costs Current month Year to date	Budget \$299,016 \$897,048	Actual \$289,247 \$854,238	✓ ✓																																								

7	Current interest rate swaps (including forward starts)	<u>Amount</u>	<u>Effective date</u>	<u>Termination date</u>	<u>Fixed rate</u> <i>(if effective)</i>
		\$			
		2,000,000	2-Mar-09	1-Mar-19	6.45%
		3,000,000	22-Sep-11	22-Sep-17	4.55%
		3,000,000	19-Jun-12	19-Jun-17	4.28%
		2,000,000	19-Jun-12	22-Mar-21	5.23%
		3,000,000	20-Jul-12	20-Oct-20	5.59%
		5,000,000	17-Jun-13	15-Mar-18	5.67%
		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%
		3,000,000	23-Mar-15	25-Mar-24	4.64%
		3,000,000	23-Mar-15	23-Sep-24	4.53%
		2,000,000	23-Sep-15	23-Sep-19	4.41%
		4,500,000	23-Dec-15	23-Sep-24	4.59%
		2,000,000	21-Mar-16	21-Mar-24	4.94%
		2,000,000	23-Mar-16	25-Sep-17	4.37%
		2,000,000	22-Jun-16	22-Jun-18	3.49%
		4,000,000	22-Jun-16	23-Sep-24	4.62%
		2,000,000	22-Jun-16	22-Jun-17	4.48%
		2,000,000	22-Jun-16	20-Mar-18	3.89%
		3,000,000	19-Jun-17	29-Mar-18	
		3,000,000	22-Sep-17	23-Sep-24	
		2,000,000	15-Mar-18	16-Sep-19	
		5,000,000	15-Mar-18	30-Jun-20	
		3,000,000	15-Mar-18	20-Oct-20	
		4,000,000	23-Sep-19	23-Mar-20	
		4,000,000	23-Mar-20	25-Mar-24	
		4,000,000	23-Mar-20	25-Mar-24	
		3,000,000	20-Oct-20	21-Oct-24	
		3,000,000	20-Oct-20	21-Oct-24	
		<b>61,500,000 Total "live" swaps</b>			
		<b>Average interest rate of live swaps</b>			<b>4.57%</b>
8	Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount			5 swaps with start periods > 24 months forward ✓ all are matched with existing swaps	
9	<u>Counterparty credit risk - swaps</u> NZ registered banks (each) - ANZ / National - ASB - BNZ - HSBC - Westpac	\$30m		\$0m \$0m \$13.44m \$0m \$0m	✓ ✓ ✓ ✓ ✓

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

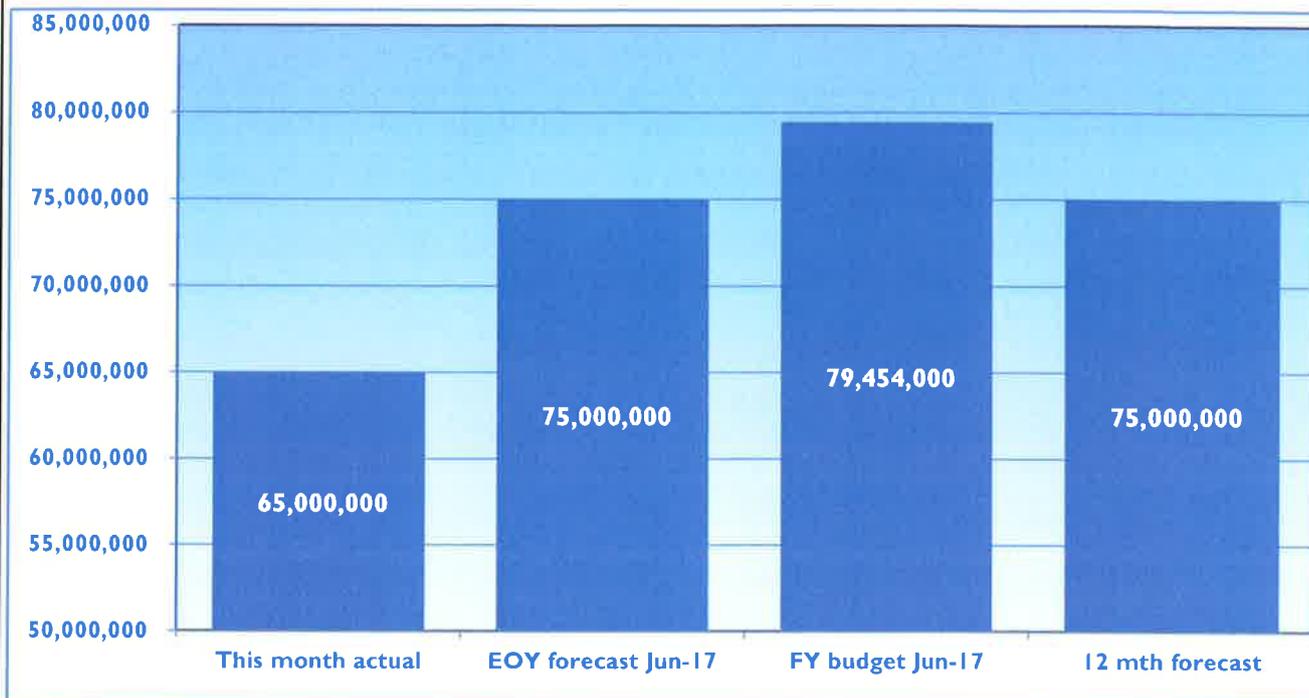
Debt period ending	\$m	Policy criteria	Actual	Within policy
Current	65	50% - 100%	95%	✓
Year 1	75	45% - 100%	77%	✓
Year 2	109	40% - 95%	51%	✓
Year 3	119	35% - 90%	42%	✓
Year 4	125	30% - 85%	36%	✓
Year 5	126	15% - 80%	32%	✓
Year 6	128	0% - 75%	29%	✓
Year 7	121	0% - 70%	28%	✓
Year 8	118	0% - 65%	5%	✓
Year 9	116	0% - 60%	0%	✓
Year 10	116	0% - 55%	0%	✓



	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	\$177m	\$65m	✓
12	Balanced budget benchmark (revenue / expenses)	>=100%	166%	✓
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>=100%	97%	x
			this non-compliance is a timing issue	
14	Debt servicing benchmark (borrowing costs / revenue) borrowing costs =	<15%	3.2%	✓
		finance expenses per statement of comprehensive revenue and expense		

15 Borrowing at September 2016

This graph depicts actual borrowing - LGFA plus bank (BNZ).

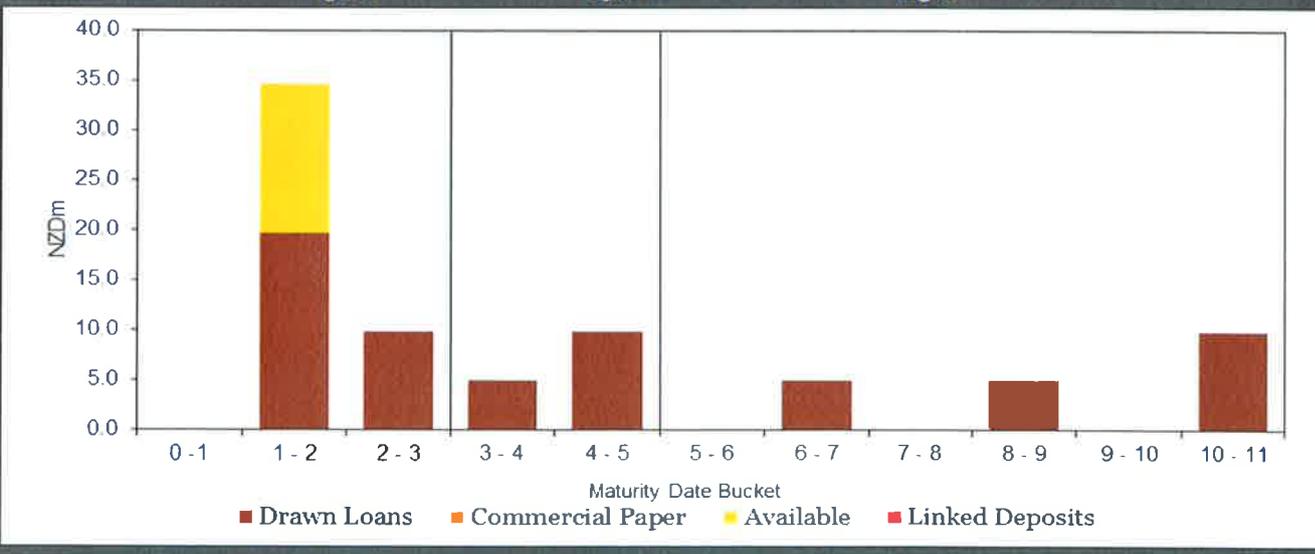


16 Actual monthly borrowing is within end-of-year budget	\$79,454,000	\$65,000,000	✓
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17 The maturity profile of the total committed funding in respect of all loans and committed facilities			
0 to 3 years	15% - 60%	56%	✓
3 to 5 years	15% - 60%	19%	✓
5 years plus	10% - 40%	25%	✓

**30-Sep-16 Waikato District Council**  
 Committed Loan/Stock/Facilities/Investments \$84.1m Policy Liquidity Ratio >= 110%  
 Current External Debt \$64m Current Liquidity Ratio 131%  
 Current Net Debt (ex pre-funding) \$58.9m 12 month Peak Net \$75m

<b>0 - 3 years</b>	<b>3 - 5 years</b>	<b>5 years plus</b>
15% - 60%	15% - 60%	10% - 40%
56%	19%	25%



<b>18</b>	<b>Financial assets</b>			<b>\$'000</b>
	<i>Share investments held for strategic purposes</i>			
	Local Authority Shared Services Limited			219
	Waikato Regional Airport Limited			2,639
	Strada Corporation Limited			4,500
	NZ Local Government Insurance Corp Limited			59
	<i>Investments held to reduce the current ratepayer burden</i>			
	Community loans as below			2
	<i>Short-term investments held for liquidity &amp; working capital requirements</i>			
	Bank & cash balances			1,342
	Short-term bank deposits			5,100
	<b>Total investments</b>			<b>\$8,761</b>
	For treasury purposes, LGFA borrower notes are netted off against related borrowing			
<b>19</b>	<b>Community loans</b>			
	<b>Borrower</b>	<b>Current balance \$\$</b>	<b>Maturity date</b>	<b>Interest rate</b>
	Tamahere Hall Committee	199,976	Jun-22	all at 6.34%
	Te Kowhai Hall Committee	28,279	Jun-21	
	Woodlands #1	0	Aug-16	
	Woodlands #2	35,203	Jun-19	
	Tauhei Hall Committee	12,318	Jun-20	
	Opuatia Community Centre	7,000	Dec-20	ex Franklin loans all at 0%
	Glen Murray Community Hall	15,000	Dec-18	
	Onewhero Society of Performing Arts	3,300	Dec-18	
	Pokeno School Board of Trustees	2,000	Dec-16	
		<b>\$350,280</b>		
	<b>Policy criteria</b>	<b>Policy limit</b>	<b>Actual</b>	<b>Within policy?</b>
<b>20</b>	<b>Counterparty credit risk - investments</b>			
	NZ Government	unlimited	\$0m	✓
	NZD resistered supranationals	\$20m	\$0m	✓
	LGFA	\$20m	\$1.04m	✓
	NZ registered banks (each)	\$10m		
	- ANZ / National		\$1.28m	✓
	- ASB		\$1.28m	✓
	- BNZ		\$1.28m	✓
	- HSBC		\$0m	✓
	- Westpac		\$1.28m	✓
<b>21</b>	Council currently acts as guarantor for:	there are no guarantees in place at reporting date.		

	Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017	Mar-2017	Apr-2017	May-2017	Jun-2017	Jul-2017	Aug-2017	Sep-2017
<b>Cash opening balance</b>	<b>5,493,772</b>	<b>5,435,382</b>	<b>1,556,652</b>	<b>2,229,811</b>	<b>1,086,935</b>	<b>4,422,597</b>	<b>2,732,209</b>	<b>1,058,380</b>	<b>1,778,198</b>	<b>5,522,608</b>	<b>1,980,399</b>	<b>1,302,609</b>
<b>Cash in</b>												
Operating income	7,900,646	7,983,182	6,256,270	21,031,171	8,347,274	6,279,656	9,162,246	20,961,430	6,185,192	6,381,938	5,982,859	20,917,783
Interest & dividends	20,000	8,000	5,000	5,000	20,000	10,000	5,000	5,000	6,000	5,000	6,000	5,000
Capital income	1,104,985	2,083,736	1,943,423	1,270,568	1,250,945	1,821,221	847,478	369,840	247,562	227,630	901,918	901,918
Borrowing	-	-	9,000,000	-	5,000,000	5,000,000	2,000,000	-	5,000,000	2,000,000	1,000,000	-
GST refund	1,762,350	1,778,050	-	2,853,875	1,797,245	1,597,250	-	2,242,955	2,785,834	912,584	969,278	1,095,153
<b>Total cash in</b>	<b>10,787,980</b>	<b>11,852,967</b>	<b>17,204,693</b>	<b>25,160,614</b>	<b>16,415,464</b>	<b>14,708,127</b>	<b>12,014,724</b>	<b>23,579,225</b>	<b>14,224,588</b>	<b>9,527,152</b>	<b>8,860,055</b>	<b>22,919,854</b>
<b>Cash out</b>												
Operating expenses	6,235,304	6,042,493	6,817,167	6,388,116	6,139,657	6,109,839	6,084,113	6,140,026	6,146,827	6,522,649	6,102,619	6,758,899
Borrowing costs	191,440	10,478	740,925	189,933	8,791	729,336	147,439	60,363	759,369	225,151	14,656	887,496
Capital expenditure	3,350,000	8,615,073	8,973,442	6,023,780	6,096,897	8,861,096	7,457,001	4,835,774	2,601,185	5,722,082	2,873,275	3,733,799
Loan repayments	-	-	-	9,000,000	-	-	-	7,000,000	-	-	-	3,000,000
GST payment	1,069,625	1,063,654	-	4,701,662	834,456	698,245	-	4,823,244	972,798	599,478	547,294	2,915,146
<b>Total cash out</b>	<b>10,846,369</b>	<b>15,731,698</b>	<b>16,531,534</b>	<b>26,303,491</b>	<b>13,079,801</b>	<b>16,398,516</b>	<b>13,688,552</b>	<b>22,859,407</b>	<b>10,480,178</b>	<b>13,069,361</b>	<b>9,537,845</b>	<b>17,295,340</b>
<b>Change in cash</b>	<b>(58,389)</b>	<b>(3,878,730)</b>	<b>673,159</b>	<b>(1,142,877)</b>	<b>3,335,663</b>	<b>(1,690,389)</b>	<b>(1,673,829)</b>	<b>719,818</b>	<b>3,744,410</b>	<b>(3,542,209)</b>	<b>(677,790)</b>	<b>5,624,514</b>
<b>Cash closing balance</b>	<b>5,435,382</b>	<b>1,556,652</b>	<b>2,229,811</b>	<b>1,086,935</b>	<b>4,422,597</b>	<b>2,732,209</b>	<b>1,058,380</b>	<b>1,778,198</b>	<b>5,522,608</b>	<b>1,980,399</b>	<b>1,302,609</b>	<b>6,927,123</b>

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### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	04 November 2016
<b>Prepared by</b>	Shannon Kelly Youth Engagement Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1636360
<b>Report Title</b>	Update on Youth Engagement

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to update the Strategy & Finance Committee on youth engagement initiatives happening in the district in relation to Council's Youth Engagement Plan which was adopted in August 2015.

## **2. RECOMMENDATION**

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

## **3. BACKGROUND**

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Council adopted the Youth Engagement Plan on 10 August 2015. The Youth Engagement Plan focuses on how Council and its Community Boards and Community Committees can give young people a voice in local decision-making structures.

The key objectives of the Youth Engagement Plan are:

- Giving young people a voice in local decision-making.
- Building the confidence of young people to engage in local government matters.
- Helping to ensure that the views of youth are considered in community planning matters.
- Helping to create a cadre of future leaders.

Council's 2020 challenge is to have the most engaged community in New Zealand. The Youth Engagement Plan helps towards achieving this by better integrating young people into our communities and giving them a platform to air their views at a local governance level.

Waikato District Council (“WDC”) consulted communities about youth initiatives and concerns and a plan was developed from that consultation. The Waikato Social Sector Trial (“WSST”) funded the WDC Youth Engagement Plan which is aimed at improving outcomes for young people aged 12–18 years in the towns of Huntly, Ngaruawahia, and Te Kauwhata initially, and then gradually rolled out to other towns. The key interventions and progress from the Youth Engagement Plan are in the report below.

#### Ministry for Social Development Sector Trials

The Ministry for Social Development (“MSD”) Social Sector Trials officially closed for the Waikato region on 30 June 2016. As a result of these closures, the youth coordinator roles in youth hubs in the Waikato ceased. These coordinators were responsible for the running and co-ordinating the Youth Action Groups in Huntly and Te Kauwhata, and recruiting members in the area.

After the closure of the WSST Council resolved to create a Youth Engagement Advisor position to support the implementation of the Youth Engagement Plan and build the capacity of local youth action groups to work with Community Boards and Committees. Since then the Youth Engagement Advisor has re-established the Youth Action Groups in Te Kauwhata and Ngaruawahia, and is in the process of helping the Huntly community to do the same. Work has also started with the Pokeno Community Committee and the Onewhero-Tuakau Community Board to establish a working relationship with local Youth Action Groups.

#### Implementation of Youth Engagement Plan across the Waikato District

Since June 2016, the Youth Engagement Advisor has met with community members, Councillors and community groups to discuss and support their aspirations for young people in their communities. Interest has been received from communities in Raglan, Pokeno, Onewhero, Tuakau and Tamahere in establishing Youth Action Groups and having Youth Representatives on their Community Boards and Committees. The Youth Engagement Advisor has set out to support these communities to establish these mentoring and leadership opportunities.

Funding and capacity support will be required to support the development of these communities to support the implementation of the Youth Engagement Plan across the district. The Youth Engagement Advisor is in the process of applying to the Ministry for Youth Development (“MYD”) for funding as one avenue to support these initiatives.

## **4. DISCUSSION / UPDATE**

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### WDC Youth Awards

The Waikato District Youth Awards 2016 took place on Friday, 27 May 2016 at Hampton Downs Speedway, Hampton Downs. The purpose of the Awards ceremony was to recognise and acknowledge outstanding leadership and contribution from young people in the Waikato District. The Youth Awards was supported financially by MYD and WDC.

The awards night was a huge success. Over 100 young people were nominated throughout the district for the awards and 70 young people attended the Youth Awards ceremony. There was a good spread of nominations from across the Waikato District. Young people were presented trophies and certificates by our Councillors and enjoyed interacting with them. Media coverage of the event was very positive. The evaluation found that more promotion in Tamahere, Hukanui, and Raglan would be required for the next awards and young people wanted to include more entertainment as part of the programme.

The next Waikato District Youth Awards however is subject to funding and financial support as there is no allocated budget for this. The possibility of applying for external funding is currently being looked at. However, if funding is not forthcoming then Council could consider making an allocation for this as part of the 2018-2028 Long Term Plan together with funding for the Youth Engagement Advisor role.

#### Update on the implementation of the Youth Engagement Plan

Many of the key interventions in the Youth Engagement Plan have been implemented but the turnover in Youth Action Group representation has been a challenge especially in Te Kauwhata and Huntly. A review of the Youth Engagement Plan will be undertaken in 2017.

The Youth Engagement Advisor has met with community outside of the pilot programme to discuss and determine if Community Boards and Community Committees across the district would benefit from adopting the Youth Engagement Plan and its interventions.

Training sessions have been organised for the Youth Representatives and Youth Action Group members to learn about the Community Board and Committee process. So far Tuakau and Onewhero young people have participated in this training.

The table below provides an update on each activity identified in Council's Youth Engagement Plan with an associated status update:

Activity	Status Update
<p><b>Action 1:</b> Youth representation on Community Boards/Committees</p>	<p><u>Te Kauwhata:</u> A new representative will attend the Community Committee meeting in March 2017 (once school starts and youth representatives have been officially selected).</p> <p><u>Huntly:</u> Logan Cotter is acting as the interim Youth Action Group Coordinator until a youth action group has been established.</p> <p><u>Ngaruawahia:</u> Two youth coordinators, Antonia Van den Bemd and Wirihana Eriepa have been regularly attending Community Board meetings.</p>
<p><b>Action 2:</b> Youth Action Group representation is made up of the Coordinator and one Youth Representative</p>	<p><u>Te Kauwhata Youth Action Group:</u> The Youth Action Group was re-established in September 2016. It is meeting once a month. Four students are interested in the youth representation position – Mitchell Cotter, Pania Tata, Chelsea Gardiner and Dylan.</p>

	<p><u>Ngaruawahia Youth Action Group:</u> This is working well for Ngaruawahia. Antonia Van den Bemd has been selected as the Youth Action Group Coordinator and Wirihana Eriepa has been selected as the Youth representative.</p> <p><u>Onewhero Youth Action Group:</u> This group was recently established. Five of the seven youth members wish to be the youth representative on the Onewhero-Tuakau Community Board (“OTCB”). OTCB, at its meeting on 07 November 2016, indicated that youth who are interested would get an opportunity to be the youth representative for their group. OTCB is keen to hold a workshop to work out its own process for youth representation. The Onewhero Youth Action Group was represented by Jemimah Elley at the meeting.</p> <p><u>Tuakau Youth Action Group:</u> This Group was recently established. Three of the 12 members wish to attend Community Board meetings and represent the group. Two attended the OTCB meeting on 07 November 2016. The OTCB indicated that youth who are interested would get an opportunity to be the Youth Representative for their group. OTCB is keen to hold a workshop to work out their own process for youth representation. The Tuakau Youth Action Group was represented by Tylesha Waikato and Jacob Judge at the meeting.</p>
<p><b>Action 3:</b> Appoint a mentor from Community Board/Committee</p>	<p>Due to the recent elections, the mentoring roles have and will change. Recommendations for appointments for youth mentors are being discussed over the coming months at Community Board and Community Committee level.</p>
<p><b>Action 4</b> Taking Council to the youth</p>	<ul style="list-style-type: none"> <li>- Youth Action Group establishment conversations and presentations in Te Kauwhata, Meremere, Tuakau Onewhero, Raglan, Ngaruawahia, Huntly.</li> <li>- Youth Awards – complete.</li> <li>- Various Council departments initiating projects with Community members (i.e. Community Day held 04 November at Ngaruawahia Point) – complete.</li> <li>- Library Homework Club established in Ngaruawahia.</li> <li>- Matariki Celebration in Ngaruawahia – youth group involvement – complete.</li> <li>- Youth consultation for Ngaruawahia community facility – ongoing.</li> <li>- Various programmes with Animal Control, Economic Development, Libraries, Community Development, Placemaking – ongoing.</li> <li>- Huntly-Ngaruawahia FAN event – ongoing.</li> </ul>

<p><b>Action 5</b> The establishment of the Ngaruawahia Youth Action Group</p>	<p>Established. The Youth Action Group has called itself Embrace the Future. It meets once a month and its representatives regularly attend Community Board meetings. It is coordinated/facilitated by Antonia Van den Bemd. The group has developed a project called Frame Your Town (see Facebook page Embrace the Future). Progressing well.</p>
<p><b>Action 6</b> Establishment of a Ngaruawahia Networking group</p>	<p>Established. Facilitated by Youth Engagement Advisor. Meets once a term in a different community organisation. Have had four meetings this year. First meeting of 2017 to be held at Ngaruawahia High School. Date to be confirmed.</p>
<p><b>Action 7</b> A dedicated budget for youth engagement</p>	<p>\$20 gift cards are given to Youth Representatives for their involvement in meetings. The budget for the position of Youth Engagement Advisor is in place until June 2018.</p>

## 5. CONSIDERATION

### 5.1 FINANCIAL

Total Youth Engagement budget for salary and related cost	\$ 52,800.00
Salaries and related costs expenditure to date (October 2016)	\$ 19,213.97
General expenses to date (October 2016)	\$ 1,037.47

### 5.2 LEGAL

NIL.

### 5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The Youth Engagement Plan will help Council achieve its 2020 challenge of having the most engaged community in New Zealand by directly supporting the implementation of Council's Community Engagement Strategy. It also directly supports the Youth Development Strategy Aotearoa which is about how government and society can support young women and men aged 12 to 24 years to develop the skills and attitudes they need to take part positively in society, now and in the future.

### 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

NIL.

## 6. CONSULTATION

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The following stakeholders have been consulted:

Planned	In Progress/Ongoing	Complete	
	✓		Internal (Councillors)
	✓		Internal (Council staff)
	✓		Community Boards/Community Committees
	✓		Waikato-Tainui/Local iwi
	✓		Other (see below)

The complete group of stakeholders and role-players being engaged is broken up as follows:

- Councillors
- Council staff
- External stakeholders
  - The Ngaruawahia and Huntly Community Boards and the Te Kauwhata Community Committee
  - Other Councils and Government Agencies
  - Youth Service Providers within the district
  - Community Groups
  - Local High Schools
  - Youth Action Groups
  - Individuals with an interest in youth matters from within the community
  - Ministry for Social Development
  - Ministry for Youth Development.

## 7. CONCLUSION

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The key focus of the Youth Engagement Plan is *engagement* i.e. how to get our young people engaged by giving them a voice in local decision-making processes to help shape our communities. It is only one method of engaging with young people and creating the most engaged community by 2020. We look forward to reviewing the Youth Engagement Plan to engage with our other communities across the district and will require the support of Councillors and community members to achieve this.

## **8. ATTACHMENTS**

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- Photos of Youth Engagement initiatives 2016
- Youth Engagement Plan

## YOUTH ENGAGEMENT INITIATIVES 2016



**Present:** Onewhero-Tuakau Community Board members, Onewhero Youth Action Group and Tuakau Youth Action Group members at Onewhero-Tuakau Community Board meeting, 07 November 2016.

Community Board members and youth members networked after the meeting to appoint appropriate mentors for young people on the Community Board.



**Waikato District Youth Awards 2016:** Waikato District Council staff member Donna Tracey supporting youth volunteer, Charlotte at the Waikato District Youth Awards, May 2016.



**Ngaruawahia Regatta 2016:** Young people volunteering for Waikato District Council at Ngaruawahia Regatta 2016 regarding Youth Awards consultation.



**Youth judges for Waikato District Youth Awards 2016:** Jacob Kirifi (Head Boy Te Kauwhata College), Wirihana Eriepa (Head Boy Ngaruawahia College), Antonia Van den Bemd (Ngaruawahia Youth Action Group Co-ordinator), Logan Cotter (Huntly Community Board Youth representative), Crystal Tata (Te Kauwhata Youth Action Group Co-ordinator).



**Meremere:** Meremere youth group project planning team establishment in September 2016 to support youth initiatives in Meremere.



**Raglan Student Council:** Youth consultation and decision making with Raglan Student Council re: Youth Awards criteria and Youth Awards categories.



**Winners of the Waikato District Youth Awards 2016 “Champion of the Earth” and “Like a Boss” categories: Taupiri Youth Group with leaders Sharnay Cocup and Khan Watkins.**



**Waikato District Youth Awards 2016:** Waikato District councillors and his Worship the Mayor Allan Sanson.



**Waikato District Youth Awards 2016:** Steering Committee



**Waikato District Youth Awards 2016:** Some of the Project Team.



# YOUTH ENGAGEMENT PLAN



# The story so far...

## our Youth Engagement Plan

### The Background

Early in 2013 the Ministries of Social Development, Justice, Education and Health, and the New Zealand Police launched the Waikato Social Sector Trial (WSST) in our district. The Social Sector Trial is motivated to improve outcomes for youth aged 12–18 years in Huntly, Ngaruawahia, Raglan, Te Kauwhata and Tuakau.

A key outcome was for Waikato District Council to better engage with youth. To achieve this, we welcomed Youth Engagement Advisor, Sam Dockary to our team for three months. Sam has been tasked with developing a youth engagement plan to encourage youth in Huntly, Ngaruawahia and Te Kauwhata to participate in local decision-making and community activities. Sam's role was made possible with funding from the Ministry for Social Development.

Our 2020 challenge is to have the most engaged community in New Zealand. The Youth Engagement Plan shows how we can achieve this by better integrating young people into our communities and giving them a platform to air their views. Youth are a key group in our communities who need to be engaged. If we do not actively engage with the 13,000 youth within our district we are missing the mark on a sixth of the total population of our district. Even though youth may be too young to pay rates and are not legally entitled to vote, they still have insights into issues which are relevant to them and they are the future of our communities. Council is keenly aware of this and by working together with our community boards and community committees we are hoping to make a difference.

Currently there is some great work happening with young people in our district. There are well-established youth action groups in Huntly and Te

Kauwhata. These groups meet regularly and help make decisions from a youth perspective. But they have very little input into local level governance processes either through their own community board or community committee.

By listening to youth opinion on issues, getting them involved in community development and engaging with them, Council's 2020 challenge of being the most engaged community in New Zealand will be much easier to achieve. Engaging with youth will also greatly support Council's Community Engagement Strategy.

Engaging youth today will hopefully help build a group of future leaders and residents that are engaged with local government.

Maaori make up 24% of the total population in our district and 31% are youth aged between 10 and 24. This makes Maaori youth a key group that Council wants to make a positive impact on.

Creating a district where youth feel valued and engaged in local government matters will encourage youth to stay, potentially retaining social capital. This means that new skills acquired by youth through learning and training would be retained in our district and more people would be proud to continue living in the Waikato district.

## The purpose of the plan

This Youth Engagement Plan focuses on how Council and its community boards and community committees can give youth a voice in local decision-making structures. The assumption is that young people will start taking more of an interest in local government matters if they feel that their opinions on relevant issues matter. The youth of today are the leaders of tomorrow. They are an important interest group in our community and it is important that they feel that they are heard as well as listened to. They are often the eyes and ears of our community and have a lot to contribute to its development.

### **This plan contains:**

- ***The story behind the plan.***
- ***How it has been developed.***
- ***The key findings from the consultation process.***
- ***What can be done to address the issues raised.***

### **The key points to this plan:**

- ***Giving young people a voice in local decision-making.***
- ***Create confidence in young people to be able to have a voice.***
- ***To help shape our community's to be more youth-focused.***
- ***To create a specific group of future leaders.***

***This plan is the foundation document, alongside which other plans could be developed and possibly lead a number of future developments, including potentially permanent youth representation on community boards, establishment of youth councils, national youth conferences and online youth collective forums.***

## Developing the plan

Development of the Youth Engagement Plan has been led by Council's Youth Engagement Advisor, Sam Dockary. Sam has been supervised by Council's Planning & Strategy Manager, Vishal Ramduny, and Ministry of Social Development's Waikato Social Sector Trial Manager, Kodi Hapi. Council's Community Development Co-ordinator, Lianne van den Bemd, has also worked closely with Sam on this project and has accompanied Sam to many internal and external meetings. Additional support has been provided by Council's Corporate Planner, Maria Edgar.

This plan has been developed based on consultation with Community Boards and Committees, Councillors, Waikato District Council staff, other Councils, Government agencies, high schools, youth providers and youth action groups in Huntly, Ngaruawahia and Te Kauwhata. These discussions have shaped the plan to what it is.

## Issues/problems

### **The plan has set out to address the following:**

- ***Limited engagement by youth in the district with community groups and Council-run community boards and committees. As a consequence of this youth are not having a say in decisions that affect them.***
- ***A sense of disengagement of youth from the wider community.***

## Plan Objectives

**The key objectives of the Plan are:**

- *To provide youth in Huntly, Ngaruawahia and Te Kauwhata a voice in local (community board and community committee) decision-making.*
- *To help youth understand they have an important role to play in shaping their communities.*
- *To help build a group of future leaders.*

## Benefits of the Plan

**The key benefits of the Plan are:**

- *Give youth the opportunity to have a say in matters that affect them now and in the future.*
- *Boost morale and pride amongst youth knowing that they have had the opportunity to provide input into decision-making.*
- *Help create a generation of future leaders who understand the role of Council and how they can contribute.*
- *Youth benefit by gaining skills, knowledge and self-esteem.*
- *Foster a sense of connectedness amongst youth.*
- *Adults benefit by enhancing their own competencies, learning to better understand and value youth, and increasing their commitment and energy to their organisations.*
- *Organisations benefit by improving their programmes, gaining community recognition, and attracting funders.*
- *Communities benefit by improving quality of life, coordinating youth services and authentically embracing diversity by representing young people.*

## Stakeholder & roleplayer engagement

The plan was developed in consultation with youth service providers and key members of the community. Regional, district and local stakeholders were engaged and asked to provide feedback on the aims and objectives of the engagement.

Community consultation meetings were held during May and June 2015 in Huntly, Ngaruawahia and Te Kauwhata. Almost 50 community members participated in the meetings where the concept of a youth engagement plan was discussed.

An online youth survey was undertaken, providing valuable information from young people in regards to their understanding of the work Council does, their community and their needs.

The complete group of stakeholders and roleplayers engaged can be broken up to:

- **Councillor**
- **Council staff**
- **External stakeholders:**
  - Huntly Community Boards
  - Ngaruawahia Community Board
  - Te Kauwhata Community Committee
  - Local iwi
  - Community groups
  - Local high schools
  - Youth action groups
  - Youth service providers within the district
  - Individuals with an interest in youth matters from within the community
  - Ministry for Social Development
  - Ministry for Youth Development
  - Other councils and government agencies

## Key stakeholder groups

The graphic below demonstrates that if all stakeholders and roleplayers work well together it will maximise benefits for youth and foster unity within households and the community.



Source: MSD, Social sector trial graph, 2013.

## Key findings

Consultation with the Huntly and Ngaruawahia Community Boards, the Te Kauwhata Community Committee, youth action groups and other members of the community helped us identify key issues.

Meetings with agencies and community groups who are involved directly with youth in the three communities also helped shape the plan.

The findings of this engagement have been grouped together into key themes.

Three distinct themes have emerged.

### Disconnected

- Many young people do not know what council does.
- Facebook can be a key communication tool between Council and youth. Youth aren't aware that they can use Facebook to communicate with Council.
- Mentoring and support is required to keep youth on track and motivated.

- Youth feel there is no support to help them get involved in local decision-making bodies.
- Youth don't know how Council meetings work or how to make submissions on important Council planning documents such as the Long Term Plan.

### Inactive

- There is currently no youth representation on the Huntly Community Board and the Te Kauwhata Community Committee.
- There is currently no youth action group in Ngaruawahia.
- Training is needed to upskill youth in personal and professional development.
- Lessons are not shared by youth across community boards/committees due to a lack of youth representation.
- Youth feel there is no support to help them get involved in local decision-making bodies.

## Unsustained

- The sustainability of youth engagement initiatives is a concern. The lack of funding often means ideas are not implemented.
- Many youth organisations are not aware that they can access funding from the community board, community committee or from Council discretionary funds.
- Lack of continuity in youth leadership – no rewards for their time and effort.
- The current Youth Engagement Advisor role is a good initiative by Council and the Ministry for Social Development. How can this be sustained and the good ideas that have emerged implemented?

## Key findings

### Disconnected to connected

#### **Intervention One:**

#### **Youth representation on the Te Kauwhata Community Committee, Huntly Community Board and Ngaruawahia Community Board.**

It's clear that youth want to be involved in community matters but feel powerless because they're seen as either too young or not interested.

One of the key recommendations is for the Huntly Community Board, Ngaruawahia Community Board and Te Kauwhata Community Committee, to appoint a youth representative from the local youth action group, to air views from a youth perspective.

#### **Intervention Two:**

#### **Youth representation is made up of a local Youth Action Group Co-ordinator and a Youth Action Group Representative (two youth members on the community board or community committee).**

Youth aged between 16-24, who live in the community, have the opportunity to join their local youth action group. They will identify issues and share ideas with the community board/committee and advocate on those issues. The youth action groups will speak on behalf of all youth within the

community and will be the voice of your people on the community board or committee.

The youth action groups will discuss relevant issues from the monthly board/committee agenda prior to their meetings at least four times a year. The youth representatives will present the issues on a quarterly basis in the form of a report to the board/committee.

Youth will not have any voting rights on the boards but they will have the opportunity to have a voice. A quarterly report will be provided to the respective community board or committee on the issues found in the agendas and anything else the action group wish to put forward. The Youth Action Group Co-ordinator will also write a report to Council (the Strategy & Finance Committee) regarding the progress of the action group and how they feel being on the community board/committee is working. Along with a yearly survey to the community boards/committee and the youth action groups, this will help with monitoring project outcomes.

#### **Intervention Three:**

#### **A mentor is identified from within the Te Kauwhata Community Committee, Huntly Community Board and Ngaruawahia Community Board to support and guide the youth representatives at meetings and be a general point of contact.**

The mentor needs to be an elected member of the community board/committee. The mentor will be responsible for ensuring that the youth representative is well supported through the meeting and that they have the opportunity to share their ideas. The mentor will be a "go to" person for any issues or questions that the youth action group representatives may have. Once the board/committee adopts this engagement plan, a mentor should be identified by the time of its next meeting.

#### **Intervention Four:**

#### **Taking Council to the youth.**

- Open days at Waikato District Council for youth to gain an understanding of what council does.

- An annual session at each of the high schools in the district which the local ward councillor can host and share their experiences of being a councillor.
- Run workshops for the youth action group members in each town to build the relationship between community boards and committees, council staff and youth. These meetings will enable young people to ask questions about issues relevant to their community. Council staff can also provide an overview on how submissions to Council can be made.
- Bring awareness to youth around the importance of having a voice for and giving a vote for the candidate that has their best interests in mind.
- Generate awareness around the importance of voting in local and national elections and the impact it has on our lives.

### **Inactive to active**

#### **Intervention Five:**

#### **A youth action group be established in Ngaruawahia.**

- Linking the youth of Ngaruawahia, and encouraging participation in the setup of a Ngaruawahia Youth Action Group.
- Making sure the youth action group is representative of youth belonging to different organisations and groups, even to those that do not attend school in Ngaruawahia. We propose that this youth action group is modelled on the Huntly and Te Kauwhata groups.
- While the Ngaruawahia Youth Action Group is being established, the current youth representative on the Ngaruawahia Community Board, Salem Waters, will continue to be supported and strengthened.

#### **Intervention Six:**

#### **Establish a Ngaruawahia service providers networking group, to discuss relevant youth issues within the sector and to support the youth action group.**

- This group should consist of anyone who is interested in working with or helping

young people. These organisations should have a youth focus e.g. services providers, parents, youth workers, high schools, Council, government agencies etc.

- The group meets regularly to discuss relevant issues involving youth and their community. This group is required to work together for the benefit of youth in the community.
- This group will support the running of the youth action group and provide assistance where needed.
- This group should follow the current model of the Raahui Pokeka Rangatahi networking group which meets once a month in Huntly.

#### **Intervention Seven:**

#### **A dedicated budget for advancing youth engagement.**

This budget is for the costs associated with the youth action group representatives and also the youth action groups in each community.

Community boards and committees members are paid for their service. What they do with their funds is up to them, some put them back into the board's/committee's discretionary fund.

If we want young people to share their opinions and be the voice of youth then we need to acknowledge the time and effort they will be putting in. Young people's needs and comprehension of community service and volunteering can be difficult to work with, so by asking a young person to give up time without reward may not work. This fund would help the youth action groups to function well and would encourage young people to attend such meetings.

#### **Rewarding the efforts of the youth action group representatives**

It is proposed that a payment in the form of a \$20 gift voucher be given to each of the two youth action group representatives (the Youth Action Group Co-ordinator and Youth Action Group Representative) for each community board/committee meeting they attend. This is not an incentive to serve the community, but rather a reward for the time and effort put into the community.

It is proposed that the funds be provided from a new budget which will sit under the Strategy and Support Group General Manager. \$400 per year for each community board/committee will be required (\$20 per person per meeting (10 meetings altogether) for the two youth action group representatives). This will equate to \$2800 across the seven community boards/committees per annum.

### Youth action group meeting costs

The youth action group will be meeting quarterly. Any expenses the group may need to be met e.g. meeting room hire, costs of food for the meetings, resources etc. These costs will be approximately \$1800 per year. This will cover all five community boards and two formally recognised community committees.

### A permanent Youth Engagement Advisor position within Council

The arrangement that Council had with the Ministry for Social Development with regards to employing a Youth Engagement Advisor ended on 30 June 2015. It is important the momentum that has been generated by the work done so far continues through the implementation of the Youth Engagement Plan. Council should consider sourcing additional funding so the Youth Engagement Advisor position can be continued until the end of the 2015/16 financial year. If this role proves successful and the desired outcomes of the plan realised, it is proposed that this position be made permanent.

## Measuring success

### How will we know if this plan is successful?

- By gauging the meeting frequency of the youth action groups.
- By gauging the interest shown by youth in the action groups and in the topics and issues discussed with the community board/committee.

- Attendance by youth action group co-ordinators and youth action group representatives of the Huntly and Ngaruawahia community boards and the Te Kauwhata committee meetings and their contribution to the discussions.
- Quarterly reports provided to each of the community boards/committees by the youth action group co-ordinators.
- Feedback from the youth action group co-ordinators and youth action group representatives on the mentoring provided by their respective mentors.
- Feedback from each community board/committee about the benefits of youth representation in the development of their community and in their decision-making processes.
- Increased participation from youth in local community events.
- An increase in youth initiatives/projects run by the youth action groups and their community board/committee.
- Annual youth survey.

## Conclusion

The Youth Engagement Plan can only achieve its goals if there is commitment from all parties.

This includes Council, each community board or committee, the youth action groups, youth service providers, high schools and community groups.

Using an analogy from the Maaori model for health and well-being - Te Whare Tapa Wha - the symbol of the whareniui illustrates the four dimensions of Maaori well-being (akin to the four walls of a house). Should one of the four dimensions be missing or in some way damaged, a person, or a collective may become 'unbalanced' and subsequently unwell (in other words, the house will collapse).

The projected outcomes sought will not be successfully met if, for instance, a youth action group stops meeting (then there will be no youth voice). In the same way, if funding is stopped youth action groups may not have a venue to meet and the youth representative may not attend community board or community committee meetings as they may feel they are not being valued.

The key to this plan is engagement i.e. how to get youth engaged through giving them a voice in local decision making processes. If this engagement plan succeeds in the pilot communities of Huntly, Ngaruawahia and Te Kauwhata, it will then be rolled out to other community boards and committees in our district.

This Plan will be updated on a regular basis. It forms the foundation document for future youth engagement initiatives.

**The future possibilities for youth engagement could be:**

- A Youth Forum – youth action groups coming together to discuss youth events in their communities and to network with each other.
- The possible establishment of a Youth Council (if deemed feasible) – responsible for fostering networks and building relationships with decision makers in order to influence change for young people at a local council level.
- Youth conferences - hosting or attending youth conferences, for those that are involved in local, regional and national decision making, for personal and professional development purposes.

**These are just some of the possibilities which can be explored through future reviews of the Youth Engagement Plan.**

**However, first things first. Let's give our youth a voice – then the possibilities will be endless.**

# Appendices

## Appendix One: Person specifications for youth action group members, the youth action group representative and the youth action group co-ordinator

### Youth action group members

Youth action group members should be 12 – 24 years of age and from their respective communities.

Some of the key qualities a youth action group member should possess include:

- Committed to wanting to help give a youth voice.
- Passionate about change.
- Being a team player.
- Approachable and friendly.
- Willing to attend and contribute to youth action group meetings.
- Punctual.

### Youth action group representative (on community boards or committees)

Youth action group representatives should ideally be between 16 – 24 years of age. They too should possess the qualities required of the youth action group member plus the following:

- Good people skills.
- Good communications skills.
- Be presentable.
- Able to relate in a professional manner with community boards or community committee members.
- Is respected by his/her peers and willing to represent youth and the issues they have.
- Reliable and proactive.

- Willing to be mentored by the nominated youth mentor on the community board/ committee and by the Youth Action Group Co-ordinator.

### Youth co-ordinator

The Youth Action Group Co-ordinator should ideally be 16 years and older. Some of the key qualities that s/he must have include:

- Relatable to young people.
- Good facilitation and communication skills.
- Good organisational skills.
- Good time management.
- Being a role model for the youth.
- Able to bring the different members of the youth action group together for regular meetings.

## Appendix Two: Individuals and groups consulted throughout the development of this plan

### Community groups/providers

#### Ngaruawahia

- Ngaruawahia Community Board
- Nga Tu Tangata
- Nga Miro
- Ngaruawahia Community House
- Ngaruawahia High School
- Turangawaewae Marae – Rangatahi Rep
- Community members - David Ivory
- St John's Ambulance Cadet leader

#### Huntly

- Huntly Community Board
- Waikato District Health Board - Emily Kerr, Lyn King
- Huntly in Action - Lila Tekani
- Inspire Hub Huntly – Amy Henderson
- Huntly Youth Action Group
- Huntly College
- Huntly Library
- Volunteering Waikato - Lorraine Hooper
- Te Ahurei A Rangatahi - Potaea Maipi, Letari Paku

- Kaitumutumu Marae – Rangatahi Rep
- Community members - Kelley Mara, Chick Rameka, Lorna Hambleton, Yve Heanga, Michelle Doak
- Waahi Whanui (invited)
- All Marae (invited) - Te Ohaaki Marae, Waahi Pa, Maurea Marae, Horahora Marae, Kaitumutumu Marae

#### **Te Kauwhata**

- Te Kauwhata Community Committee
- DISC – Community House
- Events Committee
- St Andrew’s Church
- St Margaret’s Church
- Te Kauwhata College
- Youth Centre - youth action group
- Community members - Debbie Tonks, Richard Stewart, Ann Cooper
- Waikare Marae (invited)

#### **Waikato District Council Councillors**

- Allan Sanson (Mayor)
- Dynes Fulton (Deputy Mayor)
- Clint Baddeley (Raglan Ward Councillor)
- Jacqui Church (Awaroa ki Tuakau Ward Councillor)
- Rosemarie Costar (Onewhero-Te Akau Ward Councillor)
- Janet Gibb (Ngaruawahia Ward Councillor)
- Wally Hayes (Tamahere Ward Councillor)
- Shelley Lynch (Huntly Ward Councillor)
- Rob McGuire (Eureka Ward Councillor)
- Lionel Petersen (Awaroa ki Tuakau Ward Councillor)
- Jan Sedgwick (Whangamarino Ward Councillor)
- Noel Smith (Newcastle Ward Councillor)
- Moera Solomon (Ngaruawahia Ward Councillor)
- Graeme Tait (Huntly Ward Councillor)

#### **Waikato District Council Staff**

- Gavin Ion (Chief Executive)
- Tony Whittaker (General Manager Strategy and Support)
- Sue Duignan (General Manager Customer Support)

- Tim Harty (General Manager Service Delivery)
- Vishal Ramduny (Planning and Strategy Manager)
- Lianne Van Den Bemd (Community Development Co-ordinator)
- Kurt Abbot (Organisational Planning & Project Support Team Leader)
- Maria Edgar (Corporate Planner)
- Marae Tukere (Iwi & Community Partnership Manager)
- Jeff Myles (Project Management Advisor)
- Andrew Corkill (Asset Management Team Leader)
- Anne Beex (Communications Manager)
- Erin Rangi-Watt (Senior Communications Advisor)
- Nicole Nooyen (Communications Advisor)
- Nadine Rogers (Communications Assistant)
- Clive Morgan (Economic Development Manager)
- Alison Diaz (Finance Manager)
- Jenni Vernon (Strategic Planning and Resource Management Team Leader)
- Donna Tracey (Strategic Planning Analyst)
- Betty Connolly (Senior Policy Planner)

#### **Ministry for Social Development**

- Kodi Hapi (Ngati Haua, Ngati Pukenga - Waikato Social Sector Trial Manager)
- David Ivory (Waikato Social Sector Trial Co-ordinator)

#### **Ministry for Youth Development**

- Rob Griffiths (Youth Participation Advisor)

#### **Other Territorial Local Authorities**

- Waipa District Council
- Auckland Council

## Appendix Three: Specific input derived from each of the pilot communities

### Theme: Disconnected

#### Ngaruawahia

- The youth action group should be informed on how to make a submission to council.
- Facebook should be the key element in communication between Council and young people, a Facebook page will be started by youth co-ordinator and the youth action group to communicate easily to each other and to other young people .
- There are a lot of young people who are community minded and will be willing to join the action group.
- Need to make the roles clear to all parties involved on what they are to do/how it all works, especially the young people, keep it simple.

#### Huntly

- Keep the meetings short and not complex or they will get bored and not want to attend.
- An awesome opportunity for the community and good for community engagement.
- This will be beneficial in the development of Huntly and its young people.

#### Te Kauwhata

- A personal approach with youth members is needed to make it relevant and real.
- A diverse range of young people are needed to successfully hear all aspects on a topic or issue.
- Training the young people in professional development and also how the meetings work, what to do, how to make submissions to Council etc.
- Facebook is a key communication tool for young people and can be used to share community events of interest to youth or general community events. Youth can also share events on each other's pages.

- Good for community engagement.
- Open the youth action group up to any young person who is willing to share ideas. Do this during school lunch time to get the biggest audience.
- The group needs strong community and Council support.
- All community groups and members are backing the idea of giving youth a greater voice, as they are key for the future development of this country.
- Great idea of having a youth voice and representatives, but they need mentoring and support to keep on track.

### Theme: Inactive

#### Ngaruawahia

- Currently there is no Youth Action Group for Ngaruawahia and the community would like one started.
- A youth focused, networking group be established for service providers to discuss relevant youth issues and events within their community.
- Love the idea, but want to see it go forward and happen, rather than it being just another good idea from Council.

#### Huntly

- Have food at meetings and make them different, not just writing ideas down, but explore different options.
- Two youth representatives will be better than one, as they can support each other and bounce ideas etc and they won't feel alone in the room with older members.
- Training is needed to upskill the young people in personal and professional development.

#### Te Kauwhata

- Have two youth representatives to support each other at the meetings in addition to the Youth Action Group Co-ordinator.

- The representatives should attend each meeting and be involved in meeting procedures.
- The youth representatives and co-ordinator should be able to speak about relevant issues at the start of the meeting and then be able to leave once all relevant topics are discussed.
- The young people need to know that all decisions take time and nothing will be done immediately. They need to be prepared for that.
- That the high schools allow the space and time to hold meetings to support the youth action group to fulfil its responsibilities. Other support could be through speaking to other students about the topics, handing out and receiving surveys, speaking in assemblies etc.
- Approach from a solutions-based plan e.g. graffiti clean-up costs more than graffiti prevention. Having the help at the top of the cliff rather than the ambulance at the bottom.

**Theme: Unsustained**

**Ngaruawahia**

- Funding is a concern, who is funding the group and for how long, also what for?

**Huntly**

- Is it sustainable and will it carry on if there is no youth engagement advisor through Council?
- Is there funding available for the group to access if they want to put on events or a project?

**Te Kauwhata**

- If the youth representative only stays on for 12 months, it will be difficult to keep the ball rolling, as training of new representative would have to happen each year and will restart the process of the relationship building again – keep youth representatives on for a three year term if they are successful.

- Sustainability? Can this initiative be successful? Are there any funds available for the group for food and for meetings? What about payment for members and representatives, training etc. If there is funding, there needs to be a continuation of this so it doesn't fall over after a short time and hard work isn't ruined. Funding is key to the success of this venture, shifting the focus from clean up, to prevention.
- Continuation of leadership, who is going to carry it on if someone is away or not present in the community anymore.

## Appendix Four: Youth Engagement Budget for 2015/16

Council will be seeking further funding for the roll out of the Youth Engagement Plan including the role of the Youth Engagement Advisor in supporting this.

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**Task:** Roll out of the Youth Engagement Plan

**Committed (for 2015/16):** \$15,000

**Source:** Ministry of Social Development

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**Task:** Roll out of the Youth Engagement Plan

**Committed (for 2015/16):** \$20,000

**Source:** Waikato District Council

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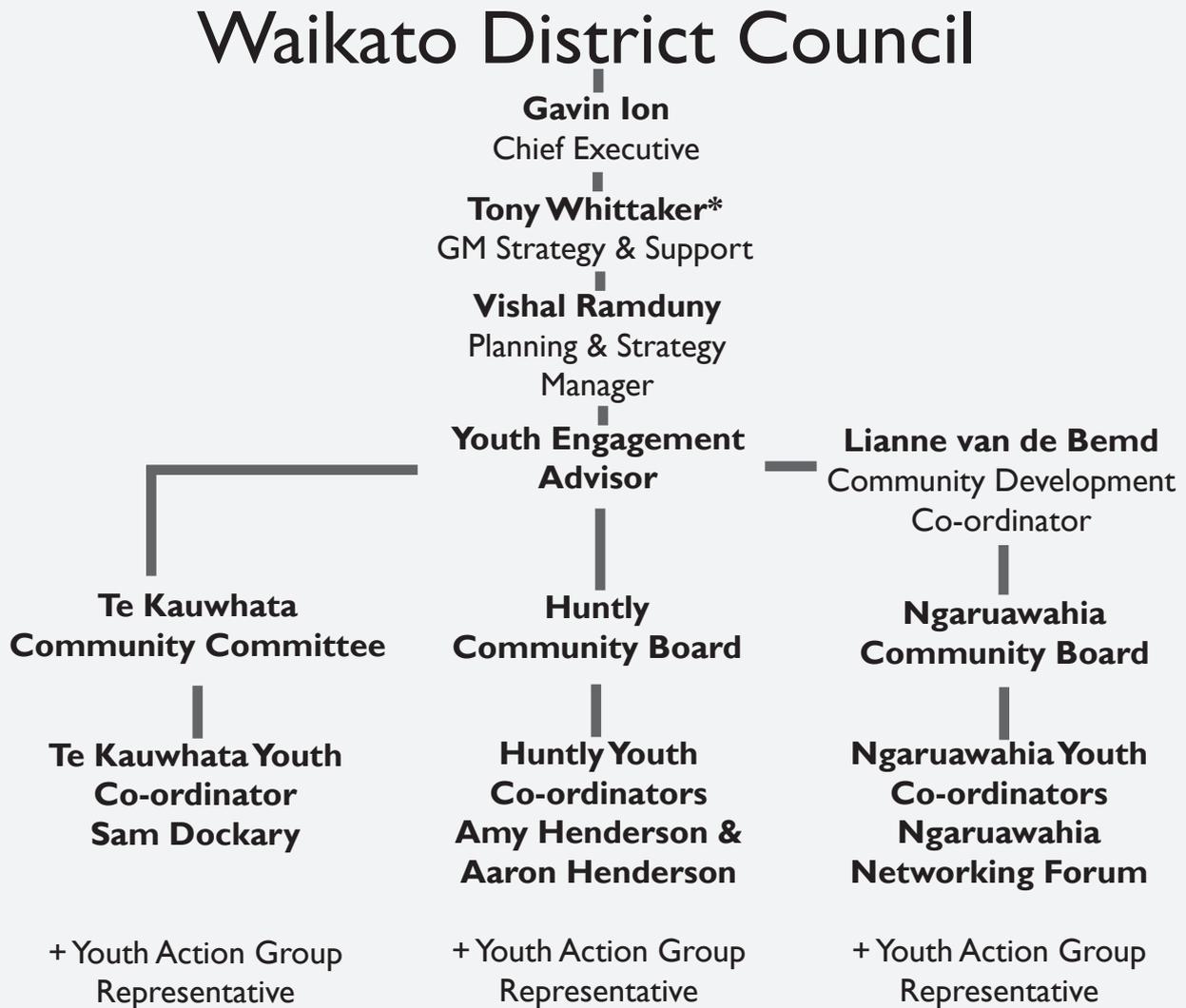
**Task:** Youth awards and support to facilitate youth events in accordance with the Youth Engagement Plan

**Committed (for 2015/16):** \$15,000

**Source:** Ministry for Youth Development

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## Appendix Five: Main accountability oversight for youth engagement between Council and Community Boards and Committees



\* Whilst the General Manager for Strategy & Support will have GM oversight for youth development the General Managers for Customer Support (Sue Duignan) and Service Delivery (Tim Harty) will also maintain oversight with regards to the respective community boards/committees they have been assigned to.

## Appendix Six: Quotes in support of youth engagement

“Young people live in a community where they are recognised, valued and supported to fulfil their potential and aspirations.” – **Ministry of Social Development, Waikato District Youth Action Plan, Social Sector Trials, 2013.**

“Restless Development reaches out to young people in a unique way; from the youth to the youth, so the messages aren’t lost in a generation gap.” – **Restless Development, Youth Engagement Strategy, 2012 – 2015.**

“Despite their numbers, passion and experience, the voices of young people often go unheard. Young people - both in the global North and South - rarely have the opportunity to inform development policy and practice. Young people have the right to be heard.” - **Restless Development, Youth Engagement Strategy, 2012 – 2015.**

“We recognise that young people have the right to be involved in decisions that affect them and that they are best placed to make informed decisions.” – **Restless Development, Youth Engagement Strategy, 2012 – 2015.**

“Youth formal (positional) and non-formal (non-positional) leaders:

- Help other young people to identify their own needs and those of their communities.
- Advocate for vulnerable and marginalised groups.
- Share information, transfer skills and knowledge to their peers and to adults.
- Encourage other young people to take a leadership role in their communities.
- Act as the link enabling young people to work with others at different levels of the community.”

**Restless Development, Youth Engagement Strategy, 2012 – 2015.**

“Strong youth for strong national societies and safe and resilient communities. Youth doing more, doing better, and reaching further.”

**Red Cross and Red Crescent Society, Youth Engagement Strategy, 2013.**

### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	03 November 2016
<b>Prepared by</b>	Shelley Monrad Corporate Planner
<b>Chief Executive Approved</b>	Y
<b>DWS Document Set #</b>	GOV1318 / 1632147
<b>Report Title</b>	Community Engagement Update

## **I. EXECUTIVE SUMMARY**

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

Some of these engagement initiatives are as follows:

#### Completed

- Freedom Camping Bylaw
- Neighbourhood Parks Reserve Management Plan
- Trails strategy
- Plaques, Memorials and Monuments Policy
- Elections
- Dog exercise area bylaw review (Tamahere and Pokeno)
- Annual Report 2016/17
- Plan Change 8 (Technical Amendments)

#### In Progress

- Speed Management Plan – Speed Bylaw review
- North Waikato Passenger Transport Review (stage 2)
- District Plan review
- Plan Change 16 (Tuakau Structure Plan) and Plan Change 17 (Ngaruawahia & Surrounds Structure Plan)
- Significant Natural Areas

- Huntly Garden Place Placemaking
- Placemaking
- Waikato Integrated Land Transport Strategy
- Pokeno Waste Water Phase 2
- Mangawara Bridge Construction (Taupiri)
- Annual Plan 2017/18
- LTP 2018-28 Priority Projects
- Community plan in Pokeno

#### Upcoming

- LTP Amendment (CCO)
- Future Proof Strategy
- Waikato Plan

For further details on these initiatives please refer to the attachment to this report, Community Engagement register.

## **2. RECOMMENDATION**

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

## **3. ATTACHMENTS**

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Community Engagement Register

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Liquor Control Bylaw	Bylaw	Customer Support	District Wide	Consult	Yes (SCP)	Planned	To be undertaken in 2017.
Freedom Camping Bylaw (NEW)	Bylaw	Customer Support	District Wide	Consult	Yes (SCP)	Completed	Adopted at the September Council meeting
Dog Exercise area bylaw review	Bylaw	Customer Support	Pokeno and Tamahere community	Consult	No	Completed	The two dog exercise areas at Pokeno and Tamahere were adopted at the September Council meeting. Final decision letters are scheduled to be sent to submitters by mid-November.
Speed Management Plan - Speed Bylaw	Bylaw	Service Delivery	Port Waikato & Pokeno	Involve	Yes - dependen	In progress	A report was presented to Council on 14 March. Early engagement was undertaken in Port Waikato in March/April. A report was presented to Policy and Regulatory Committee in August summarising the feedback and potential next steps. Further engagement will be undertaken when reviewing the speed limits bylaw in early 2017.
Dogs in Libraries	Education	Customer Support	District Wide	Inform	No	Preparation stage	As per our business plan, the animal control team wanted to introduce initiatives that would allow our officers to interact with the community in a positive way whilst providing education. We have teamed with the library leadership team to develop the Dogs in Libraries programme that will involve school children reading to dogs in the library environment. This has been proven to improve children's literacy skills, build self confidence and lowers anxiety of children. This programme is expeted to start in September 2016
Dogsmart Education Programme	Education	Customer Support	District Wide	Inform	No	Ongoing	An education package has been created to present to school age children. This presentation teaches children about caring for their pets, staying safe around dogs and what to do if approached by an aggressive dog. We have committed to presenting this programme at least 2 times per month but are optimistic that we will exceed this target significantly.
Dog Registration Process	Education	Customer Support	District Wide	Inform	No	Ongoing	Each year we send out yearly invoices to dog owners reminding them of their obligations to register their dogs. This year we increased the material that we sent out with our yearly invoices to educate dog owners to the changes to our bylaws following the bylaw review. We also sent out information on payment options and worked with a designer to make our forms and information more engaging with our community.
Dogsmart Education Programme	Education	Customer Support	District Wide	Inform	No	Ongoing	The Animal Control Team deliver the Dogsmart education programme to schools, kindergarten and childcare facilities throughout the district. This teaches children how to approach dogs they don't know, avoid being bitten and the role of an animal control officer. Our goal for the year is 24 presentations. As of March 2016 we have delivered this education to 16 different
Food Act 2014 transition	Education	Customer Support	District Wide	Inform	No	Ongoing	Education and information of food businesses on requirements of new Act. Involves one on one interations with business owners and targeted correspondence to businesses nearing transition dates. Information also provided in Food Safety newsletter.
Food Safety newsletter - stakeholder engagement	Education	Customer Support	District Wide	Inform	No	Ongoing	Biennial food safety newsletter implemented to send to food business owners
Alcohol licensing workshops	Education	Customer Support	District Wide	Inform	No	In progress	Workshops for duty managers and licensees to be held for on/off licensees following workshops for clubs completed last year.

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Iwi and Community Partnerships	Iwi	Strategy & Support	Iwi, hapu, Marae representatives and Maaori community	Empower	depends on the situation	Ongoing	<p>A key focus area for the role of Pouhono Iwi ki te Haapori is engagement with iwi, hapu, Marae reps and with members of the community (Maaori in general). Also, to provide input to various internal and external projects, from a iwi and Maaori perspective. Current engagement projects:</p> <ul style="list-style-type: none"> <li>• Hounuku Trust re Signage at Te Kopua Native Reserve</li> </ul> <p>This is still in the progress and currently sitting with Hounuku Trust on measurements of signage.</p> <ul style="list-style-type: none"> <li>• Hakarimata Waharoa Project - engagement with The Department of Conservation, Ngaruawahia Community Board and Waikato-Tainui</li> </ul> <p>This project is still in mid phase.</p> <ul style="list-style-type: none"> <li>- Awaiting Resource Consent Approval from WDC</li> <li>- The Working group is made up of representatives from all groups are meeting on a regular basis.</li> <li>- There has been a set back with the carving of the Mural and the unveiling will be delayed until November</li> <li>- Have extended our engagement to other stakeholders ( Turangawaewae Marae Committee )</li> <li>- Communications will create put in place a "Coming Soon Panel" utilising the engineer sketches of the frame</li> <li>- Planting to revitalise and re-vegata the surrounding areas has started and due to be completed by August 16th</li> <li>- the unveiling has been planned to include the public including The Maaori King, Director General of DoC.</li> <li>• Taupiri Boat Ramp Upgrade: Engagement with Waahi Whaanui and other hapu groups</li> <li>- We are awaiting the results of a hui held in July and direction from Taupiri Marae Representatives</li> <li>• Formal invites to all recognised iwi groups to meet with Mayor, Ward Councillors and Executive Team</li> <li>- This is an ongoing relationship which in terms of meeting with Iwi groups we have been very successful. <del>Formal invitations have been sent through to these groups with an open invitation</del></li> </ul>
Rates Review	Other engagement projects	Strategy & Support	District Wide	Consult	Yes	Planned	A timetable for this consultation needs to be undertaken.
Roading Raglan	Other engagement projects	Service Delivery	residents/ratepayers in local area	Inform	No	Completed	To introduce the community to the Waikato District Alliance and discuss the changed method of delivering roading maintenance and roading renewal activities. To identify any local issues on the roading network.
Alcohol liaison statutory agency meetings	Other engagement projects	Customer Support	District Wide	Collaborate	No	Ongoing	Meetings of alcohol licensing statutory reporting agencies held three times per year
Community Liaison Group Meeting Titoki	Other engagement projects	Strategy & Support	Tamahere	Inform	No	Ongoing	To update stakeholders and interested parties (Tamahere Community Committee, Tamahere school, Environment Tamahere Inc, DoC every 6 months).
Huntly Bypass Stakeholder meetings	Other engagement projects	Service Delivery	Huntly	Inform	No	Ongoing	Update on progress to stakeholders approx. every 3 months
Community Liaison Group Meeting Genesis Energy	Other engagement projects	Service Delivery	Huntly	Inform	No	Ongoing	Update on progress to stakeholders annually
Holcim CLG Meetings	Other engagement projects	Service Delivery	Pokeno	Inform	No	Ongoing	Update on progress to stakeholders quarterly

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Perrys	Other engagement projects	Service Delivery	Tuakau	Inform	No	Ongoing	Update for stakeholders every 6 months
Yashili	Other engagement projects	Service Delivery	Pokeno	Inform	No	Ongoing	Update for stakeholders every 6 months
Sunset Beach erosion report	Other engagement projects	Service Delivery	Port Waikato/extended community	Collaborate	No	In Progress	Significant engagement underway with partners (WDC, WRC, DoC) alongside GHD Consultants, iwi. Communication strategy developed and implemented, ongoing activity inc community meetings scheduled, stakeholder project team.
Sunset beach erosion	Other engagement projects	Service Delivery	Port Waikato, Sunset beach	Collaborate	No	In Progress	Collaborative approach to dealing with the retreat of public assets from eroding Sunset beach, Port Waikato. Key dates: Dec 2014: Consultation with local stakeholders and GHD report produced for council. June 2015: GHD report published and presented to beach residents, other stakeholders and OTCB. July 2015: Report presented to residents and ratepayers AGM and webpage set up. August 2015: Report presented to iwi. September 2015: Stakeholder open day to discuss retreat options. Oct 2015 to Jan 2016: Feedback on options and time frames. Feedback closes on 10 February 2016. March 2016: Report to council advising of options for managed retreat of community assets in Sunset beach. Report made public and meetings with Iwi and Community organisations.
Karioi track (3.4km walking/biking track from Wainui Road)	Other engagement projects	Service Delivery	Raglan	Collaborate	No	In progress	Before work can commence consultation is required with neighbouring land owners. Discussions with Raglan Community Board on the best way forward due to commence in September/October.
Huntly Memorial Hall	Other engagement projects	Service Delivery	Huntly	Consult	no	In progress	Staff and Elected members held an open day on 2 April at Huntly Bowling Club, submissions closed, workshop held with Council 10th May, Report to go to Infrastructure in June. Further work to be done with a Huntly community working group to develop and present options to council for the 2018/28 LTP.. Establishment of working group to happen in the next month with the new Huntly Community Board - have engaged GMD Consultants to lead this work.
Meremere Library	Other engagement projects	Service Delivery	Meremere Community	Consult	No	In progress	Consulting with the community and other stakeholders on the current Library requirements and/or a recreational hub situated by the Hall. INF1609/08
Ngaruawahia Community Facilities	Other engagement projects	Service Delivery	Ngaruawahia Community	Consult	No	In progress	Discussion on Community desires for an Art Centre and possible like co-habitation with other activities -part of a wider project looking at strategic land options - Community Steering Group established - 5 x workshops held to date, working through a long list of options with an open day to be held in conjunction with the Ngaruawahia Santa Parade.
Te Kauwhata Walkway/Cycleways	Other engagement projects	Service Delivery	Te Kauwhata	Consultation	No	In progress	Consultation to include selected stakeholders (inc Committee, NZTA) through using a Consultant to inform the Te Kauwhata Cycle and Walkway strategy,
Waikato River Authority funding application August 2015	Other engagement projects	Service Delivery	Rotokauri lake catchment	Empower	No	In progress	August 2015: Application to WRA submitted with endorsements from WDC, Rotokauri committee, WRC, HCC and iwi. December 2015: Funding approved for Rotokauri Lake catchment. Feb 2016: Report to infrastructure committee advising both funding amount granted and potential work programme for the catchment. Deed to Infrastructure and Council approved for implementation. Signed by Councillors Peterson and Baddley. Year one for the WRA programme successfully delivered
Raglan Water Meters installation	Other engagement projects	Service Delivery		Inform	No	In progress	In progress.

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Elections	Other engagement projects	Strategy & Support	District wide	Inform	No	Completed	Completed
North Waikato Passenger Transport Review	Other engagement projects	Service Delivery	North Waikato	Involve	Yes - next phase of project	In Progress	Project teams continue to work on the programme business case for funding approval. Workshops are programmed for later in Novemebr to complete this process. Close liaison is being undertaken between this project and the wider study involving transport issues associated with the North Waikato growth areas.
Rangiriri WeX State Highway transfers to local road (will require some community engagement)	Other engagement projects	Service Delivery	Rangiriri - Te Kauwhata	Involve	No	In progress	NZTA are leading the engagement around the project timeframes and roading changes.
Longswamp WeX State Highway transfers to local road (will require some community engagement)	Other engagement projects	Service Delivery	Te Kauwhata - Hampton downs	Involve	Yes	In progress	Consultation with landowners over designation changes undertaken. Possible further construction management involve discussion. Contract has been awarded and work enabling work is in the planning stage
Hamilton WeX State Highway transfers to local road (will require some community engagement)	Other engagement projects	Service Delivery	Gordonton to Tamahere	Involve	Yes	In progress	Staff attends regular meetings with NZTA and the City Edge Alliance regarding this project. An issues register has been prepared to track all outstanding tasks. Co ordination is progressing however there are still a few issues that are stalled pending funding decisions
Ngaruawahia Community Facility (Phase One)	Other engagement projects	Service Delivery	Ngaruawahia		No	In progress	first steering group meeting 03/08
Northern Feasibility programme (Northern iSite, Pokeno Sports Park and Pokeno Library)	Other engagement projects	Service Delivery	North Waikato		No	In progress	Assessment is complete, next steps to progress project ready for presentation to Council early 2017
State Highway transfers to local road (will require some community engagement)	Other engagement projects	Service Delivery	TBC-depends on location impacted				Staff continue to work through this process with NZTA. Project plans and work programmes are in place. Investigation on SH1B has commenced from a safety perspective
Waste Water spill mitigation	Other engagement projects	Service Delivery	Raglan Ward+ depends on location impacted	Inform	No	In progress	Provide Raglan Community Board with Waters Service Request Dashboard monthly
Wi Neera Street connectivity	Other engagement projects	Service Delivery	Raglan Ward				Concept drawings are complete for the Wi Neera reserve project. Feedback has been received from the Project Group and Iwi have advised that they will withdraw from the process until such time as they and council have resolved an earlier consenting issue within that space.
Growing Places E-newsletter	Other engagement projects	Customer Support	District Wide	Inform	No	Ongoing	New: The Consents and Building Quality departments have recently established a quarterly e-newsletter, titled Growing Places. This e-newsletter has been established to help keep our customers informed about important information regarding building consent and resource consent processes. The newsletter is emailed to a list of over 300 of our customers; mainly planning consultants, engineers, surveyors, building companies and architects. If councillors would like to subscribe to the e-newsletter they can ask via email will.gaultlett@waidc.govt.nz or search for 'Growing Places' on the council website. This e-newsletter now forms part of Business as Usual and will not be reported again in this register.
Youth Engagement Plan	Other engagement Projects	Strategy & Support	District Wide	Empower	No	In Progress	Ngaruawahia Youth Workers network meeting established in April 2016 and continues to meet once a term. Regular youth representation on Huntly and Ngaruawahia Community Boards. Youth rep nominated for Onewhero Youth Action Group Oct 2016. Youth Engagement Plan will be reviewed in 2017. Supporting Meremere to establish a youth group for the intention of future youth action group work in Meremere.
Youth Action Groups	Other engagement Projects	Strategy & Support	District Wide	Empower	NO	In progress	Youth engagement Advisor established youth action groups in Onewhero and Tuakau for Community Board in Nov 2016. Youth induction/ board training completed for Onewhero & Tuakau Youth Action Groups in Oct & Nov 2016. Re-establish Te Kauwhata Youth Action Group and nominate Youth reps in Feb 2017. Huntly Youth Action Group to be re-established in Feb 2017.

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Pokeno Waste Water Phase 2	Other engagement projects - strategic	Service Delivery	Old Pokeno Village residents	Consult	No	In progress	Pokeno Market information day almost 50% of all enquiries related to wastewater scheme. Facebook update and recent newsletter available. Consultant has met with all affected property owners and is continuing to meet as required to assist owners to join the scheme. Further information now available for property owners that shows the design of connection into their properties - Consultant currently distributing this information to the affected property owners.
Huntly Library upgrade	Other engagement projects - strategic	Service Delivery	Huntly Ward	Inform	No	Completed	Communications plan in place to inform the community of the works and alternative sites to undertake council business. Refurbishment is beginning towards the end of the month. Staff are currently informing the public that this work is coming, sharing more detail about what the library will look like and what changes the community are expected to see. Project now complete.
Mangawara Bridge construction (Taupiri)	Other engagement projects - strategic	Service Delivery	Taupiri Township	Involve	No	In progress	NZTA has approved the use of the Waikato District Alliance to deliver the design and build project. Staff are working through the Council procurement process to gain final signoff. Waikato Regional Council consents have been obtained and funding is in place
Tamahere business hub and reserve	Other engagement projects - strategic	Service Delivery	Tamahere Ward	Involve		In progress	The Tamahere Recreational Reserve is being undertaken in stages – Stage one is earthworks, Stage two is the development of playground, landscape, fitness trail and skate park. The Commercial Hub is a development being undertaken by Fosters. Detailed design plans now available and will be circulated to the TCC on 7.11.16 - working with Comms on getting this information (once approved by the TCC) out to the wider community
Huntly Garden Place Placemaking	Place making	Strategy & Support	Huntly Ward	collaborate	No	In progress	The Huntly Community Board has been working on an initiative to re-develop Garden Place in Huntly as a community-driven project. The Board is encouraging the community to be active in this project with a view to revitalising this precinct. A plan has been designed and drawn by Bryce Mounsey, a member of the Community Board, and is a result of input from Board members as to how they want this area to be enhanced. The Board are taking a staged approach to start Placemaking in Huntly. The first stage will see a seat that will accommodate 24 people designed by a member by the Huntly Community Board. The area chosen to place under an existing tree at the fore front of Garden Place. This stage will be complete by October 2016
Community Plan in Pokeno	Plan	Strategy & Support	Pokeno	Inform	No part of DPR	Planned	With the formation of the new Community Committee in Pokeno the District Planning Team have had their first presentation to the Committee who support moving forward with a plan for future development.
Annual plan 2017/18	Plan	Strategy & Support	District Wide	Inform (TBC)	No (TBC)	Planned	Project planning is currently underway. Decision to not consult based on no significant or material changes is still to be made. Scheduled for 5 December Council meeting.
Long Term Plan 2018-28	Plan	Strategy & Support	District Wide	Involve	Yes	Planned	Project planning is currently underway.
LTP Amendment (CCO)	Plan	Service Delivery, Strategy & Support	District Wide	Involve	Yes (TBC)	Planned	This will only be required if the Council proceeds to consult with the public around the formation of a waters CCO.
Annual Report 2016/17	Plan	Strategy & Support	District Wide	Inform	No	Completed	Audit NZ completed an audit which resulted in an unmodified audit opinion. This report was approved on 3rd October by Council.
Placemaking	Plan	Strategy & Support	District Wide	collaborate	No	In progress	Placemaking is gaining momentum in the district. Staff are working alongside groups in Raglan, Huntly, Tauwahare, Tuakau and Pokeno. A presentation was provided to the Pokeno community in November 2015 with a view to kick starting projects in that area. Pokeno have identified a project that will see a little free library installed in to a public area by October 2016. Workshops have been run with the community committee and the wider community. Staff will continue to present Placemaking strategy to community boards and committees in 2016. A web page has been created for communities to access for ideas and information. Staff are building momentum for the Placemaking concept across the district.

Project Name	Grouping	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
LTP - Forestry target rate	Plan	Service Delivery	Forestry companies and local residents	Consult	No	In progress	Most recent collaboration was with the Heavy Haulage Industry, in regards to instability and vegetation issues on Klondyke Road; as a result the Alliance Team have been actively managing dropout / slips and vegetation, between markers 4-8 during September and October, resulting in the road being significantly safer to traverse. Rayonier Ltd (one of the main harvesting companies) have indicated that all of their harvesting and transportation activities within the Onewhero Forest, will be complete by the end of 2017.
Plan Change 8	Plan	Strategy & Support	District Wide	Consult	Yes (RMA proc	Completed	Completed
Natural Parks Reserve Management Plan	Plan	Service Delivery	District wide	Consult	Yes	In Planning	A number of other companies continue to share their harvesting programmes (Putawa Rd, Cogswell Rd, Otonga Valley Rd's) with the view to a coordinated approach to both proactive & reactive maintenance, which is working in most instances well.
Easter Trading Policy	Policy	Strategy & Support	District wide	Involve	Yes	In progress	Early engagement to seek community views on whether shops should be able to trade on Easter Sunday was undertaken and a workshop held on 2 November. A further workshop is scheduled to occur on 15th November with a draft policy going to the 5th December Council meeting for approval to consult further on a draft policy.
Pokeno Future growth	Policy	Strategy & Support	Pokeno	Involve	No	In progress	The is is the first community 'Drop-in' session was held on Saturday 29 October 2016. This was to begin the planning process of where the community sees the need and aspirations for future growth in and around their town. This project will lead eventually to new Structure plan for the Pokeno area following on from PC 24. approximately 95 people attended this drop in session and was well received.
Economic Development Work Programme		Strategy & Support	District Wide	Collaborate	No	In Progress	The Work Programme is reported three monthly through the Strategy and Finance Committee. Current: Hamilton & Waikato Tourism facilitating a community led project to create a Raglan Destination Plan. The Economic Development team (EDT) is supporting this work as a member of the working group and providing information. EDT working with Gordonton businesses to assist development of a destination plan. Next meeting early November. EDT supporting Smart Waikato Trust establishing an employer and educator network which aims to improve employment outcomes for youth. Next meeting yet to be scheduled.
Raglan Wharf - handrail and baulstrade renewals	Plan	Service Delivery	Raglan Wharf stakeholders and tenants	Consult	No	In progress	Working with Wharf stakeholders and Raglan Ward Councillor on the look and feel of the replacement handrails and baulstrade at the Wharf
Raglan boat ramps - Wallis and Wainui	Plan	Service Delivery	Raglan Community inc emergency services (Wallis) and Coastguard (both)	Inform	No	In Planning	Renewal works to be undertaken at the boat ramps, have made initial contact with the coastguard and will work with identifying stakeholders as the assessments are undertaken

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### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	10 November 2016
<b>Prepared by</b>	Debbie Dalbeth Business Analyst
<b>Chief Executive Approved</b>	Y
<b>DWS Document Set #</b>	GOV1318 / 1634768
<b>Report Title</b>	2016-2017 First Quarter Non-Financial Performance Report

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to provide the Committee with the First Quarter Non-Financial results. This includes the 2016/17 Long Term Plan (“LTP”) Key Performance Indicators (“KPIs”) and the Resident Satisfaction Survey.

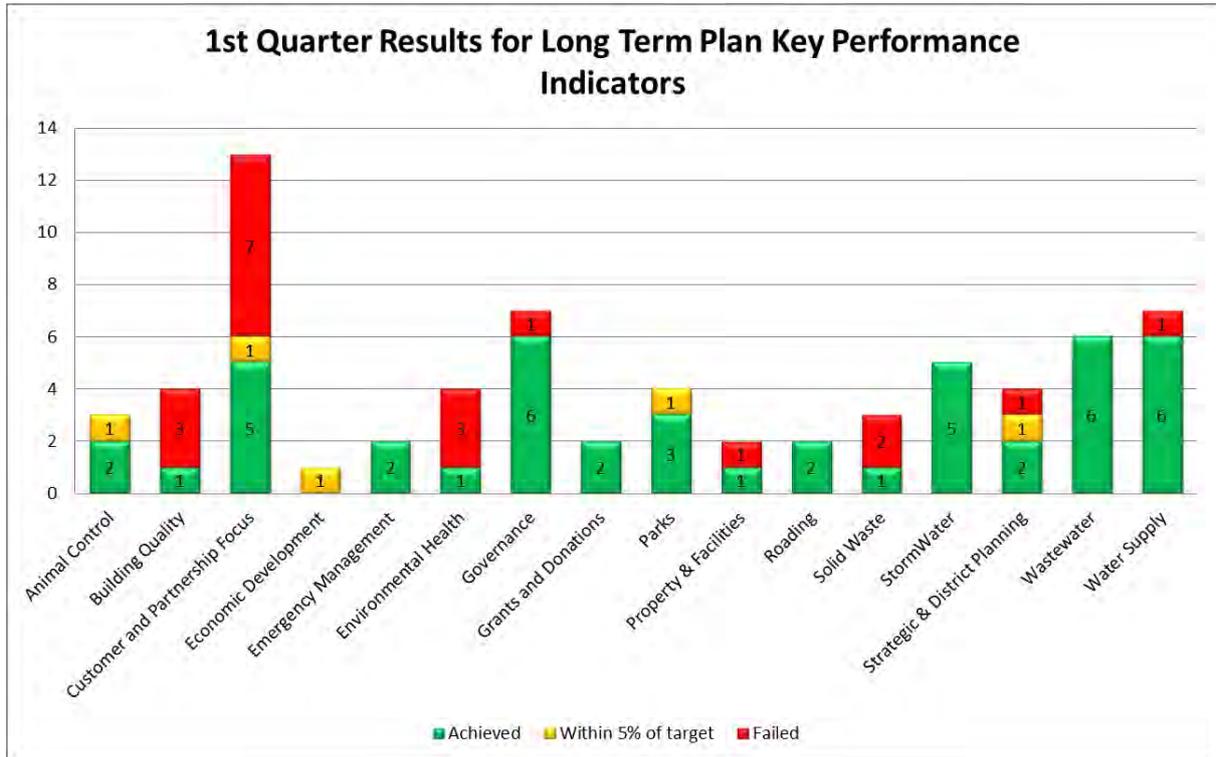
The results from each quarterly report will be used to inform the annual report at year end.

## **2. RECOMMENDATION**

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

### 3. LTP KPIs



Achieved	Within 5% of target	Not Achieved
<b>65%</b>	<b>7%</b>	<b>28%</b>

There are ninety eight KPIs that are reported in the Annual Report. Some can only be measured six monthly or yearly which leaves 69 KPIs being measured at the end of the first quarter. The above graph shows the number of KPIs that were achieved, came close or did not achieve, grouped by Long term Plan Category.

The below chart shows results are tracking similar to last year's end of year result.

	2014/2015	2015/2016	2016-17 - 1st quarter
<b>Achieved</b>	<b>27 (41%)</b>	<b>67 (68%)</b>	<b>45 (65%)</b>
<b>On track</b>	<b>7 (11%)</b>	<b>8 (8%)</b>	<b>5 (7%)</b>
<b>Not achieved</b>	<b>32 (48%)</b>	<b>23 (23%)</b>	<b>19 (28%)</b>
<b>TOTAL MEASURES</b>	<b>66</b>	<b>98</b>	<b>69</b>

Attached to this report is *Appendix 1 - 2016-17 1<sup>st</sup> Quarter KPI report*.

## 4. RESIDENTS SATISFACTION SURVEY

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The National Research Bureau (“NRB”) surveyed Waikato District Council residents at approximately ten residents per week. At the end of each quarter, after 100 residents are surveyed, we receive interim data. The survey summary is attached.

*Attached Appendix 2 – 1<sup>st</sup> Quarter Residents Satisfaction Survey Summary*

Trend graphs are attached for questions that have been asked in previous years. A summary is below.

### Increasing Trends

- Satisfaction with Parks and Reserves has steadily increased, the 2016 end of year result was 89% and this year’s first quarter result is 94%.
- Satisfaction with building and inspection services was between 27% and 35% each year until 2014. Since 2015 we only survey those who have used the service and this provided a dramatic increase in satisfaction, the end of year result for 2016 was 66% with the first quarter result at 80%.
- Satisfaction with public toilets scored between 33% and 48% for the 10 years between 2005 and 2014. In 2015 we started surveying only those who had used a public toilet and satisfaction increased to 73% last year and is at 72% in this first quarter.
- Satisfaction with public libraries dramatically increased in 2015 when we started surveying only those who have used a public library. The 2016 result was 97% and the first quarter result for this year is 96%.
- Satisfaction with footpaths has been steadily increasing since 2011. In 2015, when we started recording data from only those people who have used a footpath, satisfaction increased to 69%, then up to 73% last year and settled at 74% in the first quarter of this year.
- Satisfaction with the water service increased in 2015 when we surveyed only those residents with a connection to the water supply. Last year’s result was a high of 79% and this year’s first quarter result has again jumped to 91%.
- Satisfaction with wastewater increased in 2015 when we surveyed only those residents connected to the Council wastewater system. Last year satisfaction increased again to 94% and this year’s first quarter result is 95%.
- Satisfaction with Animal Control stabilised with 69% last year, but dissatisfaction increased to 24%. This year’s first quarter result shows a marked improvement in satisfaction to 84% with a drop to 10% in dissatisfaction.
- Overall satisfaction with the service received when contacting the Council offices decreased to 66% last year, but has improved to 70% in the first quarter of this year. Dissatisfaction with the overall service received increased to 23% last year and to 24% this year, this is above the average dissatisfaction of peer Councils at 13%.
- Satisfaction with Council roads overall decreased to a low of 52% last year with dissatisfaction increasing to 23%. This year’s first quarter result has improved to 58% satisfaction however dissatisfaction also increased to 26%.

## Decreasing Trends

- Satisfaction with recycling had levelled off last year at 83%, this year satisfaction has started to decrease to 75% and dissatisfaction has increased from 14% to 20%, well above the peer group average of 8% dissatisfaction.
- Satisfaction with the rubbish collection had been steadily increasing to a high of 93% last year. The first quarter result for this year has shown a marked decrease to 78% satisfaction and an increase in dissatisfaction from 3% last year to 16% this year.
- Residents that feel they have the opportunity to be involved and participate in the way the Council makes decisions has remained steady from 67% last year to 66% in the first quarter. However, the percent of residents who believe they don't have the opportunity, last year increased to 33% and has remained similar at 34%.
- Satisfaction with unsealed roads had been steadily increasing each year up to last year's result of 53%, unfortunately this has dropped to 39% satisfaction in the first quarter of this year.
- Satisfaction with stormwater overall has continued a decreasing trend, last year the result was 45% and down to 38% in this first quarter. Those that 'don't know' have increased to 46% in the first quarter.

Attached Appendix 3 – 1<sup>st</sup> Quarter Survey Trend Graphs

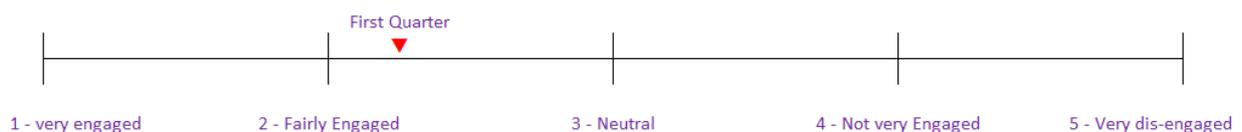
## 5. ENGAGEMENT

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Engagement is measured from five key questions in our Residents Survey:

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 lower the figure the better. At the end of last year our engagement index was 2.22 with our peer group having an index of 2.24. We have set ourselves a target to have less than 2.25, the result from the first quarter for this year is 2.24.



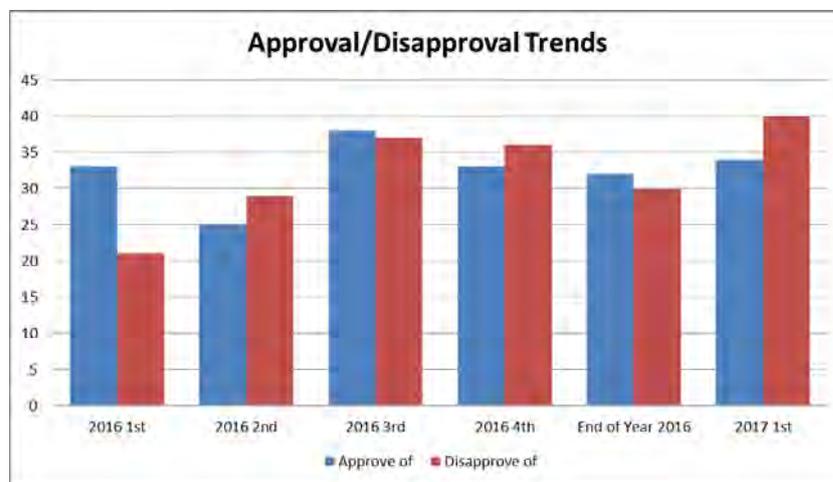
## 6. OUTCOMES – COUNCILLORS ASKED FOR TWO QUESTIONS TO BE ADDED TO THIS SURVEY

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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 Council's actions, decisions or management in the last few months that you dislike or disapprove of?

34% of residents say there is a Council action/decision/management they approve of which is below our peer group average of 44% and the national average of 41%.

40% of residents say there is a Council action/decision/management they disapprove of which is above our peer group average of 38% but below the national average of 47%. At the end of the first quarter our resident's disapproval rate was higher than the approval.



## 7. NEW LTP MEASURES:

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

Respondents were asked if they feel they have the opportunity to be involved and participate in the way the Council makes decisions, 66% said yes they feel they have the opportunity while 24% said they had actually tried to participate. The results from the first five questions below are based on the answers from this 24% of residents.

New Measures – limited trend data available	Target	2016 - end of year	2016 - 1 <sup>st</sup> quarter result	Trend
The public are consulted about the right issues	60%	41%	54%	↑
Information about key community issues is easily accessible	60%	46%	43%	↓
Information available on these issues is clear and instructive	60%	42%	44%	↔
There is a suitable range of consultation options available	60%	50%	40%	↓
There is sufficient time and opportunity available to provide feedback	60%	47%	43%	↓
Average level of effort to conduct business with council	2016 <= 3 2017 <=2.5	2.6	2.3	↑
Satisfaction with the resolution of a request with council	70%	59%	61%	↔
Satisfaction of residents that they were able to contact their councillor/Mayor as and when required	100%	76%	88%	↑

## 8. SECOND QUARTER RESULTS

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Due to NRB closing over the Christmas break and the work they need to do with the results after completing each survey, they start surveying residents early in the year. As a result, the second quarter results have already been received.

Overall the first quarter results show a similar trend to last year with the beginnings of dissatisfaction around proposed changes with rubbish and recycling. Early indications from the second quarter results show a marked decrease in satisfaction with a range of Council services, most notably Wastewater and Rubbish. The full second Quarter report will be presented early in 2017.

## 9. CONCLUSION

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The results from the first quarter of this year is an indication from our residents on how Council is performing.

The percent of KPIs achieved in this first quarter are similar to the results of last year. The quarterly results reported last year were a good indication of the end of year result. Percentages deviated by 1% to 2% at each quarter and at the end of the year. If this trend continues we can say that at this point in the year we are on track to perform in a similar fashion to last year.

This is the second year using the new method of surveying residents for the Residents Satisfaction Survey. The continuous method has smoothed out seasonal bias and enabled us to get an early indication of how we were progressing toward our goals. It has also allowed us to see how results are impacted when our communities have been impacted by Council actions. While some targets set have been too ambitious, the trend in results is important to monitor.

## **10. ATTACHMENTS**

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*Appendix 1 - 2016-176 LTP 1<sup>st</sup> Quarter KPI report*

*Appendix 2 – 1<sup>st</sup> Quarter Residents Satisfaction Survey Summary*

*Appendix 3 - Survey Trend Graphs*

*Appendix 4 – Residents Survey Comments from Outcomes*



## ***Waikato District Council***

### ***Scorecard Report***

*Period: Jul-16 - Sep-16*

Scorecard Name  
Quarterly Report

Date From  
01-Jul-2016

Date To  
30-Sep-2016

LINKED ITEMS	UNIT	TARGET	ACTUAL	INDICATOR
<p>The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour</p> <p><b>COMMENTS:</b> 95.24% of service requests for aggressive dogs (current threat) were responded to within the one hour time frame this month. This give us a year to date figure of 95.92% which is within target.</p>	%	95.00	95.92	
<p>The percentage of complaints regarding stray stock that have council personnel on site within 1 hour</p> <p><b>COMMENTS:</b> 95.00% of stray stock service requests responded to within one hour during the month of September. This is an improvement from previous months this financial year. This gives us a year to date figure of 91.07% which is below our target. Reminders will be given to staff to ensure that they are meeting targets and recording accurately.</p>	%	95.00	91.07	
<p>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</p> <p><b>COMMENTS:</b> 18.82% of dog owners on Selected owner policy, 12.67% on Farm owner policy - both "Good" Dog owners categories. Total = 2859 owners = 31.49%</p>	%	30.00	31.49	
<p>The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually</p> <p><b>COMMENTS:</b> on target for the months of august and September but still have to make up numbers for July when no audits were carried out due to high workloads and staff on leave.</p>	%	8.25	11.13	
<p>The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually</p> <p><b>COMMENTS:</b> on target for the months of September but still have to make up numbers for the months of July and August as no audits were carried out due to high workloads and staff on leave.</p>	%	24.99	7.00	
<p>The percentage of swimming pools that are inspected for compliance annually</p> <p><b>COMMENTS:</b> In response to new Council Policy we require customers permission to inspect pools for compliance. Where permission has been granted we have inspected 100% of these pools - 2 in total. Changes in the Fencing of Swimming Pools Act that is currently before Parliament will likely bring change in this area.</p>	%	5.00	0.17	

The percentage of building consent applications which are processed within 20 working days - YTD	%	100.00	73.51	
<b>COMMENTS:</b> We achieved 73.51% compliance with the statutory timeframe YTD. To help with these timeframes consents have been outsourced to an external company for processing.				

Percentage of customers satisfied that council engages with the community regarding the right issues	%	60.00	54.00	
<b>COMMENTS:</b> The result (54%) is below the target of 60%. Of this, 13% are 'neutral' and 9% 'don't know'. Council continues to implement its Community Engagement Strategy and its Significance & Engagement Policy. The issues that Council engages upon is also driven by legislative requirements. There are a number of channels the public can use to inform Council if they feel they would like to be engaged on a particular issue. Staff have also recently (September and October 2016) undergone engagement training provided by Engagement Works.				
Engagement has taken place on the following over the past 3 months: Elections, Less Waste Saves More, Annual Plan, Freedom Camping Bylaw, Cemeteries Bylaw, Trade Waste & Waste Water Bylaw, Reserves and Beaches Bylaw, Dog Exercise Bylaw Review (Pokeno & Tamahere), Reserves Management Plans, Civil Defence, Plan Change 16 (Tuakau Structure Plan) and Plan Change 17 (Ngaruawahia & Surrounds Structure Plan). Engagement has also taken place with iwi (through the Iwi Reference Group) for the District Plan Review.				
A full list of engagement activities is contained in Council's Engagement Register.				

Percentage of customers satisfied with the ease of access to information regarding key community issues	%	60.00	43.00	
<b>COMMENTS:</b> The result (43%) is below the target of 60% for the quarter. Of this 19% are 'neutral' and 9% 'don't know'. 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	44.00	
<b>COMMENTS:</b> The result (44%) is below the target of 60% for the quarter. 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	40.00	
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**COMMENTS:** The result (40%) is below the target of 60% for the quarter. Of this 23% are 'neutral' and 15% 'don't know'. 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 engages informally with the community prior to implementing any formal (statutory) consultation requirements.

Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community	%	60.00	43.00	
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**COMMENTS:** The result (43%) is below the 60% target for the quarter. The times and opportunities for engagement are agreed to by councillors based on their understanding of their respective communities. 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.

Level of Customer effort	#	2.50	2.30	
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**COMMENTS:** N/A

% of Service Requests (CRM calls) responded to within agreed timeframes	%	85.00	93.20	
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**COMMENTS:** N/A

Percentage of respondents / customers who are satisfied or very satisfied with the resolution of their request of council	%	70.00	61.00	
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**COMMENTS:** N/A

Percentage of respondents who are satisfied or very satisfied with the overall service received when contacting the Council	%	75.00	70.00	
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**COMMENTS:** N/A

Percentage of books that are less than 5 years old	%	50.00	68.66	
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**COMMENTS:** This performance indicator is representative of our general collection and shows the importance we place on purchasing new stock in line with customer requests and keeping abreast of newly released items and best sellers. Ensuring our stock is current and easily accessible across all sites remains our focus and the floating nature of majority of our collection has been well received by customers. This approach has ensured all sites are receiving fresh stock almost daily.

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	95.55	
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**COMMENTS:** Our collection continues to maintain a high level of stock that is meeting the needs and requirements of our communities. Ensuring our stock is current and easily accessible across all sites remains our focus and the floating nature of majority of our collection has been well received by customers. This approach has ensured all sites are receiving fresh stock almost daily.

Reliable daily access to free Internet service at all libraries (excluding supplier issues)	%	100.00	100.00	
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**COMMENTS:** The delivery of internet through the Aotearoa People's Network Kaharoa is available at all six library locations across the district. This is a well used and valued service delivered within our communities. The desire for increased access to digital technology has been further invested in by providing customer use tablets into all sites excluding Meremere. The Meremere Library will receive four tablets for customers to use when the library is refurbished during the next financial year.

Number of publicly shared reports assessing Council's progress against its goals and objectives	#	1.00	1.00	
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**COMMENTS:** On track to present in November

Number of enquiries that generate through the Open Waikato website	#	20.00	19.00	
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**COMMENTS:** There were 19 enquiries via Open Waikato channels of which four were business related. The primary generator of the business enquiries was a campaign to promote a new business support service provided by Waikato Innovation Park in Tuakau. This initiative has been very successful and further promotion of this service will be considered over the coming months. A total of 67 enquiries were received in the previous financial year. The target for this financial year is 81 enquiries.

Council maintains a minimum number of trained staff to fulfil core Emergency Operations Centre roles	#	30.00	103.00	
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**COMMENTS:** Council currently has 103 staff trained at foundation level to work in the Emergency Operations Centre during a civil defence emergency. Of the 103 staff we have 45 staff members trained to intermediate level and a further six trained in the delivery of Welfare in an emergency.

Percentage of councils business continuity processes implemented	%	20.00	20.00	
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**COMMENTS:** 100% of critical key processes were completed at the end of the last financial year. We are currently working on the next level of processes in more detail and are on track.

Percentage of registered food premises inspected/audited annually	%	25.00	22.43	
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**COMMENTS:** 59 inspections/verifications were undertaken between July to September. 241 food businesses are registered under the old Food Hygiene Regulations/Food Act 1981 with a further 31 businesses registered under the new Food Act 2014. 9 of the businesses registered under the new Act are National Programmes and are not inspected/verified by Council, being subject to independent third party verification.

The percentage of medium risk or higher fee category licensed premises that are inspected annually	%	25.00	1.52	
<b>COMMENTS:</b> 1 medium risk or higher fee category licence was inspected in the period ending September. At the end of September there were 67 licences falling within these categories. Inspection of licensed premises is not necessarily spread evenly throughout the year. The inspections are programmed to be completed by the end of June 2017				
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	77.17	
<b>COMMENTS:</b> 219 excessive noise complaints requiring response were received in the first three months to the end of September. In July the contractor maintained a reasonable response rate of 86%. There were issues in August with the coronation at Turangawaewae Marae receiving numerous complaints and the contractor believing these were responded to by police. In September further issues were encountered particularly in the weekend when the Council's computer systems were attacked by a virus. Manual systems were in place and complaints were responded to but some outside the timeframes.				
Percentage of environmental health complaints responded to within agreed timeframes	%	95.00	100.00	
<b>COMMENTS:</b> 35 complaints were responded to between July to September all of which were responded to within timeframes.				
Satisfaction of residents that they were able to contact their councillor as and when required	%	100.00	88.00	
<b>COMMENTS:</b> The contact details of our councillors are publicly available (e.g. Council's website or through the Council 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	
<b>COMMENTS:</b> The election process is underway and there has been no objections lodged so far.				
Iwi ki te Haapori - Number of joint committee meetings held per annum	#	1.00	1.00	
<b>COMMENTS:</b> N/A				
Iwi ki te Haapori - Number of identified or notified breaches/ objections under Joint Management Agreements, MOU's and MOA's	#	0.00	0.00	
<b>COMMENTS:</b> N/A				

Iwi ki te Haapori - Number of formal governance hui held between council and iwi / hapu groups	#	0.00	2.00	
<b>COMMENTS:</b> Met with Chair and Secretary of Ngati Tama Inu Po Met with Environmental Manager of Ngati Haua				
Percentage of minutes of all open meetings that are made publicly available via the Council's website	%	100.00	100.00	
<b>COMMENTS:</b> Task completed				
Percentage of Council decisions that comply with statutory requirements	%	100.00	100.00	
<b>COMMENTS:</b> All Council decisions made between 1 July 2016 and 30 September 2016 have complied with statutory requirements.				
Number of discretionary grant funding rounds undertaken per year	#	1.00	1.00	
<b>COMMENTS:</b> Discretionary Grants Funding is considered over four rounds during the year, closing on the first Friday of February, May, August and October.  The fourth round for 2016 is now open for application and will close on closed on 7 October 2016.				
The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports	%	25.00	25.00	
<b>COMMENTS:</b> On track.				
Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	80.00	94.00	
<b>COMMENTS:</b> City Care has been undertaking the delivery of this service since 1 August 2016. We have seen a positive increase in level of service over the past 2 months in these areas, there is still more work required. However, this will take time as our contractors become more familiar with the territory.				
Percentage of Interments completed within the requested timeframe	%	95.00	100.00	
<b>COMMENTS:</b> All burials have been completed within required timeframes with no incidents reported. On target 100%.				
Percentage progress of the Playground Strategy implementation plan	%	0.00	35.00	
<b>COMMENTS:</b> Preparing tenders to go out for pricing for Te Akau, Te Kowhai, Te Kopua and the replacement of T bar swings				

Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey	%	75.00	72.00	
<b>COMMENTS:</b> There seem to be no comments for public toilets in the 1st quarter survey. All is going well with the public toilet contract, audit results are improving showing toilets are clean, fit for purpose and accessible. We have had some challenges with higher patronage in some toilet facilities/reserves, also an increase in graffiti this quarter.				
The percentage of schools in the district that receive solid waste education	%	0.00	0.00	
<b>COMMENTS:</b> N/A				
The number of times that bags or bins are missed in Council's kerbside collection	#	200.00	1,592.00	
<b>COMMENTS:</b> This target has failed in the first quarter due to the service changes. The missed collections were predominately in the Northern area which were due to a new contractor being unfamiliar with the collection area. These complaints have now reduced drastically but the measure will continue to be exceeded for the year due to this first quarter.				
The percentage of kerbside collection complaints that are resolved within agreed timeframes.	%	100.00	94.85	
<b>COMMENTS:</b> 552 complaints out of 582 were responded to with the required timeframes.				
Percentage of resource consent applications which are processed within the statutory time frames	%	100.00	100.00	
<b>COMMENTS:</b> Of the 84 consents issued this month, 100% were issued in time. For the last quarter we have issued 226 consents, all of which have been processed 100% in time.  This compares with 179 for the same quarter last year, again all were issued in time.				
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.	%	70.00	66.00	
<b>COMMENTS:</b> The result (66%) is below the target of 70% for the quarter. 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). For a full list of engagement activities please refer to Council's Engagement Register.				
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	
<b>COMMENTS:</b> All projects in identified areas of growth are on track				

The percentage of all land use consents that have been issued and are current that have been monitored for compliance in the past 2 years	%	77.00	76.00	
<b>COMMENTS:</b> All land use resource consents are checked after they have been issued and put into a database which schedules when monitoring is required. The monitoring frequency is based on the level of risk posed by the consent. This measure shows that Council is proactively monitoring historic consents. In some cases where there is low risk then monitoring may occur less frequently than 2 years.				
Percentage of buildings that require a warrant of fitness that comply	%	25.00	25.00	
<b>COMMENTS:</b> All buildings compliant				
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	89.33	
<b>COMMENTS:</b> Belgravia Leisure has undertaken calibration for pool testing equipment since taking over the contract. A full review of the water testing regime has been undertaken and any chemistry imbalances found have been corrected.				
The number of flooding events that occurs in the district	#	5.00	0.00	
<b>COMMENTS:</b> On track.				
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	
<b>COMMENTS:</b> On track.				
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	
<b>COMMENTS:</b> On track for meeting this target				
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system	#	4.00	0.37	
<b>COMMENTS:</b> On track.				

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:** N/A

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

0.27



**COMMENTS:** On track.

3 dry weather overflows.

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

20.00



**COMMENTS:** On track YTD with a median of 20 minutes.

12 calls from 12 met the 60 minute timeframe.

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

99.00



**COMMENTS:** On track YTD with a median of 99 minutes.

11 out of 12 calls resolved within required timeframe of 240 minutes.

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

1.98



**COMMENTS:** On track.

22 complaints.

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	0.00	
<b>COMMENTS:</b> N/A				

Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system,	#	0.00	0.00	
<b>COMMENTS:</b> N/A				

The extent to which Councils drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria)	#	18.00	18.00	
<b>COMMENTS:</b> All zones and plants compliant with part 4				

The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	15.00	12.00	
<b>COMMENTS:</b> Turbidity transgression at Ngaruawahia WTP, part 5 compliance of 4 associated zones reported as non-compliant pending investigation and assessment by DWA				

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	24.00	
<b>COMMENTS:</b> On track YTD with a median of 24 minutes.				
22 of 25 calls met the 60 minute timeframe.				

The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	240.00	76.00	
<b>COMMENTS:</b> On track YTD with a median of 76 minutes.				
24 out of 25 calls met the required timeframe.				

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	
<b>COMMENTS:</b> On track YTD with a median of 1 day.				
100 out of 102 complaints met the 5 day timeframe.				
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	
<b>COMMENTS:</b> On track YTD with a median of 1 day.				
95 out of 102 calls met the 5 day timeframe.				
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	4.74	
<b>COMMENTS:</b> On track.				
68 complaints.				
The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	80.00	92.68	
<b>COMMENTS:</b> 41 requests for footpath issues have been received so far this year. 38 of those have been responded to within the agreed time.				
The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	80.00	98.52	
<b>COMMENTS:</b> Of the 609 calls received to date regarding roading issues only 9 have not been responded to within the required time frames. This outstanding result is due to the focus that the Waikato Alliance is putting on this aspect of customer service.				
Overall Performance	%	0.00	0.00	



**NATIONAL RESEARCH BUREAU LTD**

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

Tel: (09) 6300-655, Fax: (09) 6387-846, Web: [www.nrb.co.nz](http://www.nrb.co.nz)

To: Debbie Dalbeth

From: Ken Sutton and Janette Simpson

Of: Waikato District Council

Date: 28 July 2016

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 6th May - Thursday 14th July, based on 100 respondents.

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

Kind regards,

Ken Sutton

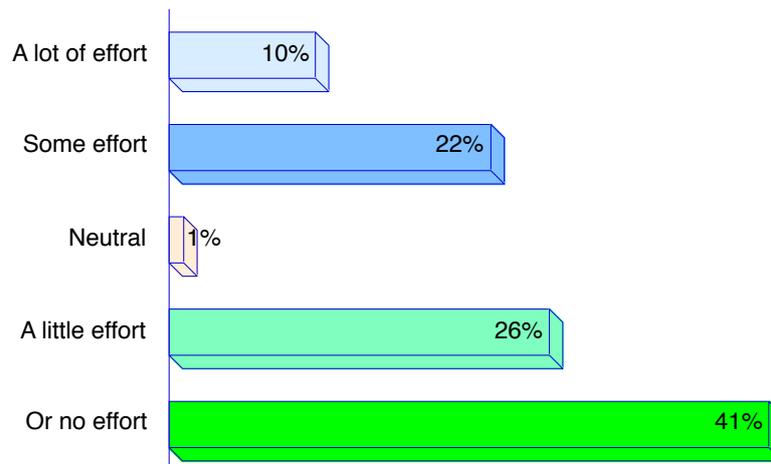
Janette Simpson

**NATIONAL RESEARCH BUREAU LTD**

## CONTACT WITH COUNCIL

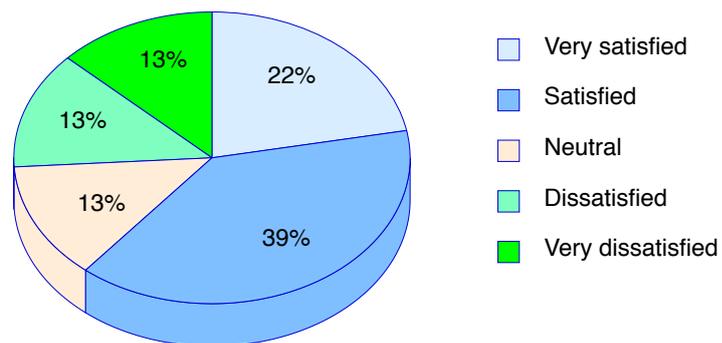
42% of residents have contacted Council staff at the Council offices or service centres by phone, in person and/or by email, in the last 12 months.

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



Base = 41<sup>†</sup>

### Satisfaction With How Issue Was Resolved

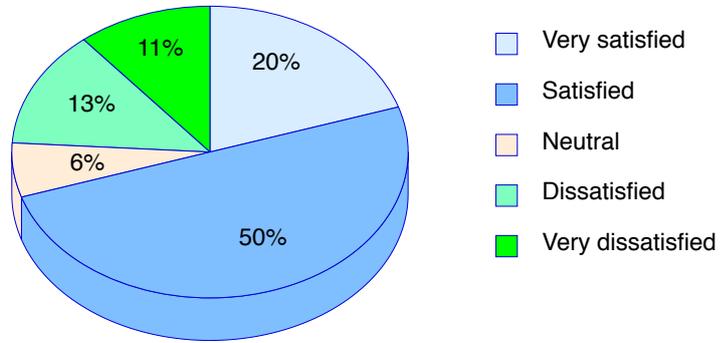


Base = 41<sup>†</sup>

(Does not add to 100% due to rounding)

<sup>†</sup> those residents who say they have contacted Council in last 12 months

**Satisfaction With Overall Service Received**



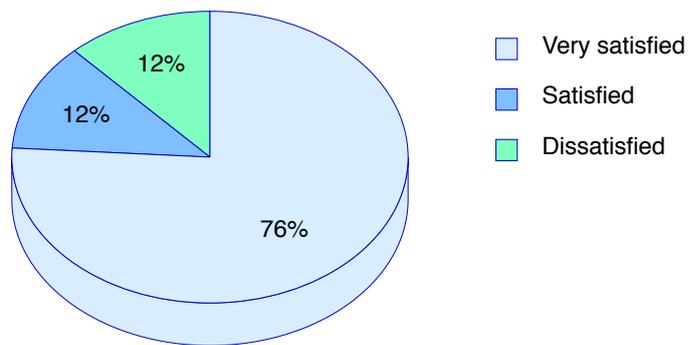
Base = 41<sup>†</sup>

<sup>†</sup> those residents who say they have contacted Council in last 12 months

**Contact With Councillors/Mayor**

In the last 12 months 5% 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<sup>†</sup>

Caution: small base

<sup>†</sup> 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) <sup>†</sup>	<b>58</b>	16	<b>26</b>	1
Stormwater services <sup>†</sup>	<b>38</b>	6	<b>11</b>	46

<sup>†</sup> does not add to 100% due to rounding

## SATISFACTION WITH COUNCIL SERVICES/FACILITIES - USERS

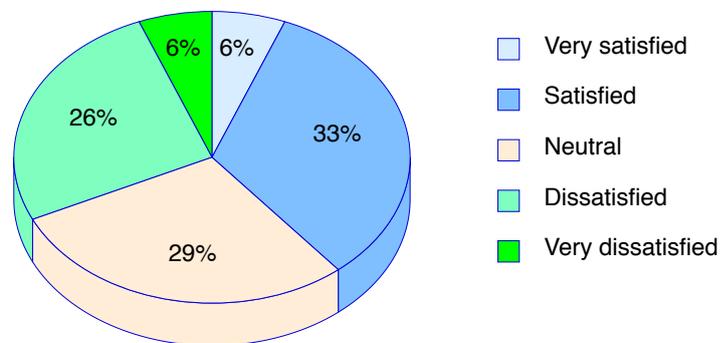
	Base	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Public libraries	40	96	-	4	-
Parks and reserves, including sports fields and playgrounds <sup>†</sup>	65	94	1	4	-
Animal control, ie, stock and dog control <sup>†</sup>	*14	84	7	10	-
Building and inspection services <sup>†</sup>	*12	80	10	11	-
Recycling services <sup>†</sup>	86	75	7	14	3
Footpaths <sup>†</sup>	67	74	9	16	-
Public toilets	37	72	28	-	-

\* caution: small base

<sup>†</sup> does not add to 100% due to rounding

### Unsealed Roads - Users

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

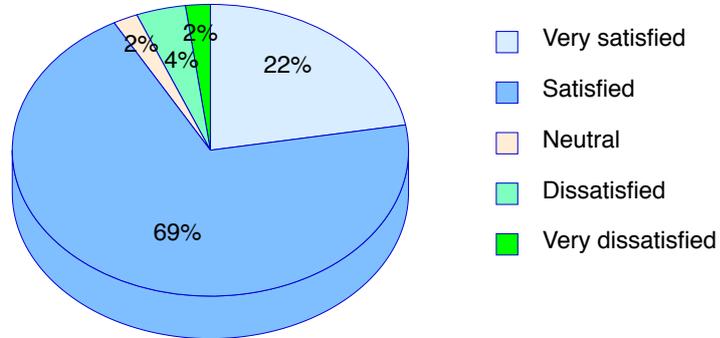


Base = 39

## SATISFACTION WITH SERVICES PROVIDED BY COUNCIL

### Water Supply

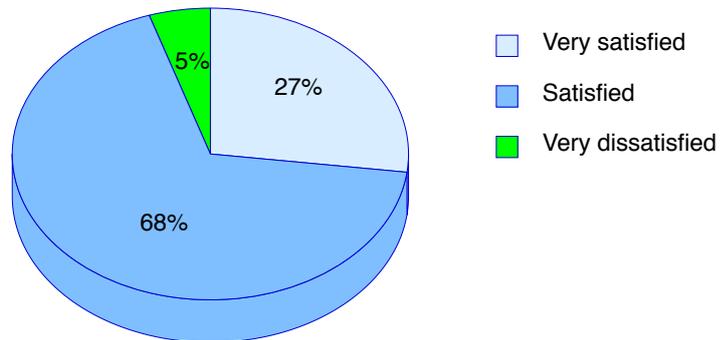
*Council Provided Piped Water Supply*



Base = 49  
(Does not add to 100% due to rounding)

### Wastewater Services

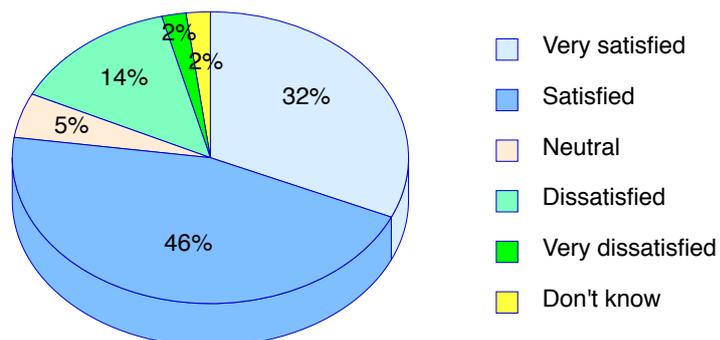
*Council Provided Sewerage System*



Base = 30

### Rubbish Collection Service

*Council Provided Regular Rubbish Collection Service*



Base = 89  
(Does not add to 100% due to rounding)

## LOCAL ISSUES

### Governance/Democracy

66% 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 34% say they don't.

24% 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 %
The public are consulted about the right issues <sup>†</sup>	54	13	25	9
Information available on these issues is clear and instructive <sup>†</sup>	44	34	19	2
Information about key community issues is easily accessible <sup>†</sup>	43	19	30	9
There is sufficient time and opportunity available to provide feedback	43	15	38	4
There is a suitable range of consultation options available <sup>†</sup>	40	23	21	15

Base = 26

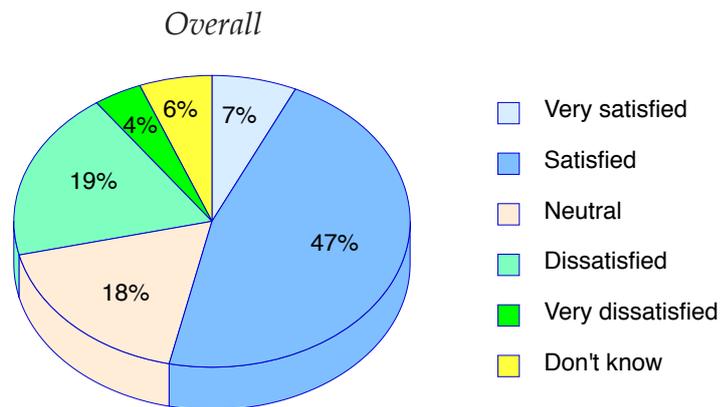
Caution: small base

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

% read across

<sup>†</sup> does not add to 100% due to rounding

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



(Does not add to 100% due to rounding)

## Participation In Decision Making Process

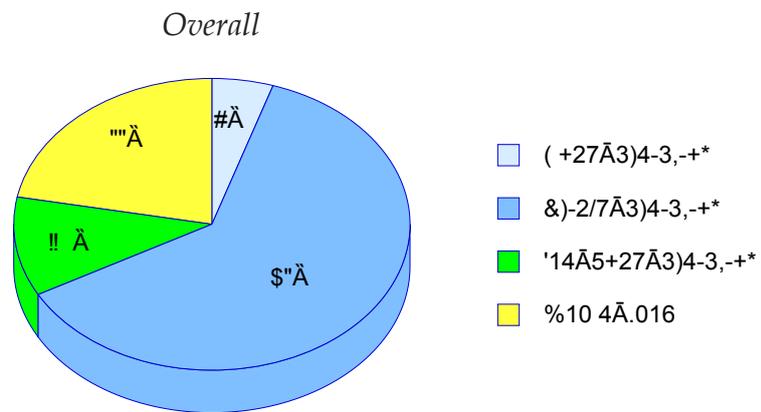
In general 16% of residents are interested in participating in Council's decision making process, 22% say they are not, while 57% say it depends on the issue. 5% of residents are unable to comment.

## Outcomes

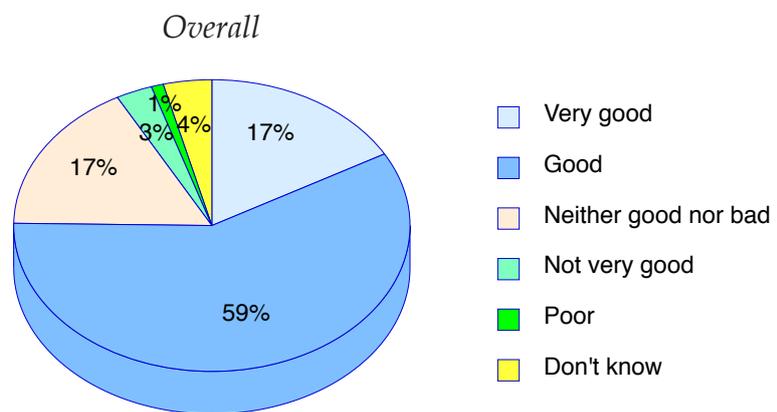
40% of residents say there is a Council action/ decision/ management they **dislike or disapprove** of, while 34% say there is a Council action/ decision/ management they **like or approve** of.

## Community Engagement

### Satisfaction With Rates Spending

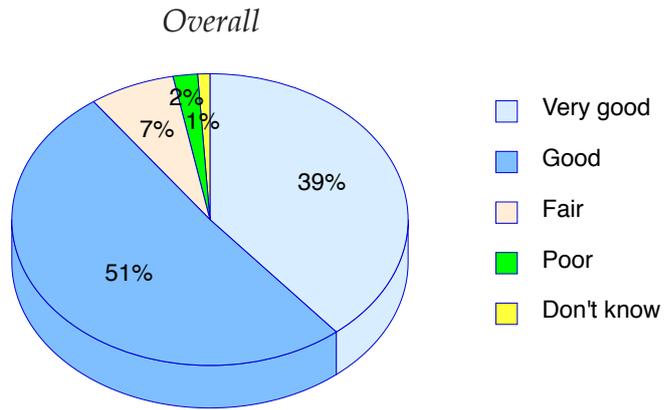


### Community Spirit



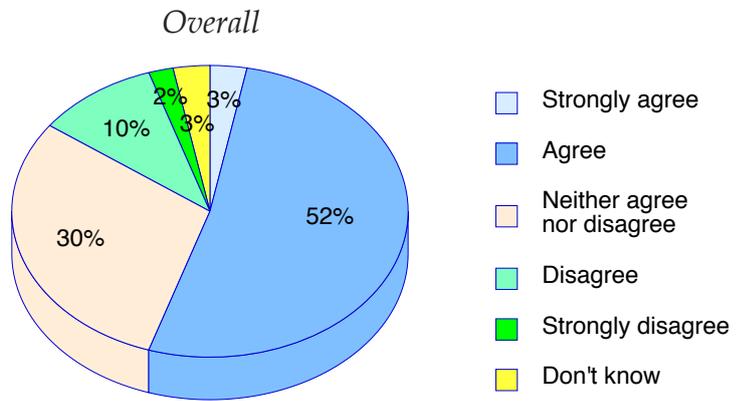
(Does not add to 100% due to rounding)

**Quality Of Life**

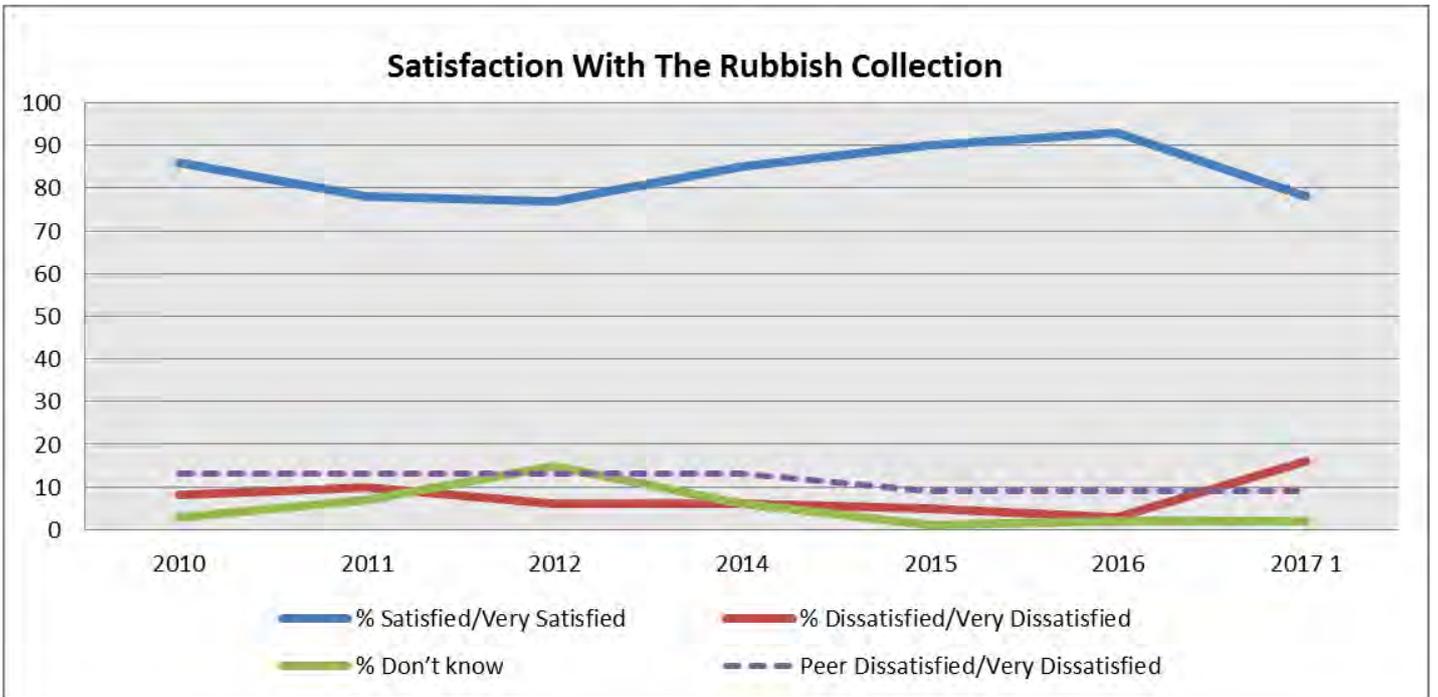
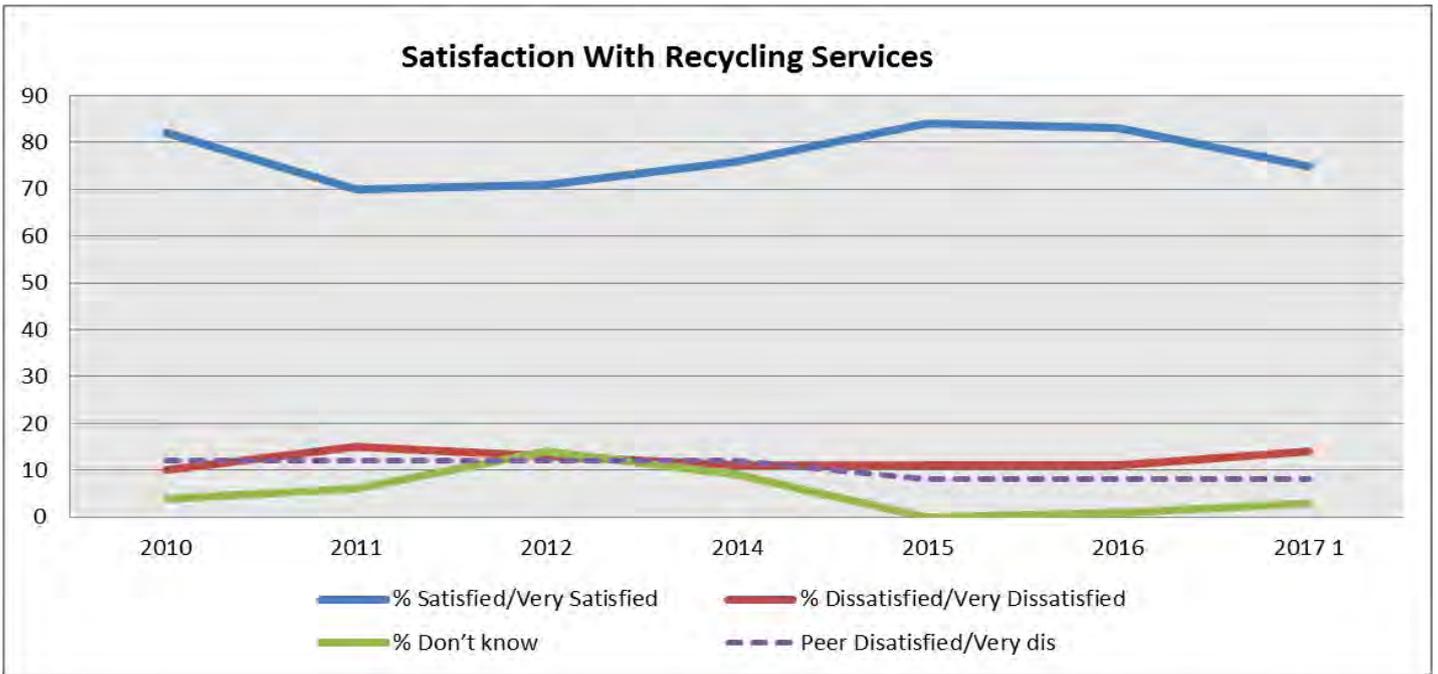


**Council Consultation And Community Involvement**

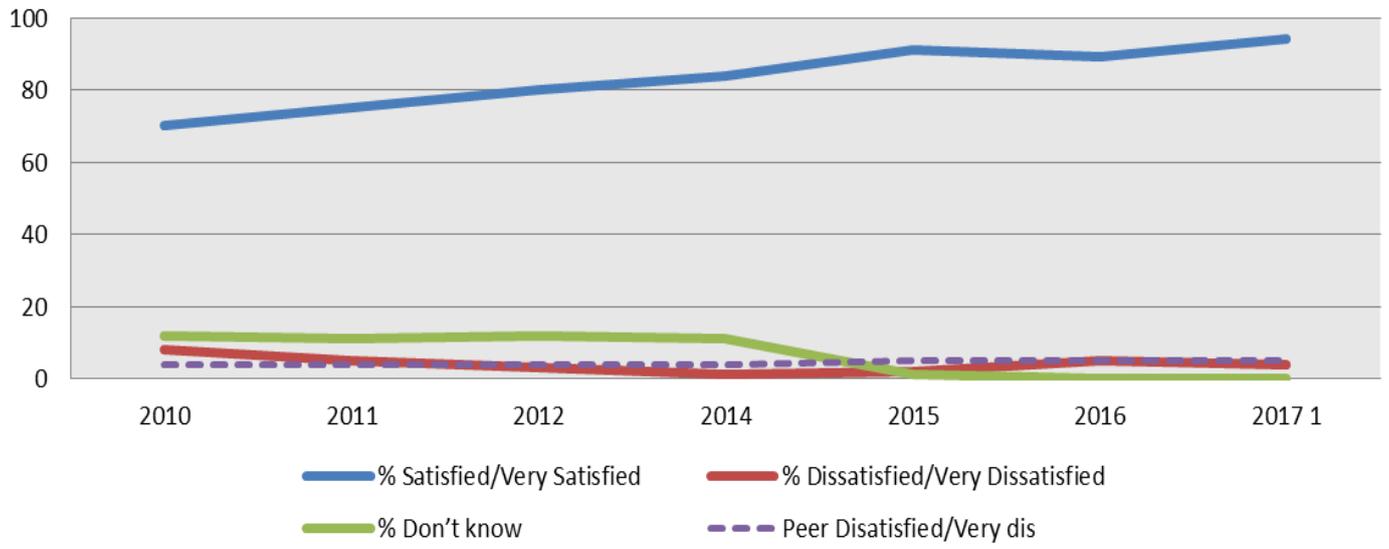
Council Makes Decisions That Meet The Needs And Aspirations Of Their Residents?



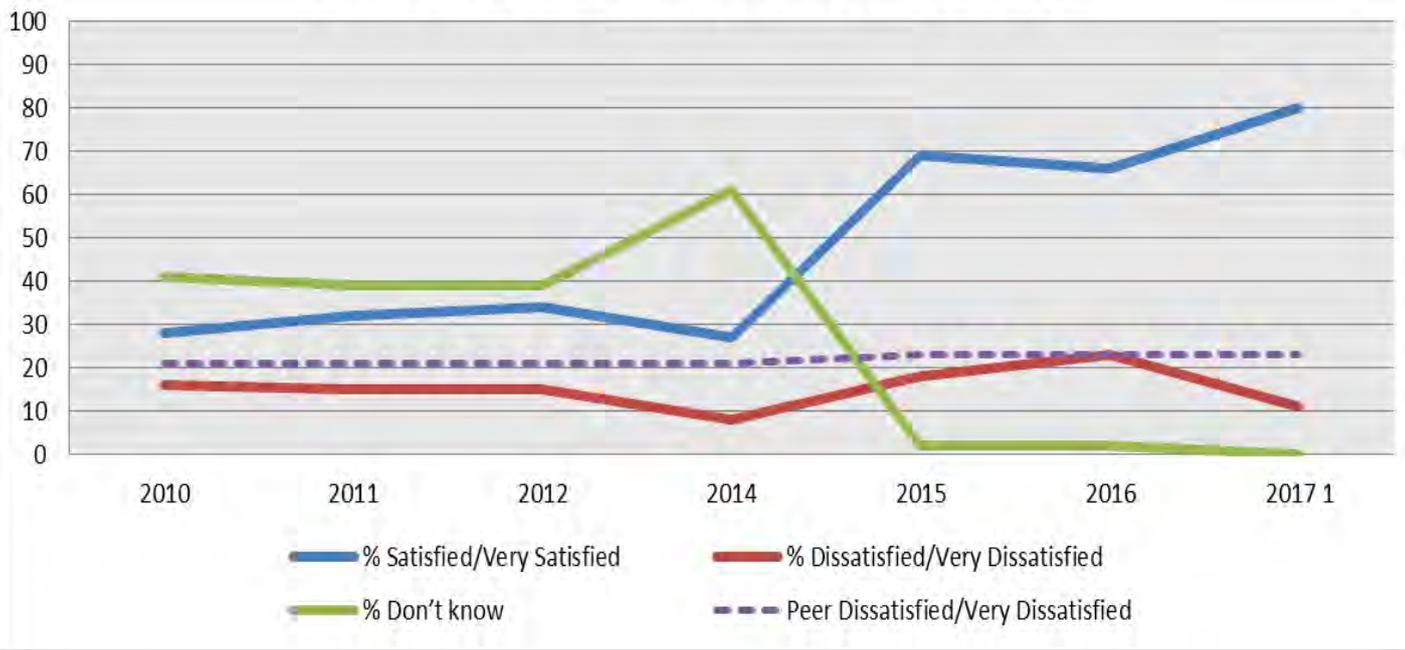
Residents Satisfaction Survey Trend Graphs – End of Year



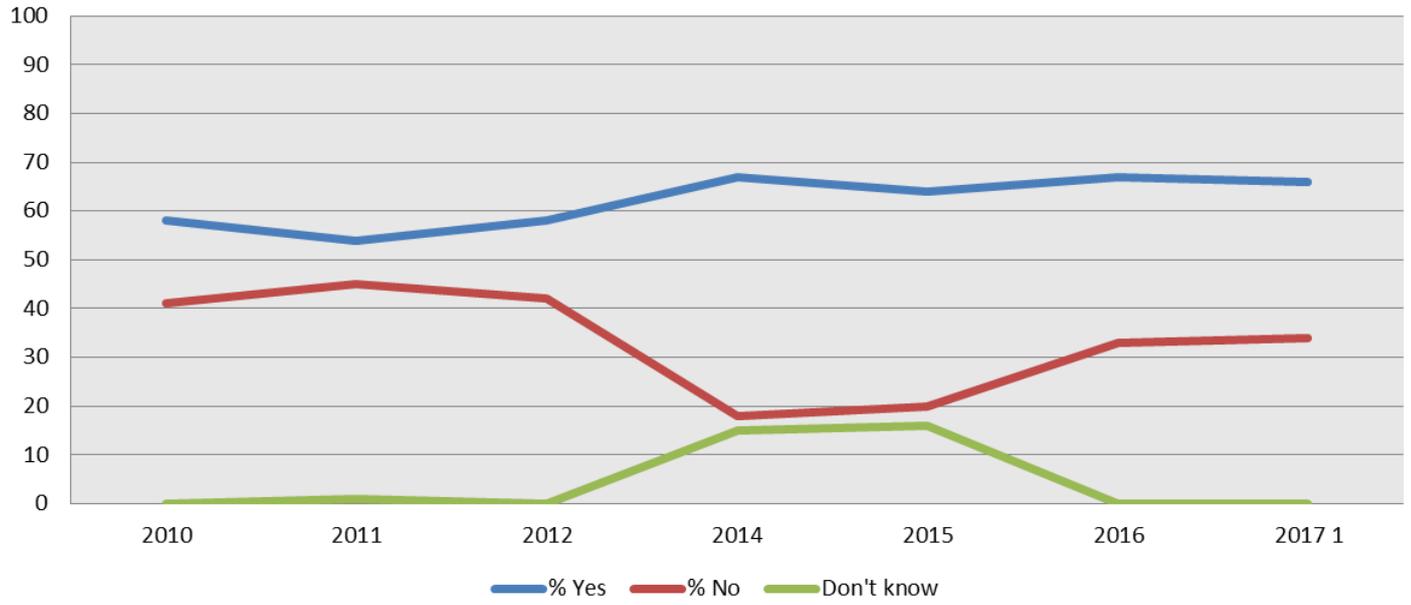
### Satisfaction With Parks And Reserves, including sports fields and playgrounds



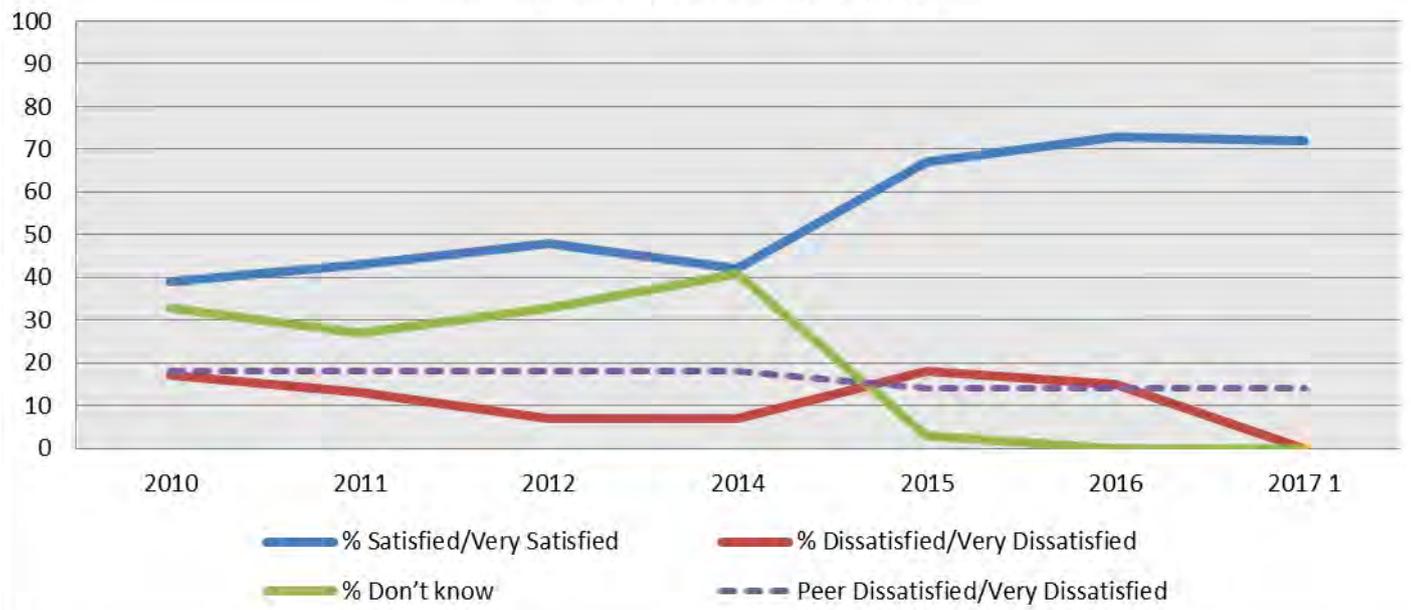
### Satisfaction With Building And Inspection Services



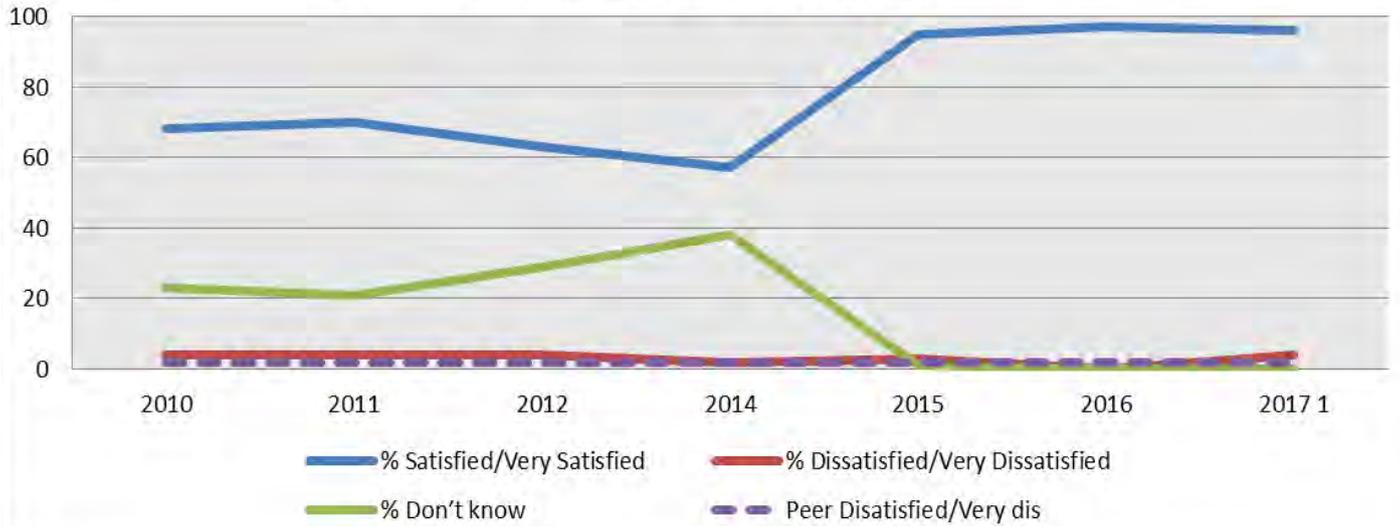
### Do Residents Feel They Have The Opportunity To Be Involved And Participate In The Way The Council Makes Decisions?



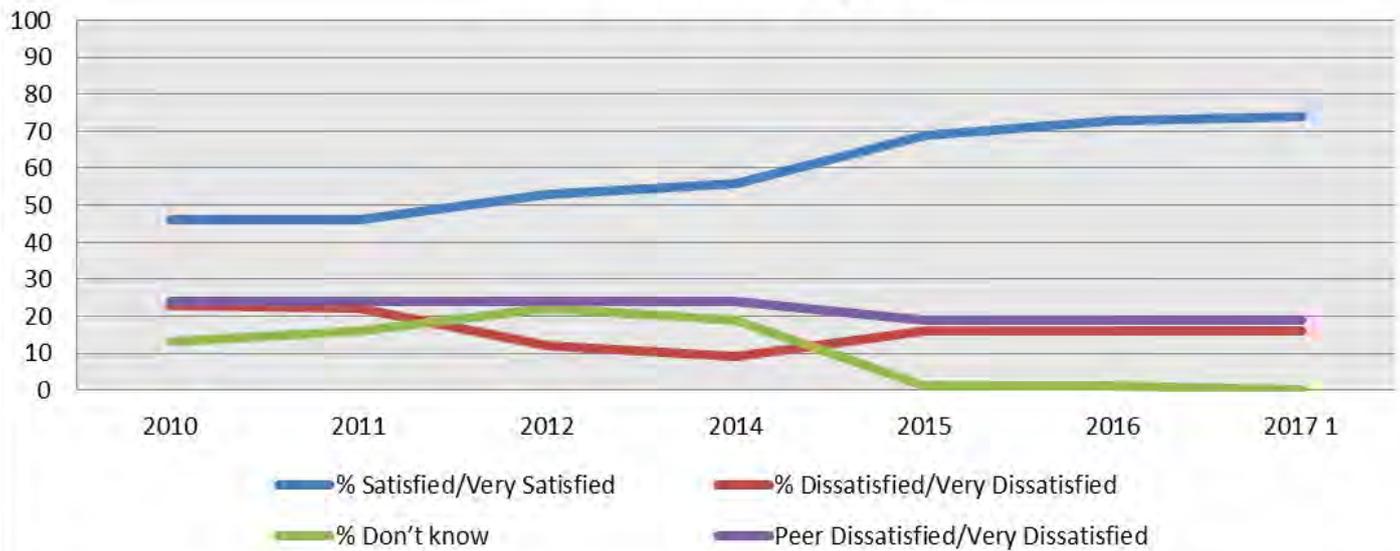
### Satisfaction With Public Toilets



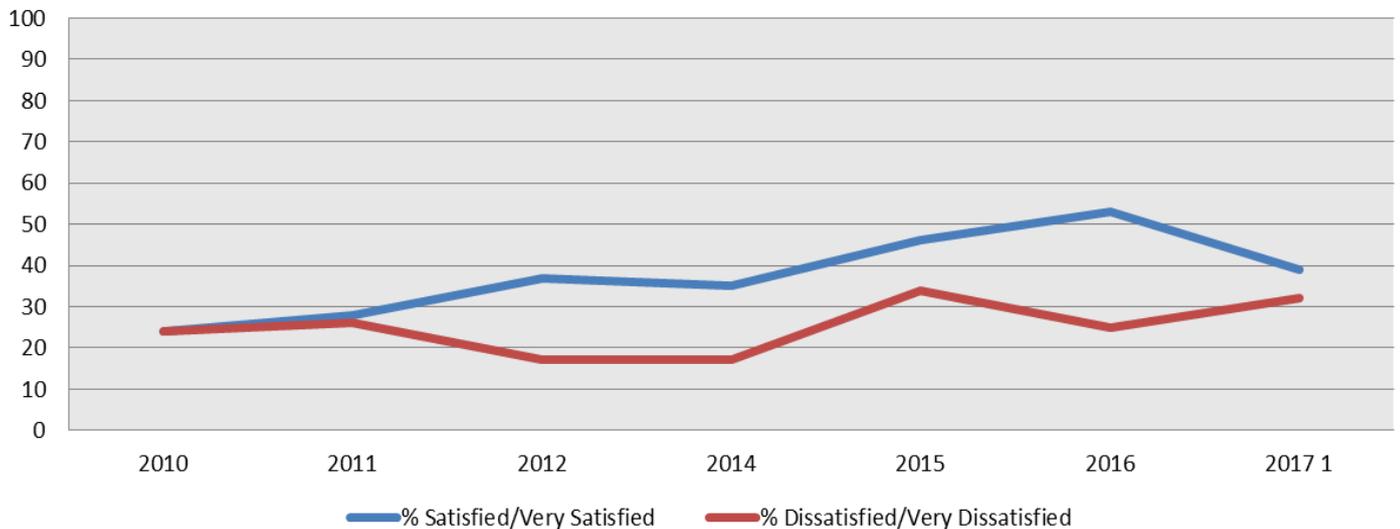
### Satisfaction With Public Libraries Overall



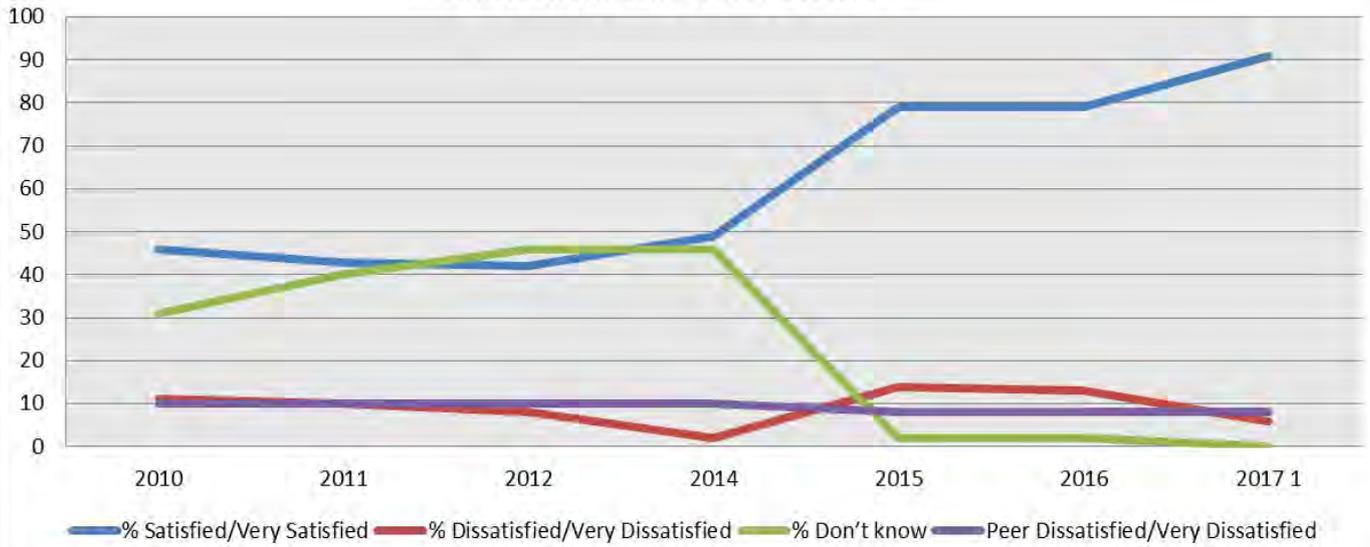
### Satisfaction With Footpaths



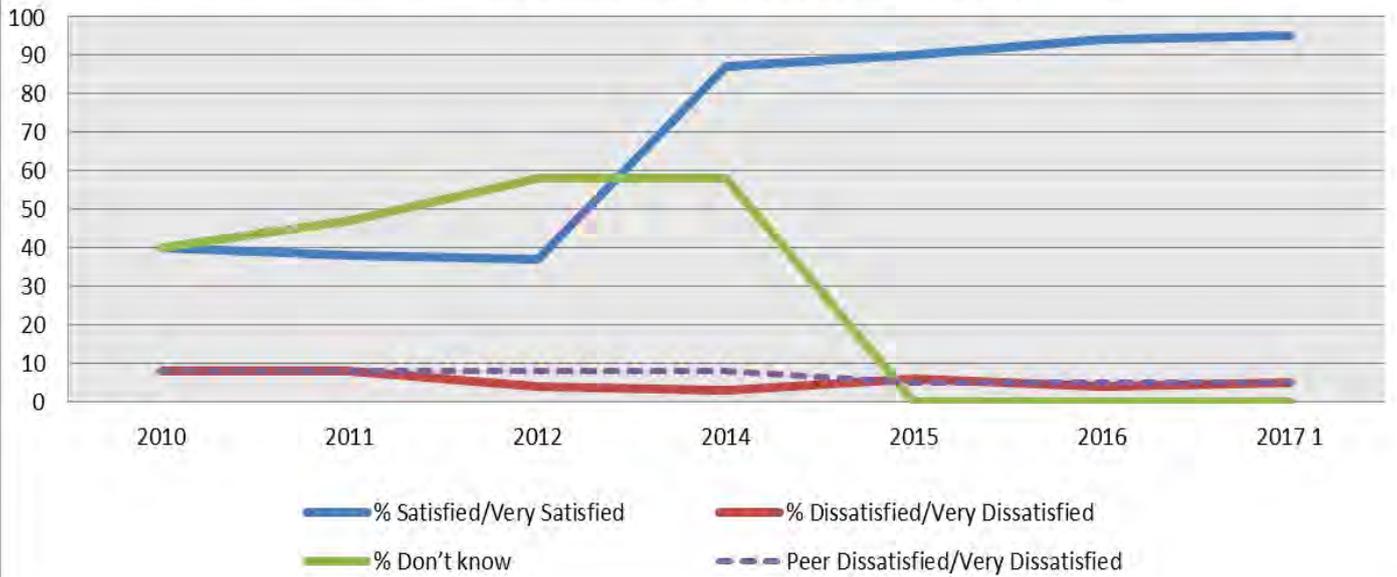
### Satisfaction With Standard Of Council's Unsealed Roads



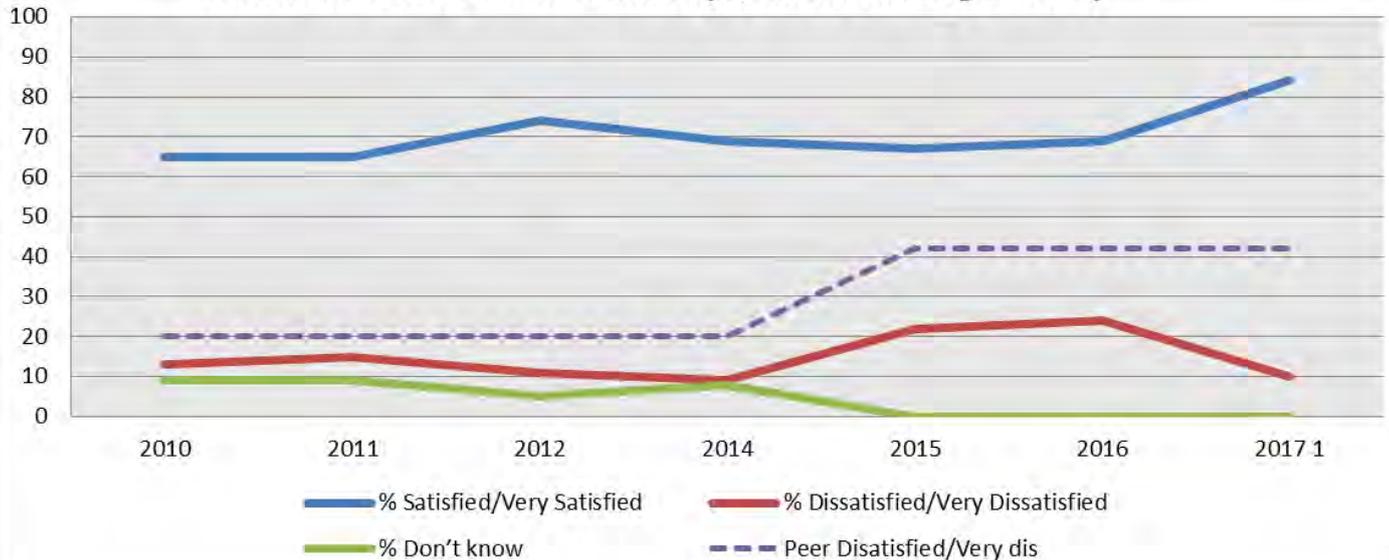
**Satisfaction With Water Service**



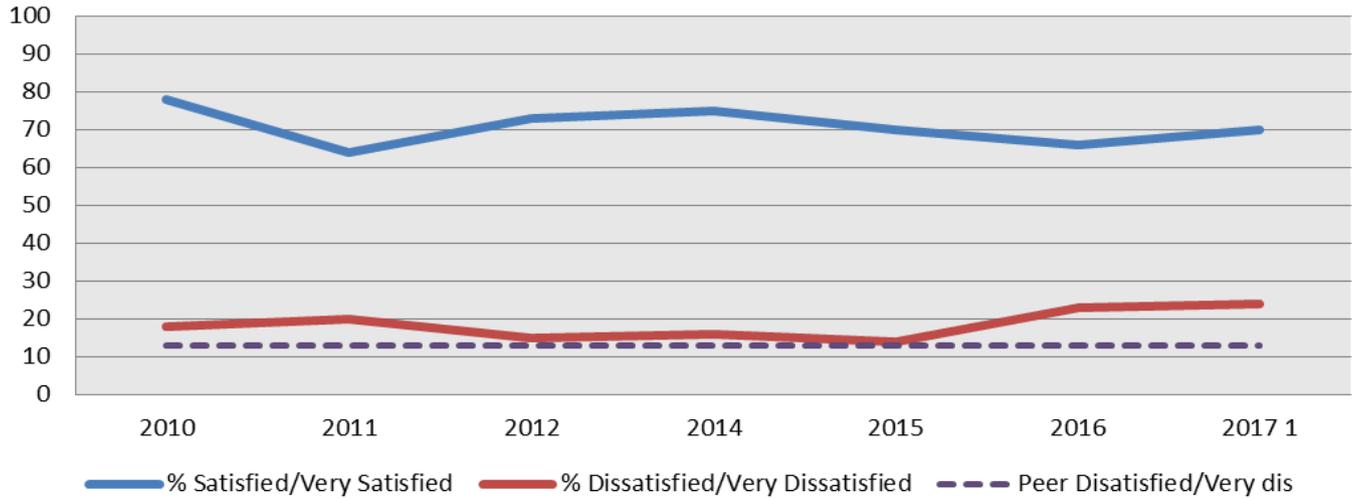
**Satisfaction With The Wastewater Services (ie, sewerage system)**



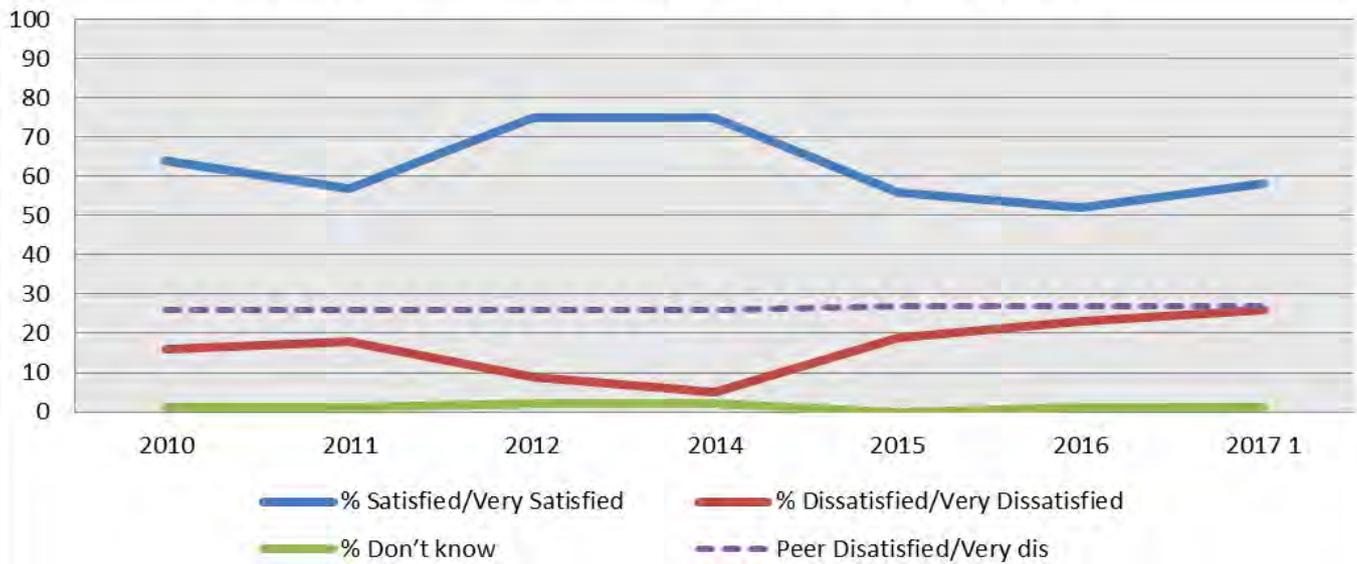
**Satisfaction With Animal Control (ie, Stock And Dog Control)**



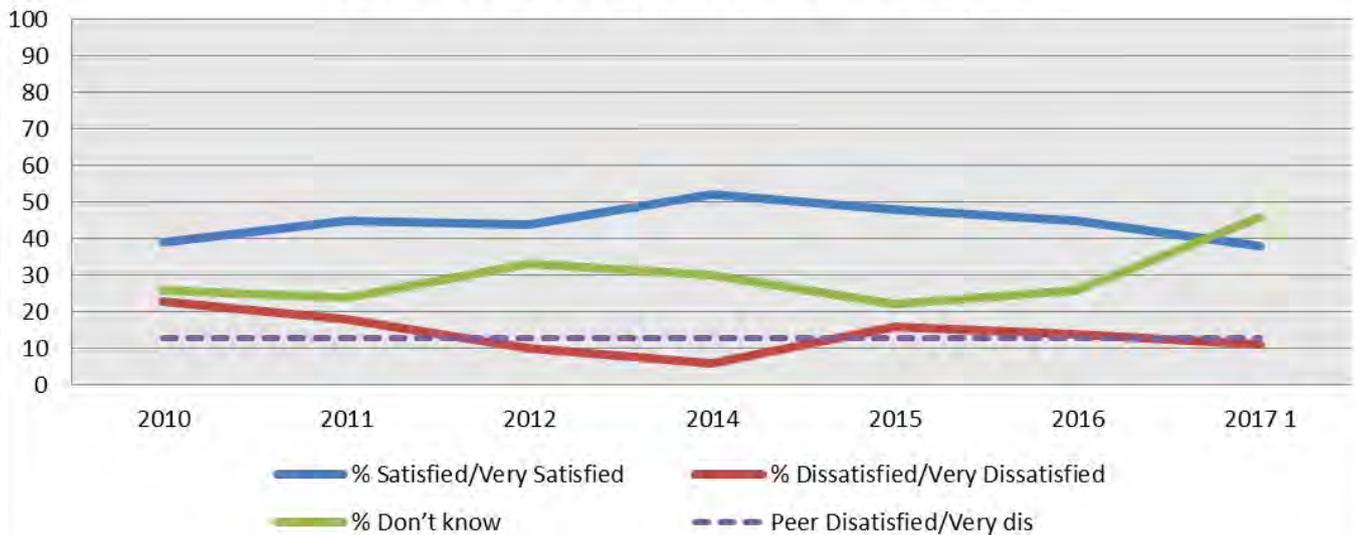
### Overall Satisfaction With The Service Received When Contacting The Council Offices



### Satisfaction With The Standard Of Council Roads Overall



### Satisfaction With Stormwater Services Overall



("Is there any **one thing** that comes to mind with regard to the Council's actions, decisions or management in the last few months, that you **like or approve of**?) What is that?

Tuakau swimming pool and the Redoubt work

- Get people out and doing

Parks and the Point are great

- Good resources for the community

Nothing specific but in general, I think things are going well.

- We get the regular newsletter and there is better communication which is better.

Last year they put up a memorial for the Ralph Mine disaster between them and the Lions Club.

- Because I'm an ex coal miner.

They are putting in a pretty good effort in tidying up the waterways

- Basically just for ecological reasons. Less pollution and improving the environment

They fixed Koheroa Road.

- Makes it easier to drive on.

Sportsgrounds maintenance

- Excellent maintenance of the sports grounds, Horshom Downs, Ngaruawahia

Planting

- Tuakau district, more planting around the place, looks great

Zero Waste Programme

- The council has supported the Zero Waste crew, Raglan, excellent. Hope they continue to support

Cycle Trails

- Excellent around the district. Would like some bridal paths i.e somewhere ride your horse

Town Maintenance

- Footpaths and playgrounds upkeep excellent, Ngaruawhaia town

War Memorial Hall

- Was going to be demolished, now they are communicating with public about it to see whether they can save it, Huntly

They have increased parking around Raglan so that was good

- Necessary over summer

The Waikato river - trying to control some of the weeds along the river bank and the alligator weed which they have sprayed apparently

- We need to keep the river relatively free from weeds

They are putting a new footpath around the kindergarten in Te Kowhai, it's a good decision and a barrier outside the school

- Safer for families going to and from Kindy.

About the Founders theatre, take it down or not, good the way the put the flyer out and a phone call survey. I said build a new one make it good for 100 yrs

- When they phoned up that was good, and asked me and I got my say

The cycleway by the river - they've made a very good job of it and its well utilised.

- We look out on to it and we see the use it gets and it takes people away from the busy roads and children can walk or ride on it without worrying about traffic.

I think that they have an SNA process going on at the moment and they are in the process of consulting with people over that and that's great, huge task

- It's a good initiative nationally really protection of the remaining forests and a regional approach to it overall is a good move, more a case of council needing to do more for its part nationally

The upgrade of the road to Onewhero and the way they spray the sides of the roads when needed. They are cleaning the bridge into Tuakau. The park down there is kept very well, by the side of the river

- The plantings that they have done in Tuakau are very good and they are keeping it nice.

Upgrading of water between Tuakau and Pokeno. Putting Broadband in.

- People like it.

They sent us a letter regarding some works they were doing in the area advising what was happening.

- It was a courtesy

I like some of their staff - they are nice and easy to talk too.

- It's nice to talk to nice people.

Some roading around Newstead area.

- It gives better options to local residents.

My architect has contacted the inspection services and they have worked through an issue that arose and he said the Council were extremely good to work with unlike some of other councils he has worked with.

- Instead of throwing it to the bottom of the pile, they helped the designer to overcome it so that the job could be signed off. It was not only a convenience thing but it was a financial saving as well as being efficient.

Footpaths

- New footpaths around Tamahere excellent. Could do with more

Tree planting

- More native tree planting looks great around Onewhero-Te Akau

They have done their homework on what they can do to improve recycling in our area, specifically the introduction of the extra bin for recycling

- Means better recycling of cans, bottles, and people need to be more aware of what happens to our recycling.

The councillors have been open-minded and prepared to listen to anything you had to offer

- It's a good thing to be given the opportunity to have your say - the open forum last week here you met with the town planners and the councillors was a good thing as it affects me and I went and asked questions and it was good.

The way they keep the roadsides and roads themselves, recently Onewhero Hill Road done very well, painting the white bridge, and the parks and reserves

- Roads are a lot safer, particularly with the logging trucks going through Onewhero. Roads from Pokeno are always being made safer and we've benefited because Tainui are helping to fund it.

The roading services in our area Wairamarama Valley

- It was a problem and they fixed it very well

Like the publications they send out letting us know what they are doing

- It is in the mail, I have no time to go to meetings

Council newsletter

- I like the council newsletter that is sent in the letterbox advising what is happening in the district.

Te Kauwhata town looking great

- Te Kauwhata town looking great well maintained

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

Not happy about the water meters going into houses and then being charged for the water

- Already paying in the rates and this move won't reduce the rates

Need to clean up the area of Pokeno where they sell ice creams, and the retailers should be made to clean it up. Also rubbish collection

- Not a good idea to have messy areas

Cutting the verges on the side of the road

- This will mean the edge of the road will look like a hay paddock

Don't feel consulted on the rubbish collection changes. Maybe council needs to use social media rather than paper

- Don't feel consulted and don't think that the council is going about consultation the right way

Rubbish recycling - we don't know what's happening, rumours around. Our nearest depot is Pokeno but that doesn't seem to be operating at the moment. Should be kerbside recycling

- Poor communication all along. A public meeting has been called for the 16th and that may clarify some of the issues.

The way they handled the War Memorial Hall in Huntly.

- They went ahead and decided they wanted to demolish it without consulting the public in any way and they didn't do any research. Originally it was funded by the public not by the council so theoretically it belongs to the public not the council.

Road frontage is not mown very often, Hiwi Road. It could be tidier than it is. Roadside rubbish if it falls off truck is not picked up.

- It looks untidy when things fall out of the recycling trucks

58% staff turnover reported in the Waikato Times so there are some issues there regarding the retention of staff.

- Basically a waste of ratepayers money making jobs redundant, restructuring when a new executive comes in.

Cost of consultation processes and regulations.

- Things are getting out of hand financially and it's stopping productivity.

Building little townhouses in Dinsdale and they are creating a slum area.

- They are creating slums in 10 years time.

Subdivision Raglan

- Rangatahi Subdivision urban in Raglan has go ahead, massive infrastructure with no services. Not environmentally friendly

Allowing more liquor stores in Raglan, I didn't think we needed any more than we already had

- I don't think we needed more

Well for me regarding our local War Memorial Hall buildings, I think a decision was made and we didn't know about it, if we had more time we would have had more participation

- Lack of knowledge about what was about to happen

The way they have ignored my requests for the berm outside my house which takes 1.5 hours to mow. A man on a mower cuts the other side of the road and neighbours but they don't cut mine. They don't ring back

- They ignore me.

They demolished the town hall without consulting the community. Better consultation is needed with the community.

- Council should consult - it's only right. There should be consultation with the community.

Haven't communicated well about the upcoming coupon systems for rubbish collection - not even sure if it's just a rumour! Nothing formally, would have expected something

- I think that it's some information gone out in various ways but not direct communication with ratepayers

Lack of information regarding decisions made or consultation on those decisions is less than acceptable, regarding rubbish collection and water metering

- There is not enough information about why they are doing things or misleading about why they are doing things and a lot of it is like the proof is in the pudding, but rates don't go down once you pay for rubbish yourself

They laid a footpath and within a short period they dug it up again for what I think was fast broadband or some other kind of work.

- Ridiculous that they dug up parts of a newly laid footpath shortly after it had been laid.

I was told by a council member that streams and ponds do not belong to the people who own the land so they can't use it yet we are charged for it. Who pays for the damage that surface water causes?

- Bores apparently belong to the people on whose land they are and can use as much water as they want but a spring on my property does not belong to me and I have no control over it as I don't have a bore.

Been trying to get a corner fixed at an intersection but don't seem to get very far. In Waiterimu intersection with Mangapiko Valley Road and Waiterimu Road.

- Because there might be a bad accident there one day - it is a very blind intersection. Had a meeting with an engineer but we haven't heard back from them

They made a mistake in their rating data base which affected water rate and they then corrected it and back charged everyone without telling them - it wasn't handled very well. - No consultation.

- I went through the process of discussing it with them and they said No - we're the council and that's the way it is - you don't have any choice to do anything about it - it's dictation, not consultation.

Stickers for the rubbish.

- It costs more than it did before.

Different things they are consulting on but in the end they just do what they like. Freedom camping bylaw and ongoing issues with the waste water.

- There are not really enough options available that people would like to take - you have a choice out of a bad lot.

The recycling - they should have got something in place when they discontinued the facility at Envirowaste.

- I can't stand putting a plastic etc in a landfill. I like recycling - it gives me a good feeling knowing we are doing it but we don't have the option to do so.

Waikato River Purification Scheme

- Not sure if this is Waikato District Council or Environment Waikato. We pay rates for Waikato River purification scheme but don't get any details or updates what is happening, the river looks the same and we pay a lot of money for the scheme

Museum

- Museum in Huntly, council needs to work closer with the community and get this up and running

better and needs to be bigger, lots of heritage and items that need to be displayed and promoted

#### Church Hall

- Church hall in Te Kauwhata, spent \$40,000 and taken three years to get this far. Footings have just been put down. Lot of time and money and bureaucracy that goes with it

#### Rubbish

- Having to pay for stickers as well as rates and the fact that reduced rubbish that is allowed to be put out McDiarmid Crescent, Huntly

Have to now pay extra for rubbish collection when we are already paying in our rates for rubbish collection and the fact that we are already paying for water and we are now being metered

- We are already paying and now they are charging us again. They say they will give a rebate but I don't see that we will

The rubbish recycle change which means extra fees for rubbish and disorganised collection of the organic waste, and they would like me to increase my recycling by giving me another bin, all costing

- Costing more, may result in rural population burying it instead

The rubbish and the Targa Rally, use of the road when it is basically not open to through trucks but still ok for a rally!

- Road is closed and disruptions to residents traffic and work around the rally for the last 25 years at least

Charging of rubbish collection from next month, we already pay in our rates, why now for bags?

- Lack of consultation, there must be reasons, just like to be informed, they could have increased the rates for the rubbish collection portion of it

Rubbish collection issue, paying for it by July

- The additional cost

Maybe just the new costs with the rubbish collection

- Don't see why we have to pay when we are already paying rates

Squabbles within council between councillors and mayor

- Doesn't present to me as something, I just expect them to be more responsible than that

Paying for rubbish bags

- Pay rates as well

Having to pay for rubbish bags

- We haven't had to pay this before so why now

#### Rubbish

- Putting the cost of rubbish onto the ratepayers. Rates we're paying is like a second mortgage. I want the council to reverse it asap

Rubbish Bags

- Not happy with having to pay for sticker for rubbish over and above the rates

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### Open Meeting

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	03 November 2016
<b>Prepared by</b>	Sandra Kelly District Plan Administrator
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1632133
<b>Report Title</b>	Plan Change 14 Raglan Rezone – Operative Date

## I. EXECUTIVE SUMMARY

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Plan Change 14 proposed to rezone the following properties in the Raglan area:

- A number of properties on Wallis Street from Living Zone to Business with a Town Centre overlay;
- Two properties on Wainui Road adjacent to the Poihakena Marae from Coastal Zone to Pa Zone;
- Establish a new Business overlay for a number of properties on Bankart Street and Wainui Road;
- Rezone 75 Rose Street from Living Zone to Business Zone; and
- Rezone the consented industrial areas of the Nau Mai Business Park from Rural Zone to Light Industrial Zone.

## 2. RECOMMENDATION

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

**AND THAT** pursuant to clause 20 in Schedule I of the Resource Management Act 1991, staff arrange a public notice that declares operative the provisions in Plan Change 14 Raglan Rezone Operative Date.

## 3. BACKGROUND

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Plan Change 14 was notified on 18 December 2015 and submissions closed on 29 February 2016. Further submissions were notified on 08 April 2016 and closed on 22 April 2016. There were a total of seven submissions and three further submissions received. The hearing for Plan Change 14 was held on 07 July 2016 and the hearing

commissioners released their decisions for Plan Change 14 on 15 September 2016. The appeal period closed on 28 October 2016.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 DISCUSSION**

As the appeal period for Plan Change 14 has closed and no appeals were received Council can now approve the plan change as operative. Pursuant to Clause 20(1)(2) in Schedule I of the RMA 1991 Council must publicly notify the date in which the Plan Change becomes operative, being at least five working days before the date on which it becomes operative.

## **5. CONSIDERATION**

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### **5.1 FINANCIAL**

There have been financial costs involved with this plan change. The costs have included staff time, legal service, public notification notices and the hearing. These costs have been budgeted for in the current Long Term Plan (2015-2025).

### **5.2 LEGAL**

The plan change document and other relevant documents were legally reviewed by Tompkins Wake. The Plan Change fits within the provisions of the Resource Management Act. This also matches to the consultation level of engagement contained in the Council's Significance and Engagement Policy.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

A plan change is a business as usual activity for the Strategic Planning and Resource Management team.

### **5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS**

<b>Highest levels of engagement</b>	<b>Inform</b>	<b>Consult</b>	<b>Involve</b>	<b>Collaborate</b>	<b>Empower</b>
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<p>The public notification process was undertaken as part of Schedule I of the Resource Management Act.</p> <p>This also conforms to the 'consultation' level of engagement contained in the Council's Significance &amp; Engagement Policy.</p>				

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

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Council is being requested to declare Plan Change 14 Raglan Rezone operative. Staff will place a Public Notice of the Plan Change in the relevant newspapers. The Plan Change will be advertised on the 14 December 2016 with an operative date of 21 December 2016.

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### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	10 November 2016
<b>Prepared by</b>	Clive Morgan Economic Development Manager
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1636691
<b>Report Title</b>	Economic Development Update

## **I. EXECUTIVE SUMMARY**

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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 is on track.
- Regional Mid-Sized Tourism Facilities Grant Fund application from Council was unsuccessful.
- Council staff are investigating applying to the Government's \$1 billion Housing Infrastructure Fund.
- Crown Fibre Holdings is endeavouring to attract local government co-funding for the Rural Broadband Initiative 2 and the Mobile Black Spot Fund.
- Waikato Means Business – A key project has been commissioned to build better regional economic development capability and capacity.

## **2. RECOMMENDATION**

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

## **3. REPORT**

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### **BACKGROUND**

The purpose of this report is to update Council on the various economic development projects and other economic development 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

A work programme status report is attached (Appendix I).

The Economic Development Work Programme is on track.

Of the 26 actions, three are completed, two are near completion at 85% and 95% respectively and a further 12 have been activated. The draft Open Waikato Communications Plan has been deferred for two months due to other priorities and is now expected by the end of November.

### **Regional Mid – Sized Tourism Facilities Grant Fund – Round one**

A new Ministry of Business, Innovation and Employment Regional Mid-sized Tourism Facilities Grant Fund (“the Fund”) of \$12.0 million over four years was established in Budget 2016 for small infrastructure projects that deliver facilities utilised by visitors, enhance the visitor experience and help communities maximise their tourism growth potential.

Council made an application to the Fund on 15 September 2016 for visitor related projects in Raglan that Council would not otherwise be able to deliver.

A requirement of the Fund included Council making a financial contribution to the maximum extent possible. Council’s contribution was unbudgeted. However, the opportunity to leverage Council’s contribution with the Fund provided an opportunity to bring forward projects that meet the Fund’s criteria and would enhance Raglan’s visitor experience and benefit the local community.

Total cost of the applied for projects was \$420,000 of which Councils commitment was for up to \$120,000 which would require the Fund to contribute \$300,000.

Staff considered a number of possible projects to apply for funding. Based on the Fund criteria and tight time frame for applications, the following projects in Raglan were considered most suited to the Fund's intended purpose:

- Raglan Tourist Enhancements (Improved accessibility to the town centre, mountain bike trails and coastal beaches).
  - Sub-project 1: Upgrade Wainui Rd – this included walkways / cycleways from Wainui Road to the Wainui Reserve.
  - Sub-project 2: Improve the pedestrian linkage between Raglan Sports Reserve carpark and the coastal road route to the town centre, including appropriate signage.

### Fund Recipients Announced

Council's application to the Fund was unsuccessful.

The Ministry of Business, Innovation and Employment ("MBIE") approved 14 applications for funding. A total of \$3,052,187 was awarded in round one.

Eleven of the 14 projects were awarded funds to build toilets or related wastewater and effluent treatment infrastructure. Other projects included overnight camping facility enhancements, parking areas and rubbish disposal infrastructure.

When announcing the Fund, MBIE advised that up to \$12.0 million would be made available through the Fund. As this announcement is referenced as round one and just over \$3.0 million was awarded, staff anticipate further funding rounds will be announced.

Although Council's application was unsuccessful, the work done by staff will be beneficial for applications to future funding rounds.

A copy of MBIE's media release is available at <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/regional-mid-sized-tourism-facilities-grant-fund/round-one-funding-recipients/?searchterm=mid-sized%20tourism%20facilities%2A>.

### \$1 billion Housing Infrastructure Fund

Staff are currently exploring opportunities to participate in the \$1 billion Housing Infrastructure Fund offered by the Government to fast track availability of residential land. This includes liaising with adjacent Council's re: collaboration opportunities. An initial indicative bid is required by 02 December 2016.

### Rural Broadband Initiative and Mobile Black Spot - Crown Fibre Holdings Invitation to Co-Fund and/or Assist

In 2015 Council participated in an MBIE Registration of Interest process to seek funding for broadband investment in urban and rural areas of the district and to address mobile 'black spots'. Besides the urban focussed Ultrafast Broadband 2 ("UFB2") programme, the Government signalled \$100 million to extend the Rural Broadband Initiative ("RBI2") and

\$50 million for Mobile Network Black Spots (“MBS”), to improve safety on state highways and enhance access in high tourist areas.

The Council also subsequently developed a Digital Enablement Plan (“DEP”) to outline how Council would support the roll-out and uptake of broadband services in its district (e.g. through consenting processes, on-line customer services, information provision, use of Council land or infrastructure assets).

As part of the DEP process, MBIE suggested that Council’s should consider co-funding broadband supplier’s infrastructure costs. Council decided not directly fund supplier costs, but did commit \$100,000 to fund development and implementation of Council’s programmes in the DEP.

No announcements were made during 2016 regarding allocation of the above funding programmes. Crown Fibre Holdings (“CFH”) is the crown owned company managing implementation of the programme. In late October 2016 CFH released a Request for Proposal (“RFP”) to seek suppliers to propose broadband/mobile solutions for specific locations under each programme, and an RFP to seek assistance/funding from council’s.

CFH is seeking responses from Council’s to:

- prioritise their areas within CFH’s ‘longlist’ of RBI areas and suggest any additional areas for consideration by 25 November 2016; and
- make a submission by 02 February 2017 on willingness to contribute funding from 2017/18 for the next few years, and outline other supporting measures the Council will provide.

The implication of this RFP is that many Councils will need to revisit or add to the work they did in 2015. The RFP may reflect a poor response rate from Councils in the first round in respect to prioritisation of their areas and/or offers of co-funding. As all relevant RBI candidate areas were identified and prioritised in this Council’s 2015 submission, it will be straightforward to re-advise CFH of these areas as appropriate. However, staff will first need to check which of Waikato District’s RBI areas and MBS locations have been included in CFH’s ‘longlist,’ and those areas that have been excluded. In respect to ‘other supporting measures’ in the second point above, these were also outlined in the 2015 ROI and DEP, and can similarly be re-advised to CFH.

Regarding the co-funding option, it is proposed that staff fully assess the RFP documents and report back to Council on the issues and options associated with the request, in time to meet the February 2017 deadline.

On initial assessment, the co-funding request raises several issues that will need to be considered by Council:

- the terms on which funding would be granted to CFH and in turn, to suppliers;
- clarifying the potential scale of funding required to achieve broadband coverage in the Council’s rural areas (e.g. CFH estimates that costs of extending coverage in the RBII programme averaged \$2,000-\$4,000 per end user);
- the extent to which suppliers operating in Waikato District will participate in the RFP;

- implications of the accountability of suppliers (as recipients of the funding) for delivery performance being to CFH (not Council); and
- the timing of this request in relation to the Council's 2017/18 Annual plan process which has already commenced.

The RFP process is scheduled to be completed by June 2017, when CFH aims to initiate contracts with suppliers under each programme.

### Waikato Means Business – The Waikato Regional Economic Development Strategy

A key project of the Waikato (Regional) Economic Development Strategy Implementation Plan (“the Implementation Plan”) is to investigate and make recommendations on options to achieve greater economic development capacity and capability for the Waikato region. **Towards Greater Regional Economic Development Capacity** (“the Project”) is the project established to achieve this.

Staff met with Harvey Brooks, Project Manager Waikato Means Business on 04 November to receive an update on the Implementation Plan and particularly to allay concerns that the Waikato District Council was not effectively represented on the Project.

Mr Brookes confirmed that the Project acknowledges that greater regional economic development capacity and capability is most probably required to not only convene the various stakeholders involved in regional economic development, but to also provide the capacity which is often required in order to keep things moving. The absence of this capacity has become apparent in some of the Waikato Means Business work streams, where progress cannot be made because of limited in-house capacity and the limited ability of partners to do work over and above their day to day roles (the Implementation Plan, p.8.).

Mr Brookes advised that if Council's Chief Executive was not elected to the Project Steering Group then Council would be represented as a member of the Project Reference Group. He also gave assurance that he would provide updates on the Project to Council at any time.

Staff will monitor developments and report back to Council once the Project Steering Group is confirmed.

The Project Sponsor is the Waikato Regional Council which is funding the Implementation Plan.

A copy of the Waikato (Regional) Economic Development Strategy Implementation Plan – Year 2, August 2016, is attached as Appendix 2.

### **OTHER ACTIVITY**

Economic Development staff are actively engaged in a number new residential development and business investment enquiries. These include opportunities in Pokeno, Te Kauwhata, Huntly and Horotiu. Due to the commercial sensitivities associated with these enquiries and timing of this report relative to their progress status being pre issuance of consents, a full update will be provided through a public excluded report in the New Year.

#### **4. ATTACHMENTS**

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- Appendix 1: Economic Development Strategy work programme 2016/17
- Appendix 2: Waikato (Regional) Economic Development strategy Implementation Plan – Year 2, August 2016

## Economic Development Strategy Work Programme 2016/17

The table below summarises the priority projects and activities for the 2016/17 financial year as at 10 November 2016.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
<b>Sector Development</b>	Freight & logistics sector development	1. Develop online and printed prospectus to outline the freight and logistics sector value proposition	\$5,000	01/12/16	85%	Commenced 01/7/16. Prospectus mock up drafted and sent to design agency to finalise for publishing. Next steps: Final print version to be approved. Expenditure to date: NIL.
		2. Promote the opportunities presented by the Ports of Auckland Waikato freight hub	\$5,000	30/06/17	20%	Commenced 1/7/16. Now the prospectus has been drafted a media and marketing campaign can be finalised. Intention is to use as a business attraction opportunity. Expenditure to date: \$3,500. Next Step: Approve print version and Scope media campaign.
<b>Business Retention, Attraction</b>	Business funding and support programmes	3. Establish Waikato Innovation Park service in Tuakau, Pokeno and Te Kauwhata	\$4,000	31/10/16	<b>100%</b>	Waikato Innovation Park Open Waikato advertising in July resulted in ten enquiries leading to eight meetings and four businesses taking up programmes to date. Expenditure to date: \$4,000. Next step: Further promotion (refer item 9).
	Customer Relationship Management	4. Establish processes and culture to foster high value key relationships	Nil	30/06/17	Reported separately	Primarily delivered through support of 2016/17 Our Plan organisational development programme objectives. Reported separately.
		5. Review large development project support processes	\$10,000	31/05/17	0%	Starting February 2017.
	Attract new property development	6. Promote development opportunities resulting from District Plan review and structure plans	\$10,000	On hold	N/A	Awaiting conclusion of District Plan review.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
	International Connections	7. Support the regional Waikato Means Business 'Waikato Story' development	Nil	To be confirmed	N/A	Led by the Waikato Regional Council. Supported development through attending workshops and provision of information as required. Awaiting update on the website development and 'go live' date and discussions regarding ongoing support.
		8. Develop a business and political delegations engagement plan	\$2,000	30/06/17	0%	Starting 01/11/16.
	Business start up	9. Build awareness of innovation support services available to assist new businesses	\$2,000	30/06/17	40%	Staff have met with the Waikato Innovation Park Business Advisory team and agreed to collaborate on further promotion of the Tuakau based service. Expenditure to date: Nil. Next Step: Development of new campaign.
		10. Establish an innovation network throughout the district	\$3,000	30/06/17	40%	At a recent meeting with the Waikato Innovation Park ("WIP") Business Advisory team it was agreed to extend the Tuakau service model to Raglan. Expenditure to date: NIL. Next Step: Staff to work with the Raglan Council office to establish the WIP service in Raglan.
		11. Establish a new service to assist small businesses engagement with Council	\$8,000	30/06/17	5%	Starting 01/10/16. Initial planning discussions underway with the Economic Development team. Expenditure to date: Nil. Next Step: Coordination of internal stakeholder meetings to define and develop scope.
<b>Spend Attraction</b>		12. Support the Waikato regional tourism organisation, Hamilton & Waikato Tourism ("HWT") and support the delivery of the HWT Visitor Strategy and Tourism Opportunities Plan	\$150,000	30/06/17	42%	Hamilton & Waikato Tourism ("HWT") presented a report to Council in September. The first Tourism Opportunities Plan project activated is the development of a Raglan Visitor Destination Plan. HWT has engaged with the Raglan community to assist with drafting this plan. Staff are engaged and supporting this initiative. Expenditure to date: \$75,000 (Invoiced six monthly). Next Step: HWT is scheduling the next community meeting for mid November at which agreed actions and milestones will be finalised.

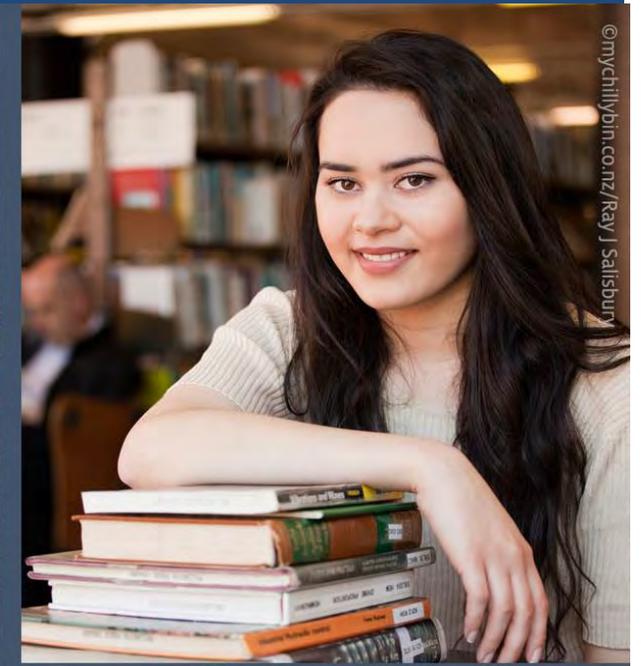
Strategy	Theme	Action	Budget	Completed By	Progress	Status
		13. Identification of the preferred location for the Huntly I-Site	\$0	30/06/17	N/A	Led by Service Delivery and forms part of a Northern Facilities study. Economic Development staff are continuing to support this project. Next Steps: Ongoing analysis and research. Reported and funded separately.
		14. Raglan Focus Develop a Raglan visitor infrastructure strategy to support the timely provision of future infrastructure to enhance Raglans tourism proposition	\$10,000	30/06/17	2%	Starting 15/02/16. Initial discussions with Hamilton & Waikato Tourism ("HWT") have commenced. Staff are considering the best way to synergise this work plan action with Hamilton & Waikato Tourism and the Raglan Visitor Destination Plan project. Expenditure to date: NIL. Next Step: A meeting with HWT is scheduled for Monday, 14 November 2016.
		15. Tourism Growth Partnership. Apply for funding from the recently established Regional Mid-Sized Tourism Facilities Grant Fund <i>(New Government applications opened August 2016.)</i>	\$0	15/09/16	100%	An application to the fund was submitted on the 15 September. The projects put forward were to enhance the visitor experience in Raglan through way-finding signage, footpath improvements and improved pedestrian access along Wainui road to the reserve. Council's application was unsuccessful. Expenditure to date: NIL. Next Step: Staff will advise Council if future funding grant announcements are made.
<b>Population Attraction</b>		16. Promote Waikato's towns lifestyle proposition to support Council's investment in planning and infrastructure	\$20,000	30/06/17	0%	Starting 01/12/16.
		17. Huntly Focus Develop a location marketing and development strategy to promote Huntly as a place to live, work and play	\$17,000	30/06/17	0%	Starting 01/12/16.

Strategy	Theme	Action	Budget	Completed By	Progress	Status
		18. Strategic cross-boundary advocacy. Support Council cross-boundary collaboration and advocacy for effective growth and development policy and planning and future transport infrastructure	\$0	Ongoing	0%	<p>Led by the Planning and Strategy team. A Political workshop convened by the Waikato Regional Council took place 19 July involving Mayor Allan Sanson, Chairperson Paula Southgate, Mayor Len Brown, Julie Hardaker and senior staff from respective councils, including Watercare Ltd, Auckland Transport and NZTA. Following this workshop action points have been identified to be further worked on by staff from their respective councils and agencies.</p> <p>A key action is the development of a Programme Business Case for the north Waikato which is being led by NZTA with support from Waikato District Council, Waikato Regional Council, Auckland Council and Auckland Transport. Four workstreams have been established: Land Use, Regional Transport Infrastructure, Local Connectivity and Social Infrastructure. Work to develop the Programme Business Case has commenced and a project manager will be appointed this month. The Planning &amp; Strategy team are working with partners to have a high-level land use plan for the north Waikato developed by March 2017. Key transport infrastructure outputs from this project will inform the Regional Land Transport Plan (September 2017)</p>
<b>Build Skills</b>		19. Education to Employment. Support Smart Waikato Trust to develop and implement strategies to improve employment outcomes for local youth.	\$5,000	30/10/17	60%	<p>Smart Waikato Trust has prepared a Huntly &amp; Ngaruawahia Collaborative Youth Strategy and is facilitating the establishment of a Waikato district Futureforce Action Network ("FAN"), a network of employers and educators collaborating to improve employment prospects for the districts youth. The FAN will lead the Strategy implementation. There is significant support for this initiative amongst the participating employers some of which have already committed to further employment of local youth.</p> <p>This action will be considered complete once the FAN membership and structure is finalised.</p> <p>Expenditure to date: \$6,000. This over spend was</p>

Strategy	Theme	Action	Budget	Completed By	Progress	Status
						<p>required to cover unforeseen additional costs of the initial launch event held in Huntly. The overrun will be absorbed into the Work Programme budget. Council is supporting this initiative as a sponsor and as one of our districts largest employers.</p> <p>Next Steps: FAN membership and structure and to be agreed and established. Smart Waikato Trust is applying for funding to support the programme though to 2018 and beyond.</p>
		20. Labour Market demand trends. Identify emerging demand for skills and occupations in the district to inform education providers in the region	\$2,000	30/6/17	2%	<p>Starting 1/05/17.</p> <p>Some preliminary work has commenced to identify data and information sources although the project will properly commence in May 2017.</p>
<b>Excellence in Council Service Delivery and Core Activity</b>		21. Assess Council's business friendly performance. Participate in the Waikato Means Business, Business Friendly Councils survey.	\$2,000	01/07/16	<b>100%</b>	<p>Waikato Means Business, the Waikato Region Economic Development Strategy programme, commissioned a survey of local councils to assess how business friendly councils considered their service to be. This report will be compared to a customer perception survey of business friendliness to identify gaps and opportunities for improvement.</p> <p>Expenditure: \$1,900.</p> <p>Next steps: The report will now be shared with the Waikato Means Business Steering Group and the Chief Executives Forum to determine how the report is to be taken forward early in the new year.</p>

Strategy	Theme	Action	Budget	Completed By	Progress	Status
		22. District Plan Review Support the review project to ensure appropriate business rules are considered and included in the revised plan.	\$0	On going	N/A	Led by the Planning and Strategy Team. Economic Development staff are supporting economic analysis aspects and sector representative engagement. Next Steps: Continuing to assist in the development of the s.32 economic analysis tools.
		23. Marketing and Information. Drafting of Open Waikato Marketing and communications plan to support the work programme	\$0	20/09/16	95%	Drafting is now completed. Due to other priorities this action was been deferred. Expected completion is now the end of November. Expenditure: NIL. Next steps: Economic Development and Communications team staff to do a final review prior to sign off.
		24. Digital Enablement – Government led. Support the Government funded roll-out of Ultrafast Fibre and Rural Broadband	\$100,000	To be confirmed	0%	Staff are awaiting the Government's announcement confirming the Ultra-Fast Broadband extension programme ("UFB2"). Crown Fibre Holdings emailed councils on the 4 <sup>th</sup> of November to advise of a RFP inviting councils to participate as possible co-funders of the Rural Broadband Initiative extension ("RBI2"). Staff are seeking clarification as it appears we are being asked to repeat the same process we participated in 12 months ago when the Government first asked councils to participate in this programme. Council's current position is that we will assist providers where we can within our normal processes, to achieve an efficient roll out of infrastructure within the district however, Council does not fund public telecommunications infrastructure. Next Step: Staff to seek clarification to inform Council as required.
		25. Digital Enablement – Tamahere and Matangi community led advocacy for a fibre optic level of service solution	\$0	30/06/17	50%	A survey of the Tamahere and Matangi area was held to assess the level of support for a fibre optic service and the extent to which the community would co-fund a fibre service. WEL Networks upon reviewing the survey results has subsequently advised that they are interested in the opportunity and will work through a feasibility study and business case. WEL Networks has now asked that

Strategy	Theme	Action	Budget	Completed By	Progress	Status
						<p>staff continue these discussions with Ultrafast Fibre Ltd the Local Fibre Company that deploys fibre networks in the Waikato area.</p> <p>This action will be considered complete upon confirmation of WEL Networks and Ultrafast Fibre business case.</p> <p>Expenditure: NIL.</p> <p>Next steps: Staff are meeting with Ultrafast Fibre Ltd on 16 November.</p>
		26. Open Waikato maintenance and enrichment. Continuous development of Open Waikato to attract new business, residents and visitors to the district	\$20,000	30/06/17	15%	<p>Refresh of website content is underway.</p> <p>Expenditure: NIL.</p> <p>Next steps: Continuing development including new content, utilisation improvement's increased enquiry generation.</p>



# WAIKATO ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION PLAN- YEAR 2

August 2016



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# 1. Foreword

It is a pleasure to present this second annual implementation plan on behalf of the Waikato Economic Development Strategy Steering Group.

The Waikato economic development strategy, *Waikato Means Business*, was released in February 2014. The governance group who developed the strategy signalled that at regular intervals, an implementation plan would be developed and published, to set out how the goals and priorities of the strategy are to be achieved and monitored.

The Steering Group thanks the partners who have undertaken to lead or contribute to the actions outlined in this implementation plan. This epitomises the collaborative and integrated approach between business and industry, iwi, education providers, local government and central government that is needed to help move the Waikato economy forward.

This implementation plan is a living document rather than an end in itself. We look forward to seeing it progress and evolve over time.

Parekawhia Mclean  
acting Chair  
August 2016

The development of the implementation plan was overseen by the Waikato Economic Strategy Steering Group:

- Tom Findlay
- Dallas Fisher
- Mark Flowers
- Julie Hardaker
- Traci Houpapa
- Parekawhia Mclean
- Mike Pohio
- Don Scarlet
- Bob Simcocke
- Michael Spaans

## 2. Introduction

***Our vision is, over the next 20 years to improve standards of living in the Waikato region, where all people, communities and businesses reach their potential.***

The title says it all: Waikato Means Business! Our region is blessed with a wonderful heritage, people and culture, great infrastructure and connectivity, some of the world's best businesses and a location at the apex of the North Island's "golden triangle". Of all the places in New Zealand, there is none better positioned to grow even more strongly in the future than the mighty Waikato. But it won't happen unless we have a plan and we work together to execute it.

Waikato Means Business is the name of the Waikato's economic development strategy, our 20-year economic plan built by the Waikato's civic, business and Māori leaders. There's weight behind this process – the strategy was initiated by the Waikato Mayoral Forum, which brings together the region's mayors and the regional council chair. Launched in February 2014, Waikato Means Business provides an integrated strategy framework for economic development of the Waikato region.

As well as our big vision, the strategy sets two 20-year focus goals:

- Increasing median household incomes to above the New Zealand average
- Increasing annual value added per capita growth to 2.8 per cent so that Waikato is in the upper third of regions for economic performance.

To reach these goals, we're focusing our efforts in 5 main areas:

- Maintaining and Building our Location Advantage
- Growing our global industries
- Making business easier
- Building, attracting and retaining skills and talent; and
- Telling the Waikato story to New Zealand the World

The strategy sets out the following growth goals:

- Value add per capita to increase to 2.8% per annum
- Productivity to increase to 1% per annum
- Grow international exports by 1.5% per annum- and increase by 35% by 2031
- Lift value add in key sectors by 3% per annum or 80% by 2031

The strategic priority areas identified to achieve the vision and goals are:

- **Maintaining and building our location advantage** – by increasing investment in infrastructure, improving the quality and reliability of roads, reducing road travel times and creating more efficient freight flows
- **Building, attracting and retaining skills and talent** – so that there is increased capability and capacity in our regional innovation system
- **Growing global industries** - by identifying and progressing opportunities that will grow incomes and jobs in key sectors
- **Making business easier** - by reducing compliance costs associated with interacting with Councils and improving lead times for providing services, and consequently the ease of doing business in the region
- **Telling the Waikato story** - so that there is improved information for potential students, employees, visitors and investors about opportunities in and the advantages of the region.

The EDS purposely focused on what we want to achieve, not the details of how we would achieve it. Additional work and consultation is required to identify and develop the actions that would contribute the most to these priorities and goals. That work forms the basis of annual implementation plans. In 2015 the first implementation plan was developed and approved by the Steering Group. This document presents the second annual implementation plan.

This implementation plan provides:

- clarity to partners involved about what is to be delivered, by when and what resources are required
- clarity to industry and wider public about who is responsible for implementation and when they can expect to see progress
- a base against which to measure progress and to determine whether changes in course are required.

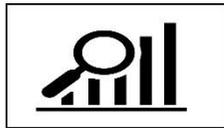
The implementation plan is not an end in itself – rather it is the next step towards executing the EDS. It will also be a ‘living document’ – circumstances change and it is important that we review the actions and implementation regularly. Over time, an approach for achieving an action may have to change, an action may be too difficult to achieve, or an action may become less important than a new opportunity (monitoring and evaluation is discussed later in this plan).

The following sections of this plan focus on the currently identified key actions for achieving each strategic priority, the major tasks and milestones involved in completing them, the lead and partner organisations involved in their implementation, and how success has been measured.

WMB is supported by an annual Implementation Plan, governed by a Steering Group made up of representatives and experts from the private and public sector (at elected representative level) Māori and the tertiary education sector.

# 3. How Do We Make Things Happen?<sup>193</sup>

As a non-statutory group and strategy, Waikato Means Business uses a range of tools to achieve its goals. These include the following:



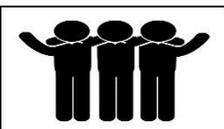
**Monitoring and reviewing** regional economic data and performance



**Leading the conversation** and debate on key regional economic development issues and opportunities through research and investigation projects which aim to better understand the way the regional economy works, and what actions are required



Acting as an **advocate and supporter** for key regional issues and initiatives, including where appropriate acting as a supporter for key projects seeking resources from other agencies



**Collaborating and coordinating** with other key actors to make progress in key strategic areas



**Funding** strategic projects which will advance the objectives of Waikato Means Business.

The projects selected are driven from the environmental scan, stakeholder feedback and the guidance of the Steering Group itself. The projects selected represent a balance reflecting the range of interventions above, and balancing projects which build greater understanding and capacity, with those which create more immediate action and results.

## Funding

Waikato Means Business is primarily funded by an annual \$250,000 allocation from the Waikato Regional Council's Regional Development Fund. This allocation provides significant seed funding for the projects undertaken by Waikato Means Business. These funds act to facilitate further in-kind and funding support from other regional and national economic development agencies including local government, regional community development trusts (such as the WEL Energy Trust). Most of the key WMB projects have significant co-funding support from our key partners.

## 4. 2015/16 Implementation Plan

The 2015/16 implementation plan identified seven major actions, and a number of subsidiary actions and projects. The seven major actions were:

1. development of the Ruakura hub
2. development of the Waikato Plan
3. development of the Waikato Expressway
4. Waikato regional growth study
5. making business easier
6. regional labour market strategy
7. development and promotion of the Waikato Story.

These projects are a combination of those developed and delivered by other agencies (projects 1,2,3 and 5) and those which it would either directly fund itself or in partnership with others (projects 4,6 and 7). As well these projects, the steering group identified and supported several other important projects, including the development of a Maori Economic Development Agenda and Action Plan and the preparation of a Waikato economic development monitoring and evaluation programme.

The results achieved in these key areas is briefly discussed in Section 7 of this report, and further information can be found on our website [www.waikatomeansbusiness.nz](http://www.waikatomeansbusiness.nz)

Relevant WMB Strategic Priority	Project	Contribution from WMB Fund 2015/16	Other Funding
Telling the Waikato Story	<b>Waikato Story.</b> Next stage following research and initial story development- especially the creative design process and development of a toolkit and collateral. Will allow development of education and investment elements.	\$124,600	\$88,890 from WEL Energy Trust  As at March 2016, WRC had invested \$98,000 on the development of the Waikato Story
Building, attracting and retaining skills and talent	<b>Secondary Schools Employer Partnership (SSEP).</b> Following launch – engagement of 5 schools and employers to pilot the programme for 12 months. Followed by an evaluation and consideration of further rollout on 2017.	\$60,000	\$60,000 from WEL Energy Trust  As at March 2016, Smart Waikato Trust had invested \$30,000 on the SSEP project
Cross Cutting Theme – Māori Economic Development	<b>Development of a Māori Economic Development Agenda and Action Plan</b>	\$30,000	Waikato Iwi and Te Puni Kōkiri  As at March 2016, WRC, TPK and Waikato-Tainui had invested \$77,000 to develop the Māori economy report and facilitate a focus group of stakeholders
Monitoring and Evaluation of Strategy	<b>Annual monitoring and evaluation report. Preparation by independent consultant</b>	\$26,000	N/A
<b>Total</b>		<b>\$240,600</b>	

**Table 1.** 2015/16 Funded Implementation Plan Projects

## 5. 2016/17 Implementation Plan

In early 2016 the Steering Group undertook a desk-based scan and SWOT analysis of local, regional, national and international economic development factors affecting economic performance in the Waikato. This was supported by more than 100 conversations with key local, regional and national stakeholders groups, reaching more than 250 individuals.

The 2016/17 implementation plan was approved in by the Steering Group in June 2016. It identifies the actions that would contribute the most to WMB and its priorities and goals for the period 1 July 2016 to 30 June 2017.

The plan identifies seventeen actions, including a number of advocacy opportunities, summarised in section 6 of this report. The plan sets out seven priority projects which WMB will lead and co-fund. The seven priority projects are:

Project	Project Name
1.	Modelling the Economic Costs and Benefits of Different Land Use Scenarios in the Cambridge-Auckland growth corridor
2.	Understanding the Waikato Innovation Ecosystem
3.	Waikato Regional labour Market Strategy- Mapping Future Workforce Needs
4.	Secondary Schools Employer Partnership- Stage 2
5.	The Waikato Story – Implementation Programme
6.	Towards Greater Regional Economic Development Capacity; and
7.	Implementing the Waikato Māori ED Agenda and Action Plan

The implementation plan has also provided an initial allocation of the \$250,000 available to WMB each year from the regional growth fund. These align with the above priorities. The exact funding for each project will be determined once project scoping and procurement (where relevant) is complete and discussions have been had with potential funding partners. All priority projects are expected to include a significant element of co-funding from key partners and stakeholders, and discussions are underway about this as part of the scoping process for each project.

- Project One** responds to the strategic priority to “maintain and build our location advantage”. It seeks to better understand how the growth goals of the Waikato EDS could be achieved through different development scenarios in the Cambridge-Auckland growth corridor. As this area is expected to be where the vast majority of the Waikato’s economic opportunity and population growth will occur, it will be important to better understand what scenarios of change- especially in terms of land use, would achieve those goals. This work will be an important contribution to work on the Waikato Plan and the review of Future Proof.
- Project Two** responds to the strategic priority to “grow global industries”. The project stemmed from the 2015/16 proposal to undertake a regional growth study in partnership with MBIE. Since this idea was proposed further analysis has shown that a standard regional growth study (as per Northland for example) is not necessary in the Waikato, as the Waikato EDS and implementation programme has achieved the same general aims, at least at a regional level. However some of the fundamental underlying economic competitiveness and performance processes in the Waikato are still poorly understood, especially those around R&D, innovation and commercialisation. This project will review and seek to better understand the current systems,

actors, incentives and interventions. From this it will identify strengths, weaknesses and opportunities for systematic improvement, which can then be incorporated into our implementation programme.

- **Project Three** responds to the strategic priority to “build, attract and retain skills and talent”. The project arises from the Waikato Regional Labour Market Strategy which was developed in 2015 by a cross-sectoral leadership group chaired by John Cook. It will provide better quality regional data on the future employment demand trends for the Waikato’s key employment sectors, helping to both profile these opportunities to people via the Waikato Story, and also to help educators and training organisations to make sure they are providing the necessary training and skills to meet that demand. This will complement the recent work done by Martin Jenkins for UNISA.
- **Project Four** also responds to the skills and talent priority, and continues the Steering Group’s support of the Secondary School Employer Partnerships (SSEP) programme run by Smart Waikato. The group co-funded (with WEL Energy Trust) five pilot schools in 2015-16:
  - Fairfield College
  - Hamilton Boys’ High School
  - Hauraki Plains College
  - Morrinsville College
  - Thames High School

In total 815 Waikato students, 50 plus employers and 30 educators are involved in the SSEP pilot. SSEP participants have been very positive in their feedback of the benefits and outcomes of their involvement to date. Smart Waikato envisages 10 new schools being involved in 2017, tripling the number of SSEPs in the region from 2016, and at least another 10 schools in 2018. The 2017 application period is 1 July 2016 to 29 July 2016 and on-boarding employers and schools will occur in the latter part of 2016 for 2017.

- **Project Five** continues WMB’s commitment to the further development of the Waikato Story, the fifth strategic priority of WMB. The ultimate goal of the Waikato Story is to drive growth in the Waikato region by consistently promoting the authentic attributes that make the Waikato a unique place to live and thrive, work and succeed, visit and enjoy and invest in for return. The story aims to reinforce local people’s pride in the region, while also helping to communicate the region’s value to potential business investors, visitors, students and families. Proposed activities for 2016/2017 can be summarised in three main areas of activity:
  - Completion of Content for Digital Platform
  - Launch and Roll-out Programmes; and
  - Ongoing Management

Within the Waikato Story programme, WMB has a particular interest in *invest Waikato*, *work Waikato* (as per projects three and four above), and *study Waikato* (and the development of a Waikato International Education Strategy led by Education New Zealand). *Visit Waikato* is also an important element although this is implemented more via the regional tourism operators (RTOs) and not so much WMB. As greater regional economic development capacity is developed for the Waikato region (refer to project 6 below), any eventual regional economic entity/function which might arise would take over the administration and management of the Waikato Story website.

- **Project Six** is a cross-cutting project, acknowledging that greater regional economic development capacity and capability is most probably required to not only convene the various stakeholders involved in regional economic development, but to also provide the capacity which is often required in order

to keep things moving. The absence of this capacity has become apparent in some of the WMB work streams, where progress cannot be made because of limited in-house capacity and the limited ability of partners to do work over and above their day to day roles.

The sheer scale of the Waikato region and its dispersed governance (10 territorial local authorities and a regional council) means that an off the shelf/plug-in EDA model is probably not appropriate. This project will develop options for greater regional economic development capacity and capability. Once developed these will be evaluated and reported to the Steering Group, who will then provide advice to this committee and the Waikato Mayoral Forum.

- **Project Seven** is a second cross-cutting project which continues the project commenced by the Steering Group along with Waikato Tainui and Te Puni Kokiri to develop a Waikato Māori economic development action plan and agenda. BERL have been contracted to deliver a document consisting of a:
  - **Short-term Action Plan** – to include actions, milestones, implementation accountabilities, outcome indicators and monitoring and evaluation plan for these indicators, for the next 1 to 3 years; and
  - **Long-term Economic Agenda** – to include: goals, outcome indicators and monitoring and evaluation plan for these indicators, for the next 10 years plus.

The final Waikato Māori economic development agenda and action plan will be completed by 31 March 2017.

## Partnership

As discussed above, partnership and collaboration is essential to the success of the Waikato Economic Development Strategy and meeting our growth goals. While there are many very significant local partners including many government agencies, until recently the Waikato region has not had a formalised economic development relationship with the New Zealand government. Through its economic development ministry, MBIE, the government has developed a national economic development programme called the Business Growth Agenda (BGA).

Furthermore the government has commenced growth programmes with a number of regions, each tailored to the unique circumstances and opportunities of that region. These programme then provide the framework for central government funding and support for regional economic development programmes and projects. The Waikato and the New Zealand government have now formally agreed to bring the region into the regional growth programme. This will help facilitate a joint approach to the economic development priorities identified in this project, as well as other national-scale initiatives in the Waikato in areas such as infrastructure, housing, social services, education and health, all of which have an important influence on economic development and growth.



**New Zealand Government**

Te Kāwanatanga o Aotearoa

# 6. Full Summary of 2016-17 Waikato Means Business Implementation Plan Projects

Project		WMB Funding
	<i>Priority Project</i>	
<b>Maintaining our Location Advantage</b>		
1.	Modelling the Economic Costs and Benefits of Different Land Use Scenarios in the Cambridge-Auckland growth corridor	TBA
2.	Supporting Economic Connectivity Projects	-
3.	Promoting Hamilton's Role in the Waikato Economy (includes regional business hub supported by MBIE)	-
4.	Supporting Broadband Connectivity	-
5.	The Economic Importance of Water	-
<b>Growing Global Industries</b>		
6.	Innovation Ecosystem Review	\$40,000
<b>Building, Attracting and Retaining Skill and Talent</b>		
7.	Waikato Regional labour Market Strategy- Programme Management	-
8.	Complete Mapping Future Workforce Needs	-
9.	Secondary Schools Employer Partnership	\$45,000
10.	Waikato Labour Market Forum & Smart Waikato Leadership Summit	\$5,000
<b>The Waikato Story</b>		
11.	The Waikato Story – Implementation Programme	\$64,400
12.	Waikato Story- Work Waikato	Included in 15/16 funds
13.	Waikato International Education Strategy	-
<b>Cross Cutting Projects</b>		
14.	Towards Greater Regional Economic Development Capacity	TBA
15.	Implementing the Māori ED Agenda and Action Plan	\$20,000
16.	Green Growth	-
17.	2016-17 Waikato Means Business Annual Report- data collection	\$5,000

## 7. Monitoring, Evaluation and Reporting

The outcome and evaluation framework for the implementation of the Waikato EDS links the actions supported in the strategy and the impacts and outcomes of those actions, including:

- short-term changes in awareness and access to resources (first 1-2 years) – these will be most directly attributable to the actions of the strategy
- medium-term changes in behaviours, practices and investments (2-7 years)
- long-term changes in industry and economic performance (7 years plus).

Long-term outcome measures have been selected based on a review of a list of potential measures against several criteria (e.g., validity, reliability, timeliness, relevance, comparability, efficiency, coverage). Short and medium term outcomes have been selected based on the action planning done to date and the intended impacts of key actions.

It is important to note that there will be multiple pathways between actions and outcomes, although the more direct bottom-up 'logic' between actions, short and long-term outcomes is emphasised in the diagram. A particular action may impact on a range of outcomes and there will be linkages between different outcomes. In addition, changes in long-term and economic outcomes will not simply be attributable to actions because they will be influenced by a range of other initiatives and external factors, including changes in economic conditions, changes in demands in key markets, competition, new technologies, changes in customer tastes, changes in resource availability and national policy and regulatory conditions.

There are three main types of monitoring and evaluation activity undertaken:

- Monitoring of progress of actions against milestones and short-term outcomes
- Implementation/process evaluation – focused on testing the reach, relevance, quality and efficiency of the actions undertaken
- Impact evaluation – focused on whether the actions are effective and having the desired impact on medium and long-term outcomes.

Monitoring is undertaken on a regular basis and reported to the governance group every six months. An initial implementation evaluation will be undertaken after the first three years. An impact evaluation will be undertaken after seven years – assessing the extent to which the actions have influenced medium and long-term outcomes should be left until sufficient time has passed in which changes in these outcomes can occur. However, indicators associated with long-term outcomes and goals (e.g., GDP, employment, productivity) will be tracked annually.

Progress against this implementation plan is published in an annual report. The first 2-3 reports will focus on monitoring information and reporting how actions are being progressed against the milestones identified in this plan, and the short-term outcomes that are being achieved. The scope of the annual report will then expand over time, to cover reporting on the medium and long term outcomes and goals and related indicators.

The Waikato Regional Council will oversee monitoring of progress against the plan and commissioning the preparation of the annual reports, in consultation with the governance group and the lead organisations for each action.

## 2015/16 Key Results

As part of the monitoring and reporting programme set out in section 7 above, Waikato Means Business has produced its first annual monitoring and implementation report. The table below summarises progress on the main priorities of the 2015/16 Implementation Plan. The full report and summary can be viewed at the Waikato Means Business website [www.waikatomeansbusiness.nz](http://www.waikatomeansbusiness.nz)



## Progress of Key Actions 2015-16

Strategic priority	Key actions	Status	Key Points
Maintaining and building our location advantage	1. Development of the Ruakura hub		<p>Resource consents for the first stage of the Ruakura development were granted by Hamilton City Council in March 2016. The resource consents are for a total area of 78 hectares, including provision for 48 hectares of freight and logistics facilities, as well as a balance of open space, site buffers and screening, stormwater reserves and roads.</p> <p>Waikato Regional Council consents were approved by May 2016.</p> <p>Hamilton City Council notified the Ruakura Variation to its Proposed District Plan (PDP) on 11 November 2015 for public consultation and submissions. The purpose of the variation is to rezone approximately 822ha of land in Ruakura, ensuring a consistent approach to managing development in the area.</p> <p>Ruakura Limited is expecting Hamilton City Council to conclude the further submissions, hearings and decisions in 2016, with appeals likely to be either late 2016 or early 2017.</p> <p>The whole Ruakura project is tracking on schedule, with detailed design work for engineering and infrastructure solutions aiming to be completed and approved before the end of 2016. Construction work is therefore likely to begin before the end of 2016.</p>
	2. Development of the Waikato Plan		<p>The joint steering group leading the development of the plan has agreed to four priorities for the first plan to focus on:</p> <ul style="list-style-type: none"> <li>• responding to population change</li> <li>• connecting our region</li> <li>• partnering with iwi Māori</li> <li>• addressing water allocation and quality</li> <li>•</li> </ul> <p>Project plans have been developed for these and work is being completed to meet a new 2017 target.</p>
	3. Development of the Waikato Expressway		<p>Excellent progress is being made with the development of a transport network and supporting land use pattern to make the most of our location advantage. Key milestones achieved to date are:</p> <ul style="list-style-type: none"> <li>• The confirmation of a settlement pattern and supporting transport network as part of the Future Proof growth strategy that ensures industrial nodes are located in places that can be well supported by the strategic transport network (e.g. Horotiu, Ruakura).</li> <li>• Completion of the Te Rapa, Cambridge, Tamahere and Ngāruawāhia sections of the Waikato Expressway.</li> <li>• Significant progress with the Rangiriri section and construction underway for the Huntly section.</li> </ul> <p>Significant progress with development of the key components of the local road network necessary to support realisation of the Waikato Expressway benefits, such as the Hamilton Ring Road, confirming form, function and management of the old State Highway 1 through Te Rapa and Ngāruawāhia.</p>
Growing global industries	4. Waikato Regional Growth Study		<p>This did not proceed as further analysis showed that much of the benefits of a regional growth study had already been captured through the development of the Waikato Means Business Strategy and Implementation Plan. Medium term outcomes expected under this strategy mainly centre on enhancing innovation capability and capacity and increased investment by businesses in the region. These two areas are now the focus of investigation and activity for the upcoming implementation plan.</p>
Making business easier	5. Making Business Easier		<p>An independent Business Friendly Assessment was undertaken on Matamata-Piako, Hauraki and Waitomo district councils and Waikato Regional Council in 2015.</p>

			<p>Resource consenting was considered to be the most business friendly across the "key touch points". Some of the lowest scores recorded in the region are in district/regional planning and economic development.</p> <p>Councils in the region are working more collaboratively to ensure consistency, and so that resources and capability are shared. However, more can be done. There are range of collaborative activities occurring including:</p> <ul style="list-style-type: none"> <li>Local Authority Shared Services policy consolidation project (policy and bylaw alignment). To achieve greater consistency and quality in regulatory instruments across the region. It also involves councils working together to produce these documents. Unnecessary and out-of-date policies will also be deleted.</li> <li>Matamata-Piako and Hauraki district councils have agreed to align consenting processes for the broadband rollout to make the process easier for network suppliers.</li> <li>The Waikato Plan's "aligned planning" focus area.</li> <li>Councils have recently started pooling capability and resources on Section 17A (Local Government Act 2002) Service Delivery Reviews. It allows councils to use work that has already been commissioned or done in the region, and identifies areas where councils could work together.</li> <li>Most councils in the region have signed up to BuildWaikato. BuildWaikato aims to achieve consistency and excellence in customer services, and to gain and maintain building consent authority accreditation. It includes standardised forms and information for customers and residents, and a public information portal.</li> </ul>
Building, attracting and retaining skills and talent	6. Regional Labour Market Strategy		<p>To address the lack of information about future workforce needs, students not taking the required subjects that will enable them to be employed, and mismatch of employee skills and employer needs, the region is undertaking a workforce mapping project for key sectors of the Waikato. The workforce mapping project will provide students and trainees with better information about training and employment opportunities, and changing skills requirements, in the region. Outputs from the project will be presented by sector, in infographic format with a series of snapshot narratives, in the Work Waikato chapter of the Waikato Story website (<a href="http://www.waikatostory.nz">www.waikatostory.nz</a>).</p> <p>Collaboration between education and training providers, and key industries, is occurring and increasing. The Waikato Regional Labour Market Strategy project group has established the Secondary School Employer Partnership (SSEP) project. The aim of this project is to provide school leavers with relevant technical and soft skills necessary to ensure they are able to secure jobs and provide the skills demanded by employers. This involves secondary school faculties and local employers working together, and ensuring knowledge is shared. SSEP will be piloted in five secondary schools by the end of 2016.</p> <p>Collaboration also occurs through the Waikato Labour Market forum. The forum is a key communication vehicle to present Waikato Regional Labour Market Strategy initiatives and secure commitment and buy-in with businesses, councils, government agencies, members of parliament, secondary schools and tertiary education organisations to support implementation.</p>
Telling the Waikato Story	7. Develop and promote a 'Waikato Story'		<p>The Waikato Story provides businesses and residents with the tools to talk with 'one voice' when describing the diversity, opportunity and rich quality of life Waikato offers. Its approach and design has been strongly backed by community and business leaders. The authenticity and effectiveness of the values and narrative have been extensively tested through qualitative and quantitative research. The story aligns with the New Zealand Story and expands on key themes of our people and communities, environment, connections and economy. The story will be told in five chapters: Live, Work, Study, Visit, Invest.</p> <p>The information, story, branding and collateral will be available on <a href="http://www.waikatostory.nz">www.waikatostory.nz</a>.</p>

### Open Meeting

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	03 November 2016
<b>Prepared by</b>	Gudrun Jones Legal Counsel
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1635949
<b>Report Title</b>	Strada Corporation Limited – Exemption from being classified as Council Controlled Organisation

## I. EXECUTIVE SUMMARY

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Strada Corporation Limited (“Strada”) will be wound up in 2019 when the guarantee the company has provided expires. However, Strada has already ceased trading, its remaining activities have scaled down considerably, and it is considered that the provisions of the Local Government Act 2002 (“LGA”) in respect of council controlled organisations trading for profit have become inappropriate. Section 7(3) of the LGA allows the Council to exempt a small organisation that is not a council trading organisation, for the purposes of section 6(4) of the LGA. Section 7(5) of the LGA sets out the matters to be considered before the Council makes a decision to exempt. It is recommended that Council exempt Strada from being classified as a council controlled organisation.

## 2. RECOMMENDATION

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

**AND THAT** pursuant to section 7(3) of the **Local Government Act 2002 (“LGA”)** Waikato District Council exempt **Strada Corporation Limited (“Strada”)** from being classified as a council controlled organisation, for the purposes of section 6(4) of the **LGA**;

**AND FURTHER THAT** on reaching its decision, the **Council** has taken the following matters into account:

- (a) **Strada** has ceased trading and is therefore no longer a council controlled trading organisation;
- (b) **Strada** has realised almost all its assets and is in the process of returning its capital to Council;

- (c) There is a cost benefit to Strada and Council not having to comply with the statement of intent and monitoring provisions set out in Part 5 of the LGA;
- (d) When the asset realisation process is completed Strada will have no further activities to undertake. Its only asset will be a balance of \$625,000.00, receivable from Waikato Quarries Limited. Strada will have no liabilities other than contingent liabilities as guarantor under the Quarry Sale Agreement between Waikato Quarries Limited and Fulton Hogan Limited.

### **3. BACKGROUND**

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Strada has ceased trading and is therefore no longer a council controlled trading organisation. The company cannot be wound up until 2019 when a guarantee it has provided expires. Its constitution has been amended to reduce the number of directors to two, in order to minimise operational costs.

### **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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#### **4.1 DISCUSSION**

Strada is classified as a council controlled organisation in terms of section 6(4) of the LGA and has therefore to comply with certain governance and accountability requirements under Part 5 of the LGA. Given that the company is no longer trading, has decreased in size and has now practically an administrative/caretaker role, it is considered appropriate that the company cease to be a council controlled organisation. The company will still be subject to the Companies Act and will be a council organisation until it is wound up.

In terms of Part 5 of the LGA, the company will no longer have to supply statements of intent, or half-yearly and annual reports which provide performance related information and assessments and audited financial reports. The Council will still have a role in the appointment of directors, should one or both of the current directors have to be replaced between now and 2019. Furthermore, the Council will still have a limited monitoring role with regard to the operation of Strada.

#### **4.2 OPTIONS**

- (a) Council can go with the status quo and not change Strada's status as a council controlled organisation. This would mean that the company would have to continue to comply with the governance and accountability requirements under Part 5 of the LGA.
- (b) Council can exempt Strada from being classified as council controlled organisation, thus reflecting the administrative/caretaker role the company now has, and further reducing operational costs. This is the preferred option.

## **5. CONSIDERATION**

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### **5.1 FINANCIAL**

Strada's operational costs will be reduced.

### **5.2 LEGAL**

Section 7(3) of the LGA authorises Council to exempt a small organisation from being classified as a council controlled organisation.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

NIL

### **5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS**

This does not trigger Council's Significance and Engagement Policy.

## **6. CONCLUSION**

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Strada is no longer trading and has scaled down its operation. It will function in an administrative role until it is wound up. It is therefore appropriate to exempt Strada from being classified as a council controlled organisation, so that the company is no longer obliged to comply with the statutory requirements relating to council controlled organisations.

## **7. ATTACHMENTS**

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NIL

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### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	10 November 2016
<b>Prepared by</b>	Stephen Thompson Finance Operations Team Leader
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1636580
<b>Report Title</b>	Credit Card Surcharge

## **I. EXECUTIVE SUMMARY**

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Staff are currently implementing new cash receipting software. One of the benefits of this software is it will automatically account for the surcharge on credit cards used for payment at any of the Council offices. The surcharge will be charged to the customer using a credit card to pay for a Council service. This is intended to simply recover the cost of providing the credit card service.

## **2. RECOMMENDATION**

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

**AND THAT the credit card surcharge amount is set at 2.0% of the credit card transaction value;**

**AND FURTHER THAT the surcharge percentage is re-visited in six months time once actual data has been received and reviewed.**

## **3. BACKGROUND**

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Staff are currently implementing and testing a new piece of Technology One software called Enterprise Cash Receipting. The software has a number of features including the ability to automatically account for the surcharge that is charged on credit card transactions. The surcharge is intended to offset the cost of the transaction charged by the banks to Council for this service.

The charge is a variable charge depending on a number of things, including the type of credit card used. The system will be set up to allow MasterCard and Visa cards only and the cards can be domestic or international based. The pricing varies across both the MasterCard and

Visa card networks. A domestic MasterCard credit card charges include an interchange fee of 0.70% and a 0.11% transaction fee – so 0.81% minimum. We do not know what the interchange fee would be for an international card and the transaction fee is much higher at 0.69%. At this stage, until we have the ability to assess some actual usage data, it is not possible to confirm the net impact. Those customers currently using the BNZ portal to pay via credit card for Council services/infringements are paying a 2.0% fee. Staff suggest the surcharge is set at 2.0% - the same as the online portal to ensure consistency.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 DISCUSSION**

The credit card surcharge is an amount charged by Council to offset the cost of the credit card service. Council needs to set the surcharge at a level to recover the cost of providing that service. With the variability of charges depending on the type and domicile of the card used, Council runs the risk of either over/under charging for this service. We will review the charge once we have some data.

### **4.2 OPTIONS**

The Council has the following options available:

- a) Do not charge the surcharge. Not recommended as the general ratepayer will have to fund the cost of this service.
- b) Set the charge amount at 2.0% and review in six months time when we have received some data around actual usage.
- c) Set a different surcharge amount that Council sees fit.

## **5. CONSIDERATION**

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### **5.1 FINANCIAL**

There are financial implications of putting the credit card service in place. The actual impact is difficult to determine as the expected usage is unknown.

### **5.2 LEGAL**

N/A.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

N/A.

#### 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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The implementation of the Enterprise Cash Receipting software will provide credit card facilities. The use of these services will come at a cost. Staff recommend that the surcharge amount is set at 2.0% in line with the BNZ portal that ratepayers currently use with a view to reviewing in six months time.

### Open Meeting

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	11 November 2016
<b>Prepared by</b>	Gudrun Jones Legal Counsel
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1636752
<b>Report Title</b>	Objection to Development Contributions – Tamahere Eventide Home Trust

## I. EXECUTIVE SUMMARY

Earlier this year, Tamahere Eventide Home Trust (“the Trust”), was granted a land use consent for the construction of 20 residential units this year, and allowing the Trust to open the Eventide café to the public. After receiving a development contributions assessment, the Trust asked for a reconsideration of the assessment. As a result, a revised assessment reducing the total amount was made.

However, the Trust requested a further reconsideration of the revised assessment on the grounds that the new units should have been assessed at 0.5 HEU (Household Equivalent Unit) instead of 1 HEU for each unit, and suggesting that Retirement units (these can range from one to three-bedroom units) should be assessed in the same way as dependents’ units not exceeding 70m<sup>2</sup> in area. Furthermore, the Trust was of the opinion that there should be no roading contributions in respect of the changed use of the café as the café would attract few patrons other than the retirement village’s residents and visitors. Both requests were declined, on the grounds that with regard to the HEU, the floor area of the units exceeded the maximum floor area of 70m<sup>2</sup> and did not meet the secondary purpose of a minor residential unit as defined in Council’s Development Contributions Policy, and that with regard to the café, the café could well attract the travelling public, depending on its operation and quality of service.

The Trust then lodged an objection to development contributions with the Council, pursuant to section 199C of the Local Government Act 2002 (“LGA”). As prescribed by the LGA, a Commissioner was appointed to determine the objection. Various submissions were filed and the parties agreed that instead of going to a hearing, the matter could be determined “on the papers”. The Commissioner has now made his decision, agreeing that staff has applied its Development Contribution Policy correctly and finding for Council. In response to the Trust trying to challenge aspects of the Development Contributions Policy, the Commissioner has confirmed that the policy could not be challenged in the context of developers objecting to a development contributions assessment.

This decision is useful where Retirement Village operators have lodged an objection or are contemplating an objection to development contributions, particularly with regard to HEUs.

## **2. RECOMMENDATION**

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

## **3. ATTACHMENTS**

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NIL

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### **Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Tony Whittaker General Manager Strategy & Support
<b>Date</b>	11 November 2016
<b>Prepared by</b>	Lianne van den Bemd Community Development Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1637027
<b>Report Title</b>	Heritage Project Fund Assessment Team

## **1. EXECUTIVE SUMMARY**

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The purpose of this report is to seek the appointment of two Councillors to the Heritage Project Fund Assessment Team to enable distributions of this fund to continue.

## **2. RECOMMENDATION**

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

**AND THAT** the following two Councillors be appointed to the **Heritage Assessment Team**:

Cr. \_\_\_\_\_

Cr. \_\_\_\_\_

## **3. BACKGROUND**

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### **Background of Fund**

Council adopted the Waikato District Heritage Strategy in 2014. To give effect to the Strategy a Heritage Forum was established to provide a combined community and Council approach to the preservation of heritage. Actions within the Strategy guide the Council and the community on heritage protection. Some actions will require monetary assistance either from Council or through an external source.

In addition, Council has also established the Heritage Project Fund as a means to implement projects. The distribution of the Heritage Project Fund is guided by the Heritage Project Fund Policy.

In line with the Heritage Strategy Council approved an allocation of \$40,000 per annum in the 2015-2025 Long Term Plan. This allocation is to be used for funding community heritage projects which support the outcomes of the Strategy in preserving heritage around the district.

The last funding round for 2016 closed 31 October and Heritage Project Fund Assessment Team will meet to consider applications:

- Two staff (Tony Whittaker, General Manager Strategy & Support or Vishal Ramduny, Planning & Strategy Manager as an alternate, and Betty Connolly, Senior Policy Planner);
- Two Heritage Forum members (currently Jan White and Roger Gallagher); and
- Two Councillors.

The Heritage Project Fund Assessment meeting date has been set for Tuesday, 06 December at 11am. To enable the funds to be distributed at this meeting two Councillors will be required.

Attached to this report is the Heritage Project Funding Policy and guideline which supports the distribution and accountability of these funds.

## 4. CONSIDERATION

### 4.1 FINANCIAL

The Heritage Project Fund currently has \$67,659.57 for the 2016/17 financial year to support community heritage groups.

### 4.2 LEGAL

Nil.

### 4.3 STRATEGY, PLANS, POLICY & PARTNERSHIP ALIGNMENT

The Heritage Project Fund Assessment Team gives effect to the Waikato District Heritage Strategy 2014.

### 4.4 ASSESSMENT WITH REGARDS TO THE SIGNIFICANCE & ENGAGEMENT POLICY

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<p>The Heritage Forum and the relevant heritage groups are engaged regarding applications from their respective communities.</p> <p>The involvement of two Councillors in the Heritage Project Fund Assessment Team is required to guide decision-making.</p> <p>The Discretionary &amp; Funding Committee receives the minutes of the Heritage Project Fund Assessment Team for information purposes.</p>				

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

Planned	In Progress	Complete	
	✓ (ongoing)		Internal
			Community Boards/Community Committees
			Waikato-Tainui/Local iwi
			Households
			Business
	✓ (ongoing)		Other – Heritage Forum

## 5. ATTACHMENTS

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Heritage Project Fund Guidelines

## Heritage Project Fund Guidelines

### Background of fund

Council adopted the Waikato District Heritage Strategy in 2014. A Heritage Forum has been convened that provides a combined community and Council approach to preservation of heritage and work towards implementing the strategy. Actions within the strategy guide the direction for the Council and community for heritage protection. Some actions will require monetary assistance either from Council or through external source. Council has established the Heritage Project Fund as a means to resource projects identified through the forum and that meet the goals of the Waikato District Heritage Strategy. The Heritage Project Fund Policy will provide the guide for distribution of these funds.

### Timing of applications

**Round one:** opens Friday 16 December 2016 and closes Friday 24 February 2017

**Round two:** opens Friday 14 April 2017 and closes Friday 23 June 2017

**Round three:** opens Friday 25 August 2017 and closes Friday 27 October 2017

### Application form

Heritage Project Fund Application Form and the supporting documentation relevant to the project is to be provided when making any application for funds.

### Policy Statement:

This fund provides for projects that are to be under taken to support the Waikato District Heritage Strategy.

Funds are contestable and will be allocated in a manner consistent with the Heritage Strategy and the criteria outlined in this policy.

Grants can be sought for heritage projects to be completed within one of the heritage areas identified through the Heritage Forum.

This fund is available for heritage groups who are working for the betterment of the wider community and identify with the goals of the Heritage Forum.

Funding is capped at \$40,000 per year district wide to be distributed at the discretion of the Assessment Team.

### Assessment criteria

Applications are required to meet the following criteria:

Applications are for heritage related projects only which have a community benefit.

Grants up to \$5000 can be funded up to 100% at the discretion of the Assessment Team. For grants above \$5000 a funding cap of 75% applies (whichever is the greater) and other funding needs to be sought. Funds cannot be uplifted until all sufficient funds for the project are approved.

Applications will be accepted from community groups, non-commercial groups, voluntary organisations or individuals who are working in conjunction with the Heritage Forum.

Applications need to include a project plan which describes:

- a. what the project is about
- b. staging (if applicable) for any part of the project
- c. a timeline
- d. details of how the monies sought will specifically be used
- e. how the balance of the monies (if applicable) required for the project will be obtained
- f. a detailed budget for the project.

More than one application for a grant within a 12 month period may be applied for provided that the grant being sought is for a different project and an accountability statement has been completed.

Grants will not be considered for projects that have already occurred / projects completed (i.e. no retrospective funding).

Grants will not be given to oppose consent decisions, attend conferences or to contest legal cases.

Applications from commercial entities will not be considered.

Funds will be paid to the supplier of the goods upon receipt of their invoice.

The fund will be made available for application over 3 rounds per year.

Incomplete or non-complying applications will not be considered. If an application is considered to be incomplete the applicant will be given five working days to submit the required outstanding information. If the required information is not received within five working days the entire application will be returned to the applicant.

## **Accountability**

Successful applicants will be notified in writing of the grant.

An invoice will need to be provided in order for payment to be made.

For projects above \$10,000 funds cannot be uplifted until all sufficient additional funds for the project are approved.

Project updates will be required on a basis relevant to the size of the project.

Successful applicants must complete a project accountability report within 2 months of the completion of the project before being eligible for further funding.

## **Successful applicants will be required to:**

1. Publicly acknowledge Council support received on brochures or sponsorship boards.
2. Expend grants within 12 months of approval (If the monies cannot be expended within a 12 month period, applicants will need to apply in writing for an extension of the grant).

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**Open Meeting**

<b>To</b>	Strategy & Finance Committee
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	14 November 2016
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference</b>	GOV1301
<b>Report Title</b>	Exclusion of the Public

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**I. EXECUTIVE SUMMARY**

To exclude the public from the whole or part of the proceedings of the meeting to enable the Strategy & Finance Committee to deliberate and make decisions in private on public excluded items.

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**2. RECOMMENDATION**

**THAT** the report of the Chief Executive be received;

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

**Receipt of Minutes:**

- **Strategy & Finance Committee dated Tuesday 27 September 2016**

**REPORTS**

**a. Debt Write Off – Property 1010264**

*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)(i)**

**b. Professional Negligence and Weathertight Homes Claims – Six Monthly 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)(a)**

**Section 48(1)(a)(i)**