te kaunihera ā-rohe o matamata-piako district council

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 28 Oct 2026 at 9:00.

TAKE | ITEM NGĀ IHINGA | TABLE OF CONTENTS **WHĀRANGI | PAGE**

7.3 Adoption of the Waste Management and Minimisation Plan 2027 - 2033

Attachment A Item 7.3 - Waste Management and Minimisation Plan 2027 for Council adoption 28 Oct 2026 2

7.4 Risk and Assurance Committee Report of 23 October 2026

Attachment A Additional Attachment - Item 7.4 - MPDC - RAC - 231026 - Chair Hui Summary - 28 October 2026.....31

7.5 Adoption of Annual Report and Summary 2025/26

Attachment A Additional Attachment - Item 7.5 - Annual Report and Summary Combined Documents - 28 October 2026.....33

Attachment B Item 7.5 - Final Annual Report Summary 2025-26 for adoption - 28 October 2026.....253

Attachment C Item 7.5 - Final Annual Report 2025/26 for adoption - 28 October 2026287

7.7 Multi-Year Community Grant Applications - Long Term Plan 2027-37

Attachment A FINAL-Schedule of Decisions - Multi-Year Community Grants (Council Minutes).....417

7.10 Submission on Waikato Waters Ltd Proposed Significance and Engagement Policy 2026

Attachment A Item 7.10 - Draft Waikato Waters Ltd (WWL) proposed Significance and Engagement Policy 2026 - Council Submission - 28 October 2026 419

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.*


RAUTAKI WHAKAHAERE WHAKAITI HOKI I TE PARANGA
WASTE MANAGEMENT & MINIMISATION PLAN
TE WHAKAHEKE I NGĀ PARANGA, TE WHAKAMAHERE MŌ ĀPŌPŌ 2027-2033 | REDUCING WASTE AND PLANNING FOR THE FUTURE 2027 -2033
KA WHAKAKAHA TE HĀPORI KIA WHAKAHEKE AI I NGĀ PARANGA, KIA PAI AI TE WHAKAMAHI I NGĀ RAUEMI, KIA WAIHANGATIA AI I NGĀ HUA PAI MŌ NGĀ TĀNGATA, NGĀ WĀHI HOKI
ENABLING OUR COMMUNITY TO REDUCE WASTE, USE RESOURCES WISELY AND CREATE POSITIVE OUTCOMES FOR PEOPLE AND PLACE
Te kaunihera ā-rohe o
matamata-piako
district council

Contents

HE KUPU WHAKATAKI | INTRODUCTION **4**
Ka pēwhea te nui o ā tātou paranga? | How much waste do we have? 5
TE WHAKAKITENGA | VISION 6
Goals and objectives: What we want to achieve 6
MŌ TE AHA TE RAUTAKI? | WHY DO WE NEED A PLAN? 7
He aha ōna pūtaketanga? | What informs the plan? 7
Te raupapa paranga | The waste hierarchy 8
Te raupapa paranga, te rautaki rauemi, me te rautaki paranga o Aotearoa | The New Zealand waste strategy and waste hierarchy 9
HE AHA TE PARANGA, Ā, HE AHA TŌNA RARURARU? | WHAT IS WASTE AND WHY IS IT A PROBLEM? 9
Ngā tūāhuatanga puta noa i te motu | The New Zealand situation 10
TŌ TĀTOU ROHE | OUR DISTRICT **11**
Ka pēwhea te nui o te paranga, nō whea hoki ia? | How much waste is there and where does it come from? 11
Ka ahatia ā tātou paranga? | What happens with our waste? 12
He pai ā tātou mahi? | How well are we doing? 13
Me pēwhea e pai ake ai? | How much better could we do? 13
Me pēwhea te haukoti? | What could be diverted? 13
Ngā take matua | Key Issues 14
Ngā pānga o āpōpō | Future Demand 15
Te hangahanga o tā tātou rautaki | The structure of our plan 15
WAHANGA A: TE RAUTAKI, TE WHAKITENGA MŌ ĀPŌPŌ | PART A: THE STRATEGY OUR VISION FOR THE FUTURE 16
Enabling our community to reduce waste, use resources wisely and create positive outcomes for people and place 16
WAHANGA B: TE MAHERE RAUTAKI: HE AHA HEI MAHI MĀ TĀTOU? | PART B: ACTION PLAN: WHAT ARE WE GOING TO DO? 17
Ngā Whāinga | Targets 17
Te tirohanga Whānui o te Mahere Rautaki | Action Plan Overview 17
Ko ā tātou mahinga matua rāpea | Our proposed key action areas 17
Hei whakaaro mā tātou | Considerations 18
Te tūranga a Te Kaunihera | Council's intended role 18
TE MAHERE RAUTAKI | ACTION PLAN 19
Ngā Waeture | Regulation 19
Te Mātaitanga me te Inenga | Measuring and Monitoring 20
Tūhononga me te Whakaakoranga | Education and Engagement 21
Ngā Ratonga Paranga | Waste Services 22
Te Hanganga o te Paranga | Waste Infrastructure 23
Te Hautūtanga | Leadership 24
TE PŪTEA MŌ TE RAUTAKI | FUNDING THE PLAN 25
Te pūtea mō ngā mahinga ki te takiwā | Funding local actions 25
Te pūtea o te utu i Ngā Paranga a Ngā Mana ā-Rohe | Territorial Authorities Waste levy funding 26
Te pūtea mō ngā mahinga ā- pakihi, ā-hapori hoki | Funding business and community actions 26
TE AROTURUKI, TE AROTAKE ME NGĀ PŪRONGO O TE NGĀ AHUNGA WHAKAMUA | MONITORING EVALUATING AND REPORTING PROGRESS 26
PAPAKUPU | GLOSSARY 27



He Kupu Whakataki | Introduction

As Council we are required to develop and adopt a Waste Management and Minimisation Plan (WMMP) under s44 of the Waste Minimisation Act 2008 (WMA 2008). Our last WMMP was adopted in 2021.

This updated plan has been developed for the Matamata-Piako District to meet our statutory responsibilities and respond to our communities' needs. It supports practical waste management and minimisation services that are fit for the future, while aligning with national legislation, the New Zealand waste and resource efficiency strategy and the national waste hierarchy.

Waste issues, infrastructure needs and service opportunities often extend beyond district boundaries. We will continue to work with neighbouring councils, Waikato regional partners, central government, the commercial waste sector, Iwi and community organisations where a coordinated approach can improve outcomes, reduce duplication, support better data, or provide more practical and cost-effective waste management options for our communities.

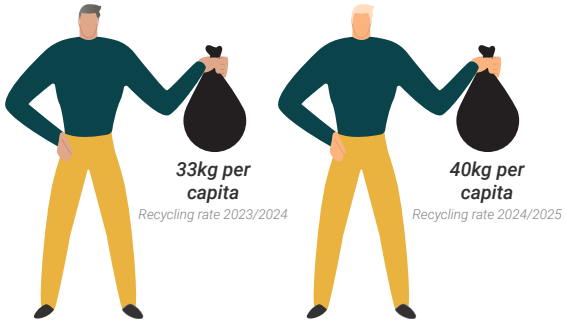
It is based on a collaborative model where Council, businesses, Iwi, community groups and households can all work together to build new waste minimisation services and grow local economic development, ultimately building community resilience at the same time.

We will ensure everyone has access to recycling, resource recovery and waste management services, that businesses and individuals understand that reducing and minimising waste is their responsibility, and that valuable resources are reused or recycled and don't go to landfill.



Ka pēwhea te nui o ā tātou paranga?
How much waste do we have?

Unlike the majority of New Zealand, our council's volume of waste to landfill has not increased dramatically over the past 10 years. While the volume of waste to landfill remains steady, our recycling rate has increased but still remains comparatively low.



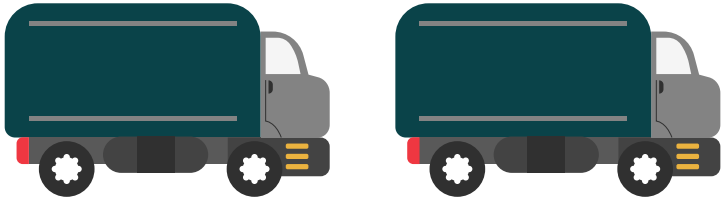
33kg per capita
Recycling rate 2023/2024

40kg per capita
Recycling rate 2024/2025

We do not have data on waste that is burned or buried so the actual volume of waste being disposed of within our District is unknown.

Central government has set national direction through the WMA 2008, the New Zealand waste and resource efficiency strategy, product stewardship requirements, waste disposal levy settings and national waste data expectations. These settings reinforce the need for councils to reduce waste sent to landfill where practical, improve data and reporting, support resource recovery, and manage disposal responsibly.

We propose to do this by progressively converting our Refuse Transfer Stations into Community Resource Recovery Centres (CRRC) to provide for greater separation of waste streams, and provide for collaborative enterprises that allow for community and business input.



11,167 tonnes to landfill

13,856 tonnes to landfill

The management of our CRRC's will remain in-house. This means there is a responsibility for our Council to consider all waste in our district, although we may not have direct involvement in the management of it all. This will include suggesting areas where other groups, such as businesses or households, could take action themselves, or where councils, Iwi, businesses and the community can work together collaboratively to enhance local economic development and build community resilience.

Council's rates-funded kerbside rubbish, recycling, glass and food scraps services commenced in September 2023. We will continue to monitor and optimise these services, alongside refuse transfer station operations and private sector activity, to ensure they support practical waste reduction, reliable service delivery and compliance with national direction.

All of these changes will require a change in behaviour, a key consideration in the development of this plan. The actions in this plan will be carried forward into our long term and annual plans to ensure we have the resources to deliver the WMMP's goals and objectives. Our WMMP needs to be reviewed at least every six years with new goals set and this proposed WMMP will cover the period 2027-2033.

TE WHAKAKITENGA | VISION

Ka whakakaha te hāpori kia whakaheke ai i ngā paranga, kia pai ai te whakamahi i ngā rauemi, kia waihangatia ai i ngā hua pai mō ngā tāngata, ngā wāhi hoki.
Enabling our community to reduce waste, use resources wisely and create positive outcomes for people and place.

Ngā Whāinga - e whakaahu ana tātou ki whea | Goals and objectives: What we want to achieve

G1 Use resources well

A community that considers and, where appropriate, implements new initiatives and innovative ways to assist in reducing, reusing and recycling waste, minimising waste sent to landfill.

- Provide sustainable waste minimisation services that are cost-effective to the community.
- View waste as a resource, improving and modifying collections and facilities so that more materials and products can be diverted from landfill.
- Prioritise waste reduction, reuse and recovery initiatives that align with other council objectives.
- Remove or reduce barriers that are preventing the community making best use of existing services and any potential new services.
- Investigate and implement new services, facilities, or other initiatives that will increase the amount of waste reduced, reused, or recycled.
- Investigate the feasibility of developing community resource recovery centres for bulky goods, e-waste, rural waste and other waste streams to 'future-proof' our Refuse Transfer Stations.
- Process and manage waste locally, or within the district wherever feasible and cost-effective.



G2 Protect people and place

Minimise environmental harm and protect public health.

- Ensure the reduction of environmental harm is understood from a holistic perspective that incorporates tikanga and mātauranga Māori (indigenous knowledge) as an important component of sustainable practices.
- Consider the environmental impact and public health implications of all waste management options and choose those that are cost-effective to the community, while also protecting environmental and public health.



Mō te aha te rautaki?
Why do we need a plan?

Council has a statutory requirement under the WMA 2008 to promote effective and efficient waste management and minimisation within our district, we do this by adopting a WMMP. We also have obligations under the Health Act 1956 to ensure that our waste management systems protect public health.

Our WMMP sets the priorities and strategic framework for managing waste in the district. The WMMP should align to the New Zealand waste and resource efficiency strategy, the waste hierarchy, Council's Long Term Plan and Annual Plans, and it should also support or align with other relevant strategies and plans including any other central government directions on the issue of waste management.

He aha ōna pūtaketanga?
What informs the plan?

The plan must meet requirements set out in the Waste Minimisation Act, including:

- Considering the 'Waste Hierarchy', which sets priorities for how we should manage waste
- Ensuring that waste does not create a 'nuisance'
- 'Having regard to' the New Zealand waste and resource efficiency strategy and other key government policies, including the recently released guidelines by central government that signal changes to the way we will need to manage waste.
- Considering the outcomes of the 'Waste Assessment'
- Following the Special Consultative Procedure set out in the Local Government Act (2002).

Te raupapa paranga
The waste hierarchy

The 'waste hierarchy' is a common approach to ways we can think about waste. It is a framework used to rank waste management options from the most environmentally preferable to the least preferable. Efforts to eliminate or reduce waste are at the top of the hierarchy and disposal is at the bottom.





Te raupapa paranga, te rautaki rauemi, me te rautaki paranga o Aotearoa

The New Zealand waste and resource efficiency strategy and waste hierarchy

Our vision aligns with the New Zealand waste and resource efficiency strategy and the waste hierarchy. It recognises that the most effective way to manage waste is to reduce the resources we use and design waste out where possible, keep products and materials in use for longer, process materials into new products where practical, recover value where possible, including through emerging recovery technologies where appropriate, and use treatment and disposal only as the least favoured option.

This approach supports practical decision-making for our district. It encourages Council, Iwi, businesses, community groups and households to keep resources in use for longer, recover value from materials where possible, and reduce the amount of waste sent to landfill.

Tangata whenua principles such as kaitiakitanga continue to be important to how we think about waste and resources. These principles sit alongside the national direction by encouraging care for land, air and water, responsible resource use, and long-term protection of people and place.

He aha te paranga, ā, he aha tōna raruraru?
What is waste and why is it a problem?

The national direction encourages councils and communities to reduce the amount of waste generated, keep products and materials in use where practical, recover value from materials where viable, and send material to landfill only where better options are not practical or available.

Most of the things we do, buy, and consume generate some form of waste. Managing this waste properly comes at a cost and represents a loss of potentially valuable resources. Importantly, if we do not manage the waste properly, it can cause significant impacts on the environment, people's health and communities. Our WMMP covers all solid waste and diverted material in the district whether council manages it or not.

This does not necessarily mean that the Council is going to have direct involvement in the management of all waste, but there is a responsibility for us to at least consider all waste in our district, and to suggest areas where other groups, such as businesses or households, could take action themselves.





Ngā tūāhuatanga puta noa i te motu
The New Zealand situation

Prior to 2018, most of our recyclables materials were sent to China. Restrictions introduced by the Chinese Government in 2019 reduced the types and quantities of recycled materials accepted by China. The effect has been that we need to find new markets and uses for recyclable materials, particularly onshore. Awareness amongst the public about a number of waste issues, notably plastic bags and single-use plastics, has increased dramatically and led to petitions calling on government to ban single-use packaging and other similar items.

There has been increased investment into onshore facilities so that we can process (recycle) more materials onshore. However, the quality of materials collected for recycling has a big effect on the costs and feasibility of recycling; contaminated and mixed material types are more costly to sort and reprocess (for example food waste mixed with plastic packaging). There is therefore a need to continue to improve the quality of recyclable materials so that this investment in infrastructure does not go to waste.

We also need to consider adopting procurement policies that encourage and support the use of recycled products. Buying recycled is not just about reducing the amount of waste that goes into landfill, but also reducing the amount of 'virgin' materials that are extracted for manufacturing. The reuse of materials that we already have available through recycling, rather than throwing items away after a short time and extracting more raw materials, is far more preferable in terms of environmental impact and long-term economic resilience.

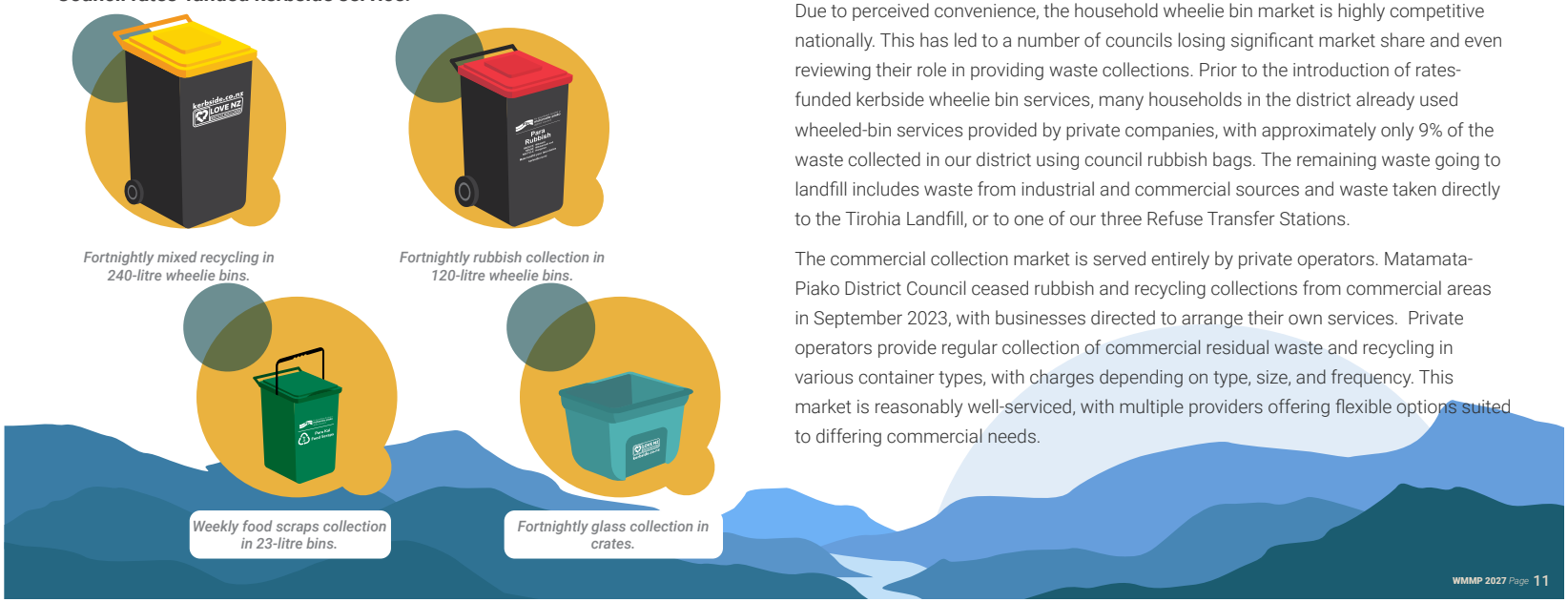
Tō tātou Rohe | Our district

Ka pēwhea te nui o te paranga, nō whea hoki ia?
How much waste is there and where does it come from?

Based on population-adjusted 2025 data, Matamata Piako District sends an estimated 13,856 tonnes per annum of waste to Class 1 landfill. This waste comes from household kerbside waste collections, industrial or commercial activities, and includes commercial, residential and rural residents taking loads to our three transfer stations and, waste taken directly to landfill by private operators. It also includes the tonnage taken out of the district for disposal.

In September 2023, MPDC transitioned from a user-pays bag-based rubbish system to a comprehensive rates-funded kerbside service, an element of which included the introduction of food scraps collections. In September 2023, our council ceased commercial collections. Currently those living and working in the Matamata Piako District have access to a range of options to manage their waste including:

Council rates-funded kerbside service:



Private company wheelie bin services

Green waste drop-off at Refuse Transfer Stations

Refuse Transfer Stations accept:

- general refuse
- paper and cardboard, plastics 1, 2, and 5, steel and aluminium tins and cans
- green waste
- scrap steel, tyres, whiteware
- household hazardous waste

To view the complete list of items accepted at the Refuse Transfer Station, please visit: **www.mpdc.govt.nz/rubbish-and-recycling/transfer-stations**

Due to perceived convenience, the household wheelie bin market is highly competitive nationally. This has led to a number of councils losing significant market share and even reviewing their role in providing waste collections. Prior to the introduction of rates-funded kerbside wheelie bin services, many households in the district already used wheeled-bin services provided by private companies, with approximately only 9% of the waste collected in our district using council rubbish bags. The remaining waste going to landfill includes waste from industrial and commercial sources and waste taken directly to the Tirohia Landfill, or to one of our three Refuse Transfer Stations.

The commercial collection market is served entirely by private operators. Matamata-Piako District Council ceased rubbish and recycling collections from commercial areas in September 2023, with businesses directed to arrange their own services. Private operators provide regular collection of commercial residual waste and recycling in various container types, with charges depending on type, size, and frequency. This market is reasonably well-serviced, with multiple providers offering flexible options suited to differing commercial needs.

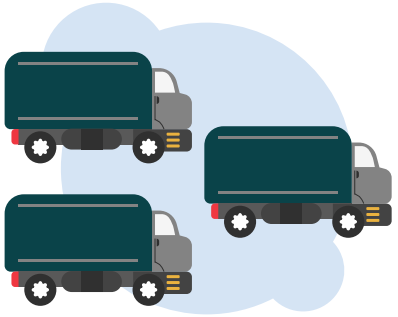
Ka ahatia ā tātou paranga?
What happens with our waste?

Council-collected waste passes through one of our three Refuse Transfer Stations (RTS) in Te Aroha, Morrinsville and Matamata, where waste can also be taken directly by residents and business. Some waste travels directly from source to Tirohia landfill. Commercial operators (waste companies) provide household and commercial collections that account for the rest of the district's waste.

Recycling collected at the kerbside and at our RTS's is managed by our contractor who sort and bale materials that are then on-sold.

A 2025 audit of Council wheelie bins estimates 19.1 tonnes of organic waste (kitchen and green waste) are put out for collection in rubbish wheelie bins each week, or over 990 tonnes per annum, contributing nearly half (46.6%) of the total kerbside rubbish. Sanitary paper was the second most common component at 12.5% (5.1 tonnes per week), followed closely by plastics at 12.3% (5.1 tonnes per week).

While the council now provides a rates-funded kerbside collection to residential properties, some households continue to use a private wheelie bin company. Council data on the qualities of waste collected does not account for the market share split between private and Council waste to landfill, so it is not possible to gain a clear picture of overall waste volumes and trends. Therefore, rather than incorporating updated Council figures in isolation, a blanket population growth rate has been applied to the total waste to landfill figure from the 2020 SWAP to provide a projected estimate of current volumes.



All waste to landfill from Refuse Transfer Stations, kerbside and commercial collections = 13,856 tonnes per annum

Organic waste (food and garden) = 5,002 tonnes per annum

The top three waste streams that could be diverted from the overall waste disposed of at Class 1 landfill are:



1. *Food waste: 44.5 tonnes per week*



2. *Compostable green waste: 37.6 tonnes per week*



3. *Recyclable paper: 9.5 tonnes per week*

Overall, we could divert close to 50% of our waste from landfill every year and recycle or compost this instead. This is important, particularly as Tirohia Landfill will have closed by 2038. The closest landfill will then be 75kms away and any waste created will need to be transported out of the district for disposal.

He pai ā tātou mahi?
How well are we doing?

While we have completed a number of the actions from the last WMMP, it is difficult to measure what impact this has had on our performance due to changes in the way we collect and store information.

To determine how well we are doing in terms of waste minimisation it is useful to compare ourselves with other parts of New Zealand.

- When we consider all waste sent to landfill, the waste per capita is 350kg, which is down from 419kg when surveyed in 2010.
- When it comes to kerbside household recycling, we recycle about 40kg per capita per year, which has increased from 33kg per capita in 2023/24. This is still on the lower side when compared to other councils.
- When we look at how much waste from households we send to landfill from our kerbside collections, we generate about 93kg per person, per year. This has reduced from 183kg per person and is also lower than many other councils. However, it is important to note that this figure only accounts for households that utilise the Council kerbside collection service (59% of the district's population), so does not include a significant proportion of households that still use private wheelie bin services, properties that may be generating much higher quantities of waste per person.

Me pēwhea e pai ake ai?
How much better could we do?

Surveys of the rubbish picked up at the kerbside, and the rubbish sent to landfill, show that there is a large percentage that does not need to go to landfill and could instead be recycled, composted or be recovered in some other way such as reused.

ME PĒWHEA TE HAUKOTI?
WHAT COULD BE DIVERTED?

Recoverable materials in all waste to Class 1 landfills - Projected 2025 quantities	Overall waste (includes kerbside rubbish)	
	% of total	Tonnes per week
Paper - Recyclable	3.6%	9.5 T/week
Paper - Cardboard	2.8%	7.3 T/week
Plastic - Recyclable	1.3%	3.5 T/week
Ferrous metals	3.0%	7.8 T/week
Non-ferrous metals	0.8%	2.2 T/week
Glass - Recyclable	2.9%	7.7 T/week
Textiles - Clothing	1.8%	4.9 T/week
Rubble - Cleanfill	2.0%	5.2 T/week
Timber - Reusable	0.6%	1.7 T/week
Subtotal	**18.8%**	**49.9 T/week**
Compostable materials		
Kitchen waste	16.7%	44.5 T/week
Compostable greenwaste	14.2%	37.6 T/week
New plasterboard	1.4%	3.6 T/week
Untreated/unpainted timber	2.1%	5.6 T/week
Subtotal	**34.3%**	91.2 T/week
TOTAL - POTENTIALLY DIVERTABLE	**53.1%**	**141.2 T/week**

Recoverable materials in Council kerbside rubbish bins November 2025	Overall waste (includes kerbside rubbish)	
	% of total	Tonnes per week
Paper - Recyclable	4.2%	0.34 T/bin
Plastics - #1,2,5 containers	2.1%	0.17 T/bin
Ferrous metals – steel cans	1.3%	0.03 T/bin
Non-ferrous metals – aluminium cans	0.4%	0.03 T/bin
Glass – bottles/jars	2.3%	0.19 T/bin
Subtotal	**9.4%**	**0.77 T/bin**
Compostable materials		
Organics – food waste	31.7%	2.61 T/bin
Organics – garden waste	8.1%	0.67 T/bin
Subtotal	**39.8%**	3.28 T/bin
TOTAL - POTENTIALLY DIVERTABLE	**49.1%**	**4.04 T/bin**



Ngā take matua
Key issues

The 2026 Waste Assessment looked across all aspects of waste management in the Matamata Piako District and identified the main areas where we could improve our effectiveness and efficiencies.

- A significant proportion of waste going to landfill is organic waste, with food waste present across all kerbside rubbish collection systems.
- We now provides a wheelie bin service for rubbish and mixed recycling kerbside collection. While this is being utilised by a significant proportion of the population (59% of households) many households continue to use private wheelie bin services.
- There is a lack of facilities to recycle or otherwise divert a range of materials other than household recyclables, green waste, scrap metal and waste for disposal.
- Licensing provisions in the Council's Solid Waste Management and Minimisation Bylaw 2024 are not yet implemented, so there is little data available on private operator activities and non-council waste streams in general.
- While there are services to manage household hazardous waste, there are no other services.
- Community engagement, understanding and awareness of waste issues could be improved.
- More recyclables could be diverted from both domestic and commercial properties.
- There is scope to increase landfill diversion of a broader range of materials from industrial and commercial. Paper and cardboard is the main material type currently diverted.

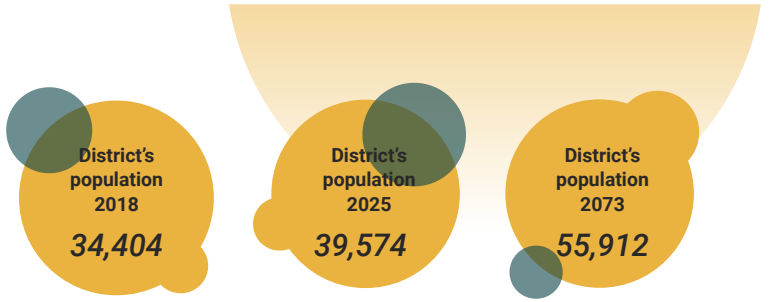
Ngā pānga o āpōpō
Future demand

A wide range of complex factors will impact future demand for waste services. Factors include:

- Economic growth or decline
- Population growth or decline
- Construction and demolition activity
- Changes in lifestyles and consumption. e.g. an increased use of electronics
- Demographic changes such as an aging population, e.g. more home-based medical assistance and wastes that require specialised recovery
- Changes in collection services and/or change in recovery of waste streams including rural wastes.
- The growing shift towards Product Stewardship, where producers take responsibility for their own waste.

Population growth in the district has been steady over the past 15 years. In 2018, it was 34,404 and has now surpassed 39,500 in 2025. It is expected to continue growing, projected to reach close to 56,000 by 2073 (41.3% growth).

The population aged 0-64 years is expected to ease slightly while the population aged 65 years and over will grow strongly. The number of households is projected to grow steadily from 14,631 in 2025 to 19,391 in 2072. This suggests no dramatic shifts are expected over this period of time.



Assuming quantities of waste increase in line with expected population growth, the total quantity of waste to landfill in the district is expected to be over 14,700 tonnes in 2035. This is likely to be a conservative estimate particularly given growth rates over recent years have exceeded previous projections.

Te hangahanga o tā tātou rautaki
The structure of our plan

This plan is in three parts:

Part A - Strategy: contains core elements vision, goals, objectives, and targets. It sets out what we are aiming to achieve and the broad framework for working towards the vision.

Part B - Action plan: sets out the proposed actions to be taken to achieve the goals, objectives, and targets set out in Part A. Part B also shows how we will monitor and report on our actions and how they will be funded.

Part C - Supporting information: contains the background information that has informed the development of our WMMP. Most of this information is contained in the Waste Assessment.



WAHANGA A: Te Rautaki, te whakitenga mō āpōpō | PART A: THE STRATEGY - Our Vision for the Future

Enabling our community to reduce waste, use resources wisely and create positive outcomes for people and place



Our vision reflects the intended direction for the district in putting maximum effort into diversion and using landfill disposal as a last resort.

It is guided by the New Zealand waste and resource efficiency strategy and the waste hierarchy, with a focus on reducing waste, keeping resources in use for as long as possible, and using landfill disposal only where better options are not practical or available.

In practice, this means making decisions that help products and materials last longer, support repair and reuse where practical, improve recycling and recovery options, and reduce reliance on landfill disposal.

G1

Kia pai ake te whakamahi i ngā rauemi | Use Resources Well:

A community that considers, and where appropriate implements, new initiatives and innovative ways to assist in reducing, reusing and recycling waste, minimising waste sent to landfill.

- Provide sustainable services that are cost-effective to the community as a whole.
- View waste as a resource, improving and modifying collections and facilities so that more materials and products are diverted from landfill.
- Prioritise waste reduction, reuse, recovery and recycling initiatives that align with other council objectives.
- Promote, encourage, and emphasise reduction, reuse and recycling.
- Remove or reduce barriers that are preventing the community of make best use of existing services and any potential new services.
- Process and manage waste locally, or within the district wherever feasible and cost-effective.
- Investigate and implement new services, facilities, or other initiatives that will increase the amount of waste reduced, reused, or recycled.
- Investigate the feasibility of developing community resource recovery centres for bulky goods, e-waste, rural waste and other waste streams to ‘future-proof’ our Refuse Transfer Stations.
- Use the national waste hierarchy to guide decisions about waste reduction, reuse, recycling, recovery and disposal
- Support the investigation of emerging technologies, processing methods and regional solutions that can reduce waste to landfill and recover value from residual waste, where they align with the waste hierarchy, environmental outcomes and community priorities..

G2

Tiaki i ngā tāngata me ngā wāhi | Protect People and Place: Protect and enhance our place while supporting healthy communities.

• Ensure the reduction of environmental harm is understood from a holistic perspective that incorporates tikanga and mātauranga Māori (indigenous knowledge) as an important component of sustainable practices.

• Consider the environmental impact and public health implications of all waste management options and choose those that are cost-effective to the community, while also protecting environmental and public health.

WAHANGA B: Te Mahere Rautaki: He aha hei mahi mā tātou?

PART B: ACTION PLAN: What are we going to do?

Ngā Whāinga
Targets

1	Reduce the amount of kerbside household waste disposed to landfill.	Reduction of 1% each year, measured against the previous year's average. This recognises ongoing residential growth and development across the district while still focusing on waste reduction at a household level.
2	Enhance the recovery of organic materials (such as food waste) from kerbside waste streams by establishing cost-efficient collection and processing services that divert organic waste from landfills.	Aim to increase the amount of organic materials diverted from landfill by 30% above the baseline of 400 tonnes annually by 2033, with annual progress assessments.

Te tirohanga Whānui o te Mahere Rautaki
Action plan overview

The action plan aims to set out clear, practical initiatives for Matamata Piako District Council to implement, either on our own or jointly. While the action plan forms part of the WMMP, it is intended to be a 'living' document that can be regularly updated to reflect current plans and progress.

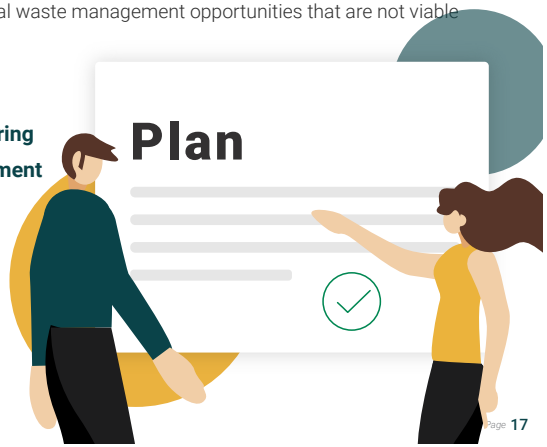
Leadership actions focus on advocacy, regional collaboration, funding support and partnerships. This recognises that coordinated work with neighbouring councils, central government, the commercial waste sector, Iwi, community organisations and regional groups will be needed to improve waste data, plan infrastructure, respond to national policy direction, and support practical local outcomes.

Ko ā tātou mahinga matua rāpea
Our proposed key action areas

Our action plan includes practical activities that will enable us to achieve our vision for reducing waste, using resources wisely and managing disposal responsibly. Regional collaboration is woven through the action plan because some waste streams, infrastructure needs, data gaps and policy settings cannot be addressed effectively by our council alone.

Regional collaboration may also assist in evaluating future waste processing, resource recovery and residual waste management opportunities that are not viable at a district scale.

1. **Regulation**
2. **Measuring and monitoring**
3. **Education and engagement**
4. **Waste services**
5. **Waste infrastructure**
6. **Leadership**



Action Area	Key Actions	Issues addressed and what it will do
Ngā Waeture | Regulation	Increase data visibility across the waste industry, including construction and demolition, and event-related waste. Take action against illegal dumping and littering.	Addressing poor understanding of waste streams; better access to data enables better management of waste. Reducing the amount of waste being dumped and entering the environment.
Te Mātaitanga me te Inenga | Measuring and monitoring	Undertake regular waste composition audits and reviews of waste flows. Continued monitoring of both council and non-council waste flows.	Addressing poor understanding of waste streams; better access to data enables better management of waste.
Tūhononga me te Whakaakoranga | Education and engagement	Provide community-wide education and awareness raising. Monitor areas not performing well. Develop behaviour change interventions.	Increasing wider understanding of waste issues and opportunities.
Ngā Ratonga Paranga | Waste service	Provide and optimise household collection and recycling services. Collaborate with commercial waste sector to facilitate improvements.	Addressing large amounts of divertable waste not yet being diverted from landfill.
Te Hanganga o te Paranga | Waste infrastructure	Update waste infrastructure via maintenance or construction as appropriate. Develop infrastructure such as resource recovery and organic waste processing facilities. Develop region-wide relationships.	Addressing large amounts of divertable waste not yet being diverted from landfill.
Te Hautūtanga | Leadership	Continue to provide funding for waste minimisation projects. Collaborate and advocate across stakeholders for infrastructure and policy.	Supporting local innovation in priority waste streams. Improving waste diversion.

Hei whakaaro mā tātou
Considerations

The action plan outlines high-level intentions for actions to meet our obligations under the WMA 2008. In some cases, further research might be required to work out the costs and feasibility of some projects. This might change how, when, or if they are implemented.

Completing some other actions might depend on changing contractual arrangements with providers, or setting up new contracts. These type of contracts can be unpredictable, and this might impact the nature, timing, or costs of these projects.

Te tūranga a Te Kaunihera
Council's intended role

We intend to oversee, facilitate and manage a range of programmes and interventions to achieve effective and efficient waste management and minimisation within the district. We will do this through our internal structures responsible for waste management. We are responsible for a range of contracts, facilities and programmes to provide waste management and minimisation services to the residents and ratepayers of Matamata Piako District.

TE MAHERE RAUTAKI | ACTION PLAN



Ngā Waeture | Regulation

Reference	Action	Issues addressed	Impact on current / future demand	Council's role
R1	Implement the provisions in the Solid Waste Management and Minimisation Bylaw 2024 in full - as part of this, introduce operator licensing and licensing fees. Act on conditions requiring that operators provide ongoing reporting on quantities and types of waste	Large quantities of organic waste and some recyclables still going to landfill. Poor understanding of rural waste streams, construction and demolition waste. Increase monitoring and reporting required by central government	Having access to better data enables better management of waste streams and future identification of issues	Regulator
R2	Require construction and event Waste Minimisation Management Plans and related data reporting as per the provisions in the Solid Waste Management and Minimisation Bylaw 2024	Poor understanding of construction and demolition waste Poor understanding and control of event related waste	Having access to better data enables better management of waste streams and future identification of issues	Regulator
R3	Continue to take action against illegal dumping and littering, using relevant legislation	Waste is dumped and enters the environment	Reduce the amount of waste being dumped illegally or littered	Regulator



Te Mātaitanga me te Inenga | Measuring and Monitoring

Reference	Action	Issues addressed	Impact on current / future demand	Council's role
M1	Undertake regular waste composition audits and reviews of waste flows to better understand opportunities for waste management and minimisation	Poor understanding of some waste streams and total quantities and composition of waste going through the district year-round	Having access to better data enables better management of waste streams and future identification of issues	Provider, funder
M2	Maintain current monitoring levels; monitoring waste at kerbside, transfer stations, and to landfill	Understanding of current council waste streams provides some information for performance	Maintain status quo	Provider
M3	Monitor non-council waste flows through waste operator licensing with associated data collection requirements (linked to option R1)	Poor understanding of some waste streams and total quantities and composition of waste	Having access to better data enables better management of waste streams and future identification of issues	Provider, funder

Tūhononga me te Whakaakoranga | Education and Engagement				
Reference	**Action**	**Issues addressed**	**Impact on current / future demand**	**Council's role**
E1	Provide community-wide waste minimisation education and awareness raising, including to continue to educate households on the importance of food waste collections and participation in kerbside food waste collection services	Support action on many other waste issues. Need for additional waste minimisation education. Large quantities of organic waste going to landfill	Need for education/engagement (i.e. demand) is proactively identified and addressed. Increased responsibility taken by various sectors for waste management within the community. Better understanding across the board of non-household waste management and opportunities to move up the hierarchy	Provider, Facilitator, Funder
E2	Monitor and survey to identify areas that are not performing as well (e.g. higher contamination, lower recycling, problematic waste streams) and undertake targeted education campaigns	Specific education and engagement activities are undertaken in areas where particular issues have been identified, improving the community's understanding of the issues and the opportunities to improve waste management and minimisation	Increases wider understanding of specific waste issues and the opportunities	Provider, Facilitator, Funder
E3	Work in partnership with private waste companies to educate wheeled bin users about preferred behaviour, e.g. encouraging organic collections	Large quantities of organic waste going to landfill Support action on many other waste issues	Increases wider understanding of specific waste issues and the opportunities	Facilitator, Funder
E4	Undertake targeted communication campaigns as required to support service changes, e.g. new/altered services, regulatory changes, legislative changes	Specific education and engagement activities are undertaken to ensure services are used appropriately. Contamination and usage levels addressed	Increases wider understanding of specific waste issues and the opportunities	Provider, Facilitator, Funder
E5	Develop community-based behaviour change interventions, identifying appropriate community groups and working with them to develop and deliver behaviour change campaigns. Including, but not limited to, the Para Kore programme	Education and engagement activities are undertaken with a consistent behaviour change approach, and are delivered where possible through community groups	Education and engagement is extended into behaviour change campaigns, delivered within the communities	Facilitator, Funder



Ngā Ratonga Paranga | Waste Services

Reference	Action	Issues addressed	Impact on current / future demand	Council's role
S1	Continue to provide current council kerbside collection services as present. Continue to deliver and optimise household recycling services to urban ratepayers	Large amounts of divertable materials going to landfill	Additional material is diverted from landfill for reuse or recycling	Provider, Facilitator, Funder
S2	Work with the commercial waste sector to identify and facilitate improvements to collection services	More material is collected for diversion outside Council's kerbside collections	Additional material is diverted from landfill for recycling	Facilitator

Te Hanganga o te Paranga | Waste Infrastructure				
Reference	**Action**	**Issues addressed**	**Impact on current / future demand**	**Council's role**
WI1	Upgrade the existing RTS network by retaining all three sites and improving each site where affordable and practicable, to maximise waste diversion and resource recovery opportunities	Ageing infrastructure limits operational efficiency and the ability to divert recoverable materials from landfill	Maintains local service levels, improves waste diversion where reasonably practicable, and supports affordable, staged investment	Provider, Funder
WI2	Investigate a greenfield community resource recovery park or regional supersite with neighbouring councils, where practical and affordable	Ageing RTS infrastructure may limit future service delivery, resource recovery opportunities, and regional waste diversion options	Assesses whether a resource recovery park or regional supersite could improve diversion, recovery, efficiency and affordability for the district or region	Provider, Funder
WI3	Provide storage space at an RTS for increased diversion, e.g. Space for storing reuse items, covered space for textile sorting or e-waste storage	Large quantities of divertible waste going to landfill.	Additional material is diverted from landfill for recycling and additional services are available in the district	Provider, Facilitator, Funder
WI4	Develop or procure organic waste processing, appropriate for the types/quantities of organic wastes to be processed (i.e. food waste only or mixed food and garden etc)	Large quantities of organic waste still going to landfill	Additional organic waste can be diverted from landfill	Provider, Funder
WI5	Work with product stewardship scheme providers to identify infrastructure needs and consider provision/facilitation locally (such as collecting batteries at the RTS)	Limited local infrastructure to support product stewardship schemes, particularly for e-waste, batteries, and farm plastics.	Additional material is diverted from landfill through product stewardship; district residents have improved access to scheme drop-off points	Facilitator, Funder, Provider.
WI6	Investigate and where feasible, develop region-wide relationships to increase resource recovery, including with social enterprise, to extract value from waste and to provide employment	Fragmented regional infrastructure; limited economies of scale for processing and recovery	Improved regional resource recovery outcomes; potential for social and employment benefits through enterprise partnerships	Facilitator, Funder

Te Hautūtanga | Leadership				
Reference	**Action**	**Issues addressed**	**Impact on current / future demand**	**Council's role**
L1	Continue to provide a local fund for waste minimisation projects (the Resource Recovery Fund)	Community and business capacity to develop and implement local waste minimisation initiatives	Local innovation and waste minimisation activity is supported and sustained; community-led projects receive funding to develop	Funder
L2	Undertake targeted funding rounds to encourage specific outcomes e.g. construction and demolition recovery, textiles recovery	Specific waste streams, including construction and demolition waste and textiles, remain largely unaddressed	Focused funding drives activity in priority waste streams; additional material is diverted from landfill in areas where market-led solutions have not yet emerged	Funder
L3	Continue involvement in the development of a national approach to disaster waste management, and prepares a local disaster waste management plan	Growing risk of disaster waste events	The district is better prepared to manage disaster waste efficiently	Provider, Facilitator
L4	Collaborate with the commercial waste sector to proactively identify and facilitate opportunities for improved waste management services and infrastructure	Limited visibility of commercial and industrial waste flows. Large quantities of waste going to landfill	Improved commercial waste diversion; better alignment between Council strategy and private sector service delivery across the district	Facilitator
L5	Advocate to central Government for increased action on issues such as product stewardship and extended producer responsibility	Councils bear disproportionate responsibility for managing waste streams, that are better addressed through centrally led schemes	Central government action on product stewardship reduces the burden on local ratepayers and improves management of difficult waste streams at a national scale	Facilitator
L6	Continue with regular Mana Whenua Forum, where updates can be provided on key projects and progress towards targets, and partnership working options are identified and pursued	Need to ensure waste minimisation strategies reflect tikanga Māori and fulfil te Tiriti o Waitangi obligations; importance of mana whenua partnership in waste planning and delivery	Stronger relationships with mana whenua support culturally appropriate service design and community engagement; partnership opportunities are identified and progressed	Facilitator
L7	Adopt a circular economy approach during procurement by specifying products with recycled content where possible, while balancing project costs. This will help reduce emissions associated with raw material extraction and production and support the circular economy	Large amounts of divertable materials going to landfill	Procurement decisions reinforce the district's broader waste minimisation goals	Provider, Funder, Facilitator

TE PŪTEA MŌ TE RAUTAKI | FUNDING THE PLAN

The WMA 2008 (s43) requires that councils include information about how the implementation of this WMMP will be funded, as well as information about any grants made and expenditure of waste levy funds.

Te pūtea mō ngā mahinga ki te takiwā
Funding local actions

There is a range of options available to local councils to fund the activities set out in this plan. These include:

- **Uniform Annual General Charge (UAGC)** - a charge that is paid by all ratepayers
- **User Charges -** includes charges for user-pays collections as well as transfer station gate fees
- **Targeted rates -** a charge applied to those properties receiving a particular council service
- **Waste levy funding -** The Government redistributes funds from the $10 per tonne waste levy to local authorities on a per capita basis. By law, 50% of the money collected through the levy must be returned to councils. This money must be applied to waste minimisation and wider environmental activities
- **Waste Minimisation Fund (WMF) -** Most of the remaining 50% of the levy money collected is redistributed to specific projects approved by the Ministry for the Environment. Anyone can apply to the WMF for funding for projects
- **Private sector funding -** The private sector may undertake to fund/supply certain waste minimisation activities, for example in order to look to generate income from the sale of recovered materials etc. Council may work with private sector service providers where this will assist in achieving the WMMP goals.

Funding considerations take into account a number of factors including:

- Prioritising harmful wastes;
- Waste minimisation and reduction of residual waste to landfill;
- Full-cost pricing - 'polluter pays';
- Public good vs. private good component of a particular service;
- That the environmental effects of production, distribution, consumption and disposal of goods and services should be consistently costed, and charged as closely as possible to the point they occur to ensure that price incentives cover all costs;
- Protection of public health;
- Affordability; and
- Cost effectiveness.

The potential sources of funding for each of the actions are noted in the tables in Part B of the WMMP. Budgets to deliver the activities set out in this plan will be carefully developed through our Annual Plan and Long Term Plan processes. The approach taken will be to implement as many of the activities as possible while controlling costs and, where possible, taking advantage of cost savings and efficiencies. It is anticipated that by setting appropriate user charges, reducing costs through avoided disposal, more efficient service delivery from joint working, and targeted application of waste levy money, the increased levels of waste minimisation as set out in this WMMP will be able to be achieved without overall additional increases to the average household cost.

Te pūtea o te utu i Ngā Paranga a Ngā Mana ā-Rohe Territorial Authorities waste levy funding

Council receives, based on population, a share of national waste levy funds from the Ministry for the Environment. It is estimated that at the current rates (ranging from $15 to $70 per tonne) our council's total share of waste levy funding will be approximately $240k per annum.

The WMA requires that all waste levy funding received by councils must be "spent on matters to promote waste minimisation and in accordance with their WMMP".

Waste levy funds can be spent on ongoing waste minimisation services, new services, or an expansion of existing services. The funding can be used for education and communication, policy research and reporting, to provide grants, or as infrastructure capital, and other activities in our WMMP.

We intend to use our waste levy funds for a range of waste minimisation activities and services as set out in the action plan.

In addition, we may make an application for contestable waste levy funds from the WMF, either separately, with other councils, or with another party. The WMF provides additional waste levy funds for waste minimisation activities.

Te pūtea mō ngā mahinga ā-pakihi, ā-hapori hoki Funding business and community actions

Councils have the ability under the WMA (s47) to provide grants and advances of money to any person, organisation or group for the purposes of promoting or achieving waste management and minimisation, as long as this is authorised by the WMMP.

Council will investigate the development of a grants programme where Matamata Piako District businesses, community groups, and other organisations can apply for funding from council for projects which align with, and further, the objectives of this WMMP on an annual basis.

TE AROTURUKI, TE AROTAKE ME NGĀ PŪRONGO O TE NGĀ AHUNGA WHAKAMUA | MONITORING EVALUATING AND REPORTING PROGRESS

This WMMP contains a number of actions with timeframes (refer to Part B), as well as a set of waste minimisation targets. Progress on each of these actions and targets will be reported annually to Council.



PAPAKUPU | GLOSSARY

Bulky items	Large and small household appliances, furniture, carpets, mattresses, bric-a-brac etc
Circular Economy	A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.
CRRC	Community Resource Recovery Centre
E-waste	E-waste (electronic waste) refers to any item with a plug, battery or cord that is no longer working or wanted.
Food waste	Any food scraps – from preparing meals, leftovers, scraps, tea bags, coffee grounds.
Green waste	Waste largely from the garden – including hedge and/or tree clippings, and/or lawn clippings.
Household hazardous waste	Waste that can cause harm or damage to people or the environment like strong chemicals.
Kaitiakitanga	Kaitiakitanga means guardianship and protection. It is a way of managing the environment, based on the Māori world view
Mana whenua	Territorial rights, power from the land, authority over land or territory, jurisdiction over land or territory - power associated with possession and occupation of tribal land.
Mātauranga Maori	Mātauranga Māori is about a Māori way of being and engaging in the world – in its simplest form, it uses kawa (cultural practices) and tikanga (cultural principles) to critique, examine, analyse and understand the world.
New Zealand waste and resource efficiency strategy	The Government's priorities for minimising waste and improving waste management, see environment.govt.nz/news/waste-strategy/ It replaces Te Rautaki Para | New Zealand waste strategy adopted by the previous Government in March 2023.
Organic waste	Plant-based material and other bio-degradable material that can be recovered through composting, digestion or other similar processes.
Para Kore	A call to action that aims to end the current take, make, and dispose mentality of human society.
Polluter pays	The commonly accepted practice that those who produce pollution should bear the costs of managing it to prevent damage to human health or the environment
Product stewardship	Product stewardship is the responsible management of the environmental impact of a product including the cost. It aims to reduce the impact of manufactured products at all stages of the product life cycle.
RTS	Refuse Transfer Station
Rural waste	In rural areas, examples of solid waste include wastes from kitchens, gardens, cattle sheds, agriculture, and materials such as metal, paper, plastic, cloth, and so on. They are organic and inorganic materials with no remaining economic value to the owner produced by homes, commercial and industrial establishments.

Solid Waste Management and Minimisation Bylaw 2024	Council's solid waste bylaw which can be viewed at: www.mpdc.govt.nz/policies-a-bylaws/consolidated-bylaw-2008
SWAP	Solid Waste Analysis Protocol
WMA 2008	The Waste Minimisation Act 2008 Act (the Act) encourages a reduction in the amount of waste we generate and dispose of in New Zealand. The aim is to reduce the environmental harm of waste and provide economic, social and cultural benefits for New Zealand.
WMF	Waste Minimisation Fund
WMMP	A Waste Management and Minimisation Plan as defined by s43 of the Waste Minimisation Act 2008.


te kaunihera ā-rohe o
matamata-piako
district council
RAUTAKI WHAKAHAERE
WHAKAITI HOKI I TE PARANGA
TE WHAKAHEKE I NGĀ PARANGA, TE WHAKAMAHERE MŌ ĀPŌPŌ 2027-2033
WASTE MANAGEMENT &
MINIMISATION PLAN
REDUCING WASTE AND PLANNING FOR THE FUTURE

TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL
KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE
23 OCTOBER 2026 - CHAIR SUMMARY

#	Item	Summary	Resolution
2	**Karakia - Open**	**CEO Manaia Te Wiata**	
3	Apologies	Councillor James Thomas	The Committee received the apologies.
6	Minutes	16 June 2026	The Committee confirmed the minutes.
7.1	2027 Schedule of Meetings & Work Programme	The Committee discussed: ▪ Deep dive timing, i.e. Political change ▪ October 2027 meeting to focus on Annual Report ▪ Reflect policies for review from stocktake into 2027 work programme	The Committee received the report and provided feedback on the 2027 Work Programme.
7.2	Review of Top Risks	The Committee discussed: ▪ Maintaining the risk appetite settings ▪ Critical controls and effectiveness The Committee noted risk appetites for each of the Top 8 risks will be reviewed during upcoming risk deep dives. The Committee also noted the Chair will work with the MPDC Team to develop a risk reporting framework to cover critical controls and their effectiveness in mitigating risks.	The Committee received the report and endorsed the Top 8 risks for Council approval.
8.1	Chair Update	No comments or questions.	The Committee received the report.
8.2	Chief Executive Update	The Committee discussed: ▪ Transfer of debt to Waikato Waters, i.e. swaps ▪ Impact of waters-related activities on equity, debt, assets and capital programme ▪ Organisation structure benefits realisation, reporting and impact on internal controls ▪ Project internal controls	The Committee received the report.
8.3	Risk Update & Quarterly Risk Report	The Committee discussed: ▪ Ownership of waters-related risk between MPDC and Waikato Waters ▪ Risk identification flows through various levels at MPDC ▪ Business continuity plan progress	The Committee received the report.
8.4	Annual Report and Summary	The Committee discussed: ▪ Breakdown of other revenue ▪ Impact of waters on the balance sheet ▪ Underlying operating surplus/deficit once one-off and non-cash items are removed ▪ Future stormwater cost to Council ▪ Property, Plant & Equipment recommendations ▪ The audit opinion and consistency of Post Balance Date Event notes and Emphasis of Matter notes across local government ▪ Modifying SSP measures in the LTP process, noting some are statutory measures	The Committee received the Annual Report and Summary Report and recommended adoption by Council.
8.5	Audit Recommendations Update	The Committee discussed: ▪ Resolution of historical issues ▪ One-up reviews ▪ Collaboration between MPDC and The Audit Office on closing recommendations	The Committee received the report.

		▪ Identifying recommendations that won't be able to be closed without further systems investment	
8.6	LTP 2027-37 Progress Report	The Committee discussed: ▪ Staff wellbeing ▪ Risk and Assurance Committee role in LTP	The Committee received the report.
8.7	Policy, Planning and Reporting Stocktake	The Committee discussed: ▪ Process for updating stocktake ▪ Presenting report to June 2027 meeting	The Committee received the report.
8.8	Development Contributions Policy – Progress Update	The Committee discussed: ▪ Impact of change from previous approach to levies system ▪ Accuracy of growth projections	The Committee received the report.
8.9	LGOIMA Request Summary 25/26	The Committee discussed: ▪ Controls on charging for requests ▪ Trend analysis	The Committee received the report.
8.10	Legislative Compliance Register	The Committee discussed: ▪ Periodic independent reviews to compliment self-assessments ▪ Non-compliance being isolated, recurring or systemic ▪ Implementation of ComplyWith tool ▪ Reporting options from ComplyWith expected in 2027 ▪ Ngati Rāhiri Tumutumu Claims Settlement non-compliance	The Committee received the report.
8.11	Project & Renewals Programme Assurance	The Committee discussed: ▪ Strengthening governance documentation, e.g. approved business case before proceeding	The Committee received the report and continue to receive ongoing assurance reports.
8.12	Key Infrastructure Projects	The Committee discussed: ▪ Lessons learned from projects that have been completed or are in progress ▪ What project success looks like to project teams, CEO and Elected Members	The Committee received the report.
8.13	Safety & Wellness	The Committee discussed: ▪ Equipping staff to deal with behaviour-related incidents ▪ Critical risks, critical controls and effectiveness of controls ▪ Assurance from contractors they are implementing controls ▪ Reducing the number of overdue actions ▪ Overdue H&S monitoring reported does not impact staff health	The Committee received the report.
8.14	RAC Self-Assessment	The Committee discussed: ▪ The process for self-assessment completion	The Committee received the report.
8.15	RAC Work Programme	The Committee discussed: ▪ Removing the Stock Control Strategy ▪ Timing of receiving Insurance Agenda papers	The Committee received the report.
	Karakia – Close	**CEO Manaia Te Wiata**	

Also, the Committee:

- *Considered 3 public excluded agenda items*
- *Met with Audit Office representatives after the Committee agenda was completed, to discuss the Annual Report audit*

Attachment A:

Annual Report 2025/26

Also includes Audit opinion for Annual Report Summary (Attachment C)

PŪRONGO Ā-TAU
DRAFT ANNUAL REPORT

2025/26



te kaunihera ā-rohe o matamata-piako district council

Contents

Kupu Whakataki | Introduction 3
Ngā mahi whakahira | Our highlights 6
Te kaupapa o te mahere ā-tau | Annual report purpose 7
He Hautūtanga Me Te Mana Urungi | Leadership and Governance 8
Tō Tātou Kāwanatanga| Our Governance 9
Te Kaunihera | Council 10
Te whai wāhi te iwi ki ngā whakataunga a te Kaunihera | Māori engagement in decision making 11
Tirohanga Whānui | Overview 12
Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary 13
Whakarāpopoto ahumoni | Financial summary 15
Te panui o te tautukunga | Statement of compliance and responsibility 19
Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report 20
Te Pānui o Ngā Inegna Mahi | Statement of Service Performance 26
Tīronga whānui o ngā whakaratonga inenga mahi | Overview of service performance 27
Ngā wāhi māna me ngā rawa ā-hapori | Community facilities and property 29
Te rautaki me te whakawhitiwhititi kōrero | Strategy and engagement 34
Ngā rori | Roading 39
Te para me te whakahōu | Rubbish and recycling 43
Te waimarangai | Stormwater 46
Te waipara | Wastewater 49
Whakaaetnga me ngā raihana | Consents and licensing 61
Ngā Pānui Ā-Pūtea | Financial Statements 65
Ētahi Atu Whākinga ā-ture | Other Legislative Disclosures 114
Te pānui whākinga mō te tau mutunga o 30 June 2026 | Annual Report disclosure statement for year ending 30 June 2026 118
Ngā Rōpū a te Kaunihera | Council Controlled Organisations 124
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 125

SECTION 1:

Kupu Whakataki | Introduction



Nau mai | Welcome

MAI TŌ KOUTOU KOROMATUA RĀUA | MESSAGE FROM YOUR MAYOR

Reflecting on the past 12 months, there is much to be positive about across the Matamata-Piako District.

Our district continues to be a great place to live, work and raise a family. Our communities are growing, our local economy remains resilient, and we are supported by a wide range of community organisations, volunteers and residents who make a great contribution to the district. The strong sense of community across the district remains one of our greatest strengths.

Over the past year, Council has remained focused on delivering the services and infrastructure that our communities rely on, while continuing to invest in the long-term future of the district. This has included maintaining roads, parks, libraries and community facilities; investing in water networks and progressing key projects.

Some of this work is highly visible, such as the new Open Country Community Stadium in Matamata. Other projects are less visible but important, including the Matamata Wastewater Treatment Plant upgrade, infrastructure renewals and improvements to local roads, footpaths and public spaces. Together, these investments help ensure the district remains well-positioned to meet current and future needs.

I have also been encouraged by the level of engagement from our communities throughout the year. Council sought feedback on a range of important matters, including community outcomes, climate resilience, water supply, dog control, the future of local government and other issues affecting our communities. Many residents took the opportunity to share their views and contribute to Council's decision-making processes. Community participation remains an important part of effective local government.

One of the most significant discussions during the year centred on the future of local government.

Through the Government's Head Start process, communities across the district were invited to provide feedback on potential local government reform options. Over 800 submissions were received, accompanied by strong attendance at community meetings. While further work and discussion will continue in the coming year, it was encouraging to see such a high level of public interest in the future of local representation and local decision-making.

I'd like to thank our staff, who continue to do a great job in what is often a challenging and fast-changing environment. I'd also like to thank my fellow elected members, local businesses, community organisations, volunteers and residents who help make Matamata-Piako a great place to live, work and visit. Through local events, community initiatives, sporting organisations, investment and countless other contributions, they help strengthen our communities and support the district's success.



Ash Tanner

Mayor

Te whakakitenga me ngā hua ā-hapori | Vision and community outcomes

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'

To deliver on our vision, we have identified four priorities for Matamata-Piako through the 2024-34 Long Term Plan, which are still applicable to the 2025-26 Annual Report. These priorities represent what your Mayor and Councillors aim to achieve for you, your whānau, and your community. Guided by these priorities, we have outlined key areas of focus for Council across each activity group, all of which contribute to our overarching outcomes. For further details on our priorities, please refer to our Strategic Direction.



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



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



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

Priorities

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



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

Ngā mahi whakahira | Our highlights

Our parks and reserves received seating and signage upgrades



We had 348,263 visitors to our district libraries



Over $26K of Pride of Place external grant funding distributed between 19 community groups



839 animal control enquiries were received and investigated



221 Facebook posts were made by our Communications Team



We received 1,644 Antenno requests

Antenno
Be informed. Get involved.

50% of kerbside waste was either recycled or composted



We resealed 63.8km of our local roads



5/5 priorities in the Climate Change Rivermap were progressed



Council achieved all of our stormwater performance measures



Our new Council held their first meeting on 28th October, 2025, after elections



On 21 February, the Matamata Open Country Stadium was officially opened



Council shifted to M365 as a core business system



Zero Waste in Schools programme supports 26 schools in sustainability and waste minimisation



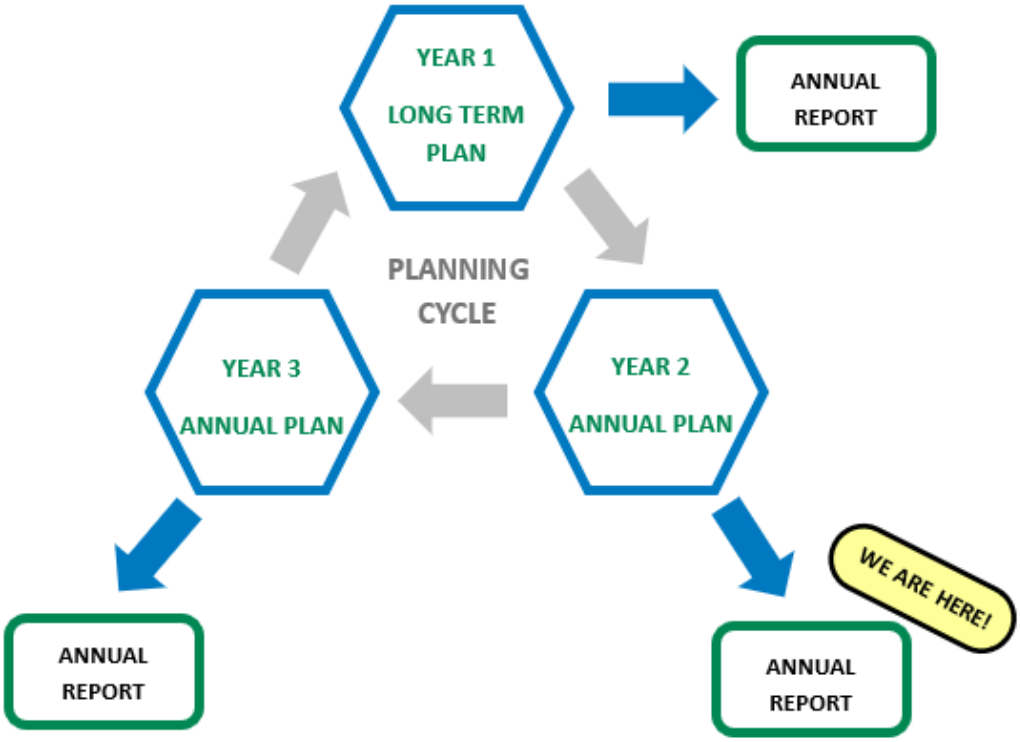
Council received 307 noise complaints and responded to 100% within 2 hours



Te kaupapa o te mahere ā-tau | Annual report purpose

Every three years, Council prepares a Long Term Plan that sets out its projects and budgets over a ten-year period. The Plan also defines levels of service, performance measures, and targets across Council activities. In the other two years of the three-year cycle, Council produces an Annual Plan to outline any updates.

The Annual Report is how Council reports back to the community on how effectively it has delivered the planned levels of service, capital projects, and operating budgets. Preparing an Annual Report is a requirement under the Local Government Act 2002.



SECTION 2:

He Hautūtanga Me Te Mana Urungi | Leadership and Governance



Tō Tātou Kāwanatanga| Our Governance

As at 30 June 2026

KAUNIHERA | COUNCIL

The Matamata-Piako District is divided into four wards: Matamata, Morrinsville, Te Aroha and Te Toa Horopū ā Matamata-Piako. Our Council consists of 12 Councillors, elected by their respective wards, and one Mayor, elected by all voters throughout the district. The Mayor and Councillors are elected to represent their communities and make decisions for the district. The elected representatives are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and look after the district's day-to-day operations.

TE MANAWHENUA FORUM MŌ MATAMATA-PIAKO

Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council who advise 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 and policies, such as the Long Term Plan or District Plan. For further information regarding Te Manawhenua Forum, please see the Māori Engagement in Decision Making section.

KOMITI O TE ME TO TŪMARU | RISK AND ASSURANCE COMMITTEE

The Risk and Assurance Committee ensure we have appropriate risk management and internal and financial control systems. This committee includes Jaydene Kana as independent chairperson, Mayor Ash Tanner, Deputy Mayor James Sainsbury, Councillor James Thomas, Councillor Bruce Dewhurst and Councillor Andrew McGiven.

KŌMITI TUKU RAIHANA Ā-ROHE | DISTRICT LICENSING COMMITTEE

Council has a District Licensing Committee to consider and determine alcohol license applications under the Sale and Supply of Alcohol Act 2012. The District Licensing Committee is chaired by Councillor Sue Whiting and Deputy Chair of the committee is Councillor Greg Marshall. Members of the committee are appointed from a list of appropriately qualified people. List members include Ross Murphy and Alan Sciascia.

KŌMIHANA WHAKAWĀTANGA | HEARINGS COMMISSION

Council has a Hearings Commission to hear and determine applications under the Resource Management Act 1991 (member must be accredited) and hear and determine objections under the Dog Control Act 1996 (member is encouraged to be accredited). The Hearings Commission is coordinated by Councillor Sue Whiting, members include Councillor Grace Bonnar, Councillor Tyrel Glass and Councillor Andrew McGiven.

KŌMITI AROTAKE O TE TUMU WHAKARAE | CHIEF EXECUTIVE OFFICER REVIEW COMMITTEE

The Chief Executive Officer Performance Committee undertakes a review of the performance and remuneration of the Chief Executive Officer on an annual basis in accordance with the Chief Executive Officer's employment agreement. The Committee includes Mayor Ash Tanner, Deputy Mayor James Sainsbury, Councillor Vincent Andersen, Councillor Bruce Dewhurst, Councillor Dayne Horne, Councillor Andrew McGiven and Councillor Sue Whiting.

KOMITI O TE WAHAROA PAPA REREANGI WAHAROA (MATAMATA) AERODROME COMMITTEE

The Waharoa (Matamata) Aerodrome Committee was established in 2015 by legislation under the Ngāti Hauā Claims Settlement Act 2014. The committee comprises Mayor Ash Tanner, Deputy Mayor James Sainsbury and Councillor James Thomas along with three members appointed by the Ngāti Hauā Iwi Trust Board. The functions of the Waharoa (Matamata) Aerodrome Committee, as set out in the Ngāti Hauā Claims Settlement Act 2014, are to:

- Make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land.
- Make final decisions on access and parking arrangements for the Waharoa Aerodrome land that affect Raungaiti Marae.
- Perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council.
- Perform any other function delegated to the committee by Council.

Te Kaunihera | Council

MAYOR & COUNCILLORS AS AT 30 JUNE 2026



Ash Tanner
Koromatua | Mayor



James Sainsbury
Koromatua Tautoko | Deputy Mayor
Matamata Ward



Vincent Andersen
Matamata Ward



Sailimalo Rewiti Vaimoso
Matamata Ward



Sue Whiting
Matamata Ward



Grace Bonnar
Morrinsville Ward



Bruce Dewhurst
Morrinsville Ward



Dayne Horne
Morrinsville Ward



James Thomas
Morrinsville Ward



Tyrel Glass
Te Aroha Ward



Greg Marshall
Te Aroha Ward



Andrew McGiven
Te Aroha Ward



Gary Thompson
Te Toa Horopū ā Matamata-Piako

Te Manawhenua Forum mō Matamata-Piako	Hearings Commission	District Licensing Committee	Risk and Assurance Committee	Waharoa (Matamata) Aerodrome Committee	Chief Executive Officer Performance Committee
Chairperson: Leiite Hinerangi Vaimoso	No chairperson Coordinator: Councillor Sue Whiting	Chairperson: Councillor Sue Whiting	Chairperson: Jaydene Kana	Co-Chairpersons: Muna Wharawhara and Mayor Ash Tanner	Chairperson: Mayor Ash Tanner

Te whai wāhi 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.

Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council that provides advice on cultural, economic, environmental, and social matters of significance to mana whenua. The Forum also offers guidance on issues affecting Māori in the district and contributes feedback during the development of key plans, bylaws, and policies, including the Long Term Plan and District Plan. Te Manawhenua Forum also has three representatives from Council, Mayor Ash Tanner, Deputy Mayor James Sainsbury and Councillor Sailimalo Rewiti Vaimoso.

Ngāti Hauā	REPRESENTED BY	Rangitionga Kaukau, Tūmohe Clarke
Ngāti Hinerangi		Leiite Hinerangi Vaimoso (chair), Dianna Vaimoso
Ngāti Maru		Craig Solomon, Waati Ngamane
Ngati Rāhiri-Tumutumu		Jill Taylor, Norm Hill
Ngāti Pāoa		Tahauariki Thompson, Glenice Puke
Ngāti Whanaunga		Michael Baker, Gavin Anderson
Raukawa		Leo Whaiapū, Andrea Julian
Ngāti Tamaterā		Arama Ngapo



Back row: Cr Sailimalo Rewiti Vaimoso, Craig Solomon, Arama Ngapo, MPDC CE Manaia Te Wiata, Jill Taylor, Leo Whaiapū, Tūmohe Clarke.

Front row: Andrea Julian, Dianna Vaimoso, Mayor Ash Tanner, Leiite Hinerangi Vaimoso, Dep. Mayor James Sainsbury, Rangitionga Kaukau

Te Toa Horopū ā Matamata-Piako Māori Ward | Māori Ward Referendum 2025

In 2021, Council voted to establish a Māori Ward following a legislation change, which enabled a ward to be established for the 2022 election without a binding poll. Due to another change in legislation, Council was then required to hold a binding poll alongside the 2025 triennial elections for voters to decide whether or not the Māori ward would be retained for the 2028 and 2031 elections (a Māori ward is still active for the 2025-2028 period). The results of the poll voted to remove the Māori ward for the 2028 and 2031 elections, with 6,544 voting to remove the Māori ward and 3,815 voting to retain the Māori ward.

More information can be found here: Māori Ward Referendum 2025, Election and voter return results 2025

SECTION 3:

Tirohanga Whānui | Overview

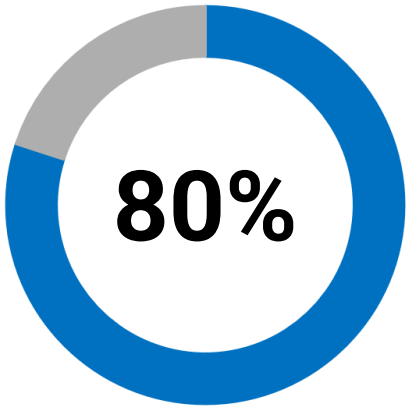


Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary

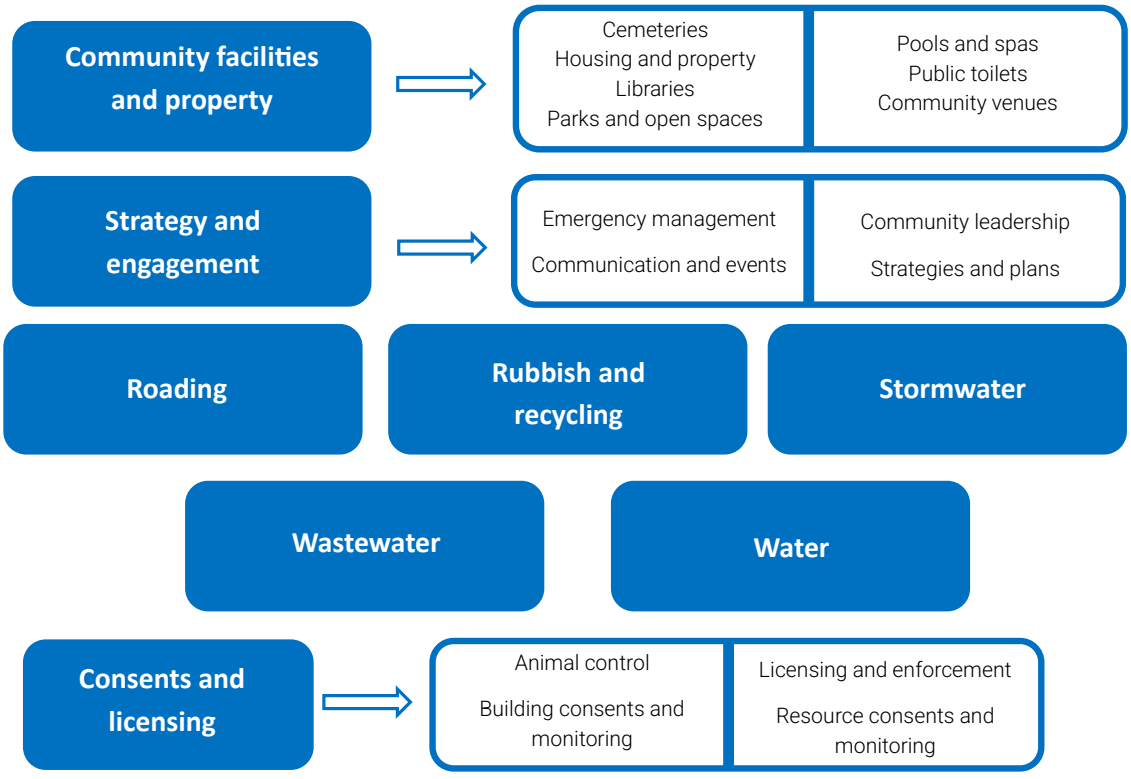
The service performance section outlines the range of services Council provides to the community and reports on how effectively these services were delivered over the past financial year, from 1 July 2025 to 30 June 2026. The Long Term Plan 2024–34 sets out a range of performance measures, including targets for the next three years.

Of the 56 performance measures established in the Long Term Plan 2024–34, **45** were achieved, resulting in an overall achievement rate of **80%. 11** measures were not met.

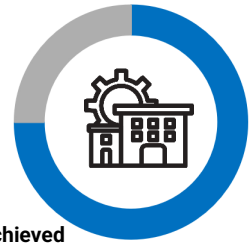
For further details on service performance, refer to Section 5 of the Annual Report.



Council Services Breakdown

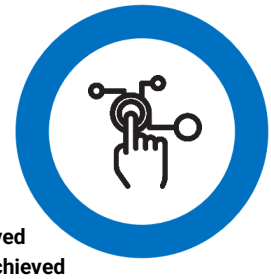


NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOA)
COMMUNITY FACILITIES AND PROPERTY



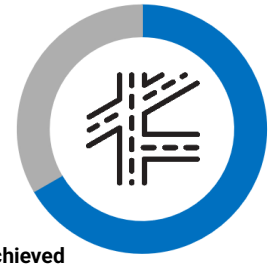
9 Achieved
3 Not Achieved

TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



8 Achieved
0 Not Achieved

NGĀ RORI
ROADING



4 Achieved
2 Not Achieved

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



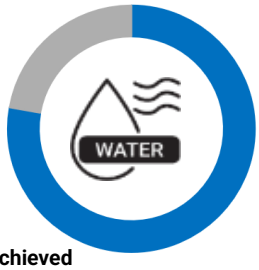
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



5 Achieved
1 Not Achieved

TE WAI
WATER



7 Achieved
2 Not Achieved

WHAKAAETANGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

Whakarāpopoto ahumoni | Financial summary

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
96,580	Revenue	85,736	101,632
(85,755)	Expenses	(85,487)	(92,896)
(3,324)	Finance costs	(3,471)	(3,913)
7,501	**Net surplus/(deficit)**	**(3,222)**	**4,823**
	Other comprehensive revenue and expense		
6,037	Financial assets at fair value through other comprehensive revenue and expense	-	3,972
236,391	Property, plant and equipment revaluation	25,637	(785)
242,428	**Total other comprehensive revenue and expense**	**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**	**22,415**	**8,010**
Summary statement of changes in equity for the year ended 30 June			
966,333	Balance at 1 July	982,765	1,216,262
249,929	Total comprehensive revenue and expense	22,415	8,010
1,216,262	**Balance at 30 June**	**1,005,180**	**1,224,272**

Statement of comprehensive revenue and expense

Council ended the year with a surplus of $4.8 million, compared with a budgeted deficit of $3.2 million. This does not mean Council had money to spare. Almost all of the difference is one-off income that could not be planned for, and much of it is not cash at all. The community raised $6.3 million towards the Open Country Community Stadium in Matamata, and developers handed over $6.0 million of new roads, pipes and reserves as subdivisions were completed (vested assets). None of this can be used to reduce rates or pay for everyday services.

Revenue for the year was $101.6 million, against a budget of $85.7 million. Alongside the stadium donations and vested assets, more people built and subdivided than expected, and trade waste charges were increased so that large businesses cover the cost of treating what they put into the wastewater network. This was partly offset by fewer visitors to Te Aroha Mineral Spas and the district pools, a pattern being seen as household budgets tighten.

Expenditure was $96.8 million, against a budget of $89.0 million. The largest pressure was the cost of running water and wastewater services, particularly keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, along with rising compliance and regulatory costs. Depreciation, the cost of assets gradually wearing out, was $1.7 million higher following recent revaluations and the additional assets vested by developers. Personnel costs were lower than budgeted, as some roles were vacant during the year.

The lines in the summary table called other comprehensive revenue and expense record changes in the value of things Council already owns, rather than money coming in or going out, so it has no effect on rates or on what Council has available to spend. This year these items came to $3.2 million, well below the $25.6 million assumed in the Annual Plan. No revaluation of land, roading or three waters assets was required this year, as their recorded values are still considered fair. Council's shareholding in Waikato Regional Airport increased in value by $4.0 million, reflecting growth in the value of the company itself rather than any further investment by Council.

In short: The surplus reported in this statement is made up almost entirely of one-off and non-cash income, and is not money available for services or rates relief. The real pressure is the rising cost of delivering services, particularly water and wastewater, at a time when many households are feeling the cost of living. From 1 October 2026 these services will be delivered by Waikato Waters Limited, so this is the last year their full cost appears in Council's accounts.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of financial position as at 30 June			
30,940	Current assets	23,685	23,408
1,288,704	Non-current assets	1,104,211	1,321,931
1,319,644	**Total assets**	**1,127,896**	**1,345,339**
30,488	Current liabilities	26,546	68,077
72,894	Non-current liabilities	96,170	52,990
103,382	**Total liabilities**	**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**	**1,005,180**	**1,224,272**
493,092	Accumulated funds	474,635	496,259
723,170	Other reserves	530,545	728,013
1,216,262	**Total Equity**	**1,005,180**	**1,224,272**
Summary statement of cash flows for the year ended 30 June			
20,295	Net cash flows from operating activities	20,132	25,089
(42,569)	Net cash flows from investing activities	(58,869)	(44,835)
19,500	Net cash flows from financing activities	38,966	13,500
(2,774)	**Net increase/decrease in cash held**	**229**	**(6,246)**
11,453	Opening cash balance	341	8,679
8,679	**Closing cash balance**	**570**	**2,433**

Statement of financial position

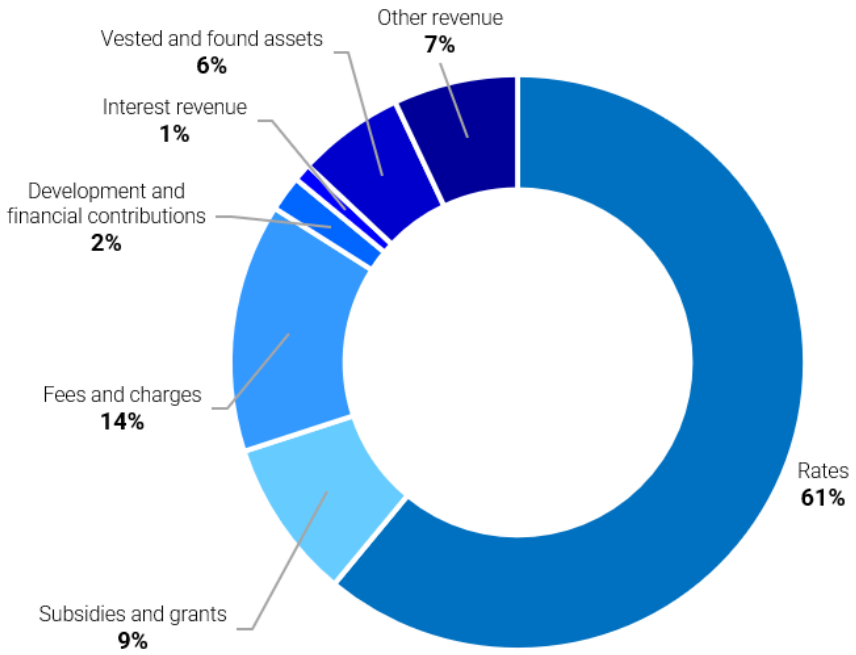
Current assets of $23.4 million were close to budget overall, but made up differently than planned. Council held $3.9 million on term deposit rather than the $14.1 million budgeted, because money set aside earlier had been used to repay $13.5 million of loans that fell due in April 2026.

Non-current assets were well above budget at $1.32 billion. Almost all of what Council owns is infrastructure: roads, water and wastewater pipes, treatment plants, parks and buildings, recorded at $1.27 billion. Most of the difference from budget is because the Annual Plan was set before the most recent valuations. Council also received more roads, pipes and reserves from developers than expected, all of which now have to be maintained.

Total liabilities of $121.1 million were slightly lower than the $122.7 million budgeted. Borrowing makes up most of this, at $98.5 million, which is $10.6 million below budget, mainly because the Matamata wastewater plant upgrade began later than planned. A larger share than usual, $47.0 million, is shown as falling due within 12 months, as loans are being refinanced over shorter terms ahead of the transfer of water services. Amounts owed to suppliers and income received in advance were higher than budgeted, reflecting how much work was under way at the end of the year.

In short: Council owns more and owes less than the Annual Plan assumed, and the balance sheet remains in good shape. The pressure is not in what Council owns and owes, but in the cost of running and maintaining it. This position will look very different next year after the water and wastewater assets, and around 70% of Council's borrowing, transfer to Waikato Waters Limited on 1 October 2026. Those assets still have to be maintained and that debt still has to be repaid; what changes is who does the work.

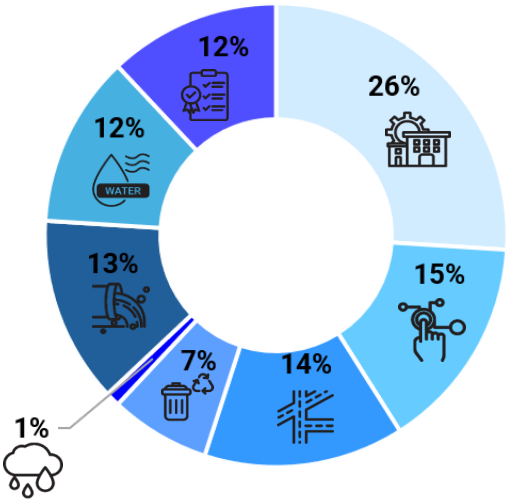
Nō whea ngā pūtea a te Kaunihera? | Where did Council get money from?



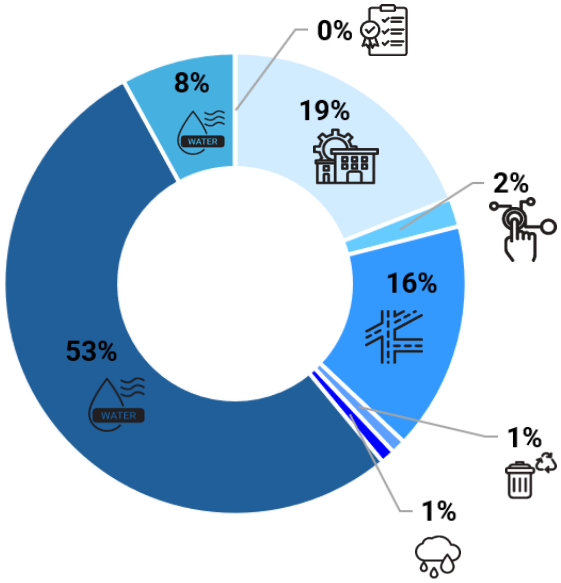
Revenue by sources	%	$000
Rates	61%	62,271
Subsidies and grants	9%	8,874
Fees and charges	14%	13,899
Development and financial contributions	2%	2,152
Interest revenue	1%	888
Vested and found assets	6%	6,021
Other revenue	7%	7,527
Total revenue		**101,632**

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

Operating expenditure	%	$000
Community facilities and property	26%	18,426
Strategy and engagement	15%	10,847
Roading	14%	10,176
Rubbish and recycling	7%	4,608
Stormwater	1%	989
Wastewater	13%	9,023
Water	12%	8,460
Consents and licensing	12%	8,312
Total		**70,841**



Capital expenditure	%	$000
Community facilities and property	19%	9,881
Strategy and engagement	2%	1,076
Roading	16%	8,337
Rubbish and recycling	1%	316
Stormwater	1%	283
Wastewater	53%	27,127
Water	8%	4,357
Consents and licensing	0%	-
Total		**51,377**



Tō rohe | Your district

	2023/24	2024/25	2025/26
Area 175,477 hectares			
Number of electors (enrolled)*	26,087	26,165	25,423
Number of rating units **	16,424	16,660	16,854
Value of improvements**	$7,444,941,799	$7,544,090,338	$8,771,109,700
Net land value**	$12,512,505,401	$12,447,478,360	$11,795,036,500
Total capital value**	$19,957,447,200	$19,991,568,698	$20,566,146,200
Total rates***	$47,160,000	$54,153,000	$57,421,000
Average total rates per rating unit	$2,871	$3,250	$3,407

*Electoral enrolment centre.
**At the end of the preceding financial year.
***Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

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 28 October 2026.

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 2026 fairly reflects the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.

Ash Tanner, Mayor	Manaia Te Wiata, Chief Executive Officer
28 October 2026	28 October 2026

SECTION 4:

Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report



The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Matamata-Piako District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Matamata-Piako District Council (the Council). The Auditor-General has appointed me, René van Zyl, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

Opinion on the audited information

In our opinion:

- the financial statements on pages 66 to 112 present fairly, in all material respects, the Council's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service performance for the year ended 30 June 2026 on pages 27-64:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on page 114, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 33-64 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 33-64, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 22, the Council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Future changes in water service delivery

Note 22 of the financial statements outlines how future changes in the delivery of water services will affect the Council.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

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

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

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

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

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Annual plan or Long-term plan as applicable.

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

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

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.
- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the Council in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a procurement assurance engagement and a limited assurance engagement related to the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

[signature of Appointed Auditor]
René van Zyl
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

SECTION 5:

Te Pānui o Ngā Inegna Mahi | Statement of Service Performance



Tīronga whānui o ngā whakaratonga inenga mahi | Overview of service performance

This section describes our 2025/26 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 systems and customer request management system.
- An Annual Customer Views Survey of residents.

Annual Customer Views Survey

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

Participants are asked to rate their satisfaction on a 10-point scale, where a selection between 1 to 5 is counted as 'dissatisfied', and a selection between 6 to 10 is counted as 'satisfied'.

Data collection was conducted using a mixed methodology approach. A sample of n=408 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 had been weighted so it aligned with population distributions as per the 2023 consensus. The sample has an expected 95% confidence interval (margin of error) of +/- 4.57%.

Measures throughout the service performance section relating to 'satisfaction' utilise the annual customer views survey.

Wellbeing

Each Activity Group section outlines how it contributes to the current wellbeing's under the Local Government Act 2002 – **social, economic, environmental** and **cultural** and the community outcomes to which each Activity Group primarily contributes.

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 appropriate team, to respond as needed.

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 on in current year.

Measures marked with a red asterisk (*) are the mandatory performance measures that were established by the Department of Internal Affairs (DIA) and are currently included in the SSP section.

Responsibility for these measures has since transferred to the Ministry for Cities, Environment, Regions and Transport (MCERT).

MCERT is currently analysing Water Services Delivery Plans and developing a revised set of performance measures, which are expected to be published in 2026.

Any new mandatory measures published by MCERT will replace or supplement the existing DIA-established measures as appropriate.

Disclosure of significant judgements

In the preparation of the Statement of Service Performance, Council has made the following judgments 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) and PBE standards. Refer also to the Statement of compliance and responsibility section of this annual report.

Ngā wāhi māna me ngā rawa ā-hapori | Community facilities and property

Ā mātou mahi | What we do

Community facilities and property is about providing parks, open spaces, 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.

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

Ō mātou whakatutukitanga | Our achievements

Our parks, reserves, playgrounds and sports fields were well maintained in 2025/26, achievements include bathroom upgrades at Matamata Domain and Davies Park, seating upgrades at Boyd Park, and signage improvements, such as Site IDs throughout the district's parks and reserves.

At our district libraries we delivered a variety of programmes, including the Death at the Craft Creatorium murder mystery, Piakomon events and regular events such as Wriggle and Rhyme, and Stitch Circle.

Oranga | Wellbeing

This activity helps to improve the **social, economic, 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.

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 sporting activities, which provide physical and mental health benefits. Our public toilet network also promotes public health.

We provide open spaces, such as parks, and built facilities such as event centres and libraries. There are spaces where people can gather and connect socially. We 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 and managing historic sites, monuments, or buildings on parks and reserves. Our parks and community facilities provide economic opportunities through tourism and events. Parks and open spaces also support environmental wellbeing through protecting and enhancing biodiversity.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 94%	80% or more satisfied/ very satisfied.	☑ 97%	Our cemeteries are continually maintained and improved, and each includes modern toilet facilities.
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.	☑ 89%	80% or more satisfied/ very satisfied.	☑ 93%	We want residents in our housing units to be satisfied and ensure their needs are met. Of the 54 respondents, 50 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.	☑ 98%	95% or more.	☑ 96%	Council provides and maintains 109 elderly housing units and wants to ensure they are well utilised. The units were occupied 96.27% of the time (rounded to 96%).
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 (345,777)	Increase of at least 5% of the 5-year average.	☑ Achieved (348,263)	There were 348,263 visitors to our libraries in-person or virtually (including social media). The average number of library visitors over the last five years is 254,864. An increase of 36.64%.
Our library services will meet community needs and expectations.	The percentage of users satisfied/very satisfied with library services.	☑ 94%	90% or more satisfied/ very satisfied.	☑ 98%	Our libraries provide much more than access to books; they are welcoming spaces where people come together to learn, connect, and engage with their community. This year, we delivered a variety of programmes, including the Death at the Craft Creatorium murder mystery, Piakomon events and regular events such as Wriggle and Rhyme, and Stitch Circle.
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.	☑ 93%	80% or more satisfied/ very satisfied.	☑ 92%	This measure reflects community satisfaction with Council-maintained sports fields. Satisfaction remained at a high level, potentially due to regular maintenance enabled by favourable weather conditions and ongoing improvements to sports field facilities.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 88%	80% or more satisfied/ very satisfied.	☑ 93%	We maintain our parks and reserves to support community and environmental wellbeing. The increase in satisfaction may be attributed to ongoing maintenance, bathroom upgrades at Matamata Domain and Davies Park, seating upgrades at Boyd Park, and signage improvements, include Site IDs throughout the district's parks and reserves.
Our public playgrounds will be safe.	The assessment score from the annual external safety audit.	☒ 86%	90% or more.	☒ 81%	Our playgrounds 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.[1]
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.	☑ 84%	80% or more satisfied/ very satisfied.	☒ 79%	Visitor satisfaction has declined – this is attributed to ageing facilities, seasonal operating restrictions, and limited amenities at Swim Zone sites. Satisfaction was also impacted by delayed pool openings, temporary closures caused by maintenance, weather events, and operational issues at Swim Zone Matamata and Te Aroha.
We will promote and encourage our community to use our pool facilities.	The number of customers using our pool facilities will be maintained.	☑ Achieved (153,110)	Visitor numbers will be within 5% of the 5-year average (140,687).	☑ Achieved (137,434)	Swim Zone visitor statistics previously included spectator numbers. Pools now record only actual swimmers, which will impact visitor statistics and the previous five-year average.
Ngā whareiti tūmatanui | Public toilets					
Our public toilets will be maintained to acceptable standards.	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	☑ 17	≤20 complaints about cleanliness per year.	☒ 28	This measure tells us how well we are maintaining our public toilet facilities in our district. There were 28 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	The number of event centre bookings.	☒ 2,519	The number of bookings will be within 5%	☑ 3,400	Our event centres support economic development and community wellbeing. This measure tracks how

[1] A total of 148 playground items across 27 playgrounds were inspected in April 2026. Our playgrounds are measured against the ASNZ 4486 and 4422 standards. Compliance was lower this year compared to 2025 (86%) due to cushion fall surfaces being too low.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
community venues.			of 2022/23 levels (2,703).		effectively these facilities are being utilised. 2025/26 is the first full year using the new booking system, which was introduced during 2024/25. This measure has been achieved, as the number of bookings (3,400) was higher than the 2022/23 level. Bookings were 16% above the upper limit of the original 5% range (2,838), the increased bookings are considered a positive outcome and therefore the measure has been treated as achieved.

Funding Impact Statement – Community facilities and property 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
13,030	13,122	General rates, uniform annual general charges, rates penalties	13,798	14,775
73	109	Targeted rates	75	109
33	4	Subsidies and grants for operating purposes	33	4
5,270	4,198	Fees and charges	5,383	4,608
300	403	Internal charges and overheads recovered	299	298
-	-	Local authorities fuel tax,	-	-
18,706	**17,836**	**Total operating funding (A)**	**19,588**	**19,794**
12,566	13,372	Payments to staff and suppliers	13,011	13,786
491	541	Finance costs	572	640
3,122	3,878	Internal charges and overheads applied	3,185	4,000
-	-	Other operating funding applications	-	-
16,179	**17,791**	**Total applications of operating funding (B)**	**16,768**	**18,426**
2,527	**45**	**Surplus (deficit) of operating funding (A – B)**	**2,820**	**1,368**
-	-	Subsidies and grants for capital expenditure	-	-
55	495	Development and financial contributions	56	365
3,915	3,515	Increase (decrease) in debt	(497)	2,455
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	1,350	Other dedicated capital funding	-	6,332
3,970	**5,360**	**Total sources of capital funding (C)**	**(441)**	**9,152**
		Capital expenditure		
774	223	—to meet additional demand	39	1,458
4,586	3,430	—to improve the level of service	1,179	7,105
1,082	1,296	—to replace existing assets	1,105	1,318
55	456	Increase (decrease) in reserves	56	639
-	-	Increase (decrease) of investments	-	-
6,497	**5,405**	**Total applications of capital funding (D)**	**2,379**	**10,520**
(2,527)	**(45)**	**Surplus (deficit) of capital funding (C – D)**	**(2,820)**	**(1,368)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

The big story this year was the opening of the Open Country Community Stadium in Matamata in February 2026. It cost $10.6 million, with Council funding $3 million and the balance coming from grants and donations from the community, funders and local businesses — $6.3 million of which was received this year. Our Long Term Plan had allowed only for Council's $3 million share, in the 2024/25 year, because the final cost and the external funding were not settled at that time. The full cost of the project, and the funding raised for it, now appear across the 2024/25 and 2025/26 years.

Running our pools, spas, halls, parks and cemeteries cost $1.7 million more than the Long Term Plan allowed. Some of this was expected and signalled in our 2025/26 Annual Plan, including the first months of running the new stadium and higher insurance. The rest was less predictable — January storms brought significant unbudgeted tree and repair work, legal and property costs arose that we had not planned for, and wage increases lifted the cost of staffing our pools. Income from fees and charges finished $0.8 million below the Long Term Plan. Visitor spending at Te Aroha Mineral Spas and Domain House Beauty was down, which we think reflects cost of living pressure on households, and admissions at the Matamata pools dropped while the pool was closed for its liner replacement, reopening on 24 January. Morrinsville pool bucked the trend with a 13% increase, and stronger cemetery plot sales and use of our recreation facilities helped close the gap.

Alongside the stadium we kept investing in everyday facilities, including relining the Matamata pool rather than repainting it, and renewals to housing, libraries, playgrounds and other pool assets. Development across the district brought in more financial contributions than budgeted to help fund this work, and Council set aside $430,000 from the earlier sale of the Waitoa hall towards a future Waitoa water project, to reduce the contribution that community may otherwise need to make.

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

A shared service with Hauraki and South Waikato commenced on 1 July 2025, with the existing Emergency Management Officers continuing in their roles. A new Emergency Management Manager was appointed in September 2025.

Our Community Development team managed the Pride of Place Community-Led Initiatives Grant, which funded many projects over the district, including: providing funds to Te Aroha Paeroa Search and Rescue, promoting three free guided hikes and providing safety giveaways, attracting 35 participants and strong community interest. CultureFest, which brought colour, food, performances and traditions of Matamata-Piako's diverse communities together in a welcoming district-wide celebration. Lastly, Mana Moves brought Youth Week to life in Morrinsville through a series of free, rangatahi-led events that gave local young people space to connect, express themselves and have fun, from expressive art at Morrinsville Gallery to youth organisation activities and a community movie night.

The Council's Governance team successfully delivered the 2025 Local Government Elections, enabling the newly elected Council to hold its inaugural meeting on 28 October 2025. The team also continued to support core governance functions, including publishing meeting notices and agendas, livestreaming meetings, and providing timely access to agendas and minutes for elected members, staff, and the public.

Oranga | Wellbeing

Strategy and engagement contributes to **social, economic, environmental** and **cultural** wellbeing. Events like ANZAC Day and Business Night Out unite people and boost the local economy. This activity also ensures our community is prepared and engaged in future planning, and that we engage with tangata whenua and mana whenua in decision-making.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ Advancing	Maintained within the mid-range of "advancing" capability.	☑ Advancing	Our Emergency Response to Cyclone Vaianu triggered an After Action Report by an external contractor in lieu of our planned exercise. Overall improvements are expected with complementary corrective actions. A new shared service with Hauraki and South Waikato commenced 1 July 2025 with the existing respective Emergency Management Officers. In September 2025 a new Role of Emergency Management Manager was filled.
Ngā pāpāhonga me ngā takahanga o tew ā | 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.	☑ Achieved	At least six community events annually.	☑ Achieved	Some events Council held or supported include Business Night Out, Anzac Civic Services in Matamata, Morrinsville, Te Aroha and Walton, citizenship ceremonies in Matamata and the opening of Open Country Community Stadium. Council delivered three Community Volunteer Recognition events across the district: Morrinsville had 25 people, Te Aroha had 25 people and Matamata had 55 people. Council continued to support a range of community, cultural and venue-based events across the district throughout the year.
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.	☑ Achieved	Minimum of three digital enablement projects delivered annually.	☑ Achieved	Multiple projects were delivered during 2025/26, some of these include: Alcohol Licensing forms were digitised and the process automated, Online booking systems were implemented for Matamata-Piako Civic and Memorial Centre, and the new Open Country Stadium, the Te Aroha Visitor Information Centre website was redeveloped, including an online shop

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
					that sells souvenirs and local products, and Council shifted to M365 as a core business system.
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.	☑ 94%	≥90%.	☑ 96%	Elected members are committed to fulfilling their responsibility to represent their communities at the table and in Council decision making. There were 17 ordinary Council meetings between 1 July 2025 and 30 June 2026. The newly elected Councillors attended their first official meeting on 28 October 2025. This result shows the combined attendance rate of the Mayor and all Councillors.
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.	☑ 80%	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 Te Manawhenua Forum. Of the 5 Forum members who completed the survey, 1 member was neutral and 4 Forum members were satisfied that tangata whenua with mana whenua status have meaningful involvement in decision making.[2]
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.	☑ 74%	49% or more satisfied/ very satisfied.	☑ 72%	We want to keep our community informed and involved in decision-making by seeking feedback on Council's plans, policies, and strategies. This year, Council consulted on many different topics. Some of the consultations that received the greatest number of community responses were the Dog Policy and Bylaw, and the Community Safety Bylaw.
We will maintain a District Plan that manages land use	The percentage of Changes and Variations to the	☒ 50%	100% processed	☑ 100%	We are required by legislation to maintain our District Plan. This measure

[2] The scale for the Te Manawhenua forum survey is as follows: 1-4 is dissatisfied, 5-6 is neutral, 7-10 is satisfied.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
and development, and the protection of natural and physical resources of the district.	District Plan that are processed within statutory timeframes.		within statutory timeframes.		shows we are working to protect our resources and plan for the future. One plan change was processed, which was completed within the timeframe.
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.[3]	☑ 5/5	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 priorities as we 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 resilience were presented to Council.[4]

[3] Progressed means work on the priority has begun and at least one report per priority has been presented to a Council workshop, meeting or committee.
[4] For more information on the climate change rivermap, click here

Funding Impact Statement – Strategy and engagement 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
7,358	7,411	General rates, uniform annual general charges, rates penalties	7,687	7,374
-	-	Targeted rates	-	-
195	184	Subsidies and grants for operating purposes	199	185
396	893	Fees and charges	397	1,720
741	985	Internal charges and overheads recovered	710	728
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
8,690	**9,473**	**Total operating funding (A)**	**8,993**	**10,007**
6,743	5,941	Payments to staff and suppliers	6,986	7,764
312	831	Finance costs	295	225
2,539	2,968	Internal charges and overheads applied	2,629	2,858
-	-	Other operating funding applications	-	-
9,594	**9,740**	**Total applications of operating funding (B)**	**9,910**	**10,847**
(904)	**(267)**	**Surplus (deficit) of operating funding (A – B)**	**(917)**	**(840)**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
2,226	983	Increase (decrease) in debt	1,615	(14,216)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
2,226	**983**	**Total sources of capital funding (C)**	**1,615**	**(14,216)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
-	-	—to improve the level of service	-	-
2,268	2,113	—to replace existing assets	1,673	1,076
(946)	472	Increase (decrease) in reserves	(975)	(4)
-	(1,869)	Increase (decrease) of investments	-	(16,128)
1,322	**716**	**Total applications of capital funding (D)**	**698**	**(15,056)**
904	**267**	**Surplus (deficit) of capital funding (C – D)**	**917**	**840**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

This activity covers the behind-the-scenes work of Council — governance and elections, planning and policy, communications, iwi relationships and emergency management. Income finished $1 million above the Long Term Plan. Most of that was interest income: $13.5 million of Council debt matured in April 2026, and we held deposits in advance to meet that repayment, which earned more interest than budgeted. Income also included a $70k dividend from Waikato Regional Airport, payments from neighbouring councils for the civil defence service we deliver on their behalf, and fees for privately initiated district plan changes.

Costs were $0.9 million higher than planned. This was an election year, and election costs fall mostly in the year the election is held. We also upgraded our core information systems (funded from reserves) and met higher civil defence and audit costs. Savings elsewhere offset part of this — less work was needed on Council-initiated district plan changes following the Government's planning law changes, some Treaty settlement related work was deferred, and economic development activity was paused while Council considered its future direction.

Renewals of vehicles, plant and computer equipment were lower than planned, with those budgets carried forward, and interest allocated to our reserve funds was higher than budgeted.

Ngā rori | Roading

Ā mātou mahi | What we do

Our transport network consists of 970km of sealed roads, and 55km of unsealed roads. It also includes 362 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

Council has a wide range of transport projects and maintenance activities underway throughout the year across its land transport network.

Our Roading team delivers essential maintenance, renewals and operational work, including pavement rehabilitation, bridge, culvert and underpass maintenance, traffic management and road safety improvements, sign installations, site supervision, design and survey works.

Our Assets & Projects team plans and manages a variety of improvement projects, including rail safety interventions in Matamata, footpath extensions and road widening in Morrinsville, mobility parking enhancements, footpath upgrades and pedestrian safety improvements, and street lighting renewals in Te Aroha. Further transport improvements are programmed for the 2026/27 financial year.

Oranga | Wellbeing

The roading activity contributes to **economic, social, environmental,** 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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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 8 17 total	Reduction in fatalities and serious injury crashes year on year.	☒ Increase of 5 22 total	The number of fatal and serious crashes has increased significantly from prior year. This measure is highly variable from year to year (in 2024/25 we had a significant decline), and this year's increase cannot be attributed to one clear factor. Difficult driving weather may be a contributing factor. [5]
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.	☑ 97%	We want our roading network to be safe and provide smoothness and comfort for our community on their journeys.[6]
	The percentage of the sealed local road network that is resurfaced.* [7]	☒ 6.6%	6.7% or more.	☒ 6.6%	We maintain our roading network. We resealed 63.8 Km of our sealed roading network.[8]
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.	☑ 98.5%	The footpath assessment is normally completed every three financial years and was previously last completed in 2021/2022. The survey was due to be completed in 2024/25 but completed instead in 2025/26 due to an oversight in scheduling.
We will provide a reliable roading network and will respond to customer service requests in a timely manner.	The percentage of customer service requests relating to roads and footpaths that we respond to within the time frame specified in	☒ 86%	90% of urgent requests responded to within one working day.	☑ 94%	This measure shows how quickly we respond to customer requests relating to urgent roading callouts. Of the 17 urgent callouts received, 16 were responded to within one working day.

[5] There were 5 fatal crashes and 17 serious injury crashes on our local roads this year.
[6] The data for this measure is extracted from Asset & Work Manager and reported on in the Road Efficiency Group Transport Insights website. This measure only applies to Council owned sealed roads in the district and does not include unsealed roads, State Highways, or private roads. 88% of kilometres travelled on sealed urban roads were considered smooth, and 99% of kilometres travelled on rural roads were considered smooth
[7] Performance against this measure is calculated by dividing the total length of sealed roads resurfaced during the reporting period by the total length of Council's sealed local road network, expressed as a percentage. The total sealed road network length is determined using Council's road asset management records and includes all sealed local roads for which Council is responsible.
[8] This result includes Rejuvenation Seal and Reseal. Council's inability to hit its full roading resurfacing and renewal targets for the 2025/26 year stems from tight balancing acts in its Long-Term Plan (LTP), shifting regulatory frameworks, and inflationary environment pressures.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	our Long Term Plan.* [9]	☑ 81%	80% of non-urgent requests responded to within five working days.	☑ 81%	This measure shows how quickly we respond to customer requests relating to non-urgent roading callouts. Of the 657 roading requests received, 530 were responded to within 5 working days.
Our local roading network will meet community needs and expectations.	The percentage of customers satisfied/very satisfied with the maintenance of Council's roading network.	☑ 65%	60% or more satisfied/ very satisfied.	☑ 70%	By maintaining our roading network, Council is helping keep our community safely connected. These results show that residents are satisfied with the standard of road maintenance delivered.

[9] Performance against this measure is calculated by dividing the number of customer service requests relating to roads and footpaths that were responded to within the timeframe specified in Council's Long Term Plan by the total number of roads and footpaths customer service requests received during the reporting period, expressed as a percentage. Response times are measured using Council's customer request management system and assessed against the service timeframes defined in the Long Term Plan.

Funding Impact Statement – Roading 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
9,336	9,402	General rates, uniform annual general charges, rates penalties	9,501	9,335
-	-	Targeted rates	-	-
3,803	3,501	Subsidies and grants for operating purposes	4,162	3,650
324	314	Fees and charges	309	320
287	305	Internal charges and overheads recovered	270	230
220	221	Local authorities fuel tax, fines, infringement fees, and other receipts	225	229
13,970	**13,743**	**Total operating funding (A)**	**14,467**	**13,764**
7,805	7,897	Payments to staff and suppliers	8,155	8,320
375	247	Finance costs	365	281
1,411	1,705	Internal charges and overheads applied	1,424	1,575
-	-	Other operating funding applications	-	-
9,591	**9,849**	**Total applications of operating funding (B)**	**9,944**	**10,176**
4,379	**3,894**	**Surplus (deficit) of operating funding (A – B)**	**4,523**	**3,588**
3,631	4,283	Subsidies and grants for capital expenditure	3,821	4,006
221	1,020	Development and financial contributions	226	505
(1)	13	Increase (decrease) in debt	192	238
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
3,851	**5,316**	**Total sources of capital funding (C)**	**4,239**	**4,749**
		Capital expenditure		
260	10	—to meet additional demand	690	16
850	1,382	—to improve the level of service	579	1,233
7,120	7,818	—to replace existing assets	7,493	7,088
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
8,230	**9,210**	**Total applications of capital funding (D)**	**8,762**	**8,337**
(4,379)	**(3,894)**	**Surplus (deficit) of capital funding (C – D)**	**(4,523)**	**(3,588)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Our roading network is funded jointly with NZTA, and the work programme they approved for the year changed from what was assumed in the Long Term Plan, with less funding available for both maintenance and capital work. Day-to-day maintenance costs came in close to budget.

Capital and renewal spending was $0.4 million below plan. Less was delivered in the low cost, low risk and local road improvement categories, the resealing programme did not reach the planned level of delivery due to cost pressures, and a new contract for replacing bridge and structure components was still being established.

Against that, external funding secured for district accessibility improvements and connectivity projects — work that was not in the Long Term Plan — allowed us to deliver additional improvements across our town centres. Development contributions were also above the Long Term Plan, although they were lower than last year as development activity across the district has slowed.

Te para me te whakahōu | Rubbish and recycling

Ā mātou mahi | What we do

Our rubbish and recycling activities (also known as our Solid Waste activity) currently provide kerbside rubbish and recycling collection services to over 10,000 households across the district. We operate three transfer stations located at Matamata, Morrinsville, and Waihou. Additionally, we have three closed landfills at Matamata, Morrinsville, and Waihou that we monitor to prevent environmental or public health risks. We fund waste minimisation programs through Enviroschools throughout the district. We also contribute to community projects through Para Kore and fund one off workshops with Waste-ED.

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.

A Ministry for the Environment mandated requirement to provide a food scraps collection to all urban areas of over 1,000 people no later than 2027 was introduced then later rescinded. In September 2023, Council transitioned to a new kerbside collection service that incorporated this new service to meet the earlier mandated requirements.

Ō mātou whakatutukitanga | Our achievements

Since its inception in September 2023, our food scraps collection programme has diverted 1,275.46 tonnes of food waste from landfill. We ran a number of waste reduction campaigns, including ongoing funding for the Zero Waste in Schools programme, which supports 26 schools that educate our young people on sustainability and waste minimisation. Thanks to the new Tyrewise product stewardship, we can now accept up to 5 end-of-life tyres (per person) free of charge at our refuse transfer stations. Additionally, we offer an e-waste collection and a battery station that accepts both acid-lined and lithium-powered batteries. We are making strong progress in waste reduction and sustainability through impactful programs, educational initiatives, and expanded waste disposal services.

Oranga | Wellbeing

The Rubbish and Recycling activity contributes to the **social**, **economic** 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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 84%	65% or more satisfied/ very satisfied.	☑ 83%	Residents who receive kerbside rubbish and recycling collection services report high levels of satisfaction, with survey respondents describing the service as generally good. Other feedback includes larger rubbish bins and requesting weekly rubbish collection.
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.	☑ 82%	70% or more satisfied/ very satisfied.	☑ 86%	Respondents to our survey are satisfied with our transfer stations and note the friendliness and helpfulness of staff. Respondents also note dissatisfaction with the cost and opening hours of our transfer stations.
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).	☑ 50%	50% 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 49.7%.
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 to those resource consents).	☑ Zero (0)	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.

Funding Impact Statement – Rubbish and recycling 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
1,965	1,979	General rates, uniform annual general charges, rates penalties	2,047	1,627
2,544	2,517	Targeted rates	2,650	2,740
260	720	Subsidies and grants for operating purposes	266	806
880	907	Fees and charges	899	1,053
1	1	Internal charges and overheads recovered	1	1
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
5,650	**6,124**	**Total operating funding (A)**	**5,863**	**6,227**
5,108	5,997	Payments to staff and suppliers	5,212	4,049
87	57	Finance costs	129	14
370	461	Internal charges and overheads applied	380	545
-	-	Other operating funding applications	-	-
5,565	**6,515**	**Total applications of operating funding (B)**	**5,721**	**4,608**
85	**(391)**	**Surplus (deficit) of operating funding (A – B)**	**142**	**1,619**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
414	1,556	Increase (decrease) in debt	1,388	(730)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
414	**1,556**	**Total sources of capital funding (C)**	**1,388**	**(730)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
500	521	—to improve the level of service	1,532	6
-	-	—to replace existing assets	-	310
(1)	644	Increase (decrease) in reserves	(2)	573
-	-	Increase (decrease) of investments	-	-
499	**1,165**	**Total applications of capital funding (D)**	**1,530**	**889**
(85)	**391**	**Surplus (deficit) of capital funding (C – D)**	**(142)**	**(1,619)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Income was $0.4 million above the Long Term Plan, helped by larger waste minimisation subsidies from the Ministry for the Environment and stronger transfer station revenue, particularly scrap metal. Kerbside collections are funded by a targeted rate on the properties that receive the service, while transfer stations and closed landfills are funded from general rates, and costs are now allocated between these services more precisely than the plan assumed.

Costs came in $1.1 million below plan. About half of that is a one-off: an amount set aside in 2024/25 for an unresolved contract matter was no longer required, and has been credited back to kerbside costs this year. Underlying costs were still lower than planned, and the transfer stations — run directly by Council for the first time this year — tracked well against budget.

Upgrading the Morrinsville Refuse Transfer Station took longer to design than expected, so most of the work will now happen in 2026/27 and that budget carries forward. Because the bulk of that work did not proceed this year, the borrowing allowed for in the Long Term Plan was not needed, and a larger than expected operating surplus funded the capital work we did carry out. Some of that surplus is waste minimisation funding, which must be set aside in a reserve until it is spent on waste minimisation work.

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 work collaboratively with our Roading team and Waikato Regional Council, Waikato Regional Council own, manage and maintain parts of the drainage system. Some parts of the urban stormwater network are located on private property. The maintenance of these drains is the responsibility of the property owner, and we work with owners on matters relating to these assets.

We undertake both planned and reactive maintenance to keep our stormwater network operating effectively. Asset renewals are also carried out to progressively replace infrastructure as it reaches the end of its useful life.

Oranga | Wellbeing

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

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 make sure 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 initial flood modelling for the district's main towns – Matamata, Morrinsville, Te Aroha and Waharoa – and are now finishing phase two, updating the model with as-built and surveyed data, as well as new LiDAR data, to improve its accuracy. This work helps Council identify areas at risk of flooding, make informed decisions about future development, assess how our infrastructure copes with extreme events, and support emergency planning and community preparedness.

We also lodged Comprehensive Stormwater and Wastewater Discharge Consents with Waikato Regional Council, covering discharges to the Waihou, Waitoa and Piako rivers. These consents are currently progressing toward finalisation, and aim to improve water quality through ongoing monitoring, addressing problems at the source, managing erosion issues, and ensuring new development meets discharge consent conditions.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.[10]
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: abate ment notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).*	☑ Zero (0)	Zero (0).	☑ (Zero)	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.[11]
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.
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).*	☑ 4.2 per 1,000 connections (42 total)	≤7 complaints per 1,000 connections per year.	☑ 2.3 per 1,000 connections (25 total)	The number of complaints received is an indication of the quality of stormwater services we are providing. There were 25 complaints received about the performance of our stormwater system.

[10] 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.

[11] During 2025/26, Council notified Waikato Regional Council of 10 stormwater-related incidents or events as required under its consent and regulatory obligations. Council received no abatement notices, infringement notices, enforcement orders, or convictions during the year. All incidents were investigated, reported, and managed with appropriate corrective actions where required.

Funding Impact Statement – Stormwater 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
148	149	General rates, uniform annual general charges, rates penalties	161	165
907	907	Targeted rates	992	1,009
-	-	Subsidies and grants for operating purposes	-	-
-	75	Fees and charges	-	-
178	213	Internal charges and overheads recovered	168	165
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
1,233	**1,344**	**Total operating funding (A)**	**1,321**	**1,339**
636	478	Payments to staff and suppliers	650	657
37	-	Finance costs	86	1
271	323	Internal charges and overheads applied	282	331
-	-	Other operating funding applications	-	-
944	**801**	**Total applications of operating funding (B)**	**1,018**	**989**
289	**543**	**Surplus (deficit) of operating funding (A – B)**	**303**	**350**
-	-	Subsidies and grants for capital expenditure	-	-
-	1	Development and financial contributions	-	3
(32)	(363)	Increase (decrease) in debt	(32)	(68)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
(32)	**(362)**	**Total sources of capital funding (C)**	**(32)**	**(65)**
		Capital expenditure		
75	-	—to meet additional demand	128	31
1,575	296	—to improve the level of service	434	200
-	-	—to replace existing assets	511	52
(1,393)	(115)	Increase (decrease) in reserves	(802)	2
-	-	Increase (decrease) of investments	-	-
257	**181**	**Total applications of capital funding (D)**	**271**	**285**
(289)	**(543)**	**Surplus (deficit) of capital funding (C – D)**	**(303)**	**(350)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan
Stormwater is one of our smaller activities, and income and day-to-day running costs both finished close to the Long Term Plan. Professional services work was a little slower than planned, although the funds remain committed.

Capital spending was $0.8 million below plan. Work did progress on a number of smaller improvements — including the Ridgeview Drive drain improvements in Te Aroha, the Te Aroha boat ramp drain, and connection, soakage and upgrade works at Waharoa, Matamata and Morrinsville — along with district-wide stormwater modelling and our comprehensive stormwater consent renewal, which sits with Waikato Regional Council. District-wide reticulation renewals are still to be scoped, however, and several projects were incomplete at year end, so those budgets carry forward to 2026/27.

Because we spent less on capital works than planned, we did not need to draw on our stormwater reserves as the Long Term Plan assumed. Those funds remain available to put towards this work when it proceeds.

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 comes from local industry. Industrial and commercial wastewater is regulated through trade waste agreements and the Trade Waste Bylaw 2011, with businesses paying the costs associated with treating their waste.

We maintain a reliable wastewater network through appropriate backup facilities, equipment, and trained staff to respond to service disruptions. Planned and reactive maintenance programmes help ensure the network remains in good condition and continues to operate effectively.

Te uptake | Why we do it

The wastewater service ensures that wastewater (sewage and the "grey" water that goes down household 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

Work on Matamata's new wastewater treatment plant continues and is approximately 60% complete at 30 June 2026. Project completion is targeted toward the end of 2026, with the commissioning set to begin in early October.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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).	☑ 0.7 (7 total)	≤1 complaint per 1,000 connections per year.	☑ 0.6 (7 total)	This measure indicates how well the wastewater network operates. There were a total of 7 dry weather overflows. [12]
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).	☑ Zero (0)	Zero (0).	☒ One (1)	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. Performance is considered on target when there are zero (0) notices, orders, or convictions. Council were convicted in November 2025 for exceeding consent limits of wastewater discharge between 2022 and 2023.[13]
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.	☑ 13 minutes	Median: 4 hours or less.	☑ 3 hours, 7 minutes	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 14 wastewater callouts. The median attendance time was 3 hours and 7 minutes.
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault.	☑ 4 hours, 32 minutes	Median: 24 hours or less.	☑ 5 hours, 37 minutes	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 14 wastewater callouts. The median

[12] At the time of the rates strike, there were 10,070 wastewater connections. This has been rounded to 10,100 connections.
[13] During 2025/26, Council notified Waikato Regional Council of 16 wastewater-related incidents or events as required under its consent and regulatory obligations. Council received one conviction during the year. All incidents were investigated, reported, and managed with appropriate corrective actions where required.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
					resolution time was 5 hours and 37 minutes.
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). • Sewage odour • Wastewater system faults • Wastewater system blockages Council's response to issues with our wastewater system. *	☑ 3.1 per 1,000 (31 in total)	≤16 complaints (across all categories) per 1,000 connections per year.	☑ 4.55 per 1,000 (46 in total)	This measure indicates customer and community satisfaction with the quality of the wastewater system and service provided. There were 39 complaints about blockages, 6 about odour, 1 about system faults, and 0 about Council's response. There were 46 complaints total.[14]
Our wastewater network will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's wastewater system.	☑ 95%	80% or more satisfied/very satisfied.	☑ 97%	Our residents are satisfied with our wastewater system. The results show consistent satisfaction from 2024/25.

[14] At the time of the rates strike, there were 10,070 wastewater connections. This has been rounded to 10,100 connections.

Funding Impact Statement – Wastewater 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
-	-	General rates, uniform annual general charges, rates penalties	-	-
8,671	8,653	Targeted rates	9,940	9,021
-	-	Subsidies and grants for operating purposes	-	-
1,078	747	Fees and charges	1,311	1,767
616	657	Internal charges and overheads recovered	581	494
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
10,365	**10,057**	**Total operating funding (A)**	**11,832**	**11,282**
5,761	4,560	Payments to staff and suppliers	5,885	5,579
1,187	721	Finance costs	2,345	1,713
701	1,394	Internal charges and overheads applied	732	1,731
-	-	Other operating funding applications	-	-
7,649	**6,675**	**Total applications of operating funding (B)**	**8,962**	**9,023**
2,716	**3,382**	**Surplus (deficit) of operating funding (A – B)**	**2,870**	**2,259**
-	-	Subsidies and grants for capital expenditure	-	-
1,694	2,143	Development and financial contributions	1,728	1,083
28,435	14,847	Increase (decrease) in debt	23,999	24,151
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
30,129	**16,990**	**Total sources of capital funding (C)**	**25,727**	**25,234**
		Capital expenditure		
8,012	4,001	—to meet additional demand	7,449	7,207
18,700	11,036	—to improve the level of service	14,832	17,742
5,750	4,289	—to replace existing assets	5,874	2,178
383	1,046	Increase (decrease) in reserves	442	366
-	-	Increase (decrease) of investments	-	-
32,845	**20,372**	**Total applications of capital funding (D)**	**28,597**	**27,493**
(2,716)	**(3,382)**	**Surplus (deficit) of capital funding (C – D)**	**(2,870)**	**(2,259)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

The year was dominated by the upgrade of the Matamata Wastewater Treatment Plant, which drove our capital programme and, as set out below, significantly impacted the day-to-day cost of running the activity. Around $24 million was spent on it this year, drawing on budget carried forward from 2024/25, which is why spending to improve the level of service ran well ahead of the LTP. Renewal work progressed more slowly - mainly pipe relining in Morrinsville and plant renewals at Te Aroha, Morrinsville and Tahuna - with the remaining budgets carried forward. Capital spending finished $1.0 million below plan.

Targeted rates were set $0.9 million lower than the LTP assumed, and trade waste income rose after charges to major industrial users were revised to better reflect treatment costs. The LTP also included $1.5 million of debt-funded desludging at Te Aroha and Morrinsville. That work is on hold pending an assessment of options and, with the Matamata plant starting later than planned, we carried less debt and interest costs came in below the LTP.

Setting desludging aside, the cost of running the network was significantly higher than the LTP allowed - around $1.2 million more, and higher again than the reduced budget set through the Annual Plan. Most of this came from keeping the Matamata plant within its consent conditions while the new plant is built, which required additional power and mechanical maintenance, and from compliance requirements at Te Aroha. Higher electrical maintenance, laboratory testing, ultraviolet bulb replacements, other regulatory and treatment contract costs, and the share of Council's internal service and overhead costs carried by this activity all added to the increase. Development contributions were below plan, as subdivision activity across the district has slowed.

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 around 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 water 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

We continued to strengthen drinking water compliance across all six water supplies during 2025/26. Independent auditing confirmed an overall improvement in compliance with the Drinking Water Quality Assurance Rules (DWQAR), with Morrinsville, Te Poi, Tahuna and Hinuera achieving near-full compliance, and Matamata and Te Aroha achieving near-full compliance. Compared with 2024/25, Matamata improved its bacteriological compliance from 96.0% to 100%, Morrinsville improved protozoal compliance from 99.7% to 100%, and Te Aroha significantly improved bacteriological compliance from 77% to 99.89%. Across all supplies, distribution zone monitoring achieved 100% compliance, demonstrating our ongoing commitment to providing safe and reliable drinking water to our communities.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Drinking Water Standards

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 equivalent rules set out in the DWQAR Treatment System and System Distribution rules are being reported on to meet the drinking water performance requirements.

Level of Service **We will provide safe and reliable water for household and business use (serviced properties)**				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Te Aroha Achieved (the equivalent standard)	**Bacteriological Compliance**			Te Aroha has a serviced population of 4,650 people.[15] The Te Aroha plant was not 100% compliant due to instrument glitches of 1minute duration in July, November, January, April and June. These 5 x 1 minute glitches resulted in a total of 5 non-compliant days during the compliance period.
	T3 Bacterial Rules	☒ Partially met (77%)	☒ Almost met (99.89%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules	☑ All met (100%)	☑ All met (100%)	
Morrinsville Achieved (the equivalent standard)	**Bacteriological Compliance**			Morrinsville has a serviced population of 9,003 people.[16] This is an aggregated result of the four Morrinsville sources; Lockerbie, Waterworks Rd, Scott Rd, and Morrinsville distribution zone.
	T3 Bacterial Rules	☑ All met (100%)	☑ All met (100%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules	☒ Almost met (99.7%)	☑ All met (100%)	
Matamata Achieved (the equivalent standard)	**Bacteriological Compliance**			Matamata has a serviced population of 9,132 people.[17] This is an aggregated result of the three different treatment plants in Matamata; Matamata WTP, Burwood Rd WTP, and Tawari St WTP. The three treatment plants service two distribution zones, Matamata and Waharoa. Tawari St cannot meet protozoal compliance due to sensor fouling issues on the UV units impacting the reported UV dose
	T3 Bacterial Rules	☒ Almost met (96.0%)	☑ All met (100%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	D3.29 Microbiological Monitory Rule – Waharoa	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules – Matamata	☒ Almost met (98.9%)	☒ Almost met (99.87%)	

[15] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.
[16] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.
[17] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.

Level of Service We will provide safe and reliable water for household and business use (serviced properties)				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Te Poi Achieved (the equivalent standard)	**Bacteriological Compliance**			Te Poi has a serviced population of 100 people.[18] The Te Poi supply was compliant and all rules were met.
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	
	D2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Filtration Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	
Hinuera Achieved (the equivalent standard)	**Bacteriological Compliance**			Hinuera has a serviced population of 116 people.[19] The Hinuera supply was compliant and all rules were met.
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	
	T2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	
	Bacteriological Compliance			Tahuna has a serviced population of 120 people.[20] The Tahuna water supply was
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	

[18] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Two measures. Level Two Measures, as set by the Water Authority, are for supplies that service a population of 101 to 500 people.
[19] As registered in Hinekōrako (register of drinking water supplies), 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.
[20] 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.

Level of Service We will provide safe and reliable water for household and business use (serviced properties)				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Tahuna Achieved (the equivalent standard)	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	complaint and all rules were met.
	D2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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*	☒ 33%	25% or less.	☒ 35%	Our result was calculated using the Minimum Night Flows (option 2 of the DIA methodology). This is rounded from 35.4%[21]
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: **Attendance for urgent call-outs:** from the time that we receive notification to the time that service personnel reach the site*	☑ 31 minutes	Median: 4 hours or less.	☑ 19 minutes	This measure indicates how quickly we attend urgent water call-outs. There were 12 urgent water call-outs. The median attendance time was 19 minutes.[22]
	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 hours, 30 minutes	Median: 24 hours or less.	☑ 4 hours, 19 minutes	This measure indicates how quickly we resolve urgent water call-outs. There were 12 urgent water call-outs. The median resolution time was 4 hours and 19 minutes.

[21] Water loss is calculated using methodology from the Department of Internal Affairs. The result is calculated by measuring the minimum nightly flows into our networks between approximately 1am and 3am, then subtracting large metered industrial consumptions and an allowance of 2.5L/hr/connection for overnight use (toilets etc). The result reflects an estimate of 'unknown' water usage such as leakage, unknown connections, and unauthorised usage.

[22] A water call-out is considered urgent when there is no water supply to a household or business.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	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: **Attendance for non-urgent call-outs:** from the time that we receive notification to the time that service personnel reach the site.*	☑ 2 days	Median: 3 working days or less.	☒ 3.6 days	This measure indicates how quickly we attend non-urgent water issues. 395 non-urgent water callouts were received. The median attendance time to a call-out was 3.6 working days.
	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. *	☑ 2 days	Median: 5 working days or less.	☑ 4 days	This measure indicates how quickly we resolve non-urgent water issues. 395 non-urgent water call-outs were received. The median resolution time to a call-out was 4 working days.
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.*	☒ 9.21 per 1,000 connections (105 total)	≤9 complaints (across all categories) per 1,000 connections per year.	☑ 6.6 per 1,000 connections (70 total)	This measure shows community satisfaction with the quality of the water supply, and our response to issues. A total of 70 drinking water complaints were received.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
Our water assets are managed adequately for the future.	The average consumption of drinking water per day per resident within the district.*	☑ 294 litres per person per day	≤500 litres per urban resident per day.	☑ 370 litres per person per day	This measure shows the average consumption of drinking water. The increase is due to the different methodology used when dealing with the manual meter data.
Our water systems will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's water supply.	☑ 81%	70% or more satisfied/ very satisfied.	☑ 82%	Our residents are satisfied with our water system. The results show consistent satisfaction from 2024/25.

Funding Impact Statement – Water 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
-	-	General rates, uniform annual general charges, rates penalties	-	-
10,891	10,996	Targeted rates	11,287	11,663
-	800	Subsidies and grants for operating purposes	-	224
11	115	Fees and charges	11	87
72	77	Internal charges and overheads recovered	68	55
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
10,974	**11,988**	**Total operating funding (A)**	**11,366**	**12,029**
5,208	4,707	Payments to staff and suppliers	5,320	5,162
1,132	868	Finance costs	1,286	883
1,163	2,174	Internal charges and overheads applied	1,157	2,415
-	-	Other operating funding applications	-	-
7,503	**7,749**	**Total applications of operating funding (B)**	**7,763**	**8,460**
3,471	**4,239**	**Surplus (deficit) of operating funding (A – B)**	**3,603**	**3,569**
-	-	Subsidies and grants for capital expenditure	-	-
190	1,010	Development and financial contributions	193	197
5,548	511	Increase (decrease) in debt	3,721	589
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
5,738	**1,521**	**Total sources of capital funding (C)**	**3,914**	**786**
		Capital expenditure		
2,200	1,353	—to meet additional demand	-	36
700	725	—to improve the level of service	2,401	713
6,309	3,682	—to replace existing assets	5,116	3,606
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
9,209	**5,760**	**Total applications of capital funding (D)**	**7,517**	**4,355**
(3,471)	**(4,239)**	**Surplus (deficit) of capital funding (C – D)**	**(3,603)**	**(3,569)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Water rates were set higher than the LTP to meet the rising cost of running our treatment plants and networks, and we also received government funding towards preparing our Water Service Delivery Plan. Income finished $0.7 million above plan, although metered water income was a little softer, mainly reflecting lower use by one large industrial customer.

Running costs were $0.7 million above plan. Most of this is the cost of Council's in-house water and wastewater team and plant that was not charged directly to jobs and is instead spread across the activities they support. Mechanical maintenance at the treatment plants and regulatory levies were also higher, partly offset by savings in laboratory testing, materials and chemicals.

The capital programme finished $3.2 million below LTP. We did complete a good amount of work — renewing water pipes in Morrinsville, Te Aroha and Matamata, a new bore at Tahuna, the Te Aroha water consent renewal, and repairs at the Morrinsville and Te Aroha treatment plants — but other projects, including the Morrinsville plant ultraviolet treatment installation, were rephased and those budgets carry forward. Because less was spent, we borrowed considerably less than the LTP assumed.

Whakaaetnga 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

Compliance and Animal Control continued to deliver strong regulatory outcomes for the district through the implementation of a new Compliance and Enforcement Policy, enhanced staff training, improved enforcement processes, and a greater focus on risk-based service delivery. The team also progressed the automation of alcohol licensing administration, supporting more efficient and digitally enabled services. Animal Control maintained high levels of responsiveness to community concerns, strengthened officer safety practices, and continued to support responsible dog ownership and community safety. A total of 59 dogs were successfully rehomed during the year, contributing to positive animal welfare outcomes and reducing pressure on animal control facilities.

Also, the Building Consent Authority received a low-risk rating at its last IANZ Accreditation assessment.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
Te whakahaere | Animal control					
Any disturbances caused by animals will be investigated quickly and efficiently.	The percentage of complaints investigated within set timeframes.	☑ 96%	95% within adopted timeframes.	☑ 97%	This measure shows how quickly and efficiently we respond to complaints about animals, such as dogs and stock. Of the 839 complaints received, 811 were investigated within adopted timeframes. This result has been rounded from 96.66%.
Ngā whakaaetanga ā-whare te matai | Building consents and monitoring					
Building consents will be administered quickly and efficiently.	The percentage of building consents processed within statutory timeframes.	☒ 93%	100% processed within statutory timeframes.	☒ 98%	This result shows how quickly and efficiently Council processes building consents. Of the 760 building consents received, 742 were processed within statutory timeframes. This result has been rounded from 97.6%
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 2026. It is noted that we no longer register hairdressers and therefore they are no longer included in this reporting.
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	☑ 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 2026.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	excludes those Clubs that have been assessed as a 'very low' risk rating by Council.				
We will act on all noise complaints we receive.	The percentage of after-hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours.	☒ 99%	100% responded to within two hours.	☑ 100%	This measure shows that Council is protecting the wellbeing of the community by responding to noise complaints quickly. Of the 307 noise complaints received, all were responded to within two hours.
Ngā whakaaetanga ā-rawa me te matai | Resource consents and monitoring					
Resource consents will be administered quickly and efficiently.	The percentage of resource consents processed within statutory timeframes.	☒ 92%	100% processed within statutory timeframes.	☒ 92%	This measure shows whether Council is processing resource consents on a timely basis. Of the 247 consents processed, 227 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%.	☒ 91%	This measure shows that the conditions of resource consents are being upheld to protect our community and environment. Of the 134 land use consents that were granted, 122 consents were monitored within four months of being granted.

Funding Impact Statement – Consents and licensing 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
3,933	3,961	General rates, uniform annual general charges, rates penalties	4,103	4,454
-	-	Targeted rates	-	-
-	-	Subsidies and grants for operating purposes	-	-
4,088	4,500	Fees and charges	4,177	5,301
-	-	Internal charges and overheads recovered	-	-
39	55	Local authorities fuel tax, fines, infringement fees, and other receipts	39	57
8,060	**8,516**	**Total operating funding (A)**	**8,319**	**9,812**
5,603	5,176	Payments to staff and suppliers	5,774	5,954
65	59	Finance costs	61	10
2,125	2,382	Internal charges and overheads applied	2,214	2,348
-	-	Other operating funding applications	-	-
7,793	**7,617**	**Total applications of operating funding (B)**	**8,049**	**8,312**
267	**899**	**Surplus (deficit) of operating funding (A – B)**	**270**	**1,500**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
(267)	(899)	Increase (decrease) in debt	(270)	(1,500)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
(267)	**(899)**	**Total sources of capital funding (C)**	**(270)**	**(1,500)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
-	-	—to improve the level of service	-	-
-	-	—to replace existing assets	-	-
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
-	**-**	**Total applications of capital funding (D)**	**-**	**-**
(267)	**(899)**	**Surplus (deficit) of capital funding (C – D)**	**(270)**	**(1,500)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Building and resource consent activity was much busier than expected, and fees and charges finished $1.1 million above the LTP. Building consent income was well above what we had budgeted for the year, and licensing and health income was also above plan.

Handling that extra work meant greater use of consultants and more support from other teams across Council, although staff vacancies during the year offset much of that, so costs finished only $0.3 million higher than planned. These costs are largely recovered from the applicants who generate the work.

Rates funding for this activity increased slightly from the LTP to cover reduced income expectations and higher overhead costs. With consenting income well ahead of budget, the resulting surplus was used to reduce debt attributed to this activity by $1.5 million.

SECTION 6:

Ngā Pānui Ā-Pūtea | Financial Statements



Statement of comprehensive revenue and expense

For the year ended 30 June 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Revenue				
59,206	Rates	2	62,249	62,271
9,492	Subsidies and grants	2	8,065	8,874
11,019	Fees and charges	2	12,225	13,899
4,669	Development and financial contributions		2,203	2,152
1,035	Interest revenue	2	531	888
9,533	Vested and found assets	12	204	6,021
1,626	Other revenue	2	259	7,527
96,580	**Total revenue**		**85,736**	**101,632**
Expenses				
27,107	Personnel costs	3	31,237	30,689
22,167	Depreciation and amortisation	14	23,932	25,664
3,324	Finance costs	4	3,471	3,913
36,481	Other expenses	5	30,318	36,543
89,079	**Total expenses**		**88,958**	**96,809**
7,501	**Surplus/(deficit)**		**(3,222)**	**4,823**
Other comprehensive revenue and expense				
6,037	Financial assets at fair value through other comprehensive revenue and expense	20	-	3,972
236,391	Property, plant and equipment revaluations	20	25,637	(785)
242,428	**Total other comprehensive revenue and expense**		**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**		**22,415**	**8,010**

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 the year ended 30 June 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
966,333	**Balance at 1 July**		**982,765**	**1,216,262**
249,929	Total comprehensive revenue and expense for the year		22,415	8,010
1,216,262	**Balance at 30 June**		**1,005,180**	**1,224,272**

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 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Assets				
Current assets				
8,679	Cash and cash equivalents	6	570	2,433
5,899	Receivables	7	7,144	8,195
1,373	Prepayments		700	1,388
908	Inventory	8	919	480
270	Non-current assets held for sale	9	-	1,463
-	Derivative financial instruments	10	-	17
	Other financial assets			
13,500	- Term Deposits	11	14,079	3,900
311	- Investments in CCOs and other similar entities	11	273	5,532
30,940	**Total current assets**		**23,685**	**23,408**
Non-current assets				
205	Derivative financial instruments	10	-	69
	Other financial assets			
44,330	-Investments in CCOs and other similar entities	11	37,029	47,825
116	-Investments in other entities	11	111	116
1,243,582	Property, plant and equipment	12	1,066,462	1,273,637
471	Intangible assets	13	609	284
1,288,704	**Total non-current assets**		**1,104,211**	**1,321,931**
1,319,644	**Total assets**		**1,127,896**	**1,345,339**
Liabilities				
Current liabilities				
12	Derivative financial instruments	10	-	25
13,712	Payables and deferred revenue	15	10,297	17,311
13,500	Borrowings	16	13,500	47,000
3,222	Employee entitlements	17	2,669	3,675
42	Provisions	18	80	66
30,488	**Total current liabilities**		**26,546**	**68,077**
Non-current liabilities				
599	Derivative financial instruments	10	-	697
71,500	Borrowings	16	95,584	51,500
411	Employee entitlements	17	370	479
384	Provisions	18	216	314
72,894	**Total non-current liabilities**		**96,170**	**52,990**
103,382	**Total liabilities**		**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**		**1,005,180**	**1,224,272**
Equity				
493,092	Accumulated funds	20	474,635	496,259
723,170	Other reserves	20	530,545	728,013
1,216,262	**Total equity**		**1,005,180**	**1,224,272**

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 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Cash flows from operating activities				
59,155	Receipts from rates revenue		61,919	62,424
9,239	Subsidies and grants received		8,053	9,029
10,155	Fees and charges received		12,180	12,860
4,437	Development and financial contributions received		2,066	1,850
1,070	Interest received		531	812
-	Dividends received		-	70
1,626	Receipts from other revenue		463	6,708
(33,992)	Payments to suppliers		(30,629)	(34,655)
(26,480)	Payments to employees		(30,951)	(30,168)
(3,270)	Interest paid		(3,500)	(3,600)
(1,645)	GST (net)		-	(241)
20,295	**Net cash flows from operating activities**		**20,132**	**25,089**
Cash flows from investing activities				
171	Proceeds from the sale of property, plant and equipment		-	120
400	Proceeds from sale/maturity of investments		-	13,500
386	Proceeds from the sale of own your own properties		-	-
(41,957)	Purchase of property, plant and equipment		(58,493)	(48,932)
(267)	Purchase of intangible assets		(280)	(71)
(1,302)	Purchase of investments		(96)	(8,644)
-	Purchase of own your own properties		-	(808)
(42,569)	**Net cash flows from investing activities**		**(58,869)**	**(44,835)**
Cash flows from financing activities				
31,500	Proceeds from borrowings		52,466	27,000
(12,000)	Repayment of borrowings		(13,500)	(13,500)
19,500	**Net cash flows from financing activities**		**38,966**	**13,500**
(2,774)	**Net (decrease)/increase in cash and cash equivalents**		**229**	**(6,246)**
11,453	Cash and cash equivalents at the beginning of the year		341	8,679
8,679	**Cash and cash equivalents at the end of the year**	**6**	**570**	**2,433**

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 2026
Reconciliation of surplus/(deficit) to net cash flow from operating activities.

Actual 2024/25 $000		Actual 2025/26 $000
7,501	**Surplus/(deficit)**	**4,823**
	Add/(less) non-cash items	
22,167	Depreciation and amortisation expense	25,664
(9,533)	Vested and found assets revenue	(6,021)
1,671	(Gains)/losses on derivative financial instruments	229
434	Assets under construction reclassified as operating expenditure	372
-	Write-down of inventory	550
-	Write-off of intangible assets	57
-	Non-cash movements in provisions	237
(382)	Other non-cash operating items	1
14,357	**Total non-cash items**	**21,089**
	Add/(less) items classified as investing or financing activities	
841	(Gains)/losses on disposal of property, plant and equipment	662
-	Movement in capital creditors	(2,888)
841	**Total items classified as investing or financing activities**	**(2,226)**
	Add/(less) movements in working capital items	
(1,186)	(Increase)/decrease in receivables	(2,296)
(682)	(Increase)/decrease in prepayments	(15)
(30)	(Increase)/decrease in inventory	(122)
(1,024)	Increase/(decrease) in payables and deferred revenue	3,599
627	Increase/(decrease) in employee entitlements	521
(109)	Increase/(decrease) in provisions	(284)
(2,404)	**Net movement in working capital items**	**1,403**
20,295	**Net cash inflow/(outflow) from operating activities**	**25,089**

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 and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the Local Government Act 2002 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 2026. The financial statements were authorised for issue by Council on 28 October 2026.

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 Local Government Act 2002, 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 some of the remuneration and severance payment disclosures in Note 3, and the related party transaction disclosures in Note 21. Those remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective, and not early adopted
Standards and amendments issued but not yet effective, that have not been early adopted and relevant to Council are:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)
This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ending 30 June 2027. Council has not yet assessed in detail the impact of these amendments on the financial statements.

Changes in accounting policies
There have been no 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 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 2025/26 in its Annual Plan for the year ended 30 June 2026. 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

2024/25 $000		2025/26 $000
35,671	General rates	37,374
	Targeted rates attributable to activities:	
3,978	- Metered water supply	3,705
7,018	- Other water rates	7,958
9,199	- Wastewater	9,562
907	- Stormwater	1,009
2,518	- Refuse	2,740
109	- Halls	109
387	Rates penalties	391
(581)	Rates remissions	(577)
59,206	**Total rates**	**62,271**

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 2026 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

(ii) Breakdown of subsidies and grants

2024/25 $000		2025/26 $000
	Subsidies and grants for operating purposes	
3,501	NZ Transport Agency Waka Kotahi roading subsidies	3,648
113	Three Waters reform transition funding	-
720	Waste minimisation funding	806
871	Better-off funding	357
4	Other government subsidies and grants	57
5,209	**Total subsidies and grants for operating expenditure**	**4,868**
	Subsidies and grants for capital expenditure	
3,851	NZ Transport Agency Waka Kotahi roading subsidies	3,676
432	Better-off funding	330
4,283	**Total subsidies and grants for capital expenditure**	**4,006**
9,492	**Total subsidies and grants**	**8,874**

(iii) Breakdown of fees and charges

2024/25 $000		2025/26 $000
108	Property lease revenue	116
1,424	Property rental charges	1,580
747	Trade waste charges	1,767
2,069	Building consent charges	2,659
1,643	Resource consent charges	1,791
312	Liquor and health licensing fees	355
907	Rubbish and recycling charges	1,053
1,709	Aquatic facilities revenue	1,679
33	Library charges	32
392	Cemetery fees and charges	533
432	Community facilities charges	509
1,243	Other user charges	1,825
11,019	**Total fees and charges**	**13,899**

(iv) Breakdown of interest revenue

2024/25 $000		2025/26 $000
866	Term and on-call deposits	667
169	Listed bonds and borrower notes	116
-	Interest on Establishment Funding advanced to Waikato Waters Limited	105
1,035	**Total interest revenue**	**888**

(v) Breakdown of other revenue

2024/25 $000		2025/26 $000
55	Fines and infringement fees	57
221	Petrol tax	229
1,350	Bequests and other donations	6,422
-	Dividend revenue	70
-	Cost recoveries from Waikato Waters Limited	749
1,626	**Total other revenue**	**7,527**

Bequests and other donations
$6.4 million in donations were received during the year towards the construction of the Open Country Community Stadium in Matamata that was completed and opened in February 2026 (2025: $1.35 million).

Cost recoveries from Waikato Waters Limited
Under clause 2.7 of the Shareholders' Agreement dated 23 July 2025, Waikato Waters Limited (WWL) is required to reimburse Council for Establishment Costs and Transitional Activity Costs. Cost recoveries of $334,482 (Establishment Costs) and $415,317 (Transitional Activity Costs) have been recognised as other revenue (notes 7 and 21).

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

3. Personnel costs

Accounting policy
Employee benefits and elected representatives remuneration are recognised as employees and elected representatives provide services to the Council. Personnel costs that are directly attributable to the construction of Council assets are capitalised as part of the cost of those assets in accordance with the Council's property, plant and equipment accounting policies. All other personnel costs are recognised as an operating expense when incurred.
The specific accounting policies for significant personnel cost items are explained below:

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

2024/25 $000		2025/26 $000
25,816	Salaries and wages	29,378
664	Defined contribution plan employer contributions	789
627	Increase/(decrease) in employee entitlements	522
27,107	**Total personnel costs**	**30,689**

Chief Executive remuneration
The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was $368,666 (2025: $655,703). In 2024/25 the Chief Executive that departed in that year 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.

Elected representatives' remuneration
During the 2025/26 financial year, local government elections were conducted, resulting in the appointment of seven new elected members to the Council for the 2025-2028 triennium. The transition of the elected members occurred on 28 October 2025.

Elected representatives received the following remuneration:

2024/25		2025/26
-	Mayor Ashley Tanner	110,503
39,430	(Former Councillor, Current Deputy Mayor) James Sainsbury	50,436
47,315	(Former Deputy Mayor, Current Councillor) James Thomas	46,091
39,430	Councillor Bruce Dewhurst	42,404
39,430	Councillor Sue Whiting	39,902
39,430	Councillor Dayne Horne	42,404
39,430	Councillor Gary Thompson	39,902
-	Councillor Vincent Andersen	27,876
-	Councillor Sailimalo Rewiti Vaimoso	30,378
-	Councillor Grace Bonnar	27,876
-	Councillor Tyrel Glass	27,876
-	Councillor Andrew McGiven	31,660
-	Councillor Greg Marshall	27,876
143,965	Outgoing Mayor Adrienne Wilcock	43,850
39,430	Outgoing Councillor Kevin Tappin	12,026
39,430	Outgoing Councillor Russell Smith	12,026
39,430	Outgoing Councillor Caleb J Ansell	12,026
39,430	Outgoing Councillor Sarah-Jane Bourne	12,026
39,430	Outgoing Councillor Sharon Dean	12,026
39,430	Outgoing Councillor Peter Jager	12,026
625,010	**Total elected representatives' remuneration**	**661,190**

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.

Council employee remuneration by band[23]

Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	2025/26 Number of employees
<$60,000	93
$60,000 - $79,999	98
$80,000 - $99,999	71
$100,000 - $119,999	55
$120,000 - $139,999	22
$140,000 - $159,999	11
$160,000 - $179,999	9
$180,000 - $379,999	6
Total employees	**365**

Total remuneration includes non-financial benefits provided to employees.

[23] In addition to the remuneration disclosed above, Sue Whiting and Kevin Tappin and Sarah-Jane Bourne received District Licensing Committee fees of $8755 and $0 and $0 respectively in 2026 (2025: $6284 and $156 and $102). These fees are set under section 195 of the Sale and Supply of Alcohol Act 2012 rather than the Local Government Elected Members Determination.

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

At balance date, the Council employed 240 (2025: 229) full-time employees, with the balance of staff representing 58 (2025: 56) 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 2026 (2025: 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

2024/25 $000		2025/26 $000
	Interest expense:	
3,677	Interest on borrowings	3,674
15	Discount unwind on provisions (note 18)	10
	Interest derivatives (presented net):	
(368)	Held for trading interest rate swaps	229
3,324	**Total finance costs**	**3,913**

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

2024/25 $000		2025/26 $000
	Fees incurred for services provided by the audit firm:	
	Audit of the financial report	
-	Audit of the financial report 2025/26	263
251	Audit of the financial report 2024/25 (including additional recoveries)	40
59	Audit of the financial report 2023/24	-
	Audit or review related services	
9	Limited assurance report for Debenture Trust Deed (assurance engagement)	9
	Other assurance services and other agreed-upon procedures engagements	
20	Independent assessment of Matamata Wastewater Treatment Plant upgrade procurement process (assurance engagement)	-
-	Independent assurance over the tender process for the Roading Network Maintenance and Resealing contract (assurance engagement)	15
	Other expenses:	
663	Donations and grants	655
1,438	Insurance premiums	1,412
(2)	Movement in allowance for expected credit losses on receivables (note 7)	-
182	Operating lease expense	122
(109)	Review of provisions (note 18)	197
1,671	Unrealised loss on interest rate swaps	229
841	Net loss on disposal of property, plant and equipment	661
-	Write-down of inventory (note 8)	550
31,458	Other operating expenses	32,390
36,481	**Total other expenses**	**36,543**

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

2024/25 $000		2025/26 $000
3,179	Cash at bank and on hand	2,433
5,500	Term deposits with maturities of less than three months at acquisition	-
8,679	**Total cash and cash equivalents**	**2,433**

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 (refer note 11), of $4,729,000 (2025: $3,923,000) 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

2024/25 $000		2025/26 $000
1,654	Rates receivables	1,739
761	Metered water rates receivables	566
991	NZ Transport Agency Waka Kotahi subsidy	812
1,147	**Other general receivables**	2,510
-	Receivable from Waikato Waters Limited – Establishment costs	334
-	Receivable from Waikato Waters Limited – Transitional activity costs	415
800	GST receivable	1,041
561	Accrued income	793
5,914	**Receivables (gross)**	**8,210**
(15)	Less allowance for credit losses	(15)
5,899	**Total receivables**	**8,195**
	Total receivables comprise:	
5,564	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,034
335	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,161

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 (2025: Nil)
- Section 90B: Nil (2025: Nil)

Receivable from Waikato Waters Limited
Establishment Costs of $334,482 were incurred by Council before 1 July 2025 in relation to the Local Water Done Well programme. Under clause 2.7 of the Shareholders' Agreement dated 23 July 2025, Waikato Waters Limited (WWL) is required to repay these costs. The amount was received in full on 1 July 2026 (note 22).

Transitional Activity Costs of $415,317 were incurred by Council during the year in transitioning its water services to WWL, and are recoverable from WWL under clause 9.1(h) of the Shareholders' Agreement dated 23 July 2025. No allowance for expected credit losses has been recognised.

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 2024/25 $000	Expected credit loss rate 2024/25	Lifetime ECL 2025 $000		Gross 2025/26 $000	Expected credit loss rate 2025/26	Lifetime ECL 2026 $000
548	0.00%	-	Not past due	364	0.00%	-
96	0.00%	-	Past due 1 – 60 days	1,349	0.00%	-
(18)	0.00%	-	Past due 61 – 90 days	61	0.00%	-
521	2.81%	15	Past due > 90 days	736	2.05%	15
1,147		**15**	**Total**	**2,510**		**15**

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

Movements in the allowance for credit losses are as follows:

2024/25 $000		2025/26 $000
17	**Opening balance for credit losses at 1 July**	**15**
5	Additional provisions made during the year	9
-	Provisions reversed during the year	-
(7)	Other general receivables written off during the year	(9)
15	**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 except for infrastructural asset costs, which are capitalised to property, plant and equipment.

Breakdown of inventory and further information:

2024/25 $000		2025/26 $000
	Non-commercial inventory:	
358	Inventory held for distribution	480
550	Wastewater treatment plant parts	-
908	**Total inventory**	**480**

Inventory was written down by $550,000 during the year (2025: Nil). The write-down relates to a centrifuge system at the Morrinsville wastewater treatment plant, which was decommissioned and has since been held as inventory. The system cannot be recommissioned and is no longer supported by the manufacturer, and its remaining componentry has no service potential to the Council. The full carrying amount has accordingly been written down to nil and recognised in the surplus or deficit (note 5). There have been no reversals of write-downs (2025: Nil). No inventory is pledged as security for liabilities or is subject to retention of title clauses (2025: 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:

2024/25 $000		2025/26 $000
-	Own your own properties	1,193
270	Land	270
270	**Total non-current assets held for sale**	**1,463**

At 30 June 2026, Council has three 'own your own' properties in Morrinsville that are being actively marketed for sale.

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.

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:

2024/25 $000		2025/26 $000
	Interest rate swaps – reported as financial instruments at fair value through surplus or deficit, comprising:	
-	Current assets	17
205	Non-current assets	69
205	**Total derivative financial instrument assets**	**86**
12	Current liabilities	25
599	Non-current liabilities	697
611	**Total derivative financial instrument liabilities**	**722**

The notional principal amounts of the outstanding interest rate swap contracts for the Council were $76 million (2025: $80 million). At 30 June 2026, the fixed interest rates of the interest rate swaps ranged from 1.92% to 4.10% (2025: 1.92% to 4.10%).

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.

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

2024/25 $000		2025/26 $000
	Current	
	Term deposits	
13,500	Term Deposits with maturities of more than three months at acquisition	3,900
13,500	**Total term deposits**	**3,900**
	Investment in CCOs and similar entities	
311	New Zealand Local Government Funding Agency – borrower notes	478
-	Waikato Waters Limited – Establishment Funding advance including interest	5,054
311	**Total current investment in CCOs and similar entities**	**5,532**
	Non-current	
	Investment in CCOs and similar entities	
2,552	New Zealand Local Government Funding Agency – borrower notes	2,075
41,730	Waikato Regional Airport Limited	45,702
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
44,330	**Total non-current investment in CCOs and similar entities**	**47,825**
	Investments in other entities	
116	Civic Financial Services Limited	116
116	**Total non-current investment in other entities**	**116**

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 $2,553,000 in borrowing notes invested with the Local Government Funding Agency at floating rates of interest (2025: $2,863,000). These will mature between October 2026 and April 2029.

Waikato Waters Limited

During the year, Council advanced Establishment Funding of $4,948,250 to Waikato Waters Limited (WWL) under the Shareholders' Agreement dated 23 July 2025, pending WWL securing its own borrowing facility with the LGFA. Consistent with Council's accounting policy for short term investments, the advance is measured at the amount invested, with interest of $105,426 accrued and added to the balance in accordance with clause 2.7(c) of the Shareholders' Agreement. The total balance of $5,053,676 was repaid in full on 1 July 2026, following WWL securing its LGFA funding (note 22).

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:

2024/25 $000		2025/26 $000
35,693	**Balance at 1 July**	**41,730**
6,037	Investment gain/(loss) – recognised in other comprehensive revenue and expense	3,972
41,730	**Balance at 30 June**	**45,702**

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 2026. 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.

Forthcoming transfer of water and wastewater Property Plant and Equipment
On 1 October 2026, all Property Plant and Equipment relating to the provision of water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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. A fair value assessment was performed in-house as at 30 June 2026.

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 2026.

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:

2024/25 $000		2025/26 $000
	Operational buildings	
11,083	Depreciated replacement cost	10,759
-	Market-based evidence	-
11,083	**Total carrying value of operational buildings**	**10,759**
	Restricted buildings	
48,477	Depreciated replacement cost	58,761
-	Market-based evidence	-
48,477	**Total carrying value of restricted buildings**	**58,761**

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. A fair value assessment was performed by WSP as at 30 June 2026.

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. A fair value assessment was performed in-house as at 30 June 2026.

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:

2025/26	Cost/Valuation 1 July 2025 $000	Accumulated depreciation and impairment charges 1 July 2025 $000	Carrying value 1 July 2025 $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 - cost $000	Other transfers - accumulated depreciation and impairment charges $000	Current year impairment charges $000	Current year depreciation $000	Write back of accumulated depreciation $000	Revaluation Surplus/(deficit) $000	Cost/Valuation 30 June 2026 $000	Accumulated depreciation and impairment charges 30 June 2026 $000	Carrying value 30 June 2026 $000
Operational assets																
Land	40,414	-	40,414	-	-	-	-	-	-	-	-	-	-	40,414	-	40,414
Buildings	11,604	(521)	11,083	227	-	(384)	120	32	(32)	-	(287)	-	-	11,580	(821)	10,759
Plant and machinery	9,713	(5,157)	4,556	961	-	(71)	-	(1,401)	1,401	-	(714)	-	-	8,679	(3,947)	4,732
Furniture and equipment	8,424	(3,702)	4,722	756	-	-	71	177	(177)	-	(505)	-	-	9,428	(4,384)	5,044
Computer equipment	5,830	(5,096)	734	372	-	-	-	1	(1)	-	(359)	-	-	1,892	(1,145)	747
Library collections	2,164	(1,840)	324	140	-	-	-	2,666	(2,666)	-	(134)	-	-	4,970	(4,640)	330
Assets under construction	300	-	300	61	-	-	(191)	-	-	-	-	-	-	170	-	170
Total operational assets	**78,449**	**(16,316)**	**62,133**	**2,517**	**-**	**(455)**	**-**	**1,475**	**(1,475)**	**-**	**(1,999)**	**-**	**-**	**77,133**	**(14,937)**	**62,196**
Restricted assets																
Land	77,249	-	77,249	-	2	-	-	-	-	-	-	-	-	77,251	-	77,251
Buildings	50,951	(2,474)	48,477	8,207	-	-	3,542	-	-	-	(1,465)	-	-	62,700	(3,939)	58,761
Cycleways	6,078	(833)	5,245	-	-	-	-	-	-	-	(150)	-	-	6,078	(983)	5,095
Walkways	1,479	(163)	1,316	63	-	-	32	-	-	-	(81)	-	-	1,574	(244)	1,330
Assets under construction	3,756	-	3,756	544	-	-	(3,574)	-	-	-	-	-	-	726	-	726
Total restricted assets	**139,513**	**(3,470)**	**136,043**	**8,814**	**2**	**-**	**-**	**-**	**-**	**-**	**(1,696)**	**-**	**-**	**148,329**	**(5,166)**	**143,163**
Infrastructural assets																
Roads	620,596	-	620,596	8,102	1,768	(291)	1,249	-	-		-(12,705)	-	-	631,424	(12,705)	618,719
Land under roads	72,460	-	72,460	-	341	-	-	-	-	-	-	-	-	72,801	-	72,801

2025/26	Cost/Valuation 1 July 2025 $000	Accumulated depreciation and impairment charges 1 July 2025 $000	Carrying value 1 July 2025 $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 - cost $000	Other transfers - accumulated depreciation and impairment charges $000	Current year impairment charges $000	Current year depreciation $000	Write back of accumulated depreciation $000	Revaluation Surplus/(deficit) $000	Cost/Valuation 30 June 2026 $000	Accumulated depreciation and impairment charges 30 June 2026 $000	Carrying value 30 June 2026 $000
Water supply – treatment plants and facilities	36,745	-	36,745	1,625	-	(372)	1,282	-	-	-	(1,936)	-	-	39,280	(1,936)	37,344
Water supply – other assets (including reticulation systems)	84,537	-	84,537	968	366	(380)	1,027	-	-	-	(1,955)	-	-	86,518	(1,955)	84,563
Stormwater system	77,953	-	77,953	81	1,536	(92)	45	-	-	-	(1,261)	-	-	79,523	(1,261)	78,262
Wastewater – treatment plants and facilities	35,152	-	35,152	1,655	-	(226)	1,803	-	-	-	(2,042)	-	-	38,384	(2,042)	36,342
Wastewater – other assets (including reticulation systems)	74,438	-	74,438	1,302	1,384	(138)	316	-	-	-	(1,736)	-	-	77,302	(1,736)	75,566
Land	14,258	-	14,258	-	624	-	6,485	-	-	-	-	-	-	21,367	-	21,367
Buildings	6,712	(249)	6,463	-	-	-	-	-	-	-	(133)	-	-	6,712	(382)	6,330
Assets under construction	22,804	-	22,804	26,387	-	-	(12,207)	-	-	-	-	-	-	36,984	-	36,984
Total infrastructural assets	**1,045,655**	**(249)**	**1,045,406**	**40,120**	**6,019**	**(1,499)**	**-**	**-**	**-**	**-**	**(21,768)**	**-**	**-**	**1,090,295**	**(22,017)**	**1,068,278**
Total property, plant and equipment	**1,263,617**	**(20,035)**	**1,243,582**	**51,451**	**6,021**	**(1,954)**	**-**	**1,475**	**(1,475)**	**-**	**(25,463)**	**-**	**-**	**1,315,757**	**(42,120)**	**1,273,637**

The "write back of accumulated depreciation" column shown in the table above reflects accumulated depreciation being written back following revaluation of the assets. Note that disposals in these tables 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.

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															
Lands	27,932	-	27,932	-	-	-	-	-	-	-	-	12,482	40,414	-	40,414
Buildings	11,292	(253)	11,039	291	-	-	21	-	-	(268)	-	-	11,604	(521)	11,083
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	145	-	-	246	-	-	(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	457	-	(13)	(282)	-	-	-	-	-	300	-	300
Total operational assets	**63,180**	**(14,556)**	**48,624**	**2,970**	**-**	**(183)**	**-**	**-**	**-**	**(1,760)**	**-**	**12,482**	**78,449**	**(16,316)**	**62,133**
Restricted assets															
Land	34,677	-	34,677	203	655	-	71	-	-	-	-	41,643	77,249	-	77,249
Buildings	50,959	(1,227)	49,732	394	-	-	27	-	(429)	(1,247)	-	-	50,951	(2,474)	48,477
Cycleways	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	3,471	-	-	(98)	-	-	-	-	-	3,756	-	3,756
Total restricted assets	**93,780**	**(1,993)**	**91,787**	**4,068**	**655**	**(204)**	**-**	**-**	**(429)**	**(1,477)**	**-**	**41,643**	**139,513**	**(3,470)**	**136,043**
Infrastructural assets															
Roads	492,380	(10,963)	481,417	8,053	3,337	(95)	302	(9)	-	(10,876)	(21,839)	138,467	620,596	-	620,596
Land under roads	71,772	-	71,772	-	688	-	-	-	-	-	-	-	72,460	-	72,460

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
Water supply – treatment plants and facilities	27,179	(1,678)	25,501	2,213	-	(50)	8,140	(130)	-	(1,498)	(3,176)	2,569	36,745	-	36,745
Water supply – other assets (including reticulation systems)	70,344	(1,645)	68,699	712	766	(120)	1,693	(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	5,689	-	(411)	2,078	-	-	(1,935)	(3,955)	344	35,152	-	35,152
Wastewater – other assets (including reticulation systems)	59,182	(1,380)	57,802	1,270	2,468	(234)	8,319	(181)	-	(1,499)	(2,879)	6,493	74,438	-	74,438
Land	4,802	-	4,802	-	-	-	703	-	-	-	-	8,753	14,258	-	14,258
Buildings	6,552	(117)	6,435	148	-	(26)	38	-	-	(132)	-	-	6,712	(249)	6,463
Assets under construction	26,728	-	26,728	17,452	-	(481)	(21,366)	471	-	-	-	-	22,804	-	22,804
Total infrastructural assets	**857,149**	**(18,868)**	**838,281**	**35,654**	**8,878**	**(1,417)**	**-**	**-**	**-**	**(18,684)**	**(37,303)**	**182,694**	**1,045,655**	**(249)**	**1,045,406**
Total property, plant and equipment	**1,014,109**	**(35,417)**	**978,692**	**42,692**	**9,533**	**(1,804)**	**-**	**-**	**(429)**	**(21,921)**	**(37,303)**	**236,819**	**1,263,617**	**(20,035)**	**1,243,582**

Core infrastructure asset disclosures
Included within the Council infrastructure assets are the following core Council assets:

2025/2026	Closing book value $000	Additions constructed by Council $000	Additions transferred to Council $000	Most recent replacement cost estimate for revalued assets $000
Roading (excluding land under roads)	618,719	8,102	1,768	878,348
Water supply – treatment plants and facilities	37,344	1,625	-	56,493
Water supply – other assets (including reticulation systems)	84,563	968	366	153,848
Stormwater system	78,262	81	1,536	115,892
Wastewater – treatment plants and facilities	36,342	1,655	-	62,036
Wastewater – other assets (including reticulation systems)	75,566	1,302	1,384	132,838

2024/2025	Closing book value $000	Additions constructed by Council $000	Additions transferred to Council $000	Most recent replacement cost estimate for revalued assets $000
Roading (excluding land under roads)	620,596	8,053	3,337	878,348
Water supply – treatment plants and facilities	36,745	2,213	-	56,493
Water supply – other assets (including reticulation systems)	84,537	712	766	153,848
Stormwater system	77,953	117	1,619	115,892
Wastewater – treatment plants and facilities	35,152	5,689	-	62,036
Wastewater – other assets (including reticulation systems)	74,438	1,270	2,468	132,838

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 ($661,000) has been recognised in the statement of comprehensive revenue and expense (2025: Net loss of $841,000).

Impairment

There was no impairment expense recognised during the year (2025: $429,000).

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 2025 $000		Balance as at 30 June 2026 $000
300	Operational assets	170
3,756	Restricted assets	727
1,527	Roading	307
9,661	Water supply	2,528
1,070	Stormwater system	1,226
10,455	Wastewater	32,613
91	Infrastructural buildings	310
26,860	**Total assets under construction**	**37,881**

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:

Balance as at 30 June 2025 $000		Balance as at 30 June 2026 $000
6,531	Community Facilities	-
336	Roading	224
-	Water	1,077
2,261	Wastewater	18,228
9,128	**Total capital commitments**	**19,529**

Forthcoming transfer of water and wastewater commitments

On 1 October 2026, all capital commitments relating to water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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.

	Opening cost $000	Opening accumulated amortisation and impairment charges $000	Opening carrying amount $000	Current year additions $000	Current year disposals at cost $000	Current year impairment charges $000	Current year amortisation $000	Write back of accumulated depreciation for disposals $000	Closing cost $000	Closing accumulated amortisation and impairment charges $000	Closing carrying amount $000
	Computer software										
2025/26	3,636	(3,165)	471	71	(2,585)	-	(201)	2,528	1,122	(838)	**284**
2024/25	3,367	(2,917)	450	267	-	-	(246)	-	3,634	(3,163)	**471**

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 (2025: Nil).

Impairment
There were no assets considered to be impaired (2025: Nil).

14. Depreciation and amortisation expense by group of activity

2024/25 $000		2025/26 $000
	Directly attributable depreciation and amortisation expense by group of activity	
2,104	Community facilities	2,396
11,026	Roading	12,854
131	Rubbish and recycling	202
1,065	Stormwater	1,263
3,486	Wastewater	3,831
3,217	Water	3,929
1	Strategy and engagement	22
17	Consents and monitoring	17
21,047	**Total directly attributable depreciation and amortisation expense by group of activity**	**24,514**
1,120	Depreciation and amortisation not directly related to groups of activities	1,150
22,167	**Total depreciation and amortisation expense**	**25,664**

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

2024/25 $000		2025/26 $000
6,939	Trade payables	10,450
2,805	Accrued expenses	2,393
1,011	Deposits and bonds	801
777	Contract retentions	1,081
2,108	Revenue in advance	2,514
72	Grants received subject to substantive conditions not yet met	72
13,712	**Total payables and deferred revenue**	**17,311**
	Total payables and deferred revenue comprise:	
3,960	Payables from non-exchange transactions – includes bonds and deposits for planning, rates and licenses received in advance, and taxes and grants payable	4,291
9,752	Payables from exchange transactions – this includes amounts owing for commercial purchases of goods and services	13,020

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 2026. 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

2024/25 $000		2025/26 $000
13,500	Current loans	47,000
71,500	Non-current loans	51,500
85,000	**Total borrowings**	**98,500**

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 (2025: $6 million) and there is $6 million available to be drawn at 30 June (2025: $6 million).

Council has an unsecured overdraft. The maximum amount that can be drawn down against the facility is $500,000 (2025: $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.

Forthcoming settlement of water and wastewater debt
On 1 October 2026, all debt relating to water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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.

2024/25 $000		2025/26 $000
	Current employee entitlements	
762	Accrued pay	843
2,143	Annual leave	2,517
70	Sick leave	83
140	Long service leave	158
107	Lieu leave	74
3,222	**Total current employee entitlements**	**3,675**
	Non-current employee entitlements	
311	Long service leave	367
100	Retirement gratuities	112
411	**Total non-current employee entitlements**	**479**

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

2024/25 $000		2025/26 $000
	Current provisions	
42	Landfill aftercare	41
-	Tui Mine site monitoring	25
42	**Total current provisions**	**66**
	Non-current provisions	
214	Landfill aftercare	184
80	Tui Mine site monitoring	60
90	Other claims	70
384	**Total non-current provisions**	**314**

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 landfill sites.

The cash outflows for landfill post closure costs are expected to occur over the next ten 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 2.97% to 4.48% 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 (2025: 3.14% to 4.77%).

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 20 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 2.97% to 5.08% (2025: 3.14% to 4.77%).

Other claims
There are no claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2026 (2025: Nil). Provision for other minor claims against Council has been made based on estimated costs and/or insurance excesses of $70,000 (2025: $90,000).

Movements for each class of provision are as follows:

2025/26	Landfill aftercare costs $000	Tui Mine site $000	Other claims $000	Total $000
Balance at 1 July 2025	257	80	90	427
Additional provisions made	-	-	30	30
Amounts used	(220)	(14)	(50)	(284)
Review of provisions	180	17	-	197
Discount unwind	8	2	-	10
Balance at 30 June 2026	**225**	**85**	**70**	**380**

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)
Review of provisions	(99)	-	(10)	(109)
Discount unwind	13	2	-	15
Balance at 30 June 2025	**257**	**80**	**90**	**427**

19. Contingencies

Breakdown of contingent liabilities and further information

2024/25 $000		2025/26 $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 (2025: 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 funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the ongoing operation of the Scheme. The likelihood of any call in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's decision in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed. Several Member Councils have brought proceedings against Riskpool in relation to such claims. Two of these proceedings have been heard by the High Court, with judgment currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of Scheme documentation. At this stage, the total potential liability associated with these matters cannot be reliably 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 2026, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 74 guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2026, LGFA had borrowings totalling $26.55 billion (2025: $25.53 billion).

The LGFA's borrowing of $26.5 billion is made up of the following:

	$000
Fair value of bonds on issue	24,864,452
Fair value of Bills and ECP on issue	1,304,569
Treasury stock lent to counterparts under bond repurchase agreements	379,335

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council 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 being notified 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.

Council has borrowed $98.5m (2025: $85m) from the LGFA which is recognised as a liability in the financial statements.

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

2024/25 $000		2025/26 $000
	Accumulated funds	
488,094	Balance at 1 July	493,092
(3,434)	Transfers to Council created reserves	(2,829)
(1,299)	Transfer to restricted reserves	(1,243)
2,042	Transfer from Council created reserves	2,059
188	Transfer from restricted reserves	357
7,501	Surplus/(deficit) for the year	4,823
493,092	**Balance at 30 June**	**496,259**

Other reserves

2024/25 $000		2025/26 $000
	Council created reserves	
32,751	Balance at 1 July	34,143
(2,042)	Transfers to accumulated funds	(2,059)
3,434	Transfer from accumulated funds	2,829
34,143	**Balance at 30 June**	**34,913**
	Restricted reserves	
2,812	Balance at 1 July	3,923
(188)	Transfers to accumulated funds	(357)
1,299	Transfer from accumulated funds	1,243
3,923	**Balance at 30 June**	**4,809**
	Asset revaluation reserves	
409,566	Balance at 1 July	645,957
237,626	Net revaluation gains	-
(806)	Movement due to disposal of assets	(785)
(429)	Movement due to impairment of assets	-
645,957	**Balance at 30 June**	**645,172**

	Fair value through other comprehensive revenue and expense reserve	
33,110	Balance at 1 July	39,147
6,037	Net revaluation gains	3,972
39,147	**Balance at 30 June**	**43,119**
723,170	**Total other reserves**	**728,013**

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

Council created reserves

Balance 1 July 2024 $000	Transfers in $000	Transfers out $000	Balance 30 June 2025 $000	Reserve fund	Purpose	Activities related to	Balance 1 July 2025 $000	Transfers in $000	Transfers out $000	Balance 30 June 2026 $000
3,965	680	(522)	4,123	Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes e.g. grants	All Council activities	4,123	633	(620)	4,136
22,993	1,157	(849)	23,301	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	23,301	821	(854)	23,268
2,051	680	(294)	2,437	Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,437	-	(294)	2,143
2,619	257	(372)	2,504	Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	2,504	285	(283)	2,506
109	-	-	109	Stormwater improvement reserve	Funds set aside to fund stormwater projects.	Stormwater	109	-	-	109
59	660	-	719	Wastewater desludging projects	Funds set aside for the desludging of wastewater ponds	Wastewater	719	660	-	1,379
324	-	(4)	320	Te Aroha Spa development reserve	Funds set aside for the investigative stages of the Te Aroha Spa development project	Strategy & engagement	320	-	(4)	316
631	-	(1)	630	Town Centre revitalisation reserve	Funds set aside for the district Town Centre revitalisation (POP) project	Community Facilities	630	-	(4)	626
-	-	-	-	Waitoa Hall sale proceeds	Funds received from the sale of the Waitoa Hall that have been set aside to subsidise the cost of the Waitoa water project for the Waitoa community, should the project proceed.	Community Facilities	-	430	-	430
32,751	**3,434**	**(2,042)**	**34,143**	**Total Council created reserves**			**34,143**	**2,829**	**(2,059)**	**34,913**

Restricted reserves

Balance 1 July 2024 $000	Transfers in $000	Transfers out $000	Balance 30 June 2025 $000	Reserve fund	Purpose	Activities related to	Balance 1 July 2025 $000	Transfers in $000	Transfers out $000	Balance 30 June 2026 $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
1,060	460	-	1,520	Reserves development	Funds set aside from reserves contributions to be used for parks and reserves	Development of parks and reserves	1,520	365	-	1,885
9	20	-	29	Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	29	20	-	49
197	-	(13)	184	Bequests and trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund	Nominated purposes	184	-	(152)	32
1,168	819	(175)	1,812	Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	1,812	858	(205)	2,465
65	-	-	65	Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	65	-	-	65
2,812	**1,299**	**(188)**	**3,923**	**Total restricted reserves**			**3,923**	**1,243**	**(357)**	**4,809**

Revaluation reserves

2024/25 $000		2025/26 $000
	Operational assets	
34,996	Land	34,996
7,851	Buildings	7,851
	Restricted assets	
55,552	Restricted land	55,551
23,308	Restricted buildings	23,308
	Infrastructural assets	
344,508	Roading	344,346
64,682	Water	64,981
51,423	Stormwater	51,365
47,273	Wastewater	47,114
11,154	Land	10,450
5,210	Buildings	5,210
645,957	**Total asset revaluations reserves**	**645,172**

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.

Waikato Waters Limited

Council has jointly established Waikato Waters Limited (WWL), a multi-Council owned Council Controlled Organisation as the preferred delivery model for the district's water and wastewater activities and WWL is a related party of Council.

Transactions with WWL during the year ended 30 June 2026 comprised:

- Execution of the Guarantee and Indemnity Deed in favour of LGFA, supporting WWL's LGFA borrowings;
- Execution of the accession deeds to the LGFA Multi-Issuer Deed and Notes Subscription Agreement;
- The advancing of Establishment Funding, repaid with interest on 1 July 2026;
- The incurring of reimbursable Transitional Costs, these were repaid on 1 October 2026.

Stage 2 Shares were not issued to Council at 30 June 2026; this share issue will occur on the transfer date (1 October 2026).

The transfer of Council's water and wastewater assets, liabilities and operations to WWL is scheduled for 1 October 2026.

These matters are further addressed as an event after balance date in Note 22.

Key management personnel compensation

2024/25		2025/26
	Mayor and Councillors	
13	Full-time equivalent members	13
$625,010	Remuneration	$661,190
	Executive Management Team, including the Chief Executive	
6	Full-time equivalent members	5
$1,788,284	Remuneration	$1,415,769
19	**Total full-time equivalent personnel**	**18**
$2,413,294	**Total key management personnel remuneration**	**$2,076,959**

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. In 2024/25, the remuneration of the departing Chief Executive included a lump sum payment in accordance with his employment agreement. The 2024/25 comparative information presented has been updated to include the attributed value of the current Chief Executive's vehicle of $3,910.

22. Events after balance date

Simplifying Local Government reform

The Government has been clear that it is committed to structural reform in the local government sector which sees regional councils removed and larger units of territorial local government being formed and taking on unitary responsibilities. The Government's focus is on structural arrangements that support its intentions for planning reform, simplifying local governance, and achieving economies of scale, while maintaining local voice.

The outcome and timing of the reforms is uncertain. On 24 September 2026 the responsible ministers advised the sector that they intended to take decisions on the next steps for local government reorganisation after the 2026 general election. The general election will be held on 7 November 2026. The financial statements are prepared on a going concern basis because of the uncertainty over outcome and timing of any change.

Council was a participant in the recent Head Start pathway which gave local authorities the opportunity to submit initial proposals for reorganisation consistent with the Government's intentions. The proposal for a catchment-based Waihou-Piako-Hauraki-Coromandel unitary authority 'Starting from Strength' was fully supported by the three sponsoring local authorities – Matamata-Piako, Hauraki, and Thames-Coromandel District Councils. The ministerial statement is clear that if the current Government is re-elected, there will be no regional council elections in 2028, which is a clear signal that local government reorganisation plans will likely be a priority in the 2027 calendar year.

Transfer of Water and Wastewater Activities to Waikato Waters Limited

On 1 October 2026, Council transferred its drinking water and wastewater activities to Waikato Waters Limited (WWL), a newly established regional Council-Controlled Organisation (CCO) formed under the Government's Local Water Done Well programme and the following legislative enactments - the Local Government (Water Services Preliminary Arrangements) Act 2024, the Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025.

Matamata-Piako is one of six councils who have or will transfer their drinking water and wastewater activities to WWL. This new model agreed in a Shareholders' Agreement signed on 23 July 2025 allows the participating councils to retain local ownership while collaborating regionally on the delivery of drinking water and wastewater activities. The transfer was completed under the Transfer Agreement dated 9 July 2026. Stormwater services did not transfer and remain with Council.

The Transfer Agreement provided for all responsibility for providing drinking water and wastewater activities to move to WWL on 1 October 2026, along with the transfer of all property, plant and equipment relating to water supply and wastewater services (including infrastructure assets, land, buildings, plant, vehicles, equipment, and capital work in progress). On that same date WWL settled an initial assessment of the full amount of Council Water Infrastructure Debt (including internally funded waters debt). That settlement was made via a mix of legal novation of external debt and cash settlement that extinguishes Council's corresponding external borrowings and repays the internal debt. The 1 October debt settlement is subject to a 1 April 2027 wash-up that will confirm any late adjustments given the initial settlement relied on estimates of capital work still in progress. Most of the employees primarily engaged in water and wastewater activities will transfer to WWL with continuity of service, and the liability for all accrued employee benefit liabilities relating to those employees will be transferred to WWL. The total 2025/26 remuneration of the transferring employees was $3,013,870. Capital commitments and contingent liabilities including resource consents, contracts and other arrangements relating to water and wastewater services will be assigned to or assumed by WWL. Council will receive Stage 2 Shares in WWL in exchange for the net water and wastewater activities transferred.

Financial impact of transfer

Although material, the transfer did not result in adjustment to the amounts recognised at 30 June 2026 because completion occurred after balance date. There are some general uncertainties in regard to some of the amounts disclosed in this note due to the timing of the transfer three months after balance date and council continuing operations until that point. Where there are specific uncertainties these will be noted.

Statement of Financial Position

The estimated financial effect of the transfer completed after balance date comprises:

- a reduction in Council Property Plant and Equipment of $288,270,984, consisting of water and wastewater reticulation systems, treatment plant, land, buildings, vehicles and other operating plant and equipment
- a reduction in Borrower Notes (an asset) held by Council of $640,000
- a reduction in Council external debt of $72,339,000

- a reduction of Council reserve balances, for specific Waters-related reserve accounts, of $4,011,000
- receipt of a cash settlement of $22,175,000 to compensate Council for its internally funded waters debt
- a reduction in accrued employee entitlements transferring with staff of $326,657.

In exchange for the transfer of water operations, Council was issued twenty (20) Stage 2 Shares in WWL in October 2026. Shareholdings are based on the number of connected water and wastewater consumers and will be periodically adjusted as provided for in the Shareholders' Agreement. The shares provide Council with rights under the Constitution, Shareholders' Agreement and other binding arrangements. Council is assessing the appropriate accounting classification and measurement of this interest having regard to the substance of those arrangements. The accounting treatment will be recognised in the 2026/27 financial statements when the transfer occurs.

Statement of Comprehensive Income and Cash Flows

The 2025/26 revenue, expenditure and cash flows associated with the water supply and wastewater activities that will transfer are largely determinable from the Wastewater and Water Funding Impact Statements on pages 52 and 60 of this report. In addition, it is noted that the 2025/26 depreciation expense in the Wastewater activity was $3,831,000 and in the Water activity $3,929,000 (refer Note 14).

Council has set water and wastewater rates for the full 2026/27 financial year under section 23 of the Local Government (Rating) Act 2002. Council acts as principal in respect of water and wastewater rates for the full year and will recognise the full year of rates revenue, and a corresponding expense for amounts remitted to WWL from 1 October 2026. Council acts as agent for WWL in respect of water and wastewater fees and charges invoiced from 1 October 2026 and these amounts will not be recognised as Council revenue.

Council will continue its water and wastewater operational and capital programme for the first 3 months of the 2026/27 year and the operational costs and capital expenditure in that period could be anticipated to be at levels that are relatively similar to around a quarter of the amount of those costs in the 2025/26 year. A similar assumption could be made for the fees and charges revenue for that period.

Establishment Costs and Establishment Funding repaid

On 1 July 2026, Waikato Waters Limited (WWL) repaid Council in full for the Establishment Costs receivable of $334,482 (refer Note 7); and the Establishment Funding advance including accrued interest, together amounting to $5,053,676 (refer Note 11). This followed WWL securing its funding through the Local Government Funding Agency, satisfying the repayment condition in clause 2.7(c) of the Shareholders' Agreement. As the receipt confirms the recoverability of the amounts recognised at balance date; no adjustment to the carrying amounts at 30 June 2026 was required.

The Transitional Activity Costs receivable of $415,317 recognised at 30 June 2026 (refer Note 7) was subsequently received on 1 October 2026.

Commitments and contingencies

At 30 June 2026, Council had certain commitments and contingencies relating to its water and wastewater activities. Management has assessed whether these matters are expected to transfer to WWL on completion or remain with Council.

Capital commitments

Capital commitments relating to water and wastewater services infrastructure at 30 June 2026 were as follows:

	30 June 2026 $000	Expected to be settled by Council before transfer $000	Expected to transfer to WWL on 1 October 2026 $000
Water	1,077	734	343
Wastewater	18,228	7,276	10,952
Total water and wastewater activity capital commitments	**19,305**	**8,010**	**11,295**

These commitments relate to the significant upgrade work at the Matamata Wastewater Treatment Plant, the renewal work being carried out on the Rolleston Street Water Intake, and the Wastewater Reticulation Renewals programme. The amounts disclosed above represent commitments existing at 30 June 2026.

Contingent liabilities

At 30 June 2026, Council had the following contingent liabilities relating to water services activities:

Nature of matter	Estimated financial effect	Expected transfer treatment
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.	$15,000 per annum	Transfers to WWL

Other obligations to be assumed by Waikato Waters Limited after Transfer

Other resource consent obligations and legal matters - Council has identified other resource consent obligations and related legal and compliance matters associated with its drinking water and wastewater activities that existed at 30 June 2026. These include ongoing consent compliance, monitoring and reporting obligations, and related operational obligations associated with the transferred water and wastewater activities.

Under the Transfer Agreement dated 9 July 2026, relevant resource consent responsibilities and specified obligations associated with drinking water and wastewater services transferred to Waikato Waters Limited on completion on 1 October 2026. Council has not identified any specific enforcement matter, legal claim, dispute or proceeding relating to these activities that requires separate provision or contingent liability disclosure at 30 June 2026.

Guarantee of Waikato Waters Limited borrowings from LGFA - On 25 February 2026 Council resolved to enter into a Guarantee and Indemnity Deed (Waikato Waters Limited) in favour of the New Zealand Local Government Funding Agency Limited (LGFA), alongside the five other voting and transferring shareholding councils of Waikato Waters Limited (WWL) – Hauraki, Ōtorohanga, South Waikato, Waitomo and Waipā District Councils. The Deed, together with accession deeds to the LGFA Multi-Issuer Deed and the Notes Subscription Agreement, were executed on 30 March 2026. The Deed was a precondition of WWL being approved as an LGFA borrower and of WWL commencing water services operations on 1 July 2026.

Under the arrangements, WWL cannot access any LGFA financing until 1 July 2026. As a result, WWL had drawn no debt from LGFA at 30 June 2026 and Council's maximum exposure under the guarantee was therefore $nil. From 1 July 2026 onwards, WWL can draw on LGFA financing in accordance with the terms of the Multi-Issuer Deed and the agreed Term Sheet for Water CCOs.

Under the Guarantee and Indemnity Deed each shareholding council is jointly and severally liable to the LGFA for WWL's borrowing obligations, subject to an agreed proportionate share of liability that is recalculated at set points in time based on each council's 'establishment debt' plus the infrastructure debt transferred to WWL by that council. Council's proportionate exposure is:

- From 1 July 2026 (Day 1 for the first three transferring councils) – approximately 1.4%, reflecting MPDC's establishment debt only.
- From 1 October 2026 (the date MPDC's water and wastewater assets and associated debt transfer to WWL) – approximately 27%.
- From 1 July 2027 (when Hauraki and Ōtorohanga District Councils transfer their assets) – a reduced share to be determined under the formula set out in the Deed.

The proportions are reassessed semi-annually thereafter. Where any guarantor council fails to meet a call, a 'demand cascade' mechanism allocates the shortfall across the remaining guarantors in the same proportions as the original call.

The maximum amount of WWL borrowing from LGFA that could potentially be the subject of a call on the guarantee in future periods is not able to be reliably estimated. WWL's borrowing programme is still being established and the

amount of debt outstanding will vary over time in line with WWL's capital investment programme, the transfer of council debt, and operating cash flows. Council's maximum exposure to loss is WWL's total drawn debt and costs.

The guarantee is secured by a charge of security stock granted by Council under its existing Debenture Trust Deed in favour of LGFA, on the same terms as the security supporting Council's own LGFA borrowings (refer Note 16).

The likelihood of a call on the guarantee is considered remote. WWL has regulated revenue streams from the provision of fundamental lifeline (water and wastewater) services, is subject to LGFA's credit policies and credit monitoring, and is subject to governance oversight by the shareholding councils through the Shareholders' Representative Forum, the Statement of Expectations, and the right to appoint directors.

Council has not recognised a liability for this guarantee in the financial statements. The fair value of the guarantee at initial recognition has been determined to be $nil, on the basis that the likelihood of a call is remote and, at balance date, no WWL borrowings exist that could give rise to a call.

Other subsequent decisions relating to water services

Proceeds from sale of Waitoa Community Hall - Matamata-Piako resolved at its 29 July 2026 meeting that the proceeds from the sale of the Waitoa Community Hall are reserved for the Waitoa Water Project. If that project goes ahead the funds will be provided to WWL to assist in the funding of the project. If the Waitoa Water Project does not go ahead the proceeds will be redirected by Council for the wider benefit of the Waitoa Community. In the meantime the funds are recorded as a Council created reserve – refer Note 20.

23. Financial instruments

23A Financial instruments categories

2024/25 $000		2025/26 $000
	Financial assets	
	Amortised cost	
8,679	Cash and cash equivalents	2,433
4,538	Receivables	6,361
	Other financial assets:	
13,500	Term deposits	3,900
2,863	New Zealand Local Government Funding Agency – borrower notes	478
-	Waikato Waters Limited – Establishment Funding advance	5,054
29,580	**Total at amortised cost**	**18,226**
	Fair value through other comprehensive revenue and expense	
41,730	Waikato Regional Airport Limited	45,702
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
116	Civic Financial Services Limited	116
41,894	**Total at fair value through other comprehensive revenue and expense**	**45,866**
	Fair value through surplus or deficit	
205	Derivative financial instrument assets	86
205	**Total at fair value through surplus or deficit**	**86**
	Financial liabilities	
	Fair value through surplus or deficit	
611	Derivative financial instrument liabilities	722
611	**Total at fair value through surplus or deficit**	**722**
	Amortised cost	
11,532	Payables	14,725
85,000	Borrowings	98,500
96,532	**Total at amortised cost**	**113,225**

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:

2025/26 **Valuation techniques**	**Total** **$000**	**Quoted Market Price** **$000**	**Observable inputs** **$000**	**Significant non-observable inputs** **$000**
Financial assets				
Investments in Council controlled organisations and other entities	53,473	-	2,553	50,920
Derivative financial instruments assets	86	-	86	-
Financial liabilities				
Derivative financial instruments liabilities	722	-	722	-

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

2024/25 **Valuation techniques**	**Total** **$000**	**Quoted Market Price** **$000**	**Observable inputs** **$000**	**Significant non-observable inputs** **$000**
Financial assets				
Investments in Council controlled organisations and other entities	44,757	-	2,863	41,894
Derivative financial instruments assets	205	-	205	-
Financial liabilities				
Derivative financial instruments liabilities	(611)	-	(611)	-

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

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

2024/25 **$000**		**2025/26** **$000**
35,852	**Balance at 1 July**	**41,894**
6,042	Gain/(loss) recognised in the surplus or deficit	3,972
-	Purchases	5,054
-	Sales	-
41,894	**Balance at 30 June**	**50,920**

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 reduce the fair value interest rate risk associated with fixed rate borrowings and to manage the Council's overall exposure to interest rate risk in accordance with its Liability Management Policy.

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

2024/25 $000		2025/26 $000
8,679	Cash and cash equivalents	2,433
4,538	Receivables	6,361
	Other financial assets:	
13,500	- Term deposits	3,900
26,717	**Total credit risk**	**12,694**

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:

2025/26 Credit rating	AA $000	AA- $000	A $000	A- $000	Not rated $000	Total $000
Cash and cash equivalents		2,433	-	-	-	2,433
Term deposits		3,900	-	-	-	3,900

2024/25 Credit rating	AA $000	AA- $000	A $000	A- $000	Not rated $000	Total $000
Cash and cash equivalents		8,679	-	-	-	8,679
Term deposits		13,500	-	-	-	13,500

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.

2025/26	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Payables	14,725	14,725	14,725	-	-
Net settled derivative liabilities	722	116	116	-	-
Borrowings	98,500	104,384	50,209	54,175	-
Total	**113,947**	**119,225**	**65,050**	**54,175**	**-**

2024/25	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Payables	11,532	11,532	11,532	-	-
Net settled derivative liabilities	611	20	20	-	-
Borrowings	85,000	94,803	17,188	77,615	-
Total	**97,143**	**106,355**	**28,740**	**77,615**	**-**

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.

2025/26	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	2,433	2,433	2,433	-	-
Receivables	6,361	6,361	6,361	-	-
Other financial assets:					
Term deposits	3,900	4,036	4,036	-	-
Net settled derivative assets	85	(12)	(12)	-	-
Total	**12,779**	**12,818**	**12,818**	**-**	**-**

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	8,679	8,705	8,705	-	-
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	**26,922**	**27,254**	**27,254**	**-**	**-**

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.

2025/26	-100 bps Surplus $000	Other equity $000	+100bps Surplus $000	Other equity $000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(24)	-	24	-
Derivative financial instruments assets	15	-	153	-
Financial liabilities				
Derivative financial instrument liabilities	(2,611)	-	1,075	-
Borrowings	240	-	(240)	-
Total sensitivity	**(2,380)**	**-**	**(1,012)**	**-**

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

2024/25	-100 bps Surplus $000	Other equity $000	+100bps 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**	**-**

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. Significant variances to the 2025/26 Annual Plan budget

Statement of comprehensive revenue and expense

The surplus for the year was $4.8 million, where the Annual Plan expected a deficit of $3.2 million. That difference needs explaining, because it does not mean Council had spare money or that rates were set too high. Almost all of it is one-off income we could not plan for, and much of it is not cash at all — money the community raised for the Matamata stadium, and roads and pipes handed to us by developers. None of it can be used to reduce rates or fund everyday services. Underneath that, the cost of running services was higher than planned, particularly water and wastewater, and this is what we are watching most closely.

What we received: $101.6 million (Annual Plan $85.7 million)

The community raised $6.3 million towards the Open Country Community Stadium in Matamata this year. We could not budget for this because we did not know when the money would come in. Developers also handed over $6.0 million of new roads, pipes and reserves as subdivisions were finished. This counts as income, but no cash comes in and Council now has to look after those assets. We collected $1.7 million more in fees and charges, because more people built and subdivided than expected and we increased the charges paid by large businesses whose waste goes into our wastewater network, so that they cover the cost of treating it; this was partly offset by lower income at Te Aroha Mineral Spas and the district pools, where fewer visitors came through the gate — a pattern we are seeing as household budgets tighten.

What we spent: $96.8 million (Annual Plan $89.0 million)

The biggest pressure was the cost of running our water and wastewater services, which came in well above budget. Most of that was keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, which took extra power and mechanical maintenance, along with compliance requirements at Te Aroha. Electrical maintenance, laboratory testing, ultraviolet bulb replacements and other regulatory and treatment contract costs all added to it, as did new charges from the water regulator and legal costs relating to a previous consent breach at the Waihou wastewater plant. A further $2.2 million relates to accounting adjustments we do not budget for, such as writing down the value of assets we sold or no longer use. Depreciation — the cost of our assets gradually wearing out — was $1.7 million higher, following the revaluation of our assets and the extra assets handed over by developers. Staff costs were $0.5 million lower than planned, as some roles were vacant during the year.

Changes in the value of what we own: $3.2 million (Annual Plan $25.6 million)

The Annual Plan assumed the value of our roads, pipes and buildings would increase by $25.6 million. No revaluation was needed this year because their recorded value is still considered fair, so that increase did not happen. Our shareholding in Waikato Regional Airport is worth $4.0 million more than last year. This is because the value of the company itself increased — Council did not put any more money in. These are changes on paper only — they do not affect rates or the money we have to spend.

In short: the surplus in this statement looks large, but it is made up almost entirely of one-off and non-cash income and is not money available for everyday services or rates relief. The real story is the rising cost of delivering services, especially water and wastewater, at the same time as our community is feeling cost-of-living pressure. From 1 October 2026, water and wastewater services will be delivered by Waikato Waters Limited. Meeting these rising costs, and the standards now required, was no longer something our district could sustain well on its own. There is a large programme of work still ahead, so costs will keep rising. Doing that work alongside neighbouring councils — one team, shared expertise and buying power — means it can be done more efficiently than any of us could manage alone. This is the last year the full cost of water and wastewater appears in Council's accounts. More detail on the cost of our activities is included in section 5, and in these notes to the financial statements.

Statement of financial position

Council's financial position at 30 June 2026 is stronger than the Annual Plan expected. Most of that difference is in the recorded value of assets we already own, rather than money we have available to spend. We also owe less than planned. This is a solid position, but it does not change the pressure on the cost of running services described in the statement above.

What we own: $1.35 billion (Annual Plan $1.13 billion)

Almost all of what Council owns is infrastructure — roads, water and wastewater pipes, treatment plants, parks and buildings — recorded at $1.27 billion. That is $207 million more than the Annual Plan assumed. Most of the difference is because the annual plan was completed before the most recent valuations of assets. We also received more new roads, pipes and reserves from developers than we expected, which adds to what Council owns and has to maintain. Our shareholdings and other investments in council-controlled and other organisations are $16 million higher than planned, mainly because Waikato Regional Airport itself is worth more than it was — Council did not put any more money into the company — and because of funding advanced to Waikato Waters Limited, which was repaid to Council on 1 July 2026. We held $3.9 million in term deposits rather than the $14.1 million planned, because money set aside had been used to repay the $13.5 million of loans that fell due in April 2026.

What we owe: $121.1 million (Annual Plan $122.7 million)

Borrowing is the largest part of what we owe. Council owes $98.5 million in loans, $10.6 million less than the Annual Plan allowed, mainly because the Matamata wastewater plant upgrade began later than planned. Around 70% of this borrowing is expected to transfer to Waikato Waters Limited on 1 October 2026, along with the water and wastewater assets it paid for. Because of that, $47.0 million of debt is shown as falling due within the next 12 months — more than usual — as we are refinancing over shorter terms in the lead-up to the transfer rather than committing to longer-term loans. Amounts owed to suppliers and income received in advance were $7.0 million higher than planned, reflecting how much work was under way at the end of the year, particularly on the Matamata plant.

In short: what Council owns and owes is in good shape — we own more and owe less than the Annual Plan assumed. The pressure is not in the balance sheet but in the cost of running and maintaining what we own. This position will look very different next year: as noted above, on 1 October 2026 water and wastewater services move to Waikato Waters Limited, and the treatment plants, pipes and the borrowing that paid for them go with them. Those assets still have to be maintained and that debt still has to be repaid — what changes is who does the work.

SECTION 7:

Ētahi Atu Whākinga ā-ture | Other Legislative Disclosures



Te pānui o te panga o te pūtea | Funding impact statement

For the year ended 30 June 2026 for the whole of Council

Annual Plan 2024/25 $000	Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
		Sources of operating funding		
35,770	36,024	General rates, uniform annual general charges, rates penalties	37,559	37,730
23,086	23,182	Targeted rates	24,691	24,542
4,291	5,209	Subsidies and grants for operating purposes	3,923	4,869
11,447	10,714	Fees and charges	11,848	13,891
600	1,035	Interest and dividends from investments	531	965
259	276	Local authorities fuel tax, fines, infringement fees, and other receipts	254	286
75,453	**76,440**	**Total operating funding (A)**	**78,806**	**82,283**
		Applications of operating funding		
58,937	60,772	Payments to staff and suppliers	61,276	65,103
3,686	3,324	Finance costs	3,369	3,767
-	-	Other operating funding applications	-	-
62,623	**64,096**	**Total applications of operating funding (B)**	**64,645**	**68,870**
12,830	**12,344**	**Surplus (deficit) of operating funding (A – B)**	**14,161**	**13,413**
		Sources of capital funding		
3,631	4,283	Subsidies and grants for capital expenditure	4,143	4,006
2,160	4,669	Development and financial contributions	2,202	2,152
40,238	20,163	Increase (decrease) in debt	37,754	10,920
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	1,350	Other dedicated capital funding	-	6,332
46,029	**30,465**	**Total sources of capital funding (C)**	**44,099**	**23,410**
		Applications of capital funding		
		Capital expenditure		
11,321	5,587	—to meet additional demand	8,306	8,748
26,911	17,390	—to improve the level of service	27,367	26,999
22,529	19,198	—to replace existing assets	23,100	15,628
(1,902)	2,503	Increase (decrease) in reserves	(513)	1,576
-	(1,869)	Increase (decrease) of investments	-	(16,128)
58,859	**42,809**	**Total applications of capital funding (D)**	**58,260**	**36,823**
(12,830)	**(12,344)**	**Surplus (deficit) of capital funding (C – D)**	**(14,161)**	**(13,413)**
-	**-**	**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 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 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
	Funding sources as shown in the overall Council funding impact statement		
76,440	Total operating funding	78,806	82,283
30,465	Total capital funding	44,099	23,410
	Less capital movements		
(20,162)	(Increase)/decrease in debt	(37,754)	(10,920)
-	Gross proceeds from sale of assets		-
	Add non-funded income		
9,533	Vested land and infrastructure from property development	204	6,021
-	Other gains	-	-
304	Income from support activities	381	838
96,580	**Total funding sources**	**85,736**	**101,632**
96,580	**Total income as shown in the statement of comprehensive revenue and expense**	**85,736**	**101,632**
	Application of funding as shown in the overall Council funding impact statements		
64,096	Total applications of operating funding	64,645	68,870
42,809	Total applications of capital funding	58,260	36,823
	Less capital movements		
(42,175)	Capital expenditure	(58,773)	(51,377)
(2,503)	(Increase)/decrease in reserves	513	(1,576)
1,869	(Increase)/decrease in investments	-	16,128
	Add non-funded expenditure		
22,167	Depreciation and amortisation	23,932	25,664
2,512	Other losses	-	1,439
304	Expenses from support activities	381	838
89,079	**Total funding application**	**88,958**	**96,809**
89,079	**Total expenditure as shown in the statement of comprehensive revenue and expense**	**88,958**	**96,809**

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 2026 this rate was 3.79% (2025: 5.03%). Internal borrowings are eliminated on consolidation of activities in the financial statements.

Groups of activities	Opening balance 1 July 2025	Additional funds borrowed 2025/26	Funds repaid 2025/26	Closing balance 30 June 2026	Interest paid 2025/26
	$000	$000	$000	$000	$000
Community facilities	13,801	-	36	13,765	532
Roading	10,581	-	-	10,581	400
Rubbish and recycling	1,360	-	-	1,360	51
Stormwater	-	-	-	-	-
Wastewater	933	--	-	933	39
Water	15,175	-	-	15,175	574
Strategy and engagement	6,593	-	-	6,593	233
Consents and licensing	337	-	-	337	16
Total internal borrowing	**48,780**	**-**	**36**	**48,744**	**1,845**

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

June 2025		June 2026
$000		$000
256,771	The total value of all Council assets covered by insurance contracts	255,204
	The maximum amount to which insured assets are insured:	
25,000	Fire	25,000
150,000	Other natural disasters	150,000
388,557	The total value of all Council assets covered by financial risk sharing arrangements	410,554
50,000	Maximum amount available to the Council under financial risk sharing arrangements	70,000

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 June 2026 | Annual Report disclosure statement for year ending 30 June 2026

Te kaupapa o tēnei pānui ā-pūtea? I 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 I Rates affordability benchmark

The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates (income) affordability in the Financial Strategy for the Long-term Plan.

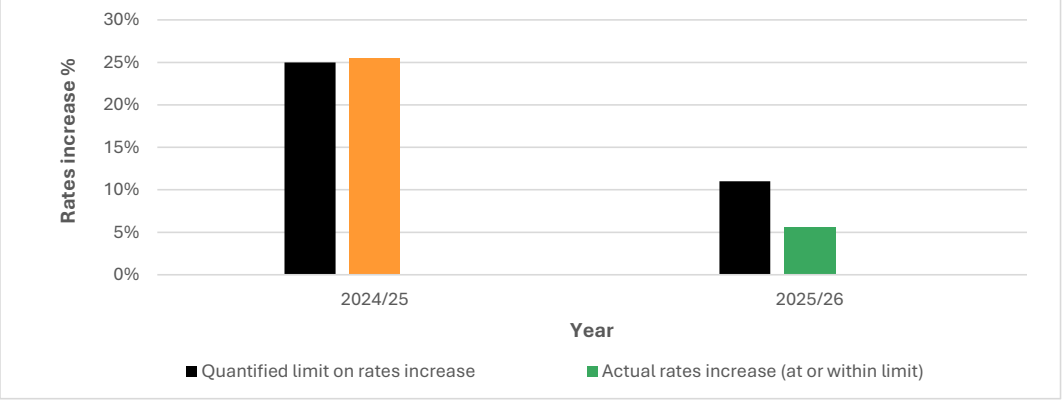
Whai pūtea (pikitanga) ki te rēti I Rates (increases) affordability

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:

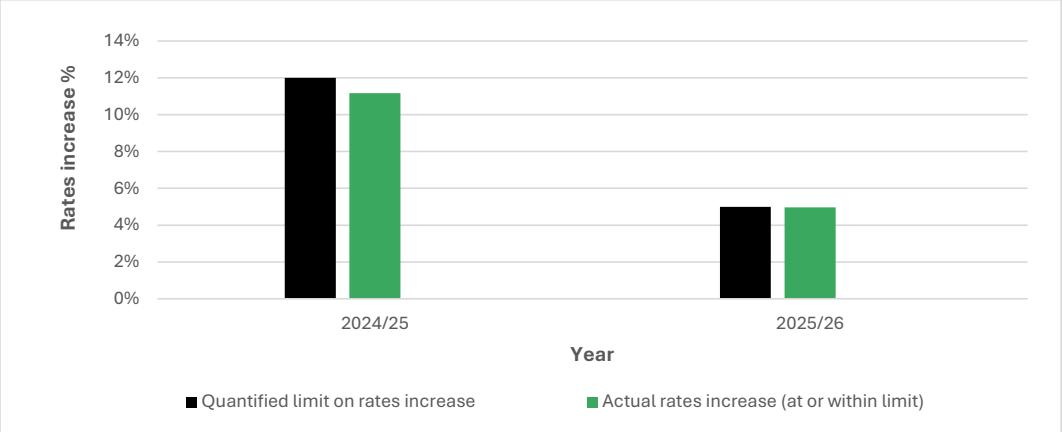
1. Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one (2024/25), 11% years two and three (2025/26 and 2026/27), and thereafter will not increase by more than 7%.



Comment:

Actual rate increases for three waters activities in the 2025/26 year was 5.6% compared to a limit of 11.0%.

2. Rates increases **for other rate funded activities** will not increase by more than 12% in year one (2024/25), and thereafter will not increase by more than 5%.

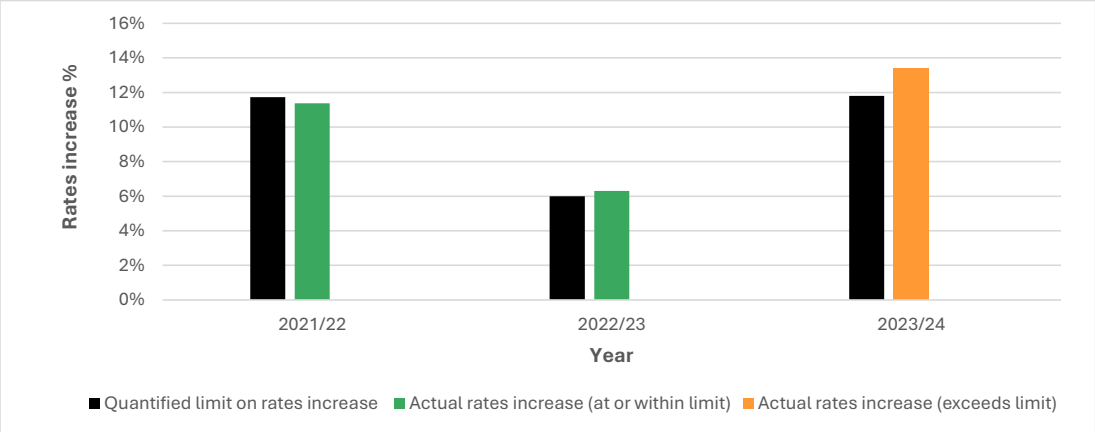


Comment:

Actual rate increases for all other rates funded activities (excluding three waters) in the 2025/26 year was 5.0% compared to a limit of 5.0%

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income[25] 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 the 2022/23 and 2021/22 years, the rates have exceeded the limit set due to higher growth in the rating base than expected.

[25] 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

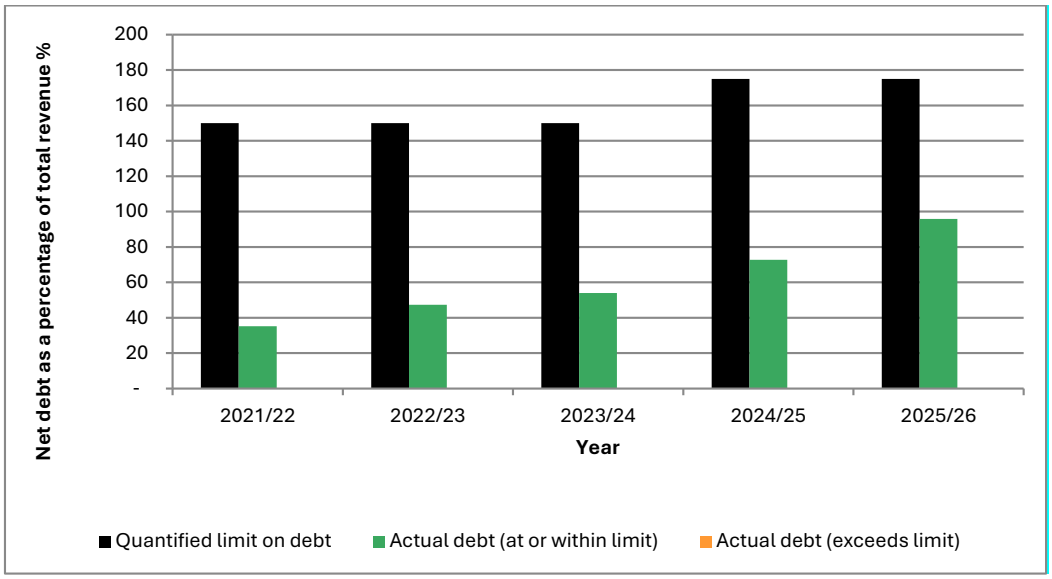
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt[26] as a percentage of total revenue[27] will not exceed 175%.

2021-2031 LTP

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



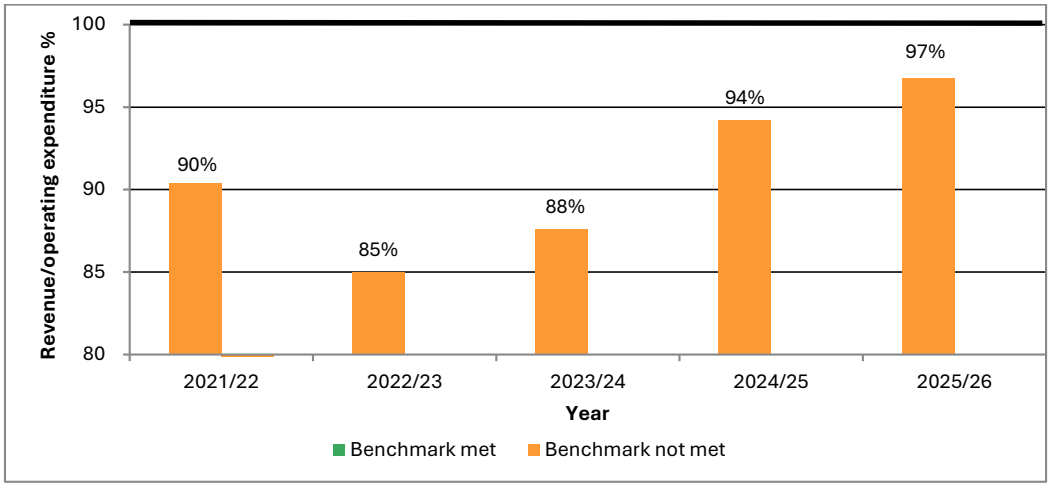
Comment:

Council's net external debt as a percentage of total revenue sits at 96% at 30 June 2026 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.

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.

[26] 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.
[27] 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).

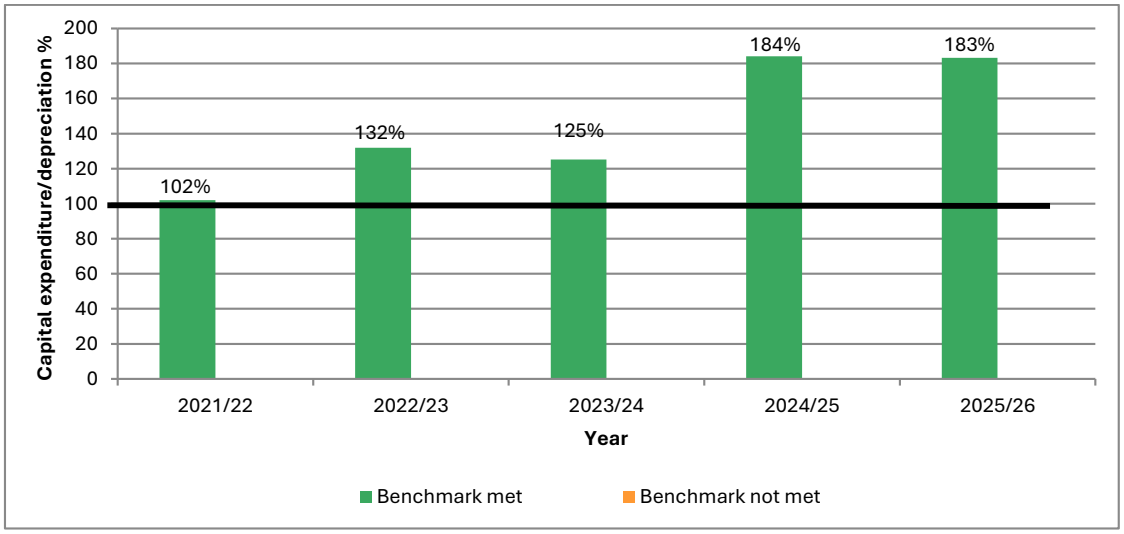


Comment:

In developing the budget for the 2025/26 financial year, Council budgeted this ratio at 94% (actual was 97%), resolving 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 Roading 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.

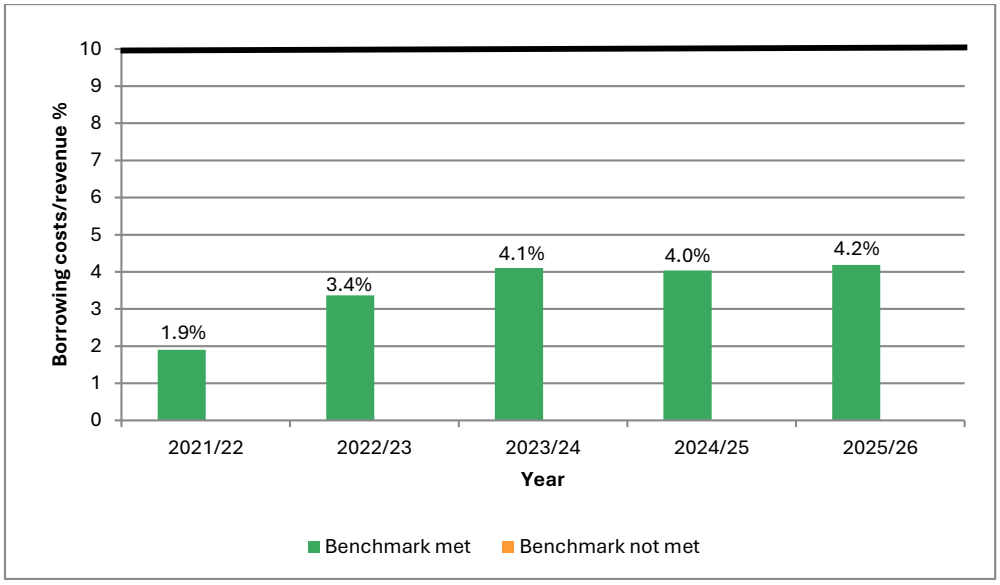


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 145% 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.

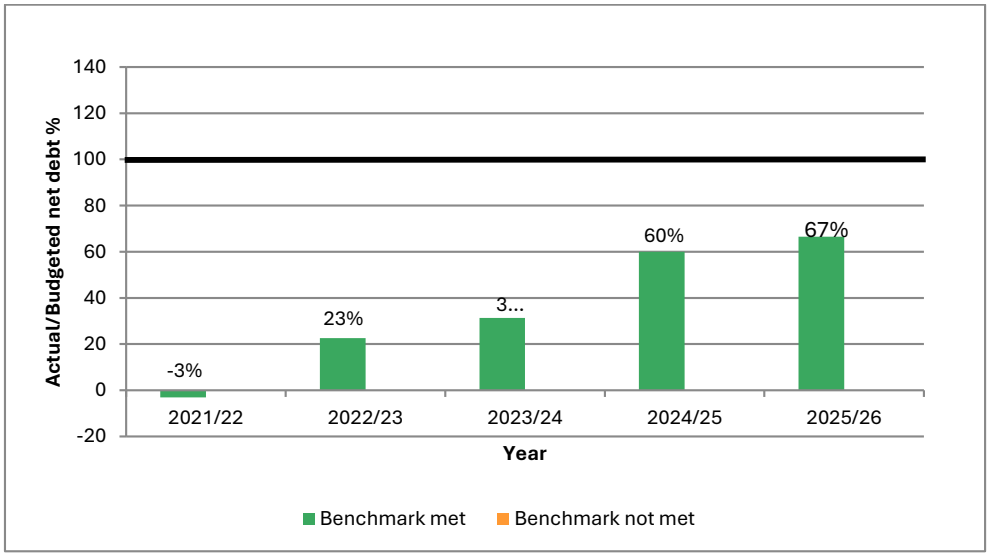


Comment:

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.

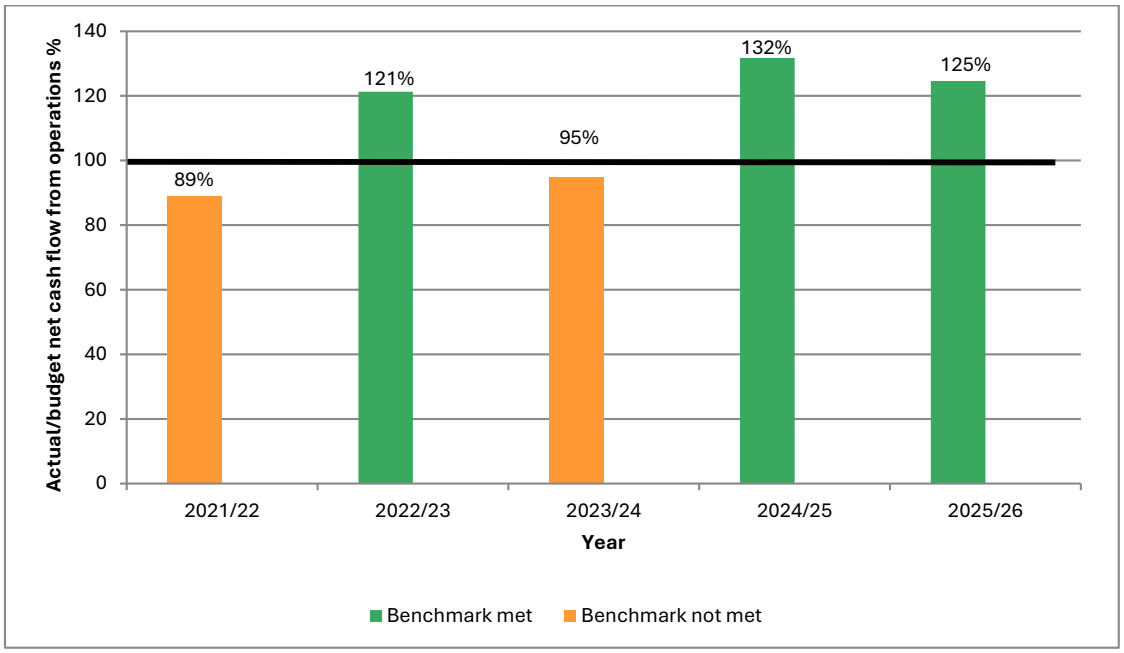


Comment:

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 2025/26, Council received $6.3 million in donations towards the Matamata Stadium project that were not included in the budget.

SECTION 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 2026	2025
Health, Safety & Wellbeing			
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
Aeronautical compliance			
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
Maintain a viable aeronautical business			

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 the introduction of Domestic jet services in 2026.	☑ Achieved	☑ Achieved
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.	n/a	☑ 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 multi-use scenarios, such as a single airport terminal that is 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 has worked central government to position the airport as an upper North Island diversion/alternate airport by obtaining crown support for protection of the Runway extension designation and securing government grants for future aeronautical development.	☑ Achieved	☑ Achieved
As the base airport, facilitate the first operational trials of Air New Zealand's Next Generation Technical Demonstrator aircraft.	The next generation electric 'Alia Beta' aircraft conducted technical demonstration flights from Hamilton Airport from October to December 2025.	☑ Achieved	n/a
Finalise a business case to support the Airport's final position in respect of the lapse period of the current runway designation, taking into account recent developments in international air services, national resilience and emerging regional growth opportunities since 2022.	The airport completed its business case and secured loan funding from central government's Regional Infrastructure Fund for expansion of Airport Infrastructure to be undertaken in future periods.	☑ Achieved	☑ Achieved
Property			
Complete enabling infrastructure and site development for the first stage of Precinct North.	The first two stages of Precinct North (17ha) of land and infrastructure development were completed in June 2026.	☑ Achieved	n/a
Complete construction of the first design: build property for Precinct North.	Construction of this property was completed in April 2026 and the tenant began occupancy in May 2026.	☑ Achieved	n/a
Commence the first stage of development of the Precinct North ecological compensation site in accordance with Precinct's ecological management plan.	Development of the 11ha site was completed during the period including the planting of 50,000 native trees and plants.	☑ Achieved	n/a

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.	n/a	☑ Achieved
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.	n/a	☑ Achieved
Climate change response			
Achieve accreditation to the Airport Council International's Airport Carbon Accreditation programme.	The Airport maintained Level 4 accreditation in 2026 (target: maintain level 4). 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 workstreams being prioritised.	☑ Achieved	☒ 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.	The Airport achieved a 23% reduction on 2024 levels during 2025. No further reduction metric was set in 2026.	n/a	☑ Achieved
Maintain the JetPark Hotel's Qualmark Silver Envirorating.	The Hotel achieved the highest possible Gold rating during the year.	☑ Achieved	n/a
Complete a feasibility study for additional onsite generation and storage capabilities of renewable energy sources.	A business case was completed and a contract to install 0.7MW of additional generation on an investment property was entered in to with construction to be completed in 2027.	☑ Achieved	n/a

	2026			2025		
2025/26 Financial performance target	**Actual $000**	**Target $000**	**Met**	**Actual $000**	**Target $000**	**Met**
Earnings performance targets						
Net surplus/(deficit) before tax *no less than*	13,512	3,000	☑ Achieved	4,057	2,000	☑ Achieved
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales *of at least*	7,861	6,000	☑ Achieved	5,955	4,800	☑ Achieved
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales *of at least*	7,861	6,000	☑ Achieved	10,541	8,500	☑ Achieved
Percentage of non-airline revenue to total operating revenue *of at least*	48%	50%	☑ Achieved	50%	50%	☑ Achieved
Land Sales *of at least*	n/a	n/a	n/a	5,710	4,000	☑ Achieved
Interest coverage ratio *of at least*	3.0	2.0	☑ Achieved	n/a	n/a	n/a
Free cash flow	n/a	n/a	n/a	482	1,400	☒ Not Achieved

Cash flow and funding performance targets						
Net operating cash flow excl Land sales *of at least*	3,282	4,500	☒ Not Achieved	3,736	4,000	☑ Achieved
Net debt a *maximum of*	62,600	70,000	☑ Achieved	31,450	39,000	☑ Achieved
Shareholder value performance targets						
Shareholder funds to total assets *of at least*	n/a	n/a	n/a	81%	75%	☑ Achieved
Shareholder value	292,961	254,000	☑ Achieved	n/a	n/a	n/a

Co-Lab

Co-Lab is a CCO solely owned by the 12 local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Western Bay of Plenty 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 Waikato 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 Reporting

Strategic goal	3-Year objective	Annual KPI	Result 2025/26	Result 2024/25
GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 2024). *Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration)	Year-on-year increase in the value we provide to councils.	FY25-26: $14.7m in value we provide councils as measured by our benefit analysis.	FY24-25: $11.4m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	FY25-26: 85% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations. The survey response rate was 32% (307 were invited and 99 responses were received).	FY24-25: 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).
GOAL 2: Deliver value by growing the scale	24 new instances of Co-Lab shared services	Year-on-year increase in the	FY25-26 entities onboarded:	FY24-25: New onboardings:

of our shared service function	being utilised, by June 2027. *(baseline y/e 30 June 24)*	utilisation of services we provide to councils.	• 2 Co-Lab Water Services • 1 RIMU Service • 6 Co-Lab Building Services • 3 Professional Services Panel	• 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel - WBOP
		Year-on-year increase in the number of services available to councils.	FY25-26: Introduced RIMU.	FY24-25: • Introduced RATA Spaces & Places. • Launched Co-Lab Building Services
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	FY25-26: 8 existing services taken up.	FY24-25: 4 existing services taken up.
GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	FY25-26: The overall engagement score was 90%. The survey response rate was 40% (61 were invited to participate with 25 responses received).	FY24-25: The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	FY25-26: 16.7% staff turnover.	FY24-25: 10.5% staff turnover.
	Our vacancies are filled by suitable candidates within 3 months. *(baseline y/e 30 June 24)*	Vacancies are filled by suitable candidates within 3 months.	FY25-26: Target met for most vacancies. Three exceptions arose due to unsuccessful recruitment rounds or recruitment being placed on hold.	FY24-25: The 1 position advertised was vacant for 2 months.

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 this was last 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.

Waikato Waters Limited

Waikato Waters Limited is a council-controlled organisation established during 2025/2026 under the Local Water Done Well framework to deliver drinking water and wastewater services for participating Waikato councils. The company was incorporated following agreement between seven Waikato councils: Hauraki District Council, Matamata-Piako District

Council, Ōtorohanga District Council, South Waikato District Council, Taupō District Council, Waipā District Council and Waitomo District Council.

Matamata-Piako District Council is a shareholder in Waikato Waters Limited. At incorporation, each participating council held 100 Stage 1 shares.

Nature and scope of activities

Waikato Waters Limited has been established to provide safe, reliable, sustainable and financially responsible drinking water and wastewater services across the participating council areas. Its activities include operating and maintaining water supply and wastewater networks, planning and delivering renewals and capital investment, supporting compliance with water quality and environmental requirements, and providing customer-focused water services.

The establishment of Waikato Waters Limited enables participating councils to retain local ownership while working together regionally to deliver water services. The model is intended to support long-term affordability, access to financing, consistent service delivery, and compliance with the regulatory requirements applying to water service providers.

During the 2025/26 year, Waikato Waters Limited activities were focused primarily on establishment, governance, and transition planning in preparation for assuming responsibility for drinking water and wastewater services from 1 July 2026. Accordingly, the nature and scope of activities undertaken during the year were consistent with the company's establishment purpose and implementation programme

Council policies and objectives relating to ownership and control

Council's objective in becoming a shareholder in Waikato Waters Limited is to ensure drinking water and wastewater services are delivered in a way that is financially sustainable, compliant with regulatory standards, responsive to growth, and accountable to local communities.

Council's ownership interest is exercised through the shareholder arrangements set out in the Waikato Waters Limited Constitution and Shareholders' Agreement.

A Shareholder Representative Forum has been established to provide shareholder oversight, set shareholder expectations, appoint directors, and monitor the company's performance. Council intends to use these arrangements to ensure that Waikato Waters Limited operates consistently with the expectations of its shareholding councils and in the long-term interests of the communities it serves.

Key performance targets and measures

As Waikato Waters Limited was established during the 2025/26 year and did not assume responsibility for Matamata-Piako's drinking water and wastewater services until 1 October 2026, no operational full-year performance targets or measures for water service delivery were included in this Annual Report.

Future performance will be assessed through the company's accountability documents, including its statement of intent (Statement of expectations), half-yearly reports and annual reports. Performance measures are expected to include service reliability, drinking water compliance, wastewater compliance, customer service, delivery of renewals and capital works, financial sustainability, and progress against agreed shareholder expectations.

Attachment B:

Annual Report Summary 2025/26

Also includes Audit opinion for Annual Report Summary (Attachment C)

PŪRONGO Ā-TAU
DRAFT ANNUAL REPORT SUMMARY

2025/2026



te kaunihera ā-rohe o matamata-piako district council

Nau mai | Welcome

MAI TŌ KOUTOU KOROMATUA RĀUA | MESSAGE FROM YOUR MAYOR

Reflecting on the past 12 months, there is much to be positive about across the Matamata-Piako District.

Our district continues to be a great place to live, work and raise a family. Our communities are growing, our local economy remains resilient, and we are supported by a wide range of community organisations, volunteers and residents who make a great contribution to the district. The strong sense of community across the district remains one of our greatest strengths.

Over the past year, Council has remained focused on delivering the services and infrastructure that our communities rely on, while continuing to invest in the long-term future of the district. This has included maintaining roads, parks, libraries and community facilities; investing in water networks and progressing key projects.

Some of this work is highly visible, such as the new Open Country Community Stadium in Matamata. Other projects are less visible but important, including the Matamata Wastewater Treatment Plant upgrade, infrastructure renewals and improvements to local roads, footpaths and public spaces. Together, these investments help ensure the district remains well-positioned to meet current and future needs.

I have also been encouraged by the level of engagement from our communities throughout the year. Council sought feedback on a range of important matters, including community outcomes, climate resilience, water supply, dog control, the future of local government and other issues affecting our communities. Many residents took the opportunity to share their views and contribute to Council's decision-making processes. Community participation remains an important part of effective local government.

One of the most significant discussions during the year centred on the future of local government.

Through the Government's Head Start process, communities across the district were invited to provide feedback on potential local government reform options. Over 800 submissions were received, accompanied by strong attendance at community meetings. While further work and discussion will continue in the coming year, it was encouraging to see such a high level of public interest in the future of local representation and local decision-making.



I'd like to thank our staff, who continue to do a great job in what is often a challenging and fast-changing environment. I'd also like to thank my fellow elected members, local businesses, community organisations, volunteers and residents who help make Matamata-Piako a great place to live, work and visit. Through local events, community initiatives, sporting organisations, investment and countless other contributions, they help strengthen our communities and support the district's success.



Ash Tanner
Mayor

About this summary

This summary is an abridged version of the full Matamata-Piako District Council Annual Report 2025/26. It does not include all the disclosures provided in the full annual report and cannot be expected to provide a complete understanding of Council's service performance or financial performance. The specific disclosures have been extracted from the full annual report adopted by Council on 28 October 2026.

The full audited Annual Report 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha, or can be downloaded at mpdc.govt.nz.

SECTION 1:

Kupu Whakataki | Introduction



Ngā mahi whakahira | Our highlights

Our parks and reserves received seating and signage upgrades



We had 348,263 visitors to our district libraries



Over $26K of Pride of Place external grant funding distributed between 19 community groups



839 animal control enquiries were received and investigated



221 Facebook posts were made by our Communications Team



We received 1,644 Antenno requests

Antenno
Be Informed. Get Involved.

50% of kerbside waste was either recycled or composted



We resealed 63.8km of our local roads



5/5 priorities in the Climate Change Rivermap were progressed



Council achieved all of our stormwater performance measures



Our new Council held their first meeting on 28th October, 2025, after elections



On 21 February, the Matamata Open Country Stadium was officially opened



Council shifted to M365 as a core business system



Zero Waste in Schools programme supports 26 schools in sustainability and waste minimisation



Council received 307 noise complaints and responded to 100% within 2 hours



Te whakakitenga me ngā hua ā-hapori | Vision and community outcomes

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'

To deliver on our vision, we have identified four priorities for Matamata-Piako through the 2024-34 Long Term Plan, which are still applicable to the 2025-26 Annual Report. These priorities represent what your Mayor and Councillors aim to achieve for you, your whānau, and your community. Guided by these priorities, we have outlined key areas of focus for Council across each activity group, all of which contribute to our overarching outcomes. For further details on our priorities, please refer to our Strategic Direction.



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



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



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

Priorities

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



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

Te Kaunihera | Council

MAYOR & COUNCILLORS AS AT 30 JUNE 2026



Ash Tanner
Koromatua | Mayor



James Sainsbury
Koromatua Tautoko | Deputy Mayor
Matamata Ward



Vincent Andersen
Matamata Ward



Sailimalo Rewiti Vaimoso
Matamata Ward



Sue Whiting
Matamata Ward



Grace Bonnar
Morrinsville Ward



Bruce Dewhurst
Morrinsville Ward



Dayne Horne
Morrinsville Ward



James Thomas
Morrinsville Ward



Tyrel Glass
Te Aroha Ward



Greg Marshall
Te Aroha Ward



Andrew McGiven
Te Aroha Ward



Gary Thompson
Te Toa Horopū ā Matamata-Piako

Te Manawhenua Forum mō Matamata-Piako	Hearings Commission	District Licensing Committee	Risk and Assurance Committee	Waharoa (Matamata) Aerodrome Committee	Chief Executive Officer Performance Committee
Chairperson: Leiite Hinerangi Vaimoso	No chairperson Coordinator: Councillor Sue Whiting	Chairperson: Councillor Sue Whiting	Chairperson: Jaydene Kana	Co-Chairpersons: Muna Wharawhara and Mayor Ash Tanner	Chairperson: Mayor Ash Tanner

SECTION 2:

Te Rāpopotanga Inenga Mahi | Performance Summary

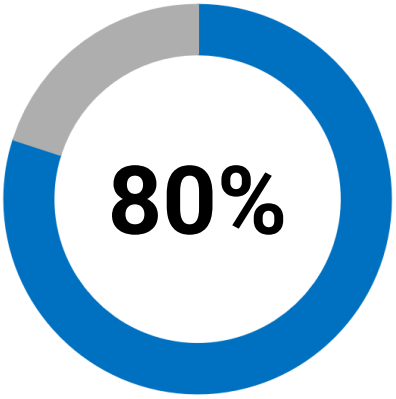


Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary

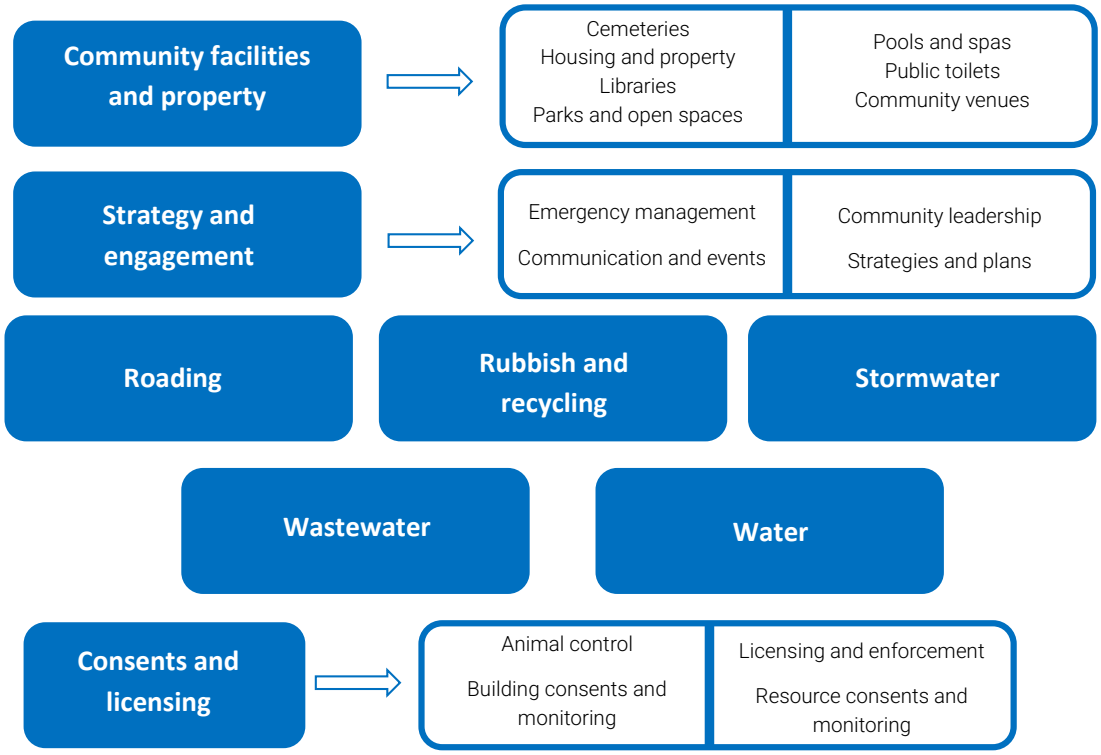
The service performance section outlines the range of services Council provides to the community and reports on how effectively these services were delivered over the past financial year, from 1 July 2025 to 30 June 2026. The Long Term Plan 2024–34 sets out a range of performance measures, including targets for the next three years.

Of the 56 performance measures established in the Long Term Plan 2024–34, **45** were achieved, resulting in an overall achievement rate of **80%. 11** measures were not met.

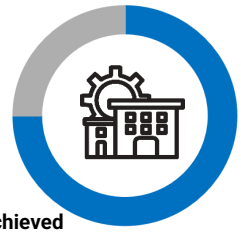
For further details on service performance, refer to Section 5 of the Annual Report.



Council Services Breakdown

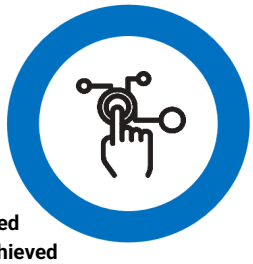


NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOA)
COMMUNITY FACILITIES AND PROPERTY



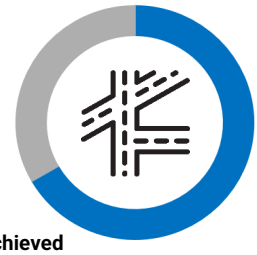
9 Achieved
3 Not Achieved

TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



8 Achieved
0 Not Achieved

NGĀ RORI
ROADING



4 Achieved
2 Not Achieved

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



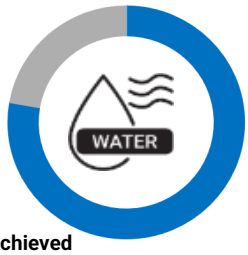
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



5 Achieved
1 Not Achieved

TE WAI
WATER



7 Achieved
2 Not Achieved

WHAKAAETANGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

SECTION 3:

Whakarapopoto Ahumoni | Financial Summary



Whakarāpopoto ahumoni | Financial summary

These summary financial statements have been extracted from the full financial statements, which were prepared in accordance with accounting standards applicable to Tier 1 public sector public benefit entities. The summary statements comply with PBE FRS-43: Summary Financial Statements. All amounts are in NZD.

The full audited Annual Report 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha, or can be downloaded at mpdc.govt.nz.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
96,580	Revenue	85,736	101,632
(85,755)	Expenses	(85,487)	(92,896)
(3,324)	Finance costs	(3,471)	(3,913)
7,501	**Net surplus/(deficit)**	**(3,222)**	**4,823**
	Other comprehensive revenue and expense		
6,037	Financial assets at fair value through other comprehensive revenue and expense	-	3,972
236,391	Property, plant and equipment revaluation	25,637	(785)
242,428	**Total other comprehensive revenue and expense**	**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**	**22,415**	**8,010**
Summary statement of changes in equity for the year ended 30 June			
966,333	Balance at 1 July	982,765	1,216,262
249,929	Total comprehensive revenue and expense	22,415	8,010
1,216,262	**Balance at 30 June**	**1,005,180**	**1,224,272**

Statement of comprehensive revenue and expense

Council ended the year with a surplus of $4.8 million, compared with a budgeted deficit of $3.2 million. This does not mean Council had money to spare. Almost all of the difference is one-off income that could not be planned for, and much of it is not cash at all. The community raised $6.3 million towards the Open Country Community Stadium in Matamata, and developers handed over $6.0 million of new roads, pipes and reserves as subdivisions were completed (vested assets). None of this can be used to reduce rates or pay for everyday services.

Revenue for the year was $101.6 million, against a budget of $85.7 million. Alongside the stadium donations and vested assets, more people built and subdivided than expected, and trade waste charges were increased so that large businesses cover the cost of treating what they put into the wastewater network. This was partly offset by fewer visitors to Te Aroha Mineral Spas and the district pools, a pattern being seen as household budgets tighten.

Expenditure was $96.8 million, against a budget of $89.0 million. The largest pressure was the cost of running water and wastewater services, particularly keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, along with rising compliance and regulatory costs. Depreciation, the cost of assets gradually wearing out, was $1.7 million higher following recent revaluations and the additional assets vested by developers. Personnel costs were lower than budgeted, as some roles were vacant during the year.

The lines in the summary table called other comprehensive revenue and expense record changes in the value of things Council already owns, rather than money coming in or going out, so it has no effect on rates or on what Council has available to spend. This year these items came to $3.2 million, well below the $25.6 million assumed in the Annual Plan. No revaluation of land, roading or three waters assets was required this year, as their recorded values are still considered fair.

Council's shareholding in Waikato Regional Airport increased in value by $4.0 million, reflecting growth in the value of the company itself rather than any further investment by Council.

In short: The surplus reported in this statement is made up almost entirely of one-off and non-cash income, and is not money available for services or rates relief. The real pressure is the rising cost of delivering services, particularly water and wastewater, at a time when many households are feeling the cost of living. From 1 October 2026 these services will be delivered by Waikato Waters Limited, so this is the last year their full cost appears in Council's accounts.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of financial position as at 30 June			
30,940	Current assets	23,685	23,408
1,288,704	Non-current assets	1,104,211	1,321,931
1,319,644	**Total assets**	**1,127,896**	**1,345,339**
30,488	Current liabilities	26,546	68,077
72,894	Non-current liabilities	96,170	52,990
103,382	**Total liabilities**	**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**	**1,005,180**	**1,224,272**
493,092	Accumulated funds	474,635	496,259
723,170	Other reserves	530,545	728,013
1,216,262	**Total Equity**	**1,005,180**	**1,224,272**
Summary statement of cash flows for the year ended 30 June			
20,295	Net cash flows from operating activities	20,132	25,089
(42,569)	Net cash flows from investing activities	(58,869)	(44,835)
19,500	Net cash flows from financing activities	38,966	13,500
(2,774)	**Net increase/decrease in cash held**	**229**	**(6,246)**
11,453	Opening cash balance	341	8,679
8,679	**Closing cash balance**	**570**	**2,433**

Statement of financial position

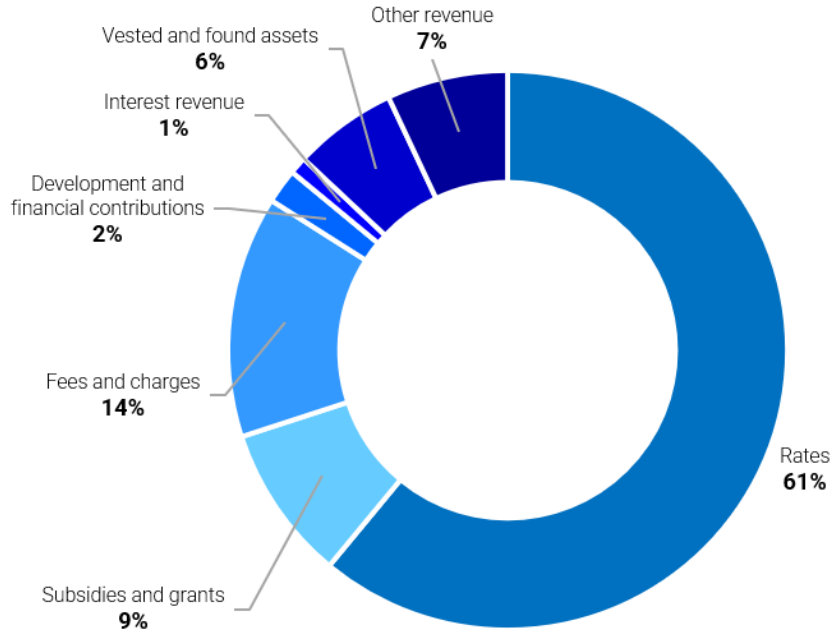
Current assets of $23.4 million were close to budget overall, but made up differently than planned. Council held $3.9 million on term deposit rather than the $14.1 million budgeted, because money set aside earlier had been used to repay $13.5 million of loans that fell due in April 2026.

Non-current assets were well above budget at $1.32 billion. Almost all of what Council owns is infrastructure: roads, water and wastewater pipes, treatment plants, parks and buildings, recorded at $1.27 billion. Most of the difference from budget is because the Annual Plan was set before the most recent valuations. Council also received more roads, pipes and reserves from developers than expected, all of which now have to be maintained.

Total liabilities of $121.1 million were slightly lower than the $122.7 million budgeted. Borrowing makes up most of this, at $98.5 million, which is $10.6 million below budget, mainly because the Matamata wastewater plant upgrade began later than planned. A larger share than usual, $47.0 million, is shown as falling due within 12 months, as loans are being refinanced over shorter terms ahead of the transfer of water services. Amounts owed to suppliers and income received in advance were higher than budgeted, reflecting how much work was under way at the end of the year.

In short: Council owns more and owes less than the Annual Plan assumed, and the balance sheet remains in good shape. The pressure is not in what Council owns and owes, but in the cost of running and maintaining it. This position will look very different next year after the water and wastewater assets, and around 70% of Council's borrowing, transfer to Waikato Waters Limited on 1 October 2026. Those assets still have to be maintained and that debt still has to be repaid; what changes is who does the work.

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

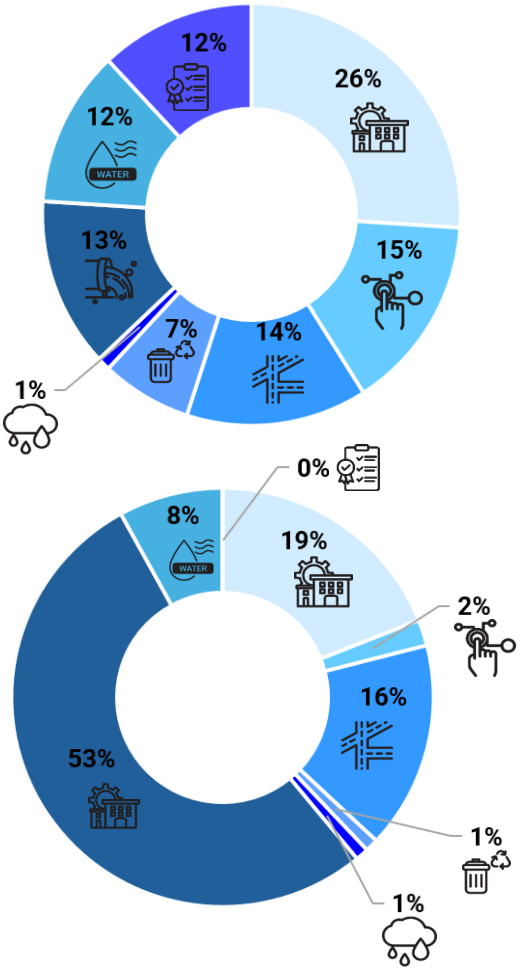


Revenue by sources	%	$000
Rates	61%	62,271
Subsidies and grants	9%	8,874
Fees and charges	14%	13,899
Development and financial contributions	2%	2,152
Interest revenue	1%	888
Vested and found assets	6%	6,021
Other revenue	7%	7,527
Total revenue		**101,632**

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

Operating expenditure	%	$000
Community facilities and property	26%	18,426
Strategy and engagement	15%	10,847
Roading	14%	10,176
Rubbish and recycling	7%	4,608
Stormwater	1%	989
Wastewater	13%	9,023
Water	12%	8,460
Consents and licensing	12%	8,312
Total		**70,841**

Capital expenditure	%	$000
Community facilities and property	19%	9,881
Strategy and engagement	2%	1,076
Roading	16%	8,337
Rubbish and recycling	1%	316
Stormwater	1%	283
Wastewater	53%	27,127
Water	8%	4,357
Consents and licensing	0%	-
Total		**51,377**



Tō rohe | Your district

	2023/24	2024/25	2025/26
Area 175,477 hectares			
Number of electors (enrolled)*	26,087	26,165	25,423
Number of rating units **	16,424	16,660	16,854
Value of improvements**	$7,444,941,799	$7,544,090,338	$8,771,109,700
Net land value**	$12,512,505,401	$12,447,478,360	$11,795,036,500
Total capital value**	$19,957,447,200	$19,991,568,698	$20,566,146,200
Total rates***	$47,160,000	$54,153,000	$57,421,000
Average total rates per rating unit	$2,871	$3,250	$3,407

*Electoral enrolment centre.
**At the end of the preceding financial year.
***Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

Additional disclosures and accounting policies

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 to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The summary financial statements of the Council are for the year ended 30 June 2026. These summary financial statements are those of the Council as a separate entity; Council does not prepare consolidated financial statements.

The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards and generally accepted accounting practice in New Zealand (NZ GAAP), and make an explicit and unreserved statement of compliance with PBE Standards for each period presented in this summary annual report.

Council's summary annual report complies with PBE Financial Reporting Standard 43 (FRS 43) Summary Financial Statements.

The full Annual Report 2025/26 was audited by The Audit Office on behalf of the Auditor-General, which issued an unmodified audit opinion.. The Audit Office has also examined this summary for consistency with the full Annual Report.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Changes in accounting policies

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

Capital commitments

At 30 June 2026, Council have commitments of $19.5 million for projects where contracts have been entered into but goods or services have not been received (2025: $9.1 million).

Contingencies

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 funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the ongoing operation of the Scheme. The likelihood of any call in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's decision in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed. Several Member Councils have brought proceedings against Riskpool in relation to such claims. Two of these proceedings have been heard by the High Court, with judgment currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of Scheme documentation. At this stage, the total potential liability associated with these matters cannot be reliably 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 2026, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 74 guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2026, LGFA had borrowings totalling $26.55 billion (2025: $25.53 billion).

The LGFA's borrowing of $26.5 billion is made up of the following:

	$000
Fair value of bonds on issue	24,864,452
Fair value of Bills and ECP on issue	1,304,569
Treasury stock lent to counterparts under bond repurchase agreements	379,335

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council 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 being notified 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.

Council has borrowed $98.5m (2025: $85m) from the LGFA which is recognised as a liability in the financial statements.

Events after balance date

Simplifying Local Government reform

The Government has been clear that it is committed to structural reform in the local government sector which sees regional councils removed and larger units of territorial local government being formed and taking on unitary responsibilities. The Government's focus is on structural arrangements that support its intentions for planning reform, simplifying local governance, and achieving economies of scale, while maintaining local voice.

The outcome and timing of the reforms is uncertain. On 24 September 2026 the responsible ministers advised the sector that they intended to take decisions on the next steps for local government reorganisation after the 2026 general election. The general election will be held on 7 November 2026. The financial statements are prepared on a going concern basis because of the uncertainty over outcome and timing of any change.

Council was a participant in the recent Head Start pathway which gave local authorities the opportunity to submit initial proposals for reorganisation consistent with the Government's intentions. The proposal for a catchment-based Waihou-Piako-Hauraki-Coromandel unitary authority 'Starting from Strength' was fully supported by the three sponsoring local authorities – Matamata-Piako, Hauraki, and Thames-Coromandel District Councils. The ministerial statement is clear that if the current Government is re-elected, there will be no regional council elections in 2028, which is a clear signal that local government reorganisation plans will likely be a priority in the 2027 calendar year.

Transfer of Water and Wastewater Activities to Waikato Waters Limited

On 1 October 2026, Council transferred its drinking water and wastewater activities to Waikato Waters Limited (WWL), a newly established regional Council-Controlled Organisation (CCO) formed under the Government's Local Water Done Well

programme and the following legislative enactments - the Local Government (Water Services Preliminary Arrangements) Act 2024, the Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025.

Matamata-Piako is one of six councils who have or will transfer their drinking water and wastewater activities to WWL. This new model agreed in a Shareholders' Agreement signed on 23 July 2025 allows the participating councils to retain local ownership while collaborating regionally on the delivery of drinking water and wastewater activities. The transfer was completed under the Transfer Agreement dated 9 July 2026. Stormwater services did not transfer and remain with Council.

The Transfer Agreement provided for all responsibility for providing drinking water and wastewater activities to move to WWL on 1 October 2026, along with the transfer of all property, plant and equipment relating to water supply and wastewater services (including infrastructure assets, land, buildings, plant, vehicles, equipment, and capital work in progress). On that same date WWL settled an initial assessment of the full amount of Council Water Infrastructure Debt (including internally funded waters debt). That settlement was made via a mix of legal novation of external debt and cash settlement that extinguishes Council's corresponding external borrowings and repays the internal debt. The 1 October debt settlement is subject to a 1 April 2027 wash-up that will confirm any late adjustments given the initial settlement relied on estimates of capital work still in progress. Most of the employees primarily engaged in water and wastewater activities will transfer to WWL with continuity of service, and the liability for all accrued employee benefit liabilities relating to those employees will be transferred to WWL. The total 2025/26 remuneration of the transferring employees was $3,013,870. Capital commitments and contingent liabilities including resource consents, contracts and other arrangements relating to water and wastewater services will be assigned to or assumed by WWL. Council will receive Stage 2 Shares in WWL in exchange for the net water and wastewater activities transferred.

Financial impact of transfer

Although material, the transfer did not result in adjustment to the amounts recognised at 30 June 2026 because completion occurred after balance date. There are some general uncertainties in regard to some of the amounts disclosed in this note due to the timing of the transfer three months after balance date and council continuing operations until that point. Where there are specific uncertainties these will be noted.

Statement of Financial Position

The estimated financial effect of the transfer completed after balance date comprises:

- a reduction in Council Property Plant and Equipment of $288,270,984, consisting of water and wastewater reticulation systems, treatment plant, land, buildings, vehicles and other operating plant and equipment
- a reduction in Borrower Notes (an asset) held by Council of $640,000
- a reduction in Council external debt of $72,339,000
- a reduction of Council reserve balances, for specific Waters-related reserve accounts, of $4,011,000
- receipt of a cash settlement of $22,175,000 to compensate Council for its internally funded waters debt
- a reduction in accrued employee entitlements transferring with staff of $326,657.

In exchange for the transfer of water operations, Council was issued twenty (20) Stage 2 Shares in WWL in October 2026. Shareholdings are based on the number of connected water and wastewater consumers and will be periodically adjusted as provided for in the Shareholders' Agreement. The shares provide Council with rights under the Constitution, Shareholders' Agreement and other binding arrangements. Council is assessing the appropriate accounting classification and measurement of this interest having regard to the substance of those arrangements. The accounting treatment will be recognised in the 2026/27 financial statements when the transfer occurs.

Statement of Comprehensive Income and Cash Flows

The 2025/26 revenue, expenditure and cash flows associated with the water supply and wastewater activities that will transfer are largely determinable from the Wastewater and Water Funding Impact Statements on pages 52 and 60 of this report. In addition, it is noted that the 2025/26 depreciation expense in the Wastewater activity was $3,831,000 and in the Water activity $3,929,000 (refer Note 14 in the full Annual Report).

Council has set water and wastewater rates for the full 2026/27 financial year under section 23 of the Local Government (Rating) Act 2002. Council acts as principal in respect of water and wastewater rates for the full year and will recognise the full year of rates revenue, and a corresponding expense for amounts remitted to WWL from 1 October 2026. Council acts as agent for WWL in respect of water and wastewater fees and charges invoiced from 1 October 2026 and these amounts will not be recognised as Council revenue.

Council will continue its water and wastewater operational and capital programme for the first 3 months of the 2026/27 year and the operational costs and capital expenditure in that period could be anticipated to be at levels that are relatively similar to around a quarter of the amount of those costs in the 2025/26 year. A similar assumption could be made for the fees and charges revenue for that period.

Establishment Costs and Establishment Funding repaid

On 1 July 2026, Waikato Waters Limited (WWL) repaid Council in full for the Establishment Costs receivable of $334,482 (refer Note 7 in the full Annual Report); and the Establishment Funding advance including accrued interest, together amounting to $5,053,676 (refer Note 11 in the full Annual Report). This followed WWL securing its funding through the Local Government Funding Agency, satisfying the repayment condition in clause 2.7(c) of the Shareholders' Agreement. As the receipt confirms the recoverability of the amounts recognised at balance date; no adjustment to the carrying amounts at 30 June 2026 was required.

The Transitional Activity Costs receivable of $415,317 recognised at 30 June 2026 (refer Note 7 in the full Annual Report) was subsequently received on 1 October 2026.

Commitments and contingencies

At 30 June 2026, Council had certain commitments and contingencies relating to its water and wastewater activities. Management has assessed whether these matters are expected to transfer to WWL on completion or remain with Council.

Capital commitments

Capital commitments relating to water and wastewater services infrastructure at 30 June 2026 were as follows:

	30 June 2026 $000	Expected to be settled by Council before transfer $000	Expected to transfer to WWL on 1 October 2026 $000
Water	1,077	734	343
Wastewater	18,228	7,276	10,952
Total water and wastewater activity capital commitments	**19,305**	**8,010**	**11,295**

These commitments relate to the significant upgrade work at the Matamata Wastewater Treatment Plant, the renewal work being carried out on the Rolleston Street Water Intake, and the Wastewater Reticulation Renewals programme. The amounts disclosed above represent commitments existing at 30 June 2026.

Contingent liabilities

At 30 June 2026, Council had the following contingent liabilities relating to water services activities:

Nature of matter	Estimated financial effect	Expected transfer treatment
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.	$15,000 per annum	Transfers to WWL

Other obligations to be assumed by Waikato Waters Limited after Transfer

Other resource consent obligations and legal matters - Council has identified other resource consent obligations and related legal and compliance matters associated with its drinking water and wastewater activities that existed at 30 June 2026. These include ongoing consent compliance, monitoring and reporting obligations, and related operational obligations associated with the transferred water and wastewater activities.

Under the Transfer Agreement dated 9 July 2026, relevant resource consent responsibilities and specified obligations associated with drinking water and wastewater services transferred to Waikato Waters Limited on completion on 1 October 2026. Council has not identified any specific enforcement matter, legal claim, dispute or proceeding relating to these activities that requires separate provision or contingent liability disclosure at 30 June 2026.

Guarantee of Waikato Waters Limited borrowings from LGFA - On 25 February 2026 Council resolved to enter into a Guarantee and Indemnity Deed (Waikato Waters Limited) in favour of the New Zealand Local Government Funding Agency Limited (LGFA), alongside the five other voting and transferring shareholding councils of Waikato Waters Limited (WWL) – Hauraki, Ōtorohanga, South Waikato, Waitomo and Waipā District Councils. The Deed, together with accession deeds to the LGFA Multi-Issuer Deed and the Notes Subscription Agreement, were executed on 30 March 2026. The Deed was a precondition of WWL being approved as an LGFA borrower and of WWL commencing water services operations on 1 July 2026.

Under the arrangements, WWL cannot access any LGFA financing until 1 July 2026. As a result, WWL had drawn no debt from LGFA at 30 June 2026 and Council's maximum exposure under the guarantee was therefore $nil. From 1 July 2026 onwards, WWL can draw on LGFA financing in accordance with the terms of the Multi-Issuer Deed and the agreed Term Sheet for Water CCOs.

Under the Guarantee and Indemnity Deed each shareholding council is jointly and severally liable to the LGFA for WWL's borrowing obligations, subject to an agreed proportionate share of liability that is recalculated at set points in time based on each council's 'establishment debt' plus the infrastructure debt transferred to WWL by that council. Council's proportionate exposure is:

- From 1 July 2026 (Day 1 for the first three transferring councils) – approximately 1.4%, reflecting MPDC's establishment debt only.
- From 1 October 2026 (the date MPDC's water and wastewater assets and associated debt transfer to WWL) – approximately 27%.
- From 1 July 2027 (when Hauraki and Ōtorohanga District Councils transfer their assets) – a reduced share to be determined under the formula set out in the Deed.

The proportions are reassessed semi-annually thereafter. Where any guarantor council fails to meet a call, a 'demand cascade' mechanism allocates the shortfall across the remaining guarantors in the same proportions as the original call.

The maximum amount of WWL borrowing from LGFA that could potentially be the subject of a call on the guarantee in future periods is not able to be reliably estimated. WWL's borrowing programme is still being established and the amount of debt outstanding will vary over time in line with WWL's capital investment programme, the transfer of council debt, and operating cash flows. Council's maximum exposure to loss is WWL's total drawn debt and costs.

The guarantee is secured by a charge of security stock granted by Council under its existing Debenture Trust Deed in favour of LGFA, on the same terms as the security supporting Council's own LGFA borrowings (refer Note 16 in the full Annual Report).

The likelihood of a call on the guarantee is considered remote. WWL has regulated revenue streams from the provision of fundamental lifeline (water and wastewater) services, is subject to LGFA's credit policies and credit monitoring, and is

subject to governance oversight by the shareholding councils through the Shareholders' Representative Forum, the Statement of Expectations, and the right to appoint directors.

Council has not recognised a liability for this guarantee in the financial statements. The fair value of the guarantee at initial recognition has been determined to be $nil, on the basis that the likelihood of a call is remote and, at balance date, no WWL borrowings exist that could give rise to a call.

Other subsequent decisions relating to water services

Proceeds from sale of Waitoa Community Hall - Matamata-Piako resolved at its 29 July 2026 meeting that the proceeds from the sale of the Waitoa Community Hall are reserved for the Waitoa Water Project. If that project goes ahead the funds will be provided to WWL to assist in the funding of the project. If the Waitoa Water Project does not go ahead the proceeds will be redirected by Council for the wider benefit of the Waitoa Community. In the meantime the funds are recorded as a Council created reserve – refer Note 20 in the full Annual Report.

Te pānui whākinga mō te tau mutunga o 30 June 2026 | Annual Report disclosure statement for year ending 30 June 2026

Te kaupapa o tēnei pānui ā-pūtea? I 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 I Rates affordability benchmark

The Council meets the rates affordability benchmark if its actual rates increases equal or are less than each quantified limit on rates increases.

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates (income) affordability in the Financial Strategy for the Long-term Plan.

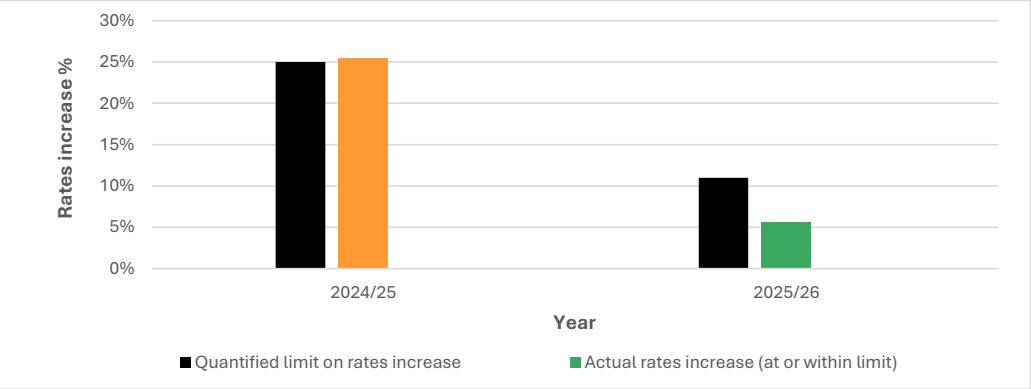
Whai pūtea (pikitanga) ki te rēti I Rates (increases) affordability

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:

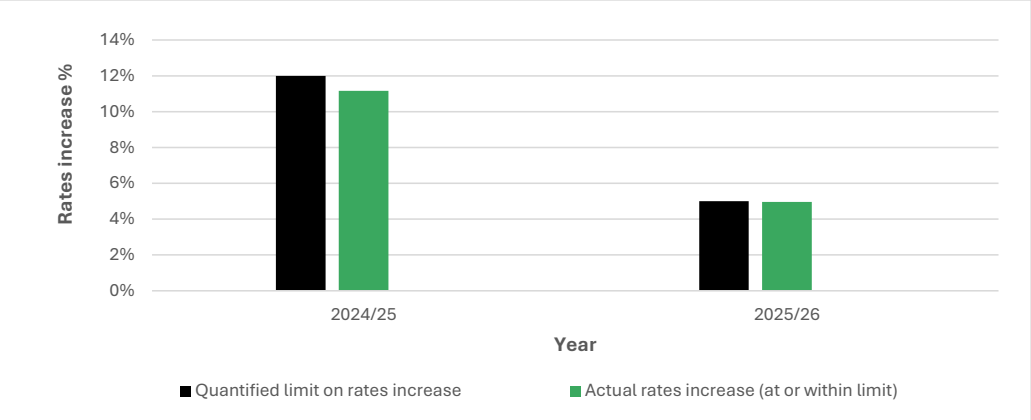
- Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one (2024/25), 11% years two and three (2025/26 and 2026/27), and thereafter will not increase by more than 7%.



Comment:

Actual rate increases for three waters activities in the 2025/26 year was 5.6% compared to a limit of 11.0%.

- Rates increases **for other rate funded activities** will not increase by more than 12% in year one (2024/25), and thereafter will not increase by more than 5%.

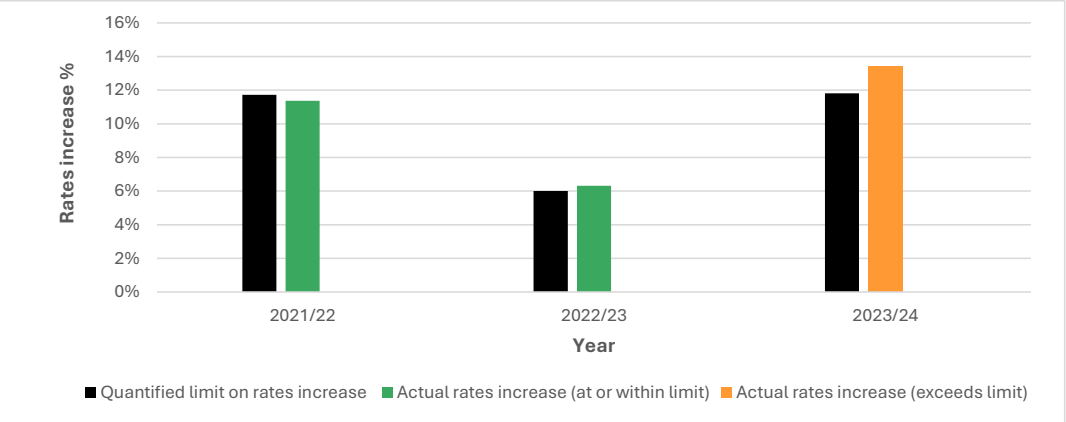


Comment:

Actual rate increases for all other rates funded activities (excluding three waters) in the 2025/26 year was 5.0% compared to a limit of 5.0%

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income[2] 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.



[2] 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.

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 the 2022/23 and 2021/22 years, the rates have exceeded the limit set due to higher growth in the rating base than expected.

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

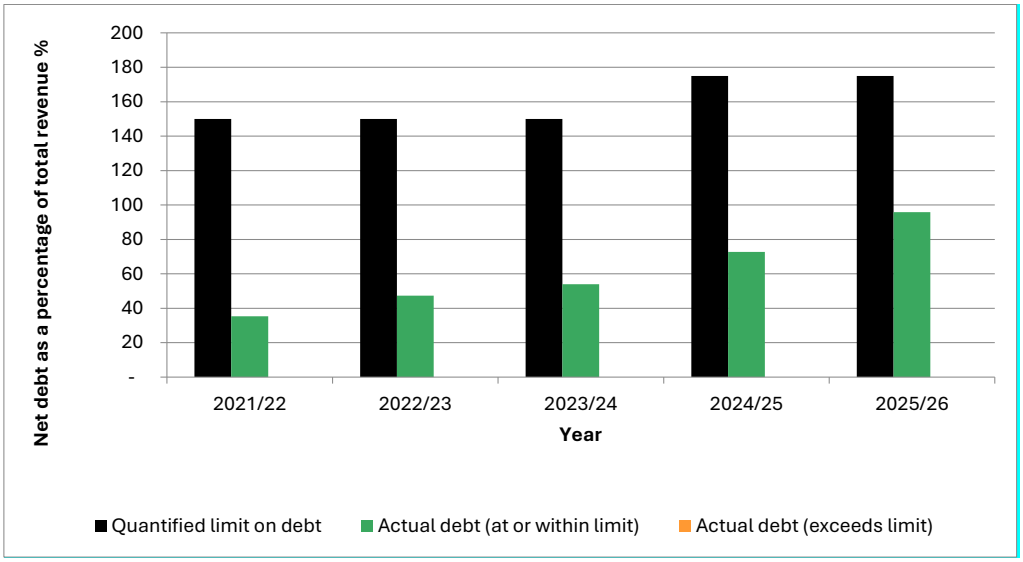
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt[3] as a percentage of total revenue[4] will not exceed 175%.

2021-2031 LTP

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



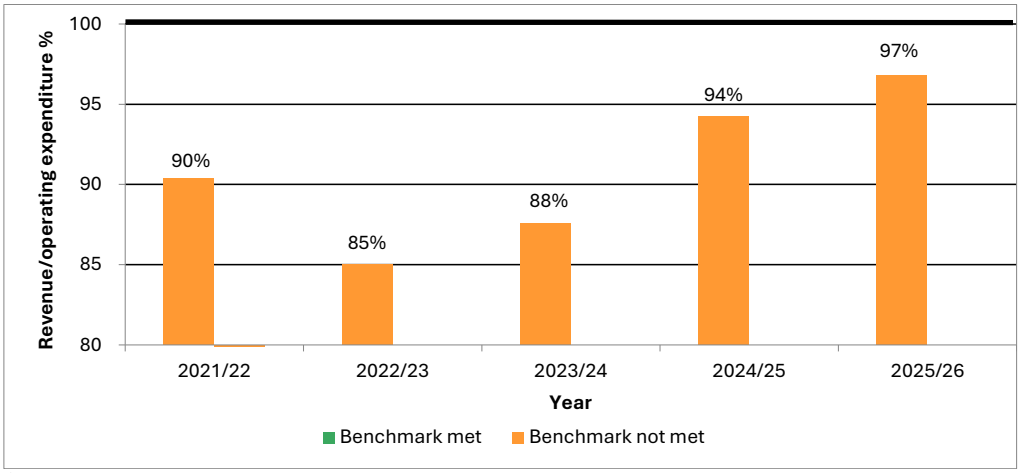
Comment:

Council's net external debt as a percentage of total revenue sits at 96% at 30 June 2026 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.

[3] 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.
[4] 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.

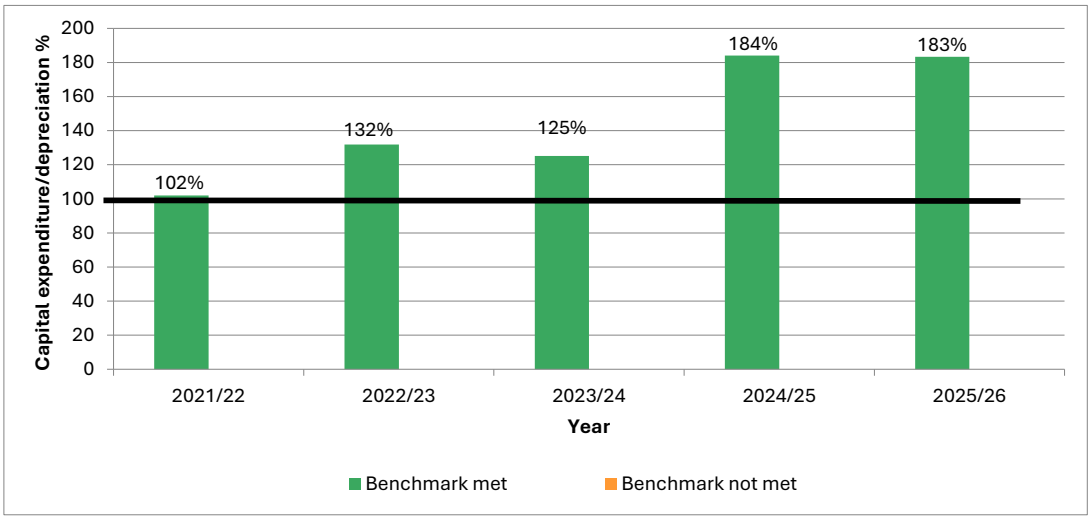


Comment:

In developing the budget for the 2025/26 financial year, Council budgeted this ratio at 94% (actual was 97%), resolving 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 Roading 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.

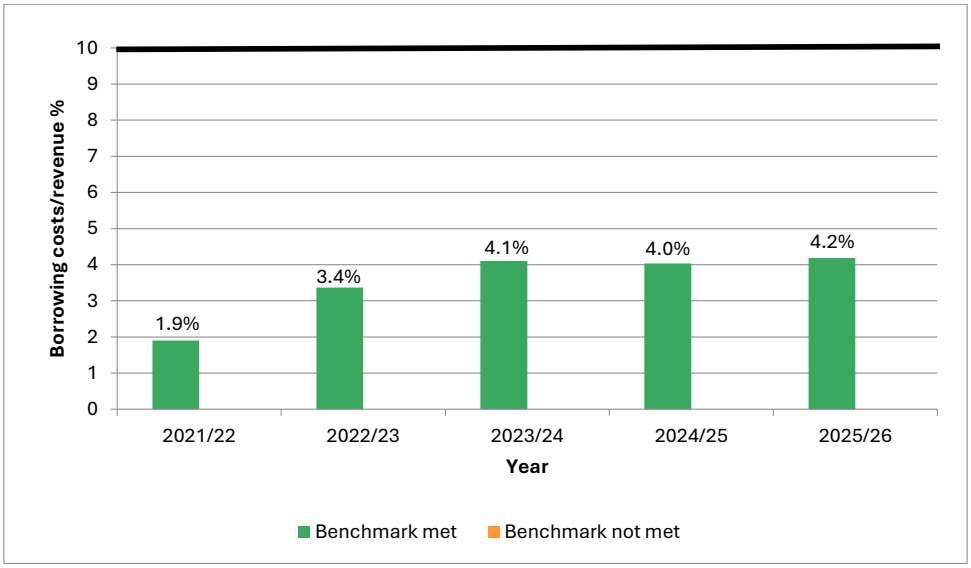


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 145% 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.

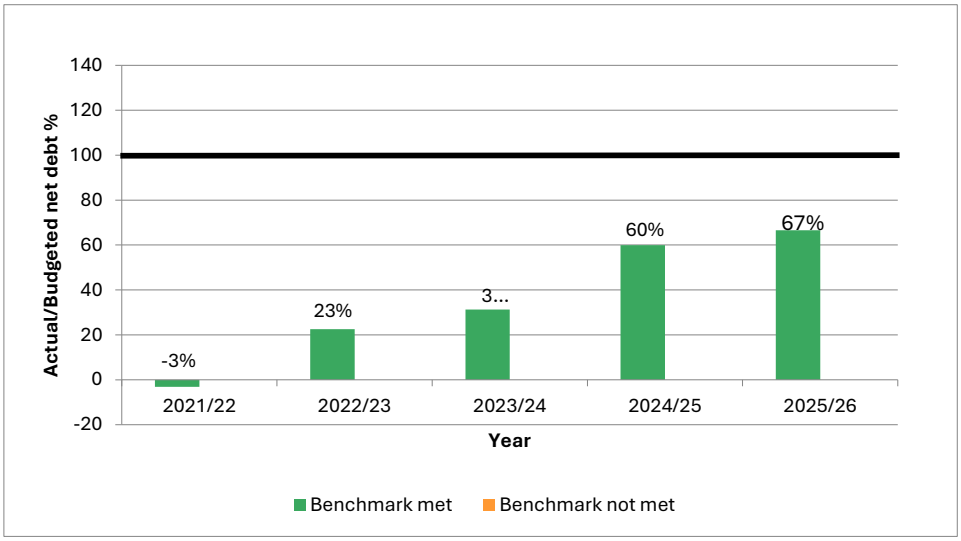


Comment:

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.

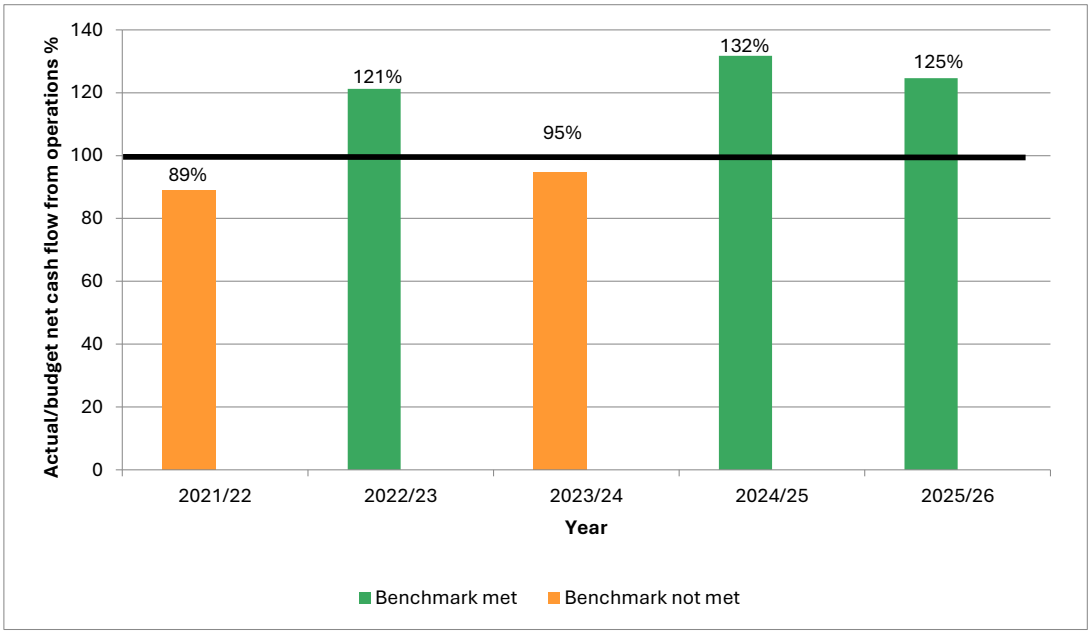


Comment:

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 2025/26, Council received $6.3 million in donations towards the Matamata Stadium project that were not included in the budget.

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 28 October 2026.

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 2026 fairly reflects the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.

Ash Tanner, Mayor	Manaia Te Wiata, Chief Executive Officer
28 October 2026	28 October 2026

This summary has been prepared in accordance with PBE FRS 43 (summary financial statements), and does not include all of the information provided in the full Annual Report, and for this reason cannot be expected to provide a complete understanding of Council's performance as provided by the Annual Report. The financial statements contained in the Annual Report Summary comply with GAAP (Generally Accepted Accounting Practice). The financial statements in the Annual Report Summary have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) Accounting Standards. The Annual Report Summary has been audited by our independent auditors, The Audit Office, on behalf of the Auditor-General. They have issued an unmodified audit opinion. The financial statements and this summary were authorised for issue by Council on 28 October 2026. The Annual Report Summary 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha. If you would like a copy of the Annual Report Summary you can download it at mpdc.govt.nz. Specific disclosures included in the summary financial statements have been extracted from the full financial statements.

SECTION 4:

Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report



The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Matamata-Piako District Council's summary of the annual report for the year ended 30 June 2026

The summary of the annual report was derived from the annual report of the Matamata-Piako District Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on pages 9 to 29:

- the summary statement of financial position of the Council as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows of the Council for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the performance summary.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 28 October 2026.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 22, the Council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Future changes in water service delivery

Note 22 of the financial statements outlines how future changes in the delivery of water services will affect the Council.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements.*

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a procurement assurance engagement and a limited assurance engagement related to the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

René van Zyl
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

Attachment D:

Letters of Representation for the Annual Report and Annual Report Summary 2025/26

28 October 2026

René van Zyl
Appointed Auditor
The Audit Office
PO Box 1165
Auckland 1140

Tēnā koe René

Representation letter for the year ended 30 June 2026

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Matamata-Piako District Council (District Council), statement of service performance, and other audited information for the year ended 30 June 2026 for the purpose of expressing an independent opinion about whether:

- the financial statements present fairly, in all material respects, the Council's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with the Public Benefit Entity Standards;
- the statement of service performance for the year ended 30 June 2026:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.
- the funding impact statement for the year ended 30 June 2026, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

We understand that you are also required to report on:

- whether the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

We understand that your audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board.

General responsibilities

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the District Council to prevent and detect fraud or error, and which enables the preparation of the financial statements, the statement of service performance, other audited information and disclosure requirements that are free from material misstatement whether due to fraud or error.

Representations on the financial statements, statement of service performance, other audited information and disclosure requirements.

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service performance, other audited information and disclosure requirements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements, the statement of service performance, the other audited information, and the disclosure requirements as required by the Local Government Act 2002 and, in particular, that:

- the financial statements present fairly, in all material respects, the Council's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with the Public Benefit EntityStandards;
- the statement of service performance for the year ended 30 June 2026:
  - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and the Public Benefit Entity Standards; and
  - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.
- Council has complied with the information disclosure requirements of Schedule 10 of the Act that apply to the annual report;
- Council disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations) 2014 are complete and accurate;
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements and statement of service performance are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the Public Benefit Entity Standards;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements in accordance with the requirements of the Public Benefit Entity Standards;
- we have adjusted for or disclosed all events subsequent to 30 June 2026 that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually or in the aggregate, to the financial statements, statement of service performance, other audited information, and disclosure requirements as a whole (a list of the uncorrected misstatements is attached as Appendix 1 to this representation letter);

DRAFT

- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually or in aggregate, to the financial statements, statement of service performance, other audited information, and disclosure requirements (a list of the uncorrected misstatements is attached as Appendix 1 to this representation letter); and

- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with the Public Benefit Entity Standards.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
    - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements, the statement of service performance, the other audited information, and the disclosure requirements; and
    - unrestricted access to persons within the District Council from whom you determined it necessary to obtain audit evidence;

- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service performance may be materially misstated as a result of fraud;

- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the District Council and involves:
    - management;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements and statement of service performance;

- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the District Council's financial statements and statement of service performance communicated by employees, former employees, analysts, regulators, or others;

- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service performance, including possible non-compliance with laws for setting rates;

- we have provided you with all the other documents ("other information") which will accompany the financial statements, the statement of service performance, the other audited information

and the disclosure requirements. The other information is consistent with the audited information, and does not contain any material misstatements.; and

- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

Publication of the financial statements and statement of service performance and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service performance.

The electronic version of the audited financial statements and statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and statement of service performance and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service performance is provided on a website, the financial statements and statement of service performance are also provided in full.

Going concern

We confirm that, to the best of our knowledge and belief, the District Council has adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of service performance for the year ended 30 June 2026. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the District Council during the period of one year from 28 October 2026, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service performance adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the District Council.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the District Council and to confirm information given to you orally.

Nā māua noa, nā

Ash Tanner
Mayor

Manaia Te Wiata
Chief executive

DRAFT

Appendix 1: Uncorrected misstatements

Uncorrected misstatements identified in relation to the opening 1 July 2025 Property, Plant and Equipment balance

Note	Account name / Line item	Statement of comprehensive income		Statement of financial position	
		Dr $000	Cr $000	Dr $000	Cr $000
1	Wastewater assets			6,485	
	Work in progress				6,485
2	Restricted Assets – Buildings			937	
	Work in progress				937
3	Operating expenses	421			
	Work in progress				421

Explanation for uncorrected misstatements

1 The adjustment relates to wastewater assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress (WIP) to property, plant and equipment (PPE). Management has not corrected this misstatement because the adjustment would result in a reclassification within PPE and would have no impact on total PPE, net assets, or the surplus/(deficit) reported in the financial statements.

2 The adjustment relates to building assets that were available for their intended use prior to 30 June 2025 but had not been transferred from WIP to PPE. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

3 The adjustment relates to expenditure that should have been recognised as operating expenditure rather than as WIP. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

DRAFT

Uncorrected misstatements identified in relation to the closing 30 June 2026 Property, Plant and Equipment balance

Note	Account name / Line item	Statement of comprehensive income		Statement of financial position	
		Dr $000	Cr $000	Dr $000	Cr $000
4	PPE - various			7,143	
	Work in progress				7,143

Explanation for uncorrected misstatements

4 This adjustment relates to assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress (WIP) to property, plant and equipment (PPE) as at that date. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Explanation of why not corrected
The disclosure of future minimum lease payments receivable under non-cancellable operating leases, where the Council is the lessor, has been omitted from the financial statements. The undisclosed commitments amount to $152,847.	Management has concluded that the amount is immaterial to the financial statements. Accordingly, the disclosure has not been included.
TBC	

DRAFT

28 October 2026

René van Zyl
Appointed Auditor
The Audit Office
PO Box 1165
Auckland 1140

Tēnā koe René

Representation letter for Summary Annual Report for the year ended 30 June 2026

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the Summary Annual Report of Matamata-Piako District Council (District Council) for the year ended 30 June 2026 for the purpose of expressing an independent opinion about whether:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

We understand that your examination was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We also understand that your examination was (to the extent that you deemed appropriate) for the objective of providing an independent opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Responsibilities for the Summary Annual Report

We confirm, to the best of our knowledge and belief:

- we have fulfilled our responsibilities for preparing and presenting the Summary Annual Report as required by the Local Government Act 2002 and PBE FRS 43: *Summary Financial Statements* and, in particular, that:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the Summary Annual Report as a whole. A list of the uncorrected misstatements is attached as Appendix 1 to this representation letter.
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually and in aggregate, to the Summary Annual Report as a whole. A list of uncorrected disclosure deficiencies is attached as Appendix 1 to this representation letter.

Publication of the Summary Annual Report and related audit report on a website

The District Council accepts that it is responsible for the electronic presentation of the audited Summary Annual Report.

The electronic version of the audited Summary Annual Report and the related audit report presented on the website are the same as the final signed version of the audited Summary Annual Report and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited Summary Annual Report and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the Summary Annual Report is provided on a website, the Summary Annual Report is also provided in full.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the District Council and to confirm information given to you orally.

Nā māua noa,

Ash Tanner
Mayor

Manaia Te Wiata
Chief executive

Appendix 1: Uncorrected misstatements

Uncorrected misstatements identified in relation to the opening 1 July 2025 Property, Plant and Equipment balance

Note	Account name / Line item	Statement of comprehensive income		Statement of financial position	
		Dr $000	Cr $000	Dr $000	Cr $000
1	Wastewater assets			6,485	
	Work in progress				6,485
2	Restricted Assets – Buildings			937	
	Work in progress				937
3	Operating expenses	421			
	Work in progress				421

Explanation for uncorrected misstatements

1 The adjustment relates to wastewater assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress (WIP) to property, plant and equipment (PPE). Management has not corrected this misstatement because the adjustment would result in a reclassification within PPE and would have no impact on total PPE, net assets, or the surplus/(deficit) reported in the financial statements.

2 The adjustment relates to building assets that were available for their intended use prior to 30 June 2025 but had not been transferred from WIP to PPE. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

3 The adjustment relates to expenditure that should have been recognised as operating expenditure rather than as WIP. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

Uncorrected misstatements identified in relation to the closing 30 June 2026 Property, Plant and Equipment balance

Note	Account name / Line item	Statement of comprehensive income		Statement of financial position	
		Dr $000	Cr $000	Dr $000	Cr $000
4	PPE - various			7,143	
	Work in progress				7,143

Explanation for uncorrected misstatements

4 This adjustment relates to assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress (WIP) to property, plant and equipment (PPE) as at that date. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions. Management does not consider it appropriate to record adjustments based solely on the projection of sample results across the population.

Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Explanation of why not corrected
The disclosure of future minimum lease payments receivable under non-cancellable operating leases, where the Council is the lessor, has been omitted from the financial statements. The undisclosed commitments amount to $152,847.	Management has concluded that the amount is immaterial to the financial statements. Accordingly, the disclosure has not been included.
TBC	

Attachment E:

Warrant of Fitness for the Annual Report and Annual Report Summary 2025/26

Annual Report – Warrant of Fitness

Council meeting 28 October 2026

Contents

1. Compliance with Local Government Act 2002 and the Financial Reporting Requirements 2
2. Assets 3
3. Liabilities 8
4. Financial Performance 9
5. Other Reporting Disclosures 9
6. Events After Balance Date 10
7. Off-Balance Sheet Items 10
8. Going Concern Assumption 11
9. Compliance with Accounting Policies and Procedures 11
10. Compliance with Government Regulations and Contractual Agreements 12
11. Audit 13
12. Other Matters 13
13. Final Review by Elected Members 14
14. Conclusion 14
15. Non-Financial Reporting 15

Completed by: Finance Manager, Policy and Governance Manager, and Policy Advisor

Section 13 – to be completed by Elected Members

Matter	Y	N	N/A
1. Compliance with Local Government Act 2002 and the Financial Reporting Requirements			
1.1 Are you satisfied that all applicable financial reporting standards which affect Council have been complied with?	✓		
1.2 Are you satisfied that the financial statements comply with generally accepted accounting practice? How did we achieve this? *Kept up to date of potential changes arising from the accounting standards via review of monthly professional media, Taituarā and sector advice provided via webinars and Listserve. Round-table discussions with accounting and other Council staff. Check performed against key sections of legislation, e.g. the Financial Reporting Regulations.* *Discussed format, reporting and specific accounting issues with Audit NZ during the interim and final audit, as well as emailed correspondence with the Auditors and regular catch-up meetings with the Audit NZ team.* *Confirmed there were no significant updates to Audit NZ's model annual report that needed to be considered for our Annual Report.*	✓		
1.3 Have statements of accounting policies, financial position, financial performance, cash flows, movements in equity, and notes to the financial statements been prepared?	✓		
1.4 Detail any amendments to existing financial reporting standards, or new financial reporting standards issued in the last year that affect the financial statements. *No new standards affecting the financial statements this year.*			✓
1.5 If new standards and amendments to standards have been adopted, are you satisfied that these amendments have been disclosed adequately in the financial statements?			✓
1.6 Other than as impacted by 1.4 and 1.5, have the financial statements been prepared on a basis consistent with prior periods?	✓		
1.7 If there have there been changes in accounting policies, have these been adequately disclosed in the financial statements?			✓
1.8 Are you satisfied that any accounting issues can be reasonably defended?	✓		
1.9 Have you determined that all statutory registers and records required by the legislation have been properly kept throughout the period and that they are up to date? □ *Council minutes* □ *Rating Information Database* □ *All financial documentation*	✓		
1.10 Do you consider that the financial statements have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates?	✓		
1.11 Do you believe that proper accounting records have been kept which enable, with reasonable accuracy, the financial	✓		

Matter	Y	N	N/A
statements to be prepared in compliance with the LGA, Accounting standards and Financial Reporting requirements?			
1.12 In your opinion, are the financial statements drawn up so as to give a true and fair view of the financial position of the reporting entity at the end of the financial period, and of the financial performance and cash flows for the period ended on that date?	✓		
1.13 Has the external auditor had full access to all accounting records, other documents and all information and explanations required or requested by them?	✓		
2. Assets			
2.1 Cash and Bank Balances			
Is the bank balance and other cash properly stated in the financial statements (correctly reflecting the reporting entity's ability to use such funds on an at call basis)	✓		
2.2 Receivables			
2.2.1 Are you satisfied that all known bad material debts have been written off? *Bad debts written off this year totalled $27k for sundry debtors and $13k for rates debts written off. Rates debts are only written off in line with rating legislation, or as they have become statue-barred as they have not been collected/no payments made towards these debts have been made for more than 6 years. The majority of these debts relate to land in multiple ownerships that do not qualify to be made non-rateable under the recent LG (Rating of Whenua Maori) Amendment Act 2021.*	✓		
2.2.2 To the extent they are material does the estimated provision for doubtful debts fully cover amounts assessed as not likely to be recoverable? *PBE IPSAS 41 introduced last year, changed the way we estimate our provision for doubtful debts (now known as an allowance for expected credit losses (ECL)). ECL is calculated by grouping receivables with similar credit risk characteristics, and then reviewing the historical credit losses recognised for each grouping, and considering any forward looking factors that may affect collection.* *Under the new model, Council's provision for doubtful debt or ECL is $17k is in line with our usual annual level of write-off for sundry debts.*	✓		
2.2.3 Have the amounts recognised as bad debts and doubtful debts been disclosed if material?	✓		
2.2.4 Are you satisfied that all material receivables have been reviewed at balance date and up to the date of signing the financial statements to ensure that the carrying value of receivables are recoverable in full? *$800k of Better-off funding was initially accrued and recognised as grant revenue in 2023/24 for the Water activity, on the premise that the funding had been verbally approved, was budgeted for in 2023/24 and had been effectively used for the purpose it was to be received by balance date. Audit NZ's view however was that the fact the funding was not formally approved by balance date, meant that it did not meet the requirement of our accounting policy for recognition (i.e. that it had become receivable) in*	✓		

Matter	Y	N	N/A
2023/24. This accrued income has been reversed in the final draft and instead will be recognised as revenue in the 2024/25 financial year.			
2.2.5 Has the aggregate value of receivables been shown in the financial statements at (or below) the value expected to be realised?	✓		
2.2.6 Are you satisfied that receivables have been correctly classified between current and non current? *We have not identified any material non current receivables.*	✓		
2.2.7 Have receivables from elected members\senior management been assessed as acceptable and reported to the Risk and Assurance Committee *There were no balances owing at 30 June for elected members or senior management.*			✓
2.2.8 Are you satisfied that all prepayments and other charges carried forward have a future economic benefit? *Most prepayments relate to subscriptions, licences and insurance. Copy of all invoices held in Audit file.*	✓		
2.3 Other Current Assets			
2.3.1 Are you satisfied that all "other current assets" are likely to realise in the ordinary course of business, at least their value as shown in the financial statements? *Current assets this year includes $656k non-current assets held for sale. $270k is the carrying value of land in Morrinsville that is under a sale and purchase agreement with St Johns. The balance is an own-your own property that was settled in July. All other current assets are a part of Council's usual course of business*	✓		
2.4 Investment and Derivatives (Current and Non-Current)			
2.4.1 Have we complied with Council's Investment Policy? *There have been no instances of non-compliance during the year*	✓		
2.4.2 Are derivative financial instruments carried in the financial statements at fair value? *Interest rate swaps have been valued using software available in-house.*	✓		
2.4.3 Have all Council Controlled organisations (CCO) (including Special Purpose Entities), as defined in the appropriate financial reporting standard, been consolidated? *The accounts for Waikato LASS have not been audited at the time of our Annual Report adoption, however the value of the investment is not material at $28k.* *We have not equity accounted for the Hauraki Rail Trail Charitable Trust (HRTCT), as they did not provide us with completed financial statements in time to incorporate them in time for our Annual Report adoption. The current carrying amount is $20k and not material.* *Council account for our shareholding in the Waikato Regional Airport Limited (WRAL) by increasing (or decreasing) the carrying amount of the investment to recognise our Council's share of the change in the net assets of the company. Considering PBE IPSAS 41, Council considers the proportion of ownership of the*	✓		

Matter	Y	N	N/A
airports net assets as a proxy for fair value (FV) to be appropriate in determining the FV for the following reasons: □ *The standard states that cost is only appropriate in limited circumstances – and we believe there is sufficient information to obtain a better estimate than cost.* □ *While the best evidence is quoted prices in an active market, there is no active market for the shares in WRAL.* □ *No independent valuation has been performed on WRAL's FV.* □ *The standard states that where no active market exists, we can establish FV by using a valuation technique. The standard states that the chosen valuation technique should make maximum use of market inputs – we consider that using the company's net assets, which are largely derived from market inputs related to their PPE appears to best meet the requirements of the standard.* *As requested by Audit NZ, Council will annually assess why we consider it is appropriate to determine FV for this investment in this manner against the requirements of PBE IPSAS 41.*			
2.4.4 Where CCOs have been incorporated, acquired or disposed of during the period, has adequate disclosure been made of the incorporation details, purchase price or sale proceeds and the effect on the individual components of the consolidated financial statements? *There have been no such transactions during the period.*			✓
2.4.5 If any subsidiaries or associates have been acquired during the period, are you satisfied with the allocation of the purchase price between the fair values of the identifiable assets, liabilities and goodwill? *No subsidiaries or associates acquired during the period*			✓
2.4.6 In the consolidated financial statements, have the principles of equity accounting been applied to investments in those entities over which the reporting entity exercise significant influence but does not control?			✓
2.5 Property, Plant, and Equipment			
2.5.1 If any classes of property, plant and equipment were revalued in the current period, are you satisfied that the financial statements accurately reflect and disclose independent experts' valuations? *There were no revaluations undertaken for year ended 30 June 2024. Fair value assessments were prepared to ensure that the carrying value of the assets did not differ materially from the fair value.*			✓
2.5.2 Has an asset register been properly maintained for all categories of property, plant and equipment during the year and has it been reconciled to the financial statements at period end? *There were a small number of water and wastewater projects capitalised 'on the books' at 30 June 2023, because the work required to capitalise them in our asset system had not been completed in time. In our latest draft Annual Report, Audit NZ requested that, we separately report the movements in respect*		✓	

Matter	Y	N	N/A
of these assets in our PPE note, following their actual capitalisation in 2024. *A further $6.3m of assets/projects initially included in our schedule of work in progress at 30 June 2024 have, on closer review, been identified as sufficiently complete or in use at balance date, so should have been capitalised. While $6.3m accounts for only 0.6% of the total value of PPE, this amount exceeds Audit NZ's materiality thresholds. As such, these assets have be capitalised 'on the books' for 2024 in the latest draft. Staff have calculated that the fact the assets were not capitalised at the correct date has resulted in an understatement of depreciation of approximately $191,000 for the 2023/24 financial year. As staff did not consider this amount to be material, and it was within Audit NZ's materiality threshold, we have not made any adjustment to the financial statements for this estimated error.* *It is acknowledged that we have some work to do to tidy up some of these outstanding capitalisations, and that work is in progress. Areas for improvement have been identified in our project management processes to hopefully minimise the recurrence of this going forward, and to improve the flow of capitalisations throughout the year to avoid the bottleneck of work typically created at the end of the year. Pleasingly we have already seen a number of projects being completed and capitalised in the first quarter of 2024/25.*			
2.5.3 To the extent practical, are all items of property, plant and equipment physically verified on a regular basis? *All vehicles have GPS fitted.* *High value IT equipment is located in two locations (Te Aroha office and Waihou Depot) and/or forms critical parts of the infrastructure. The removal of any of these components would trigger network alarms and be immediately noticeable. This is the same for Desktop PCs and printers. With respect to laptops and cellphones, we rely on individual staff members to ensure these devices are protected. Staff are directed to take portable devices home at the end of the day (or otherwise suitably secure).* *There has been no stock-take undertaken of furniture and fittings. KVS are currently co-ordinating a stocktake of small items of plant/equipment with the intention of undertaking this on a more regular basis once an efficient process has been developed.*		✓	
2.5.4 Are there adequate safeguards over moveable assets? *Improved safeguards for these assets still to be advanced.*		✓	
2.5.5 Are all significant assets which are owned, supported by satisfactory title?	✓		
2.5.6 Are you satisfied that there are no undisclosed indicators of impairment existing in regard to any items of property, plant and equipment? *Process in place to check with Asset Manager/Operational Managers and document this for the audit file against the indicators for impairment set out in the accounting standard.*	✓		

Matter	Y	N	N/A
There was no impairment noted for this period, other than the Te Aroha building in respect of earthquake strengthening work required.			
2.5.7 Have purchases or disposals of property, plant and equipment been properly approved in accordance with the policies established by Council. *Reviews of key procurement projects have given us some assurance in this area including the use of external auditors in key contract procurement processes.*	✓		
2.5.8 Where financing costs have been capitalised, are they directly attributable to the purchase or construction of property, plant and equipment? *We do not capitalise any finance costs for assets prior to commissioning.*			✓
2.5.9 Has Management confirmed that depreciation rates used are appropriate; taking into consideration each asset's estimated useful life? *These are reviewed as part of the regular revaluation process.*	✓		
2.5.10 If depreciation charges have changed because of changes of method or estimates, or as a result of revaluation, has there been adequate disclosure of the facts and the financial effect? *The revaluation of assets and its effect is disclosed in note 12 and the depreciation per activity is required under the LGA to be separately disclosed – see note 14.*	✓		
2.5.11 Are leasehold improvements being depreciated at a rate sufficient to write- off the assets over the period of the lease?			✓
2.5.12 Is the accounting for leased assets in accordance with the appropriate financial reporting standard? *Council does not enter into finance leases, so all leases are accounted for as operating leases and accounted for in line with the standard.*	✓		
2.5.13 Have investment properties been correctly accounted for in accordance with the appropriate financial reporting standard? *Council does not have investment properties.*			✓
2.5.14 Are the disclosures on investment property adequate?			✓
2.6 Intangible Assets			
2.6.1 If they are included in the financial statements, are you satisfied that the carrying amount of these items has been reviewed to ensure that they do not exceed the recoverable amounts of these assets? *Intangible assets consist only of software.*	✓		
2.7 Other Non-Current Assets			
2.7.1 Are you satisfied that only items of expenditure with future benefits have been capitalised?	✓		
2.7.2 Is the basis of valuation accurately described in the notes to the financial statements?	✓		

Matter	Y	N	N/A
2.7.3 Are you satisfied that recoverability is probable on booked future income bearing in mind that this is dependent upon future assessable income being derived?			✓
3. Liabilities			
3.1 General			
3.1.1 Are you satisfied that all material known liabilities at balance date have been included in the financial statements, including accruals, interest and other costs owing, but not paid?	✓		
3.1.2 Are all liabilities (including bank overdrafts and other borrowings), properly stated as to term and security?	✓		
3.1.3 Are you satisfied that amounts classified as trade creditors and/or accruals in the financial statements exclude provisions which relate to events after balance date?	✓		
3.1.4 Have all borrowing covenants imposed by borrowing arrangements been satisfied during the period? *We report 6 monthly to the LGFA on compliance with their covenants, and also report to the Trustee of our Debenture Trust Deed (DTD) that we have complied with the requirements of our deed. Audit NZ were unable to make the deadline for our DTD Trustee reporting. This has been communicated to our Trustee in advance and a later date in December has been accepted. There is no consequential affect to Council of this.*	✓		
3.1.5 Where liabilities are payable in foreign currency, has the effect of exchange rate fluctuations been taken into account where material?			✓
3.1.6 Are you satisfied that monetary assets and liabilities have only been offset where a legal right of set-off exists?			✓
3.2 Estimated Liabilities			
3.2.1 Are you satisfied that provision has been made in the financial statements to cover material: □ legal actions taken, pending or threatened Council □ any anticipated future losses from past, current or future committed contracts? □ claims by customers? □ employee entitlements? *We have obtained confirmations from our solicitors confirming the provisions made in our financial statements.*	✓		
3.2.2 Are you satisfied that all provisions are recognised when, and only when: □ an obligation exists at balance date, as a result of a past event? □ it is probable that an outflow of resources will be required to settle the obligation? □ a reasonable estimate can be made of the amount of the obligation	✓		
3.2.3 Where the effect of the time value of money is material, has the future obligation been recorded at its present value?	✓		
3.2.4 Are you satisfied that provisions have only been used for the purpose of which they were originally recognised?	✓		

Matter	Y	N	N/A
3.2.5 Have all contingency provisions been reviewed at balance date and adjusted to reflect the current best estimate? *Provisions are reviewed annually.*	✓		
3.2.6 Have all the disclosure requirements for provisions, as per the appropriate financial reporting standard, been complied with?	✓		
3.3 Taxation			
3.3.1 Are you satisfied that the provision for taxes are adequate and includes amounts applicable to prior years not finally settled and paid?			✓
3.3.2 Are you satisfied that no offences have been committed through techniques for avoiding income tax, goods and services tax, fringe benefits tax and other taxes?	✓		
3.3.5 Are you satisfied that systems are in place to ensure withholding liabilities are properly satisfied, eg PAYE, resident withholding tax, non resident withholding tax, approved user levy and non resident contractors withholding tax?	✓		
3.3.6 Has the Council been made aware of any material matters currently under dispute with the taxation authorities?			✓
3.3.7 Are you satisfied that adequate provision has been made in the financial statements for all taxation liabilities?	✓		
3.3.8 Are you satisfied that appropriate consideration has been given to the implications of outstanding income tax assessments and tax audits?			✓
3.3.9 Are you satisfied that adequate consideration has been given to any proposed changes in the tax legislation and their impact on the reporting entity?			✓
3.3.10 Are you satisfied that there are appropriate systems in place to account for GST?	✓		
3.4 Contingent Liabilities and Contingent Assets			
3.4.1 Have all material contingent liabilities and contingent assets, of which you are aware, been disclosed in the notes to the financial statements?	✓		
4. Financial Performance			
4.1 Are you satisfied that adequate disclosure and correct classification has been given to continuing and discontinued activities?			✓
4.2 Are you satisfied that full disclosure of revenue and expense items, as required by financial reporting standards, has occurred?	✓		
4.3 Are you satisfied that no items of revenue or expense have been taken directly to reserves instead of through the statement of financial performance?	✓		
5. Other Reporting Disclosures			
5.1 Are you satisfied that there is adequate disclosure and correct classification in the statement of cash flows? *A late amendment to the final cashflow statement identified by Audit NZ was to shift the gain on sale of PPE from operating to investing activities.*	✓		
5.2 In identifying related parties, has consideration been given to key management personnel, including Elected Members	✓		

Matter	Y	N	N/A
and Executive Management, and close family members, or the friends of such individuals? *This information is obtained through the completion by Elected Members, committee members and senior management of declarations of interests.*			
5.3 Are you satisfied that all material transactions with related parties, including those with nil consideration, have been adequately disclosed in the financial statements? *Under PBE accounting standards, we only disclose transactions with related parties where the transaction or the relationship is not at arm's length.*	✓		
6. Events After Balance Date			
6.1 Are you satisfied that all material events that occurred after balance date, but before the financial statements were authorised for issue, have been considered as to whether the effects of those events should have been recognised or disclosed, as appropriate? *An updated post balance date events disclosure has been added reflecting the current situation with the 3 waters reforms. It sets out that we haven't made any changes to how we account for our assets and liabilities at this point.*	✓		
6.2 Have the effects of all events that provide evidence of conditions that existed at balance date, been recognised in the financial statements?			✓
6.3 Have the effects of all events that are indicative of conditions that arose after balance date, been disclosed in the notes to the financial statements, provided they are of such importance that non-disclosure would affect the ability of users of the financial report to make proper evaluations and decisions?	✓		
7. Off-Balance Sheet Items			
7.1 Are you satisfied that the financial statements disclose all material unrecognised assets and all material liabilities which could reasonably arise from litigation, guarantees, and letters of comfort or other commitments existing at balance date not otherwise reflected in the financial statements?	✓		
7.2 Are you satisfied that the financial statements adequately disclose amounts committed for future capital expenditure?	✓		
7.3 Are you satisfied that the Investment & Borrowing Policies are being followed? *Compliance with the borrowing policy is reported to Council on a monthly basis. Compliance with covenants set by LGFA is calculated and confirmed to the LGFA on an annual basis.*	✓		
7.4 Are foreign currency transactions being adequately hedged in line with Council's policy or approvals?			✓
7.5 Are you satisfied that where speculative exchange transactions are forbidden, that there have been no speculative transactions during the period.			✓
7.6 Do you consider the controls over foreign exchange transactions to be adequate including use of limits and authorised counterparties? *Foreign exchange transactions for the year have been limited to minor subscriptions etc purchased via the Council credit card.*	✓		

Matter	Y	N	N/A
7.7 Are all unrealised foreign exchange gains/losses at year end properly reflected in the financial statements?			✓
7.8 Have foreign currency transactions been accounted for in accordance with the relevant financial reporting standard, particularly with regard to hedged transactions?			✓
7.9 Has there been adequate disclosure of the reporting entity's exposure to risk of foreign currency rate fluctuation and the nature and amount of exchange differences recorded in the statement of financial performance?			✓
8. Going Concern Assumption			
8.1 Are you satisfied that Council has the capacity to pay debts which it has incurred as at the date the financial statements are being signed and for at least the next twelve months?	✓		
8.2 In determining whether Council has capacity to pay its debts, have you given consideration to future debts to the extent that they will compete for payment with the debts existing at the date the financial statements are signed?	✓		
8.3 In determining whether Council has the capacity to pay its debts, have you given consideration to detailed budgets prepared by Management?	✓		
8.4 Are you satisfied with the major assumptions underlying the cash flow forecasts including: □ the inclusion of loan repayments (with and without fixed repayment dates) and capital commitments? □ the ability to realise current assets, particularly inventories and receivables? □ the possibility of removal of financial support by major lenders? □ the material effect of any contingent liability? □ the ability to comply with normal terms of credit?	✓		
8.5 Are you satisfied with the reliability of the cash flow forecast based on: □ the past forecast compared with actual results, and the current forecast as compared to actual financial information available to date on current period interim results?	✓		
8.6 There is no prima facie problem regarding going concern (eg a deficiency of current assets to current liabilities)			
8.7 Does Council have adequate levels of unused but committed borrowing facilities? *$6m in available facilities at 30 June 2024, complying with 110% limit as set out in our borrowing policy.*	✓		
9. Compliance with Accounting Policies and Procedures			
9.1 Are you satisfied that adequate checks have been made to ensure that all accounting systems and procedures are properly adhered to? *Interim audit of major accounting systems and processes have confirmed systems are operating effectively.*	✓		
9.2 Have material account reconciliations, including suspense accounts, been prepared and appropriately reviewed for all financial statement components? *Material account reconciliations are prepared and independently reviewed monthly. Suspense account reconciliations for the 2023/24 year were prepared on an ad-hoc basis during the*	✓		

Matter	Y	N	N/A
year, rather than on a regular, formal basis. We have made good progress on this in the new financial year and accounts were fully reconciled at 30 June 2024.			
9.3 Are you satisfied that the systems of internal control are sufficient such that a material fraud, defalcation or misappropriation of funds, or misstatement of the accounting records, would be promptly detected? *Interim audit of major accounting systems and processes have confirmed key controls are operating effectively. Our financial system has robust controls including access and requiring segregation of duties and one-up approvals. Automated bank reconciliations are run daily.*	✓		
9.4 Have all known instances of material fraud or misappropriation during the period been reported to Council? *All instances of fraud are formally reported to the Risk and Assurance Committee and our external auditors.*	✓		
9.5 Have reports produced by the auditors, either internal or external, on internal controls been reviewed and appropriate action taken or initiated? *Progress with internal and external audit reports was being reported to the Risk and Assurance Committee at each meeting (from September 2023), although that has been missed later in 2024. Regular reporting at each meeting will be resumed going forward so as to keep Risk and Assurance up to date with progress.*		✓	
9.6 Have any reports on major breakdowns in internal controls which may have a material effect on the financial statements, either now or in the future, been dealt with appropriately?			✓
9.7 Have the adopted accounting policies been reviewed during the period to ensure the most appropriate ones are used?	✓		
9.8 Do the accounting records and all financial statements reflect a true and correct position and financial performance of Council in line with all statutory requirements?	✓		
10. Compliance with Government Regulations and Contractual Agreements			
10.1 Are you satisfied that the Council has complied with all relevant government regulations? *Council has areas where we are non-compliant with legislation but we are working towards compliance, this can be viewed in our legislative WOF.*		✓	
10.2 Is there a satisfactory system for monitoring compliance with government regulations? *Disclosure requirements are closely checked against the legislation. Staff have developed a legislative warrant of fitness to continue to improve Council's monitoring of compliance.*	✓		
10.3 Have reviews been conducted during the period to highlight any breaches of government regulations? *The legislative warrant of fitness is designed to continue to improve Council's monitoring of compliance.*	✓		
10.3.1 As a result of these reviews were no material breaches of government regulations detected?	✓		
10.3.2 Have any material breaches of government regulations been disclosed to Council? *None*			✓

Matter	Y	N	N/A
10.4 Is there a function within Council that has a primary responsibility for compliance with government regulations *Not limited to one function, but many functions/departments throughout Council. See above comments relating to the legislative WOF.*	✓		
10.4.1 Does this function provide regular reports on the status of the compliance? *Reporting is usually on an exception basis or as required in through the Annual Report. See above comments relating to the legislative WOF.*		✓	
10.5 No legal action has been taken, or threatened to be taken, in relation to non-compliance with government regulations? *Council received an abatement notice in October 2023 for the Waihou wastewater treatment plant. This has been disclosed in the Annual Report.*		✓	
10.6 Have such actions or possible actions (if any) been adequately disclosed in the financial statements? *Some potential (minor) claims (mostly in regard to building matters) have been reported, with provisions made in the financial statements limited to the extent of any potential insurance excess*	✓		
10.7 Are you satisfied that Council has complied with all aspects of contractual agreements that would have an impact on the financial statements in the event of non-compliance?	✓		
11. Audit			
11.1 The external auditor has confirmed that there are no major problems in relation to the audit that Council has not been made fully aware of? *No major problems identified.*	✓		
11.2 If so, have the matters been resolved satisfactorily?			✓
11.3 If the internal auditors raised any major problems in relation to internal audit examinations, has the Council been made fully aware of this information? *No major problems identified.*			✓
11.4 If so, have the matters been resolved satisfactorily?			✓
11.5 Has all relevant correspondence with Council's external auditors been made available to elected members (including all reports or a summary thereof)?	✓		
12. Other Matters			
12.1 If the financial statements contain any contentions, items or problems on presentation, has external advice been obtained?			✓
12.2 Are you satisfied that no matter in the financial statements is misleading?	✓		
12.3 Are you satisfied that there are no material matters which have been left unresolved, or where significant uncertainty exists?	✓		
12.4 Are the formats of the financial statements consistent with the relevant financial reporting standards?	✓		
12.5 Have appropriate steps been taken to ensure that the financial statements disclose all information required by the relevant financial reporting standards? *Financial statement disclosure largely in line with previous year, and updated against Audit NZ's most recent model*	✓		

Matter	Y	N	N/A
financial statements (Te Motu) and checked compliance with Financial Reporting Regulations.			
12.6 Has the Council been advised of all material outstanding matters involving: □ Inland Revenue Department □ trade creditors, □ employee health and safety, and environmental claims?	✓		
12.7 Is the insurance cover held appropriate, given the carrying value of the assets in the financial statements?	✓		
12.8 Do you consider that all risks relevant to Council are adequately covered?	✓		
13. Final Review by Elected Members			
13.1 Are you satisfied that all major problems identified by the auditors have been resolved satisfactorily?	-		
13.2 Have the external auditors been requested to attend the Council meeting where their report and financial statements will be signed off?	-		
13.3 Have the external auditors been asked whether there are any matters to be brought to Council attention which will affect Councillors consideration of the financial statements?	-		
13.4 Have the external auditors been asked if there are any other matters about which the Council should be aware?	-		
13.5 Does internal audit report independently to the Risk and Assurance Committee?	-		
13.6 Does the programme for internal audit identify areas of key risk to Council and then include these areas in their audit work?	-		
13.7 Is the programme for internal audit integrated and agreed with the external auditors?	-		
13.8 Are you provided with a summary of the operations which have been audited by internal audit and a summary of significant audit findings?	-		
13.9 Is the "message" the financial statements provide to the reader, consistent with the state of affairs of Council, and what has been reported elsewhere in the Annual Report?	-		
13.10 Are you satisfied with the explanations given for any differences from the management accounts and reports submitted to Council throughout the year?	-		
13.11 Are you satisfied that Management have ensured that all business practices undertaken during the year were ethical?	-		
13.12 Are you aware of anything from your personal knowledge or warnings from outside sources that should be considered before signing the financial statements and the Annual Report?		-	
13.13 If so, if the financial effect is material, has it been brought to account in the financial statements and discussed with Council?			-
13.14 Are you satisfied with the explanations provided in the financial statements?	-		
14. Conclusion			
Considering the financial statements as a whole, do you consider that they: □ Give a true and fair view of the financial performance, financial position and cash flows of the entity and that	✓		

Matter	Y	N	N/A
all material factors including risks and uncertainties have been adequately disclosed? □ From the financial statements, would the external user obtain a complete and unbiased understanding of the financial performance, financial position, and cash flows of Council? If either of the above is answered in the negative, explain the additional disclosures or amendments that should be made.			
15. Non-Financial Reporting			
Schedule 10 23. Groups of activities An annual report must, in relation to each group of activities of the local authority,— identify the activities within the group of activities; and *Section 5: Statement of Service Performance.* identify the community outcomes to which the group of activities primarily contributes; and *Section 1: Introduction.* Report the results of any measurement undertaken during the year of progress towards the achievement of those outcomes; and *Section 5: Statement of Service Performance.* Describe any identified effects that any activity within the group of activities has had on the community. *Section 5: Statement of Service Performance.*	✓		
Schedule 10 25. Statement of service provision An annual report must include an audited statement that— □ compares the level of service achieved in relation to a group of activities with the performance target or targets for the group of activities; and □ specifies whether any intended changes to the level of service have been achieved; and □ gives the reasons for any significant variation between the level of service achieved and the intended level of service. *Section 5: Statement of Service Performance.*	✓		
98. (3) Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates. *The deadline was met.* (4) A local authority must, within 1 month after the adoption of its annual report, make publicly available— □ its annual report; and □ a summary of the information contained in its annual report. *Annual Report and Summary will be made available on Council's website as soon as possible after adoption, well ahead of the 1 month deadline.*	✓		

Signed:



Larnia Rushbrooke
Finance and Business Services Manager



Sandra Harris
Policy and Governance Manager

Attachment F:

Audit Report to Council

Also includes Audit Misstatement Schedule (Attachment F)


The Audit Office
Te Mana Arotake
Report to the Council
on the audit of
Matamata-Piako District Council
For the year ended 30 June 2026
2026

Introduction

We are pleased to present our final report to the Council for the audit of Matamata-Piako District Council for the year ended 30 June 2026.

Our role as your auditor is to give an independent opinion on your financial statements and service performance information.

The purpose of this report is to communicate significant matters arising from the audit and to assist the Council in its oversight of Matamata-Piako District Council's financial reporting and service performance reporting processes. We also recommend improvements we identify during the audit.

In addition to reports provided to the Council, we will provide a separate report to management setting out observations and recommendations arising from our consideration of the general internal control environment and the systems and processes supporting the financial and non-financial information included in the Council's audited financial statements and service performance information.

Yours sincerely



René van Zyl
Appointed Auditor
22 October 2026

Contents

A snapshot....3
Our audit report....4
Our audit findings....5
Audit focus areas and our findings....6
Judgements made in significant accounting estimates....10
Internal control deficiencies....11
Significant control findings....12
Appendices....14

A snapshot

Auditor's report

We intend to issue an unmodified opinion on the financial statements and performance information for the year ended 30 June 2026.

During the 2026 audit, we performed additional procedures over the opening PPE balances and obtained sufficient appropriate audit evidence to resolve the matters giving rise to the prior-year qualification.

Without modifying our opinion, our audit report will include two emphasis of matter paragraphs drawing attention to the disclosures about the future delivery of water services and the potential implications of the Government's Simplifying Local Government reforms.

Audit focus areas

We identified

4

focus areas of most significance to the audit.

Our response to these areas, as well as other matters that arose during the audit are described on pages 6 to 9.

Outstanding matters

Our audit is nearly complete, subject to the following outstanding matters:

- completing our final review of the annual report and its adoption;
- receiving the signed representation letters and completing our subsequent-event enquiries.

Materiality

Materiality for asset revaluations	Materiality for other balances and transactions	Misstatement reporting threshold
$102m	**$2.6m**	**$131.5k**

Our audit procedures have been performed using a materiality set based on property, plant and equipment for asset revaluations and on expenditure levels for other transactions and account balances.

Uncorrected misstatement affecting the reported operating result

Understatement/ (Overstatement)	$'000
Accumulated funds	785
Operating surplus	(785)

Refer to Appendix 1 for more details on identified misstatements not affecting the operating results.

New recommendations raised

This report contains

3

new recommendations relating to significant internal control deficiencies.

See pages 12 and 13.

Other control observations will be communicated separately to management.

Our audit report

We plan to issue an unmodified audit opinion on the financial statements and performance information for the year ended 30 June 2026 on 28 October 2026.

Our 2025 audit opinion was qualified in relation to property, plant and equipment (PPE) because we were unable to obtain sufficient appropriate audit evidence over aspects of the Council's PPE balances. During the 2026 audit, we performed additional procedures over the opening PPE balances and obtained sufficient appropriate audit evidence to resolve the matters giving rise to the prior-year qualification.

Without modifying our opinion, our audit report will include two emphasis of matter paragraphs drawing the reader's attention to the disclosures in Note 22 relating to the following matters:

Simplifying Local Government reform

There remains significant uncertainty about the outcome and timing of any future local government reorganisation associated with the Government's Simplifying Local Government reform. The implications for the Council will depend on future Cabinet decisions and the enactment of enabling legislation. The financial statements have therefore continued to be prepared on a going concern basis.

Future changes in water service delivery

The Council has also disclosed in Note 22 the expected implications of future changes to the delivery of water services. Our audit report will draw attention to these disclosures because of their significance to understanding the Council's future operations.

Our audit findings

Summary of audit focus areas

Areas of audit focus	Results	Page
1 **Fair value assessment of infrastructure assets (non-revaluation year)**	The Council's fair value assessment supports the conclusion that no revaluation of land, buildings or infrastructure assets was required at 30 June 2026.	6
2 **Accounting for impairment, capitalisation of costs and recognition of completed assets**	While the prior-year property, plant and equipment qualification has been cleared, our audit identified ongoing weaknesses in the Council's controls over the accounting for property, plant and equipment.	7
3 **Local Water Done Well**	As the transfer of the Council's water services occurred on 1 October 2026, we considered the implications of the transfer as a post-balance-date event. We are satisfied that the Council's disclosures appropriately reflect the impact of the transfer.	8
4 **Management override of controls**	No instances of management override of controls or fraudulent financial reporting were identified.	9

Audit focus areas and our findings

1 Fair value assessment of infrastructure assets (non-revaluation year)

Risk description

The Council carries its land, buildings and infrastructure assets under the revaluation model. In a year when a full revaluation is not undertaken, the Council is required to assess whether there has been a material movement between the fair value and carrying value of those assets.

There is a risk that changes in relevant cost and price indicators could result in the carrying value of revalued assets being materially different from fair value, resulting in a revaluation being required.

Action taken

We reviewed the Council's fair value assessment and the supporting assumptions and information used by management.

Our findings

The assessment identified movements in the estimated fair value of land, buildings and infrastructure assets; however, these were not considered material, either individually or collectively.

Based on the audit work performed, we are satisfied that the Council's assessment was reasonable and that a revaluation was not required at 30 June 2026.

2 Accounting for impairment, capitalisation of costs and recognition of completed assets

Risk description

There is a risk that property, plant and equipment is materially misstated due to inappropriate capitalisation of costs, delays in transferring completed assets from work in progress, incomplete recognition of vested assets, or inadequate impairment assessments. This risk is heightened by the significant work in progress balance and the property, plant and equipment issues identified in the prior year.

Action taken

We performed audit procedures over the Council's property, plant and equipment, focusing on areas of higher audit risk, including impairment, capitalisation of costs, work in progress, vested assets, and the opening balances affected by the prior-year qualification.

Our findings

We obtained sufficient appropriate audit evidence over the Council's opening property, plant and equipment balances and, as a result, the qualification included in the 2025 audit opinion has been cleared.

However, our audit identified that underlying control weaknesses remain. These relate primarily to the capitalisation of expenditure, the timely transfer of completed assets from work in progress, the timely commencement of depreciation, and the recognition of vested assets. Further details, including related uncorrected misstatements, are included in the Significant Control Findings section and Appendix 1.

3 Local Water Done Well

Risk description

The Local Water Done Well programme resulted in significant changes to the delivery of the Council's water services. The Council needed to consider the appropriate accounting and reporting implications of the proposed transfer of its water and wastewater services and associated net assets, including the accounting for any resulting interest in the new water services entity.

The appropriate accounting treatment depended on the final arrangements, including the relevant constitutional documents, shareholder agreements, funding arrangements, and the timing of the transfer.

Action taken

As the transfer of the Council's water services occurred on 1 October 2026, we considered the implications of the transfer as a post-balance-date event. We reviewed the Council's related disclosure in the financial statements to assess whether sufficient information had been provided about the transfer and its financial reporting implications.

Our findings

The transfer of the Council's water and wastewater services was completed on 1 October 2026, after the Council's 30 June 2026 balance date. Accordingly, the transfer was not recognised in the Council's financial statements as at 30 June 2026.

The Council included information about the transfer in its post-balance-date note. We assessed the disclosure as part of our audit and were satisfied that sufficient disclosure had been made in the financial statements regarding the transfer.

4 Risk of management override of internal controls

Risk description

Management override of controls is a presumed fraud risk in all audits due to the ability of management to influence financial reporting and override established internal controls.

Action taken

We tested the appropriateness of selected journal entries, reviewed accounting estimates for indications of bias, and evaluated any unusual or one-off transactions, including those with related parties.

Our findings

We did not identify any instances of management override of controls or evidence of fraudulent financial reporting. No matters came to our attention that we consider necessary to report to the Council in relation to this area.

Judgements made in significant accounting estimates

Judgement areas	Misstated	Cautious	Balanced	Optimistic	Misstated
Investment in WRAL ($45.702 million)			●		
Expenditure accruals ($2.393 million)			●		
Employee entitlements ($4.154 million)			●		

These are our views on the level of prudence in key judgements in this year's financial statements, relating to accounting estimates.

Commentary

We concluded that the judgements and decisions made in determining the accounting estimates included in the financial statements do not indicate possible bias by management or those charged with governance.

Internal control deficiencies

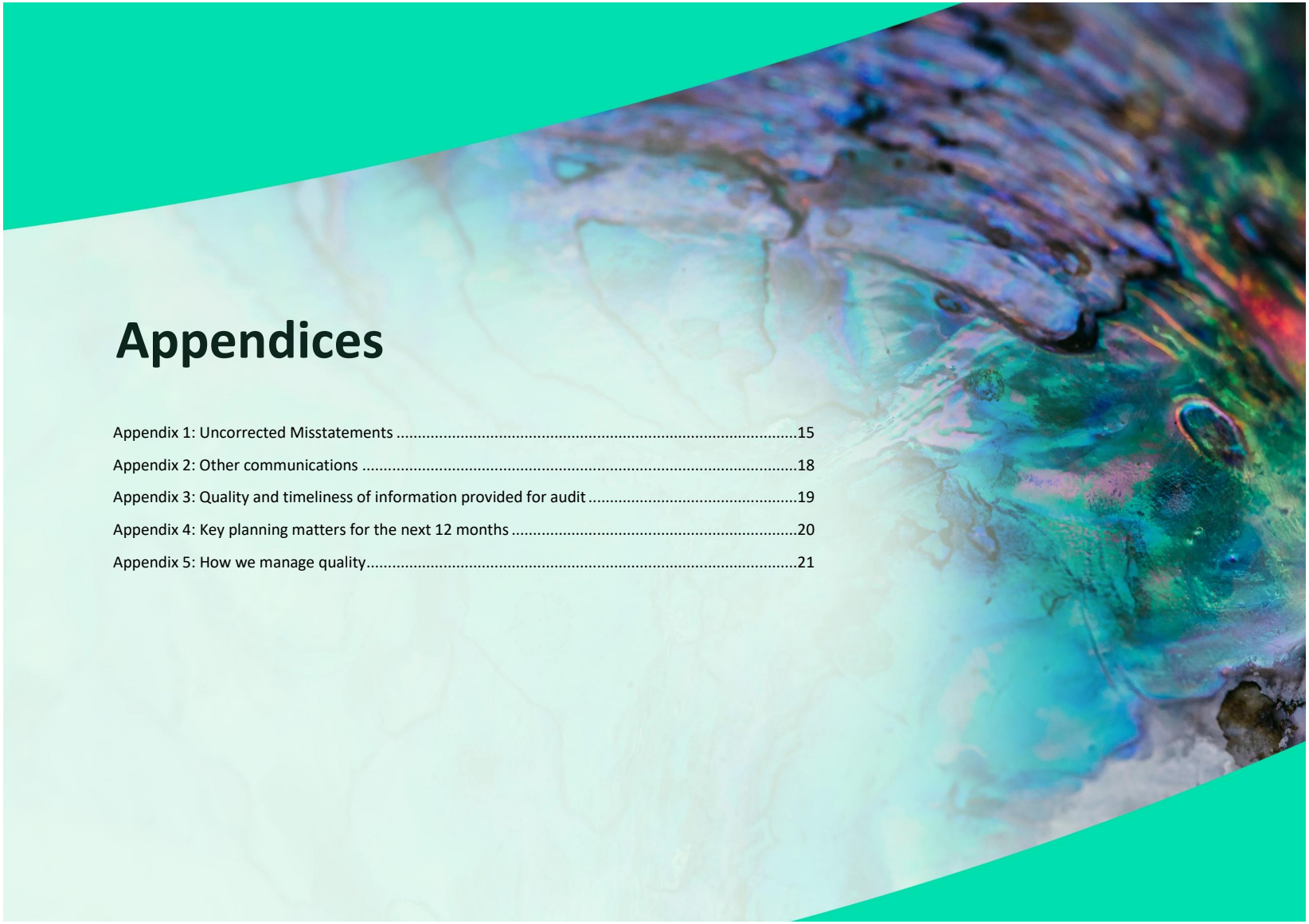
As part of our audit, we noted a number of significant internal control deficiencies, including those identified to you in prior years that remain outstanding. We believe these matters are important to assist you in considering the adequacy of your processes and controls. For further information refer to the significant controls finding below.

Status of control observations	Control observations at a glance			
	High	Medium	Low	Total
New audit recommendations raised through the annual audit	--	3	-	3

Significant control findings

Observation	Issue and Impact/Implication	Management Response
Timely capitalisation of completed assets	During our audit, we identified ongoing weaknesses in the Council's processes for reviewing work in progress (WIP) and ensuring completed assets are transferred to property, plant and equipment (PPE) when they are available for use. In relation to the opening balances, we identified a factual error of $6.485 million, relating to WIP that should have been capitalised to PPE in the 2025 financial year, but was not transferred until 2026. Our current-year testing identified further instances of the same issue, where assets available for use were not transferred from WIP to PPE on a timely basis. This resulted in a projected misstatement of approximately $1.42 million for the 2026 year-end, which has been included in the schedule of unadjusted misstatements. We also identified exceptions where expenditure has been incorrectly capitalised. These findings indicate that the underlying control weakness has continued into the current year. Delays in identifying completed assets increase the risk that assets are incorrectly classified as WIP and that depreciation is not recognised from the appropriate date. They may also delay the identification of impairment indicators. We recommend that the Council strengthen its WIP review and timely capitalisation processes, including regular review of significant WIP balances to confirm whether projects remain in progress or are available for use. This will support timely capitalisation, appropriate depreciation and the identification of any impairment indicators.	*The main issues related to historical water and wastewater projects and were compounded by the early transition of some staff. Notwithstanding these matters, the Council has improved its capitalisation processes and reduced the level of work in progress.*

Observation	Issue and Impact/Implication	Management Response
Vested assets	During testing of vested assets, we identified instances where depreciation had not been recorded for certain roading assets vested prior to balance date based on signed Section 224(c) certificates. While we do not consider the resulting understatement of depreciation to be material due to the long useful lives of these assets, the omission indicates weaknesses in the process for recording vested assets. The Council should strengthen its procedures for identifying, recording, and transferring vested assets into the fixed asset register promptly upon receipt of signed Section 224(c) certificates. This should include ensuring that depreciation is recognised from the date the assets are vested in Council to support the completeness and accuracy of property, plant and equipment and depreciation records.	*Noted. We have already improved the process and will introduce a checklist to confirm that all required checks are completed at the end of the capitalisation process, helping to prevent recurrence.*
Capitalisation of internal labour and plant costs	As part of our testing of property, plant and equipment additions, we reviewed internal labour and plant costs capitalised to asset projects. Council capitalised approximately $1.3 million (2025: $1.5 million) of internal labour and plant costs during the year. While not material to the overall additions programme, sufficient supporting documentation was not available for the samples tested to support the basis of the capitalised amounts or demonstrate that the costs were directly attributable to the related assets. We also identified weaknesses in the governance and documentation of labour and plant cost allocations, including inadequate supporting records, limited review of charge-out rates, and inconsistent approval controls. These weaknesses increase the risk of inappropriate capitalisation and inaccurate asset values and depreciation expense. The Council should formalise its approach to internal labour and plant charging by establishing a documented policy for the periodic review and approval of charge rates, implementing consistent documentation and authorisation requirements across business units, and maintaining sufficient evidence to support costs capitalised to asset projects. This will strengthen the audit trail and improve the consistency and transparency of capitalisation decisions.	*The Council will develop and implement a formal process for capitalising internal labour and plant costs.*



Appendices

Appendix 1: Uncorrected Misstatements 15
Appendix 2: Other communications 18
Appendix 3: Quality and timeliness of information provided for audit 19
Appendix 4: Key planning matters for the next 12 months 20
Appendix 5: How we manage quality.....21

Appendix 1: Uncorrected Misstatements

During the course of our audit, we identified the uncorrected misstatements and requested that they be corrected. Management has concluded that these matters are not material, either individually or collectively, to the financial statements as a whole or to the relevant classes of transactions, account balances or disclosures, after considering the size and nature of the misstatements.

The uncorrected misstatements have been included as part of the Council's letter of representation to us.

Uncorrected financial misstatements

	Description	Revenue $'000 Dr (Cr)	Expenses $'000 Dr (Cr)	Assets $'000 Dr (Cr)	Liabilities $'000 Dr (Cr)	Equity $'000 Dr (Cr)
1	Wastewater assets			6,485		
	Work in progress			(6,485)		
	This misstatement relates to wastewater assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress to property, plant and equipment. Management has corrected the factual misstatement in FY2026.					
2	Restricted assets - buildings			937		
	Work in progress			(937)		
	This misstatement relates to building assets that were available for their intended use prior to 30 June 2025 but had not been transferred from work in progress to property, plant and equipment. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions.					

	Description	Revenue $'000 Dr (Cr)	Expenses $'000 Dr (Cr)	Assets $'000 Dr (Cr)	Liabilities $'000 Dr (Cr)	Equity $'000 Dr (Cr)
3	Operating expenses		421			
	Work in progress			(421)		
	This misstatement relates to expenditure that should have been recognised as operating expenditure in FY2025 rather than as work in progress. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions and was therefore not corrected.					
4	Property, plant and equipment - various			1,420		
	Work in progress			(1,420)		
	This misstatement relates to assets that were available for their intended use prior to 30 June 2026 but had not been transferred from work in progress to property, plant and equipment as at that date. The amount represents a projected misstatement derived from audit sampling techniques rather than a known misstatement affecting specific transactions and therefore not corrected.					
5	Loss on disposal		785			
	Accumulated funds					(785)
	Council incorrectly offset asset revaluation reserve relating to disposed infrastructure assets against the loss on disposal. The correction will be made in FY2027.					
6	Payables				504	
	Current borrowings				(504)	
	Interest accrued on LGFA borrowings has been presented within payables rather than current borrowings at 30 June 2026. Management intends to apply the appropriate classification prospectively.					



Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Management's explanation for not correcting
The disclosure of future minimum lease payments receivable under non-cancellable operating leases, where the Council is the lessor, has been omitted from the financial statements. The undisclosed commitments amount to $152,847.	Management has concluded that the amount is immaterial to the financial statements. Accordingly, the disclosure has not been included.

Appendix 2: Other communications

Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements and performance information does not relieve management or the Council of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the Council.

Auditing standards

We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements and performance information. The Council and management are responsible for implementing and maintaining a system of internal control for detecting these matters.

Independence

We confirm that, for the audit of the Matamata-Piako District Council's financial statements and performance information for the year ended 30 June 2026, we have maintained our independence in accordance with the requirements of the Auditor-General standards, which incorporate the independence requirements of the External Reporting Board.

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

In addition to the audit, we have carried out a limited assurance engagement related to the Council's Debenture Trust Deed and a procurement assurance engagement, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Council.

Use of Artificial Intelligence (AI)

The Audit Office may use AI to assist with analytical tasks as part of its audit methodology, including analysis of client data where appropriate and in accordance with The Audit Office's internal AI policy. We do not use client data to train our approved AI tools. AI is used as a supporting tool only and does not replace professional judgement. Auditors retain full responsibility for all audit decisions, conclusions, opinions, and reporting outcomes.

Fees

The audit fee for the year is $252,916 (GST exclusive), as detailed in our Audit Proposal Letter. We have advised management that we intend to seek recovery of additional audit fees arising from additional audit work required beyond what was originally included in the scope of the audit.

Other fees charged in the period are:

- $18,245 relating to additional audit work over the opening balances of property, plant and equipment;
- $8,860 for a limited assurance engagement in respect of the Council's Debenture Trust Deed; and
- $15,000 for an assurance engagement in respect of the tender process for the Roading Network Maintenance and Resealing contract.

Appendix 3: Quality and timeliness of information provided for audit

The Council's responsibilities include understanding whether management produce quality information, and whether there are adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA's *Audit Quality Monitoring Report* (expectations for directors) and *Guidance and expectations for keeping proper accounting records.*

Expectation	Needs attention … Excellent	Explanation
Financial statements prepared by management comply with accounting standards		Additional audit procedures were required to support the accounting treatment of capital commitments and asset disposals, and the useful life assessment of the Matamata Wastewater Treatment Plant. More complete supporting documentation would have reduced the audit follow-up required.
Quality supporting financial information is prepared and available on a timely basis		
Management prepares accounting papers for unusual or more complex transactions and estimates		
Governors challenge the process and the outcomes of management's judgements		
Service performance reporting prepared by management complies with accounting standards		Service performance information was generally available to support the audit, although two of the waters results were not available when initially required due to activity transition pressures. This, together with the need to resolve minor queries in some areas, had some impact on the timely completion of audit work.
Quality supporting service performance information is prepared and available on a timely basis		
Issues raised in our previous reports are addressed in a timely manner		Management is continuing to work on addressing matters raised in prior years.

Appendix 4: Key planning matters for the next 12 months

	Expected impact				
	High	Moderate	Low	Effective date	Guidance
Local Water Done Well transfer accounting Prepare the accounting position, transfer reconciliations and supporting documentation early.	●			1 October 2026	N/A
Earlier readiness to allow for PPE audit testing during interim audit Plan for earlier readiness of property, plant and equipment information to enable audit testing to be completed during the interim audit.	●			Q3 FY2027	N/A
The long-term plan audit The LTP audit commences on 30 November 2026 with the audit of the significant assumptions and the financial model, including the 10-year budget. To support an efficient audit, we request complete, accurate and timely information.	●			November 2026 to June 2027	LTP audit engagement letter
2024 Omnibus Amendments to PBE Standards, including amendments to PBE IPSAS 1 These amendments apply to the Council from the 2026/27 financial year. Management should assess the amendments before preparing the 2027 annual report and identify any changes required to the Council's financial reporting. Early adoption is permitted.		●		1 January 2026	New Accounting Standards for Public Benefit Entities » XRB

Appendix 5: How we manage quality



Audit quality encompasses the key elements that create an environment which maximises the likelihood that we perform quality audits on a consistent basis. Audit quality is about more than issuing the right audit opinion, it is also about how we reach that opinion. We maintain a persistent focus on audit quality and on continuing improvement to audit quality over time.

We apply a risk-based approach to designing, implementing, and operating the components of our system of quality management (SQM) in an interconnected and coordinated manner to proactively manage the quality of our audits.

The Audit Office applies a risk-based approach to designing, implementing, and operating the components of our SQM in an interconnected and coordinated manner to proactively manage the quality of our audits. Our SQM cover the following areas:

- The firm's risk assessment process
- Engagement performance
- Governance and leadership
- Resources
- Relevant ethical requirements
- Information and communication
- Acceptance and continuance of client relationships and specific engagements
- The monitoring and remediation process

The Audit Office is required to comply with Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) which requires us to design, implement and operate an SQM covering the above components.

PES 3 requires an annual evaluation of the SQM. The Audit Office performed its annual evaluation of its SQM during August 2025. This evaluation is required to be shared with those charged with governance when performing an audit of financial statements of FMC reporting entities considered to have a higher level of public accountability.

Conclusion on the effectiveness of the system of quality management

The Audit Office is responsible for designing, implementing, and operating a SQM for audits or reviews of financial statements, or other assurance or related services engagements performed by The Audit Office, that provides the office with reasonable assurance that the objectives of the SQM are being achieved. The objectives are:

- the office and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- engagement reports issued by the office or engagement leaders are appropriate in the circumstances.

The Audit Office conducted its evaluation in accordance with PES 3. The Audit Office concluded that the SQM provides reasonable assurance that objectives of the SQM are being achieved.

Reasonable assurance is obtained when the system of quality management reduces to an acceptably low level the risk that the objectives of the SQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a system of quality management.

The Audit Office
Te Mana Arotake

The Audit Office
PO Box 3928, Wellington 6140

Telephone: (04) 917 1500

Website: www.ao.parliament.nz

Photo credit: © Erica Sinclair, Truestock

PŪRONGO Ā-TAU
ANNUAL REPORT SUMMARY

2025/2026



te kaunihera ā-rohe o matamata-piako district council

Nau mai | Welcome

MAI TŌ KOUTOU KOROMATUA RĀUA | MESSAGE FROM YOUR MAYOR

Reflecting on the past 12 months, there is much to be positive about across the Matamata-Piako District.

Our district continues to be a great place to live, work and raise a family. Our communities are growing, our local economy remains resilient, and we are supported by a wide range of community organisations, volunteers and residents who make a great contribution to the district. The strong sense of community across the district remains one of our greatest strengths.

Over the past year, Council has remained focused on delivering the services and infrastructure that our communities rely on, while continuing to invest in the long-term future of the district. This has included maintaining roads, parks, libraries and community facilities; investing in water networks and progressing key projects.

Some of this work is highly visible, such as the new Open Country Community Stadium in Matamata. Other projects are less visible but important, including the Matamata Wastewater Treatment Plant upgrade, infrastructure renewals and improvements to local roads, footpaths and public spaces. Together, these investments help ensure the district remains well-positioned to meet current and future needs.

I have also been encouraged by the level of engagement from our communities throughout the year. Council sought feedback on a range of important matters, including community outcomes, climate resilience, water supply, dog control, the future of local government and other issues affecting our communities. Many residents took the opportunity to share their views and contribute to Council's decision-making processes. Community participation remains an important part of effective local government.

One of the most significant discussions during the year centred on the future of local government.

Through the Government's Head Start process, communities across the district were invited to provide feedback on potential local government reform options. Over 800 submissions were received, accompanied by strong attendance at community meetings. While further work and discussion will continue in the coming year, it was encouraging to see such a high level of public interest in the future of local representation and local decision-making.



I'd like to thank our staff, who continue to do a great job in what is often a challenging and fast-changing environment. I'd also like to thank my fellow elected members, local businesses, community organisations, volunteers and residents who help make Matamata-Piako a great place to live, work and visit. Through local events, community initiatives, sporting organisations, investment and countless other contributions, they help strengthen our communities and support the district's success.



Ash Tanner
Mayor

About this summary

This summary is an abridged version of the full Matamata-Piako District Council Annual Report 2025/26. It does not include all the disclosures provided in the full annual report and cannot be expected to provide a complete understanding of Council's service performance or financial performance. The specific disclosures have been extracted from the full annual report adopted by Council on 28 October 2026.

The full audited Annual Report 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha, or can be downloaded at mpdc.govt.nz.

SECTION 1:

Kupu Whakataki | Introduction



Ngā mahi whakahira | Our highlights

Our parks and reserves received seating and signage upgrades



We had 348,263 visitors to our district libraries



Over $26K of Pride of Place external grant funding distributed between 19 community groups



839 animal control enquiries were received and investigated



221 Facebook posts were made by our Communications Team



We received 1,644 Antenno requests

Antenno
Be Informed. Get Involved.

50% of kerbside waste was either recycled or composted



We resealed 63.8km of our local roads



5/5 priorities in the Climate Change Rivermap were progressed



Council achieved all of our stormwater performance measures



Our new Council held their first meeting on 28th October, 2025, after elections



On 21 February, the Matamata Open Country Stadium was officially opened



Council shifted to M365 as a core business system



Zero Waste in Schools programme supports 26 schools in sustainability and waste minimisation



Council received 307 noise complaints and responded to 100% within 2 hours



Te whakakitenga me ngā hua ā-hapori | Vision and community outcomes

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'

To deliver on our vision, we have identified four priorities for Matamata-Piako through the 2024-34 Long Term Plan, which are still applicable to the 2025-26 Annual Report. These priorities represent what your Mayor and Councillors aim to achieve for you, your whānau, and your community. Guided by these priorities, we have outlined key areas of focus for Council across each activity group, all of which contribute to our overarching outcomes. For further details on our priorities, please refer to our Strategic Direction.



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



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



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

Priorities

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



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

Te Kaunihera | Council

MAYOR & COUNCILLORS AS AT 30 JUNE 2026



Ash Tanner
Koromatua | Mayor



James Sainsbury
Koromatua Tautoko | Deputy Mayor
Matamata Ward



Vincent Andersen
Matamata Ward



Sailimalo Rewiti Vaimoso
Matamata Ward



Sue Whiting
Matamata Ward



Grace Bonnar
Morrinsville Ward



Bruce Dewhurst
Morrinsville Ward



Dayne Horne
Morrinsville Ward



James Thomas
Morrinsville Ward



Tyrel Glass
Te Aroha Ward



Greg Marshall
Te Aroha Ward



Andrew McGiven
Te Aroha Ward



Gary Thompson
Te Toa Horopū ā Matamata-Piako

Te Manawhenua Forum mō Matamata-Piako	Hearings Commission	District Licensing Committee	Risk and Assurance Committee	Waharoa (Matamata) Aerodrome Committee	Chief Executive Officer Performance Committee
Chairperson: Leiite Hinerangi Vaimoso	No chairperson Coordinator: Councillor Sue Whiting	Chairperson: Councillor Sue Whiting	Chairperson: Jaydene Kana	Co-Chairpersons: Muna Wharawhara and Mayor Ash Tanner	Chairperson: Mayor Ash Tanner

SECTION 2:

Te Rāpopotanga Inenga Mahi | Performance Summary

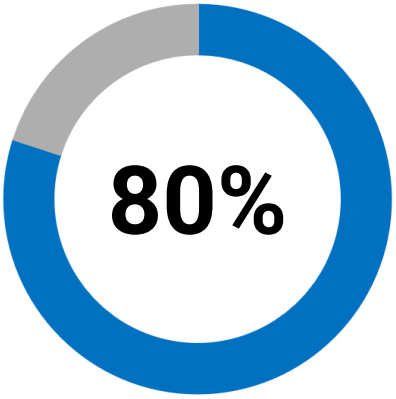


Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary

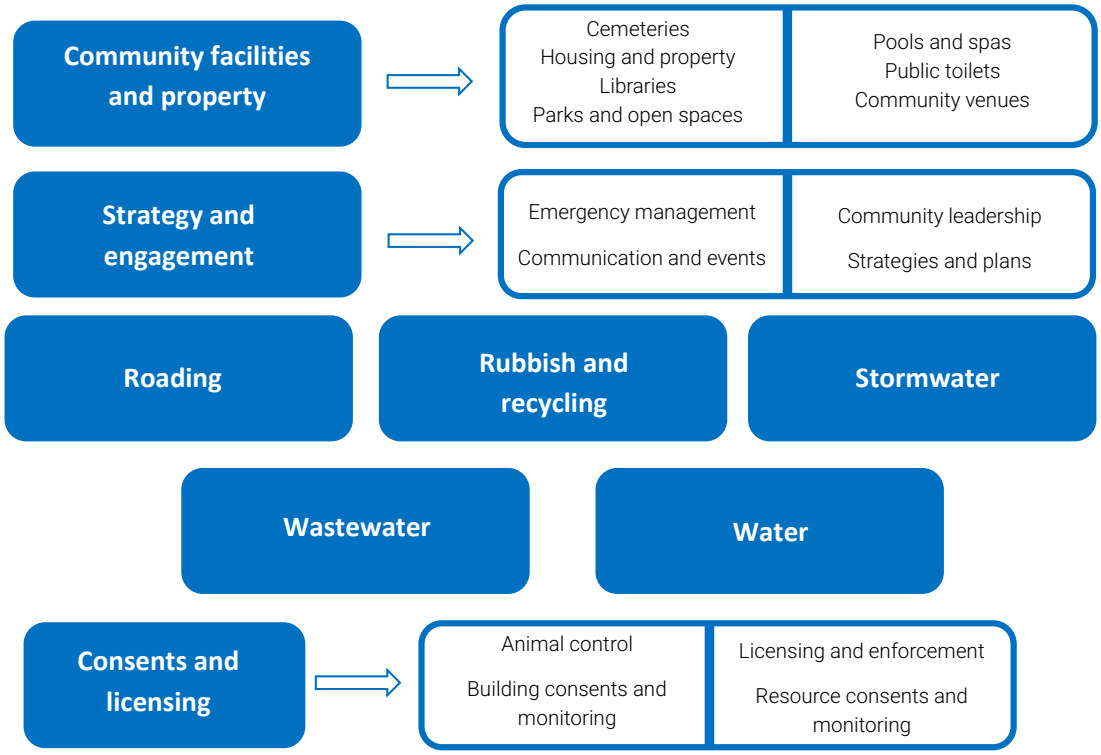
The service performance section outlines the range of services Council provides to the community and reports on how effectively these services were delivered over the past financial year, from 1 July 2025 to 30 June 2026. The Long Term Plan 2024–34 sets out a range of performance measures, including targets for the next three years.

Of the 56 performance measures established in the Long Term Plan 2024–34, **45** were achieved, resulting in an overall achievement rate of **80%. 11** measures were not met.

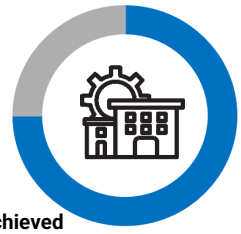
For further details on service performance, refer to Section 5 of the Annual Report.



Council Services Breakdown

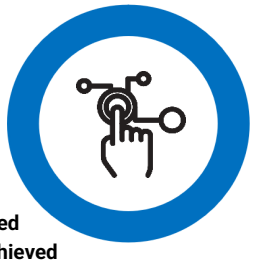


NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOA)
COMMUNITY FACILITIES AND PROPERTY



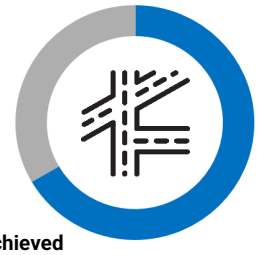
9 Achieved
3 Not Achieved

TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



8 Achieved
0 Not Achieved

NGĀ RORI
ROADING



4 Achieved
2 Not Achieved

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



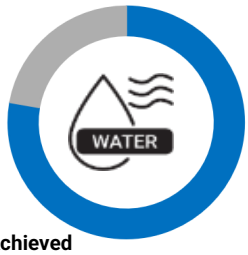
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



5 Achieved
1 Not Achieved

TE WAI
WATER



7 Achieved
2 Not Achieved

WHAKAAETANGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

SECTION 3:

Whakarapopoto Ahumoni | Financial Summary



Whakarāpopoto ahumoni | Financial summary

These summary financial statements have been extracted from the full financial statements, which were prepared in accordance with accounting standards applicable to Tier 1 public sector public benefit entities. The summary statements comply with PBE FRS-43: Summary Financial Statements. All amounts are in NZD.

The full audited Annual Report 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha, or can be downloaded at mpdc.govt.nz.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
96,580	Revenue	85,736	101,632
(85,755)	Expenses	(85,487)	(92,896)
(3,324)	Finance costs	(3,471)	(3,913)
7,501	**Net surplus/(deficit)**	**(3,222)**	**4,823**
	Other comprehensive revenue and expense		
6,037	Financial assets at fair value through other comprehensive revenue and expense	-	3,972
236,391	Property, plant and equipment revaluation	25,637	(785)
242,428	**Total other comprehensive revenue and expense**	**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**	**22,415**	**8,010**
Summary statement of changes in equity for the year ended 30 June			
966,333	Balance at 1 July	982,765	1,216,262
249,929	Total comprehensive revenue and expense	22,415	8,010
1,216,262	**Balance at 30 June**	**1,005,180**	**1,224,272**

Statement of comprehensive revenue and expense

Council ended the year with a surplus of $4.8 million, compared with a budgeted deficit of $3.2 million. This does not mean Council had money to spare. Almost all of the difference is one-off income that could not be planned for, and much of it is not cash at all. The community raised $6.3 million towards the Open Country Community Stadium in Matamata, and developers handed over $6.0 million of new roads, pipes and reserves as subdivisions were completed (vested assets). None of this can be used to reduce rates or pay for everyday services.

Revenue for the year was $101.6 million, against a budget of $85.7 million. Alongside the stadium donations and vested assets, more people built and subdivided than expected, and trade waste charges were increased so that large businesses cover the cost of treating what they put into the wastewater network. This was partly offset by fewer visitors to Te Aroha Mineral Spas and the district pools, a pattern being seen as household budgets tighten.

Expenditure was $96.8 million, against a budget of $89.0 million. The largest pressure was the cost of running water and wastewater services, particularly keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, along with rising compliance and regulatory costs. Depreciation, the cost of assets gradually wearing out, was $1.7 million higher following recent revaluations and the additional assets vested by developers. Personnel costs were lower than budgeted, as some roles were vacant during the year.

The lines in the summary table called other comprehensive revenue and expense record changes in the value of things Council already owns, rather than money coming in or going out, so it has no effect on rates or on what Council has available to spend. This year these items came to $3.2 million, well below the $25.6 million assumed in the Annual Plan. No revaluation of land, roading or three waters assets was required this year, as their recorded values are still considered fair.

Council's shareholding in Waikato Regional Airport increased in value by $4.0 million, reflecting growth in the value of the company itself rather than any further investment by Council.

In short: The surplus reported in this statement is made up almost entirely of one-off and non-cash income, and is not money available for services or rates relief. The real pressure is the rising cost of delivering services, particularly water and wastewater, at a time when many households are feeling the cost of living. From 1 October 2026 these services will be delivered by Waikato Waters Limited, so this is the last year their full cost appears in Council's accounts.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of financial position as at 30 June			
30,940	Current assets	23,685	23,408
1,288,704	Non-current assets	1,104,211	1,321,931
1,319,644	**Total assets**	**1,127,896**	**1,345,339**
30,488	Current liabilities	26,546	68,077
72,894	Non-current liabilities	96,170	52,990
103,382	**Total liabilities**	**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**	**1,005,180**	**1,224,272**
493,092	Accumulated funds	474,635	496,259
723,170	Other reserves	530,545	728,013
1,216,262	**Total Equity**	**1,005,180**	**1,224,272**
Summary statement of cash flows for the year ended 30 June			
20,295	Net cash flows from operating activities	20,132	25,089
(42,569)	Net cash flows from investing activities	(58,869)	(44,835)
19,500	Net cash flows from financing activities	38,966	13,500
(2,774)	**Net increase/decrease in cash held**	**229**	**(6,246)**
11,453	Opening cash balance	341	8,679
8,679	**Closing cash balance**	**570**	**2,433**

Statement of financial position

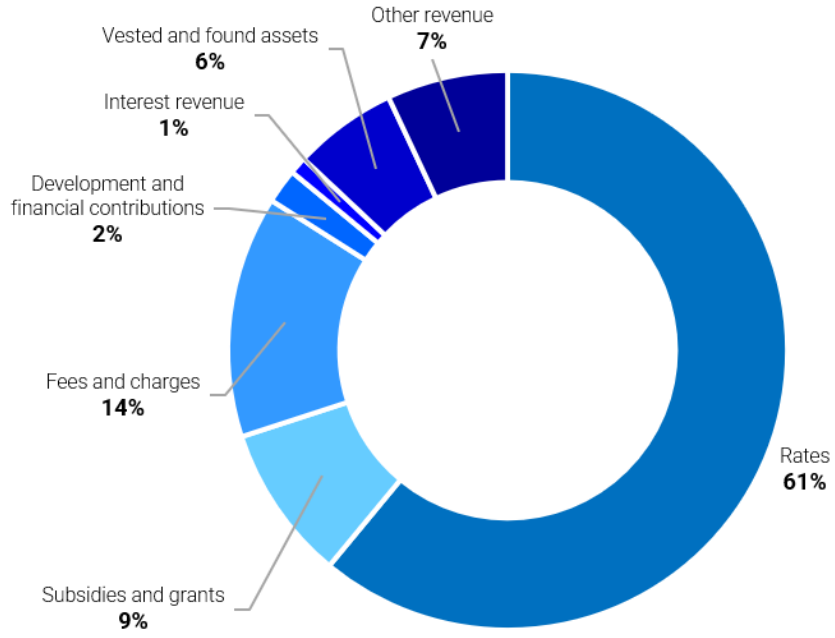
Current assets of $23.4 million were close to budget overall, but made up differently than planned. Council held $3.9 million on term deposit rather than the $14.1 million budgeted, because money set aside earlier had been used to repay $13.5 million of loans that fell due in April 2026.

Non-current assets were well above budget at $1.32 billion. Almost all of what Council owns is infrastructure: roads, water and wastewater pipes, treatment plants, parks and buildings, recorded at $1.27 billion. Most of the difference from budget is because the Annual Plan was set before the most recent valuations. Council also received more roads, pipes and reserves from developers than expected, all of which now have to be maintained.

Total liabilities of $121.1 million were slightly lower than the $122.7 million budgeted. Borrowing makes up most of this, at $98.5 million, which is $10.6 million below budget, mainly because the Matamata wastewater plant upgrade began later than planned. A larger share than usual, $47.0 million, is shown as falling due within 12 months, as loans are being refinanced over shorter terms ahead of the transfer of water services. Amounts owed to suppliers and income received in advance were higher than budgeted, reflecting how much work was under way at the end of the year.

In short: Council owns more and owes less than the Annual Plan assumed, and the balance sheet remains in good shape. The pressure is not in what Council owns and owes, but in the cost of running and maintaining it. This position will look very different next year after the water and wastewater assets, and around 70% of Council's borrowing, transfer to Waikato Waters Limited on 1 October 2026. Those assets still have to be maintained and that debt still has to be repaid; what changes is who does the work.

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

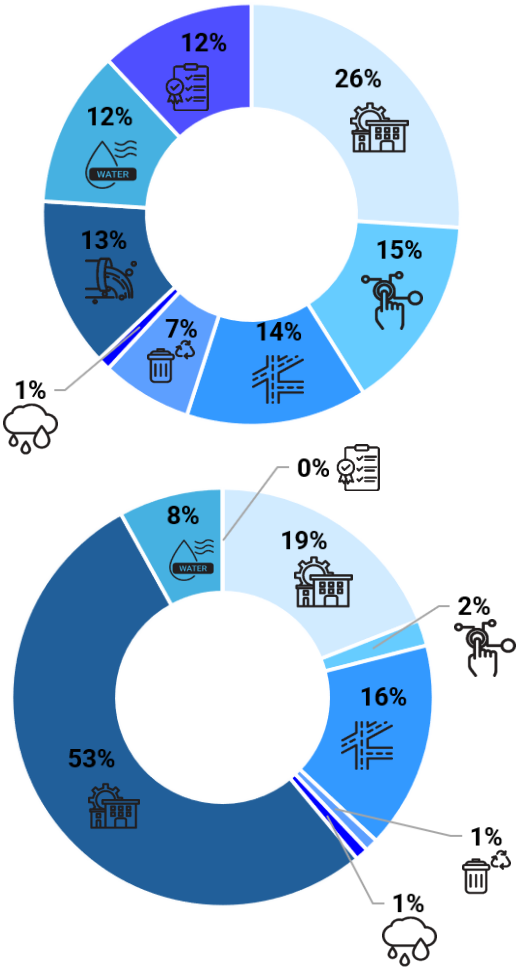


Revenue by sources	%	$000
Rates	61%	62,271
Subsidies and grants	9%	8,874
Fees and charges	14%	13,899
Development and financial contributions	2%	2,152
Interest revenue	1%	888
Vested and found assets	6%	6,021
Other revenue	7%	7,527
Total revenue		**101,632**

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

Operating expenditure	%	$000
Community facilities and property	26%	18,426
Strategy and engagement	15%	10,847
Roading	14%	10,176
Rubbish and recycling	7%	4,608
Stormwater	1%	989
Wastewater	13%	9,023
Water	12%	8,460
Consents and licensing	12%	8,312
Total		**70,841**

Capital expenditure	%	$000
Community facilities and property	19%	9,881
Strategy and engagement	2%	1,076
Roading	16%	8,337
Rubbish and recycling	1%	316
Stormwater	1%	283
Wastewater	53%	27,127
Water	8%	4,357
Consents and licensing	0%	-
Total		**51,377**



Tō rohe | Your district

	2023/24	2024/25	2025/26
Area 175,477 hectares			
Number of electors (enrolled)*	26,087	26,165	25,423
Number of rating units **	16,424	16,660	16,854
Value of improvements**	$7,444,941,799	$7,544,090,338	$8,771,109,700
Net land value**	$12,512,505,401	$12,447,478,360	$11,795,036,500
Total capital value**	$19,957,447,200	$19,991,568,698	$20,566,146,200
Total rates***	$47,160,000	$54,153,000	$57,421,000
Average total rates per rating unit	$2,871	$3,250	$3,407

*Electoral enrolment centre.
**At the end of the preceding financial year.
***Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

Additional disclosures and accounting policies

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 to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The summary financial statements of the Council are for the year ended 30 June 2026. These summary financial statements are those of the Council as a separate entity; Council does not prepare consolidated financial statements.

The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards and generally accepted accounting practice in New Zealand (NZ GAAP), and make an explicit and unreserved statement of compliance with PBE Standards for each period presented in this summary annual report.

Council's summary annual report complies with PBE Financial Reporting Standard 43 (FRS 43) Summary Financial Statements.

The full Annual Report 2025/26 was audited by The Audit Office on behalf of the Auditor-General, which issued an unmodified audit opinion.. The Audit Office has also examined this summary for consistency with the full Annual Report.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Changes in accounting policies

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

Capital commitments

At 30 June 2026, Council have commitments of $19.5 million for projects where contracts have been entered into but goods or services have not been received (2025: $9.1 million).

Contingencies

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 funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the ongoing operation of the Scheme. The likelihood of any call in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's decision in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed. Several Member Councils have brought proceedings against Riskpool in relation to such claims. Two of these proceedings have been heard by the High Court, with judgment currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of Scheme documentation. At this stage, the total potential liability associated with these matters cannot be reliably 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 2026, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 74 guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2026, LGFA had borrowings totalling $26.55 billion (2025: $25.53 billion).

The LGFA's borrowing of $26.5 billion is made up of the following:

	$000
Fair value of bonds on issue	24,864,452
Fair value of Bills and ECP on issue	1,304,569
Treasury stock lent to counterparts under bond repurchase agreements	379,335

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council 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 being notified 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.

Council has borrowed $98.5m (2025: $85m) from the LGFA which is recognised as a liability in the financial statements.

Events after balance date

Simplifying Local Government reform

The Government has been clear that it is committed to structural reform in the local government sector which sees regional councils removed and larger units of territorial local government being formed and taking on unitary responsibilities. The Government's focus is on structural arrangements that support its intentions for planning reform, simplifying local governance, and achieving economies of scale, while maintaining local voice.

The outcome and timing of the reforms is uncertain. On 24 September 2026 the responsible ministers advised the sector that they intended to take decisions on the next steps for local government reorganisation after the 2026 general election. The general election will be held on 7 November 2026. The financial statements are prepared on a going concern basis because of the uncertainty over outcome and timing of any change.

Council was a participant in the recent Head Start pathway which gave local authorities the opportunity to submit initial proposals for reorganisation consistent with the Government's intentions. The proposal for a catchment-based Waihou-Piako-Hauraki-Coromandel unitary authority 'Starting from Strength' was fully supported by the three sponsoring local authorities – Matamata-Piako, Hauraki, and Thames-Coromandel District Councils. The ministerial statement is clear that if the current Government is re-elected, there will be no regional council elections in 2028, which is a clear signal that local government reorganisation plans will likely be a priority in the 2027 calendar year.

Transfer of Water and Wastewater Activities to Waikato Waters Limited

On 1 October 2026, Council transferred its drinking water and wastewater activities to Waikato Waters Limited (WWL), a newly established regional Council-Controlled Organisation (CCO) formed under the Government's Local Water Done Well

programme and the following legislative enactments - the Local Government (Water Services Preliminary Arrangements) Act 2024, the Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025.

Matamata-Piako is one of six councils who have or will transfer their drinking water and wastewater activities to WWL. This new model agreed in a Shareholders' Agreement signed on 23 July 2025 allows the participating councils to retain local ownership while collaborating regionally on the delivery of drinking water and wastewater activities. The transfer was completed under the Transfer Agreement dated 9 July 2026. Stormwater services did not transfer and remain with Council.

The Transfer Agreement provided for all responsibility for providing drinking water and wastewater activities to move to WWL on 1 October 2026, along with the transfer of all property, plant and equipment relating to water supply and wastewater services (including infrastructure assets, land, buildings, plant, vehicles, equipment, and capital work in progress). On that same date WWL settled an initial assessment of the full amount of Council Water Infrastructure Debt (including internally funded waters debt). That settlement was made via a mix of legal novation of external debt and cash settlement that extinguishes Council's corresponding external borrowings and repays the internal debt. The 1 October debt settlement is subject to a 1 April 2027 wash-up that will confirm any late adjustments given the initial settlement relied on estimates of capital work still in progress. Most of the employees primarily engaged in water and wastewater activities will transfer to WWL with continuity of service, and the liability for all accrued employee benefit liabilities relating to those employees will be transferred to WWL. The total 2025/26 remuneration of the transferring employees was $3,013,870. Capital commitments and contingent liabilities including resource consents, contracts and other arrangements relating to water and wastewater services will be assigned to or assumed by WWL. Council will receive Stage 2 Shares in WWL in exchange for the net water and wastewater activities transferred.

Financial impact of transfer

Although material, the transfer did not result in adjustment to the amounts recognised at 30 June 2026 because completion occurred after balance date. There are some general uncertainties in regard to some of the amounts disclosed in this note due to the timing of the transfer three months after balance date and council continuing operations until that point. Where there are specific uncertainties these will be noted.

Statement of Financial Position

The estimated financial effect of the transfer completed after balance date comprises:

- a reduction in Council Property Plant and Equipment of $288,270,984, consisting of water and wastewater reticulation systems, treatment plant, land, buildings, vehicles and other operating plant and equipment
- a reduction in Borrower Notes (an asset) held by Council of $640,000
- a reduction in Council external debt of $72,339,000
- a reduction of Council reserve balances, for specific Waters-related reserve accounts, of $4,011,000
- receipt of a cash settlement of $22,175,000 to compensate Council for its internally funded waters debt
- a reduction in accrued employee entitlements transferring with staff of $326,657.

In exchange for the transfer of water operations, Council was issued twenty (20) Stage 2 Shares in WWL in October 2026. Shareholdings are based on the number of connected water and wastewater consumers and will be periodically adjusted as provided for in the Shareholders' Agreement. The shares provide Council with rights under the Constitution, Shareholders' Agreement and other binding arrangements. Council is assessing the appropriate accounting classification and measurement of this interest having regard to the substance of those arrangements. The accounting treatment will be recognised in the 2026/27 financial statements when the transfer occurs.

Statement of Comprehensive Income and Cash Flows

The 2025/26 revenue, expenditure and cash flows associated with the water supply and wastewater activities that will transfer are largely determinable from the Wastewater and Water Funding Impact Statements on pages 52 and 60 of this report. In addition, it is noted that the 2025/26 depreciation expense in the Wastewater activity was $3,831,000 and in the Water activity $3,929,000 (refer Note 14 in the full Annual Report).

Council has set water and wastewater rates for the full 2026/27 financial year under section 23 of the Local Government (Rating) Act 2002. Council acts as principal in respect of water and wastewater rates for the full year and will recognise the full year of rates revenue, and a corresponding expense for amounts remitted to WWL from 1 October 2026. Council acts as agent for WWL in respect of water and wastewater fees and charges invoiced from 1 October 2026 and these amounts will not be recognised as Council revenue.

Council will continue its water and wastewater operational and capital programme for the first 3 months of the 2026/27 year and the operational costs and capital expenditure in that period could be anticipated to be at levels that are relatively similar to around a quarter of the amount of those costs in the 2025/26 year. A similar assumption could be made for the fees and charges revenue for that period.

Establishment Costs and Establishment Funding repaid

On 1 July 2026, Waikato Waters Limited (WWL) repaid Council in full for the Establishment Costs receivable of $334,482 (refer Note 7 in the full Annual Report); and the Establishment Funding advance including accrued interest, together amounting to $5,053,676 (refer Note 11 in the full Annual Report). This followed WWL securing its funding through the Local Government Funding Agency, satisfying the repayment condition in clause 2.7(c) of the Shareholders' Agreement. As the receipt confirms the recoverability of the amounts recognised at balance date; no adjustment to the carrying amounts at 30 June 2026 was required.

The Transitional Activity Costs receivable of $415,317 recognised at 30 June 2026 (refer Note 7 in the full Annual Report) was subsequently received on 1 October 2026.

Commitments and contingencies

At 30 June 2026, Council had certain commitments and contingencies relating to its water and wastewater activities. Management has assessed whether these matters are expected to transfer to WWL on completion or remain with Council.

Capital commitments

Capital commitments relating to water and wastewater services infrastructure at 30 June 2026 were as follows:

	30 June 2026 $000	Expected to be settled by Council before transfer $000	Expected to transfer to WWL on 1 October 2026 $000
Water	1,077	734	343
Wastewater	18,228	7,276	10,952
Total water and wastewater activity capital commitments	**19,305**	**8,010**	**11,295**

These commitments relate to the significant upgrade work at the Matamata Wastewater Treatment Plant, the renewal work being carried out on the Rolleston Street Water Intake, and the Wastewater Reticulation Renewals programme. The amounts disclosed above represent commitments existing at 30 June 2026.

Contingent liabilities

At 30 June 2026, Council had the following contingent liabilities relating to water services activities:

Nature of matter	Estimated financial effect	Expected transfer treatment
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.	$15,000 per annum	Transfers to WWL

Other obligations to be assumed by Waikato Waters Limited after Transfer

Other resource consent obligations and legal matters - Council has identified other resource consent obligations and related legal and compliance matters associated with its drinking water and wastewater activities that existed at 30 June 2026. These include ongoing consent compliance, monitoring and reporting obligations, and related operational obligations associated with the transferred water and wastewater activities.

Under the Transfer Agreement dated 9 July 2026, relevant resource consent responsibilities and specified obligations associated with drinking water and wastewater services transferred to Waikato Waters Limited on completion on 1 October 2026. Council has not identified any specific enforcement matter, legal claim, dispute or proceeding relating to these activities that requires separate provision or contingent liability disclosure at 30 June 2026.

Guarantee of Waikato Waters Limited borrowings from LGFA - On 25 February 2026 Council resolved to enter into a Guarantee and Indemnity Deed (Waikato Waters Limited) in favour of the New Zealand Local Government Funding Agency Limited (LGFA), alongside the five other voting and transferring shareholding councils of Waikato Waters Limited (WWL) – Hauraki, Ōtorohanga, South Waikato, Waitomo and Waipā District Councils. The Deed, together with accession deeds to the LGFA Multi-Issuer Deed and the Notes Subscription Agreement, were executed on 30 March 2026. The Deed was a precondition of WWL being approved as an LGFA borrower and of WWL commencing water services operations on 1 July 2026.

Under the arrangements, WWL cannot access any LGFA financing until 1 July 2026. As a result, WWL had drawn no debt from LGFA at 30 June 2026 and Council's maximum exposure under the guarantee was therefore $nil. From 1 July 2026 onwards, WWL can draw on LGFA financing in accordance with the terms of the Multi-Issuer Deed and the agreed Term Sheet for Water CCOs.

Under the Guarantee and Indemnity Deed each shareholding council is jointly and severally liable to the LGFA for WWL's borrowing obligations, subject to an agreed proportionate share of liability that is recalculated at set points in time based on each council's 'establishment debt' plus the infrastructure debt transferred to WWL by that council. Council's proportionate exposure is:

- From 1 July 2026 (Day 1 for the first three transferring councils) – approximately 1.4%, reflecting MPDC's establishment debt only.
- From 1 October 2026 (the date MPDC's water and wastewater assets and associated debt transfer to WWL) – approximately 27%.
- From 1 July 2027 (when Hauraki and Ōtorohanga District Councils transfer their assets) – a reduced share to be determined under the formula set out in the Deed.

The proportions are reassessed semi-annually thereafter. Where any guarantor council fails to meet a call, a 'demand cascade' mechanism allocates the shortfall across the remaining guarantors in the same proportions as the original call.

The maximum amount of WWL borrowing from LGFA that could potentially be the subject of a call on the guarantee in future periods is not able to be reliably estimated. WWL's borrowing programme is still being established and the amount of debt outstanding will vary over time in line with WWL's capital investment programme, the transfer of council debt, and operating cash flows. Council's maximum exposure to loss is WWL's total drawn debt and costs.

The guarantee is secured by a charge of security stock granted by Council under its existing Debenture Trust Deed in favour of LGFA, on the same terms as the security supporting Council's own LGFA borrowings (refer Note 16 in the full Annual Report).

The likelihood of a call on the guarantee is considered remote. WWL has regulated revenue streams from the provision of fundamental lifeline (water and wastewater) services, is subject to LGFA's credit policies and credit monitoring, and is

subject to governance oversight by the shareholding councils through the Shareholders' Representative Forum, the Statement of Expectations, and the right to appoint directors.

Council has not recognised a liability for this guarantee in the financial statements. The fair value of the guarantee at initial recognition has been determined to be $nil, on the basis that the likelihood of a call is remote and, at balance date, no WWL borrowings exist that could give rise to a call.

Other subsequent decisions relating to water services

Proceeds from sale of Waitoa Community Hall - Matamata-Piako resolved at its 29 July 2026 meeting that the proceeds from the sale of the Waitoa Community Hall are reserved for the Waitoa Water Project. If that project goes ahead the funds will be provided to WWL to assist in the funding of the project. If the Waitoa Water Project does not go ahead the proceeds will be redirected by Council for the wider benefit of the Waitoa Community. In the meantime the funds are recorded as a Council created reserve – refer Note 20 in the full Annual Report.

Te pānui whākinga mō te tau mutunga o 30 June 2026 | Annual Report disclosure statement for year ending 30 June 2026

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 increases equal or are less than each quantified limit on rates increases.

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates (income) affordability in the Financial Strategy for the Long-term Plan.

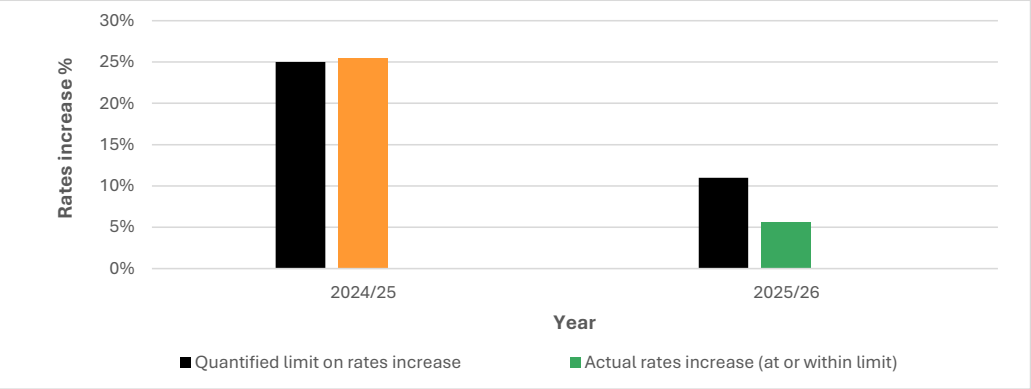
Whai pūtea (pikitanga) ki te rēti | Rates (increases) affordability

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:

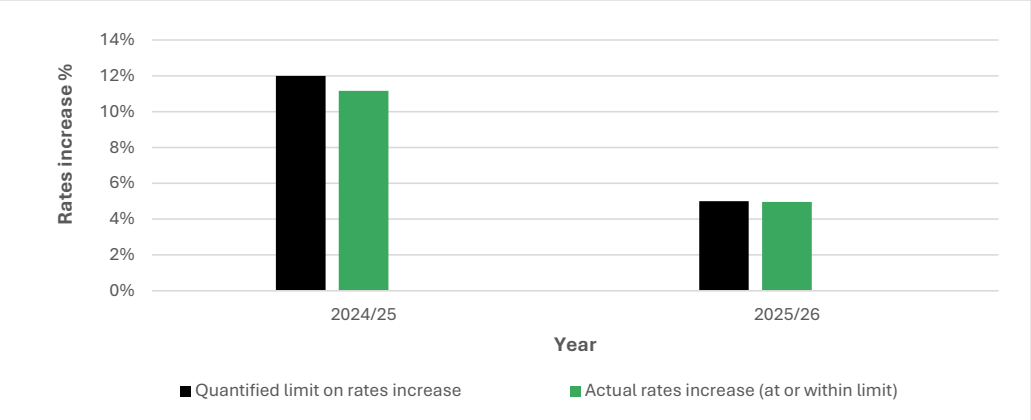
- Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one (2024/25), 11% years two and three (2025/26 and 2026/27), and thereafter will not increase by more than 7%.



Comment:

Actual rate increases for three waters activities in the 2025/26 year was 5.6% compared to a limit of 11.0%.

- Rates increases **for other rate funded activities** will not increase by more than 12% in year one (2024/25), and thereafter will not increase by more than 5%.

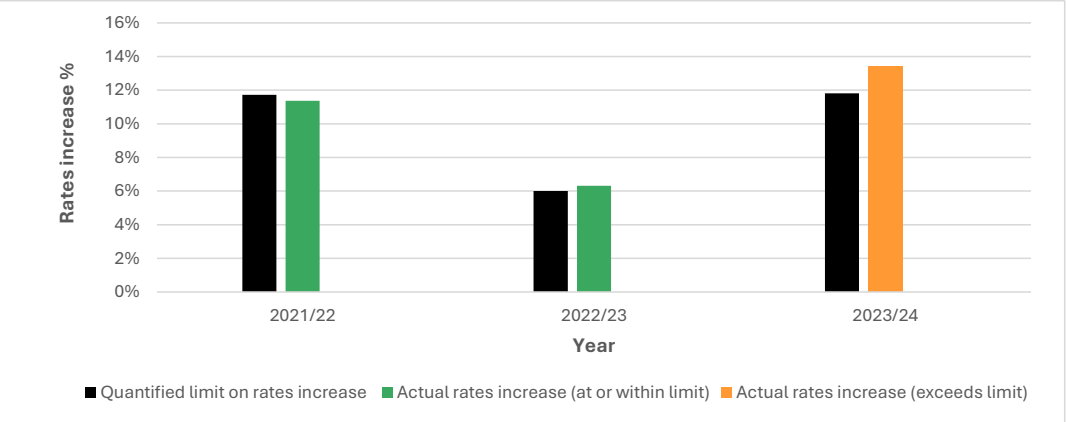


Comment:

Actual rate increases for all other rates funded activities (excluding three waters) in the 2025/26 year was 5.0% compared to a limit of 5.0%

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income[2] 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.



[2] 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.

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 the 2022/23 and 2021/22 years, the rates have exceeded the limit set due to higher growth in the rating base than expected.

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

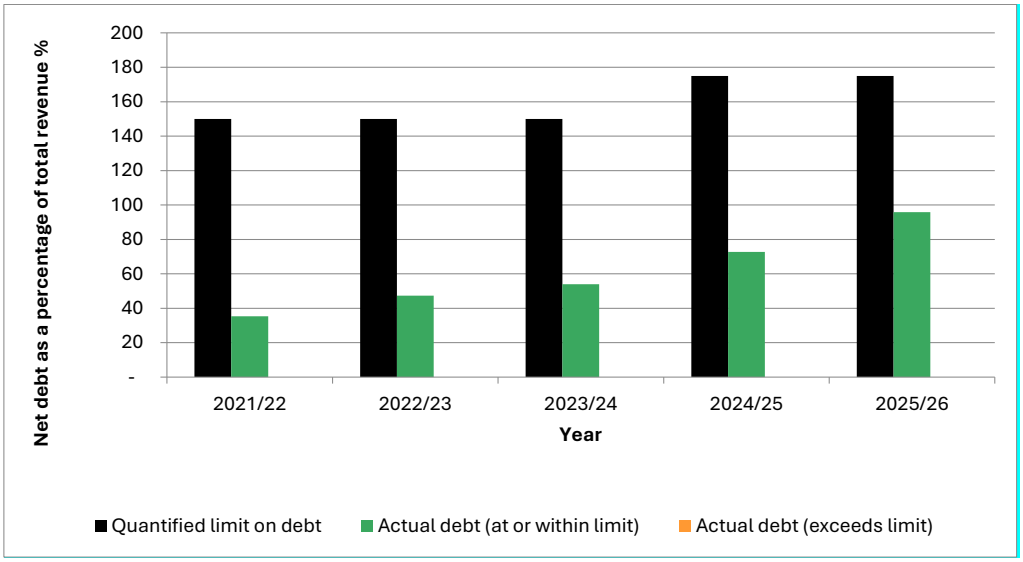
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt[3] as a percentage of total revenue[4] will not exceed 175%.

2021-2031 LTP

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



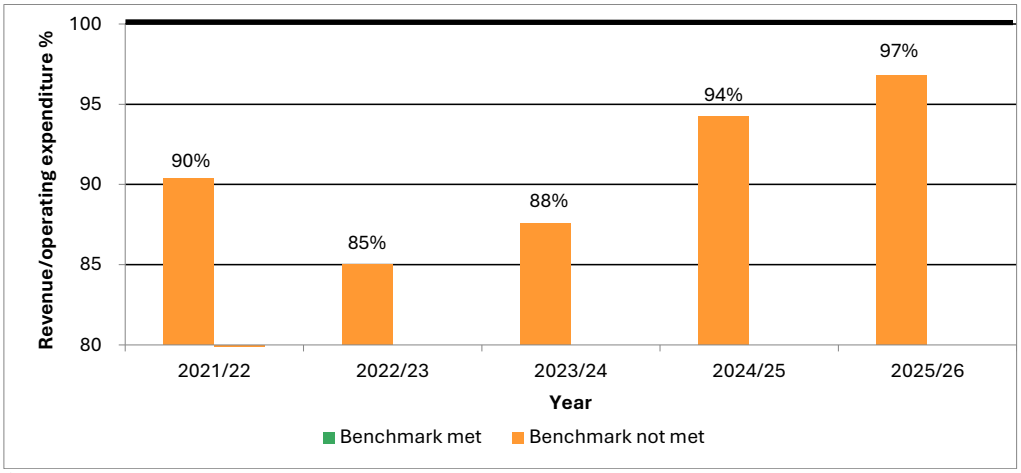
Comment:

Council's net external debt as a percentage of total revenue sits at 96% at 30 June 2026 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.

[3] 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.
[4] 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.

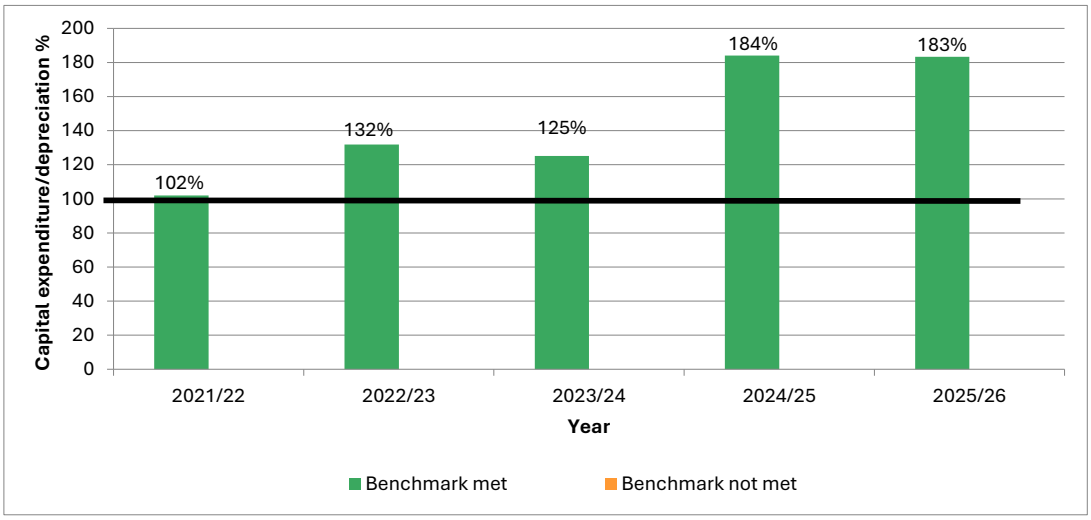


Comment:

In developing the budget for the 2025/26 financial year, Council budgeted this ratio at 94% (actual was 97%), resolving 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 Roading 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.

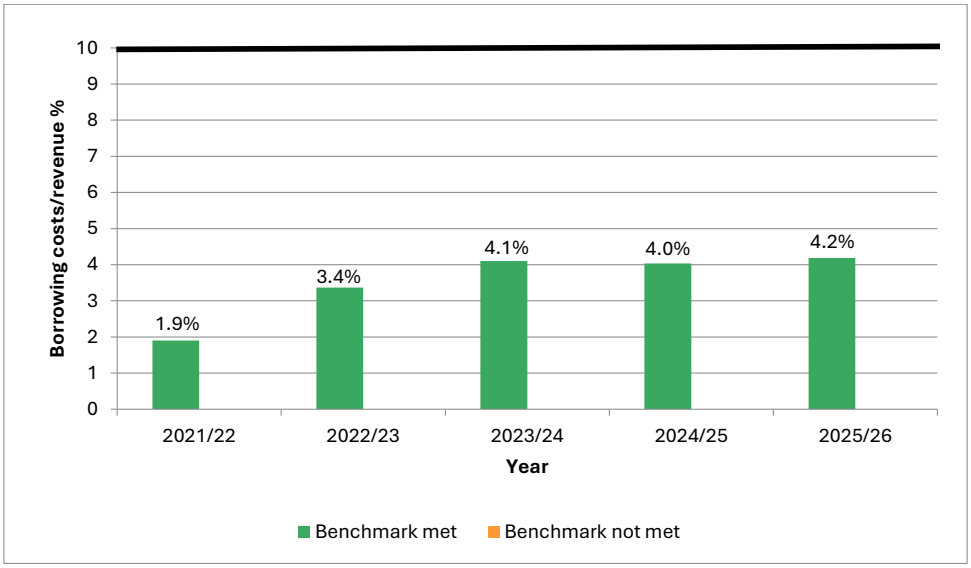


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 145% 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.

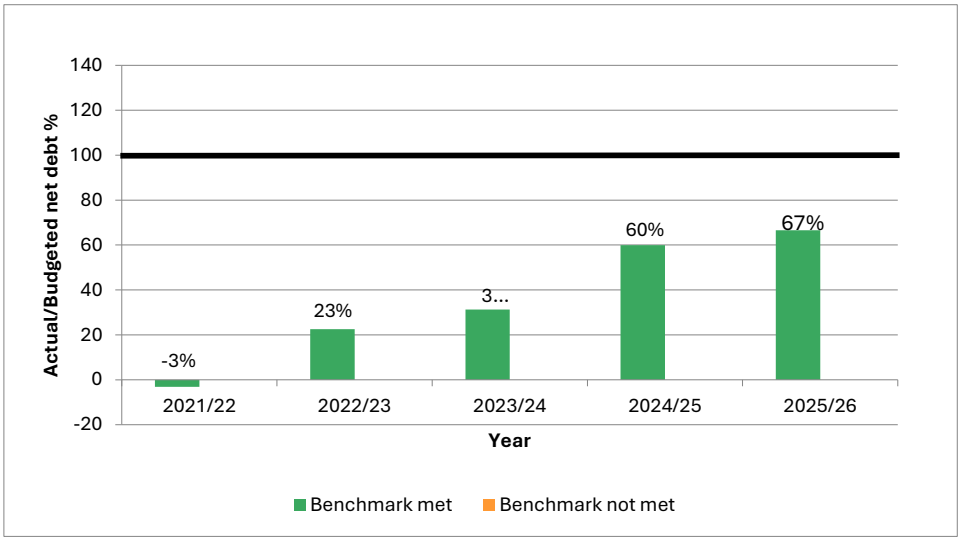


Comment:

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.

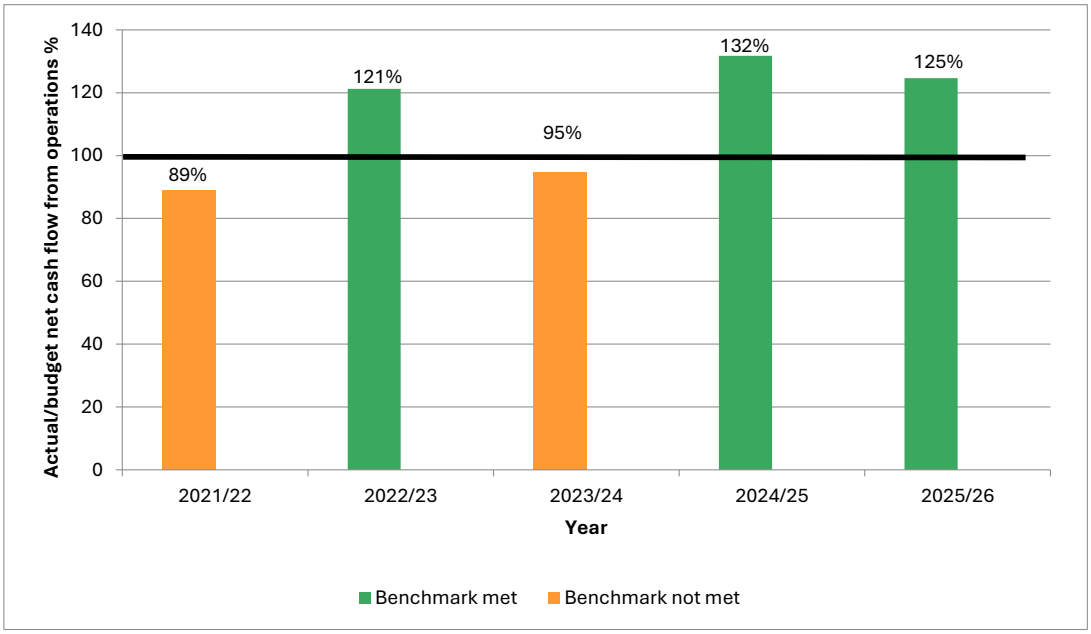


Comment:

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 2025/26, Council received $6.3 million in donations towards the Matamata Stadium project that were not included in the budget.

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 28 October 2026.

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 2026 fairly reflects the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.

Ash Tanner, Mayor	Manaia Te Wiata, Chief Executive Officer
28 October 2026	28 October 2026

This summary has been prepared in accordance with PBE FRS 43 (summary financial statements), and does not include all of the information provided in the full Annual Report, and for this reason cannot be expected to provide a complete understanding of Council's performance as provided by the Annual Report. The financial statements contained in the Annual Report Summary comply with GAAP (Generally Accepted Accounting Practice). The financial statements in the Annual Report Summary have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) Accounting Standards. The Annual Report Summary has been audited by our independent auditors, The Audit Office, on behalf of the Auditor-General. They have issued an unmodified audit opinion. The financial statements and this summary were authorised for issue by Council on 28 October 2026. The Annual Report Summary 2025/26 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha. If you would like a copy of the Annual Report Summary you can download it at mpdc.govt.nz. Specific disclosures included in the summary financial statements have been extracted from the full financial statements.

SECTION 4:

Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report



The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Matamata-Piako District Council's summary of the annual report for the year ended 30 June 2026

The summary of the annual report was derived from the annual report of the Matamata-Piako District Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on pages 9 to 29:

- the summary statement of financial position of the Council as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows of the Council for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the performance summary.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 28 October 2026.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 22, the Council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Future changes in water service delivery

Note 22 of the financial statements outlines how future changes in the delivery of water services will affect the Council.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements.*

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a procurement assurance engagement and a limited assurance engagement related to the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

René van Zyl
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

PŪRONGO Ā-TAU
ANNUAL REPORT

2025/26



te kaunihera ā-rohe o matamata-piako district council

Contents

Kupu Whakataki | Introduction 3
Ngā mahi whakahira | Our highlights 6
Te kaupapa o te mahere ā-tau | Annual report purpose 7
He Hautūtanga Me Te Mana Urungi | Leadership and Governance 8
Tō Tātou Kāwanatanga| Our Governance 9
Te Kaunihera | Council 10
Te whai wāhi te iwi ki ngā whakataunga a te Kaunihera | Māori engagement in decision making 11
Tirohanga Whānui | Overview 12
Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary 13
Whakarāpopoto ahumoni | Financial summary 15
Te panui o te tautukunga | Statement of compliance and responsibility 19
Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report 20
Te Pānui o Ngā Inegna Mahi | Statement of Service Performance 26
Tīronga whānui o ngā whakaratonga inenga mahi | Overview of service performance 27
Ngā wāhi māna me ngā rawa ā-hapori | Community facilities and property 29
Te rautaki me te whakawhitiwhititi kōrero | Strategy and engagement 34
Ngā rori | Roading 39
Te para me te whakahōu | Rubbish and recycling 43
Te waimarangai | Stormwater 46
Te waipara | Wastewater 49
Whakaaetnga me ngā raihana | Consents and licensing 61
Ngā Pānui Ā-Pūtea | Financial Statements 65
Ētahi Atu Whākinga ā-ture | Other Legislative Disclosures 114
Te pānui whākinga mō te tau mutunga o 30 June 2026 | Annual Report disclosure statement for year ending 30 June 2026 118
Ngā Rōpū a te Kaunihera | Council Controlled Organisations 124
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 125

SECTION 1:

Kupu Whakataki | Introduction



Nau mai | Welcome

MAI TŌ KOUTOU KOROMATUA RĀUA | MESSAGE FROM YOUR MAYOR

Reflecting on the past 12 months, there is much to be positive about across the Matamata-Piako District.

Our district continues to be a great place to live, work and raise a family. Our communities are growing, our local economy remains resilient, and we are supported by a wide range of community organisations, volunteers and residents who make a great contribution to the district. The strong sense of community across the district remains one of our greatest strengths.

Over the past year, Council has remained focused on delivering the services and infrastructure that our communities rely on, while continuing to invest in the long-term future of the district. This has included maintaining roads, parks, libraries and community facilities; investing in water networks and progressing key projects.

Some of this work is highly visible, such as the new Open Country Community Stadium in Matamata. Other projects are less visible but important, including the Matamata Wastewater Treatment Plant upgrade, infrastructure renewals and improvements to local roads, footpaths and public spaces. Together, these investments help ensure the district remains well-positioned to meet current and future needs.

I have also been encouraged by the level of engagement from our communities throughout the year. Council sought feedback on a range of important matters, including community outcomes, climate resilience, water supply, dog control, the future of local government and other issues affecting our communities. Many residents took the opportunity to share their views and contribute to Council's decision-making processes. Community participation remains an important part of effective local government.

One of the most significant discussions during the year centred on the future of local government.

Through the Government's Head Start process, communities across the district were invited to provide feedback on potential local government reform options. Over 800 submissions were received, accompanied by strong attendance at community meetings. While further work and discussion will continue in the coming year, it was encouraging to see such a high level of public interest in the future of local representation and local decision-making.

I'd like to thank our staff, who continue to do a great job in what is often a challenging and fast-changing environment. I'd also like to thank my fellow elected members, local businesses, community organisations, volunteers and residents who help make Matamata-Piako a great place to live, work and visit. Through local events, community initiatives, sporting organisations, investment and countless other contributions, they help strengthen our communities and support the district's success.





Ash Tanner

Mayor

Te whakakitenga me ngā hua ā-hapori | Vision and community outcomes

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'

To deliver on our vision, we have identified four priorities for Matamata-Piako through the 2024-34 Long Term Plan, which are still applicable to the 2025-26 Annual Report. These priorities represent what your Mayor and Councillors aim to achieve for you, your whānau, and your community. Guided by these priorities, we have outlined key areas of focus for Council across each activity group, all of which contribute to our overarching outcomes. For further details on our priorities, please refer to our Strategic Direction.



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



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



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

Priorities

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



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

Ngā mahi whakahira | Our highlights

Our parks and reserves received seating and signage upgrades



We had 348,263 visitors to our district libraries



Over $26K of Pride of Place external grant funding distributed between 19 community groups



839 animal control enquiries were received and investigated



221 Facebook posts were made by our Communications Team



We received 1,644 Antenno requests

Antenno
Be informed. Get involved.

50% of kerbside waste was either recycled or composted



We resealed 63.8km of our local roads



5/5 priorities in the Climate Change Rivermap were progressed



Council achieved all of our stormwater performance measures



Our new Council held their first meeting on 28th October, 2025, after elections



On 21 February, the Matamata Open Country Stadium was officially opened



Council shifted to M365 as a core business system



Zero Waste in Schools programme supports 26 schools in sustainability and waste minimisation



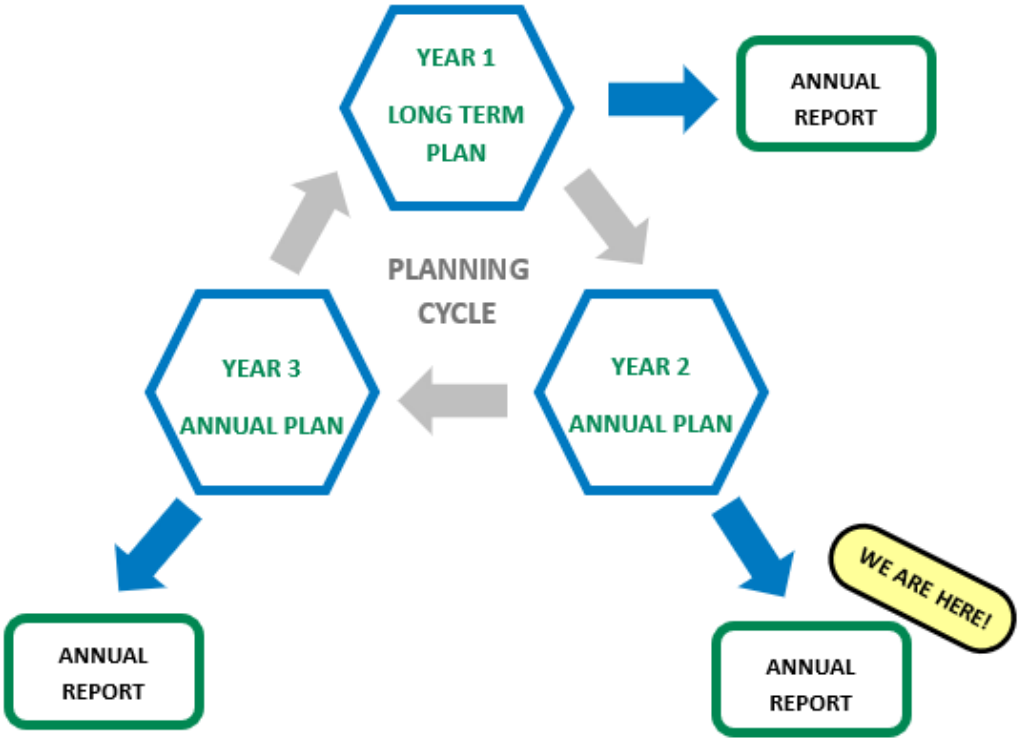
Council received 307 noise complaints and responded to 100% within 2 hours



Te kaupapa o te mahere ā-tau | Annual report purpose

Every three years, Council prepares a Long Term Plan that sets out its projects and budgets over a ten-year period. The Plan also defines levels of service, performance measures, and targets across Council activities. In the other two years of the three-year cycle, Council produces an Annual Plan to outline any updates.

The Annual Report is how Council reports back to the community on how effectively it has delivered the planned levels of service, capital projects, and operating budgets. Preparing an Annual Report is a requirement under the Local Government Act 2002.



SECTION 2:

He Hautūtanga Me Te Mana Urungi | Leadership and Governance



Tō Tātou Kāwanatanga| Our Governance

As at 30 June 2026

KAUNIHERA | COUNCIL

The Matamata-Piako District is divided into four wards: Matamata, Morrinsville, Te Aroha and Te Toa Horopū ā Matamata-Piako. Our Council consists of 12 Councillors, elected by their respective wards, and one Mayor, elected by all voters throughout the district. The Mayor and Councillors are elected to represent their communities and make decisions for the district. The elected representatives are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and look after the district's day-to-day operations.

TE MANAWHENUA FORUM MŌ MATAMATA-PIAKO

Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council who advise 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 and policies, such as the Long Term Plan or District Plan. For further information regarding Te Manawhenua Forum, please see the Māori Engagement in Decision Making section.

KOMITI O TE ME TO TŪMARU | RISK AND ASSURANCE COMMITTEE

The Risk and Assurance Committee ensure we have appropriate risk management and internal and financial control systems. This committee includes Jaydene Kana as independent chairperson, Mayor Ash Tanner, Deputy Mayor James Sainsbury, Councillor James Thomas, Councillor Bruce Dewhurst and Councillor Andrew McGiven.

KŌMITI TUKU RAIHANA Ā-ROHE | DISTRICT LICENSING COMMITTEE

Council has a District Licensing Committee to consider and determine alcohol license applications under the Sale and Supply of Alcohol Act 2012. The District Licensing Committee is chaired by Councillor Sue Whiting and Deputy Chair of the committee is Councillor Greg Marshall. Members of the committee are appointed from a list of appropriately qualified people. List members include Ross Murphy and Alan Sciascia.

KŌMIHANA WHAKAWĀTANGA | HEARINGS COMMISSION

Council has a Hearings Commission to hear and determine applications under the Resource Management Act 1991 (member must be accredited) and hear and determine objections under the Dog Control Act 1996 (member is encouraged to be accredited). The Hearings Commission is coordinated by Councillor Sue Whiting, members include Councillor Grace Bonnar, Councillor Tyrel Glass and Councillor Andrew McGiven.

KŌMITI AROTAKE O TE TUMU WHAKARAE | CHIEF EXECUTIVE OFFICER REVIEW COMMITTEE

The Chief Executive Officer Performance Committee undertakes a review of the performance and remuneration of the Chief Executive Officer on an annual basis in accordance with the Chief Executive Officer's employment agreement. The Committee includes Mayor Ash Tanner, Deputy Mayor James Sainsbury, Councillor Vincent Andersen, Councillor Bruce Dewhurst, Councillor Dayne Horne, Councillor Andrew McGiven and Councillor Sue Whiting.

KOMITI O TE WAHAROA PAPA REREANGI WAHAROA (MATAMATA) AERODROME COMMITTEE

The Waharoa (Matamata) Aerodrome Committee was established in 2015 by legislation under the Ngāti Hauā Claims Settlement Act 2014. The committee comprises Mayor Ash Tanner, Deputy Mayor James Sainsbury and Councillor James Thomas along with three members appointed by the Ngāti Hauā Iwi Trust Board. The functions of the Waharoa (Matamata) Aerodrome Committee, as set out in the Ngāti Hauā Claims Settlement Act 2014, are to:

- Make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land.
- Make final decisions on access and parking arrangements for the Waharoa Aerodrome land that affect Raungaiti Marae.
- Perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council.
- Perform any other function delegated to the committee by Council.

Te Kaunihera | Council

MAYOR & COUNCILLORS AS AT 30 JUNE 2026



Ash Tanner
Koromatua | Mayor



James Sainsbury
Koromatua Tautoko | Deputy Mayor
Matamata Ward



Vincent Andersen
Matamata Ward



Sailimalo Rewiti Vaimoso
Matamata Ward



Sue Whiting
Matamata Ward



Grace Bonnar
Morrinsville Ward



Bruce Dewhurst
Morrinsville Ward



Dayne Horne
Morrinsville Ward



James Thomas
Morrinsville Ward



Tyrel Glass
Te Aroha Ward



Greg Marshall
Te Aroha Ward



Andrew McGiven
Te Aroha Ward



Gary Thompson
Te Toa Horopū ā Matamata-Piako

Te Manawhenua Forum mō Matamata-Piako	Hearings Commission	District Licensing Committee	Risk and Assurance Committee	Waharoa (Matamata) Aerodrome Committee	Chief Executive Officer Performance Committee
Chairperson: Leiite Hinerangi Vaimoso	No chairperson Coordinator: Councillor Sue Whiting	Chairperson: Councillor Sue Whiting	Chairperson: Jaydene Kana	Co-Chairpersons: Muna Wharawhara and Mayor Ash Tanner	Chairperson: Mayor Ash Tanner

Te whai wāhi 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.

Te Manawhenua Forum mō Matamata-Piako is a standing committee of Council that provides advice on cultural, economic, environmental, and social matters of significance to mana whenua. The Forum also offers guidance on issues affecting Māori in the district and contributes feedback during the development of key plans, bylaws, and policies, including the Long Term Plan and District Plan. Te Manawhenua Forum also has three representatives from Council, Mayor Ash Tanner, Deputy Mayor James Sainsbury and Councillor Sailimalo Rewiti Vaimoso.

Ngāti Hauā	REPRESENTED BY	Rangitionga Kaukau, Tūmohe Clarke
Ngāti Hinerangi		Leiite Hinerangi Vaimoso (chair), Dianna Vaimoso
Ngāti Maru		Craig Solomon, Waati Ngamane
Ngati Rāhiri-Tumutumu		Jill Taylor, Norm Hill
Ngāti Pāoa		Tahauariki Thompson, Glenice Puke
Ngāti Whanaunga		Michael Baker, Gavin Anderson
Raukawa		Leo Whaiapū, Andrea Julian
Ngāti Tamaterā		Arama Ngapo



Back row: Cr Sailimalo Rewiti Vaimoso, Craig Solomon, Arama Ngapo, MPDC CE Manaia Te Wiata, Jill Taylor, Leo Whaiapū, Tūmohe Clarke.

Front row: Andrea Julian, Dianna Vaimoso, Mayor Ash Tanner, Leiite Hinerangi Vaimoso, Dep. Mayor James Sainsbury, Rangitionga Kaukau

Te Toa Horopū ā Matamata-Piako Māori Ward | Māori Ward Referendum 2025

In 2021, Council voted to establish a Māori Ward following a legislation change, which enabled a ward to be established for the 2022 election without a binding poll. Due to another change in legislation, Council was then required to hold a binding poll alongside the 2025 triennial elections for voters to decide whether or not the Māori ward would be retained for the 2028 and 2031 elections (a Māori ward is still active for the 2025-2028 period). The results of the poll voted to remove the Māori ward for the 2028 and 2031 elections, with 6,544 voting to remove the Māori ward and 3,815 voting to retain the Māori ward.

More information can be found here: Māori Ward Referendum 2025, Election and voter return results 2025

SECTION 3:

Tirohanga Whānui | Overview

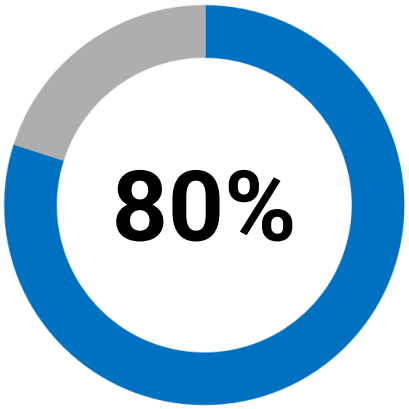


Te Rāpopotanga Ratonga Inenga Mahi | Performance service summary

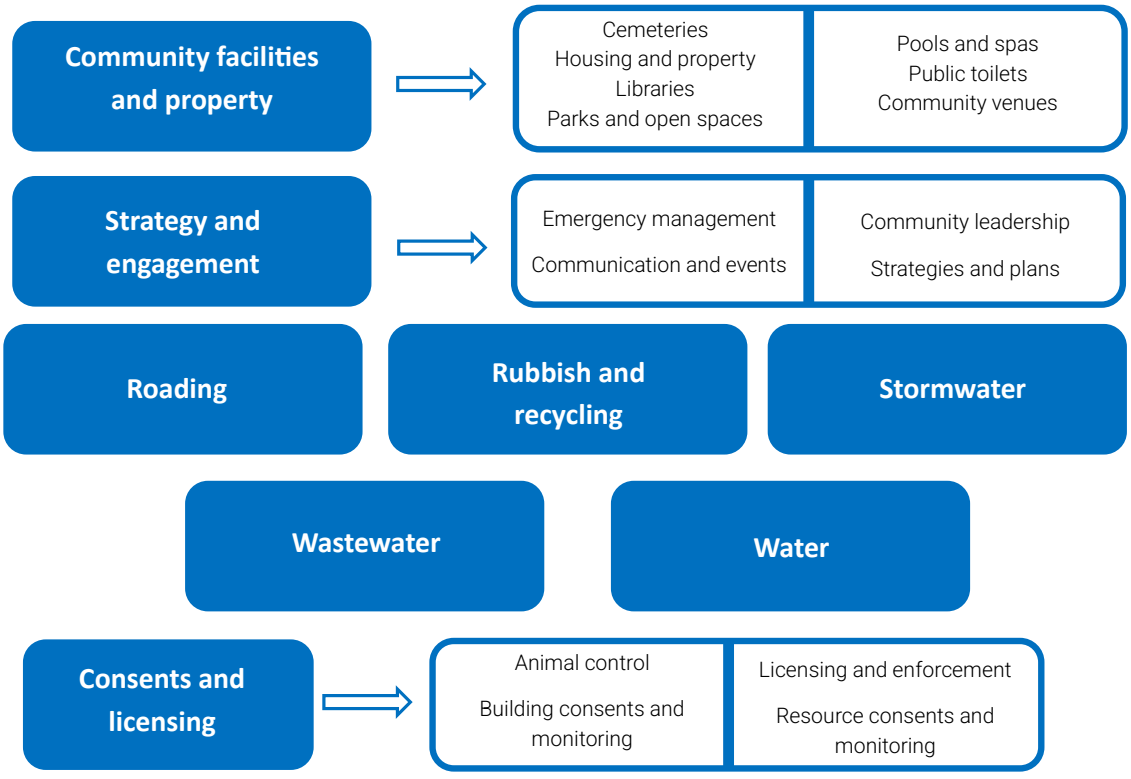
The service performance section outlines the range of services Council provides to the community and reports on how effectively these services were delivered over the past financial year, from 1 July 2025 to 30 June 2026. The Long Term Plan 2024–34 sets out a range of performance measures, including targets for the next three years.

Of the 56 performance measures established in the Long Term Plan 2024–34, **45** were achieved, resulting in an overall achievement rate of **80%. 11** measures were not met.

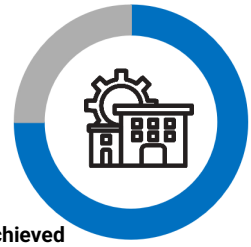
For further details on service performance, refer to Section 5 of the Annual Report.



Council Services Breakdown

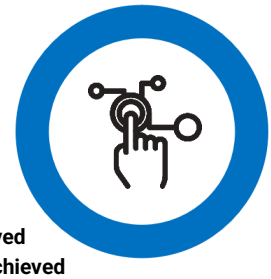


NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-HAPORI (HUI KATOA)
COMMUNITY FACILITIES AND PROPERTY



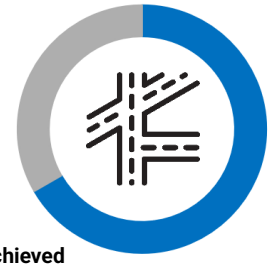
9 Achieved
3 Not Achieved

TE RAUTAKI ME TE WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



8 Achieved
0 Not Achieved

NGĀ RORI
ROADING



4 Achieved
2 Not Achieved

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



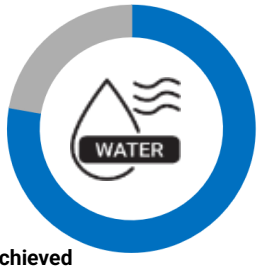
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



5 Achieved
1 Not Achieved

TE WAI
WATER



7 Achieved
2 Not Achieved

WHAKAAETANGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

Whakarāpopoto ahumoni | Financial summary

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
96,580	Revenue	85,736	101,632
(85,755)	Expenses	(85,487)	(92,896)
(3,324)	Finance costs	(3,471)	(3,913)
7,501	**Net surplus/(deficit)**	**(3,222)**	**4,823**
	Other comprehensive revenue and expense		
6,037	Financial assets at fair value through other comprehensive revenue and expense	-	3,972
236,391	Property, plant and equipment revaluation	25,637	(785)
242,428	**Total other comprehensive revenue and expense**	**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**	**22,415**	**8,010**
Summary statement of changes in equity for the year ended 30 June			
966,333	Balance at 1 July	982,765	1,216,262
249,929	Total comprehensive revenue and expense	22,415	8,010
1,216,262	**Balance at 30 June**	**1,005,180**	**1,224,272**

Statement of comprehensive revenue and expense

Council ended the year with a surplus of $4.8 million, compared with a budgeted deficit of $3.2 million. This does not mean Council had money to spare. Almost all of the difference is one-off income that could not be planned for, and much of it is not cash at all. The community raised $6.3 million towards the Open Country Community Stadium in Matamata, and developers handed over $6.0 million of new roads, pipes and reserves as subdivisions were completed (vested assets). None of this can be used to reduce rates or pay for everyday services.

Revenue for the year was $101.6 million, against a budget of $85.7 million. Alongside the stadium donations and vested assets, more people built and subdivided than expected, and trade waste charges were increased so that large businesses cover the cost of treating what they put into the wastewater network. This was partly offset by fewer visitors to Te Aroha Mineral Spas and the district pools, a pattern being seen as household budgets tighten.

Expenditure was $96.8 million, against a budget of $89.0 million. The largest pressure was the cost of running water and wastewater services, particularly keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, along with rising compliance and regulatory costs. Depreciation, the cost of assets gradually wearing out, was $1.7 million higher following recent revaluations and the additional assets vested by developers. Personnel costs were lower than budgeted, as some roles were vacant during the year.

The lines in the summary table called other comprehensive revenue and expense record changes in the value of things Council already owns, rather than money coming in or going out, so it has no effect on rates or on what Council has available to spend. This year these items came to $3.2 million, well below the $25.6 million assumed in the Annual Plan. No revaluation of land, roading or three waters assets was required this year, as their recorded values are still considered fair. Council's shareholding in Waikato Regional Airport increased in value by $4.0 million, reflecting growth in the value of the company itself rather than any further investment by Council.

In short: The surplus reported in this statement is made up almost entirely of one-off and non-cash income, and is not money available for services or rates relief. The real pressure is the rising cost of delivering services, particularly water and wastewater, at a time when many households are feeling the cost of living. From 1 October 2026 these services will be delivered by Waikato Waters Limited, so this is the last year their full cost appears in Council's accounts.

Actual 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
Summary statement of financial position as at 30 June			
30,940	Current assets	23,685	23,408
1,288,704	Non-current assets	1,104,211	1,321,931
1,319,644	**Total assets**	**1,127,896**	**1,345,339**
30,488	Current liabilities	26,546	68,077
72,894	Non-current liabilities	96,170	52,990
103,382	**Total liabilities**	**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**	**1,005,180**	**1,224,272**
493,092	Accumulated funds	474,635	496,259
723,170	Other reserves	530,545	728,013
1,216,262	**Total Equity**	**1,005,180**	**1,224,272**
Summary statement of cash flows for the year ended 30 June			
20,295	Net cash flows from operating activities	20,132	25,089
(42,569)	Net cash flows from investing activities	(58,869)	(44,835)
19,500	Net cash flows from financing activities	38,966	13,500
(2,774)	**Net increase/decrease in cash held**	**229**	**(6,246)**
11,453	Opening cash balance	341	8,679
8,679	**Closing cash balance**	**570**	**2,433**

Statement of financial position

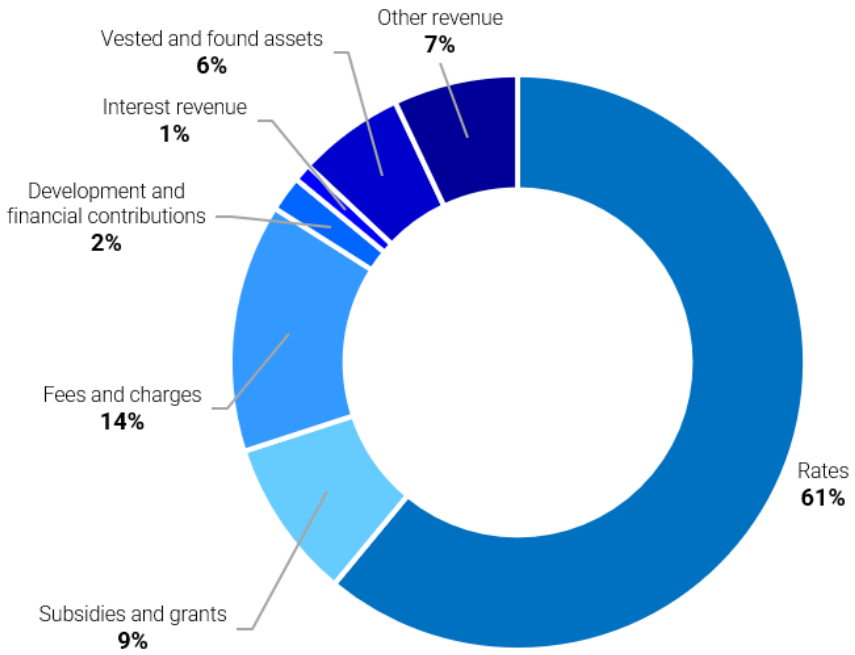
Current assets of $23.4 million were close to budget overall, but made up differently than planned. Council held $3.9 million on term deposit rather than the $14.1 million budgeted, because money set aside earlier had been used to repay $13.5 million of loans that fell due in April 2026.

Non-current assets were well above budget at $1.32 billion. Almost all of what Council owns is infrastructure: roads, water and wastewater pipes, treatment plants, parks and buildings, recorded at $1.27 billion. Most of the difference from budget is because the Annual Plan was set before the most recent valuations. Council also received more roads, pipes and reserves from developers than expected, all of which now have to be maintained.

Total liabilities of $121.1 million were slightly lower than the $122.7 million budgeted. Borrowing makes up most of this, at $98.5 million, which is $10.6 million below budget, mainly because the Matamata wastewater plant upgrade began later than planned. A larger share than usual, $47.0 million, is shown as falling due within 12 months, as loans are being refinanced over shorter terms ahead of the transfer of water services. Amounts owed to suppliers and income received in advance were higher than budgeted, reflecting how much work was under way at the end of the year.

In short: Council owns more and owes less than the Annual Plan assumed, and the balance sheet remains in good shape. The pressure is not in what Council owns and owes, but in the cost of running and maintaining it. This position will look very different next year after the water and wastewater assets, and around 70% of Council's borrowing, transfer to Waikato Waters Limited on 1 October 2026. Those assets still have to be maintained and that debt still has to be repaid; what changes is who does the work.

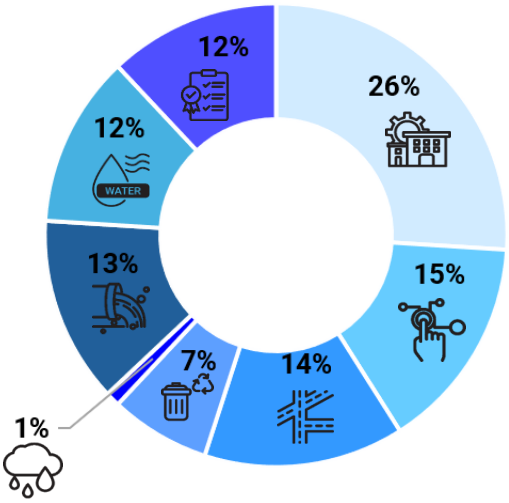
Nō whea ngā pūtea a te Kaunihera? | Where did Council get money from?



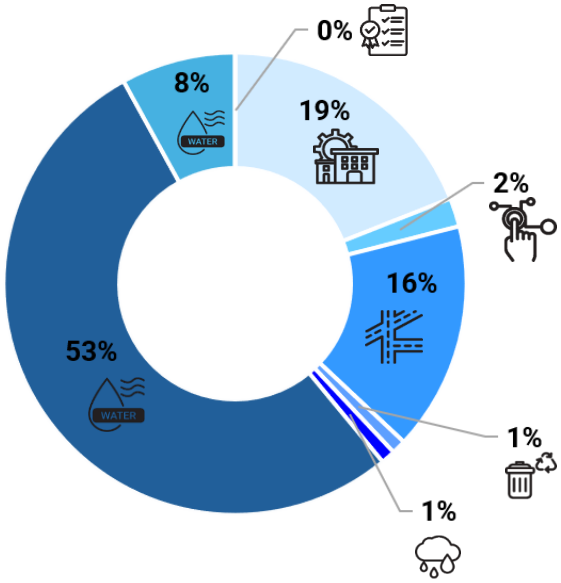
Revenue by sources	%	$000
Rates	61%	62,271
Subsidies and grants	9%	8,874
Fees and charges	14%	13,899
Development and financial contributions	2%	2,152
Interest revenue	1%	888
Vested and found assets	6%	6,021
Other revenue	7%	7,527
Total revenue		**101,632**

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

Operating expenditure	%	$000
Community facilities and property	26%	18,426
Strategy and engagement	15%	10,847
Roading	14%	10,176
Rubbish and recycling	7%	4,608
Stormwater	1%	989
Wastewater	13%	9,023
Water	12%	8,460
Consents and licensing	12%	8,312
Total		**70,841**



Capital expenditure	%	$000
Community facilities and property	19%	9,881
Strategy and engagement	2%	1,076
Roading	16%	8,337
Rubbish and recycling	1%	316
Stormwater	1%	283
Wastewater	53%	27,127
Water	8%	4,357
Consents and licensing	0%	-
Total		**51,377**



Tō rohe | Your district

	2023/24	2024/25	2025/26
Area 175,477 hectares			
Number of electors (enrolled)*	26,087	26,165	25,423
Number of rating units **	16,424	16,660	16,854
Value of improvements**	$7,444,941,799	$7,544,090,338	$8,771,109,700
Net land value**	$12,512,505,401	$12,447,478,360	$11,795,036,500
Total capital value**	$19,957,447,200	$19,991,568,698	$20,566,146,200
Total rates***	$47,160,000	$54,153,000	$57,421,000
Average total rates per rating unit	$2,871	$3,250	$3,407

*Electoral enrolment centre.
**At the end of the preceding financial year.
***Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

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 28 October 2026.

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 2026 fairly reflects the financial performance, financial position, cash flows and service performance of the Matamata-Piako District Council.

Ash Tanner, Mayor	Manaia Te Wiata, Chief Executive Officer
28 October 2026	28 October 2026

SECTION 4:

Te Pūrongo Ā Te Ōtita Motuhake | Independent Auditors Report



The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Matamata-Piako District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Matamata-Piako District Council (the Council). The Auditor-General has appointed me, René van Zyl, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

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

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

Opinion on the audited information

In our opinion:

- the financial statements on pages 66 to 113 present fairly, in all material respects, the Council's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service performance for the year ended 30 June 2026 on pages 27-64:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on page 115, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 33-64 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 33-64, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Simplifying Local Government reform

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 22, the Council is part of an amalgamation proposal under the Head Start pathway which may, if approved, be implemented before the 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Future changes in water service delivery

Note 22 of the financial statements outlines how future changes in the delivery of water services will affect the Council.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

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

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

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

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

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities for the audited information

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

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

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's Annual plan or Long-term plan as applicable.

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

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

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.
- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

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

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the Council in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a procurement assurance engagement and a limited assurance engagement related to the Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.

[signature of Appointed Auditor]
René van Zyl
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

SECTION 5:

Te Pānui o Ngā Inegna Mahi | Statement of Service Performance



Tīronga whānui o ngā whakaratonga inenga mahi | Overview of service performance

This section describes our 2025/26 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 systems and customer request management system.
- An Annual Customer Views Survey of residents.

Annual Customer Views Survey

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

Participants are asked to rate their satisfaction on a 10-point scale, where a selection between 1 to 5 is counted as 'dissatisfied', and a selection between 6 to 10 is counted as 'satisfied'.

Data collection was conducted using a mixed methodology approach. A sample of n=408 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 had been weighted so it aligned with population distributions as per the 2023 consensus. The sample has an expected 95% confidence interval (margin of error) of +/- 4.57%.

Measures throughout the service performance section relating to 'satisfaction' utilise the annual customer views survey.

Wellbeing

Each Activity Group section outlines how it contributes to the current wellbeing's under the Local Government Act 2002 – **social, economic, environmental** and **cultural** and the community outcomes to which each Activity Group primarily contributes.

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 appropriate team, to respond as needed.

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 on in current year.

Measures marked with a red asterisk (*) are the mandatory performance measures that were established by the Department of Internal Affairs (DIA) and are currently included in the SSP section.

Responsibility for these measures has since transferred to the Ministry for Cities, Environment, Regions and Transport (MCERT).

MCERT is currently analysing Water Services Delivery Plans and developing a revised set of performance measures, which are expected to be published in 2026.

Any new mandatory measures published by MCERT will replace or supplement the existing DIA-established measures as appropriate.

Disclosure of significant judgements

In the preparation of the Statement of Service Performance, Council has made the following judgments 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) and PBE standards. Refer also to the Statement of compliance and responsibility section of this annual report.

Ngā wāhi māna me ngā rawa ā-hapori | Community facilities and property

Ā mātou mahi | What we do

Community facilities and property is about providing parks, open spaces, 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.

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

Ō mātou whakatutukitanga | Our achievements

Our parks, reserves, playgrounds and sports fields were well maintained in 2025/26, achievements include bathroom upgrades at Matamata Domain and Davies Park, seating upgrades at Boyd Park, and signage improvements, such as Site IDs throughout the district's parks and reserves.

At our district libraries we delivered a variety of programmes, including the Death at the Craft Creatorium murder mystery, Piakomon events and regular events such as Wriggle and Rhyme, and Stitch Circle.

Oranga | Wellbeing

This activity helps to improve the **social, economic, 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.

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 sporting activities, which provide physical and mental health benefits. Our public toilet network also promotes public health.

We provide open spaces, such as parks, and built facilities such as event centres and libraries. There are spaces where people can gather and connect socially. We 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 and managing historic sites, monuments, or buildings on parks and reserves. Our parks and community facilities provide economic opportunities through tourism and events. Parks and open spaces also support environmental wellbeing through protecting and enhancing biodiversity.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 94%	80% or more satisfied/ very satisfied.	☑ 97%	Our cemeteries are continually maintained and improved, and each includes modern toilet facilities.
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.	☑ 89%	80% or more satisfied/ very satisfied.	☑ 93%	We want residents in our housing units to be satisfied and ensure their needs are met. Of the 54 respondents, 50 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.	☑ 98%	95% or more.	☑ 96%	Council provides and maintains 109 elderly housing units and wants to ensure they are well utilised. The units were occupied 96.27% of the time (rounded to 96%).
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 (345,777)	Increase of at least 5% of the 5-year average.	☑ Achieved (348,263)	There were 348,263 visitors to our libraries in-person or virtually (including social media). The average number of library visitors over the last five years is 254,864. An increase of 36.64%.
Our library services will meet community needs and expectations.	The percentage of users satisfied/very satisfied with library services.	☑ 94%	90% or more satisfied/ very satisfied.	☑ 98%	Our libraries provide much more than access to books; they are welcoming spaces where people come together to learn, connect, and engage with their community. This year, we delivered a variety of programmes, including the Death at the Craft Creatorium murder mystery, Piakomon events and regular events such as Wriggle and Rhyme, and Stitch Circle.
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.	☑ 93%	80% or more satisfied/ very satisfied.	☑ 92%	This measure reflects community satisfaction with Council-maintained sports fields. Satisfaction remained at a high level, potentially due to regular maintenance enabled by favourable weather conditions and ongoing improvements to sports field facilities.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 88%	80% or more satisfied/ very satisfied.	☑ 93%	We maintain our parks and reserves to support community and environmental wellbeing. The increase in satisfaction may be attributed to ongoing maintenance, bathroom upgrades at Matamata Domain and Davies Park, seating upgrades at Boyd Park, and signage improvements, include Site IDs throughout the district's parks and reserves.
Our public playgrounds will be safe.	The assessment score from the annual external safety audit.	☒ 86%	90% or more.	☒ 81%	Our playgrounds 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.[1]
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.	☑ 84%	80% or more satisfied/ very satisfied.	☒ 79%	Visitor satisfaction has declined – this is attributed to ageing facilities, seasonal operating restrictions, and limited amenities at Swim Zone sites. Satisfaction was also impacted by delayed pool openings, temporary closures caused by maintenance, weather events, and operational issues at Swim Zone Matamata and Te Aroha.
We will promote and encourage our community to use our pool facilities.	The number of customers using our pool facilities will be maintained.	☑ Achieved (153,110)	Visitor numbers will be within 5% of the 5-year average (140,687).	☑ Achieved (137,434)	Swim Zone visitor statistics previously included spectator numbers. Pools now record only actual swimmers, which will impact visitor statistics and the previous five-year average.
Ngā whareiti tūmatanui | Public toilets					
Our public toilets will be maintained to acceptable standards.	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets.	☑ 17	≤20 complaints about cleanliness per year.	☒ 28	This measure tells us how well we are maintaining our public toilet facilities in our district. There were 28 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	The number of event centre bookings.	☒ 2,519	The number of bookings will be within 5%	☑ 3,400	Our event centres support economic development and community wellbeing. This measure tracks how

[1] A total of 148 playground items across 27 playgrounds were inspected in April 2026. Our playgrounds are measured against the ASNZ 4486 and 4422 standards. Compliance was lower this year compared to 2025 (86%) due to cushion fall surfaces being too low.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
community venues.			of 2022/23 levels (2,703).		effectively these facilities are being utilised. 2025/26 is the first full year using the new booking system, which was introduced during 2024/25. This measure has been achieved, as the number of bookings (3,400) was higher than the 2022/23 level. Bookings were 16% above the upper limit of the original 5% range (2,838), the increased bookings are considered a positive outcome and therefore the measure has been treated as achieved.

Funding Impact Statement – Community facilities and property 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
13,030	13,122	General rates, uniform annual general charges, rates penalties	13,798	14,775
73	109	Targeted rates	75	109
33	4	Subsidies and grants for operating purposes	33	4
5,270	4,198	Fees and charges	5,383	4,608
300	403	Internal charges and overheads recovered	299	298
-	-	Local authorities fuel tax,	-	-
18,706	**17,836**	**Total operating funding (A)**	**19,588**	**19,794**
12,566	13,372	Payments to staff and suppliers	13,011	13,786
491	541	Finance costs	572	640
3,122	3,878	Internal charges and overheads applied	3,185	4,000
-	-	Other operating funding applications	-	-
16,179	**17,791**	**Total applications of operating funding (B)**	**16,768**	**18,426**
2,527	**45**	**Surplus (deficit) of operating funding (A – B)**	**2,820**	**1,368**
-	-	Subsidies and grants for capital expenditure	-	-
55	495	Development and financial contributions	56	365
3,915	3,515	Increase (decrease) in debt	(497)	2,455
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	1,350	Other dedicated capital funding	-	6,332
3,970	**5,360**	**Total sources of capital funding (C)**	**(441)**	**9,152**
		Capital expenditure		
774	223	—to meet additional demand	39	1,458
4,586	3,430	—to improve the level of service	1,179	7,105
1,082	1,296	—to replace existing assets	1,105	1,318
55	456	Increase (decrease) in reserves	56	639
-	-	Increase (decrease) of investments	-	-
6,497	**5,405**	**Total applications of capital funding (D)**	**2,379**	**10,520**
(2,527)	**(45)**	**Surplus (deficit) of capital funding (C – D)**	**(2,820)**	**(1,368)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

The big story this year was the opening of the Open Country Community Stadium in Matamata in February 2026. It cost $10.6 million, with Council funding $3 million and the balance coming from grants and donations from the community, funders and local businesses — $6.3 million of which was received this year. Our Long Term Plan had allowed only for Council's $3 million share, in the 2024/25 year, because the final cost and the external funding were not settled at that time. The full cost of the project, and the funding raised for it, now appear across the 2024/25 and 2025/26 years.

Running our pools, spas, halls, parks and cemeteries cost $1.7 million more than the Long Term Plan allowed. Some of this was expected and signalled in our 2025/26 Annual Plan, including the first months of running the new stadium and higher insurance. The rest was less predictable — January storms brought significant unbudgeted tree and repair work, legal and property costs arose that we had not planned for, and wage increases lifted the cost of staffing our pools. Income from fees and charges finished $0.8 million below the Long Term Plan. Visitor spending at Te Aroha Mineral Spas and Domain House Beauty was down, which we think reflects cost of living pressure on households, and admissions at the Matamata pools dropped while the pool was closed for its liner replacement, reopening on 24 January. Morrinsville pool bucked the trend with a 13% increase, and stronger cemetery plot sales and use of our recreation facilities helped close the gap.

Alongside the stadium we kept investing in everyday facilities, including relining the Matamata pool rather than repainting it, and renewals to housing, libraries, playgrounds and other pool assets. Development across the district brought in more financial contributions than budgeted to help fund this work, and Council set aside $430,000 from the earlier sale of the Waitoa hall towards a future Waitoa water project, to reduce the contribution that community may otherwise need to make.

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

A shared service with Hauraki and South Waikato commenced on 1 July 2025, with the existing Emergency Management Officers continuing in their roles. A new Emergency Management Manager was appointed in September 2025.

Our Community Development team managed the Pride of Place Community-Led Initiatives Grant, which funded many projects over the district, including: providing funds to Te Aroha Paeroa Search and Rescue, promoting three free guided hikes and providing safety giveaways, attracting 35 participants and strong community interest. CultureFest, which brought colour, food, performances and traditions of Matamata-Piako's diverse communities together in a welcoming district-wide celebration. Lastly, Mana Moves brought Youth Week to life in Morrinsville through a series of free, rangatahi-led events that gave local young people space to connect, express themselves and have fun, from expressive art at Morrinsville Gallery to youth organisation activities and a community movie night.

The Council's Governance team successfully delivered the 2025 Local Government Elections, enabling the newly elected Council to hold its inaugural meeting on 28 October 2025. The team also continued to support core governance functions, including publishing meeting notices and agendas, livestreaming meetings, and providing timely access to agendas and minutes for elected members, staff, and the public.

Oranga | Wellbeing

Strategy and engagement contributes to **social, economic, environmental** and **cultural** wellbeing. Events like ANZAC Day and Business Night Out unite people and boost the local economy. This activity also ensures our community is prepared and engaged in future planning, and that we engage with tangata whenua and mana whenua in decision-making.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ Advancing	Maintained within the mid-range of "advancing" capability.	☑ Advancing	Our Emergency Response to Cyclone Vaianu triggered an After Action Report by an external contractor in lieu of our planned exercise. Overall improvements are expected with complementary corrective actions. A new shared service with Hauraki and South Waikato commenced 1 July 2025 with the existing respective Emergency Management Officers. In September 2025 a new Role of Emergency Management Manager was filled.
Ngā pāpāhonga me ngā takahanga o tew ā | 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.	☑ Achieved	At least six community events annually.	☑ Achieved	Some events Council held or supported include Business Night Out, Anzac Civic Services in Matamata, Morrinsville, Te Aroha and Walton, citizenship ceremonies in Matamata and the opening of Open Country Community Stadium. Council delivered three Community Volunteer Recognition events across the district: Morrinsville had 25 people, Te Aroha had 25 people and Matamata had 55 people. Council continued to support a range of community, cultural and venue-based events across the district throughout the year.
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.	☑ Achieved	Minimum of three digital enablement projects delivered annually.	☑ Achieved	Multiple projects were delivered during 2025/26, some of these include: Alcohol Licensing forms were digitised and the process automated, Online booking systems were implemented for Matamata-Piako Civic and Memorial Centre, and the new Open Country Stadium, the Te Aroha Visitor Information Centre website was redeveloped, including an online shop

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
					that sells souvenirs and local products, and Council shifted to M365 as a core business system.
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.	☑ 94%	≥90%.	☑ 96%	Elected members are committed to fulfilling their responsibility to represent their communities at the table and in Council decision making. There were 17 ordinary Council meetings between 1 July 2025 and 30 June 2026. The newly elected Councillors attended their first official meeting on 28 October 2025. This result shows the combined attendance rate of the Mayor and all Councillors.
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.	☑ 80%	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 Te Manawhenua Forum. Of the 5 Forum members who completed the survey, 1 member was neutral and 4 Forum members were satisfied that tangata whenua with mana whenua status have meaningful involvement in decision making.[2]
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.	☑ 74%	49% or more satisfied/ very satisfied.	☑ 72%	We want to keep our community informed and involved in decision-making by seeking feedback on Council's plans, policies, and strategies. This year, Council consulted on many different topics. Some of the consultations that received the greatest number of community responses were the Dog Policy and Bylaw, and the Community Safety Bylaw.
We will maintain a District Plan that manages land use	The percentage of Changes and Variations to the	☒ 50%	100% processed	☑ 100%	We are required by legislation to maintain our District Plan. This measure

[2] The scale for the Te Manawhenua forum survey is as follows: 1-4 is dissatisfied, 5-6 is neutral, 7-10 is satisfied.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
and development, and the protection of natural and physical resources of the district.	District Plan that are processed within statutory timeframes.		within statutory timeframes.		shows we are working to protect our resources and plan for the future. One plan change was processed, which was completed within the timeframe.
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.[3]	☑ 5/5	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 priorities as we 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 resilience were presented to Council.[4]

[3] Progressed means work on the priority has begun and at least one report per priority has been presented to a Council workshop, meeting or committee.
[4] For more information on the climate change rivermap, click here

Funding Impact Statement – Strategy and engagement 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
7,358	7,411	General rates, uniform annual general charges, rates penalties	7,687	7,374
-	-	Targeted rates	-	-
195	184	Subsidies and grants for operating purposes	199	185
396	893	Fees and charges	397	1,720
741	985	Internal charges and overheads recovered	710	728
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
8,690	**9,473**	**Total operating funding (A)**	**8,993**	**10,007**
6,743	5,941	Payments to staff and suppliers	6,986	7,764
312	831	Finance costs	295	225
2,539	2,968	Internal charges and overheads applied	2,629	2,858
-	-	Other operating funding applications	-	-
9,594	**9,740**	**Total applications of operating funding (B)**	**9,910**	**10,847**
(904)	**(267)**	**Surplus (deficit) of operating funding (A – B)**	**(917)**	**(840)**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
2,226	983	Increase (decrease) in debt	1,615	(14,216)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
2,226	**983**	**Total sources of capital funding (C)**	**1,615**	**(14,216)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
-	-	—to improve the level of service	-	-
2,268	2,113	—to replace existing assets	1,673	1,076
(946)	472	Increase (decrease) in reserves	(975)	(4)
-	(1,869)	Increase (decrease) of investments	-	(16,128)
1,322	**716**	**Total applications of capital funding (D)**	**698**	**(15,056)**
904	**267**	**Surplus (deficit) of capital funding (C – D)**	**917**	**840**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

This activity covers the behind-the-scenes work of Council — governance and elections, planning and policy, communications, iwi relationships and emergency management. Income finished $1 million above the Long Term Plan. Most of that was interest income: $13.5 million of Council debt matured in April 2026, and we held deposits in advance to meet that repayment, which earned more interest than budgeted. Income also included a $70k dividend from Waikato Regional Airport, payments from neighbouring councils for the civil defence service we deliver on their behalf, and fees for privately initiated district plan changes.

Costs were $0.9 million higher than planned. This was an election year, and election costs fall mostly in the year the election is held. We also upgraded our core information systems (funded from reserves) and met higher civil defence and audit costs. Savings elsewhere offset part of this — less work was needed on Council-initiated district plan changes following the Government's planning law changes, some Treaty settlement related work was deferred, and economic development activity was paused while Council considered its future direction.

Renewals of vehicles, plant and computer equipment were lower than planned, with those budgets carried forward, and interest allocated to our reserve funds was higher than budgeted.

Ngā rori | Roading

Ā mātou mahi | What we do

Our transport network consists of 970km of sealed roads, and 55km of unsealed roads. It also includes 362 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

Council has a wide range of transport projects and maintenance activities underway throughout the year across its land transport network.

Our Roading team delivers essential maintenance, renewals and operational work, including pavement rehabilitation, bridge, culvert and underpass maintenance, traffic management and road safety improvements, sign installations, site supervision, design and survey works.

Our Assets & Projects team plans and manages a variety of improvement projects, including rail safety interventions in Matamata, footpath extensions and road widening in Morrinsville, mobility parking enhancements, footpath upgrades and pedestrian safety improvements, and street lighting renewals in Te Aroha. Further transport improvements are programmed for the 2026/27 financial year.

Oranga | Wellbeing

The roading activity contributes to **economic, social, environmental,** 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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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 8 17 total	Reduction in fatalities and serious injury crashes year on year.	☒ Increase of 5 22 total	The number of fatal and serious crashes has increased significantly from prior year. This measure is highly variable from year to year (in 2024/25 we had a significant decline), and this year's increase cannot be attributed to one clear factor. Difficult driving weather may be a contributing factor. [5]
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.	☑ 97%	We want our roading network to be safe and provide smoothness and comfort for our community on their journeys.[6]
	The percentage of the sealed local road network that is resurfaced.* [7]	☒ 6.6%	6.7% or more.	☒ 6.6%	We maintain our roading network. We resealed 63.8 Km of our sealed roading network.[8]
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.	☑ 98.5%	The footpath assessment is normally completed every three financial years and was previously last completed in 2021/2022. The survey was due to be completed in 2024/25 but completed instead in 2025/26 due to an oversight in scheduling.
We will provide a reliable roading network and will respond to customer service requests in a timely manner.	The percentage of customer service requests relating to roads and footpaths that we respond to within the time frame specified in	☒ 86%	90% of urgent requests responded to within one working day.	☑ 94%	This measure shows how quickly we respond to customer requests relating to urgent roading callouts. Of the 17 urgent callouts received, 16 were responded to within one working day.

[5] There were 5 fatal crashes and 17 serious injury crashes on our local roads this year.
[6] The data for this measure is extracted from Asset & Work Manager and reported on in the Road Efficiency Group Transport Insights website. This measure only applies to Council owned sealed roads in the district and does not include unsealed roads, State Highways, or private roads. 88% of kilometres travelled on sealed urban roads were considered smooth, and 99% of kilometres travelled on rural roads were considered smooth
[7] Performance against this measure is calculated by dividing the total length of sealed roads resurfaced during the reporting period by the total length of Council's sealed local road network, expressed as a percentage. The total sealed road network length is determined using Council's road asset management records and includes all sealed local roads for which Council is responsible.
[8] This result includes Rejuvenation Seal and Reseal. Council's inability to hit its full roading resurfacing and renewal targets for the 2025/26 year stems from tight balancing acts in its Long-Term Plan (LTP), shifting regulatory frameworks, and inflationary environment pressures.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	our Long Term Plan.* [9]	☑ 81%	80% of non-urgent requests responded to within five working days.	☑ 81%	This measure shows how quickly we respond to customer requests relating to non-urgent roading callouts. Of the 657 roading requests received, 530 were responded to within 5 working days.
Our local roading network will meet community needs and expectations.	The percentage of customers satisfied/very satisfied with the maintenance of Council's roading network.	☑ 65%	60% or more satisfied/ very satisfied.	☑ 70%	By maintaining our roading network, Council is helping keep our community safely connected. These results show that residents are satisfied with the standard of road maintenance delivered.

[9] Performance against this measure is calculated by dividing the number of customer service requests relating to roads and footpaths that were responded to within the timeframe specified in Council's Long Term Plan by the total number of roads and footpaths customer service requests received during the reporting period, expressed as a percentage. Response times are measured using Council's customer request management system and assessed against the service timeframes defined in the Long Term Plan.

LTP budget 2024/25	Actual 2024/25	Funding Impact Statement – Roading 2025/26	LTP budget 2025/26	Actual 2025/26
$000	$000		$000	$000
9,336	9,402	General rates, uniform annual general charges, rates penalties	9,501	9,335
-	-	Targeted rates	-	-
3,803	3,501	Subsidies and grants for operating purposes	4,162	3,650
324	314	Fees and charges	309	320
287	305	Internal charges and overheads recovered	270	230
220	221	Local authorities fuel tax, fines, infringement fees, and other receipts	225	229
13,970	**13,743**	**Total operating funding (A)**	**14,467**	**13,764**
7,805	7,897	Payments to staff and suppliers	8,155	8,320
375	247	Finance costs	365	281
1,411	1,705	Internal charges and overheads applied	1,424	1,575
-	-	Other operating funding applications	-	-
9,591	**9,849**	**Total applications of operating funding (B)**	**9,944**	**10,176**
4,379	**3,894**	**Surplus (deficit) of operating funding (A – B)**	**4,523**	**3,588**
3,631	4,283	Subsidies and grants for capital expenditure	3,821	4,006
221	1,020	Development and financial contributions	226	505
(1)	13	Increase (decrease) in debt	192	238
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
3,851	**5,316**	**Total sources of capital funding (C)**	**4,239**	**4,749**
		Capital expenditure		
260	10	—to meet additional demand	690	16
850	1,382	—to improve the level of service	579	1,233
7,120	7,818	—to replace existing assets	7,493	7,088
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
8,230	**9,210**	**Total applications of capital funding (D)**	**8,762**	**8,337**
(4,379)	**(3,894)**	**Surplus (deficit) of capital funding (C – D)**	**(4,523)**	**(3,588)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Our roading network is funded jointly with NZTA, and the work programme they approved for the year changed from what was assumed in the Long Term Plan, with less funding available for both maintenance and capital work. Day-to-day maintenance costs came in close to budget.

Capital and renewal spending was $0.4 million below plan. Less was delivered in the low cost, low risk and local road improvement categories, the resealing programme did not reach the planned level of delivery due to cost pressures, and a new contract for replacing bridge and structure components was still being established.

Against that, external funding secured for district accessibility improvements and connectivity projects — work that was not in the Long Term Plan — allowed us to deliver additional improvements across our town centres. Development contributions were also above the Long Term Plan, although they were lower than last year as development activity across the district has slowed.

Te para me te whakahōu | Rubbish and recycling

Ā mātou mahi | What we do

Our rubbish and recycling activities (also known as our Solid Waste activity) currently provide kerbside rubbish and recycling collection services to over 10,000 households across the district. We operate three transfer stations located at Matamata, Morrinsville, and Waihou. Additionally, we have three closed landfills at Matamata, Morrinsville, and Waihou that we monitor to prevent environmental or public health risks. We fund waste minimisation programs through Enviroschools throughout the district. We also contribute to community projects through Para Kore and fund one off workshops with Waste-ED.

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.

A Ministry for the Environment mandated requirement to provide a food scraps collection to all urban areas of over 1,000 people no later than 2027 was introduced then later rescinded. In September 2023, Council transitioned to a new kerbside collection service that incorporated this new service to meet the earlier mandated requirements.

Ō mātou whakatutukitanga | Our achievements

Since its inception in September 2023, our food scraps collection programme has diverted 1,275.46 tonnes of food waste from landfill. We ran a number of waste reduction campaigns, including ongoing funding for the Zero Waste in Schools programme, which supports 26 schools that educate our young people on sustainability and waste minimisation. Thanks to the new Tyrewise product stewardship, we can now accept up to 5 end-of-life tyres (per person) free of charge at our refuse transfer stations. Additionally, we offer an e-waste collection and a battery station that accepts both acid-lined and lithium-powered batteries. We are making strong progress in waste reduction and sustainability through impactful programs, educational initiatives, and expanded waste disposal services.

Oranga | Wellbeing

The Rubbish and Recycling activity contributes to the **social**, **economic** 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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.	☑ 84%	65% or more satisfied/ very satisfied.	☑ 83%	Residents who receive kerbside rubbish and recycling collection services report high levels of satisfaction, with survey respondents describing the service as generally good. Other feedback includes larger rubbish bins and requesting weekly rubbish collection.
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.	☑ 82%	70% or more satisfied/ very satisfied.	☑ 86%	Respondents to our survey are satisfied with our transfer stations and note the friendliness and helpfulness of staff. Respondents also note dissatisfaction with the cost and opening hours of our transfer stations.
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).	☑ 50%	50% 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 49.7%.
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 to those resource consents).	☑ Zero (0)	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.

Funding Impact Statement – Rubbish and recycling 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
1,965	1,979	General rates, uniform annual general charges, rates penalties	2,047	1,627
2,544	2,517	Targeted rates	2,650	2,740
260	720	Subsidies and grants for operating purposes	266	806
880	907	Fees and charges	899	1,053
1	1	Internal charges and overheads recovered	1	1
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
5,650	**6,124**	**Total operating funding (A)**	**5,863**	**6,227**
5,108	5,997	Payments to staff and suppliers	5,212	4,049
87	57	Finance costs	129	14
370	461	Internal charges and overheads applied	380	545
-	-	Other operating funding applications	-	-
5,565	**6,515**	**Total applications of operating funding (B)**	**5,721**	**4,608**
85	**(391)**	**Surplus (deficit) of operating funding (A – B)**	**142**	**1,619**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
414	1,556	Increase (decrease) in debt	1,388	(730)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
414	**1,556**	**Total sources of capital funding (C)**	**1,388**	**(730)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
500	521	—to improve the level of service	1,532	6
-	-	—to replace existing assets	-	310
(1)	644	Increase (decrease) in reserves	(2)	573
-	-	Increase (decrease) of investments	-	-
499	**1,165**	**Total applications of capital funding (D)**	**1,530**	**889**
(85)	**391**	**Surplus (deficit) of capital funding (C – D)**	**(142)**	**(1,619)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Income was $0.4 million above the Long Term Plan, helped by larger waste minimisation subsidies from the Ministry for the Environment and stronger transfer station revenue, particularly scrap metal. Kerbside collections are funded by a targeted rate on the properties that receive the service, while transfer stations and closed landfills are funded from general rates, and costs are now allocated between these services more precisely than the plan assumed.

Costs came in $1.1 million below plan. About half of that is a one-off: an amount set aside in 2024/25 for an unresolved contract matter was no longer required, and has been credited back to kerbside costs this year. Underlying costs were still lower than planned, and the transfer stations — run directly by Council for the first time this year — tracked well against budget.

Upgrading the Morrinsville Refuse Transfer Station took longer to design than expected, so most of the work will now happen in 2026/27 and that budget carries forward. Because the bulk of that work did not proceed this year, the borrowing allowed for in the Long Term Plan was not needed, and a larger than expected operating surplus funded the capital work we did carry out. Some of that surplus is waste minimisation funding, which must be set aside in a reserve until it is spent on waste minimisation work.

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 work collaboratively with our Roading team and Waikato Regional Council, Waikato Regional Council own, manage and maintain parts of the drainage system. Some parts of the urban stormwater network are located on private property. The maintenance of these drains is the responsibility of the property owner, and we work with owners on matters relating to these assets.

We undertake both planned and reactive maintenance to keep our stormwater network operating effectively. Asset renewals are also carried out to progressively replace infrastructure as it reaches the end of its useful life.

Oranga | Wellbeing

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

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 make sure 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 initial flood modelling for the district's main towns – Matamata, Morrinsville, Te Aroha and Waharoa – and are now finishing phase two, updating the model with as-built and surveyed data, as well as new LiDAR data, to improve its accuracy. This work helps Council identify areas at risk of flooding, make informed decisions about future development, assess how our infrastructure copes with extreme events, and support emergency planning and community preparedness.

We also lodged Comprehensive Stormwater and Wastewater Discharge Consents with Waikato Regional Council, covering discharges to the Waihou, Waitoa and Piako rivers. These consents are currently progressing toward finalisation, and aim to improve water quality through ongoing monitoring, addressing problems at the source, managing erosion issues, and ensuring new development meets discharge consent conditions.

Ō tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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.[10]
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: abate ment notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).*	☑ Zero (0)	Zero (0).	☑ (Zero)	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.[11]
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.
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).*	☑ 4.2 per 1,000 connections (42 total)	≤7 complaints per 1,000 connections per year.	☑ 2.3 per 1,000 connections (25 total)	The number of complaints received is an indication of the quality of stormwater services we are providing. There were 25 complaints received about the performance of our stormwater system.

[10] 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.

[11] During 2025/26, Council notified Waikato Regional Council of 10 stormwater-related incidents or events as required under its consent and regulatory obligations. Council received no abatement notices, infringement notices, enforcement orders, or convictions during the year. All incidents were investigated, reported, and managed with appropriate corrective actions where required.

Funding Impact Statement – Stormwater 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
148	149	General rates, uniform annual general charges, rates penalties	161	165
907	907	Targeted rates	992	1,009
-	-	Subsidies and grants for operating purposes	-	-
-	75	Fees and charges	-	-
178	213	Internal charges and overheads recovered	168	165
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
1,233	**1,344**	**Total operating funding (A)**	**1,321**	**1,339**
636	478	Payments to staff and suppliers	650	657
37	-	Finance costs	86	1
271	323	Internal charges and overheads applied	282	331
-	-	Other operating funding applications	-	-
944	**801**	**Total applications of operating funding (B)**	**1,018**	**989**
289	**543**	**Surplus (deficit) of operating funding (A – B)**	**303**	**350**
-	-	Subsidies and grants for capital expenditure	-	-
-	1	Development and financial contributions	-	3
(32)	(363)	Increase (decrease) in debt	(32)	(68)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
(32)	**(362)**	**Total sources of capital funding (C)**	**(32)**	**(65)**
		Capital expenditure		
75	-	—to meet additional demand	128	31
1,575	296	—to improve the level of service	434	200
-	-	—to replace existing assets	511	52
(1,393)	(115)	Increase (decrease) in reserves	(802)	2
-	-	Increase (decrease) of investments	-	-
257	**181**	**Total applications of capital funding (D)**	**271**	**285**
(289)	**(543)**	**Surplus (deficit) of capital funding (C – D)**	**(303)**	**(350)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan
Stormwater is one of our smaller activities, and income and day-to-day running costs both finished close to the Long Term Plan. Professional services work was a little slower than planned, although the funds remain committed.

Capital spending was $0.8 million below plan. Work did progress on a number of smaller improvements — including the Ridgeview Drive drain improvements in Te Aroha, the Te Aroha boat ramp drain, and connection, soakage and upgrade works at Waharoa, Matamata and Morrinsville — along with district-wide stormwater modelling and our comprehensive stormwater consent renewal, which sits with Waikato Regional Council. District-wide reticulation renewals are still to be scoped, however, and several projects were incomplete at year end, so those budgets carry forward to 2026/27.

Because we spent less on capital works than planned, we did not need to draw on our stormwater reserves as the Long Term Plan assumed. Those funds remain available to put towards this work when it proceeds.

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 comes from local industry. Industrial and commercial wastewater is regulated through trade waste agreements and the Trade Waste Bylaw 2011, with businesses paying the costs associated with treating their waste.

We maintain a reliable wastewater network through appropriate backup facilities, equipment, and trained staff to respond to service disruptions. Planned and reactive maintenance programmes help ensure the network remains in good condition and continues to operate effectively.

Te uptake | Why we do it

The wastewater service ensures that wastewater (sewage and the "grey" water that goes down household 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

Work on Matamata's new wastewater treatment plant continues and is approximately 60% complete at 30 June 2026. Project completion is targeted toward the end of 2026, with the commissioning set to begin in early October.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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).	☑ 0.7 (7 total)	≤1 complaint per 1,000 connections per year.	☑ 0.6 (7 total)	This measure indicates how well the wastewater network operates. There were a total of 7 dry weather overflows. [12]
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).	☑ Zero (0)	Zero (0).	☒ One (1)	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. Performance is considered on target when there are zero (0) notices, orders, or convictions. Council were convicted in November 2025 for exceeding consent limits of wastewater discharge between 2022 and 2023.[13]
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.	☑ 13 minutes	Median: 4 hours or less.	☑ 3 hours, 7 minutes	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 14 wastewater callouts. The median attendance time was 3 hours and 7 minutes.
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault.	☑ 4 hours, 32 minutes	Median: 24 hours or less.	☑ 5 hours, 37 minutes	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 14 wastewater callouts. The median

[12] At the time of the rates strike, there were 10,070 wastewater connections. This has been rounded to 10,100 connections.
[13] During 2025/26, Council notified Waikato Regional Council of 16 wastewater-related incidents or events as required under its consent and regulatory obligations. Council received one conviction during the year. All incidents were investigated, reported, and managed with appropriate corrective actions where required.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
					resolution time was 5 hours and 37 minutes.
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). • Sewage odour • Wastewater system faults • Wastewater system blockages Council's response to issues with our wastewater system. *	☑ 3.1 per 1,000 (31 in total)	≤16 complaints (across all categories) per 1,000 connections per year.	☑ 4.55 per 1,000 (46 in total)	This measure indicates customer and community satisfaction with the quality of the wastewater system and service provided. There were 39 complaints about blockages, 6 about odour, 1 about system faults, and 0 about Council's response. There were 46 complaints total.[14]
Our wastewater network will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's wastewater system.	☑ 95%	80% or more satisfied/very satisfied.	☑ 97%	Our residents are satisfied with our wastewater system. The results show consistent satisfaction from 2024/25.

[14] At the time of the rates strike, there were 10,070 wastewater connections. This has been rounded to 10,100 connections.

Funding Impact Statement – Wastewater 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
-	-	General rates, uniform annual general charges, rates penalties	-	-
8,671	8,653	Targeted rates	9,940	9,021
-	-	Subsidies and grants for operating purposes	-	-
1,078	747	Fees and charges	1,311	1,767
616	657	Internal charges and overheads recovered	581	494
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
10,365	**10,057**	**Total operating funding (A)**	**11,832**	**11,282**
5,761	4,560	Payments to staff and suppliers	5,885	5,579
1,187	721	Finance costs	2,345	1,713
701	1,394	Internal charges and overheads applied	732	1,731
-	-	Other operating funding applications	-	-
7,649	**6,675**	**Total applications of operating funding (B)**	**8,962**	**9,023**
2,716	**3,382**	**Surplus (deficit) of operating funding (A – B)**	**2,870**	**2,259**
-	-	Subsidies and grants for capital expenditure	-	-
1,694	2,143	Development and financial contributions	1,728	1,083
28,435	14,847	Increase (decrease) in debt	23,999	24,151
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
30,129	**16,990**	**Total sources of capital funding (C)**	**25,727**	**25,234**
		Capital expenditure		
8,012	4,001	—to meet additional demand	7,449	7,207
18,700	11,036	—to improve the level of service	14,832	17,742
5,750	4,289	—to replace existing assets	5,874	2,178
383	1,046	Increase (decrease) in reserves	442	366
-	-	Increase (decrease) of investments	-	-
32,845	**20,372**	**Total applications of capital funding (D)**	**28,597**	**27,493**
(2,716)	**(3,382)**	**Surplus (deficit) of capital funding (C – D)**	**(2,870)**	**(2,259)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

The year was dominated by the upgrade of the Matamata Wastewater Treatment Plant, which drove our capital programme and, as set out below, significantly impacted the day-to-day cost of running the activity. Around $24 million was spent on it this year, drawing on budget carried forward from 2024/25, which is why spending to improve the level of service ran well ahead of the LTP. Renewal work progressed more slowly - mainly pipe relining in Morrinsville and plant renewals at Te Aroha, Morrinsville and Tahuna - with the remaining budgets carried forward. Capital spending finished $1.0 million below plan.

Targeted rates were set $0.9 million lower than the LTP assumed, and trade waste income rose after charges to major industrial users were revised to better reflect treatment costs. The LTP also included $1.5 million of debt-funded desludging at Te Aroha and Morrinsville. That work is on hold pending an assessment of options and, with the Matamata plant starting later than planned, we carried less debt and interest costs came in below the LTP.

Setting desludging aside, the cost of running the network was significantly higher than the LTP allowed - around $1.2 million more, and higher again than the reduced budget set through the Annual Plan. Most of this came from keeping the Matamata plant within its consent conditions while the new plant is built, which required additional power and mechanical maintenance, and from compliance requirements at Te Aroha. Higher electrical maintenance, laboratory testing, ultraviolet bulb replacements, other regulatory and treatment contract costs, and the share of Council's internal service and overhead costs carried by this activity all added to the increase. Development contributions were below plan, as subdivision activity across the district has slowed.

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 around 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 water 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

We continued to strengthen drinking water compliance across all six water supplies during 2025/26. Independent auditing confirmed an overall improvement in compliance with the Drinking Water Quality Assurance Rules (DWQAR), with Morrinsville, Te Poi, Tahuna and Hinuera achieving near-full compliance, and Matamata and Te Aroha achieving near-full compliance. Compared with 2024/25, Matamata improved its bacteriological compliance from 96.0% to 100%, Morrinsville improved protozoal compliance from 99.7% to 100%, and Te Aroha significantly improved bacteriological compliance from 77% to 99.89%. Across all supplies, distribution zone monitoring achieved 100% compliance, demonstrating our ongoing commitment to providing safe and reliable drinking water to our communities.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Drinking Water Standards

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 equivalent rules set out in the DWQAR Treatment System and System Distribution rules are being reported on to meet the drinking water performance requirements.

Level of Service **We will provide safe and reliable water for household and business use (serviced properties)**				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Te Aroha Achieved (the equivalent standard)	**Bacteriological Compliance**			Te Aroha has a serviced population of 4,650 people.[15] The Te Aroha plant was not 100% compliant due to instrument glitches of 1minute duration in July, November, January, April and June. These 5 x 1 minute glitches resulted in a total of 5 non-compliant days during the compliance period.
	T3 Bacterial Rules	☒ Partially met (77%)	☒ Almost met (99.89%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules	☑ All met (100%)	☑ All met (100%)	
Morrinsville Achieved (the equivalent standard)	**Bacteriological Compliance**			Morrinsville has a serviced population of 9,003 people.[16] This is an aggregated result of the four Morrinsville sources; Lockerbie, Waterworks Rd, Scott Rd, and Morrinsville distribution zone.
	T3 Bacterial Rules	☑ All met (100%)	☑ All met (100%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules	☒ Almost met (99.7%)	☑ All met (100%)	
Matamata Achieved (the equivalent standard)	**Bacteriological Compliance**			Matamata has a serviced population of 9,132 people.[17] This is an aggregated result of the three different treatment plants in Matamata; Matamata WTP, Burwood Rd WTP, and Tawari St WTP. The three treatment plants service two distribution zones, Matamata and Waharoa. Tawari St cannot meet protozoal compliance due to sensor fouling issues on the UV units impacting the reported UV dose
	T3 Bacterial Rules	☒ Almost met (96.0%)	☑ All met (100%)	
	D3.29 Microbiological Monitoring Rule	☑ All met (100%)	☑ All met (100%)	
	D3.29 Microbiological Monitory Rule – Waharoa	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T3 Protozoal Rules – Matamata	☒ Almost met (98.9%)	☒ Almost met (99.87%)	

[15] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.
[16] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.
[17] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Three measures. Level Three Measures, as set by the Water Authority, is a supply that serves 500 or more people.

Level of Service We will provide safe and reliable water for household and business use (serviced properties)				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Te Poi Achieved (the equivalent standard)	**Bacteriological Compliance**			Te Poi has a serviced population of 100 people.[18] The Te Poi supply was compliant and all rules were met.
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	
	D2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Filtration Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	
Hinuera Achieved (the equivalent standard)	**Bacteriological Compliance**			Hinuera has a serviced population of 116 people.[19] The Hinuera supply was compliant and all rules were met.
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	
	T2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	
	Bacteriological Compliance			Tahuna has a serviced population of 120 people.[20] The Tahuna water supply was
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	

[18] As registered in Hinekōrako (register of drinking water supplies), and reports against the mandatory Level Two measures. Level Two Measures, as set by the Water Authority, are for supplies that service a population of 101 to 500 people.
[19] As registered in Hinekōrako (register of drinking water supplies), 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.
[20] 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.

Level of Service We will provide safe and reliable water for household and business use (serviced properties)				
Location and Target	**Compliance Rule**	**2024/25 Result**	**2025/26 Result**	**2025/26 Result comment**
Tahuna Achieved (the equivalent standard)	T2 Chlorine Rules	☑ All met (100%)	☑ All met (100%)	complaint and all rules were met.
	D2.1 Distribution System Rule	☑ All met (100%)	☑ All met (100%)	
	Protozoal Compliance			
	T2 Treatment Monitoring Rules	☑ All met (100%)	☑ All met (100%)	
	T2 UV Rules	☑ All met (100%)	☑ All met (100%)	

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
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*	☒ 33%	25% or less.	☒ 35%	Our result was calculated using the Minimum Night Flows (option 2 of the DIA methodology). This is rounded from 35.4%[21]
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: **Attendance for urgent call-outs:** from the time that we receive notification to the time that service personnel reach the site*	☑ 31 minutes	Median: 4 hours or less.	☑ 19 minutes	This measure indicates how quickly we attend urgent water call-outs. There were 12 urgent water call-outs. The median attendance time was 19 minutes.[22]
	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 hours, 30 minutes	Median: 24 hours or less.	☑ 4 hours, 19 minutes	This measure indicates how quickly we resolve urgent water call-outs. There were 12 urgent water call-outs. The median resolution time was 4 hours and 19 minutes.

[21] Water loss is calculated using methodology from the Department of Internal Affairs. The result is calculated by measuring the minimum nightly flows into our networks between approximately 1am and 3am, then subtracting large metered industrial consumptions and an allowance of 2.5L/hr/connection for overnight use (toilets etc). The result reflects an estimate of 'unknown' water usage such as leakage, unknown connections, and unauthorised usage.

[22] A water call-out is considered urgent when there is no water supply to a household or business.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	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: **Attendance for non-urgent call-outs:** from the time that we receive notification to the time that service personnel reach the site.* **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. *	☑ 2 days ☑ 2 days	Median: 3 working days or less. Median: 5 working days or less.	☒ 3.6 days ☑ 4 days	This measure indicates how quickly we attend non-urgent water issues. 395 non-urgent water callouts were received. The median attendance time to a call-out was 3.6 working days. This measure indicates how quickly we resolve non-urgent water issues. 395 non-urgent water call-outs were received. The median resolution time to a call-out was 4 working days.
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.*	☒ 9.21 per 1,000 connections (105 total)	≤9 complaints (across all categories) per 1,000 connections per year.	☑ 6.6 per 1,000 connections (70 total)	This measure shows community satisfaction with the quality of the water supply, and our response to issues. A total of 70 drinking water complaints were received.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
Our water assets are managed adequately for the future.	The average consumption of drinking water per day per resident within the district.*	☑ 294 litres per person per day	≤500 litres per urban resident per day.	☑ 370 litres per person per day	This measure shows the average consumption of drinking water. The increase is due to the different methodology used when dealing with the manual meter data.
Our water systems will meet community needs and expectations.	The percentage of users satisfied/very satisfied with Council's water supply.	☑ 81%	70% or more satisfied/ very satisfied.	☑ 82%	Our residents are satisfied with our water system. The results show consistent satisfaction from 2024/25.

Funding Impact Statement – Water 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
-	-	General rates, uniform annual general charges, rates penalties	-	-
10,891	10,996	Targeted rates	11,287	11,663
-	800	Subsidies and grants for operating purposes	-	224
11	115	Fees and charges	11	87
72	77	Internal charges and overheads recovered	68	55
-	-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-
10,974	**11,988**	**Total operating funding (A)**	**11,366**	**12,029**
5,208	4,707	Payments to staff and suppliers	5,320	5,162
1,132	868	Finance costs	1,286	883
1,163	2,174	Internal charges and overheads applied	1,157	2,415
-	-	Other operating funding applications	-	-
7,503	**7,749**	**Total applications of operating funding (B)**	**7,763**	**8,460**
3,471	**4,239**	**Surplus (deficit) of operating funding (A – B)**	**3,603**	**3,569**
-	-	Subsidies and grants for capital expenditure	-	-
190	1,010	Development and financial contributions	193	197
5,548	511	Increase (decrease) in debt	3,721	589
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
5,738	**1,521**	**Total sources of capital funding (C)**	**3,914**	**786**
		Capital expenditure		
2,200	1,353	—to meet additional demand	-	36
700	725	—to improve the level of service	2,401	713
6,309	3,682	—to replace existing assets	5,116	3,606
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
9,209	**5,760**	**Total applications of capital funding (D)**	**7,517**	**4,355**
(3,471)	**(4,239)**	**Surplus (deficit) of capital funding (C – D)**	**(3,603)**	**(3,569)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Water rates were set higher than the LTP to meet the rising cost of running our treatment plants and networks, and we also received government funding towards preparing our Water Service Delivery Plan. Income finished $0.7 million above plan, although metered water income was a little softer, mainly reflecting lower use by one large industrial customer.

Running costs were $0.7 million above plan. Most of this is the cost of Council's in-house water and wastewater team and plant that was not charged directly to jobs and is instead spread across the activities they support. Mechanical maintenance at the treatment plants and regulatory levies were also higher, partly offset by savings in laboratory testing, materials and chemicals.

The capital programme finished $3.2 million below LTP. We did complete a good amount of work — renewing water pipes in Morrinsville, Te Aroha and Matamata, a new bore at Tahuna, the Te Aroha water consent renewal, and repairs at the Morrinsville and Te Aroha treatment plants — but other projects, including the Morrinsville plant ultraviolet treatment installation, were rephased and those budgets carry forward. Because less was spent, we borrowed considerably less than the LTP assumed.

Whakaaetnga 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

Compliance and Animal Control continued to deliver strong regulatory outcomes for the district through the implementation of a new Compliance and Enforcement Policy, enhanced staff training, improved enforcement processes, and a greater focus on risk-based service delivery. The team also progressed the automation of alcohol licensing administration, supporting more efficient and digitally enabled services. Animal Control maintained high levels of responsiveness to community concerns, strengthened officer safety practices, and continued to support responsible dog ownership and community safety. A total of 59 dogs were successfully rehomed during the year, contributing to positive animal welfare outcomes and reducing pressure on animal control facilities.

Also, the Building Consent Authority received a low-risk rating at its last IANZ Accreditation assessment.

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 tatou hua ā-hapori | Community outcomes



This activity affects **all** of Council's community outcomes

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
Te whakahaere | Animal control					
Any disturbances caused by animals will be investigated quickly and efficiently.	The percentage of complaints investigated within set timeframes.	☑ 96%	95% within adopted timeframes.	☑ 97%	This measure shows how quickly and efficiently we respond to complaints about animals, such as dogs and stock. Of the 839 complaints received, 811 were investigated within adopted timeframes. This result has been rounded from 96.66%.
Ngā whakaaetanga ā-whare te matai | Building consents and monitoring					
Building consents will be administered quickly and efficiently.	The percentage of building consents processed within statutory timeframes.	☒ 93%	100% processed within statutory timeframes.	☒ 98%	This result shows how quickly and efficiently Council processes building consents. Of the 760 building consents received, 742 were processed within statutory timeframes. This result has been rounded from 97.6%
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 2026. It is noted that we no longer register hairdressers and therefore they are no longer included in this reporting.
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	☑ 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 2026.

Level of Service	Performance Measure	2024/25 Result	2025/26 Target	2025/26 Result	2025/26 Result comment
	excludes those Clubs that have been assessed as a 'very low' risk rating by Council.				
We will act on all noise complaints we receive.	The percentage of after-hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours.	☒ 99%	100% responded to within two hours.	☑ 100%	This measure shows that Council is protecting the wellbeing of the community by responding to noise complaints quickly. Of the 307 noise complaints received, all were responded to within two hours.
Ngā whakaaetanga ā-rawa me te matai | Resource consents and monitoring					
Resource consents will be administered quickly and efficiently.	The percentage of resource consents processed within statutory timeframes.	☒ 92%	100% processed within statutory timeframes.	☒ 92%	This measure shows whether Council is processing resource consents on a timely basis. Of the 247 consents processed, 227 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%.	☒ 91%	This measure shows that the conditions of resource consents are being upheld to protect our community and environment. Of the 134 land use consents that were granted, 122 consents were monitored within four months of being granted.

Funding Impact Statement – Consents and licensing 2025/26				
LTP budget 2024/25	**Actual 2024/25**		**LTP budget 2025/26**	**Actual 2025/26**
$000	**$000**		**$000**	**$000**
3,933	3,961	General rates, uniform annual general charges, rates penalties	4,103	4,454
-	-	Targeted rates	-	-
-	-	Subsidies and grants for operating purposes	-	-
4,088	4,500	Fees and charges	4,177	5,301
-	-	Internal charges and overheads recovered	-	-
39	55	Local authorities fuel tax, fines, infringement fees, and other receipts	39	57
8,060	**8,516**	**Total operating funding (A)**	**8,319**	**9,812**
5,603	5,176	Payments to staff and suppliers	5,774	5,954
65	59	Finance costs	61	10
2,125	2,382	Internal charges and overheads applied	2,214	2,348
-	-	Other operating funding applications	-	-
7,793	**7,617**	**Total applications of operating funding (B)**	**8,049**	**8,312**
267	**899**	**Surplus (deficit) of operating funding (A – B)**	**270**	**1,500**
-	-	Subsidies and grants for capital expenditure	-	-
-	-	Development and financial contributions	-	-
(267)	(899)	Increase (decrease) in debt	(270)	(1,500)
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
(267)	**(899)**	**Total sources of capital funding (C)**	**(270)**	**(1,500)**
		Capital expenditure		
-	-	—to meet additional demand	-	-
-	-	—to improve the level of service	-	-
-	-	—to replace existing assets	-	-
-	-	Increase (decrease) in reserves	-	-
-	-	Increase (decrease) of investments	-	-
-	**-**	**Total applications of capital funding (D)**	**-**	**-**
(267)	**(899)**	**Surplus (deficit) of capital funding (C – D)**	**(270)**	**(1,500)**
-	**-**	**Funding balance ((A – B) + (C – D))**	**-**	**-**

Significant Variations from the Long Term Plan

Building and resource consent activity was much busier than expected, and fees and charges finished $1.1 million above the LTP. Building consent income was well above what we had budgeted for the year, and licensing and health income was also above plan.

Handling that extra work meant greater use of consultants and more support from other teams across Council, although staff vacancies during the year offset much of that, so costs finished only $0.3 million higher than planned. These costs are largely recovered from the applicants who generate the work.

Rates funding for this activity increased slightly from the LTP to cover reduced income expectations and higher overhead costs. With consenting income well ahead of budget, the resulting surplus was used to reduce debt attributed to this activity by $1.5 million.

SECTION 6:

Ngā Pānui Ā-Pūtea | Financial Statements



Statement of comprehensive revenue and expense

For the year ended 30 June 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Revenue				
59,206	Rates	2	62,249	62,271
9,492	Subsidies and grants	2	8,065	8,874
11,019	Fees and charges	2	12,225	13,899
4,669	Development and financial contributions		2,203	2,152
1,035	Interest revenue	2	531	888
9,533	Vested and found assets	12	204	6,021
1,626	Other revenue	2	259	7,527
96,580	**Total revenue**		**85,736**	**101,632**
Expenses				
27,107	Personnel costs	3	31,237	30,689
22,167	Depreciation and amortisation	14	23,932	25,664
3,324	Finance costs	4	3,471	3,913
36,481	Other expenses	5	30,318	36,543
89,079	**Total expenses**		**88,958**	**96,809**
7,501	**Surplus/(deficit)**		**(3,222)**	**4,823**
Other comprehensive revenue and expense				
6,037	Financial assets at fair value through other comprehensive revenue and expense	20	-	3,972
236,391	Property, plant and equipment revaluations	20	25,637	(785)
242,428	**Total other comprehensive revenue and expense**		**25,637**	**3,187**
249,929	**Total comprehensive revenue and expense**		**22,415**	**8,010**

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 the year ended 30 June 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
966,333	**Balance at 1 July**		**982,765**	**1,216,262**
249,929	Total comprehensive revenue and expense for the year		22,415	8,010
1,216,262	**Balance at 30 June**		**1,005,180**	**1,224,272**

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 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Assets				
Current assets				
8,679	Cash and cash equivalents	6	570	2,433
5,899	Receivables	7	7,144	8,195
1,373	Prepayments		700	1,388
908	Inventory	8	919	480
270	Non-current assets held for sale	9	-	1,463
-	Derivative financial instruments	10	-	17
	Other financial assets			
13,500	- Term Deposits	11	14,079	3,900
311	- Investments in CCOs and other similar entities	11	273	5,532
30,940	**Total current assets**		**23,685**	**23,408**
Non-current assets				
205	Derivative financial instruments	10	-	69
	Other financial assets			
44,330	-Investments in CCOs and other similar entities	11	37,029	47,825
116	-Investments in other entities	11	111	116
1,243,582	Property, plant and equipment	12	1,066,462	1,273,637
471	Intangible assets	13	609	284
1,288,704	**Total non-current assets**		**1,104,211**	**1,321,931**
1,319,644	**Total assets**		**1,127,896**	**1,345,339**
Liabilities				
Current liabilities				
12	Derivative financial instruments	10	-	25
13,712	Payables and deferred revenue	15	10,297	17,311
13,500	Borrowings	16	13,500	47,000
3,222	Employee entitlements	17	2,669	3,675
42	Provisions	18	80	66
30,488	**Total current liabilities**		**26,546**	**68,077**
Non-current liabilities				
599	Derivative financial instruments	10	-	697
71,500	Borrowings	16	95,584	51,500
411	Employee entitlements	17	370	479
384	Provisions	18	216	314
72,894	**Total non-current liabilities**		**96,170**	**52,990**
103,382	**Total liabilities**		**122,716**	**121,067**
1,216,262	**Net assets (assets minus liabilities)**		**1,005,180**	**1,224,272**
Equity				
493,092	Accumulated funds	20	474,635	496,259
723,170	Other reserves	20	530,545	728,013
1,216,262	**Total equity**		**1,005,180**	**1,224,272**

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 2026

Actual 2024/25 $000		Notes	Annual Plan 2025/26 $000	Actual 2025/26 $000
Cash flows from operating activities				
59,155	Receipts from rates revenue		61,919	62,424
9,239	Subsidies and grants received		8,053	9,029
10,155	Fees and charges received		12,180	12,860
4,437	Development and financial contributions received		2,066	1,850
1,070	Interest received		531	812
-	Dividends received		-	70
1,626	Receipts from other revenue		463	6,708
(33,992)	Payments to suppliers		(30,629)	(34,655)
(26,480)	Payments to employees		(30,951)	(30,168)
(3,270)	Interest paid		(3,500)	(3,600)
(1,645)	GST (net)		-	(241)
20,295	**Net cash flows from operating activities**		**20,132**	**25,089**
Cash flows from investing activities				
171	Proceeds from the sale of property, plant and equipment		-	120
400	Proceeds from sale/maturity of investments		-	13,500
386	Proceeds from the sale of own your own properties		-	-
(41,957)	Purchase of property, plant and equipment		(58,493)	(48,932)
(267)	Purchase of intangible assets		(280)	(71)
(1,302)	Purchase of investments		(96)	(8,644)
-	Purchase of own your own properties		-	(808)
(42,569)	**Net cash flows from investing activities**		**(58,869)**	**(44,835)**
Cash flows from financing activities				
31,500	Proceeds from borrowings		52,466	27,000
(12,000)	Repayment of borrowings		(13,500)	(13,500)
19,500	**Net cash flows from financing activities**		**38,966**	**13,500**
(2,774)	**Net (decrease)/increase in cash and cash equivalents**		**229**	**(6,246)**
11,453	Cash and cash equivalents at the beginning of the year		341	8,679
8,679	**Cash and cash equivalents at the end of the year**	**6**	**570**	**2,433**

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 2026
Reconciliation of surplus/(deficit) to net cash flow from operating activities.

Actual 2024/25 $000		Actual 2025/26 $000
7,501	**Surplus/(deficit)**	**4,823**
	Add/(less) non-cash items	
22,167	Depreciation and amortisation expense	25,664
(9,533)	Vested and found assets revenue	(6,021)
1,671	(Gains)/losses on derivative financial instruments	229
434	Assets under construction reclassified as operating expenditure	372
-	Write-down of inventory	550
-	Write-off of intangible assets	57
-	Non-cash movements in provisions	237
(382)	Other non-cash operating items	1
14,357	**Total non-cash items**	**21,089**
	Add/(less) items classified as investing or financing activities	
841	(Gains)/losses on disposal of property, plant and equipment	662
-	Movement in capital creditors	(2,888)
841	**Total items classified as investing or financing activities**	**(2,226)**
	Add/(less) movements in working capital items	
(1,186)	(Increase)/decrease in receivables	(2,296)
(682)	(Increase)/decrease in prepayments	(15)
(30)	(Increase)/decrease in inventory	(122)
(1,024)	Increase/(decrease) in payables and deferred revenue	3,599
627	Increase/(decrease) in employee entitlements	521
(109)	Increase/(decrease) in provisions	(284)
(2,404)	**Net movement in working capital items**	**1,403**
20,295	**Net cash inflow/(outflow) from operating activities**	**25,089**

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 and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the Local Government Act 2002 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 2026. The financial statements were authorised for issue by Council on 28 October 2026.

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 Local Government Act 2002, 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 some of the remuneration and severance payment disclosures in Note 3, and the related party transaction disclosures in Note 21. Those remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Standards issued and not yet effective, and not early adopted

Standards and amendments issued but not yet effective, that have not been early adopted and relevant to Council are:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or non-current. The amendment is effective for the year ending 30 June 2027. Council has not yet assessed in detail the impact of these amendments on the financial statements.

Changes in accounting policies

There have been no 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 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 2025/26 in its Annual Plan for the year ended 30 June 2026. 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

2024/25 $000		2025/26 $000
35,671	General rates	37,374
	Targeted rates attributable to activities:	
3,978	- Metered water supply	3,705
7,018	- Other water rates	7,958
9,199	- Wastewater	9,562
907	- Stormwater	1,009
2,518	- Refuse	2,740
109	- Halls	109
387	Rates penalties	391
(581)	Rates remissions	(577)
59,206	**Total rates**	**62,271**

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 2026 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

(ii) Breakdown of subsidies and grants

2024/25 $000		2025/26 $000
	Subsidies and grants for operating purposes	
3,501	NZ Transport Agency Waka Kotahi roading subsidies	3,648
113	Three Waters reform transition funding	-
720	Waste minimisation funding	806
871	Better-off funding	357
4	Other government subsidies and grants	57
5,209	**Total subsidies and grants for operating expenditure**	**4,868**
	Subsidies and grants for capital expenditure	
3,851	NZ Transport Agency Waka Kotahi roading subsidies	3,676
432	Better-off funding	330
4,283	**Total subsidies and grants for capital expenditure**	**4,006**
9,492	**Total subsidies and grants**	**8,874**

(iii) Breakdown of fees and charges

2024/25 $000		2025/26 $000
108	Property lease revenue	116
1,424	Property rental charges	1,580
747	Trade waste charges	1,767
2,069	Building consent charges	2,659
1,643	Resource consent charges	1,791
312	Liquor and health licensing fees	355
907	Rubbish and recycling charges	1,053
1,709	Aquatic facilities revenue	1,679
33	Library charges	32
392	Cemetery fees and charges	533
432	Community facilities charges	509
1,243	Other user charges	1,825
11,019	**Total fees and charges**	**13,899**

(iv) Breakdown of interest revenue

2024/25 $000		2025/26 $000
866	Term and on-call deposits	667
169	Listed bonds and borrower notes	116
-	Interest on Establishment Funding advanced to Waikato Waters Limited	105
1,035	**Total interest revenue**	**888**

(v) Breakdown of other revenue

2024/25 $000		2025/26 $000
55	Fines and infringement fees	57
221	Petrol tax	229
1,350	Bequests and other donations	6,422
-	Dividend revenue	70
-	Cost recoveries from Waikato Waters Limited	749
1,626	**Total other revenue**	**7,527**

Bequests and other donations
$6.4 million in donations were received during the year towards the construction of the Open Country Community Stadium in Matamata that was completed and opened in February 2026 (2025: $1.35 million).

Cost recoveries from Waikato Waters Limited
Under clause 2.7 of the Shareholders' Agreement dated 23 July 2025, Waikato Waters Limited (WWL) is required to reimburse Council for Establishment Costs and Transitional Activity Costs. Cost recoveries of $334,482 (Establishment Costs) and $415,317 (Transitional Activity Costs) have been recognised as other revenue (notes 7 and 21).

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

3. Personnel costs

Accounting policy
Employee benefits and elected representatives remuneration are recognised as employees and elected representatives provide services to the Council. Personnel costs that are directly attributable to the construction of Council assets are capitalised as part of the cost of those assets in accordance with the Council's property, plant and equipment accounting policies. All other personnel costs are recognised as an operating expense when incurred.
The specific accounting policies for significant personnel cost items are explained below:

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

2024/25 $000		2025/26 $000
25,816	Salaries and wages	29,378
664	Defined contribution plan employer contributions	789
627	Increase/(decrease) in employee entitlements	522
27,107	**Total personnel costs**	**30,689**

Chief Executive remuneration
The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive was $368,666 (2025: $655,703). In 2024/25 the Chief Executive that departed in that year 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.

Elected representatives' remuneration
During the 2025/26 financial year, local government elections were conducted, resulting in the appointment of seven new elected members to the Council for the 2025-2028 triennium. The transition of the elected members occurred on 28 October 2025.

Elected representatives received the following remuneration:

2024/25		2025/26
-	Mayor Ashley Tanner	110,503
39,430	(Former Councillor, Current Deputy Mayor) James Sainsbury	50,436
47,315	(Former Deputy Mayor, Current Councillor) James Thomas	46,091
39,430	Councillor Bruce Dewhurst	42,404
39,430	Councillor Sue Whiting	39,902
39,430	Councillor Dayne Horne	42,404
39,430	Councillor Gary Thompson	39,902
-	Councillor Vincent Andersen	27,876
-	Councillor Sailimalo Rewiti Vaimoso	30,378
-	Councillor Grace Bonnar	27,876
-	Councillor Tyrel Glass	27,876
-	Councillor Andrew McGiven	31,660
-	Councillor Greg Marshall	27,876
143,965	Outgoing Mayor Adrienne Wilcock	43,850
39,430	Outgoing Councillor Kevin Tappin	12,026
39,430	Outgoing Councillor Russell Smith	12,026
39,430	Outgoing Councillor Caleb J Ansell	12,026
39,430	Outgoing Councillor Sarah-Jane Bourne	12,026
39,430	Outgoing Councillor Sharon Dean	12,026
39,430	Outgoing Councillor Peter Jager	12,026
625,010	**Total elected representatives' remuneration**	**661,190**

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.

Council employee remuneration by band[23]

Total annual remuneration by band for employees (including the Chief Executive) as at 30 June:	2025/26 Number of employees
<$60,000	93
$60,000 - $79,999	98
$80,000 - $99,999	71
$100,000 - $119,999	55
$120,000 - $139,999	22
$140,000 - $159,999	11
$160,000 - $179,999	9
$180,000 - $379,999	6
Total employees	**365**

Total remuneration includes non-financial benefits provided to employees.

[23] In addition to the remuneration disclosed above, Sue Whiting and Kevin Tappin and Sarah-Jane Bourne received District Licensing Committee fees of $8755 and $0 and $0 respectively in 2026 (2025: $6284 and $156 and $102). These fees are set under section 195 of the Sale and Supply of Alcohol Act 2012 rather than the Local Government Elected Members Determination.

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

At balance date, the Council employed 240 (2025: 229) full-time employees, with the balance of staff representing 58 (2025: 56) 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 2026 (2025: 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

2024/25 $000		2025/26 $000
	Interest expense:	
3,677	Interest on borrowings	3,674
15	Discount unwind on provisions (note 18)	10
	Interest derivatives (presented net):	
(368)	Held for trading interest rate swaps	229
3,324	**Total finance costs**	**3,913**

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

2024/25 $000		2025/26 $000
	Fees incurred for services provided by the audit firm:	
	Audit of the financial report	
-	Audit of the financial report 2025/26	263
251	Audit of the financial report 2024/25 (including additional recoveries)	40
59	Audit of the financial report 2023/24	-
	Audit or review related services	
9	Limited assurance report for Debenture Trust Deed (assurance engagement)	9
	Other assurance services and other agreed-upon procedures engagements	
20	Independent assessment of Matamata Wastewater Treatment Plant upgrade procurement process (assurance engagement)	-
-	Independent assurance over the tender process for the Roading Network Maintenance and Resealing contract (assurance engagement)	15
	Other expenses:	
663	Donations and grants	655
1,438	Insurance premiums	1,412
(2)	Movement in allowance for expected credit losses on receivables (note 7)	-
182	Operating lease expense	122
(109)	Review of provisions (note 18)	197
1,671	Unrealised loss on interest rate swaps	229
841	Net loss on disposal of property, plant and equipment	661
-	Write-down of inventory (note 8)	550
31,458	Other operating expenses	32,390
36,481	**Total other expenses**	**36,543**

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

2024/25 $000		2025/26 $000
3,179	Cash at bank and on hand	2,433
5,500	Term deposits with maturities of less than three months at acquisition	-
8,679	**Total cash and cash equivalents**	**2,433**

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 (refer note 11), of $4,729,000 (2025: $3,923,000) 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

2024/25 $000		2025/26 $000
1,654	Rates receivables	1,739
761	Metered water rates receivables	566
991	NZ Transport Agency Waka Kotahi subsidy	812
1,147	**Other general receivables**	2,510
-	Receivable from Waikato Waters Limited – Establishment costs	334
-	Receivable from Waikato Waters Limited – Transitional activity costs	415
800	GST receivable	1,041
561	Accrued income	793
5,914	**Receivables (gross)**	**8,210**
(15)	Less allowance for credit losses	(15)
5,899	**Total receivables**	**8,195**
	Total receivables comprise:	
5,564	Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	7,034
335	Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,161

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 (2025: Nil)
- Section 90B: Nil (2025: Nil)

Receivable from Waikato Waters Limited
Establishment Costs of $334,482 were incurred by Council before 1 July 2025 in relation to the Local Water Done Well programme. Under clause 2.7 of the Shareholders' Agreement dated 23 July 2025, Waikato Waters Limited (WWL) is required to repay these costs. The amount was received in full on 1 July 2026 (note 22).

Transitional Activity Costs of $415,317 were incurred by Council during the year in transitioning its water services to WWL, and are recoverable from WWL under clause 9.1(h) of the Shareholders' Agreement dated 23 July 2025. No allowance for expected credit losses has been recognised.

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 2024/25 $000	Expected credit loss rate 2024/25	Lifetime ECL 2025 $000		Gross 2025/26 $000	Expected credit loss rate 2025/26	Lifetime ECL 2026 $000
548	0.00%	-	Not past due	364	0.00%	-
96	0.00%	-	Past due 1 – 60 days	1,349	0.00%	-
(18)	0.00%	-	Past due 61 – 90 days	61	0.00%	-
521	2.81%	15	Past due > 90 days	736	2.05%	15
1,147		**15**	**Total**	**2,510**		**15**

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

Movements in the allowance for credit losses are as follows:

2024/25 $000		2025/26 $000
17	**Opening balance for credit losses at 1 July**	**15**
5	Additional provisions made during the year	9
-	Provisions reversed during the year	-
(7)	Other general receivables written off during the year	(9)
15	**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 except for infrastructural asset costs, which are capitalised to property, plant and equipment.

Breakdown of inventory and further information:

2024/25 $000		2025/26 $000
	Non-commercial inventory:	
358	Inventory held for distribution	480
550	Wastewater treatment plant parts	-
908	**Total inventory**	**480**

Inventory was written down by $550,000 during the year (2025: Nil). The write-down relates to a centrifuge system at the Morrinsville wastewater treatment plant, which was decommissioned and has since been held as inventory. The system cannot be recommissioned and is no longer supported by the manufacturer, and its remaining componentry has no service potential to the Council. The full carrying amount has accordingly been written down to nil and recognised in the surplus or deficit (note 5). There have been no reversals of write-downs (2025: Nil). No inventory is pledged as security for liabilities or is subject to retention of title clauses (2025: 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:

2024/25 $000		2025/26 $000
-	Own your own properties	1,193
270	Land	270
270	**Total non-current assets held for sale**	**1,463**

At 30 June 2026, Council has three 'own your own' properties in Morrinsville that are being actively marketed for sale.

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.

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:

2024/25 $000		2025/26 $000
	Interest rate swaps – reported as financial instruments at fair value through surplus or deficit, comprising:	
-	Current assets	17
205	Non-current assets	69
205	**Total derivative financial instrument assets**	**86**
12	Current liabilities	25
599	Non-current liabilities	697
611	**Total derivative financial instrument liabilities**	**722**

The notional principal amounts of the outstanding interest rate swap contracts for the Council were $76 million (2025: $80 million). At 30 June 2026, the fixed interest rates of the interest rate swaps ranged from 1.92% to 4.10% (2025: 1.92% to 4.10%).

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.

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

2024/25 $000		2025/26 $000
	Current	
	Term deposits	
13,500	Term Deposits with maturities of more than three months at acquisition	3,900
13,500	**Total term deposits**	**3,900**
	Investment in CCOs and similar entities	
311	New Zealand Local Government Funding Agency – borrower notes	478
-	Waikato Waters Limited – Establishment Funding advance including interest	5,054
311	**Total current investment in CCOs and similar entities**	**5,532**
	Non-current	
	Investment in CCOs and similar entities	
2,552	New Zealand Local Government Funding Agency – borrower notes	2,075
41,730	Waikato Regional Airport Limited	45,702
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
44,330	**Total non-current investment in CCOs and similar entities**	**47,825**
	Investments in other entities	
116	Civic Financial Services Limited	116
116	**Total non-current investment in other entities**	**116**

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 $2,553,000 in borrowing notes invested with the Local Government Funding Agency at floating rates of interest (2025: $2,863,000). These will mature between October 2026 and April 2029.

Waikato Waters Limited

During the year, Council advanced Establishment Funding of $4,948,250 to Waikato Waters Limited (WWL) under the Shareholders' Agreement dated 23 July 2025, pending WWL securing its own borrowing facility with the LGFA. Consistent with Council's accounting policy for short term investments, the advance is measured at the amount invested, with interest of $105,426 accrued and added to the balance in accordance with clause 2.7(c) of the Shareholders' Agreement. The total balance of $5,053,676 was repaid in full on 1 July 2026, following WWL securing its LGFA funding (note 22).

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:

2024/25 $000		2025/26 $000
35,693	**Balance at 1 July**	**41,730**
6,037	Investment gain/(loss) – recognised in other comprehensive revenue and expense	3,972
41,730	**Balance at 30 June**	**45,702**

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 2026. 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.

Forthcoming transfer of water and wastewater Property Plant and Equipment
On 1 October 2026, all Property Plant and Equipment relating to the provision of water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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. A fair value assessment was performed in-house as at 30 June 2026.

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 2026.

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:

2024/25 $000		2025/26 $000
	Operational buildings	
11,083	Depreciated replacement cost	10,759
-	Market-based evidence	-
11,083	**Total carrying value of operational buildings**	**10,759**
	Restricted buildings	
48,477	Depreciated replacement cost	58,761
-	Market-based evidence	-
48,477	**Total carrying value of restricted buildings**	**58,761**

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. A fair value assessment was performed by WSP as at 30 June 2026.

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. A fair value assessment was performed in-house as at 30 June 2026.

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:

2025/26	Cost/Valuation 1 July 2025 $000	Accumulated depreciation and impairment charges 1 July 2025 $000	Carrying value 1 July 2025 $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 - cost $000	Other transfers - accumulated depreciation and impairment charges $000	Current year impairment charges $000	Current year depreciation $000	Write back of accumulated depreciation $000	Revaluation Surplus/(deficit) $000	Cost/Valuation 30 June 2026 $000	Accumulated depreciation and impairment charges 30 June 2026 $000	Carrying value 30 June 2026 $000
Operational assets																
Land	40,414	-	40,414	-	-	-	-	-	-	-	-	-	-	40,414	-	40,414
Buildings	11,604	(521)	11,083	227	-	(384)	120	32	(32)	-	(287)	-	-	11,580	(821)	10,759
Plant and machinery	9,713	(5,157)	4,556	961	-	(71)	-	(1,401)	1,401	-	(714)	-	-	8,679	(3,947)	4,732
Furniture and equipment	8,424	(3,702)	4,722	756	-	-	71	177	(177)	-	(505)	-	-	9,428	(4,384)	5,044
Computer equipment	5,830	(5,096)	734	372	-	-	-	1	(1)	-	(359)	-	-	1,892	(1,145)	747
Library collections	2,164	(1,840)	324	140	-	-	-	2,666	(2,666)	-	(134)	-	-	4,970	(4,640)	330
Assets under construction	300	-	300	61	-	-	(191)	-	-	-	-	-	-	170	-	170
Total operational assets	**78,449**	**(16,316)**	**62,133**	**2,517**	**-**	**(455)**	**-**	**1,475**	**(1,475)**	**-**	**(1,999)**	**-**	**-**	**77,133**	**(14,937)**	**62,196**
Restricted assets																
Land	77,249	-	77,249	-	2	-	-	-	-	-	-	-	-	77,251	-	77,251
Buildings	50,951	(2,474)	48,477	8,207	-	-	3,542	-	-	-	(1,465)	-	-	62,700	(3,939)	58,761
Cycleways	6,078	(833)	5,245	-	-	-	-	-	-	-	(150)	-	-	6,078	(983)	5,095
Walkways	1,479	(163)	1,316	63	-	-	32	-	-	-	(81)	-	-	1,574	(244)	1,330
Assets under construction	3,756	-	3,756	544	-	-	(3,574)	-	-	-	-	-	-	726	-	726
Total restricted assets	**139,513**	**(3,470)**	**136,043**	**8,814**	**2**	**-**	**-**	**-**	**-**	**-**	**(1,696)**	**-**	**-**	**148,329**	**(5,166)**	**143,163**
Infrastructural assets																
Roads	620,596	-	620,596	8,102	1,768	(291)	1,249	-	-		-(12,705)	-	-	631,424	(12,705)	618,719
Land under roads	72,460	-	72,460	-	341	-	-	-	-	-	-	-	-	72,801	-	72,801

2025/26	Cost/Valuation 1 July 2025 $000	Accumulated depreciation and impairment charges 1 July 2025 $000	Carrying value 1 July 2025 $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 - cost $000	Other transfers - accumulated depreciation and impairment charges $000	Current year impairment charges $000	Current year depreciation $000	Write back of accumulated depreciation $000	Revaluation Surplus/(deficit) $000	Cost/Valuation 30 June 2026 $000	Accumulated depreciation and impairment charges 30 June 2026 $000	Carrying value 30 June 2026 $000
Water supply – treatment plants and facilities	36,745	-	36,745	1,625	-	(372)	1,282	-	-	-	(1,936)	-	-	39,280	(1,936)	37,344
Water supply – other assets (including reticulation systems)	84,537	-	84,537	968	366	(380)	1,027	-	-	-	(1,955)	-	-	86,518	(1,955)	84,563
Stormwater system	77,953	-	77,953	81	1,536	(92)	45	-	-	-	(1,261)	-	-	79,523	(1,261)	78,262
Wastewater – treatment plants and facilities	35,152	-	35,152	1,655	-	(226)	1,803	-	-	-	(2,042)	-	-	38,384	(2,042)	36,342
Wastewater – other assets (including reticulation systems)	74,438	-	74,438	1,302	1,384	(138)	316	-	-	-	(1,736)	-	-	77,302	(1,736)	75,566
Land	14,258	-	14,258	-	624	-	6,485	-	-	-	-	-	-	21,367	-	21,367
Buildings	6,712	(249)	6,463	-	-	-	-	-	-	-	(133)	-	-	6,712	(382)	6,330
Assets under construction	22,804	-	22,804	26,387	-	-	(12,207)	-	-	-	-	-	-	36,984	-	36,984
Total infrastructural assets	**1,045,655**	**(249)**	**1,045,406**	**40,120**	**6,019**	**(1,499)**	**-**	**-**	**-**	**-**	**(21,768)**	**-**	**-**	**1,090,295**	**(22,017)**	**1,068,278**
Total property, plant and equipment	**1,263,617**	**(20,035)**	**1,243,582**	**51,451**	**6,021**	**(1,954)**	**-**	**1,475**	**(1,475)**	**-**	**(25,463)**	**-**	**-**	**1,315,757**	**(42,120)**	**1,273,637**

The "write back of accumulated depreciation" column shown in the table above reflects accumulated depreciation being written back following revaluation of the assets. Note that disposals in these tables 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.

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															
Lands	27,932	-	27,932	-	-	-	-	-	-	-	-	12,482	40,414	-	40,414
Buildings	11,292	(253)	11,039	291	-	-	21	-	-	(268)	-	-	11,604	(521)	11,083
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	145	-	-	246	-	-	(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	457	-	(13)	(282)	-	-	-	-	-	300	-	300
Total operational assets	**63,180**	**(14,556)**	**48,624**	**2,970**	**-**	**(183)**	**-**	**-**	**-**	**(1,760)**	**-**	**12,482**	**78,449**	**(16,316)**	**62,133**
Restricted assets															
Land	34,677	-	34,677	203	655	-	71	-	-	-	-	41,643	77,249	-	77,249
Buildings	50,959	(1,227)	49,732	394	-	-	27	-	(429)	(1,247)	-	-	50,951	(2,474)	48,477
Cycleways	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	3,471	-	-	(98)	-	-	-	-	-	3,756	-	3,756
Total restricted assets	**93,780**	**(1,993)**	**91,787**	**4,068**	**655**	**(204)**	**-**	**-**	**(429)**	**(1,477)**	**-**	**41,643**	**139,513**	**(3,470)**	**136,043**
Infrastructural assets															
Roads	492,380	(10,963)	481,417	8,053	3,337	(95)	302	(9)	-	(10,876)	(21,839)	138,467	620,596	-	620,596
Land under roads	71,772	-	71,772	-	688	-	-	-	-	-	-	-	72,460	-	72,460

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
Water supply – treatment plants and facilities	27,179	(1,678)	25,501	2,213	-	(50)	8,140	(130)	-	(1,498)	(3,176)	2,569	36,745	-	36,745
Water supply – other assets (including reticulation systems)	70,344	(1,645)	68,699	712	766	(120)	1,693	(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	5,689	-	(411)	2,078	-	-	(1,935)	(3,955)	344	35,152	-	35,152
Wastewater – other assets (including reticulation systems)	59,182	(1,380)	57,802	1,270	2,468	(234)	8,319	(181)	-	(1,499)	(2,879)	6,493	74,438	-	74,438
Land	4,802	-	4,802	-	-	-	703	-	-	-	-	8,753	14,258	-	14,258
Buildings	6,552	(117)	6,435	148	-	(26)	38	-	-	(132)	-	-	6,712	(249)	6,463
Assets under construction	26,728	-	26,728	17,452	-	(481)	(21,366)	471	-	-	-	-	22,804	-	22,804
Total infrastructural assets	**857,149**	**(18,868)**	**838,281**	**35,654**	**8,878**	**(1,417)**	**-**	**-**	**-**	**(18,684)**	**(37,303)**	**182,694**	**1,045,655**	**(249)**	**1,045,406**
Total property, plant and equipment	**1,014,109**	**(35,417)**	**978,692**	**42,692**	**9,533**	**(1,804)**	**-**	**-**	**(429)**	**(21,921)**	**(37,303)**	**236,819**	**1,263,617**	**(20,035)**	**1,243,582**

Core infrastructure asset disclosures
Included within the Council infrastructure assets are the following core Council assets:

2025/2026	Closing book value $000	Additions constructed by Council $000	Additions transferred to Council $000	Most recent replacement cost estimate for revalued assets $000
Roading (excluding land under roads)	618,719	8,102	1,768	878,348
Water supply – treatment plants and facilities	37,344	1,625	-	56,493
Water supply – other assets (including reticulation systems)	84,563	968	366	153,848
Stormwater system	78,262	81	1,536	115,892
Wastewater – treatment plants and facilities	36,342	1,655	-	62,036
Wastewater – other assets (including reticulation systems)	75,566	1,302	1,384	132,838

2024/2025	Closing book value $000	Additions constructed by Council $000	Additions transferred to Council $000	Most recent replacement cost estimate for revalued assets $000
Roading (excluding land under roads)	620,596	8,053	3,337	878,348
Water supply – treatment plants and facilities	36,745	2,213	-	56,493
Water supply – other assets (including reticulation systems)	84,537	712	766	153,848
Stormwater system	77,953	117	1,619	115,892
Wastewater – treatment plants and facilities	35,152	5,689	-	62,036
Wastewater – other assets (including reticulation systems)	74,438	1,270	2,468	132,838

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 ($661,000) has been recognised in the statement of comprehensive revenue and expense (2025: Net loss of $841,000).

Impairment

There was no impairment expense recognised during the year (2025: $429,000).

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 2025 $000		Balance as at 30 June 2026 $000
300	Operational assets	170
3,756	Restricted assets	727
1,527	Roading	307
9,661	Water supply	2,528
1,070	Stormwater system	1,226
10,455	Wastewater	32,613
91	Infrastructural buildings	310
26,860	**Total assets under construction**	**37,881**

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:

Balance as at 30 June 2025 $000		Balance as at 30 June 2026 $000
6,531	Community Facilities	-
336	Roading	224
-	Water	1,077
2,261	Wastewater	18,228
9,128	**Total capital commitments**	**19,529**

Forthcoming transfer of water and wastewater commitments

On 1 October 2026, all capital commitments relating to water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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.

	Opening cost $000	Opening accumulated amortisation and impairment charges $000	Opening carrying amount $000	Current year additions $000	Current year disposals at cost $000	Current year impairment charges $000	Current year amortisation $000	Write back of accumulated depreciation for disposals $000	Closing cost $000	Closing accumulated amortisation and impairment charges $000	Closing carrying amount $000
	Computer software										
2025/26	3,636	(3,165)	471	71	(2,585)	-	(201)	2,528	1,122	(838)	**284**
2024/25	3,367	(2,917)	450	267	-	-	(246)	-	3,634	(3,163)	**471**

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 (2025: Nil).

Impairment
There were no assets considered to be impaired (2025: Nil).

14. Depreciation and amortisation expense by group of activity

2024/25 $000		2025/26 $000
	Directly attributable depreciation and amortisation expense by group of activity	
2,104	Community facilities	2,396
11,026	Roading	12,854
131	Rubbish and recycling	202
1,065	Stormwater	1,263
3,486	Wastewater	3,831
3,217	Water	3,929
1	Strategy and engagement	22
17	Consents and monitoring	17
21,047	**Total directly attributable depreciation and amortisation expense by group of activity**	**24,514**
1,120	Depreciation and amortisation not directly related to groups of activities	1,150
22,167	**Total depreciation and amortisation expense**	**25,664**

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

2024/25 $000		2025/26 $000
6,939	Trade payables	10,450
2,805	Accrued expenses	2,393
1,011	Deposits and bonds	801
777	Contract retentions	1,081
2,108	Revenue in advance	2,514
72	Grants received subject to substantive conditions not yet met	72
13,712	**Total payables and deferred revenue**	**17,311**
	Total payables and deferred revenue comprise:	
3,960	Payables from non-exchange transactions – includes bonds and deposits for planning, rates and licenses received in advance, and taxes and grants payable	4,291
9,752	Payables from exchange transactions – this includes amounts owing for commercial purchases of goods and services	13,020

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 2026. 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

2024/25 $000		2025/26 $000
13,500	Current loans	47,000
71,500	Non-current loans	51,500
85,000	**Total borrowings**	**98,500**

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 (2025: $6 million) and there is $6 million available to be drawn at 30 June (2025: $6 million).

Council has an unsecured overdraft. The maximum amount that can be drawn down against the facility is $500,000 (2025: $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.

Forthcoming settlement of water and wastewater debt
On 1 October 2026, all debt relating to water supply and wastewater services will be transferred to Waikato Waters Limited (WWL). Refer to Note 22 for further information on the transfer.

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.

2024/25 $000		2025/26 $000
	Current employee entitlements	
762	Accrued pay	843
2,143	Annual leave	2,517
70	Sick leave	83
140	Long service leave	158
107	Lieu leave	74
3,222	**Total current employee entitlements**	**3,675**
	Non-current employee entitlements	
311	Long service leave	367
100	Retirement gratuities	112
411	**Total non-current employee entitlements**	**479**

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

2024/25 $000		2025/26 $000
	Current provisions	
42	Landfill aftercare	41
-	Tui Mine site monitoring	25
42	**Total current provisions**	**66**
	Non-current provisions	
214	Landfill aftercare	184
80	Tui Mine site monitoring	60
90	Other claims	70
384	**Total non-current provisions**	**314**

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 landfill sites.

The cash outflows for landfill post closure costs are expected to occur over the next ten 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 2.97% to 4.48% 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 (2025: 3.14% to 4.77%).

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 20 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 2.97% to 5.08% (2025: 3.14% to 4.77%).

Other claims
There are no claims lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2026 (2025: Nil). Provision for other minor claims against Council has been made based on estimated costs and/or insurance excesses of $70,000 (2025: $90,000).

Movements for each class of provision are as follows:

2025/26	Landfill aftercare costs $000	Tui Mine site $000	Other claims $000	Total $000
Balance at 1 July 2025	257	80	90	427
Additional provisions made	-	-	30	30
Amounts used	(220)	(14)	(50)	(284)
Review of provisions	180	17	-	197
Discount unwind	8	2	-	10
Balance at 30 June 2026	**225**	**85**	**70**	**380**

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)
Review of provisions	(99)	-	(10)	(109)
Discount unwind	13	2	-	15
Balance at 30 June 2025	**257**	**80**	**90**	**427**

19. Contingencies

Breakdown of contingent liabilities and further information

2024/25 $000		2025/26 $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 (2025: 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 funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the ongoing operation of the Scheme. The likelihood of any call in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's decision in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed. Several Member Councils have brought proceedings against Riskpool in relation to such claims. Two of these proceedings have been heard by the High Court, with judgment currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of Scheme documentation. At this stage, the total potential liability associated with these matters cannot be reliably 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 2026, LGFA has 30 local authority shareholders and Matamata-Piako District Council is one of 74 guarantors of the LGFA. Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2026, LGFA had borrowings totalling $26.55 billion (2025: $25.53 billion).

The LGFA's borrowing of $26.5 billion is made up of the following:

	$000
Fair value of bonds on issue	24,864,452
Fair value of Bills and ECP on issue	1,304,569
Treasury stock lent to counterparts under bond repurchase agreements	379,335

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council 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 being notified 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.

Council has borrowed $98.5m (2025: $85m) from the LGFA which is recognised as a liability in the financial statements.

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

2024/25 $000		2025/26 $000
	Accumulated funds	
488,094	Balance at 1 July	493,092
(3,434)	Transfers to Council created reserves	(2,829)
(1,299)	Transfer to restricted reserves	(1,243)
2,042	Transfer from Council created reserves	2,059
188	Transfer from restricted reserves	357
7,501	Surplus/(deficit) for the year	4,823
493,092	**Balance at 30 June**	**496,259**

Other reserves

2024/25 $000		2025/26 $000
	Council created reserves	
32,751	Balance at 1 July	34,143
(2,042)	Transfers to accumulated funds	(2,059)
3,434	Transfer from accumulated funds	2,829
34,143	**Balance at 30 June**	**34,913**
	Restricted reserves	
2,812	Balance at 1 July	3,923
(188)	Transfers to accumulated funds	(357)
1,299	Transfer from accumulated funds	1,243
3,923	**Balance at 30 June**	**4,809**
	Asset revaluation reserves	
409,566	Balance at 1 July	645,957
237,626	Net revaluation gains	-
(806)	Movement due to disposal of assets	(785)
(429)	Movement due to impairment of assets	-
645,957	**Balance at 30 June**	**645,172**

	Fair value through other comprehensive revenue and expense reserve	
33,110	Balance at 1 July	39,147
6,037	Net revaluation gains	3,972
39,147	**Balance at 30 June**	**43,119**
723,170	**Total other reserves**	**728,013**

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

Council created reserves

Balance 1 July 2024 $000	Transfers in $000	Transfers out $000	Balance 30 June 2025 $000	Reserve fund	Purpose	Activities related to	Balance 1 July 2025 $000	Transfers in $000	Transfers out $000	Balance 30 June 2026 $000
3,965	680	(522)	4,123	Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes e.g. grants	All Council activities	4,123	633	(620)	4,136
22,993	1,157	(849)	23,301	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	23,301	821	(854)	23,268
2,051	680	(294)	2,437	Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,437	-	(294)	2,143
2,619	257	(372)	2,504	Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	2,504	285	(283)	2,506
109	-	-	109	Stormwater improvement reserve	Funds set aside to fund stormwater projects.	Stormwater	109	-	-	109
59	660	-	719	Wastewater desludging projects	Funds set aside for the desludging of wastewater ponds	Wastewater	719	660	-	1,379
324	-	(4)	320	Te Aroha Spa development reserve	Funds set aside for the investigative stages of the Te Aroha Spa development project	Strategy & engagement	320	-	(4)	316
631	-	(1)	630	Town Centre revitalisation reserve	Funds set aside for the district Town Centre revitalisation (POP) project	Community Facilities	630	-	(4)	626
-	-	-	-	Waitoa Hall sale proceeds	Funds received from the sale of the Waitoa Hall that have been set aside to subsidise the cost of the Waitoa water project for the Waitoa community, should the project proceed.	Community Facilities	-	430	-	430
32,751	**3,434**	**(2,042)**	**34,143**	**Total Council created reserves**			**34,143**	**2,829**	**(2,059)**	**34,913**

Restricted reserves

Balance 1 July 2024 $000	Transfers in $000	Transfers out $000	Balance 30 June 2025 $000	Reserve fund	Purpose	Activities related to	Balance 1 July 2025 $000	Transfers in $000	Transfers out $000	Balance 30 June 2026 $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
1,060	460	-	1,520	Reserves development	Funds set aside from reserves contributions to be used for parks and reserves	Development of parks and reserves	1,520	365	-	1,885
9	20	-	29	Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	29	20	-	49
197	-	(13)	184	Bequests and trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund	Nominated purposes	184	-	(152)	32
1,168	819	(175)	1,812	Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	1,812	858	(205)	2,465
65	-	-	65	Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	65	-	-	65
2,812	**1,299**	**(188)**	**3,923**	**Total restricted reserves**			**3,923**	**1,243**	**(357)**	**4,809**

Revaluation reserves

2024/25 $000		2025/26 $000
	Operational assets	
34,996	Land	34,996
7,851	Buildings	7,851
	Restricted assets	
55,552	Restricted land	55,551
23,308	Restricted buildings	23,308
	Infrastructural assets	
344,508	Roading	344,346
64,682	Water	64,981
51,423	Stormwater	51,365
47,273	Wastewater	47,114
11,154	Land	10,450
5,210	Buildings	5,210
645,957	**Total asset revaluations reserves**	**645,172**

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.

Waikato Waters Limited

Council has jointly established Waikato Waters Limited (WWL), a multi-Council owned Council Controlled Organisation as the preferred delivery model for the district's water and wastewater activities and WWL is a related party of Council.

Transactions with WWL during the year ended 30 June 2026 comprised:

- Execution of the Guarantee and Indemnity Deed in favour of LGFA, supporting WWL's LGFA borrowings;
- Execution of the accession deeds to the LGFA Multi-Issuer Deed and Notes Subscription Agreement;
- The advancing of Establishment Funding, repaid with interest on 1 July 2026;
- The incurring of reimbursable Transitional Costs, these were repaid on 1 October 2026.

Stage 2 Shares were not issued to Council at 30 June 2026; this share issue will occur on the transfer date (1 October 2026).

The transfer of Council's water and wastewater assets, liabilities and operations to WWL is scheduled for 1 October 2026.

These matters are further addressed as an event after balance date in Note 22.

Key management personnel compensation

2024/25		2025/26
	Mayor and Councillors	
13	Full-time equivalent members	13
$625,010	Remuneration	$661,190
	Executive Management Team, including the Chief Executive	
6	Full-time equivalent members	5
$1,788,284	Remuneration	$1,415,769
19	**Total full-time equivalent personnel**	**18**
$2,413,294	**Total key management personnel remuneration**	**$2,076,959**

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. In 2024/25, the remuneration of the departing Chief Executive included a lump sum payment in accordance with his employment agreement. The 2024/25 comparative information presented has been updated to include the attributed value of the current Chief Executive's vehicle of $3,910.

22. Events after balance date

Simplifying Local Government reform

The Government has been clear that it is committed to structural reform in the local government sector which sees regional councils removed and larger units of territorial local government being formed and taking on unitary responsibilities. The Government's focus is on structural arrangements that support its intentions for planning reform, simplifying local governance, and achieving economies of scale, while maintaining local voice.

The outcome and timing of the reforms is uncertain. On 24 September 2026 the responsible ministers advised the sector that they intended to take decisions on the next steps for local government reorganisation after the 2026 general election. The general election will be held on 7 November 2026. The financial statements are prepared on a going concern basis because of the uncertainty over outcome and timing of any change.

Council was a participant in the recent Head Start pathway which gave local authorities the opportunity to submit initial proposals for reorganisation consistent with the Government's intentions. The proposal for a catchment-based Waihou-Piako-Hauraki-Coromandel unitary authority 'Starting from Strength' was fully supported by the three sponsoring local authorities – Matamata-Piako, Hauraki, and Thames-Coromandel District Councils. The ministerial statement is clear that if the current Government is re-elected, there will be no regional council elections in 2028, which is a clear signal that local government reorganisation plans will likely be a priority in the 2027 calendar year.

Transfer of Water and Wastewater Activities to Waikato Waters Limited

On 1 October 2026, Council transferred its drinking water and wastewater activities to Waikato Waters Limited (WWL), a newly established regional Council-Controlled Organisation (CCO) formed under the Government's Local Water Done Well programme and the following legislative enactments - the Local Government (Water Services Preliminary Arrangements) Act 2024, the Local Government (Water Services) Act 2025 and the Local Government (Water Services) (Repeals and Amendments) Act 2025.

Matamata-Piako is one of six councils who have or will transfer their drinking water and wastewater activities to WWL. This new model agreed in a Shareholders' Agreement signed on 23 July 2025 allows the participating councils to retain local ownership while collaborating regionally on the delivery of drinking water and wastewater activities. The transfer was completed under the Transfer Agreement dated 9 July 2026. Stormwater services did not transfer and remain with Council.

The Transfer Agreement provided for all responsibility for providing drinking water and wastewater activities to move to WWL on 1 October 2026, along with the transfer of all property, plant and equipment relating to water supply and wastewater services (including infrastructure assets, land, buildings, plant, vehicles, equipment, and capital work in progress). On that same date WWL settled an initial assessment of the full amount of Council Water Infrastructure Debt (including internally funded waters debt). That settlement was made via a mix of legal novation of external debt and cash settlement that extinguishes Council's corresponding external borrowings and repays the internal debt. The 1 October debt settlement is subject to a 1 April 2027 wash-up that will confirm any late adjustments given the initial settlement relied on estimates of capital work still in progress. Most of the employees primarily engaged in water and wastewater activities will transfer to WWL with continuity of service, and the liability for all accrued employee benefit liabilities relating to those employees will be transferred to WWL. The total 2025/26 remuneration of the transferring employees was $3,013,870. Capital commitments and contingent liabilities including resource consents, contracts and other arrangements relating to water and wastewater services will be assigned to or assumed by WWL. Council will receive Stage 2 Shares in WWL in exchange for the net water and wastewater activities transferred.

Financial impact of transfer

Although material, the transfer did not result in adjustment to the amounts recognised at 30 June 2026 because completion occurred after balance date. There are some general uncertainties in regard to some of the amounts disclosed in this note due to the timing of the transfer three months after balance date and council continuing operations until that point. Where there are specific uncertainties these will be noted.

Statement of Financial Position

The estimated financial effect of the transfer completed after balance date comprises:

- a reduction in Council Property Plant and Equipment of $288,270,984, consisting of water and wastewater reticulation systems, treatment plant, land, buildings, vehicles and other operating plant and equipment
- a reduction in Borrower Notes (an asset) held by Council of $640,000
- a reduction in Council external debt of $72,339,000

- a reduction of Council reserve balances, for specific Waters-related reserve accounts, of $4,011,000
- receipt of a cash settlement of $22,175,000 to compensate Council for its internally funded waters debt
- a reduction in accrued employee entitlements transferring with staff of $326,657.

In exchange for the transfer of water operations, Council was issued twenty (20) Stage 2 Shares in WWL in October 2026. Shareholdings are based on the number of connected water and wastewater consumers and will be periodically adjusted as provided for in the Shareholders' Agreement. The shares provide Council with rights under the Constitution, Shareholders' Agreement and other binding arrangements. Council is assessing the appropriate accounting classification and measurement of this interest having regard to the substance of those arrangements. The accounting treatment will be recognised in the 2026/27 financial statements when the transfer occurs.

Statement of Comprehensive Income and Cash Flows

The 2025/26 revenue, expenditure and cash flows associated with the water supply and wastewater activities that will transfer are largely determinable from the Wastewater and Water Funding Impact Statements on pages 52 and 60 of this report. In addition, it is noted that the 2025/26 depreciation expense in the Wastewater activity was $3,831,000 and in the Water activity $3,929,000 (refer Note 14).

Council has set water and wastewater rates for the full 2026/27 financial year under section 23 of the Local Government (Rating) Act 2002. Council acts as principal in respect of water and wastewater rates for the full year and will recognise the full year of rates revenue, and a corresponding expense for amounts remitted to WWL from 1 October 2026. Council acts as agent for WWL in respect of water and wastewater fees and charges invoiced from 1 October 2026 and these amounts will not be recognised as Council revenue.

Council will continue its water and wastewater operational and capital programme for the first 3 months of the 2026/27 year and the operational costs and capital expenditure in that period could be anticipated to be at levels that are relatively similar to around a quarter of the amount of those costs in the 2025/26 year. A similar assumption could be made for the fees and charges revenue for that period.

Establishment Costs and Establishment Funding repaid

On 1 July 2026, Waikato Waters Limited (WWL) repaid Council in full for the Establishment Costs receivable of $334,482 (refer Note 7); and the Establishment Funding advance including accrued interest, together amounting to $5,053,676 (refer Note 11). This followed WWL securing its funding through the Local Government Funding Agency, satisfying the repayment condition in clause 2.7(c) of the Shareholders' Agreement. As the receipt confirms the recoverability of the amounts recognised at balance date; no adjustment to the carrying amounts at 30 June 2026 was required.

The Transitional Activity Costs receivable of $415,317 recognised at 30 June 2026 (refer Note 7) was subsequently received on 1 October 2026.

Commitments and contingencies

At 30 June 2026, Council had certain commitments and contingencies relating to its water and wastewater activities. Management has assessed whether these matters are expected to transfer to WWL on completion or remain with Council.

Capital commitments

Capital commitments relating to water and wastewater services infrastructure at 30 June 2026 were as follows:

	30 June 2026 $000	Expected to be settled by Council before transfer $000	Expected to transfer to WWL on 1 October 2026 $000
Water	1,077	734	343
Wastewater	18,228	7,276	10,952
Total water and wastewater activity capital commitments	**19,305**	**8,010**	**11,295**

These commitments relate to the significant upgrade work at the Matamata Wastewater Treatment Plant, the renewal work being carried out on the Rolleston Street Water Intake, and the Wastewater Reticulation Renewals programme. The amounts disclosed above represent commitments existing at 30 June 2026.

Contingent liabilities

At 30 June 2026, Council had the following contingent liabilities relating to water services activities:

Nature of matter	Estimated financial effect	Expected transfer treatment
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.	$15,000 per annum	Transfers to WWL

Other obligations to be assumed by Waikato Waters Limited after Transfer

Other resource consent obligations and legal matters - Council has identified other resource consent obligations and related legal and compliance matters associated with its drinking water and wastewater activities that existed at 30 June 2026. These include ongoing consent compliance, monitoring and reporting obligations, and related operational obligations associated with the transferred water and wastewater activities.

Under the Transfer Agreement dated 9 July 2026, relevant resource consent responsibilities and specified obligations associated with drinking water and wastewater services transferred to Waikato Waters Limited on completion on 1 October 2026. Council has not identified any specific enforcement matter, legal claim, dispute or proceeding relating to these activities that requires separate provision or contingent liability disclosure at 30 June 2026.

Guarantee of Waikato Waters Limited borrowings from LGFA - On 25 February 2026 Council resolved to enter into a Guarantee and Indemnity Deed (Waikato Waters Limited) in favour of the New Zealand Local Government Funding Agency Limited (LGFA), alongside the five other voting and transferring shareholding councils of Waikato Waters Limited (WWL) – Hauraki, Ōtorohanga, South Waikato, Waitomo and Waipā District Councils. The Deed, together with accession deeds to the LGFA Multi-Issuer Deed and the Notes Subscription Agreement, were executed on 30 March 2026. The Deed was a precondition of WWL being approved as an LGFA borrower and of WWL commencing water services operations on 1 July 2026.

Under the arrangements, WWL cannot access any LGFA financing until 1 July 2026. As a result, WWL had drawn no debt from LGFA at 30 June 2026 and Council's maximum exposure under the guarantee was therefore $nil. From 1 July 2026 onwards, WWL can draw on LGFA financing in accordance with the terms of the Multi-Issuer Deed and the agreed Term Sheet for Water CCOs.

Under the Guarantee and Indemnity Deed each shareholding council is jointly and severally liable to the LGFA for WWL's borrowing obligations, subject to an agreed proportionate share of liability that is recalculated at set points in time based on each council's 'establishment debt' plus the infrastructure debt transferred to WWL by that council. Council's proportionate exposure is:

- From 1 July 2026 (Day 1 for the first three transferring councils) – approximately 1.4%, reflecting MPDC's establishment debt only.
- From 1 October 2026 (the date MPDC's water and wastewater assets and associated debt transfer to WWL) – approximately 27%.
- From 1 July 2027 (when Hauraki and Ōtorohanga District Councils transfer their assets) – a reduced share to be determined under the formula set out in the Deed.

The proportions are reassessed semi-annually thereafter. Where any guarantor council fails to meet a call, a 'demand cascade' mechanism allocates the shortfall across the remaining guarantors in the same proportions as the original call.

The maximum amount of WWL borrowing from LGFA that could potentially be the subject of a call on the guarantee in future periods is not able to be reliably estimated. WWL's borrowing programme is still being established and the

amount of debt outstanding will vary over time in line with WWL's capital investment programme, the transfer of council debt, and operating cash flows. Council's maximum exposure to loss is WWL's total drawn debt and costs.

The guarantee is secured by a charge of security stock granted by Council under its existing Debenture Trust Deed in favour of LGFA, on the same terms as the security supporting Council's own LGFA borrowings (refer Note 16).

The likelihood of a call on the guarantee is considered remote. WWL has regulated revenue streams from the provision of fundamental lifeline (water and wastewater) services, is subject to LGFA's credit policies and credit monitoring, and is subject to governance oversight by the shareholding councils through the Shareholders' Representative Forum, the Statement of Expectations, and the right to appoint directors.

Council has not recognised a liability for this guarantee in the financial statements. The fair value of the guarantee at initial recognition has been determined to be $nil, on the basis that the likelihood of a call is remote and, at balance date, no WWL borrowings exist that could give rise to a call.

Other subsequent decisions relating to water services

Proceeds from sale of Waitoa Community Hall - Matamata-Piako resolved at its 29 July 2026 meeting that the proceeds from the sale of the Waitoa Community Hall are reserved for the Waitoa Water Project. If that project goes ahead the funds will be provided to WWL to assist in the funding of the project. If the Waitoa Water Project does not go ahead the proceeds will be redirected by Council for the wider benefit of the Waitoa Community. In the meantime the funds are recorded as a Council created reserve – refer Note 20.

23. Financial instruments

23A Financial instruments categories

2024/25 $000		2025/26 $000
	Financial assets	
	Amortised cost	
8,679	Cash and cash equivalents	2,433
4,538	Receivables	6,361
	Other financial assets:	
13,500	Term deposits	3,900
2,863	New Zealand Local Government Funding Agency – borrower notes	2,553
-	Waikato Waters Limited – Establishment Funding advance	5,054
29,580	**Total at amortised cost**	**20,301**
	Fair value through other comprehensive revenue and expense	
41,730	Waikato Regional Airport Limited	45,702
28	Waikato Local Authority Shared Services Limited	28
20	Hauraki Rail Trail Charitable Trust	20
116	Civic Financial Services Limited	116
41,894	**Total at fair value through other comprehensive revenue and expense**	**45,866**
	Fair value through surplus or deficit	
205	Derivative financial instrument assets	86
205	**Total at fair value through surplus or deficit**	**86**
	Financial liabilities	
	Fair value through surplus or deficit	
611	Derivative financial instrument liabilities	722
611	**Total at fair value through surplus or deficit**	**722**
	Amortised cost	
11,532	Payables	14,725
85,000	Borrowings	98,500
96,532	**Total at amortised cost**	**113,225**

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:

2025/26 Valuation techniques	Total $000	Quoted Market Price $000	Observable inputs $000	Significant non-observable inputs $000
Financial assets				
Investments in Council controlled organisations and other entities	48,419	-	2,553	45,866
Derivative financial instruments assets	86	-	86	-
Financial liabilities				
Derivative financial instruments liabilities	722	-	722	-

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

2024/25 Valuation techniques	Total $000	Quoted Market Price $000	Observable inputs $000	Significant non-observable inputs $000
Financial assets				
Investments in Council controlled organisations and other entities	44,757	-	2,863	41,894
Derivative financial instruments assets	205	-	205	-
Financial liabilities				
Derivative financial instruments liabilities	(611)	-	(611)	-

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

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

2024/25 $000		2025/26 $000
35,852	**Balance at 1 July**	**41,894**
6,042	Gain/(loss) recognised in the surplus or deficit	3,972
-	Purchases	-
-	Sales	-
41,894	**Balance at 30 June**	**45,866**

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 reduce the fair value interest rate risk associated with fixed rate borrowings and to manage the Council's overall exposure to interest rate risk in accordance with its Liability Management Policy.

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

2024/25 $000		2025/26 $000
8,679	Cash and cash equivalents	2,433
4,538	Receivables	6,361
	Other financial assets:	
13,500	- Term deposits	3,900
26,717	**Total credit risk**	**12,694**

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:

2025/26 Credit rating	AA $000	AA- $000	A $000	A- $000	Not rated $000	Total $000
Cash and cash equivalents		2,433	-	-	-	2,433
Term deposits		3,900	-	-	-	3,900

2024/25 Credit rating	AA $000	AA- $000	A $000	A- $000	Not rated $000	Total $000
Cash and cash equivalents		8,679	-	-	-	8,679
Term deposits		13,500	-	-	-	13,500

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.

2025/26	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Payables	14,725	14,725	14,725	-	-
Net settled derivative liabilities	722	116	116	-	-
Borrowings	98,500	104,384	50,209	54,175	-
Total	**113,947**	**119,225**	**65,050**	**54,175**	**-**

2024/25	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-5 years $000	More than 5 years $000
Payables	11,532	11,532	11,532	-	-
Net settled derivative liabilities	611	20	20	-	-
Borrowings	85,000	94,803	17,188	77,615	-
Total	**97,143**	**106,355**	**28,740**	**77,615**	**-**

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.

2025/26	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	2,433	2,433	2,433	-	-
Receivables	6,361	6,361	6,361	-	-
Other financial assets:					
Term deposits	3,900	4,036	4,036	-	-
Net settled derivative assets	85	(12)	(12)	-	-
Total	**12,779**	**12,818**	**12,818**	**-**	**-**

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	8,679	8,705	8,705	-	-
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	**26,922**	**27,254**	**27,254**	**-**	**-**

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.

2025/26	-100 bps Surplus $000	Other equity $000	+100bps Surplus $000	Other equity $000
Interest rate risk				
Financial assets				
Cash and cash equivalents	(24)	-	24	-
Derivative financial instruments assets	15	-	153	-
Financial liabilities				
Derivative financial instrument liabilities	(2,611)	-	1,075	-
Borrowings	240	-	(240)	-
Total sensitivity	**(2,380)**	**-**	**1,012**	**-**

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

2024/25	-100 bps Surplus $000	Other equity $000	+100bps 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**	**-**

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. Significant variances to the 2025/26 Annual Plan budget

Statement of comprehensive revenue and expense

The surplus for the year was $4.8 million, where the Annual Plan expected a deficit of $3.2 million. That difference needs explaining, because it does not mean Council had spare money or that rates were set too high. Almost all of it is one-off income we could not plan for, and much of it is not cash at all — money the community raised for the Matamata stadium, and roads and pipes handed to us by developers. None of it can be used to reduce rates or fund everyday services. Underneath that, the cost of running services was higher than planned, particularly water and wastewater, and this is what we are watching most closely.

What we received: $101.6 million (Annual Plan $85.7 million)

The community raised $6.3 million towards the Open Country Community Stadium in Matamata this year. We could not budget for this because we did not know when the money would come in. Developers also handed over $6.0 million of new roads, pipes and reserves as subdivisions were finished. This counts as income, but no cash comes in and Council now has to look after those assets. We collected $1.7 million more in fees and charges, because more people built and subdivided than expected and we increased the charges paid by large businesses whose waste goes into our wastewater network, so that they cover the cost of treating it; this was partly offset by lower income at Te Aroha Mineral Spas and the district pools, where fewer visitors came through the gate — a pattern we are seeing as household budgets tighten.

What we spent: $96.8 million (Annual Plan $89.0 million)

The biggest pressure was the cost of running our water and wastewater services, which came in well above budget. Most of that was keeping the existing Matamata wastewater treatment plant within its consent conditions while its replacement is being built, which took extra power and mechanical maintenance, along with compliance requirements at Te Aroha. Electrical maintenance, laboratory testing, ultraviolet bulb replacements and other regulatory and treatment contract costs all added to it, as did new charges from the water regulator and legal costs relating to a previous consent breach at the Waihou wastewater plant. A further $2.2 million relates to accounting adjustments we do not budget for, such as writing down the value of assets we sold or no longer use. Depreciation — the cost of our assets gradually wearing out — was $1.7 million higher, following the revaluation of our assets and the extra assets handed over by developers. Staff costs were $0.5 million lower than planned, as some roles were vacant during the year.

Changes in the value of what we own: $3.2 million (Annual Plan $25.6 million)

The Annual Plan assumed the value of our roads, pipes and buildings would increase by $25.6 million. No revaluation was needed this year because their recorded value is still considered fair, so that increase did not happen. Our shareholding in Waikato Regional Airport is worth $4.0 million more than last year. This is because the value of the company itself increased — Council did not put any more money in. These are changes on paper only — they do not affect rates or the money we have to spend.

In short: the surplus in this statement looks large, but it is made up almost entirely of one-off and non-cash income and is not money available for everyday services or rates relief. The real story is the rising cost of delivering services, especially water and wastewater, at the same time as our community is feeling cost-of-living pressure. From 1 October 2026, water and wastewater services will be delivered by Waikato Waters Limited. Meeting these rising costs, and the standards now required, was no longer something our district could sustain well on its own. There is a large programme of work still ahead, so costs will keep rising. Doing that work alongside neighbouring councils — one team, shared expertise and buying power — means it can be done more efficiently than any of us could manage alone. This is the last year the full cost of water and wastewater appears in Council's accounts. More detail on the cost of our activities is included in section 5, and in these notes to the financial statements.

Statement of financial position

Council's financial position at 30 June 2026 is stronger than the Annual Plan expected. Most of that difference is in the recorded value of assets we already own, rather than money we have available to spend. We also owe less than planned. This is a solid position, but it does not change the pressure on the cost of running services described in the statement above.

What we own: $1.35 billion (Annual Plan $1.13 billion)

Almost all of what Council owns is infrastructure — roads, water and wastewater pipes, treatment plants, parks and buildings — recorded at $1.27 billion. That is $207 million more than the Annual Plan assumed. Most of the difference is because the annual plan was completed before the most recent valuations of assets. We also received more new roads, pipes and reserves from developers than we expected, which adds to what Council owns and has to maintain. Our shareholdings and other investments in council-controlled and other organisations are $16 million higher than planned, mainly because Waikato Regional Airport itself is worth more than it was — Council did not put any more money into the company — and because of funding advanced to Waikato Waters Limited, which was repaid to Council on 1 July 2026. We held $3.9 million in term deposits rather than the $14.1 million planned, because money set aside had been used to repay the $13.5 million of loans that fell due in April 2026.

What we owe: $121.1 million (Annual Plan $122.7 million)

Borrowing is the largest part of what we owe. Council owes $98.5 million in loans, $10.6 million less than the Annual Plan allowed, mainly because the Matamata wastewater plant upgrade began later than planned. Around 70% of this borrowing is expected to transfer to Waikato Waters Limited on 1 October 2026, along with the water and wastewater assets it paid for. Because of that, $47.0 million of debt is shown as falling due within the next 12 months — more than usual — as we are refinancing over shorter terms in the lead-up to the transfer rather than committing to longer-term loans. Amounts owed to suppliers and income received in advance were $7.0 million higher than planned, reflecting how much work was under way at the end of the year, particularly on the Matamata plant.

In short: what Council owns and owes is in good shape — we own more and owe less than the Annual Plan assumed. The pressure is not in the balance sheet but in the cost of running and maintaining what we own. This position will look very different next year: as noted above, on 1 October 2026 water and wastewater services move to Waikato Waters Limited, and the treatment plants, pipes and the borrowing that paid for them go with them. Those assets still have to be maintained and that debt still has to be repaid — what changes is who does the work.

SECTION 7:

Ētahi Atu Whākinga ā-ture | Other Legislative Disclosures



Te pānui o te panga o te pūtea | Funding impact statement

For the year ended 30 June 2026 for the whole of Council

Annual Plan 2024/25	Actual 2024/25		Annual Plan 2025/26	Actual 2025/26
$000	$000		$000	$000
		Sources of operating funding		
35,770	36,024	General rates, uniform annual general charges, rates penalties	37,559	37,730
23,086	23,182	Targeted rates	24,691	24,542
4,291	5,209	Subsidies and grants for operating purposes	3,923	4,869
11,447	10,714	Fees and charges	11,848	13,891
600	1,035	Interest and dividends from investments	531	965
259	276	Local authorities fuel tax, fines, infringement fees, and other receipts	254	286
75,453	**76,440**	**Total operating funding (A)**	**78,806**	**82,283**
		Applications of operating funding		
58,937	60,772	Payments to staff and suppliers	61,276	65,103
3,686	3,324	Finance costs	3,369	3,767
-	-	Other operating funding applications	-	-
62,623	**64,096**	**Total applications of operating funding (B)**	**64,645**	**68,870**
12,830	**12,344**	**Surplus (deficit) of operating funding (A – B)**	**14,161**	**13,413**
		Sources of capital funding		
3,631	4,283	Subsidies and grants for capital expenditure	4,143	4,006
2,160	4,669	Development and financial contributions	2,202	2,152
40,238	20,163	Increase (decrease) in debt	37,754	10,920
-	-	Gross proceeds from sale of assets	-	-
-	-	Lump sum contributions	-	-
-	1,350	Other dedicated capital funding	-	6,332
46,029	**30,465**	**Total sources of capital funding (C)**	**44,099**	**23,410**
		Applications of capital funding		
		Capital expenditure		
11,321	5,587	—to meet additional demand	8,306	8,748
26,911	17,390	—to improve the level of service	27,367	26,999
22,529	19,198	—to replace existing assets	23,100	15,628
(1,902)	2,503	Increase (decrease) in reserves	(513)	1,576
-	(1,869)	Increase (decrease) of investments	-	(16,128)
58,859	**42,809**	**Total applications of capital funding (D)**	**58,260**	**36,823**
(12,830)	**(12,344)**	**Surplus (deficit) of capital funding (C – D)**	**(14,161)**	**(13,413)**
-	**-**	**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 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 2024/25 $000		Annual Plan 2025/26 $000	Actual 2025/26 $000
	Funding sources as shown in the overall Council funding impact statement		
76,440	Total operating funding	78,806	82,283
30,465	Total capital funding	44,099	23,410
	Less capital movements		
(20,162)	(Increase)/decrease in debt	(37,754)	(10,920)
-	Gross proceeds from sale of assets		-
	Add non-funded income		
9,533	Vested land and infrastructure from property development	204	6,021
-	Other gains	-	-
304	Income from support activities	381	838
96,580	**Total funding sources**	**85,736**	**101,632**
96,580	**Total income as shown in the statement of comprehensive revenue and expense**	**85,736**	**101,632**
	Application of funding as shown in the overall Council funding impact statements		
64,096	Total applications of operating funding	64,645	68,870
42,809	Total applications of capital funding	58,260	36,823
	Less capital movements		
(42,175)	Capital expenditure	(58,773)	(51,377)
(2,503)	(Increase)/decrease in reserves	513	(1,576)
1,869	(Increase)/decrease in investments	-	16,128
	Add non-funded expenditure		
22,167	Depreciation and amortisation	23,932	25,664
2,512	Other losses	-	1,439
304	Expenses from support activities	381	838
89,079	**Total funding application**	**88,958**	**96,809**
89,079	**Total expenditure as shown in the statement of comprehensive revenue and expense**	**88,958**	**96,809**

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 2026 this rate was 3.79% (2025: 5.03%). Internal borrowings are eliminated on consolidation of activities in the financial statements.

Groups of activities	Opening balance 1 July 2025	Additional funds borrowed 2025/26	Funds repaid 2025/26	Closing balance 30 June 2026	Interest paid 2025/26
	$000	$000	$000	$000	$000
Community facilities	13,801	-	36	13,765	532
Roading	10,581	-	-	10,581	400
Rubbish and recycling	1,360	-	-	1,360	51
Stormwater	-	-	-	-	-
Wastewater	933	--	-	933	39
Water	15,175	-	-	15,175	574
Strategy and engagement	6,593	-	-	6,593	233
Consents and licensing	337	-	-	337	16
Total internal borrowing	**48,780**	**-**	**36**	**48,744**	**1,845**

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

June 2025		June 2026
$000		$000
256,771	The total value of all Council assets covered by insurance contracts	255,204
	The maximum amount to which insured assets are insured:	
25,000	Fire	25,000
150,000	Other natural disasters	150,000
388,557	The total value of all Council assets covered by financial risk sharing arrangements	410,554
50,000	Maximum amount available to the Council under financial risk sharing arrangements	70,000

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 June 2026 | Annual Report disclosure statement for year ending 30 June 2026

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 increases equal or are less than each quantified limit on rates increases.

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates (income) affordability in the Financial Strategy for the Long-term Plan.

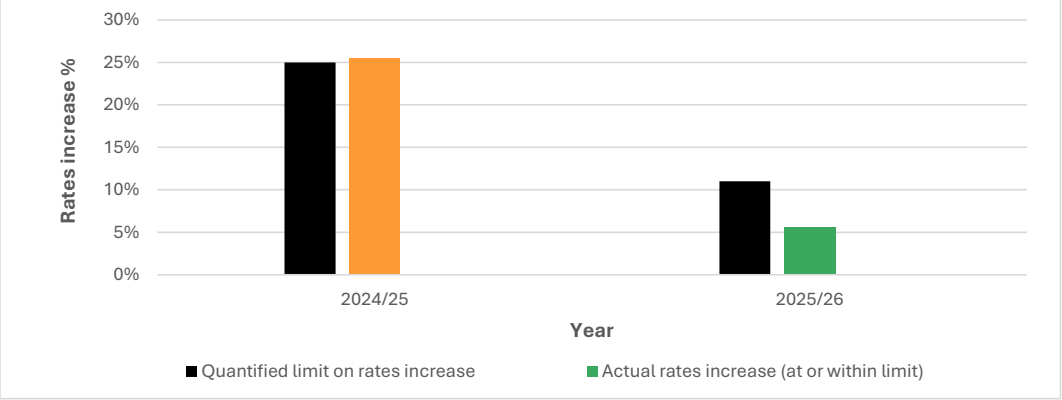
Whai pūtea (pikitanga) ki te rēti | Rates (increases) affordability

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:

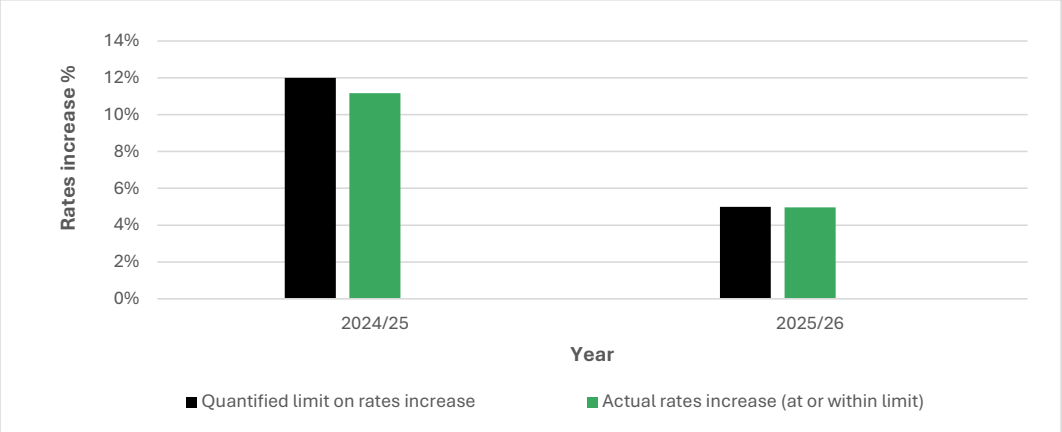
1. Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one (2024/25), 11% years two and three (2025/26 and 2026/27), and thereafter will not increase by more than 7%.



Comment:

Actual rate increases for three waters activities in the 2025/26 year was 5.6% compared to a limit of 11.0%.

2. Rates increases **for other rate funded activities** will not increase by more than 12% in year one (2024/25), and thereafter will not increase by more than 5%.

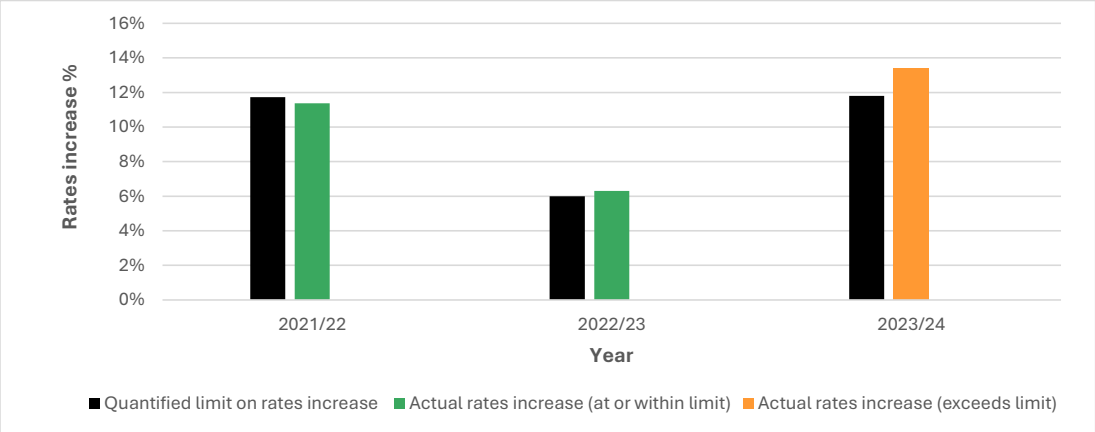


Comment:

Actual rate increases for all other rates funded activities (excluding three waters) in the 2025/26 year was 5.0% compared to a limit of 5.0%

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income[25] 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 the 2022/23 and 2021/22 years, the rates have exceeded the limit set due to higher growth in the rating base than expected.

[25] 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

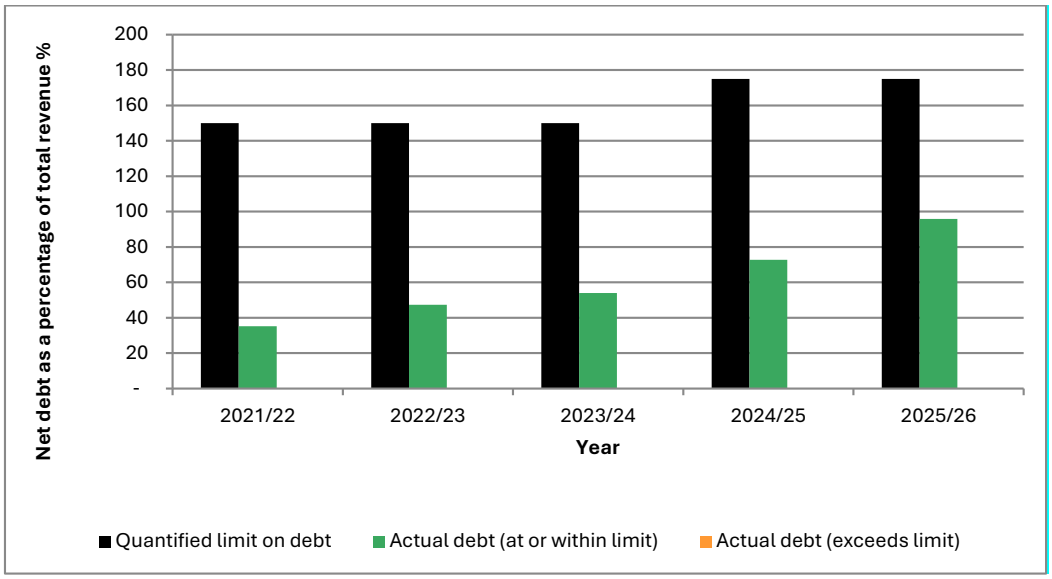
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt[26] as a percentage of total revenue[27] will not exceed 175%.

2021-2031 LTP

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



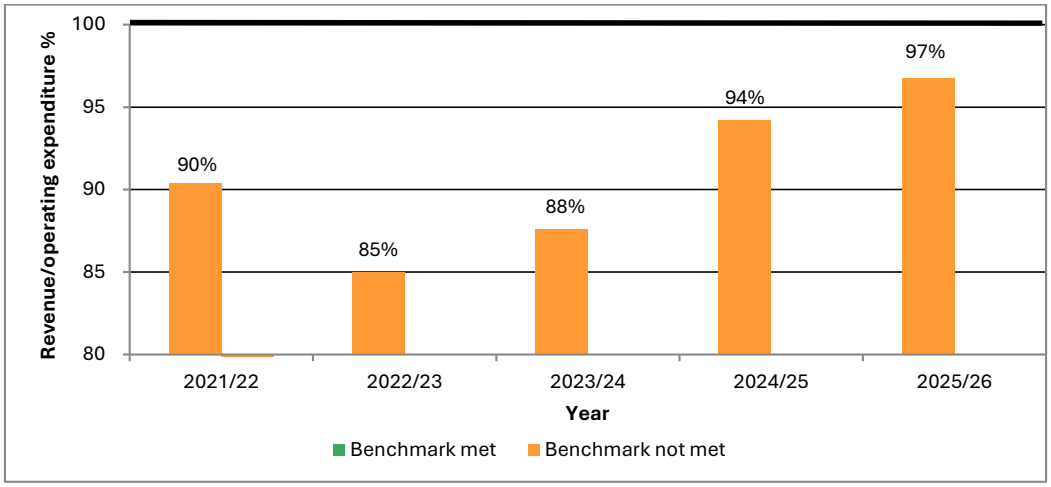
Comment:

Council's net external debt as a percentage of total revenue sits at 96% at 30 June 2026 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.

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.

[26] 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.
[27] 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).

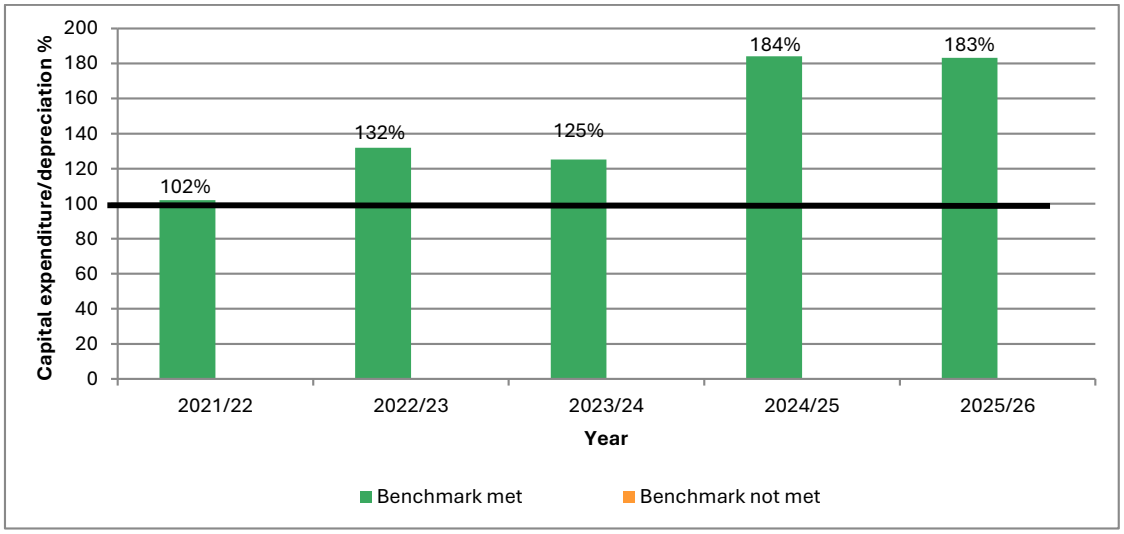


Comment:

In developing the budget for the 2025/26 financial year, Council budgeted this ratio at 94% (actual was 97%), resolving 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 Roading 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.

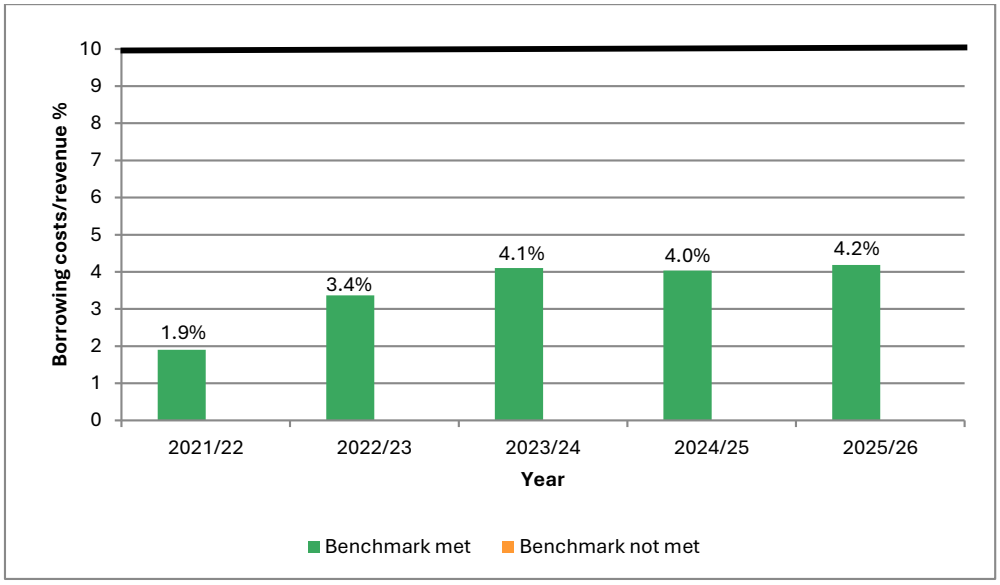


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 145% 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.

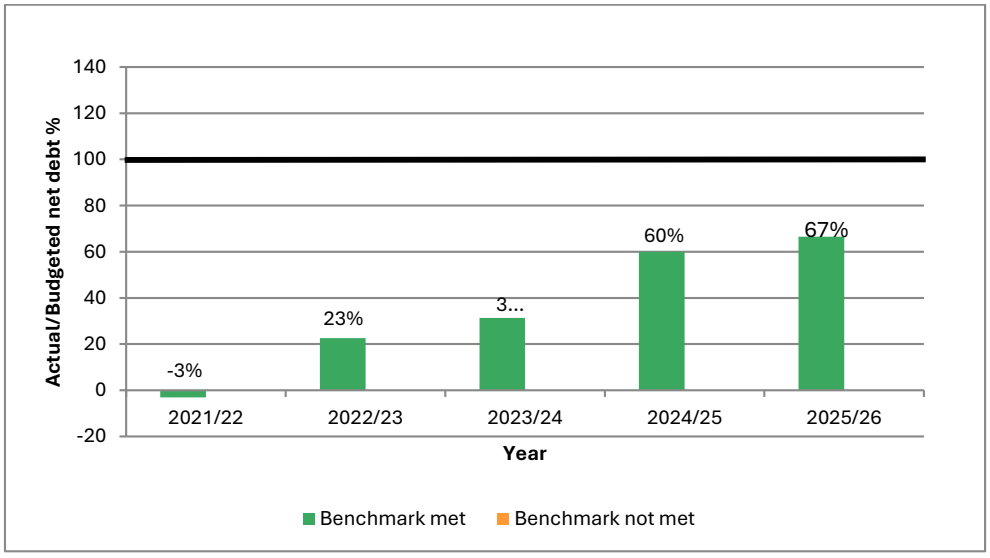


Comment:

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.

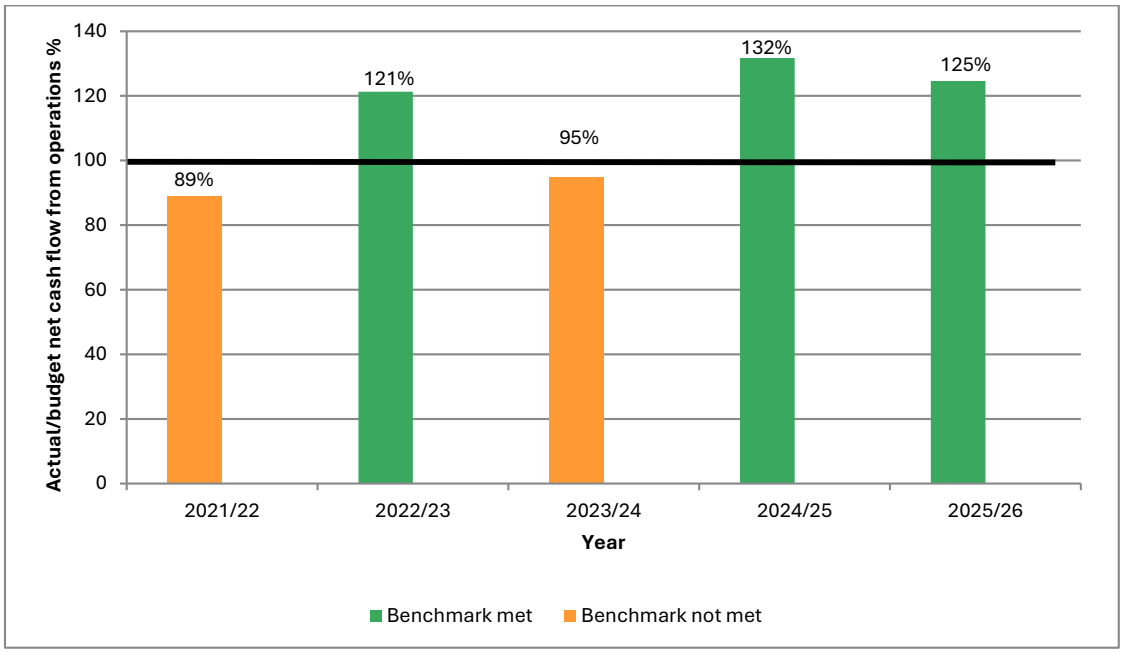


Comment:

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 2025/26, Council received $6.3 million in donations towards the Matamata Stadium project that were not included in the budget.

SECTION 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 2026	2025
Health, Safety & Wellbeing			
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
Aeronautical compliance			
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
Maintain a viable aeronautical business			

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 the introduction of Domestic jet services in 2026.	☑ Achieved	☑ Achieved
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.	n/a	☑ 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 multi-use scenarios, such as a single airport terminal that is 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 has worked central government to position the airport as an upper North Island diversion/alternate airport by obtaining crown support for protection of the Runway extension designation and securing government grants for future aeronautical development.	☑ Achieved	☑ Achieved
As the base airport, facilitate the first operational trials of Air New Zealand's Next Generation Technical Demonstrator aircraft.	The next generation electric 'Alia Beta' aircraft conducted technical demonstration flights from Hamilton Airport from October to December 2025.	☑ Achieved	n/a
Finalise a business case to support the Airport's final position in respect of the lapse period of the current runway designation, taking into account recent developments in international air services, national resilience and emerging regional growth opportunities since 2022.	The airport completed its business case and secured loan funding from central government's Regional Infrastructure Fund for expansion of Airport Infrastructure to be undertaken in future periods.	☑ Achieved	☑ Achieved
Property			
Complete enabling infrastructure and site development for the first stage of Precinct North.	The first two stages of Precinct North (17ha) of land and infrastructure development were completed in June 2026.	☑ Achieved	n/a
Complete construction of the first design: build property for Precinct North.	Construction of this property was completed in April 2026 and the tenant began occupancy in May 2026.	☑ Achieved	n/a
Commence the first stage of development of the Precinct North ecological compensation site in accordance with Precinct's ecological management plan.	Development of the 11ha site was completed during the period including the planting of 50,000 native trees and plants.	☑ Achieved	n/a

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.	n/a	☑ Achieved
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.	n/a	☑ Achieved
Climate change response			
Achieve accreditation to the Airport Council International's Airport Carbon Accreditation programme.	The Airport maintained Level 4 accreditation in 2026 (target: maintain level 4). 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 workstreams being prioritised.	☑ Achieved	☒ 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.	The Airport achieved a 23% reduction on 2024 levels during 2025. No further reduction metric was set in 2026.	n/a	☑ Achieved
Maintain the JetPark Hotel's Qualmark Silver Envirorating.	The Hotel achieved the highest possible Gold rating during the year.	☑ Achieved	n/a
Complete a feasibility study for additional onsite generation and storage capabilities of renewable energy sources.	A business case was completed and a contract to install 0.7MW of additional generation on an investment property was entered in to with construction to be completed in 2027.	☑ Achieved	n/a

	2026			2025		
2025/26 Financial performance target	**Actual $000**	**Target $000**	**Met**	**Actual $000**	**Target $000**	**Met**
Earnings performance targets						
Net surplus/(deficit) before tax *no less than*	13,512	3,000	☑ Achieved	4,057	2,000	☑ Achieved
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales *of at least*	7,861	6,000	☑ Achieved	5,955	4,800	☑ Achieved
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales *of at least*	7,861	6,000	☑ Achieved	10,541	8,500	☑ Achieved
Percentage of non-airline revenue to total operating revenue *of at least*	48%	50%	☑ Achieved	50%	50%	☑ Achieved
Land Sales *of at least*	n/a	n/a	n/a	5,710	4,000	☑ Achieved
Interest coverage ratio *of at least*	3.0	2.0	☑ Achieved	n/a	n/a	n/a
Free cash flow	n/a	n/a	n/a	482	1,400	☒ Not Achieved

Cash flow and funding performance targets						
Net operating cash flow excl Land sales *of at least*	3,282	4,500	☒ Not Achieved	3,736	4,000	☑ Achieved
Net debt a *maximum of*	62,600	70,000	☑ Achieved	31,450	39,000	☑ Achieved
Shareholder value performance targets						
Shareholder funds to total assets *of at least*	n/a	n/a	n/a	81%	75%	☑ Achieved
Shareholder value	292,961	254,000	☑ Achieved	n/a	n/a	n/a

Co-Lab

Co-Lab is a CCO solely owned by the 12 local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Ōtorohanga District, Rotorua District, South Waikato District, Western Bay of Plenty 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 Waikato 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 Reporting

Strategic goal	3-Year objective	Annual KPI	Result 2025/26	Result 2024/25
GOAL 1: Shareholding Councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 2024). *Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration)	Year-on-year increase in the value we provide to councils.	FY25-26: $14.7m in value we provide councils as measured by our benefit analysis.	FY24-25: $11.4m in value we provide to councils as measured by our benefit analysis.
	By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.	80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey).	FY25-26: 85% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations. The survey response rate was 32% (307 were invited and 99 responses were received).	FY24-25: 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received).
GOAL 2: Deliver value by growing the scale	24 new instances of Co-Lab shared services	Year-on-year increase in the	FY25-26 entities onboarded:	FY24-25: New onboardings:

of our shared service function	being utilised, by June 2027. *(baseline y/e 30 June 24)*	utilisation of services we provide to councils.	• 2 Co-Lab Water Services • 1 RIMU Service • 6 Co-Lab Building Services • 3 Professional Services Panel	• 5 RATA Spaces and Places councils • 1 Smart Water – Watercare joined • 1 ECM – OtoDC joined • 1 Sampling & Analysis – Waikato Regional Airport joined • 1 Co-Lab Building Services – WBOP • 1 Professional Services Panel - WBOP
		Year-on-year increase in the number of services available to councils.	FY25-26: Introduced RIMU.	FY24-25: • Introduced RATA Spaces & Places. • Launched Co-Lab Building Services
	All shareholders take up at least one additional shared service.	Year-on-year increase in the utilisation of services we provide to councils.	FY25-26: 8 existing services taken up.	FY24-25: 4 existing services taken up.
GOAL 3: Diverse, talented and motivated people work for us	Maintain staff engagement above 85%.	Maintain staff engagement above 85%.	FY25-26: The overall engagement score was 90%. The survey response rate was 40% (61 were invited to participate with 25 responses received).	FY24-25: The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).
	Staff turnover is less than 15%.	Staff turnover is less than 15%.	FY25-26: 16.7% staff turnover.	FY24-25: 10.5% staff turnover.
	Our vacancies are filled by suitable candidates within 3 months. *(baseline y/e 30 June 24)*	Vacancies are filled by suitable candidates within 3 months.	FY25-26: Target met for most vacancies. Three exceptions arose due to unsuccessful recruitment rounds or recruitment being placed on hold.	FY24-25: The 1 position advertised was vacant for 2 months.

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 this was last 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.

Waikato Waters Limited

Waikato Waters Limited is a council-controlled organisation established during 2025/2026 under the Local Water Done Well framework to deliver drinking water and wastewater services for participating Waikato councils. The company was incorporated following agreement between seven Waikato councils: Hauraki District Council, Matamata-Piako District

Council, Ōtorohanga District Council, South Waikato District Council, Taupō District Council, Waipā District Council and Waitomo District Council.

Matamata-Piako District Council is a shareholder in Waikato Waters Limited. At incorporation, each participating council held 100 Stage 1 shares.

Nature and scope of activities

Waikato Waters Limited has been established to provide safe, reliable, sustainable and financially responsible drinking water and wastewater services across the participating council areas. Its activities include operating and maintaining water supply and wastewater networks, planning and delivering renewals and capital investment, supporting compliance with water quality and environmental requirements, and providing customer-focused water services.

The establishment of Waikato Waters Limited enables participating councils to retain local ownership while working together regionally to deliver water services. The model is intended to support long-term affordability, access to financing, consistent service delivery, and compliance with the regulatory requirements applying to water service providers.

During the 2025/26 year, Waikato Waters Limited activities were focused primarily on establishment, governance, and transition planning in preparation for assuming responsibility for drinking water and wastewater services from 1 July 2026. Accordingly, the nature and scope of activities undertaken during the year were consistent with the company's establishment purpose and implementation programme

Council policies and objectives relating to ownership and control

Council's objective in becoming a shareholder in Waikato Waters Limited is to ensure drinking water and wastewater services are delivered in a way that is financially sustainable, compliant with regulatory standards, responsive to growth, and accountable to local communities.

Council's ownership interest is exercised through the shareholder arrangements set out in the Waikato Waters Limited Constitution and Shareholders' Agreement.

A Shareholder Representative Forum has been established to provide shareholder oversight, set shareholder expectations, appoint directors, and monitor the company's performance. Council intends to use these arrangements to ensure that Waikato Waters Limited operates consistently with the expectations of its shareholding councils and in the long-term interests of the communities it serves.

Key performance targets and measures

As Waikato Waters Limited was established during the 2025/26 year and did not assume responsibility for Matamata-Piako's drinking water and wastewater services until 1 October 2026, no operational full-year performance targets or measures for water service delivery were included in this Annual Report.

Future performance will be assessed through the company's accountability documents, including its statement of intent (Statement of expectations), half-yearly reports and annual reports. Performance measures are expected to include service reliability, drinking water compliance, wastewater compliance, customer service, delivery of renewals and capital works, financial sustainability, and progress against agreed shareholder expectations.

Schedule of Decisions - Multi-Year Community Grants Applications 2027/28-2029/30											
Draft Budget per year $769,020											
No.	**Group/Organisation**	**Description**	***Previous funding 2026/27***	**Amount requested 2027/28**	**Council Allocation 2027/28**	**Amount requested 2028/29**	**Council Allocation 2028/29**	**Amount requested 2029/30**	**Council Allocation 2029/30**	**Council comment**
1	Future Te Aroha	Support overheads incl. 50% of admin wages for afterschool activities, school holiday programmes and bookings, insurance, power and rates	*$ 6,000.00*	$ 20,000.00	$ 7,000.00	$ 20,000.00	$ 7,000.00	$ 20,000.00	$ 7,000.00	
2	United Matamata Sports Club Inc	Turf and field maintenance supplies for the upkeep of 3 rugby fields.	*$ 6,000.00*	$ 7,721.00	$ 6,000.00	$ 7,721.00	$ 6,000.00	$ 7,721.00	$ 6,000.00	
3	Te Aroha Croquet Club	Maintain club's turf incl. mowing, irrigation, fertilisation, disease, insect and week control, turf treatments etc.	*$ 5,000.00*	$ 7,500.00	$ 6,000.00	$ 7,500.00	$ 6,000.00	$ 7,500.00	$ 6,000.00	
4	Piako Waihou Catchment Trust	Partial wages	*$ 20,000.00*	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00	
5	Matamata Community Patrol	Ongoing patrol for community safety and wellbeing, aiding MM police	*$ 3,000.00*	$ 4,000.00	$ 3,000.00	$ 4,000.00	$ 3,000.00	$ 4,000.00	$ 3,000.00	
6	Sustainable Matamata	Event: Sustainability fun days to promote sustainable living	*Single-year*	$ 8,000.00	$ 2,000.00	$ 8,000.00	$ 2,000.00	$ 8,000.00	$ 2,000.00	Potential for some funding to be covered under Waste Minimisation Fund.
7	Waikato Screen NZ - Regional Film Office	Delivery of regional film office, promotion of the district etc.	*Declined - subsequently funded through separate budget in 2026/27*	$ 37,600.00	$ 37,600.00	$ 37,600.00	$ 37,600.00	$ 37,600.00	$ 37,600.00	Funding will be subject to Council agreement in February 2027 (following presentation from Waikato Screen NZ), and other council's contributions.
8	Hamilton and Waikato Tourism	Access to an established specialist team delivering domestic and Australian destination marketing and media; business event attraction; visitor sector and operator capability development; digital destination platforms promoting Matamata-Piako district and the mighty Waikato; destination management and regional tourism coordination; and regional and national visitor sector advocacy	*$ 125,000.00*	$ 150,000.00	$ 125,000.00	$ 157,000.00	$ 125,000.00	$ 165,375.00	$ 125,000.00	Funding is subject to other council's contributions.
9	Te Aroha Business Association	$3000 will be used to cover Road Closure costs for the "Arts Under the Mountain festival. $1500 will be used to cover entertainment and advertising costs for the "Santa Parade" at Boyd Park	*Single-year*	$ 4,500.00	$ 4,500.00	$ 4,725.00	$ 4,500.00	$ 4,960.00	$ 4,500.00	
10	Te Tamawai Trust	Partial wages	*New applicant*	$ 5,000.00	$ 2,000.00	$ 8,000.00	$ 2,000.00	$ 10,000.00	$ 2,000.00	
11	Matamata Historical Society Incorporated	Partial wages	*$ 12,000.00*	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	
12	Life Education Trust Waikato East	Ongoing operational costs incl. wages	*$ 15,000.00*	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	$ 15,000.00	
13	Te Aroha Community Patrol Incorporated	Petrol and running of vehicle	*$ 3,000.00*	$ 4,000.00	$ 3,000.00	$ 4,000.00	$ 3,000.00	$ 4,000.00	$ 3,000.00	
14	Tangata Marae Trust	Carnival rides	*$ -*	$ 5,000.00	$ -	$ 5,000.00	$ -	$ 5,000.00	$ -	Council is supportive of the project, but carnival rides are not a service funded by Council. Other grants could be an option, e.g. single-year.
15	Citizens Advice Bureau Te Aroha Incorporated	Ongoing operational costs	*$ 4,000.00*	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	$ 4,000.00	
16	Te Aroha College	Prize giving items	*$ 300.00*	$ 375.00	$ 375.00	$ 375.00	$ 375.00	$ 375.00	$ 375.00	
17	Te Aroha Domain Day Committee	Providing entertainment incl. face painters, story time and performances etc.	*Single-year*	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	
18	Te Aroha and District Museum Society Inc	Wages	*$ 17,500.00*	$ 21,000.00	$ 17,500.00	$ 21,000.00	$ 17,500.00	$ 21,000.00	$ 17,500.00	
19	Te Aroha Group NZ Riding for the Disabled Association Inc	Ongoing operating costs	*Single-year*	$ 5,000.00	$ 3,000.00	$ 5,000.00	$ 3,000.00	$ 5,000.00	$ 3,000.00	
20	Keep Te Aroha Beautiful	Purchase 15 automated traps	*$ 3,000.00*	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	
21	Campbell Park Charitable Trust	Ground maintenance	*$ 6,000.00*	$ 7,000.00	$ 6,000.00	$ 7,000.00	$ 6,000.00	$ 7,000.00	$ 6,000.00	
22	Matamata Community Resource Trust (Railside by the Green)	Ongoing operating and admin costs	*$ 5,000.00*	$ 5,750.00	$ 5,000.00	$ 5,750.00	$ 5,000.00	$ 5,750.00	$ 5,000.00	
23	Citizens Advice Bureau, Matamata	Ongoing operating costs, particularly the annual rent to MM Community Resource Trust	*$6,000.00*	$ 8,000.00	$ 6,000.00	$ 8,000.00	$ 6,000.00	$ 8,000.00	$ 6,000.00	
24	Te Miro Mountain Bike Club	Maintenance of tracks ad facilities i.e. signage etc.	*$ 7,000.00*	$ 10,000.00	$ 8,000.00	$ 12,500.00	$ 8,000.00	$ 15,000.00	$ 8,000.00	
25	Matamata Athletic Club	Line marking	*New applicant*	$ 2,000.00	$ -	$ 2,000.00	$ -	$ 2,000.00	$ -	Paint for line marking is provided by Council; however, time to complete the line marking is not a service funded by Council. This is consistent with other clubs across the district.
26	Keep Matamata Beautiful	Potting mix and bluebell bulbs	*$2,000.00*	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	
27	Break the Circuit Trust	Weekly programme at Pitt St Chapel for venue hire, facilitator costs, materials etc.	*New applicant*	$ 4,000.00	$ 2,000.00	$ 4,000.00	$ 2,000.00	$ 4,000.00	$ 2,000.00	
28	Morrinsville Historical Society	Ongoing operating costs, incl. wages and compliance costs	*$ 20,000.00*	$ 30,000.00	$ 20,000.00	$ 30,000.00	$ 20,000.00	$ 30,000.00	$ 20,000.00	
29	Matamata Dramatic Society Inc.	Operating costs incl. insurance, power, inspection and compliance costs, lawn mowing and grounds maintenance etc.	*Single-year*	$ 5,000.00	$ 2,500.00	$ 5,000.00	$ 2,500.00	$ 5,000.00	$ 2,500.00	
30	Matamata Blue Light	Operating costs incl. annual blue edge and other youth development programmes i.e. fishing trips	*Single-year*	$ 5,000.00	$ 2,500.00	$ 5,000.00	$ 2,500.00	$ 5,000.00	$ 2,500.00	
31	Te Aroha BMX Club	Essential operating costs, ongoing track maintenance, and regulatory compliance	*$ 2,500.00*	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	
~~32~~	~~Te Aroha College Old Boys Rugby & Sports Club Inc~~	~~Requested $7,755.00~~ Ineligible	~~$ -~~			~~$ -~~		~~$ -~~		Ineligible.

33	Sport Waikato	Partial wages, resource for relationships $50,000 Waikato Regional Active Spaces Plan $9,020	*$ 59,020.00*	$ 59,020.00	$ 59,020.00	$ 59,020.00	$ 59,020.00	$ 59,020.00	$ 59,020.00		
34	Morrinsville Community Patrol Incorporated	Ongoing patrol for community safety and wellbeing, aiding MV police	*$ 3,000.00*	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00	$ 3,000.00		
35	Matamata Chamber of Commerce Incorporated	Ongoing operating costs, incl. wages, utilities and insurance and running of the information centre	*$135,000.00*	$ 150,000.00	$ 140,000.00	$ 156,000.00	$ 140,000.00	$ 162,240.00	$ 140,000.00		
36	Morrinsville Community House Inc	Help towards the administration costs of the Donny Van and Health Shuttle transport booking service.	*$ 5,000.00*	$ 6,000.00	$ 5,000.00	$ 6,000.00	$ 5,000.00	$ 6,000.00	$ 5,000.00		
37	Creative Waikato	Ongoing operating costs, advisory services for placemaking, public and soft infrastructure	*$ 10,000.00*	$ 20,000.00	$ 10,000.00	$ 20,000.00	$ 10,000.00	$ 20,000.00	$ 10,000.00	Subject to other council's contributions.	
38	Te Aroha Community Dinner committee under Mountain View Church umbrella	Bi-Monthly Free Community Dinner - funds will be used towards food costs	*New applicant*	$ 2,000.00	$ -	$ 2,000.00	$ -	$ 2,000.00	$ -	Council is supportive of the project, but food costs are not a service funded by Council.	
39	Morrinsville College Board of Trustees	Prize giving	*$ 300.00*	$ 350.00	$ 350.00	$ 350.00	$ 350.00	$ 350.00	$ 350.00		
40	Morrinsville RSA Bowling Club Inc	Help towards funding the greenskeeper	*$ -*	$ 5,000.00	$ -	$ 5,000.00	$ -	$ 5,000.00	$ -	Council is supportive of the service; however, due to a significant increase in grant requests and a constrained financial environment, it has prioritised available funding across competing applications.	
41	Waharoa Together Greatness	Playground equipment	*Single-year*	$ 20,000.00	$ -	$ 20,000.00	$ -	$ -	$ -	Council is supportive of the project, but the multi-year grant is not the right avenue for funding. Other grants could be an option, e.g. single-year, mayoral fund.	
42	Morrinsville Art Gallery Charitable Trust	Ongoing operating costs, incl. wages and rent	*$ 30,000.00*	$ 60,000.00	$ 30,000.00	$ 60,000.00	$ 30,000.00	$ 60,000.00	$ 30,000.00		
43	Matamata Centennial Drive Development Society Inc	Redevelop and enhance area where a tree was felled due to storm	*$ 1,500.00*	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00		
44	Morrinsville Croquet Club Incorporated	Partial annual insurance costs	*New applicant*	$ 2,000.00	$ -	$ 2,000.00	$ -	$ 2,000.00	$ -	Council is supportive of the service; however, due to a significant increase in grant requests and a constrained financial environment, it has prioritised available funding across competing applications.	
45	Morrinsville Chamber of Commerce	Ongoing operating costs, incl. wages, utilities and insurance and running of the information centre	*$ 135,000.00*	$ 140,000.00	$ 140,000.00	$ 145,000.00	$ 140,000.00	$ 150,000.00	$ 140,000.00		
	Single-Year Community Grant		*$30,000*	$30,000	$ 20,000.00	$30,000	$ 20,000.00	$30,000	$ 20,000.00		
	Natural, Cultural and Built Heritage Grant		*$20,000*	$20,000	$ 20,000.00	$20,000	$ 20,000.00	$20,000	$ 20,000.00		
	Pan Charge Remission Fund		*$7,500*	$7,500	$ -	$7,500	$ -	$7,500	$ -	Wastewater charges are moving to Waikato Waters Ltd.	
	Te Kōtuitui Grant		*$5,000*	$5,000	$ 5,000.00	$5,000	$ 5,000.00	$5,000	$ 5,000.00		
	Mayoral Fund		*$15,000*	$15,000	$ 15,000.00	$15,000	$ 15,000.00	$15,000	$ 15,000.00		
		TOTAL	*$ 724,620.00*	**$ 968,816.00**	**$ 783,845.00**	**$ 992,541.00**	**$ 783,845.00**	**$ 996,891.00**	**$ 783,845.00**		

Our Ref: NR - 131258 - Proposed Significance and Engagement Policy Submission
Your Ref: WWL Proposed Significance and Engagement Policy
Enquiries to: Waikato Waters Ltd Communications Team

15 October 2026

Waikato Waters Limited
PO Box 144
Waikato Mail Centre
Hamilton 3240

Dear **Waikato Waters Ltd Communications Team,**

Matamata-Piako District Council (MPDC) appreciates the opportunity to provide feedback on Waikato Waters Ltd's (WWL) proposed Significance and Engagement Policy.
We do not wish to speak to the submission.

Overall, MPDC supports the proposed policy. We acknowledge its clear and flexible approach to engagement with communities across the WWL service area.

MPDC supports the overall direction and the intention to seek input from communities, customers, iwi, hapū and stakeholders when decisions may have material consequences and the commitment to consider feedback and report back on what has been heard.

After considering the policy, Council has identified some areas where changes or additions could be made and are set out as below.

Strategic and critical assets
MPDC recommends that the policy clearly distinguish between **strategic assets** and **critical assets**. We note one of the criteria for assessing significance includes "infrastructure **critical** to the delivery of safe, reliable and sustainable water services" The current approach appears to use these concepts interchangeably; however they have different implications for decision-making, statutory obligations and engagement.

MPDC also recommends providing further guidance on the land interests that may constitute strategic assets, including designations, catchment land, treatment plant

35 Kenrick Street - PO Box 266 - Te Aroha 3342 - www.mpdc.govt.nz
Morrinsville & Te Aroha 07 884 0060 - Matamata 07 881 90 50

sites, easements, future infrastructure corridors and buffer land. This would provide greater certainty where land has strategic importance to water services but is not owned by Waikato Waters.

General approach to assessing significance

We agree the significance of a proposal may vary between different communities.

A matter that appears relatively minor from a regional perspective may be important to a particular town, neighbourhood, catchment, iwi or customer group. We support consideration of both regional and local impacts when assessing significance.

An example of this is Waitoa water. Council worked with the Waitoa community to consider future options for their water supply and recognised the high importance to the local community.

We recommend including more consideration of the scale of impact on an individual Council area and the degree of community interest likely to arise within an individual district. This would help ensure that local impacts are not unintentionally diluted within a regional assessment framework.

Criteria for assessing significance
The proposed policy says proposals and decisions will be assessed against each of the 10 criteria and rated as low, medium, or high significance**.** It would be useful to clarify how the overall significance rating will be determined where there is different rating for each criterion – for example, if 2-3 criteria are rated medium significance would it be deemed medium overall? Or is it an 'on balance' consideration?

The proposed policy says Where the overall significance is assessed as medium or high, a written assessment will be prepared outlining the basis for the rating and the proposed engagement approach.

We encourage Waikato Waters Limited to strengthen this commitment by making the written assessment and engagement reports publicly available and they should be sent to the relevant Councils for high significance matters wherever practicable. This would support transparency and build confidence in decision making.

Environmental and community values
MPDC recommends broadening the policy's consideration of environmental effects and values beyond primarily ecological matters.

Land associated with water infrastructure may also have **landscape, heritage, recreational, cultural and wider community values**. Where land provides these benefits alongside its water services function, these values should be considered when assessing significance and determining the appropriate level of engagement.

Approach to engaging with iwi, hapū and other Māori organisations
In this section, it mentions agreements (for example: Joint management agreements).

Under the Natural Environment Act 2026 Joint Management Agreements (JMA's) with iwi are no longer relevant and whist existing JMAs continue through the transition, once complete the new JMA's are framed around local / regional authorities and "public authorities". A public Authority does not include iwi authorities or representative Māori groups (as set out in section 235).

MPDC recommends this wording should be modified to align with the Natural Environment and Planning Acts 2026 coming into effect, as in its current wording it might be viewed that JMA's will be carried forward.

Other legislative requirements
MPDC recommends that the policy recognise that decisions involving Waikato Waters' assets and land interests may also be subject to other legislation.

This is particularly relevant where Waikato Waters holds infrastructure or an interest over land that it does not own or manage. For example, assets located on reserve land may also be subject to requirements under the Reserves Act.

The policy should therefore clearly acknowledge that other relevant statutory and land management requirements may need to be considered when assessing significance and engagement requirements.

Development agreements
MPDC recommends that development agreements **not be automatically classified as low significance** (as indicated in attachment 1, Process).

Some development agreements may have substantial implications for growth management, infrastructure investment and future service provision. Their significance should therefore be assessed on a case-by-case basis, having regard to the nature, scale and potential implications of the agreement.

Consultation undertaken by shareholding Councils on behalf of Waikato Waters Ltd

MPDC recommends that consideration should be given in the policy for instances where Council undertakes consultation on behalf of Waikato Waters Limited and the expectations

MPDC recommends that the policy acknowledges and includes provisions for instances where a shareholding council undertakes engagement or consultation on behalf of, or jointly with, Waikato Waters Limited. As a minimum, this should clarify:

- who is responsible for approving the scope, purpose, timing and engagement approach;
- how engagement with iwi, hapū, mana whenua, affected communities and other stakeholders will be coordinated;
- how costs, staff resourcing, communications and reputational risks will be managed;
- what Information is to be provided to councils to support engagement activities
- how feedback will be analysed, provided to the decision-maker and reflected in the final decision; and
- who (and how) it will close the loop with participants by reporting the decision and explaining how feedback was considered.

Where practicable, Waikato Waters Limited should coordinate engagement with councils' existing consultation programmes to reduce duplication and consultation fatigue.

Response to consultation questions

7. Do you support the proposed Significance and Engagement Policy?

MPDC supports the proposed policy with amendments as specified in this letter.

8. Is the policy easy to understand? Does it clearly explain when we will engage with communities?

The Policy is clear and easy to understand. MPDC recommends making the changes as noted in this letter to clarify when communities and shareholding Councils can expect to be engaged with.

9. Do the proposed significance criteria cover the right factors? Are there any factors that should be added or removed?

Yes, broadly. MPDC recommends clearer distinction between strategic and critical assets, greater consideration of localised impacts, and explicit



recognition of landscape, heritage, recreational, cultural and wider community values.

10. Are the proposed low, medium and high significance categories appropriate? Do they provide enough certainty about when engagement or consultation will occur?

Yes, the categories are appropriate. However, the policy should clarify how the overall rating will be determined where individual criteria receive different ratings. Development agreements should also be assessed case by case rather than automatically classified as low significance.

11. Does the policy appropriately describe how we should engage with customers, communities, iwi, hapū, other Māori organisations and stakeholders?

Yes, broadly. MPDC recommends updating references to joint management agreements to align with the Natural Environment Act 2026 and clarifying arrangements where shareholding councils undertake engagement on behalf of, or jointly with, Waikato Waters Limited

12. Does the policy provide enough commitment to reporting back on feedback and decisions?

We suggest that written significance assessments and engagement reports should be publicly available and provided to relevant shareholding councils for high-significance matters wherever practicable. The policy should also clarify responsibility for reporting decisions and explaining how feedback was considered.

13. Is there anything else we should consider before adopting the policy?

Yes. Please consider the additional matters raised in this submission, particularly strategic and critical assets, local community impacts, other legislative requirements, development agreements, and consultation undertaken by shareholding councils.

Conclusion

MPDC supports the overall direction of the proposed policy and recommends that Waikato Waters:

1. clarify the distinction between strategic and critical assets and provide further guidance on strategic land interests;
2. recognise landscape, heritage, recreational, cultural and wider community values when assessing significance;
3. provide stronger guidance for when shareholding Councils engage with their communities on behalf of WWL;
4. recognise the potential application of other relevant legislation and statutory requirements; and
5. assess the significance of development agreements on a case-by-case basis rather than generally classifying them as low significance.

These changes would improve the clarity and application of the policy while retaining its flexible and proportionate approach to engagement.

Thank you again for the opportunity to submit on this proposal. If you have any questions about this submission, please contact Olivia Picard, Policy Advisor, opicard@mpdc.govt.nz.

Regards,
Matamata-Piako District Council

Signed:_____

Mayor Ash Tanner

