

Corporate and Operations Committee

Open Agenda



Notice is hereby given that an ordinary meeting of the Corporate and Operations Committee will be held on:

Date: Wednesday 22 August 2018
Time: 9:00am
Venue: Council Chambers
35 Kenrick Street
TE AROHA

Membership

Mayor

Jan Barnes, JP

Councillors

Donna Arnold
Teena Cornes
Paul Cronin
Neil Goodger
Brian Hunter
Peter Jager

James Sainsbury
Ash Tanner
Kevin Tappin
James Thomas, JP
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ITEM	TABLE OF CONTENTS	PAGE
PROCEDURAL		
1	Meeting Opening	5
2	Present	5
3	Apologies	5
4	Notification of Urgent Business	5
5	Confirmation of minutes	5
OFFICER REPORTS		
6	Executive	
6.1	Draft Annual Report 2017/18	7
6.2	Online Voting - update	51
6.3	Significant Natural Features Update	57
6.4	Health and safety report - July 2018	115
6.5	Spotlight on safety award	135
6.6	Staff Long Service Presentation	137
6.7	Long Term Plan 2018-28 Audit Report	139
6.8	Consideration of the Removal of the proposed Road Designation on Charleston Street, Morrinsville	149
6.9	Waharoa Tennis Courts Land	155
6.10	Ngarua Recreation Reserve	161
6.11	Naming of Reserve in Waharoa	165
7	Urgent Additional Business	

1 Meeting Opening

2 Present

3 Apologies

At the close of the agenda no apologies had been received.

4 Notification of Urgent Business

Pursuant to clause 3.7.5 and 3.7.6 of the Standing Orders NZS 9202:2003 and Section 6A (7) of the Local Government Official Information and Meetings Act 1987, the Chairman to enquire from members whether there are any additional items for consideration which qualify as extraordinary or urgent additional business.

5 Confirmation of minutes

Minutes, as circulated, of the Ordinary Meeting of the Corporate and Operations Committee, held on 25 July 2018

Draft Annual Report 2017/18

Trim No.: 2046346

Executive Summary

Development of the 2017/18 Annual Report is in full progress. A summary of key financial and performance measure data is presented for Council's early information.

The final 2017/18 Annual Report and Annual Report Summary will be circulated in the agenda for the meeting of 10 October 2018.

Recommendation

That:

1. The information be received.

Content

Background

Council is required to prepare an Annual Report and Summary Annual Report for the year ended 30 June 2018. These documents are in the process of being prepared, including full financial statements. At this stage, a summary of the key financial information and performance measures for 2017/18 is attached for Council's information. The financials presented are a first cut, and they will be subject to further investigation and quality review, before the final audit is conducted, starting on the 27th of August. Any significant changes or issues identified as a result of the quality review or final audit will be reported to Council. The final 2017/18 Annual Report and Annual Report Summary will be circulated in the agenda for the meeting of 10 October 2018, at which time it is intended these documents will be adopted.

Issues

Financials

The financial results for the year reflect the significant level of development that has been happening within in the district. The draft financial statements show an initial surplus for the year of \$6.2 million - \$5.5 million greater than the budgeted surplus of \$696,000. \$5.7 million of that directly related to the District's development in the form of assets vested in Council through the subdivision process, development contributions received, and higher activity in building and resource consents. Further explanation of significant variances to budget are provided in the attached summary.

\$2.6 million of the surplus came from non-cash items (e.g. assets vested in Council through the subdivision process recognised as revenue, and accounting adjustments made to recognise losses from the disposal of assets and the valuation of interest rate swaps, etc.

The draft balance sheet shows that Council continues to maintain a healthy financial position. Significant variances to the budgeted position are largely as a result of the delay (this year and in prior years) of getting the budgeted capital projects done.

Non-financial performance measures

There are a total of 57 performance measures which Council reports on in the Annual Report, at the time of writing this report we have achieved 36 of these. These are detailed in the attached summary document.

Analysis

Legal and statutory requirements

Under Section 98 of the Local Government Act 2002, Council is required to prepare an annual report and summary at the close of each financial year.

Impact on policy and bylaws

There are no policy or bylaw issues.

Consistency with the Long Term Plan / Annual Plan

The Annual Report is designed to report on Council's performance against the Long Term Plan/Annual Plan.

Impact on Significance and Engagement Policy

This issue is not significant in terms of the significance policy.

Communication, consultation and decision making processes

The Annual Report does not involve a process of consultation, but is externally audited with an audit opinion issued.

Timeframes

Council's auditors will be on-site from 27 August 2018 for two weeks. Council's auditors will be present at the Council meeting on 10 October 2018 to present the audit opinion. The final Annual Report 2017/18 must be adopted no later than 31 October 2018.

Contribution to Community Outcomes

The document reports on progress towards our community outcomes.

Financial Impact

i. Cost

The cost of the Annual Report is a budgeted expense (\$15,000) excluding audit fees. Other costs of the project are staff time and audit fees of the Annual Report and Summary.

ii. Funding Source

Budgetary provision for the Annual Report has been included in the Long Term Plan and Annual Plan budgets under the Strategies and Plans activity.

Attachments

- A. Annual report financials and performance measures for Council 22 July
- B. Calendar for COC agenda

Signatories

Author(s)	Larnia Weir Deputy Finance Manager	
	Jesse Gooding Graduate Policy Planner	

Approved by	Sandra Harris Acting Strategic Policy Manager	
	Danny Anglesey Finance & Business Services Manager	
	Manaia Te Wiata Group Manager Business Support	
	Don McLeod Chief Executive Officer	

Annual Report 2017/18

Draft summary 22 August 2018

Annual Report 2017/18

Draft Summary Financials

Draft Financial Statements

Statement of comprehensive revenue and expense

For the year ended 30 June 2018

Actual 2016/17		Notes	Budget 2017/18	Actual 2017/18
\$000			\$000	\$000
	Revenue			
34,079	Rates		34,177	34,099
7,360	Subsidies and grants		6,151	6,831
7,170	Fees and charges		5,647	6,972
524	Development and financial contributions		405	1,795
549	Interest revenue		257	622
1,239	Other revenue		466	4,491
50,921	Total revenue		47,103	54,810
	Expenses			
13,815	Personnel costs		14,638	14,015
13,958	Depreciation and amortisation		13,953	14,018
1,349	Finance costs		1,766	1,335
17,963	Other expenses		16,050	19,239
47,085	Total expenses		46,407	48,607
8	Share of joint venture surplus/(deficit)		-	-
3,844	Surplus/(deficit)		696	6,203
	Other comprehensive revenue and expense			
10,174	Financial assets at fair value through other comprehensive revenue and expense		-	-
(18,817)	Property, plant and equipment revaluations		12,929	19,945
(8,643)	Total other comprehensive revenue and expense		12,929	19,945
(4,799)	Total comprehensive revenue and expense		13,625	26,148

Statement of financial position

As at 30 June 2018

Actual 2016/17		Notes	Budget 2017/18	Actual 2017/18
\$000			\$000	\$000
	Assets			
	Current Assets			
2,591	Cash and cash equivalents		835	3,852
3,876	Receivables		3,000	3,974
281	Prepayments		-	387
649	Inventory		174	839
-	Non-current assets held for sale		-	416
-	Derivative financial instruments		-	-
	Other financial assets			
80	- investments in CCOs and other similar entities		-	136
19,339	- investments in other entities		4,837	12,778
26,816	Total current assets		8,846	22,382
	Non-current assets			
5	Derivative financial instruments		-	1
	Other financial assets			
13,447	- investments in CCOs and other similar entities		3,062	13,359
262	- investments in other entities		2,112	-
580,876	Property, plant and equipment		632,848	609,495
1,002	Intangible assets		918	850
595,592	Total non-current assets		638,940	623,705
622,408	Total assets		647,786	646,087
	Liabilities			
	Current liabilities			
6,731	Payables and deferred revenue		4,184	6,272
81	Derivative financial instruments		-	76
5,191	Borrowings		5,192	8,616
1,524	Employee entitlements		1,300	1,625
216	Provisions		89	216
13,743	Total current liabilities		10,765	16,805
	Non-current liabilities			
1,595	Derivative financial instruments		-	1,861
24,616	Borrowings		35,284	19,000
450	Employee entitlements		613	379
659	Provisions		611	549
27,320	Total non-current liabilities		36,508	21,789
41,063	Total liabilities		47,273	38,594
581,345	Net assets (assets minus liabilities)		600,513	607,493
	Equity			
425,934	Accumulated funds		405,026	432,139
155,411	Other reserves		195,485	175,354
581,345	Total equity		600,511	607,493

Explanations of major variances against budget

Explanations for major variations from Council's budget figures in the 2017/18 Annual Plan are as follows:

Major variations	Budget 2017/18	Actual 2017/18	Explanation for major variations to budget
	\$000	\$000	
Statement of comprehensive revenue and expense			
Subsidies and grants	6,151	6,831	The roading subsidy received was \$672,000 higher than budgeted mainly due to the LED streetlighting projects that were approved by NZTA after the Annual Plan was finalised.
Fees and charges	5,647	6,669	The volume of activity exceeded budget across a number of areas this year. Significantly this included; building consents up \$261,000, resource consents up \$460,000, waste water income is up by \$118,000 due to high volumes from industries, waste management income is higher by \$175,000 due to increase in charges and more volume to all transfer stations, and tankered water income is higher by \$138,000. These increases have been slightly offset by lower income received than budgeted from Libraries and Cemeteries.
Development and financial contributions	405	1,795	Revenue from contributions was higher than budgeted due to some significant developments in the district, particularly this year the Parkwood Morrinsville residential development. Also, Millar Street in Te Aroha and Thames Street Morrinsville subdivision activities increased the contributions received.
Interest revenue	257	622	Interest earned on investments was higher than budgeted as the delay in capital spending resulted in more availability for investing funds.
Other revenue	466	4,491	Infrastructural assets vested to Council through the subdivision process this year amounted to \$4.1 million, compared to a budget of \$200,000. The majority of the vested assets were from the Parkwood subdivision in Morrinsville.
Personnel costs	14,638	14,015	Positions remaining vacant after staff have resigned, and newly budgeted positions not being filled are the reason for personnel costs being lower than budgeted for the year. Maternity leave, staff on ACC and staff taking leave without pay have also contributed. The vacant roles have in some cases resulted in increased operational costs where contractors have been required to fulfil certain roles.
Finance costs	1,766	1,335	Debt was lower than budgeted due to the delay in the capital programme, reducing overall finance costs.
Other expenses	16,050	18,936	Significantly, a loss on disposal of assets of \$703,000 is recognised for the year. A decrease in market interest rates has seen the valuation of Council's interest rate swap portfolio reduce by \$265,000 during the year. \$199,000 in contributions recognised in the previous year as income for the Silver Ferns Farms Events Centre was written off during this financial year.
Property, plant and equipment revaluations	12,929	19,945	The revaluation of property, plant and equipment as at 1 July 2017 resulted in a more significant increase in values than budgeted. Significant valuation increases included; land \$9.9 million, buildings \$6 million (note that land and buildings were last revalued 30 June 2014), roading \$4.7 million, stormwater \$600,000 and wastewater \$600,000. These increases were offset by a \$2 million decrease in the valuation of water assets.
Statement of financial position			
Current assets	8,846	22,382	The balance of cash and term deposits held at balance date is higher than budgeted due to the delay in the capital programme, and also due to the pre-funding of a \$3m loan in May that is due to mature in March 2019. Receivables are also higher than budgeted, mainly due the New Zealand Transport Agency paying over \$2 million in roading subsidies related to 2017/18 after balance date.
Non-current assets	638,940	623,705	Council's investment in the Waikato Regional Airport was last year revalued at fair value, but not until after the budget was set, resulting in a \$10.2 million increase in the carrying value. The balance of property, plant and equipment is lower than budgeted due the delay in the capital work programme.
Current liabilities	10,765	16,805	Accounts payable and revenue received in advance at balance date was higher than budgeted, but in line with the previous year. The current portion of debt maturing this year is higher than budgeted.
Non-current liabilities	36,508	21,789	Debt is lower than budgeted due to the delay in the capital programme. This despite the \$3m loan raised in May to pre-fund another loan due to mature in March 2019. In addition a liability is recognised at year end for the unfavourable valuation of Council's interest rate swap portfolio at 30 June 2018.

Performance measures

Below is a summary of Council's achievement against its performance measures.

Community Facilities and Property

Carparks and Street Furniture

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will provide well maintained carparks and street furniture and will address vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding Council carparks and street furniture will be responded to within the assigned timeframe*.	New measure	57%	46.15%	90% or more	X	<p>Our response rate is measured through our Customer Request Management system</p> <p>To ensure our facilities are safe and maintained to an acceptable standard, we aim to respond to complaints in a timely manner.</p> <p>We received a total of 20 complaints regarding carparks and street furniture for the period 1 July 2017 to 30 June 2018, of these, we responded to 14 complaints within the assigned time frame, giving us a result of 70%. We had one urgent matter that was responded to in the assigned timeframe and meant we achieved 100% on urgent complaints. This complaint was about broken glass in the carpark outside the Silver Fern Farms Events Centre.</p>
					Actual		
					70%		

Cemeteries

Cemeteries will be maintained at a high standard.	Percentage of people satisfied/very satisfied with cemeteries, who have visited a Council cemetery in the last year.	90%	88%	91%	80%	✓	<p>We measure this through our Annual Customer Survey.</p> <p>We aim to maintain cemeteries at a standard that satisfies cemetery visitors and shows respect to our deceased. This year's result is similar to previous years with 89% of respondents satisfied/very satisfied with our cemeteries. 48% said they were very satisfied, 41% were satisfied. A further 6% said they were neither satisfied nor dissatisfied and 1% didn't know. 4% of respondents said they were dissatisfied. Reasons given for dissatisfaction included general maintenance and upgrading required.</p>
					Actual		
					89%		

Housing and Property Management

We will provide housing that meets the needs of elderly people.	Percentage of elderly persons housing tenants satisfied/very satisfied with the standard of maintenance and accommodation.	85%	87%	82.6%	80%	✓	<p>This is measured by an annual survey of elderly persons housing tenants undertaken in April each year.</p> <p>We provide elderly persons housing so elderly people can have access to good quality affordable housing. This year 45.21% said they were very satisfied and 35.61% said they were satisfied. 6.85% of tenants said they were dissatisfied with the overall elderly persons housing service. 10.9% of respondents said they were neither satisfied, nor dissatisfied. One respondent (1.36%) provided no feedback on their satisfaction. The main reason for dissatisfaction was concerns about lack of ground maintenance and the poor condition of some of the units.</p>
					Actual		
					80.82%		
We will provide affordable elderly persons housing.	Rent charged for elderly persons housing will be below the market median for the district.	Achieved Rents below median	Achieved Rents at least 10% below median		Rents 10% below market median	✓	<p>This is measured through an audit of our annual accounts and review of annual market median rents as supplied by the ministry of Building, Innovation and Employment.</p> <p>Our policy is to set elderly persons housing rents below the market median for the district to ensure it is affordable. Rent for a one bedroom flat is \$156 (market median is \$180) and \$210 for a two bedroom flat (market median is \$280). This 13.3% and 25% respectively, below market median.</p>
					Actual		
					Rents at least 10% below market median		
Our elderly persons housing will be well utilised.	At least 90% of elderly persons housing will be occupied.	99%	98.73%		95%	✓	<p>This is measured through our internal records of occupancy.</p> <p>High occupancy rates of elderly persons housing will ensure we are providing affordable housing in the district.</p>
					Actual		
					99.5%		

Libraries

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
Our library services will be accessible to the community.	The number of people visiting our libraries.	198,103 visits	186,552 visits	164,055 visits	Maintain 2013/14 benchmark (222,843 visits)	X	<p>This is measured through door count records.</p> <p>Our 2017/18 performance target was to maintain the 2013/14 benchmark of 222,843 visits.</p> <p>With 143,292 visitors for the year we did not reach the target.</p> <p>Physical visits to our three libraries continue to decline. This is consistent with national trends with more and more library users choosing to interact with the library services online. Matamata library visits are lower due to the small temporary space used in the first half of the year whilst the new library was being built. It is noted that visits to the library website have increased (refer below), which indicates people have changed the way they are accessing information from the libraries.</p>
					Actual		
					143,292 visits		
	The number of people accessing library information online.	8,154 visits	16,383 visits	25,051 visits	Maintain 2013/14 benchmark (6,389 visits)	✓	<p>This is measured through website visitor statistics.</p> <p>Our 2017/18 performance target is to maintain the 2013/14 benchmark of 6,389 visits. In 2017/18 we had more than 26,594 visits to the libraries online services.</p> <p>The growth in people accessing our library information online correlates with increased electronic resources including e-books, online newspapers and databases.</p>
					Actual		
					26,594 visits		
Our library resources will support community needs.	The percentage of users who are satisfied/very satisfied with library services.	85%	85%	85%	90% satisfied or very satisfied	✓	<p>This is measured through our Annual Customer Survey.</p> <p>User satisfaction for the library services has increased 5% from 2016/17 to 90% in 2017/18.</p> <p>Target satisfaction was achieved with 58% of respondents being very satisfied, 32% satisfied, 3% neither satisfied nor dissatisfied and 5% of users indicating they were dissatisfied and 2% didn't know. Reasons given for dissatisfaction included a perceived lack of titles available on loan.</p>
					Actual		
					90%		

Parks and tracks

We will provide good quality sports field facilities to meet the needs of users.	Percentage of users satisfied/very satisfied with sports fields.	81%	79%	79%	80% satisfied/very satisfied	X	<p>This is measured through our Annual Customer Survey. This year's results were the same as last year. 37% said they were very satisfied and 42% were satisfied. 15% said they were neither satisfied nor dissatisfied, and 4% didn't know. 2% said they were dissatisfied and no-one said they were very dissatisfied. Reasons given for dissatisfaction included dog fouling on the fields, facilities under utilised and lack of parking.</p>
					Actual		
					79% satisfied/very satisfied		
We will promote and encourage the community to use our parks and reserves.	Percentage of users satisfied or very satisfied with parks and reserves.	75%	79%	83%	80% satisfied/very satisfied	✓	<p>This is measured through our Annual Customer Survey. This year's results saw an improvement of 1% compared to last year. 34% were very satisfied and 50% were satisfied. 13% said they were neither satisfied nor dissatisfied. 2% said they were dissatisfied and 1% said they were very dissatisfied. Reasons for dissatisfaction included lack of maintenance, dog fouling and facilities under utilised.</p>
					Actual		
					84% satisfied/very satisfied		
Our public playgrounds will be safe.	Playground safety will be assessed on a regular basis.	Achieved			Inspections will be undertaken once every two weeks, and once every week during school holidays. An external audit will be undertaken annually to evaluate compliance with the relevant New Zealand Standard.	✓	<p>Be assured your children will be safe when using playgrounds. During the 2017/18 year inspections were undertaken once every two weeks and once every week during school holidays. This is measured through our playground safety audit records.</p> <p>An external playground audit was completed in December 2017 with recommendations for maintenance and renewal work being incorporated into the work programme during the year.</p>
					Actual		
					Achieved		

Pools and spas

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
Our facilities will be safe for facility users and staff.	Four independent audits will be carried out on Swim Zone Te Aroha, Swim Zone Matamata and the Te Aroha Mineral Spas. Two independent audits will be carried out on Swim Zone Morrinsville.	Achieved			Achieved	✓	This is measured through records of quarterly external audits. Professional pool operation and management ensures people's safety will not be put at risk while using our pools. Audits on our pools and spas were completed in September and December 2017 and March, June 2018. The audit reports identified that some areas within the facilities require maintenance and need to be cleaned. This has been incorporated into the work programme and the renewal planning for future years.
					Actual		
					Four independent audits for Swim Zone Matamata, Swim Zone Te Aroha and Te Aroha Mineral Spas. Two independent audits for Swim Zone Morrinsville.		
We will provide well maintained aquatic facilities in the district.	Percentage of customers satisfied/very satisfied with pool facilities that have used them in the last year.	75%	74%	70%	80%	✓	This is measured through our Annual Customer Survey. This year's results saw an improvement of 17% when compared to 2017/18. 49% of respondents were very satisfied and 38% were satisfied. A further 10% said they were neither satisfied nor dissatisfied, and 1% didn't know. 1% said they were dissatisfied and a further 1% said they were very dissatisfied. Reasons for dissatisfaction included requests for upgrading facilities, comments about costs and restricted opening hours.
					Actual		
					87%		
We will promote and encourage our community to use aquatic facilities.	The number of customers using our pool facilities will be maintained.	124,824	145,363	169,780	Visitor numbers will be within 5% of the five year average	✓	Measured by attendance records, each visit is counted as one and the figures do not differentiate between residents and out of district visitors. The target for 2017/18 is visitor numbers will be within 5% of the five year average. The five year average was 133,651 visitors. During the year we had 176,466 visitors to our pool facilities, which exceeds our target.
					Actual		
					176,466		

Public toilets

Our public toilets will be maintained to acceptable standards.	Through the number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	New measure	22 complaints	34 complaints	20 or less complaints about cleanliness per year	X	Our public toilets will be maintained to ensure the health and wellbeing of our community is not negatively affected. This is measured through the number of complaints about cleanliness reported via our Customer Request Management System. We received 36 complaints regarding the cleanliness of public toilets during 2017/18. A large proportion of complaints are related to the Waharoa rest area toilets. These toilets are cleaned twice daily and in 2018/19 will be cleaned three times daily. We are continuing to monitor this facility. We have allocated \$200,000 to replace/renew the Waharoa toilets in 2019/20. The new toilets will be better able to cope with visitor numbers, easier to maintain, vandal-resistant, more aesthetically pleasing, and able to be relocated if demand changes in the future.
					Actual		
					36 complaints about cleanliness		

Recreation facilities and heritage

We will provide well maintained recreation and heritage facilities and will address damage, vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding recreation and heritage facilities will be responded to within the assigned timeframe.	New measure	57%	90%	90% or more	X	Our response rate was measured from our Customer Request Management system. We received a total of six complaints about damage to our Recreation and Heritage facilities in 2017/18. 5 (83%) of these complaints were responded to within the adopted timeframe. Three of the six complaints were related to graffiti at Headon Stadium in Pohlen Park. We also received one urgent complaint relating to broken glass at the AR Johns Grandstand, toilet block and changing shed. This was attended to within timeframe. We have attended 100% of urgent complaints within the adopted timeframes.
					Actual		
					83%		

Civil Defence

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will be prepared to assist the community in the event of an emergency.	We will have sufficient trained staff within the Thames Valley Emergency Management Operating Area.	24%	35%	36%	70%	X	<p>We need to have the right staff with the right qualifications to respond to a civil defence emergency in the Thames Valley civil defence area. Those positions include the controller, intelligence officers and several other essential roles. We aim to ensure a minimum percentage of those positions are filled (taking staff turnover into account). This is measured through our internal records.</p> <p>The national training framework for Civil Defence is still being developed and is programmed to occur over the next two years. Once these are available we will ensure we have appropriately trained staff.</p> <p>As of 30 June 2018 we have only reached 42% of the positions filled with appropriately trained staff. The remaining courses are still being developed nationally.</p> <p>We provide information to our community on emergency readiness via our website and facebook.</p>
					Actual		
					42%		

Communications and events

We will hold events to recognise volunteering and cultural significance in our community and contribute to economic development.	We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development.	Business Night Out			We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development.	✓	<p>A volunteer evening was held on 21 June at Kaimai Cheese to recognise and thank the groups and individuals who volunteer in our community. Volunteers are the heart of any caring community and many services could not exist without these individuals and groups who freely give of their time and expertise.</p> <p>ANZAC Day Civic ceremonies were held in Matamata, Morrinsville, Te Aroha and Walton on 25 April. These ceremonies give the community a chance to remember and pay their respects to those who served our country</p> <p>The Business Night Out was held on 12 October, 2017 at the Silver Fern Farms Event Centre in Te Aroha to celebrate business success in our community. Guests were entertained by keynote speaker Martin Sneddon. This event was sponsored by Hobbiton Movie Set and Fonterra (major sponsors), and Bayleys and Gull (award sponsors).</p> <p>The Industry Training Graduation was held at Power Farming on 27 April to celebrate the success of those who have chosen to complete a qualification through and Industry Training Organisation, and to thank the employers who have supported them through these qualifications.</p> <p>In addition to these events, a workshop was held on 12 June at the Matamata-Piako Civic and Memorial Centre for business opportunities associated with the Te Aroha to Matamata Hauraki Rail Trail extension.</p>
		ANZAC Day			Actual		
		Industry Training Graduation			Business Night Out ANZAC Day commemorations in Matamata, Morrinsville, Te Aroha and Walton Industry Training Graduation Hauraki Rail Trail Business opportunities workshop Community Volunteer Awards		
We will continue developing online services so residents and ratepayers can access information and interact with Council at any time, from anywhere.	The number of transactions/ services that can be completed electronically will increase each year.	New measure	Recruitment system Service kiosk	Ticket system purchase gift vouchers	One new transaction/ service per year	✓	<p>This is measured through our internal records.</p> <p>The ability for customers to purchase rubbish bags and recycling bins online was added to the MPDC website ahead of changes to how Council supplies rubbish bags to residents and ratepayers.</p> <p>Council also began live streaming events to Facebook to improve community access to information. Examples include live streaming a walk through of the Matamata-Piako Civic and Memorial Centre during the construction, and a meeting between Mayor Jan, Councillor Ash Tanner and Waikato Police Superintendent Bruce Bird about crime issues in Te Aroha.</p>
					Actual		
					Purchase rubbish bags & recycling bins online Livestreaming events		
We will make Council information easy for people to find and access.	Percentage of residents who are satisfied with ease of access to Council information.	New measure	61% (bench mark)	63%	2% improvement on benchmark	✓	<p>This is measured through our Annual Customer Survey. 19% of respondents said they were very satisfied and 46% were satisfied. A further 22% were neither satisfied nor dissatisfied and 6% didn't know. 6% were dissatisfied and 1% very dissatisfied. Reasons given for dissatisfaction included comments about lack of ready access to information, timeliness of response, have to find information yourself and generally unhappy.</p>
					Actual		
					65%		

Community Leadership

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
People will have confidence in their local elected members.	Percentage of the community satisfied/ very satisfied with the performance of Councillors and Mayor.	63%	65%	68%	75% or more satisfied	X	This is measured by the Annual Customer Survey. In 2018 70% of survey respondents were either very satisfied or satisfied (17% and 53%). A further 18% were neither satisfied nor dissatisfied and 7% didn't know. 3% said they were dissatisfied and 2% said they were very dissatisfied with the performance of elected members. The main reason given for dissatisfaction was about lack of communication, action and consultation.
					Actual		
					70%		
	Council and committee meetings are heard in accordance with the provisions of the Local Government Official Information and Meetings Act 1987.	100% compliance			100% compliance	✓	To enable the democratic process the community needs to know when, where and how decisions are being made. This is measured through our internal records.
					Actual		
					100%		
Council will involve Tangata Whenua with Mana Whenua status in the decision making process.	Percentage of Te Manawhenua Forum members satisfied/ very satisfied that Tangata Whenua with Mana Whenua are recognised and involved in decision making.	77%	64%	65%	75% or more satisfied	X	By involving Tangata Whenua with manawhenua status in the decision making process, we can ensure that we are making informed and representative decisions on behalf of the community. This is measured by an annual satisfaction survey of Te Manawhenua mo Matamata-Piako Forum members. This years results were down from 2016/17. Only one comment about dissatisfaction was received from three members. This comment said they felt they received the decisions after the fact so don't feel involved in the decision.
					Actual		
					56%		

Strategies and Plans

Our community will have the opportunity to participate in Council consultation processes.	Percentage of the community satisfied/very satisfied that they have been provided with an opportunity to be involved in consultation processes.	New measure	52% (bench mark)	49%	Benchmark 52%	✓	This is measured through our Annual Customer Survey. This year's results saw a 7% increase when compared to 2017. 13% were very satisfied and 43% were satisfied. 28% of respondents said neither satisfied nor dissatisfied and 11% don't know. 4% said they were dissatisfied and 1% were very dissatisfied. The main reason for dissatisfaction was a perceived lack of consultation with the public.
					Actual		
					56%		
We will provide an annual update on progress on land use and development, and the protection of natural and physical resources of the district.	State of the environment monitoring reports will be updated on Council's website each year.	20 November	20 November	18 November	The updated report will be available by 20 November each year	✓	The State of Environment Report 2016/17 was published on our website 16 November 2017 Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews. We update results of this monitoring onto our website annually. We also report on trends that we identify through our monitoring in the Annual Report.
					Actual		
					16 November 2017		

Roading

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will provide an accessible and affordable transport network throughout the district.	Percentage of customers who believe that the roading network is well maintained for the long term.	New measure	61%	59%	75%	X	This is measured by the Annual Customer Survey. This year's results saw an increase of 4% satisfaction when compared to 2017 13% of respondents were very satisfied and 50% were satisfied. A further 26% were neither satisfied nor dissatisfied. 8% were dissatisfied and 3% were very dissatisfied. Reasons given for dissatisfaction included lack of maintenance, general condition of some of the roads and trucks on the road.
					Actual		
					63%		
We will provide a roading network that is safe for all users.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, (expressed as a number).*	New measure	Increase of 12 serious or fatal crashes from previous year (2015/16 - 18 fatal or serious crashes, 2014/15 - 6 fatal or serious crashes)	Increase of 5 serious or fatal crashes from previous year (2016/17 - 23 fatal or serious crashes - confirmed by New Zealand Transport Agency (NZTA).	Two less crashes from the previous year that are serious or fatal on Council roads (2017/18 - 21 or less fatal or serious crashes)	✓	Our target for 2017/18 was 21 or less serious or fatal crashes. There were 19 serious or fatal crashes on our local road network in 2017/18. This is a decrease of four serious or fatal crashes from the previous year. 2017/18 actual is based on interim data available from NZ Transport Agency Crash Analysis System (CAS) up to 30 June 2018, data is not confirmed until late 2018. 2016/17 actual has been updated with the confirmed final figure of 23.
					Actual		
					Decrease of 4 serious or fatal crashes from 2016/17. There were 19 fatal or serious crashes in 2017/18 - based off of crash analysis system (CAS) interim data.		
We will provide a roading network that is maintained and developed to provide smoothness and comfort.	The average quality of ride on our sealed local road network, measured by smooth travel exposure.*	New measure	98%	Survey not conducted	97% or more	✓	This is measured by a smooth travel exposure analysis that is conducted every two years. Survey was completed in July 2017 with a result of 99.3%. The survey will next be undertaken in 2019/20. Well maintained roads and footpaths provide smoothness and comfort.
					Actual		
					99.3%		
	The percentage of the sealed local road network that is resurfaced.*	New measure	9.52%	8.7%	8.5% or more	✓	This is measured by our internal records. We have 946.4km of sealed roads in our local road network. Of these, 94.2km (9.95%) has been resurfaced in 2017/18 This is an increase of 1.3% on last year.
					Actual		
					9.95%		
	The percentage of footpaths within our district that fall within the level of service or service standard for the condition of footpaths that is set out in our relevant documents (such as our annual plan, activity management plan, asset management plan, annual works program or long term plan).*	New measure	Not measured	99%	95% or more within the acceptable level of service		This is measured by an assessment of our footpaths. Footpaths are given a grade from 1 (excellent condition) to 5 (very poor condition). Ratings 1 to 3 (excellent to fair) are considered to fall within the acceptable level of service. The level of service standard set by Council is that 99% of footpaths shall be grade 1 to grade 3. Our most recent assessment was completed in June 2017, this is completed every two years and the next survey is scheduled for June 2019.
					Actual		
					Survey not completed in 17/18		
We will provide a reliable roading network and will respond to customer service requests in a timely manner.	The percentage of customer service requests relating to roads and footpaths that Council responds to within the time frame specified in the long term plan.*	New measure	100% (11) of urgent roading request and 90% (714) of non-urgent roading requests were responded to within assigned timeframes	100% of urgent requests responded to within one working day 88.14% of non-urgent requests responded to within five working days	90% of urgent requests responded to within one working day 90% of non-urgent requests responded to within five working days	✓	We aim to investigate customer requests within appropriate timeframes. Some complaints can be resolved quickly; others can take time to work through. We received 15 complaints regarding urgent roading requests which is 36 fewer than the previous year, all were responded to within one working day. The road, street or footpath must be completely impassable for the request to be determined as urgent. We received 880 non-urgent roading requests, of these 861 were responded to within five working days. The main issues were road floodings, blocked culverts, berms and potholes.
					Actual		
					100% of urgent requests (15) responded to within one working day 97.84% of non-urgent requests responded to within five working days		

Rubbish and Recycling

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will provide kerbside refuse and recycling collection services to urban and rural townships and transfer stations.	Percentage satisfied/very satisfied with kerbside and refuse and recycling collection services and transfer stations.	73%	80%	82%	80% or more satisfied or very satisfied	✓	This is measured through our Annual Customer Survey. In 2018 50% of respondents were very satisfied and 30% were satisfied. A further 8% were neither satisfied nor dissatisfied and 7% didn't know. 3% of respondents said they were dissatisfied and 2% said they were very dissatisfied. The main reason for dissatisfaction was inconsistent kerbside collection.
					Actual		
					80%		
Reliable kerbside refuse and recycling collection services will be available to the community.	Number of complaints about kerbside refuse and recycling not collected on the usual collection day.	19 on average per month	17 on average per month	15.8 on average per month	20 or less complaints on average per month	✓	This is measured through our Customer Request Management system. Making sure our services are reliable encourages people to recycle and dispose of waste appropriately. There were 128 complaints about rubbish and recycling not being collected on the usual day for 2017/18. This equates to 10.7 complaints per month. The majority of these were collected the next day.
					Actual		
					10.7 complaints on average per month		
We will encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.	Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service.	47%	48%	45.77%	45% or more of the total waste diverted from the landfill	✓	This is measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables. By encouraging recycling we can decrease the amount of waste going to landfill, helping our community to act sustainably.
					Actual		
					51.6%		

Stormwater

We will have an effective stormwater system that provides an appropriate level of protection to minimise harm.	The number of flooding events* that occur in our district. For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to our stormwater system.)**	New measure	0 flooding events 0 habitable floors affected	1 flooding events 2 habitable floors affected	0 flooding events 0 habitable floors affected	X	This is measured by our Customer Request Management system. Our stormwater network helps to prevent flooding in our urban areas. There has been one flooding event with one habitable floor affected in our district in 2017/18.** People have the right to expect a prompt response from Council when flooding occurs. Council staff were in attendance 1 hour and 48 minutes after receiving the call.
					Actual		
					1 flooding events 1 habitable floors affected		
We will protect the environment from stormwater contaminants discharging into waterways.	Compliance with our resource consents for discharge from our stormwater system, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).**	New measure	Zero	Zero	Zero	✓	This is measured by our internal records. Our stormwater system discharges treated stormwater into the environment. The quality and quantity must meet the appropriate standard.
					Actual		
					Zero		
We will have reliable stormwater systems and will respond to requests for service from our residents in a timely manner.	The median response time to attend a flooding event*, measured from the time that we receive notification to the time that service personnel reach the site.**	New measure	0 hours	Median 1 hour 13.5 minutes	Median: 24 hours	✓	This is measured by our Customer Request Management system. People have the right to expect that their property will be safe from flooding (and its potential health and social wellbeing impacts) when it rains.**
					Actual		
					Median 1 hour 48 minutes		
Residents will be satisfied with the overall performance of the stormwater system.	The number of complaints we received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system).**	New measure	Total of 9 complaints	101 complaints	4 complaints per 1,000 connections per year (32 in total)	X	The number of complaints we receive about our storm water network is measured through our Customer Request Management system. These complaints relate to the performance of our stormwater system, they are not complaints about flooding of habitable buildings. The majority of these call were logged during periods of abnormally heavy rainfall.
					Actual		
					40 complaints		

Wastewater

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will have an effective wastewater system that provides an appropriate level of protection.	The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to our wastewater system).*	New measure	7 complaints	7 complaints	1 per 1,000 connections per year (8 total) Actual 9 complaints	X	This is measured by our Customer Request Management system. We received 9 complaints about sewage overflows into the environment during dry weather. Dry weather applies to days when less than 1mm of rain has fallen during a continuous 24 hour period.
We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment.	Compliance with our resource consents for discharge from our wastewater (measured by the number of: abatement notices; infringement notices; enforcement orders, and convictions, received in relation to those resource consents).*	New measure	Zero	Zero	Zero Actual Zero	✓	This is measured by our internal records. Properly treating wastewater means the number of contaminants is minimised before the treated wastewater is discharged. Waikato Regional Council monitors our resource consents and provides an assessment on the year's compliance.
We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	Where we attend to sewage overflows resulting from a blockage or other fault in our wastewater system, we will measure the following median response times:						This is measured by our Customer Request Management system. Overflows can occur. It is important that the community is aware of this and these events are recorded, reviewed and mitigated where practical. Overflows into dwellings are the most serious as they present an immediate danger to health. It is important that we respond quickly to calls about wastewater overflows. In 2017/18 we received 20 total wastewater overflow complaints with 9 complaints occurring during dry weather. The median attendance time for these calls was 24.5 minutes with a median resolution time of 24 hours and 6 minutes. Some overflows do take longer than others to fully resolve. This year we have failed to meet our target resolution time by a small margin of six minutes.
	Attendance time: from the time that we receive notification to the time that service personnel reach the site.*	New measure	Median: 40 minutes	24.5 minutes	Median: 4 hours Actual 30 minutes	X	
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault*.	New measure	Median: 2 hours and 29 minutes	Median: 19 hours and 36 minutes	Median: 24 hours Actual 24.1 hours (1446 minutes)		
	The total number of complaints received by Council about any of the following: • sewage odour • wastewater system faults • wastewater system blockages • Council's response to issues with our wastewater system (expressed as 1,000 connections per year).*	New measure	3 complaints total	4 complaints total	Sewage odour 4 per 1,000 connections (32 total) Actual 7 complaints		
			3 complaints total	36 complaints total	Wastewater system faults 2 per 1,000 connections (16 total) Actual 8 complaints total		
			17 complaints total	22 complaints total	Wastewater system blockages 8 per 1,000 connections (64 total) Actual 29 complaints total	✓	
			1 complaint total	1 complaint total	Council's response to issues with our wastewater system 2 per 1,000 connections (16 total) Actual One complaint total		

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will provide safe and reliable water for household and business use (served properties).	The extent to which Council's drinking water supply complies with: <ul style="list-style-type: none"> part 4 of the drinking-water standards (bacteria compliance criteria); and part 5 of the drinking-water standards (protozoal compliance criteria).* 	New measure	Not compliant	Not compliant	Compliant	X	The Department of Health provides this information on compliance for the supply and delivery of water so that communities can be informed on the water quality they are receiving. *A detailed explanation will be updated and included prior to Audits arrival on the 27 August 2018.
					Actual		
					Not compliant		
We will ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required.	The percentage of real water loss from Council's networked reticulation system (using minimum night flow analysis). *	New measure	24.91% (benchmark)	20.61% (benchmark)	20.61%	X	This is measured from internal records using the minimum night flow analysis as per the Department of Internal Affairs guidelines. The national average used in our Activity Management Plan is 16%. In 2017/18, we recorded a real water loss of 25.22%, which is 9.22% higher than the national average. Leak detection work was completed in Morrinsville in October 2016. Work is underway to ensure all identified leaks are being repaired.
					Actual		
					25.22%		
We will provide reliable water systems that our community can count on.	Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times:					✓	This is measured by our Customer Request Management system. If there are any unplanned supply issues we need to respond quickly to make sure people have a continuous supply of water. We received 64 urgent calls about water. The median attendance time for these were 18 minutes with a median resolution time of 1 hours and 53 minutes.
	Attendance for urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.*	New measure	44 minutes	25 minutes	Median: 4 hours or less		
					Actual		
					Median: 18 minutes		
	Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.*	New measure	2 hours and 9 minutes	3 hours and 12 minutes	Median: 24 hours or less		
					Actual		
					Median: 1 hour and 53 minutes		
We will provide reliable water systems that our community can count on.	Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site.*	New measure	5 hours and 17 minutes	2 working days	Median: 3 working days or less	✓	This is measured by our Customer Request Management system. If there are any unplanned supply issues we need to respond quickly to make sure people have a continuous supply of water. We received 380 non-urgent calls about water. The median attendance time for these was 1 working day, with a resolution time of 2 working days.
					Actual		
					Median: 1 working day		
	Resolution of non-urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption.*	New measure	21 hours and 15 minutes	4 working days	Median: 5 working days or less		
					Actual		
					Median: 2 working days		

Consent and Licensing

Animal Control

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
Any disturbances caused by animals will be investigated and reported quickly and efficiently.	Complaints will be investigated within set timeframes.	95.1%	96.2%	93.6%	95% within adopted timeframes* (see table)	X	This is measured by our Customer Request Management system. One of our main responsibilities is following up on complaints made about animals, from wandering stock to barking or attacking dogs. We aim to investigate the complaint and let the complainant know what action (if any) we have taken or intend to take within adopted timeframes. Some complaints can be resolved quickly, others can take time to work through with animal owners and may involve court action. We received 847 requests in 2017/18 as compared to 786 in 2016/17. We responded to 86.9% of calls within set timeframes (737/847).
					Actual		
					86.9%		
We will carry out regular property visits to ensure dog owners are responsible.	Number of property visits per year.	711	649	718	600 property visits per year	✓	This is measured by internal records. Property visits let us check that dogs are appropriately housed and secured on their property. Both of these help to reduce the number of problems caused by animals in our community. We undertook 706 property visits across the district.
					Actual		
					706 property visits		
We will carry out regular street patrols to keep the streets free from stray animals.	Number of street patrols undertaken in each of the three main towns.	Over the average of 10 per month per town			Average of 10 per month per town	✓	This is measured by internal records. Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community. We undertook 1,054 street patrols across the district. Our street patrols per town are as follows: Matamata 367, Morrinsville 338 and Te Aroha 349.
					Actual		
					29.3 average street patrols per month per town		

Building Consents and Monitoring

Building consents will be administered quickly and efficiently.	Building consent processing timeframes.	100% (732)	100% (707)	99.5% (802 out of 806)	100% of building consents will be processed within statutory timeframes	X	<p>This is measured by a monthly statistical report.</p> <p>By processing building consents on time we contribute to the timely completion of building projects. By ensuring buildings meet building code requirements we ensure that buildings are safe and more sustainable, for example they meet improved building insulation requirements, and contribute to the health and wellbeing of our community. In 2017/18 we processed 762 of 763 building consents within statutory timeframes.</p> <p>Currently the statutory timeframes for processing building consents are:</p> <ul style="list-style-type: none"> Ten working days for building consents with a national multiple use approval. Twenty working days for all other building consents.
					Actual		
					99.9% (762/763)		
We will respond to complaints of alleged illegal/unauthorised activity.	Complaints to be responded to within 10 working days.	100%	97.7%	73.68%	100% of complaints to be responded to within 10 working days	X	<p>This is measured through our Customer Request Management system.</p> <p>In fulfilling our enforcement role under the Building Act 2004 in a timely manner we help to reduce the incidences of illegal and dangerous building work in the district. One of our main roles is to regulate compliance with building code standards. We sometimes get complaints from the community about illegal or dangerous building work or swimming pools. We will investigate the complaint to determine if building work is illegal or dangerous and let the complainant know what action we are taking. Issues regarding illegal building work can be complicated and it can take time to reach a resolution with the building owners.</p> <p>A total of 12 complaints were received with 10 complaints responded to within the timeframe.</p>
					Actual		
					83.3%		

Licensing and Enforcement

Level of service	How we measure performance	2014/15	2015/16	2016/17	2017/18	Achieved	Additional information
		Actual			Target		
We will inspect or audit all food premises, hairdresser, and camping grounds in the district to ensure they are running in accordance with the Health Act, Food Act 2014 and/or health regulations.	Food premises, hairdressers and camping grounds will be inspected or audited annually to ensure they comply with standards.	100%			100% inspected or audited Actual 100% inspected	✓	This is measured by an internal monitoring system. Inspecting food premises, hairdressers and camping grounds in the district gives residents confidence that they can safely use these facilities. The introduction of the Food Act 2014 has changed the way in which food premises are assessed from annual inspections to registration and auditing. Given the significant change, Council have assisted premises to transition by offering workshops and mentoring sessions. All transitioning and new businesses were registered in accordance with the Act. Given that some new businesses weren't operating and the scale of work required to transition, not all premises were audited within the specified time however they have all been audited within the financial year.
We will act on all noise complaints we receive.	Percentage of after hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within three hours.	100%			100% responded to within three hours Actual 100% responded to within three hours	✓	This information is collected through an internal monitoring system. We received 397 complaints regarding noise after hours. All of these were responded to within three hours. By acting on noise complaints we will be preventing antisocial behaviour, which can negatively impact people's health and wellbeing. After hours responses to noise complaints are made by our security contractors, usually to loud stereos and parties. During working hours (8am-5pm), staff respond to complaints. Complaints during the day usually relate to general household noise or ongoing noise associated with business operations. Noise complaints are investigated and complainants are advised of the action we will take.
We will ensure that all premises in the district with alcohol licences are operating responsibly.	On and off alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards.	100%			100% inspected Actual 100% inspected	✓	This information is collected through an internal monitoring system. We have inspected all 72 alcohol premises. Licensed premises that do not comply with liquor licensing standards can contribute to illegal activities and antisocial behaviour. If premises do not comply with the conditions of its licence, they will be given an opportunity to rectify any problems. Ongoing non-compliance may result in an inspector making an application to the Alcohol Regulatory and Licensing Authority for the suspension or cancellation of the premises, alcohol licence.

Resource Consents and Monitoring

Resource consents will be administered quickly and efficiently.	Percentage of resource consents processed within statutory timelines.	98%	99.5%	99.5%	100% Actual 100%	✓	This is monitored through an internal management system. We processed 206 applications for Resource Consents in 2017/18. Of these, 100% of applications were processed within the adopted timeframe. Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly. The 2009 amendment to the Resource Management Act 1991 requires us to refund a portion of the costs on any resource consents that are not processed within the statutory timeframe.
We will monitor land use consent compliance.	Percentage of land use consents monitored within four months of being granted.	100%	94.7%	98.6%	100% Actual 100%	✓	This is monitored through an internal management system. The community can rely on us to monitor compliance of resource consents to ensure the character of the towns remains intact. This is the initial visit to see if or how works are progressing and to remind the applicant of all the conditions of consent and ensure they are complied with. Should non-compliance be identified at this time, then we will work with the applicant to rectify the issues. If this cannot be achieved then we will take enforcement action under the Resource Management Act 1991 to ensure compliance. In the 2017/18 year we monitored 124 consents, 100% of these were monitored within the adopted timeframe.

Matamata-Piako District Council

Calendar 2018/19

A summary of our Annual Report 2017/18



See inside
for key
dates such
as rubbish
and recycling
collection



Mayor’s Message

Matamata-Piako is a growing district with great new sports and community facilities, an expanding population leading to a strong real estate market and building growth.

Tourism is at an all-time high, especially in Matamata, leveraging the international appeal of Hobbiton. Visitors are discovering the charm of our rural vistas and historic towns and museums. The new Mega Cow, Mabel and Herd of Cows trail in Morrinsville and our spas and street sculptures in Te Aroha are giving us identity and great community pride.

Be assured we have put in place infrastructure to support our population and tourism growth. The new reservoir for Morrinsville has been completed and will be operational shortly. It will provide up to two days reserve of water, in the event of interruption from the Te Miro reservoir supply.

We are in a secure position financially. We have achieved our financial targets while maintaining a good level of service to ratepayers and the community at large. The new Council, elected last year, has bedded in well with new Councillors quickly coming up to speed with their governance, civil defence and other duties. We partner with many community groups and engage regularly with businesses to explore and share exciting opportunities for our three major centres and the district as a whole.

Facilities in demand

Our parks, pools, libraries and other facilities give us varied recreation and leisure options. The Silver Fern Farms Events Centre opened in Te Aroha in October 2016, and bookings have exceeded expectations. This has been an excellent example of a community-driven project supported by Council. Our thanks to Ingham’s for sponsoring the Sports Hall and Ballance Agriseeds and Seales Winslow for the Conference Rooms.

Our new Civic Centre in Matamata is well underway and will be completed early in 2018. We look forward to the opening festivities, which will be one of our major events next year. This will be a fantastic district wide facility housing our Matamata area office, library and memorial hall.

Sport Waikato has opened an office in the Westpac Morrinsville Events Centre and it is proving to be a very valuable location for their staff to service our district. New sports have been introduced at the centre, including pickle ball and inline hockey, and the basketball goals have been upgraded.

New cycleway

We have finalised the route for the new cycleway from Te Aroha to Matamata. The new section features stunning views of the countryside and the Kaimai Ranges. There is great potential for new food and accommodation facilities in villages like Te Aroha West and Manawaru where it passes through. The cycleway has the potential to revitalise and connect communities and offer a fantastic visitor experience for domestic and overseas visitors.

At the forefront of local government

Matamata-Piako District Council continues to be at the forefront of best practice in local government. We were recently graded a Triple B as one of 18 foundation members of the Local Government Excellence Programme. This programme helps councils demonstrate and deliver high performance. The rating shows that Council is continually striving to lift

Front cover photo: view from Wairongomai Valley.

Performance

In 2017/18 we focused on maintaining our services to support our community while making sure cost increases were kept affordable. We delivered our extensive range of activities, services and projects to similar levels as detailed in the Long Term Plan 2015-25, and to a similar standard as previous years. Our performance measures are measured through an annual customer survey and other surveys, external data reports and our customer request management system. **Overall we achieved 38 out of 59 of our measures (64%), one of these measures was not assessed this financial year. For five of these measures we missed our target for example by less than 2%. Details of how we performed for each of our activities is outlined in the Annual Report Part Three: What we do. The tables below are a summary of each of our activity groups.**

Community Facilities and Property are Council activities focused on recreational and cultural opportunities in the district. This includes providing services and assets such as Libraries, Swimming Pools, Parks and Reserves, Public Amenities, Housing for older persons, and Council offices.

Key performance measures	2016/17 Actual	2017/18 Target	2017/18 Actual
90% of complaints regarding carparks and street furniture will be responded to within assigned timeframes.	46.15%	90% or more	70%
Cemeteries visitors satisfied with our cemeteries.	91%	80%	89%
Elderly Persons Housing tenants satisfied with the standard of maintenance and accommodation.	82.6%	80%	78.08%
The number of people visiting our libraries.	164,055	222,843 visits	143,292 visits
Playground safety will be assessed on a regular basis.	Achieved	Assessed fortnightly, once a week in the school holidays	Achieved
The number of customers using our pool facilities will be maintained.	169,780	Visitor numbers will be within 5% of the five year average	176,466
Number of complaints about cleanliness of public toilets.	34	20 or less complaints	36
Complaints regarding recreation and heritage facilities will be responded to within the assigned timeframes.	90%	90%	83%

Strategy and Engagement is about making good decisions for the future of our community. The activities responsible for this are Civil Defence, Communications and Events, Community Leadership and Strategies and Plans.

Key performance measures	2016/17 Actual	2017/18 Target	2017/18 Actual
We will have sufficient trained staff within the Thames Valley Emergency Management Operating Area.	36%	70%	42%
Residents satisfied with ease of access to Council information.	63%	63%	65%
Residents satisfied with the performance of elected members.	68%	75%	70%
Residents satisfied with their opportunity to participate in Council consultation processes.	49%	52%	56%

Please view the full Annual Report on Council's website for more information on the Annual Customer Survey results, how we have performed over the year and any actions that Council is taking to improve its performance.

its performance and residents can be reassured that we will also continue to give the best value for the ratepayer dollar that we can.

The Waikato Plan is now in place, having been developed over the past four years. It is a single overarching document giving councils across the region direction to resource growth over the next 30 years. It gives a collective voice to Central Government to enable us to access funding for our many projects.

Youth initiatives

We are supporting our future leaders too through our youth initiatives such as the newly formed Matamata-Piako Volunteer Youth Ambassadors (VYA), and our Tuia Rangatahi programme, now in its fourth year. The Youth Ambassadors provide leadership in our communities by raising concerns and issues important to people aged 12-24. The core representatives are student leaders from each of our towns.

They held their first events in June, a “korero with Mike King” in each secondary school, focusing on the issue of depression. As Mayor, I also provide mentoring advice to our Tuia Rangatahi, giving one young Maori in our community each year the opportunity to develop leadership skills.



Your elected members are enjoying working with a whole range of groups in the community, and dealing with a lot of enquiries. We will keep the ratepayer at the forefront of our decision making, and deliver the high standard of service that is expected of us. We are all looking forward to a positive year.



Janet E. Barnes
Mayor

Disclaimer regarding summary to be added following audit



Herries Park - Te Aroha

November 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
						Morrinsville Fireworks Extravaganza
4	5	6	7	8	9	10
	Swim Zone Morrinsville opens					
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
	Last day to pay your rates					

December 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31					1
	Council offices' closed		All transfer stations are closed on Christmas Day and Boxing Day.			Matamata Christmas Parade
2	3	4	5	6	7	8
						Morrinsville Christmas Parade
9	10	11	12	13	14	15
						Te Aroha Christmas Parade
16	17	18	19	20	21	22
23	24	25	26	27	28	29
	Council offices' closed	Christmas Day	Boxing Day	Council offices' closed	Council offices' closed	
		Rubbish and recycling collection is one day later after Christmas Day.				

Rubbish and Recycling Key	Te Aroha (week 2)	Morrinsville (week 1) incl. Waihou, Waitoa, Tahuna	Matamata (week 2) incl. Waharoa, Walton
	rubbish	rubbish	rubbish
	recycling	recycling	recycling

Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun



Road re-surfacing

We maintain 998 kilometres of local roads within the district, including 946 kilometres of sealed roads. In 2017/18 we resurfaced 94.2km of sealed roads.







New safety rails on Horrell Road , Morrinsville

January 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
All transfer stations are closed on New Year's Day.		1 New Year's Day	2 New Year's Holiday	3 Council offices' re-open	4	5
						  
6	7	8	9	10	11	12
				 	 	
13	14	15	16	17	18	19
					  	
20	21	22	23	24	25	26
				 	 	
27	28 Auckland Anniversary Day	29	30	31	Rubbish and recycling collection is one day later after Auckland Anniversary Day and Waitangi Day.	

February 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
						  
3	4	5	6 Waitangi Day	7	8	9
					 	 
10	11	12	13 Community Grants open	14	15	16 Morrinsville Motorama
					 	
17 Morrinsville Motorama	18	19	20	21	22	23
				 	 	
24	25 Last day to pay your rates	26	27	28		
						

Rubbish and Recycling Key	Te Aroha (week 2)	Morrinsville (week 1) incl. Waihou, Waitoa, Tahuna	Matamata (week 2) incl. Waharoa, Walton
	 rubbish  recycling	 rubbish  recycling	 rubbish  recycling

Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun



Matamata-Piako Civic and Memorial Centre

The Matamata-Piako Civic and Memorial Centre serves the whole district. The facility was opened in April 2018, it houses a Memorial Hall as well as Council's Matamata Area Office and Library.

Matamata-Piako Civic and Memorial Centre

March 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31					1	2
3 Te Aroha Day in the Domain	4	5	6	7	8	9
10	11	12	13	14	15	16
17 Morrinsville Piako Triathlon	18	19 Community Grants close	20 Significant Natural Features Grants open	21	22	23
24	25	26	27	28	29	30

April 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7 Daylight saving ends 2019	8	9	10	11	12	13
14	15	16	17	18	19 Good Friday	20 Easter Sunday
21	22 Easter Monday	23	24	25 ANZAC Day	26	27
28	29	30	<div>Rubbish and recycling collections will: - go ahead as normal on Good Friday - be one day later after Easter Monday and ANZAC Day All transfer stations will be closed on Good Friday and until 1pm on ANZAC Day.</div>			

Rubbish and Recycling Key

Te Aroha (week 2)
 rubbish recycling

Morrinsville (week 1)
incl. Waihou, Waitoa, Tahuna
 rubbish recycling

Matamata (week 2)
incl. Waharoa, Walton
 rubbish recycling

Transfer Stations
Opening hours
10am to 4pm


















Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun

World Challenge Day

On 30th May 2018 we participated in World Challenge Day, a one on-one community challenge in which 18,091 people across the district came together to get active and boost their health.

World Challenge Day

May 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
					 	
5	6	7	8	9	10	11
					  	
12 Mother's Day	13	14	15	16	17	18
					 	
19	20	21	22	23	24	25
					  	
26	27 Last day to pay your rates	28	29	30	31	
					 	

June 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30						1
	Your rubbish and recycling collection is one day later after Queen's Birthday.					
2	3 Queen's Birthday	4	5	6	7	8
						 
9	10	11	12	13	14	15
					 	
16	17	18	19	20 Significant Natural Features Grants close	21	22
					 	
23	24	25	26	27	28 Last day to apply for rates rebate	29
					 	

Rubbish and
Recycling Key

Te Aroha (week 2)
 rubbish  recycling

Morrinsville (week 1)
incl. Waihou, Waitoa, Tahuna
 rubbish  recycling

Matamata (week 2)
incl. Waharoa, Walton
 rubbish  recycling

Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun



The annual Industry Training Graduation

July 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
			Community Grants applications open Last day to pay dog registrations			

August 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
	Last day to pay our rates					

Rubbish and Recycling Key

rubbish

recycling

Te Aroha (week 2)

rubbish

recycling

Morrinsville (week 1)
incl. Waihou, Waitoa, Tahuna

rubbish

recycling

Matamata (week 2)
incl. Waharoa, Walton

rubbish

recycling

Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun

WasteWater Treatment

We manage wastewater systems in Matamata (includes Waharoa and Raungaiti), Morrinsville (includes Rukumoana), Te Aroha, Tahuna and Waihou. We hold 18 resource consents with Waikato Regional Council for our wastewater treatment plants. As part of our operation we must comply with consent conditions for discharge of treated wastewater into the environment. We recieved zero infringement notices for our wastewater operations in 2017/18.

Wastewater Treatment Plant - Matamata

September 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 Daylight saving begins 2019	30					
1 Father's Day	2	3	4 Community Grants applications close	5 	6   	7
8	9	10	11	12 	13   	14
15	16	17	18	19 	20   	21
22	23	24	25	26 	27   	28

October 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3 	4   	5 Te Aroha Cruise in
6	7	8	9	10 	11   	12
13	14	15	16	17 	18   	19
20	21	22	23	24 	25   	26
27	28 Labour Day	29	30	31	Rubbish and recycling collection is one day later after Labour Day.	

Rubbish and Recycling Key

Te Aroha (week 2)
 rubbish  recycling

Morrinsville (week 1)
incl. Waihou, Waitoa, Tahuna
 rubbish  recycling

Matamata (week 2)
incl. Waharoa, Walton
 rubbish  recycling

Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun



Hauraki Rail Trail Extension

The Hauraki Rail Trail will be extended in 2018/19 to include another 48km, linking Te Aroha and Matamata and making a positive economic and cultural difference in our district. We have received \$3.4 million in funding from central government and have acquired the land necessary to extend the cycle way.



Hauraki Rail Trail

November 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2 Morrinsville Fireworks Extravaganza
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25 Last day to pay your rates	26	27	28	29	30

December 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14 Morrinsville Christmas Parade
15	16	17	18	19	20	21
22	23	24	25 Christmas Day	26 Boxing Day	27	28
29	30	31				

Rubbish and Recycling Key

rubbish

recycling

Te Aroha (week 2)

rubbish

recycling

Morrinsville (week 1)
incl. Waihou, Waitoa, Tahuna

rubbish

recycling

Matamata (week 2)
incl. Waharoa, Walton

rubbish

recycling

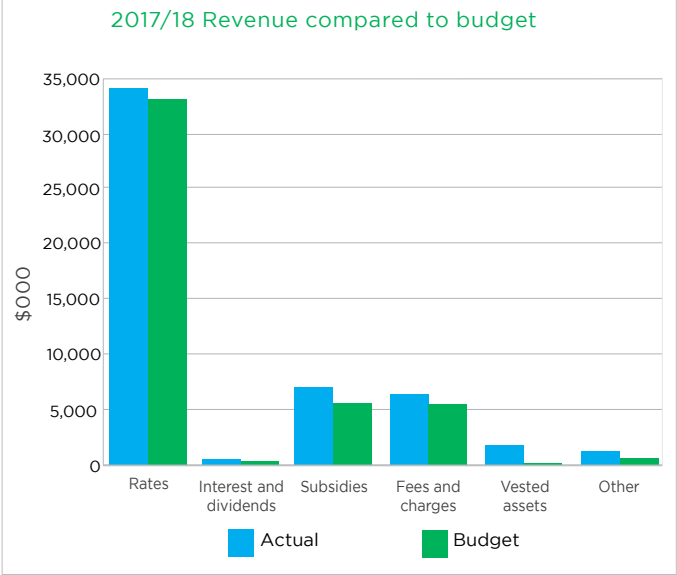
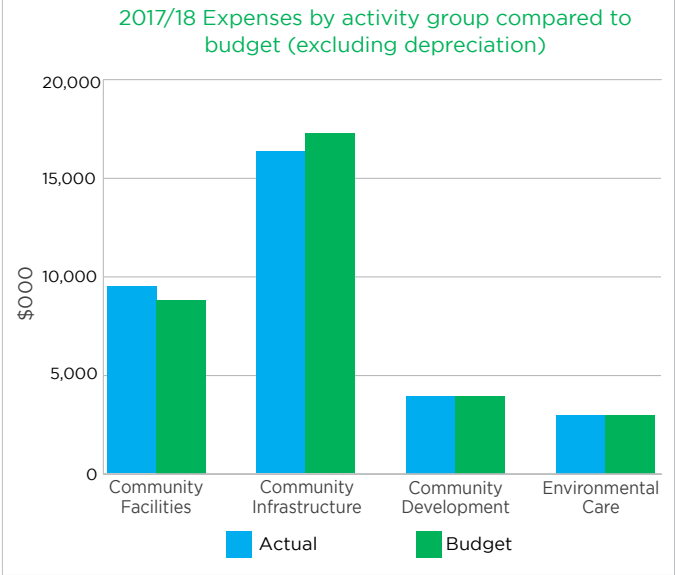
Transfer Stations
Opening hours
10am to 4pm

Matamata - Tues, Wed, Thurs, Sat & Sun
Morrinsville - Mon, Tues, Thurs, Sat & Sun
Te Aroha (Waihou) - Wed, Fri, Sun

What are interest rate swaps and why do we use them?

Council utilises interest rate swaps - contracts that effectively lock in the current rates of interest on our future debt. The swap contracts are put in place while interest rates are considered low, with the expectation that over the long term, interest rates are likely to rise. The benefit of having fixed interest rates is that we can avoid having to ask our ratepayers for extra rates in years where the market interest rates rise sharply.

We value the swap portfolio on the 30th of June each year for financial reporting purposes, and the valuations may go up and down depending on how market interest rates are tracking, but these annual movements have no impact on Council's cash position - the focus of the swap portfolio is on the long term gains. The average interest rate that we have locked in with these contracts is 4.14%, which is the average rate that will apply on up to \$34 million of our debt over the next nine years.



What did we plan to spend?
Our expenses (excluding finance costs and other losses) were budgeted to be \$43.6 million this year.

What did we actually spend?
Our actual expenses (excluding finance costs and other losses) were \$44.9 million.

Why is there a difference?
The increased activity across a number of areas of Council that resulted in an increase in revenue for the year, also resulted in a small increase in costs to manage the additional workload. This included significantly the building and resource consent processing costs which increased by \$356,000. Costs in wastewater exceeded the budget by \$300,000 this year due to maintenance and remediation costs. \$184,000 in costs from the Te Aroha Events Centre capital project were reassessed as operating expenditure. A provision for Council's ongoing monitoring costs in respect of the 3 closed landfills within the district was increased by \$160,000 as additional work required to meet resource consent conditions were identified.

What about finance costs?
Significant savings of \$405,000 were achieved this year on the interest cost of Council's external loans as the level of external debt was significantly lower than planned due to the delay in capital spending.

What was our planned revenue?
Council budgeted for revenue of \$46.5 million.

What was our actual revenue?
The actual revenue for the year was \$50.9 million.

Why is there a difference?
The biggest difference came from a valuation of Council's interest rate swaps at 30 June which shows an increase in value of \$959,000 since the last valuation a year ago. This is as a result of the steady increase in interest rates over the last year.

The Te Aroha Events Centre project was completed during the financial year. \$800,000 more than budgeted was recognised as income from the Charitable Trust backing this project.

In terms of general day to day operations, the overall actual revenue for the year reflected an increase in activity across a number of areas. Metered water and trade waste processing revenue from our large industrial users in the district was \$448,000 more than budgeted. Continued development activity in the district over the past year saw combined building and resource consent fee income increase by \$658,000 compared to budget. Other areas experiencing a growth in revenue to budget included the aquatic facilities, housing, transfer stations, and a high volume of LIMs processed during the period.

The subsidy received from New Zealand Transport Agency (NZTA) for the replacement of district roads was \$208,000 more than budgeted for this year, as additional capital projects were approved and some projects were carried forward from the prior year.



Spending on assets this year

We budgeted for a total of \$22.2 million to be spent during the year on building new and renewing existing assets within the district. The actual amount spent was \$17.1 million.

Why is there a difference?
There were a number of significant capital projects underway, where the timing of the works has differed from that planned in this and previous years. Also there are other projects that have not been required at this point.

Construction has begun on the Matamata-Piako Civic and Memorial Centre project during the year, with \$1.1 million spent to date. The project with a budget of \$6.9 million set in February 2017 (Long Term Plan initial budget \$6 million), is scheduled for completion in 2018.

The Silver Fern Farms Events Centre, Te Aroha was completed and opened in October 2016. The total project came in at a cost of \$5.1 million, compared to the overall initial budget of \$5 million.

Planning for the extension of the cycle trail from Te Aroha to Matamata is progressing but physical works have yet to commence. The total project is budgeted to cost \$4 million, of which \$172,000 has been spent to date, with the funding being carried forward to 2017/18.

\$2 million was budgeted for the Te Aroha Water Treatment Plant capacity expansion project this year. The progression of this project is dependent on demand from industrial consumers, which has not yet been established.

The physical works for the Mt Misery water reservoir upgrade were substantially completed during 2016/17. The total project cost \$3.2 million which came in \$0.6 million under budget.

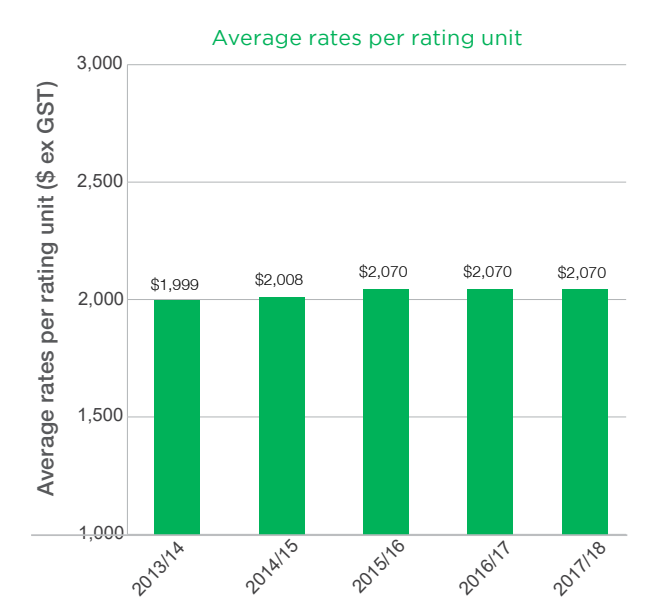
There were several water and wastewater renewal projects budgeted for that have not progressed and have been carried forward to be completed next year.

What did we borrow this year?
We didn't need to borrow any additional money this year to fund the replacement or building of new assets, as this work didn't happen as quickly as it was planned. This saved \$405,000 in finance costs for the year. Total debt at the end of this financial year was budgeted to be \$40.4 million. At 30 June 2017, our debt was \$29.8 million which was just under \$5 million more than last year. An additional \$5 million was borrowed in May to pre-fund an existing loan that is due to mature in December 2017, taking advantage of the market at that time.

Statement of cashflows - where did the cash come from and where did it go?

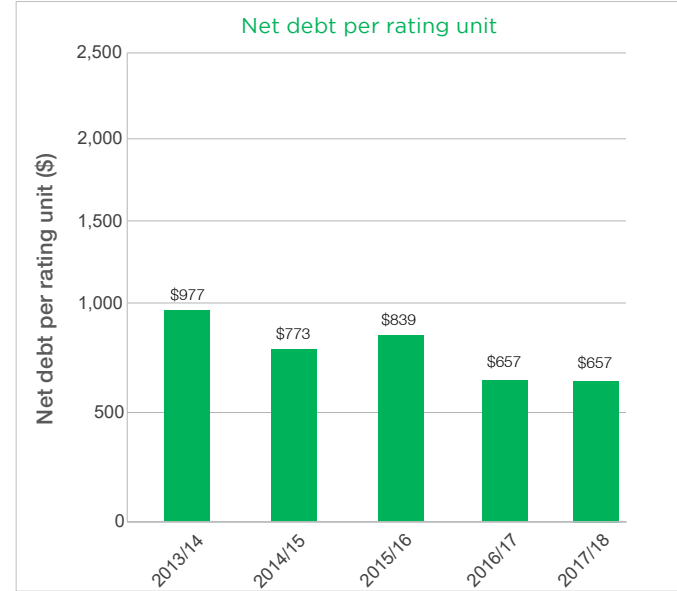
In terms of our day to day operating activities, we took in almost \$4 million more cash (net) than we had budgeted for. Extra cash came from a number of sources including metered water and trade waste revenue from industrial users, an increase in NZTA subsidy income compared to budget, unbudgeted contributions received in respect of the Silver Fern Farms Events Centre project, increased interest from investments, and a reduction in finance costs.

In terms of our investing activities, (that is cash earned/spent in the replacement or building of new assets and the acquisition of investments), our net spend was \$4.2 million more than we had budgeted. While our spend on replacing or building assets was lower than budgeted, more cash was invested in term deposits than budgeted. For our financing cashflows, we had budgeted to raise external debt of \$7.7 million to fund the capital spend, but that was not required, with the capital spending being funded from the existing cashflows. \$5 million was raised to pre-fund a loan due to mature in December 2017.



Note: Average rates excludes metered water income, individual targeted rates for industries in respect of the Morrinsville Wastewater Treatment Plant upgrade project, lump-sum contributions and penalties charged only to specific ratepayers who incur the cost/benefit.

How do we pay for our assets?
We collect rates to pay for a lot of the day to day things that we do, but we also borrow money to pay for large projects that will provide services to the community for a long time (such as water and wastewater treatment plants). By borrowing the money over a long period of time it means that those who benefit from the service in the future will also pay their share. Where we have funds available internally, we utilise these instead of borrowing externally, reducing overall interest costs.



Note: Net debt is calculated as per the financial prudence regulations, except that it also excludes the industry's share of debt in respect of the Morrinsville Wastewater Treatment Plant upgrade project, which these industries are repaying by way of an annual targeted rate, and it excludes the 2016/17 change in valuation of Council's investment in the Waikato Regional Airport Limited.

Where is Council's debt heading?

A key focus of the Council (as set out in the Long Term Plan) is to not overburden future generations with debt by living beyond our means today. We sought professional advice on an appropriate limit for Council's borrowing, and these limits were adopted in Council's Liability Management Policy. The limits have regard for Council's long term financial sustainability that future lenders will look for when we need to secure finance in future years.

A limit on a prudent level of debt was set as follows: net debt as a percentage of total revenue will not exceed 150%. Our level of debt compared to revenue now sits at just 55% compared to the limit of 150%. What this means is that we have significant capacity to take up opportunities as they arise and perhaps more importantly, we have plenty of capacity to recover quickly if a disaster occurs. Having a lower level of debt makes us more resilient. In the 2015-25 Long Term Plan, we have forecast over the next 10 years that our debt will peak at around \$48 million in 2019/20, and will average around 81% of our revenue, so still well below the prudent limit of 150%.

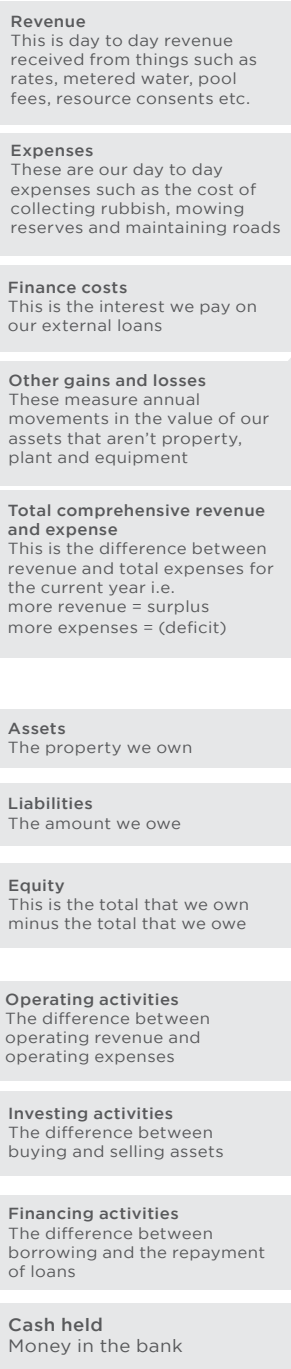
Statement of financial position – how do we stand overall?

The key aspects to assessing a councils financial health is the state of their network of assets and their level of debt. Matamata-Piako District Council is in good financial shape. Our physical assets valued at \$581 million are generally in a good state. We do have some planned capital work to catch up on, but we have plenty of capacity financially to do so. Our current level of debt, at \$29.8 million is considered low for a Council of our size and nature. The delayed capital spending, the \$5 million proceeds from the pre-funded loan, and contributions owing from the Silver Fern Farms Events Centre project mean that our current assets at 30 June are much higher than budgeted.

Non-current assets are lower than budgeted due to the delay in the capital work programme and the disposal of assets. Also significantly, the valuation of 1 July 2016 decreased the estimated replacement cost of network assets in line with downward trending contract rates being secured at the time. A change in how Council recognises its investment in the Waikato Regional Airport Limited has resulted in an increase in value of \$10.174 million this year.

Current liabilities were higher than budgeted largely due to the capital work in progress at the end of the financial year, and payments of rates and metered water being received in advance of being invoiced.

Non-current liabilities are lower than budget because of the reduced debt. Offsetting this, an unbudgeted liability is recognised in respect of the valuation of the interest rate swap portfolio that has increased in value from (\$2.6) million last year to (\$1.7) million at 30 June 2017.



Summary financial statements

Statement of comprehensive revenue and expense for the year ended 30 June	Actual 2016/17	Budget 2017/18	Actual 2017/18
Revenue	\$000	\$000	\$000
Revenue	49,950		
Other gains	971		
Expenses	(44,970)		
Finance costs	(1,349)		
Other losses	(766)		
Share of joint venture surplus/(deficit)	- 8		
Net surplus/(deficit)	3,844		
Other comprehensive revenue and expense			
Financial assets at fair value through other comprehensive revenue and expense	10,174		
Property, plant and equipment revaluation	(18,817)		
Total comprehensive revenue and expense	(4,799)		
Statement of changes in equity for the year ended 30 June	Actual 2016/17	Budget 2017/18	Actual 2017/18
	\$000	\$000	\$000
Balance at 1 July	586,144		
Total comprehensive revenue and expense	(4,799)		
Balance at 30 June	581,345		
Equity represented by:			
Accumulated funds	425,934		
Other reserves	155,411		
Statement of financial position as at 30 June	Actual 2016/17	Budget 2017/18	Actual 2017/18
	\$000	\$000	\$000
Current assets	26,816		
Non-current assets	595,592		
Total assets	622,408		
Current liabilities	13,743		
Non-current liabilities	27,320		
Total liabilities	41,063		
Equity	581,345		
Statement of cashflows for the year ended 30 June	Actual 2016/17	Budget 2017/18	Actual 2017/18
	\$000	\$000	\$000
Net from operating activities	18,699		
Net from investing activities	(26,218)		
Net from financing activities	4,820		
Net increase/decrease in cash held	(2,699)		
Opening cash balance	5,290		
Closing cash balance	2,591		

Figures shown in brackets indicate a deficit or loss

What are other gains and losses?

Council has shown a loss of \$766,000, which recognises the value of assets that were replaced before the end of their estimated useful life.This year it includes significantly the value written off in respect of the buildings being replaced by the Matamata-Piako Civic and Memorial Centre project. Last year other losses also included a loss in the value of Council's interest rates swaps of \$1,639,000. This year, as interest rates have continued to increase steadily, the value of the swap portfolio actually increased \$959,000. These non-cash gains and losses do not have any impact on Council's cash position – they are adjustments made in our books to ensure that the financial statements comply with International Financial Reporting Standards.



Additional Disclosures

Reporting entity
Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

Council has a 34% interest in a jointly controlled entity, Thames Valley Combined Civil Defence Committee, together with Hauraki District Council and Thames-Coromandel District Council. Each Council has equal representation on the committee. Thames-Coromandel District Council is the administering authority. The combined committee previously incorporated the Thames Valley Rural Fire District Committee. This was disbanded from 30 June 2017, as under the Fire and Emergency New Zealand Act 2017, rural fire duties were transferred to Fire and Emergency NZ (FENZ). The Emergency Management Committee will continue to operate as normal.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). There have been no changes in accounting policies during the financial year.

Capital commitments
At 30 June 2017, Council had commitments of \$6.533 million for projects where contracts have been entered into but goods or services have not been received.(2016: \$5.4 million).

Contingent liabilities
Local Government Funding Agency
The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+ and a foreign currency rating of AA.

The LGFA has 30 local authority shareholders and this Council is one of 9 local authority guarantors of the LGFA. Together with the shareholders and other guarantors, Council is a guarantor of all of LGFA's lending.

At 30 June 2017, LGFA lending totalled \$7.946 billion plus accrued interest (2016: \$6.445 billion plus accrued interest).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Unquantified claims
Council is not aware of any specific potential future weathertightness claims. Council may be exposed to potential future claims that have not yet been lodged, up until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims.

The Supreme Court decision in October 2012 on a council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by Council. Council is yet to receive any claims as a result of this ruling.

Te Aroha wastewater resource consent
Under the new resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant during 2015, if Council fails to meet annual nitrate discharge conditions as per the consent, then an annual sum of \$15,000 will be payable to the local Wetlands Trust.

Thames Valley Civil Defence Emergency Management Committee
There are no contingent liabilities associated with Council's joint venture (2016: nil).

Events after balance date
There were no significant events after balance date.

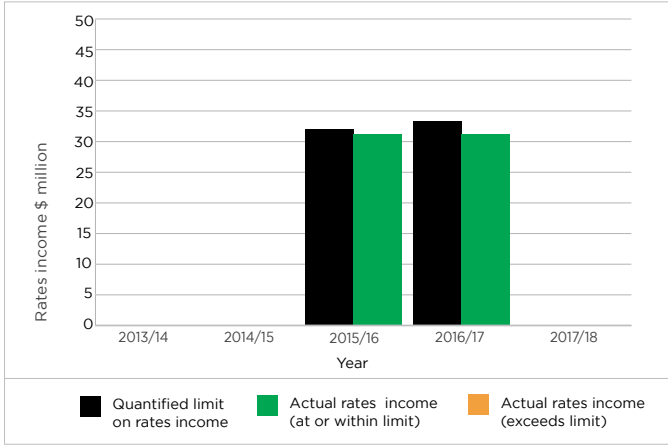
Annual report disclosure statement for the year ending 30 June 2017

What is the purpose of this statement?
The purpose of this statement is to disclose the Council's 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.

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.

Rates (income) affordability
The following graphs compare 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 first graph shows the quantified limit on rates adopted in the 2015-25 LTP, which changed from the quantified limit on rates from the previous LTP, shown in the second graph.

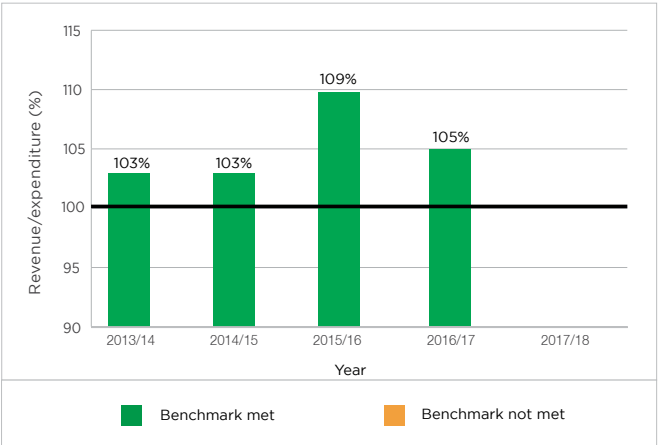
2015-25 Long Term Plan
The quantified limit from the financial strategy included in the 2015-25 LTP is: Annual rates income* will not increase by more than 4%.



Comment:
The limit on rates income for 2016/17 was set at \$33m. Actual rates income (excluding penalties and metered water revenue) was \$31.6m. (2015/16: \$31.6m)
*For the purpose of these calculations, rates income excludes penalties (which are not budgeted for) and metered water revenue (the majority of which comes from a few large industrial users). These items are excluded as the level of income received is not within Council's direct control.

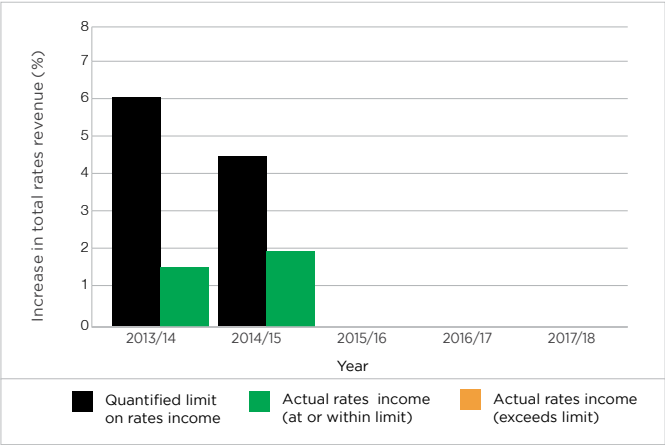
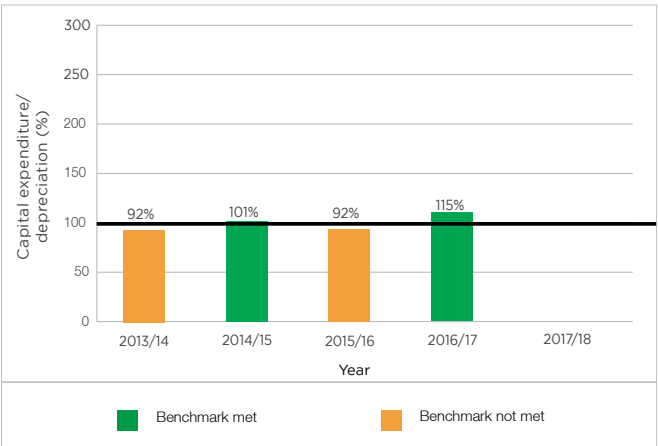
2012-22 Long Term Plan
The quantified limit on rates income from the financial strategy included in the 2012-22 LTP was set at a level that was intended to meet forecast increases in costs each year as set out in the 2012-22 LTP.

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 or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Comment:
Council spent a significant amount on upgrading wastewater and water treatment plants in the years up to 2012/13. For accounting purposes, the old replaced assets are "disposed of" and the "loss" from doing so is recorded as "operating expenses". Council does not rate to cover this expenditure.

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.

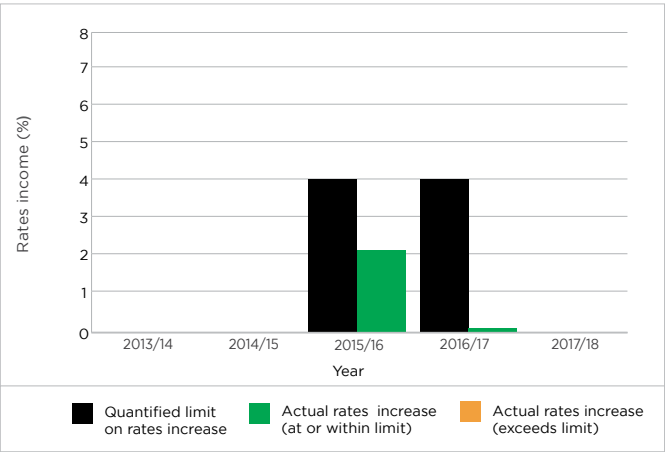


Comment:
The limit for 2012/13 was exceeded because we had more ratepayers (because of growth) and rates penalty income than expected. The rate increase for the years following was much lower than the limit as a result of cost savings. The compound increase in rates revenue over the last three years was just 10.6% compared to the budgeted limit of 18%.

Rates (increases) affordability
The following graphs compare the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan. The first graph shows the quantified limit on rates increases adopted in the 2015-25 LTP, which changed from the quantified limit on rates increases from the previous LTP, shown in the second graph.

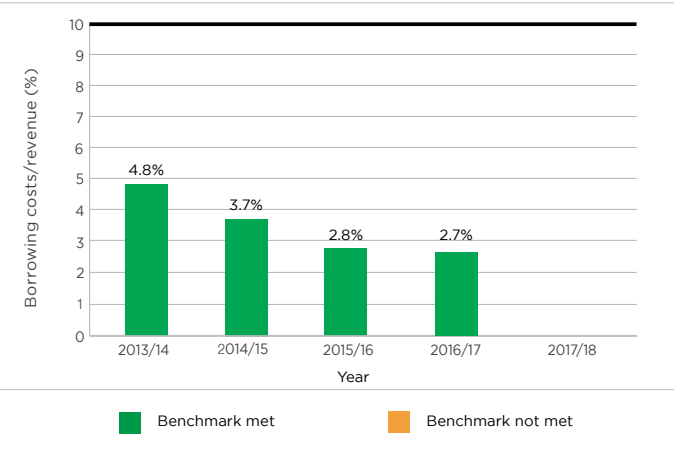
2015-25 Long Term Plan
The quantified limit from the financial strategy included in the 2015-25 LTP is: Annual rates increases* will not be more than 4%.

Comment:
The actual rates increase (excluding penalties and metered water revenue) for 2016/17 was 0.05% (2015/16 2.08%).



Comment:
Council's capital expenditure before 2012/13 was well in excess of the depreciation charged at the time as Council completed some significant wastewater and water upgrade projects. Capital spending is not programmed on a straight-line basis consistent with depreciation, however over a period of time it would be more closely aligned.

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, or equipment). Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

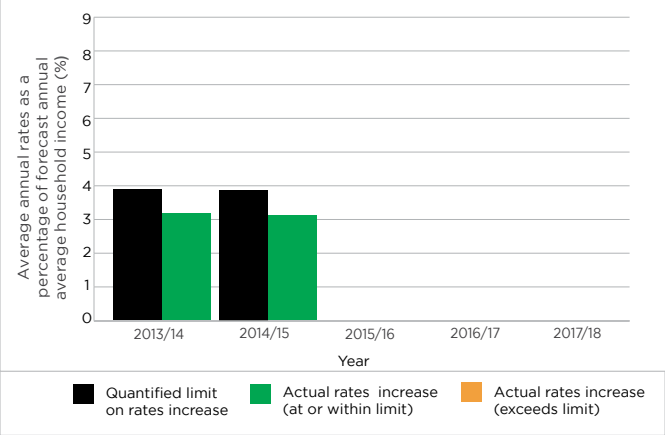


Comment:
Council's borrowing costs are sustainable and well under the 10% limit.

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 receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

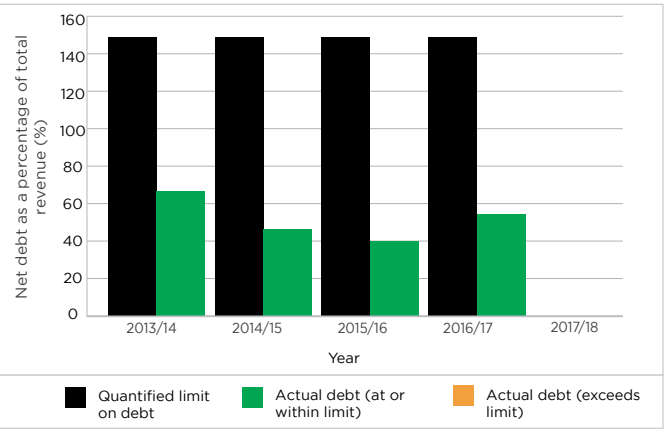


2012-22 Long Term Plan
The quantified limit on rates increases from the financial strategy included in the 2012-22 LTP was: Average annual rates will not increase to more than 4% of forecast average annual household income.

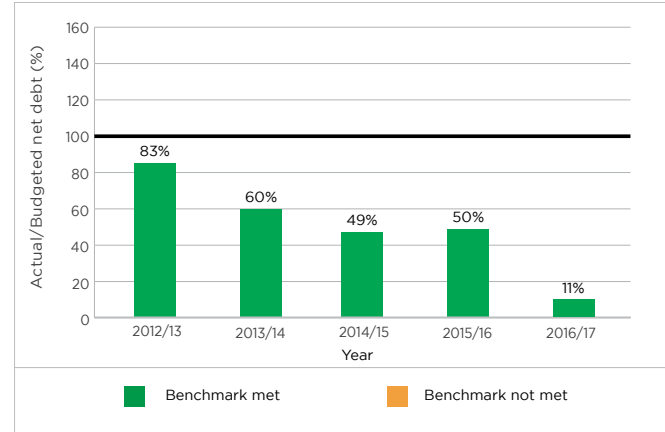


Comment:
Over the past three years, the average annual rates as a percentage of forecast annual average household income actually declined slightly from 3.32% to 3.25%, compared to the limit on increases of 4%.

Debt affordability benchmark
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is: net debt as a percentage of total revenue# will not exceed 150%.



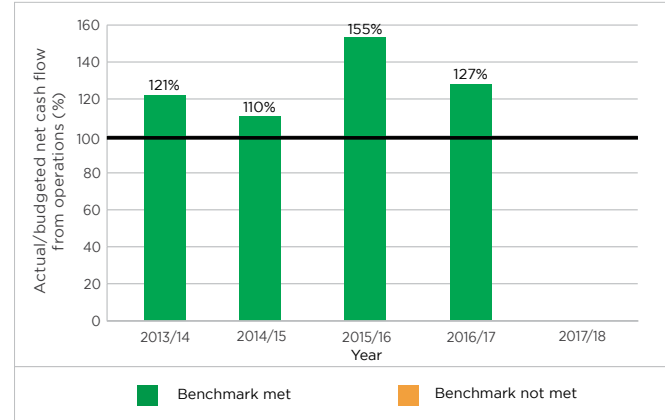
Comment:
Council's actual net debt as a percentage of total revenue has reduced from 80% in 2012/13 to 41% in 2015/16, and has increased again in 2016/17 to 55%. This calculation of net debt does not take into account cash invested in term deposits of more than 3 months, which are set aside to repay debt maturing in December 2017. If such deposits were taken into account net debt as a percentage of revenue would reduce from 55% to 18% for 2016/17.
#Consistent with our Liability Management Policy, total revenue excludes development and financial contributions, vested and found assets and other gains.



Comment:
Debt over the last five years has reduced as capital spending has been lower than budgeted and maturing investments have been used to repay debt.

In 2016/17 Council recognised the value of its investment in the Waikato Regional Airport Limited (WRAL) at fair value (rather than cost), increasing its valuation by \$10.174 million. The investment in WRAL is included in the calculation of net debt, therefore significantly reducing net debt compared to the budget for 2015/16.

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.



Comment:
Our actual cash flow from operations has exceeded our budgeted cash flow from operations over the last five years.



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