

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

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

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GJ Ion

CHIEF EXECUTIVE

Agenda2017\S&F\171122 S&F OP.doc

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	27 September 2017
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on Wednesday 27 September 2017.

2. RECOMMENDATION

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

3. ATTACHMENTS

S&F minutes 27 September 2017

MINUTES for a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 27 SEPTEMBER 2017** commencing at **9.00am**.

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor Mr AM Sanson
Cr A Bech
Cr DW Fulton
Cr S Henderson
Cr SD Lynch
Cr RC McGuire
Cr BL Main
Cr EM Patterson
Cr JD Sedgwick
Cr NMD Smith
Cr LR Thomson

Attending:

Mr R MacLeod (Raglan Community Board Chairperson)
Mr GJ Ion (Chief Executive)
Mrs S O’Gorman (General Manager Customer Support)
Mr TG Whittaker (General Manager Strategy & Support)
Mrs LM Wainwright (Committee Secretary)
Ms A Diaz (Finance Manager)
Ms A Parquist (Customer Delivery Manager)
Ms C Cullen (Huntly/Te Kauwhata/Meremere Team Leader)
Ms D Rawlings (Projects Team Leader)
Mr C Morgan (Economic Development Manager)
Members of staff

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Lynch/McGuire)

THAT an apology be received from Cr Church;

AND THAT leave of absence be granted to Cr McInally.

CARRIED on the voices

S&F1709/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Thomson/Main)

THAT the agenda for a meeting of the Strategy & Finance Committee held on Wednesday 27 September 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be considered with the public excluded;

AND THAT all reports be received;

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

CARRIED on the voices

S&F1709/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs Main/Thomson)

THAT the minutes of a meeting of the Strategy & Finance Committee held on Wednesday 23 August 2017 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

S&F1709/03

REPORTS

Financial Review of Key Projects

Agenda Item 5.1

The report was received [*S&F1709/02 refers*] and discussion was held.

Presentation of the Annual Report 2016/17 and Summary

Agenda Item 5.2

Cr Bech declared a conflict of interest in respect of the Strada, withdrew to the public gallery and did not speak on this item.

The report was received [*S&F1709/02 refers*] and discussion was held.

Resolved: (Crs Smith/Sedgwick)

THAT the final audited Annual Report 2016/17 and Summary, subject to Audit clearance and any minor amendments, be recommended to Council for adoption.

CARRIED on the voices

S&F1709/04

Financial Performance Summary for the period ending 31 August 2017
Agenda Item 5.3

The report was received [*S&F1709/02 refers*] and discussion was held.

Civic Financial Services Limited Half Yearly Accounts to 30 June 2017
Agenda Item 5.4

The report was received [*S&F1709/02 refers*] and discussion was held.

Library – Cost Incurring Reciprocal Agreements
Agenda Item 5.5

The report was received [*S&F1709/02 refers*] and discussion was held.

Resolved: (His Worship the Mayor/Cr Lynch)

THAT the Strategy & Finance Committee recommend to Council that the proposal be considered through public consultation.

CARRIED on the voices

S&F1709/05

Tamahere Recreation Reserve Targeted Rate
Agenda Item 5.6

Resolved: (Cr Bech/Thomson)

THAT additional budget of up to \$500,000 be made available in the 2017/2018 year for the Tamahere Recreation Reserve development, to be funded via a community loan;

AND THAT following as a result of the community consultation, Council supports the inclusion of a new targeted rate in the 2018-2028 Long Term Plan to fund the additional budget and consequential operational expenditure;

AND FURTHER THAT the catchment that the new targeted rate applies to is the Tamahere Ward.

CARRIED on the voices

S&F1709/06

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (Crs Bech/Patterson)**THAT** the report of the Chief Executive be received;**AND THAT** the public be excluded from the meeting to enable the Strategy & Finance Committee to deliberate and make decisions on the following items of business:**Confirmation of Minutes dated Wednesday 23 August 2017****REPORTS****a. Economic Development Verbal Update**

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

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

Section 7(2)(f)(i)(h)(i)(j)

Section 48(1)(3)(a)(d)

b. Civic Financial Services Limited special meeting proxy

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

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

Section 7(2)(b)(i)

Section 48(1)(3)(d)

CARRIED on the voices**S&F1709/07**

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	23 September 2017
Prepared by	Wanda Wright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Receipt of Minutes – Audit & Risk Committee

1. EXECUTIVE SUMMARY

To receive the minutes of the Audit & Risk Committee meeting held on Friday 22 September 2017.

2. RECOMMENDATION

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

3. ATTACHMENTS

A&R minutes

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia held on **FRIDAY 22 SEPTEMBER 2017** commencing at **9.02 am**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor Mr AM Sanson
Cr AD Bech
Cr JM Gibb
Cr BL Main [until 10.51am]
CR JD Sedgwick [until 12.00pm]

Attending:

Cr SD Lynch
Cr NMD Smith
Mr GJ Ion (Chief Executive)
Mr T Whittaker (General Manager Strategy & Support)
Mrs W Wright (Committee Secretary)
Ms A Diaz (Finance Manager)
Mr K Abbott (Organisational Planning & Project Support Team Leader)
Mrs K Jenkins (Project Management Advisor)
Ms M Proctor (Audit Manager Audit New Zealand)
Mr L Pieterse (Director Audit New Zealand)
Mr D Sutton (KPMG)
Mr C Budge (Director Forensic KPMG Advisory)
1 Member of Staff

APOLOGIES AND LEAVE OF ABSENCE

All members were present

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Main/Gibb)

THAT the agenda for a meeting of the Audit & Risk Committee held on Friday 22 September 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;

AND THAT all reports be received;

AND FURTHER THAT all Councillors present that are not elected to the Committee will be given speaking rights for the duration of the meeting;

AND FURTHER THAT in accordance with Standing Order 9.4 the order of business be changed with agenda item 7, Exclusion of the Public being considered the first item and other items be considered as appropriate during the course of the meeting.

CARRIED on the voices

A&R1709/01

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (His Worship the Mayor/Cr Bech)

THAT the report of the Chief Executive be received;

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

Confirmation of Minutes dated Wednesday 5 July 2017

REPORTS

a. Fraud Declaration

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

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

Section 7(2)(a)

Section 48(1)(a)(d)

b. Contract Management – Service Delivery

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)(f)(i)(ii)(g)

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

c. KPMG Investigation

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

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

Section 7(2)(b)(i)(ii)

Section 48(1)(3)(d)

d. Audit of Contracts

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

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

Section 7(2)(b)(i)(ii)

Section 48(1)(3)(d)

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

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

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

Section 7(2)(f)(h)(i)(j)

Section 48(1)(3)(a)(d)

f. Committee Time with Audit New Zealand

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

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

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

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

CARRIED

A&R1709/02

Resolutions A&R1709/03 – A&R1709/06 are contained in the public excluded section of these minutes.

Having resumed open meeting the committee considered items in the following order:

DISCLOSURES OF INTEREST

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

CONFIRMATION OF MINUTES

Resolved: (Crs Sedgwick/Gibb)

THAT the minutes of a meeting of the Audit & Risk Committee held on Wednesday 5 July 2017 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

A&R1709/09

REPORTS

Audit & Risk Committee Key Achievements
Agenda Item 5.1

The report was received [A&R1709/01] and taken as read.

2016-2017 Annual Report Audit
Agenda Item 5.2 in conjunction with Agenda Item 5.3

The report was received [A&R1709/01] and discussion was held. The Mayor complimented all the teams involved in the completion of the Annual Audit and the production of the 2016-2017 Annual Report.

Audit New Zealand requested to be updated on anything they should be made aware of in respect of Subsequent Events or Fraud since the completion of the audit. The Committee advised that to the best of their knowledge there were no changes to the disclosures already provided.

Resolved: (His Worship the Mayor/Cr Sedgwick)

THAT from a risk assessment perspective the Audit & Risk Committee recommend to Council that the 2016/17 Annual Report be adopted.

CARRIED on the voices

A&R1709/10

Raglan Kopua Holiday Camp Charter
Agenda Item 5.4

The report was received [A&R1709/01] and discussion was held. The General Manager Strategy & Support advised that the Charter had been well-received by the Raglan Kopua Board. It was agreed that 3 months will be given to initiate the recommendations in the report towards self-governance.

As the next stage in the process, the Charter will be submitted to the Policy & Regulatory Committee for approval.

Cr Sedgwick retired from the meeting during discussion on the above item.

Interim Management Report for Year Ended 30 June 2017
Agenda Item 5.5

The report was received [A&R1709/01] and discussion was held.

Zero Harm Update
Agenda Item 6.1

The report was received [A&R1709/01] and taken as read.

September Update on Progress against Audit Issues
Agenda Item 6.2

The report was received [A&R1709/01] and taken as read.

KPMG Waikato LASS Internal Audit Insights Panel Session
Agenda Item 6.3

The report was received [A&R1709/01] and taken as read.

Strategic Risk Update
Agenda Item 6.4

The report was received [A&R1709/01] and taken as read.

Organisation Risk Direction
Agenda Item 6.5

The report was received [A&R1709/01] and taken as read.

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	10 November 2017
Prepared by	Rose Gray Council Support Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Receipt of Minutes – Audit & Risk Committee

1. EXECUTIVE SUMMARY

To receive the minutes of the Audit & Risk Committee meeting held on Tuesday 31 October 2017.

2. RECOMMENDATION

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

3. ATTACHMENTS

A&R minutes

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia held on **TUESDAY 31 OCTOBER 2017** commencing at **1.00pm**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor, Mr AM Sanson *[from 1.02pm until 2.04pm]*
Cr AD Bech
Cr BL Main
Cr JD Sedgwick

Attending:

Cr D Fulton
Cr S Lynch
Cr L Thomson
Mr GJ Ion (Chief Executive)
Mr TG Whittaker (General Manager Strategy & Support)
Mr T Harty (General Manager Service Delivery)
Mrs RJ Gray (Council Support Manager)
Ms A Diaz (Finance Manager)
Mr C Clarke (Roading Manager)
Ms J Remihana (Programme Delivery Manager)
Mr K Pavlovich (Acting Waters Manager)
Ms A Hampton (Parks and Reserves Manager)
Mr R Java (Procurement Manager)
Mr K Abbott (Organisational Planning & Project Support Team Leader)
Mrs K Jenkins (Project Management Advisor)
Mr L Pieterse (Director Audit New Zealand)
Mr M Wilson (AON)
Ms D Macdonald (AON)
Mr D Sutton (KPMG)
Mr A Siew (KPMG)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Sedgwick/Main)

THAT an apology be received from Cr Gibb.

CARRIED

A&R1710/01

CONFIRMATION OF STATUS OF AGENDA ITEMS**Resolved: (Crs Sedgwick/Bech)****THAT the agenda for a meeting of the Audit & Risk Committee held on Tuesday****31 October 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be discussed with the public excluded.****CARRIED****A&R1710/02****DISCLOSURES OF INTEREST**

There were no disclosures of interest.

CONFIRMATION OF MINUTES**Resolved: (Crs Bech/Main)****THAT the minutes of a meeting of the Audit & Risk Committee held on 22 September 2017 be confirmed as a true and correct record of that meeting.****CARRIED****A&R1710/03**

His Worship the Mayor entered the meeting at 1.02pm following discussion and voting on the above item.

REPORTS**Insurance Renewal Process**

Agenda Item 5.1

Tabled: Power Point Presentation from AON

The report was taken as read. The Finance Manager provided a brief overview of the report and introduced Mr Wilson from AON. The General Manager Strategy & Support spoke of the LASS agreement with other councils. Mr Wilson spoke to a power point presentation that included discussion and updates on the following issues:

- Market Update – Pricing is now at the bottom of the cycle with increases expected.
- Renewal Update Local Covers – Looking at about 20% increase in premium for motor rates, potential increase in liability premiums with defect issues, looking at other options such as excess levels
- Emerging Risks – Increase in claims from councils in relation to building defects, concerns with counterfeit materials. AON is working with the Senior Leadership

Team and other Waikato councils to keep abreast of issues, currently have cover for building defect issues, increase in premium up 20% from last year.

- Any other business
 - o new rates from 1 November – to ensure continuity of cover confirmation will be reported back to the General Manager Strategy & Support
 - o increase in premiums are market driven
 - o counterfeit materials – any discussion on these would be reported back to Council through the Audit & Risk committee from a risk perspective
 - o continuity of cover ensuring no gaps
 - o increase in excess – once the impact on premiums is known, further work will be carried out on the option to increase the excess levels. The impact of potential increases in excess levels on community facilities will be taken into account as part of this work.

The Chair summarised as follows:

- the insurance would be renewed on the increased premiums
- a schedule of the current and new premiums to be circulated to the Committee
- review of the excess levels as part of an overall review of cost management. The impact of any increases in the excess levels on community facilities to be taken into account as part of this review.

Resolved: (Crs Sedgwick/Main)

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

CARRIED

A&R1710/04

Risk Appetite
Agenda Item 5.2

The report was taken as read and the Project Management Advisor explained the work carried out to develop risk maturity.

Mr Sutton led the discussion on the process of the draft content of the risk appetite statement and highlighted the following:

- low appetite for risk, best practice in health and safety compliance, procurement areas
- high risk appetite taking more opportunities, being agile, moving forward, getting a balance

- risk appetite should support the strategies, judgement, professionalism, and guidance

Discussion was held on the following:

- setting of risks for areas
- clarification of risk appetites and confirming the assessed and non-assessed risks. Levels of comfort and judgement required.

Following discussion, it was agreed to workshop this item with all Councillors and staff involved to reach an agreed position on the risk areas. It was agreed there was support within the Committee for the principles and concepts in the report. It was also agreed that the risk appetite and agreement is important to move the business forward, making sure the importance is not lost through rushing discussion and to give everyone the opportunity to provide input. The Chair noted that this was an excellent piece of work to build on.

Resolved: (Crs Bech/Sedgwick)

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

AND THAT a workshop be organised on the risk appetite for Council with time allocated for this issue prior to the next meeting in December 2017 and that the Councillors agree what the risk appetite is for the Council.

CARRIED

A&R1710/05

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (Crs Bech/Main)

THAT the report of the Chief Executive be received;

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

- Confirmation of Minutes dated 22 September 2017**

REPORTS

- KPMG Contract Spend Review**

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

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 November 2017
Prepared by	Debbie Dalbeth
Chief Executive Approved	Y
Document Set #	GOV1318 / 1848772
Report Title	2017-2018 First Quarter Non-Financial Performance Report

I. EXECUTIVE SUMMARY

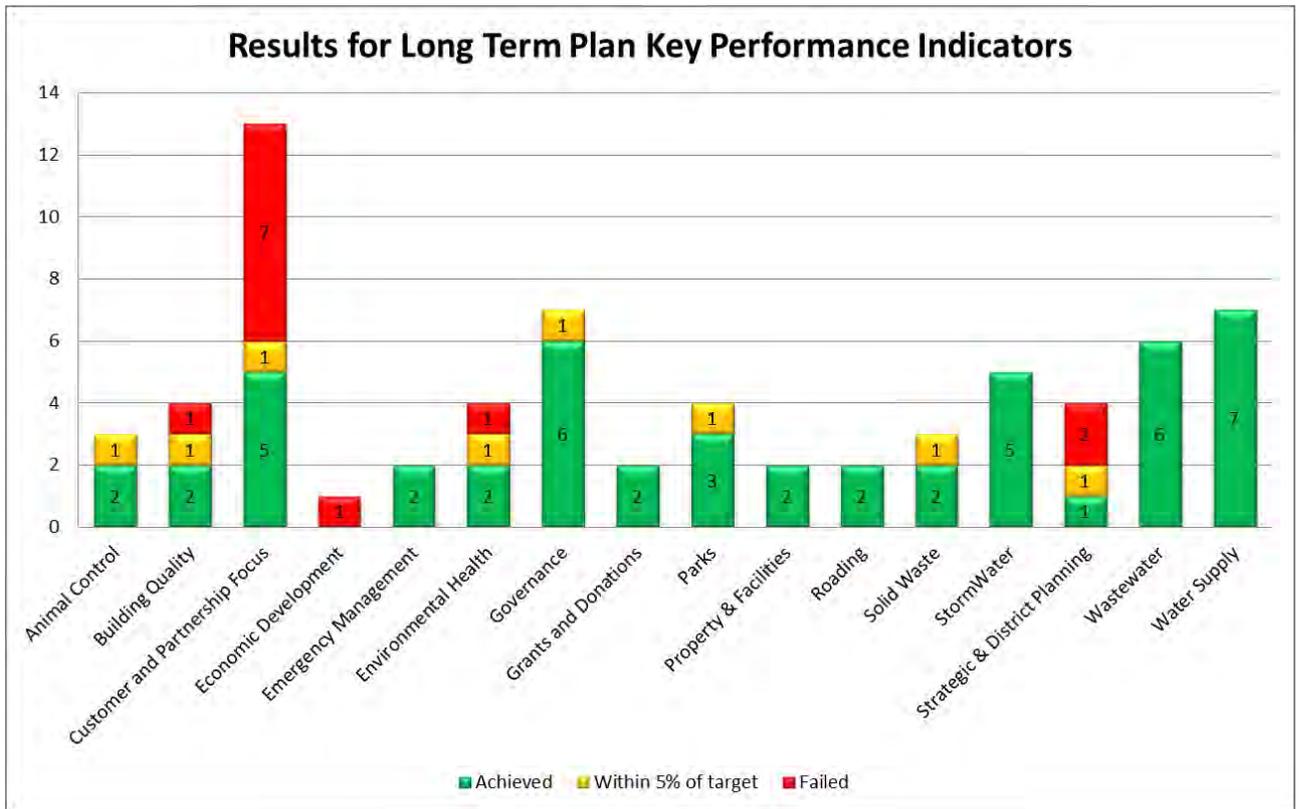
The purpose of this report is to provide the Strategy & Finance Committee with the first quarter non-financial performance results. This includes the 2017/18 Long Term Plan (“LTP”) Key Performance Indicators (“KPIs”) and the Resident Satisfaction survey.

The results from each quarter are used to inform the Annual Report at year end.

2. RECOMMENDATION

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

3. LTP KPIs



Achieved	Within 5% of target	Not Achieved
71%	12%	17%

There are ninety eight KPIs that are reported in the Annual Report. Some can only be measured annually which leaves 69 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 in the first quarter, grouped by category.

The below chart shows how the first quarter results are tracking compared to the end of year results.

	2015/2016	2016/2017	2017/18 1st quarter
Achieved	67 (68%)	65 (66%)	49 (71%)
Within 5% of target	8 (8%)	4 (4%)	8 (12%)
Not achieved	23 (24%)	29 (30%)	12 (17%)
TOTAL MEASURES	98	98	69

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

4. RESIDENTS SATISFACTION SURVEY

The National Research Bureau (“NRB”) surveys Waikato District Council residents at approximately 10 residents per week. At the end of each quarter, after 100 residents are surveyed, we receive interim data. This approach is optimal to mitigate seasonal bias or ‘moment in time’ events from slanting councils annual results. The survey summary is attached (*Appendix 2 - 2017-18 First Quarter Satisfaction Survey Summary*).

Increasing Trends

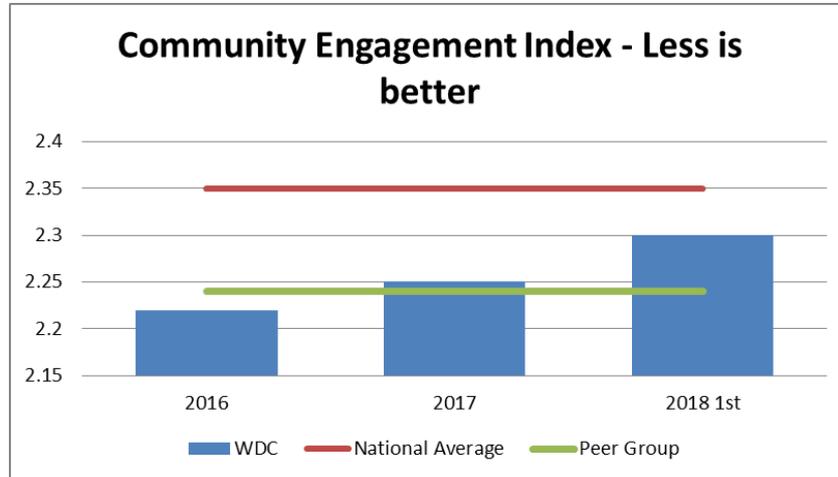
In this first quarter there are no major trend changes from the last few years. Most questions in the survey achieve a similar result from year to year. The only exception is the general upward trend for animal control, unsealed roads and wastewater systems, and a general downward trend for roads overall, building and inspection services. Attached *Appendix 3 – First quarter Survey Trend Graphs*.

5. ENGAGEMENT

Engagement is measured from 5 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 5 questions form an engagement index. The target we have set for ourselves is to have 2.25 or less. At the end of the 2015/16 financial year the result was 2.22, at the end of the last financial year the engagement result was 2.25. The first quarter result for this year is 2.30. Unfortunately we are trending in the wrong direction.

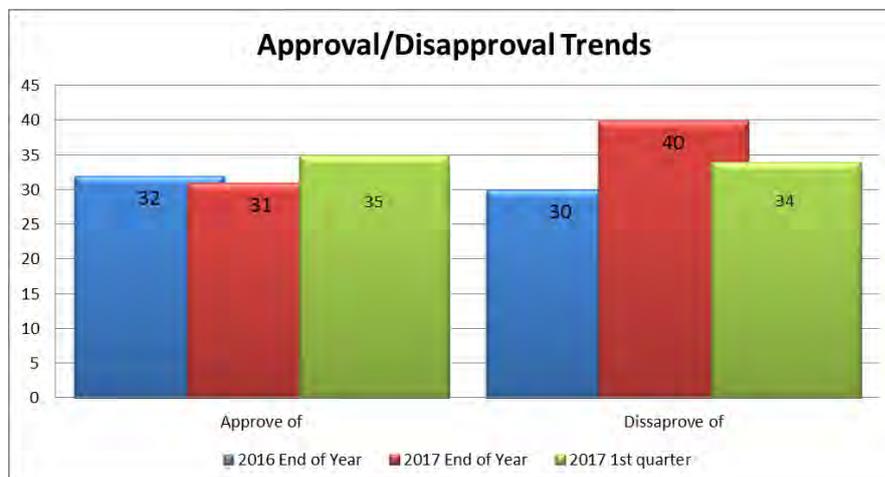


6. OUTCOMES – COUNCILLORS ASKED FOR 2 QUESTIONS TO BE ADDED TO THIS SURVEY

1. Is there any one thing about the Council’s actions, decisions or management in the last few months that comes to mind as something you do like or approve of?
2. Is there any one thing that comes to mind with regard to the Councils actions, decisions or management in the last few months that you dislike or disapprove of?

This is asked to gauge the level of support residents had for Council’s actions and decisions. This quarter 35% of residents say there is a Council action/decision/management they approve of which is below our peer group average of 42% and the national average of 46%.

34% of residents say there is a Council action/decision/management they disapprove of which is below our peer group average of 41% and the national average of 46%.



7. NEW LTP MEASURES:

There are 8 LTP measures detailed below that depend on data from the Residents Survey.

Respondents were asked if they feel they have the opportunity to be involved and participate in the way the Council makes decisions, 67% said yes they feel they have the opportunity while 22% said they had actually tried to participate. This compares with 2016/17 end of year result where 59% said they felt they had the opportunity and 21% said they had actually tried to participate.

Over the last two years Council has undertaken a significant amount of consultation and engagement with the public in line with legislative requirements and as part of our 2020 challenge. There is not a great deal of change in the results from these questions over the last 2 years. In hindsight it appears the targets set were too ambitious.

New Measures – no trend data available	Target	2016 - End of Year	2017 - End of Year	2018 1st quarter	Trend
The public are consulted about the right issues	60%	41%	45%	45%	↔
Information about key community issues is easily accessible	60%	46%	52%	52%	↔
Information available on these issues is clear and instructive	60%	42%	49%	52%	↑
There is a suitable range of consultation options available	60%	50%	49%	45%	↓
There is sufficient time and opportunity available to provide feedback	60%	47%	55%	47%	↓
Average level of effort to conduct business with council	≤3	2.6	2.25	2.4	↑
Satisfaction with the resolution of a request with council	70%	59%	62%	51%	↓
Satisfaction of residents that they were able to contact their councillor/Mayor as and when required	100%	76%	83%	97%	↑

8. CONCLUSION

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

When there have been no major events impacting our communities, the quarterly results are a good indication of the end of year results. With this in mind we are on track to perform in a similar fashion as last year.

9. ATTACHMENTS

Appendix 1 – 2017-18 First Quarter LTP KPI report

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

Appendix 3 – First Quarter Survey Trend Graphs

Appendix 4 – First Quarter Residents Survey Comments from Outcomes



Waikato District Council

Scorecard Report

Period: Jul-17 - Sep-17

Scorecard Name

2015-18 LTP A Year to Date KPIs

Date From

01-Jul-2017

Date To

30-Sep-2017

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2015-18 LTP Monthly KPIs

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

%

95.00

95.39



COMMENTS:

92.86% of service requests for aggressive dogs (current threat) were responded to within the one hour time frame this month. This is above the target of 95%. This result is a reflection of 1 service request not being attended to within the 1 hour target time frame. In this instance, the service request was recorded inaccurately and there was no current threat. We are unable to change the service request type.

This data gives us a YTD result of 95.39% target response rate and was affected by only 2 service requests.

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

%

95.00

100.00



COMMENTS:

Staff responded to current stock on road reports 100% of the time this month which exceeds target

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

%

35.00

33.98



COMMENTS:

20.79% of dog owners on Selected owner policy, 12.11% on Farm owner policy - both "Good Dog owners: categories. Total = 3043 owners = 33.98%

This figure is below the target of 35% and equates to an additional 94 owners required to change policy. We will continue to encourage dog owners to apply for a reduced rate policy and work with our customers to educate them on containment if improvements are required.

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

%

8.25

9.00



COMMENTS:

We are on track to maintain this KPI. We have structured the inspections so we can ensure we continue to meet the KPI.

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

%

20.00

20.93



COMMENTS:

This KPI remains not negotiable due to the nature of the buildings and their use. we will maintain resource to ensure this KPI is met.

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

%

5.00

0.28



COMMENTS:

With the change in legislation around the requirement to inspect pools on a 3 year cycle we will be increasing the resource in this area. There were 6 inspections carried out on Pool fencing.

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

%

100.00

95.00



COMMENTS:

Currently we are processing 95% of consents within the statutory timeframe. The reason we have not met the 100% is we are still experiencing some challenges with our digitisation of the consent process and staff training. This will improve in time.

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

%

100.00

99.67



COMMENTS: All of the 81 consents issued in September 2017 were issued within the Statutory timeframe, this compares with 84 consents issued in September 2016, all of which were also issued within the Statutory timeframe.

% of Service Requests (CRM calls) responded to within agreed timeframes	%	90.00	90.13	
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COMMENTS: As an organisation we are responding to service requests within target in just over 90% of the cases for the year to date. However, the response rate is dropping each month. In September only 88% of service requests were responded to within timeframes so care will need to be taken going forward.

Percentage of books that are less than 5 years old	%	50.00	65.00	
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COMMENTS: This figure is well above the target set. This is due to our recent condition check of all conditions.

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	94.90	
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COMMENTS: Of the items in the collection 94.90 per cent are less than 10 years old.

Reliable daily access to free Internet service at all libraries (excluding supplier issues)	%	100.00	100.00	
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COMMENTS: There were no problems with the Internet access for the month of September.

Percentage of registered food premises inspected/audited annually	%	25.00	19.49	
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COMMENTS: At the end of September there were a total of 272 food businesses and 274 sites requiring inspection/audit. 53 inspections/audits have been completed. 154 food businesses are registered under the old Food Hygiene Regulations with 72 businesses with registered food control plans under the new Food Act 2014. 46 food businesses are operating food control plans under the old Food Act. There are also a further 38 food businesses registered as national programmes that Council does not currently audit.

The percentage of medium risk or higher fee category licensed premises that are inspected annually	%	0.00	0.00	
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COMMENTS: 0 medium or higher risk fee category licences were inspected in the 3 months to September. At the end of September there were 67 medium or higher risk licences. Inspection of licensed premises is not necessarily spread evenly throughout the year. The inspections are programmed to be completed by the end of June 2018

Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district)	%	90.00	87.15	
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COMMENTS: 249 excessive noise complaints requiring response were received in the first three months to the end of September of which 217 were responded to within timeframes. This represents a significant improvement on the contractor's previous year performance and reflects efforts made by the contractor to resolve issues. Staff will continue to work with the contractor to improve performance further.

Percentage of environmental health complaints responded to within agreed timeframes	%	95.00	97.44	
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COMMENTS: 39 complaints were responded to between July to September 38 of which were responded to within timeframes.

The percentage of all landuse consents that have been issued and are current that have been monitored for compliance in the past 2 years	%	79.00	74.00	
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COMMENTS: All land use resource consents are checked after they have been issued and put into a database which schedules when monitoring is required. The monitoring frequency is based on the level of risk posed by the consent. In some cases where there is low risk then monitoring may occur less frequently than 2 years. We will increase the frequency of monitoring of these lower risk consents to ensure we meet the target.

Percentage of time that pool water meets the NZS5826 Part 1 Water Standards : 2000 code of practice for the operation of swimming pools	%	95.00	99.33	
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COMMENTS: As per the water test results received from Hills Laboratories

The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	%	80.00	95.97	
--	---	-------	-------	--

COMMENTS: 222 road requests were received for the month of September. Of those 212 were responded to within the allocated timeframe. Of the 222 calls received, 10 were not responded to on time giving a 95.5% result for the month. For the year 1 July to date the overall response rate is 95.97% (694 calls, 666 responded to on time).

The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP	%	80.00	100.00	
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COMMENTS: 17 footpath requests have been received in the month of September, of which 17 were responded to within the agreed timeframe, or 100%. For the year 1 July to date, there have been a total of 29 footpath requests that have been responded to on time (100%).

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

2015-18 LTP Quarterly KPIs

Level of Customer effort	#	3.00	2.40	
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COMMENTS: Unfortunately this is the highest result recorded in over a year, it appears our customers are finding it requires more effort to deal with Council.

Percentage of respondents / customers who are satisfied or very satisfied with the resolution of their request of council	%	70.00	51.00	
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COMMENTS: Unfortunately this is the lowest result since September 2015. Our customers are not happy with the way their requests are resolved.

Percentage of respondents who are satisfied or very satisfied with the overall service received when contacting the Council	%	75.00	72.00	
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COMMENTS: One of the highest results for overall satisfaction. Customers have rated us higher for overall satisfaction than with the resolution of their requests which leads us to believe the positive and professional way staff treat customers and service requests is being appreciated.

Council maintains a minimum number of trained staff to fulfil core Emergency Operations Centre roles	#	30.00	45.00	
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COMMENTS: There have been 45 members of the staff carryout the intermediate training. These staff will be able to carry out roles in the EOC

Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall	%	85.00	88.00	
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COMMENTS: N/A

Percentage of Interments completed within the requested timeframe	%	95.00	100.00	
<i>COMMENTS:</i> All interments completed within appropriate timeframes. Customers satisfied with outcomes - no issues reported affecting interments.				
Percentage progress of the Playground Strategy implementation plan	%	25.00	25.00	
<i>COMMENTS:</i> progressing as planned				
Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey	%	75.00	73.00	
<i>COMMENTS:</i> N/A				
Percentage of buildings that require a warrant of fitness that comply	%	25.00	25.00	
<i>COMMENTS:</i> 90% of our BWoFs are due for renewal in November . the IQP check are currently being undertaken				
The number of times that bags or bins are missed in Council's kerbside collection	#	200.00	52.00	
<i>COMMENTS:</i> This is a variable number as number of bags are not always entered. Some teething issues with contractor in the new rural area (Pukekawa). From conversations, the divers were changed and this id not help as rural roads are more challenging to get use to doing. a couple of yellow bags - which were subsequently advised there would be no pick up as this is not the council contract				
The percentage of kerbside collection complaints that are resolved within agreed timeframes.	%	100.00	95.00	
<i>COMMENTS:</i> 2 main reasons for this are - sometime connecting with the customer directly takes longer than expected, sometimes the crm may have been rerouted to the incorrect contractor, and service requests are crm may not be closed off until the until the solution has been implemented and the customer says he/she is happy. Closing off the crm to before the solution is implemented does not always give a guarantee that it has been done. This can then result in an unhappy customer going directly to social media				
The percentage of schools in the district that receive solid waste education	%	0.00	15.50	
<i>COMMENTS:</i> have asked how we usually gather this data and have asked Xtreme for update				
The number of flooding events that occurs in the district	#	5.00	0.00	
<i>COMMENTS:</i> 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	
<i>COMMENTS:</i> 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	
<i>COMMENTS:</i> 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	0.52	
<i>COMMENTS:</i> On track.				

The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	#	5.00	0.09	
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COMMENTS: On track

1 dry weather overflow this quarter.

The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site.	m	60.00	33.00	
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COMMENTS: Target met with a median of 33 minutes.

All calls met the 60 minute timeframe for this quarter.

The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault.	m	240.00	149.00	
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COMMENTS: Target met with a median of 144 minutes.

All calls resolved within required timeframe of 240 minutes this year.

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	1.08	
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COMMENTS: On track.

12 complaints this quarter.

The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	60.00	37.00	
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COMMENTS: On track YTD with a median of 37 minutes.

47 of 54 calls met the 60 minute timeframe this quarter

The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	m	240.00	76.00	
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COMMENTS: On track YTD with a median of 76 minutes.

49 out of 54 calls met the required timeframe this quarter.

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

103 out of 104 complaints met the 5 day timeframe this quarter.

The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system	Days	5.00	1.00	
<i>COMMENTS:</i> On track YTD with a median of 1 day.				
103 out of 104 calls met the 5 day timeframe this quarter.				
The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system)	#	17.00	9.49	
<i>COMMENTS:</i> High for this target, we have had a lot of multiple complaints to single events in regards to dirty water in Huntly and Raglan.				
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents.	#	0.00	0.00	
<i>COMMENTS:</i> N/A				
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	
<i>COMMENTS:</i> 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	
<i>COMMENTS:</i> 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	
<i>COMMENTS:</i> No breaches in drinking water standards DWS				
The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	#	15.00	15.00	
<i>COMMENTS:</i> No breaches in drinking water standards DWS				
Number of enquiries that generate through the Open Waikato website	%	20.00	18.00	
<i>COMMENTS:</i> Open Waikato channels received 43 business enquiries this quarter. This is slightly down on the final quarter's enquiries which generated 79. We did not run any campaigns this quarter which may have affected the enquiry rate.				
Percentage of councils business continuity processes implemented	%	20.00	20.00	
<i>COMMENTS:</i> Critical Business process have been captured. Full review of BC processes to be undertaken during first half of this financial year.				
Satisfaction of residents that they were able to contact their Councillor / Mayor as and when required	%	100.00	97.00	
<i>COMMENTS:</i> The contact details of our councillors are publicly available on the website or through the Call Centre. Some of our councillors also write regular columns for community newspapers with their contact details provided and their contact details are also regularly provided in The Link newsletter.				

Number of upheld objections/appeals lodged against election process	#	0.00	0.00	
<i>COMMENTS:</i> There have been no upheld objections/appeals lodged against any election process in this year so far.				
Percentage of Council decisions that comply with statutory requirements	%	100.00	100.00	
<i>COMMENTS:</i> All Council decisions have complied with statutory requirements over the past quarter.				
Percentage of residents who feel they have the opportunity to be involved and participate in publicly-notified Council projects and processes, to help Council make informed decisions.	%	72.00	67.00	
<i>COMMENTS:</i> Opportunities for engagement continue to be provided through the website, community open days, The Link newsletter, hearings etc. As indicated previously, Council has undertaken a number of projects/initiatives which have been notified through statutory processes (either through the Local Government Act, the Resource Management Act or the Reserves Management Act). Council maintains an engagement register containing a list of engagement activities. This register is updated on an ongoing basis and is reported to Council bi-monthly.				
The percentage of projects in identified areas of growth and as contained in the Long Term Plan, which are on track or completed.	%	100.00	100.00	
<i>COMMENTS:</i> All projects in identified areas of growth are on track				
Number of discretionary grant funding rounds undertaken per year	#	1.00	1.00	
<i>COMMENTS:</i> Completed. Round 4 of the discretionary grant funding opened on 11 August 2017 and closed 6 October 2017				
The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports	%	25.00	25.00	
<i>COMMENTS:</i> Accountability reporting has been successfully maintained on all discretionary funding allocated during the Jul-Sep 2017 quarter.				
Percentage of customers satisfied that council consults with the community regarding the right issues	%	60.00	45.00	
<i>COMMENTS:</i> Although Council recently undertook a comprehensive round of pre-consultation and consultation on the Annual Plan with affected residents the results haven't changed.				
Percentage of customers satisfied with the ease of access to information regarding key community issues	%	60.00	52.00	
<i>COMMENTS:</i> Information will continue to be provided to the community through various means (e.g. website, social media, The Link, through community open days, letter drops, counter pamphlets etc). Staff are also always on hand to address any request for information. Council has a robust repertoire of tools through which information can be made easily accessible to the public but suggestions for improvements are always welcome.				
Percentage of customers satisfied that the material available on key issues is clear and provides sufficient information to allow feedback	%	60.00	52.00	
<i>COMMENTS:</i> 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. This has resulted in a slight improvement in results.				

Percentage of customers satisfied that council provides a suitable range of options and avenues to engage through	%	60.00	45.00	
<i>COMMENTS:</i> Council continues to provide a range of tools with regards to engagement. These include: online (submissions and feedback forms), community 'open days', community market days, newsletter (The Link), letter drops etc. Additionally, Council places a lot of emphasis on engaging with the community informally prior to initiating any statutory consultation requirements. Although Council recently undertook a comprehensive round of pre-consultation and consultation on the Annual Plan with affected residents the results haven't changed much.				
Number of publicly shared reports assessing Council's progress against its goals and objectives	#	1.00	1.00	
<i>COMMENTS:</i> On track to report to Council in November.				
Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community	%	60.00	47.00	
<i>COMMENTS:</i> Council provides appropriate time for engagement - be it for community open days, hearings etc. For hearings, an equal amount of time is allocated for each submitter to present to ensure fairness and efficiency for the process. Additionally, community boards and communities are also important stakeholders for Council to engage with. Staff maintain a list of stakeholders (which forms a useful basis for ensuring that any engagement is undertaken with key people and relevant interest groups). Besides all the above, and the fact that Council recently undertook a comprehensive round of pre-consultation and consultation on the Annual Plan with affected residents, the results have decreased.				
Iwi ki te Haapori - Number of joint committee meetings held per annum	#	1.00	1.00	
<i>COMMENTS:</i> 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	
<i>COMMENTS:</i> N/A				
Iwi ki te Haapori - Number of formal governance hui held between council and iwi / hapu groups	#	0.00	0.00	
<i>COMMENTS:</i> N/A				
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

To: Debbie Dalbeth

From: Ken Sutton and Janette Simpson

Of: Waikato District Council

Date: 25 September 2017

Dear Debbie,

**QUARTERLY SUMMARY OF
ONGOING SATISFACTION SURVEY RESULTS**

The following is a quarterly summary of your Ongoing Satisfaction survey results for the period: Friday 7th July - Thursday 14th September, based on 100 respondents.

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

Kind regards,

Ken Sutton

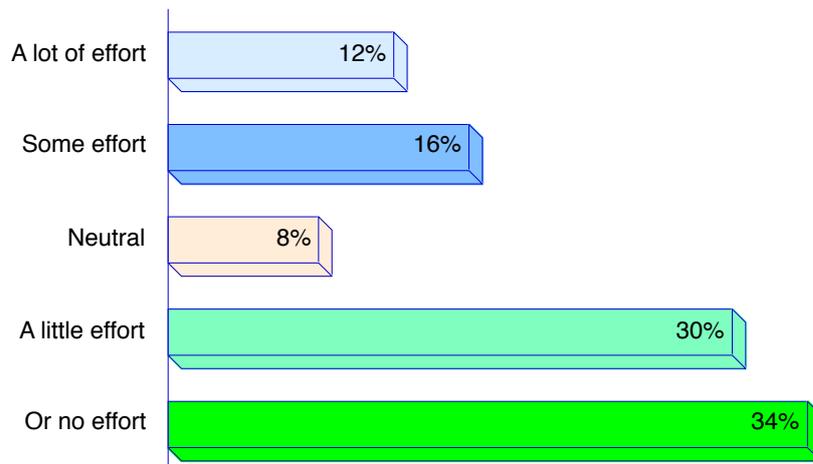
Janette Simpson

NATIONAL RESEARCH BUREAU LTD

CONTACT WITH COUNCIL

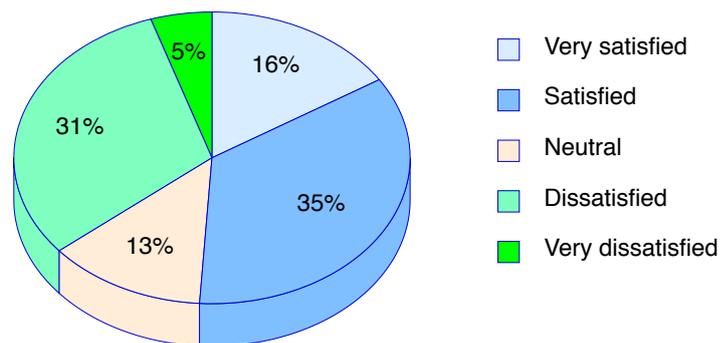
54% of residents have contacted Council staff at the Council offices or service centres by phone, in person and/or by email, in the last 12 months.

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



Base = 50[†]

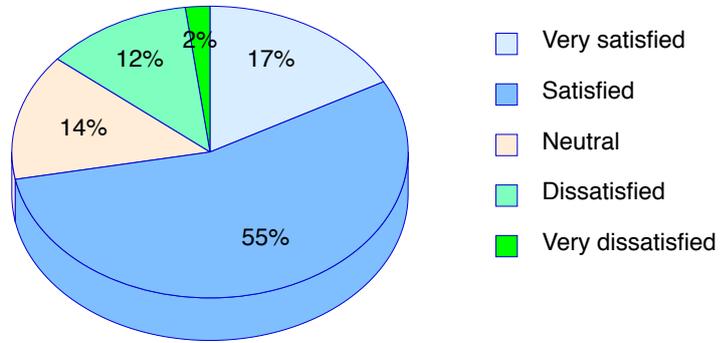
Satisfaction With How Issue Was Resolved



Base = 50[†]

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

Satisfaction With Overall Service Received



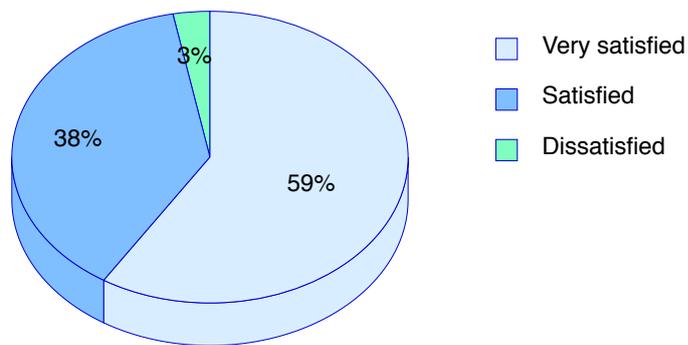
Base = 50[†]

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

Contact With Councillors/Mayor

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

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



Base = 11[†]

Caution: small base

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

SATISFACTION WITH SERVICES AND FACILITIES - OVERALL

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Standard of Council's roads overall (excluding State Highways)	42	34	23	1
Stormwater services	45	16	16	23

SATISFACTION WITH COUNCIL SERVICES/FACILITIES - USERS

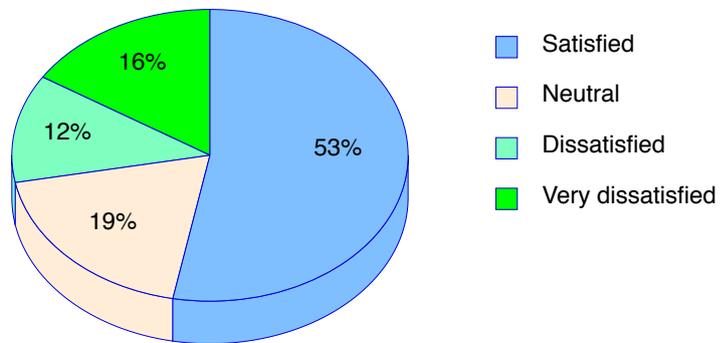
	Base	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Public libraries [†]	43	93	-	8	-
Parks and reserves, including sports fields and playgrounds [†]	59	88	2	9	-
Recycling services	95	81	8	11	-
Animal control, ie, stock and dog control	*16	78	-	16	6
Public toilets	34	73	21	6	-
Footpaths	67	62	20	18	-
Building and inspection services [†]	*20	51	20	17	13

* caution: small base

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

Satisfaction With The Standard Of Council's Unsealed Roads

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

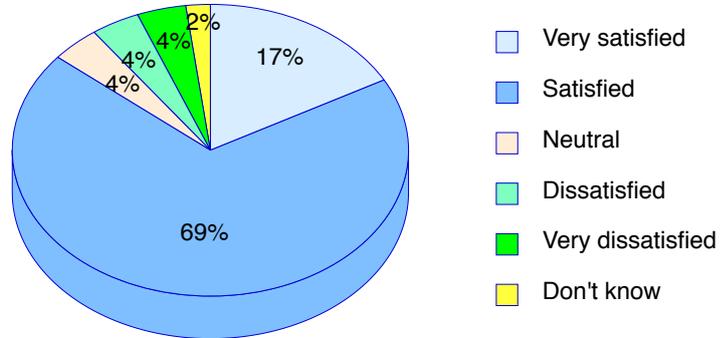


Base = 39

SATISFACTION WITH SERVICES PROVIDED BY COUNCIL

Water Supply

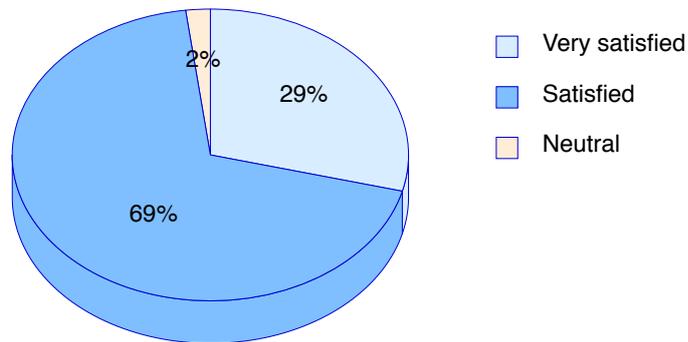
Council Provided Piped Water Supply



Base = 50
(Does not add to 100% due to rounding)

Wastewater Services

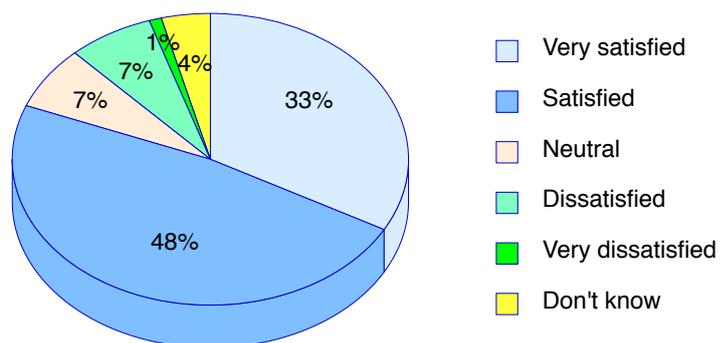
Council Provided Sewerage System



Base = 28[†]
[†] caution: small base

Rubbish Collection Service

Council Provided Regular Rubbish Collection Service



Base = 92

LOCAL ISSUES

Governance/Democracy

67% 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 33% say they don't.

22% of residents have tried to participate in Council's decision making process.

Level Of Satisfaction

	Very satisfied/ Satisfied %	Neutral %	Dissatisfied/ Very dissatisfied %	Don't know %
Information about key community issues is easily accessible [†]	52	24	18	7
Information available on these issues is clear and instructive	52	20	28	-
There is sufficient time and opportunity available to provide feedback	47	31	22	-
There is a suitable range of consultation options available	45	32	23	-
The public are consulted about the right issues	45	13	35	7

Base = 21

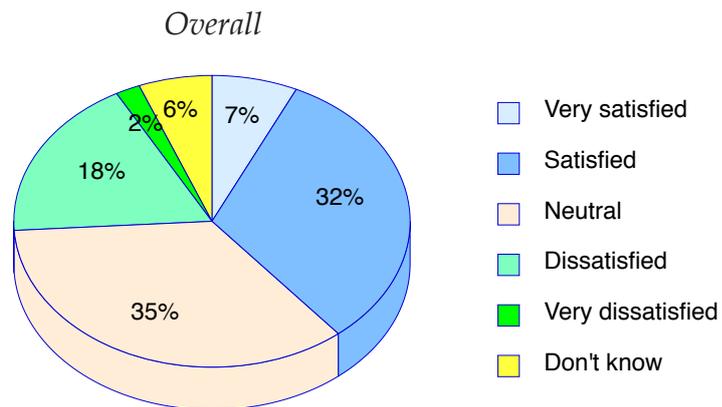
Caution: small base

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

% read across

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

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



Participation In Decision Making Process

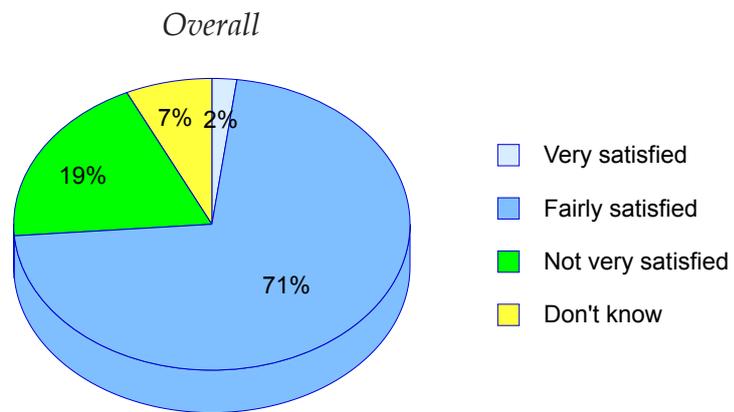
In general 23% of residents are interested in participating in Council's decision making process, 45% say they are not, while 31% say it depends on the issue. 1% of residents are unable to comment.

Outcomes

34% of residents say there is a Council action/decision/management they **dislike or disapprove** of, while 35% say there is a Council action/decision/management they **like or approve** of.

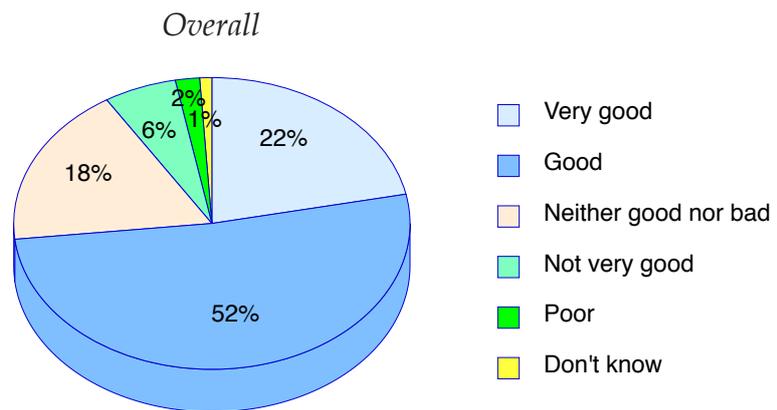
Community Engagement

Satisfaction With Rates Spending



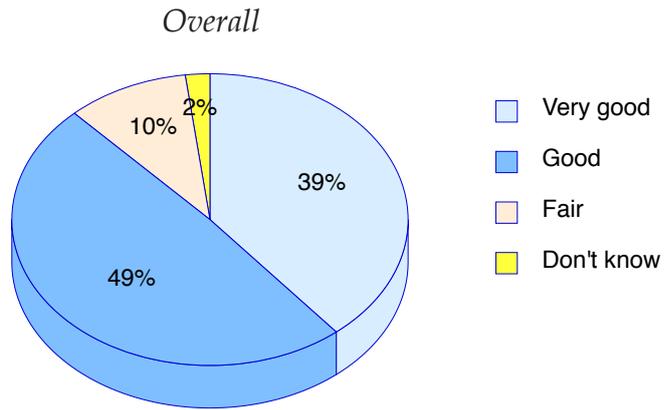
(Does not add to 100% due to rounding)

Community Spirit



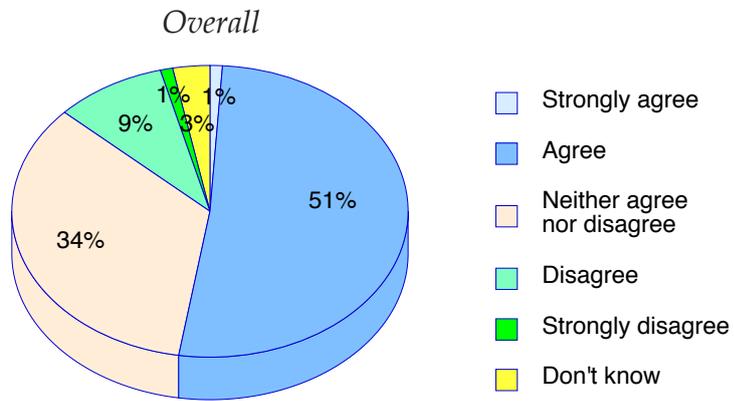
(Does not add to 100% due to rounding)

Quality Of Life



Council Consultation And Community Involvement

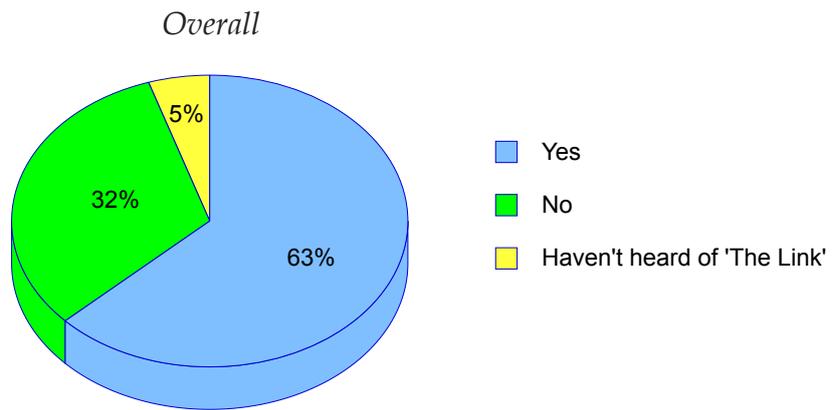
Council Makes Decisions That Meet The Needs And Aspirations Of Their Residents?



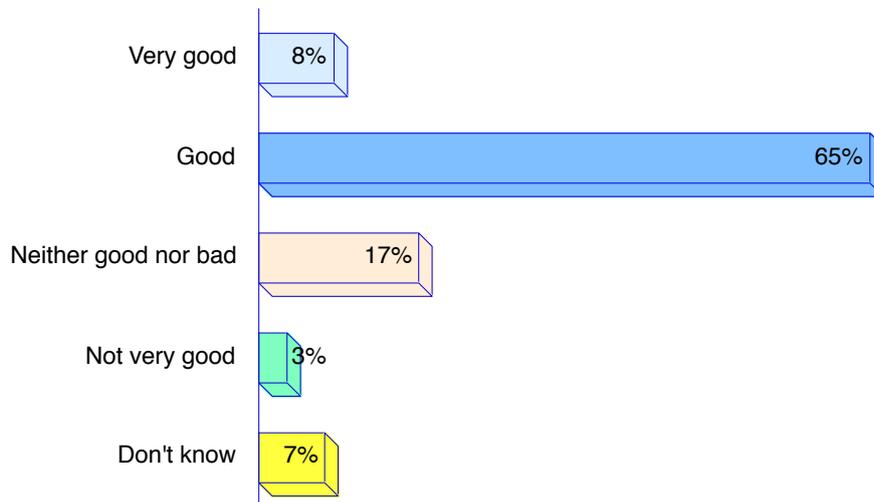
(Does not add to 100% due to rounding)

Information (NB: These questions are only asked in Quarter One)

Do Residents Read Waikato District Council's Bi-Monthly Newsletter 'The Link'?

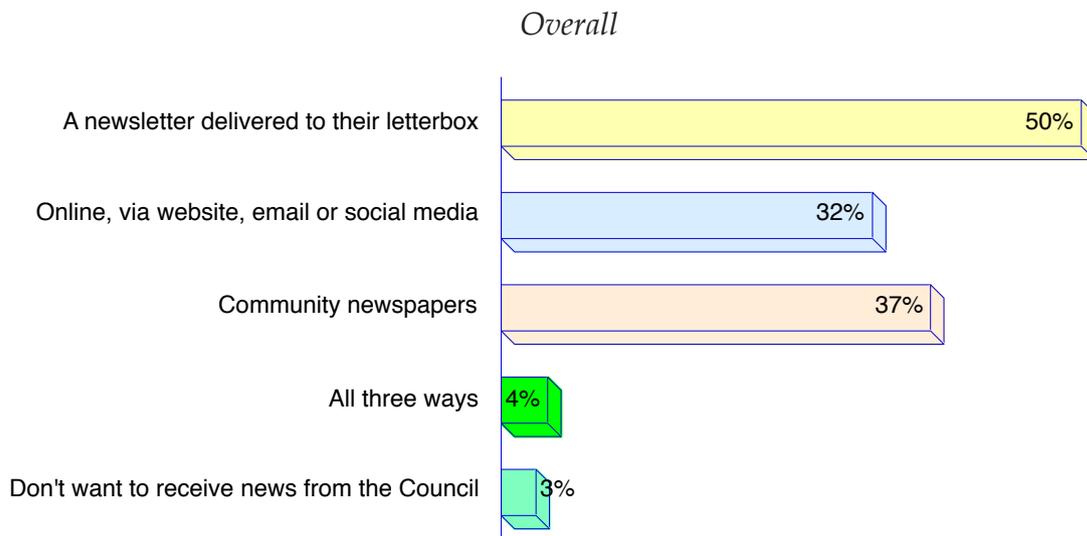


How Do Residents[†] Rate 'The Link'?



[†] Base = 69
(Residents who say they have read 'The Link')

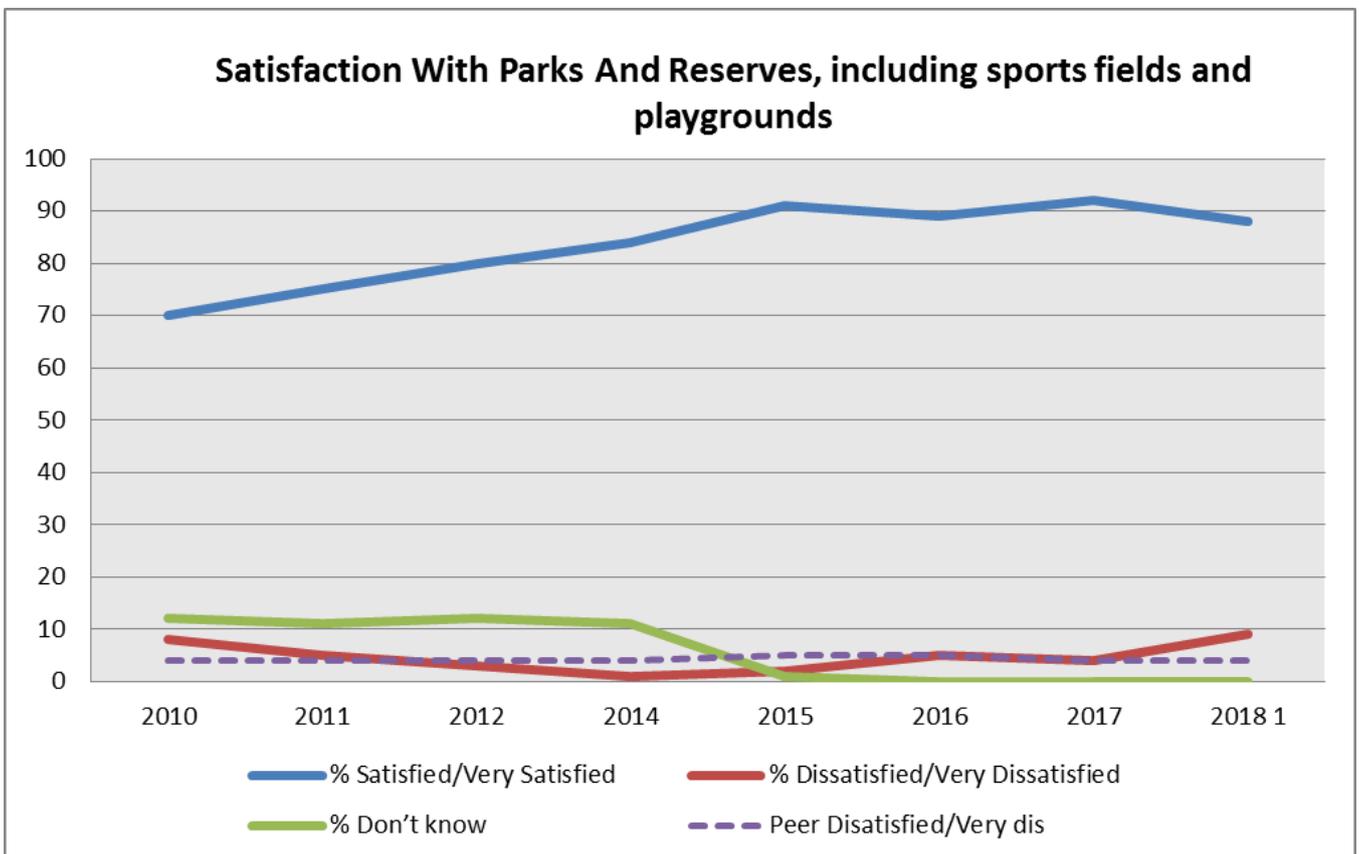
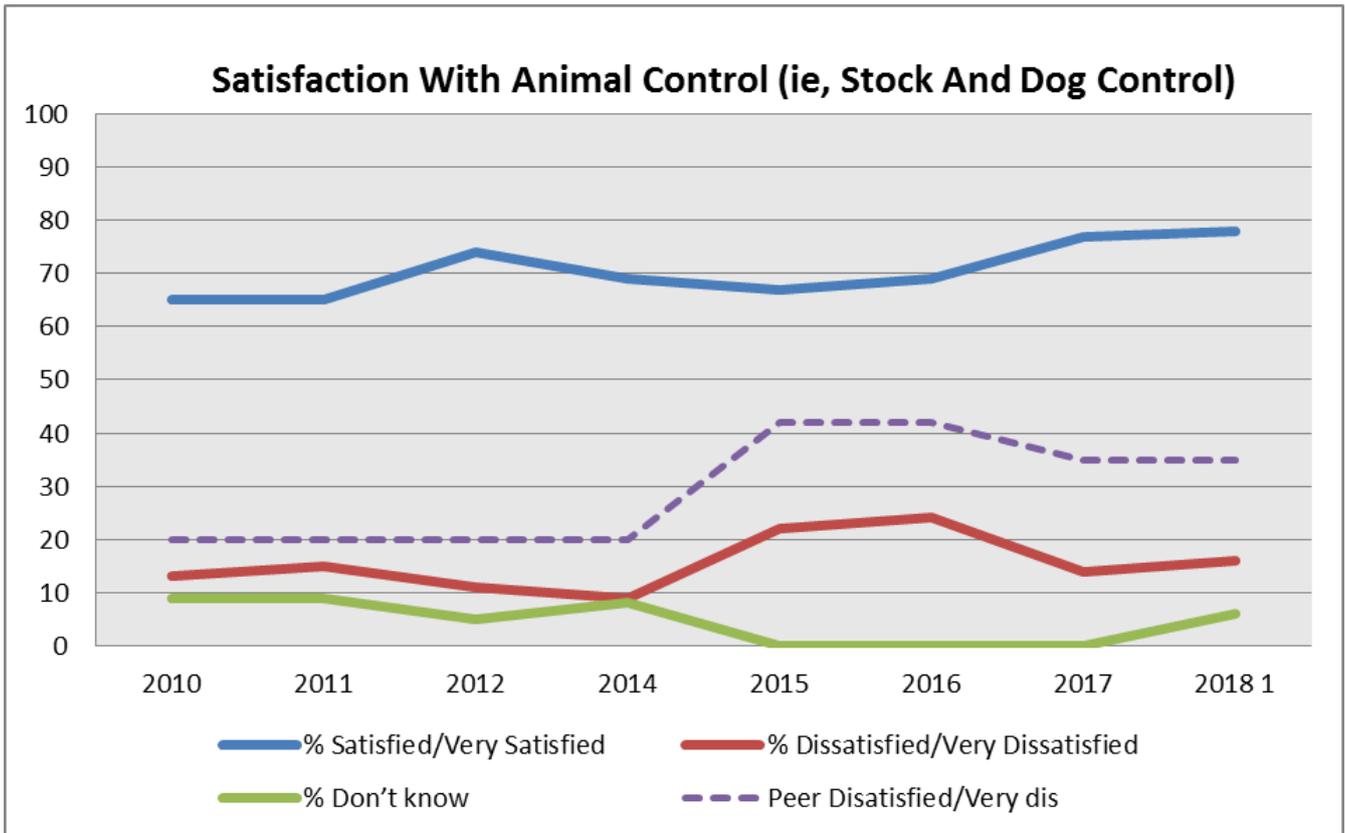
How Would Residents Prefer To Receive News From Waikato District Council?



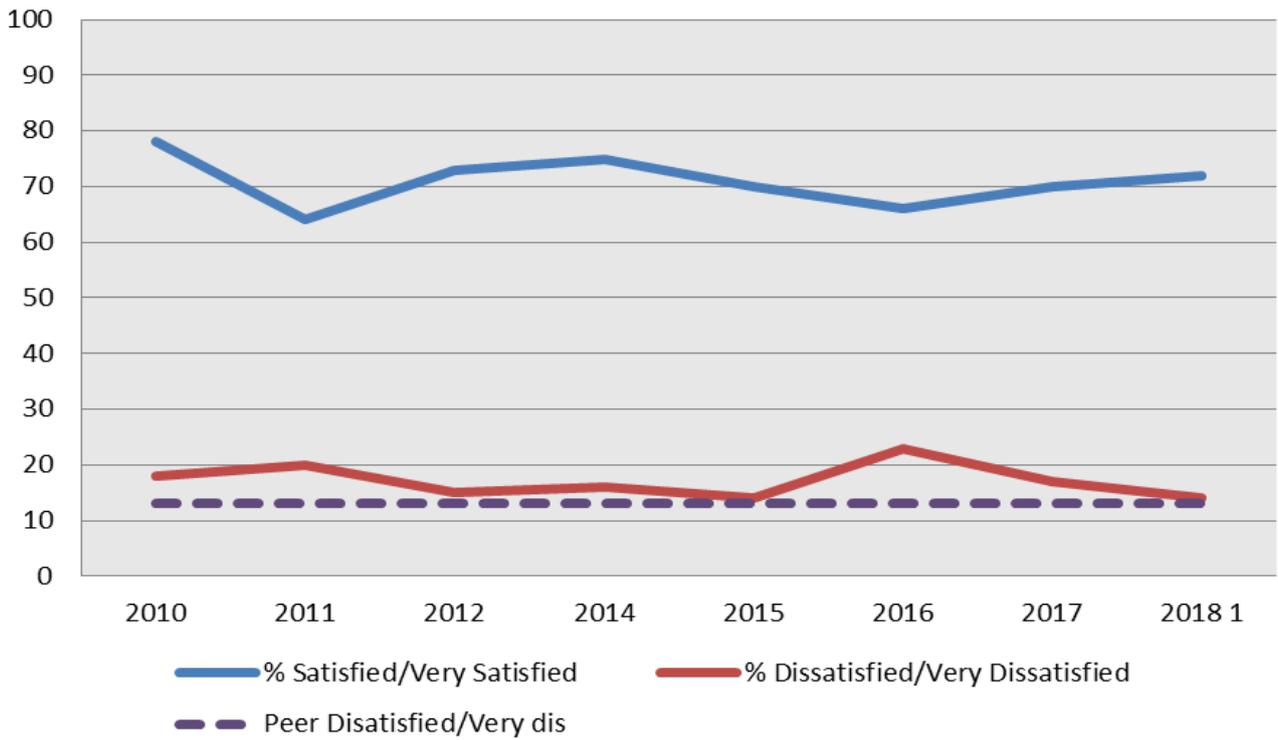
(Multiple responses allowed)

Residents Satisfaction Survey Trend Graphs – 2017-18 1st quarter

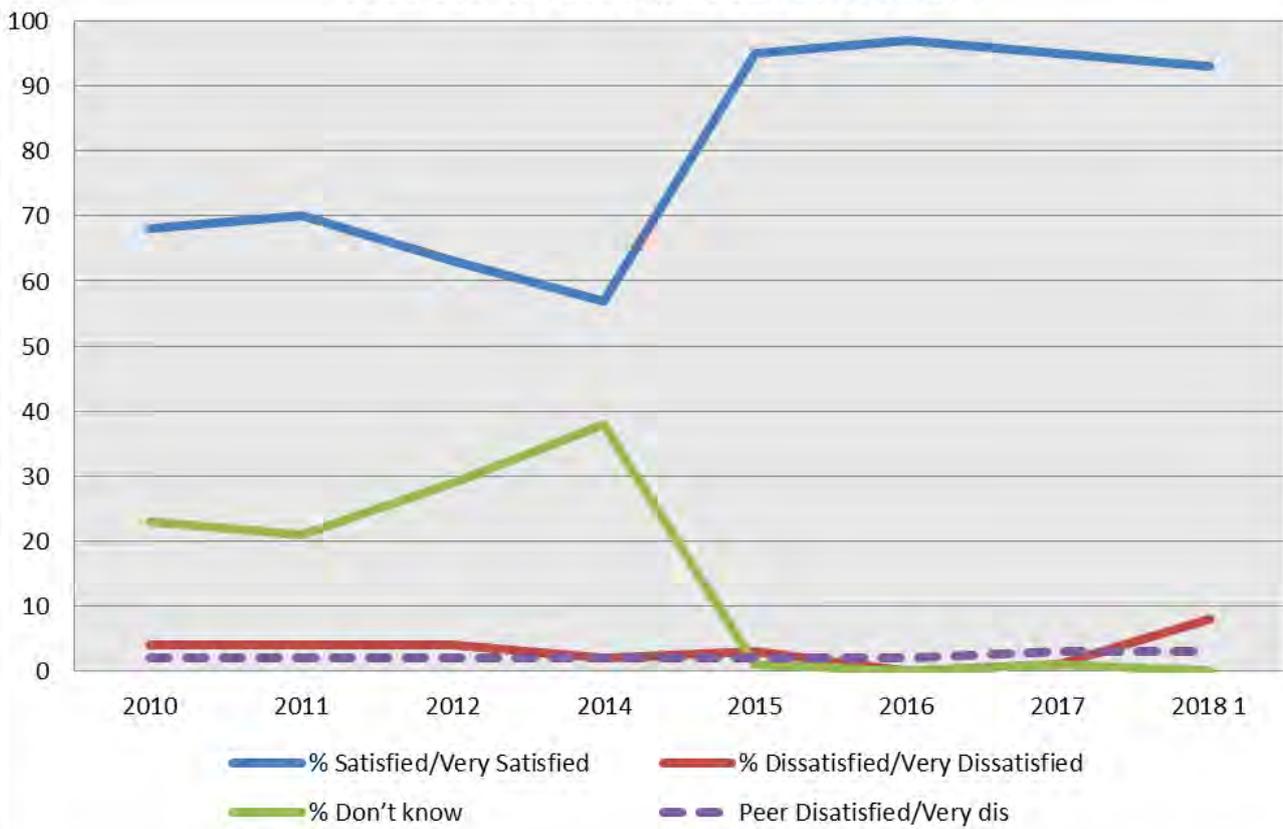
- 2018 1 is the first quarter results



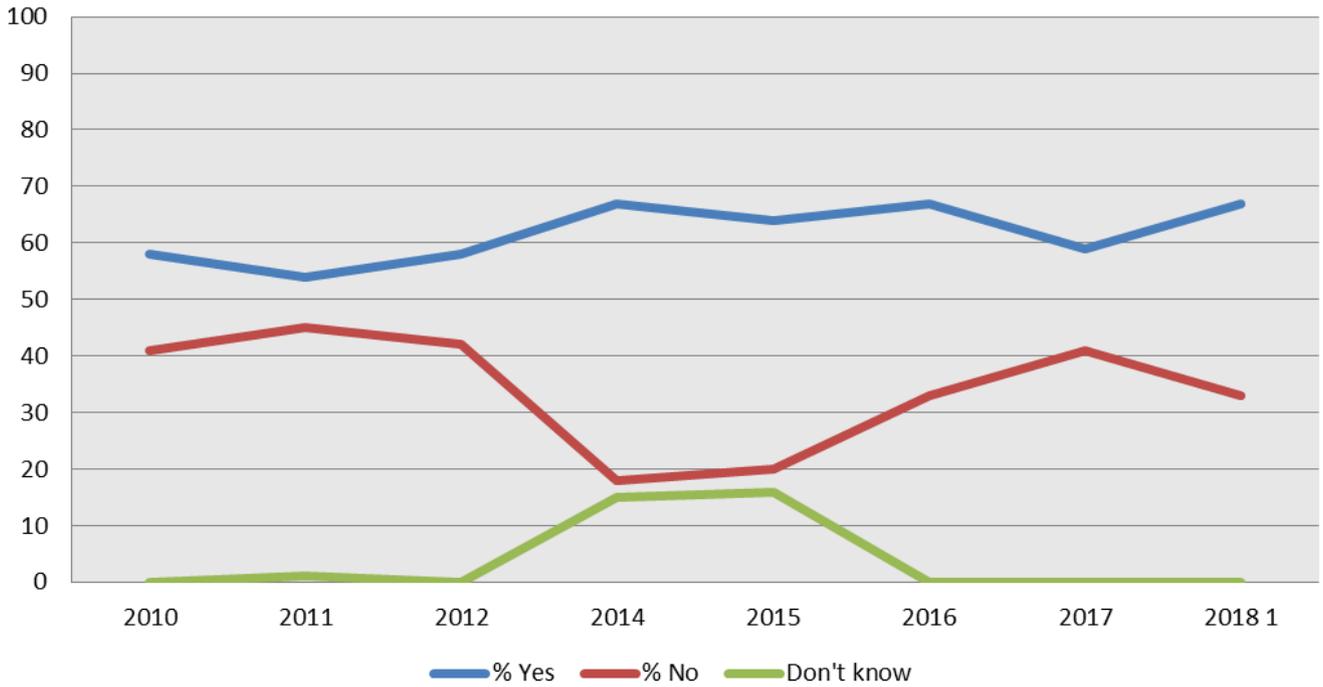
Overall Satisfaction With The Service Received When Contacting The Council Offices



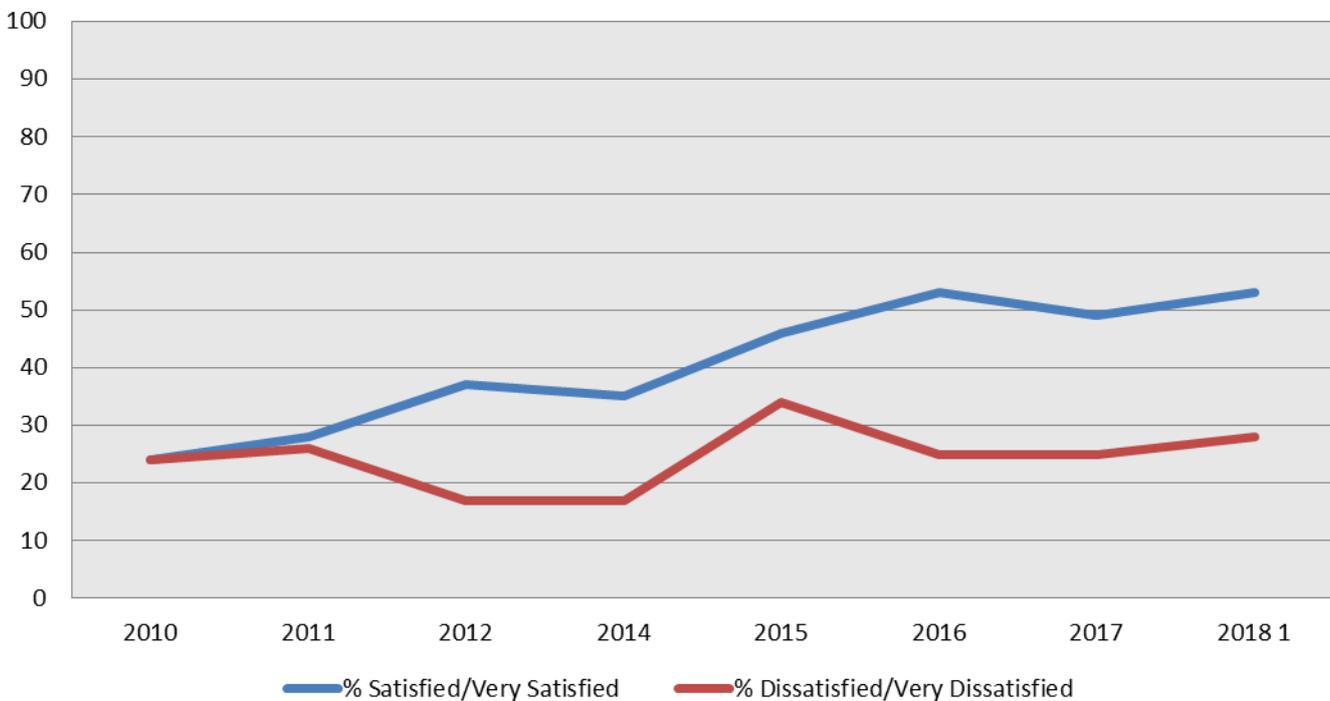
Satisfaction With Public Libraries Overall

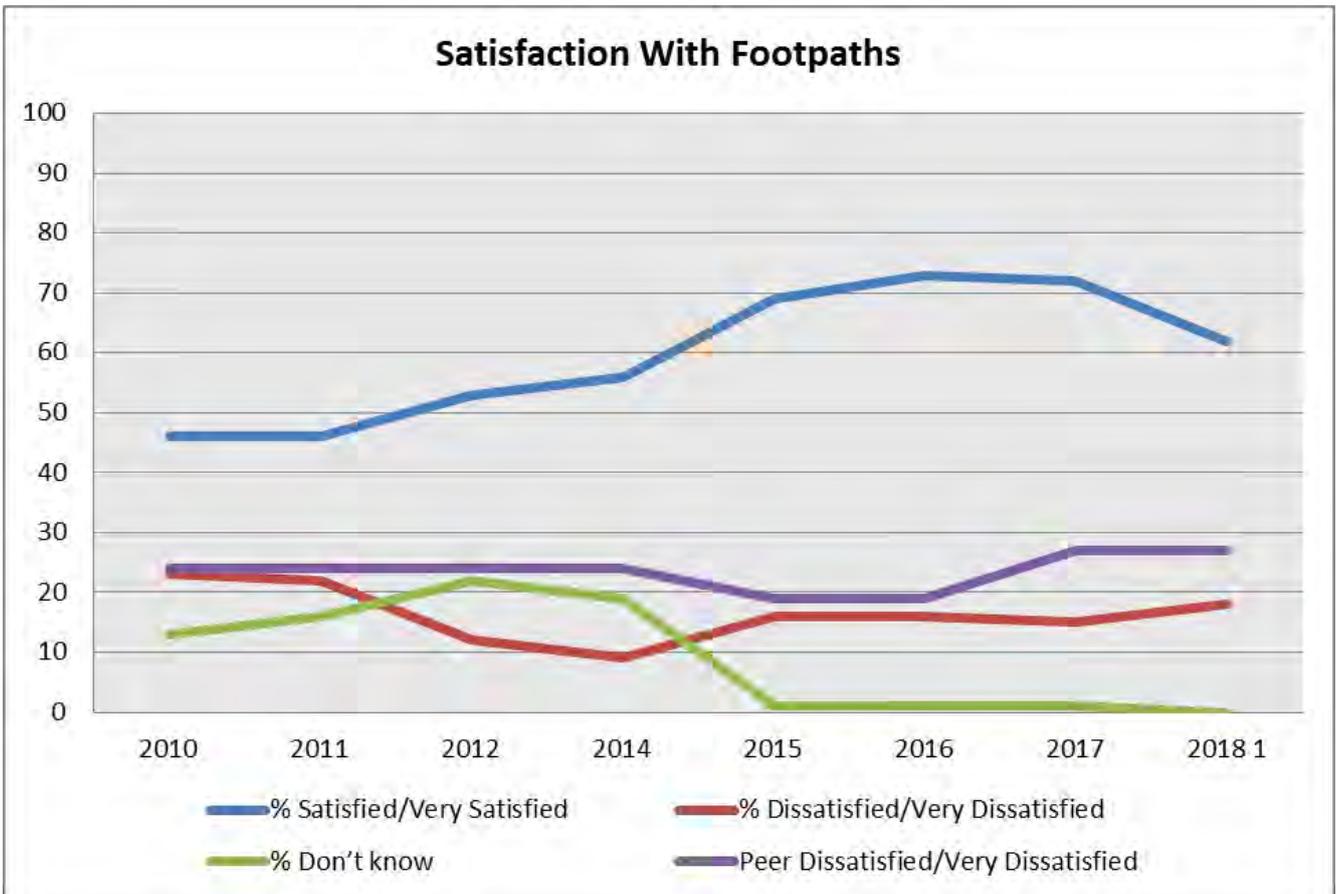
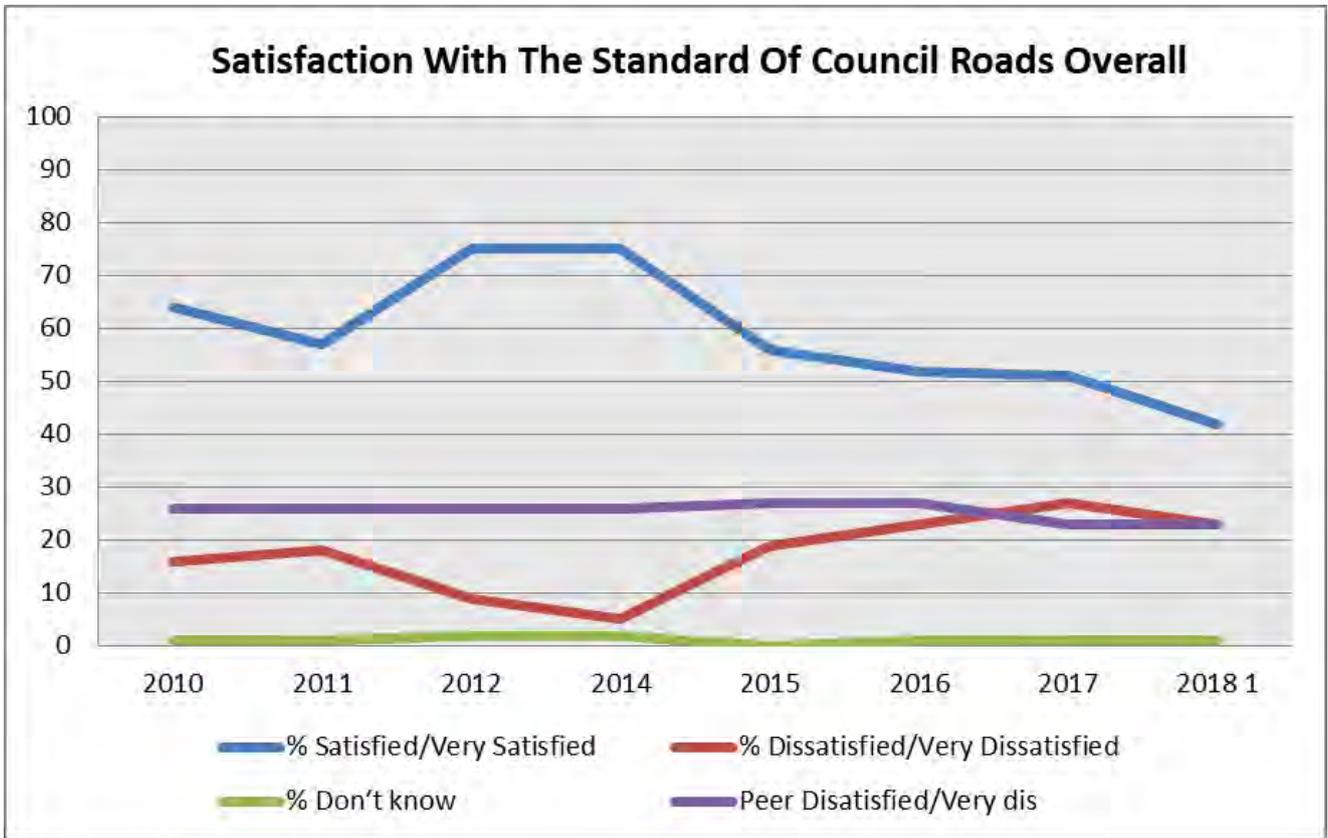


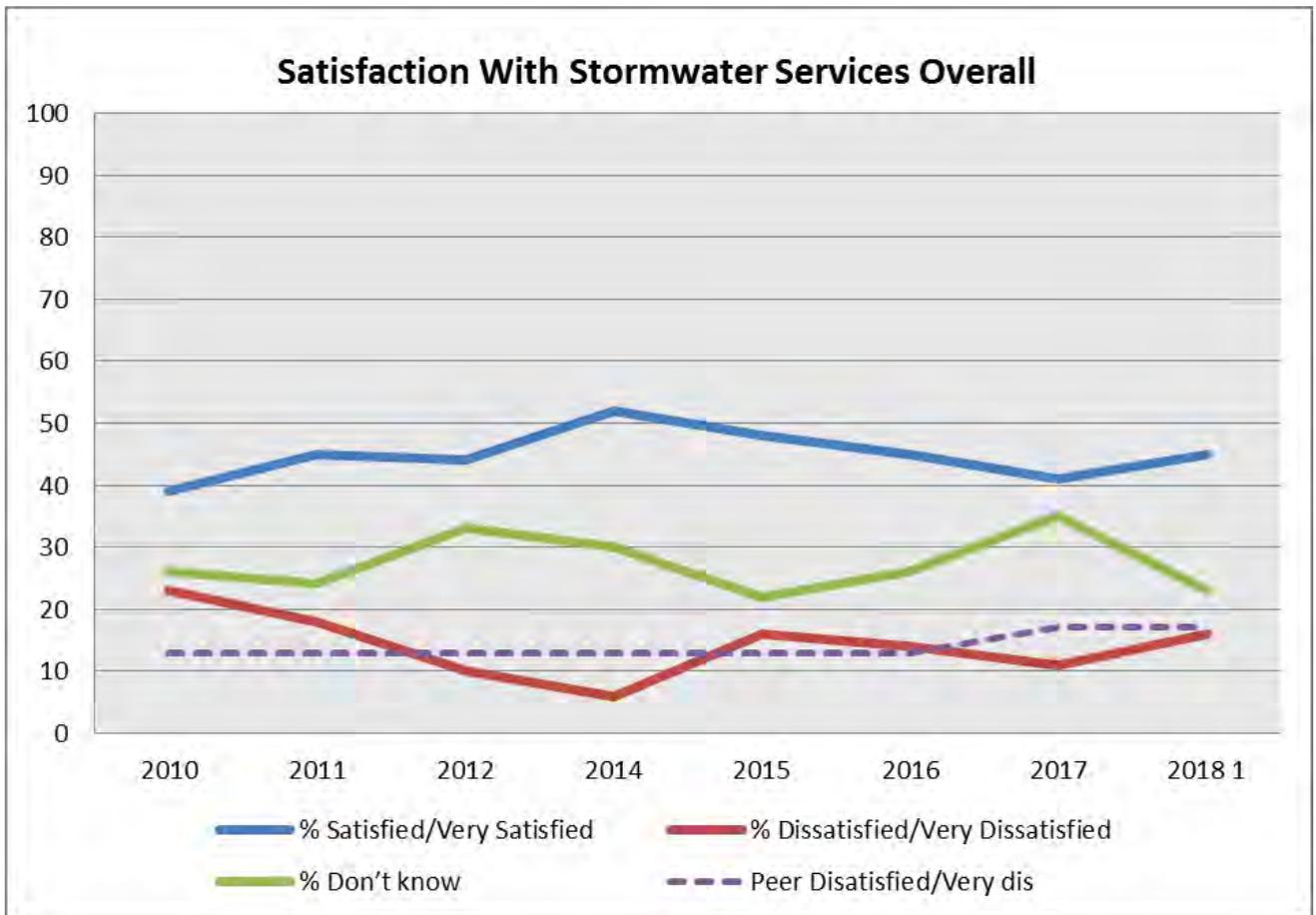
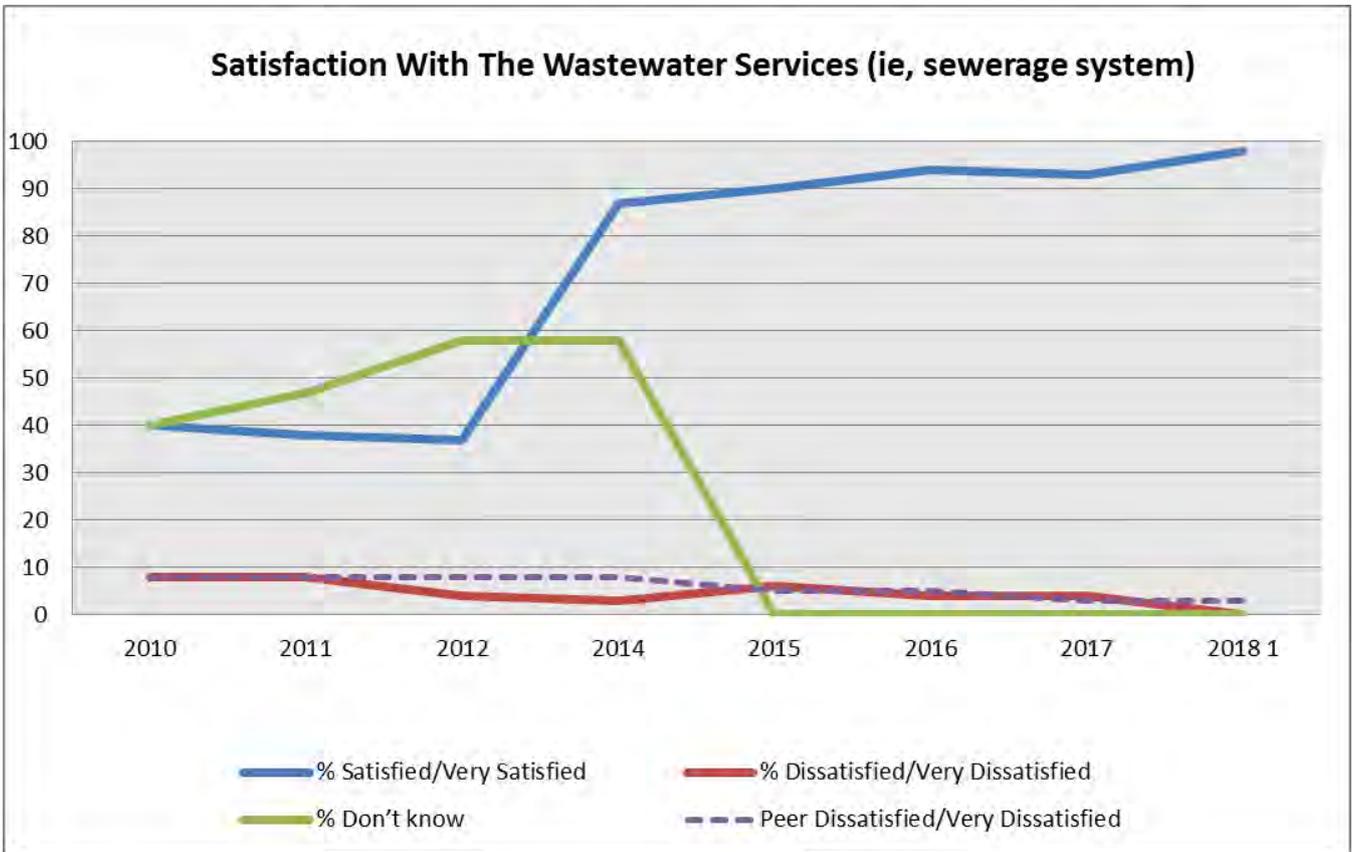
Do Residents Feel They Have The Opportunity To Be Involved And Participate In The Way The Council Makes Decisions?



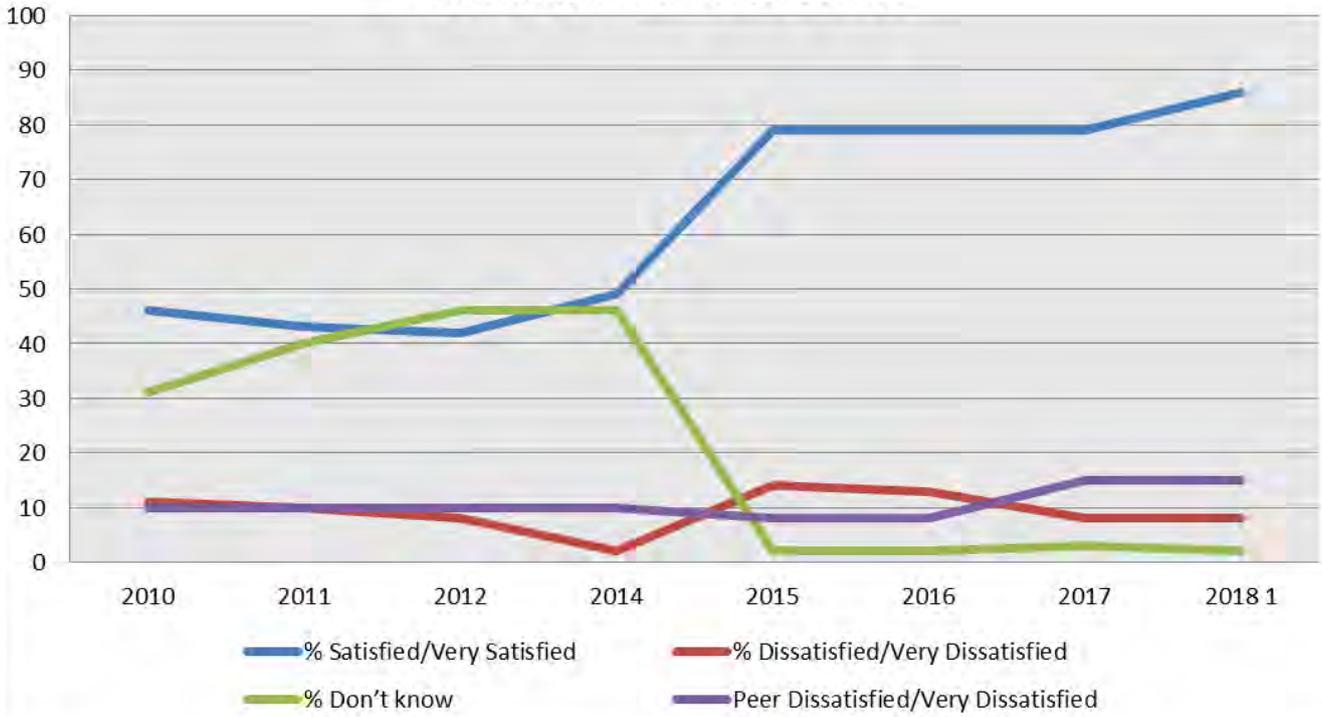
Satisfaction With Standard Of Council's Unsealed Roads



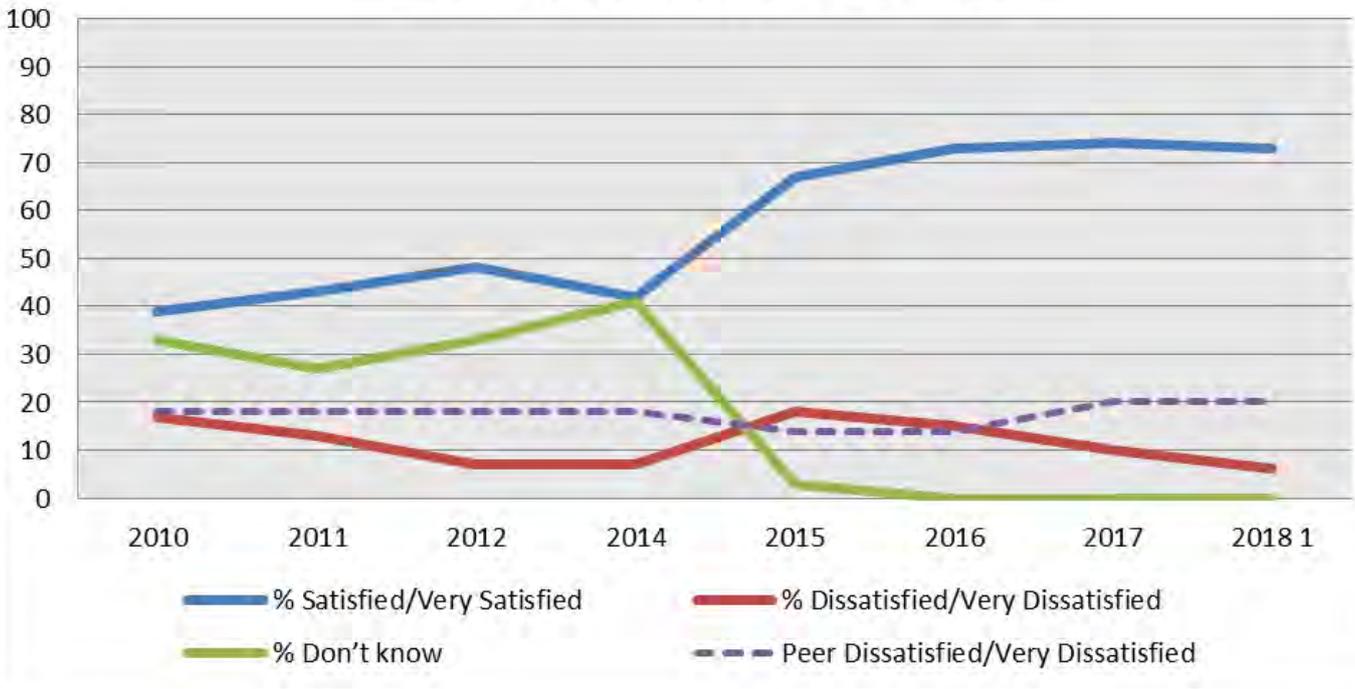


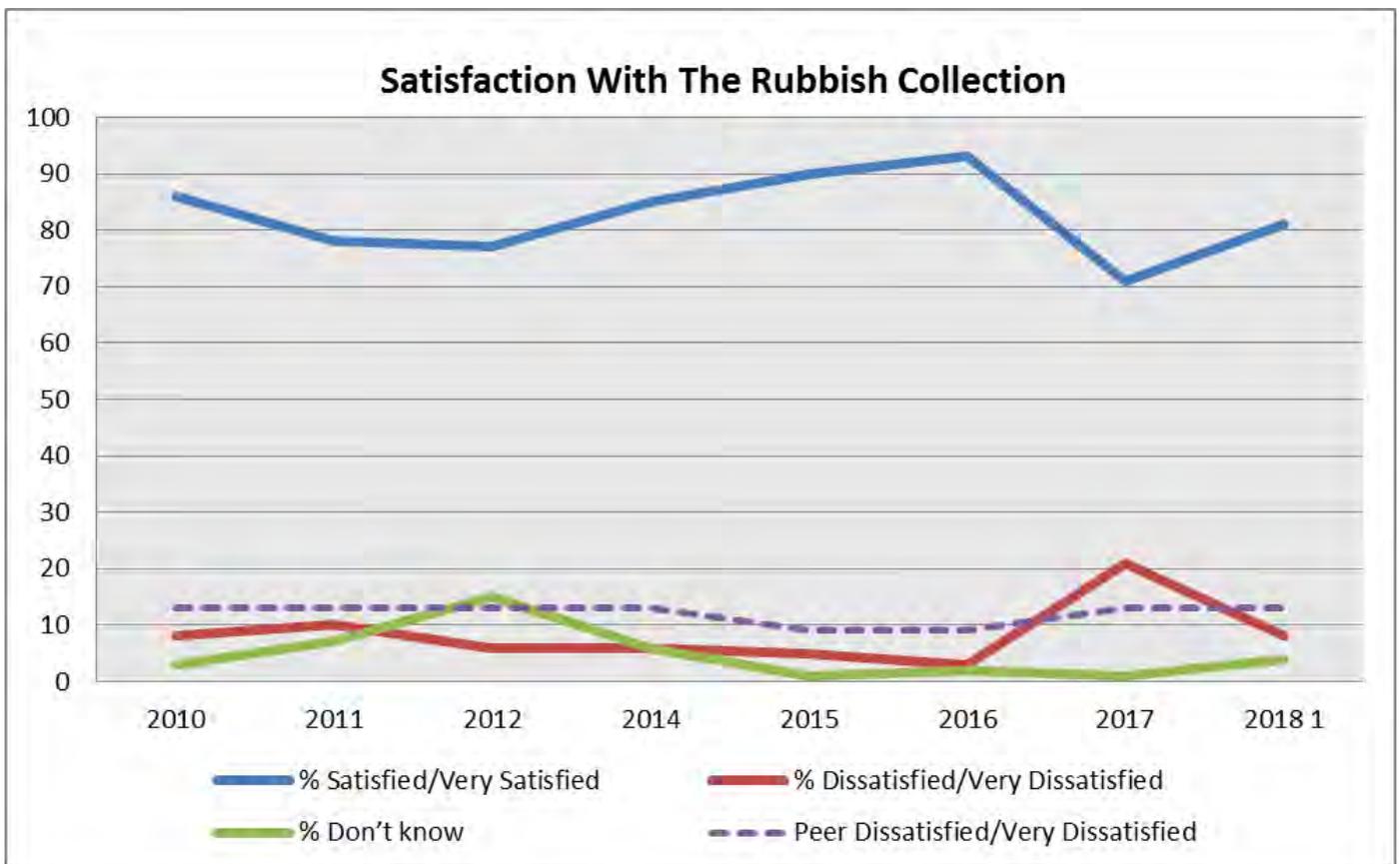
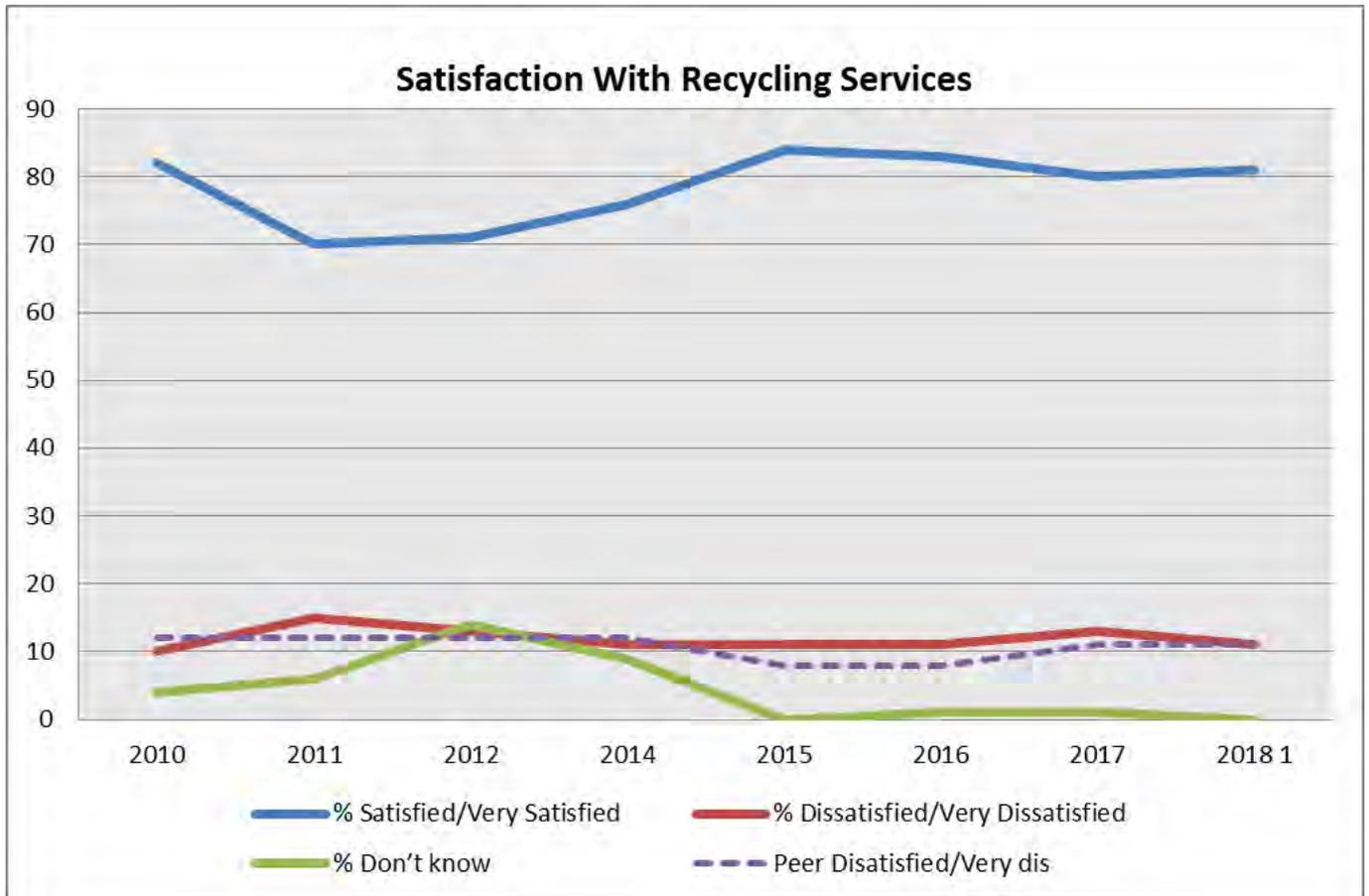


Satisfaction With Water Service



Satisfaction With Public Toilets







Appendix 4 – Residents Survey Comments from Outcomes

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

What is it?	Why?
The improvements in Te Kauwhata for children's facilities	Keeps kids involved
I like the regular write up in the local paper from the local Councillor	Keep up to date with local news
They are doing a lot more consultation	Getting the public involved
Huntly library improvements are very good.	It's a really good facility - nice and big and open and we can deal with some Council issues there.
The Te Kowhai playground - they've upgraded it.	Makes my two little ones happy - it's nice to have it and my friends from Hamilton come to it.
We've got an inorganic rubbish collection which is great, which we haven't had for years.	Because we felt like we were getting something more for our rates - we pay a lot but we don't get much for it out where we live. We don't have footpaths or public toilets and we have to pay privately to have our rubbish collected each week and no street lighting.
Took the initiative on the broadband - that was a good thing and it's good they are starting to put facilities in around Tamahere, footpaths and we need a roundabout between Tauwhare Road and Woodcock Road	Because of the increase in traffic and the safety matters involved. It's on the brow of a hill and is dangerous unless something is done about it as visibility is restricted in a 100 kph area.
The fact that they retained the wheelie bins in Tuakau.	They are a better system than the other one that they were proposing.
The recycling they've just introduced.	It's great to get rid of stuff - we've had nothing before as they kept shutting down the depots
Getting an extra recycling bin was good	Can recycle more
Parks are great	Really easy to use and clean
Customer services are really good as are the Huntly library staff	Good service is not always the case
I like this survey	
The improvements in parks and grounds	Lots better
Gardens and parks well looked after	Nice and tidy
Finally getting the rubbish and recycling services that we have fought for, for such a long time	We can now get rid of our rubbish in the correct manner.
The townships have been upgraded, been really good to see.	Good for the whole community and adds value to the area if you have a nice street to walk down and it attracts people to the township.
The new roading is a good thing. Getting the traffic moving quicker with the highways that are going in	It makes driving easier
The communication is good. We are currently doing a building consent and our contact with the building inspector is good.	It just makes life easier - timeliness is prompt, prompt!!

Appendix 4 – Residents Survey Comments from Outcomes

I like what they've done with the library and the playgrounds - they are really good and it's nice to see the road verges being mowed and tidied up.	It's more pleasant a place to be in.
Libraries are great	They are very helpful
They made a good start on installing new footpaths and it would be good to see more.	For safety of pedestrians - streets in Port Waikato are very narrow
The place making is fabulous - especially around Anzac day. The mini library where you can leave things and take a book is great.	There are amenities that involve the community and it has caused people to be more informed about what goes on.
The new industrial area in Horotiu.	It's good for the area.
They do a lot of work on the grass verges and I like the way they look after the roadways around here in Huntly. I think they do a very good job in that sense.	It looks nice and keeps the area good.
Their maintenance of public areas around Tuakau	Do an amazing job and it looks good
The parks and playgrounds are good	Enough of them
The children's playground in Te Kauwhata is great	It is good for the kids
More planting and tidying happening	Gets the public involved
It's run very well	Great
Really like the rubbish collection service	Didn't have a collection service before

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

What is it?	Why?
Rubbish changes, wastewater problems	Rubbish stickers don't make for more recycling. Wheelie bin would be great
The state of Ridge Road	Too many pot holes and traffic not keeping to their side of the road
That the Council gave control of the quarry to the contractor, the street lights come on too late in morning in Ngaruawahia	Council loses control of quarry
Healthy rivers issue is a big one - we are getting all bulldozed on that.	It's massive issue, the broad, unrealistic expectation on farming that they have made.
Received a letter to say they are coming to check our swimming pool and I missed out on the date to make a submission on it. I wanted to say they should not charge a big amount to check people's pools.	It's far too expensive.
Didn't get any follow up on their explanation about broadband, Tamahere.	I thought we'd hear some follow up, went to a public meeting but haven't had any follow up.
Not happy with what they are going to do with the water. They had a survey with 3 options and we had to vote and they didn't choose the option that I preferred.	They didn't choose the thing, the one I thought was best.
The rubbish tags are a nuisance	Extra weekly expense
Have made recommendation to Council a number of years ago but still haven't received a response. If an issue is too hard they seem to ignore the situation and don't return calls or emails.	The local Councillor won't respond to any of my requests anymore and puts most of the things in the too hard basket. Don't feel I am unreasonable but am being treated as such. Just

Appendix 4 – Residents Survey Comments from Outcomes

	want a response. Councillors should be kept to account more, need to be approachable and have their work checked
Sunday trading thing, I was opposed to it	
The lack of urgency regarding repairing our rain affected roads	We feel some of the road we drive are unsafe at the moment
Roading, the floods - they were hopeless at repairing or communicating with us. Someone set up a Facebook page with information which was very helpful but it was the community that did it.	We had to do something locally but surely it is the Council's job to keep us informed in situations such as this.
The wastewater upgrade. They got the public's view but did their own thing - it was a waste of our time and the costs involved in asking people. If they've already made a decision, why ask the public	Waste of our time and the cost involved. We took time to read out options and information sent out but it was a waste of time as they ignored it.
They've got all these managers who are supposed to be qualified people, yet they bring in consultants all the time	Waste of money - what's the point of hiring these people who are supposed to be qualified when they hire a consultant to come in and do their job.
Weeds - woolly nightshade - the control of that in our area is not up to standard, Buckland, it is deteriorating, it's getting worse.	The seeds get dispersed so it ends up us having a maintenance problem. Wealthy people buy lots of land and not maintaining it.
Freedom campers, get a lot up our road -Te Ahiawa. We've been to Council about them but they don't do anything. We have regulars now even though its winter and the Council do nothing	When I've paid big money for a section I don't like people who camp on our front and leave rubbish. There is a camping ground down the road where they could go but it is \$10 a night so they could go there. They need a camping ground outside town for them.
Council consultation is not good, things should be better explained	Makes people angry unnecessarily
Waste water charges were all preventable, a core service that should have been attended to over a period of time	Should focus on core services not on things like cycleways
Can't pre-book your plot at the cemetery, you have to wait till you want to use it.	I was trying to plan for my end and help my family
Haven't been very impressed with the way they've handled the sea erosion investigations.	I'm a retired civil engineer and the investigations appear to me to be inadequate.
Easter trading - I don't think we should be open over Easter.	There are enough days to go shopping.
Made us pay for our rubbish bags.	Why can't we have the big green wheelie bags, people would recycle more if they had the two options.
I'm pissed off with people who dump their rubbish because they won't pay the \$1.50 and I have to clean up their rubbish.	People who can afford to pay are the ones who do the dumping. Birds and animals in the summer are scattered everywhere and it's unhealthy.
Been charging me for water, we are on tank water but still being charged.	Why should we pay for it when we have a tank.
I've seen the Mayor on TV and radio and his	I think it's ignorance.

Appendix 4 – Residents Survey Comments from Outcomes

pronunciation of Te Reo is absolutely appalling!	
Chook farm coming to the area and haven't been notified.	Don't want the farm there as they are on an acre block and not the place for a chook farm
The esplanade not looked after by the Council, full of blackberry which is spreading and therefore can't walk through it	Can't use it the way it is, needs maintenance
Decisions made before public gets surveyed like the War Memorial in Huntly	Surveyed people in such a way that people would rather not pay extra rates to pay for it
The infrastructure needs to grow to meet the growing population	Will need to keep these up to meet growing needs
Not being able to negotiate as to where my water main was placed	No one would listen and I had to suck it up
The river debacle, it is not clear what is happening. Too many rules	Too many rules
Being charged for water	It should be a basic right
Nothing happening about public transport. Train service would be great	People need public transport
The way that they have gone about the plan change	No information, meetings at 2 in the afternoon so people can't go. What are they hiding
Have Council land surrounding my property that belongs to Council but is not maintained near Davies park	Needs to be tidied up, have gorse throughout
Mother in her 80s has a dangerous and threatening dog next door which has threatened many people and yet the Council has not destroyed it. The Council made it obvious that the mother had complained	Complained and the people next door are aware she has complained she is very vulnerable. Council needs to deal with the situation. Mother is so nervous, she is in respite care. Why is the Council not acting when this dog is dangerous and menacing

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	01 November 2017
Prepared by	Shannon Kelly Youth Engagement Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 1849760
Report Title	Youth Engagement Update

1. EXECUTIVE SUMMARY

This report is to provide the Strategy & Finance Committee with an update on youth engagement in the Waikato district.

2. RECOMMENDATION

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

3. UPDATE

Youth Leadership in 2017

Staff wish to acknowledge the great work and leadership of our Youth Representatives, Youth Action Group Coordinators and Youth Mentors across the district:

- Ngaruawahia: Wirihana Eriepa and Cory Newport. Youth Mentor, James Whetu.
- Huntly: Phoebe Comins and Logan Cotter. Youth Mentors, Cr Shelley Lynch and Corey Rees.
- Raglan: Liam Dingle. Youth Mentor, Cr Lisa Thompson.
- Te Kauwhata: Sara Hall. Youth Mentor, Tim Hinton.
- Meremere: Azabeth Dobby. Youth Mentor, Angela Dobby.
- Onewhero: Caleb Monk. Youth Mentor, Cr Jacqui Church
- Tuakau: Jacob Judge and Nechelle Montgomery. Youth Mentor, Cr Jacqui Church.
- Tamahere: Leah McElligot. Youth Mentor, Cr Askel Bech.

Lynette Wainwright and Wanda Wright (both Council Support staff) are also acknowledged for their training in meeting etiquette and governance support provided throughout the year.

Youth Representatives and Youth Mentors for 2018

Recruitment for new youth representatives for the 2018 year is underway.

The Meremere Community Committee has recently appointed its first youth representative, Azabeth Dobby. A youth mentor is yet to be appointed.

The Raglan Community Board has also recently appointed Liam Dingle as its youth representative.

The Huntly Community Board requires two youth representatives for 2018. Council's Youth Engagement Advisor is awaiting feedback regarding any suitable young person who could be nominated to represent the youth voice in Huntly.

Youth Engagement Plan Review

Focus groups in Meremere, Te Kauwhata, Onewhero, Tuakau, Ngaruawahia and Huntly, and interviews in Raglan were undertaken for the Youth Engagement Plan Review. Feedback was very positive. What worked for young people was:

- Having the opportunity to sit on their community board and committees, and to be involved in the discussion where their opinion was validated and valued.
- Coming up with great ideas and then developing those ideas into a project that young people enjoyed participating in.

Young people from Ngaruawahia, Te Kauwhata, Meremere, Onewhero, and Raglan were most interested in youth representation on community boards and committees.

Young people from Ngaruawahia, Te Kauwhata and Meremere were most interested in having / facilitating a Youth Action Group in their towns. All young people across the district were interested in organising events and being involved in developing youth friendly projects for their communities.

Suggestions for improvement included:

- Adults / mentors from community boards and committees providing greater support for young people when planning events and projects.
- Regular and consistent meetings between youth representatives and youth mentors to progress matters important to youth.
- Having clear expectations and boundaries for youth representatives and youth mentors.

Through the review of the Youth Engagement Plan, new ways to better engage with young people in our communities were identified. For example, the Huntly community have identified existing leaders in youth and community groups, who can meet with the youth representative (when appointed) to feed issues through to the Community Board.

Events in November 2017

A number of events supported by the Youth Engagement Advisor are being held throughout the district in November. They are:

19 November	Ngaruawahia Youth Retro Gaming Festival	War Memorial Hall, Ngaruawahia
24 November	Kimihia School Gala Day	Kimihia School, Huntly
28 November	Good Vibes Youth Event	Huntly West Domain, Huntly
29 November	Thank You Lunch and 2018 Youth Representative Recruitment	Council Chambers, Ngaruawahia
30 November	Keep Huntly Safe	Huntly

The Ngaruawahia Youth Action Group (Embrace the Future) is hosting the Ngaruawahia Youth Retro Gaming Festival on Sunday, 19 November at the War Memorial Hall in collaboration with OMGTech!, Ngaruawahia Community House, Te Wananga o Aotearoa, WINTEC, and Waikato District Council.

A lunch event is being held on Wednesday, 29 November to acknowledge all youth representatives and youth mentors, and celebrate the projects and the achievements of the youth action groups.

4. ATTACHMENTS

Positive Youth Related Media for the Waikato District

POSITIVE YOUTH RELATED MEDIA FOR THE WAIKATO DISTRICT

- Raglan Chronicle, 28/09/2017

Youth voice a first for community board



A career in politics is beckoning but Raglan Area School student Liam Dingle knows he has to start small.

The 17-year-old is Raglan Community Board's first-ever youth representative and he's keen to lend a younger perspective to the fortnightly meetings.

"A lot of people talk about what they want to change but don't actually put their hand up to make a change," he says.

"My role (on the board) is making sure when decisions are made youth are taken into consideration. I will remind them that there are young people in Raglan."

Liam says he is fortunate to be working with a community board of like-minded people and is looking forward to exploring environmentally-conscious and sustainable options for Raglan.

As well as his interest in sustainability, Liam believes it's important to deal with the issues affecting our most vulnerable and a central government political career is something he is eyeing in the future.

"We need to look after people, caring about individuals, people without jobs, poor housing or no housing"

The community board is not his first foray into local politics, he is the current student representative for the school's board of trustees.

But before he makes his presence felt at the Beehive, Liam has enrolled to study teaching at Waikato University with the view of becoming a primary school teacher.

"I've always been good with little kids and people have always said 'you'd make a great teacher'," he says.

"Eventually, I want to come back to live and teach here."

It's a place the keen photographer loves and is passionate about, and hopes that this passion will help when he sits at the community boards table.

"Raglan is a great place to live, there's always someone willing to help"

The Raglan Community Board meets on the second Tuesday of each month, excluding January, April, July, October and December in the Town Hall supper room.

All members of the public are invited to attend a public forum at 1.30pm prior to the 2pm board meeting.

Janine Jackson

Scholarship Recipient

Year 13 Student Leader, **Phoebe Comins**, has been chosen as the recipient of the 2018 David Johnstone Trust Scholarship. Phoebe will be studying for a New Zealand Diploma in Architectural Technology at Wintec in 2018 and the \$8,000.00 she receives will be of immense benefit to her.

The **David Johnstone Charitable Trust** was established by the late David Johnstone in the 1980s to provide educational support for students from Waikato secondary schools beginning their tertiary studies at the University of Waikato and the Waikato Institute of Technology. Since 1997 the Trust has paid over \$4 million to over 500 students.

Huntly College wishes to congratulate Phoebe and acknowledge the support Huntly College continues to receive from the David Johnstone Charitable Trust.

Rosemary Curle - Year 12/13 Dean



• Franklin County News, 15/08/2017

Scholarship to China inspires

Three Franklin teenagers have returned from an "opportunity of a lifetime" in China.

After joining the Te Kauwhata and Onewhero Youth Action Group to develop their leadership skills, Marina Wihongi from Meremere and Onewhero's Caleb Monk and Tuene Henderson were encouraged by the Waikato District Council's Shannon Kelly to apply for a scholarship from The New Zealand China Friendship Society.

The scholarships, worth \$2000 each, allowed the trio to experience and learn about another culture first-hand as they travelled to China for two weeks to retrace the footsteps of New Zealand author and poet, Rewi Alley.

While learning about Rewi's life-long contribution to the Chinese revolution, his work in organising thousands of industrial cooperatives during the war against Japan, as well as his efforts in pioneering technical training schools in China, the teenagers also took in some of the famous attractions in China.

The Great Wall, Beijing's Forbidden City, the Terracotta Warriors in Xi'an, Shanghai's Pear Tower and learning about the lives of youth in China were highlights for the trio.

They also spent time at the Rewi Alley Research Centre and museum at Lanzhou City University to learn about Alley's impact



Pictured on The Great Wall, Marina Wihongi, Caleb Monk and Tuene Henderson on their trip to China.

SUPPLIED

on local people, and the relationship between New Zealand and China.

Tuene said the group had been offered scholarships to attend Lanzhou University and this was something she was considering. "I was so incredibly touched by

the warmth, friendliness and the openness of the Chinese people. Rewi Alley's philanthropic work has inspired me to want to do the same thing. Help a country in need or travel to another country and experience the culture fully."

However, she said she felt

grateful to come from a small and close-knit community after seeing Chinese cities teeming with millions of people.

Caleb described receiving the scholarship for the trip as "surreal" and said it was an opportunity of a lifetime.

• North Waikato News, 04/10/2017

Sound shell wins building comp

Ngaruawahia High School has come out on top of this year's BCITO Build-Ability Challenge.

A team from the school were named supreme winners and awarded the best video prize with their outdoor sound shell.

Teams from 14 schools across the country were given the past few months to plan, design and build a project which would make a difference to their school or community.

The Ngaruawahia team built the outdoor stage area with a sound shell for the school's eco-village. It will be used for dance,

music and drama performances.

"The dome has been very well constructed and, what's more, it looks fantastic," BCITO's Greg Durkin said. "The judges were impressed by the complexity of the shell and the integration of the many angles used."

The team's progress was documented utilising its builders-log blog posts that told the story of working with the wider community to create something that will be a great focal point within the school.

"Creative use of video made this an entertaining build to

watch during the 19 weeks of the challenge," Durkin said.

As the supreme winners, the students have won individual prize packs, a trophy and a \$1000 voucher for their school's technology department. Their best video award also won their school a GoPro camera.

The challenge integrates with the Building, Construction and Allied Trades Skills (BCATS) National Certificate, allowing students to earn unit and achievement standards - giving them a head start on their construction training.



The project team Tammy Tripp, Trisha Tapine, Shontae Moke, Samuel Haehae, Tirua Cooper, Stevie Simmons, Te Ataahua Moanarua-Manukau, Krystal Cleaver and seated in front Jermaine Inia-Edmonds. Absent: Atama Nepia.

Taupiri youth worker Sharnay Cocup honoured with Women of Influence award

CAITLIN WALLACE
Last updated 10:32, September 19 2017



Sharnay Cocup says her Women of Influence Young Leader award is a tribute to the Taupiri community.

CAITLIN WALLACE/STUFF

• Franklin County News, 12/09/2017

Mentors sought

Volunteers are being sought to help young drivers get on the road following the launch of a new programme.

Managed by Waikato District Council and Waka Trust, the organisations are on the lookout of volunteer mentors.

The Community Driver Mentor Programme was established by the NZ Transport Agency to address barriers that learner drivers in the 16-24 age group may face.

The programme is designed to enable local communities to help these young learners who have already completed the learner phase of their licence independently to gain their restricted licence and improve their levels of safe driving.

It does this by providing experience in a wide range of driving situations with an experienced, licensed driving mentor and in a registered and warranted vehicle.

For more information, call Lenora on 027 700 2089.

- The Post, 01/08/2017

Youth hunt strengthening relationships

Those who took part in the annual Tuakau Youth Hunt finished the day with massive smiles and plenty of poaka for the freezer.

Emma Sharpin - emma@thepost.nz

For the last five years, the Tuakau Police have organised an annual pig hunt for the youth of the township and surrounding areas. This year's hunt was held on Sunday 23 July, on farms in Port Waikato and Waikaretu areas.

Spearheaded by local Sergeant Tod Kirker and Kiri Anderson from Rusty Dog in Pukekohe, the programme's main aim and focus was on youth who, for one reason or another, could do with a push in the right direction, either with their grades at school or with their behaviour in the general community.

The boys and girls were selected in consultation with local kaumatua, community groups and schools, and around 20 aged between 12 to 17 years were picked.

"Some were known to Police on the fringes and some had improved their behaviour over the last year and was recognised. Some of the participants were rewarded for the excellent work they had been doing as team leaders with the Tuakau Youth Centre," said Sergeant Kirker.

"The day helps to build and strengthen relationships between the local Police and the youth. It gives us a real opportunity to have a positive influence on them. This is the fifth year we have run the event and it continues to have huge benefits outside of the hunt."

It was an early start for the youth, as they all meet on one of the local beef and sheep stations for a brief rundown on safety protocols.

"Some of these kids have never in their lives experienced a day like they were about to encounter. If someone asked what I thought the coolest part of the day was, it would be a difficult decision for me. But seeing their faces and their animated excited chatter to each other when we meet back in the afternoon probably



The Ka huri te tai Trophy was awarded to Waitare Kani by Sergeant Tod Kirker who impressed organisers with her efforts on the day.

"The transformation was amazing," said Kiri Anderson of Rusty Dog.

After a day out on the hills, a couple of prizes were handed out to kids who have gone the extra mile, be it on the day or throughout the year.

This year, the Ka huri te tai Trophy was awarded to Waitare Kani, who impressed organisers with her efforts on the day.

Behind the scenes, after all is done and dusted, several of the volunteers set to work carefully converting the day's catch into gleaming chops and roasts, which was distributed throughout the community to whanau who were involved.

Sergeant Kirker would like to thank everyone who has helped make the youth hunt successful, which includes Rusty Dog, Franklin Country Meats, the land owners, local hunters and the Te Puhā o Waikato Mokai who support the hunt each year.

Whaimarama Youth Services

DUB - D PRESENTS
GOOD VIBES



Food / drinks / spot prizes & give away's / information & promotions / drug, alcohol, violence & smoke free / sports / music / D.J & entertainment.

Where Hurly West Domain Fraser Street, HUNTLY	When Tuesday 28 November 2017	Time 10:00am to 4:00pm	For more info hurlic@rununga.org.nz 0800 78 77 33
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WHAIMARAMA-YOUTH-SERVICES
Like us on Facebook to stay posted on our latest events

- North Waikato News, 02/08/2017

WDC project helps students

A partnership between Waikato District Council and Wintec is set to help create employment opportunities for civil engineering students.

The two organisations will launch a cadetship programme next year to develop students through a focused programme of on-the-job work packages and specific training.

"We're delighted to work with Wintec on this scheme and we regard this as an effective recruitment tool," council service delivery general manager Tim Harty said. The cadetship will provide real-life practical experiences as well as the opportunity to be immersed in a range of areas relevant to the cadet's specific area of study."

The scheme is open to Wintec students studying the civil elements of the NZ Diploma in Engineering and the Bachelor of Engineering Technology courses. Students will work and study

part-time for two years before completing one year of bonded employment with the council.

Successful cadets will be placed in teams including roading, waters, parks and facilities, land development, and programme delivery. As well as gaining practical experience, they will learn skills in project management, managing budgets, ethics and contract management. They will also be supported by mentors throughout the programme.

Wintec chief executive Mark Flowers said the scheme was a "win-win" for all involved. "For our students it's a great opportunity to study and work in a real-world environment and get the benefits of having employment in their chosen career path."

The council will be paying successful applicants a salary during the cadetships, as well as funding course fees.

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Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	08 November 2017
Prepared by	Kurt Abbot Organisation Planning & Project Support Manager
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / PR-213-01 / 18505260
Report Title	Community Engagement Update

I. EXECUTIVE SUMMARY

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

Some of these engagement initiatives are as follows:

Completed

- Freedom Camping Bylaw
- Dog Exercise area bylaw review
- Alcohol licensing workshops
- Hakarimata Waharoa Project
- Youth Engagement Plan
- 5 year review of JMA's with Waikato-Tainui and Maniapoto Maaori Trust Board
- MOU with Ngaati Haua
- Easter Trading Policy
- Annual Plan 2017/18
- Fees and Charges
- Roding (Alliance) District Wide
- Roding roadshow Te Mata
- Post cyclone recovery meeting
- Roding Roadshow Onewhero
- Roding roadshow Te Kowhai
- Karioi Track (3.4km walking/biking track from Wainui Road)
- Roding Raglan
- Huntly Library upgrade
- Sunset beach erosion report
- Meremere library
- Raglan Wharf – handrail and balustrade renewals
- Pukekawa refuse and recycling
- Dogs in Libraries
- Spey me Baby

- Priority projects
- Tamahere business hub and reserve
- Perry's Te Awa Cycleway Bridge
- Annual Report 2016/17
- Onewhero and Glen Murray Recycling drop off

In Progress

- Huntly Garden Place Placemaking
- Youth Action Groups
- Pokeno Future Growth
- Signage at Te Kopua Native Reserve
- MOU with Ngaati Tamainupoo
- Community Plan (all communities)
- Waikato Plan
- Invites for Formal Hui with Iwi Governance Groups
- Joint Committee hui (Waikato Tainui and Maniapoto Maaori Trust Board)
- Long Term Plan 2018-28
- Mana Whenua reps
- Sunset Beach erosion
- Huntly memorial hall
- Ngaruawahia Community Facilities
- Pokeno Waste Water Phase 2
- Te Kauwhata Walkway/Cycle ways
- Waikato River Authority funding application August 2015
- Water Meters installation
- Waste Water spill mitigation
- Speed Management Plan - Speed Bylaw
- North Waikato Passenger Transport Review
- Rangiriri WeX State Highway transfers to local road
- Longswamp WeX State Highway transfers to local road
- Hamilton WeX State Highway transfers to local road
- Mangawara Bridge construction (Taupiri)
- Northern Feasibility programme (Northern iSite, Pokeno Sports Park and Pokeno Library)
- State Highway transfers to local road
- Wi Neera Street connectivity
- North Waikato Integrated Programme Business Case
- Natural Parks Reserve Management Plan
- District Wide Toilets
- Rainwater Tank Strategy
- Alcohol liaison statutory agency meetings
- Dogsmart Education Programme
- Dog Registration Process
- Food Act 2014 transition
- The Point Reserve Management Plan

Ongoing

- Food Safety newsletter - stakeholder engagement
- Huntly Bypass Stakeholder meetings
- Hamilton Bypass Stakeholder Meetings
- Community Liaison Group Meeting Genesis Energy
- Holcim CLG Meetings
- Placemaking
- Yashili

- Community Liaison Group Meeting Titoki Sands
- Economic Development Work Programme
- Taupiri Boat Ramp Upgrade
- District Plan Review
- Liquor Control Bylaw
- Dog Exercise Area - Tuakau Bylaw Review
- Dog Smart

Planned

- Future Proof
- Representation review
- Raglan boat ramps - Wallis and Wainui

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

2. RECOMMENDATION

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

3. ATTACHMENTS

- Community Engagement Register

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Freedom Camping Bylaw (NEW)	Strategy & Support	Ngaruawahia	Collaborate	yes	yes	Completed	The Waharoa was unveiled in December 2016.
Dog Exercise area bylaw review	Strategy & Support	District Wide	Empower	No	no	Completed	Govern Up programme developed to engage with young people and support with governance and leadership training. Engaged with young people in Onewhero, Tuakau, Pokeno, Te Kauwhata, Meremere, Huntly and Ngaruawahia to develop groups and projects. Raglan and Tamahere contacted but no response back. Project ends 30 June 2017.
Alcohol licensing workshops	Strategy & Support	District Wide	Involve	yes	yes	Completed	Review is complete and report has been issued.
Hakarimata Waharoa Project	Strategy & Support	Tamahere	involve	no	yes	Completed	The MOU with Ngaati Hauaa iwi Trust was signed on 18 April 2017.
Youth Engagement Plan	Strategy & Support	District wide	Involve	Yes	no	Completed	The Easter Trading Policy was adopted by Council on 10 April.
5 year Review of the JMA's with Waikato-Tainui and Maniapoto Maaori Trust Board	Strategy & Support	District Wide	Inform (TBC)	Yes	no	Completed	Hearings and deliberations were completed on 31 May and 1 June. The Annual Plan was adopted at an Extra-ordinary Council meeting on 28 June.
MOU with Ngaati Haua	Strategy & Support	Consult		Yes		Completed	Consultation and a hearing has been undertaken. Submitters yet to be notified of Council's decision.
Easter Trading Policy	Strategy & Support	Taupiri	Involve	no	yes	Complete.	Awaiting input from Taupiri Marae representatives.
Annual plan 2017/18	Customer Support	District Wide	Consult	Yes (SCP)		Completed	Adopted at the September Council meeting
Fees and Charges	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.
Roading Roadshow	Customer Support	District Wide	Inform	No	no	Completed	Workshops for duty managers and licensees to be held for on/off licensees following workshops for clubs completed last year.
Roading Roadshow	Service Delivery	Te Mata	Consult	No	No	Completed	Engagement with the Te Mata Community to receive feedback on roading related issues
Post Cyclone Recovery Meeting	Service Delivery	Waerenga	Consult	No	No	Completed	Engagement with the Waerenga Community to receive feedback on roading related issues
Roading Roadshow	Service Delivery	Onewhero	Consult	No	No	Completed	Engagement with the Onewhero Community post cyclone with MPI and other agencies
Roading (Alliance)	Service Delivery	Te Kowhai	Consult	No	No	Completed	Engagement with the Te Kowhai Community to receive feedback on roading related issues
Karioi track (3.4km walking/biking track from Wainui Road)	Service Delivery	District Wide	Consult	No	No	Completed	Engaged with utility companies (WEL Networks, Counties Power & chorus), in order to coordinate forward work programmes
Roading Raglan	Service Delivery	Raglan	Collaborate	No		Completed	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 Library upgrade	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.
Sunset Beach erosion report	Service Delivery	Huntly Ward	Inform	No		Completed	
Meremere Library	Service Delivery	Port Waikato/extended community	Collaborate	No	yes	Completed	Adopted at June 2016 Council meeting
Raglan Wharf - handrail and balustrade renewals	Service Delivery	Meremere Community	Consult	No	no	Completed	Consultation completed - works on detailed design now underway
Pukekawa refuse and recycling	Service Delivery	Raglan Wharf stakeholders and tenants	Consult	No		Completed	Consultation complete. Works to commence in the next few weeks.
Dogs in Libraries	Service Delivery	Pukekawa	Consult	No	No	Completed	The reaction from the community was fantastic - 65% of letter recipients (431 rate payers) took the time to let Council know their preferred option. Of those responses, 74% (321) voted in favour of a weekly kerbside pre-paid refuse and recycling collection, which includes a weekly two-crate recycling collection, and an annual inorganic collection. As a result of this response, the monthly recycling drop-off service at Pukekawa Hall has ceased.
Spey me Baby	Service Delivery	Rotokauri lake catchment	Empower	No	yes	Completed	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.
Priority projects	Strategy & Support	District Wide	Collaborate	No	no	Completed	The Community Boards and Committees received a report at their December meeting requesting they develop, through engagement with their communities, their community plans. The Community Plan template was supplied. As a part of the template, the community board/committee have provided a list of projects to be included in the LTP. Staff are currently providing comments for consideration at a Council workshop before the end of calendar year.
Tamahere business hub and reserve	Service Delivery	Rangiriri - Te Kauwhata	Involve	No	yes	Completed	NZTA are leading the engagement around the project timeframes and roading changes.
Perrys Te Awa Cycleway Bridge	Customer Support	District Wide	Inform	No	no	Completed	Education and information of food businesses on requirements of new Act. Involves one on one interactions with business owners and targeted correspondence to businesses nearing transition dates. Information also provided in Food Safety newsletter.
Annual Report 2016/17	Customer Support	District Wide	Engage	No	Yes	Completed	Currently WDC is using a school education programme developed and owned by Christchurch City Council. Our primary focus for the role of the Education and Engagement Officer is to develop and implement a Waikato specific dog education programme with bilingual content.
Onewhero and Glen Murray Recycling Drop off	Service Delivery	Glen Murray area	Consult	No	No	Completed	Review of process to be conducted as a high volume of negative feedback from concerned residents was received. Re-consult may be required here. Report in process of being prepared for ELT which will outline options on this

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Huntly Garden Place Place making	Strategy & Support	Huntly Ward	collaborate	No	T	In progress	The Huntly Community Board has an initiative to re-develop Garden Place in Huntly as a community-driven project with a view to revitalising this precinct. The Board are taking a staged approach to this redevelopment. The first stage has seen a seat built which can accommodate 24 people. This was designed by a member by the Huntly Community Board and built with community help. The seat surrounds the existing tree at the fore front of Garden Place. Discussions are underway with local artists on painting the seat. The board is currently researching quotes for a sunshade for the area and following up with photos and quotes for a wrap for the public toilet. Further discussions are underway with Council staff on the feasibility of removing the coal skips. One of the little Free Libraries is due to be installed within this area.
Youth Action Groups	Strategy & Support	District Wide	Empower	No	no	In progress	Youth Action Groups (YAG) winding down for 2017. Ngaruawahia YAG running Retro Gaming event on 19th Nov at War Memorial Hall. A thank you lunch has been planned to acknowledge the mentoring and leadership of youth reps and youth mentors on Community Boards on 29th November. Youth Engagement Advisor attending Kimihia gala Day (24th Nov), Huntly Youth Day 28th Nov, and Keep Huntly Safe event 30th Nov.
Pokeno Future Growth	Strategy & Support	Pokeno	Involve	No	yes	In progress	The first community 'Drop-in' session was held on Saturday 29 October 2016. This was to begin the planning process of where the community sees the need and aspirations for future growth in and around their town. This project will lead eventually to new Structure plan for the Pokeno area following on from PC 24. approximately 95 people attended this drop in session and was well received.
Signage at Te Kopua Native Reserve	Strategy & Support	Whaingaroa / Raglan	Collaborate	Yes	yes	In progress	This is still in progress and currently sitting with the Hounuku Trust.
MOU with Ngaati Tamainupoo	Strategy & Support	Ngaruawahia and surrounds	Involve	no	yes	In progress	Ngaati Tamainupoo wish to enter into a MOU with the Council. The MOU will be finalised and signed in 2017.
Community Plan (all communities)	Strategy & Support	District Wide	Empower	No	No	In progress	The work has been taken over by Betty who will assist communities to write their communities plans as resourcing allows.
Waikato Plan	Strategy & Support	District Wide	Consult	Yes	yes	In progress	The draft plan was workshopped with the councillors on 6 March 2017. Adoption of draft Plan and summary – Feb 2017 Public consultation – March/April 2017 (advertised in Franklin News, North Waikato News, Raglan Chronicle, Waikato Times & The Herald. Also a link on our website) Final sign-off – August 2017 Implementation underway
Invites for Formal Hui with Iwi Governance Groups	Strategy & Support	District Wide	Collaborate	no	yes	In progress	Letters have been sent to all iwi, hapuu and Marae groups and council have attended 2 meetings in 2017 with more being planned.
Joint Committee hui (Waikato Tainui and Maniapoto Maaori Trust Board)	Strategy & Support	District Wide	Collaborate	no	yes	In progress	The first hui for 2017 have been held with both Waikato-Tainui and Maniapoto. Two further hui are planned toward the end of the year.
Long Term Plan 2018-28	Strategy & Support	District Wide	Involve	Yes	yes	In progress	Strategic direction workshops with Councillors, community board and community committee members have been completed. These Community Outcomes will be shared with the community.
Mana whenua reps	Strategy & Support	District Wide	Consult	No	Yes	In progress	Discussion with mana whenua reps from North Waikato and Waikato-Tainui regarding a better process to ensure that iwi/ hapuu are involved early in developments, to ensure that iwi values and aspirations are preserved and taken into account during the planning of these developments. To be discussed further across the organisation including as a JMA project
Sunset beach erosion	Strategy & Support	District Wide		Yes	yes	In progress	A workshop will be held with Council early November to get direction on Maaori representation. Engagement with the wider community will be held during the review of representation arrangements.
Huntly Memorial Hall	Strategy & Support	District Wide	Inform	Yes	No	In progress	Council scheduled to adopt Annual report and Summary on 9 October. The summary will be circulated with the LINK in late October.
Ngaruawahia Community Facilities	Strategy & Support	District Wide	Consult	Yes	yes	In Progress	Draft Future Proof Strategy was workshopped with the councillors on 28 February. Feb – March: Draft Strategy and a summary will be completed. Strategy workshopped with partners. April: Amendments based on feedback. May: Strategy adopted for public notification by FPIC (or recommended to partners for notification). May – September: consultation, hearings, agreement and recommendations to partner councils. October: Final Strategy will be launched.
Pokeno Waste Water Phase 2	Customer Support	District Wide	Inform	No	no	In progress	As per our business plan, the animal control team wanted to introduce initiatives that would allow our officers to interact with the community in a positive way whilst providing education. We have teamed with the library leadership team to develop the Dogs in Libraries programme that will involve school children reading to dogs in the library environment. This has been proven to improve children's literacy skills, build self confidence and lowers anxiety of children. This programme is now running and has been launched in Ngaruawahia, Raglan, Tuakau, Huntly, Te Kauwhata and Meremere Libraries. This sees staff sitting with up to 20 children a week to teach dog safety, build confidence, encourage library attendance and contributes towards our 20/20 engagement challenge.
LTP - Forestry target rate	Customer Support	District wide	Engage	No	No	In progress	Central government has made a commitment to reduce dog bites and as a result of this, a fund has been developed to subsidise desexing of classified menacing dogs. WDC has made application for funding for 100 dogs plus advertising costs which has been approved. This programme is now happening with a large number of dogs already registered. Funding use has been extended for another 6 months which will enable us to complete the 100 planned desexings.
Te Kauwhata Walkway/Cycle ways	Service Delivery	Port Waikato, Sunset beach	Collaborate	No	yes	In Progress	Collaborative approach to dealing with the retreat of public assets from eroding Sunset beach, Port Waikato. Key dates: Dec 2014: Consultation with local stakeholders and GHD report produced for council. June 2015: GHD report published and presented to beach residents, other stakeholders and OTCB. July 2015: Report presented to residents and ratepayers AGM and webpage set up. August 2015: Report presented to Iwi. September 2015: Stakeholder open day to discuss retreat options. Oct 2015 to Jan 2016: Feedback on options and time frames. Feedback closes on 10 February 2016. March 2016: Report to council advising of options for managed retreat of community assets in Sunset beach. Report made public and meetings with Iwi and Community organisations. November 2016: Cultural Impact Assessment completed. May 2017 to October 2017 work continues with a community working group form Port Waikato to confirm the preferred option for Replacement Hall/community space and car park.
Waikato River Authority funding application August 2015	Service Delivery	Huntly	Consult	Yes	Yes	In Progress	Staff and Elected members held an open day on 2 April at Huntly Bowling Club, submissions closed, workshop held with Council 10 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. Met with Huntly Community Board in Dec 2016, GMD (consultant undertaking work) has met with some community groups, further meetings taking place with an update to the Huntly Community Board to happen in March 2017. Staff working with the HCB - survey to be undertaken using different media platforms. Currently out for consultation - all Ward ratepayers have been sent pack, available in the Huntly library and online
Water Meters installation	Service Delivery	Ngaruawahia Community	Consult	No	no	In progress	Next phase of this project is the feasibility study to be presented to Council.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Waste Water spill mitigation	Service Delivery	Old Pokeno Village residents	Consult	No	yes	In progress	Construction is underway, continuing to engage with property owners with a view to having more properties connect.
Speed Management Plan - Speed Bylaw	Service Delivery	Forestry companies and local residents	Consult	No	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.
North Waikato Passenger Transport Review	Service Delivery	Te Kauwhata	Consultation	No	no	In progress	Consultation to include selected stakeholders (Inc. Committee, NZTA) through using a Consultant to inform the Te Kauwhata Cycle and Walkway strategy, expect draft from consultant end of Jan 2017.
Rangiriri WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Raglan, Huntly, Ngaruawahia	Inform	No	no	In progress	In progress beginning 01/07/2017. Majority of meters are installed, a few hundred still to go.
Longswamp WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Raglan Ward+ depends on location impacted	Inform	No	see comment	In progress	Provide Raglan Community Board with Waters Service Request Dashboard monthly (suggest make this report available on request to Iwi/hapu in Raglan)
Hamilton WeX State Highway transfers to local road (will require some community engagement)	Service Delivery	Port Waikato & Pokeno	Involve	Yes	no	In Progress	The draft Speed Bylaw Review Policy was approved by the P&R Committee on the 13 June 2017. Following this Council commenced an early engagement process to seek community feedback on 28 roads identified by NZTA as being high risk and in need of speed review within the northern area of the District between 23 May and 23 June 2017. The submissions have been reviewed and approval to undertake the formal consultation on those roads where a change in the speed limit is considered appropriate will be presented to P&R Committee on the 15 August. There are 54 roads being consulted on which have resulted from the assessment of the initial 28 high risk sites and 15 adhoc sites and adjacent sections of road where appropriate.
Mangawara Bridge construction (Taupiri)	Service Delivery	North Waikato	Involve	Yes - next phase of project	no	In Progress	Project teams continue to work on the programme business case for funding approval. Close liaison is being undertaken between this project and the wider study involving transport issues associated with the North Waikato growth areas. Councillors were updated on the new bus service fare proposal and a position paper relating to rail viability between Hamilton and Auckland is scheduled to be discussed on 13 June. Bus options have been discussed with the working group/forum to determine if there are any concerns or comments and test if they address the issues raised during the household travel survey undertaken in October 2016. There was general support with the options presented. Next steps is to present these options to the community board/committees from Huntly north in September and further community engagement is underway at Port Waikato in relation to the option of having a community transport option rather than the fortnightly bus service. Following this the proposed changes will be included in the LTP 2018-28 planning process.
Northern Feasibility programme (Northern iSite, Pokeno Sports Park and Pokeno Library)	Service Delivery	Te Kauwhata - Hampton downs	Involve	Yes	yes	In progress	Consultation with landowners over designation changes undertaken. Possible further construction management involve discussion. Contract has been awarded and is in the planning stage.
State Highway transfers to local road (will require some community engagement)	Service Delivery	Gordonton to Tamahere	Involve	Yes	yes	In progress	Staff attend regular meetings with NZTA and the City Edge Alliance regarding this project. An issues register has been prepared to track all outstanding tasks. Co ordination is progressing however there are still a few issues that are stalled pending funding decisions.
Wi Neera Street connectivity	Service Delivery	Taupiri Township	Involve	No	yes	In progress	Waikato District resource consent is now in place, after a successful hearing. Project is in design phase.
North Waikato Integrated Programme Business Case	Service Delivery	Tamahere Ward	Involve		yes	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. Currently working through funding for Stage II. Met with Ngati Haua 9 May to discuss requirements. targeted rate consultation open 30 July 2017 – 25 August 2017. Will workshop results with Councillors 11 September 2017.
Natural Parks Reserve Management Plan	Service Delivery	North Waikato		No	potentially	In progress	Assessment is complete, next steps to progress project ready for presentation to Council March 2017.
District Wide Toilets	Service Delivery	TBC-depends on location impacted			no	In progress	Staff continue to work through this process with NZTA. Project plans and work programmes are in place. Investigation on SH1B has commenced from a safety perspective.
Rainwater Tank Strategy	Service Delivery	Raglan Ward			yes	On hold	Project has been put on hold due to local Iwi withdrawing support for the project at this time. Further discussions are to be undertaken between the Iwi, Mayor and CE.
Alcohol liaison statutory agency meetings	Strategy & Support & Service Delivery Groups	Northern Waikato	Inform, Consult, Involve, Collaborate & Empower	Yes (outputs will inform District Plan Review, Future Proof Review and LTP)	Yes, this is being done through Future Proof and will be done through the District Plan Review Iwi Reference Group	In progress	Workshop with councillors held on 4 April 2017. This has been followed by a presentation to Future Proof and community workshops with the following: - Onewhero Tuakau Community Board (1 May 2017) - Te Kauwhata Community Committee (3 May 2017) - Pokeno Community Committee (9 May 2017) - Meremere Community Committee (11 May 2017). Further engagement sessions will be held with the Huntly Community Board (16 May) and Franklin Local Board (6 May). Engagement with the District Plan Review Iwi Reference Group will be done on 18 May.
Dogsmart Education Programme	Service Delivery	District wide	Consult	Yes	yes	In progress	Engagement to seek input as to what should be included in the draft plan occurred between 1 February and 3 March 2017. Feedback was received from 30 interested parties. Staff are now beginning to prepare the draft management plan (taking public feedback in to consideration). Once completed the draft will be taken to Council for approval to complete a second stage of public consultation (likely to occur mid 2017).
Dog Registration Process	Service Delivery	Tuakau and Ngaruawahia	Consult	No	no	In progress	Centennial Park to be constructed, minor repairs to the Point and Tuakau (whilst site being established - now linked to Northern Feasibility)
Food Act 2014 transition	Service Delivery	District Wide	Education	Yes	Yes	In Progress	We are currently developing the community engagement plan and education documents for roll out in July
The Point Reserve Management Plan	Service Delivery	District wide - emphasis on Ngaruawahia	Consult	Yes	yes	In Progress	Engagement to seek input as to what should be included in the draft plan will occur during June. Staff will then draft the plan prior to a second round of consultation.

Project Name	Organisation Group	Service Catchment (e.g. area of influence, area you need to engage with)	Highest level of Engagement required (refer to page 7 of the significance and engagement policy)	Formal consultation required (Yes/No)	Iwi Engagement required (Yes/No)	Status	General Update (e.g. what was the community engagement about, time spent, what was the outcome)
Food Safety newsletter - stakeholder engagement	Strategy & Support	District Wide	Collaborate	No	yes	ongoing	The Work Programme is reported three monthly through the Strategy and Finance Committee. Current: General updates to Community Boards and committees through to end of year.
Huntly Bypass Stakeholder meetings	Strategy & Support	District Wide	Involve	yes	yes	ongoing	Support staff in District Plan Engagement with Iwi reps. This is ongoing, providing feedback through the district plan review currently being undertaken by Vishal's team from Iwi's perspective.
Hamilton Bypass Stakeholder Meetings	Customer Support	District Wide	Collaborate	No	no	Ongoing	Meetings of alcohol licensing statutory reporting agencies held three times per year.
Community Liaison Group Meeting Genesis Energy	Customer Support	District Wide	Inform	No	no	Ongoing	An education package has been created to present to school age children. This presentation teaches children about caring for their pets, staying safe around dogs and what to do if approached by an aggressive dog. We have committed to presenting this programme at least 2 times per month but are optimistic that we will exceed this target significantly.
Holcim CLG Meetings	Customer Support	District Wide	Inform	No	no	Ongoing	Each year we send out yearly invoices to dog owners reminding them of their obligations to register their dogs. This year we increased the material that we sent out with our yearly invoices to educate dog owners to the changes to our bylaws following the bylaw review. We also sent out information on payment options and worked with a designer to make our forms and information more engaging with our community. This process was successful and we are preparing to begin again for the upcoming 2017/18 registration period.
Place making	Strategy & Support	District Wide	collaborate	No	no	Ongoing	Place making is gaining momentum in the district. Staff are working alongside groups in Raglan, Huntly, Tauwhare, Tuakau and Pokeno. A presentation was provided to the Pokeno community in November 2015 with a view to kick starting projects in that area. Pokeno have identified a project that will see a little free library installed in to a public area by October 2016. Workshops have been run with the community committee and the wider community. Staff will continue to present Place making strategy to community boards and committees in 2016. A web page has been created for communities to access for ideas and information. Staff are building momentum for the Place making concept across the district.
Yashili	Customer Support	District Wide	Inform	No	no	Ongoing	Biennial food safety newsletter implemented to send to food business owners and Marae in WDC.
Community Liaison Group Meeting Titoki Sands	Customer Support	Huntly	Inform	No	yes	Ongoing	Update on progress to stakeholders approx. every 3 months
Economic Development Work Programme	Customer Support	Horsham Downs, Tamahere	Inform	No	No	Ongoing	WRC, NZTA and Alliance to track progress and identify community concerns
Taupiri Boat Ramp Upgrade	Customer Support	Huntly	Inform	No	Yes	Ongoing	Update on progress to stakeholders annually
District Plan Review	Customer Support	Pokeno	Inform	No	no	Ongoing	Update on progress to stakeholders quarterly
Liquor Control Bylaw	Customer Support	Tuakau	Inform	No	yes	Ongoing	Update for stakeholders every 6 months
Dog Exercise Area - Tuakau Bylaw Review	Customer Support	Pokeno	Inform	No	potentially	Ongoing	Update for stakeholders every 6 months
DogSmart	Customer Support	Tamahere	Inform	No	no	Ongoing	To update stakeholders and interested parties (Tamahere Community Committee, Tamahere school, Environment Tamahere Inc., DoC every 6 months).
Future Proof	Customer Support	District Wide	Consult	Yes (SCP)	no	Planned	To be undertaken in 2017.
Representation Review	Customer Support	Tuakau	Engage	No	No	Planned	Tuakau dog owners have identified the need for an off leash exercise area in their community. Animal Control staff agree on the need but this would require some engagement prior to the Dog Control Bylaw being amended. Some communication has been had with dog owners as a result of formal complaints. This communication has acknowledged the need for something to be done and a commitment made that we would look into it this year. This consultation is now planned for August/September 2017.
Raglan boat ramps - Wallis and Wainui	Service Delivery	Raglan Community Inc. emergency services (Wallis) and Coastguard (both)	Inform	No	yes	Planned	Renewal works to be undertaken at the boat ramps, have made initial contact with the coastguard and will work with identifying stakeholders as the assessments are undertaken.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 November 2017
Prepared by	Lianne van den Bemd Community Development Advisor
Chief Executive Approved	Y
Reference#	CDR0502 / 1849869
Report Title	Waikato District Community Committee Plan and Administration Funding Criteria

I. EXECUTIVE SUMMARY

The purpose of this report is to present the funding criteria to support community committees with administration costs and preparation of community plans.

The funding is targeted toward community committees who support the aspirations of their communities.

At the Strategy & Finance workshop held on 29 August 2017 it was decided that criteria needs to be developed for community committees and resident & ratepayer associations to assist with the cost associated with the development of community plans and general administration of the committee.

The following eligibility criterion has been added, which specifies that funding must benefit the wider community.

Eligible

- Funding is available for community committees to assist with the cost associated with the development of community plans and general administration of the committee.
- Applications will only be accepted from community committees and resident & ratepayer associations.
- Funding sought must benefit the wider community. Applicants need to describe why the application is important to the community and how the wider community will benefit.
- Applications can be funded up to 100 percent of the total cost of the each application.
- Applications must be made on the prescribed form.
- Only one application per community plan and/or general administration can be made each financial year.

- Funds must be expended by 30 June each financial year in which the fund was granted. (exception may be granted to community committees who require further time to develop community plans).

Grant Administration

- For grants associated with the development of community plans applications will need to be made to the Strategy & Finance Committee.
- For general administration of the community committee i.e. printing, stationary, advertising costs) a grant of up to \$300 can be applied for. Staff will have delegated authority to administer the request. This delegation authority will be included in Council's delegations register.

Non Eligible

- Applications from individuals or commercial entities will not be accepted.
- Grants will not be given to oppose consent decisions or to contest legal cases.

Accountability

- A project accountability report must be completed within 2 months of the completion of the project.
- Publicly acknowledge Council support received where appropriate.

GST

- Applicants who are not GST registered need to provide budget figures that include GST.
- Applicants who are GST registered need to provide budget figures that exclude GST. They will also need to provide:
 - their GST number; and
 - a separate GST invoice if their application is successful.

Attached to the report is a list containing the names and types of community committees / groups within the district potentially eligible for administration expenses funding.

2. RECOMMENDATION

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

AND THAT the **Strategy & Finance Committee** adopts the funding criteria for the **Waikato District Community Committee Plans and Administration Funding**.

3. FINANCIAL

The annual budget available to allocate for each financial year is \$10,000.

4. POLICY

The suggested criteria for the disbursement of grants to community communities is broadly consistent with Council's Discretionary Grants Policy but with specific requirements for funding for the development of community plans and general administration cost of the community committee (below \$300.00).

5. CONCLUSION

The criteria has been set in relation to all other discretionary funding and grants provided and administered by the Waikato District Council. Consideration by the Committee is required with regard to the adoption of the criteria.

6. ATTACHMENTS

List of community committees / groups

LIST OF COMMUNITY COMMITTEES / GROUPS

(Excludes Community Boards & Te Kauwhata & Meremere Community Committee)

Organisation	
1	Eureka Community Committee
2	Glen Afton/ Pukemiro Society Incorporated
3	Glen Massey Community Committee
4	Gordonton Community Committee
5	Horongarara Community Committee
6	Horsham Downs Community Committee
7	Matangi Community Committee
8	Mercer Resident & Ratepayers Association
9	Newstead Community Committee
10	North East Waikato Community Committee
11	Onewhero Residents & Ratepayers Association
12	Pokeno Community Committee
13	Port Waikato Residents and Ratepayers Association Inc
14	Raglan Residents and Ratepayers Association
15	Northwest Waikato Residents & Ratepayers Group
16	Tamahere Community Committee
17	Tauwhare Community Committee
18	Te Akau Community Committee
19	Te Kowhai Community Committee
20	Tuakau & Districts Development Association
21	Whatawhata Residents and ratepayers Association
22	Hall Committees
23	Northwest Waikato Residents & Ratepayers Group

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Finance
Date	08 November 2017
Prepared by	Jenni Vernon Strategic Planning & Resource Management Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 1851657
Report Title	Submission for the Hamilton City Te Awa Lakes Private Plan Change

I. EXECUTIVE SUMMARY

Pursuant to Clause 5, Schedule 1 of the Resource Management Act 1991 (“RMA”) the Hamilton City Council resolved on 21 September 2017 to accept the Te Awa Lakes private plan change application for processing.

The Te Awa Lakes private plan change (“private plan change”) applies to a 62ha block of Hutchinson Road, between the Waikato Expressway and the Waikato River. The land is currently located within the Te Rapa North Industrial Zone.

2. RECOMMENDATION

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

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

3. BACKGROUND

The key elements in the private plan change include:

- A major facilities zone with a visitor accommodation area to enable the establishment of a tourism and recreation destination incorporating an Adventure Park.
- A medium density residential zone which will enable the construction of a mix of single dwellings, duplexes and apartments.

- A business zone which will enable small shops, restaurants, cafes, licensed premises, small offices, banks, doctors rooms, light service industries and tourism facilities. This zone will also enable the opportunity for upper floor apartments.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

It is important that Council participate in the process of the private plan change due to the development being on the boundary between Hamilton City and Waikato District Council and the possible cross boundary effects.

To this end, staff have recommended that Council puts in a neutral submission (neither in opposition or in support of) on the Private Plan Change subject to a number of issues (identified below) being resolved.

In terms of potential benefits it is acknowledged that:

- The site is unique and sits at the gateway into Hamilton. At present the area is unsightly having been a quarry operation. The Te Awa Lakes development would provide an attractive entrance to New Zealand's fourth largest city.
- It may not be economically feasible to develop the site as originally intended for industrial use.
- There are site remediation issues which make converting it to an industrial development problematic, i.e. the large remnant water bodies.
- There is an opportunity to set up a significant tourist activity through the adventure park. The residential component is probably needed to help fund the adventure park.
- A range of living opportunities would be provided close to the river and internal waterways with the aim of residents being able to meet many of the needs within the vicinity.

We are also mindful that the private plan change will be heavily scrutinised by major corporate entities with significant legal, technical and planning resources. Our position must therefore be guided by the evidence we have at this stage in accordance with the issues raised below.

Issues

- I. The potential loss of industrial land in the region when it has yet to be established if there is an over or under supply. This issue is also linked to the potential loss of industrial land at Ruakura where it is proposed that the land will be re-zoned to residential.

The information to determine if there is any effect on the loss of industrial land will not be known until mid-2018 as a result of the NPS-UDC work being undertaken by Market Economics.

Furthermore, at present there is insufficient evidence to enable us to understand the impact of removing around 60ha from the Te Rapa North Industrial Node has on the

node itself and its very close neighbour – Horotiu. We also need to better understand the implications of converting land to a different use within a strategic industrial node and whether this has potential precedent effects.

2. Strategically is this the best place for future residential development given proposed residential developments that are already taking place within the Waikato district and Hamilton City boundaries?
3. The visual amenity effects of traffic and noise for neighbours and potential reverse sensitivity effects of the Northgate Industrial Park development and the Fonterra dairy factory.
4. The implications of the storm water and meeting the Vision and Strategy objectives about quality discharges into the Waikato River.
5. Economic / Viability Evidence: We need to have some very clear evidence that supports the applicant's view that the costs of remediating the site for industrial use are uneconomic. In other words economic analysis that supports their view that it is not financially viable to develop the site for industrial use. This is fundamental as it goes to the heart of knowing whether or not the site can be developed for the use it has been zoned for.

4.2 OPTIONS

Option 1: Do nothing and not submit and then be excluded from the process under the RMA where there could be implications for the District as a result of the hearing decisions and lose the right to appeal any cross-boundary effects.

Option 2: Submit a submission that is neutral but enables participation in the process under the RMA where there could be implications for the District as a result of the hearing decisions and Council need to appeal against any cross-boundary effects.

Option 3: Submit a submission that is in support of the private plan change. However, this is not recommended due to a number of issues that needs to be resolved.

Option 4: Submit a submission that is in opposition to the private plan change.

5. CONSIDERATION

5.1 FINANCIAL

There will be cost implications if technical evidence is required to support the submission and if the Council decides to appeal to the Environment Court any decision arising from the hearing.

5.2 LEGAL

There will be a requirement for legal counsel if any part of the decision was appealed to the Environment Court by Council.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform <input checked="" type="checkbox"/>	Consult <input checked="" type="checkbox"/>	Involve <input checked="" type="checkbox"/>	Collaborate <input checked="" type="checkbox"/>	Empower <input checked="" 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>	A plan change can have significant impact on the local community and the operational responsibilities of Council and therefore it is important that the highest levels of engagement are followed.				

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

Planned	In Progress	Complete	
		✓	Internal
			Community Boards/Community Committees
			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
			Households
			Business
		✓	Other – Future Proof Partners

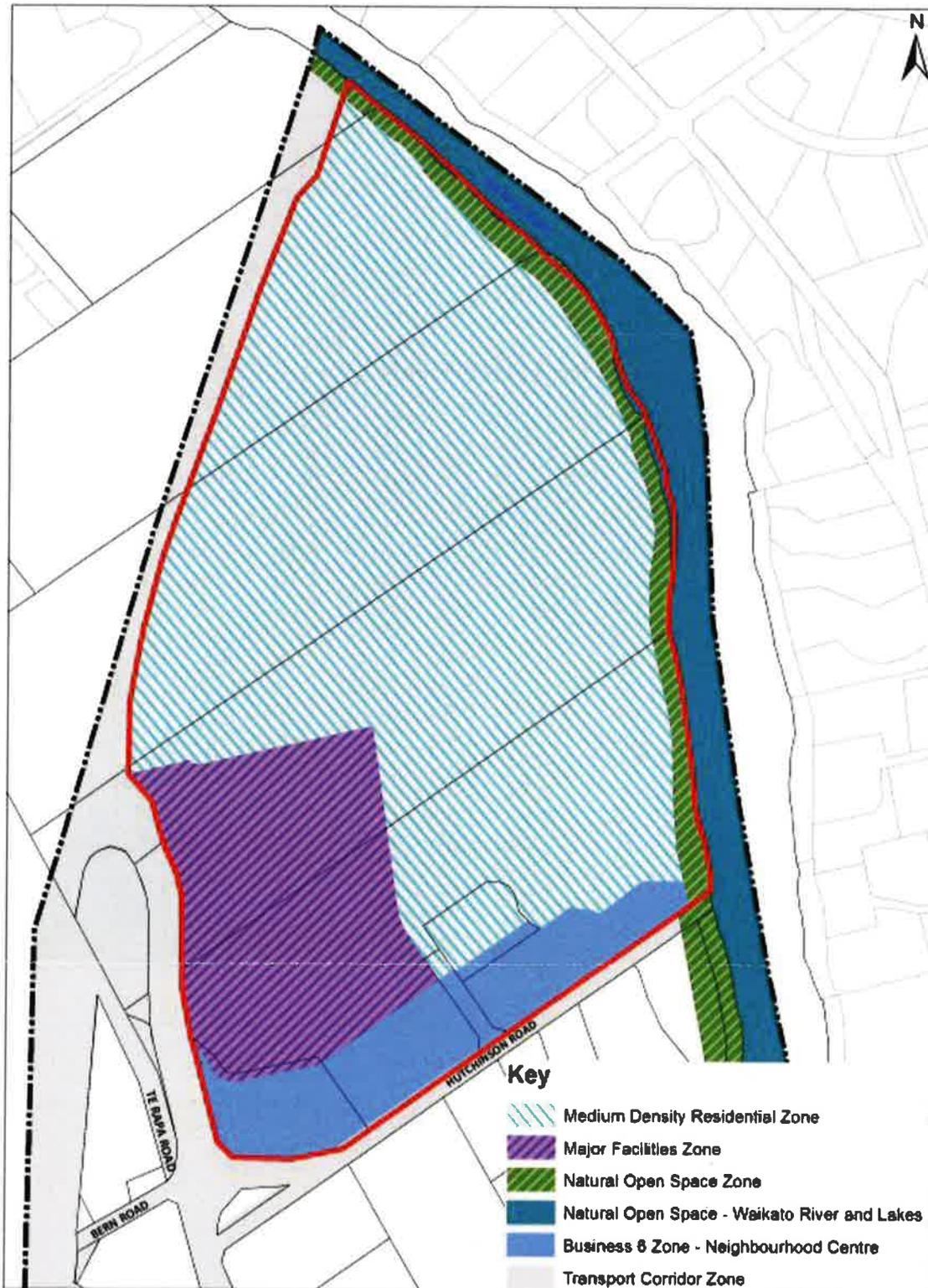
6. CONCLUSION

It is important that Council participate in the submission process for the private plan change regarding the change in zoning from industrial to a major facilities, medium density residential and business zone to safeguard against any potential cross-boundary effects.

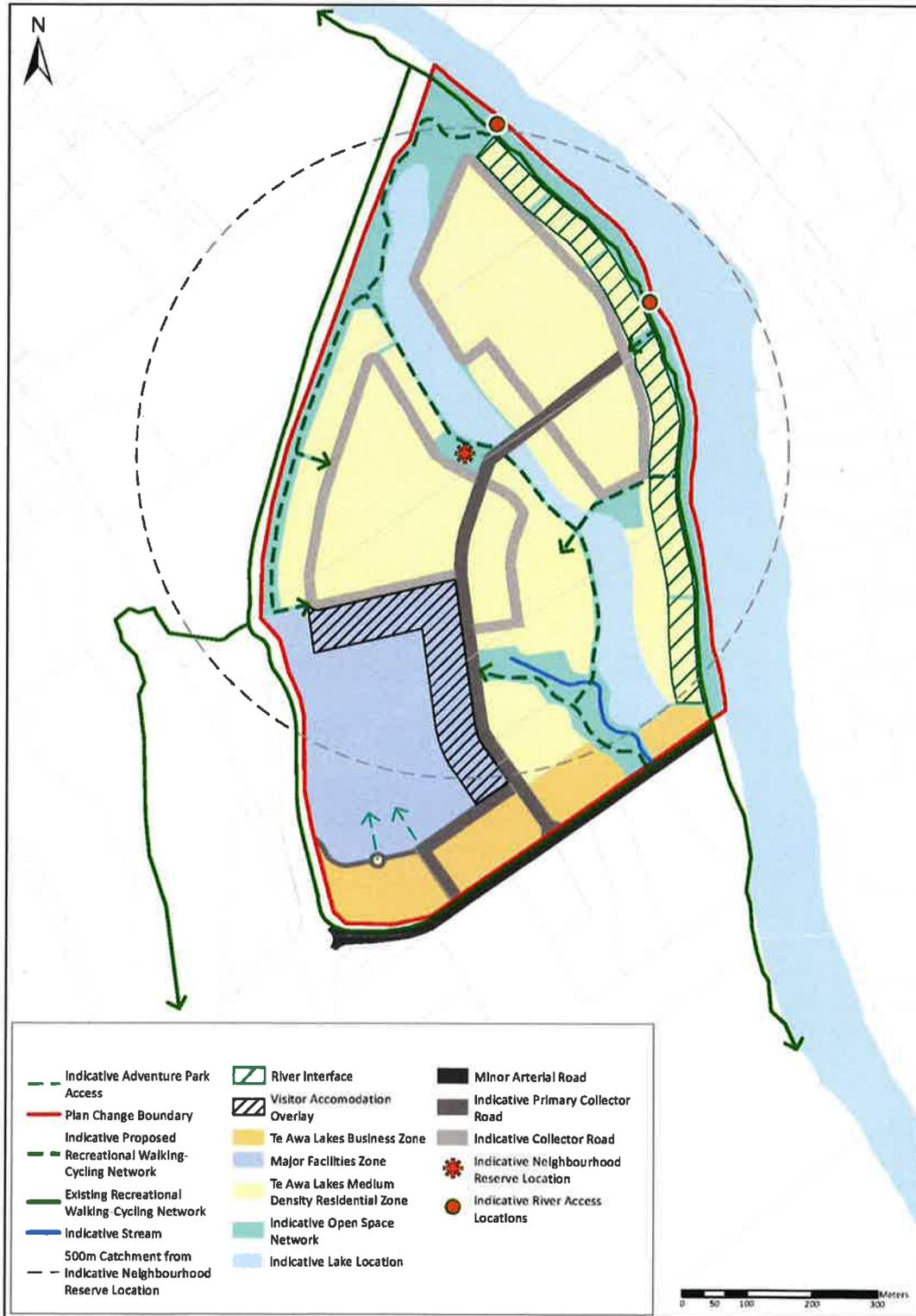
7. ATTACHMENTS

- Locality, Zoning and Framing Plans
- Submission

Zoning Plan



Framework Plan



Waikato District Council
Private Bag 544
NGARUAWAHIA 3742

www.waidc.govt.nz

18 October 2017

Submission for proposed Plan Change 2 – Te Awa Lakes Private Plan Change

General Overview

The Waikato District Council (“the Council”) adopts a neutral stance (neither supporting nor opposing at this stage) the proposed Plan Change 2 –Te Awa Lakes Private Plan Change regarding the change to rezone 62ha of land to the southeast of the Waikato expressway at Te Rapa North to enable an adventure park, commercial/tourism development and residential development. The site is in the jurisdiction of Hamilton City and adjacent to the Waikato district boundary. The decision to remain neutral on the Private Plan Change is conditional in that it is subject to a number of issues identified below being resolved. This will enable for good outcome to be reached with regards to the Plan Change.

Council acknowledges that there are a number of benefits that may arise from the development including:

- The site is unique and sits at the gateway into Hamilton. At present the area is unsightly having been a quarry operation. The Te Awa Lakes development would provide an attractive entrance to New Zealand’s fourth largest city.
- It may not be economically feasible to develop the site as originally intended for industrial use.
- There are site remediation issues which make converting it to an industrial development problematic, i.e. the large remnant water bodies.
- There is an opportunity to set up a significant tourist activity through the adventure park. The residential component is probably needed to help fund the adventure park.
- A range of living opportunities would be provided close to the river and internal waterways with the aim of residents being able to meet many of the needs within the vicinity.

We are also mindful that the Private Plan Change will be heavily scrutinised by major corporate entities with significant legal, technical and planning resources. Our position must therefore be guided by the evidence we have at this stage in accordance with the issues raised below.

Issues

1. The potential loss of industrial land in the region when it has yet to be established if there is an over or under supply. This issue is also linked to the potential loss of industrial land at Ruakura where it is proposed that the land will be re-zoned to residential.

The information to determine if there is any effect on the loss of industrial land will not be known until mid-2018 as a result of the NPS-UDC – work being undertaken by Market Economics.

Furthermore, at present there is insufficient evidence to enable us to understand the impact of removing around 60ha from the Te Rapa North Industrial Node has on the node itself and its very close neighbour – Horotiu. We also need to better understand the implications of converting land to a different use within a strategic industrial node and whether this has potential precedent effects.

2. Strategically is this the best place for future residential development given proposed residential developments that are already taking place within the Waikato district and Hamilton City boundaries including Perry's proposed development for the Waikato district side of the boundary.
3. The visual amenity effects of traffic and noise for neighbours and potential reverse sensitivity effects of the Northgate Industrial Park development and the Fonterra dairy factory.
4. The implications of the storm water and meeting the Vision and Strategy objectives about quality discharges into the Waikato River.
5. Economic / Viability Evidence: We need to have some very clear evidence that supports the applicant's view that the costs of remediating the site for industrial use are uneconomic. In other words economic analysis that supports their view that it is not financially viable to develop the site for industrial use. This is fundamental as it goes to the heart of knowing whether or not the site can be developed for the use it has been zoned for.

The Council wishes to be heard but can be part of joint presentation should that assist the hearing process.

WAIKATO DISTRICT COUNCIL

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 November 2017
Prepared by	Jenni Vernon Strategic Planning & Resource Management Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 1851681
Report Title	Hearing Commissioners for Plan Change 20 and 21

I. EXECUTIVE SUMMARY

Plan Change 20 – Lakeside Developments and Plan Change 21- Pokeno Land Company are progressing through the Schedule 1 process of the Resource management Act 1991 and now require a recommendation to Council regarding the appointment of commissioners for the hearings to be held in February 2018.

2. RECOMMENDATION

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

AND THAT Dr Phil Mitchell (chair), Alan Watson and Linda Te Aho for Plan Change 20, and Alan Watson (sole commissioner) for Plan Change 21 be recommended to Council to hear the two plan changes;

AND FURTHER THAT Council delegates the decision making authority to the independent commissioners for Private Plan Change 20 and Private Plan Change 21.

3. BACKGROUND

Both private plan changes have been presented to Council in the form of workshops and Council approved the notification of both plan changes. Plan Change 20 opened for submissions on 15 September and closed 20 October 2017. Plan Change 21 opened for submissions on 15 September and closed 13 October.

Three submissions were received for Plan Change 21, and thirty three for Plan Change 20. These have now been summarised and further submissions will be notified for

Plan Change 21 on 09 November and close 24 November 2017. Plan Change 20 will open 01 December and close 19 December 2017.

It is proposed that the hearings will be held in February 2018.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Council have a policy for appointing independent commissioners for policy plan changes and delegating the decision making authority to them. This avoids any potential or perceived conflict of interest during the formal Schedule 1 process.

4.2 OPTIONS

Option 1: Appoint qualified councillors only to hear the submissions with delegated decision making authority.

Option 2: Appoint a mix of qualified council commissioners with an independent commissioner as the chair with delegated decision making authority.

Option 3: Appoint a panel only of qualified independent commissioners with delegated decision making authority.

It is the staff recommendation to support option 3 to avoid any potential or perceived conflict of interest during the formal Schedule 1 Resource management Act 1991 process.

5. CONSIDERATION

5.1 FINANCIAL

There will be costs incurred for the payment of the commissioners which is part of the costs incurred by the private plan change applicants. If there are any appeals these costs will then fall onto Council to meet.

5.2 LEGAL

There will be a requirement for legal counsel to be part of the hearing process and manage any possible appeals to the Environment Court following the release of the decisions.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

To manage the Schedule 1 of the Resource management Act 1991 is part of business as usual for the policy team of Council.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform <input checked="" type="checkbox"/>	Consult <input checked="" type="checkbox"/>	Involve <input checked="" type="checkbox"/>	Collaborate <input checked="" type="checkbox"/>	Empower <input checked="" 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>	A plan change can have significant impact on the local community and the operational responsibilities of Council and therefore it is important that the highest levels of engagement are followed.				

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

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

6. CONCLUSION

It is a requirement of the Council to appoint commissioners to hear the submissions for the private plan changes and it is recommended that the panels consist of independent commissioners with delegated decision making authority.

7. ATTACHMENTS

NIL

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	31 October 2017
Prepared by	Jenni Vernon Strategic Planning & Resource Management Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 1851689
Report Title	Plan Change 20 Submission – Retrospective Approval

I. EXECUTIVE SUMMARY

Plan Change 20 – Lakeside development was notified on 15 September 2017 and submissions closed 20 October 2017. The plan change seeks to rezone an area of approximately 194ha to the South of the Te Kauwhata village from Country Living Zone and Rural Zone to Living Zone: Te Kauwhata Lakeside and Business zone with the inclusion of an open space overlay over a portion of the Rural Zone.

2. RECOMMENDATION

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

AND THAT the submission for Plan Change 20 – Lakeside Development is recommended to Council for retrospective approval.

3. BACKGROUND

Council has undertaken a number of workshops regarding the Private Plan Change 20 – Lakeside Development. The Council supports the development in principle but has expressed concern regarding the need to protect the character of the existing Te Kauwhata village. This concern is aligned with the master plan concept of the need for integration between and within past, present and future facilities and community aspirations in the local town. As a result of the concerns raised staff was asked to prepare a submission.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

A submission gives the Council an opportunity to participate in the Schedule 1 process of the Resource Management Act 1991 (“RMA”).

4.2 OPTIONS

There are two options for Council.

Option 1: Do nothing and not submit.

Option 2: Submit and be part of the Schedule 1 RMA process to protect the Council position regarding the effect on the Te Kauwhata Village character.

5. CONSIDERATION

5.1 FINANCIAL

There will be costs involved as Council will need to provide expert landscape evidence at the hearing.

5.2 LEGAL

There will be costs involved as Council will need to provide legal support at the hearing.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

To make a submission to the private plan change is part of our fiduciary duty on behalf of the whole Te Kauwhata community.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input 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>	This submission forms an important part of the Council commitment to the master plan issue of having connected communities.				

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

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

6. CONCLUSION

It is important that Council exercise its right under Schedule 1 of the RMA and participate in the formal process of making a submission and attend the hearing.

7. ATTACHMENTS

Submission Plan Change 20 – Lakeside Private Plan Change

Waikato District Council

Private Bag 544

NGARUAWAHIA 3742

www.waic.govt.nz

18 October 2017

Submission Plan Change 20 – Lakeside Private Plan Change

General Overview

The Waikato District Council (the Council) supports in principle the Private Plan Change for future residential growth in the town of Te Kauwhata. The planned growth is consistent with the direction being sought by the National Policy Statement for Urban Development Capacity, the Regional Policy Statement and the sub-regional Future Proof Growth Strategy.

However it should be noted that there is a balance between appropriate design to protect the character of the Te Kauwhata village (existing) and providing a range of opportunities with different living experiences for different people. To ‘force’, through over design may equally deliver an undesirable living outcome.

The applicant has identified in the **Issues 15D.2** the need to maintain the landscape and other environmental values and character of the Te Kauwhata area. This matter is important for the existing community and the Council.

Potential Issues

Effect on the Te Kauwhata Village Character

It is noted that while the proposed plan change and documentation (collectively) purports to provide for a residential living environment that “...*must be carefully planned so that it is complimentary with the existing village character of Te Kauwhata, provides a high level of urban design and amenity, and respects the environment values of the area, particularly Lake Waikare.*”¹ consideration of the information provided indicates that there will be required a strong link between the rule framework and the design guide for the development.

The rule framework and the design guide will provide certainty for the existing community that integration between the Te Kauwhata village (existing) and the new Lakeside development plan change area is established. The key factors to achieve this outcome will include:

- a) Consistency in the general road network pattern, road reserve width and road reserve treatment between the established and new areas;
- b) Achieving high-quality urban design and residential amenity outcomes;
- c) Provide for a broad range of lifestyle choice and housing opportunity within Te Kauwhata;
- d) Creating quality open space and amenity, including walkways, cycle ways and streetscapes;

¹ Part B – Amendments to part 15 Objectives and Policies, page 6 para.6

- e) Supporting the existing town centre and enhancing its role and viability but acknowledging the need for a local convenience retail centre within walking/cycling distance for the residents of the Lakeside development; and
- f) Provide public access to Lake Waikare and other open public spaces throughout the development.

In general, areas of high and medium urban density (of which the proposed development nodes would be considered to be)², require a high level of detail design in order to successfully provide appropriate levels of amenity and functionality.

I. Section 21E.4 -

While amenity and functionality is promoted within the urban design document accompanying the plan application, it is noted that the rest of the Te Kauwhata village is converse to this situation, with lower densities. The level of control over this issue will be limited unless addressed through this private plan change process. The matters over which Council maintains control does not allow sufficient depth to enable scrutiny of the design and the relationship with the existing character of Te Kauwhata. The reason for limited control once operative in the District Plan refers to the point that the Comprehensive Subdivision Consent and the Comprehensive Land Development Consent must be approved as a “controlled” activity. No option will be available to amend (or require amendment to) the form or density of the proposal.

While the assessment of urban design criteria is identified as one of the regulatory methods in 15D.5.1 these methods appear to be restricted to the objectives and policies only.

Rule 21E.2.1 identifies the preparation of comprehensive subdivision consent and other activities as being a controlled activity subject to control being reserved over the matters contained in assessment criteria under 21E.4. At present 21E.4 would allow Council to consider the extent to which the application differs from the plans (21E.3.2) and (21E.3.3) as well as a number of urban design, environmental, infrastructural and circulation parameters. Missing from the assessment criteria is ability for Council to have control over specific aspects of the design relating to urban design, integration and streetscape design. The relief sought does not go as far as requiring compliance with a design guide, as many of the important higher level urban design issues are already integrated in the provisions of the plan change, it does give some ability to review and control important public character and amenity issues. There is no necessity to control the design and configuration of any buildings within the lots to a greater extent than currently exists for other areas within the district.

Amendment sought

- a) Reason: A criteria is a rule or standard that must be achieved, whereas a factor is something to be taken into consideration. Because some of the factors listed in 21E.4 have the potential to conflict with each other (if considered as criterion), an ability to weight the different factors according to current best practice urban design and planning principles during the decision making process is recommended.

² 51.0ha = high density (a min.site size 200m² with min.average site size 250m²)

81.5ha = medium density (a min. site size of 300m² with min. average site size of 400m²)

Amend the word “**criteria**” where used in 2IE.4 to read “**factors**”.

- b) Reason: That urban design and visual effect assessment factors, which allow consideration of the urban design/visual amenity and landscape character assessment that is required to be provided at time of application by 2IE.5.2 and 2IE.5.3 be included as an assessment factor over which Council reserves control. An amendment in Spatial Variety will ensure that Neighbourhood Parks and Communal Open Space are also assessed and that CPTED principals are considered.

Insert into Spatial Variety and Integration with the Natural Environment, as Point I the following:

- I. Neighbourhood parks and communal open space (public and private), within the Residential Medium Density Precinct and the Residential Higher Density Precinct shown on Plan 2IE.3.1, provide for the amenity and safety of the community in terms of:
- a. spatial variety;
 - b. a mix of recreation opportunities, both public and private;
 - c. accessibility;
 - d. the application of CPTED principals; and
 - e. ease and cost of maintenance (where the park not maintained or managed by Council).

Insert before Robustness of Lot Design and after Spatial Variety and Integration the following:

“Urban Design and Visual Amenity

The extent to which:

- a) The master plan (as required by 2IE.5.1) integrates with the Te Kauwhata township and its surroundings, including the appropriateness of the development response to the medium density precinct and the higher density precinct and the proposed urban form;
- b) The effect on visual amenity, rural character and urban character with the application site and on the surrounding visual catchment;
- c) The proposed development is consistent with, or allows the implementation of the specific design proposal (as required by 2IE.5.6).

2. Rules for Site Density Controls:

Reason:

To achieve the integration of the existing village and that of the new development, Council considers that 100% of the development being just medium and high density is not providing this outcome. An amendment to the site density to include some sections that reflect the existing lot sizes as in the operative Waikato District Plan would provide integration of the new development with the existing development.

All Rules referencing Site Density Control – Residentially zoned land

Amend Site Density Controls to provide for 5% or the area immediately adjacent to existing residential houses at the Scott Road entrance to be average of 600m² and minimum 450m².

3. Policy 15D3.5.(b)

Reason:

To ensure that the existing streetscape is integrated into new development it would be useful to identify this in the policy.

Amendment sought

Policy 15D3.5. (b)

Add to the end of the policy the following “...quality materials, “complimentary to other parts of Te Kauwhata.””

4. Policy 15D3.5.(h)

Reason:

The use of the word “highly” is subjective and should be removed.

Amendment sought

Policy 15D3.5. (h)

Delete the word “~~highly~~”.

5. Rule 21E.2.23.1(a)

Reason:

There is little ability to control the location of a lot within the context of the zone, only its size therefore the reference to location should be omitted.

Amendment sought

Rule 21E.2.23.1(a)

Amend to read “(a) shape, size and orientation”.

6. Rule 21E.2.26

Reason:

Council promotes walkways/cycle ways and the reference in this rule should not be referring to walkways only.

Amendment sought

Rule 21E.2.26

Amend references to walkways to read “walkways/cycle ways”

7. Rule 21E.2.23.1

Reason:

This rule should be consistent with Rule 21E.2.1.1 and include the minimum average site size.

Amendment sought

Amend Rule 21E.2.23.1 to read:

- (a) (ii) Higher Density Precinct - a minimum site size of 200m², with a minimum average site size of 250m². Where a site has legal access to communal open space, then the percentage of the communal space related to the number of properties with legal rights to use the communal open space, will count towards the average site size (but not minimum site size).

8. Rule 21E.2.1.4, Rule 21E.2.2.4, Rule 23C.3.1.4, Rule 23C.4.4, Rule 25H.3.4 and Rule 25H.4.4.

Reason:

The distance thresholds identified in the rules below are not contiguous i.e. there is a 1m gap between the end of the 100m threshold in rule 23C.3.1.iii and the start of the 101m – 200m threshold in rule 23C.3.4.iii. Where the rule is reliant on the previous rule the thresholds should be consistent.

Rule 21E.2.1.4, Rule 21E.2.2.4, Rule 23C.3.1.4, Rule 23C.4.4, Rule 25H.3.4 and Rule 25H.4.4 all need to be amended to ensure contiguous thresholds.

Amendment sought

Amend Rule 21E.2.1.4 as follows:

- i - 51m to read 50m
- iii – 11m to read 10m
- iv – 101 m to read 100m
- v – 11m to read 10m
- vi – 51m to read 50m

Amend Rule 21E.2.2.4 as follows:

- i – 51m to read 50m
- iii – 11m to read 10m
- iv – 101m to read 100m
- v - 11m to read 10m
- vi – 51m to read 50m

Amend Rule 23C.3.4 as follows:

- i – 5 l m to read 50m
- iii – 10 l m to read 100m
- iv – 5 l m to read 50m

Amend Rule 23C.4.4 as follows:

- i – 5 l m to read 50m
- iii - 10 l m to read 100m
- iv – 5 l m to read 50m

Amend Rule 25H.3.4 as follows:

- i – 5 l m to read 50m
- iii – 10 l m to read 100m
- iv – 1 l m to read 10m

Amend Rule 25H.4.4 as follows:

- i – 5 l m to read 50m
- iii – 10 l m to read 100m
- iv – 1 l m to read 10m

The Council wish to be heard at the hearing.

Jenni Vernon

Strategic Planning and Resource Management Team Leader

Waikato District Council

Open Meeting

To	Strategy & Finance Committee
From	Tim Harty General Manager Service Delivery
Date	13 November 2017
Prepared by	Karl Pavlovich Acting Waters Manager
Chief Executive Approved	Y
Reference #	INF2017
Report Title	Wastewater Generator Budget Transfer

I. EXECUTIVE SUMMARY

This report has been prepared to request a transfer of budget between wastewater capital codes and release operation budget for the wastewater generator hire contract that is no longer required.

The transfer of budgets will allow a standby generator completed with trailer to be purchased, and will be more cost effective than entering a hire agreement.

2. RECOMMENDATION

THAT the report from the **General Manager Service Delivery** be received;

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

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

3. DISCUSSION AND ANALYSIS OF OPTIONS

3.1 DISCUSSION

This report is about transfer of budgets; no additional funding is being requested.

As part of the approved wastewater changes made during the 2018 Annual Plan process, \$25,000 per annum was added to the wastewater reticulation routine operational budget from 2017/18 onwards for a standby generator hire contract. The contract was tendered and at the conclusion of the tender process, pricing indications at the level of service

requested were in the vicinity of \$120,000. Upon investigating contract options in more detail and engaging potential suppliers, it has been apparent that for the budgeted amount of \$25,000 would not provide an adequate level of service.

To purchase a standby generator completed with trailer is \$32,000 and will be more cost effective than entering a hire agreement. Purchasing two standby generators will provide an adequate base level of service. It is proposed that the generators will be able to be stored on site at sensitive locations and therefore reduce the time in which pump stations would be without power.

From 2016/17 carry forwards, there is \$86,427 capital budget that was intended to use for additional electrical upgrade works if deemed necessary at Raglan pump stations. This is no longer required as current completed electrical works are adequate and the pump stations do not need any further installations to run efficiently (this excludes SCADA/telemetry works). This budget can be redirected to fund the generator purchases as district-wide assets. It is recommending allocating the full \$86,427 to a district-wide budget so more than one generator purchase can occur for wider coverage and prompt deployment in an emergency.

Also included in the 2018 Annual Plan wastewater changes was an operational savings requirement of \$200,000 for 2017/18 that was budgeted as a negative project amount with specific areas of savings to be identified later. The release of budget for the generator hire contract assists this savings requirement.

3.2 OPTIONS

There are two options:

Option 1: Approve both the proposed budget transfer and the release of operational funds.

This is the recommended option.

Option 2: Don't approve proposed budget transfer.

4. CONSIDERATION

4.1 FINANCIAL

The following budget changes will be required:

Project Name	Code	Amount
DW reticulation operations (release of opex)	IWW11900.E.0000	-\$25,000
DW treatment plant maintenance (realisation of savings)	IWW10300.E.0218	\$25,000
Raglan pump station upgrades (transfer)	IWW12630.C.0117	-\$86,427
District Wide Generator Purchases (transfer)	IWW12600.C.0218	\$86,427

There are no specific funding implications as the changes are neutral noting that \$25,000 of the required \$200,000 operational savings can now be realised. The capital expenditure is merely a transfer between projects of the same funding source (100% loan funded).

4.2 LEGAL

No legal considerations are required as part of the budget transfer.

4.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

This budget transfer and subsequent use of funding in the purchase of mobile generators for use across the district aligns with strategic goals of the Waste water Continuous Improvement Programme (CIP).

5. CONCLUSION

The approval of the proposed budget transfer and release of operational funding by the Strategy & Finance Committee would allow the both the purchase of a standby generator and partial realisation of saving commitments made during the 2016/17 Annual Plan.

This approach remains consistent with the strategy set through the establishment of the Continual Improvement Programme.

6. ATTACHMENTS

N/A

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	13 November 2017
Chief Executive Approved	Y
Ref #	GOV1318
Report Title	Financial Review of Key Projects

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. BACKGROUND

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

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

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

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

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

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

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

4.2 OPTIONS

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

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

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

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

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

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

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

5. CONSIDERATION

5.1 FINANCIAL

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

5.2 LEGAL

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

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

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

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

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

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

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

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

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

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	This report is an update on progress. It is to inform.				

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

Planned	In Progress	Complete	
		✓	Internal
	✓		Community Boards/Community Committees

	✓		Waikato-Tainui/Local iwi
	✓		Households
	✓		Business
			Other Please Specify

6. CONCLUSION

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

7. ATTACHMENTS

Financial Review of Key Projects

KEY PROJECTS

Team	Project Description	Project Owner	Full Year Budget	YTD Actual	Remaining Budget	Full Year Forecast	Expected Completion Date	Progress & Risk Comment
Programme Delivery	Ngaruawahia council office upgrade construction	Paul White	424,138	18,889	405,249	424,138	Feb-18	Acceptance letter sent to contractor and formal contract being prepared for signing. Works programme to start no later than last week in December with expected finish date February 2018.
Programme Delivery	Tamahere Recreation Reserve Project	Jacki Remihana	2,401,919	8,676	2,393,243	2,409,124	Multi year project	Final levelling and seeding completed, working through the specifications with the contractor to ensure that the final outcome meets specifications. Minor flooding issues being remedied on the school boundary. Pond construction is complete but total works cannot be completed until the grass grows, planting is to be completed as weather allows. For the next phase, Council currently working through contract negotiations for select supplier with a report planned to go to the Infrastructure Committee meeting late November to award. Timing of completion will be dependant on contractor. There were some internal labour charges that have incorrectly increased the overall project forecast, this will be corrected bringing the forecast in line with the budget.
Programme Delivery	Raglan stormwater reticulation extensions	Reuben Rink	365,576	13,546	352,030	365,576	Jun-18	Council going ahead with daylighting with works expected to occur in 2017/18. Beca's Raglan modelling revised report finalised and under review with management.
Programme Delivery	Ngaruawahia, Kent St/George St Stormwater Network upgrades	Reuben Rink	471,728	2,539	469,189	471,728	Nov-17	Works has been completed within Turangawaewae's private reserve with final top soiling and grass seeding to be completed. Location of existing services has been completed along George Street with works continuing within the road berm. Works expected to be complete in December.
Programme Delivery	New Reservoirs for Huntly, Central District, Hopuhopu and Pokeno	Richard Clark	3,538,699	999,071	2,539,628	1,246,608	Feb-18	Pokeno - Tank construction completion expected early November and ready for filling subject to new sealant being approved. Working with Counties Power re power supply and connection point locations. Huntly – Awaiting completion of adjoining pipework under the Hopuhopu to Huntly Pipeline contract. Car park due for sealing early November. In discussions on type of reservoir sealant following issues at two other reservoirs. Planned to fill and test during November. Central District – Reservoir has been refilled and monitoring has identified leaks, in discussions on change of sealant product. Final commissioning will be carried out using generator power due to delays in electricity connection. Hopuhopu – Reservoir has been filled for testing, seepage has occurred and in discussions on change on sealant product. Demolition methodology of existing tank yet to be finalised due to ongoing discussions with WorkSafe whom have now advised that asbestos samples will be required prior to demolition. Work planned to be complete late November.
Programme Delivery	Land Purchases for Pokeno, Central District and Hopuhopu Reservoir Sites	Elton Parata	204,905	783	204,122	96,736	Oct-17	All sites now secured and works underway. Hopuhopu long term agreement is with Waikato Tainui for consideration and believed to be tabled for a meeting in December.
Waters	Tuakau water supply reticulation extensions	Karl Pavlovich	1,639,774	0	1,639,774	0	2018/19	To evaluate recent reports and finalise 3 Waters priorities for 2017/18.
Programme Delivery	Pokeno Wastewater scheme construction - Stage 2	Paul White	1,905,401	1,243,680	661,721	1,300,000	Nov-17	Public mains are complete and private connections are approximately 95% complete. Reinstatement works are well underway and on target for a November completion.
Waters	Huntly wastewater treatment plant upgrade	Stephen Howard	1,628,112	0	1,628,112	0	TBA	This project will be considered in conjunction with the Housing Infrastructure Fund (HIF) detailed business case. There is a wider conversation with developers that any HIF funding could be bundled with the Te Kauwhata Lakeside Development plan change/development proposal and a state of the art treatment plant could be established in Huntly to accommodate both Te Kauwhata and Huntly current and future wastewater demand.
Waters	Meremere wastewater treatment plant upgrade	Stephen Howard	2,175,854	0	2,175,854	200,000	TBA	This project will be considered with the Huntly Wastewater treatment plant upgrade and the Te Kauwhata plan in terms of how to best utilise the Housing Infrastructure Fund. In the interim, essential minor improvements will be made.
Waters	Raglan wastewater treatment plant upgrade	Mark Curtis	1,196,719	11,516	1,185,203	58,000	On Hold	Project is on hold to ensure any proposed solution is in keeping with changes that may occur as part of the upcoming resource consent renewal. The long term solution will be developed during the consent renewal phase. While the project is on hold, Council is currently at risk of further non compliance implications.
Waters	Pokeno stormwater reticulation extensions	Karl Pavlovich	1,102,912	0	1,102,912	0	Jun-19	Dependent on developer schedule, pipeline from Winstones catchment to Pond expected in 2017/18 with remaining works pushed out to 2018/19.
Waters	SCADA Improvements	Robert Ball	1,300,000	35,887	1,264,113	1,215,977	Jun-18	Procurement plan for Raglan repeaters is out for tender.

Open Meeting

To	Strategy & Finance Committee
From	Tony Whittaker General Manager Strategy & Support
Date	07 November 2017
Prepared by	Surya Pandey Project Manager – Housing Infrastructure Fund
Chief Executive Approved	Y/
DWS Document Set #	GOV1318 / 1848509
Report Title	Housing Infrastructure Fund – Progress Report

I. EXECUTIVE SUMMARY

This report is to provide the Strategy & Finance Committee with a progress update on the Housing Infrastructure Fund.

2. RECOMMENDATION

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

3. PROGRESS REPORT

- The Housing Infrastructure Fund (“HIF”) is a one-off contestable fund, aimed at accelerating short and medium-term supply of new housing in high-growth urban areas.
- HIF allocation process was set out in the Housing Infrastructure Fund Call for Final Proposals announced by the Government in February 2017. In a contestable process, Waikato District Council (“Council”) submitted an Indicative Business Case, which was accepted as part of an *in-principle* HIF portfolio by the Minister of Finance, the Minister of Transport and the Minister for Building and Construction in June 2017.
- Council has been successful in bidding \$37 million from the \$1 billion Fund. This is interest free funding to build the infrastructure required to support development designed to ease the current housing crisis in major centres in the country.
- Council’s bid was predicated on supporting Winton Partner’s proposed Lakeside development in Te Kauwhata which will bring about 1600 residential units on stream over the next ten years.
- HIF funding is to be provided to support Te Kauwhata’s development through waste water solutions, water supply and storage, and roading investment support.
- Council is preparing a Detailed Business Case (“DBC”) for accessing funding from HIF.

- Council is managing the development of the DBC with the collaboration of GHD, subject matter experts and other consultants.
- The DBC is following the Treasury Better Business Case model.
- The project is governed by a Steering Group (including the representatives from Ministry of Business, Innovation and Employment (“MBIE”) and NZ Transport Agency (“NZTA”)), supported by a Project Team and Project Control group.
- The DBC will be finalised and submitted to Council Infrastructure Committee for approval by the end of February 2018, followed by submission to Council in March 2018.
- As per MBIE / NZTA requirement, Council had initially aimed to ensure costing for the DBC to P95 level of confidence for cost certainty. This is a statistical confidence level for an estimate. P95 is defined as 95% of estimates exceed the P95 estimate (and by definition, 5% of estimates are less than the P95 estimate).
- However, due to the cost and timing constraints, Council and MBIE have now agreed in principle that the DBC cost certainty can be as close to P95 level as possible, with some larger risk of cost over run. Council have engaged a Quantity Surveyor to facilitate that.
- Council will be allowed to request contingency to cover some of this additional risk, acknowledging that the final risk still lies with Council in construction.
- The project has been divided into two phases:
 - Phase 1: Design and costing to inform DBC and match DBC deadline (to Better Business Case standards) and Calculation of Developer Contributions; and
 - Phase 2: Detail Design (tender ready documents), with a proviso to have early contractors involvement.
- Through Phase 1, options for wastewater solution, water supply and upgrading of roading infrastructure have been identified.
 - Two shortlisted wastewater options continue to be evaluated as part of the DBC engineering design process being:
 - Option 1: Wastewater conveyance to Huntly and treatment plant upgrade.
 - Option 2: Wastewater on site treatment plant and discharge through a wetland to Lake Waikare.
- Ongoing evaluation of both wastewater options are continuing as part of the DBC given Option 2 is a proposed options as part of the private plan change that is not yet completed.
- Council adapted a multiple consultant procurement process to support engineering concept design in Phase 1 (as described above) involving:
 - Wastewater treatment plant – Beca
 - Wastewater conveyance / pipeline to Huntly – Opus
 - Reticulated water and storage – GHD
 - Transport – Jacobs.
- In parallel with the HIF DBC, Council is also considering wastewater treatment options to facilitate the first 400 Stage I houses to be connected to the existing Te Kauwhata wastewater treatment plant.

- HIF funding will only partially cover the cost of wastewater, water and roading infrastructure for growth in Te Kauwhata. The remaining cost will be covered by the Council Long Term Plan and development contribution.
- Ongoing consultation with stakeholders (for example, Te Kauwhata wastewater treatment consultation group, Te Kauwhata Community Committee, Waikato Regional Council and Lakeside Development) is providing regular updates to all concerned.

4. DETAILED BUSINESS CASE COSTS

It is anticipated that the total cost to finalise the DBC and Phase I will be in the order of \$550,000. The anticipated breakdown is as follows:

- Approved DBC: \$290,000
- Stage I engineering / concept design: \$200,000
- Quantity Surveyor: \$60,000

Council will have the ability to seek the above funding from MBIE upon the successful submission and acceptance of the DBC by way of capitalising the costs.

Phase 2 costs will be part of the design / built procurement process.

5. ATTACHMENTS

NIL

Open Meeting

To	Strategy & Finance Committee				
From	Tony Whittaker General Manager Strategy & Support				
Date	08 November 2017				
Prepared by	Alison Diaz Finance Manager				
Chief Executive Approved	Y				
Reference/Doc Set #	GOV1318 / 1850536				
Report Title	Local Government	Funding	Agency	Annual	Report 2017

1. EXECUTIVE SUMMARY

The attached Annual Report for the Local Government Funding Agency provides detail on the agencies performance for the 2016/17 financial year and outlines the key achievements.

2. RECOMMENDATION

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

3. ATTACHMENTS

- Cover letter to LGFA Guarantors
- LGFA Annual Report 2017

31 August 2017

Dear Guarantor

LGFA 2017 Annual Report

I attach our Annual Report for 2017 as required under section 8 of our Statement of Intent (SOI).

We are pleased to highlight another strong year for LGFA that included several achievements.

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

By 30 June 2017, LGFA had loans outstanding of \$7.78 billion to fifty-three participating councils. This is an increase of \$1.33 billion in loans and we added three new council members over the past year. From April 2017, councils could extend their longest term of borrowing from ten years (2027) to sixteen years (2033). Bespoke lending popularity continued with bespoke loans for councils of \$707 million or 49% of long term lending over the past year.

2. Market share of 82.9% of sector borrowing for the year.

For the 12-month period to 30 June 2017, LGFA provided a record 82.9% of the sector borrowing and we are appreciative of the support from our borrowing councils.

3. A strong financial position has ensured a dividend payment of 5.56% for shareholders.

The financial strength of LGFA has been enhanced with a Net Operating Profit of \$11.05 million for the 2016/17 year. A \$1.390 million dividend has been declared by the LGFA Board for the year ended 30 June 2017.

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

Kind regards



Mark Butcher
Chief Executive



NEW ZEALAND
LOCAL GOVERNMENT
FUNDING AGENCY



ANNUAL REPORT

30 JUNE
2017



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Cover: Wellington Harbour. Te Whanganui-a-Tara, the great harbour of Tara. Wellington City Council.

Left: Wanaka Recreation Centre, opened 7 July 2016. Queenstown Lakes District Council.

CHAIR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2017

“LGFA’s stakeholder centric approach continues to add value to all stakeholders with bespoke lending, longer tenors and improved borrowing costs benefiting councils. A measured approach to primary issuance and greater secondary market liquidity and depth has led to increased offshore investor participation in LGFA bonds.”

Craig Stobo, Chair LGFA Board



On the sixth anniversary of our first Annual Report, Directors are pleased to record another period of strong financial and non-financial performance to 30 June 2017 and to highlight the following developments over the past year.

Strong financial and operational performance

LGFA total interest income for the financial year of \$320.7 million was a 15.3% increase over the 2015-16 financial year result of \$278.2 million while net operating profit of \$11.05 million for the financial year was a 15.7% increase on the 2015-16 financial year result of \$9.55 million.

Net interest income and operating profit exceeded both the previous year’s result and the Statement of Intent (SOI) forecast due to the refinancing behaviour of councils relating to their loans from LGFA maturing in December 2017. Rather than repay their loans early, a significant number of councils have placed the proceeds from refinancing on term deposit with banks. This has resulted in LGFA having a larger loan book than expected and hence net interest income is higher.

Expenses have been managed under budget over the past year. While the introduction of the LGFA bond facility (and related issuance of \$350 million of treasury stock) has added to some costs, this initiative has helped improve secondary market liquidity in LGFA bonds, making them more attractive to investors.

LGFA bonds continue to be an attractive investment for investors while LGFA has also delivered improvements in funding costs and extended the tenor of lending available to our council borrowers. This has been achieved through investment by the organisation in the previous year relating to the listing of LGFA bonds on the NZX, transition to Financial Markets Conduct Act, introduction of short-dated lending to councils and issuance of LGFA Bills.

The financial strength of LGFA was reaffirmed in late 2016 by credit rating agencies Standard & Poor’s and Fitch who both maintained our credit rating at AA+, which very importantly is the same as the New Zealand Government.



Tairua Wharf project. Thames-Coromandel District Council.

Borrowing activity

LGFA issued \$1.285 billion of bonds over the year and outstandings now total \$7.855 billion (including \$350 million of treasury stock) across eight maturities from 2017 to 2033. A highlight for the year was the debut issuance of an April 2033 bond, reinforcing the proven issuance strategy of replicating the New Zealand Government bond curve. LGFA is now the largest issuer of NZD securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached \$350 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past year, we added three new members with Central Hawkes Bay District Council, Northland Regional Council and Waitomo District Council joining. Total membership is now 53 councils.

Bespoke long-dated 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 \$707 million on a bespoke basis over the financial year. This was approximately 49% of our total long-dated lending over that period.

Short-dated lending for terms less than 12 months has been well received by councils and as at 30 June 2017, LGFA had \$222 million of short-term loans outstanding to 18 councils.

The tenor of lending by LGFA to the sector continued to lengthen with the average term of borrowing by councils over the 12-month period of 8.0 years.

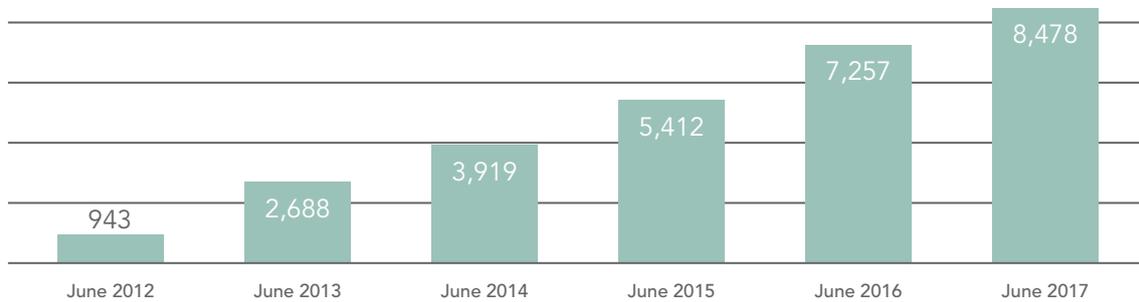
Acknowledgments

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders Council and the New Zealand Debt Management Office (NZDMO), all whose efforts should be acknowledged. 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.

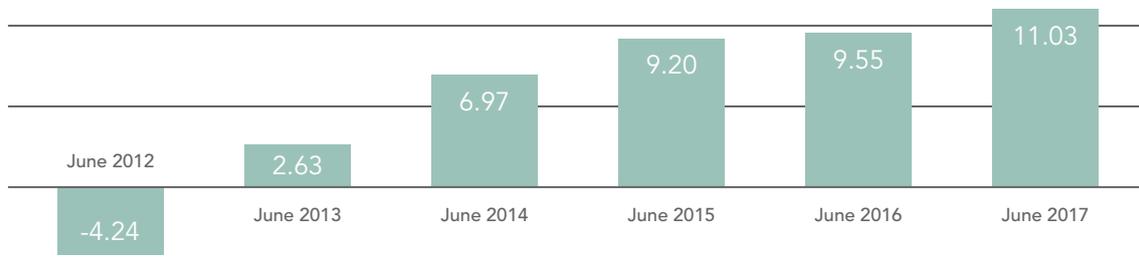


Craig Stobo
Chair, LGFA Board

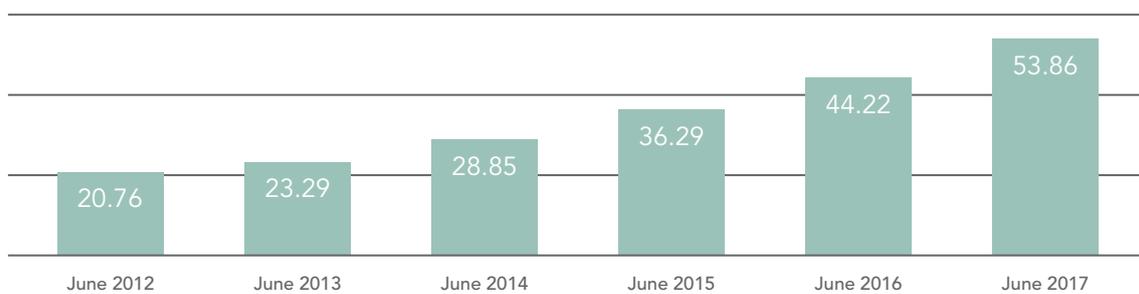
Total assets (NZ\$m)



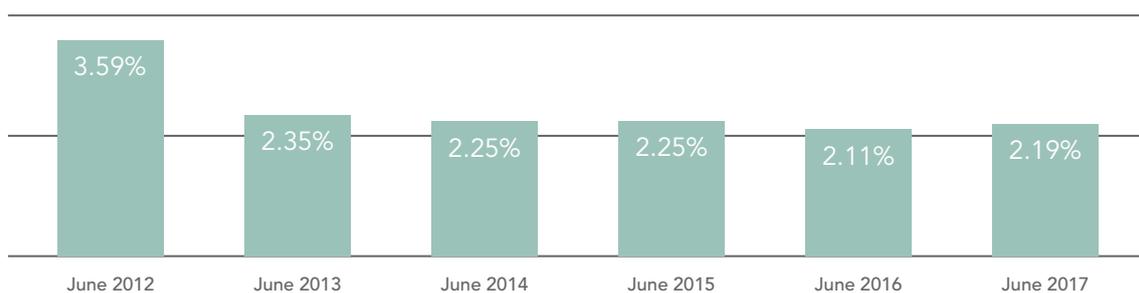
Profit and loss (NZ\$m)



Shareholder equity (NZ\$m)



Shareholder funds and borrower notes / total assets (%)



CORPORATE GOVERNANCE

NZX Corporate Governance Best Practice Code

The LGFA Board is committed to ensuring the Company demonstrates ongoing commitment to strong and sound corporate governance.

LGFA is a listed issuer on the NZX Main Board and this section sets out the Company's compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code 2017.

The Company considers that its governance practices have not materially differed from the NZX Code for the year ended 30 June 2017. Areas where the Company has implemented alternative measures to the Code are as follows:

An Issuer should establish a nomination committee to recommend Director appointments to the Board.

The process for the nomination and remuneration of directors is documented in the Constitution of New Zealand Local Government Funding Agency Limited and outlined below.

An Issuer should establish a remuneration committee to recommend remuneration packages for Directors to shareholders.

The following governance documents referred to in this section are available on the LGFA website: <http://www.lgfa.co.nz/about-lgfa/governance>:

- LGFA Constitution
- Shareholders Agreement
- Code of Ethics
- Board Charter
- Audit and Risk Committee Charter
- Internal Audit Charter
- Diversity Policy

PRINCIPLE 1 – Code of ethical behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organisation.

Code of Ethics

LGFA has adopted a formal Code of Ethics, incorporating both our Conflicts of Interest Policy and Code of Conduct Policy, which sets out the standards that both directors and employees of LGFA are expected to follow to reflect the values of LGFA.

The Company recognises impartiality and transparency in governance and administration are essential to maintaining the integrity of LGFA. Accordingly, the Conflicts of Interest Policy formally provides guidance to employees and directors of 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.

The Code of Conduct Policy requires employees and directors to carry out their roles while maintaining high standards of integrity and conduct by clearly setting out our standards for expected behaviour. In addition, the policy sets out the Company's commitment to behave in a fair and reasonable manner to employees, while providing a fair and safe working environment.

The Company has adopted a Protected Disclosures and Whistle Blowing Policy which provides procedure, support and protection to persons who disclose information which they reasonably believe to be about serious wrong doing in or by LGFA.

Financial Products Trading Policy

LGFA has formally adopted a Financial Products Trading Policy, which applies to all directors, employees and contractors, and details LGFA's policy on, and rules for dealing in, listed debt securities issued by LGFA and any other quoted financial products of LGFA.

PRINCIPLE 2 – Board composition & performance

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

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:

- 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.

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 the listed companies Precinct Properties New Zealand Limited, AIG Insurance (NZ board) and Fliway Group Limited. He has directorship and 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, Papa Rererangi i Puketapu (New Plymouth Airport) 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, 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 Z Energy Limited, Livestock Improvement Corporation Limited, The Museum of New Zealand Te Papa Tongarewa and Television New Zealand Limited.

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 Chair 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.

Mike Timmer. Non-independent Director

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

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, 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	Tenure
Craig Stobo (Chair)	1 December 2011	19 November 2013	5 years, 7 months
John Avery	1 December 2011	24 November 2015	5 years, 7 months
Philip Cory-Wright	1 December 2011	24 November 2016	5 years, 7 months
Abby Foote	1 December 2011	25 November 2014	5 years, 7 months
Linda Robertson	24 November 2015	24 November 2015	2 years, 7 months
Mike Timmer	24 November 2015	24 November 2016	2 years, 7 months

Meetings of the Board

The table below shows attendances at Board, committee and strategy meetings by directors during the year ended 30 June 2017. In addition to the scheduled meetings, additional meetings are convened as necessary to consider specific issues.

Director	Board	Audit & Risk Committee
Craig Stobo (Chair)	6/6	--
John Avery	5/6	--
Philip Cory-Wright	6/6	3/4
Abby Foote	6/6	4/4
Linda Robertson	6/6	4/4
Mike Timmer	6/6	4/4

Board performance review

The Board has established an annual formal self-assessment procedures to assess director, board and committee performance. In addition, Board performance is reviewed by external consultants on a periodic basis.

Director training

As part of LGFA's commitment to ongoing director education, LGFA regularly invites directors to attend relevant industry conferences and training events, as well as organising for industry experts to attend and present to directors at Board meetings.

Diversity

The LGFA is committed to promoting a culture that supports both workplace diversity and inclusion within the organisation.

The Company has formally adopted a Diversity Policy which applies to both LGFA staff and directors. Diversity and inclusiveness at LGFA involves recognising the value of individual differences and managing them in the workplace. Diversity in this context covers gender, age, ethnicity, cultural background, sexual orientation, religious belief, disability, education and family responsibilities.

Appointments to the LGFA Board are made in accordance with the Constitution of the Company and the Shareholders Agreement.

As at 30 June 2017, the gender diversity of directors is as follows:

	Female	Male
As at June 2017	2	4
As at June 2016	2	4

As at 30 June 2017, the gender diversity of staff is as follows:

	Female	Male
As at June 2017	2	4
As at June 2016	2	4

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, 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.

PRINCIPLE 3 – Board committees

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

Audit and Risk Committee

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

The Audit and Risk Committee is governed by an Audit and Risk Committee Charter, which states that the purpose of the Audit and Risk Committee 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 LGFA. It assists the Board to fulfil its duties by considering, reviewing, and monitoring:

- Risk management framework and processes;
- Internal control environment and mechanisms;
- Processes relating to the preparation and audit of financial statements of 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.

Audit and Risk Committee composition

Audit and Risk Committee members are appointed by the Board. Membership comprises at least three directors, the majority of whom must be independent. The members of the Audit and Risk Committee as at the date of this Annual Report are:

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

PRINCIPLE 4 – Reporting & disclosure

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

The Board is committed to ensuring the highest standards are maintained in financial reporting and disclosure of all relevant information.

The Audit and Risk Committee has responsibility to provide assurance to the Board that due process has been followed in the preparation and audit of the financial statements of LGFA and to ensure there are appropriate processes and activities to ensure compliance with relevant regulatory and statutory requirements.

The Company has adopted a formal Continuous Disclosure Policy, the requirements of which ensure that LGFA meets the continuous disclosure requirements of the NZX Listing Rules.

PRINCIPLE 5 – Remuneration

The remuneration of directors and the CEO should be transparent, fair and reasonable.

The remuneration of the Board takes into account the size and complexity of the Company and the responsibilities, skills, performance and experience of the directors. A specialist independent adviser may be used to ensure the remuneration is appropriate.

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

The remuneration of the CEO is determined by the Board and is reviewed on an annual basis taking into consideration the scope and complexity of the position with reference to the remuneration of CEOs of similar organisations. A specialist independent adviser may be used to ensure the remuneration is appropriate.

The CEO remuneration package comprises a fixed cash component of \$480,000 per annum as at 30 June 2017 (\$450,000, 2016) and an at-risk short-term incentive of up to 15% of the fixed cash component. The short-term incentive payment is made annually at the Board's discretion subject to the CEO and the Company meeting a range of specific performance objectives for the respective financial year.

PRINCIPLE 6 – Risk management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

LGFA recognises that an effective risk management framework is a critical part of its business structure. LGFA is exposed to both business and treasury related risks as a result of its normal business activities that relate to raising and on-lending funds to local councils.

LGFA adopts the three lines of defence model to ensure that essential risk management functions are completed using a systematic approach that reflects industry best practice:

- The first line of defence relates to the operational risk and control within the business. Managers within the business are responsible for identifying controls, maintaining effective controls, assessing the controls and mitigating risks. The first line of defence establishes risk ownership within the business.
- The second line of defence relates to establishing risk control within the organisation. The second line of defence involves reviewing risk reports, checking compliance against the risk management framework and ensuring that risks are actively and appropriately managed.
- The third line of defence establishes risk assurance using both internal and external audit functions to highlight control weaknesses and inefficiencies to management. The audit functions provide independent assurance on the risk governance framework.

The Audit and Risk Committee assists the Board by considering, reviewing and monitoring LGFA's risk management framework and processes, and the internal control environment and mechanisms.

LGFA continually reviews its core business risks. This review process includes the identification and assessment of core business risks which are ranked using predetermined criteria for both the likelihood and potential impact of each risk. LGFA maintains a company-wide risk register which records all identified risks, potential impacts and the controls and mitigation strategies used to manage the risks.

LGFA has treasury exposures arising from its normal business activities that principally relate to the raising and on-lending of funds. LGFA manages treasury exposures under a Board approved Treasury Policy. The objectives for the Treasury Policy are to:

- Effectively manage balance sheet and interest rate risk within the interest rate risk control limits to protect LGFA's capital position and Net Interest Margin over time.
- Fund participating local authorities in the most cost-effective manner and in accordance with the operating principles, values and objectives of LGFA.
- Protect LGFA's assets and prevent unauthorised transactions.
- Promote a professional image of financial and management control to all external parties.
- Minimise operational risk by maintaining adequate internal controls, systems and staffing competencies.
- Provide timely reporting to the LGFA Board with meaningful and accurate reporting of interest rate exposures, liquidity, asset and liability maturity, funding, counterparty credit, performance and Policy compliance.

A more detailed description of LGFA's risk management processes for treasury exposures is available on the LGFA website: www.lgfa.co.nz/for-investors/risk-management

Internal audit

LGFA has established an internal audit function to provide assurance that LGFA's risk management, governance and internal controls are operating effectively.

The Audit and Risk Committee has responsibility for oversight of the internal audit function, including:

- Reviewing the Internal Audit Charter, the operations of the internal audit and organisational structure of the internal audit function;
- Reviewing and approving the annual audit plan;
- Reviewing the effectiveness of the internal audit function; and
- Meeting separately with the internal auditor to discuss any matters that the Audit and Risk Committee or Internal Audit believes should be discussed privately.

Health and safety

LGFA is committed to a safe and healthy work environment and has formally adopted a LGFA Health and Safety Policy that clearly sets out the duty of directors and staff under the Health and Safety at Work Act 2015. A staff health and safety committee has been established with responsibility to continuously review health and safety issues and ongoing compliance with the Act, with reporting to the Board on health and safety issues at each Board meeting.

PRINCIPLE 7 – Auditors

The Board should ensure the quality and independence of the external audit process.

External audit

The external audit of LGFA is conducted in accordance with Section 14 of the Public Audit Act 2001, including the appointment of the external auditors of LGFA by the Auditor-General.

The Audit and Risk Committee has responsibility for all processes relating to the audit of financial statements, including the setting of audit fees and ensuring the independence and objectivity of the auditors.

The external audit of LGFA is conducted in accordance with a formal external audit plan which is reviewed and approved by the Audit and Risk Committee on an annual basis.

The external auditor attends the Company's Annual General Meeting.

PRINCIPLE 8 – Shareholder rights & relations

The Board should respect the rights of shareholders and foster relationships with shareholders that encourage them to engage with the issuer.

LGFA shareholders

LGFA has 31 shareholders, comprising the New Zealand Government (20%) and 30 councils (80%).

New Zealand Government	Otorohanga District Council
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	

Foundation documents

The LGFA Constitution and the Shareholders' Agreement are foundation documents of the Company.

The LGFA Constitution defines the rights and the exercise of powers of shareholders, the acquisition and redemption of Company shares, proceedings of shareholder meetings, voting at meetings and the right to demand polls, shareholder proposals and review of management.

The Shareholders' Agreement is an agreement between the Company and its shareholders which clearly defines the Company's business, its objectives, the role of the Board, the establishment of the Shareholders' Council and the approval rights of the shareholders.

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, Chair
- Carol Bellette, Christchurch City Council
- John Bishop, Auckland Council, Deputy Chair
- David Bryant, Hamilton City Council
- Mohan De Mel, Tauranga City Council
- Mike Drummond, Tasman 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



STATEMENT OF SERVICE PERFORMANCE

Te Kuiti Wastewater Treatment Plant.
Waitomo District Council.

The statement of service performance details LGFA's performance against the objectives and targets set out in the LGFA Statement of Intent 2016-17.

1 2016-17 PERFORMANCE OBJECTIVES

The Statement of Intent 2016-17 (SOI) sets out two primary performance objectives and nine complementary performance objectives for LGFA for the year ended 30 June 2017:

Primary objectives	Additional objectives
<p>1. LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:</p> <ul style="list-style-type: none"> i. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing; ii. Making longer-term borrowings available to Participating Local Authorities; iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and iv. Offering more flexible lending terms to Participating Local Authorities. <p>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:</p> <ul style="list-style-type: none"> i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each Participating Local Authority on an annual basis; ii. LGFA will analyse finances at the Council group level where appropriate; 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. 	<ul style="list-style-type: none"> 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; 2. Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities; 3. Issue a new long-dated LGFA bond; 4. 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; 5. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015; 6. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency; 7. Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4; 8. Meet or exceed the Performance Targets outlined in section 5; and 9. Comply with its Treasury Policy, as approved by the Board.

1 PERFORMANCE AGAINST PRIMARY OBJECTIVES

This section sets out LGFA's performance for the year ended 30 June 2017 against the two primary objectives set out in the 2016-17 Statement of Intent.

1.1 LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

(i) Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;

LGFA aims to minimise its issuance margin over swap rates to provide cost-effective funding to councils. The LGFA margin to swap will depend upon a number of factors including the relative demand and supply of high grade bonds, general credit market conditions, performance of New Zealand Government bonds 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, then LGFA only has influence over investor perception amongst the above factors that determine LGFA spreads to swap.

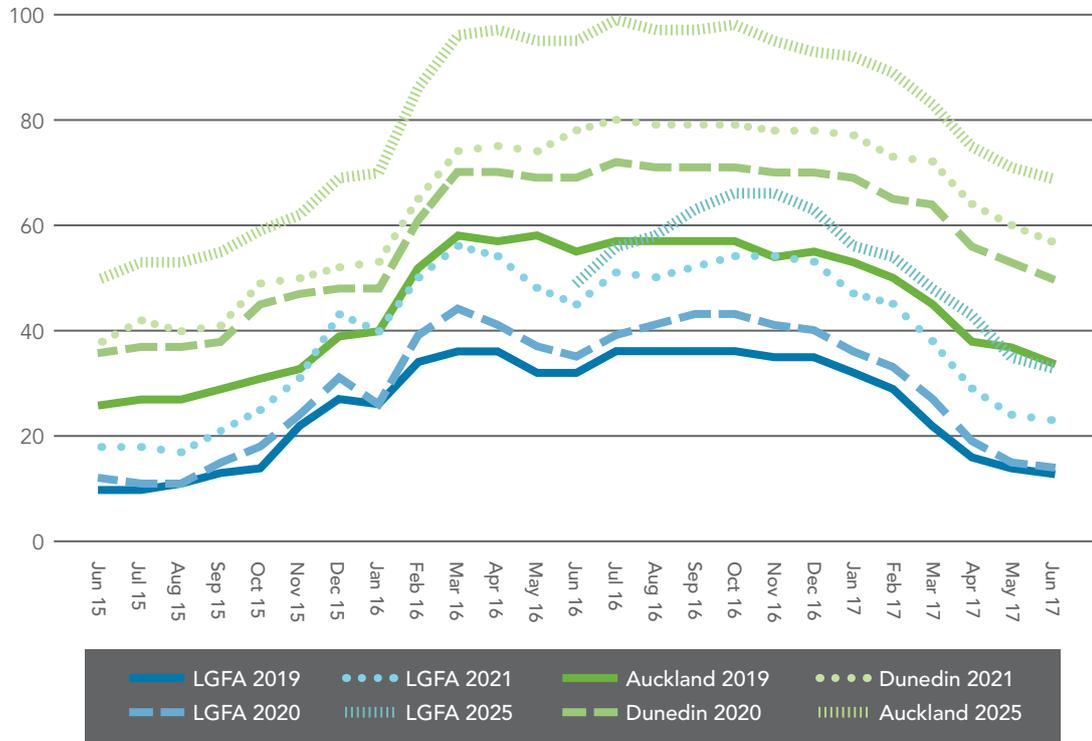
There will be periods within the interest rate and credit market cycles when LGFA bonds will outperform its benchmarks (spread narrowing) and there will be periods of time when LGFA bonds underperform (spreads widening).

LGFA spreads to swap have consistently narrowed since it first began issuing bonds in February 2012 and over the past year, spreads to swap as measured by secondary market levels have narrowed between 12 bps and 27 bps.

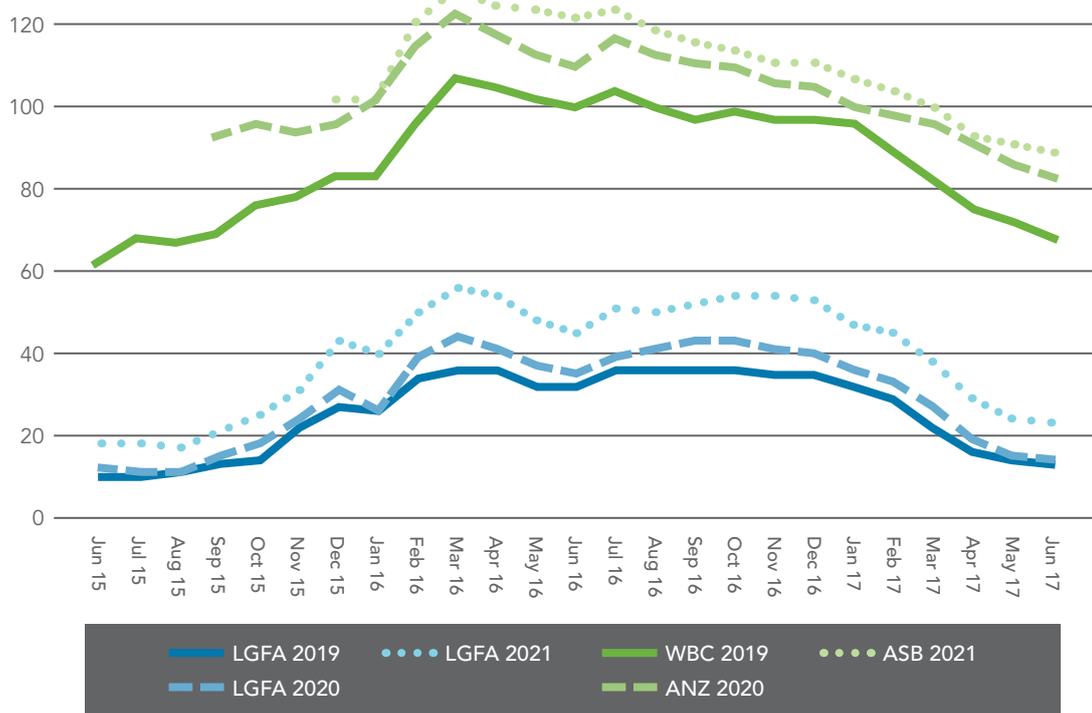
LGFA bond margin to swap	As at 30 June 2017 (bps)	As at 30 June 2016 (bps)	Pricing movement (bps)
15 Dec 17	9	21	-12
15 Mar 19	12	33	-21
15 Apr 20	15	38	-23
15 May 21	20	43	-23
15 Apr 23	27	50	-23
15 Apr 25	38	57	-19
15 Apr 27	43	70	-27
14 Apr 33	72	n/a	n/a

LGFA continues to provide savings in borrowing cost for councils relative to other sources of borrowing. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury (as a proxy for councils borrowing in their own name) and a mix of banks (as a proxy for general market conditions).

Secondary market credit spread to swap for LGFA and council bonds (basis points)



Secondary market credit spread to swap for LGFA and bank bonds (basis points)



From the table below, we estimate that based upon secondary market spread data as at 30 June 2017, LGFA was saving AA-rated councils between 12 bps and 22 bps depending upon the term of maturity.

30 June 2017	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA-rated councils margin to swap (bps)	33	47	50	54	66
Less LGFA margin to swap (bps)	-12	-15	-20	-24	-38
LGFA gross funding advantage (bps)	21	32	30	30	28
Less LGFA base margin (bps)	-9	-10	-10	-10.5	-11
Total saving (bps)*	12	22	20	19.5	17

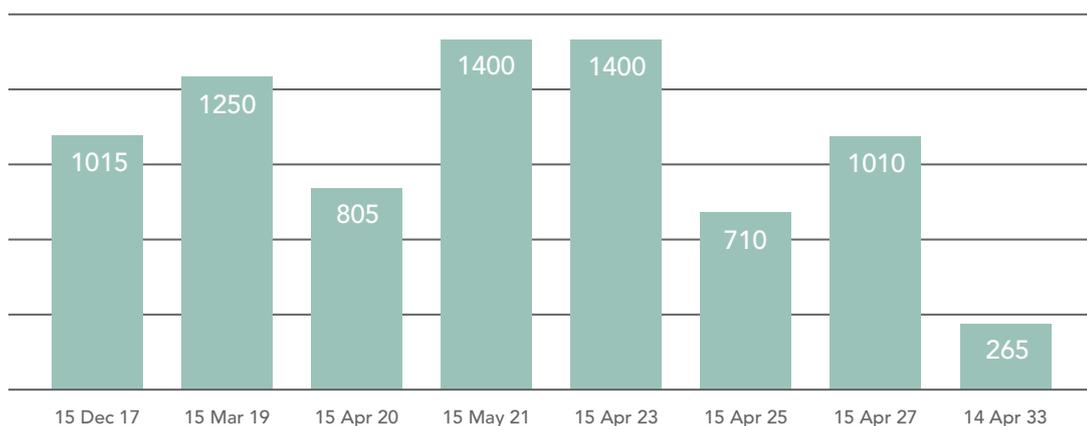
* Note that from this year we have excluded from the estimated savings any positive impact from the 'LGFA effect' that was equivalent to 10 bps of savings evident when LGFA first commenced lending in February 2012.

(ii) **Making longer-term borrowings available to Participating Local Authorities;**

In April 2017, LGFA commenced issuance of a 16-year bond (April 2033). Because of this issuance, LGFA now offers councils the ability to extend their longest dated LGFA borrowing out to April 2033 from the previous maximum maturity date of April 2027.

The following chart shows the total LGFA bond outstandings, including treasury stock, by maturity as at 30 June 2017.

LGFA bonds on issue (\$ million)



The average term of borrowing by councils over the 12-month period to 30 June 2017 was 96 months compared to the average borrowing term over the previous 12-month period to June 2016 of 94 months.

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 for the past 12 months.

Average total months to maturity – on-lending to councils



(iii) **Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practices;**

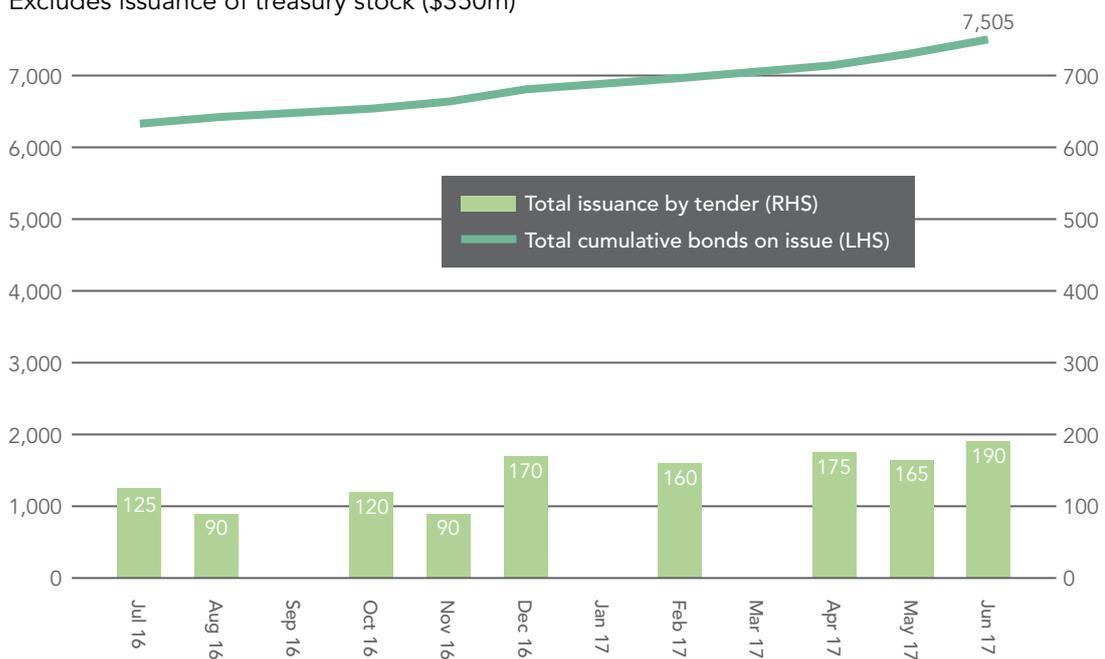
LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover on the NZX Debt Market since listing has been \$16 million per month or 10% of the total turnover of the NZX Debt Market.

LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA can now offer short-term loans of less than one year to councils. As at 30 June 2017, LGFA has short-term loans outstanding to 18 councils of \$222 million.

LGFA held nine bond tenders during the 12-month period to 30 June 2017, with an average tender volume of \$143 million and a range of \$90 million to \$190 million in size.

LGFA bond issuance by tender (\$ million)

Excludes issuance of treasury stock (\$350m)



All tenders were successful and fully subscribed. The average bid-coverage ratio across the nine bond tenders was 2.96 times and this compared to the average of 3.30 times for all 47 bond tenders held since LGFA first commenced issuance in February 2012.

LGFA bond tender results by maturity	2016-17 annual issuance amount	LGFA tender average bid coverage ratio	LGFA tender average successful bid range
15 Dec 17	Nil	n/a	n/a
15 Mar 19	\$20 m	3.38 x	0 bps
15 Apr 20	\$190 m	4.42 x	2 bps
15 May 21	\$30 m	2.80 x	4 bps
15 Apr 23	\$65 m	3.20 x	3 bps
15 Apr 25	\$560 m	2.50 x	6 bps
15 Apr 27	\$205 m	3.30 x	2 bps
14 Apr 33	\$215 m	2.40 x	7 bps
Across all LGFA maturities	\$1,285 m	2.96 x	3.7 bps

The average successful bid range (difference between the highest and lowest successful bid yield) at each tender was 3.7 basis points, with the largest ranges being on the new 2025 and 2033 LGFA maturities.

(iv) **Offering more flexible lending terms to Participating Local Authorities.**

Councils can access flexible lending conditions by using the short-term lending and bespoke lending products. Councils can borrow for terms ranging from 30 days to 16 years at any time they wish to drawdown.

Bespoke lending for council members has continued to grow in popularity over the past year. Since we introduced the ability for councils to have greater flexibility regarding borrowing maturity and date of loan drawdown in February 2015, we have lent \$1.193 billion in bespoke transactions to 36 councils. During the 12-month period to 30 June 2017 we lent \$707 million on a bespoke basis to 29 councils. This was 49% of total term lending to our council members over that period.

Short-term borrowing by councils as at 30 June 2017 was \$222 million comprising borrowing from 18 councils for terms between one and 12 months.

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 lending covenants.

(ii) **LGFA will analyse finances at the Council group level where appropriate;**

LGFA reviews the financial position of each council on a parent basis except for Auckland Council where LGFA analyses the financial statements at both parent and group level. This is because Auckland Council is the only council to deliver a wide range of its essential services on a group basis.

(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 DIA, OAG, LGNZ, Ministry of Business Innovation and Employment (MBIE), Treasury and the Local Government Commission during the 2016-17 year to discuss sector issues. LGFA presented at each of the quarterly media briefings organised by LGNZ.

2 PERFORMANCE AGAINST ADDITIONAL OBJECTIVES

In addition to the two primary performance objectives, LGFA has nine additional performance objectives which complement the primary objectives. This section sets out LGFA's performance for the year ended 30 June 2017 against the additional objectives set out in the 2016-17 Statement of Intent.

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 SOI.

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

On 31 August 2017, the directors of LGFA declared a dividend for the year to 30 June 2017 of \$1,390,000 (\$0.0556 per share). This is calculated on LGFA's cost of funds for the 2016-17 year of 3.56% plus a 2% margin. This is similar to the previous year dividend of \$0.0557 per share.

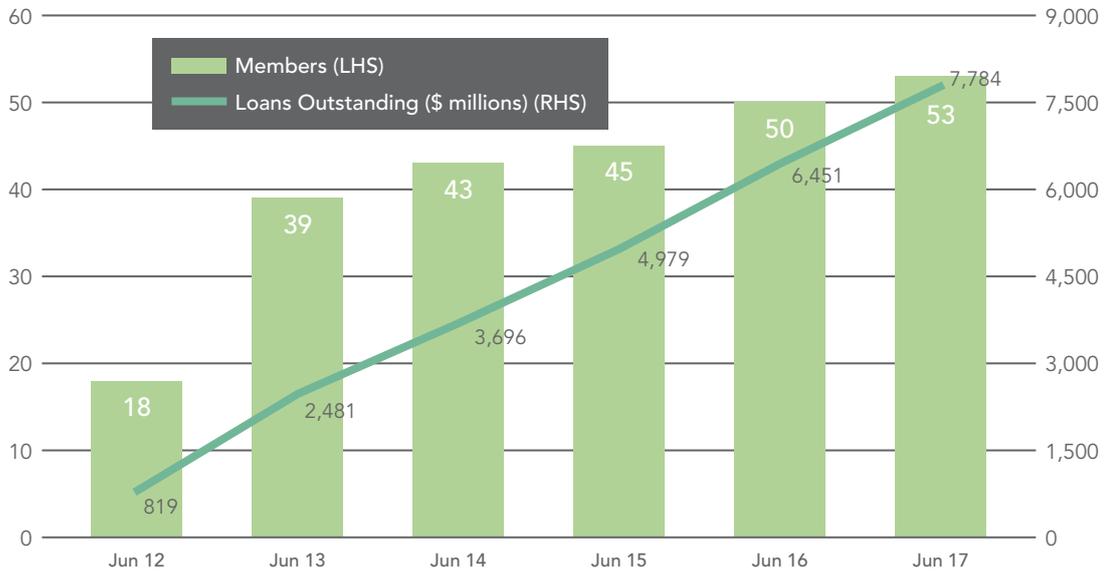
The impact from the current low interest rate is that LGFA has a lower cost of funds. While council borrowers benefit from lower borrowing costs, the dividend payment calculated on the above guidance is lower than it would otherwise be in an environment of higher interest rates.

2.2 Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.

Three councils joined LGFA in the 12-month period to June 2017, bringing the total number of council members to 53. Waitomo District Council joined as a borrower and guarantor while Central Hawkes Bay District Council and Northland Regional Council both joined as a borrower.

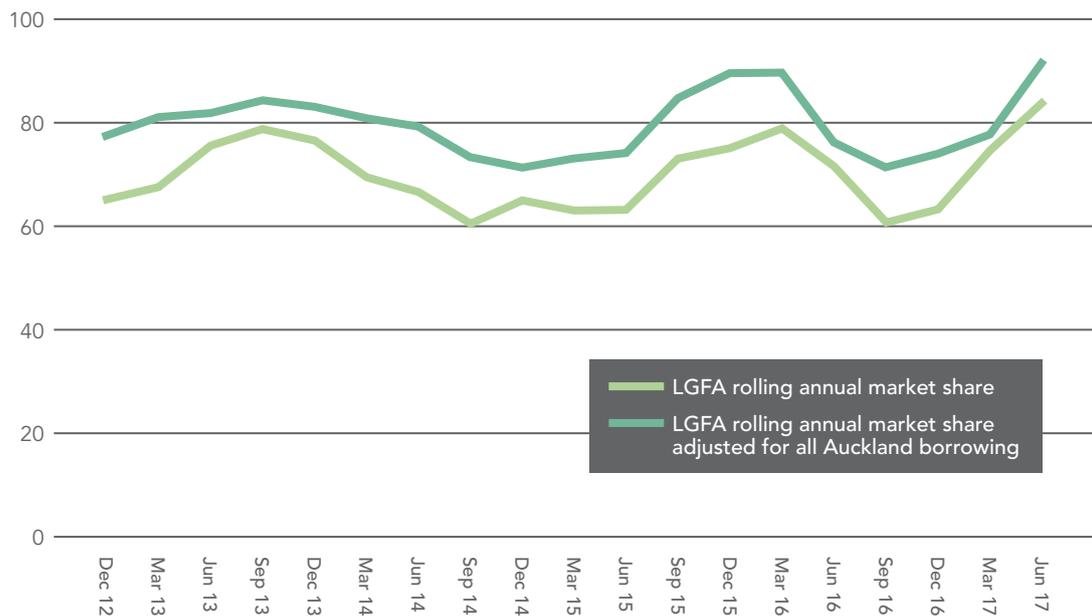
Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 30 June 2017, 50 participating councils have so far borrowed from LGFA.

LGFA Council Members and LGFA loans outstanding



The following chart shows LGFA's share of new local government long-term debt issuance and is derived from data provided by PwC. Our share of long-term borrowing by the sector including non-members of LGFA was 82.9% for the 12-month period to 30 June 2017. 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 LGFA estimated market share for the 12-month period to 30 June 2017 was 91.3%.

LGFA market share – rolling one year average



Source PwC

2.3 Issue a new long-dated LGFA bond.

On 5 April 2017, LGFA commenced the issuance of the 14 April 2033 bond (Tender 44). As at 30 June 2017, there was NZD 265 million on issue (including NZD 50 million of treasury stock).

2.4 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 SOI.

Issuance and operating expenses for the 12-month period to 30 June 2017 were \$6.468 million which is \$112k below SOI forecast. This variance is the consequence of:

Issuance and on-lending costs (excluding AIL) at \$1.845 million were \$106k below budget due to lower fees relating to the NZDMO facility and credit rating agencies, offset by higher NZX and legal costs from the additional bond issuance associated with the introduction of the bond lending facility.

Operating costs at \$2.828 million were \$22k below budget and reflected lower overheads and travel costs than forecast, offset by higher personnel costs.

Approved Issuer Levy payments of \$1.795 million were in line with our forecast of \$1.783 million.

2.5 Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee and reporting on health and safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no health and safety incidents during the 2016-17 year.

The Kaikoura earthquake in November 2016 impacted on Wellington CBD buildings. As a result, staff are currently working from the Local Government New Zealand offices until it is safe to return to LGFA's offices.

2.6 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 Standard & Poor's (S&P) and Fitch rating agencies in September 2016 as part of their annual review process. S&P subsequently affirmed the long-term rating of LGFA at AA+ (stable outlook) on 10 October 2016 and Fitch affirmed the long-term rating as AA+ (stable outlook) on 14 November 2016.

Both the S&P and Fitch ratings reports are available on our website (www.lgfa.co.nz/for-investors/ratings).

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 explicitly linked to the New Zealand Sovereign credit rating.

2.7 Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4 of the SOI.

LGFA's financial results for key items set out in Section 4 of the SOI for the 12-month period to 30 June 2017 are

In \$ million	30 June 2017 actual	30 June 2017 SOI forecast
Net interest revenue	17.51	16.58
Issuance and operating expenses excluding Approved Issuer Levy (AIL)	4.67	4.80
Approved Issuer Levy (AIL)	1.80	1.78
Net Profit	11.05	10.0

LGFA net interest revenue was greater than forecast and expenses were less than forecast.

2.8 Meet or exceed the Performance Targets outlined in section 5 of the SOI.

LGFA achieved three out of its five performance targets in the 12-month period to 30 June 2017

Current performance targets	Target	Result for 12-month period to 30 June 2017	Outcome
LGFA's average cost of funds on debt issued relative to the average cost of funds for New Zealand Government Securities for the 12-month period	Less than 0.50%	0.709%	Not achieved (i)
The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period	No more than 0.10%	0.104%	Not achieved (ii)
LGFA's annual issuance and operating expenses (excluding AIL)	Less than \$4.80m	\$4.67m	Achieved
Total lending to Participating Local Authorities	More than \$7,341m	\$7,736m	Achieved
Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years	Demonstrate savings to council borrowers on a relative basis to other sources of financing	LGFA issuance spreads improved relative to standalone council issuers and NZ registered banks	Achieved

- (i) The outcome is dependent upon the term of borrowing by councils as longer terms of council borrowing require longer issuance by LGFA at wider issuance spreads than for shorter dated issuance. What is more relevant for borrowing councils is the average margin to swap.
- (ii) The outcome is dependent upon the term of borrowing by councils as LGFA on-lending margin reflects a term structure premium for longer borrowing.

2.9 Comply with its Treasury Policy, as approved by the Board.

LGFA was compliant at all times with the Treasury Policy for the 12-month period ending 30 June 2017.



FINANCIAL STATEMENTS

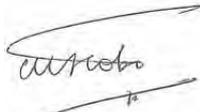
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In the opinion of the directors of the New Zealand Local Government Funding Agency Limited, the financial statements and notes on pages 34 to 58:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2017, 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
31 August 2017



A. Foote, Director
31 August 2017

For the year ended 30 June 2017 in \$000s

	Note	Year ended 2017	Year ended 2016
Interest income from			
Cash and cash equivalents		598	1,153
Loans to local government		219,852	212,438
Marketable securities		2,518	3,333
Deposits		3,782	3,991
Derivatives		93,950	57,237
Fair value hedge ineffectiveness	2c	-	-
Total interest income		320,700	278,152
Interest expense on			
Bills		6,029	3,224
Bonds		293,749	256,247
Borrower notes		3,159	3,150
Bond repurchase transactions		249	-
Total interest expense		303,186	262,621
Net interest income		17,514	15,531
Operating expenses			
Issuance and on-lending expenses	3	3,640	3,166
Operating expenses	4	2,828	2,820
Total expenses		6,468	5,986
Net operating profit		11,046	9,545
Total comprehensive income for the year		11,046	9,545

For the year ended 30 June 2017 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2015		25,000	11,287	36,287
Net operating profit		-	9,545	9,545
Total comprehensive income for the year		-	9,545	9,545
Transactions with owners				
Dividend paid on 15 October 2015		-	(1,608)	(1,608)
Equity as at 30 June 2016		25,000	19,224	44,224
Net operating profit			11,046	11,046
Total comprehensive income for the year			11,046	11,046
Transactions with owners				
Dividend paid on 14 October 2016			(1,392)	(1,392)
Equity as at 30 June 2017	11	25,000	28,878	53,878

As at 30 June 2017 in \$000s

	Note	2017	2016
Assets			
Financial assets			
Cash and bank balances		49,919	37,084
Receivable unsettled bond repurchases		13,723	
Borrower notes receivable		-	800
Loans to local government	5	7,783,932	6,451,332
Marketable securities		127,641	139,339
Deposits		149,949	89,828
Derivatives in gain	2d	364,953	537,379
Non-financial assets			
Prepayments		544	535
Other assets	13	760	955
Total assets		8,491,421	7,257,252
Equity			
Share capital		25,000	25,000
Retained earnings		28,878	19,224
Total equity		53,878	44,224
Liabilities			
Financial liabilities			
Trade and other payables		453	182
Loans to local government not yet advanced		-	50,000
Accrued expenses		554	593
Bills	6	348,179	223,916
Bonds	7	7,865,401	6,819,658
Borrower notes	8	131,614	108,415
Bond repurchases		25,682	-
Derivatives in loss	2d	65,660	10,264
Total liabilities		8,437,543	7,213,028
Total equity and liabilities		8,491,421	7,257,252

For the year ended 30 June 2017 in \$000s

	Note	Year Ended 2017	Year Ended 2016
Cash flow from operating activities			
Cash applied to loans to local government		(1,385,002)	(1,374,440)
Interest paid on bonds issued		(341,100)	(296,800)
Interest paid on bills issued		(6,029)	(3,224)
Interest paid on bond repurchases		(247)	(26)
Interest received from loans to local government		222,121	218,821
Interest received from cash & cash equivalents		597	1,142
Interest received from marketable securities		2,688	1,076
Interest received from deposits		2,661	4,059
Net interest on derivatives		137,262	89,718
Payments to suppliers and employees		(6,246)	(6,165)
Net cash flow from operating activities	10	(1,373,295)	(1,365,838)
Cashflow from investing activities			
Change in marketable securities		11,661	(133,068)
Change in deposits		(59,000)	(19,000)
Change in plant and equipment		195	125
Net cashflow from investing activities		(47,144)	(151,943)
Cashflow from financing activities			
Cash proceeds from bonds issued		1,267,666	1,349,468
Cash proceeds from bills issued		124,263	223,916
Cash proceeds from bond repurchases		11,957	-
Cash proceeds from borrower notes		20,840	19,346
Dividends paid		(1,392)	(1,608)
Cash applied to derivatives		9,940	(67,964)
Net cashflow from financing activities		1,433,274	1,523,158
Net (decrease) / increase in cash		12,835	5,375
Cash, cash equivalents and bank overdraft at beginning of year		37,084	31,708
Cash, cash equivalents and bank overdraft at end of year		49,919	37,083

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 2017.

These financial statements were authorised for issue by the Directors on 31 August 2017.

B. STATEMENT OF COMPLIANCE

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

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) and they comply with NZ IFRS and other applicable Financial Reporting Standards, 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 (three to seven 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, and 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 of 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 2017 in \$000s	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets				
Cash and bank balances	-	49,919	-	49,919
Trade and other receivables	-	-	-	-
Receivable unsettled bond repurchases	-	13,723	-	13,726
Loans to local government	-	7,783,932	-	8,031,625
Marketable securities	-	127,641	-	127,818
Deposits	-	149,949	-	150,559
Derivatives	-	-	364,953	364,953
	-	8,125,164	364,953	8,738,600
Financial liabilities				
Trade and other payables	453	-	-	453
Bills	348,179	-	-	348,296
Bonds	7,865,708	-	-	7,958,723
Borrower notes	131,614	-	-	131,109
Bond repurchases	25,682	-	-	25,682
Derivatives	-	-	65,660	65,660
	8,371,636	-	65,660	8,529,923

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 NZ IFRS 9	Fair value
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Financial assets

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
	-	6,717,583	527,115	7,496,555

Financial liabilities

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
	7,201,371	-	10,264	7,261,760

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 through the use of Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to

changes in interest rates. PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates, whereas VaR measures the expected loss for a given period with a given confidence.

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

As at 30 June 2017 in \$000s	Face value	Less than 6 Months	6 months – 1 Year	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and bank balances	49,919	49,919	-	-	-	-
Loans to local government	7,735,564	6,670,326	6,538	290,500	426,200	342,000
Receivable unsettled bond repurchases	13,723	13,723	-	-	-	-
Marketable securities	126,302	103,747	7,555	15,000	-	-
Deposits	148,000	138,000	10,000	-	-	-
Financial liabilities						
Bills	(350,000)	(325,000)	(25,000)	-	-	-
Bonds	(7,505,000)	(1,015,000)	-	(1,200,000)	(2,105,000)	(3,185,000)
Borrower notes	(120,198)	(103,179)	(80)	(4,648)	(6,819)	(5,472)
Bond repurchases	(25,682)	(25,682)	-	-	-	-
Derivatives	-	(5,418,200)	-	909,200	1,666,250	2,842,750
Total	72,628	88,654	(987)	10,052	(19,369)	(5,722)

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
Financial assets						
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	-	-	-	-
Financial liabilities						
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)
Bond repurchases	-	-	-	-	-	-
Derivatives	-	(5,114,200)	-	865,500	2,329,450	1,919,250
Total	70,142	59,283	6,347	34,512	(49,345)	19,346

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 year ended 30 June in \$000s	2017		2016	
	100 bps increase \$000s	100 bps decrease \$000s	100 bps increase \$000s	100 bps decrease \$000s
Fair value sensitivity analysis				
Fixed rate assets	-	-	-	-
Fixed rate liabilities	272,084	(277,500)	260,219	(264,820)
Derivative financial instruments	(272,084)	277,500	(260,219)	264,820
	-	-	-	-
Cash flow sensitivity analysis				
Variable rate assets	62,982	(62,982)	51,295	(51,295)
Variable rate liabilities	(1,008)	1,008	(820)	820
Derivative financial instruments	(63,867)	63,867	(52,172)	52,172
	(1,893)	1,893	(1,697)	1,697

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 2017 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter- parties	Total carrying value
Financial assets					
Cash and bank balances	49,385	-	534	-	49,919
Trade and other receivables	-	-	-	-	-
Receivable unsettled bond repurchases	-	-	13,723	-	-
Loans to local government	-	7,783,932	-	-	7,783,932
Marketable securities	31,180	16,937	34,845	44,679	127,641
Deposits	-	-	149,949	-	149,949
Derivatives	364,953	-	-	-	364,953
	445,518	7,800,869	199,051	44,679	8,476,394

As at 30 June 2016 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter- parties	Total carrying value
Financial assets					
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	537,379	-	-	-	537,379
	600,857	6,451,332	160,117	42,657	7,254,962

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. LGFA is required by policy to maintain sufficient liquidity (comprising a committed liquidity facility and holdings of cash and liquid investments) to meet all operating and funding commitments over a rolling 12-month period.

The New Zealand Debt Management Office (NZDMO) provides a committed liquidity facility that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall. As at 30 June 2017, the undrawn committed liquidity facility was \$500 million (2016: \$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 2017 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
Financial assets							
Cash and bank balances	49,919	-	-	-	-	49,919	49,919
Trade and other receivables							
Receivable unsettled bond repurchases		13,723	-	-	-	13,723	13,723
Loans to local government	-	211,716	1,135,725	4,077,315	3,388,036	8,812,791	7,783,932
Marketable securities	-	58,808	54,569	15,750	-	129,126	127,641
Deposits	-	34,762	116,848	-	-	151,611	149,949
Financial liabilities							
Trade and other payables	(453)	-	-	-	-	(453)	(453)
Bills	-	(200,000)	(150,000)	-	-	(350,000)	(348,179)
Bonds	-	(30,000)	(1,322,225)	(4,225,800)	(3,612,475)	(9,190,500)	(7,865,708)
Bond repurchases	-	(25,684)	-	-	-	(25,684)	(25,684)
Borrower notes	-	-	(17,192)	(66,814)	(62,910)	(146,916)	(131,614)
Derivatives							
	-	(14,673)	149,931	368,393	151,532	655,184	299,600
	49,466	48,652	(32,344)	168,844	(135,817)	98,801	53,126

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
Financial assets							
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
Financial liabilities							
Trade and other payables	(182)	-	-	-	-	(182)	(182)
Loan 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)
Derivatives							
		(13,051)	131,464	348,914	130,946	598,273	527,115
	36,902	94,612	38,611	(98,761)	21,875	93,239	42,527

C. HEDGE ACCOUNTING

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA uses interest rate swaps to manage this interest rate risk. 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 30 June in \$000s	2017 Gain/(loss)	2016 Gain/(loss)
Hedging instruments – interest rate swaps	(174,572)	236,449
Hedged items attributable to the hedged risk – fixed rate bonds	174,572	(236,449)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

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 2017 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	364,953	(65,660)
Amounts offset	-	-
Carrying amounts	364,953	65,660
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(65,660)	(65,660)
Collateral	-	-
Net Amount	299,293	-

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	-	-
Net Amount	527,115	-

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 in \$000s	2017	2016
NZDMO facility fee	442	400
NZX	412	177
Rating agency fees	547	527
Legal fees for issuance	169	144
Regulatory, registry, other fees	37	52
Trustee fees	100	100
Approved issuer levy ¹	1,795	1,628
Information Services	138	120
	3,640	3,148

1. The amount of Approved Issuer Levy is a function of the number of the 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 in \$000s	2017	2016
Consultants	51	164
Directors fees	348	307
Insurance	60	61
Legal fees	37	327
Other expenses	875	716
Auditors' remuneration		
Statutory audit	81	86
Advisory services ¹	4	
Personnel	1,372	1,163
Recruitment	-	14
	2,828	2,838

1. KPMG provided advisory services related to accounting for bond repurchase trades.

5 Loans to local government

For the year ended 30 June in \$000s	2017		2016	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	10,018	25,707	10,006	15,820
Auckland Council	-	2,429,887	-	2,158,614
Buller District Council	-	20,001	-	20,002
Canterbury Regional Council	-	25,083	-	25,036
Christchurch City Council	96,280	1,485,304	65,177	1,209,669
Far North District Council	-	30,121	-	10,040
Gisborne District Council	-	27,085	4,970	17,060
Gore District Council	6,023	11,034	6,026	6,042
Greater Wellington Regional Council	-	280,702	-	255,660
Grey District Council	-	20,551	-	20,655
Hamilton City Council	-	351,028	-	230,663
Hastings District Council	-	60,211	-	50,175
Hauraki District Council	-	41,139	-	34,133
Horizons Regional Council	-	10,013	-	10,015
Horowhenua District Council	12,013	63,923	7,007	47,870
Hurunui District Council	-	23,085	-	17,069
Hutt City Council	-	97,727	-	79,711
Kaipara District Council	8,925	43,172	-	35,156
Kapiti Coast District Council	-	210,623	-	150,471
Manawatu District Council	-	58,094	-	51,035
Marlborough District Council	19,851	63,207	-	28,067
Masterton District Council	2,006	52,209	3,002	44,169
Matamata-Piako District Council	-	29,581	-	24,573
Nelson City Council	-	55,201	10,007	35,171
New Plymouth District Council	-	61,167	-	61,193
Opotiki District Council	-	5,180	-	5,210
Otorohanga District Council	-	9,178	-	9,246
Palmerston North City Council	10,025	77,255	-	77,295
Porirua City Council	-	28,608	9,982	23,621
Queenstown Lakes District Council	7,070	86,177	-	76,371
Rotorua District Council	1,001	114,976	-	100,025
Selwyn District Council	-	35,050	-	35,056
South Taranaki District Council	-	62,267	9,989	62,234
South Wairarapa District Council	4,034	13,586	-	7,536
Tararua District Council	1,004	10,033	-	9,033
Tasman District Council	-	90,273	-	90,314
Taupo District Council	-	125,417	-	125,431
Tauranga City Council	-	347,207	-	277,009
Thames-Coromandel District Council	-	35,061	-	35,069
Timaru District Council	10,047	67,347	9,737	51,325
Upper Hutt City Council	2,997	31,628	-	24,591
Waikato District Council	-	80,265	-	60,212
Waimakariri District Council	10,010	85,797	10,005	75,861
Waipa District Council	-	13,015	-	13,018
Waitomo District Council	5,022	25,027	-	-
Wellington City Council	-	294,047	-	233,884
Western Bay of Plenty District Council	-	105,386	-	70,233
Whakatane District Council	6,021	34,129	3,015	28,076
Whanganui District Council	-	66,327	-	41,162
Whangarei District Council	9,972	142,522	9,968	122,558
	222,318	7,561,614	158,891	6,292,441

6 Bills on issue

As at 30 June 2017 in \$000's

Maturity date	Face value	Unamortised premium	Accrued interest	Total
12 July 2017	50,000	(30)	-	49,970
4 August 2017	25,000	(46)	-	24,954
16 August 2017	50,000	(129)	-	49,871
13 September 2017	50,000	(204)	-	49,796
26 September 2017	25,000	(126)	-	24,874
11 October 2017	25,000	(143)	-	24,857
26 October 2017	25,000	(172)	-	24,828
15 November 2017	25,000	(194)	-	24,806
27 November 2017	25,000	(223)	-	24,777
13 December 2017	25,000	(232)	-	24,768
26 January 2018	25,000	(322)	-	24,678
	350,000	(1,821)	-	348,179

As at 30 June 2016 in \$000's

Maturity date	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
	225,000	(1,084)	-	223,916

7 Bonds on issue

Bonds on issue do not include LGFA bonds subscribed by LGFA and held as treasury stock. However, LGFA bonds listed on the NZX include LGFA bonds subscribed by LGFA and held as treasury stock. Refer note 9: Treasury stock and bond repurchase transactions.

As at 30 June 2017 in \$000's

Maturity date		Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 December 2017	6% coupon	1,015,000	7,763	2,662		
15 March 2019	5% coupon	1,200,000	19,488	17,609		
15 April 2020	3% coupon	755,000	(12,471)	4,765		
15 May 2021	6% coupon	1,350,000	68,236	10,345		
15 April 2023	5.5% coupon	1,350,000	69,813	15,621		
15 April 2025	2.75% coupon	660,000	(34,201)	3,818		
15 April 2027	4.5% coupon	960,000	33,450	9,089		
14 April 2033	3.5% coupon	215,000	(20,650)	1,604		
Total		7,505,000	131,428	65,513	163,460	7,865,401

As at 30 June 2016 in \$000's

Maturity date		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		
Total		6,220,000	205,372	56,254	338,032	6,819,658

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.

9 Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 30 June 2017, treasury stock had been issued in the following maturities (in \$000s):

	2017	2016
15 March 2019	50,000	-
15 April 2020	50,000	-
15 May 2021	50,000	-
15 April 2023	50,000	-
15 April 2025	50,000	-
15 April 2027	50,000	-
14 April 2033	50,000	-
Total	350,000	-

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

Each month, LGFA notifies the market the amount of outstanding repurchase transactions and LGFA bonds held as treasury stock.

As at 30 June 2017, bond repurchase transactions comprised:

		30 June 2017	30 June 2016
		Bond repurchase trades	Bond repurchase trades
15 March 2019	5% coupon	-	-
15 April 2020	3% coupon	-	-
15 May 2021	6% coupon	-	-
15 April 2023	5.5% coupon	-	-
15 April 2025	2.75% coupon	9,981	-
15 April 2027	4.5% coupon	15,701	-
14 April 2033	3.5% coupon	-	-
		25,682	-

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

For the year ended 30 June in \$000s	2017	2016
Net profit/(loss) for the period	11,046	9,545
Cash applied to loans to local government	(1,385,002)	(1,374,440)
Non-cash adjustments		
Amortisation and depreciation	438	(756)
Working capital movements		
Net change in trade debtors and receivables	271	(224)
Net change in prepayments	(9)	(212)
Net change in accruals	(39)	248
Net Cash From operating activities	(1,373,295)	(1,365,838)

11 Share capital

As at 30 June 2017 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	2017		2016	
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 District 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%
	45,000,000	100%	45,000,000	100%

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, while remaining a going concern.

Dividend

LGFA paid a dividend of \$1,392,500 on 14 October 2016, being \$ 0.0557 per paid up share (2015: \$1,607,500, being \$ 0.06826 per paid up share).

12 Operating leases

Following the November 2016 Kaikoura earthquake, LGFA registered offices at 142 Featherston Street, Wellington are unable to be occupied. To date, there is no agreed date for re-occupation and contractual lease payments have been suspended by agreement until future notice.

13 Other assets

As at 30 June in \$000s	2017	2016
Property, plant and equipment ¹	-	43
Intangible assets ²	760	912
Total other assets	760	955

1. Property, plant and equipment were fully depreciated during the financial year.

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

14 Capital commitments

As at 30 June 2017, 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 11.

The Company operates under an annual Statement of Intent with the respective local authorities that sets out the intentions and expectations for LGFA's operations and lending to participating local authorities.

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. Refer note 8.

NZDMO provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Transactions with key management personnel

Salaries \$802,434 (2016: \$704,084)

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

17 Subsequent events

Subsequent to balance date, LGFA has issued \$255 million bonds through two tenders.

Subsequent to balance date, on 31 August 2017, the Directors of LGFA declared a dividend of \$1,390,000 (\$ 0.0556) per paid up share.

Right: Christchurch office and Council Chambers opened in April 2015. Environment Canterbury.





INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

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

Opinion

We have audited:

- the financial statements of the Company on pages 34 to 58, that comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including accounting policies and other explanatory information; and
- the performance information of the Company on pages 20 to 29.

In our opinion:

- the financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards (IFRS)
- 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 2017.

Basis for opinion

We conducted our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements and the performance information section of our report. We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In addition to the audit we have carried out an engagement in the area of technical accounting advice, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Company.

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

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at \$56.8 million determined with reference to a benchmark of company Total Assets. We chose the benchmark because, in our view, this is a key measure of the company's performance. In addition, we also assess whether other matters that



come to our attention during the audit would in our judgement change or influence the decisions of a reasonably knowledgeable person ('qualitative' materiality).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

The key audit matter	How the matter was addressed in our audit
<i>Existence and impairment of loans</i>	
<p>Refer to Note 5 to the Financial Statements.</p> <p>The loans LGFA has provided to local government make up over 90% of total assets. The loans are recognised at amortised cost and the nature of the counterparties is such that we do not consider these loans to be at high risk of significant misstatement. However, based on their materiality, and the judgement involved in assessing the credit worthiness of counterparties they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - understanding the processes in place to assess borrowers and to record loan transactions. This included evaluating the control environment in place at LGFA. - agreeing the 30 June 2017 loan balances to confirmations received from the individual borrowing councils. - assessing the borrowers' compliance with financial covenants. <p>We did not identify any material differences in relation to the existence or impairment of loans.</p>
<i>Application of hedge accounting</i>	
<p>Refer to Note 2 of the Financial Statements.</p> <p>LGFA enters into derivatives (interest rate swaps) to manage interest rate risk related to issuing fixed rate bonds. Fair value hedge accounting is applied where specific requirements are met around documentation of the hedge relationship and the relationship is demonstrated as being an effective hedge. Hedge accounting is complex, particularly in the area of whether the requirements (both initial and ongoing) for its application are met. Should the requirements for hedge accounting not be met, LGFA could experience significant volatility in the Statement of Comprehensive Income from changes in the fair value of the derivatives.</p> <p>Due to the size of the derivative positions and the complexity of hedge accounting we consider this to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> - agreeing the terms of the derivatives to the confirmation provided by the derivative counterparty. - using our treasury valuation specialists we independently recalculated the fair value of all of the derivatives recorded by LGFA. - ensuring the hedge documentation supporting the application of hedge accounting was in accordance with relevant accounting standards. - determining based on sample testing that management's hedge effectiveness calculations were correctly performed using appropriate source information. <p>We are satisfied that the application of hedge accounting is appropriate.</p>



Other information

The directors are responsible on behalf of the Company for the other information. The other information comprises the information included on pages 4 to 17 and 64 to 68, but does not include the financial statements and the performance information and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements and the performance information

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for preparing the performance information for the Company.

In preparing the financial statements and the performance information, the directors are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of shareholders taken on the basis of these financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements and the performance information of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

Brent Manning
KPMG
On behalf of the Auditor-General
Wellington, New Zealand
31 August 2017

Credit rating

As at 30 June 2017, 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	<p>Director</p> <p>Precinct Properties New Zealand Limited</p> <p>Elevation Capital Management Limited</p> <p>Saturn Portfolio Management Limited</p> <p>Stobo Group Limited</p> <p>AIG Insurance NZ Limited</p> <p>Fliway Group Limited</p> <p>Bureau Limited</p> <p>SouthWest Trustees Limited</p> <p>Appello Services Limited</p> <p>Biomarine Group Limited</p> <p>Legend Terrace Limited</p>	<p>General disclosure</p> <p>Chair, Establishment Board, Local Government Risk Agency</p>
John Avery	<p>Director</p> <p>Spider Tracks Limited</p> <p>Fund Managers Auckland Limited</p> <p>Strategic Pay Limited</p> <p>Strategic Pay Trustee Service Limited</p>	<p>General disclosure</p> <p>The New Zealand School of Dance (Trustee)</p> <p>New Zealand Dance Advancement Trust (Trustee)</p> <p>Stinger Trust (Trustee)</p>
Philip Cory-Wright	<p>Director</p> <p>South Port New Zealand Limited</p> <p>Matariki Forests Limited</p> <p>Papa Rererangi i Puketapu (New Plymouth Airport)</p>	
Abby Foote	<p>Director</p> <p>Z Energy Limited</p> <p>BNZ Life Insurance Limited (ceased 30 June 2017)</p> <p>Livestock Improvement Corporation Limited</p> <p>The Museum of New Zealand Te Papa Tongarewa</p> <p>Television New Zealand Limited</p>	

Linda Robertson	Director 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	General disclosure 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		General disclosure Officer, Greater Wellington Regional Council Chairman of Finance Committee, Physiotherapy New Zealand

DIRECTOR REMUNERATION

Director	2017(\$)
Craig Stobo	\$90,000
John Avery	\$51,000
Philip Cory-Wright	\$51,000
Abby Foote	\$54,000
Mike Timmer	\$51,000
Linda Robertson	\$51,000
Total	\$348,000

STAFF REMUNERATION

Total remuneration	2017
\$110,000 to \$119,999	1
\$200,000 to \$209,999	1
\$260,000 to \$269,999	1
\$540,000 to \$549,999	1
Total staff receiving \$100,000 or more	4

DONATIONS

No donations were made by LGFA during the year ended 30 June 2017.

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:

- a. 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;
- b. 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
- c. 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 2017 is \$6.86 (2016: \$7.11).

EARNINGS PER SECURITY

Earnings per \$1,000 of listed bonds as at 30 June 2017 is \$1.41 (2016: \$1.53).

AMOUNT PER SECURITY OF FINAL DIVIDENDS

Not applicable.

SPREAD OF QUOTED SECURITY HOLDERS

Spread of bondholders (LGF010, LGF020, LGF030, LGF040, LGF050, LGF060, LGF070 and LGF080) as at 30 June 2017.

Holding range	Holder count	Holding quantity	Holding quantity %
10,000 to 49,999	451	\$11,663,000	0.15
50,000 to 99,999	158	\$10,944,000	0.14
100,000 to 499,999	201	\$44,060,000	0.56
500,000 to 999,999	35	\$24,921,000	0.32
1,000,000 and above	71	\$7,763,412,000	98.83
Total	916	\$7,855,000,000	100



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Mercury Bay Sports Park. Thames-Coromandel District Council.

Back cover: Lower Hutt's Avalon Park Playground, opened in October 2016. Hutt City Council.



