

Annual Report 2017-18



CONTENTS

1.	Introduction.....	4
1.1.	Message from the Mayor.....	4
1.2.	Report from the Audit Office.....	6
1.3.	Councillors and their contact details.....	10
1.4.	Tirau Community Board members.....	10
2.	The Council strategy	11
2.1.	Council's vision	11
2.2.	Council's outcomes and strategies.....	11
2.3.	Financial strategy limits.....	13
2.4.	Community outcomes	13
2.5.	Report on achievement of objectives in funding and financial policies.....	15
2.6.	Revenue and financing policy report.....	16
2.7.	Summary of actual and target revenue sources.....	17
2.8.	Annual report disclosure statement for the year ending 30 June 2018.....	18
3.	Activities Section.....	23
3.1.	Transport and Roding.....	23
3.2.	Recreation and facilities.....	27
3.3.	Economic and community development.....	33
3.4.	Water supply.....	37
3.5.	Stormwater.....	40
3.6.	Wastewater.....	43
3.7.	Solid Waste and Recycling.....	46
3.8.	Regulatory.....	49
3.9.	Governance and corporate.....	55
3.10.	Customer Satisfaction survey.....	60
3.11.	Involvement with Council Controlled Organisations (CCOs).....	63
4.	Financial statements	71
4.1.	Statement of compliance.....	71
4.2.	Financial statements.....	72
	Statement of comprehensive revenue and expenses.....	72
	Statement of changes in equity.....	73
	Statement of financial position.....	74
	Statement of cashflows.....	75
	Funding Impact Statement - whole of Council.....	76
4.3.	Notes to the financial statements.....	77
	Reporting entity.....	77
	Basis of preparation.....	77
	Significant accounting policies.....	77

1. INTRODUCTION

1.1. Message from the Mayor

Due to the scale and complexity of activities that Council delivers to residents of the South Waikato, the 2017-18 year was another big, but positive year for Council and our community.

Council remains in a strong financial position despite the fact that our debt increased this year from \$12.567m to \$15.221m. This increase was mainly due to repaying our internal loans of \$1.7m and replacing these with external loans. We do have investments of \$18.1m set aside for replacement of our assets.

Our operating surplus was abnormally high at \$3.6m against a budget of \$0.3m. Most of this was because of the additional New Zealand Transport Agency (NZTA) subsidy received for the LED street lighting capital expenditure.

Council made progress on some significant projects and outcomes over the course of the year.

Our work on the districts four wastewater treatment plant upgrades and consent renewals continued alongside Raukawa, iwi and other stakeholders to determine the best options to reduce nutrients to the level that will achieve pending legislation under Healthy Rivers.

We continue to investigate the optimum solutions to manage solid waste in the district, which includes recycling, kerbside rubbish collection and the future of our landfill.

The new Tokoroa Skatepark was constructed and opened in June 2018. This facility has seen significant use by locals and visitors alike. With its location so visible from State Highway 1, it has attracted interest from passing motorists and presents a very positive and attractive introduction to Tokoroa. We are confident that the Tokoroa CBD upgrade will have a similar effect. This major project has started with the removal of the trees and some Talking Poles (either relocated or stored ready to be reinstated). The building consenting process has been slower than hoped due to the challenges presented by this unique building and project, but we anticipate this will be signed off in the third quarter 2018.

An E.coli issue in the Putāruru Water Supply occurred, requiring a boiled water notice to be issued. The E.coli was treated very effectively and we have identified areas where communications to residents and businesses can improve. Already in the plans - and now commissioned - is ultra-violet and micro-filtration at the Glenshea water supply and chlorine treatment at Te Waihou works, ensuring Council meets its obligations under the Drinking Water Standards.

Responding to economic growth - both population and business - has been a focus of Council over the past year. A 30 year growth strategy for Putāruru was adopted by Council in July 2017. A District Plan change to rezone land for residential and business land in Putaruru is being developed.

Council continues to collaborate with the SWIF Trust on a range of initiatives from business training to positioning the South Waikato to attract business investment.

Council successfully reviewed, consulted on and adopted 13 Bylaws. In addition, we also adopted an Easter Trading Policy allowing retailers to trade on Easter Sunday if they wish to. And we carried out a comprehensive review of the Gambling Class 4 and Racing Board Venue Policy. The review attracted considerable community interest. Council retained its Sinking Lid clause and strengthened other parts of the Policy.

Council successfully adopted its Long Term Plan 2018-28 - this is a short sentence, backed by hundreds of hours of work from Council staff and Elected Members. Good to see we got it over the line again by year end. The Long Term Plan is future focussed without losing sight of immediate opportunities. It identifies strategies and projects that will stand the district in very good stead over the next 10 years based on Council's Growth, Resilience and Relationship outcomes.

We resolved to improve our engagement framework rather than introduce Māori seats on Council. The question to introduce Māori seats or not was evenly split across our community.

Our district is certainly embracing technology when and where it can. Over the year we installed free WiFi in the Tokoroa CBD, along with new CCTV cameras; and an upgrade to CCTV cameras in Putāruru. While not a Council project, it is pleasing to see that Putāruru and Tīrau are currently having UltraFast Fibre installed as part of the government's broadband initiative.

A number of other significant projects for the 2017-18 financial year are highlighted below:

The accelerated street light replacement programme across the district was completed with over 2,000 old lamps replaced with LED lights. This project was 85% funded by NZTA with total budget set at \$2.6m, meaning a significant discount for ratepayers. Council is especially proud of this project.

The completion of the Tīrau rail crossing safety improvements will now provide safe crossing passage to the Tīrau Domain over the railway line. This project was 100% NZTA and Kiwi Rail funded. Upon completion of the ramp at the crossing, work can continue on the Tīrau Walkway and Domain project.

Annual Report 2017-18

Patronage at all district pools facilities and the South Waikato Sport and Events Centre increased in the 2017-18 year compared to the 2016-17 year. Despite fees remaining the same, revenue also increased at the pools, with a small decrease at the Events Centre.

The Our Neighbourhood series of events was successfully carried out in partnership with key stakeholders. The series was again used to promote council leisure and recreational facilities.

In collaboration with Pride in Putāruru, Putāruru Moving Forward and SWIF the Putāruru Concept Plan was developed and consulted on. This is a great example of a community taking the lead in driving their town forward with the support of and working collaboratively with Council.

A new Library Management System (Kotui) was scoped and implemented for the District libraries, providing an improved library experience for our library customers.

A sub-regional development plan (the Southern Waikato Economic Development Action Plan) for the South Waikato, Waitomo and Otorohanga Districts was progressed. This is a joint project for councils, Waikato Means Business and other stakeholders and gives Council a direct relationship with MBIE which will be very important as our district population continues to grow.

Council participated in the development of and is now a part funder of a new Waikato Regional Economic Development Agency.

Business Case Management continues to produce positive results in streamlining business aspirations of the community, by acting as a liaison between customers and the various Council departments for over 60 new business proposals for the district.

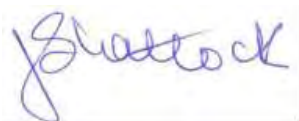
Council continues to support environmental sustainability and is pleased that over 30,000 native plants were planted on farms to improve water quality in the district through the South Waikato Environmental Initiatives (SWEI) funding and joint funded projects with the Waikato River Authority (WRA). Council also continues to support eight schools in the South Waikato through the Enviroschools Programme.

Increasing levels of community engagement over the 2017-18 year has been encouraging. This has resulted in the need to grow resource into the area of information sharing, engagement, response and media liaison. Digital engagement and information platforms continue to be developed and implemented.

Council has undertaken a significant investment to upgrade its phone system technology to ensure we continue to improve productivity and customer service, like any system it is taking time to bed in and to be utilised fully but we believe it will add significant value in the near future.

We made improvements to a number of processes over the year, including project management, the procurement process, project framework and have established new Key Performance Indicators to ensure Council delivers on its identified district and operational outcomes.

The 2017-18 year has certainly been a massive one. Council has taken the bull by the horns in terms of supporting, facilitating, attracting and seeking economic opportunities to grow and improve our district and respond to our growing population and towns. This has put pressures on the organisation, but we are rising to the challenge and already 2018-19 looks set to be another positive year.



Jenny Shattock QSM JP

MAYOR

1.2. Report from the Audit Office



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SOUTH WAIKATO DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Auditor-General is the auditor of South Waikato District Council (the District Council). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 4 October 2018. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 72 to 119:
 - o present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2018;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 76, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision (referred to as groups of activities) on pages 23 to 59:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2018, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities included between pages 23 to 59, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and



- the funding impact statement for each group of activities included between pages 23 to 59, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 18 to 22, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

We carried out 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. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.



We did not evaluate the security and controls over the electronic publication of the audited 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. Also:

- We identify and assess the risks of material misstatement of the audited 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.
- We 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 District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited 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 audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council 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.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 5, 10 to 17 and 60 to 71, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, 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.



4 October 2018

Page 9

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagements in the areas of the audit of the 2018-28 Long Term Plan, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.

A handwritten signature in black ink, appearing to read "M. Youngson".

Melissa Youngson
Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

1.3. Councillors and their contact details



Councillors from left to right back row: Jeff Gash (Deputy Mayor), Bill Machen, Marin Glucina, Peter Schulte, Gray Baldwin and Herman Van Rooijen

Left to right front row: Wendy Cook, Adrienne Bell, Jenny Shattock (Mayor) and Arama Ngapo-Lipscombe

Councillor Name	Phone number	Email Address	Ward
Jenny Shattock	885 0716 027 441 6230	jenny.shattock@southwaikato.govt.nz	Mayor
Jeff Gash	027 974 327	jeff.gash@outlook.com	Tokoroa
Gray Baldwin	027 239 0497	gray.baldwin@icloud.com	Putāruru
Adrienne Bell	027 471 2404	adriennejb@yahoo.co.nz	Putāruru
Wendy Cook	021 719 093	wendy@pockets.co.nz	Tokoroa
Marin Glucina	021 416 076	glu-@hotmail.com	Tokoroa
Thomas Lee	027 332 1292	lee.whanautk@gmail.com	Tokoroa
Bill Machen	027 471 5899	lilyandbill@xtra.co.nz	Tokoroa
Arama Ngapo-Lipscombe	027 533 9988	arama@nll.co.nz	Tokoroa
Peter Schulte	021 434 933	peter@otobahncoffee.com	Tirau
Herman Van Rooijen	027 246 6601	vanrooijen@xtra.co.nz	Putaruru

1.4. Tirau Community Board members

Name	Phone Number	Email Address
Cassandra Robinson (Chair)	027 243 4931	cassandra.r@xtra.co.nz
Clive Collingwood	027 245 8027	noddy.collingwood@gmail.com
Sharon Burling-Claridge	07 883 1776	cadillacafe@xtra.co.nz

2. THE COUNCIL STRATEGY

The Council Strategy is set in the Long Term Plan 2015-25 and presents what Council is going to do for the next ten years to make our district a better place to live and work.

At the core of our strategy is our vision (how Council envisages our community in 30 years' time), our outcomes (what Council would like achieve to make the vision a reality) and our strategies (what Council will actually do to achieve the outcomes). To put it simply, everything that Council does should align with our strategies, outcomes and vision.

The 2018-28 Long Term Plan was adopted during the year, and will be reported against in the 2018-19 Annual Report.

2.1. Council's vision

The Council vision describes how Council would like to see our community in 30 years. Our vision is 'Healthy people thriving in a safe, vibrant and sustainable community'.

2.2. Council's outcomes and strategies

The Council outcomes are the goals that Council is working towards over the next 10 years to achieve the vision. Each Council outcome links to one or more strategies. These strategies describe the broad actions that Council will undertake to achieve the outcomes. Council's outcomes and strategies are shown on the next page.

Outcomes

Grow our Economy

Existing businesses thrive and new businesses start up in the district.



Strategies

Economic Development

Stimulate economic development by assisting existing and attracting new businesses while encouraging diversity.
Encourage education and training to improve the employment opportunity of the district's residents.

Improved External Image

People outside our district are encouraged to live, work and develop business here.



District Promotion

Use a full range of marketing tools in conjunction with other organisations, to encourage external people to visit and live and develop businesses in our district.

Well-managed Infrastructure

Our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for households and businesses, now and in the future.



Efficient and Effective Operations

Provide sound total asset management planning.
Sustainability is embedded in all of Council's operations

Efficient Council Operations

Council ensures that our business practices are efficient and effective and achieved through successfully working with our community.

Sustainable Council Operations

We have regard to sustainability while operating in a cost effective manner.

Quality Regulatory Service

Council delivers a local regulatory service that keeps our community safe and is cost effective to households and businesses, now and in the future.



Regulatory Services

Provide regulatory services that meet legislative requirements while supporting our customers.

Quality Services and Facilities

Council provides quality local public services and facilities which are cost effective to households and businesses, now and in the future.



Services and Facilities

Enhance access to and use of Council's services and facilities.

Community Pride

Council provides services that make residents proud of our district, celebrating the artistic, sporting and cultural achievements of our people and the diversity of our cultures.



Community pride

Through improved communication, community activities and enhanced physical environment Council will focus on making our community proud and engaged.
Maintain and support our community's art and culture and support cultural displays and events.

Cultural Leadership

We support and encourage cultural leadership and capacity building.



Cultural leadership

Build and maintain a strong strategic and operational relationship with Raukawa.
Build and maintain a strong working relationship with Māori at all levels of Council.
Build and maintain a strong working relationship with all cultures present in our district.

2.3. Financial strategy limits

Council recognises the financial constraints on our community, and in order to protect financial integrity, Council has set limits on the amount of rates that it can collect and the amount of debt that it can accumulate. Whether or not we have achieved compliance with these limits is discussed below.

Financial Measure	Limit	Achieved?	Comment
Rates Increase	Not to exceed the Local Government Cost Index + 2% in any one year	Yes	Rates increase was 3.9%. LGCI for 2018 plus 2% was 4.46%.
External debt	External loans not to exceed \$17m plus the level of internal loans borrowed from the Asset Replacement Reserves	Yes	External loans as at 30 June 2018 were \$15.221m
Internal debt	Limited to the lowest of 20% of the value of our Asset Replacement Reserves or \$3m.	Yes	Internal loans as at 30 June 2018 were nil

2.4. Community outcomes

Grow Our Economy: Existing businesses thrive and new businesses start up in the district.

Business Case Management

Our elected members and staff have worked proactively with new businesses wishing to set up in our district, or existing businesses wishing to expand. Council has a dedicated Business Case Manager, who helps guide businesses through the regulatory processes. This approach has helped to secure new businesses and business expansion in our district. Business Case Management success in streamlining the business aspirations of the community, by acting as a liaison between customers and the various Council departments for over 60 new proposals.

Putāruru Growth Plan

Following the adoption of the Putāruru Growth Plan in July 2017 and in response to continued growth pressure, work commenced on a District Plan change to rezone portions of the new residential and business areas identified in the growth plan. When it became apparent there was less infrastructure capacity than initially thought, significant work was initiated to model the core infrastructure required to support the rezoning - particularly in relation to water supply, stormwater and wastewater. The Putāruru Concept Plan was prepared and completed in partnership with Pride in Putāruru and Putāruru Moving Forward. This plan incorporates the growth planning work completed in 2017 alongside a future vision for many other aspects of the Putāruru community. The Plan was endorsed by PIP/PMF in June 2018 and finally endorsed by Council in July 2018.

Pride in Putāruru Funding

Additional council funding for Pride in Putāruru was consulted on and confirmed in the 2017/18 year. A new funding contract that included additional responsibilities for Pride in Putāruru and set parameters for the management of the funding was formally agreed with Council in June 2018.

Southern Waikato Economic Development Action Plan

A sub-regional development plan - (the Southern Waikato Economic Development Action Plan) for the South Waikato, Waitomo and Otorohanga Districts was progressed. This is a joint project for the Councils, Waikato Means Business and other stakeholders.

Improved External Image: People outside our district are encouraged to live, work and develop businesses here.

The physical works for the CBD upgrade has begun with the removal of trees from Leith Place. Two of the talking poles have been removed. One was relocated outside the Tokoroa Pools while the other has been placed in storage awaiting for the creation of the talking pole forest. The concept design was provided by DCA architects and information centre, the focus point of the design is currently going through the building consent process.

Over 30,000 native plants have been planted on farms to improve water quality in the South Waikato District through South Waikato Environmental Initiatives (SWEI) funding and joint funded projects with the Waikato River Authority (WRA).

Well Managed Infrastructure: our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for household and businesses, now and in the future.

In the 2017/2018 financial year a significant amount of investment was placed into the area of water supply. The Glenshea water supply in Putāruru had an ultra violet and micro-filtration treatment process installed as part of Council's obligation to meet the Drinking Water Standards. Additionally, Chlorine treatment was installed at the Te Waihou water treatment works.

The accelerated LEDs district wide conversion project was completed having over 2000 old lamps replaced with LED luminaires. The project was 85% funded by NZTA with total budget set at \$2.6m. The estimated energy saving of this project is approximately 40%.

The completion of the Tīrau rail crossing safety improvements will now provide safe crossing passage to the Tīrau Domain over the rail. This project was 100% NZTA and Kiwi Rail funded.

A number of traffic improvements were undertaken in Tīrau these include - On-road parking marked, pedestrian crossing improvements design including safety audit complete and signage review. Physical works on crossing and signage will be undertaken during 2018-19.

A Quality Planning Regulatory Service: Deliver a local planning regulatory service that keep source community safe and is cost effective to households and businesses, now and in the future.

Council's Bylaw framework was successfully reviewed and adopted of following Special Consultative Procedure with the public.

Council adopted an Easter Trading Policy that was highly supported and desired by the local community

A robust and comprehensive review of the Gambling Class 4 and Racing Board Venue Policy was carried. The review engaged considerable interest from the community which was reflected by the number of submitters, Council was able to complete this internally at minimal cost.

Streamlining of planning services as part of a Regional Aligned Planning Project, an initiative driven by Waikato Local Authority Shared Services Ltd (WLASS)

Quality Services and Facilities: Council provides quality local public services and facilities which are effective to households and businesses, now and in the future

Construction of the new Tokoroa Skatepark was completed. This is located adjacent to the Tokoroa Youth Park.

Council confirmed significant funding in the 2018/28 Long Term Plan for maintenance and upgrading of pool facilities in the District, particularly Tokoroa Indoor Pools. This was done as part of the LTP process.

Council confirmed an increased investment amount of approximately \$75,000 per annum into the Waikato River Trails cycle ways.

Community Pride: Council provides services that make residents proud of our district, celebrating the artistic, sporting and cultural achievements of our people and the diversity of our cultures.

The Our Neighbourhood series was successfully completed this year across the communities in the district.

Council participated in 12 community events in the last financial year, which included the Our Neighbourhood series, Balloons over South Waikato, ANZAC Day events, Youth Week, and Matariki.

Sustainable Council Operations: We have regard to sustainability while operating in a cost effective manner.

Council holds resource consents with the Waikato Regional Council for its key components of infrastructure including: Landfills (the Tokoroa Landfill and the closed landfills at Tirau and Putāruru), the water takes, the Comprehensive Urban Stormwater Consents, and wastewater. Initial Engagement with Raukawa about the re-consenting of the District's four wastewater plants were undertaken and have resulted in a clear direction for the available options for the re-consenting process.

2.5. Report on achievement of objectives in funding and financial policies

2.5.1. Rates remission and postponement policies report

Background

Council has adopted policies in relation to the remission and postponement of rates. There are a number of circumstances in which applications are considered. Remissions include:

- Community, sporting and other organisations
- Rates on land protected for natural, historical or cultural conservation purposes
- Uniform annual general charges and targeted rates on non-contiguous rural rating units in common ownership
- School sewerage rates
- Penalties
- Māori freehold land
- Uncollectable rates
- Multiple dwellings with a common use on one rating unit
- Water rates due to leaks

Remission granted	2017-18		2016-17	
	Number	Amount (\$) Including GST	Number	Amount (\$) Including GST
Community, sporting and other organisations	55	108,386	54	102,226
Rates on land protected for natural, historical or cultural conservation purposes	2	45	2	44
Uniform annual general charges and targeted rates on non-contiguous rural rating units in common ownership	22	14,912	22	14,625
School sewerage rates	33	80,497	33	73,991
Penalties *	447	52,654	150	25,543
Māori freehold land	6	5,986	6	5,944
Uncollectable rates	2	2,264	2	2,223
Multiple dwellings with a common use on one rating unit	3	4,293	2	2,749
Water rates due to leaks	6	12,877	7	7,403

* \$ amount for 2016-17 did not include remissions of penalties that had been charged prior to 2016

2.5.2. Rating information

As at 30 June 2018, the number and value of the rating units in the South Waikato District were:

Number of rating units	10,067
The total capital value of the rating units	6,001,733,900
The total land value of the rating units	3,504,117,000

2.6. Revenue and financing policy report

Background

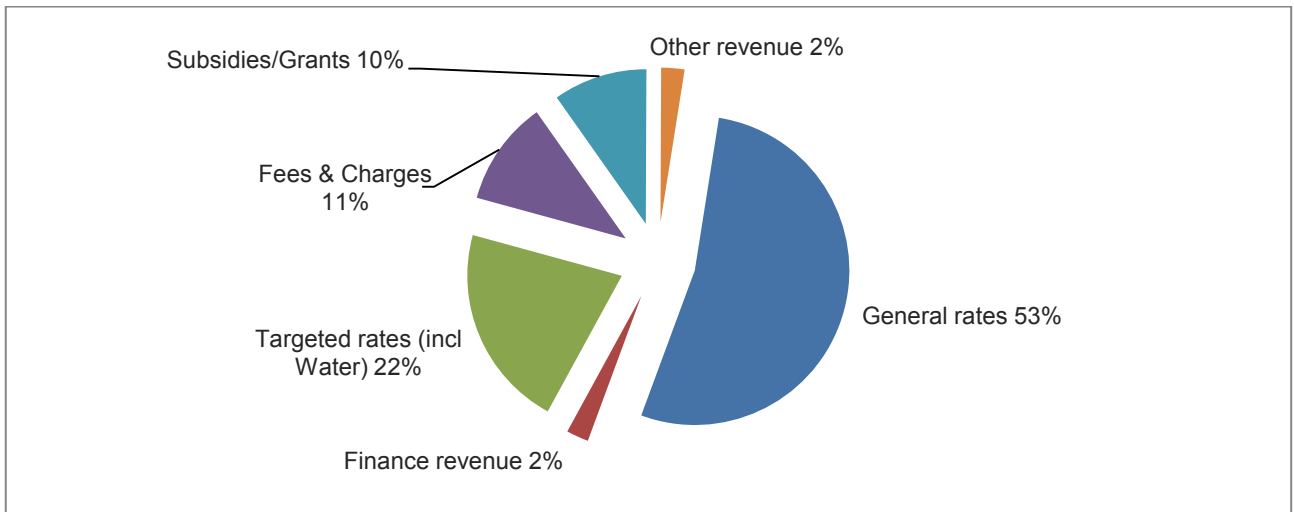
The Revenue and Finance Policy describes where Council will receive its funding from, including what sort of rating model it will use.

Overall performance

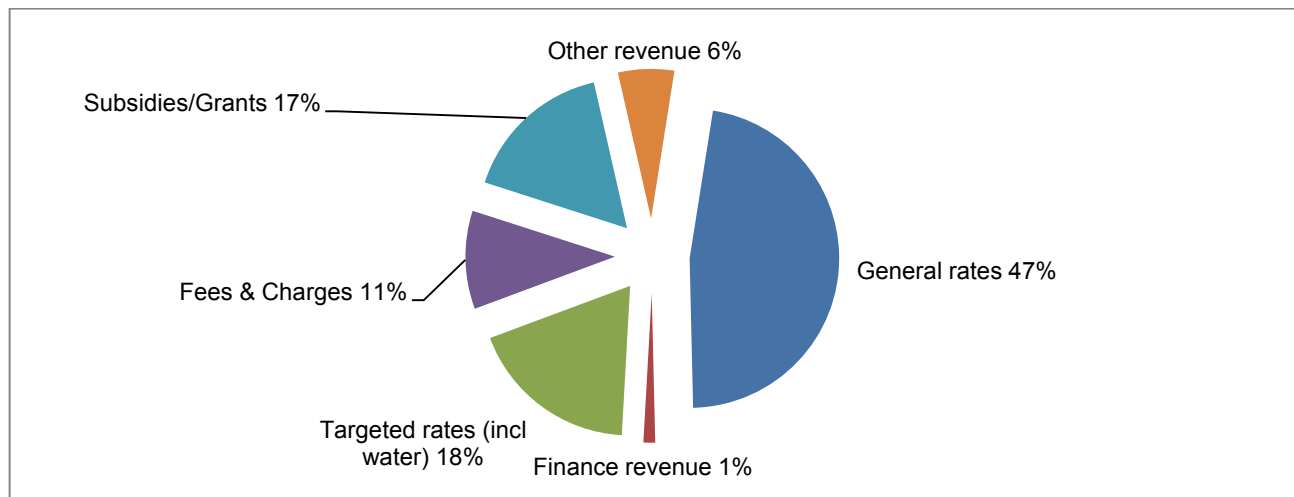
Significant Activity	General Rates Target	General Rates Actual	Targeted Rates Target	Targeted Rates Actual	User Fees Target	User Fees Actual
Animal Control	40%	44%			60%	56%
Building Consents and Inspections	50%	48%			50%	52%
Business and CBD Promotion - Tokoroa and Putāruru			100%	100%		
Cemeteries	40%	42%			60%	58%
Community Advocacy, Grants and Support (including Visitor Centres)	100%	100%				
Community Governance (Tirau Community Board)			100%	100%		
Community Halls			95%	89%	5%	11%
District Governance	100%	100%				
District Promotion	100%	100%				
Economic Development	100%	100%				
Emergency management (Civil Defence and Rural Fires)	100%	98%			0%	2%
Libraries	90%	96%			10%	4%
Parks and Reserves (including Sportsgrounds)	95%	89%			5%	11%
Pensioner Housing					100%	100%
Property Management	90%	80%			10%	20%
Public toilets	95%	100%			5%	0%
Regulatory Services (Parking and Health)	80%	71%			20%	29%
Resource Management (consent processing)	65%	54%			35%	46%
Resource Management (policy and monitoring, including	100%	100%				
Roading (general roading activities)	100% (after subsidies)	97%			0%	3%
Roading (CBD upgrade loan)	100%	100%				
South Waikato Performing Arts Centre (The Plaza and Tirau Hall)	100% (after hireage income)	95%			0%	5%
South Waikato Sports and Events Centre	80%	70%			20%	30%
Stormwater			100%	100%		
Swimming Pools	80%	84%			20%	16%
Talking Poles	100%	100%				
Te Waihou Walkway	100%	100%				
Tokoroa Airfield	40%	7%			60%	93%
Tokoroa Council of Social Services	80%	92%			20%	8%
Waste - Landfills and Refuse Disposal	30%	14%			70%	86%
Waste - Litter Collection	100%	100%				
Waste - Refuse Collection			55%	50%	45%	50%
Waste - Recycling			100%	95%	0%	5%
Wastewater			100%	99%	0%	1%
Water Supply			100%	88%	0%	12%

2.7. Summary of actual and target revenue sources

Funding impact revenue source - budgeted 2017-18



Funding impact revenue source - actual 2017-18



2.8. Annual report disclosure statement for the year ending 30 June 2018

2.8.1. What is the purpose of this statement?

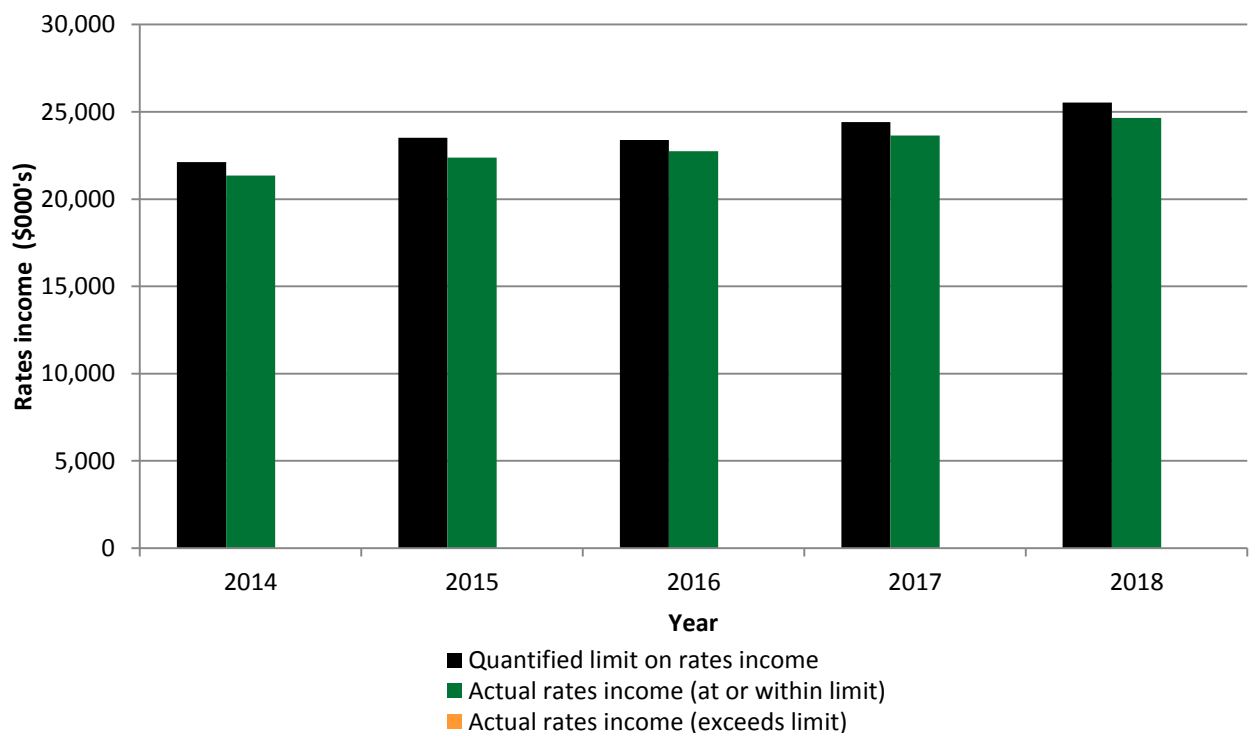
The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

2.8.2. Rates affordability benchmark

The Council meets the rates affordability benchmark if:

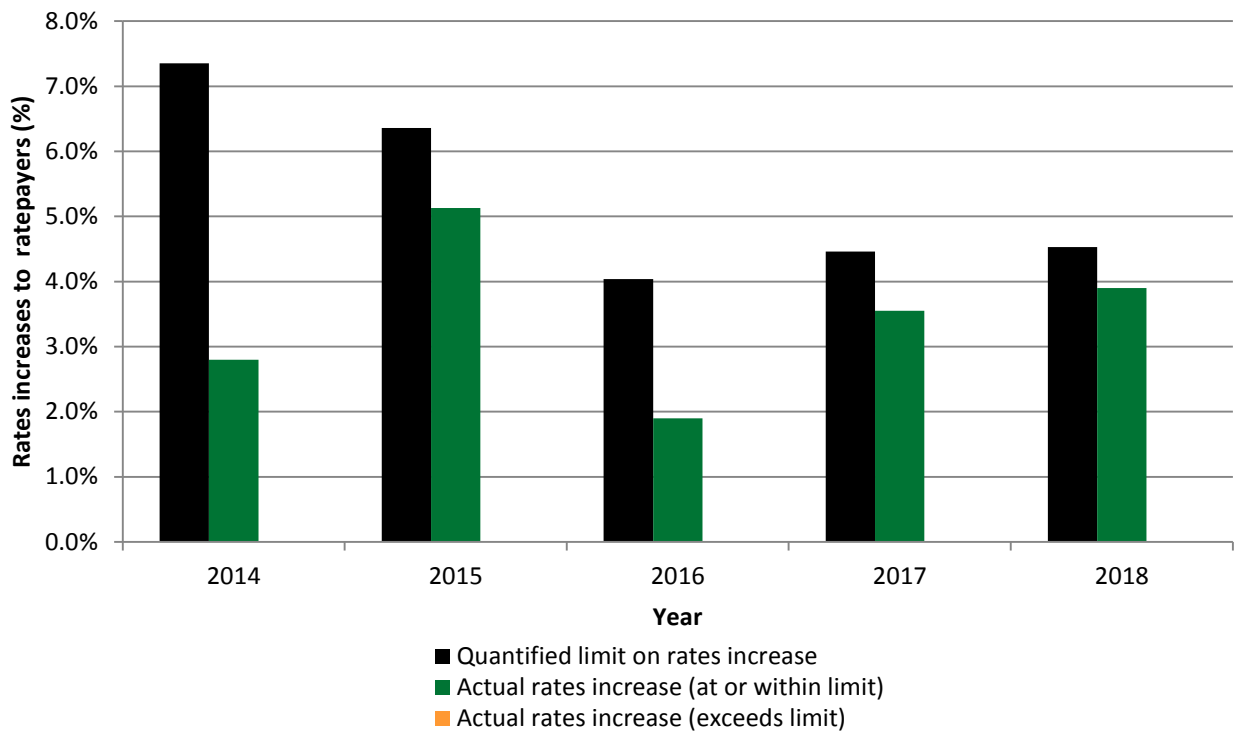
- its actual rates income equals or is less than each quantified limit on rates, and
- its actual rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan.



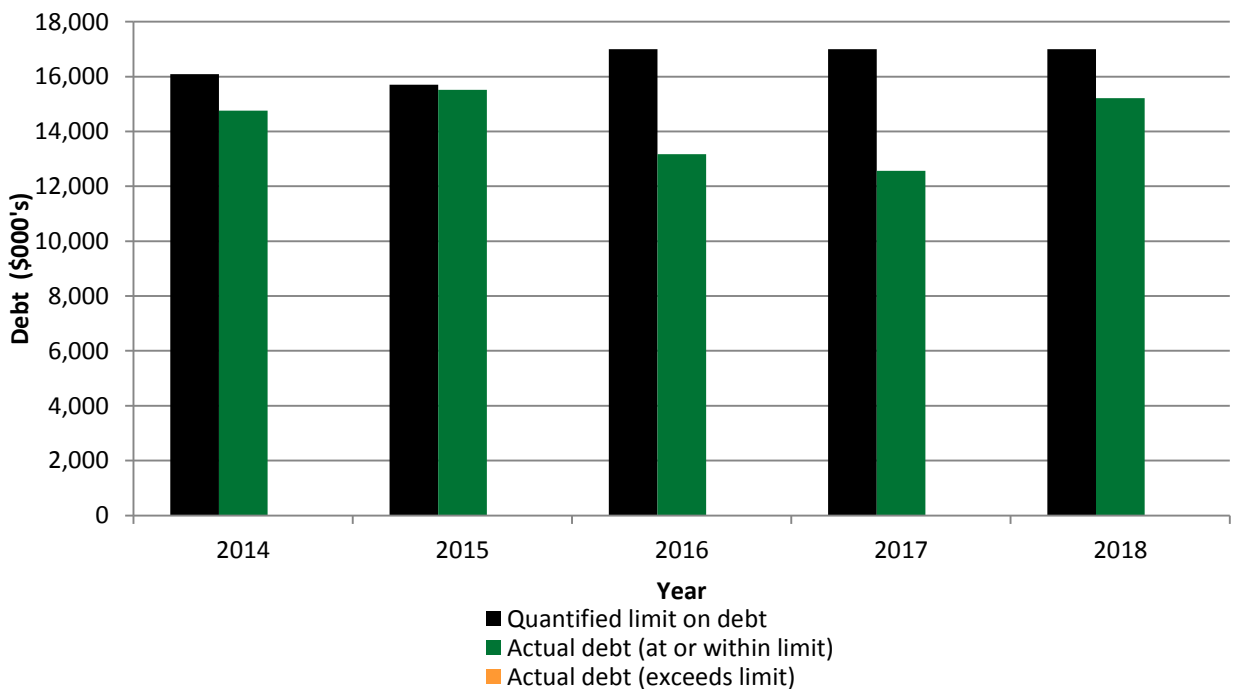
2.8.3. Rates (increases) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan. The quantified limit is rates increases will be no more that 8.5%



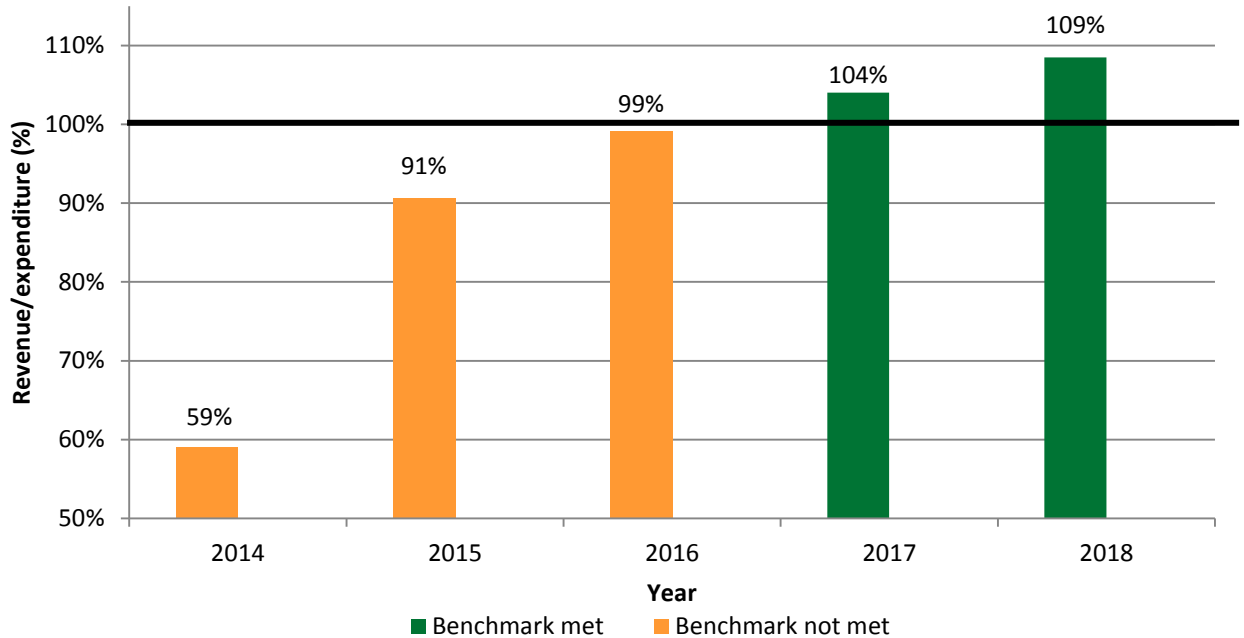
2.8.4. Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan.



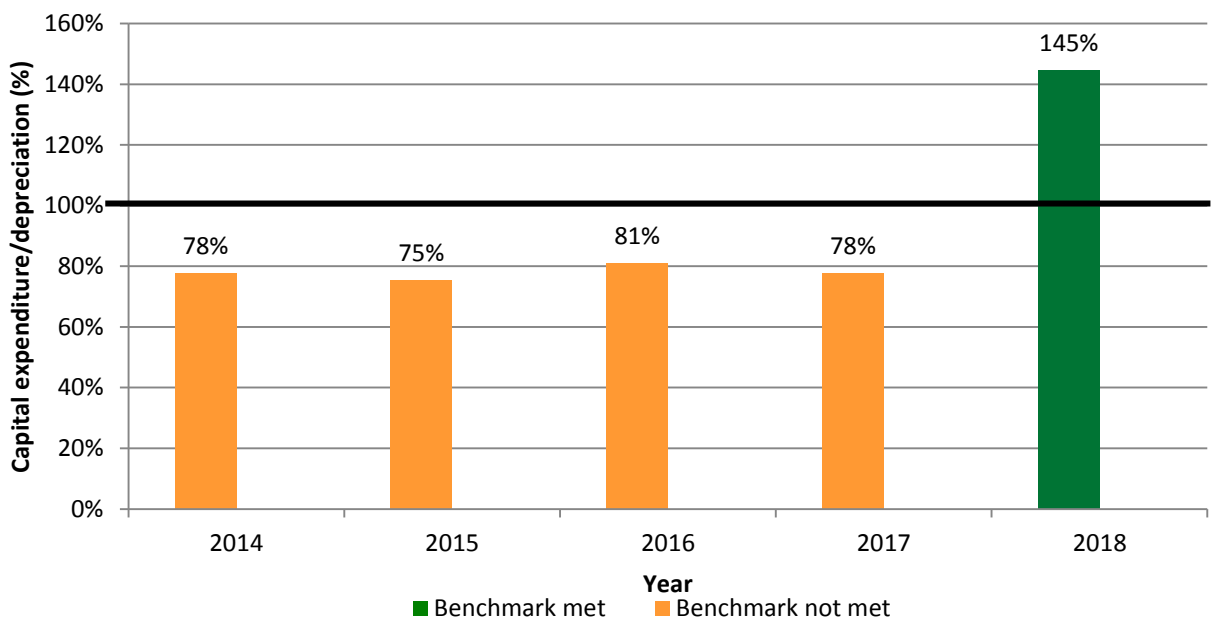
2.8.5. Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



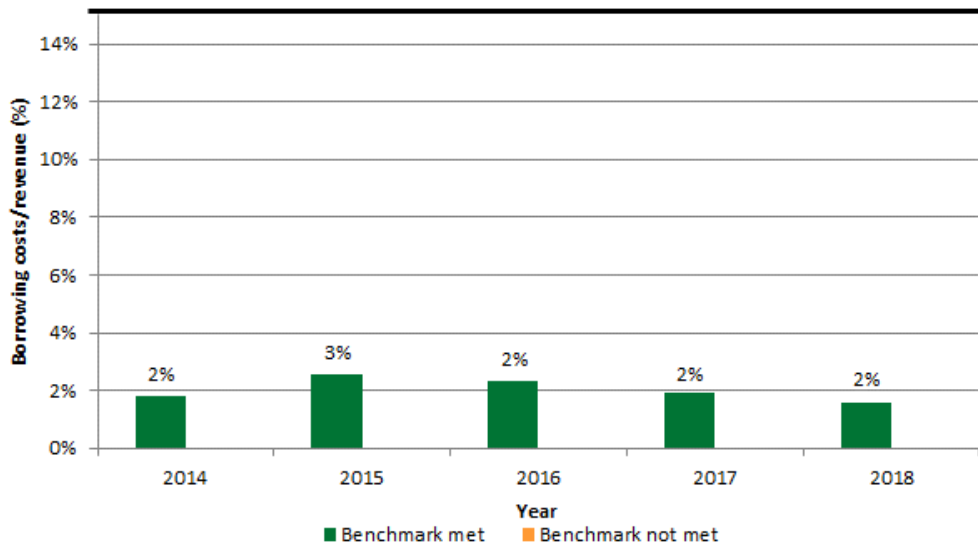
2.8.6. Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



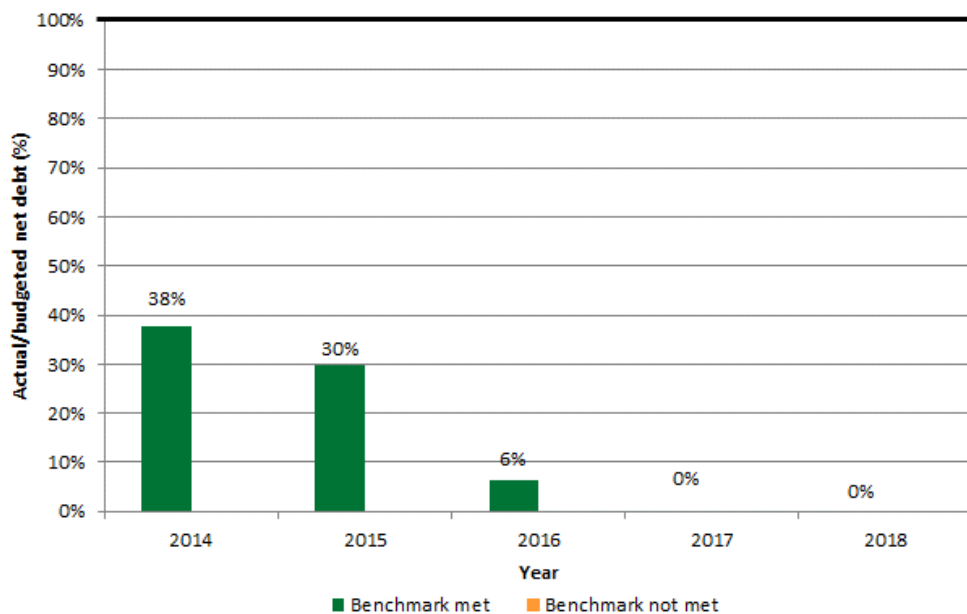
2.8.7. Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). The Council meets this benchmark if its borrowing cost equal or are less than 15% of revenue.



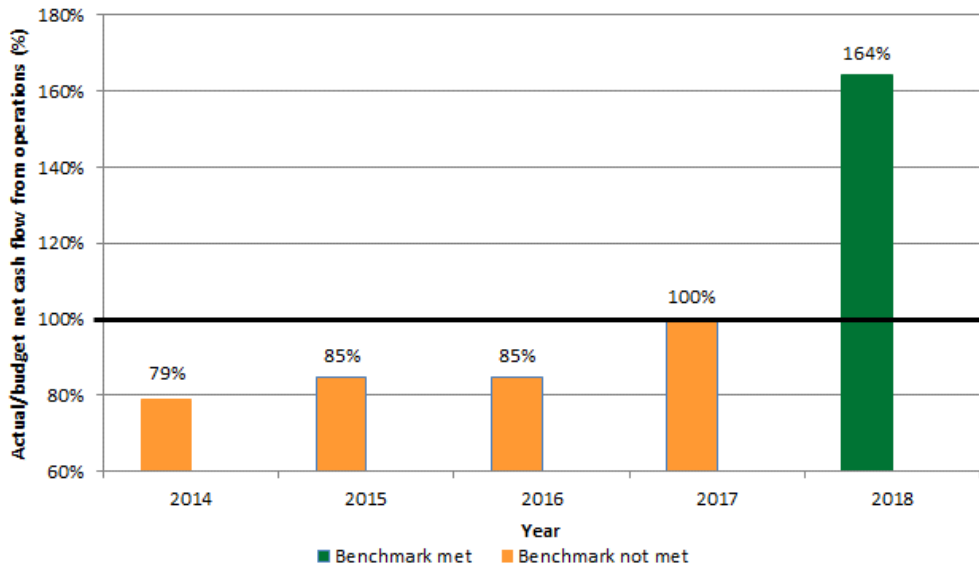
2.8.8. Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



2.8.9. Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



3. ACTIVITIES SECTION

3.1. Transport and Roothing

3.1.1. What we do

- Maintain local roads (state highways are managed by the New Zealand Transport Agency)
- Road safety education
- Footpaths and mobility crossings
- Road and cycleway resurfacing
- Pavement rehabilitation (renewing the base of a road)
- Public Transport
- Road signs and street lights
- Drainage culverts and bridge maintenance
- Safety improvements to the network (such as road realignments and improvements to intersections to improve visibility)

3.1.2. Why we do it

Council provides a roading network and associated roading services to support these assets to ensure easy, safe and secure access to the district and around the district so that:

- business development can take place to increase our economic growth through a secure network
- our community and visitors can move safely around the district
- access to our facilities and services is easy
- we manage our largest asset soundly now and for future generations at the appropriate level of service.

3.1.3. Contribution to the Council Strategy

The transport and roading activity primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Well managed infrastructure: our infrastructure is financially and operationally sustainable; it contributes positively to our district environment, and is cost effective for households and businesses, now and in the future.	Efficient and effective operations strategy: Provide sound total asset management.
Sustainable Council operations: We have regard to sustainability while operating in a cost effective manner.	Efficient and effective operations strategy: Sustainability is embedded in all of Council's operations.
Efficient Council operations: Council ensures that our business practices are efficient and effective and achieved through successfully working with our community.	Efficient and effective operations strategies: Work together with our partners to achieve common goals. Embed a quality improvement philosophy into all operations of Council. Implement governance and management structures, systems and processes that improve our effectiveness and efficiency.

3.1.4. Key highlights

Highlights of the roading and transport group of activities include:

- The accelerated LEDs district wide conversion project was completed having over 2000 old lamps replaced with LED luminaires. The project was 85% funded by NZTA with total budget set at \$2.6m The estimated energy saving of this project is approximately 40%.
- The completion of the Tirau rail crossing safety improvements will now provide safe crossing passage to the Tirau Domain over the rail. This project was 100% NZTA and Kiwi Rail funded.
- A number of traffic improvements were undertaken in Tirau these include - On-road parking marked, pedestrian crossing improvements design including safety audit complete and signage review. Physical works on crossing and signage will be undertaken during 2018-19.
- Additional funding support was sourced from NZTA to address emergency storm damage following the on-going wet weather.

3.1.5. Effects on the community

Transport and roading is an important part in the daily lives of our community. It allows people to travel to work, school or play by car, bicycle, foot or mobility scooter and it also allows for the efficient, reliable and safe transportation of goods, which is important for our businesses.

The transport and roading activity can also have negative effects on the environment. Road works can create dust, noise and disruption and traffic travelling on roads can cause noise. The effects are mitigated by placing controls on road works to ensure that negative effects are reduced and ensuring that the surface of the road is appropriate for the level of traffic volumes.

3.1.6. How well did we do?

The table below shows our key performance measures and whether or not we have achieved them.

Key Performance Indicators	2017-18 Level Achieved	Comments
Roading: 8% of the area of the district's sealed road network is resurfaced annually (283,000km ²) 2017-18	Not Achieved	Due to the rising cost of bitumen, only 5.6% of the district's sealed roads could be resurfaced with the allocated budget. Rather than increasing the budget, an assessment was made of the condition of the road network and resurfacing was done only on roads that needed it: 197,802km ²
Roading: An annual audit of the footpath network identifies that at least 90% of the footpath network has a displacement of less than 20mm 2017-18	Achieved	The annual audit undertaken in June showed only 1% of the footpath network had a displacement of 20mm or more.
Roading: That Council will respond to 100% of all service requests within ten working days of notice 2017-18	Achieved	Council received a total of 840 service requests and all were completed within the agreed timeframe.
Roading: The smooth travel exposure shall be at least 70% of NZTA target for roughness 2017-18	Achieved	The smooth travel exposure was measured at 96%
Roading: There are no fatalities or serious injury crashes on the local road network that are directly contributable to road conditions 2017-18	Achieved	None

3.1.7. Significant asset acquisitions or replacements

Transport and roading	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Formation widening	366	350	345
Seal widening	51	50	63
Carpark Reseals	-	-	10
Pavement rehabilitation	926	800	718
Drainage kerb and channel	349	160	383
Kerb and channel renewals	43	50	74
Christmas/feature Lighting	4	10	19
Maintenance chip seals and reseals	1,114	1,040	894
Traffic services renewals-signs	96	105	73
Traffic services renewals-street lights	2,382	105	154
Traffic Counters	-	3	1
Minor improvements	537	495	344
Footpath renewals	46	40	61
Leith Place	402	-	-
Sundry other	8	-	97
Total	6,324	3,208	3,236

3.1.8. Funding Impact Statement - Transport and Roading

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	4,852	4,917	4,835
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,211	1,250	3,719
Fees and charges	41	53	91
Internal charges and overheads recovered	1,525	1,567	1,097
Local authorities fuel tax, fines, infringement fees, and other receipts	151	155	201
TOTAL OPERATING FUNDING (A)	7,780	7,942	9,943
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	4,252	4,426	3,311
Finance costs	272	269	121
Internal charges and overheads applied	1,038	1,047	2,180
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	5,562	5,742	5,612
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	2,218	2,200	4,331
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	1,804	1,912	2,088
Development and financial contributions	-	-	62
Increase (decrease) in debt	-	-	(293)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	1,804	1,912	1,857
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	478	884	3,757
• to replace existing assets	3,412	2,918	2,584
Increase (decrease) in reserves	(3,863)	(3,806)	179
Increase (decrease) in investments	3,995	4,116	(332)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	4,022	4,112	6,188
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(2,218)	(2,200)	(4,331)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.2. Recreation and facilities

3.2.1. What we do

- Manage over 240ha of parks, reserves, playgrounds and sportsgrounds
- Maintain cycleways and walkways
- Pensioner housing
- Community halls
- Libraries
- Cemeteries
- Public toilets
- Public art such as the Talking Poles in Tokoroa and the Mosaic Murals in Putāruru
- The Tokoroa Airfield
- The South Waikato Sport and Events Centre
- The South Waikato Indoor Pools in Tokoroa and outdoor pools in Putāruru and Tirau
- The South Waikato Performing Arts Centre (The Plaza)

3.2.2. Why we do it

Council undertakes the recreation and facilities group of activities to ensure that our residents and visitors to our community have a wide range of options to meet their leisure and recreation needs. These facilities play an important role in fostering community pride in our district as they provide for both formal sporting and recreational groups to come together, or for friends and family to get together in an informal manner. Walkways and reserves play an important role in promoting our district to people who are not locals as they encourage out of resident people to experience the beauty of our district.

3.2.3. Contribution to the Council Strategy

The recreation and facilities group of activities primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Improved external image: People outside our district are encouraged to live, work and develop businesses here.	District promotion strategy: Use a full range of marketing tools in conjunction with other organisations, to encourage external people to visit and live and develop businesses in our district.
Quality services and facilities: Council provides quality local public services and facilities which are cost effective to households and businesses, now and in the future.	Services and facilities strategy: Enhance access to and use of Council's services and facilities.
Community pride: Council provides services that make residents proud of our district, celebrating the artistic, sporting and cultural achievements of our people and the diversity of our cultures.	Community Pride Strategy: Through improved communication, community activities, an enhanced physical environment focus on making our community proud and engaged.

3.2.4. Key highlights

The key highlights for the recreation and facilities are:

- The Tokoroa Indoor Pools facility and the seasonal pools in Putāruru and Tirau offer a fun and inviting leisure option for our community.
- Initial investigations were completed into future upgrade opportunities for all pool facilities, with funding allocated in the LTP for work to begin in Tirau and planning for staged development in Tokoroa, during 2018/19.

- Patronage at all district pools facilities was up in the 2017/18 year to 96,874 visits compared to 86,710 visits in the 2016/17 year. Revenue has also increased in the 2017/18 year to \$221,664 in comparison to \$201,611 in the 2016/17 year. Pool user fees continue to remain the same to ensure the facilities remain affordable for our community.
- After six years of operation, the South Waikato Sport and Events Centre continues to offer a high quality, reasonably priced venue for sport, business and celebrations, for our community. Patronage of the Centre was slightly up in the 2017/18 year to 49,728 visits compared to 49,221 visits in the 2016/17 year. Revenue was down to \$170,718 compared to \$190,651 in 2016/17. Pool user fees continue to remain the same to ensure the facility remains affordable for our community.

3.2.5. Effects on the community

The recreation and facilities group of activities provides a variety of venues and facilities to meet our community's recreational, sporting, housing and arts and cultural needs. These venues often form spaces for informal and formal gatherings. It is important to our community that these venues are maintained appropriately as these facilities are a source of community pride.

3.2.6. How well did we do?

The table below shows our key performance measures and whether or not we have achieved them.

Key Performance Indicators	2017-18 Level Achieved	Comments
Parks & Reserves: 100% of enquiries and service requests relating to parks and reserves are responded to within three working days of notice 2017-18	Not achieved	Council received 489 requests, the most it has ever received in one year. Of these 280 were responded to on time. For six (6) months of the year, the team operated with one vacancy. Additionally, an extra role has been created in 2018, partly in response to the rise in numbers of requests.
Playgrounds: 100% of enquiries and service requests relating to playgrounds are responded to within three working days of notice 2017-18	Achieved	Three (3) enquiries/requests were received and responded to within the required time frame.
Cemeteries: 100% of all enquiries, requests or complaints are responded to within three working days of notice 2017-18	Not Achieved	Council received 70 enquiries and service requests in relation to cemeteries and 61 were responded to on time. These are handled by the Parks & Reserves team, which was understaffed throughout the year.
Libraries: That 10 or more groups make contact with the district libraries each month. Making contact with the library involves either the group visiting the library, or library staff visiting the group 2017-18	Achieved	194 groups made contact with or were contacted by the libraries over the year, 74 groups more than the set target.
Libraries: That the library websites and Overdrive receive at least 8,110 visits annually 2017-18	Achieved	There were 17,102 visits to the library websites and Overdrive, more than double the expected number.
Libraries: That an average of at least 6.5 visits per resident per year to the South Waikato District Libraries will be achieved 2017-18 (ie at least 143462 visits annually)	Achieved	There were 146,434 visits to the library. This is an average of 6.6 visits per resident per year to the libraries.

Key Performance Indicators	2017-18 Level Achieved	Comments
Pensioner Housing: The occupancy of Council's pensioner housing units is at least 95% on an annual basis 2017-18	Achieved	The occupancy of Council's pensioner housing units was 96.63%.
Public Toilets: 100% of enquiries and service requests relating to public toilets are responded to within three working days of notice 2017-18	Not Achieved	Council received 33 service requests and enquiries. Of these 26 were responded to on time (79%). The team responsible have initiated new processes to ensure no more service requests miss their deadline.
South Waikato Sport & Events Centre: That the use of the arena at the South Waikato Sport and Events Centre will be at least used 25%. Hours of operation will be 8.30am to 4.30pm, Monday to Friday. 2017-18	Not Achieved	Usage of the arena was 15% of standard operating hours. However these results exclude any weeknight sports leagues, or weekend bookings including generally large functions such as weddings or sports tournaments.
South Waikato Sport & Events Centre: That the use of the function rooms at the South Waikato Sport and Events Centre will be at least used 45%. Hours of operation will be 8.30am to 4.30pm, Monday to Friday. 2017-18	Not Achieved	The function rooms were used 34% of the time during operating hours. However these results exclude any weeknight sports leagues, or weekend bookings including generally large functions such as weddings or sports tournaments.
Swimming Pools: An average of at least four visits per resident per year to the South Waikato Pool facilities will be achieved. 2017-18	Achieved	There were 96,432 visits to the Swimming Pools. This equates to an average of 4.4 visits per resident per year to the District's pools.
Swimming Pools: At least 90% of pool water tests comply with the relevant New Zealand standards of water quality. 2017-18	Achieved	11,522 tests were undertaken at the pools in 2017-18. 93% (10,719) of these tests were compliant.

3.2.7. Significant asset acquisitions or replacements

Facilities, properties and amenities	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Cemeteries	4	4	8
Community Halls	37	31	96
Public toilets	-	-	108
Pensioner housing	430	93	572
Asbestos management	16	-	-
Amisfield Tree Planting	6	-	6
Total	493	128	790

Leisure services	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Libraries	135	154	180
Sportsgrounds-Memorial Park	38	10	25
Sportsground - Replacement Sports Equipment	-	-	23
Skatepark upgrade	607	187	5
Sportsgrounds-Glenshea Park	-	-	12
Reserves - walkway development	186	72	159
Playground Equipment renewals	72	79	39
Reserves - exercise equipment	-	-	36
Other parks and reserves projects	123	216	62
Pools plant replacement	87	112	179
Total	1,248	830	720

3.2.8. Funding Impact Statement - recreation and facilities

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	1,269	1,296	1,285
Targeted rates	37	42	28
Subsidies and grants for operating purposes	-	-	31
Fees and charges	601	619	771
Internal charges and overheads recovered	980	992	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	44
TOTAL OPERATING FUNDING (A)	2,887	2,949	2,159
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	1,701	1,755	1,043
Finance costs	315	318	182
Internal charges and overheads applied	522	534	529
Other operating funding applications	11	11	14
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,549	2,618	1,768
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	338	331	391
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	30	31	-
Development and financial contributions	17	17	19
Increase (decrease) in debt	-	(16)	1,117
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	47	32	1,136
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	17	19	1,471
• to replace existing assets	423	119	364
Increase (decrease) in reserves	(440)	(155)	(581)
Increase (decrease) in investments	385	380	273
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	385	363	1,527
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(338)	(331)	(391)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.2.9. Funding impact statement - leisure services

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	4,332	4,415	4,828
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	2	2
Fees and charges	317	326	339
Internal charges and overheads recovered	10	9	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	139
TOTAL OPERATING FUNDING (A)	4,659	4,752	5,308
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,558	2,619	2,968
Finance costs	167	168	103
Internal charges and overheads applied	1,202	1,219	1,406
Other operating funding applications	37	38	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	3,964	4,044	4,477
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	695	708	831
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	2	2	116
Development and financial contributions	2	2	12
Increase (decrease) in debt	3	(5)	(123)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	7	(1)	5
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
▪ to meet additional demand	-	-	-
▪ to improve the level of services	-	-	928
▪ to replace existing assets	558	698	319
Increase (decrease) in reserves	(555)	(703)	(915)
Increase (decrease) in investments	699	712	504
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	702	707	836
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(695)	(708)	(831)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.3. Economic and community development

3.3.1. What we do

- Facilitate economic development
- Provide community grants
- Support youth initiatives
- Promote our central business districts
- Organise community events to help foster community pride
- Promote the district to those who live and work outside the South Waikato
- Undertake joint ventures with government agencies
- Support skills training and business development
- Advocate for (and with) South Waikato communities
- Support community groups and help with capacity building

3.3.2. Contribution to the Council Strategy

The economic and community development group of activities primarily contribute to the following Council outcomes and strategies:

Council Outcome	Council Strategy
Grow our economy: Existing businesses thrive and new businesses start up in the district.	Economic development strategies: Stimulate economic development by assisting existing and attracting new businesses while encouraging diversity. Encourage education and training to improve the employment opportunities of district's residents.
Improved external image: People outside our district are encouraged to live, work and develop businesses here.	District promotion strategy: Use a full range of marketing tools in conjunction with other organisations, to encourage external people to visit and live and develop businesses in our district.
Community pride: Council provides services that make residents proud of our district, celebrating the artistic, sporting and cultural achievements of our people and the diversity of our cultures.	Community Pride Strategies: Maintain and support our community's art and culture, and support cultural displays and events. Through improved communication, community activities, an enhanced physical environment focus on making our community proud and engaged.
Cultural leadership: We support and encourage cultural leadership and capacity building.	Cultural leadership strategies: Build and maintain a strong working relationship with Māori at all levels of Council to encourage true partnership. Build and maintain a strong working relationship with all cultures present in our district.

3.3.3. Key highlights

Highlights for the economic and community groups of activities in 2017-18 include:

- The 30 year growth strategy for the Putāruru Area was developed adopted by Council in July. A District Plan change to rezone land for residential and business land in the Putaruru commenced.
- In collaboration with Pride in Putāruru, Putāruru Moving Forward and SWIF the Putāruru Concept Plan was developed and consulted on. By the end of the year it was nearing completion.
- A sub-regional development plan - (the Southern Waikato Economic Development Action Plan) for the South Waikato, Waitomo and Otorohanga Districts was progressed. This is a joint project for the Councils, Waikato Means Business and other stakeholders.

- Council participated in the development of and is now a part funder of a new Waikato regional economic development agency (the Waikato Regional Economic Development Agency).
- The new Tokoroa Skate park was constructed and opened in June 2018.
- Council confirmed significant funding in the 2018/28 Long Term Plan for maintenance and upgrading of pool facilities in the District, particularly Tokoroa Indoor Pools.
- The three yearly community funding contracts were reviewed and updated to align with the new Council strategy developed in the 2018/28 Long Term Plan.
- Council confirmed an increased investment amount of approximately \$75,000 per annum into the Waikato River Trails cycle ways.
- The Our Neighbourhood series was successfully carried out in partnership with key stakeholders. The series was again used to promote council leisure and recreational facilities.
- Continued collaboration with the SWIF Trust occurred and a business training and development programme was initiated and completed (the Firestation). SWIF confirmed additional funding of \$50,000 toward the District Growth Strategy for the 2018/19 year.
- The ongoing Trade Training programme which is a collaboration with Toi Ohomai Institute of Technology, industry and Council continued with engineering and transport/distribution programmes delivered in Tokoroa.
- A new Library Management System (Kotui) was scoped and implemented for the District libraries. This has provided an improved library experience for our library customers.

3.3.4. Effects on the community

The community development work that Council undertakes is important because it helps build community cohesion by encouraging community pride and supporting our community groups. As identified in the Council Strategy, encouraging economic development is seen to be a very important role for Council so that we can create new jobs for our residents and help to slow the rate of population decline.

3.3.5. How well did we do?

The table below shows our key performance measures and whether or not we have achieved them.

Key Performance Indicators	2017-18 Level Achieved	Comments
Community Development: That Council holds 12 or more events per annum, with no less than two key stakeholders supporting or partnering with Council to hold each event 2017-18	Achieved	Council held 12 events where there were no less than two key stakeholders supporting the event. Events included a Matariki Celebration, Anzac Day, Children's Day, Balloons Visit, Festival of Cultures, Youth Symposium and the Skate Park Opening.
Community Development: That no less than a total of 30 students are enrolled annually in the Tokoroa Trade Training Centre engineering, automotive and welding 2017-18	Achieved	There were 33 students who enrolled in the Tokoroa Trade Training Centre engineering, automotive and welding programmes.
Community Development: That the details of at least 80% of groups registered on the Community Connect website are updated annually 2017-18	Achieved	The details of 85% of all groups were updated on the Community Connect website.

3.3.6. Significant asset acquisitions or replacements

Economic and community development	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
CBD Security Cameras	17	28	61
CCTV camera replacement	-	-	57
Entry signage for Putāruru	-	40	-
Te Waihou Walkway upgrade	-	-	8
Logistics equipment replacement	8	10	-
District Branding - signs	14	15	10
Total	39	93	136

3.3.7. Funding Impact Statement - economic and community development

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	2,070	2,124	2,292
Targeted rates	302	324	135
Subsidies and grants for operating purposes	-	-	-
Fees and charges	10	10	14
Internal charges and overheads recovered	650	662	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	51
TOTAL OPERATING FUNDING (A)	3,032	3,120	2,492
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	725	722	395
Finance costs	337	355	73
Internal charges and overheads applied	443	456	458
Other operating funding applications	1,051	1,080	1,144
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,556	2,613	2,070
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	476	507	422
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	117	100	(259)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	117	100	(259)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	-	-	15
• to replace existing assets	16	15	8
Increase (decrease) in reserves	101	85	(38)
Increase (decrease) in investments	476	507	178
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	593	607	163
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(476)	(507)	(422)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.4. Water supply

3.4.1. What we do

- Supply potable (drinkable) water to the urban areas of Tokoroa, Putāruru, Tīrau, Arapuni
- Supply potable water to the rural communities of Athol and Lichfield.

3.4.2. Contribution to the Council Strategy

The water supply group of activities primarily contribute to the following Council outcomes and strategies:

Outcome	Strategy
Well managed infrastructure: Our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for household and businesses, now and in the future.	Efficient and effective operations strategy: Provide sound total asset management planning.
Sustainable Council operations: We have regard to sustainability while operating in a cost effective manner.	Efficient and effective operations strategy: Sustainability is embedded in all of Council's operations.

3.4.3. Key highlights

Highlights for the water supply activity include:

- Glenshea water supply in Putāruru had an ultra violet and micro-filtration treatment process installed as part of Council's obligation to meet the Drinking Water Standards.
- Chlorine treatment was installed at the Te Waihou water treatment works.

3.4.4. Effects on the community

A reliable supply of clean drinking water is essential for the health of our residents. In our urban areas, Council provides a water treatment and reticulation service because economies of scale make it more efficient than each household or business providing their own water supply. In most cases it is more cost efficient for rural residents to provide their own water supply. A stable supply of water is essential in supporting our existing businesses and encouraging new businesses to our district.

3.4.5. How well did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Drinking water treatment and distribution: All unsecure water sources, will have their water treated as prescribed in part 5 of the drinking-water standards to treat protozoa 2017-18	Achieved	Council now treats all unsecure water sources as prescribed, following upgrade of the Glenshea Water Treatment Plant in June 2018
Drinking water treatment and distribution: At least 97% of tests for E-coli (bacteria compliance) carried out on treated reticulated water will indicate a level of E-Coli in the reticulated Council systems of less than one per 100ml 2017-18	Achieved	There were 1062 tests taken over the year. 99.8% of the tests taken were compliant.
Drinking water treatment and distribution: The median response times for call-outs in response to a fault or interruption to the water reticulation system does not exceed one hour of notice 2017-18	Achieved	The median response time was 18 minutes.

Key Performance Indicators	2017-18 Level Achieved	Comments
Drinking water treatment and distribution: The total number of complaints received by Council about water supply issues (including clarity, taste, odour, water pressure/flow and continuity of supply) does not exceed one complaint per 1000 connections to Council's water supply system 2017-18	Achieved	There was one (1) complaint received about water supply issues.
Drinking water treatment and distribution: The water loss from Council's reticulation network will be no more than 20% 2017-18	Achieved	The water loss from Council's water network was 4.6%.

3.4.6. Significant asset acquisition

Water supply	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Tokoroa - reticulation replacements	156	307	258
Tokoroa - capital component of maintenance	17	12	20
Putāruru - reticulation replacements	40	51	29
Putāruru - capital component of maintenance	13	12	7
Putāruru - Glenshea UV treatment	286	290	
Tīrau - capital component of maintenance	24	13	10
Tīrau - reticulation replacements	29	40	47
Arapuni - reticulation renewal	-	-	12
Lichfield - Disinfection upgrade	-	-	132
Total	565	725	515

3.4.7. Funding Impact Statement - water supply

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	-	-	-
Targeted rates	2,064	2,089	2,169
Subsidies and grants for operating purposes	-	-	-
Fees and charges	290	298	303
Internal charges and overheads recovered	4,582	4,666	44
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	166
TOTAL OPERATING FUNDING (A)	6,936	7,053	2,682
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	5,382	5,518	2,585
Finance costs	-	-	-
Internal charges and overheads applied	768	721	861
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	6,150	6,239	3,446
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	786	814	(764)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	1
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	131	-	285
• to replace existing assets	461	483	279
Increase (decrease) in reserves	(592)	(483)	(821)
Increase (decrease) in investments	786	814	(506)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	786	814	(763)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(786)	(814)	764
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.5. Stormwater

3.5.1. What we do

- Manage stormwater from the roading network.
- Manage stormwater from land (ie ensure that we have appropriate systems to deal with stormwater generated from existing activities happening on the land).
- Ensure that there are appropriate systems in place to deal with stormwater generated from future developments.

3.5.2. Contribution to the Council strategy

The stormwater group of activities primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Well managed infrastructure: Our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for household and businesses, now and in the future.	Efficient and effective operations strategy: Provide sound total asset management planning.
Sustainable Council operations: We have regard to sustainability while operating in a cost effective manner.	Efficient and effective operations strategy: Sustainability is embedded in all of Council's operations.

3.5.3. Key highlights

No Key Highlights.

3.5.4. Effects on the community

When appropriate systems to deal with stormwater do not exist it can cause hazards such as flooding of homes, businesses and damage to the roading network.

3.5.5. How well did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Stormwater: Council will have no flood events in a year. A flood event is defined as an occasion where buildings that are compliant with the Building Code and are serviced by Council's reticulated stormwater system experience flooding 2017-18	Achieved	No flood events occurred during the 2017-18 financial year.
Stormwater: No buildings that comply with the Building Code will be flooded 2017-18	Achieved	No buildings flooded during the financial year 2017-18.
Stormwater: The median response time for call-outs to attend a flooding event does not exceed four hours 2017-18	Achieved	There were no call-outs for the year in relation to a flooding event.
Stormwater: The total number of complaints received by Council about the stormwater system does not exceed more than one complaint per 1,000 connections to Council's stormwater system 2017-18	Achieved	There are 7511 connections to the storm water network, Council allowed seven (7) complaints. Council received one (1) complaint.
Stormwater: There will be no more than two 'Formal Enforcement Actions' from the consenting authority in regard to Council's compliance with resource consent conditions 2017-18	Achieved	Council did not receive any 'Formal Enforcement Actions' in regards to compliance with resource consent conditions.

3.5.6. Significant asset acquisition

Stormwater	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Tokoroa - minor new works projects	14	11	12
Putāruru - minor new works projects	-	10	12
Putāruru - Discharge quality improvements	80	-	-
Putāruru - Grey St open drain pipe	15	73	-
Tīrau - minor new works projects	-	17	10
Arapuni Rd Outlets Replacement	-	-	2
Total	109	111	36

3.5.7. Funding Impact Statement - stormwater

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	-	-	-
Targeted rates	608	629	687
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	287
TOTAL OPERATING FUNDING (A)	608	629	974
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	184	166	229
Finance costs	-	-	-
Internal charges and overheads applied	86	83	111
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	270	249	340
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	338	381	634
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	1
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	20	10	85
• to replace existing assets	24	29	29
Increase (decrease) in reserves	(44)	(39)	61
Increase (decrease) in investments	338	381	460
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	338	381	635
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(338)	(381)	(634)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.6. Wastewater

3.6.1. What we do

- Operate wastewater networks in Tokoroa, Putāruru, Tirau and Arapuni
- Collect wastewater from homes and businesses via sewerage pipes and send it to the treatment plants, either by gravity or pumping
- Treat wastewater to a high quality, then discharge it to water or landfill
- Provide facilities for businesses who generate a high amount of waste (known as trade waste).

3.6.2. Contribution to the Council Strategy

The wastewater group of activities primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Well managed infrastructure: Our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for household and businesses, now and in the future.	Efficient and effective operations strategy: Provide sound total asset management planning.
Sustainable Council operations: We have regard to sustainability while operating in a cost effective manner.	Efficient and effective operations strategy: Sustainability is embedded in all of Council's operations.

3.6.3. Key highlights

Highlights for the wastewater group of activities include:

- Wastewater Consent renewals, Council has worked closely with Raukawa to determine the best options to upgrade the four wastewater plants for the consent and for Health Rivers.
- Patetere Street sewer pipe relay, under the road to Depot Street pump station

3.6.4. Effects on the community

Because of the high volume of wastewater that is generated in urban areas it can be unsafe to human health and the environment if effluent is disposed of via septic tank systems. Council operates a wastewater network, which means that households, businesses and community facilities such as schools can dispose of their wastewater in a manner that is safe for both human health and the environment.

3.6.5. How well did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Wastewater: There will be no "Formal Enforcement Actions" from the consenting authority in regard to Council's compliance with resource consent conditions 2017-18	Achieved	There were no 'Formal Enforcement Actions' undertaken.
Wastewater: The median response times for call-outs in response to a fault or interruption to Council's wastewater reticulation system does not exceed one hour of notice 2017-18	Achieved	The median response time was 22 minutes.

Key Performance Indicators	2017-18 Level Achieved	Comments
Wastewater: The median time to clear blockages or faults to Council's wastewater reticulation network will not exceed 24 hours from notification 2017-18	Achieved	The median response time to clear blockages was one (1) hour.
Wastewater: The total number of complaints received by Council about wastewater issues (including sewage odour, sewerage system faults, sewerage system blockages and response times to issues with its sewerage system) does not exceed more than one complaint per 1000 connections 2017-18 (7 complaints allowed for year).	Achieved	There are 7625 connections to the wastewater network. 7 complaints are allowed. Council received zero (0) complaints.
Wastewater: The total number of dry weather overflows from the sewerage system shall not exceed three per 1,000 sewerage connections to the sewerage system. A dry weather overflow is when a blockage causes wastewater in the reticulated system to spill 2017-18 (22 overflows allowed for year)	Achieved	There are 7625 connections to the wastewater system. Council allowed 22 overflows. There were 8 dry weather overflows for the year.

3.6.6. Significant asset acquisition

Wastewater	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Tokoroa - plant & equipment upgrade	26	70	11
Tokoroa - Archimedes Screw	-	-	87
Tokoroa - Duplicate Sewers	-	-	41
Tokoroa - UV plant upgrade/lamps	29	40	30
Tokoroa WWTP - nitrogen removal enhancement	1	-	158
Tokoroa WWTP - Plant digester	20	1,900	-
Tokoroa WWTP - Sludge thickener	-	170	-
Tokoroa WWTP - Resource consent	226	85	-
Putāruru WWTP - plant & equipment upgrade	19	21	16
Putāruru filter pumps & UV	6	6	39
Tirau - plant & equipment upgrade	63	99	30
Tirau WWTP Membranes	16	30	29
Total	406	2,421	441

3.6.7. Funding Impact Statement - wastewater

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	-	-	-
Targeted rates	2,931	3,074	3,337
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6	6	19
Internal charges and overheads recovered	524	533	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	318
TOTAL OPERATING FUNDING (A)	3,461	3,613	3,674
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	2,011	2,062	2,116
Finance costs	90	91	24
Internal charges and overheads applied	546	514	560
Other operating funding applications	4	4	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,651	2,671	2,700
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	810	942	974
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase (decrease) in debt	-	-	(61)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	(60)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	53	2,169	241
- to replace existing assets	563	336	165
Increase (decrease) in reserves	(616)	(2,505)	(191)
Increase (decrease) in investments	810	942	699
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	810	942	914
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(810)	(942)	(974)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.7. Solid Waste and Recycling

3.7.1. What we do

- Operate a landfill near Tokoroa
- Operate a transfer station near Putāruru
- Provide recycling 'drop off' centres in Tirau, Putāruru, Tokoroa, Waotu and Okoroire
- Collect household rubbish and recycling from the kerb in our urban areas
- Provides rubbish bins in our town centres and in public places
- Pick up litter that has been dropped in our town centres
- Issue infringement notices to those who dump rubbish in inappropriate places.

3.7.2. Contribution to the Council Strategy

The solid waste and recycling group of activities primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Well managed infrastructure: Our infrastructure is financially and operationally sustainable; it contributes positively to our district environment; and it is cost effective for household and businesses, now and in the future.	Efficient and effective operations strategy: Provide sound total asset management planning.
Sustainable Council operations: We have regard to sustainability while operating in a cost effective manner.	Efficient and effective operations strategy: Sustainability is embedded in all of Council's operations

3.7.3. Key highlights

No Key Highlights.

3.7.4. Effects on the community

Council provides the kerbside rubbish and recycling collections to our urban areas so that our residents are able to dispose of their waste safely. The landfill and transfer station provide facilities where residents and business operators are able to dispose of larger pieces of waste such as demolition materials and green waste. Both nationally and regionally Council has been given clear direction that waste minimisation is a priority which is why recycling facilities are provided.

3.7.5. How well did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Solid Waste and Recycling: 100% of enquiries and service requests relating to recycling collection are responded to within three working days of notice 2017-18	Not Achieved	Council received 69 recycling collection enquiries and service requests. 67 (97%) of these were responded to within three (3) working days. The team responsible have initiated new processes to ensure no more enquiries or service requests miss their deadline.
Solid Waste and Recycling: 100% of enquiries and service requests relating to refuse collection are responded to within three working days of notice 2017-18	Achieved	Council received 44 enquiries and service requests. All 44 were responded to within three working days' notice.

Key Performance Indicators	2017-18 Level Achieved	Comments
Solid Waste and Recycling: The amount of waste that is recycled must not be less than 10% of the residual waste* sent to landfill. *Residual waste' is the gross tonnages over the weighbridge less cover material, sewage sludge, greenwaste and metal/timber fractions 2017-18	Achieved	The amount of waste that was recycled was 14.7% of residual waste.
Solid Waste and Recycling: There will be no 'Formal Enforcement Actions' from the consenting authority in regard to Council's compliance with resource consent conditions 2017-18	Achieved	South Waikato District Council (SWDC) have not received any Formal Enforcement Actions.

3.7.6. Significant asset acquisition

Solid waste and recycling	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Tokoroa - recycling facility	151	136	64
Tokoroa - capital component of maintenance	16	21	9
Putāruru - capital component of maintenance	3	5	24
Putāruru - security camera	-	-	3
Putāruru - tipping pad	-	26	-
Putāruru - weighbridge	5	21	37
Total	175	209	137

3.7.7. Funding impact statement - solid waste and recycling

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	473	511	509
Targeted rates	896	937	814
Subsidies and grants for operating purposes	53	55	151
Fees and charges	1,001	1,038	1,442
Internal charges and overheads recovered	1	4	-
Local authorities fuel tax, fines, infringement fees, and other receipts	65	67	151
TOTAL OPERATING FUNDING (A)	2,489	2,612	3,067
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	1,790	1,873	2,456
Finance costs	133	133	234
Internal charges and overheads applied	416	409	436
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	2,339	2,415	3,126
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	150	197	(59)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(10)	(11)	(81)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(10)	(11)	(81)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	52	-	-
• to replace existing assets	46	196	175
Increase (decrease) in reserves	(109)	(207)	(82)
Increase (decrease) in investments	151	197	(233)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	140	186	(140)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(150)	(197)	59
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.8. Regulatory

3.8.1. What we do

- Planning guidance and compliance
- Building guidance and compliance
- Civil defence and rural fire
- Animal control and compliance
- Sale and supply of Alcohol licensing
- Monitor food premises to ensure that they meet the appropriate health standards
- Noise control
- Parking enforcement
- Business case management (a programme for businesses wishing to locate in or expand in our district to help navigate them through regulatory processes)
- Bylaws

3.8.2. Contribution to the Council Strategy

The regulatory activity primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Grow our economy: Existing businesses thrive and new businesses start up in the district.	Economic development strategies: Stimulate economic development by assisting existing and attracting new businesses while encouraging diversity.
A quality regulatory service: Deliver a local regulatory service that keeps our community safe and is cost effective to households and businesses, now and in the future.	Regulatory services strategy: Provide regulatory services that meet legislative requirements while supporting our customers.
Cultural leadership: We support and encourage cultural leadership and capacity building.	Cultural leadership strategies: Build and maintain a strong strategic and operational relationship with Raukawa.

3.8.3. Key highlights

Highlights for Regulatory include:

- Robust and comprehensive review of the Gambling Class 4 and Racing Board Venue Policy was carried. The review engaged considerable interest from the community which was reflected by the number of submitters, Council was able to complete this internally at minimal cost.
- The Liquor Accord Group and Council representatives continues to be a positive relationship and there are direct benefits to the community regarding safety and well-being. South Waikato enjoys very good stats in this regard.
- Over 30,000 native plants have been planted on farms to improve water quality in the South Waikato District through South Waikato Environmental Initiatives (SWEI) funding and joint funded projects with the Waikato River Authority (WRA).
- Stakeholder workshops for the Local Indigenous Biodiversity Strategy (LIBS) continue, with the latest involving both dairy and dry-stock farmers.
- Eight schools in the South Waikato are members of the EnviroSchools Programme.
- Streamlining of planning services as part of a Regional Aligned Planning Project, an initiative driven by Waikato Local Authority Shared Services Ltd (WLASS)
- Business Case Management success in streamlining the business aspirations of the community, by acting as a liaison between customers and the various Council departments for over 60 new proposals

- Successful review and adoption of 13 Council Bylaws following Special Consultative Procedure
- The adoption of an Easter Trading Policy as desired by the local community
- Established and issued two quarterly Planning Update newsletters seeking to improve customer relations and good practice in the district
- Stakeholder consultation and infrastructure audit as part of the Putāruru Plan Change 1
- Ongoing consultation with Iwi with direction being provided from Raukawa for the Cultural Landscapes Plan Change.
- The Building Consent Authority has moved from a paper based processing system to an end to end digital building consent platform.
- We have two staff working towards National Diploma in Building Control Surveying which satisfies Regulation 18 which helps maintain accreditation.

3.8.4. Effects on the community

Central Government has given Council responsibilities to make sure that our community is safe.

3.8.5. How did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Animal Control: Greater than 90% of urgent requests are responded to within one hour on 24/7 basis 2017-18	Achieved	There were 140 urgent requests received and 100% of these were responded to within one hour.
Building Control: At least 90% of building consents are processed within statutory timelines (20 working days) 2017-18	Achieved	Council processed 453 building consents and 415 (92%) of these were processed on time.
Building Control: Council will retain accreditation as a Building Consent Authority 2017-18	Achieved	Accreditation retained
Business Case Management: 100% of all potential business development projects that require an integrated regulatory approach are contacted within three working days 2017-18	Achieved	There were 62 cases that required an integrated regulatory approach, and 100% of these were contacted within three working days.
Civil Defence: At least one South Waikato District Emergency Operations Centre or Managers exercise is held on an annual basis 2017-18	Achieved	One Managers exercise was held in March
Civil Defence: More than three training sessions/exercises are attended within the Waikato Civil Defence Emergency Management Group 2017-18	Achieved	There were nine (9) training sessions/exercises attended.
Civil Defence: To raise awareness of civil defence issues, Council will conduct 20 or more visits to local organisations 2017-18	Achieved	Council visited 23 local organisations.
Environmental Health: 100% of premises registered under the Food Act 2014 are audited annually 2017-18	Not Achieved	At the beginning of the year, there were 30 premises registered under the Food Act 2014. 7 inspections were completed. Inspections are part of a lengthy process in partnership with the business and require significant staff resources. The team was understaffed throughout the year. Staffing levels are being assessed.

Key Performance Indicators	2017-18 Level Achieved	Comments
Environmental Health: 100% of premises registered under the Food Hygiene regulations are inspected annually 2017-18	Not Achieved	There are 189 premises registered under the Food Hygiene regulations (as at the start of the year). 138 inspections were undertaken as required. As above, staffing levels are being assessed by Council
Liquor Licensing: 100% of on, off and club licenses are inspected annually 2017-18	Achieved	There were 55 premises registered at the end of the financial year. 100% of these were inspected.
Resource management policy and monitoring, including environmental protection and monitoring: At least 95% of non-notified consents are processed within statutory timelines (20 or 40 working days) 2017-18	Not Achieved	Council processed 71 resource consents, 67 (94.4%) were processed on time.
Resource management policy and monitoring, including environmental protection and monitoring: Not less than 80 hours per annum is spent on monitoring land uses eg resource consents, certificates of compliance and existing situations 2017-18	Achieved	Council staff spent 173 hours on monitoring land uses.
Resource management policy and monitoring, including environmental protection and monitoring: Reviews and Plan Changes to the District Plan are carried out in accordance with the statutory requirements in the Resource Management Act 1991(RMA).	Achieved	No plan changes or reviews undertaken.

3.8.6. Significant asset acquisition

Regulatory	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Replace 13 portable radios	-	4	-
Dog Bag Dispensers	5	6	-
Explorer 700 BGAN	-	9	-
Replacement of Gas Cells for Detector	-	2	-
Total	5	21	-

3.8.7. Funding Impact Statement - regulatory management

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	966	955	1,225
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	822	850	1,050
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	44	45	46
TOTAL OPERATING FUNDING (A)	1,832	1,850	2,321
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	1,207	1,214	1,323
Finance costs	-	-	-
Internal charges and overheads applied	617	627	644
Other operating funding applications	5	5	8
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	1,829	1,846	1,975
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	3	4	346
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	-
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	-	5
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	3	4	341
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	3	4	346
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(3)	(4)	(346)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.8.8. Funding Impact Statement - resource management and planning

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	837	849	925
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	1	222
Internal charges and overheads recovered	110	112	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
TOTAL OPERATING FUNDING (A)	948	962	1,147
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	551	560	713
Finance costs	36	32	21
Internal charges and overheads applied	265	270	280
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	852	862	1,014
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	96	100	133
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(96)	(101)	(106)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(96)	(101)	(106)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	-	-	-
• to replace existing assets	-	2	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) in investments	-	(3)	27
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	-	(1)	27
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(96)	(100)	(133)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.8.9. Funding Impact Statement - emergency management

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	314	316	273
Targeted rates	-	-	-
Subsidies and grants for operating purposes	(2)	(2)	-
Fees and charges	11	11	6
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-
TOTAL OPERATING FUNDING (A)	323	325	279
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	221	223	83
Finance costs	1	1	1
Internal charges and overheads applied	89	91	90
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	311	315	174
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	12	10	105
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2)	(2)	(2)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(2)	(2)	(2)
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
- to meet additional demand	-	-	-
- to improve the level of services	-	-	-
- to replace existing assets	4	43	-
Increase (decrease) in reserves	(4)	(43)	-
Increase (decrease) in investments	10	8	103
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	10	8	103
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(12)	(10)	(105)
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.9. Governance and corporate

3.9.1. What we do

- Manage the corporate component of Council's business (which includes information services, legal services, human resources, health and safety, revenue, finance, communications, executive support and strategic planning and projects, risk management and business improvement).
- Organise local government elections
- Support the elected members
- Support Council and Tirau Community Board meetings
- Engage effectively with our communities
- Develop Long Term Plans, Annual Plans and Annual Reports

3.9.2. Contribution to the Council Strategy

The governance and corporate group of activities primarily contribute to the following Council outcomes and strategies:

Outcomes	Strategies
Grow our economy: Existing businesses thrive and new businesses start up in the district.	Economic development strategies: Stimulate economic development by assisting existing and attracting new businesses while encouraging diversity. Encourage education and training to improve the employment opportunities of district's residents.
Improved external image: People outside our district are encouraged to live, work and develop businesses here.	District promotion strategy: Use a full range of marketing tools in conjunction with other organisations, to encourage external people to visit and live and develop businesses in our district.
Community pride: Council provides services that make residents proud of our district, celebrating the artistic, sporting and cultural achievements of our people and the diversity of our cultures.	Community Pride Strategy: Through improved communication, community activities, an enhanced physical environment focus on making our community proud and engaged.
Cultural leadership: We support and encourage cultural leadership and capacity building.	Cultural leadership strategies: Maintain and support our community's art and culture, and support cultural displays and events. Build and maintain a strong strategic and operational relationship with Raukawa and other iwi. Build and maintain a strong working relationship with Māori at all levels of Council. Build and maintain a strong working relationship with all cultures present in our district.
Efficient Council operations: Council ensures that our business practices are efficient and effective and achieved through successfully working with our community.	Efficient and effective operations strategies: Work together with our partners to achieve common goals. Embed a quality improvement philosophy into all operations of Council. Implement governance and management structures, systems and processes that improve our effectiveness and efficiency.

3.9.3. Key highlights

Highlights for Corporate and Executive groups include:

Communications

Increasing levels of community engagement over the year has been encouraging. This has resulted in the need to grow resource into the area of information sharing, engagement, response and media liaison. Digital engagement and information platforms continue to grow.

Finance

The earlier adoption of the Annual Report when not specifically required due to elections

The adoption of the Long Term Plan. This was a year-long project and consumed a huge amount of resources.

Information Support

Council has undertaken a significant investment in upgrading a number of software packages. These have all been implemented successfully and they continue to improve productivity and improve customer service

Work has begun upgrading the IT infrastructure including servers, storage devices and networking equipment. This will significantly enhance our security and desktop performance

Strategic Projects

The following highlights were completed in the last financial year by the Strategic Projects Group:

Driving better project management through the Project Information Form process associated with the Long Term Plan

Improving procurement process

Review and update of the Project Framework and associated documents

Assisting with the One Network Road Classification project

Updated and reviewing KPIs for handover to the Policy Team

Support to the Waste Minimisation Plan

Support and advice for various council projects

Strategic Policy

Council adopted the 2018-2028 Long Term Plan. The issues faced in this LTP development were very complex.

The Universal Policy Review, has begun. This project aims to update and revitalise Council's policy regime.

3.9.4. Effects on the community

The executive and corporate group of activities support all the other activities carried out by Council to ensure that they run smoothly by providing the necessary information systems and financial and other internal managerial support. Governance and corporate plays an important role in ensuring that democracy is upheld in our district as it ensures that elections and decision-making processes are lawful. It plays an important role in informing our community about Council's activities and plans and allowing opportunities for our residents to have their say. Systems are put in place to help make sure the organisation and community are as resilient, vibrant and engaged as Council can make them.

3.9.5. How did we do?

Key Performance Indicators	2017-18 Level Achieved	Comments
Communications: All official information requests are responded to within the statutory timeframe (20 or 40 working days) 2017-18	Not Achieved	Council received 61 official information requests and of these 59 (97%) were responded to on time. The team responsible have initiated new processes to ensure no more service requests miss their deadline.
Communications: That 90% of media queries are responded to within five working days 2017-18	Achieved	Council received 59 media queries, 46 (95%) of these were responded to within five working days.
Democracy: That Council complies with all sections of the Local Government Act 2002 governing the functions of elected officials and consultation with our community on documents (including strategies, policies and bylaws) 2017-18	Achieved	
Elections: Council will conduct error-free local government elections (the election process is defined in the Local Electoral Act 2001) 2017-18	Achieved	
Finance: To Ensure that Council only collects enough rates to meet its funding requirements, the operating level of Council's average annual general fund will not be more than \$500,000 in surplus or less than \$500,000 in deficit 2017-18	Not Achieved	Council is in a surplus position outside the limits of the KPI. From that it would appear that we are currently collecting more general rates than we are spending on general rate activities but this is not an actual reflection of true cash position due to accrual accounting. This KPI has been amended for the next LTP.
Information Services: Council's information systems are available at least 99% of the time. System availability is defined as reliable access during business hours to supported applications. Availability is measured from offices over 24 hours 365 days of the year, excluding planned and agreed maintenance downtime 2017-18	Achieved	System uptime was 99.8%
Revenue/Rates: The total amount of rate arrears is less than 10% of the current year's total rates paid to Council	Achieved	The amount of rate arrears at 30 June 2018 was 3.43%
Strategic Planning and Projects: Annual Plans and Long Term Plans will be adopted in compliance with the requirements and deadlines of the Local Government Act 2002	Achieved	The Annual Plan 2018-19 is not due to begin until September/October 2018. The Long Term Plan 2018-28 was adopted 28 June 2018.

3.9.6. Significant asset acquisition

Governance and corporate	Actual Spend 2018 \$000	AP Budget Spend 2018 \$000	Actual Spend 2017 \$000
Council admin buildings and depots	300	60	113
Property purchases	1,341	-	-
IT expenditure & GIS upgrades	284	300	197
Vehicle replacements	108	120	343
Trade training tools	-	-	10
Furniture renewals	8	15	13
Total	2,041	495	676

3.9.7. Funding Impact Statement - Governance and corporate

	LTP 2017 \$000's	LTP 2018 \$000's	Actual 2018 \$000's
SOURCES OF OPERATING FUNDING			
General Rates, Uniform Annual General Charges, rates penalties	1,992	2,071	1,876
Targeted rates	18	18	20
Subsidies and grants for operating purposes	-	-	-
Fees and charges	67	28	339
Internal charges and overheads recovered	4,361	4,505	8,920
Local authorities fuel tax, fines, infringement fees, and other receipts	42	-	757
TOTAL OPERATING FUNDING (A)	6,480	6,622	11,912
APPLICATION OF OPERATING FUNDING			
Payments to staff and suppliers	4,527	4,653	9,220
Finance costs	71	73	68
Internal charges and overheads applied	1,501	1,577	2,507
Other operating funding applications	137	38	1,115
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	6,236	6,341	12,910
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	244	281	(998)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(9)	(9)	161
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	(9)	(9)	161
APPLICATION OF CAPITAL FUNDING			
Capital expenditure:			
• to meet additional demand	-	-	-
• to improve the level of services	-	-	141
• to replace existing assets	496	542	1,123
Increase (decrease) in reserves	(496)	(542)	(61)
Increase (decrease) in investments	235	272	(2,040)
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	235	272	(837)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(244)	(281)	998
FUNDING BALANCE ((A-B)+(C-D))	-	-	-

3.10. Customer Satisfaction survey

3.10.1. Introduction

Council undertake satisfaction reporting four times a year, so that Council has a more timely understanding on the satisfaction levels of our residents with the services and facilities that Council delivers. The second annual report on the survey under this regime was published in July 2017.

3.10.2. Sample sizes

A sample size of 405 respondents was attained, with the survey designed to be demographically representative: 248 representatives were from the Tokoroa Ward, 122 were from the Putāruru Ward and 35 respondents were from the Tīrau Ward. Gender and ethnic diversity was accounted for, with respondents identifying as 50% male and 50% female, 73% European, 32% Māori, 6% Pacific, 2% Asian and 5% other ethnicities (this does not add up to 100% as respondents are able to choose more than one ethnicity). 89% of respondents were rate payers and 85% of all respondents had resided within the district for over 10 years. 33% of respondents were 19-39 years of age, 45% were aged 40-64 and 22% were 65 years and over. It is important to capture true satisfaction levels of actual users of specific services. Council has worked with researchers to ensure sample numbers for 'activity specific' questions; such as those associated with building consent processes, liquor licensing and the utility of facilities. The overall satisfaction figures include the categories: somewhat satisfied, satisfied and very satisfied and the overall dissatisfaction figures include: very dissatisfied and somewhat dissatisfied.

3.10.3. Overall Satisfaction

The overall results are presented below. In previous Annual Reports, Council has compared the results from surveys taken over the years. Because this is only the second year Council have used these questions, we can only give a comparison for the past two years. For some of our results, a significant amount of people answered 'don't know', for example the Croad Place Recycling Centre, because the facility isn't used by Putāruru and Tīrau residents. For this reason 'don't knows' are excluded from the data. A number of activities have a (UoS) associated, this indicates where Users of Services have been targeted.

The table below shows: Council activities, satisfaction rates for financial year June 2016-17, sample numbers or number of people who were surveyed for the associated activities, and June 2017-18 year satisfaction and dissatisfaction results.

Council Activity	2017 Satisfaction Level	2018 n=sample size	2018 Satisfaction Level	2018 Dissatisfaction Level
Overall satisfaction with Council's performance	88%	405	82%	18%
Wastewater system reliability	96%	405	95%	5%
How Council treats and disposes of wastewater	92%	405	94%	6%
Ability of stormwater network to protect your property from flooding	83%	405	82%	18%
Ability of stormwater network to keep roads and footpaths free from flooding	75%	405	71%	29%
How well the stormwater network is maintained	75%	405	75%	25%
Kerbside rubbish collection	92%	405	94%	6%
Kerbside recycling services	86%	405	84%	16%
Putāruru, Tirau, Waotu and Okoroire recycling points	89%	405	82%	18%
The Croad Place Recycling Centre	93%	405	93%	7%
The services for managing green waste	80%	405	84%	16%
The services for managing general waste	86%	405	85%	15%
Management of loose litter and bins in and around the town	85%	405	76%	24%
How well urban roads are maintained	81%	405	73%	27%
How well rural roads are maintained	76%	405	66%	34%
The safety of roads	82%	405	76%	24%
Availability of footpaths/crossing points for mobility scooters/wheel chairs	81%	405	79%	21%
How well footpaths are maintained	84%	405	76%	24%
Adequacy of cycleways on our roads	53%	405	43%	57%
Provision of dedicated walkways/other cycleways around the South Waikato	81%	405	82%	18%
Satisfaction with sports grounds	96%	405	93%	7%
Satisfaction with other parks and reserves	94%	405	92%	8%
Satisfaction with playgrounds	92%	405	93%	7%
Satisfaction with cemeteries	96%	405	93%	7%
Satisfaction with libraries (UoS)	99%	223	97%	3%
Satisfaction with swimming pools (UoS)	95%	169	94%	6%
Satisfaction with public toilets (UoS)	64%	219	62%	38%
Satisfaction with community halls (UoS)	90%	131	91%	9%
Satisfaction with South Waikato Sport and Events Centre (UoS)	97%	196	96%	4%
Library opening hours (UoS)	99%	223	96%	4%
Range of books and materials available at the libraries (UoS)	96%	223	94%	6%
The library charges (UoS)	98%	223	94%	6%
The overall service delivered by the library (UoS)	98%	223	99%	1%
The way that the libraries connect with local groups (UoS)	96%	223	93%	7%

Council Activity	2017 Satisfaction Level	2018 n=sample size	2018 Satisfaction Level	2018 Dissatisfaction Level
Satisfaction with animal control (UoS)	83%	95	78%	22%
Satisfaction with managing and issuing building consents (UoS)	69%	42	80%	20%
Satisfaction with managing and issuing resource consents (UoS)	64%	23	71%	29%
Satisfaction with managing liquor licensing (UoS)	70%	11	66%	34%
Satisfaction with Civil Defence (UoS)	77%	186	74%	26%
Satisfaction with Rural Fire (UoS)	95%	151	94%	6%
Satisfaction with licensing premises such as cafes, restaurants and hairdressers (UoS)	80%	5	63%	37%
Satisfaction with making a complaint or a request for service				
How easy it was to make your enquiry or requests (UoS)	75%	70	79%	21%
How long it took to resolve the matter (UoS)	47%	70	51%	49%
The information provided being accurate (UoS)	66%	70	71%	29%
How well Council staff understood your request and how well they communicated with you (UoS)	64%	70	67%	33%
The resolution or outcome achieved (UoS)	54%	70	56%	44%
How would you rate Council overall for how well they handled your enquiry (UoS)	61%	70	56%	44%

3.11. Involvement with Council Controlled Organisations (CCOs)

A CCO is a company with a majority Council shareholding, or a trust or similar organisation with a majority of Council-controlled votes or Council-appointed trustees. Council is involved in one regional CCO called Local Authority Shared Services (LASS) Limited.

The company was established in 2005-06 and is a legal entity to help foster and develop shared service initiatives throughout the region.

The LASS is jointly owned by the local authorities of the region: Waikato Regional Council, Hamilton City Council, Hauraki, Matamata-Piako, Otorohanga, Rotorua, South Waikato, Taupo, Thames-Coromandel, Waikato, Waipa and Waitomo District Councils.

3.11.1. Company Objective

The objective of LASS is to provide local authorities of the Waikato Region with a vehicle to procure shared services. The LASS also provides Councils that wish to develop new services with a corporate structure under which they can develop and promote services to other local authorities.

The constitution of LASS sets out the principles of which the company will be operated and governed. This includes shareholders' rights and the appointment of directors. The company's Annual Statement of Intent identifies its activities, intentions for the year and the objectives to which those activities will contribute.

3.11.2. Nature and Scope of Activities

The principal nature and scope of the activity for the company is to:

- Provide shared services to all local authorities within the Waikato region. The company also intends to sell processes and systems as set up under individual agreements to local authorities outside the region.
- Pursue all opportunities to develop shared services that may benefit the community, either through enhanced services or reduced costs.
- Give consideration to developing shared service products which a majority of local authorities of the region believe are of value. The objective is to provide the most effective access to regional information that may be of value to the community using modern technology and processes.
- Explore all possible avenues to provide these services itself, or contract them from outside parties, each depending on a rigorous business case.

Council policies and objectives relating to CCOs




South Waikato District Council's policy on appointment of directors to CCOs states that, where Council is but one of a group of councils jointly controlling a CCO, then Council shall provide representatives (as appropriate) to consider the appointment and remuneration.







LASS is governed by a board of directors made up of the chief executives of the local authority shareholders. Council's involvement in LASS is consistent with its Appointment of Directors to CCO's Policy. Council's involvement in LASS was confirmed, following public consultation through its Annual Plan 2005-06.






Council at present has no formal objectives other than to maintain its current shareholding.







Performance results




The following performance measures were incorporated into the Local Authority Shared Services Limited (LASS) 2017-18 financial year:






Target	Method	Measure	Outcome	
Procurement				
Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for integration.	Implement the recommendations of the Procurement review, as approved by the Board.	<p><i>Achieved</i></p> <p>In line with the recommendations:</p> <ul style="list-style-type: none"> - a procurement specialist has been engaged to assist Councils; and - work has commenced on developing a standard procurement framework, policies, templates and supporting tools which will be applied across Councils. 	
		New suppliers are awarded contracts through a competitive tender process.	<p><i>Achieved</i></p> <p>New shared service contracts were procured following competitive tender processes for On-line Driver Assessment and Training Services and Occupational Health Services, and Vehicle Fleet Management and Maintenance (where WLASS agreed to exercise the contract right of renewal).</p>	
Collaborative Projects				
Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>	<p><i>Achieved</i></p> <p>Board approved four business cases to:</p> <ul style="list-style-type: none"> • develop the Waikato Data Portal • execute the digital strategy • transform WLASS into a service delivery agent • establish a new platform for shared valuation data <p>A single suite of resource consent applications was developed.</p> <p>Regional Infrastructure Technical Specifications relating to the design and construction of infrastructure assets was completed.</p>	


WLASS Contracts				
Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed.	<i>Achieved</i> Contracts risk register is maintained.	
		Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.	<i>Achieved</i> Throughout the period 18 contracts due for renewal were reviewed and where appropriate renegotiated prior to extension.	
Cashflow				
The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly.	The WLASS Board reviews the financial statements quarterly.	<i>Achieved</i> The cash surplus for the period was ~ \$616k, although this is largely a result of revenue being invoiced in advance. The Board received management accounts at each Board meeting.	
Cost Control				
Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly. The WLASS Board reviews the financial statements quarterly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.	<i>Achieved</i> Company administration costs were ~ \$54k less than budgeted – 83% of the budgeted amount. Specific line items materially greater than budget were approved by the Board in advance.	
Reporting				
Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting. One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.	<i>Achieved</i> Completed via Half and Full-year report prepared and circulated to shareholding Councils.	
		Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.	<i>Achieved</i> Completed as set out in this annual report.	

Waikato Mayoral Forum				
The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20 th of the month following their receipt.	<i>Achieved</i>	
Shared Valuation Data Services (SVDS)				
The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS.	The SVDS is available to users at least 99% of normal working hours.	<i>Achieved</i> The SVDS was available 99.84% of business hours during the year.	
	The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.	All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group.	<i>N/A</i> There were no capital enhancements during the period.	
		The SVDS Advisory Group meets at least 6-monthly.	<i>Achieved</i> The Advisory Group had four scheduled meetings throughout the year. There was an additional meeting in April 2018 to discuss the business case for the SVDS replacement.	
Insurance				
Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.	<i>Achieved:</i> Based on the shareholders' survey undertaken in March 2018, all respondents regarded the advice as either satisfactory or very satisfactory.	
		The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.	<i>Achieved:</i> All respondents regarded the advice as either satisfactory or very satisfactory.	

Road Asset Technical Accord (RATA)				
All stakeholders are kept informed about RATA's projects and achievements.	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.	<i>Achieved</i> Half and full-year reporting presented to Board (half year reporting on 13 April 2018 and final report on 28 September 2018 as part of year end reporting).	
		Reports include a summary of savings and achievements.	<i>Achieved</i> Reports presented savings to Councils	
	Annual Forward Works Programme tours are completed, to provide opportunities for councils' roading staff to share their knowledge and experience.	All RATA councils participate in the tour.	<i>Achieved</i> The tours were undertaken in August/September 2017.	
		Report on tour outcomes prepared by 31 December each year and circulated to stakeholders.	<i>Partially achieved</i> Report on outcomes completed and shared but in January 2018.	
Sub-regional data collection contracts deliver good quality data on roading assets.	Data collection contracts (minimum of two across the region) are managed in accordance with best practice.	Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.	<i>Achieved</i> The three RATA contracts related to High Speed Data Collection, Condition Rating Surveys and Traffic Counting awarded during the year follow tender process and contract renewals were reviewed and renegotiated. All suppliers are operating in accordance with contract requirements.	
	Data supplied by contractors is of good quality and meets all councils' requirements.	Any data issues are identified and resolved, with any incidents reported to stakeholders.	<i>Achieved</i> All performance criteria met with no data issues identified.	

Waikato Regional Transportation Model (WRTM)				
<p>The WRTM is reliable, well maintained and available to all users.</p>	<p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p>	<p><i>Achieved</i></p> <p>Stantec (previously the known as the Traffic Design Group) provide to customers under contract to WRTM all modelling reports requested. The WRTM commercial manager overseas this contract and establishes a schedule at the beginning of each financial year. Further, there are meetings held with Stantec every six weeks that review performance plus formal quarterly reporting.</p> <p>During the year 22 reports have been completed.</p>	
		<p>A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.</p>	<p><i>Achieved</i></p> <p>Land use and low population projections included in the model.</p> <p>Half and full-year reporting presented to Board (half year reporting on 13 April 2018 and final report on 28 September 2018 as part of year end reporting).</p>	
		<p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual), and is independently peer reviewed each time the model is updated.</p>	<p><i>Achieved</i></p> <p>The model has been developed in accordance with an agreed approach with the NZTA, and it has been peer reviewed by an independent traffic modelling consultant. NZTA have received the peer review and have endorsed the model.</p>	

Waikato Building Consent Group				
Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.	Develop and maintain a quality assurance system for building consents, that meets statutory compliance and supports excellence and consistency in customer service and business practice.	Internal audits are completed annually for each Group member.	<i>Not achieved:</i> Lack of resource has compromised the audit programme. This issue is being addressed as part of the WBCG strategy for FY19.	
		Group members are provided with a joint quality assurance system that meets statutory compliance.	<i>Achieved:</i> QA manual, standard documents and public information on www.Buildwaikato.co.nz has been signed off by IANZ at 6 assessments since 1 July 2017. Only minor changes required.	
		Report at least six monthly to the WLASS Board on the Group's activities.	<i>Achieved:</i> <i>Reporting to WLASS Board provided in January 2018 and September 2018 as part of the year end process.</i>	
Future Proof				
All stakeholders are kept informed about Future Proof's projects and achievements.	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June and circulated to stakeholders.	<i>Achieved</i> Six monthly reports presented at the December 2017 and July 2018 Board meetings	
Shareholder survey				
Shareholders are satisfied with the performance of WLASS.	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.	The survey has been completed although the response rate was low, at 42%. Results are being reported to shareholders as part of this annual report.	

Review of benefits				
Shareholders are informed of the benefits being provided to shareholding councils by WLASS.	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.	<i>Achieved</i> Benefits are set out in the Statement of Intent.	
		The "Collaboration in Action" document, which summarises the achievements of WLASS, is updated and circulated to shareholders by 31 December 2017.	<i>Partially achieved</i> The Collaboration in Action document is complete and included on WLASS's website, with shareholding Council's being notified, although this occurred in the first half of 2018.	