

Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee

Ngā Tāpiritanga – Mēneti | Attachments – Minutes

Attachments – Minutes of an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee held in the Council Chambers, 35 Kenrick Street, TE AROHA on 17 Jun 2025 at 09:00.

TAKE | ITEM NGĀ IHINGA | TABLE OF CONTENTS

WHĀRANGI | PAGE

7.4 Review of Top Risks

Attachment A Top Risks 2025/26 - Presentation2

8.12 Annual Plan 2025/26

Attachment A Draft Annual Plan 2025/26 as at 12.06.258

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.*



MATAMATA-PIAKO DISTRICT COUNCIL
TOP RISKS 2025/26
June 2025



RISK #1	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators	Status of Risk		
					Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
INEFFECTIVE EMERGENCY RESPONSE AND RECOVERY	GM Growth & Regulation	Extreme	<ul style="list-style-type: none"> Established sub-regional CDEM arrangements, plans and strategies, noting that these are currently in process of transitioning into a new group arrangement Active involvement in Joint Committee (JC) and Coordinating Executive Group (CEG) Annual full activation exercise with post-exercise scoring by approved assessor (MPOC focus on improving score) Operational Plans in place for our three most likely events, tested via annual exercises Investment in local environmental knowledge including significant investment into flood mapping Programmed visual testing of bridges throughout the district every year, and annual structural testing undertaken on priority bridges on a programmed cyclical basis Active participation in sub-regional 'Lifelines' utilities planning with its focus on identifying critical infrastructure vulnerabilities and improving resilience Loss modelling to ensure insurance cover is adequate to aid reinstatement 	Graded score from annual activation exercise, determined by approved assessor (MPOC focus on improving score) Findings from post-incident reviews as an opportunity to learn and improve Involvement of MPOC trained staff in response and recovery efforts in other districts (enhancing their knowledge and experience) Achievement / non-achievement of actions in work plans (identifies key actions / focus, linked to Group Plan) Critical positions in CDEM (Controller), Recovery Manager, EMO, Welfare Manager and Response Manager) are filed Quarterly reporting to Council and Te Manawhenua Forum	Very High	Very High	Council is within appetite, noting that appetite is set at 'Very High' There are difficulties setting the risk appetite at a lower level than this given our very limited control over the occurrence and severity of any event, incident or crisis. Re-sourcing up to cover all eventualities is arguably not achievable. Additional mitigations have been identified to strengthen our position: <ul style="list-style-type: none"> Successful transition into the new sub-regional shared service arrangement with Hauraki and South Waikato districts, this should assist cross-boundary resilience The development of Community Response Plans (including marae response plans) as per our work programme Ensuring a full contingent of trained staff, including the full quota of people for critical Emergency Operating Centre (EOC) roles Identification and response to any requirement for change arising from current review of CDEM legislation Ensuring budget commitment to Group Plan and Five-Year Action Plan, with the Five-Year Action Plan reviewed annually
					Within Appetite		
DISRUPTION TO ESSENTIAL SERVICE DELIVERY	GM Operations	Extreme	<ul style="list-style-type: none"> Performance and condition assessments of all assets Regulatory oversight by Taumata Arowai, NZTA, WRCS Strategies, operational risk assessments and registers, SOPs, compliance monitoring, emergency response plans, staff training and development Shared service support from Co-Lab for RAMM updates (reading data) Technical response support (via ready response consultants) for water and wastewater operations (necessary in the absence of a 24/7 process control centre) Technology in place - scada, telemetry, reporting etc Business continuity plans and demand management strategy in place (but requiring review) 	Performance and condition data held in RAMM and other asset management records Trends in outages and failures of assets and/or technology Trends / patterns in level of occurrence of external events that may cause or contribute to outages (Weather events etc.) Concerns raised by regulatory and other oversight bodies such as Taumata Arowai, NZTA, WRCS, Water NZ	Very High	High	Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following mitigations are successfully introduced: <ul style="list-style-type: none"> Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to a new Waikato Waters entity Fully developed operations maintenance strategies in place and funded Review and re-adoption of Business Continuity Plans Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions
					Outside of Appetite		

FOR ENDORSEMENT BY RAC

1

RISK #3	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators	Status of Risk		
INFORMATION SECURITY	Chief Executive				Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	The threat to organisational digital assets and information through the potential impact of a breach. Potential for significant disruption to delivery of services, financial loss, reputation damage, and loss of trust and confidence in Council	Extreme	<ul style="list-style-type: none"> Sophos cybersecurity solution in place for network security and unified threat management. Sophos offers constant detection and response, firewall, cloud and managed service solutions providing critical malware, phishing website and ransomware protection. Other management and maintenance of the digital environment via Access Control, including multi-factor access authentication, and Cloud Services management Very clear IT security protocols via policy 	Detected presence of malware or other security incursions Trends in occurrence of phishing emails / scams Incidents of unusual network activity SAM for Compliance score Privacy breach incidents and follow-up findings re cause / response	Extreme	Very High	<p>Council is currently operating outside of assessed appetite.</p> <p>There are difficulties setting the risk appetite at a lower level than this given the likelihood of a security breach and our limited control over the severity of consequence of any breach.</p> <p>Appetite is considered achievable if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Improved cyber-security awareness through an education programme such as 'phishing' and testing of staff behaviour via test phishing emails, noting that staff behaviour is a key vulnerability point for cyber-security Continued focus on improvement of SAM score noting that external security / vendor reliance has been identified as a thing to improve Scheduled Org-wide introduction of Microsoft 365 in 2025 calendar year will enhance operating environment and data security
					Tolerance		
					Outside of Appetite		

RISK #4	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators	Status of Risk		
REPUTATION / RELATIONSHIP WITH COMMUNITY STAKEHOLDERS	GM Customer Experience				Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Failure to establish and/or maintain meaningful relationships with key stakeholders and gain the trust of the wider community with potential impact on participation in local democracy, and Council's ability to be an effective connector between our community, iwi, NGOs, and government agencies	Very High	<ul style="list-style-type: none"> Communications and engagement (C&E) team proactively involved early and throughout development of key documents and key projects Comms Plans developed for significant projects and documents Proactive communications across multiple channels Use of quick polls to obtain community insights, eg removal of pedestrian crossing, urban trail surfacing Council is participant in 'Key Research Community Views Survey', quarterly wave polling and annual report on community perceptions of Council and Council performance Newly established 'Community Development Team' actively working with grassroots community Established partnerships with some community groups and stakeholders e.g. disability access group, Matamata Stadium project Prompt in Council report templates to use Significance and Engagement Policy to determine level of engagement Various mechanisms in place to receive complaints such as a Council website interface (with 48 complaints lodged Jan-May 2025) 	Trends in score and other findings from Key Research Community Views Survey Level and quality of community interaction or involvement in engagement processes, including petitions and quick polls (a measure of trust) Participation in triennial election - numbers of candidates, voter turnout % Level of valid complaints about Council performance / service via the various complaint mechanisms	High	Moderate	<p>Council is currently operating outside of assessed appetite.</p> <p>Appetite is considered achievable if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Completion of planned stakeholder mapping exercise, establishing key relationship holder for all significant stakeholders Adoption of planned Comms and engagement strategy Education / Awareness campaigns around everyone's role in stakeholder relationship and the importance of appropriate behaviour
					Tolerance		
					Outside of Appetite		

FOR ENDORSEMENT BY RAC

2

RISK #5	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
LEGISLATIVE NON-COMPLIANCE	GM Growth & Regulation								
	The potential for Council to fall short of meeting its legal obligations, leading to fines, penalties, damages, personal liability, or even imprisonment. These risks arise from various sources, including misunderstandings of legislative clauses or regulations, inadequate internal controls, or failures in monitoring and enforcement.	Very High	<ul style="list-style-type: none"> Knowledge of well qualified, professional staff Annual compliance attestation using a spreadsheet tool developed by Legal Counsel Specific delegations in place for various decision-making actions Horizon scanning for change via Legal Counsel and via established relationships with external legal providers, professional memberships and sector knowledge forums such as Taitara Te Ohu Tikaiti Anamata (Future Ready Group) reviews impact of proposed legislative changes assists with submissions, etc Identified changes incorporated into SOPs, policies, strategies, plans and processes Legal issues arising or already actioned reported to E Team on a bi-monthly schedule Training and development of our staff Established performance measures monitor compliance with some of our key legislative requirements Internal and external reporting such as NMS, consent monitoring, etc 	Annual compliance attestation outcomes	Issues identified from various compliance audits: Building Act, Waters, etc	Number of legal claims made against Council, adverse findings by the Ombudsman	High	Low	<p>Council is currently operating outside of assessed appetite.</p> <p>Achieving appetite is challenging given the wide ambit of legislation that Council is subject to and the reliance on key staff to ensure compliance. It is however considered achievable over time if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Investigation into and possible introduction of a more developed, systemised tool for comprehensively identifying key legislative requirements (including new legislative changes) and running and reporting on an annual attestation of whether or not they've been complied with. One possible tool in that regard that is well-utilised in NZ local government is 'Comply With'. A tool like this would draw on a fuller and wider sector knowledge-base than what could be built in-house. Continued education programmes on the importance of legislative compliance. These could include, for example, education on privacy requirements and the consequences of these being breached. Another example where general staff education would be valuable is in the LGOMA space and the requirements for openness and transparency that this drives.
				Negative media attention to specific breach/incident			Tolerance		
							Outside of Appetite		
RISK #6	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
INEFFECTIVE STRATEGIC PARTNERSHIPS WITH MANA WHENUA, IWI, HAPŪ AND MĀORI	GM People, Governance & Relationships								
	Negative outcomes associated with a failure to proactively develop and maintain partnership, meet legislative responsibilities, and understand and mitigate shared risks. Adverse outcomes may involve difficulty delivering key projects, lost opportunity, and compromise of the ongoing partnership for all involved.	Very High	<ul style="list-style-type: none"> Some partnering on key projects, plans and strategies and ensuring of early involvement Dedicated Te Ohu Tūhono team in place (2 persons), with on-going commitment to relationships with 12 iwi Te Manawhenua Mo Matamata-Piako forum established and running to provide some means of shared information and input Māori Ward Councillor in place Recent commencement of regular Rangatira to Rangatira meetings with active iwi Some aligning of processes, communications and decisions to Treaty Principles Support of community-focussed events that celebrate Te Ao Māori, either through collaborative partnership support of events like haoua days or grant funding for events like the celebration of Matariki 	Level of appropriate representation at discussion/decisions, including TMF	Negative feedback or concerns raised by Mana Whenua, Iwi etc	Number of Rangatira to Rangatira meetings in quarter	High	Moderate	<p>Council is currently operating outside of assessed appetite.</p> <p>Appetite is considered achievable if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Adoption of a Tangata Whenua Engagement Policy, which will direct specific engagement action and better ensure legislative compliance Review of work programme and terms of reference for Te Manawhenua Mo Matamata-Piako forum, and reconstruction of this forum in the new triennium Development of a Partnership Agreement with the Te Manawhenua Mo Matamata-Piako forum that would commit to joint aspirations Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements Potential focussed education programmes for staff and elected members on Tikanga and Te Reo knowledge and competency Identify what the Tiriti / Treaty principles mean to Council
				Events being supported by grant or partnership			Tolerance		
							Outside of Appetite		

FOR ENDORSEMENT BY RAC

3

RISK #9	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
FAILURE TO RESPOND APPROPRIATELY TO POLITICAL CHANGE	Chief Executive						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Failure to anticipate or correctly identify and respond to/accommodate political changes in central government creating misalignment and lack of integration between central government agenda and legislative reforms, and council strategic plans and objectives. There is also potential adverse economic and social impact on the community.	Very High	<ul style="list-style-type: none"> Active horizon scanning through external legal and technical advisors and professional memberships - LGNZ, Taituara, CEs forum, Zone 2, Rural Provincial Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes assist with submissions, etc Council is an active participant in the various FutureProof forums and working groups alongside Waikato Regional Council, Hamilton City and Waikato and Waipa District Councils Some monitoring of political climate Engagement with Iwi Groups and Te Manawhenua Mo Matamata-Piako forum Full involvement in Waikato Waters Done Well and other regional working groups to optimise wider regional collegial support, lesson learning and efficiencies in approach Consultation is underway on Waikato Waters Done Well 	Te Ohu Takatū Anamata (Future Ready Group) actively operating	Active participation in regional and national working groups	Continued watching brief on central government opinion polls and any changes in focus of political parties	High	Moderate	<p>Council is currently operating outside of assessed appetite.</p> <p>Appetite is considered achievable if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Submission of Water Services Delivery Plan to Minister by September 2025 in line with legislative requirement Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition
							Tolerance		
							Outside of Appetite		

RISK #10	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
ENSURING WORKFORCE CAPACITY AND CAPABILITY	GM People, Governance & Relationships						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Failure to adequately recruit, retain and develop skilled and capable staff, leading to inadequate workforce capacity and capability, and compromise of ability to deliver on councils objectives and the delivery of services and projects on a timely, cost-effective basis, with flow-on adverse effect to organisational well-being, reputation and finances.	Very High	<ul style="list-style-type: none"> A strong focus on organisational culture and connection through various initiatives including the weekly bulletin, staff-only facebook group, all staff meetings twice a year. Three meetings a year held with managers and team leaders across the organisation with focus on culture and empowering and developing leaders. Belonging Strategy (incorporating diversity, etc) in place Structured induction programme for new staff Job-siting and remuneration system in place to ensure that staff are paid market rates (including MPDC premium) and employee value proposition (EVP)/benefits in place Well-established performance management processes (2 monthly catch-ups and annual review) to ensure regular performance assessment processes, appropriate reward, and a focus on personal development Learning and development programme in place with both organisational and individual focus, leadership development programme for anyone with team leadership responsibility Monthly People, Safety & Wellness focus topics promoted throughout the organisation Annual staff survey (Ask your Team) results analysed and action-planning processes at organisational level in place Hauora Mental Health and Wellbeing Strategy Flexible work practices Provision of Hamilton - Te Aroha - Hamilton mini-van to assist with travel for people who live outside the district, and pool car share Matamata - Te Aroha - Matamata Career progression opportunities - established processes to ensure all vacancies are made known internally, allowing good opportunity for internal appointments and career progression. Career pathways within some teams, ie graduate, intermediate and senior roles Availability of employee support programme Reach Reps established through the organisation as a means of staff support Council is an active participant in Celab people and capability managers group and has HRNZ membership Openness to engaging consultants, contractors or shared services as alternatives where staff cannot be recruited P&W Team includes a trained HR advisor. Legal advice is sought as required. 	Annual Staff Survey engagement results	Staff turnover trends (quarterly)	Exit survey identification of trends and controllable matters	Moderate	Moderate	<p>Council is currently operating within assessed appetite.</p> <p>The following further mitigations are proposed to strengthen this further:</p> <ul style="list-style-type: none"> Remuneration Policy review Review of induction processes to streamline and ensure that any gaps are identified and remedied Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition, including focus on optimising staff opportunities / job security Improved focus on Succession Planning Potential greater focus on Staff survey response action-planning processes at group manager level, to complement the responses already in place at organisational level Review of staff survey methodology, for example using pulse surveys Greater focus on Exit Survey analysis and action response Consider development of Key Risk Indicator Measure for percentage of roles not recruited in first recruitment round
							Tolerance		
							Within Appetite		

FOR ENDORSEMENT BY RAC

5

RISK #1	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
							Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
ENSURING HEALTH, SAFETY AND WELL-BEING	GM People, Governance & Relationships						High	Moderate	Council is currently operating outside of assessed appetite.
	A failure to develop a strong health, safety and well-being culture, and any failure to keep staff, elected members, contractors and the public safe and well can lead to injuries, illness, poor mental well-being, difficulty in maintaining workforce capacity and potentially fatalities with significant legal, financial service delivery and reputational consequence.	Extreme	<ul style="list-style-type: none"> Dedicated resource via 3 member S&W team S&W Management system (Damstra) includes processes and systems for reporting and capturing learnings from events, assessing and managing risk, training, emergency response and injury management Safety and Wellness Policy in place as well as a Charter for Council Trained H&S reps throughout organisation, active H&S Committee meets quarterly Processes in place to identify and focus on critical risks Monitoring via quarterly and annual safety and wellness reports provided to Council and Eteam (include lag indicators e.g. lost time injuries, medical treatment injuries and notifiable events and lead indicators such as training completion) Risk reviews are scheduled (currently at least annually) Critical risk audits conducted by the S&W Team H&S learning team established with post-event debriefs 3 to 4 times a year, continuous improvement focus Due Diligence plan for Exec. Team and Council S&W Team meet weekly with Exec Team Induction and on-going training for staff Contractor S&W management processes (including pre-qualification) 	Identification of trends and significant concerns from Quarterly Safety and Wellness Reporting, including events by severity and analysis of trends.	Results of H&S questions in annual staff survey	Results of Critical Risk audits	High	Moderate	<p>Council has an objective to minimise any risks to serious injury or harm to any staff member, elected member, contractor or member of the community. However, these risks are of high consequence and impossible to eliminate entirely. For this reason the realistic level of appetite is seen as moderate.</p> <p>Council already has fairly comprehensive strategies and efforts implemented to embed and sustain a health, safety and well-being culture. These will be maintained and continuously improved over time, however it is questionable as to whether appetite can be reached.</p> <p>The following further mitigations are proposed however they are not expected to reduce the risk to appetite levels for the reason noted above:</p> <ul style="list-style-type: none"> Review of top 10 critical health and safety risks to ensure the list of top 10 risks adequately reflects our current risk landscape External H&S audit - to be considered after transition to Local Water Done Well E-team to complete OD Health and Safety self-assessment Review of the safety and wellness induction pathway and accountabilities for managers and team leaders to ensure they have a clear understanding of their responsibilities and are provided with the learning and development needed for their role Review implications of upcoming HSWA changes in relation to volunteer management
				Damstra reporting of overdue investigations, actions and audits.			Outside of Appetite		

FOR ENDORSEMENT BY RAC

6



TE MAHERE Ā-TAU

ANNUAL PLAN 2025/26



Ngā Hua

Contents

SECTION 1 HE KUPU WHAKATAKI INTRODUCTION	3
He mihi Welcome	4
Tō Tātou Kāwanatanga Our Governance	5
Te Kaunihera Council	7
SECTION 2 Ā MĀTOU MAHI WHAT WE DO	10
Ngā wāhi māna me ngā rawa ā-hapori (hui katoa) Community Facilities and Property	11
Te Rautaki Me Te Whakawhitiwhiti Kōrero Strategy And Engagement	14
Ngā Rori Roding	17
Te Waimarangai Stormwater	21
Te Waipara Wastewater	24
Te Wai Water	28
Ngā Whakaaetanga Me Ngā Raihana Consents And Licensing	31
SECTION 3 TE PŪTEA FINANCIALS	33
Tauākī matapae o ngā moniwhiwhi me ngā whakapaunga whānui mō te tau e mutu ana i te 30 o Hune 2026 Forecast statement of comprehensive revenue and expense for year ending 30 June 2026	34
Tauākī matapae o ngā panonitanga tūtanga mō te tau e mutu ana i te 30 o Hune 2026 Forecast statement of changes in equity for the year ending 30 June 2026	35
Tauākī matapae o te tūnga ahumoni i te 30 o Hune 2026 Forecast statement of financial position as at 30 June 2026	35
Tauākī matapae o ngā kapewhiti mō te tau e mutu ana i te 30 o Hune 2026 Forecast statement of cashflows for the year ending 30 June 2026	37

Ngā Whakamārama o Ngā Kaupapahere ā-Pūtea Statement of Accounting Policies	39
Arotaketanga o te tauākī pāpātanga pūtea me te tauākī moniwhiwhi, whakapaunga whānui Reconciliation between the funding impact statement and statement of comprehensive revenue and expense	55
Tauākī pāpātanga mō ngā pūtea matapae i te 1 o Hūrae 2025 ki te 30 o Hune 2026 mō te Kaunihera whānui Forecast funding impact statement for 1 July 2025 to 30 June 2026 for whole of Council	56
Te Tātairanga o Ngā Rēti Calculation of Rates	58
Te Pānui Whākinga O Te Mahere Ā-Tau 30 Pipiri 2026 Annual Plan Disclosure Statement For Year Ending 30 June 2026	63

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He Kupu Whakataki

Introduction

He Mihi

Welcome

As we look ahead to the coming year, we're staying focused on delivering the projects and services we committed to in our Long Term Plan (LTP). There are no major changes to our work programme, and I'm pleased to confirm that the cost of delivering the planned projects is in line with what we forecast in year two of the LTP. While inflation continues to put pressure on costs across the board, this year's plan includes a 5.8% rates increase, ensuring we can continue delivering essential services at the required standard and meet our compliance obligations.

One of the big conversations happening nationwide this year is around water reform. The Government has introduced the Local Water Done Well legislation, which means every council needs to develop a Water Services Delivery Plan that is both financially sustainable and fit for purpose for years to come. We've committed to working with other Waikato councils to explore the possibility of a Council-Controlled Organisation (CCO) to manage our drinking water and wastewater. Water is a critical service for our community, and we're committed to finding the most sustainable and efficient way to deliver it for the long term.

Waste management continues to be a priority, and we know that simply moving waste from one place to another isn't a sustainable long-term solution. The cost of sending waste to landfill is rising, and with the Tirohia landfill nearing closure, transporting waste further afield will only increase those costs. That's why we'll be looking into new ways to reduce the amount of waste going to landfill through the introduction of resource recovery centres. These facilities would allow more materials to be reused or recycled rather than discarded and would support a more sustainable approach to waste management - helping us make better use of the resources we already have. We'll be coming back to the community with more detailed options and costs.

This year is also a local election year, giving you the opportunity to help shape the future of our district. Those elected to Council will be making important decisions that affect all of us, and I encourage you to get involved. Local government is at its best when our communities are actively part of the process.

The decisions we make today will have a lasting impact. Our goal is to ensure they are responsible, sustainable, and in the best interests of the district.



Adrienne Wilcock
Mayor



Tō Tātou Kawantanga

Our Governance

KAUNIHERE | COUNCIL

The Matamata-Piako district has 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 Councillors and Mayor represent their communities and make decisions for the district.

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 that advises on cultural, economic, environmental and social issues of significance to manawhenua groups and provides feedback when Council is developing plans and policies, such as the Long Term Plan or District Plan.

The Forum includes representatives from Council, Ngāti Hauā, Ngāti Rāhiri-Tumutumu, Raukawa, Ngāti Maru, Ngāti Whanaunga, Ngāti Pāoa and Ngāti Hinerangi. Ngāti Tamaterā also has the ability to join.

KŌMITI O TE MŌREAREA ME TE TŪMARU | RISK AND ASSURANCE COMMITTEE

The Risk and Assurance Committee ensures we have appropriate risk management and internal and financial control systems.

This committee includes Jaydene Kana as independent chairperson, Joanne Aoake as independent member, Mayor Adrienne Wilcock, and Councillors Gary Thompson, Bruce Dewhurst, Kevin Tappin, and James Thomas (Deputy Mayor).

KŌMITI TUKU RAIHANA Ā-ROHE | DISTRICT LICENSING COMMITTEE

Council has a District Licensing Committee to consider and determine alcohol and license applications under the Sale and Supply of Alcohol Act 2012.

The Committee is chaired by Councillor Sue Whiting with Deputy Chair, Councillor Russell Smith. Members of the committee are appointed from a list of appropriately qualified people.

KŌMIHANA WHAKAWĀTANGA | HEARINGS COMMISSION

The Hearings Commission consists of three Councillors, coordinated by Councillor Kevin Tappin.

The Hearings Commission is responsible for hearing and determining applications for resource consents under the Resource Management Act 1991, and objections under the Dog Control Act 1996.

KŌMITI AROTAKE O TE TUMU WHAKARAE | CHIEF EXECUTIVE OFFICER PERFORMANCE 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 Adrienne Wilcock, and Councillors James Thomas (Deputy Mayor), Bruce Dewhurst, James Sainsbury and Sue Whiting.

KOMITI O TE PAPA RERENGI O WAHAROA | 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 of Mayor Adrienne Wilcock (Co-Chair), Councillor James Thomas (Deputy Mayor), and Councillor Kevin Tappin along with three members appointed by the Ngāti Hauā Iwi Trust Board trustees, Muna Wharawhara (Co-Chair), Rangitonga Kaukau and Deacon Paul. 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



**ADRIENNE
WILCOCK**
Koromatua I
Mayor

CALEB ANSELL
Matamata Ward

**JAMES
SAINSBURY**
Matamata Ward

KEVIN TAPPIN
Matamata Ward

SUE WHITING
Matamata Ward



SHARON DEAN
Morrinsville
Ward

**BRUCE
DEWHURST**
Morrinsville
Ward

DAYNE HORNE
Morrinsville
Ward

**JAMES
THOMAS**
Koromatua
Tautoko I
Deputy Mayor
Morrinsville
Ward



**SARAH-JANE
BOURNE**
Te Aroha Ward

PETER JAGER
Te Aroha Ward

**RUSSELL
SMITH**
Te Aroha Ward

**GARY
THOMPSON**
Te Toa Horopū
ā Matamata
Piako

Te Aratohu o te Mahere Ā-Tau

Annual Plan Guide

HE AHA TE MAHERE Ā-TAU? | WHAT IS AN ANNUAL PLAN?

Council's plans for how we manage delivery of services to the community are produced on a three-year cycle. In the first year of each three-year cycle, a Long Term Plan is produced which sets out a comprehensive plan for how Council will manage its budgets and services over the next ten years. In the second and third year of each cycle, the Annual Plan then provides any necessary updates and adjustments to the Long Term Plan.

HE AHA TŌNĀ PŪTAKE? | WHY DO WE DO IT?

We are required to prepare an Annual Plan under the Local Government Act 2002. Apart from this legal requirement, it also makes good sense to revise our plans each year. While the budgeting and planning undertaken for the three-year period of the Long Term Plan is based on the best forecasting information available at the time, there are always changes. Higher inflation, increased costs and the wider economic and policy context all have an impact on what we do. The Annual Plan gives us the opportunity to update and revise our plan in response to these changes, and to seek community feedback on the plan when necessary.

HE AHA TE MAHERE MAUROA? | WHAT IS A LONG TERM PLAN?

The Long Term Plan sets our direction for the next ten years, outlining our key aims, objectives and priorities for the Matamata-Piako district. A Long Term Plan:

- Describes the type of district our communities have told us they want – our community outcomes
- Identifies the key projects to take place over the next ten years
- Provides an overview of each activity we will carry out and the services we will provide for the next ten years
- Determines how much this will all cost and how we will fund it.

HE AHA TE PŪRONGO Ā-TAU? | WHAT IS AN ANNUAL REPORT?

We produce an Annual Report every year. This is a review of our performance, letting the community know whether we did what we said we would. It also checks financial performance against the budget and Financial Strategy.

HE AHA NGĀ WHAKAHOUNGA? | WHAT HAS CHANGED?

We didn't consult on the Annual Plan this year because we weren't proposing any significant or material changes from what we had planned in the Long Term Plan. In Section 2 of this Plan, you can read about any changes to the funding of our services outlined under Key Projects and Funding Impact Statements.

TŌ ROHE | YOUR DISTRICT

Area 175,477 hectares	2022/23	2023/24	2024/25
Number of electors (enrolled)*	23,767	24,497	26,165
Number of rating units**	15,699	15,995	16,424
Value of improvements**	\$5,887,261,200	\$7,325,667,796	\$7,444,941,799
Net land value**	\$10,257,434,400	\$12,344,004,651	\$12,512,505,401
Total capital value**	\$16,114,695,600	\$19,669,672,450	\$19,957,447,200
Total rates***	\$39,035,000	\$41,210,000	\$47,081,000
Average total rates per rating unit	\$2,486	\$2,576	\$2,867

*Electoral enrolment centre.

** At the end of the preceding financial year.

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

KA AHA TE UTU O ĀKU UTU RĒTI? | HOW MUCH WILL MY RATES BE?

As projected in the Long Term Plan, to meet rising costs and continue delivering our services we need to collect 5.8% more in rates. How much each property pays varies depending on the property value and the services you receive. The table below provides some example properties to help you see how rates affect different property types. Please note these are for 'average' property values and may not reflect your particular situation.

Property type	Capital value	2024/25 rates	2025/26 rates	Movement
Urban residential – full services (e.g. water supply, wastewater, kerbside collection)	\$500,000			
	\$800,000			
	\$1,250,000			
Commercial - with 2 toilets and no kerbside collection	\$650,000			
	\$1,000,000			
Rural lifestyle - no services (e.g. no water supply or kerbside collection)	\$800,000			
	\$1,500,000			
Rural - no services (e.g. no water supply or kerbside collection)	\$5,000,000			
	\$8,000,000			

Please refer separate document



Wāhanga I Section

Ā Mātou Mahi

What We Do

Ngā wāhi māna me ngā rawa ā-hapori (hui katoa)

Community Facilities and Property

Ā MĀTOU MAHI | WHAT WE DO

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

The activities responsible for this are: Cemeteries, Housing and Property, Libraries, Parks and Open Spaces, Pools and Spas, Public Toilets, and Community Venues.

TE TAKE KA MAHI ĒNEI HOHENGANGA | WHY WE DO THESE ACTIVITIES

Council is committed to providing open spaces and built facilities that promote healthy communities, enable social connections, look after our natural and cultural heritage, and provide economic opportunities.

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

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities are progressing as set out in the Long Term Plan 2024-2034.

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
356	Cemeteries and Additional Ashes Wall	73	73	No Change
359	Parks and Tracks – Te Aroha Domain Redevelopment	613	613	No Change
302	Bulk Fund	144	144	No Change

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Community Facilities and Property 1 July 2025 to 30 June 2026

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation of variances to LTP budget
(\$000)		(\$000)	(\$000)	
	Sources of operating funding			
13,030	General rates, uniform annual general charges, rates penalties	13,798	14,708	An increase in general rates is required to fund the budgeted shortfall in revenue from fees and charges and additional operating costs.
73	Targeted rates	75	73	
33	Subsidies and grants for operating purposes	33	33	
5,270	Fees and charges	5,383	4,899	Expected revenue from fees and charges has reduced compared to the LTP in line with reduced visitor numbers and use of pool and spa facilities experienced in the current financial year.
300	Internal charges and overheads recovered	299	354	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
18,706	Total operating funding (A)	19,588	20,067	
	Applications of operating funding			
12,566	Payments to staff and suppliers	13,011	13,371	Additional operating costs of \$100,000 have been budgeted for the first 5 months of operation of the new Matamata Stadium expected to open during 2025/26. Under the organisation restructure, events staff previously budgeted under Communications have been reallocated to the Community Facilities team. Budgeted building maintenance costs have increased, and costs like catering that are on-charged to users of our events and meeting facilities have been budgeted for.
491	Finance costs	572	574	
3,122	Internal charges and overheads applied	3,185	3,416	Overhead costs are expected to increase compared to the LTP.
-	Other operating funding applications	-	-	
16,179	Total applications of operating funding (B)	16,768	17,361	
2,527	Surplus (deficit) of operating funding (A – B)	2,820	2,706	
	Sources of capital funding			
-	Subsidies and grants for capital expenditure	-	-	
55	Development and financial contributions	56	56	
3,915	Increase (decrease) in debt	(497)	2,795	An increased level of debt is required to fund

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
				the planned capital work.
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
3,970	Total sources of capital funding (C)	(441)	2,851	
	Applications of capital funding			
	Capital expenditure			
773	—to meet additional demand	39	39	
4,586	—to improve the level of service	1,179	4,200	Budget from 2024/25 for Matamata Stadium project and destination playgrounds has been carried forward.
1,082	—to replace existing assets	1,105	1,262	
55	Increase (decrease) in reserves	56	-	
-	Increase (decrease) of investments	-	-	
6,497	Total applications of capital funding (D)	2,379	5,557	
(2,527)	Surplus (deficit) of capital funding (C - D)	(2,820)	(2,706)	
-	Funding balance ((A - B) + (C - D))	-	-	

Te Rautaki Me Te Whakawhitiwhiti 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 TAKE KA MAHI ĒNEI HOHENGANGA | WHY WE DO THESE ACTIVITIES

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.

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 they set a number of legislative requirements that we must meet.

NGĀ KAUPAPA MATUA | KEY PROJECTS

No projects signalled in the Long Term Plan for the 2025-2026 year for this activity group.

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Strategy and engagement 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
7,358	General rates, uniform annual general charges, rates penalties	7,687	7,340	
-	Targeted rates	-	-	
195	Subsidies and grants for operating purposes	199	195	
396	Fees and charges	397	355	
741	Internal charges and overheads recovered	710	870	
-	Local authorities fuel tax, fines, infringement fees, other receipts	-	-	
8,690	Total operating funding (A)	8,993	8,760	
	Applications of operating funding			
6,743	Payments to staff and suppliers	6,986	6,799	There were some savings in employee costs to this activity due to the restructure, and a reduction in staff numbers funded from Better-off funding. These savings were offset slightly by the addition of \$150,000 in funding for Future-proof activities that was overlooked in the LTP budget, and \$30,000 additional election costs expected this year due to the requirement to hold a binding poll.
312	Finance costs	295	325	
2,539	Internal charges and overheads applied	2,629	2,851	Overhead costs are expected to increase compared to the LTP.
-	Other operating funding applications	-	-	
9,594	Total applications of operating funding (B)	9,910	9,975	
(904)	Surplus (deficit) of operating funding (A – B)	(917)	(1,215)	
	Sources of capital funding			
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
2,226	Increase (decrease) in debt	1,615	1,852	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
2,226	Total sources of capital funding (C)	1,615	1,852	

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Applications of capital funding			
	Capital expenditure			
-	—to meet additional demand	-	-	
-	—to improve the level of service	-	-	
2,268	—to replace existing assets	1,673	1,638	
(946)	Increase (decrease) in reserves	(975)	(1,001)	
-	Increase (decrease) of investments	-	-	
1,322	Total applications of capital funding (D)	698	637	
904	Surplus (deficit) of capital funding (C - D)	917	1,215	
-	Funding balance ((A - B) + (C - D))	-	-	

Ngā Rori

Roading

Ā MĀTOU MAHI | WHAT WE DO

Our transport network consists of 967km of sealed roads, and 55km of unsealed roads. It also includes 377 bridges, street lights, road markings, signs and road drainage assets.

In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater).

TE TAKE KA MAHI TĒNEI HOHENGĀ | WHY WE DO THIS ACTIVITY

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.

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities for the 2025/26 year are generally progressing as set out in the Long Term Plan 2024-2034. Changes to New Zealand Transport Agency (NZTA) subsidised projects are noted below:

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
326-330	NZTA subsidised Local Road improvements	912	325	Speed management initiatives to meet legislative requirements and new speed limit rule. NZTA reduction in funding for road safety improvements and walking and cycling
	Unsubsidised local road improvements		120	Minor safety improvements to our critical intersections. NZTA reduction in funding for road safety improvements and walking and cycling

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Roading 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/6 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
9,336	General rates, uniform annual general charges, rates penalties	9,501	9,293	
-	- Targeted rates	-	-	
3,808	Subsidies and grants for operating purposes	4,162	3,435	The NZTA approved budget has changed, with increased funding for maintenance and renewal and reduced funding for capital work.
324	Fees and charges	309	289	
287	Internal charges and overheads recovered	270	234	
220	Local authorities fuel tax, fines, infringement fees, and other receipts	225	220	
13,970	Total operating funding (A)	14,467	13,471	
	Applications of operating funding			
7,805	Payments to staff and suppliers	8,155	8,004	
375	Finance costs	365	244	
1,411	Internal charges and overheads applied	1,424	1,491	
-	- Other operating funding applications	-	-	
9,591	Total applications of operating funding (B)	9,944	9,739	
4,379	Surplus (deficit) of operating funding (A - B)	4,523	3,732	
	Sources of capital funding			
3,631	Subsidies and grants for capital expenditure	3,821	4,143	The NZTA approved budget has changed, with increased funding for maintenance and renewal and reduced funding for capital work..
221	Development and financial contributions	226	225	
(1)	Increase (decrease) in debt	192	639	
-	- Gross proceeds from sale of assets	-	-	
-	- Lump sum contributions	-	-	
-	- Other dedicated capital funding	-	-	
3,851	Total sources of capital funding (C)	4,239	5,007	
	Applications of capital funding			
	Capital expenditure			
260	—to meet additional demand	690	690	
850	—to improve the level of service	579	511	
7,120	—to replace existing assets	7,493	7,538	
-	- Increase (decrease) in reserves	-	-	
-	- Increase (decrease) of investments	-	-	
8,230	Total applications of capital funding (D)	8,762	8,739	
(4,379)	Surplus (deficit) of capital funding (C - D)	(4,523)	(3,732)	
-	Funding balance ((A - B) + (C - D))	-	-	

Te para me te whakahōu

Rubbish and recycling

Ā MĀTOU MAHI | WHAT WE DO

Our Rubbish and Recycling activity (which is sometimes referred to as our Solid Waste activity) currently provides kerbside rubbish and recycling collection services to approximately 10,000 households across the district, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou.

We provide waste minimisation and sustainability education to schools across the district. We also have three closed landfills at Matamata, Morrinsville and Te Aroha that we monitor under the terms of their resource consents to ensure they do not endanger the environment or public health.

TE TAKE KA MAHI TĒNEI HOHENGĀ | WHY WE DO THIS ACTIVITY

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. As part of the Matamata-Piako District Council Waste Management and Minimisation Plan 2021-2027 (WMMP), we have committed to reducing the total amount of general waste sent to landfill from our district.

In September 2023, Council transitioned to a new kerbside collection service that incorporated food scrap collection to reduce both waste to landfill and methane emissions. The collection area now includes rural residential properties that were previously excluded. We also separate e-waste and batteries at our three Refuse Transfer Stations which are sent for recycling.

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities for the 2025/26 year are progressing as set out in the Long Term Plan 2024-2034.

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
334/2	Minor upgrades of existing sites	1,532	1,532	No change

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Rubbish and recycling 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
Sources of operating funding				
1,965	General rates, uniform annual general charges, rates penalties	2,047	1,620	The allocation of contracted costs between kerbside activities (which is funded from targeted rates) and other refuse activities is now better reflected, and overall costs are expected to be lower than anticipated in the LTP.
2,544	Targeted rates	2,650	2,758	
260	Subsidies and grants for operating purposes	266	260	
880	Fees and charges	899	883	
1	Internal charges and overheads recovered	1	1	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
5,650	Total operating funding (A)	5,863	5,522	
Applications of operating funding				
5,108	Payments to staff and suppliers	5,212	4,728	Staff and contract costs are anticipated to be lower than set out in the LTP.
87	Finance costs	129	128	
370	Internal charges and overheads applied	380	467	Overhead costs are expected to increase compared to the LTP.
-	Other operating funding applications	-	-	
5,565	Total applications of operating funding (B)	5,721	5,323	
85	Surplus (deficit) of operating funding (A – B)	142	199	
Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
414	Increase (decrease) in debt	1,388	1,431	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
414	Total sources of capital funding (C)	1,388	1,431	
Applications of capital funding				
Capital expenditure				
-	—to meet additional demand	-	-	
500	—to improve the level of service	1,532	1,632	
-	—to replace existing assets	-	-	
(1)	Increase (decrease) in reserves	(2)	(2)	
-	Increase (decrease) of investments	-	-	
499	Total applications of capital funding (D)	1,530	1,630	
(85)	Surplus (deficit) of capital funding (C – D)	(142)	(199)	
-	Funding balance ((A – B) + (C – D))	-	-	

Te Waimarangai

Stormwater

Ā MĀTOU MAHI | WHAT WE DO

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

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

In 2023, the coalition government introduced Local Waters Done Well. Under this framework, councils are required to prepare a Water Services Delivery Plan to outline how they will deliver water services into the future. Council has consulted with the community on our preferred option for a jointly owned water organisation, known as Waikato Water Done Well. For now, Council will continue to maintain and manage the stormwater assets. For more information click [here](#).

TE TAKE KA MAHI TĒNEI HOHENGĀ | WHY WE DO THIS ACTIVITY

We ensure stormwater systems are managed safely and efficiently to drain surface water to minimise flooding in our communities and stormwater discharged from urban areas does not pollute the receiving environment. We work with property owners and other partners to achieve best outcomes.

The main purpose is to ensure that 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.

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities for the 2025/26 year are progressing as set out in the Long Term Plan 2024-2034.

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
366	District-wide stormwater treatment upgrades related to our resource consents	306	306	No Change
367	Stormwater modelling and planning	255	255	No Change
377	Stormwater renewals	511	511	No Change

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Stormwater 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
148	General rates, uniform annual general charges, rates penalties	161	164	
907	Targeted rates	992	1,009	
-	Subsidies and grants for operating purposes	-	-	
-	Fees and charges	-	-	
178	Internal charges and overheads recovered	168	160	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
1,233	Total operating funding (A)	1,321	1,333	
	Applications of operating funding			
636	Payments to staff and suppliers	650	651	
37	Finance costs	86	50	
271	Internal charges and overheads applied	282	314	
-	Other operating funding applications	-	-	
944	Total applications of operating funding (B)	1,018	1,015	
289	Surplus (deficit) of operating funding (A – B)	303	318	
	Sources of capital funding			
-	Subsidies and grants for capital expenditure	-	-	
-	Development and financial contributions	-	-	
(32)	Increase (decrease) in debt	(32)	923	
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
(32)	Total sources of capital funding (C)	(32)	923	
	Applications of capital funding			
	Capital expenditure			
75	—to meet additional demand	128	128	
1,575	—to improve the level of service	434	828	2024/25 budget has been carried forward
-	—to replace existing assets	511	511	
(1,393)	Increase (decrease) in reserves	(802)	(266)	
-	Increase (decrease) of investments	-	-	
257	Total applications of capital funding (D)	271	1,241	
(289)	Surplus (deficit) of capital funding (C – D)	(303)	(318)	
-	Funding balance ((A – B) + (C – D))	-	-	

Te Waipara

Wastewater

Ā MĀTOU MAHI | WHAT WE DO

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

The treatment plants are situated in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha and Tahuna. The Morrinsville treatment plant also treats and disposes of rural septic tank waste. All of our plants have discharge consents with conditions that we have to meet that specify the required treatment at each plant.

Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw 2020. Under our tradewaste agreements, companies pay for the cost of processing their waste.

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

In 2023, the coalition government introduced Local Waters Done Well. Under this framework, councils are required to prepare a Water Services Delivery Plan to outline how they will deliver water services into the future. Council has consulted with the community on our preferred option for a jointly owned water organisation, known as Waikato Water Done Well, which would include delivery of wastewater services. At the time of writing, Council was still to make a final decision. For more information click [here](#).

TE TAKE KA MAHI TĒNEI HOHENGĀ | WHY WE DO THIS ACTIVITY

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

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

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities are generally progressing as set out in the Long Term Plan 2024-2034. Changes to some projects are noted below:

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
337	District Wide Inflow and Infiltration Reduction	204	204	No Change
368	Tower Road Pump Station and Rising Main	1,673	-	Not progressing as not required. Investment transferred to Matamata Wastewater Treatment Plant upgrade works instead
244	Matamata Wastewater Treatment Plant Upgrade	20,430	22,064	Additional cost, including the Rising Main work.

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Wastewater 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
-	General rates, uniform annual general charges, rates penalties	-	-	
8,671	Targeted rates	9,940	9,039	The decrease in rates compared to the LTP is reflective of the anticipated change in costs expected for the 25/26 year.
-	Subsidies and grants for operating purposes	-	-	
1,078	Fees and charges	1,311	2,003	Tradewaste agreements with industry are to be revised in line with current costs of operation.
616	Internal charges and overheads recovered	581	504	
-	Local authorities fuel tax, fines, infringement fees, other receipts	-	-	
10,365	Total operating funding (A)	11,832	11,546	
	Applications of operating funding			
5,761	Payments to staff and suppliers	5,885	5,056	Desludging costs in the LTP have been removed from the 25/26 budget awaiting an assessment of options, but this is offset by other budgeted costs to increase \$436k (particularly electrical maintenance, power, lab costs, annual UV bulb replacements, regulatory/ compliance costs.
1,187	Finance costs	2,345	846	The delayed progress of the Matamata Wastewater Treatment Plant project and the uncertainty around the operational desludging projects at the Morrinsville and Te Aroha plants (which were to be financed) has led to a decrease in anticipated finance costs for the 25/26 year.
701	Internal charges and overheads applied	732	1,206	Overhead costs are expected to increase compared to the LTP.
-	Other operating funding applications	-	-	
7,649	Total applications of operating funding (B)	8,962	7,108	
2,716	Surplus (deficit) of operating funding (A – B)	2,870	4,438	
	Sources of capital funding			
-	Subsidies and grants for capital expenditure	-	-	
1,694	Development and financial contributions	1,728	1,728	
28,435	Increase (decrease) in debt	23,999	26,084	Increase in debt compared to the LTP to fund the increased capital planned.

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
30,129	Total sources of capital funding (C)	25,727	27,812	
	Applications of capital funding			
	Capital expenditure			
8,012	—to meet additional demand	7,449	7,449	
18,700	—to improve the level of service	14,832	18,051	
5,750	—to replace existing assets	5,874	6,090	
383	Increase (decrease) in reserves	442	660	
-	Increase (decrease) of investments	-	-	
32,845	Total applications of capital funding (D)	28,597	32,250	
(2,716)	Surplus (deficit) of capital funding (C – D)	(2,870)	(4,438)	
-	Funding balance ((A – B) + (C – D))	-	-	

Te Wai

Water

Ā MĀTOU MAHI | WHAT WE DO

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

We provide water 24 hours a day, seven days a week, which means operating and maintaining equipment, machinery and backup facilities, and training staff to respond rapidly in the event of a problem. We need to meet drinking water standards and undertake reporting for the new regulator, Taumata Arowai.

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.

In 2023, the coalition government introduced Local Waters Done Well. Under this framework, councils are required to prepare a Water Services Delivery Plan to outline how they will deliver water services into the future. Council has consulted with the community on our preferred option for a jointly owned water organisation, known as Waikato Water Done Well, which would include delivery of water services. At the time of writing, Council was still to make a final decision. For more information click [here](#).

TE TAKE KA MAHI TĒNEI HOHENGĀ | WHY WE DO THIS ACTIVITY

The Water activity provides our communities with clean, safe drinking water to ensure 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.

NGĀ KAUPAPA MATUA | KEY PROJECTS

Projects within this group of activities are progressing as set out in the Long Term Plan 2024-2034. Changes to some projects are noted below:

Project ID	Project	LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
342	HSNO Upgrades – Miscellaneous	204	204	No Change
343	Implement Water Conservation Strategy	204	204	No Change
354	Raw Water Intake RC Compliance	255	-	This work is being moved out until we have resource consent secured.
347	Hinuera WTP upgrade	1,022	1,022	No Change
348	Matamata Tills Road – Sludge and UV upgrades	460	460	No Change
378	Morrinsville WTP Compliance Upgrades (Water works and Scott Road)	255	255	No Change
354	Te Aroha WTP consent and intake upgrade	255	255	No Change

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Water 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
-	General rates, uniform annual general charges, rates penalties	-	-	
10,891	Targeted rates	11,287	11,812	Increased rates required to fund anticipated operating cost increase.
-	Subsidies and grants for operating purposes	-	-	
11	Fees and charges	11	11	
72	Internal charges and overheads recovered	68	59	
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	
10,974	Total operating funding (A)	11,366	11,882	
	Applications of operating funding			
5,208	Payments to staff and suppliers	5,320	5,433	Budget increased slightly for electrical maintenance contract, contractor and chemical costs.
1,132	Finance costs	1,286	1,100	
1,163	Internal charges and overheads applied	1,157	1,646	Overhead costs are expected to increase compared to the LTP.
-	Other operating funding applications	-	-	
7,503	Total applications of operating funding (B)	7,763	8,179	
3,471	Surplus (deficit) of operating funding (A – B)	3,603	3,703	
	Sources of capital funding			
-	Subsidies and grants for capital expenditure	-	-	
190	Development and financial contributions	193	193	
5,548	Increase (decrease) in debt	3,721	4,310	Increase in debt to cover additional capital requirement
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
5,738	Total sources of capital funding (C)	3,914	4,503	
	Applications of capital funding			
	Capital expenditure			
2,200	—to meet additional demand	-	-	
700	—to improve the level of service	2,401	2,145	
6,309	—to replace existing assets	5,116	6,061	\$1m Te Aroha water treatment plant resource consent renewals carried forward from 2024/25
-	Increase (decrease) in reserves	-	-	
-	Increase (decrease) of investments	-	-	
9,209	Total applications of capital funding (D)	7,517	8,206	
(3,471)	Surplus (deficit) of capital funding (C – D)	(3,603)	(3,703)	
-	Funding balance ((A – B) + (C – D))	-	-	

Ngā Whakaaetanga Me Ngā Raihana

Consents And Licensing

Ā MĀTOU MAHI | WHAT WE DO

Consents and Licensing is about carrying out the regulatory functions that we have an obligation to perform under legislation.

The functions that fall within this activity group are Animal Control, Building Consents and Monitoring, Licensing and Enforcement, and Resource Consents and Monitoring.

TE TAKE KA MAHI ĒNEI HOHENGĀ | WHY WE DO THESE ACTIVITIES

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 has a significant impact on these activities, as it sets a number of requirements that we must meet.

NGĀ KAUPAPA MATUA | KEY PROJECTS

No projects signalled in the Long Term Plan 2024-2034 for the 2025/26 year for this activity group.

TE PĀNUI O TE PĀNGA O TE PŪTEA | FUNDING IMPACT STATEMENT

Consents and Licensing 1 July 2025 to 30 June 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of variances to LTP budget
	Sources of operating funding			
3,933	General rates, uniform annual general charges, rates penalties	4,103	4,434	Rates requirements increased slightly from LTP budget to cover reduced income expectations and increased overhead costs.
-	- Targeted rates	-	-	
-	- Subsidies and grants for operating purposes	-	-	
4,088	Fees and charges	4,177	3,939	Budgeted income from resource consents and monitoring in line with the 24/25 year, which is slightly less than budgeted in the LTP
-	- Internal charges and overheads recovered	-	-	
39	Local authorities fuel tax, fines, infringement fees, and other receipts	39	34	
8,060	Total operating funding (A)	8,319	8,407	
	Applications of operating funding			
5,603	Payments to staff and suppliers	5,774	5,663	
65	Finance costs	61	102	
2,125	Internal charges and overheads applied	2,214	2,362	
-	- Other operating funding applications	-	-	
7,793	Total applications of operating funding (B)	8,049	8,127	
267	Surplus (deficit) of operating funding (A – B)	270	280	
	Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-	
-	- Development and financial contributions	-	-	
(267)	Increase (decrease) in debt	(270)	(280)	
-	- Gross proceeds from sale of assets	-	-	
-	- Lump sum contributions	-	-	
-	- Other dedicated capital funding	-	-	
(267)	Total sources of capital funding (C)	(270)	(280)	
	Applications of capital funding			
	Capital expenditure			
-	- —to meet additional demand	-	-	
-	- —to improve the level of service	-	-	
-	- —to replace existing assets	-	-	
	Increase (decrease) in reserves			
-	- Increase (decrease) of investments	-	-	



Te Pūtea

Financials

TAUĀKĪ MATAPAE O NGĀ MONIWHIWHI ME NGĀ WHAKAPAUNGA WHĀNUI MŌ TE TAU E
MUTU ANA I TE 30 O HUNE 2026 I

FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEAR ENDING
30 JUNE 2026

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation of significant variances to LTP budget
(\$000)		(\$000)	(\$000)	
Revenue				
58,856	Rates	62,241	62,249	
7,922	Subsidies and grants	8,481	8,065	The overall approved NZTA subsidy for 25/26 is \$405,000 less than anticipated in the LTP.
11,686	Fees and charges	12,100	12,225	
2,160	Development and financial contributions	2,203	2,203	
553	Interest revenue	537	531	
459	Other revenue	468	463	
81,636	Total revenue	86,030	85,736	
Expenses				
27,808	Personnel costs	28,991	31,237	An organisational restructure finalised after the LTP resulted in some additional positions to manage increasing compliance requirements and to ensure service and project delivery.
21,834	Depreciation and amortisation	22,764	23,932	Estimated depreciation had increased above the level forecast in the LTP.
3,815	Finance costs	5,305	3,471	Finance costs are expected to be lower than budgeted in the LTP largely due to the delayed delivery of the Matamata Wastewater Treatment Plant project, the operational desludging work for the Morrinsville and Te Aroha plants that has been delayed awaiting an assessment of options.
31,192	Other expenses	31,892	30,318	There are a number of shifts in expenses both up and down across the activity budgets, the most significant of which being in Wastewater, where desludging costs in the LTP have been removed from the 25/26 budget awaiting an assessment of options.
84,649	Total expenditure	88,952	88,958	
(3,013)	Surplus/(deficit)	(2,922)	(3,222)	
Other comprehensive revenue and expense				
-	Financial assets at fair value through other comprehensive revenue and expense	-	-	
21,801	Property, plant and equipment revaluations	16,953	25,637	Estimated increases in the future replacement value of our infrastructure are expected to be higher than set out in the LTP.
21,801	Total other comprehensive revenue and expense	16,953	25,637	
18,788	Total comprehensive revenue and expense	14,031	22,415	

TAUĀKĪ MATAPAE O NGĀ PANONITANGA TŪTANGA MŌ TE TAU E MUTU ANA I TE 30 O HUNE 2026 | FORECAST STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of significant variances to LTP budget
977,212	Balance at 1 July	996,000	982,765	
18,788	Total comprehensive revenue and expense for the year	14,031	22,415	Estimated increases in the future replacement value of our infrastructure are expected to be higher than set out in the LTP.
996,000	Balance at 30 June	1,010,031	1,005,180	

TAUĀKĪ MATAPAE O TE TŪNGA AHUMONI I TE 30 O HUNE 2026 | FORECAST STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of significant variances to LTP budget
Assets				
Current assets				
341	Cash and cash equivalents	341	570	
6,980	Receivables	7,165	7,144	
700	Prepayments	700	700	
900	Inventory	919	919	
-	Non-current assets held for sale	-	-	
-	Derivative financial instruments	-	-	
Other financial assets:				
12,002	- Term deposits	12,377	14,079	
273	- Investments in CCO's and other similar entities	311	273	
-	- Investments in other entities	-	-	
21,196	Total current assets	21,814	23,685	
Non-current assets				
-	Derivative financial instruments	-	-	
Other financial assets:				
37,389	- Investments in CCO's and other similar entities	37,389	37,029	
111	- Investments in other entities	111	111	
1,046,847	Property, plant and equipment	1,092,308	1,066,462	The significant Matamata Wastewater Treatment Plant project was forecast to be completed in the LTP by the end of the 25/26 year, but completion is now expected in the following year.

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)	Explanation of significant variances to LTP budget
613	Intangible assets	580	609	
1,084,960	Total non-current assets	1,130,388	1,104,211	
1,106,156	Total assets	1,152,202	1,127,897	
Liabilities				
Current liabilities				
10,875	Payables and deferred revenue	11,657	10,297	
-	Derivative financial instruments	-	-	
13,500	Borrowings	20,000	13,500	The balance of overall borrowing is expected to be lower than budgeted in the LTP due to the delayed Matamata Wastewater Treatment Plant project and the operational desludging work that was to be financed through external borrowings.
2,613	Employee entitlements	2,669	2,669	
56	Provisions	80	80	
27,044	Total current liabilities	34,406	26,546	
Non-current liabilities				
-	Derivative financial instruments	-	-	
82,486	Borrowings	107,178	95,584	The balance of overall borrowing is expected to be lower than budgeted in the LTP due to the delayed Matamata Wastewater Treatment Plant project and the operational desludging work that was to be financed through external borrowings.
362	Employee entitlements	370	370	
264	Provisions	216	216	
83,112	Total non-current liabilities	107,764	96,170	
110,156	Total liabilities	142,170	122,716	
996,000	Net assets	1,010,031	1,005,180	
Equity				
469,194	Accumulated funds	466,718	474,635	
526,806	Other reserves	543,313	530,545	
996,000	Total equity	1,010,031	1,005,180	

TAUĀKĪ MATAPAE O NGĀ KAPEWHITI MŌ TE TAU E MUTU ANA I TE 30 O HUNE 2026 |
FORECAST STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 30 JUNE 2026

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation of significant variances to LTP budget
(\$000)		(\$000)	(\$000)	
Cashflow from operating activities				
58,293	Receipts from rates revenue	61,832	61,919	
7,922	Subsidies and grants received	8,481	8,053	The overall approved NZTA subsidy for 25/26 is \$405,000 less than anticipated in the LTP.
11,686	Fees and charges received	12,100	12,180	
2,160	Development and financial contributions received	2,203	2,066	
553	Interest received	537	531	
459	Receipts from other revenue	468	463	
(34,044)	Payments to suppliers	(31,134)	(30,629)	There are a number of shifts in expenses both up and down across the activity budgets, the most significant of which being in Wastewater, where desludging costs in the LTP have been removed from the 25/26 budget awaiting an assessment of options.
(27,808)	Payments to employees	(28,927)	(30,951)	An organisational restructure finalised after the LTP resulted in some additional positions to manage increasing compliance requirements and to ensure service and project delivery.
(3,815)	Interest paid	(5,305)	(3,500)	Finance costs are expected to be lower than budgeted in the LTP largely due to the delayed delivery of the Matamata Wastewater Treatment Plant project, and the delayed operational desludging work.
-	GST (net)	-	-	
15,406	Net cashflow from operating activities	20,255	20,132	
Cashflow from investing activities				
-	Proceeds from the sale of property, plant and equipment	-	-	
-	Proceeds from sale/maturity of investments	-	-	
-	Proceeds from sale of your own properties	-	-	
(60,657)	Purchase of property, plant and equipment	(50,888)	(58,493)	Capital spending in 25/26 is expected to increase compared to the LTP, partly because of carrying forward work on significant projects budgeted in the LTP to be spent in the 24/25 year.
(103)	Purchase of intangible assets	(146)	(280)	
(1,151)	Purchase of investments	(413)	(96)	
(61,911)	Net cashflows from investing activities	(51,447)	(58,869)	
Cash flows from financing activities				
53,939	Proceeds from borrowings	44,692	52,466	Funding requirements from debt will increase

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation of significant variances to LTP budget
(\$000)		(\$000)	(\$000)	
				over 25/26 due to the delayed timing of the significant Matamata Wastewater Treatment Plant project pushing more work into the 25/26 year. This is offset slightly by reduced debt required for the delayed operational desludging work.
(12,000)	Repayment of borrowings	(13,500)	(13,500)	
41,939	Net cashflow from financing activities	31,192	38,966	
(4,566)	Net increase/(decrease) in cash and cash equivalents	-	229	
4,907	Cash and cash equivalents at the beginning of the year	341	341	
341	Cash and cash equivalents at the end of the year	341	570	

Ngā Whakamārama o ngā Kaupapahere ā-Pūtea

Statement of Accounting Policies

Reporting Entity

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

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

The financial information contained within this document is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the next financial year, and to provide a broad accountability mechanism of the Council to the community. The financial information in the Annual Plan may not be appropriate for purposes other than those described.

The forecast financial statements of the Council are for the year ended 30 June 2026. The draft forecast financial statements were authorised for issue as part of the Annual Plan by Council on 30 June 2025. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of Preparation

The forecast financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently to all periods presented in these forecast financial statements.

Implementation of new and amended standards

All standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the Council or are not expected to have a material impact on the financial statements of the Council and, therefore, have not been disclosed.

Statement of compliance

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

Presentation currency and rounding

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

Opening balances

The forecast financial statements have been prepared based on expected opening balances for the year ended 30 June 2025. Estimates have been restated accordingly if required.

A cautionary note

The information in the forecast financial statements is uncertain and the preparation requires the exercising of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or we may subsequently take actions that differ from the proposed courses of action on which the forecast financial statements are based. The information contained within these forecast financial statements may not be suitable for use in another capacity.

Revenue

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.

Waka Kotahi NZ Transport Agency roading subsidies

The Council receives funding assistance from the Waka Kotahi NZ Transport Agency, which subsidies 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 license.

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 us 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.

Personnel costs

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 Superannuation Fund, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Finance costs

Finance/borrowing costs are recognised as an expense in the financial year in which they are incurred.

Other expenses

Grant expenditure

The Council's grants awarded 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.

Cash and cash equivalents

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.

Receivables

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.

Inventory

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

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

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

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

Non-current assets held for sale

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).

Derivative financial instruments

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 remeasured 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.

Other financial assets

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

Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Short term investments

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

Equity investments

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

Property, plant and equipment

Property, plant and equipment consist 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

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

Land and 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.

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.

	Useful life	Depreciation rate
Operational assets		
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%

	Useful life	Depreciation rate
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	40 to 88 years	1% - 3%
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 non-financial assets

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.

Intangible assets

Intangible assets are defined as identifiable non-monetary assets without physical form. Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website 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. The same approach applies to the impairment of intangible assets.

Payables and deferred revenue

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

Borrowings

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. 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.

Employee entitlements

Short term employee entitlements

Employee benefits that are expected to be settled wholly within twelve 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, and sick leave.

Long term employee entitlements

Employee benefits that are expected to be settled wholly within twelve 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, 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.

Provisions

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
- 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'.

Equity

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.

Goods and service tax (GST)

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

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

Foreign currency transactions

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

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

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. The

allocation of indirect costs to the activities of Council has also been benchmarked against neighbouring local authorities for moderation.

Critical accounting estimates and assumptions

In preparing these forecast 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 or 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 period of the forecast financial statements are as follows.

Infrastructural and building assets

Roading, water, wastewater and stormwater infrastructural assets and buildings are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing 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 for infrastructural assets, it is indexed using Statistics New Zealand's capital Goods Price Index (based on a forecasted June quarter index) for civil constructions or the 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.

Provisions for landfill aftercare and Tui Mine site monitoring

The cash outflows for landfill post closure costs and Mine site monitoring costs are expected to occur over the next 12 to 30 years. The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs that will be incurred. The provisions have 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
- Costs have been estimated based on best information and technology known at this point.

- Discount rates have been used to discount the estimated future cash overflows determined using New Zealand Government bond yield information and extrapolated beyond the available market data.

Water reform

In 2023, the coalition government introduced Local Waters Done Well. Under this framework, councils are required to prepare a Water Services Delivery Plan to outline how they will deliver water services into the future. Council has consulted with the community on our preferred option for a jointly owned water organisation, known as Waikato Water Done Well, which would include delivery of water and wastewater services, while retaining stormwater services in-house. At the time of writing, Council was still to make a final decision. Our assumption is Council will continue to deliver water, wastewater and stormwater services during the 2025/26 year. For more information click [here](#).

Critical judgments in applying accounting policies

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

Classification of property

We own a number of properties held to provide housing to elderly persons. The receipt of rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of our social housing policy. The properties are therefore accounted for as property, plant and equipment.

Waikato Regional Airport Limited

The fair value for the investment in WRAL has been determined based on Council's proportion of ownership of the WRAL's net assets (15.625%). Net assets are 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.

Forecast depreciation and amortisation expense by group of activity

LTP 2024/25 (000)		LTP 2025/26 (\$000) (000)	Annual Plan 2025/26 (000)
	Directly attributable depreciation and amortisation expense by group of activity		
1,925	Community facilities	2,228	2,198
10,901	Roading	11,137	11,883
48	Rubbish and recycling	48	161
1,026	Stormwater	1,082	1,139
3,346	Wastewater	3,426	3,693
3,399	Water	3,572	3,628
2	Strategy and engagement	2	1
12	Consents and licensing	8	17
1,175	Depreciation and amortisation not directly related to groups of activities	1,261	1,212
21,834	Total depreciation and amortisation expense	22,764	23,932

Reserve funds

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 us. Restricted reserves are those reserves subject to conditions accepted as binding by us which may not be revised by us 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.

Council created reserves are established by Council decision. We may alter them without reference to any third party or the Court. Transfers to and from these reserves are at our discretion. Asset revaluation reserves represent unrealised gains on assets owned by us. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings. Details of specific reserve funds held by us are as follows:

	Purpose	Activities related to	Forecast balance 1 July 2025	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2026
			(\$000)	(\$000)		(\$000)		(\$000)
Council created reserves								
Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes eg grants.	All Council activities	3,411	-	No additional funding anticipated for this year	(1,213)	Digital enablement projects and climate change initiatives	2,198
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	23,263	2,118	Internal interest and external interest from the invested portion of the fund	(1,857)	Returns are offset against rates requirements	23,524
Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	2,493	678	Annual targeted rates charged to Fonterra and Greenleas Morrinsville (ending 2025/26)	(678)	Fonterra and Greenleas share of interest and depreciation costs, and the balance offsets rates requirement	2,493

	Purpose	Activities related to	Forecast balance 1 July 2025	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2026
			(\$000)	(\$000)		(\$000)		(\$000)
Stormwater funding reserve	Surplus funds (mainly depreciation) set aside for application to future capital needs.	Stormwater	1,995	285	Depreciation funding	(511)	Replacement of assets	1,769
Stormwater improvement reserve	Funds to set aside to fund stormwater projects	Stormwater	109	-	No additional funding anticipated for this year	-	No expenditure anticipated for this Annual Plan	109
Te Aroha and Morrinsville wastewater de-sludging	Funds set aside for the desludging of the Te Aroha and Morrinsville wastewater ponds.	Wastewater	660	660	Targeted rates funding	-	No expenditure anticipated for this Annual Plan	1,320
Te Aroha Spa development reserve	Funds set aside for the investigative stages of the Te Aroha Spa development project	Strategy and Engagement	324	-	No additional funding anticipated for this year	-	No expenditure anticipated for this Annual Plan	324
Total Council created reserves			32,255	3,741		(4,259)		31,737
Restricted reserves								
Endowment land sales reserve	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	-	No additional funding anticipated for this year	-	No expenditure anticipated for this Annual Plan	313
Reserves development	Funds set aside from reserves contributions to be used for parks and reserves.	Development of parks and reserves	1,115	56	Financial contributions	-	No expenditure anticipated for this Annual Plan	1,171
Bequests and trust funds	Funds set aside to be used for the nominated	Nominated purposes	197	-	No additional funding anticipated	-	No expenditure anticipated for this	197

	Purpose	Activities related to	Forecast balance 1 July 2025	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2026
			(\$000)	(\$000)		(\$000)		(\$000)
	purpose of the bequest or trust fund.				d for this year		Annual Plan	
Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	1,167	266	Government funding of waste minimisation	(267)	Apply to waste minimisation programme	1,166
Youth Ambassadors	Funds set aside for initiatives that empower the youth of our district	Nominated purposes	9	10	General rates	(10)	Youth initiatives	9
Civil Defence fund	Funds set aside for the purpose of Civil Defence activities	Nominated purposes	65	-	No additional funding anticipated for this year	-	No expenditure anticipated for this Annual Plan	65
Total restricted reserves			2,866	332		(277)		2,921
Asset revaluation reserves	Surpluses from the revaluation of property plant and equipment	All Council activities	437,140	25,637	Asset revaluations	-		462,777
Fair value through other comprehensive revenue and expense reserve	Net change in fair value of financial assets	All Council activities	33,110	-	Financial asset revaluations	-		33,110
Total reserve funds			505,371	29,710		(4,536)		530,545

**AROTAKETANGA O TE TAUĀKĪ PĀPĀTANGA PŪTEA ME TE TAUĀKĪ MONIWHIWHI,
WHAKAPAUNGA WHĀNUI | RECONCILIATION BETWEEN THE FUNDING IMPACT STATEMENT
AND STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

The funding impact statement is prepared in compliance with the requirements of clause 15, part 1, schedule 10 of the Local Government Act 2002. Unlike the statement of comprehensive revenue and expense, the funding impact statement is not compliant with generally accepted accounting standards (GAAP). The funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on 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 of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

LTP 2024/25 (\$000)		LTP 2025/26 (\$000)	Annual Plan 2025/26 (\$000)
	Funding sources as shown in the overall Council funding impact statement		
75,453	Total operating funding	79,652	78,806
46,029	Total capital funding	36,140	44,099
	Less capital movements		
(40,238)	(Increase)/decrease in debt	(30,116)	(37,754)
-	Gross proceeds from sale of assets	-	-
	Add non-funded income		
200	Vested assets	204	204
-	Other gains	-	-
192	Income from support activities	150	381
81,636	Total funding sources	86,030	85,736
81,636	Total income as shown in the statement of comprehensive revenue and expense	86,030	85,736
	Application of funding as shown in the overall Council funding impact statement		
62,623	Total applications of operating funding	66,038	64,645
58,859	Total applications of capital funding	49,754	58,260
	Less capital movements		
(60,761)	Capital expenditure	(51,035)	(58,773)
1,902	(Increase)/decrease in reserves	1,281	513
-	(Increase)/decrease in investments	-	-
	Add non-funded expenditure		
21,834	Depreciation and amortisation	22,764	23,932
-	Other losses	-	-
192	Expenses from support activities	150	381
84,649	Total funding application	88,952	88,958
84,649	Total expenditure as shown in the statement of comprehensive revenue and expense	88,952	88,958

TAUĀKĪ PĀPĀTANGA MŌ NGĀ PŪTEA MATAPAE I TE 1 O HŪRAE 2025 KI TE 30 O HUNE 2026
MŌ TE KAUNIHERA WHĀNUI | FORECAST FUNDING IMPACT STATEMENT FOR 1 JULY 2025
TO 30 JUNE 2026 FOR WHOLE OF COUNCIL

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation and variances to the LTP budget
\$000		\$000	\$000	
	Sources of operating funding			
35,770	General rates, uniform annual general charges, rates penalties	37,297	37,559	Overall rates are budgeted to increase 5.8% in line with the increase set out in the LTP.
23,086	Targeted rates	24,944	24,691	
4,291	Subsidies and grants for operating purposes	4,660	3,923	The overall approved NZTA subsidy for 25/26 is \$405,000 less than anticipated in the LTP, with lower funding for operational work and slightly higher funding for capital work.
11,447	Fees and charges	11,890	11,848	
600	Interest and dividends from investments	597	531	
259	Local authorities fuel tax, fines, infringement fees, and other receipts	264	254	
75,453	Total operating funding (A)	79,652	78,806	
	Applications of operating funding			
58,937	Payments to staff and suppliers	60,899	61,276	An organisational restructure finalised after the LTP resulted in some additional staff positions to manage increasing compliance requirements and to ensure service and project delivery. There are a number of shifts in other expenses both up and down across the activity budgets, the most significant being in Wastewater, where desludging costs in the LTP have been removed from the 25/26 budget awaiting an assessment of options.
3,686	Finance costs	5,139	3,369	Finance costs are expected to be lower than budgeted in the LTP largely due to the delayed delivery of the Matamata Wastewater Treatment Plant project, and the delayed operational desludging work.
-	Other operating funding applications	-	-	
62,623	Total applications of operating funding (B)	66,038	64,645	
12,830	Surplus (deficit) of operating funding (A – B)	13,614	14,161	
	Sources of capital funding			
3,631	Subsidies and grants for capital expenditure	3,821	4,143	The overall approved NZTA subsidy for 25/26 is \$405,000 less than anticipated in the LTP, with lower funding for operational work and slightly higher funding for capital work.
2,160	Development and financial contributions	2,203	2,202	

LTP 2024/25		LTP 2025/26	Annual Plan 2025/26	Explanation and variances to the LTP budget
\$000		\$000	\$000	
40,238	Increase (decrease) in debt	30,116	37,754	Funding requirements from debt will increase over 25/26 due to the delayed timing of the significant Matamata Wastewater Treatment Plant project pushing more work into the 25/26 year. This is offset slightly by reduced debt required for the delayed operational desludging work.
-	Gross proceeds from sale of assets	-	-	
-	Lump sum contributions	-	-	
-	Other dedicated capital funding	-	-	
46,029	Total sources of capital funding (C)	36,140	44,099	
	Applications of capital funding			
	Capital expenditure			
11,321	—to meet additional demand	8,306	8,306	There has been some change in timing of projects compared to that set out in the LTP, and some additional costs (eg Matamata Wastewater Upgrade – rising main works).
26,911	—to improve the level of service	20,957	27,367	
22,529	—to replace existing assets	21,772	23,100	
(1,902)	Increase (decrease) in reserves	(1,281)	(513)	
-	Increase (decrease) of investments	-	-	
58,859	Total applications of capital funding (D)	49,754	58,260	
(12,830)	Surplus (deficit) of capital funding (C – D)	(13,614)	(14,161)	
-	Funding balance ((A – B) + (C – D))	-	-	

Te Tātairanga o ngā Rēti

Calculation of Rates

For 1 July 2025 to 30 June 2026. These rates shown are inclusive of GST unless otherwise stated.

		General rates		Targeted rates	
Source		General Rate	Uniform annual general charge	Stormwater	Rubbish and Recycling - Kerbside collection
Funded activity				Stormwater disposal activities	Kerbside collection services
Category		All rateable land in the Matamata-Piako District	All rateable land in the Matamata-Piako District	Rating units within serviced areas	Rating units within serviced areas
Forecast revenue 2025/26 (excluding GST) (\$000)		24,283	13,276	1,009	2,758
How the rate will be calculated		Per dollar of capital value	Uniform charge per rating unit	Uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa	Uniform charge per separately used or inhabited part of a rating unit to which the service is available
LTP 2025/26		0.00135991	930.35	100.93	284.47
Annual Plan 2025/26	\$	<i>Please refer separate document</i>			

Targeted rates								
Source	Wastewater (sewage disposal)							
Funded activity	Wastewater disposal activities							
Category	Connected single residential house	Connected non-single residential, and non-residential properties						Serviceable properties within 30 metres of Council's wastewater reticulation network
Forecast revenue 2025/26 (excluding GST) (\$000)	7,147	935						279
How the rate will be calculated	Uniform charge per connected rating unit	Uniform charge per rating unit for the first pan on all connected properties and:	Additional uniform charge per pan (excluding the first pan) for properties with up to 4 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 10 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 15 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 20 pans	Or additional uniform charge per pan (excluding the first pan) for properties with more than 20 pans	Uniform charge per rating unit to which the service is available (but not connected)
LTP 2025/26	789.69	789.69	789.69	671.24	631.76	592.27	552.79	394.85
Annual Plan 2025/26	\$	<i>Please refer separate document</i>						

Targeted rates								
Source	Industry contributions to the Morrinsville wastewater treatment plant upgrade		Water supply		Water supply (metered) *			
Funded activity	Wastewater disposal activities		Water activities		Water activities			
Category	18 Allen Street, Morrinsville	38 Pickett Place Morrinsville	Connected properties	Serviceable properties within 100 metres of Council's water reticulation network	Metered supply (general)**	Metered supply raw water Pohomihi (Te Aroha West) water Line	Metered supply Braeside Aquaria	Matamata farm properties* **
Forecast revenue 2025/26 (excluding GST) (\$'000)	514	163	7,697	264	3,764	28	18	40
How the rate will be calculated	Uniform charge per specified rating unit		Uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided	Uniform charge per separately used or inhabited part of a rating unit to which the service is available (but not connected)	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month in the Pohomihi (Te Aroha West) supply area	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month for Braeside Aquaria	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month for Matamata farm properties that contain the Matamata trunk main from Tills Road
LTP 2025/26	600,789.35	190,660.20	688.07	344.03	2.97	2.17	1.59	2.97
Annual Plan 2025/26	<i>Please refer separate document</i>							

Footnotes

* Targeted Rates for a metered water supply are charged in addition to a uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided.

**Excluding the other categories of metered supplies listed (being Pohomihi, Braeside Aquaria and Matamata farm properties).

***A 50% discount will be applied to this rate if the invoice is paid by the due date.

Targeted rates						
Source	Community Facilities and Property Targeted rural hall rates will apply to all land within the hall rating area as listed					
Funded activity	Expenditure on rural halls					
Category	Tauhei	Hoe-O-Tainui	Springdale	Kiwitahi	Patetonga	Wardville
Forecast revenue 2025/26 (excluding GST) (\$000)	10.22	3.55	2.84	4.63	0.30	4.09
How the rate will be calculated	Per dollar of land value					
LTP 2025/26	0.00012560	0.00002790	0.00001541	0.00002030	0.00003260	0.00003022
Annual Plan 2025/26	<i>Please refer separate document</i>					

Targeted rates							
Source	Community Facilities and Property Targeted rural hall rates will apply to all land within the hall rating area as listed						
Funded activity	Expenditure on rural halls						
Category	Tahuna	Mangateparu	Kereone	Tatuanui	Walton	Okauia	Hinuera
Forecast revenue 2025/26 (excluding GST) (\$000)	6.77	5.67	4.06	4.37	5.62	3.43	5.65
How the rate will be calculated	Uniform charge per rating unit					Per dollar of capital value	
LTP 2025/26	43.71	39.82	44.43	66.16	32.11	0.00001772	0.00001457
Annual Plan 2025/26	<i>Please refer separate document</i>						

Targeted rates				
Source	Community Facilities and Property Targeted rural hall rates will apply to all land within the hall rating area as listed			
Funded activity	Expenditure on rural halls			
Category	Mangaiti	Waihou	Elstow	Manawaru
Forecast revenue 2025/26 (excluding GST) (\$000)	0.74	5.47	2.77	4.73
How the rate will be calculated	Uniform charge per separately used or inhabited part of a rating unit			
LTP 2025/26	13.54	29.97	23.13	35.25
Annual Plan 2025/26	<i>Please refer separate document</i>			

GST

The calculation of rates is shown inclusive of GST at the current rate of 15%. Any future changes in the rate of GST would need to be applied to these rates as appropriate.

Revenue and Financing Policy

The rationale for the selection of various funding sources is set out in our Revenue and Financing Policy.

Separately used or inhabited part of rating unit

A separately used or inhabited part of a rating unit is any part of a rating unit that is or is able to be separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

Targeted rates - serviced areas

Detailed maps showing the serviced areas for our targeted rates can be found on our website. These include stormwater serviced areas, kerbside collection serviced areas, and Hall rating areas.

Lump sum contributions

The Council does not invite lump sum contributions for any targeted rates.

Te Pānui Whākinga o te Mahere Ā-Tau 30 Pipiri 2026

Annual Plan Disclosure Statement for Year Ending 30 June 2026

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings.

We are required to include this statement in our LTP 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.

Benchmark		Planned	Met	Comments
Rates (income) affordability benchmark	Rates income for three water activities (including metered water) will not increase by more than 11%	\$22,024,000	Yes	The planned rates income for three water activities is \$861,000 less than the limit set in the LTP for 2025/26.
	Rates income for other rate funded activities will not increase by more than 5%	\$40,225,000	No	The planned rates income for other rate funded activities is \$74,000 more than the limit set in the LTP for 2025/26 Overall, total rates income is within the total of the combined limit.
Rates (increases) affordability benchmark	Rates income for three water activities (including metered water) will not increase by more than 11%	6.8%	Yes	The planned rates increase for three water activities is 6.8% compared to the limit set in the LTP for 2025/26 of 11%.
	Rates income for other rate funded activities will not increase by more than 5%	5.2%	No	The planned rates increase for other rates funded activities is 5.2% compared to the limit set in the LTP for 2025/26 of 5.0%. Overall, total rates income is within the total of the combined limit.
Debt affordability benchmark	Net external debt ¹ as a percentage of	113%	Yes	Net external debt is expected to remain comfortably within the limits set in the

¹ 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.

Benchmark		Planned	Met	Comments
	total revenue ² will not exceed 175%			LTP for 2025/26.
Balanced budget benchmark	>100%	94%	No	The main reason for the unbalanced budget is that Council have resolved that it is prudent to not fully fund depreciation on some assets including Roothing, Stormwater, and some community buildings and assets that will not be replaced in the future.
Essential services benchmark	>100%	246%	Yes	In the 2025/26 year Council expects to spend \$50m on capital work on essential infrastructure, compared to the depreciation expense for those networks of \$20.3m.
Debt servicing benchmark	<10%	4.2%	Yes	Finance costs are estimated to equate to 4.2% of operating revenue, and well within the 10% prudency benchmark.

Notes

TE POU TARAUAHO O TE WHAI PŪTEA KI TE RĒTI | RATES AFFORDABILITY BENCHMARK

(1) For this benchmark

- a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan; and
- b) the Council's planned rate increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's Long Term Plan.

(2) The Council meets the rates affordability benchmark if

- a) its planned rates income for the year equals or is less than the quantified limit on rates; and
- b) its planned rate increases for the year equal or are less than the quantified limit on rates increases.

² 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 WHAI PŪTEA KI TE NAMA | DEBT AFFORDABILITY BENCHMARK

- (1) For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's Long Term Plan.
- (2) The Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on borrowing.

TE POU TARAAWAHO O TE WHAKATAURITE I TE TAHUA | BALANCED BUDGET BENCHMARK

- (1) For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- (2) The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

TE POU TARAAWAHO O NGĀ WHAKARATONGA WHAI TAKE NUI | ESSENTIAL SERVICES BENCHMARK

- (1) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

TE POU TARAAWAHO O TE TIAKI NAMA | DEBT SERVICING BENCHMARK

- (1) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that the Council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.