

Kaunihera | Council

Ngā Tāpiritanga – Mēneti | Attachments – Minutes

Attachments – Minutes of a meeting of an ordinary meeting of Matamata-Piako District Council held in the Council Chambers, 35 Kenrick Street, TE AROHA on 08 Oct 2025 at 9:00.

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Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.



TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL
KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE

30 SEPTEMBER 2025 - CHAIR SUMMARY

#	Item	Summary	Resolution
2	Karakia - Open	CEO Manaia Te Wiata	
3	Apologies	Councillor Gary Thompson Councillor Kevin Tappin	The Committee received the apologies.
5	Declaration of Interest	Jaydene Kana – Director, Waikato Waters Limited	The Committee received the declaration.
6	Minutes	17 June 2025 minutes	The Committee confirmed the minutes.
7.1	Chair Update Self-assessment Charter Review	The Committee discussed: - Not taking on too much - Commitment to Te Tiriti o Waitangi considered by Council, then sub-committees - Skills needed of independent members linked to the 2025-28 Council activities/risks	The Committee received the Chair Report, the annual self-assessment results and confirmed no changes to the Committee Charter.
7.2	Chief Executive Officer Update	The Committee discussed: - Strong report to provide context of MPDC activities - The importance of MPDC's cemeteries	The Committee received the report.
7.3	Recommendation to re-establish the Committee	The Committee discussed the significant work of the Council in the 2025-28 triennium and the Risk and Assurance Committee providing 'belt and braces' assurance for Council.	The Committee received the report and recommends the incoming Council re-establish the Risk and Assurance Committee in 2025-28* .
7.4	Preventing Fraud and Corruption and Sensitive Expenditure Policy Reviews	<u>Preventing Fraud and Corruption</u> The Committee discussed: - Helps keep everyone safe - A one-pager to help staff understand the policy Feedback included: - Referencing via footnotes e.g. Use of MoJ template - Removing 'Distinction from other policies' section - Replace 'reduce' fraud with 'respond to' - Reporting of investigations to enforcement agencies via the CEO/Mayor - Single point accountability for ensuring awareness of the policy <u>Sensitive Expenditure</u> The Committee feedback included: - Referencing via footnotes e.g. Use of OAG guidance - Responsibilities section updated to reflect guidance for Elected Members from the ELT - RAC Chair retrospective approval of Mayoral sensitive expenditure not via the Chair Report but via email confirmation - The Mayoral fund expenditure included to the RAC Chair review	The Committee received the report, provided feedback and recommends Council adopt the Preventing Fraud and Corruption and Sensitive Expenditure policies* .

7.5	Liability Management and Investment Policy Reviews	The Committee discussed: ▪ PWC advice on approach is similar to other Councils ▪ Consequences of any policy breaches ▪ Curiosity about transactions with Waikato Waters No specific feedback was provided to alter the draft policies.	The Committee received the report.
8.1	Policy Stocktake	The Committee discussed: ▪ Diversity of policies reflect complexity of Council ▪ Traffic light system good at highlighting concerns The Committee's feedback included: ▪ Adding Health and Safety ▪ Adding Liability Management, Investment, Preventing Fraud and Corruption, Sensitive Expenditure – noted later that these policies are already included on the Committee's schedule	The Committee received the report and provided feedback.
8.2	Risk Update and Risk Report	The Committee discussed: ▪ The huge progress on risk management provides confidence to Committee members ▪ Agreement to have an agile risk management framework versus a risk policy ▪ Good feedback on business continuity plans and focus on them being easy to use ▪ Service delivery risks (e.g. IT) can impact other risks (e.g. relationships) ▪ Comfort on risk management reporting but caution of not diving too deep ▪ Emerging risks relating to central government changes are out of Council's control	The Committee received the risk report, the business continuity report and endorsed the 2026 Risk Management Work Plan.
8.9	Annual Report 2024/25	The Committee discussed: ▪ Thanks to the Team for their dedication in trying to meet the audit deadline ▪ Unfortunately, not meeting the deadline will result in a statutory breach of legislation ▪ Councillors' needing to understand why the audit deadline has not been met: resources, systems, audit processes ▪ Curiosity on whether other Council's have similar system issues impacting audit deadlines ▪ What is on the list of outstanding items, actions required and resourcing required? Response from Audit NZ is that it is timing to complete the audit, not the content of the audit report. ▪ Confirmation of accuracy of pipeline upgrades information The Committee provided some feedback on typographical errors and given the limited time for members to review the Annual Report, members will provide their feedback to staff directly.	The Committee received the report and provided/will provide feedback on the Annual Report and requested the CEO report back to the Committee outlining the lessons learned in the review that has been initiated on the audit of the 2024/25 Annual Report.
8.10	Interim Audit Report and Recommendations Update	The Committee thanked the Team for their efforts to reduce the number of audit recommendations.	The Committee received the report.
8.11	Accounting Matters 2024/25	The Committee discussed the 50% impairment of the Matamata Squash Club building	The Committee received the report.
8.3	Waters Transition Risk	Chair Jaydene exited the Council Chamber due to a conflict of interest. Mayor Adrienne chaired the Committee for this agenda item.	
8.4	Top Risk Deep Dive: Climate change response	The Committee discussed: ▪ The question on climate change in the annual survey	The Committee received the report.

		▪ Council bound by legislation for some climate actions (e.g. Zero Carbon Act) ▪ Community awareness on costs for climate response ▪ Location/resilience of infrastructure ▪ Impact of private infrastructure ▪ Funding for renewals and maintenance ▪ Progress on requirements for houses to connect to rainwater in District Plan ▪ Devices to reduce shower water flow	
8.5	Top Risk Deep Dive: Legislative non-compliance	The Committee discussed the compliance systems used by other Councils	The Committee received the report.
8.6	Top Risk Deep Dive: Financial planning	The Committee discussed: ▪ CAPEX delivery reporting ▪ Balancing compliant infrastructure to regulator standards and ability to delivering on CAPEX projects ▪ Level of reserves to respond to change/unexpected activities ▪ Strategic review of insurance arrangements	The Committee received the report.
8.7	Top Risk Deep Dive: Political change response	The Committee discussed the change of government impact on local government e.g. Building, Fast Track, Resource Management Act, Water Services	The Committee received the report.
8.8	Building Consent Reassessment	The Committee discussed: ▪ Resource needed to achieve extra-low rating ▪ Correlation of improved rating to customer impact ▪ Congratulations to the Team for their improved rating	The Committee received the report.
8.12	LGOIMA Summary 2024/25	The Committee discussed: ▪ LGOIMA trends that may result from a lack of transparency ▪ Clarity of timely triaging/actioning of LGOIMA requests Feedback on presentation provided included: ▪ # of requests, timeframes for completion of requests, profile of requestors, outcome of requests, outcome of complaints, trends of requests and charging for requests	The Committee received the report and provided feedback on LGOIMA reporting.
8.13	Legislative Compliance Register	The Committee discussed: ▪ Ngāti Hinerangi settlement ▪ Vulnerable Children Act ▪ Lessons learned from other Councils on managing their compliance	The Committee received the report.
8.14	Delegation Policy and Register	The Committee discussed: ▪ Use of technology to streamline processes and cost for establishment/servicing ▪ Applications that talk to each other e.g. M365	The Committee received the report.
8.15	Safety and Wellness Reports	The Committee discussed: ▪ Thanks for focus on hierarchy of controls ▪ Increased behaviour incidents/Reduced fatigue incidents ▪ H&S budget sufficient/Work environment makes shortcuts harder/Systems embed safety into what we do ▪ Value of unfamiliar people undertaking walkthroughs	The Committee received the report.
8.16	Work Programme	The Committee discussed: ▪ Tighter process for adding items to the Work Programme ▪ Acknowledge timing of presenting reports at the final RAC hui for the triennium	The Committee received the report.
C1		Note there was 1 public excluded report	
	Karakia – Close	CEO Manaia Te Wiata	

*The full resolution is noted in the RAC 30 September 2025 minutes

Summary of TMF 7 October

7.1	New appointment for Ngāti Tamaterā Settlement Trust
	The forum welcomed new member, Arama Ngapo, of Ngāti Tamaterā. This is the first appointment by the trust since the forum was established.
7.2	Recommendation to Re-establish Te Manawhenua Forum in the 2025-28 Triennium
	The forum made a recommendation to the incoming Mayor and Council, that the forum be re-established in the new triennium.
7.3	Draft Climate Resilience Strategy
	Key focus for the forum is marae resilience due to vulnerability to extreme weather i.e. high winds. Many marae are on slopes and are vital to community preparedness, as iwi often open their doors to the community in emergencies. Tiamana Hinerangi explained that the language and framing of the strategy had been adjusted to focus on preparedness for extreme events, rather than climate change as a concept. Preparedness is required whether climate change or man-made. Members acknowledged the existing mihi as appropriate and supported an additional mihi to compliment it. Further, kaimahi (staff) were commended for bringing the mana whenua forum along the journey of the development of the strategy. The forum endorsed the strategy and the mihi, with the addition of the whakatauki 'Ko wai rā, e hikoi whakamurua ko te mea', which translates to 'Go forth into the future, with our past spread out before us.'
7.4	Policy on Dogs and Dog Control Bylaw update
	Historically, kuri were considered taonga (precious) to Māori and were treated as such. While the bylaw recognises significance of kuri, te Tiriti o Waitangi and the Dog Control Act are contradictory. Statements in reference to either of these documents should be separated. Staff will amend wording and bring back to the forum at a future hui.
7.5	Land Transport Bylaw
	Staff were acknowledged for the collaborative mahi undertaken with marae and Waka Kotahi.
7.6	District Plan and RMA update
	Staff provided an update. Work is underway on a growth strategy and related planning activities. RMA is progressing in three stages. Staff are working with iwi, negotiating mana whakahono ā rohe agreements with several forum members. They are aiming to finalise the agreements by the end of November.

	The proposed changes to the RMA and NES are expected to pass in November and be enacted by mid-2026. The impacts of reform on mana whenua engagement include two key elements of engagement. It will add a new korowai (protective layer) for both settled and non-settled iwi. Government wanting Councils to cease work on 'unnecessary work'. The forum asked how these changes impact MPDC. - PC 49 currently paused. Council will be seeking an extension. - PC 61 is not notified - PC 54 there is a new standard which is anticipated to be gazetted at the end of the year. Council will have eight working days before NES comes into effect. - PC 55 has been approved and now operative. - PC 62 has been resubmitted to a smaller area and now under review. While there is no formal public notification, consultation will take place with key stakeholders to influence provisions. The use of mana whakahone ā rohe agreements may be triggered, depending on agreement conditions. It was stated, that where JMA or mana whakahone agreements are in place, consultation is mandatory.
8.3	Civil Defence Emergency Management (CDEM)
	The new Emergency Management Manager, Andy Bu Bear, introduced himself and performed his pepeha. Staff provided an update on their work programme. Their focus is undertaking mahi on operational and response plans. They are also investigating some possible funding opportunities through MBIE and community renewable energy fund through EECA. The forum will receive updates as they arise.
8.4	Te Manawhenua Forum work programme update
	Tiamana Hinerangi requested that forum members identify their top kaupapa of focus to enable staff to develop a suitable work programme for 2026.



te kaunihera ā-rohe o
matamata-piako
district council

MATAMATA-PIAKO PŪRONGO Ā-TAU ANNUAL REPORT 2024/25



Photo of: Social Seating in Matamata

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1

HE KUPU WHAKATAKI INTRODUCTION



Photo of: Open Stadium Matamata development

Tō Koutou Manuhia | Message from the Mayor



Kia ora koutou,

I'm pleased to present the Matamata-Piako District Council Annual Report for the 2024–2025 year. This year has been one of steady progress and meaningful collaboration, as we continue to invest in the infrastructure and services that support our communities. Despite ongoing economic pressures, we've remained focused on delivering projects that matter - balancing affordability with long-term benefit.

One of the standout achievements this year has been the success of our food waste collection programme. A total of 486.47 tonnes of food waste was diverted from landfill to commercial composting. We also upgraded the roading network at the Waihou Refuse Transfer Station, making it more functional, tidy, and user-friendly – part of wider transfer station upgrades that are allowing us to divert a wider variety of recyclable materials from landfill.

Water infrastructure has been a major focus. In September 2024, we officially opened the Lockerbie Water Treatment Plant, boosting water security for Morrinsville. We've also made improvements to our river intake systems to ensure better compliance and continued delivery of high-quality water. In May 2025, local iwi blessed the site for the new Matamata Wastewater Treatment Plant, marking the beginning of a significant upgrade that will be completed by 2027/28. Alongside this, our investment in water pipe upgrades is already delivering tangible results, with fewer water leaks needing repair.

In response to government legislation, Council consulted with our communities on the future of water services. Through public engagement and staff sessions across our towns, we decided to join Waikato Waters Limited - a Council Controlled Organisation formed with other Waikato councils. This legacy decision will deliver multiple benefits, including economies of scale and a resilient workforce long into the future - something we couldn't secure alone. It also allows us to retain local government ownership of our assets while responding to increasing infrastructure needs, tougher regulatory requirements, and rising compliance costs.

We are continuing to partner with community groups whose efforts add to the look and feel of our communities. These partnerships are helping to create vibrant, welcoming spaces that reflect the pride and creativity of our people.

We have also met the challenges of rising costs and changes to national legislation. The Government's Fast-track Approvals Act 2024 has shifted decision-making for certain large-scale projects away from councils, limiting community input depending on the process used. We continue to adapt to changes coming through from central government and seek the best outcomes for our communities.

We broke ground on the Open Country Stadium in Matamata, a collaborative project with Sport Waikato, the Ministry of Education, Matamata Futures Trust, and many others. The project is drawing national attention as a model of successful collaboration - shared capital investment followed by shared operational costs after opening this coming summer. It's a win for both ratepayers and taxpayers, and a sustainable model we're proud to be part of.

Smaller but meaningful improvements were made too - like upgraded signage at Te Aroha Domain and enhanced security at Te Aroha Cemetery gate entrances - ensuring our spaces remain welcoming and safe.

Reflecting on the past year, I am proud of our achievements and the progress we continue to make under challenging circumstances. These projects, big and small, are shaping a resilient, vibrant future for our district.



Adrienne Wilcock
Mayor

Ō mātou whakatutukitanga | Our achievements

We received 1315
Antenno requests.

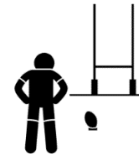


That's 3.6 per day!

We resealed over 60km
of local roads.



We looked after 715
hectares of parks and
reserves.



The Matamata Open
Country Stadium build
began.



786 animal control
enquiries were received
and investigated.



486.47 Tonnes of food
waste was diverted from
landfill.



33,134 phone calls were
handled by our
customer service team.

That's 1,407 hours!

Our libraries held 621
events.

Over \$23K of Pride of
Place Grant funding was
distributed between 16
community groups.

The Lockerbie Water
Treatment Plant
opened.



203 posts were made to
Facebook



Waharoa bus stops were
upgraded and relocated



TŌ MĀTOU WHAKAKITENGA | OUR VISION

Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds.
'The heart of our community is our people, and the people are the heart of our community.'

Ngā hua ā-hapori | Community outcomes

To achieve our vision, we have set out four, long-term priorities for Matamata-Piako. These priorities reflect what your Mayor and Councillors are aspiring to for you, your family and your neighbourhood. Based on those priorities, we have identified areas of work for Council to focus on within each activity group, which all contribute to some or all of our outcomes. For more information on our priorities, please see our [Strategic Direction](#).



Outcome #1

He wāhi kaingākau ki te manawa | A place with people at its heart

Priorities

- Be the connector between community, iwi, NGOs and government agencies
- Prioritise community grants that enhance placemaking
- Create vibrant, welcoming town centres
- Strive for liveable, accessible, connected neighbourhoods



Outcome #2

He wāhi puawaitanga | A place to thrive

Priorities

- Seek opportunities to realise Matamata-Piako's economic potential
- Support and encourage quality, sustainable and varied development
- Invest in the right infrastructure at the right time



Outcome #3

He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment

Priorities

- Educate and exemplify continuous improvement in waste minimisation
- Create and maintain green and natural and open spaces
- Demonstrate and advocate for climate friendly and community resilient initiatives



Outcome #4

He wāhi whakapapa, he wāhi hangahanga | A place to belong and create

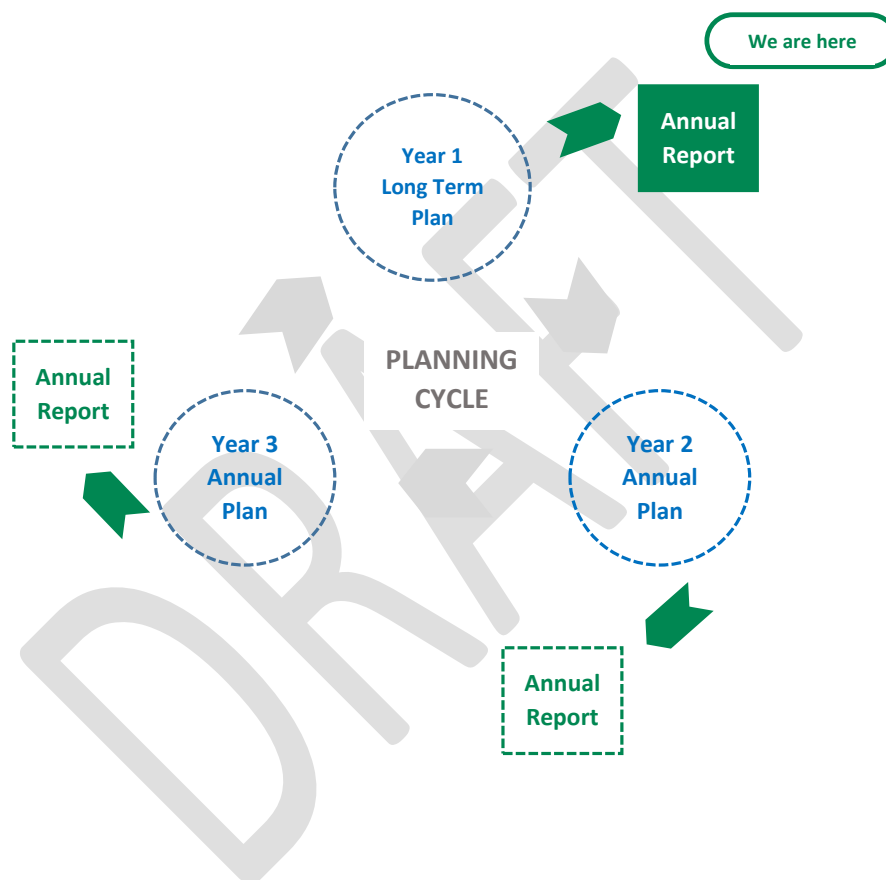
Priorities

- Genuine partnership with mana whenua
- Partner and plan for multi-purpose sporting, cultural and community hubs
- Support arts and heritage as an important part of our communities

What is an Annual Report?

Every three years, Council develops a Long Term Plan that outlines Council's projects and budgets for a ten-year period. The Plan also sets levels of service, performance measures, and targets across Council's activities. In the other two years of the cycle, Council produces an Annual Plan outlining any updates that have been made.

The Annual Report is how Council tells the community how effective we have been in delivering on levels of service, capital projects and operating budgets we planned to deliver. The Annual Report is a legislative requirement under the Local Government Act 2002 (LGA).



2

TE HAUTŪTANGA ME TE MANA URUNGI LEADERSHIP AND GOVERNANCE



Photo of: Pride of Place planting

Te Kaunihera | Council

Mayor



Adrienne Wilcock

Matamata Ward



Caleb Ansell



James Sainsbury



Kevin Tappin



Sue Whiting

Morrinsville Ward



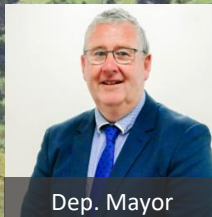
Sharon Dean



Bruce Dewhurst

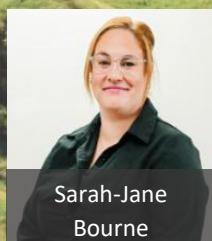


Dayne Horne



Dep. Mayor
James Thomas

Te Aroha Ward



Sarah-Jane
Bourne



Peter Jager



Russell Smith



Gary Thompson

Te Toa Horopū ā Matamata-Piako

Tō Tātou Kāwanatanga

Our Governance

Kaunihere | Council

Mayor

Councillors - 12 elected members from four wards

Purpose: The Mayor and Councillors are elected to represent their communities and make decisions for the district. The elected members are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and implement the district's day-to-day operations.

Kōmiti O Te Mōrearea Me Te Tūmaru | Risk and Assurance Committee

Chairperson: Jaydene Kana (Independent)

Members: Mayor Adrienne Wilcock, Deputy Mayor James Thomas, Councillor Gary Thompson, Councillor Bruce Dewhurst, Councillor Kevin Tappin, Joanne Aoake (Independent)

Purpose: Ensures Council has appropriate risk management and internal financial control systems.

Te Manawhenua Forum Mō Matamata-Piako

See [Māori Engagement in Decision Making](#) on the next page.

Kōmihana Whakawātanga |

Hearings Commission

Coordinator (no chairperson): Councillor Kevin Tappin

Members: 3 Councillors

Purpose: hearing and determining applications for resource consents under the Resource Management Act 1991, and hearing and determining objections under the Dog Control Act 1996.

Kōmiti Tuku Raihana Ā-Rohe |

District Licensing Committee

Chairperson: Councillor, Sue Whiting

Deputy Chairperson: Councillor Russell Smith

Members: members of the Committee are appointed from a list of appropriately qualified people, which may include Councillors.

Purpose: Consider and determine alcohol license applications under the Sale and Supply for Alcohol Act 2012.

Komiti O Te Papa Rerengi O

Waharoa | Waharoa (Matamata)

Aerodrome Committee

The Aerodrome Committee was established in 2015 by legislation under the Ngāti Hauā Claims Settlement Act 2014.

Co-Chairpersons: Mayor Adrienne Wilcock, Muna Wharawhara (Ngāti Hauā)

Members: Deputy Mayor James Thomas, Cr Kevin Tappin, Rangitonga Kaukau (Ngāti Hauā), Deacon Paul (Ngāti Hauā).

Purpose: to make recommendations to Council in relation to the Waharoa Aerodrome land. Make final decisions on access and parking arrangements that affect Raungaiti Marae. Administering body under Section 41 of the Reserves Act 1977.

Kōmiti Arotake O Te Tumu

Whakarae | Chief Executive Officer

Performance Committee

Members - Mayor Adrienne Wilcock, Deputy Mayor James Thomas, Councillor Bruce Dewhurst, Councillor James Sainsbury, Councillor Sue Whiting

Purpose - annual review of performance and remuneration of CEO.

Te whai wāhi a te iwi ki ngā whakataunga a te kaunihera Māori engagement in decision making

The iwi in our district include: Ngāti Hako, Ngāti Hauā, Ngāti Hinerangi, Ngāti Korokī Kahukura, Ngāti Maru, Ngāti Pāoa, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga, Raukawa and Waikato-Tainui.

Under the Local Government Act 2002, we need to establish and maintain processes to provide opportunities for Māori to contribute to our decision making. Part of Council's vision is to support the vibrant cultural values of our district. Council achieves this through promoting and protecting our arts, historic and natural resources, encouraging strong relationships with iwi and ensuring tangata whenua with manawhenua status have meaningful involvement in decision making.

Te Manawhenua Forum mō Matamata-Piako

Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council that advises on cultural, economic, environmental and social issues of significance to mana whenua groups. Te Manawhenua Forum also provides advice to Council about issues that affect Māori in our district and provides feedback when we are developing plans, bylaws and policies, such as the Long Term Plan or District Plan.

Currently chaired by Hinerangi Vaimoso (Ngāti Hinerangi), the Forum is made up of representatives from Ngāti Hauā, Ngāti Rāhiri Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā also have the ability to join.

Te Toa Horopū ā Matamata-Piako Māori Ward

Māori wards exist alongside general wards, covering the same geographic areas, but they do not only represent Māori. Like all Elected Members, whether elected from general or Māori wards, they represent the entire community when sitting on Council.

In 2021, Council voted to establish a Māori ward following a change to legislation earlier that year, which enabled Council to establish a ward for the 2022 elections without a binding poll.

In 2024, central government updated legislation mandating changes. Council had two options:

1. Disestablish the Māori ward and complete a shortened representation review by the end of 2024 (there would be no Māori ward for the 2025 local elections).
2. Hold a binding poll alongside the 2025 election with the outcome to come into effect from the 2028 election (there would still be a Māori ward for the 2025 local elections).

Council made the decision to retain the Māori ward and hold a binding poll alongside the 2025 local government elections. This means we will be running a binding poll at the 2025 election to ask voters whether they want to keep or remove the Māori ward. The majority vote of the poll will decide the future of Māori wards in our district.

For more information, you can go here: [Māori Wards](#)

3 TIROHANGA WHĀNUI OVERVIEW



Photo of: Re-opening of Tom Grant Drive Park - Matamata

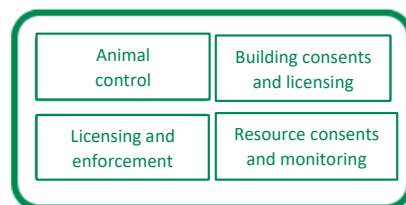
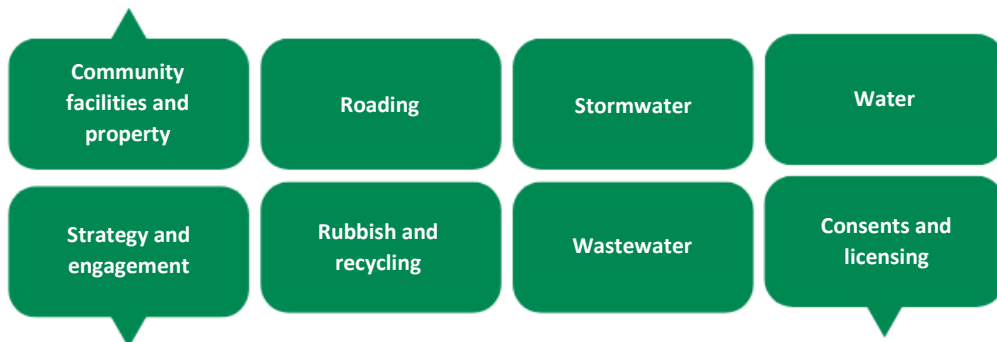
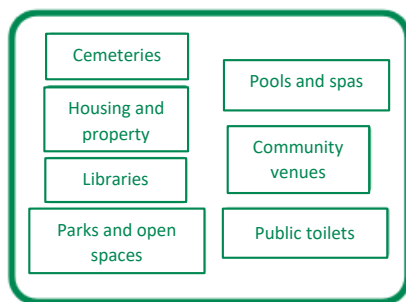
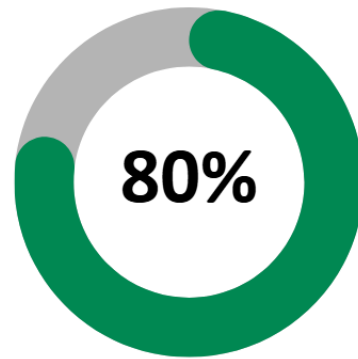
Te rāpopotanga inenga mahi

Performance summary

We use a mix of mandatory and non-mandatory measures so that our community can assess our performance. Council sets performance targets for all performance measures that tell the community the level of service Council is aiming to provide each year.

45 of the 56 performance measures were achieved in 2024/25, or in other words 80%. One of the 56 was not measured as it is measured triennially.

For more information on service performance, go to [Section 5](#) of the Annual Report.



NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-
HAPORI (HUI KATOA)
COMMUNITY FACILITIES AND PROPERTY



10 Achieved
2 Not Achieved

TE RAUTAKI ME TE
WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



6 Achieved
2 Not Achieved

NGĀ RORI
ROADING



2 Achieved
3 Not Achieved
1 Not Measured

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



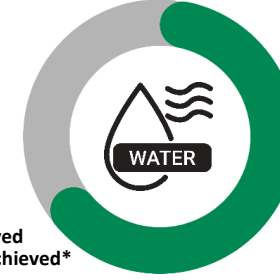
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



6 Achieved
0 Not Achieved

TE WAI
WATER



6 Achieved
3 Not Achieved*

*One measure uses a different grading scale.
See the [Water Activity](#) for more information.

WHAKAAETNGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

Whakarāpopoto ahumoni

Financial Summary

Actual 2023/24		Long Term Plan 2024/25	Actual 2024/25
\$000		\$000	\$000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
89,819	Revenue	81,636	96,592
(79,064)	Expenses	(80,834)	(85,967)
(2,933)	Finance costs	(3,815)	(3,324)
7,822	Net surplus/(deficit)	(3,013)	7,301
Other comprehensive revenue and expense			
(847)	Financial assets at fair value through other comprehensive revenue and expense	-	6,150
(493)	Property, plant and equipment revaluation	21,801	246,617
(1,340)	Total other comprehensive revenue and expense	21,801	252,767
6,482	Total comprehensive revenue and expense	18,788	260,068
Summary statement of changes in equity for the year ended 30 June			
951,722	Balance at 1 July	977,212	958,204
6,482	Total comprehensive revenue and expense	18,788	260,068
958,204	Balance at 30 June	996,000	1,218,272

Statement of comprehensive revenue and expense

For the 2024/25 financial year, Council's revenue was higher than budgeted in several key areas. Additional funding and grants, including \$1.3 million in Better-off funding and \$460,000 in Waste Levy subsidies, boosted income. Development contributions also exceeded expectations with major projects in Morrinsville and Matamata, and Council received \$8.9 million invested assets from subdivision developments. Other revenue included \$1.35 million in donations towards the Matamata Open Country Stadium. Interest revenue was also higher than planned due to Council holding additional funds on term deposit from debt that was borrowed in advance.

On the other hand, some revenue sources were lower than expected. Fees and charges fell short in pools and spas, rental income, and wastewater trade agreements, though this was partly offset by higher building and consent activity. While rates revenue was slightly higher than budgeted, the main increase came from penalties and metered water rates.

Council's expenditure was mixed. Personnel costs were lower due to staff vacancies and some positions not being filled, though this was partly offset by higher annual leave provisions. Finance costs were also below budget because key wastewater projects were delayed, resulting in less borrowing than planned. However, other expenses were significantly higher, including increased costs for rubbish and recycling contracts, insurance premiums, aquatic facilities and building maintenance, and a loss on disposal of assets. A \$1.67 million accounting loss was also recorded on Council's interest rate swap portfolio due to falling swap rates.

Other comprehensive revenue and expense strengthened Council's balance sheet due to major asset revaluations.

The value of Council's investment in Waikato Regional Airport rose by \$6.2 million, reflecting growth in the company's investment property portfolio.

Land, roading, and three water assets were revalued at 30 June 2025, with land increasing by \$70 million (since the last revaluation in 2020), and roading and three water assets increasing by \$138 million and \$39 million respectively. These valuations highlight the rising cost of replacing essential network assets. This means that future renewals and upgrades are likely to be more expensive, which continues to put pressure on future rates.

Actual 2023/24		Long Term Plan 2024/25	Actual 2024/25
\$000		\$000	\$000
Summary statement of financial position as at 30 June			
32,600	Current assets	21,196	34,032
1,009,381	Non-current assets	1,084,960	1,287,972
1,041,981	Total assets	1,106,156	1,322,004
29,566	Current liabilities	27,044	30,837
54,211	Non-current liabilities	83,112	72,895
83,777	Total liabilities	110,156	103,732
479,965	Accumulated funds	469,194	484,758
478,239	Other reserves	526,806	733,514
958,204	Equity	996,000	1,218,272
Summary statement of cash flows for the year ended 30 June			
18,540	Net cash flows from operating activities	15,406	20,297
(32,019)	Net cash flows from investing activities	(61,911)	(42,568)
20,500	Net cash flows from financing activities	41,939	19,500
7,021	Net increase/decrease in cash held	(4,566)	(2,771)
4,432	Opening cash balance	4,907	11,453
11,453	Closing cash balance	341	8,682

Statement of financial position

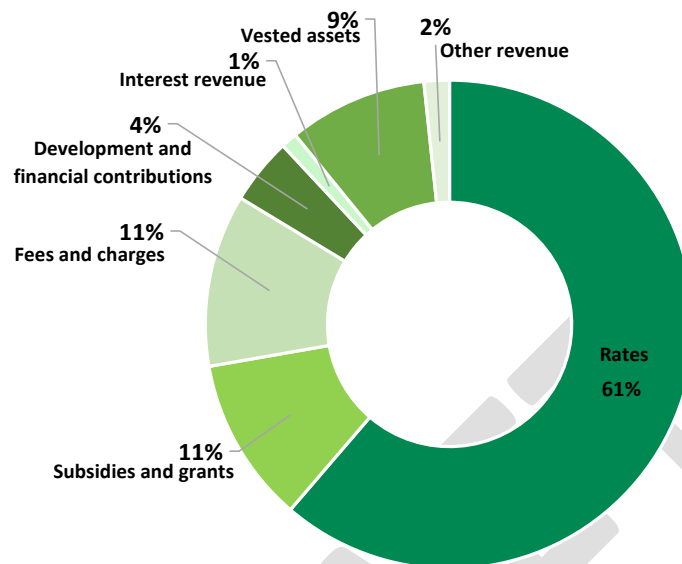
Current assets were significantly higher than budget, largely due to \$13.5 million in term deposits held to pre-fund upcoming debt maturities, alongside \$1.5 million set aside to meet legislative contractor retention requirements. Surplus properties in Morrinsville and Matamata were also recognised as held for sale at year end.

Non-current assets were well above budget, driven by major revaluations of land, roading, and three waters infrastructure, which together added \$247 million to Council's asset base. Assets vested through subdivision development also exceeded expectations, and Council's investment in Waikato Regional Airport increased by \$6.15 million, reflecting growth in the airport company's property portfolio.

Current liabilities were higher than budgeted, mainly due to the timing of project and contract payments, increased staff leave provisions, and a higher level of rates received in advance. In contrast, non-current liabilities were lower than expected. While \$13.5 million was borrowed to pre-fund maturing debt, slower progress on capital projects and stronger cashflows from development contributions, grants, and donations reduced the need for further borrowing.

Overall, Council's balance sheet remains healthy. Higher asset values strengthen the district's long-term position but also highlight the rising costs of maintaining and renewing critical infrastructure. Careful financial planning will be required to manage these future costs while balancing the impact on rates.

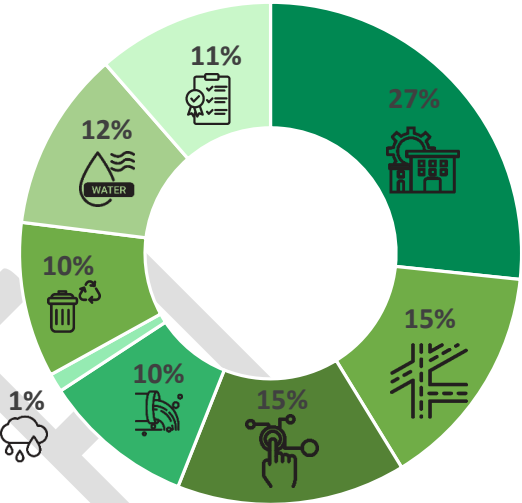
Nō whea ngā pūtea a te Kaunihera? | Where did Council get money from?



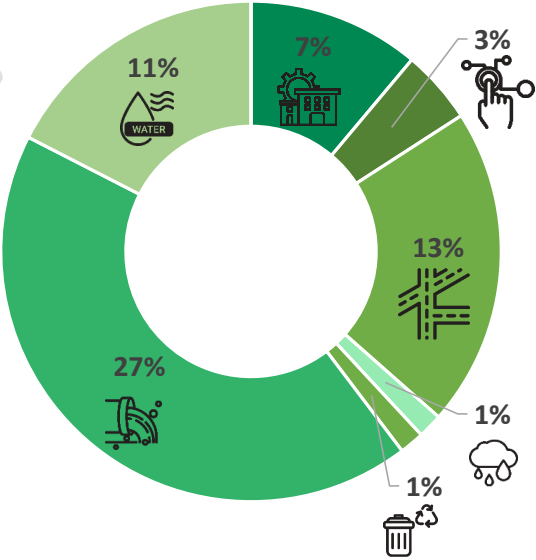
Revenue by Sources	%	\$000
Rates	61%	59,206
Subsidies and grants	11%	10,581
Fees and charges	11%	11,019
Development and financial contributions	4%	4,247
Interest revenue	1%	1,035
Vested assets	9%	8,878
Other revenue	2%	1,626
Total revenue	100%	96,592

I pēwhea tā te Kaunihera whakapau i āna pūtea? | How did Council spend the money?

Operating Expenditure	%	\$000
 Community Facilities and Property	27%	17,791
 Strategy and Engagement	15%	9,740
 Rooding	15%	9,849
 Rubbish and Recycling	10%	6,515
 Stormwater	1%	801
 Wastewater	10%	6,675
 Water	12%	7,749
 Consents and Licensing	11%	7,617
Total	100%	66,737



Capital Expenditure	%	\$000
 Community Facilities and Property	7%	4,944
 Strategy and Engagement	3%	2,284
 Rooding	13%	8,464
 Rubbish and Recycling	1%	521
 Stormwater	1%	378
 Wastewater	27%	18,103
 Water	11%	7,141
 Consents and Licensing	0%	-
Total		41,835



Tō rohe | Your District

Area 175,477 hectares	2022/23	2023/24	2024/25
Number of electors (enrolled)*	24,407	26,087	26,165
Number of rating units**	15,995	16,424	16,660
Value of improvements**	\$7,325,667,796	\$7,444,941,799	\$7,544,090,338
Net land value**	\$12,344,004,651	\$12,512,505,401	\$12,447,478,360
Total capital value**	\$19,669,672,450	\$19,957,447,200	\$19,991,568,698
Total rates***	\$41,210,000	\$47,160,000	\$54,153,000
Average total rates per rating unit	\$2,576	\$2,871	\$3,250

* From Electoral Commission website (as at 31 July 2024).

** At the end of the preceding financial year.

*** Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties

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4

TE PŪRONGO Ā TE ŌTITA MOTUHAKE INDEPENDENT AUDITOR'S REPORT



Photo of: Mabel the Mega Cow

Insert Audit opinion

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5

TE PĀNUI O NGĀ WHAKARATONGA INEGNA MAHI STATEMENT OF SERVICE PERFORMANCE

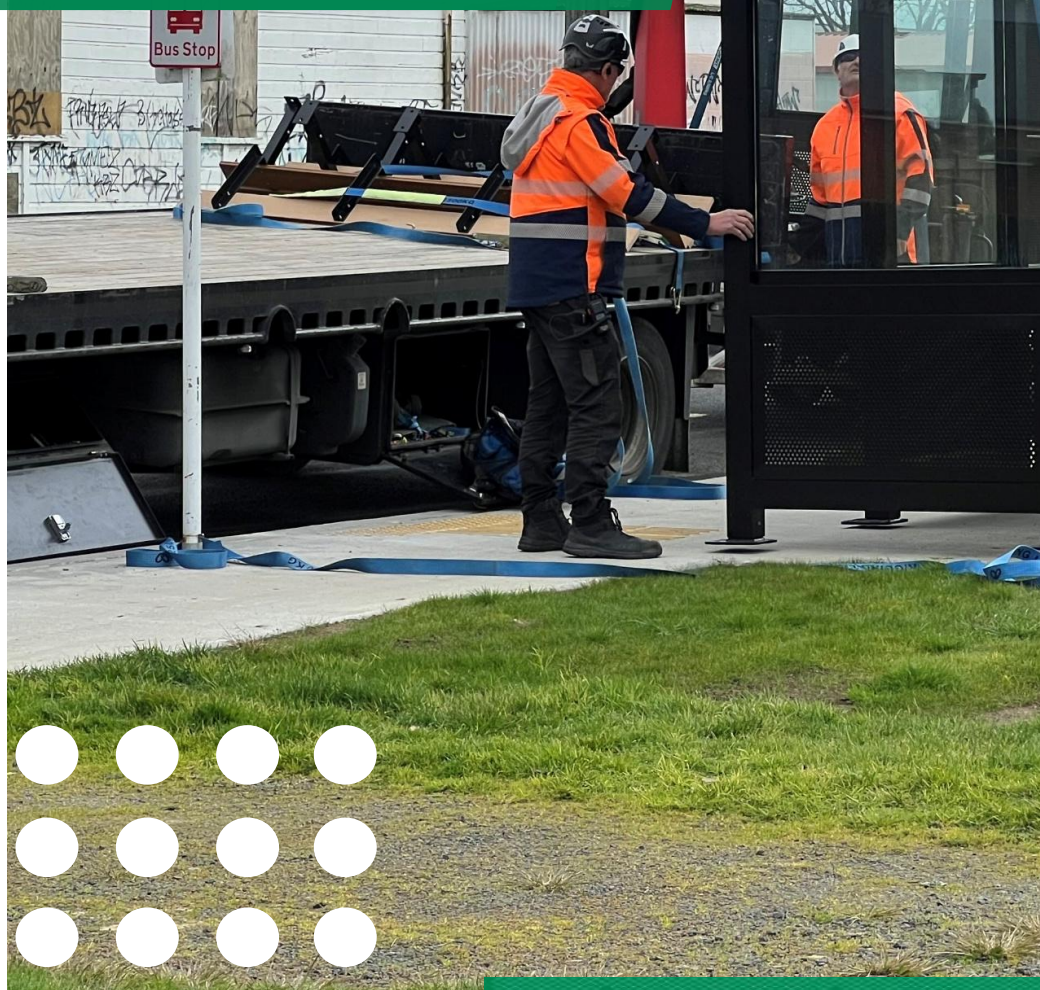


Photo of: bus stop moving and upgrade Waharoa

TĪRONGA WHĀNUI O NGĀ WHAKARATONGA INENGA MAHI

Overview of service performance

This section describes our 2024/25 non-financial service performance, as grouped in the Long Term Plan (LTP) 2024-34.

How we measure performance

The key data sources used to report on our performance measures are:

- Council's internal customer request management system;
- An Annual Community Views Survey of residents.

Annual Community Views Survey

Council uses an external agency to conduct our Annual Community Views Survey, which gauges resident's perceptions of and attitudes toward various Council services and facilities.

For the 2024/25 survey, Council resolved to remove the 'neither/nor' response option. Participants are asked to rate their satisfaction on a 10-point scale, where a selection between 6 and 10 is counted as 'satisfied'. **This change means the results will differ from previous years and are not completely comparable.**

Data collection was conducted using a mixed methodology approach. A sample of n=417 residents were randomly selected from the Electoral Roll and postal invitations were sent to participate via an online survey or hardcopy. Post data collection, the sample has been weighted so it is aligned with population distributions as per the 2023 Census. The sample has an expected 95% confidence interval (margin of error) of +/- 4.57%.

Customer request management system

Customer requests are received from members of the public through a number of different channels – phone call, email, Antenno (smartphone app) and in person at Council offices. Requests are logged and assigned to a member of the team who responds as appropriate. We use this system to report on data, such as the number of complaints.

Scale for reporting Activity Group

The following scale has been used to report results in the summary graphs at the beginning of each activity group:

☒ **Achieved** – result or results for a measure have met or exceeded the target

☐ **Not Achieved** – result or results for a measure have not met the target

N/A - Not reported in current year

Wellbeing

Each Activity Group section outlines how it contributes to the current wellbeing's under the Local Government Act 2002 (LGA) – social, economic, environmental and cultural and the Community Outcomes to which each Activity Group primarily contributes.

Disclosure of significant judgements

In the preparation of the Statement of Service Performance, Council has made the following judgements in the selection of service performance measures:

- How the performance measures reflect the agreed levels of service for our community.
- Consideration has been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received during the LTP consultation process.
- The adequacy of the chosen measures to inform on progress towards community outcomes.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public can compare the level of service provided in the following activity groups: Roading, Stormwater, Water and Wastewater.

There are no significant judgements applied to the measurement, aggregation, and presentation of service performance information unless specified within the relevant activity section that follows. As part of setting funding levels, Council considered the impact on services and their related performance measures.

Statement of compliance

The service performance information in Section 5 is compliant with New Zealand generally accepted accounting practice (NZ GAAP). Refer also to the [Statement of Compliance and Responsibility](#).

NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOA)

Community facilities and property

Ā mātou mahi | What we do

Community facilities and property is about providing parks, open spaces and built facilities for sport, recreation, social and cultural activities as well as buildings that enable us to provide a range of services to the community, including affordable housing for elderly people.

The activities responsible for this are: Cemeteries, Housing and property, Libraries, Parks and open spaces, Pools and spas, Public toilets, and Community venues.

Te uptake | Why we do it

Council is committed to providing open spaces and built facilities that promote healthy communities, enable social connections, look after our natural and cultural heritage, and provide economic opportunities. We support and improve public health by providing places and facilities where people can engage in play, active recreation, and sports activities which provide physical and mental health benefits. Our public toilet network also promotes public health. We provide open spaces (like parks) and built facilities (such as event centres and libraries) where people can gather to connect socially. We also provide affordable housing complexes for elderly people. Our network of parks and reserves helps protect and enhance our natural environment. We help preserve our cultural heritage by supporting museums as well as by managing historic sites, monuments, or buildings on parks and reserves. Our parks and community facilities provide economic opportunities through tourism and events.

Ō mātou whakatutukitanga | Our achievements

Our parks, reserves, playgrounds and sports fields were well maintained in 2024/25. We upgraded signage and completed renewal work for some of our tracks and playgrounds, and we collaborated with the Cricket Club to improve the cricket turf at Pohlen Park in Matamata. All of our cemeteries were maintained over the year, and some cemeteries received upgrades to toilet facilities. All our cemeteries now all have accessible and modern facilities.

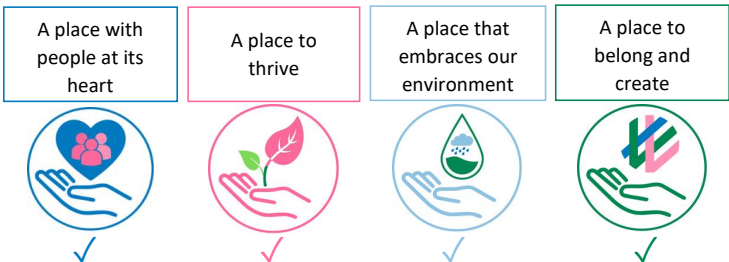
The Open Country Stadium in Matamata project began in December 2024, and the framing was up by June 2025. This project is a collaboration between Council, Sport Waikato, Matamata Futures Trust, Ministry of Education, and a number of other groups, businesses, and individuals. This project is set for completion in 2025/26.

Our libraries and pools offer a range of programmes. Some of the most popular were Toddler Time and the Harry Potter escape room at the libraries, and the little swimmer and aqua classes at our Swim Zones.

Oranga | Wellbeing

This activity helps to improve the **social**, **environmental**, and **cultural** wellbeing of our community. Recreational spaces, housing and communal facilities are maintained and managed to allow our community to connect, be active, and engage. This activity also contributes **economically**, as our facilities attract tourists to our towns for sports and recreation, and our libraries provide spaces and support for people including students, jobseekers and people looking to gain computer literacy.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 result	2024/25 result comments
Ngā Urupā Cemeteries					
Cemeteries will be maintained to a high standard	The percentage of people who have visited a Council cemetery in the last year who are satisfied/very satisfied with the cemeteries.	 80%	80% or more satisfied/very satisfied	 94%	We continue to maintain and improve our cemeteries. All of our cemeteries have modern toilet facilities, and security improvements were made at some cemeteries. The significant increase in satisfaction reflects the survey scale change. ¹
Te whakahaere i te whare me ngā rawa Housing and property					
We will provide housing that meets the needs and expectations of elderly persons housing tenants.	The percentage of tenants who are satisfied/very satisfied with the elderly persons housing.	 92%	80% or more satisfied/very satisfied.	 89%	We want residents in our housing units to be satisfied and ensure their need are met. Of the 71 respondents, 63 are satisfied/very satisfied with elderly persons housing overall.
Elderly Persons Housing will be well utilised.	The percentage of elderly persons housing which is occupied.	 95.9%	95% or more.	 98%	Council provides and maintains 108 elderly housing units and wants to ensure they are well utilised. The units were occupied 97.5% of the time (rounded to 98%).
Ngā wharepukapuka Libraries					
Our library services will be accessible to the community.	The total number of visits made by persons/ individuals annually to the district's libraries or virtually (library website, catalogue app, and social media accounts).	 Achieved (216,500)	Increase of at least 5% of the 5 year average.	 Achieved (345,777)	There were 345,777 visitors to our libraries in-person or virtually (including social media). The average number of library visitors over the last five years is 240,029. An increase of 44.05%. ²
Our library services will meet community needs and expectations.	The percentage of users satisfied/very satisfied with library services.	 91%	90% or more satisfied/very satisfied.	 94%	Our libraries not only provide books but are a place for people to connect and learn. Our libraries ran a number of programmes, such as the Harry Potter escape room, and we continue to make improvements to our library services.
Ngā pāka rēhia me ngā wāhi wātea Parks and open spaces					
We will provide good quality sports fields to meet the needs and expectations of users.	The percentage of users satisfied/very satisfied with sports fields.	 75%	80% or more satisfied/very satisfied.	 93%	This measure indicates the community satisfaction with Council maintained sports fields. Satisfaction increased significantly this year due to the survey scale

¹ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

² The increase in the number of visitors to our libraries reflects the inclusion of Facebook outreach data in the number of visitors.

Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 result	2024/25 result comments
					change. ³ Regular maintenance of our sports fields due to good weather, turf improvements, and improvement of facilities may have contributed to an increase in satisfaction.
We will provide good quality parks and reserves to meet the needs and expectations of users.	The percentage of users satisfied/very satisfied with parks and reserves.	 72%	80% or more satisfied/very satisfied.	 88%	We maintain our parks and reserves to continually improve the wellbeing of our community and environment. We maintained our parks this year and renewed signage and upgraded seating at some of our parks and reserves. ⁴
Our public playgrounds will be safe.	The assessment score from the annual external safety audit.	New measure.	90% or more	 86%	Our parks are externally audited each year so we can ensure our community can play safely. Our playgrounds are generally in good condition, and they have high levels of usage. ⁵
Ngā puna me ngā puna waiariki Pools and spas					
We will provide well maintained pool facilities in the district that meet community needs and expectations.	The percentage of users satisfied/very satisfied with pool facilities.	 72%	80% or more satisfied/very satisfied.	 84%	Satisfaction with our pool and spa facilities increased this year. ⁶ Comments from our survey noted the friendliness of staff and being generally impressed with the facilities. Dissatisfied comments noted the price of the pools, the hours of operation, particularly for Morrinsville, and the desire for indoor pool facilities. Our pools underwent upgrades and maintenance, such as shade sails, painting, and pool covers.
We will promote and encourage our community to use our pool facilities.	The number of customers using our pool facilities will be maintained.	 Not achieved (140,455)	Visitor numbers will be within 5% of the 5 year average.	 Achieved (153,110)	Visitor numbers are 2.1% higher than the five year average. The average number of visitors over the last five years is 150,033. ⁷
Ngā whareiti tūmatanui Public toilets					
Our public toilets will be maintained to	The number of complaints received regarding	 22	≤20 complaints about	 17	This measure tells us how well we are maintaining our public toilet facilities in our district. There were 17

³ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

⁴ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

⁵ A total of 160 playground items across 29 playgrounds in the district were audited in March 2025. Our playgrounds are measured against the ASNZ 4486 and 4422 standards. A compliance rate of 86% is high compared to other towns and cities across the country. Compliance was lower this year compared to 2024 (91%) due to surfaces being too low.

⁶ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

⁷ The number of visitors no longer include the number of spectators compared to the previous year.

Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 result	2024/25 result comments
acceptable standards.	dissatisfaction with the cleanliness of public toilets.		cleanliness per year.		complaints. The most common locations for complaints were the Studholme St, Morrinsville and Lawrence St, Te Aroha toilets.
Ngā wāhi māna Community venues					
We will promote and encourage the community to use our community venues.	The number of event centre bookings.	New measure	The number of bookings maintained at 2023/24 levels (2,703).	 2,519	Our event centres facilitate economic development and wellbeing. This measure shows how well our event centre facilities are utilised. We did not achieve our target due to the change of booking systems, which caused some technical issues and impacted the number of bookings recorded. ⁸

⁸ This result only includes the number of bookings made through the Space2Co website. The venues currently available on this platform are Silver Fern Farms Event Centre, Headon Event Centre, and Morrinsville Event Centre as of January 2025. The Matamata Civic Centre is not currently available through this system.

Funding impact statement – Community facilities and property 2024/25

Funding Impact Statement – Community Facilities and Property 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
12,635	12,113	General rates, uniform annual general charges, rates penalties	13,030	13,122	
71	108	Targeted rates	73	109	
4	96	Subsidies and grants for operating purposes	33	4	
					Revenue from Te Aroha Mineral Spas, Domain House Beauty and Swim Zone facilities was \$89,000 higher overall than the previous year, but \$817,000 less than budgeted for the year. The addition of two new baths at the Spas last year and increased prices across facilities was expected to generate significantly more income this year, but that has not been the case, particularly in the difficult economic environment. Income from Elderly persons and staff housing, and leases was \$231,000 (or 13%) less than budgeted due to some vacancies and the sale of the previously leased land at Tower Road, Matamata in July 2024.
3,258	4,215	Fees and charges	5,270	4,198	
216	130	Internal charges and overheads recovered	300	403	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
16,184	16,662	Total operating funding (A)	18,706	17,836	

					Operating costs of Te Aroha Mineral Spas and Domain House Beauty have increased from those set out in the LTP as well as general cost increases, particularly including living wage increases, property repairs and maintenance, and repair costs for the pools. Furthermore, Te Aroha Office building seismic assessment costs were not budgeted in the LTP and housing and property maintenance works
10,550	12,481	Payments to staff and suppliers	12,566	13,372	

Funding Impact Statement – Community Facilities and Property 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					undertaken were higher than budget across the district. Repairs and maintenance costs were higher than LTP for parks and reserves and public amenities. Additionally, insurance costs were higher than the LTP budget.
581	974	Finance costs	491	541	
					Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000. The Community Facilities activity was also allocated \$460,000 of unrecovered costs from the operational business units of Council, particularly Kaimai Valley Services and the Property department.
2,189	2,591	Internal charges and overheads applied	3,122	3,878	
-	-	Other operating funding applications	-	-	
13,320	16,046	Total applications of operating funding (B)	16,179	17,791	
2,864	616	Surplus (deficit) of operating funding (A – B)	2,527	45	
Sources of capital funding					
-	733	Subsidies and grants for capital expenditure	-	1,350	\$1.35 million was received in donations towards the Matamata Stadium during the year, which is currently under construction.
57	279	Development and financial contributions	55	460	Development in the district has been significantly higher than what was budgeted for in the LTP, resulting in higher financial contributions received.
11,082	470	Increase (decrease) in debt	3,915	3,549	The LTP planned for significant capital spend in 2024/25 on projects that have been delayed.
-	2,180	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
11,139	3,662	Total sources of capital funding (C)	3,970	5,359	
Applications of capital funding					

Funding Impact Statement – Community Facilities and Property 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Capital expenditure					
-	-	—to meet additional demand	774	223	
13,509	2,848	—to improve the level of service	4,586	3,383	Key projects budgeted in the 2024-34 LTP included the Matamata indoor stadium project (\$3 million with \$3.2 million spent), Matamata Domain Playground project of \$1.5 million is expected to begin in the 2025/26 financial year and Matamata Domain Toilets project \$230,000 has been spent to budget. The Morrinsville Recreational ground development project of \$300,000 has been re-scoped.
812	1,158	—to replace existing assets	1,082	1,338	Key renewal projects budgeted included: Housing renewals of \$500,000, of which \$333,000 has been spent; Pools and Spas renewals \$150,000 with \$138,000 spent. Furthermore, there were some renewals projects carried forward from 2023/24 that were spent in 2024/25 including Pensioner Housing (\$384,000), Parks & Tracks projects (\$189,000).
(318)	272	Increase (decrease) in reserves	55	460	Net transfers to reserve funds were higher than budgeted in the LTP.
-	-	Increase (decrease) of investments	-	-	
14,003	4,278	Total applications of capital funding (D)	6,497	5,404	
(2,864)	(616)	Surplus (deficit) of capital funding (C – D)	(2,527)	(45)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO

Strategy and engagement

Ā mātou mahi | What we do

Strategy and engagement supports our community to get involved in the democratic process and provides the strategic direction needed to ensure our community thrives and is prosperous. The activities responsible for this are Emergency management, Communications and events, Community leadership, and Strategies and plans.

Te uptake | Why we do it

These activities ensure our community are informed of Council activities and can be involved in open and transparent decision making. This helps us plan for the long term to ensure that our communities grow and develop in an integrated and sustainable way and are prepared for the future.

The Local Government Act 2002, Resource Management Act 1991, and Civil Defence Emergency Management Act 2002 also have a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

Ō mātou whakatutukitanga | Our achievements

This year, our staff undertook the annual Civil Defence exercise in May 2025 to evaluate our readiness in the event of an earthquake, which was graded as 'Advancing'.

Council held a number of events including the annual Business Awards, ANZAC Day celebrations, and the annual dogs in togs, where locals bring their dogs to Swim Zone Morrinsville for a swim before it closes for the season.

The governance team continued to support and manage over 50 Council and Committee meetings and workshops in 2024/25. This included advertising meetings, livestreaming meetings, and making agendas and minutes available to Council and Committee members, staff, and the public.

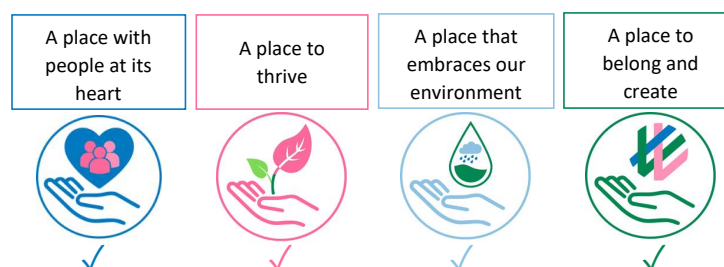
Our Community Development team managed the Pride of Place Community-Led Initiatives Grant, which funded the following projects:

- Supporting the reopening of the dragon skate bowl at the Morrinsville Recreation Grounds in March 2025, following a competition with local schools to come up with the best design for the bowl. Of the 30 entries, the winning design was painted on the skatebowl.
- The Matamata Men's Shed crafted a table and seats for the social seating project that was funded by Transport Choices Matamata and Council grants. The seats were painted at a Community Colour Burst event in November 2024 that was also supported by Council, alongside Starfish Health and Wellbeing Centre. The social seating was installed in November 2024.
- Partnering with local organisations and iwi to host a free 'Pests, Predators, and Protectors: A Local Conservation Effort' in Te Aroha to learn about the importance of protecting the local environment from invasive species.

Oranga | Wellbeing

Strategy and engagement contributes to **social**, **economic**, **environmental** and **cultural** wellbeing. Events like ANZAC Day and Business Night Out bring people together and support the economic development of our district. This activity ensures our community is safe, prepared and engaged in planning for now and the future, and that we engage with tangata whenua and mana whenua in the decision-making process.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
Te ārai mate whawhati tata Emergency management					
We will be prepared to assist the community in the event of an emergency.	The evaluation of an annual exercise (or Emergency Operations Centre (EOC) activation within 6 months of a planned exercise) as a measure of effectiveness of training.	New measure	Increasing trend to the mid-range of “advancing” capability.	 Advancing	Our staff partake in an annual Civil Defence exercise that is independently evaluated. The evaluation shows the capability we have to respond to an emergency situation. This evaluation of our annual exercise resulted in a grade of 68%, which is classified as ‘advancing’. ⁹
Ngā pāpāhonga me ngā takahanga o te wā Communications and events					
We will hold and/or support events – providing opportunities for people to connect, learn, and reflect on our history.	The number of events held and/or supported by Council annually.	New measure	At least six community events annually.	 Achieved	A number of events were held or supported by Council such as; ANZAC Day celebrations in Matamata, Morrinsville, and Te Aroha. We also held the Business Night Out and Volunteer award ceremonies in each of the three main towns. The Lockerbie storywalk opened, with the permanent posts that hold the pages of the book made by the Morrinsville Menzshed, in collaboration with the Morrinsville Museum and Ngāti Hauā.
We will continue to invest in our digital strategy to improve online services to our customers, achieve greater organisational efficiency, and improve access to data.	The number of digital enablement projects delivered as identified in the Digital Strategy.	New measure	Minimum of three digital enablement projects delivered annually.	 Achieved	Several digital projects were rolled out, including a new booking system for the Morrinsville Event Centre, developing new digital forms for licensing applications, and delivering the ‘Let’s Talk’ consultation page.
Te ārahitanga ā-hapori Community leadership					
Our Mayor and Councillors will demonstrate commitment to the democratic process.	The attendance rate of Mayor and Councillors at ordinary Council meetings.	New measure.	≥90%	 94%	Elected members are committed to fulfilling their responsibility to represent their communities at the table and in Council decision making. There were 15 ordinary Council meetings between 1 July 2024 and 30 June 2025. ¹⁰ This result shows the combined attendance rate of the Mayor and all Councillors.

⁹ The annual exercise was carried out by staff in May 2025 and was assessed independently by Civil Defence. This is an improvement from the evaluation score in 2024 of 59%.

¹⁰ From 26 March 2025, elected members were counted as present when they attended a meeting via an audio link or audio-visual link. Prior to 26 March 2025, members joining via an audio link or audio-visual link were counted as absent.

Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
We will involve Tangata Whenua with Mana Whenua status in the decision making process.	The percentage of Te Manawhenua Forum mō Matamata-Piako Forum members who complete the survey are satisfied/very satisfied that Tangata Whenua with Mana Whenua status are recognised and have meaningful involvement in decision-making.	 50%	75% or more satisfied/very satisfied.	 80%	As part of the process of good decision making, Council engaged with tangata whenua with mana whenua status through our Te Manawhenua Forum. Of the 5 Forum members who completed the survey, 4 Forum members were satisfied that tangata whenua with mana whenua status have meaningful involvement in decision making.
Ngā rautakinga me ngā mahere Strategies and plans					
Our community will have the opportunity to participate in Council consultation processes.	The percentage of the community satisfied that they have been provided with an opportunity to be involved in consultation processes.	 42%	48% or more satisfied/very satisfied.	 74%	We want to ensure our community are well-informed and can participate in the democratic process by providing feedback on all our plans and strategies. This year, there were several consultation engagements. In particular, we consulted on Council amalgamating its water services into a new Council Controlled Organisation (CCO), Waikato Waters Limited. ¹¹ We sought community feedback, and Council agreed to form a CCO with our Waikato neighbours.
We will maintain a District Plan that manages land use and development, and the protection of natural and physical resources of the district.	The percentage of Changes and Variations to the District Plan that are processed within statutory timeframes.	New measure.	100% processed within statutory timeframes.	 50%	We are required by legislation to maintain our District Plan. This measure shows we are working to protect our resources and plan for the future. Of the two plan changes processed this year, one was completed within the timeframe and one was not. This was due to an application for an extension being declined by the Minister.
We are preparing for the impacts of climate change on our services and the community.	The number of priorities of the climate change rivermap that have been progressed. ¹²	New measure.	4 out of 5 priorities have been progressed.	 5/5	We are focussed on protecting our services and our community for the long term. Council developed a climate change rivermap that outlines our key

¹¹ Due to the change in survey scale, resident satisfaction with the opportunities to be involved in the consultation process has increased significantly. For more information, please see 'Overview of service performance' at the start of Section 5 of this document

¹² Progressed means work on a priority has begun. This can include reports presented to a Council workshop, meeting, or Committee related to a priority.

Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
					priorities as we look to build climate resilience in our infrastructure and planning. Work was progressed across the 5 priorities (strategy, water, wastewater, stormwater, and rubbish) and a total of 11 reports relating to climate change were presented to Council. ¹³

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¹³ For more information on the rivermap, you can go [here](#).

Funding impact statement – Strategy and Engagement 2024/25

Funding Impact Statement – Strategy and Engagement 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
6,726	6,730	General rates, uniform annual general charges, rates penalties	7,358	7,411	
-	-	Targeted rates	-	-	
-	270	Subsidies and grants for operating purposes	195	12	
126	1,326	Fees and charges	396	893	Council held additional investments (compared to budget) for the purposes of pre-funding debt due to mature over the year. This along with higher interest rates resulted in increased income from interest.
352	45	Internal charges and overheads recovered	741	985	Internal recoveries and interest income allocation increased beyond the LTP budget.
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
7,204	8,371	Total operating funding (A)	8,690	9,301	
Applications of operating funding					
5,095	6,625	Payments to staff and suppliers	6,743	6,093	There were budget underspends mainly on the Digital Enablement project by \$123,000, District Plan review works by \$145,000 and employee costs were \$350,000 less than the LTP budget due to vacancies, secondment and leave covered internally.
42	232	Finance costs	312	679	Finance costs were higher than budgeted as opening debt was higher than anticipated at the time the budget was set.
1,811	2,285	Internal charges and overheads applied	2,539	2,968	Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000.
-	-	Other operating funding applications	-	-	
6,948	9,142	Total applications of operating funding(B)	9,594	9,740	
256	(771)	Surplus (deficit) of operating funding (A – B)	(904)	(439)	

Funding Impact Statement – Strategy and Engagement 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
265	17,015	Increase (decrease) in debt	2,226	369	There was less requirement to borrow funds than anticipated in the LTP budget.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
265	17,015	Total sources of capital funding (C)	2,226	369	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
-	-	—to improve the level of service	-	-	
1,318	1,403	—to replace existing assets	2,268	2,284	
(797)	645	Increase (decrease) in reserves	(946)	(485)	
-	14,196	Increase (decrease) of investments	-	(1,869)	
521	16,244	Total applications of capital funding (D)	1,322	(70)	
(256)	771	Surplus (deficit) of capital funding (C – D)	904	439	
-	-	Funding balance ((A – B) + (C – D))	-	-	

NGĀ RORI

Roading

Ā mātou mahi | What we do

Our transport network consists of 967km of sealed roads, and 55km of unsealed roads. It also includes 377 bridges, street lights, road markings, signs and road drainage assets. In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater).

Te uptake | Why we do it

Roads provide for a wide variety of users with diverse needs, including private and commercial car drivers and passengers, freight operators, dairy tankers, stock trucks, quarry trucks/machinery, public transport, harvesting contractors/ farm machinery, cyclists and pedestrians. They also support and enable economic growth, and when designed appropriately, enhance living environments and amenity.

Ō mātou whakatutukitanga | Our achievements

The zebra crossings across Morrinsville received some improvements, including 14 courtesy crossings painted red to improve visibility, and five mobility parks were improved along Thames St. Accessibility improvements to our roads were also made in Matamata. Accessibility improvements in our CBDs were identified in our accessibility audits, and 50% of the upgrades and improvements that were identified in Matamata and Morrinsville were able to be actioned following external funding. Accessibility upgrades in Te Aroha are planned for 2025/26.

Oranga | Wellbeing

The roading activity contributes to **economic, social, and cultural** wellbeing. Our roading network connects our communities, businesses and visitors to our district and beyond so they can live, work and play.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
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.	 Decrease of 1 25 total	Reduction in fatalities and serious injury crashes year on year.	 Decrease of 8 17 total	The number of fatal and serious crashes has decreased significantly. This measure is highly variable from year to year, and the decrease cannot be attributed to one clear factor. The consistent dry weather over summer, and ongoing road maintenance may be contributing factors. ¹⁴
We will provide a roading network that is maintained and developed to provide smoothness and comfort.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	 96%	95% or more.	 96%	We want our roading network to be safe and provide smoothness and comfort for our community on their journeys. This result is the same as the previous year but is achieved due to the change in target in the 2024-34 LTP. ¹⁵
	The percentage of the sealed local road network that is resurfaced.	 4.5%	6.7% or more.	 6.6%	We maintain our roading network. We resealed 64.1 Km of our sealed roading network. ¹⁶
The surface condition of our footpaths will be maintained to an acceptable level of service.	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).	N/A	95% or more within the acceptable level of service.	N/A	The footpath assessment is normally completed every three financial years and was last completed in 2021/22. The survey was due to be completed in 2024/25 but was not completed due to an oversight in scheduling. The survey is scheduled to be completed in March 2026. The result will be reported on in the 2025/26 annual report. ¹⁷
We will provide a reliable roading network and will respond to customer service requests	The percentage of customer service requests relating to roads and footpaths that we respond-to within the time frame	 100%	90% of urgent requests responded to within one working day.	 86%	This measure shows how quickly we respond to customer requests relating to urgent roading callouts. Of the 14 urgent callouts received, 12 were responded to within one working day. There were 0

¹⁴ There were 4 fatal crashes and 13 serious injury crashes on our local roads this year. This is a mandatory measure set by the Department of Internal Affairs.

¹⁵ The data for this measure is extracted from RAMM (Road assessment and maintenance management). This measure only applies to Council owned sealed roads in the district and does not include unsealed roads, State Highways, or private roads. 85% of kilometres travelled on sealed urban roads were considered smooth, and 99% of kilometres travelled on rural roads were considered smooth. This is a mandatory measure set by the Department of Internal Affairs.

¹⁶ This result is rounded from 6.59%. This result includes Rejuvenation Seal and Reseal. This is a mandatory measure set by the Department of Internal Affairs.

¹⁷ This is measured by an assessment undertaken every three years. This measure was achieved in 2021/22 with 95.5% of our footpaths being within the acceptable level of service. This is a mandatory measure set by the Department of Internal Affairs.

¹⁹ This is a mandatory measure set by the Department of Internal Affairs.

Funding impact statement – Roothing 2024/25

Funding Impact Statement – Roothing 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
7,874	9,359	General rates, uniform annual general charges, rates penalties	9,336	9,402	
-	-	Targeted rates	-	-	
3,413	3,334	Subsidies and grants for operating purposes	3,803	3,502	The subsidised Roothing work schedule for operational works approved by NZTA reduced from that anticipated in the LTP, as the LTP budget was set before NZTA approved the funding.
174	389	Fees and charges	324	314	
174	-	Internal charges and overheads recovered	287	305	
269	234	Local authorities fuel tax, fines, infringement fees, and other receipts	220	221	
11,904	13,316	Total operating funding (A)	13,970	13,744	
Applications of operating funding					
7,045	7,393	Payments to staff and suppliers	7,805	7,897	
300	501	Finance costs	375	247	
955	917	Internal charges and overheads applied	1,411	1,705	Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000. The Roothing activity was also allocated \$116,000 of unrecovered costs from the operational business units of Council.
-	-	Other operating funding applications	-	-	
8,300	8,811	Total applications of operating funding (B)	9,591	9,849	
3,604	4,505	Surplus (deficit) of operating funding (A – B)	4,379	3,895	
Sources of capital funding					
3,039	3,575	Subsidies and grants for capital expenditure	3,631	4,974	The work schedule approved by NZTA increased in funding for capital works compared to budget. In addition, Better off Funding grants were received from the Department of Internal Affairs for the Pride of Place connectivity and accessibility improvement projects

Funding Impact Statement – Rooding 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					at Matamata \$474,000 and Morrinsville \$649,000 which were not budgeted for in the LTP.
463	861	Development and financial contributions	221	899	Development in the district has been significantly higher than what was budgeted in the LTP, resulting in higher development contributions received.
436	(1,729)	Increase (decrease) in debt	(1)	(1,304)	Unbudgeted additional funding was applied to reduce debt for this activity.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
3,938	2,707	Total sources of capital funding (C)	3,851	4,569	
Applications of capital funding					
Capital expenditure					
224	37	—to meet additional demand	260	10	In the LTP budget key projects included sealed road resurfacing \$3.1 million, sealed pavement rehabilitation \$3.5 million, drainage renewals \$305,000, and traffic services renewals budget \$438,000, all of which were largely completed as budgeted. Other Pride of Place connectivity and accessibility improvement projects that were not budgeted in the LTP were completed and funded from Better-off funding received.
1,143	3,295	—to improve the level of service	850	4,213	
5,958	3,880	—to replace existing assets	7,120	4,241	
217	-	Increase (decrease) in reserves	-	-	
-	-	Increase (decrease) of investments	-	-	
7,542	7,212	Total applications of capital funding (D)	8,230	8,464	
(3,604)	(4,505)	Surplus (deficit) of capital funding (C – D)	(4,379)	(3,895)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

TE PARA ME TE WHAKAHŌU

Rubbish and recycling

Ā mātou mahi | What we do

Our Rubbish and recycling activity (which is sometimes referred to as our Solid Waste activity) currently provides kerbside rubbish and recycling collection services to approximately 10,000 households across the district, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou. We provide funding to support waste minimisation and sustainability education to schools across the district. We also have three closed landfills at Matamata, Morrinsville and Te Aroha that we monitor under the terms of their resource consents to ensure they do not endanger the environment or public health.

Te uptake | Why we do it

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. We are committed to providing and promoting sustainable waste management options to protect our environment for current and future generations. As part of the 2021 Matamata-Piako Waste Minimisation Management Plan (WMMP) we have committed to reduce the total amount of general waste sent to landfill from our District.

Reducing waste to landfill is also part of the new requirements being introduced by the Ministry for the Environment with ambitious targets, and a mandated requirement to provide a food scraps collection to all urban areas of over 1,000 people no later than 2027. In September 2023, Council transitioned to a new kerbside collection service that incorporated this new service.

Ō mātou whakatutukitanga | Our achievements

The roading network at the Waihou refuse transfer station was upgraded in late 2024. A total of 486.47 tonnes of food waste was collected through the food waste collection programme and diverted from going to landfill. We also ran a number of waste reduction campaigns, including ongoing funding for the Zero Waste in Schools programme that supports 26 schools that educate our young people in sustainability and waste minimisation.

Oranga | Wellbeing

The Rubbish and Recycling activity contributes to the **social** and **environmental** wellbeing of our communities. Household waste is dealt with in a sustainable manner to limit the effects on our environment and ensure our communities have a healthy and clean environment to live, work and play in.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
Our kerbside rubbish and recycling collection services will meet community needs and expectations.	The percentage of users satisfied/very satisfied with kerbside rubbish and recycling collection services.	 67%	65% or more satisfied/very satisfied.	 84%	Residents who receive kerbside rubbish and recycling collection are satisfied, and survey respondents note kerbside collection is generally an excellent service. Dissatisfied comments would prefer weekly rubbish collections and note the red bins are too small for some households. The satisfaction with kerbside services has increased significantly due to the change in survey scale. ²⁰
Our transfer stations will allow for the reuse and recovery of materials and will meet community needs and expectations.	The percentage of residents satisfied/very satisfied with transfer stations.	 76%	70% or more satisfied/very satisfied.	 82%	Respondents to our annual survey are satisfied with our transfer stations and note the friendliness and helpfulness of staff and appreciate the upgrades to our stations. Respondents also note dissatisfaction with the cost and opening hours of our transfer stations. The transfer stations satisfaction has increased significantly due to the change in survey scale. ²¹
We will facilitate waste minimisation practices and promote the reduction of waste disposal to landfill.	The proportion of household waste placed at the kerbside which is diverted (recycled or composted).	New measure	45% or more.	 50%	The percentage of waste recovered for recycling through the kerbside collection was met. This reflects the ongoing education programmes to promote waste minimisation and the success of our kerbside collection services. This result has been rounded from 49.8%
We will monitor our closed landfills and protect the environment.	Compliance with our resource consents for closed landfills, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation	New measure	Zero (0).	 Zero (0)	This measure indicates how effectively Council is managing its closed landfills and the impacts of waste on the environment. There were no abatement notices, infringement notices, enforcement orders, or convictions, received. This is a new measure, meaning the result cannot be compared with previous years.

²⁰ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

²¹ The Annual Community Views Survey methodology differs from previous years. For more information, please see 'Overview of service performance' at the start of [Section 5](#) of this document.

to those resource
consents).

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Funding impact statement – Rubbish and recycling 2024/25

Funding Impact Statement – Rubbish and Recycling 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
1,891	1,619	General rates, uniform annual general charges, rates penalties	1,965	1,979	
2,991	2,499	Targeted rates	2,544	2,517	
137	657	Subsidies and grants for operating purposes	260	792	Waste minimisation subsidies provided by Government were more than anticipated in the LTP
968	881	Fees and charges	880	907	
1	-	Internal charges and overheads recovered	1	1	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
5,988	5,656	Total operating funding (A)	5,650	6,196	
Applications of operating funding					
5,458	4,856	Payments to staff and suppliers	5,108	5,997	Contract costs (particularly for the kerbside contract) and inflationary adjustments have been significantly higher than budgeted.
91	138	Finance costs	87	57	
259	320	Internal charges and overheads applied	370	461	
-	-	Other operating funding applications	-	-	
5,808	5,314	Total applications of operating funding (B)	5,565	6,515	
180	342	Surplus (deficit) of operating funding (A – B)	85	(319)	
Sources of capital funding					
-	215	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
4,503	890	Increase (decrease) in debt	414	1,365	The operating deficit for this activity has resulted in the need for additional funding from debt.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
4,503	1,105	Total sources of capital funding (C)	414	1,365	

Funding Impact Statement – Rubbish and Recycling 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
4,749	884	—to improve the level of service	500	521	
-	-	—to replace existing assets	-	-	
(66)	563	Increase (decrease) in reserves	(1)	525	Net funds credited to the Waste Minimisation reserve were higher than budgeted in the LTP
-	-	Increase (decrease) of investments	-	-	
4,683	1,447	Total applications of capital funding (D)	499	1,046	
(180)	(342)	Surplus (deficit) of capital funding (C – D)	(85)	319	
-	-	Funding balance ((A – B) + (C – D))	-	-	

TE WAIMARANGAI

Stormwater

Ā mātou mahi | What we do

We have stormwater discharge consents to collect and dispose stormwater from urban areas of Matamata, Morrinsville, Te Aroha and Waharoa. Stormwater from these urban areas is collected and treated appropriately to comply with discharge consents before discharging into surface water bodies or ground.

We ensure stormwater discharge from new developments is complying with our resource consent conditions.

We work collaboratively with Waikato Regional Council and our roading team as they also own, manage and maintain parts of the drainage system. Some drains of the urban stormwater network are situated in private properties. Maintenance of these drains is the responsibility of the property owners. We liaise with the property owners on matters related to these drains. Maintaining all of our assets involves undertaking scheduled and unscheduled maintenance and repair work. We have renewal strategies to allow for the progressive replacement of assets as they are required.

Te uptake | Why we do it

We ensure stormwater systems are managed safely and efficiently to drain surface water to minimise flooding in our communities and stormwater discharged from urban areas does not pollute the receiving environment. We work with property owners and other partners to achieve best outcomes. The main purpose is to ensure we are looking after our environment in a sustainable but also affordable manner for the short and long term and minimise the hazards from stormwater on public and private properties.

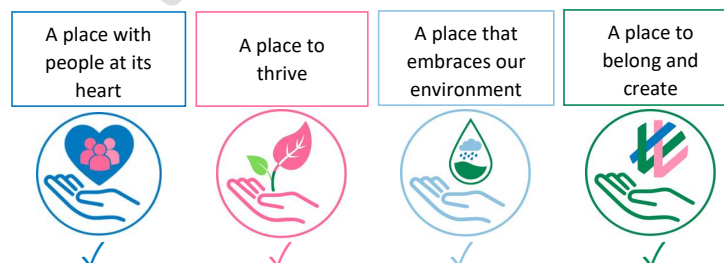
Ō mātou whakatutukitanga | Our achievements

We continued to renew and maintain our stormwater network in order to mitigate flood risk in our central business districts. We completed upgrades in Morrinsville and continue to develop flood maps and models for the district that enable us to better prepare for the future.

Oranga | Wellbeing

The stormwater activity contributes to the **social**, **economic**, **cultural**, and **environmental** wellbeing of our communities. Our stormwater system provides efficient flood mitigation and protection to our resident's homes, businesses and industry. Our mitigation systems also protect our environment by limiting discharge of contaminated stormwater into our waterways and rivers that can pollute our environment.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
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).	✓ 0 flooding events ✓ 0 habitable floors affected	Zero (0) flooding events; Zero (0) habitable floors affected.	✓ 0 flooding events ✓ 0 habitable floors affected	These measures indicate the number of times the stormwater system has affected habitable buildings and, during each event, the number of habitable floors that are affected. There were no flooding events in the district, and no habitable floors impacted. ²²
We will protect the environment from stormwater contaminate 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).	✓ Zero (0)	Zero (0).	✓ Zero (0)	This measure provides an indication of how effectively Council is managing the stormwater network. Our stormwater system was compliant with our resource consents as there were no abatement notices, infringement notices, enforcement orders, or convictions, received. ²³
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.	✓ n/a no flooding events	Median: 4 hours or less.	✓ n/a no flooding events	This measure reports on the median response time, from the time that we received notification of a flooding event to the time that Council's service personnel reach that site. There were no flooding events. ²⁴
We will have reliable stormwater systems that are maintained effectively to minimise public complaints.	The number of complaints received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system).	✓ 3.0 per 1,000 connections (30 total)	≤7 complaints per 1,000 connections per year.	✓ 4.2 per 1,000 connections (42 total)	The number of complaints received is an indication of the quality of stormwater services we are providing. There were 42 complaints received about the performance of our stormwater system. ²⁵

²² A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages. This is a mandatory measure set by the Department of Internal Affairs.

²³ This is a mandatory measure set by the Department of Internal Affairs.

²⁴ This is a mandatory measure set by the Department of Internal Affairs.

²⁵ At the time of the rates strike, there were 10,338 stormwater connections. This has been rounded to 10,000 connections. This is a mandatory measure by the Department of Internal Affairs.

Funding impact statement – Stormwater 2024/25

Funding Impact Statement – Stormwater 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
177	190	General rates, uniform annual general charges, rates penalties	148	149	
1,088	1,159	Targeted rates	907	907	
-	-	Subsidies and grants for operating purposes	-	-	
-	25	Fees and charges	-	75	A contribution was received from Waikato Regional Council for stormwater hydraulic modelling for Te Aroha.
96	-	Internal charges and overheads recovered	178	213	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
1,361	1,374	Total operating funding (A)	1,233	1,344	
Applications of operating funding					
264	382	Payments to staff and suppliers	636	478	
-	(218)	Finance costs	37	-	
198	272	Internal charges and overheads applied	271	323	
-	-	Other operating funding applications	-	-	
462	436	Total applications of operating funding (B)	944	801	
899	938	Surplus (deficit) of operating funding (A – B)	289	543	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	
28	-	Development and financial contributions	-	-	
-	(64)	Increase (decrease) in debt	(32)	92	
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
28	(64)	Total sources of capital funding (C)	(32)	92	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	75	-	

Funding Impact Statement – Stormwater 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
317	405	—to improve the level of service	1,575	378	The LTP budgeted \$1.5 million for Morrinsville CBD Stormwater upgrades. Initial modelling was completed for \$68,000 that indicated a larger than anticipated construction budget is required, therefore this project has been delayed to a future year. \$150,000 was budgeted for Matamata and Te Aroha stormwater modelling and planning, which was completed for \$216,000.
144	60	—to replace existing assets	-	-	
466	409	Increase (decrease) in reserves	(1,393)	257	Net funds credited to the Stormwater reserve were higher than budgeted in the LTP mainly due to the re-scoping of Morrinsville CBD project.
-	-	Increase (decrease) of investments	-	-	
927	874	Total applications of capital funding (D)	257	635	
(899)	(938)	Surplus (deficit) of capital funding (C – D)	(289)	(543)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

TE WAIPARA

Wastewater

Ā mātou mahi | What we do

We supply wastewater services to the urban areas of Matamata, Morrinsville, Te Aroha, Waihou, Tahuna, Rukumoana, Raungaiti and Waharoa by collecting the wastewater from these communities and treating it through five treatment plants.

The treatment plants are situated in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha, Tahuna and Waihou. The Morrinsville treatment plant also treats and disposes of rural septic tank waste.

Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw 2011. Under our tradewaste agreements, companies pay for the cost of processing their waste.

The efficient operation and maintenance of our wastewater network is achieved by providing adequate backup facilities, equipment, machinery and staff to handle any break down of the service. Corrective and preventative maintenance programmes are in place to ensure our systems remain in good condition.

Te uptake | Why we do it

The wastewater service ensures that wastewater (sewage and the “grey” water that goes down your drains) is collected, treated and disposed of appropriately. The treatment is particularly important, as after wastewater is treated it is discharged into waterways or to land.

We aim to ensure wastewater is well managed for the wellbeing of our community and our environment.

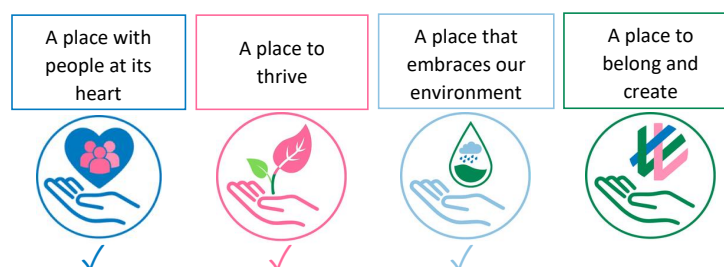
Ō mātou whakatutukitanga | Our achievements

In May 2025, local iwi blessed the site for the new Matamata wastewater treatment plant following the planning for construction. Work is set to begin in 2025/26, and the plant is set to be completed in 2027/28. We also completed several wastewater treatment plant upgrades, including approval for fencing at the Te Aroha plant from June 2025 and general renewals.

Oranga | Wellbeing

The Wastewater activity contributes to the **economic, social, environmental** and **cultural** wellbeing of our communities. The wastewater and treatment systems ensure our environment is clean and healthy for our residents to live, work and play. We also strive to ensure our wastewater and treatment systems don't impact our environment or the connection iwi have with the whenua and awa in our district.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
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).	 0.6 (6 total)	≤1 complaint per 1,000 connections per year.	 0.7 (7 total)	This measure indicates how well the wastewater network operates. There were a total of 7 dry weather overflows. ²⁶
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).	 One	Zero (0).	 Zero (0)	This measure indicates if we are operating within resource consent conditions and how well we are managing the environmental impacts of the district's wastewater system. There were no abatement notices, infringement notices, enforcement orders, or convictions, received. ²⁷
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: Attendance time: from the time that we receive notification to the time that service personnel reach the site.	 0.6 hours	Median: 4 hours or less.	 0.2 hours	This measure indicates how quickly we attend to issues when there is a problem with the wastewater system that may relate to wastewater entering the environment. There were 8 wastewater callouts. The median attendance time was 13 minutes. ²⁸
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault.	 3.43 hours	Median: 24 hours or less.	 4.53 hours	This measure indicates how quickly we resolve issues when there is a problem with the wastewater system that may relate to wastewater entering the environment. There were 8 wastewater callouts. The median resolution time was 4 hours and 32 minutes. ²⁹
We will have reliable wastewater systems that are maintained effectively to minimise public complaints.	The total number of complaints received by Council about any of the following (expressed per 1,000 connections per year).	 3.7 per 1,000 (37 in total)	≤16 complaints (across all categories) per 1,000 connections per year.	 3.1 per 1,000 (31 in total)	This measure indicates customer and community satisfaction with the quality of the wastewater system and service provided. There were 29 complaints about blockages, 2 about odour, and none about system

²⁶ At the time of the rates strike, there were 9,956 wastewater connection. This has been rounded to 10,000 connections. This is a mandatory measure set by the Department of Internal Affairs.

²⁷ This is a mandatory measure set by the Department of Internal Affairs.

²⁸ This is a mandatory measure set by the Department of Internal Affairs.

²⁹ This is a mandatory measure set by the Department of Internal Affairs.

Level of Service	Performance measure	2023/24 result	2024/25 target	2024/25 result	2024/25 result comments
	- Sewage odour - Wastewater system faults - Wastewater system blockages Council's response to issues with our wastewater system.				faults or Council's response. There were 31 complaints total. ³⁰
Our wastewater network will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's wastewater system.	New measure	80% or more satisfied/very satisfied.	☒ 95%	Our residents are satisfied with our wastewater system. This is a new measure, so there is no previous result to compare this result with.

³⁰ At the time of the rates strike, there were 9,956 wastewater connection. This has been rounded to 10,000 connections. This is a mandatory measure set by the Department of Internal Affairs.

Funding impact statement– Wastewater 2024/25

Funding Impact Statement – Wastewater 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
-	-	General rates, uniform annual general charges, rates penalties	-	-	
7,214	6,790	Targeted rates	8,671	8,653	
-	-	Subsidies and grants for operating purposes	-	-	
720	896	Fees and charges	1,078	747	The LTP budgeted for an increase in income from trade waste agreement charges that are still being progressed.
241	-	Internal charges and overheads recovered	616	657	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
8,175	7,686	Total operating funding (A)	10,365	10,057	
Applications of operating funding					
3,988	4,458	Payments to staff and suppliers	5,761	4,560	The LTP budgeted \$1.5 million for desludging of the Te Aroha and Morrinsville Wastewater Treatment Plants. This work has been put on hold until Council assesses options for the best way forward. In addition the decommissioning of the Waihou wastewater treatment plant realised a loss on disposal of assets of \$618,000 in the reporting year that was not budgeted for in the LTP.
371	(429)	Finance costs	1,187	721	Finance costs are lower than budgeted due to the delayed capital work and the desludging project that was put on hold (which was to be funded by borrowing)
529	957	Internal charges and overheads applied	701	1,394	Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000. The Wastewater activity was also allocated \$569,000 of unrecovered costs from the operational

Funding Impact Statement – Wastewater 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
					business units of Council, particularly the Water and Wastewater unit.
-	-	Other operating funding applications	-	-	
4,888	4,986	Total applications of operating funding(B)	7,649	6,675	
3,287	2,700	Surplus (deficit) of operating funding (A – B)	2,716	3,382	
Sources of capital funding					
-	-	Subsidies and grants for capitalexpenditure	-	-	
808	1,097	Development and financial contributions	1,694	1,958	Development in the district has been significantly higher than what was budgeted for in the LTP, resulting in higher development contributions received.
306	3,305	Increase (decrease) in debt	28,435	13,809	Delays in the capital programme and planned desludging work has resulted in decreased debt funding for the year compared to LTP budget.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
1,114	4,402	Total sources of capital funding (C)	30,129	15,767	
Applications of capital funding					
Capital expenditure					
50	3,820	—to meet additional demand	8,012	1,404	The Matamata Wastewater Treatment Plant upgrade has not progressed as quickly as budgeted, with the delay due in part to the larger volume of de-watering that was required. \$13 million was spent against the LTP budget of \$26.5 million.
214	149	—to improve the level of service	18,700	12,338	
3,912	3,456	—to replace existing assets	5,750	4,361	Plant and retic renewals of \$3.4 million and \$2.4 million were budgeted respectively. Remaining budgets and projects will be carried forward to next year.

Funding Impact Statement – Wastewater 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
225	(323)	Increase (decrease) in reserves	383	1,046	Net funds credited to Wastewater reserves were higher than budgeted in the LTP.
-	-	Increase (decrease) of investments	-	-	
4,401	7,102	Total applications of capital funding (D)	32,845	19,149	
(3,287)	(2,700)	Surplus (deficit) of capital funding (C – D)	(2,716)	(3,382)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

TE WAI

Water

Ā mātou mahi | What we do

We own and operate six water supply schemes in the District - Matamata (including Waharoa and Raungaiti), Morrinsville, Te Aroha (including Te Aroha West) and three small schemes in Te Poi, Tahuna and Hinuera. Each area has one or more treatment plants, and the District has a total of 410 km of pipes (excluding service lines).

We provide water 24 hours a day, seven days a week, which means operating and maintaining equipment, machinery and backup facilities, and training staff to respond rapidly in the event of a problem.

We have corrective and preventative maintenance programmes in place to ensure our systems remain in good condition. We also monitor the lifecycles of our assets (such as water mains) and renew them when necessary.

Te uptake | Why we do it

The Wwater activity ensures our communities are supplied with clean, safe drinking water to safeguard the health and wellbeing of our residents. Our approach to managing our water activity and network aligns with national and regional drivers. It recognises that the use of water is not unlimited and it is a very valuable resource that needs to be protected and managed in a sustainable manner for the community today and tomorrow.

Ō mātou whakatutukitanga | Our achievements

The Lockerbie water treatment plant was opened in September 2024, which will increase water security for Morrinsville. We also continued with our renewal programme to maintain our water supply. This included bore pump renewals at several plants, and renewing our resource consents to maintain our compliance.

Oranga | Wellbeing

The water activity contributes to the **social**, **economic**, **environmental** and **cultural** wellbeing of our communities. Our water systems provide clean water for our residents, businesses and for industrial purposes, without impacting our environment or the connection iwi have with awa in our district.

Ō tātou hua ā-hapori | Community outcomes



Drinking Water Standards

The Department of Internal Affairs updated this mandatory performance measure after the council had published our Long Term Plan, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Therefore our reporting is against those rules.

The Drinking Water Quality Assurance Rules (DWQAR) set out how Councils need to comply with the Drinking Water Standards 2022 and the Water Services Act 2021. The DWQAR came into effect in 2022, requiring Councils to monitor and report on compliance from 1 January 2023. The DWQAR replaced the Drinking Water Standards of NZ 2018 (DWSNZ), which set out the rules for bacterial and protozoal compliance. The equivalent rules set out in the DWQAR Treatment System and System Distribution rules are being reported on to meet the drinking water performance requirements.

The two tables below show the old drinking water standards, and the new standards.

Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 Result	2023/24 result comments
We will provide safe and reliable water for household and business use (serviced properties).	The extent to which Council's drinking water supply complies with:	 Not compliant	Compliant with Part 4 of the Standard.	New measure.	The 2023/24 result reports against previous drinking water standards that are no longer applicable under legislation. The results for this year report against the new standards.
	Taumatā Arowai's Drinking Water Quality and Assurance Rules (DWQAR), Aesthetic Values and the new Drinking Water Standards.	 Not compliant	Compliant with Part 5 of the Standard.	See table below.	

Level of service		
We will provide safe and reliable water for household and business use (serviced properties)		
2024/25 Target	2024/25 Result	2024/25 result comments
Te Aroha Achieved (the equivalent standard).	Bacteriological Compliance	
	T3 Bacterial Rules	 Partially met (77%)
	D3.29 Microbiological Monitoring Rule	 All met (100%)
	Protozoal Compliance	
	T3 Protozoal Rules	 All met (100%)
	Protozoal Compliance	
Morrinsville Achieved (the equivalent standard).	Bacteriological Compliance	
	T3 Bacterial Rules	 All met (100%)
	D3.29 Microbiological Monitoring Rule	 All met (100%)
	Protozoal Compliance	
	T3 Protozoal Rules	 Almost met
	Protozoal Compliance	

Level of service		
We will provide safe and reliable water for household and business use (served properties)		
	(99.7%)	Waterworks Rd, Scott Rd, and Morrinsville distribution zone. ³¹
Matamata	Bacteriological Compliance	
	T3 Bacterial Rules	 Almost met (96.0%)
	D3.29 Microbiological Monitoring Rule	 All met (100%)
	Protozoal Compliance	
	T3 Protozoal Rules - Matamata	 All met (100%)
	T3 Protozoal Rules - Waharoa	 All met (100%)
Te Poi	Bacteriological Compliance	
	T2 Treatment Monitoring Rules	 All met (100%)
	T2 Chlorine Rules	 All met (100%)
	D2.1 Distribution System Rule	 All met (100%)
	Protozoal Compliance	
	T2 Treatment Monitoring Rules	 All met (100%)
	T2 Filtration Rules	 All met (100%)
	T2 UV Rules	 All met (100%)
Hinuera	Bacteriological Compliance	
	T2 Treatment Monitoring Rules	 All met (100%)
	T2 Chlorine Rules	 All met

³¹ Filter shutdowns at the Morrinsville water treatment plant occurred in February, meaning log credits weren't met for one day of the compliance year. Compliance was not met for the Scott Road water treatment plan, as it was out of service for the majority of the year. However, compliance is able to be met with operational UV.

³² Log credits were not able to be met for three days. One day each in July, December, and January. One non-compliant day at the Matamata Tawari St plant (one out of 365) for both bacteriological and protozoal compliance, was due to testing of Critical Control Points (CCPs).

Level of service		
We will provide safe and reliable water for household and business use (served properties)		
	(100%)	to 500 people. The Hinuera supply was compliant and all rules were met.
D2.1 Distribution System Rule	All met (100%)	
Protozoal Compliance		
T2 Treatment Monitoring Rules	All met (100%)	
T2 Filtration Rules	All met (100%)	
T2 UV Rules	All met (100%)	
	Bacteriological Compliance	Tahuna has a serviced population of 120 people as registered in Hinekōrako and reports against the mandatory Level Two measures. Level Two Measures, as set by the Water Authority, is a supply that serves 101 to 500 people. The Tahuna water supply was compliant and all rules were met.
T2 Treatment Monitoring Rules	All met (100%)	
T2 Chlorine Rules	All met (100%)	
D2.1 Distribution System Rule	All met (100%)	
Protozoal Compliance		
T2 Treatment Monitoring Rules	All met (100%)	
T2 Filtration Rules	All met (100%)	
T2 UV Rules	All met (100%)	

Tahuna

Achieved (the equivalent standard).

Tahuna
Achieved
(the equivalent
standard).

Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 result	2024/25 result comments
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) criteria.	 29%	25% or less	 33%	There are two methodologies available to Councils to calculate this result. Our result was calculated using the Minimum Night Flows (option 2 of the DIA methodology). ³³ This is rounded from 32.7%
We will provide reliable water systems that our community can count on and will respond to requests for service from our residents in a timely manner.	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:	 0.21 hours	Median: 4 hours or less	 0.52 hours	This measure indicates how quickly we attend urgent water call-outs. There were 13 urgent water call-outs. The median attendance time was 31 minutes. ³⁴
	Attendance for urgent call-outs: from the time that we receive notification to the time that service personnel reach the site				
	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.	 2.01 hours	Median: 24 hours or less	 2.5 hours	This measure indicates how quickly we resolve urgent water call-outs. There were 13 urgent water call-outs. The median resolution time was 2 hours and 30 minutes. ³⁵
	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:	 2 days	Median: 3 working days or less	 2 days	This measure indicates how quickly we attend non-urgent water issues. 411 non-urgent water callouts were received. The median attendance time to a call-out was 2 working days. ³⁶
	Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site				

³³ This is a mandatory measure set by the Department of Internal Affairs.

³⁴ A water call-out is considered urgent when there is no water supply to a household or business. This is a mandatory measure set by the Department of Internal Affairs.

³⁵ This is a mandatory measure set by the Department of Internal Affairs.

³⁶ This is a mandatory measure set by the Department of Internal Affairs.

	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	✓ 3 days	Median: 5 working days or less.	✓ 2 days	This measure indicates how quickly we resolve non-urgent water issues. 411 non-urgent water call-outs were received. The median resolution time to a call-out was 2 working days.³⁷
We will have reliable water systems that are maintained effectively to minimise public complaints.	The total number of complaints received by Council about any of the following: (expressed per 1,000 connections per year) • Drinking water clarity; • Drinking water taste; • Drinking water odour; • Drinking water pressure or flow; • Continuity of supply; Council's response to any of these issues.	✓ 6.2 per 1,000 connections (62 total)	≤9 complaints (across all categories) per 1,000 connections per year	✗ 9.21 per 1,000 connections (105 total)³⁸	This measure shows community satisfaction with the quality of the water supply, and our response to issues. A total of 105 drinking water complaints were received.³⁹ The increase in drinking water complaints is due to issues at the Morrinsville plant following dry weather, causing the water to taste and smell earthy in March. There were also complaints following a planned shutdown and testing of fire hydrants in Morrinsville between January and March.⁴⁰
Our water assets are managed adequately for the future.	The average consumption of drinking water per day per resident within the district.	✓ 481 litres per person per day	≤500 litres per urban resident per day	✓ 294 litres per person per day	This measure shows the average consumption of drinking water. The significant decrease reflects applying the best practice calculations to produce accurate data.⁴¹
Our water systems will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's water supply.	New measure	70% or more satisfied/very satisfied	✓ 81%	This measure shows how satisfied residents are with Council's water supply. This is a new measure, meaning there is no prior result for comparison.

³⁷ This is a mandatory measure set by the Department of Internal Affairs.

³⁸ At the time of the rates strike, there were 11,423 water connections. This has been rounded to 11,400 connections.

³⁹ 28 complaints relating to pressure or flow, 18 complaints relating to water odour, 15 complaints relating to taste, 41 complaints relating to water clarity, 3 complaints relating to Council's response to the issue, 0 complaints relating to the continuity of supply.

⁴⁰ This is a mandatory measure set by the Department of Internal Affairs.

⁴¹ This measure was calculated by staff and by an external sector expert to generate an accurate result of water consumption in the district. This is a mandatory measure set by the Department of Internal Affairs.

Funding impact statement – Water 2024/25

Funding Impact Statement – Water 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
-	-	General rates, uniform annual general charges, rates penalties	-	-	
6,814	7,761	Targeted rates	10,891	10,996	
-	-	Subsidies and grants for operating purposes	-	1,298	Government 'Better-off' funding was allocated to fund increasing compliance costs for the water activity for 2023/24, but not actually received until 2024/25.
-	69	Fees and charges	11	115	
36	-	Internal charges and overheads recovered	72	77	
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
6,850	7,830	Total operating funding (A)	10,974	12,486	
Applications of operating funding					
3,548	4,661	Payments to staff and suppliers	5,208	4,707	There were areas in reticulation works, lab analysis, and mechanical maintenance where costs were lower than anticipated this year.
379	1,625	Finance costs	1,132	868	Finance costs are lower than budgeted due to the delayed capital work.
710	974	Internal charges and overheads applied	1,163	2,174	Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000. The Water activity was also allocated \$744,000 of unrecovered costs from the operational business units of Council, particularly the Water and Wastewater unit and Kaimai Valley Services.
-	-	Other operating funding applications	-	-	
4,637	7,260	Total applications of operating funding(B)	7,503	7,749	
2,213	570	Surplus (deficit) of operating funding (A – B)	3,471	4,737	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	

Funding Impact Statement – Water 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
473	766	Development and financial contributions	190	930	Development in the district has been significantly higher than what was budgeted for in the LTP, resulting in higher development contributions received.
6,128	7,341	Increase (decrease) in debt	5,548	1,474	Decreased debt funding compared to the LTP as a result of re-prioritised capital spending from that set out in the LTP.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	
-	-	Other dedicated capital funding	-	-	
6,601	8,107	Total sources of capital funding (C)	5,738	2,404	
Applications of capital funding					
Capital expenditure					
2,188	2,324	—to meet additional demand	2,200	1,871	One of the key projects budgeted in the 2024-34 LTP included the Te Aroha resource consent and intake upgrades worth \$2 million, which is now expected to begin in the 2025/26 financial year.
3,738	3,130	—to improve the level of service	700	1,068	
2,851	3,223	—to replace existing assets	6,309	4,202	Water plant and reticulation renewals work progressed, but remaining budgets and projects will be carried forward to next year.
37	-	Increase (decrease) in reserves		-	
-	-	Increase (decrease) of investments	-	-	
8,814	8,677	Total applications of capital funding (D)	9,209	7,141	
(2,213)	(570)	Surplus (deficit) of capital funding (C – D)	(3,471)	(4,737)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

NGĀ WHAKAAETANGA ME NGĀ RAIHANA

Consents and licensing

Ā mātou mahi | What we do

Consents and Licensing is about carrying out the regulatory functions that we have an obligation to perform under legislation. The activities responsible for this are Animal Control, Building Consents and Monitoring, Licensing and Enforcement and Resource Consents and Monitoring.

Te uptake | Why we do it

The Consents and Licensing activity group ensures we are protecting the natural resources of the district, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Legislation also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

Ō mātou whakatutukitanga | Our achievements

Plan Change 51, also known as Papakāinga Tahi, came into effect in November 2024 which enables Papakāinga to be developed more freely on Māori freehold, general, and treaty settlement land. We rehomed twelve animals this year and Council was confirmed as a Building Consents Authority by IANZ following operational system and process improvements.

Oranga | Wellbeing

The Consents and Licensing activity contributes to **social**, **economic**, **environmental** and **cultural** wellbeing. We ensure our communities and their pets are protected by controlling threats, noise and harm. Council also ensures our building consents are processed efficiently for applicants and ensures buildings in our district are safe and compliant for people and the environment. Council implements the Resource Management Act 1991 and the District Plan to maximise long term productivity, protect our natural and physical resources and cultural sites, and ensures consideration of social issues are made.

Ō tātou hua ā-hapori | Community outcomes



Level of Service	Performance measure	2023/24 result	2024/25 Target	2024/25 result	2024/25 result comments
Te whakahaere kararehe Animal control					
Any disturbances caused by animals will be investigated quickly and efficiently.	The percentage of complaints investigated within set timeframes.	 97.1%	95% within adopted timeframes.	 96%	This measure shows how quickly and efficiently we respond to complaints about animals, such as dogs and stock. Of the 786 complaints received, 757 were investigated within adopted timeframes. This result has been rounded from 96.4%.
Ngā whakaaetanga ā-whare me te mātai Building consents and monitoring					
Building consents will be administered quickly and efficiently.	The percentage of building consents processed within statutory timeframes.	 90%	100% processed within statutory timeframes.	 93%	This result shows how quickly and efficiently Council processes building consents. Of the 738 building consents received, 689 were processed within statutory timeframes. This result has been rounded from 93.4%
Te raihanatanga me te ūruhitanga Licensing and enforcement					
We will inspect or audit all food premises, hairdressers, funeral directors and camping grounds in the district to ensure they are running in accordance with the Health Act 1956, the Food Act 2014, and/or health regulations.	The percentage of food premises, hairdressers, funeral directors, and camping grounds inspected or audited annually in accordance with legislation.	 100%	100% inspected or audited.	 100%	This measure shows that the various premises in the district are regularly inspected or audited in accordance with legislation. All inspections were completed by the 30th of June 2025.
We will ensure that all premises in the district with alcohol licences are operating responsibly.	The percentage of On, Off and Club alcohol licenced premises inspected annually to ensure they comply with alcohol licensing standards. Club alcohol licenced premises excludes those Clubs that have been assessed as a 'very low' risk rating by Council.	 100%	100% inspected annually.	 100%	This measure shows that Council is meeting its obligations to protect the community from alcohol harm by completing inspections to ensure premises are compliant. All inspections were completed by the 30th of June 2025.
We will act on all noise complaints we receive.	The percentage of after-hours (between 5pm and 8am,	 100% ⁴²	100% responded to within two hours.	 99%	This measure shows that Council is protecting the wellbeing of the community by responding to noise

⁴² This is a correction from the 2023/24 Annual Report result. The 2023/24 result showed the percentage of after-hours noise complaints responded to within one hour, not two hours. Of the 246 noise complaints in 2023/24, 245 were responded to within the timeframe. This result is rounded to 100% from 99.6%.

	weekends and public holidays) noise complaints responded to within two hours.				complaints quickly. Of the 343 noise complaints received, 340 were responded to within two hours.
Ngā whakaaetanga ā-rawa me te mātai Resource consents and monitoring					
Resource consents will be administered quickly and efficiently.	The percentage of resource consents processed within statutory timeframes.	 85%	100% processed within statutory timeframes.	 92%	This measure shows that Council is processing resource consents to ensure development projects can be completed. Of the 295 consents processed, 272 were completed within statutory timeframes.
We will monitor land use consent compliance.	The percentage of land use consents monitored within four months of being granted.	 100%	100%.	 100%	This measure shows that the conditions of resource consents are being upheld to protect our community and environment. Of the 128 land use consents that were granted, all of the consents were monitored within four months of being granted.

Funding impact statement – Consents and licensing 2024/25

Funding Impact Statement – Consents and Licensing 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
Sources of operating funding					
2,174	2,413	General rates, uniform annual general charges, rates penalties	3,933	3,961	
-	-	Targeted rates	-	-	
-	-	Subsidies and grants for operating purposes	-	-	
2,414	3,523	Fees and charges	4,088	4,500	Building and resource consent activity significantly exceeded the budgeted level.
-	-	Internal charges and overheads recovered	-	-	
33	39	Local authorities fuel tax, fines, infringement fees, and other receipts	39	55	
4,621	5,975	Total operating funding (A)	8,060	8,516	
Applications of operating funding					
3,130	4,695	Payments to staff and suppliers	5,603	5,176	Staff and consultant costs were lower than budgeted in the areas of building and resource consent, licensing and enforcement and animal control activities due to staff vacancies.
15	110	Finance costs	65	59	
1,556	2,040	Internal charges and overheads applied	2,125	2,382	Across Council, overhead costs allocated to activities were significantly higher than budgeted with the main drivers being employee costs \$686,000 and insurance \$298,000.
-	-	Other operating funding applications	-	-	
4,701	6,845	Total applications of operating funding(B)	7,793	7,617	
(80)	(870)	Surplus (deficit) of operating funding (A – B)	267	899	
Sources of capital funding					
-	-	Subsidies and grants for capital expenditure	-	-	
-	-	Development and financial contributions	-	-	
317	870	Increase (decrease) in debt	(267)	(899)	The surplus from operating funding was applied to reduce debt for this activity.
-	-	Gross proceeds from sale of assets	-	-	
-	-	Lump sum contributions	-	-	

Funding Impact Statement – Consents and Licensing 2024/25					
LTP Budget 2023/24	Actual 2023/24		LTP Budget 2024/25	Actual 2024/25	Explanation of significant variation to LTP budget
\$000	\$000		\$000	\$000	
-	-	Other dedicated capital funding	-	-	
317	870	Total sources of capital funding (C)	(267)	(899)	
Applications of capital funding					
Capital expenditure					
-	-	—to meet additional demand	-	-	
-	-	—to improve the level of service	-	-	
-	-	—to replace existing assets	-	-	
237	-	Increase (decrease) in reserves	-	-	
-	-	Increase (decrease) of investments	-	-	
237	-	Total applications of capital funding (D)	-	-	
80	870	Surplus (deficit) of capital funding (C – D)	(267)	(899)	
-	-	Funding balance ((A – B) + (C – D))	-	-	

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NGĀ PĀNUI A-PŪTEA FINANCIAL STATEMENTS



Photo of: Shared pathway - Matamata

Statement of Comprehensive Revenue and Expense

For year ending 30 June 2025

Actual 2023/24 \$000		Notes	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
Revenue				
50,741	Rates	2	58,856	59,206
8,879	Subsidies and grants	2	7,922	10,581
10,195	Fees and charges	2	11,686	11,019
3,003	Development and financial contributions		2,160	4,247
1,191	Interest revenue	2	553	1,035
13,116	Vested assets		200	8,878
2,694	Other revenue	2	259	1,626
89,819	Total revenue		81,636	96,592
Expenses				
24,668	Personnel costs	3	27,808	27,107
22,434	Depreciation and amortisation	14	21,834	22,169
2,933	Finance costs	4	3,815	3,324
31,962	Other expenses	5	31,192	36,691
81,997	Total expenses		84,649	89,291
7,822	Surplus/(deficit)		(3,013)	7,301
Other comprehensive revenue and expense				
(847)	Financial assets at fair value through other comprehensive revenue and expense	20	-	6,150
(493)	Property, plant and equipment revaluations	20	21,801	246,617
(1,340)	Total other comprehensive revenue and expense		21,801	252,767
6,482	Total comprehensive revenue and expense		18,788	260,068

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements

Statement of Changes in Equity

For year ended 30 June 2025

Actual 2023/24 \$000		Notes	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
951,722	Balance at 1 July		977,212	958,204
6,482	Total comprehensive revenue and expense for the year		18,788	260,068
958,204	Balance at 30 June		996,000	1,218,272

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2025

Actual 2023/24 \$000		Notes	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
Assets				
Current assets				
11,453	Cash and cash equivalents	6	341	8,682
4,713	Receivables	7	6,980	6,916
691	Prepayments		700	1,370
878	Inventory	8	900	908
656	Non-current assets held for sale	9	-	2,345
36	Derivative financial instruments	10	-	-
	Other financial assets			
13,900	-Term Deposits	11	12,002	13,500
273	-Investments in CCOs and other similar entities	11	273	311
32,600	Total current assets		21,196	34,032
Non-current assets				
1,228	Derivative financial instruments	10	-	205
	Other financial assets			
37,029	-Investments in CCOs and other similar entities	11	37,389	44,443
111	-Investments in other entities	11	111	116
970,563	Property, plant and equipment	12	1,046,847	1,242,737
450	Intangible assets	13	613	471
1,009,381	Total non-current assets		1,084,960	1,287,972
1,041,981	Total assets		1,106,156	1,322,004
Liabilities				
Current liabilities				
-	Derivative financial instruments	10	-	12
14,736	Payables and deferred revenue	15	10,875	14,061
12,000	Borrowings	16	13,500	13,500
2,639	Employee entitlements	17	2,613	3,222
191	Provisions	18	56	42
29,566	Total current liabilities		27,044	30,837
Non-current liabilities				
-	Derivative financial instruments	10	-	599
53,500	Borrowings	16	82,486	71,500
367	Employee entitlements	17	362	411
344	Provisions	18	264	385
54,211	Total non-current liabilities		83,112	72,895
83,777	Total liabilities		110,156	103,732
958,204	Net assets (assets minus liabilities)		996,000	1,218,272
Equity				
479,965	Accumulated funds	20	469,194	484,758
478,239	Other reserves	20	526,806	733,514
958,204	Total equity		996,000	1,218,272

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Cash Flows

For year ended 30 June 2025

Actual 2023/24 \$000		Notes	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
Cash flows from operating activities				
50,810	Receipts from rates revenue		58,293	59,149
8,833	Subsidies and grants received		7,922	9,239
10,923	Fees and charges received		11,686	10,161
4,457	Development and financial contributions received		2,160	4,436
1,124	Interest received		553	1,070
710	Receipts from other revenue		459	1,626
(32,073)	Payments to suppliers		(34,044)	(33,989)
(24,637)	Payments to employees		(27,808)	(26,480)
(2,758)	Interest paid		(3,815)	(3,270)
1,151	GST (net)		-	(1,645)
18,540	Net cash flows from operating activities		15,406	20,297
Cash flows from investing activities				
3,725	Proceeds from the sale of property, plant and equipment		-	171
-	Proceeds from sale/maturity of investments		-	400
-	Proceeds from the sale of own your own properties		-	386
(29,519)	Purchase of property, plant and equipment		(60,657)	(41,956)
(264)	Purchase of intangible assets		(103)	(267)
(5,575)	Purchase of investments		(1,151)	(1,302)
(386)	Purchase of own your own properties		-	-
(32,019)	Net cash flows from investing activities		(61,911)	(42,568)
Cash flows from financing activities				
27,500	Proceeds from borrowings		53,939	31,500
(7,000)	Repayment of borrowings		(12,000)	(12,000)
20,500	Net cash flows from financing activities		41,939	19,500
7,021	Net (decrease)/increase in cash and cash equivalents		(4,566)	(2,771)
4,432	Cash and cash equivalents at the beginning of the year		4,907	11,453
11,453	Cash and cash equivalents at the end of the year	6	341	8,682

Explanations of major variances against budget are provided in Note 24. The accompanying notes form part of these financial statements.

Statement of Cash Flows

For year ended 30 June 2025

Reconciliation of surplus/(deficit) to net cash flow from operating activities

Actual 2023/24 \$000		Actual 2024/25 \$000
7,822	Surplus/(deficit)	7,301
	Add/(less) non-cash items	
22,434	Depreciation and amortisation expense	22,169
(13,116)	Vested and found assets revenue	(8,878)
326	(Gains)/losses on derivative financial instruments	1,671
27	Assets under construction reclassified as operating expenditure	434
(96)	Other non-cash operating items	(383)
9,575	Total non-cash items	15,013
	Add/(less) items classified as investing or financing activities	
341	(Gains)/losses on disposal of property, plant and equipment	1,051
(2,325)	Cash from sale of property, plant and equipment	-
(1,984)	Total items classified as investing or financing activities	1,051
	Add/(less) movements in working capital items	
1,687	(Increase)/decrease in receivables	(2,203)
26	(Increase)/decrease in prepayments	(679)
(10)	(Increase)/decrease in inventory	(30)
(575)	(Increase)/decrease in borrower notes	-
744	(Increase)/decrease in non-current assets held for sale	-
1,266	Increase/(decrease) in payables	(675)
31	Increase/(decrease) in employee entitlements	627
(42)	Increase/(decrease) in provisions	(108)
3,127	Net movement in working capital items	(3,068)
18,540	Net cash inflow/(outflow) from operating activities	20,297

Ngā tuhipoka o te Pānui ā-Pūtea

Financial Statement Notes

1. Statement of Accounting Policies

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.

The Council provides local infrastructure, local public services, and performs regulatory functions for the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of the Council are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on 8 October 2025.

Basis of Preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the LGA, and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 3, and the related party transaction disclosures in Note 21. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective that have not been early adopted

There are no standards or amendments, issued but not yet effective that have not been early adopted of relevance to Council.

Changes in accounting policies

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective and has been applied for the year ended 30 June 2025.

There have been no other changes to accounting policies during the financial year.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Goods and services tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Budget figures

The budget figures are those approved by the Council for 2024/25 in its Long Term Plan for the year ended 30 June 2025. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Cost allocation

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 12.
- Estimating the fair value of the equity investment in Waikato Regional Airport Limited – see Note 11.

Critical judgements in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

- Classification of property – see Note 12.
- Fair value of investment in Waikato Regional Airport Limited – see Note 11.

2. Revenue

Accounting policy

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised as it is invoiced.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

NZ Transport Agency Waka Kotahi roading subsidies

The Council receives funding assistance from NZ Transport Agency Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of license fees, upon renewal of the licence.

Private works

The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised when received or invoiced.

Infringement fees and fines

Infringement fees and fines related to animal control are recognised when the payment of the fee or fine is received.

Lease and rental revenue

Lease and rental revenue arising on property owned by Council is accounted for on a straight line basis over the lease term.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. An exception to this is land under roads which is valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Found assets

Found asset revenue recognises the value of assets that we own, or where we have full control and management of the asset (and that asset is not recorded as such by any other entity), and these assets have not been previously accounted for. These assets are recognised at their fair value from the time that they are identified.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive the payment has been established.

(i) Breakdown of rates and further information

2023/24 \$000		2024/25 \$000
32,152	General rates	35,671
	Targeted rates attributable to activities:	
2,592	- Metered water supply	3,978
5,169	- Other water rates	7,018
7,210	- Wastewater	9,199
1,159	- Stormwater	907
2,685	- Refuse	2,518
108	- Halls	109
308	Rates penalties	387
(642)	Rates remissions	(581)
50,741	Total rates	59,206

The Council is required by the Local Government Funding Agency (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes), our annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

(ii) Breakdown of subsidies and grants

2023/24 \$000		2024/25 \$000
	Subsidies and grants for operating purposes	
	NZ Transport Agency Waka Kotahi:	
3,281	- Roothing subsidies	3,501
118	- Transport Choices funding	-
225	Three Waters reform transition funding	113
657	Waste minimisation funding	720
-	- Better-off funding	1,629
75	Other government subsidies and grants	76
4,356	Total subsidies and grants for operating expenditure	6,039
	Subsidies and grants for capital expenditure	
	NZ Transport Agency Waka Kotahi:	
3,389	- Roothing subsidies	3,851
919	- Transport Choices funding	-
-	- Better-off funding	691
215	Other government subsidies and grants	-
4,523	Total subsidies and grants for capital expenditure	4,542
8,879	Total subsidies and grants	10,581

(iii) Breakdown of fees and charges

2023/24 \$000		2024/25 \$000
190	Property lease revenue	108
1,389	Property rental charges	1,424
828	Trade waste charges	747
1,434	Building consent charges	2,069
1,548	Resource consent charges	1,643
220	Liquor and health licensing fees	312
881	Rubbish and recycling charges	907
1,620	Aquatic facilities revenue	1,709
40	Library charges	33
306	Cemetery fees and charges	392
331	Community facilities charges	432
1,408	Other user charges	1,243
10,195	Total fees and charges	11,019

(iv) Breakdown of interest revenue

2024/25 \$000		2024/25 \$000
1,052	Term and on-call deposits	866
139	Listed bonds and borrower notes	169
1,191	Total interest revenue	1,035

(v) Breakdown of other revenue

2023/24 \$000		2024/25 \$000
39	Fines and infringement fees	55
234	Petrol tax	221
171	Bequests and other donations	1,350
78	Dividend revenue	-
262	Gain from insurance proceeds – Piarere Hall	-
1,910	Net gain on disposal of property, plant and equipment	-
2,694	Total other revenue	1,626

Operating leases as a lessor

Council leases its property under operating leases. The majority of these leases have cancellable terms of 36 months. No contingent rents have been recognised during the year (2024: Nil).

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Defined contribution superannuation scheme

Employer contributions to KiwiSaver, the Government and employer supported voluntary retirement savings scheme, are accounted for as a defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

2023/24 \$000		2024/25 \$000
24,012	Salaries and wages	25,816
625	Defined contribution plan employer contributions	664
31	Increase/(decrease) in employee entitlements	627
24,668	Total personnel costs	27,107

Chief Executive Remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was \$655,703 (2024: \$389,136). The departing Chief Executive was paid \$479,927 (which included a lump sum payment in accordance with his employment agreement) and the new Chief Executive was paid \$175,776. The 2023/24 comparative information presented has been updated to exclude fringe benefit tax paid by Council in respect of non-financial benefits received by the Chief Executive.

Elected representatives' remuneration

Elected representatives received the following remuneration:

2023/24 \$0		2024/25 \$0
138,986	Mayor Adrienne Wilcock	143,965
45,627	Deputy Mayor James Thomas	47,315
38,023	Councillor James Sainsbury	39,430
38,023	Councillor Kevin Tappin	39,430
38,023	Councillor Bruce Dewhurst	39,430
38,023	Councillor Sue Whiting	39,430
38,023	Councillor Russell Smith	39,430
38,023	Councillor Caleb J Ansell	39,430
38,023	Councillor Sarah-Jane Bourne	39,430
38,023	Councillor Sharon Dean	39,430
38,023	Councillor Dayne Horne	39,430
38,023	Councillor Peter Jager	39,430
38,023	Councillor Gary Thompson	39,430
602,866	Total elected representatives' remuneration	625,010

The amounts shown include the base salary paid to the elected representatives as well as any hearing fees. In respect of the Mayor, it also includes non-financial benefits, being the use of a motor vehicle. The 2023/24 comparative information has been updated to exclude fringe benefit tax paid by Council in respect of non-financial benefits received by the Mayor.

Council employee remuneration by band

2023/24 Number of employees	Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	2024/25 Number of employees
113	<\$60,000	96
103	\$60,000 - \$79,999	109
51	\$80,000 - \$99,999	67
35	\$100,000 - \$119,999	35
12	\$120,000 - \$139,999	20
11	\$140,000 - \$199,999	15
6	\$200,000 - \$399,999	5
331	Total employees	347

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 229 (2024: 218) full-time employees, with the balance of staff representing 56 (2024: 52) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

Council did not make any severance payments during the year ended 30 June 2025 (2024: Nil).

4. Finance Costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Breakdown of finance costs

2023/24 \$000		2024/25 \$000
	Interest expense:	
3,492	Interest on borrowings	3,677
27	Discount unwind on provisions (note 18)	15
	Interest derivatives (presented net):	
(586)	Held for trading interest rate swaps	(368)
2,933	Total finance costs	3,324

5. Other expenses

Accounting policy

Grant expenditure

Grants awarded by Council have no substantive conditions attached. Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council have no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other expenses and further information

2023/24 \$000		2024/25 \$000
	Fees incurred for services provided by the audit firm:	
	<i>Audit of the financial report</i>	
-	Audit of the financial report 2024/25	251
217	Audit of the financial report 2023/24 ⁴³	59
78	Audit of the financial report 2022/23 (additional recoveries) ⁴³	-
	<i>Audit or review related services</i>	
8	Limited assurance report for Debenture Trust Deed (assurance engagement)	9
269	Audit of Long Term Plan 2024-34 (assurance engagement) ⁴³	-
	<i>Other assurance services and other agreed-upon procedures engagements</i>	
-	Independent assessment of Matamata Wastewater Treatment Plant upgrade procurement process (assurance engagement)	20
	<i>Other expenses:</i>	
570	Donations and grants	570
1,121	Insurance premiums	1,406
(10)	Movement in allowance for expected credit losses on receivables (note 7)	(2)
182	Operating lease expense	182
(40)	Review of provisions (note 18)	(22)

⁴³ The 2023/24 comparative figures have been re-stated to allow for the inclusion of disbursements incurred in connection with providing the services, as now required by the amendments to PBE IPSAS 1 for the disclosure of fees for audit firms' services.

326	Unrealised loss on interest rate swaps	1,671
-	Net loss on disposal of property, plant and equipment	1,051
29,241	Other operating expenses ⁴⁴	31,496
31,962	Total other expenses	36,691

6. Cash and Cash Equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents and further information

2023/24 \$000		2024/25 \$000
3,953	Cash at bank and on hand	3,182
7,500	Term deposits with maturities of less than three months at acquisition	5,500
11,453	Total cash and cash equivalents	8,682

Assets recognised in a non-exchange transaction that are subject to restrictions

The Council holds unspent funds, included in cash and cash equivalents or other financial assets, of \$3,928,000 (2024: \$2,812,000) that are subject to restrictions. These unspent funds relate to endowment land sales, reserves development and bequests and trust funds (see note 20), where the spending of funds is separately monitored. The restrictions generally specify how the funds are required to be spent.

7. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL). The Council applies the simplified ECL model of recognising lifetime ECL for short-term receivables. In measuring ECLs, receivables have been grouped into rates and metered water rates receivables, and other general receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are 'written-off':

- When remitted in accordance with the Council's rates remission policy; and
- In accordance with the write off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002 (LG(R)A 2002).

Other general receivables are written off when there is no reasonable expectation of recovery.

Breakdown of receivables and further information

2023/24 \$000		2024/25 \$000
1,134	Rates receivables	1,660
628	Metered water rates receivables	761
1,091	NZ Transport Agency Waka Kotahi subsidy	991
1,126	Other general receivables	1,141

⁴⁴ The 2023/24 comparative figures have been re-stated to allow for the inclusion of disbursements incurred in connection with providing the services, as now required by the amendments to PBE IPSAS 1 for the disclosure of fees for audit firms' services.

2023/24 \$000		2024/25 \$000
-	GST receivable	800
751	Accrued income	1,578
4,730	Receivables (gross)	6,931
(17)	Less allowance for credit losses	(15)
4,713	Total receivables	6,916
	Total receivables comprise:	
4,307	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	6,588
406	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	328

The NZ Transport Agency Waka Kotahi subsidy receivable at 30 June includes GST of \$70,730 (2024: \$0)

Rates and metered water rates receivable

The Council does not provide for ECL on rates receivable, with the exception of Māori land arrears, as it has various powers under the LG(R)A 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four (4) months after the due date for payment. If payment has not been made within three (3) months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the impact of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: Nil (2024: Nil)
- Section 90B: Nil (2024: Nil)

Other receivables

The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The ageing profile of other receivables at year end is detailed below:

Gross 2023/24 \$000	Expected credit loss rate 2024/25	Lifetime ECL 2024 \$000		Gross 2024/25 \$000	Expected credit loss rate 2024/25	Lifetime ECL 2025 \$000
400	0.00%	-	Not past due	542	0.00%	-
252	0.00%	-	Past due 1 – 60 days	96	0.00%	-
98	0.00%	-	Past due 61 – 90 days	(18)	0.00%	-
376	4.56%	17	Past due > 90 days	521	2.81%	15
1,126		17	Total	1,141		15

All receivables greater than 30 days in age are considered to be past due.

Movements in the allowance for credit losses are as follows:

2023/24 \$000		2024/25 \$000
27	Opening balance for credit losses at 1 July	17
17	Additional provisions made during the year	5
-	Provisions reversed during the year	-
(27)	Other general receivables written off during the year	(7)
17	Balance at 30 June	15

8. Inventory

Accounting policy

Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. Any write down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

Breakdown of inventory and further information

2023/24 \$000		2024/25 \$000
	Non-commercial inventory:	
328	Inventory held for distribution	358
550	Wastewater treatment plant parts	550
878	Total inventory	908

There was no write-down of inventory during the year (2024: Nil). There have been no reversals of write-downs (2024: Nil). Equipment remaining from the Morrinsville wastewater treatment plant upgrade is classified as inventory as the equipment will be used as spare parts for the plant. No inventory is pledged as security for liabilities or is subject to retention of title clauses (2024: Nil).

9. Non-current assets held for sale

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of non-current assets held for sale and further information

2023/24 \$000		2024/25 \$000
386	Own your own properties	-
270	Land	2,345
656	Total non-current assets held for sale	2,345

At balance date, surplus land adjacent to the St John's building at 115 Anderson Street, Morrinsville, (that was previously the site of the Morrinsville District Museum), is subject to a sale and purchase agreement, with settlement awaiting the removal of the historical status on the title. The sale is expected to be finalised within 12 months of balance date.

In addition, land previously acquired under the Public Works Act for the purpose of future roading requirements in Matamata has since been declared surplus and offered for sale to the previous owner as required under legislation. The sale is expected to be finalised within 12 months of balance date.

At 30 June 2024, Council had one 'own your own' property in Morrinsville that was sold but not settled at balance date.

10. Derivative financial instruments

Accounting policy

Council uses derivative financial instruments to manage exposure to interest rate risk arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit. Council's derivative financial instruments are not designated as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as financial instruments at fair value through surplus or deficit.

The fair value of the derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise derivatives are classified as non-current.

Breakdown of derivative financial instruments and further information

2023/24 \$000		2024/25 \$000
	Interest rate swaps – held for trading, comprising:	
36	Current assets	-
1,228	Non-current assets	205
1,264	Total derivative financial instrument assets	205
-	Current liabilities	12
-	Non-current liabilities	599

-	Total derivative financial instrument liabilities	611
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The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$80 million (2024: \$64 million). At 30 June 2025, the fixed interest rates of the interest rate swaps ranged from 1.92% to 4.10% (2024: 1.84% to 4.30%).

Fair value

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

11. Other financial assets

Accounting policy

PBE standards classify financial assets into three categories: financial assets mandatorily measured at fair value through surplus or deficit, amortised cost, and financial assets at fair value through other comprehensive revenue. The classification depends on the Council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Short term investments

Short term investments are initially measured at the amount invested. Interest is subsequently accrued and added to the investment and loan balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Equity investments

Equity investments are irrevocably designated at fair value through other comprehensive revenue and expense at initial recognition. After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to general funds.

Breakdown of other financial assets and further information

2023/24 \$000		2024/25 \$000
	Current	
	Term deposits	
13,900	Term Deposits with maturities of more than three months at acquisition	13,500
13,900	Total term deposits	13,500
	Investment in CCOs and similar entities	
273	New Zealand Local Government Funding Agency – borrower notes	311
273	Total current investment in CCOs and similar entities	311
	Non-current	
	Investment in CCOs and similar entities	
1,288	New Zealand Local Government funding agency – borrower notes	2,552
35,693	Waikato Regional Airport Limited	41,843
28	Waikato Local Authority Shared Services limited	28
20	Hauraki Rail Trail Charitable Trust	20
37,029	Total non-current investment in CCOs and similar entities	44,443
	Investments in other entities	
111	Civic Financial Services Limited	116

111	Total non-current investment in other entities	116
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Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

New Zealand Local Government Funding Agency borrower notes

At year-end Council has \$2,863,000 in borrowing notes invested with the Local Government Funding Agency at floating rates of interest (2024: \$1,561,000). These will mature between April 2026 and April 2029.

Waikato Regional Airport Limited

The investment in Waikato Regional Airport Limited (WRAL) is measured at fair value through other comprehensive revenue and expenditure. The fair value for the investment in WRAL has been determined based on Council's proportion of ownership of the WRAL's net assets (15.6%). Net assets is considered to provide an appropriate estimate of the WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.

The table below provides a reconciliation from the opening balance to the closing balance:

2023/24 \$000		2024/25 \$000
36,540	Balance at 1 July	35,693
(847)	Investment gain/(loss) – recognised in other comprehensive revenue and expense	6,150
35,693	Balance at 30 June	41,843

Other unlisted shares

The fair value of unlisted shares is measured at cost because there is no active market for these assets. These investments are held for strategic purposes, and there are no plans to dispose of these investments.

Impairment

No impairment or provisions for other financial assets was required for 2025. At balance date, none of these financial assets are either past due or impaired.

12. Property, Plant, and Equipment

Accounting policy

Property, plant and equipment consists of:

Operational assets - These include land, buildings, plant and machinery, furniture and equipment, computer equipment, and library collections.

Restricted assets – Restricted assets are mainly parks, reserves and cycleways owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets - are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluations

Infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Land and buildings (operational and restricted) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land and the library collection), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The library collection is depreciated on a diminishing value basis.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows;

Operational assets	Useful life	Depreciation rate
Buildings	2 to 100 years	1% - 50%
Restricted assets (buildings)	2 to 100 years	1% - 50%
Restricted assets (cycleways)	2 to 50 years	2% - 50%
Restricted assets (walkways)	2 to 50 years	2% - 50%
Plant and machinery	2 to 15 years	6% - 50%
Furniture and equipment	2 to 20 years	5% - 50%
Computer equipment	3 to 10 years	10% - 33%
Server hard drives	1 year	100%
Library collection	2 to 9 years	11% - 50%
Infrastructural assets		
Roading network		
Street lighting	10 to 25 years	4% - 10%
Formation carriageway	100 years	1%
Pavement surfacing	5 to 50 years	2% - 20%
Pavement structure	60 to 90 years	1% - 2%
Footpaths	5 to 50 years	2% - 20%
Drainage	60 to 80 years	1% - 2%
Bridges	60 to 90 years	1% - 2%
All other	1 to 70 years	1% - 100%
Utility assets		
Buildings	2 to 100 years	1% - 50%
Wastewater mains	50 to 100 years	1% - 2%
Wastewater other	80 to 100 years	1% - 2%
Wastewater pump station equipment	1 to 120 years	1% - 100%
Wastewater service lines	50 to 100 years	1% - 2%
Water mains	40 to 88 years	1% - 3%
Water valves	35 to 80 years	1% - 3%
Water hydrants	80 years	1%
Water nodes	80 years	1%
Water pump station equipment	3 to 100 years	1% - 33%
Water service lines	50 to 100 years	1% - 2%
Stormwater mains	51 to 100 years	1% - 2%
Stormwater manholes	100 years	1%
Stormwater pumps	15 years	7%
Stormwater service lines	60 to 100 years	1% - 2%
Swale drains	Indefinite	0%

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each balance date.

Impairment of property, plant and equipment

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash-flows.

Critical accounting estimates and assumptions

Land (operational, restricted and infrastructure)

The most recent valuation of land was performed by independent registered valuers, QV Limited. The valuation is effective as at 30 June 2025.

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which is based on the valuer's judgement. Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational, restricted and infrastructure)

The most recent valuation of buildings was performed by Beca Projects NZ Limited. The valuation was effective as at 30 June 2023. A fair value assessment was performed in-house as at 30 June 2025.

The 2023 valuation of Council's buildings was undertaken separately from the valuation of the land on which the buildings are situated, so it was considered that buildings should be valued at their depreciated replacement cost (DRC), as this is the most accurate way to denote their fair value without considering land values.

DRC is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2023 valuation include:

- The DRC approach method uses the assessment of replacement cost of a new modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, performance and remaining useful life. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and compared with published sources, Beca's internal Cost Management team, and information available to Beca based on involvement with previous projects.
- The reduction in large contractors able to undertake significant projects in New Zealand, particularly the wider Auckland and Hamilton areas, has led to a significant uplift in construction costs which is reflected in the adopted rates. These construction costs also account for regional variations which often lead to time delays due to geographical distances that often lead to higher costs.
- Effective lives of assets have been assessed based on several sources. These include QV Cost Builder and Rawlinson Construction Book, industry standard manuals such as New Zealand Infrastructure Asset Valuation and Depreciation Guidelines, and taxation tables as released by the Inland Revenue Department. Beca have then arrived at assessments for each building or infrastructure item based on their experience, the observed condition of the asset and planned future use in consultation with Council.
- To the base construction rate, professional fees and regional industry standards are added.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

A comparison of the carrying value of the buildings valued using depreciated replacement cost and buildings valued using market-based evidence is as follows:

2023/24 \$000		2024/25 \$000
	Operational buildings	
11,039	Depreciated replacement cost	11,032
-	Market-based evidence	-
11,039	Total carrying value of operational buildings	11,032
	Restricted buildings	
49,732	Depreciated replacement cost	48,477
-	Market-based evidence	-
49,732	Total carrying value of restricted buildings	48,477

Infrastructural asset classes: roading, water, wastewater and stormwater networks

The most recent valuation of roading infrastructural assets was performed by WSP and the valuation was effective as at 30 June 2025.

The most recent valuation for water, wastewater and stormwater infrastructural assets was prepared in-house and peer reviewed by Beca NZ Limited and the valuation was effective as at 30 June 2025.

Roading, water, wastewater and stormwater infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location. If recent contract cost information is considered out of date, it is indexed using Statistics New Zealand's capital Goods Price Index (based on a forecasted June 2025 quarter index) for civil constructions or the NZ Transport Authority Waka Kotahi Index for road and bridge construction to convert them to current dollar value at the valuation date.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over the useful life estimates.

Critical judgments in applying accounting policies

Classification of property

The Council owns a number of properties held to provide housing to elderly persons. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Breakdown of property, plant and equipment and further information

Movements in the carrying value for each class of property, plant and equipment are as follows:

2024/25	Cost/Valuation 1 July 2024 \$000	Accumulated depreciation and impairment charges 1 July 2024 \$000	Carrying value 1 July 2024 \$000	Current year additions \$000	Current year vested and found assets \$000	Current year disposals \$000	Work in progress transferred into assets \$000	Other transfers \$000	Current year impairment charges \$000	Current year depreciation \$000	Write back of accumulated depreciation \$000	Revaluation Surplus/(deficit) \$000	Cost/Valuation 30 June 2025 \$000	Accumulated depreciation and impairment charges 30 June 2025 \$000	Carrying value 30 June 2025 \$000
Operational assets															
Land	27,932	-	27,932	-	-	(2,246)	-	-	-	-	-	16,918	42,604	-	42,604
Buildings	11,292	(253)	11,039	291	-	(39)	21	-	-	(267)	-	(13)	11,552	(520)	11,032
Plant and machinery	8,272	(4,577)	3,695	1,601	-	(170)	10	-	-	(580)	-	-	9,713	(5,157)	4,556
Furniture and equipment	8,033	(3,246)	4,787	175	-	-	216	-	-	(456)	-	-	8,424	(3,702)	4,722
Computer equipment	5,464	(4,779)	685	361	-	-	5	-	-	(317)	-	-	5,830	(5,096)	734
Library collections	2,049	(1,701)	348	115	-	-	-	-	-	(139)	-	-	2,164	(1,840)	324
Assets under construction	138	-	138	427	-	(13)	(252)	-	-	-	-	-	300	-	300
Total operational assets	63,180	(14,556)	48,624	2,970	-	(2,468)	-	-	-	(1,759)	-	16,905	80,587	(16,315)	64,272
Restricted assets															
Land	26,548	-	26,548	203	-	-	71	-	-	-	-	52,847	79,669	-	79,669
Buildings	50,959	(1,227)	49,732	395	-	-	26	-	(429)	(1,247)	-	-	50,951	(2,474)	48,477
Cycleway	6,078	(683)	5,395	-	-	-	-	-	-	(150)	-	-	6,078	(833)	5,245
Walkways	1,683	(83)	1,600	-	-	(204)	-	-	-	(80)	-	-	1,479	(163)	1,316
Assets under construction	383	-	383	3,470	-	-	(97)	-	-	-	-	-	3,756	-	3,756
Total restricted assets	85,651	(1,993)	83,658	4,068	-	(204)	-	-	(429)	(1,477)	-	52,847	141,933	(3,470)	138,463
Infrastructural assets															
Roads	492,380	(10,963)	481,417	8,053	3,337	(95)	302	(9)	-	(10,879)	(21,839)	138,467	620,596	-	620,596
Land under roads	71,772	-	71,772	-	688	-	-	-	-	-	-	-	72,460	-	72,460
Water supply – treatment plants and facilities	27,179	(1,678)	25,501	3,664	-	(51)	7,392	(130)	-	(1,498)	(3,176)	1,866	36,744	-	36,744

2024/25	Cost/Valuation 1 July 2024	Accumulated depreciation and impairment charges 1 July 2024	Carrying value 1 July 2024	Current year additions	Current year vested and found assets	Current year disposals	Work in progress transferred into assets	Other transfers	Current year impairment charges	Current year depreciation	Write back of accumulated depreciation	Revaluation Surplus/(deficit)	Cost/Valuation 30 June 2025	Accumulated depreciation and impairment charges 30 June 2025	Carrying value 30 June 2025
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Water supply – other assets (including reticulation systems)	70,344	(1,645)	68,699	1,072	766	(120)	1,333	(151)	-	(1,679)	(3,324)	14,617	84,537	-	84,537
Stormwater system	66,803	(1,065)	65,738	117	1,619	-	93	-	-	(1,065)	(2,130)	11,451	77,953	-	77,953
Wastewater – treatment plants and facilities	31,407	(2,020)	29,387	5,748	-	(411)	2,019	-	-	(1,935)	(3,955)	344	35,152	-	35,152
Wastewater – other assets (including reticulation systems)	59,182	(1,380)	57,802	1,829	2,468	(234)	7,760	(181)	-	(1,499)	(2,879)	6,493	74,438	-	74,438
Land	4,802	-	4,802	-	-	-	-	-	-	-	-	4,053	8,855	-	8,855
Buildings	6,552	(117)	6,435	175	-	(26)	11	-	-	(132)	-	-	6,712	(249)	6,463
Assets under construction	26,728	-	26,728	14,996	-	(481)	(18,910)	471	-	-	-	-	22,804	-	22,804
Total infrastructural assets	857,149	(18,868)	838,281	35,654	8,878	(1,418)	-	-	-	(18,687)	(37,303)	177,291	1,040,251	(249)	1,040,002
Total property, plant and equipment	1,005,980	(35,417)	970,563	42,692	8,878	(4,090)	-	-	(429)	(21,923)	(37,303)	247,043	1,262,771	(20,034)	1,242,737

The “write back of accumulated depreciation” column shown in the table above reflects accumulated depreciation being written back on the disposal of assets or following revaluation of the assets. Note that disposals in these tables are reported net of accumulated depreciation and include property, plant and equipment classified as held for sale during the year. No items of property, plant and equipment are pledged as security for liabilities.

2023/24	Cost/Valuation 1 July 2023 \$000	Accumulated depreciation and impairment charges 1 July 2023 \$000	Carrying value 1 July 2023 \$000	Current year additions \$000	Current year vested and found assets \$000	Current year disposals \$000	Work in progress transferred into assets \$000	Other transfers \$000	Current year impairment charges \$000	Current year depreciation \$000	Write back of accumulated depreciation \$000	Revaluation Surplus/(deficit) \$000	Cost/Valuation 30 June 2024 \$000	Accumulated depreciation and impairment charges 30 June 2024 \$000	Carrying value 30 June 2024 \$000
Operational assets															
Land	28,202	-	28,202	-	-	-	-	(270)	-	-	-	-	27,932	-	27,932
Buildings	10,619	-	10,619	712	-	(189)	433	(183)	(100)	(256)	3	-	11,292	(253)	11,039
Plant and machinery	7,263	(4,051)	3,212	941	-	(74)	142	-	-	(526)	-	-	8,272	(4,577)	3,695
Furniture and equipment	5,902	(2,802)	3,100	1,195	-	-	936	-	-	(444)	-	-	8,033	(3,246)	4,787
Computer equipment	5,137	(4,333)	804	327	-	-	-	-	-	(446)	-	-	5,464	(4,779)	685
Library collections	1,919	(1,548)	371	130	-	-	-	-	-	(153)	-	-	2,049	(1,701)	348
Assets under construction	809	-	809	153	-	-	(1,511)	687	-	-	-	-	138	-	138
Total operational assets	59,851	(12,734)	47,117	3,458	-	(263)	-	234	(100)	(1,825)	3	-	63,180	(14,556)	48,624
Restricted assets															
Land	26,377	-	26,377	86	-	-	85	-	-	-	-	-	26,548	-	26,548
Buildings	47,176	-	47,176	1,816	-	-	1,500	467	-	(1,227)	-	-	50,959	(1,227)	49,732
Cycleway	6,076	(533)	5,543	-	-	-	2	-	-	(150)	-	-	6,078	(683)	5,395
Walkways	794	(39)	755	645	-	-	244	-	-	(44)	-	-	1,683	(83)	1,600
Assets under construction	2,988	-	2,988	(74)	-	-	(1,831)	(700)	-	-	-	-	383	-	383
Total restricted assets	83,411	(572)	82,839	2,473	-	-	-	(233)	-	(1,421)	-	-	85,651	(1,993)	83,658
Infrastructural assets															
Roads	480,235	-	480,235	6,672	4,823	(65)	715	-	-	(10,963)	-	-	492,380	(10,963)	481,417
Land under roads	70,650	-	70,650	-	1,122	-	-	-	-	-	-	-	71,772	-	71,772
Water supply – treatment plants and facilities	24,533	-	24,533	1,115	-	(27)	1,558	-	-	(1,678)	-	-	27,179	(1,678)	25,501
Water supply – other assets (including reticulation systems)	66,431	-	66,431	3,074	1,189	(279)	-	(71)	-	(1,645)	-	-	70,344	(1,645)	68,699
Stormwater system	63,284	-	63,284	-	3,509	(93)	103	-	-	(1,065)	-	-	66,803	(1,065)	65,738
Wastewater – treatment plants and facilities	29,607	-	29,607	1,616	413	-	-	(229)	-	(2,020)	-	-	31,407	(2,020)	29,387

2023/24	Cost/Valuation 1 July 2023 \$000	Accumulated depreciation and impairment charges 1 July 2023 \$000	Carrying value 1 July 2023 \$000	Current year additions \$000	Current year vested and found assets \$000	Current year disposals \$000	Work in progress transferred into assets \$000	Other transfers \$000	Current year impairment charges \$000	Current year depreciation \$000	Write back of accumulated depreciation \$000	Revaluation Surplus/(deficit) \$000	Cost/Valuation 30 June 2024 \$000	Accumulated depreciation and impairment charges 30 June 2024 \$000	Carrying value 30 June 2024 \$000
Wastewater – other assets (including reticulation systems)	56,060	-	56,060	713	2,060	(81)	430	-	-	(1,380)	-	-	59,182	(1,380)	57,802
Land	4,802	-	4,802	-	-	-	-	-	-	-	-	-	4,802	-	4,802
Buildings	6,116	-	6,116	46	-	-	674	(284)	-	(117)	-	-	6,552	(117)	6,435
Assets under construction	19,568	-	19,568	10,650	-	-	(3,480)	(10)	-	-	-	-	26,728	-	26,728
Total infrastructural assets	821,286	-	821,286	23,886	13,116	(545)	-	(594)	-	(18,868)	-	-	857,149	(18,868)	838,281
Total property, plant and equipment	964,548	(13,306)	951,242	29,817	13,116	(808)	-	(593)	(100)	(22,114)	3	-	1,005,980	(35,417)	970,563

Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

2024/25	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	620,596	8,053	3,337	878,348
Water supply – treatment plants and facilities	36,744	3,664	-	56,493
Water supply – other assets (including reticulation systems)	84,537	1,072	766	153,848
Stormwater system	77,953	117	1,619	115,892
Wastewater – treatment plants and facilities	35,152	5,748	-	62,036
Wastewater – other assets (including reticulation systems)	74,438	1,829	2,468	132,838

2023/24	Closing book value	Additions constructed by Council	Additions transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
Roading (excluding land under roads)	481,417	6,672	4,823	679,804
Water supply – treatment plants and facilities	25,501	1,115	-	40,834
Water supply – other assets (including reticulation systems)	68,699	3,074	1,189	124,339
Stormwater system	65,738	-	3,509	93,150
Wastewater – treatment plants and facilities	29,387	1,616	413	51,043
Wastewater – other assets (including reticulation systems)	57,802	713	2,060	104,685

Land under roads

Land under roads was valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. This is considered to be the fair value of the land. On transition to NZ IFRS Council elected to use the fair value of land under roads as at 1 July 2001 as deemed cost. Subsequent additions are recorded at cost or fair value where cost does not equate to fair value. Land under roads is no longer revalued.

Disposals

The net loss on disposal of property, plant and equipment (\$1,051,000) has been recognised in the statement of comprehensive revenue and expense (2024: Net gain of \$1,910,000).

Impairment

In the 2024/25 year an impairment expense of \$429,000 was recognised in respect of the Matamata Squash building which was found to be below acceptable standards for seismic risk during the year. Council has yet to determine what steps will be taken to address the risk for this building or obtain any estimated costings for repair. In the 2023/24 year an impairment expense of \$100,000 was recognised for the same reason in respect of part of the Te Aroha Council office building.

Self-insurance

During the current and prior years, the Council did not maintain a fund for the specific purpose of self-insurance. The Council holds a \$5.4m investment in term deposit that Council have identified in the Financial Strategy as potentially being available for asset replacement or repair in the case of a significant loss.

Assets under construction

Property, plant and equipment in the course of construction by class of asset is detailed below:

Balance as at 30 June 2024 \$000		Balance as at 30 June 2025 \$000
138	Operational assets	300
383	Restricted assets	3,756
394	Roading	1,527
11,540	Water supply	9,661
986	Stormwater system	1,070
13,760	Wastewater	10,455
48	Infrastructural buildings	91
27,249	Total assets under construction	26,860

Restrictions

Land and buildings in the "Restricted Asset" category are subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings acquired under a bequest or donation that restricts the purpose for which the asset can be used).

Capital commitments

The amount of contractual commitments for acquisition of property, plant and equipment is:

2023/24 \$000		2024/25 \$000
-	Community Facilities	6,531
161	Roading	336
922	Water	-
1,048	Wastewater	2,261
2,131	Total capital commitments	9,128

13. Intangible assets

Accounting policy

Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with staff training and maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. Computer software is estimated to have a useful life of 1 to 15 years and is amortised at a rate of 6.67% to 100%.

Impairment

Refer to the policy for impairment of property, plant and equipment in Note 12. The same approach applies to the impairment of intangible assets.

Breakdown of intangible assets and further information

Movements in the carrying value for computer software is as follows:

	Opening cost \$000	Opening accumulated amortisation and impairment charges \$000	Opening carrying amount \$000	Current year additions \$000	Current year disposals \$000	Current year impairment charges \$000	Current year amortisation \$000	Closing cost \$000	Closing accumulated amortisation and impairment charges \$000	Closing carrying amount \$000
Computer software										
2024/25	3,367	(2,917)	450	267	-	-	(246)	3,634	(3,163)	471
2023/24	3,106	(2,595)	511	261	-	-	(322)	3,367	(2,917)	450

Note that disposals in these tables are reported net of amortisation.

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Capital commitments

There are no capital commitments for intangible assets (2024: Nil).

Impairment

There were no assets considered to be impaired (2024: Nil).

14. Depreciation and amortisation expense by group of activity

2023/24 \$000		2024/25 \$000
	Directly attributable depreciation and amortisation expense by group of activity	
2,038	Community Facilities	2,104
11,113	Roading	11,026
89	Rubbish and Recycling	131
1,065	Stormwater	1,065
3,453	Wastewater	3,486
3,362	Water	3,217
1	Strategy and Engagement	1
17	Consents and Licensing	17
21,138	Total directly attributable depreciation and amortisation expense by group of activity	21,047
1,296	Depreciation and amortisation not directly related to groups of activities	1,122
22,434	Total depreciation and amortisation expense	22,169

15. Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are recorded at their face value.

Breakdown of payables and further information

2023/24 \$000		2024/25 \$000
7,333	Trade payables	6,939
845	GST payable	-
2,190	Accrued expenses	3,226
1,770	Deposits and bonds	1,011
617	Contract retentions	777
1,477	Revenue in advance	2,108
504	Grants received subject to substantive conditions not yet met	-
14,736	Total payables and deferred revenue	14,061
	Total payables and deferred revenue comprise:	
5,360	Payables from non-exchange transactions – includes bonds and deposits for planning, rates and licenses received in advance, and taxes and grants payable	3,888
9,376	Payables from exchange transactions – this includes amounts owing for commercial purchases of goods and services	10,173

Grants received subject to substantive conditions not yet met

In 2024, Council received advanced funding from the Ministry for the Environment of \$72,000 to assist with aspects of Council’s new kerbside organics collection service. Further work on this project is still to be completed at 30 June 2025. Council must report to the granting entities on how the funding is subsequently spent against the agreed milestones, and any underspend is to be repaid.

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

16. Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and recognised in accrued expenses (Note 15). Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings and further information

2023/24 \$000		2024/25 \$000
12,000	Current loans	13,500
53,500	Non-current loans	71,500
65,500	Total borrowings	85,000

Interest terms for secured loans

The Council’s secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

Credit facilities

Council has a multi-option credit line facility with Westpac Corporate Business. This provides Council with the ability to fund short term cashflow requirements. The facility has a limit of \$6 million (2024: \$6 million) and there is \$6 million available to be drawn at 30 June (2024: \$6 million).

Council has an unsecured overdraft. The maximum amount that can be drawn down against the facility is \$500,000 (2024: \$500,000). There are no restrictions on the use of this facility.

Security

Council’s loans are secured over either separate or general rates of the Council via a Debenture Trust Deed.

Internal borrowings

Information about internal borrowings is provided in the ‘Other Legislative disclosures’ section of this Annual Report. Internal borrowings are eliminated on consolidation of activities in the Council’s financial statements.

Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

17. Employee entitlements

Accounting policy

Short term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, sick leave and lieu leave.

Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, lieu leave, annual leave, long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

2023/24 \$000		2024/25 \$000
	Current employee entitlements	
605	Accrued pay	762
1,849	Annual leave	2,143
50	Sick leave	70
135	Long service leave	140
-	Lieu leave	107
2,639	Current employee entitlements	3,222
	Non-current employee entitlements	
275	Long service leave	311
92	Retirement gratuities	100
367	Total non-current employee entitlements	411

18. Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs' (see note 4).

Breakdown of provisions and further information

2023/24 \$000		2024/25 \$000
	Current provisions	
191	Landfill aftercare	42
191	Total current provisions	42
	Non-current provisions	
222	Landfill aftercare	215
72	Tui Mine site monitoring	80
50	Other claims	90
344	Total non-current provisions	385

Landfill aftercare provision

Council has resource consents for the following landfills, each of which are now closed:

- Morrinsville Landfill, closed 31 May 2000
- Matamata Landfill, closed 8 December 2001
- Te Aroha Landfill, closed 9 December 1998

Council has responsibility under the resource consents to provide ongoing maintenance and monitoring of these closed landfills sites.

The cash outflows for landfill post closure costs are expected to occur over the next 10 years (to 2036). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and known changes to legal requirements.

The following significant assumptions have been made in calculating the provision:

- Obligations for the post closure work are for 30 years after landfill closure
- Discount rates ranging from 3.14% to 4.77% have been used to discount the estimated future cash overflows. The rates used this year have been determined using New Zealand Government bond yield information and extrapolated beyond the available market data (2024: 4.57% to 5.3%).

Tui Mine site monitoring

Resource consent monitoring conditions require detailed biological and chemical testing of the former Tui Mine site at five yearly intervals for the next 30 years (at an estimated cost of \$25,000 each time). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and discounted using a discount rate ranging from 3.14% to 4.77% as above (2024: 4.57% to 5.3%).

Other claims

There are no claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2025 (2024: Nil). Provision for other minor claims against Council has been made based on estimated costs and/or insurance excesses of \$90,000 (2024: \$70,000).

Movements for each class of provision are as follows:

2024/25	Landfill aftercare costs \$000	Tui Mine Site \$000	Other claims \$000	Total \$000
Balance at 1 July 2024	413	72	50	535
Additional provisions made	70	6	50	126
Amounts used	(140)	-	-	(140)
Unused amounts reversed	(99)	-	(10)	(109)
Discount unwind	13	2	-	15
Balance at 30 June 2025	257	80	90	427

2023/24	Landfill aftercare costs \$000	Tui Mine Site \$000	Other claims \$000	Total \$000
Balance at 1 July 2023	438	69	70	577
Additional provisions made	-	-	-	-
Amounts used	(15)	(14)	-	(29)
Unused amounts reversed	(33)	13	(20)	(40)
Discount unwind	23	4	-	27
Balance at 30 June 2024	413	72	50	535

19. Contingencies

Breakdown of contingent liabilities and further information

2023/24 \$000		2024/25 \$000
15	Te Aroha Wastewater resource consent	15
	Uncalled share capital:	
1	- Waikato Local Authority Shared Services Limited	1
5	- Waikato Regional Aerial Photography Service	5
21	Total contingent liabilities	21

There are no contingent assets (2024: Nil).

Te Aroha wastewater resource consent

Under the resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant during 2016, 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.

New Zealand Mutual Liability Riskpool scheme

Matamata-Piako District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Local Government Funding Agency

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. LGFA has a local and foreign currency rating from Fitch Ratings of AA+, and from Standard and Poor's a rating of AA+ for local currency and AAA for foreign currency.

As at 30 June 2025, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 72 guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totalling \$25.5 billion (2024: \$23.0 billion).

The LGFA's borrowing of \$25.5 billion is made up of the following:

	\$000
Fair value of bonds on issue	23,427,392
Accrued interest on bonds on issue	155,343
Bills on issue	1,610,538
Accrued interest on bills on issue	(5,528)
Treasury stock lent to counterparts under bond repurchase agreements	341,756

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. 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.

20. Equity

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Other reserves - other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Other reserves include:

Council created reserves - reserves established by Council decision. Council may alter them without reference to any third party or the Courts.

Transfers to and from these reserves are at Council's discretion.

Restricted reserves - those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Asset revaluation reserves - represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

Fair value through other comprehensive revenue and expense reserve - this reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Breakdown of equity and further information

Accumulated funds

2023/24 \$000		2024/25 \$000
	Accumulated funds	
473,709	Balance at 1 July	479,965
(2,840)	Transfers to Council created reserves	(3,434)
(1,155)	Transfer to restricted reserves	(1,324)
2,280	Transfer from Council created reserves	2,042
149	Transfer from restricted reserves	208
-	Transfer from revaluation reserves	-
7,822	Surplus/(deficit) for the year	7,301
479,965	Balance at 30 June	484,758

Other reserves

2023/24 \$000		2024/25 \$000
	Council created reserves	
32,191	Balance at 1 July	32,751
(2,280)	Transfers to accumulated funds	(2,042)
2,840	Transfer from accumulated funds	3,434
32,751	Balance at 30 June	34,143
	Restricted reserves	
1,806	Balance at 1 July	2,812
(149)	Transfers to accumulated funds	(208)
1,155	Transfer from accumulated funds	1,324
2,812	Balance at 30 June	3,928
	Asset revaluation reserves	
410,059	Balance at 1 July	409,566
-	Net revaluation gains	248,718
(493)	Movement due to disposal of assets	(1,672)
-	Movement due to impairment of assets	(429)
409,566	Balance at 30 June	656,183
	Fair value through other comprehensive revenue and expense reserve	
33,957	Balance at 1 July	33,110
(847)	Net revaluation gains	6,150
33,110	Balance at 30 June	39,260
478,239	Total other reserves	733,514

Information about reserve funds held for a specific purpose is provided as follows:

Council created reserves

Balance 1 July 2023	Transfers in	Transfers out	Balance 30 June 2024	Reserve fund	Purpose	Activities related to	Balance 1 July 2024	Transfers in	Transfers out	Balance 30 June 2025
\$000	\$000	\$000	\$000				\$000	\$000	\$000	\$000
3,779	690	(504)	3,965	Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes e.g. grants	All Council activities	3,965	680	(522)	4,123
22,535	1,276	(818)	22,993	Power New Zealand reserve fund	Funds received and set aside on behalf of the community from the dissolution of the local power board co-operative for internal borrowing or external investment, with returns used to subsidise rates.	All Council activities	22,993	1,157	(849)	23,301
2,374	-	(323)	2,051	Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,051	680	(294)	2,437
2,210	874	(465)	2,619	Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	2,619	257	(372)	2,504
109	-	-	109	Stormwater improvement reserve	Funds set aside to fund stormwater projects.	Stormwater	109	-	-	109
59	-	-	59	Wastewater desludging projects	Funds set aside for the desludging of wastewater ponds	Wastewater	59	660	-	719
486	-	(162)	324	Te Aroha Spa development reserve	Funds set aside for the investigative stages of the Te Aroha Spa development project	Strategy & Engagement	324	-	(4)	320
639	-	(8)	631	Town Centre revitalisation reserve	Funds set aside for the district Town Centre revitalisation (POP) project	Community Facilities	631	-	(1)	630
32,191	2,840	(2,280)	32,751	Total Council created reserves			32,751	3,434	(2,042)	34,143

Restricted reserves

Balance 1 July 2023	Transfers in	Transfers out	Balance 30 June 2024	Reserve fund	Purpose	Activities related to	Balance 1 July 2024	Transfers in	Transfers out	Balance 30 June 2025
\$000	\$000	\$000	\$000				\$000	\$000	\$000	\$000
313	-	-	313	Endowment land sales reserves	Funds set aside in respect of the sale of endowment land in Te Aroha. The proceeds must be used for the improvement of services and public amenities for the benefit of the inhabitants of Te Aroha	Community Facilities	313	-	-	313
788	279	(7)	1,060	Reserves development	Funds set aside from reserves contributions to be used for parks and reserves	Developments of parks and reserves	1,060	460	-	1,520
9	10	(10)	9	Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	9	20	-	29
26	171	-	197	Bequests and trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund	Nominated purposes	197	-	(13)	184
605	695	(132)	1,168	Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	1,168	844	(195)	1,817
65	-	-	65	Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	65	-	-	65
1,806	1,155	(149)	2,812	Total restricted reserves			2,812	1,324	(208)	3,928

Revaluation reserves

Asset revaluation reserves		
2023/24 \$000		2024/25 \$000
	Operational assets	
22,514	Land	39,432
7,851	Buildings	7,838
	Restricted assets	
13,909	Restricted land	66,756
23,737	Restricted buildings	23,307
	Infrastructural assets	
206,040	Roading	344,508
48,199	Water	64,683
39,972	Stormwater	51,426
40,436	Wastewater	47,271
1,698	Land	5,752
5,210	Buildings	5,210
409,566	Total asset revaluations reserves	656,183

Capital management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans.

The Act further sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Council has the following Council created reserves:

- Reserves for different areas of benefit.
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates.

Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

21. Related party transactions

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with associated entities (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

Key management personnel compensation

2023/24		2024/25
	Mayor and Councillors	
13	Full-time equivalent members	13
\$602,865	Remuneration	\$625,009
	Executive Management Team, including the Chief Executive	
6	Full-time equivalent members	6
\$1,335,393	Remuneration	\$1,784,373
19	Total full-time equivalent personnel	19
\$1,938,258	Total key management personnel remuneration	\$2,409,382

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in note 3. The remuneration of the departing Chief Executive included a lump sum payment in accordance with his employment agreement. The 2023/24 comparative information has been updated to exclude fringe benefit tax paid by Council in respect of non-financial benefits received by key management personnel.

22. Events after balance date Penica to share disclosure

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The water services reform legislation, namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed on 17 February 2024. The Government has recently enacted the Local Government Water Services Preliminary Arrangements Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2025 financial statements or performance information.

23. Financial instruments

23A Financial instruments categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

2023/24 \$000		2024/25 \$000
	Financial assets	
	Amortised cost	
11,453	Cash and cash equivalents	8,682
3,962	Receivables	4,538
	Other financial assets:	
13,900	Term deposits	13,500
1,561	New Zealand Local Government Funding Agency – borrower notes	2,863
30,876	Total at amortised cost	29,583
	Fair value through other comprehensive revenue and expense	
35,693	Waikato Regional Airport Limited	41,843
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
111	Civic Financial Services Limited	116
35,852	Total at fair value through other comprehensive revenue and expense	42,007
	Fair value through surplus or deficit	
1,264	Derivative financial instrument assets	205
1,264	Total at fair value through surplus or deficit	205
	Financial liabilities	
	Fair value through surplus or deficit	
-	Derivative financial instrument liabilities	611
-	Total at fair value through surplus or deficit	611
	Amortised cost	
11,910	Payables	11,953
65,500	Borrowings	85,000
77,410	Total at amortised cost	96,953

23B Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation classes of financial instruments measured at fair value in the statement of financial position:

2024/25				
Valuation techniques	Total	Quoted Market Price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
Financial assets				
Investments in Council controlled organisations and other entities	44,870	-	2,863	42,007
Derivative financial instruments assets	205	-	205	-
Financial liabilities				
Derivative financial instruments liabilities	(611)	-	(611)	-

There were no transfers between the different levels of the fair value hierarchy.

2023/24				
Valuation techniques	Total	Quoted Market Price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
Financial assets				
Investments in Council controlled organisations and other entities	37,413	-	1,561	35,852
Derivative financial instruments assets	1,264	-	1,264	-
Financial liabilities				
Derivative financial instruments liabilities	-	-	-	-

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

2023/24 \$000		2024/25 \$000
36,699	Balance at 1 July	35,852
(847)	Gain/(loss) recognised in the surplus or deficit	6,155
-	Purchases	-
-	Sales	-
35,852	Balance at 30 June	42,007

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

23C Financial instrument risks

Council's activities expose it to a variety of financial instrument risks including market risk, credit risk and liquidity risk. Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is not exposed to any significant price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to any significant currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's Liability Management Policy is to maintain total borrowings in fixed rate instruments between a range of minimum (20% to 40%) and maximum (25% to 90%) risk control limits over the term of the forecast debt. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where the Council has borrowed at fixed rates outside of these limits.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk. Generally, the Council raises long term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if the Council borrowed at fixed rates directly. Under the interest rate swaps, the Council agrees with other parties to exchange at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits and local authority stock which gives rise to credit risk.

Council invests funds only in deposits with registered banks and local authority stock and Council's Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, Council invests funds only with entities that have a Standard and Poor's credit rating of at least A1 for short term and A for long term investments. Council holds no collateral or credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

2023/24		2024/25
\$000		\$000
11,453	Cash and cash equivalents	8,682
3,962	Receivables	4,538
	Other financial assets:	
13,900	- Term deposits	13,500
29,315	Total credit risk	26,720

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 19.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

2024/25 Credit rating						
	AA-	AA	A	A-	Not rated	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	8,682	-	-	-	-	8,682
Term deposits	13,500	-	-	-	-	13,500

2023/24 Credit rating						
	AA-	AA	A	A-	Not rated	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	11,453	-	-	-	-	11,453
Term deposits	13,900	-	-	-	-	13,900

Receivables mainly arise from Council statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its liquidity by:

- Appropriate cash flow management to ensure that sufficient funds are available to meet all of its obligations as and when they fall due.
- Maintaining appropriate short-term borrowing facilities.
- Maintaining a prudent debt maturity profile.

Contractual maturity analysis of financial liabilities

The following table analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

2024/25	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Payables	11,953	11,953	11,953	-	-
Net settled derivative liabilities	611	20	20	-	-
Borrowings	85,000	94,803	17,188	77,615	-
Total	97,564	106,776	29,161	77,615	-

2023/24	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Payables	11,910	11,910	11,910	-	-
Net settled derivative liabilities	-	-	-	-	-
Borrowings	65,500	75,430	15,600	59,830	-
Total	77,410	87,340	27,510	59,830	-

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 19.

Contractual maturity analysis of financial assets

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

2024/25	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Cash and cash equivalents	8,682	8,708	8,708	-	-
Receivables	4,538	4,538	4,538	-	-
Other financial assets:					
- Term deposits	13,500	13,980	13,980	-	-
Net settled derivative assets	205	31	31	-	-
Total	26,925	27,257	27,257	-	-

2023/24	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
Cash and cash equivalents	11,453	11,523	11,523	-	-
Receivables	3,962	3,962	3,962	-	-
Other financial assets:					
- Term deposits	13,900	14,554	14,554	-	-
Net settled derivative assets	1,264	169	169	-	-
Total	30,579	30,208	30,208	-	-

Sensitivity analysis

The following table illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument market risk exposures at balance date.

2024/25	-100 bps		+100 bps	
	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(62)	-	62	-
Derivative financial instruments assets	51	-	353	-
Financial liabilities				
Derivative financial instrument liabilities	(2,711)	-	1,370	-
Borrowings	430	-	(430)	-
Total sensitivity	(2,291)	-	1,353	-

*bps = basis points. Decrease by 100 basis point = 1% interest rate decrease.

2023/24	-100 bps		+100 bps	
	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(90)	-	90	-
Derivative financial instruments assets	(351)	-	2,797	-
Financial liabilities				
Derivative financial instrument liabilities	-	-	-	-
Borrowings	235	-	(235)	-
Total sensitivity	(206)	-	2,652	-

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -100bps/+100bps.

24. Major variances to budget

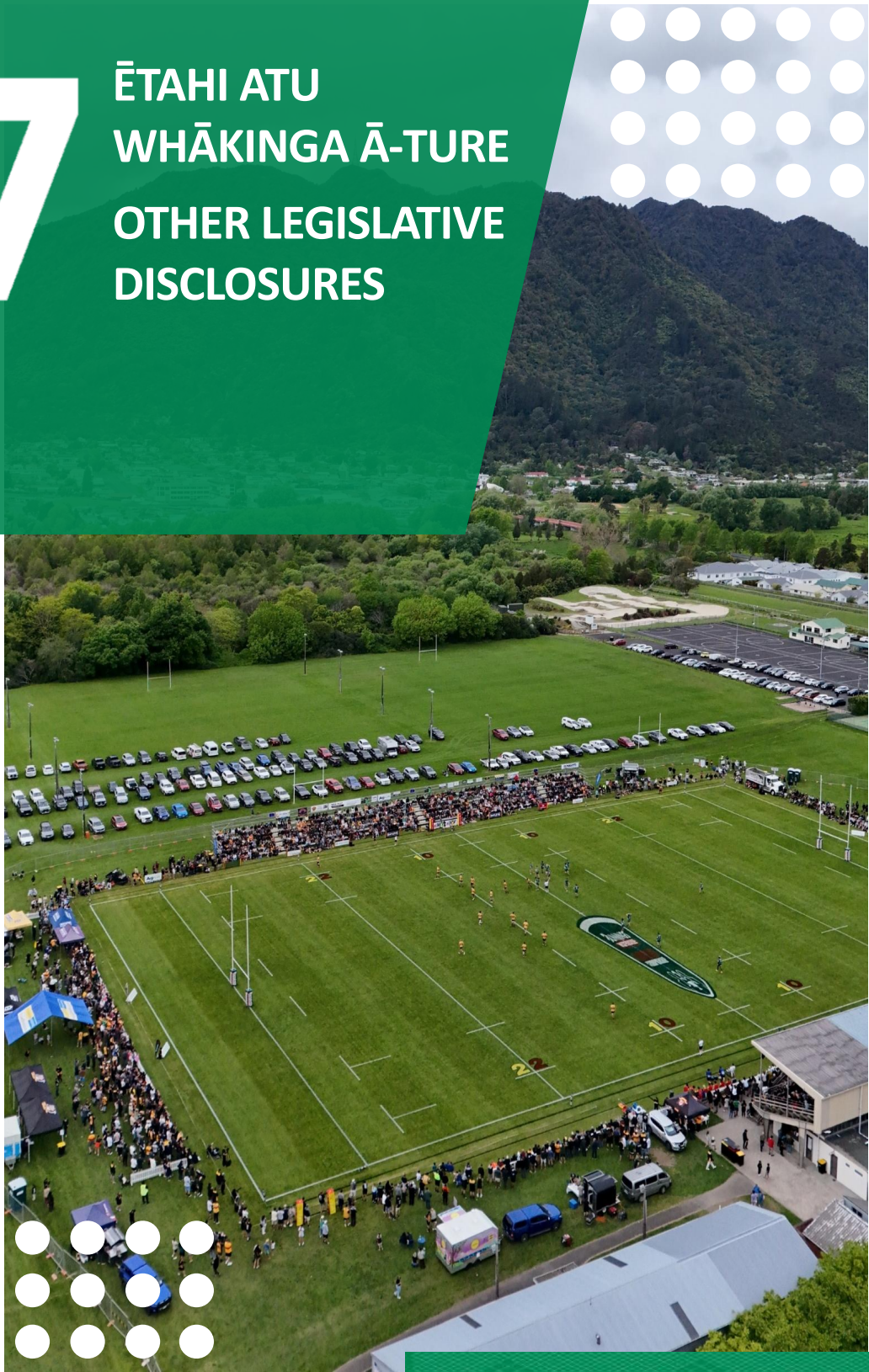
Major variances to budget	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000	Explanation for major variances to budget
Rates	58,856	59,206	Revenue from rates penalties for the year of \$387,000 were not budgeted. Revenue from metered water rates was \$125,000 more than budgeted for the year.
Subsidies and grants	7,922	10,581	Better-off funding received for approved projects undertaken during the year was \$1.3 million more than budgeted. In addition, \$800,000 was received in 2024/25 but applied to fund water operations in the 2023/24 financial year. Waste Levy subsidies received (that are ring-fenced for waste minimisation activities) were \$460,000 more than budgeted. Offsetting this, approved NZTA funding received was \$170,000 less than budgeted overall.
Fees and charges	11,686	11,019	The three key areas where fees and charges were significantly behind budget for the year included; Pools and Spas \$817,000, Property (rental and lease income) \$231,000 and revenue from trade waste agreements for the Wastewater activity \$331,000. These areas were offset by higher fees and charges from Building and Resource consents with activity and revenue for the year being \$412,000 higher than estimated.
Development and financial contributions	2,160	4,247	Revenue from contributions exceeded budget with major developments in the district, particularly in Morrinsville and Matamata.
Interest revenue	553	1,035	At the start of the 2024/25 year, Council held an additional \$12m in term deposits that came from external debt that was pre-funded to repay debt maturing throughout the year; \$2m in July, \$3.5m in September and \$6.5m in April 2025. A further \$13.5m was held from May through to year end for pre-funding of debt maturing in April 2026. The interest from these investments more than offset the additional interest costs from borrowing the funds sooner than required. While investment rates fell over 2024/25, these additional funds held over the year resulted in greater interest revenue than budgeted.
Vested assets	200	8,878	Infrastructural assets and land vested to Council through the subdivision process this year amounted to \$8.9 million, particularly from significant developments in Morrinsville and Matamata.
Other revenue	259	1,626	Significant other revenue includes \$1.35 million received in donations towards the construction of the Matamata Stadium.
Personnel costs	27,808	27,107	Staff vacancies throughout the period resulted in lower than budgeted personnel costs overall. These vacancies were due to being unable to recruit, positions Council chose not to fill (a Group Manager role for six months, a third tier role for seven months etc), secondment and maternity leave, and some new budgeted positions that were not filled or not filled for some time. These savings were offset slightly by an increase in annual leave provisions of \$294,000 and the balance of \$107,000 in lieu leave accrued by staff that was recognised for the first time at 30 June.
Finance costs	3,815	3,324	Work on the significant Matamata wastewater treatment plant upgrade has not progressed as quickly

Major variances to budget	Long Term Plan 2024/25 \$000	Actual 2024/25 \$000	Explanation for major variances to budget
			as budgeted, which has resulted in less borrowing and borrowing costs. Additionally, the operational wastewater pond desludging projects at Te Aroha and Morrinsville planned for the year were put on hold (which was to be funded by borrowing). Offsetting these savings, additional funds were borrowed during the year to pre-fund maturing debt, (which is offset by higher than budgeted interest revenue from the investment of those funds).
Other expenses	31,192	36,691	Operating costs exceeded budget in some areas for 2024/25. Significant areas include: Other expenses include a loss of \$1.67m in the book value of Council's interest rate swap portfolio as at 30 June, as long term swap rates moved downward over the year. It also includes a loss on disposal of assets of \$1.05m. Neither of these costs are budgeted. Rubbish and Recycling - costs were \$889,000 more than budgeted, largely due to increased contract costs (particularly for the kerbside contract) and inflationary adjustments. Community Facilities – operating costs of aquatic facilities have increased from budget including property/pool repairs and maintenance, including \$182,000 to repaint the Morrinsville Swimzone pool. The Te Aroha Office building seismic assessment costs of \$71,000 were not budgeted, and housing and property maintenance works undertaken were higher than budget across the district (with housing costs being ring-fenced). Repairs and maintenance costs were higher than budgeted for parks and reserves and public amenities. Wastewater – \$1.5m was budgeted to begin the desludging of the Te Aroha and Morrinsville wastewater treatment ponds, however that work was put on hold awaiting a more detailed assessment of the options. Offsetting this, costs for the activity were approximately \$526,000 more than budgeted, particularly in the areas of consultants, and electrical and mechanical maintenance. Insurance costs were \$285,000 higher than budgeted due to rising premiums.
Financial assets at fair value through other comprehensive revenue and expense	-	6,150	The value of Council's investment in the Waikato Regional Airport increased substantially, driven by the increased valuation of the company's investment property portfolio.
Property, plant and equipment revaluations	21,801	246,617	Land, Roading and Three Water assets were revalued at 30 June 2025. Land, last revalued five years ago, increased in value by \$69.7m. Roading assets, last revalued in 2023, increased by \$138m (approximately 28%). And Water, Wastewater and Stormwater assets, also last revalued in 2023, increased by \$39m.

Major variances to budget	Annual Plan 2024/25 \$000	Actual 2024/25 \$000	Explanation for major variances to budget
Statement of Financial Position			
Current assets	21,196	34,032	Term deposits and cash held at year end was higher than budgeted with \$13.5m being held on deposit to pre-fund upcoming debt maturities, \$1.5m held to meet legislative contractor retention commitments, and further funds held on call for cashflow purposes. The sale of a surplus property in Morrinsville and another in Matamata are in progress at year end, so are recognised as current assets held for sale.
Non-current assets	1,084,960	1,287,972	Revaluations of our infrastructural and land assets this year resulted in significant increases in value. In addition, the value of assets vested in Council this year was \$8.7m higher than budgeted, and Council's investment in Waikato Regional Airport Limited increased by \$6.15m.
Current liabilities	27,044	30,837	Accounts payable at 30 June were higher than budgeted due to the timing of projects and contract payments falling due. Revenue from rates received in advance was not budgeted at the current level, and accrued pay and leave entitlements at 30 June were \$609,000 higher than budgeted.
Non-current liabilities	83,112	72,895	An additional \$13.5m was borrowed to pre-fund maturing debt across the coming year. However capital spending was \$18.7m less than budgeted, and the wastewater desludging project of \$1.5m was put on hold, so less debt needed to be raised. In addition, higher than anticipated cashflows from areas like development contributions, donations and grants and subsidies also offset capital borrowing needs.

7

ĒTAHI ATU WHĀKINGA Ā-TURE OTHER LEGISLATIVE DISCLOSURES



Te pānui o te pānga o te pūtea

Funding Impact Statement

For the year ended 30 June 2025 for the whole of Council

Long Term Plan 2023/24 \$000	Actual 2023/24 \$000		Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
		Sources of operating funding		
32,225	32,424	General rates, uniform annual general charges, rates penalties	35,770	36,024
18,904	18,317	Targeted rates	23,086	23,182
4,315	4,357	Subsidies and grants for operating purposes	4,291	5,608
10,764	10,133	Fees and charges	11,447	10,714
162	1,191	Interest and dividends from investments	600	1,035
289	273	Local authorities fuel tax, fines, infringement fees, and other receipts	259	276
66,659	66,695	Total operating funding (A)	75,453	76,839
		Applications of operating funding		
50,062	55,732	Payments to staff and suppliers	58,937	60,924
2,087	2,933	Finance costs	3,686	3,172
-	-	Other operating funding applications	-	-
52,149	58,665	Total applications of operating funding (B)	62,623	64,096
14,510	8,030	Surplus (deficit) of operating funding (A – B)	12,830	12,743
		Sources of capital funding		
3,283	4,523	Subsidies and grants for capital expenditure	3,631	6,324
1,758	3,003	Development and financial contributions	2,160	4,247
15,145	28,098	Increase (decrease) in debt	40,238	18,455
-	2,180	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
20,186	37,804	Total sources of capital funding (C)	46,029	29,026
		Applications of capital funding		
		Capital expenditure		
-	6,181	—to meet additional demand	11,321	3,508
18,723	10,711	—to improve the level of service	26,911	21,901
15,973	13,180	—to replace existing assets	22,529	16,426
-	1,566	Increase (decrease) in reserves	(1,902)	1,803
-	14,196	Increase (decrease) of investments	-	(1,869)
34,696	45,834	Total applications of capital funding (D)	58,859	41,769
(14,510)	(8,030)	Surplus (deficit) of capital funding (C – D)	(12,830)	(12,743)
-	-	Funding balance ((A – B) + (C – D))	-	-

The funding impact statements for each group of activities and the overall Council funding impact statement are prepared in compliance with the requirements of clauses 26 and 30, part 3, schedule 10 of the Local Government Act

2002. Unlike the statement of comprehensive income (in the Financial Statements section), the funding impact statements are not compliant with generally accepted accounting standards (GAAP).

The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” income that is classified as income in the statement of comprehensive revenue and expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The statement of comprehensive revenue and expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses on assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation following identifies the differences between these statements.

Reconciliation between Council’s overall funding impact statement and the statement of comprehensive revenue and expense

Actual 2023/24 \$000		Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
	Funding sources as shown in the overall Council funding impact statement		
66,695	Total operating funding	75,453	76,839
37,804	Total capital funding	46,029	29,026
	Less capital movements		
(28,098)	(Increase)/decrease in debt	(40,238)	(18,455)
-	Gross proceeds from sale of assets	-	-
	Add non-funded income		
13,116	Vested land and infrastructure from property development	200	8,878
-	Other gains	-	-
302	Income from support activities	192	304
89,819	Total funding sources	81,636	96,592
89,819	Total income as shown in the statement of comprehensive revenue and expense	81,636	96,592
	Application of funding as shown in the overall Council funding impact statements		
58,665	Total applications of operating funding	62,623	64,096
48,984	Total applications of capital funding	58,859	41,769
	Less capital movements		
(33,222)	Capital expenditure	(60,761)	(41,835)
(1,566)	(Increase)/decrease in reserves	1,902	(1,803)
(14,196)	(Increase)/decrease in investments	-	1,869
	Add non-funded expenditure		
22,434	Depreciation and amortisation	21,834	22,169
596	Other losses	-	2,722
302	Expenses from support activities	192	304
81,997	Total funding application	84,649	89,291
81,997	Total expenditure as shown in the statement of comprehensive revenue and expense	84,649	89,291

Internal borrowing

Internal borrowings are utilised to fund capital projects for various activities instead of obtaining funding from external sources. Interest is charged to the various activities for their internal borrowing at a rate equal the mid-way point between our average borrowing and average investment rates obtained in the prior year. For the year ended 30 June 2025, this rate was 5.03% (2024: 5.51%). Internal borrowings are eliminated on consolidation of activities in the financial statements.

Groups of activities	Opening balance 1 July 2024	Additional funds borrowed 2024/25	Funds repaid 2024/25	Closing balance 30 June 2025	Interest paid 2024/25
	\$000	\$000	\$000	\$000	\$000
Community Facilities	13,855	-	54	13,801	708
Roading	10,624	-	43	10,581	533
Rubbish and Recycling	1,365	-	5	1,360	69
Stormwater	-	-	-	-	-
Wastewater	929	4	-	933	52
Water	15,231	-	56	15,175	765
Strategy and Engagement	6,610	-	17	6,593	310
Consents and Licensing	340	-	3	337	22
Total internal borrowing	48,954	4	178	48,780	2,459

Insurance of assets

The following information relates to the insurance of Council assets as at 30 June:

June 2024 \$000		June 2025 \$000
236,626	The total value of all Council assets covered by insurance contracts	256,771
	The maximum amount to which insured assets are insured:	
15,000	Fire	25,000
150,000	Other natural disasters	150,000
348,728	The total value of all Council assets covered by financial risk sharing arrangements	388,557
50,000	Maximum amount available to the Council under financial risk sharing arrangements	50,000

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, stormwater and wastewater assets, and provide a subsidy towards the restoration of roads.

Te Pānui Whākinga Mō Te Tau Mutunga O 30 Hune 2025

Annual Report Disclosure Statement for Year Ending 30 June 2025

Te kaupapa o tēnei pānui ā-pūtea? | 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.

Te pou taraawaho o te whai pūtea ki te rēti | 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;
- Its actual rates increases equal or are less than each quantified limit on rates increases.

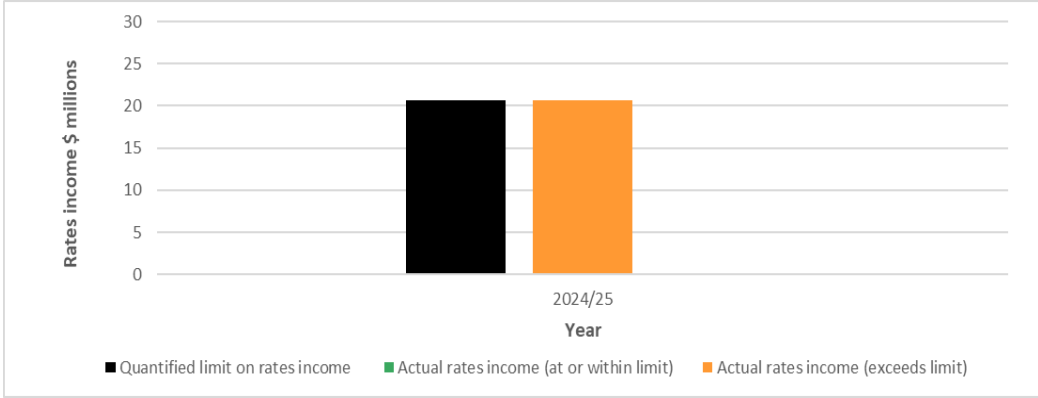
Whai pūtea (whiwhinga pūtea) ki te rēti | Rates (income) affordability

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 (LTP). The first graphs show the quantified limits on rates adopted in the 2024-2034 LTP, which changed from the quantified limit on rates from the 2021-2031 LTP, shown in the later graph.

2024-2034 LTP

The quantified limits from the financial strategy included in the 2024-2034 LTP are:

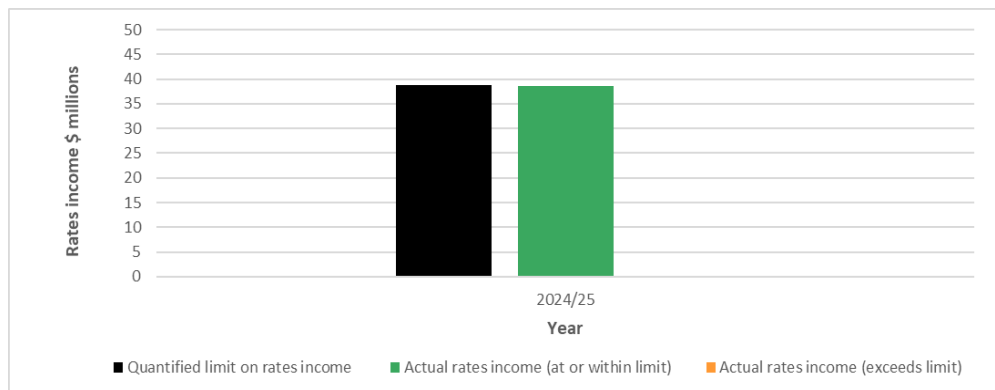
1. Rates income for **three water activities** (including metered water) will not increase by more than 25% year one, 11% years two and three and thereafter will not increase by more than 7%.



Comment:

Actual rates income for three waters activities was \$20.7 million compared to a limit of \$20.6 million. The reason the limit was exceeded is that rates income from metered water was \$125,000 more than estimated for the year.

2. Rates income for **other rate funded activities** will not increase by more than 12% in year one and thereafter will not increase by more than 5%.

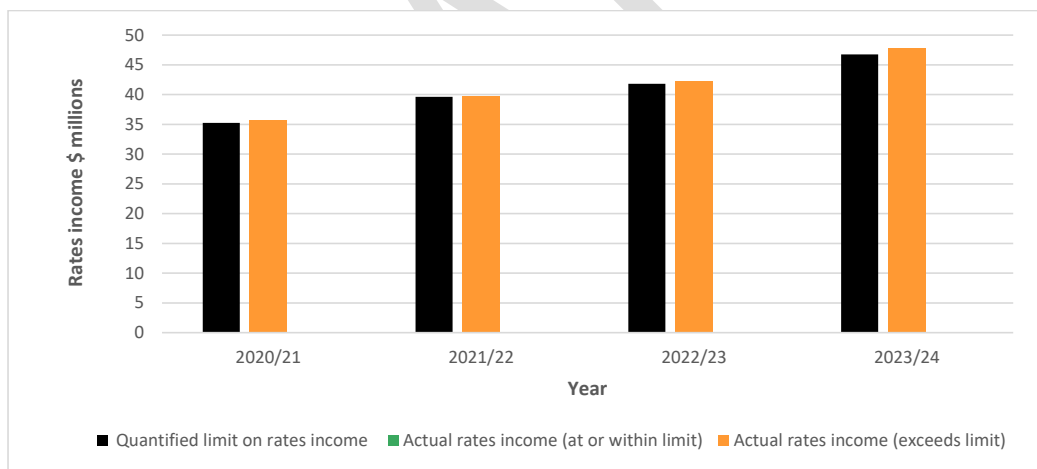


Comment:

Actual rates income for all other rates funded activities (excluding three waters) was \$38.5 million compared to a limit of \$38.8 million.

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income⁴⁵ will not increase by more than 6%, other than for year 1 (2021/22) and year 3 (2023/24) where the forecast increases are 11.73% and 11.81% respectively.



Comment:

The limit on rates income for 2023/24 was set as part of the 2021 LTP process at \$46.753 million. Actual rates income (excluding penalties and metered water revenue) for 2023/24 was \$47.841 million. Cost escalations over recent years resulted in Council taking the decision to adopt a rate increase above the limit set, at a level that would sustain current service levels. In previous years, the rates have exceeded the limit set due to higher growth in the rating base than expected.

⁴⁵ For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded, as the level of revenue received is not within Councils' direct control.

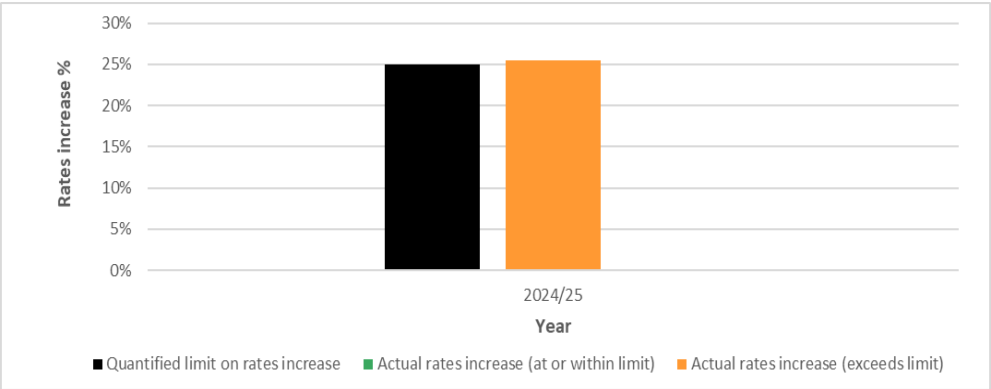
Whai pūtea (pikitanga) ki te rēti | Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the Council's Long Term Plan. The first graphs show the quantified limits on rates increases adopted in the 2024-2034 LTP, which changed from the quantified limit on rates increases from the 2021-2031 LTP, shown in the later graph.

2024-2034 LTP

The quantified limits from the financial strategy included in the 2024-2034 LTP are:

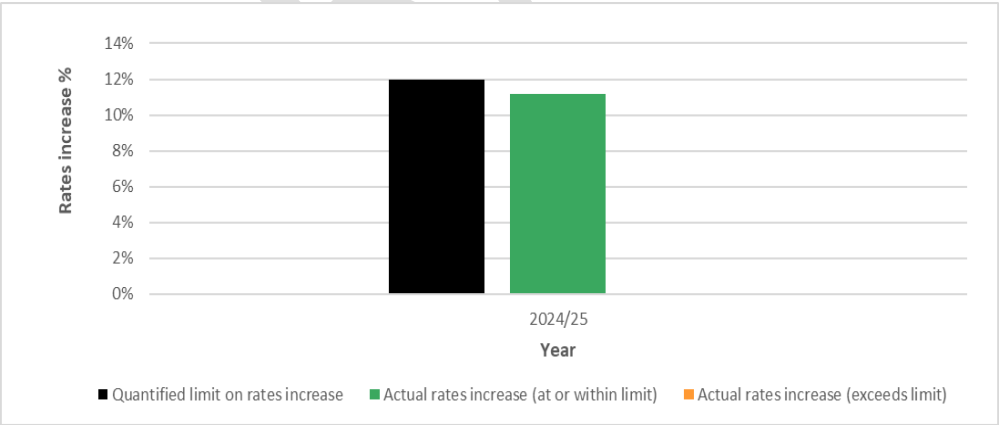
1. Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one, 11% years two and three and thereafter will not increase by more than 7%.



Comment:

Actual rate increases for three waters activities was 25.5% compared to a limit of 25.0%. The reason the limit was exceeded is that rates income from metered water was \$125,000 more than estimated for the year.

2. Rates increases for **other rate funded activities** will not increase by more than 12% in year one, and thereafter will not increase by more than 5%.

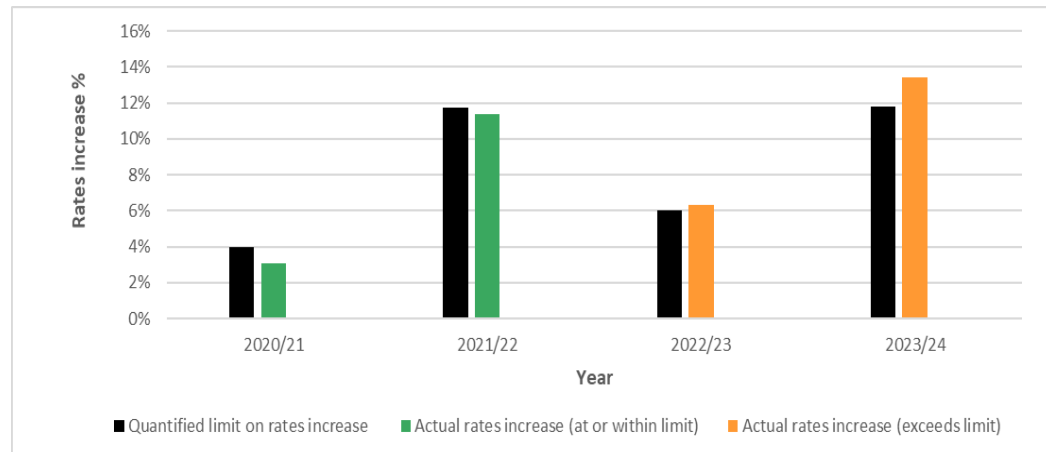


Comment:

Actual rate increases for all other rates funded activities (excluding three waters) was 11.2% compared to a limit of 12.0%

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates increases⁴⁶ will not be more than 6%, other than year 1 and 3 where the limits are set at 11.73% and 11.81% respectively.



Comment:

The actual rates increase (excluding penalties and metered water revenue) for 2023/24 was 13.4%, compared to the Financial Strategy limit of 11.81%. A key driver of the significant planned increase for 2023/24 was the change in how Council's kerbside collection service was funded. September 2023 saw Council move away from the use of rubbish bags (purchased by the user at a rate intended to subsidise the kerbside collection service) to the use of wheelie bins, and the funding of the service through a targeted rate. On top of this, significant cost escalations resulted in Council taking the decision to adopt a rate increase above the limit set, at a level that would sustain current service levels.

⁴⁶ For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded, as the level of revenue received is not within Councils' direct control.

Te pou taraawaho o te whai pūtea ki te nama | **Debt affordability benchmark**

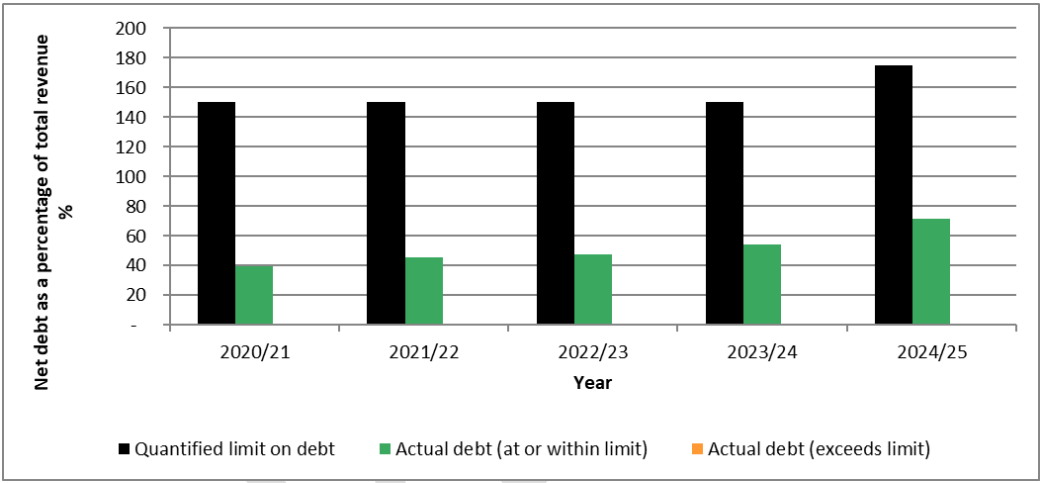
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt⁴⁷ as a percentage of total revenue⁴⁸ will not exceed 175%.

2021-2031 LTP

The quantified limit is: Net debt as a percentage of total revenue will not exceed 150%.



Comment:

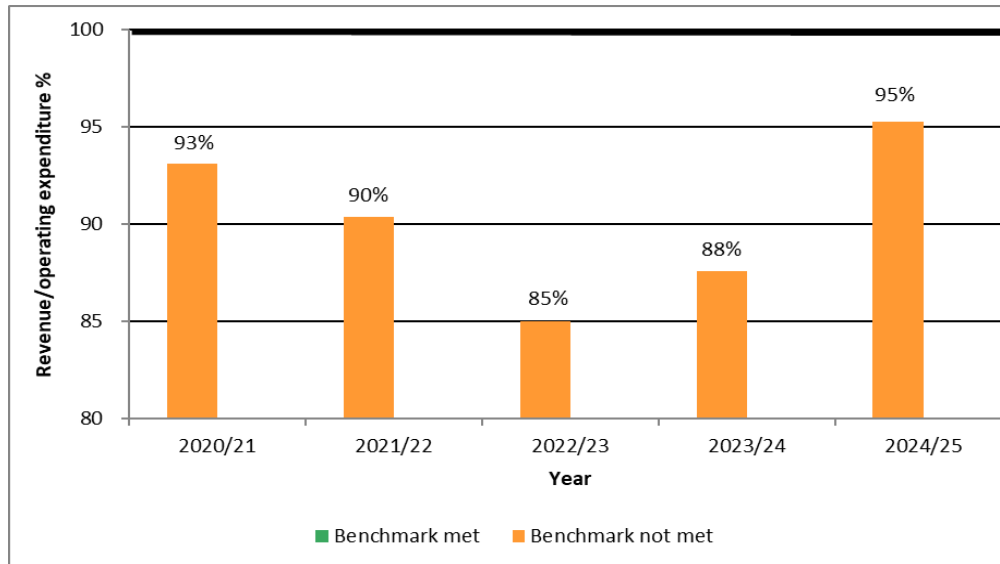
Council's net external debt as a percentage of total revenue sits at 72% at 30 June 2025 and has remained well below the policy limit for the last five years. The policy limit was increased to 175% in the 2024-2034 LTP to accommodate the significant future capital work planned in respect of the three water activities. 175% is considered by Council's key lender to be a prudent limit for a Council of our size and future growth prospects.

⁴⁷ Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.

⁴⁸ Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including found assets and the revaluation of derivatives and assets).

Te pou taraawaho o te whakataurite i te tahua | **Balanced budget benchmark**

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested and found 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.

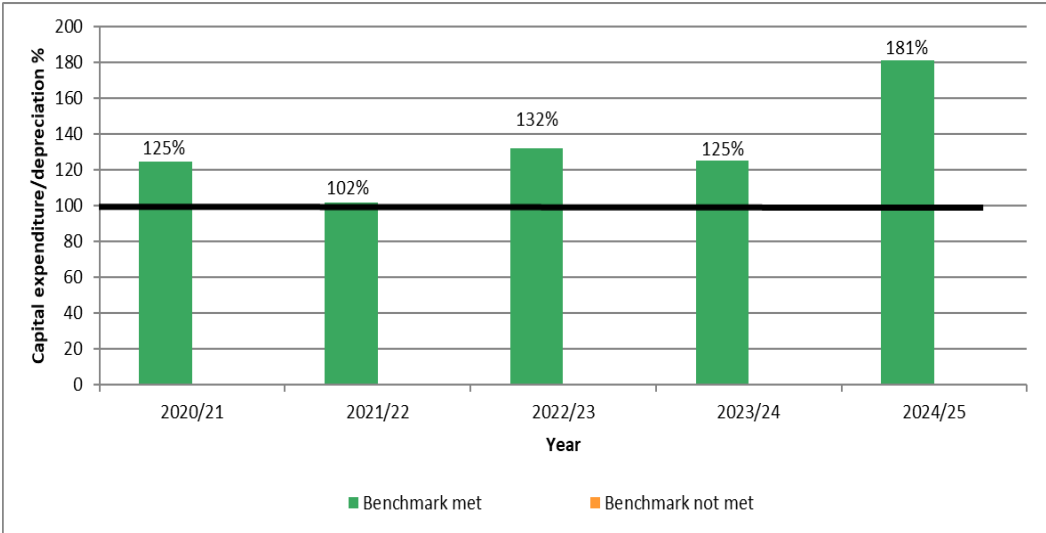


Comment:

In developing the budget for the 2024/25 financial year, Council budgeted a benchmark of 94% and resolved that it was prudent to not 'balance the budget' (i.e. operating expenses including depreciation would exceed operating revenue). Council elected to not fully fund depreciation on Roothing and Stormwater, but instead to fund at a level that would cover Council's share of the expected spend on renewals. In addition, there are some community buildings that Council does not plan to fund the replacement of in the future. As such, revenue from rates was not budgeted to cover the full depreciation expense.

Te pou taraawaho o ngā whakaratonga whai take nui | Essential services benchmark

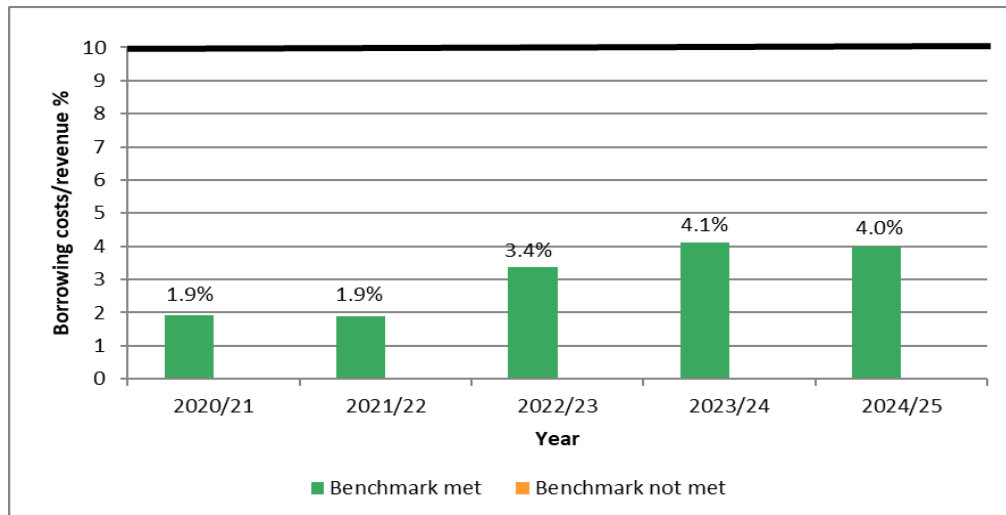
The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Comment:
Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 133% of depreciation.

Te pou taraawaho o te tiaki nama | Debt servicing benchmark

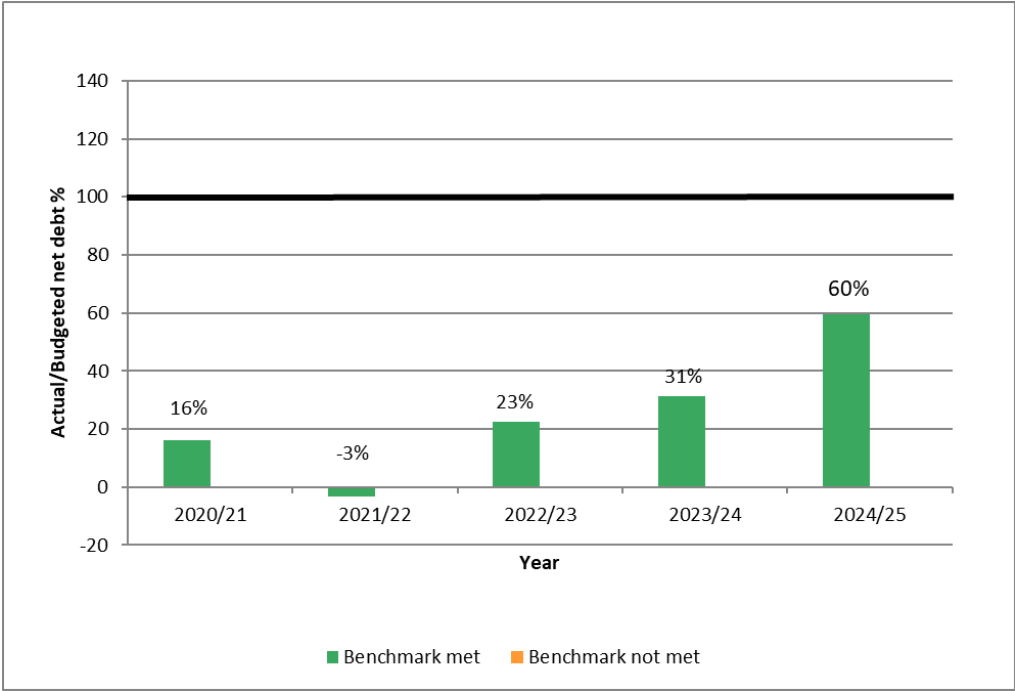
The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the 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.

Te pou taraawaho i ngā whakamātau nama | **Debt control benchmark**

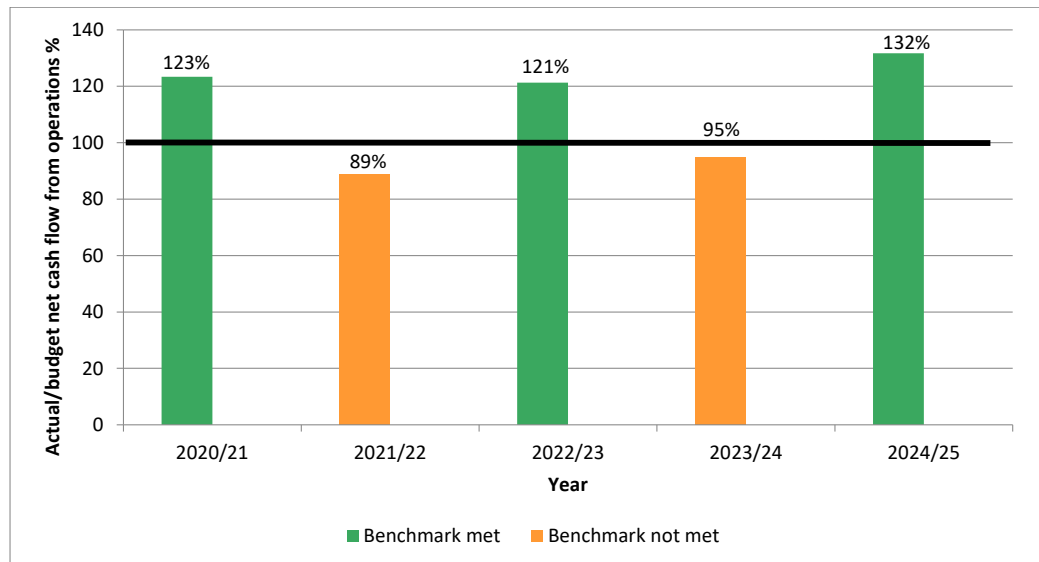
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned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



Comment:
Debt over the last five years has been lower than budgeted due to delayed capital spending, and maturing investments/surplus cash have been used to repay debt or internally fund capital work. Council's investment in the Waikato Regional Airport has also increased significantly since the planned net debt was set out in the adopted LTPs.

Te pou taraawaho i ngā whakamātau whakahaere | 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.

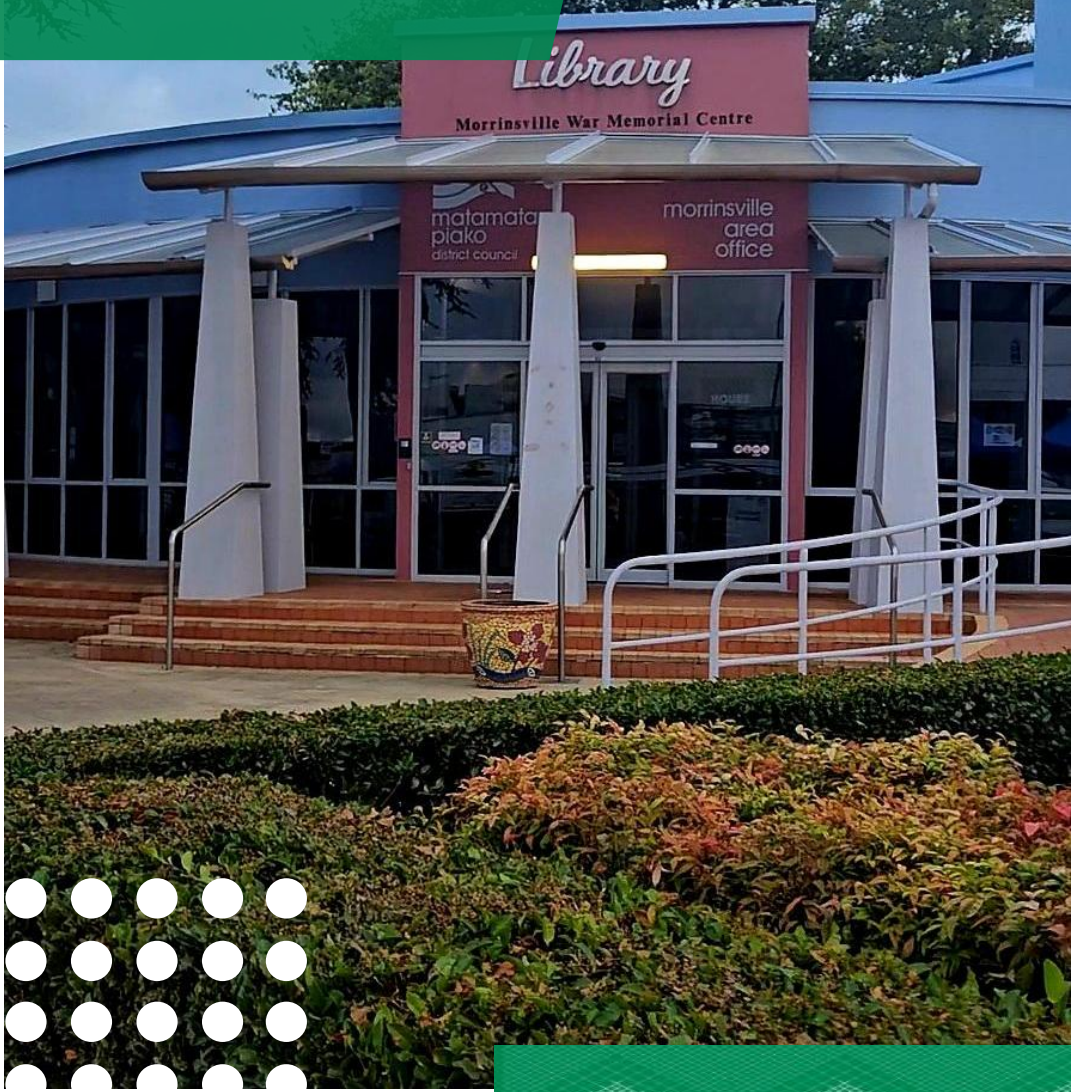


Comment:

In 2024/25, Council received an additional \$800,000 in Government funding that was budgeted to be received in 2023/24. Also significantly, Council received \$1.35 million in donations towards the Matamata Stadium project that was not included in the budget.

8

NGĀ RŌPŪ A TE KAUNIHERA COUNCIL CONTROLLED ORGANISATIONS



Te whai wāhi ki Ngā Rōpū O Raro O Te Kaunihera me Ngā Rōpū o te Kaunihera

Involvement in Council Controlled Organisations and Council Organisations

Waikato Regional Airport Limited (WRAL)

WRAL is a Council Controlled Organisation, jointly owned by five local authorities: Hamilton City, Waikato District, Waipā District, Ōtorohanga District and Matamata-Piako District Councils. Matamata-Piako's shareholding is 15.625%.

The objective of the Waikato Regional Airport Limited is:

- Operate an efficient, compliant and resilient airport
- Enhance the traveller experience
- Maintain a viable aeronautical business
- Maximise revenue diversification through its non-aeronautical business opportunities

WRAL non-financial and financial reporting

All earnings and profitability financial performance targets exclude the effect of other gains and losses unless otherwise stated. Free cash flow is defined in the Group's dividend policy as the cash flow available after EBITDA including land sales, adjusted for the effect of interest expense and current tax expense, and general asset renewal and replacement capital expenditure. Metrics are denoted n/a (not applicable) if they were not set as performance metric in a particular year's Statement of Intent.

Non-Financial Performance Target	Comments	Outcome	
		2025	2024
Zero WorkSafe notifiable accidents/injuries.	There were no notifiable incidents as defined in the Health & Safety at Work Act 2015 involving Group employees.	☒ Achieved	☒ Achieved
Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.	The annual staff engagement survey showed positive results in both years when measuring staff satisfaction with company culture, leadership, wellbeing and engagement.	☒ Achieved	☒ Achieved
To achieve Airport Certification Standards as required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.	The airport continues to meet all relevant CAA certification standards including the increased requirements associated with resumption of international air services during 2025.	☒ Achieved	☒ Achieved
Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).	There have been no incidences of scheduled flights being operationally impacted by controllable events.	☒ Achieved	☒ Achieved
Assist airlines to identify opportunities to increase flight schedules and passenger numbers.	The airport secured new scheduled routes during both years including Jetstar services to Sydney and Gold Coast in 2025 and Sun Air to Whangarei in 2024.	☒ Achieved	☒ Achieved

Non-Financial Performance Target	Comments	Outcome	
		2025	2024
Identify and activate new development opportunities within the general aviation sector.	The airport continued to pursue opportunities to tenant the former flight school training centre including development of an aero-medical hub during 2025.	 Achieved	 Achieved
Position and protect the airport as an efficient, cost effective international port.	The airport continues to position itself to be an international airport by holding relevant Security, Customs and Biosecurity approvals to receive international flights. The airport maintains itself an efficient and cost-effective port through optimising and enabling infrastructure for multiuse scenarios, such as a single airport terminal that can be used for domestic and international operations.	 Achieved	 Achieved
Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.	The airport entered into agreements and joint investment around future three waters and roading infrastructure in 2024 and is working with central government to position the airport as an upper North Island diversion/alternate airport by seeking its support for protection of the Runway extension designation.	 Achieved	 Achieved
Complete construction of airport infrastructure to support property development and optimisation.	This metric was not set for the 2025 Statement of Intent as the development has been deferred until at least 2027.	N/A	 Not achieved
Develop a MOU with local iwi organisations that provides for a collaborative relationship to future developments that will embrace Te Ao Māori principles and celebrating the rich cultural history of our rohe.	This metric was not set for the 2025 Statement of Intent.	N/A	 Not achieved
Reduce Group electricity purchases by at least 20% on prior year levels (measured in kWh used) upon commissioning of the first stage of the solar farm development.	Due to a delay in commissioning the farm, this metric was not met in 2024 however the Airport achieved a 23% reduction on 2024 levels during 2025.	 Achieved	 Not achieved
Achieve accreditation to the Airport Council International's Airport Carbon Accreditation programme.	The Airport achieved Level 4 accreditation in 2024 (target: level 3). Level 4 was maintained during 2025 but the goal of advancing an application for Level 4+ was not met due to international air service resumption	 Not achieved	 Achieved

Non-Financial Performance Target	Comments	Outcome	
		2025	2024
	workstreams being prioritised.		
Reduce landfill waste through reduced usage of non-recyclable single-use materials and improved sustainable material usage in construction.	Airport food and beverage retail moved to using biodegradable and recyclable single use packaging, and construction contractors were engaged with commitments to recycle and re-use construction materials.	 Achieved	 Achieved
Complete detailed design for Stage One of the Northern Precinct Development	Design of Precinct North Stage One was consented by local authorities and construction had commenced by 2025 year end. Metric was not set for 2024.	 Achieved	N/A
Complete ecological management plan and commence development of ecological habitat compensation site.	Approval of the ecological management plan was granted by local authorities and development of the ecological compensation site had commenced by 2025 year end. Metric was not set for 2024.	 Achieved	N/A

2024/25 Financial Performance Target	2025			2024		
	Actual \$'000	Target \$'000	Met	Actual \$'000	Target \$'000	Met
Earnings performance targets						
Net surplus/(deficit) before tax <i>no less than</i>	4,057	2,000	✓	2,382	1,000	✓
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales <i>of at least</i>	5,955	4,800	✓	5,843	6,000	✗
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales <i>of at least</i>	10,541	8,500	✓	8,702	7,500	✓
Percentage of non-landing charges to total operating revenue <i>of at least</i>	65%	60%	✓	67%	60%	✓
Land Sales <i>of at least</i>	5,710	4,000	✓	3,623	3,000	✓
Interest coverage ratio <i>of at least</i>	n/a	n/a	n/a	3.9	3.0	✓
Free cash flow	482	1,400	✗	n/a	n/a	n/a
Cash flow and funding performance targets						
Net operating cash flow excl Land sales <i>of at least</i>	3,736	4,000	✗	1,499	6,000	✗
Net debt a <i>maximum of</i>	31,450	39,000	✓	22,790	35,000	✓
Shareholder value performance targets						
Shareholder funds to total assets <i>of at least</i>	81%	75%	✓	84%	75%	✓

Co-Lab

Co-Lab is a CCO solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Taupō District, Thames-Coromandel District, Waikato District, Waipā District and Waitomo District. Matamata-Piako's shareholding is 8.33%.

Council has one voting right out of the 12 Local Authorities. The Directors do not receive any fees or expenses for the work undertaken on behalf of Co-Lab.

Objectives:

The company was set up to provide Bay of Plenty Region councils with an umbrella vehicle to investigate, procure, develop and deliver shared services. Such services will be initiated under the umbrella of this company where a business case shows that they provide benefit to the (voluntary) council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

Co-Lab Performance Reporting⁴⁹

Priority	Performance measure	Target	Result 2025	Result 2024
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of \$300k+		Unable to currently measure
	Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils		☐ Not achieved
Develop opportunities and deliver projects within agreed budgets and timelines	Opportunities / projects are developed / delivered within agreed timelines	80%		☐ Not achieved
	Opportunities / projects are developed / delivered, within approved budget	90%		☐ Not achieved
	Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has The Board pre-approval			☒ Achieved
Ensure projects realise their expected benefits	Measurable benefits are actively monitored and reported against	Six-monthly		Partially achieved
	Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months		Unable to currently measure
		90% of projected quantifiable benefits are realised		Unable to currently measure
Ensure existing services are meeting the needs of councils	The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey).	80% of councils		☒ Achieved
Foster and promote cross-council collaboration and networking to share ideas	Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum		☐ Not achieved

⁴⁹ For the full Annual Report, go to

on improving efficiencies and best practice				
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Hauraki Rail Trail Charitable Trust

The Hauraki Rail Trail Charitable Trust is a Council Controlled Organisation, created by Hauraki, Thames-Coromandel and Matamata-Piako District Councils, who each can appoint three trustees. Iwi in the three Districts can also appoint three trustees to the Trust. In 2017 Trust was exempted from reporting requirements under the Local Government Act 2002 and was reconfirmed in September 2023. The exemption is reviewed every three years.

The Trust's purpose is generally to operate and facilitate the use and enjoyment of the Hauraki Rail Trail. The defined purposes of the Trust include the specific objectives of expanding the Hauraki Rail Trail where possible and maintaining the Hauraki Rail Trail to appropriate standards. The trust will oversee the operation and maintenance of the Hauraki Rail Trail by a commercial operator.

DRAFT

Te Panui o Te Tautukunga Statement of Compliance and Responsibility

Compliance

Council and management of Matamata-Piako District Council confirm that all statutory requirements in relation to this Annual Report have been met including those outlined in the Local Government Act 2002, and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Responsibility

The Council and management of Matamata-Piako District Council accept:

Responsibility for the preparation and completion of the Annual Report and the related assumptions, estimates and judgements. The Council and management adopted the Annual Report as presented here on 8 October 2025.

Responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and performance reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the Annual Report for the year ended 30 June 2025 fairly reflect the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.

Adrienne Wilcock, Mayor

Manaia Te Wiata, Chief Executive Officer

8 October 2025

8 October 2025

Mihi I Acknowledgment

Draft

Kia whakatōmuri te haere whakamua - Go forth into the future with our past laid out before us.

This whakatauki - proverb is a reminder that resilience is strengthened by carrying forward the wisdom of our past into the challenges of our future. In shaping the Climate Resilience Strategy, the pathways forward can be guided by the knowledge, values, and practices handed down through our tūpuna - ancestors. Their wairua or presence remains in our whakapapa, in our whenua, in our waters, and in the spirit of collective care.

By grounding our response to the changing climate in this perspective, we honour the interconnectedness of past, present, and future. We acknowledge that our actions today are not separate from those who came before, nor from those who will come after. This strategy therefore rests on a foundation of whakapapa and tikanga, ensuring that resilience is not only about surviving change, but about carrying forward the strength and wisdom of generations.