



matamata-piako district council

2014/15 calendar

key dates such as rubbish and recycling collection | a summary of our 2013/14 annual report

Welcome to our 2014/15 calendar, including a summary of our Annual Report showing how we have performed during the 2013/14 year. Each year Matamata-Piako District Council is required to produce an Annual Report and a summary. This compares our actual performance for the year against what we had planned for.

Matamata-Piako has enjoyed a good year; a year of improved services and investment that we'll benefit from for generations to come. At the end of the 2013/14 year Council remains in a sound financial position.

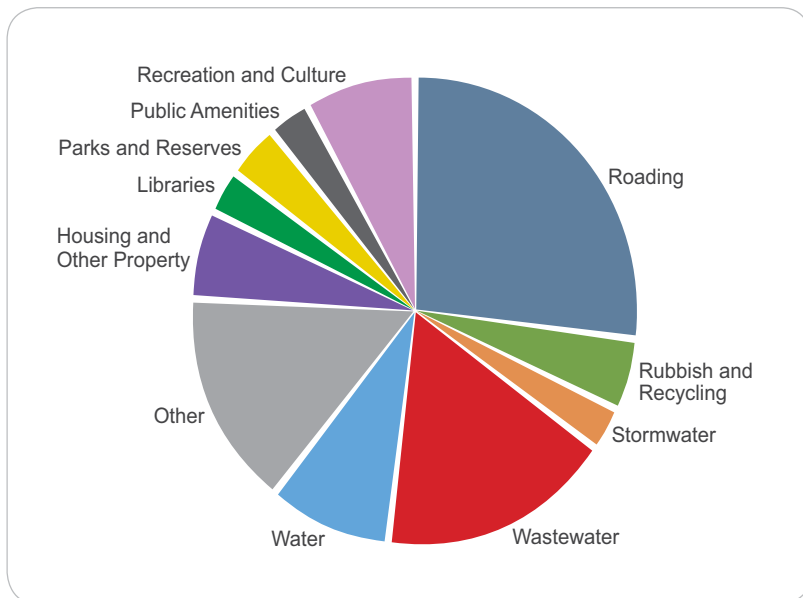
Value for money services

Council has been very successful in keeping rate revenue increases as low as possible and ensuring our debt remains at prudent levels. However, this has not stopped us providing good quality services to our community and investing in community infrastructure such as aquatic facilities and sports parks. These facilities are necessary to build healthy, vibrant communities that encourage youth development.

We have made improvements at our aquatic facilities across the district and have seen an increase in visitor numbers. The Morrinsville Heated Pools opening hours were extended to meet an increase in community demand. Matamata Sports Centre now has a new bore delivering consistently warm water at 29 degrees. We also obtained consent to restore the historic number 2 bath house at Te Aroha Leisure Pools. It's great to see the community enjoying our fabulous facilities.

Council provides a number of services that almost everyone in the community uses everyday such as roads, footpaths, water supply and wastewater (sewage) collection. There are also a large variety of other services we provide such as rubbish and recycling collection in urban areas, aquatic facilities, libraries, parks and reserves and many more.

For a summary of Council's expenditure for the year see the graph below.



A year of partnerships

The year 2013/14 can be characterised as a year of partnerships, we have seen many projects and services achieved through stronger partnerships and working collaboratively with neighbouring councils, community groups and social agencies.

We undertook a significant change to our rubbish and recycling service and entered a shared service contract with Thames-Coromandel and Hauraki District Councils. This included a new wheelie bin for recycling and delivered a cost saving of almost \$30 for every household who receives the service. Since the service began, the proportion of waste recycled or composted has increased from 31% to almost 45%, this is a fantastic result and means we are sending less waste to landfill and causing less harm on the environment.

Community engagement

Your new Council is working well together and is very focussed on engaging with the community and listening to what the community wants. You may have seen us at market days, public meetings, workshops and other events around the community. We encourage you to interact with us, have a chat or simply make a submission at our next consultation - we always want to hear from you.

It is important that our community knows how we spend our money, what kind of a financial position we are in and how we are performing. I would like to acknowledge your contribution to making Matamata-Piako a great place to live and I look forward to the year ahead.



Jan Barnes, Mayor

This summary does not include all of the information provided in the full Annual Report, and for this reason cannot be expected to provide a complete understanding of Council's performance. The financial statements contained in the full Annual Report comply with GAAP (Generally Accepted Accounting Practices) and have been audited by independent auditors, Audit New Zealand. They issued an unmodified audit opinion on the financial statements. The financial statements and this summary were authorised for issue by Council on 8 October 2014. The full Annual Report for 2013/14 is available to view at our offices and libraries in Matamata, Morrinsville and Te Aroha. If you would like a copy of the Annual Report you can download it at www.mppdc.govt.nz.

Community Facilities

Community Facilities are Council activities focused on recreational and cultural opportunities in the district. This includes providing services and assets such as libraries, swimming pools, parks and reserves and other public amenities. For this group of activities 8 out of 17 performance measures were achieved.

| Key performance measures | 2012/13 Actual | 2013/14 Target | 2013/14 Actual |
|---|-------------------|-----------------------|----------------|
| Number of people accessing library information online each year | New website built | Bench-mark | 6,389 visitors |
| Library users satisfied with library services* | 94% | 95% | 90% |
| Pensioner housing tenants satisfied with standard of maintenance and accommodation | 82% | 90% | 87% |
| Users satisfied with parks and reserves* | 88% | 92% | 80% |
| Number of complaints received regarding dissatisfaction with public toilets per year | 43 complaints | 30 or less complaints | 42 complaints |
| Visitor satisfaction with Council cemeteries* | 92% | 94% | 79% |
| Four independent audits will be carried out on our pools to assess them for safety compliance | Compliant | Compliant | Compliant |

Community Infrastructure

Community Infrastructure represents many of the responsibilities that Council has historically managed, including maintenance and development of roads, stormwater, water supply and waste management. For this group of activities 7 out of 20 performance measures were achieved, with two measures still awaiting confirmation from Waikato Regional Council.

| Key performance measures | 2012/13 Actual | 2013/14 Target | 2013/14 Actual |
|---|----------------|----------------------|-----------------|
| Users who believe the roading network is safe* | 81% | 85% | 75% |
| Customers satisfied with management of urban flooding* | 48% | 65% | 41% |
| Average number of complaints regarding pick up of rubbish and recycling | 18 per month | <12 per month | 24.58 per month |
| Percentage of waste diverted from landfill | 31.14% | 30% or more | 44.7% |
| Customers satisfied with water supply services* | 76% | 75% | 80% |
| Number of wastewater overflows into the environment | 14 | 25 or less each year | 16 |

Community Development

Community Development focuses on economic, social, environmental, and cultural wellbeing, and includes activities such as communications, democracy, the District Plan, the Long Term Plan and generally increasing community input into Council decision making. For this group of activities 5 out of 9 performance measures were achieved.

| Key performance measures | 2012/13 Actual | 2013/14 Target | 2013/14 Actual |
|---|----------------|----------------|----------------|
| Number of people visiting Council's website | 69,761 visits | 50,000 visits | 63,958 visits |
| Residents satisfied with how Council keeps them informed* | 72% | 80% | 64% |
| State of the Environment report published | 13 November | 20 November | 19 November |
| Residents satisfied with the consultation process* | 59% | 71% | 53% |
| Te Manawhenua Mo Matamata-Piako members satisfied with involvement in decision making | 68% | 76% | 66% |

Environmental Care

Environmental Care represents Council's role in, and commitment to protecting the natural resources of the district and our mandated responsibility to arbitrate between the different needs and interests of community members. It also contributes to the safety and health of our communities. This activity is responsible for resource consents, building consents, environmental health, alcohol licences, animal control and civil defence. For this group of activities 9 out of 13 performance measures were achieved.

| Key performance measures | 2012/13 Actual | 2013/14 Target | 2013/14 Actual |
|---|-----------------------|-----------------------|-----------------------|
| Number of animal control property visits | 730 | 600 | 791 |
| Building consents processed within statutory timeframes | 100% | 100% | 99.9% |
| Food premises inspected | 95.3% | 100% | 100% |
| Licensed alcohol premises inspected | 100% | 100% | 100% |
| Resource consents processed within statutory timeframes | 99.5% | 100% | 99.2% |
| Resource consent reports (peer reviewed) that meet statutory requirements | five reports per year | five reports per year | five reports per year |

* Results taken from our Annual Customer Survey. While some targets were not met, our levels of service have not changed for these activities and satisfaction remains relatively high, and levels of dissatisfaction remain relatively low. Please view the full Annual Report on Council's website for more information on the Annual Customer Survey results, how we have performed over the year and any actions that Council is taking to improve our performance.



Playground upgrades

We aim to provide spaces that are accessible and fun which encourage children to play and explore.

We undertake a regular renewal programme for playgrounds across the district.

The latest upgrades include replacing the swing sets at Carlton Street, Russell Avenue and Kennedy Street reserves in Te Aroha.

The swing sets at Matamata Domain and Wiseley Park in Morrinsville were also replaced.

November 2014

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|---|----------------------------------|--|---|---|---|
| 30 | | | | | | 1  |
| 2 | 3 Rates notices sent Morrinsville Heated Pools open (reduced hours) | 4 | 5 | 6  | 7  | 8 |
| 9 | 10 | 11 | 12 Council meeting | 13  | 14  | 15 |
| 16 | 17 Morrinsville Heated Pools open (ordinary hours) | 18 | 19 | 20  | 21  | 22 |
| 23 | 24 | 25 Last day to pay your rates | 26 Corporate & Operations Committee meeting | 27  | 28  | 29 |

December 2014



| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|--------|--------------------------|--|---|---|---|
| | 1 | 2 Te Manawhenua Forum | 3 Council meeting | 4  | 5  | 6 |
| 7 | 8 | 9 | 10 Corporate & Operations Committee meeting | 11  | 12  | 13 |
| 14 | 15 | 16 | 17 | 18  | 19  | 20 |
| 21 | 22 | 23 | 24 Council offices close for Christmas at 3pm | 25 Christmas Day | 26 Boxing Day | 27  |
| 28 | 29 | 30 | 31 | | | |

Don't forget your rubbish and recycling collection is one day later after Christmas Day.



Rubbish and Recycling Key

Te Aroha (week 2)
 rubbish
 recycling

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

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

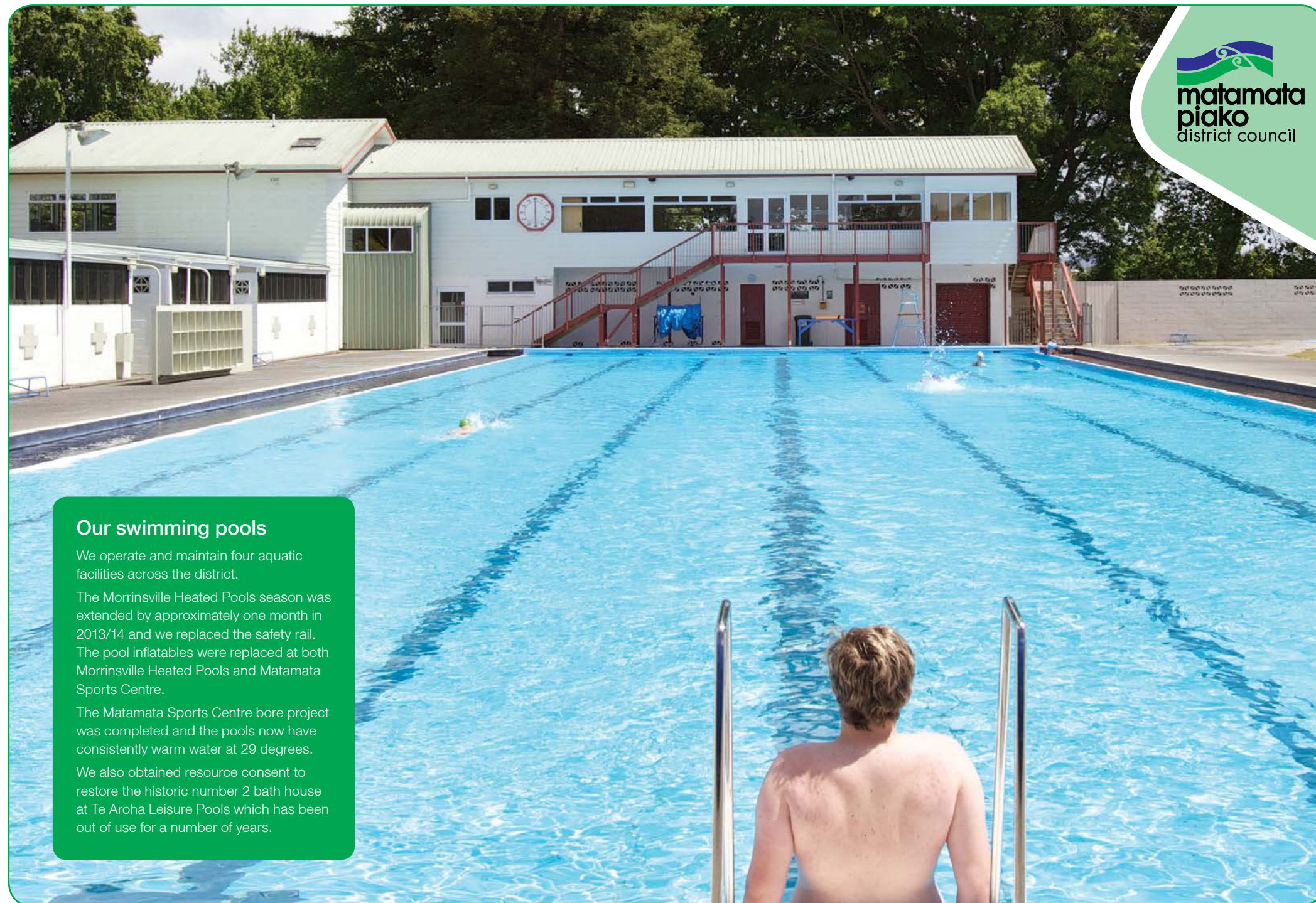
Our swimming pools

We operate and maintain four aquatic facilities across the district.

The Morrinsville Heated Pools season was extended by approximately one month in 2013/14 and we replaced the safety rail. The pool inflatables were replaced at both Morrinsville Heated Pools and Matamata Sports Centre.

The Matamata Sports Centre bore project was completed and the pools now have consistently warm water at 29 degrees.

We also obtained resource consent to restore the historic number 2 bath house at Te Aroha Leisure Pools which has been out of use for a number of years.



January 2015









February 2015



sunday monday tuesday wednesday thursday friday saturday

sunday monday tuesday wednesday thursday friday saturday

| | | | | | | |
|----|--|----|----|---|--|----|
| | | | | 1 New Years Day | 2 Day after New Years Day | 3 |
| | | | |   |   | |
| 4 | 5 Council offices re-open after Christmas | 6 | 7 | 8  | 9   | 10 |
| 11 | 12 | 13 | 14 | 15   | 16   | 17 |
| 18 | 19 | 20 | 21 | 22  | 23   | 24 |
| 25 | 26 Auckland Anniversary Day | 27 | 28 | 29   | 30   | 31 |

| | | | | | | |
|----|----------------------------|----|---|---|---|---|
| 1 | 2 Rates notices sent | 3 | 4 | 5 | 6 Waitangi Day | 7 |
| | | | |  | |   |
| 8 | 9 | 10 | 11 Council meeting | 12   | 13   | 14 |
| 15 | 16 | 17 | 18 | 19  | 20   | 21 |
| 22 | 23 | 24 | 25 Last day to pay your rates Corporate & Operations Committee meeting | 26   | 27   | 28 |



Don't forget your rubbish and recycling collection is one day later after Auckland Anniversary Day.
If you live in Matamata or Morrinsville your collection will be one day later after Waitangi Day too.

Rubbish and Recycling Key

Te Aroha (week 2)



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



Matamata (week 2)
incl. Waharoa, Walton






Anzac Day

Anzac Day is a national day of commemoration observed on 25 April each year. This day marks the day in 1915 when Australian and New Zealand Army Corps (ANZAC) landed at Gallipoli in Turkey. It commemorates those who died serving New Zealand during war and it honours servicemen and women, past and present.

Each year we hold Anzac Day Civic Services in Matamata, Morrinsville, Te Aroha and Walton for our community to attend and to honour those who served our country.

March 2015

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|--------|--------------------------|---|----------|--------|----------|
| 1 | 2 | 3 Te Manawhenua Forum | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 Council meeting | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 Corporate & Operations Committee meeting | 26 | 27 | 28 |
| 29 | 30 | 31 | <div data-bbox="562 1209 949 1390" data-label="Text"> <p>Rubbish and recycling collections will: - go ahead as normal on Good Friday - be one day later after Easter Monday - be one day later after Anzac Day public holiday.</p> </div>  | | | |

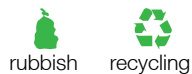
April 2015



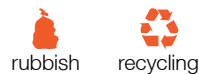
| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|---------------------------|--------------------------------|---------|--|----------|------------------|-----------------|
| | | | 1 | 2 | 3 Good Friday | 4 |
| 5 Daylight saving ends | 6 Easter Monday | 7 | 8 Council meeting | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 Corporate & Operations Committee meeting | 23 | 24 | 25 Anzac Day |
| 26 | 27 Anzac Day public holiday | 28 | 29 | 30 | | |

Rubbish and Recycling Key

Te Aroha (week 2)



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



Matamata (week 2)
incl. Waharoa, Walton



Elderly persons housing

We own 109 rental elderly persons units in Matamata, Morrinsville and Te Aroha. Elderly persons housing provides residents with privacy and independence, with the knowledge that they are near people of their own age and have a secure, affordable home.

We insulated all but two elderly persons housing complexes in the district during 2010 with 60% funding from Energy Efficiency and Conservation Authority (EECA).

The final two complexes on Mangawhero Road and Peria Road, Matamata, were completed in July 2013. All units at these complexes also received new roofs.

May 2015

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|----------------------------------|---------|--|----------|-------------------------|----------|
| 31 | | | | | 1 Rates notices sent | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 Council meeting | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 Last day to pay your rates | 26 | 27 Corporate & Operations Committee meeting | 28 | 29 | 30 |

June 2015

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|------------------------------------|---|--|----------|--------|----------|
| | 1 Queen's Birthday | 2 Rubbish bag vouchers sent Te Manawhenua Forum | 3 | 4 | 5 | 6 |
| 7 | 8 Dog registration notices sent | 9 | 10 Council meeting | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 Corporate & Operations Committee meeting | 25 | 26 | 27 |
| 28 | 29 | 30 Last day to apply for 14/15 rates rebate | | | | |



Don't forget your rubbish and recycling collection is one day later after ANZAC Day public holiday and Queen's Birthday.

Rubbish and Recycling Key

| Te Aroha (week 2) | | Morrinsville (week 1) incl. Waihou, Waitoa, Tahuna | | Matamata (week 2) incl. Waharoa, Walton | |
|-------------------|-----------|---|-----------|--|-----------|
| | | | | | |
| rubbish | recycling | rubbish | recycling | rubbish | recycling |

Enviroschools

Enviroschools is a not for profit trust that encourages children and young people to be active citizens through planning, designing and working towards creating a sustainable school. Thirteen schools in our district, including Te Poi school (pictured), are involved in the Enviroschools programme and learn about reducing waste, composting, recycling and the negative impact waste has on our environment.

Tatuanui Primary School made a presentation to our Councillors about their green efforts and were the first school in our district to receive their Green Gold award. Te Aroha, Elstow-Waihou and Manawaru Primary Schools also received Silver awards this year. All schools had their own celebrations and were presented with Silver or Green Gold signs.

July 2015

August 2015



| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|--------|---------|--|----------|-----------------------------------|----------|
| | | | 1 | 2 | 3 | 4 |
| | | | | | | |
| 5 | 6 | 7 | Council meeting | 9 | 10 | 11 |
| | | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| | | | | | | |
| 19 | 20 | 21 | Corporate & Operations Committee meeting | 23 | 24 | 25 |
| | | | | | | |
| 26 | 27 | 28 | 29 | 30 | 31 | |
| | | | | | | |
| | | | | | Last day to pay dog registrations | |

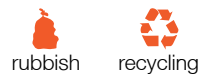
| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|--------------------|----------------------------|--|----------|--------|----------|
| 30 | 31 | | | | | 1 |
| | | | | | | |
| 2 | Rates notices sent | 4 | 5 | 6 | 7 | 8 |
| | | | | | | |
| 9 | 10 | 11 | Council meeting | 13 | 14 | 15 |
| | | | | | | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| | | | | | | |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | Last day to pay your rates | Corporate & Operations Committee meeting | | | |

Rubbish and Recycling Key

Te Aroha (week 2)



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



Matamata (week 2)
incl. Waharoa, Walton





Youth development

Council works closely with the Ministry for Youth Development and three youth service providers in Matamata-Piako (Starfish Social Services, Te Ahurei a Rangatahi, and Youth Empowerment Service (YES)). The Ministry for Youth Development granted funding to organise three youth events throughout the district.

One of the events organised was 'Road Rage', a street carnival style event providing entertainment and showcasing local talent. The event, held at Hetana Street, Matamata on 13 December, was a great success. Young people from across the district were entertained by local dancing and singing performances, street stalls and a skating competition.

September 2015

October 2015



| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|---------------------------------|--------------------------------------|--------------------------|--|---|--------|----------|
| | | 1 Te Manawhenua Forum | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 Council meeting | 10 | 11 | 12 |
| 13 | 14 Rates rebate applications open | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 Corporate & Operations Committee meeting | 24 | 25 | 26 |
| 27 Daylight saving commences | 28 | 29 | 30 | <div data-bbox="696 1203 1133 1404" data-label="Complex-Block"> <p>Don't forget your rubbish and recycling collection is one day later after Labour Day.</p> </div> | | |

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|------------------|---------|--|----------|--------|----------|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 Council meeting | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 Labour Day | 27 | 28 Corporate & Operations Committee meeting | 29 | 30 | 31 |

Rubbish and Recycling Key

Te Aroha (week 2)

rubbish recycling

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

rubbish recycling

Matamata (week 2)
incl. Waharoa, Walton

rubbish recycling

Morrinsville skatepark

We undertook consultation with the community to find the most suitable place to build a skatepark for the youth of Morrinsville. Several locations were considered before choosing a site behind the Morrinsville Council office and library. It is widely used by the community.

This project was a true community effort and was constructed and designed with the assistance of local service groups and skateboarders. It features ramps, slides and rails and has great usage from the community.

The skatepark was completed in October 2013 and the facility was officially opened by Mayor Jan Barnes at a well attended ceremony held on 2 November 2013.



November 2015

| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|-------------------------|---|--|----------|--------|----------|
| 1 | 2 Rates notices sent | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 Council meeting | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 Last day to pay your rates Corporate & Operations Committee meeting | 26 | 27 | 28 |
| 29 | 30 | <div data-bbox="443 1217 819 1382" data-label="Text"> <p>If you live in Matamata and Morrinsville, don't forget your rubbish and recycling collection is one day later after Christmas Day.</p> </div> <div data-bbox="913 1225 1137 1407" data-label="Image"> </div> | | | | |

December 2015



| sunday | monday | tuesday | wednesday | thursday | friday | saturday |
|--------|---------------------------------|--|---|----------|---------------------|------------------|
| | | 1 Te Manawhenua Forum | 2 Council meeting | 3 | 4 | 5 |
| 6 | 7 | 8 'Summer Beach Read' enrolments open at your local library | 9 Corporate & Operations Committee meeting | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 Christmas Day | 26 Boxing Day |
| 27 | 28 Boxing Day public holiday | 29 | 30 | 31 | | |

Rubbish and Recycling Key

| Te Aroha (week 2) | | Morrinsville (week 1) incl. Waihou, Waitoa, Tahuna | | Matamata (week 2) incl. Waharoa, Walton | |
|-------------------|-----------|---|-----------|--|-----------|
| | | | | | |
| rubbish | recycling | rubbish | recycling | rubbish | recycling |

Annual report disclosure statement for the year ending 30 June 2014

What is the purpose of this statement?

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

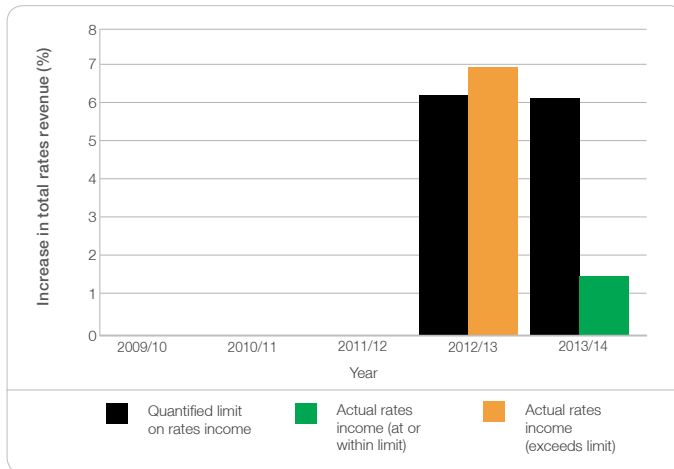
Rates affordability benchmark

The council meets the rates affordability benchmark if –

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

Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long term plan. The quantified limit is set at a level that was intended to meet forecast increase in costs each year as set out in the 2012-22 Long Term Plan.

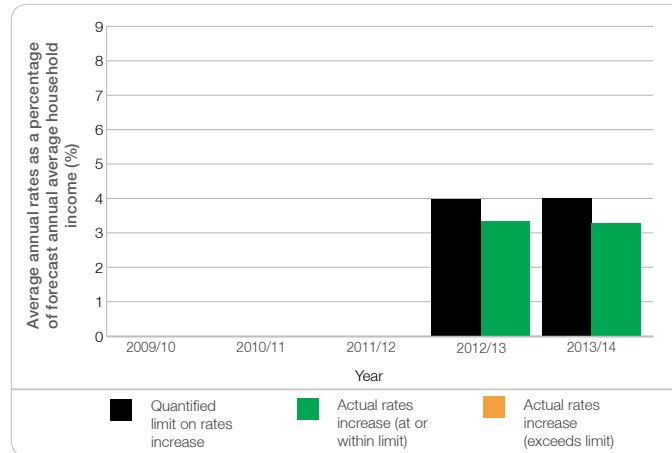


Comment:

The limit for 2012/13 was exceeded because we had more ratepayers (because of growth) and rates penalty income than expected. The rate increase for 2013/14 was much lower than the limit as a result of cost savings. The overall actual increase in rates revenue over the last two years was just 8.45% compared to the limit of 12.34%.

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy in the council's long term plan. The quantified limit is average annual rates will not increase to more than 4% of forecast average annual household income.



Comment:

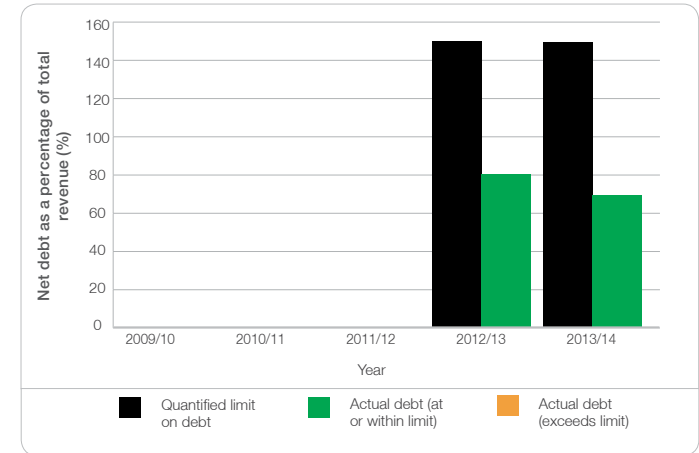
For both years, the actual increase has been around 3.3% compared to the limit of 4%.

Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

Net debt as a percentage of total revenue will not exceed 150%

The following graph compares the council's actual borrowing with the quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net debt as a percentage of total revenue will not exceed 150%.

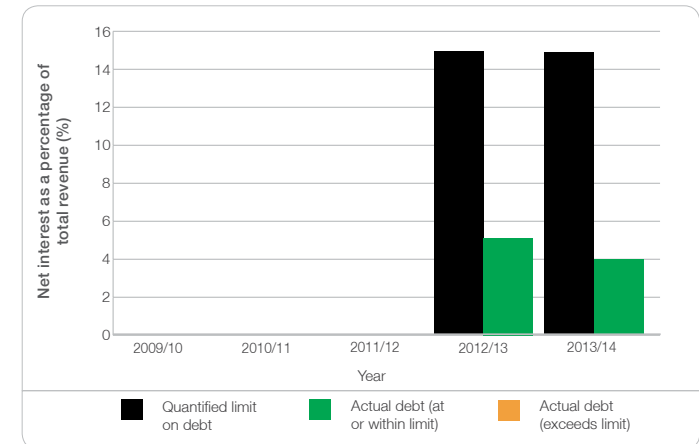


Comment:

Council's actual net debt as a percentage of total revenue was 80% for 2012/13 and 68% for 2013/14. This is compared to the limit of 150%, which is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

Annual interest costs will be less than 15% of total revenue

The following graph compares the council's actual borrowing with the quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is annual interest costs will be less than 15% of total revenue.

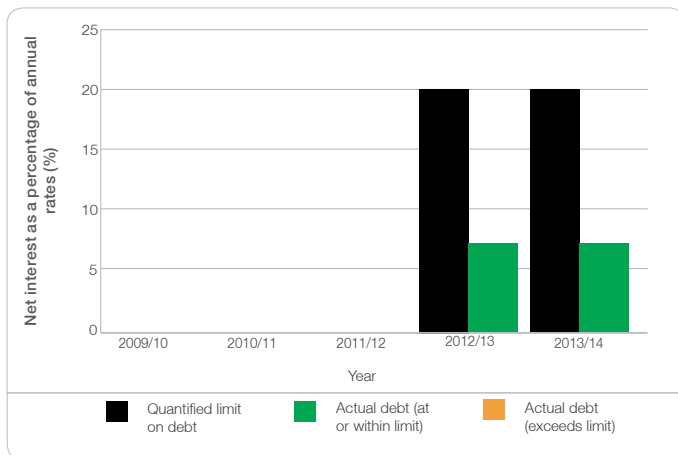


Comment:

Council's actual interest costs were 4.86% of total revenue in 2012/13 and 4.45% in 2013/14. This is compared to the limit of 15%, which is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

Annual interest costs will be less than 20% of rates revenue

The following graph compares the council's actual borrowing with the quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is annual interest costs will be less than 20% of rates revenue.

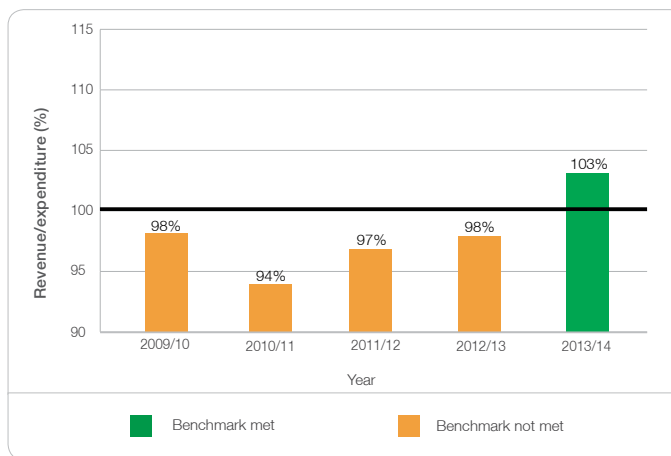


Comment:

Council's actual interest costs were 7.26% of rates revenue in 2012/13 and 6.83% in 2013/14. This is compared to the limit of 20%, which is considered (by independent professionals) to be a prudent limit for a council of our size and nature.

Balanced budget benchmark

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

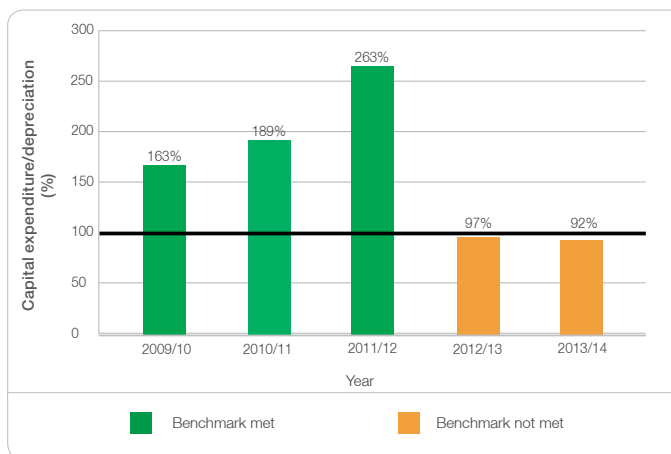


Comment:

In the previous four years council have spent a significant amount on upgrading wastewater and water treatment plants. For accounting purposes, the old replaced assets are "disposed of" and the "loss" from doing so is recorded as "operating expenses". Council does not rate to cover this expenditure.

Essential services benchmark

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

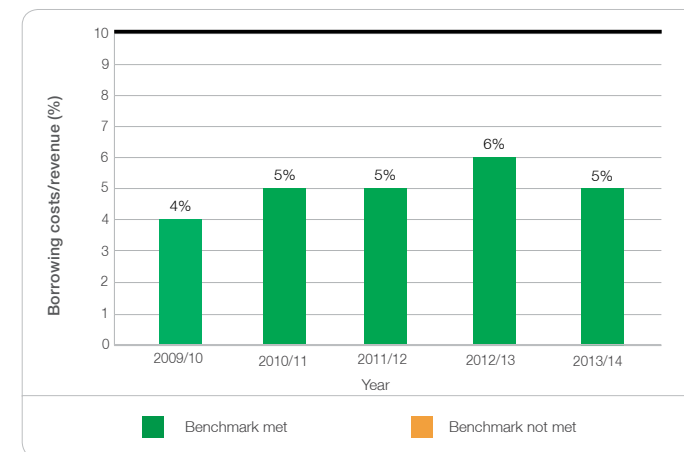


Comment:

Council's capital expenditure in 2010-2012 financial years was well in excess of the depreciation charged as council completed some significant wastewater and water upgrade projects in those years. Capital spending is not programmed on a straight-line basis consistent with depreciation, however over a period of time it would be more closely aligned.

Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

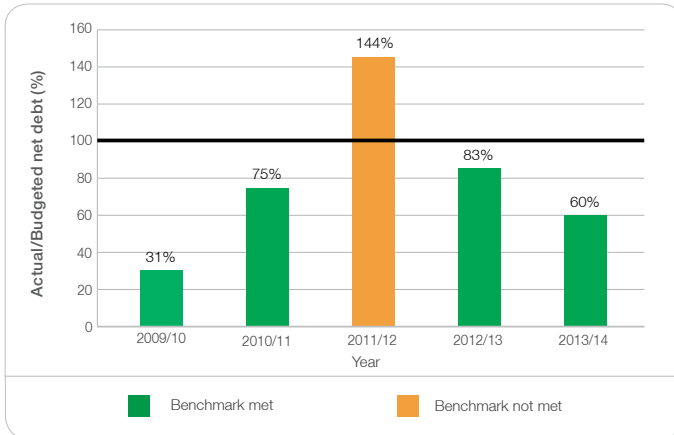


Comment:

Council's borrowing costs are sustainable and well under 10%.

Debt control benchmark

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

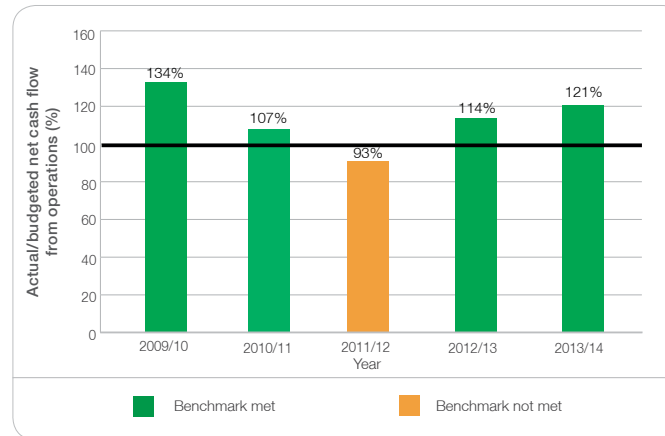


Comment:

Net debt rose significantly in the 2011/12 year as the bulk of the construction work for the Morrinsville wastewater upgrade project was completed in that year. This was slightly later than planned. Debt in the last two years has reduced as capital spending has been lower than budgeted and maturing investments have been used to repay debt.

Operations control benchmark

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



Comment:

In 2011/12 the New Zealand Transport Agency subsidy received was lower than budgeted, and receipts of development contributions were significantly lower than budgeted.

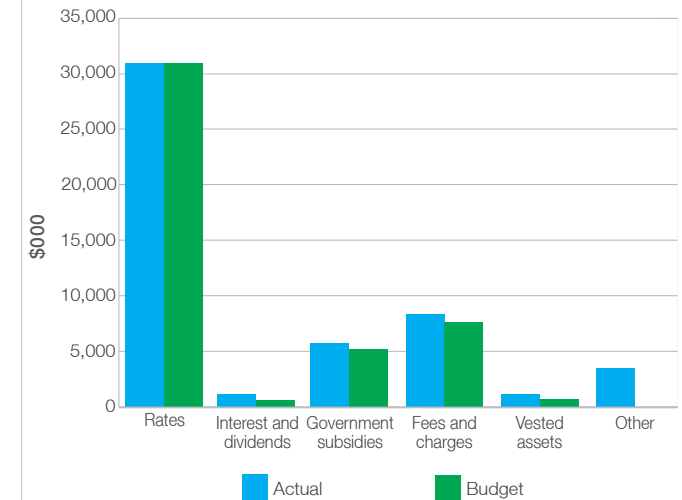
Power New Zealand Fund – Overseas Investment Update

Part of the Power New Zealand fund is invested in overseas shares. The total value of the overseas shares at the start of the financial year was \$10.27 million and the closing valuation at 30 June 2014 was \$10.699 million. Total dividends received this year were \$1.248 million (2013: \$525,000).

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

Over the past few years Council have entered into a range of interest rate swaps (contracts that effectively lock in the current interest rates on future debt) to try to minimise the impact of interest rate increases in the future. We set these contracts in place while interest rates were low, with the expectation that over the next eight years, interest rates are likely to rise. The average interest rate that we have locked in with these contracts is 3.67%, which is the average rate that will apply on up to \$33.5 million of our debt for the next two to eight years. These interest rates swaps provide us with a level of certainty and stability in our financing costs in the future.

2013/14 Income compared to budget



What was our planned income?

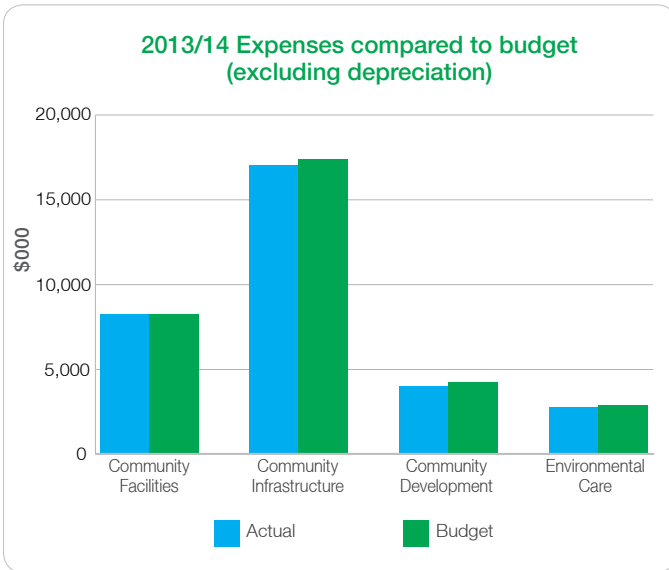
Council budgeted for an income of \$44.8 million.

What was our actual income?

The actual income for the year was \$48.5 million.

Why is there a difference?

In terms of general day to day operations, the overall actual income for the year was very close to budget, with minor ups and downs across the board. The biggest differences were: \$1.1 million of assets from subdivisions were vested in Council (\$486,000 more than budgeted), the value of the PNZ investment fund increased by \$429,000, the value of the foreign currency hedging contracts associated with the investment fund increased by \$405,000 and the value of Council's interest rate swaps increased by \$530,000. All of these increases are required to be shown as income on the books at 30 June. Dividends of \$1.2 million were received from the PNZ investment fund (\$858,000 higher than budgeted). Revenue from metered water and trade waste exceeded the level budgeted by \$612,000, driven by increased demand from the district's significant industrial users.



What did we plan to spend?

We planned to spend \$44.7 million this year.

What did we actually spend?

Our expenses were \$44.6 million.

Why is there a difference?

In terms of the cost of the general day to day activities of Council, overall these were largely in line with what was budgeted for this year, if not slightly under in a number of areas.

Significant savings of \$810,000 were achieved this year on the interest cost of Council's external loans. Interest rates were much more favourable than anticipated, and the level of external debt was significantly lower than planned due to a delay in capital spending, and the use of internal borrowing, particularly last year.

Council has shown a loss of \$681,000, which recognises the value of assets that were replaced before the end of their estimated useful life. This loss does not have any impact on Council's cash position – it is just an adjustment that is required to ensure that the financial statements comply with International Financial Reporting Standards.

Spending on assets

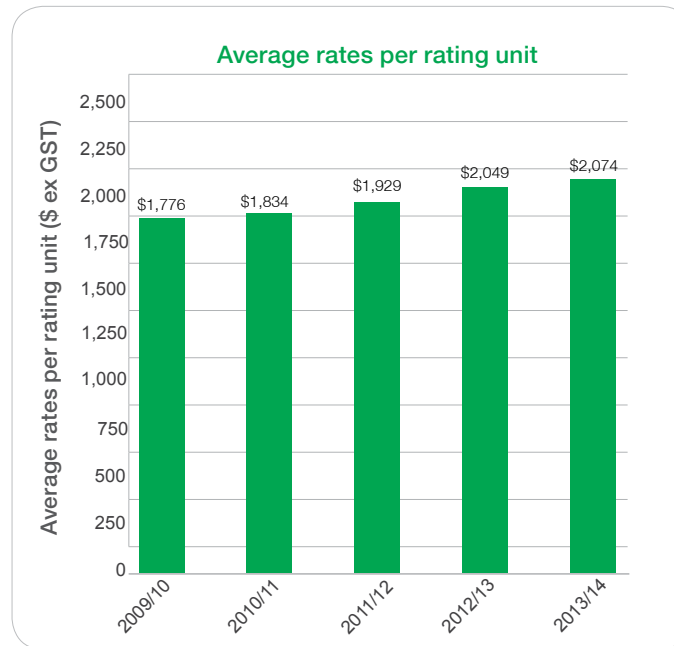
We budgeted for a total of \$17.3 million to be spent during the year on building new and renewing existing assets within the district. The actual amount spent was \$12.7 million.

Why is there a difference?

The significant Morrinsville Wastewater Treatment Plant upgrade was completed last financial year, at around \$1.2 million over the budget. That overrun was budgeted for in this financial year. There were a number of smaller capital projects that were not progressed as planned during the year that will be undertaken in the coming year. These include:

- the Matamata Sports Centre upgrade \$564,000
- Te Aroha and Morrinsville water backwash projects \$996,000
- Matamata and Morrinsville water capacity upgrades \$681,000
- Matamata water sources and mains projects \$740,000.

In addition, the NZTA funding for renewal work on the districts roads was lower than budgeted, so less was spent on renewals.



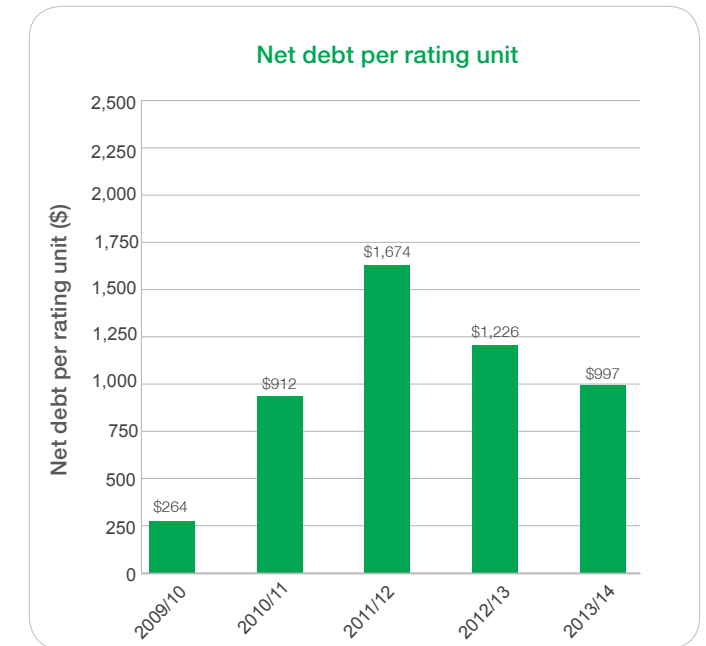
Note: Total rates excludes metered water income and individual targeted rates for industries in respect of the Morrinsville Wastewater Treatment Plant upgrade project.

How do we pay for our assets?

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

What did we borrow?

Total debt at the end of this financial year was budgeted to be \$56.9 million. At the 30th of June, our debt was \$32.1 million. Over the past few years, capital spending has not happened as quickly as planned and some projects have been delayed or cancelled. As such, new debt was not required to be raised. Also last year and again this year, Council have utilised available funds from maturing investments to reduce existing debt or to delay raising new debt. This, combined with lower interest rates meant that the cost of interest to finance our loans was \$810,000 lower than budgeted.



Net debt rose significantly from 2010/11 as Council were undertaking a number of significant wastewater upgrade projects which were completed in 2012. Note: Net debt is calculated as per the financial prudence regulations, except that it also excludes the industry's share of debt in respect of the Morrinsville Wastewater Treatment Plant upgrade project, which these industries are repaying by way of an annual targeted rate.

Where is Council's debt heading?

We collect rates to pay for a lot of the day to day things that we do, but we also borrow money to pay for large projects that will provide services to the community for a long time (such as water and wastewater treatment plants) so that those who benefit from the service in the future will also pay their share. A key focus of the Council (as set out in the Long Term Plan 2012-22) is to not overburden future generations with debt by living beyond our means today. We sought professional advice on an appropriate limit for Council's borrowing, and these limits were adopted in Council's Liability Management Policy. The limits have regard for Council's long term financial sustainability that future lenders will look for when we need to secure finance in future years. A limit on a prudent level of debt was set as follows: net debt as a percentage of total revenue will not exceed 150%. For 2012/13 and 2013/14 respectively, Council's debt has been 80% and 68% of total revenue, compared to the adopted limit of 150%. The forecast debt set out in the Long Term Plan for the current and next three financial years shows that the debt was expected to increase to 120% of total revenue. However during the 2012/13 and 2013/14 financial years, Council reduced debt compared to forecasts by utilising maturing investments to repay debt, and because of changes to the timing of planned projects, and even some that Council decided not to undertake. As such, the balance of debt at the start of the current year is much lower than forecast, and will remain lower than that originally set out in the Long Term Plan.

Accounting Surplus

At the end of the year we have an accounting surplus of \$3.85 million. While this is unusual it is made up of a variety of factors and a substantial portion is made up of non cash adjustments. Any cash funds will be allocated to activities and used to pay off debt. We know that next year (2014/15) we will need to desludge the Te Aroha Wastewater Treatment Plant as part of our consent conditions enforced by Waikato Regional Council. This must be treated as a cash expense at the time the work is done, even though it only occurs once every 30-40 years and we intend to spread funding for it over a 10 year period. This is estimated to cost \$3.7 million and will show as an expense in our accounts next year, effectively offsetting the surplus recognised this year.

Operating revenue
This is day to day income received from things such as rates and metered water billing

Operating expenses
These are our day to day expenses such as the cost of collecting rubbish, mowing reserves and maintaining roads

Total comprehensive income
This is the difference between operating revenue and operating expenses for the current year i.e. more revenue = surplus
more expenses = (deficit)

Assets
The property we own

Liabilities
The amount we owe

Equity
This is the total that we own minus the total that we owe

Operating activities
The difference between operating revenue and operating expenses

Investing activities
The difference between buying and selling assets

Financing activities
The difference between borrowing and the repayment of loans

Cash held
Money in the bank

Summary financial statements

| Statement of comprehensive income for the year ended 30 June | Actual 2012/13 | Budget 2013/14 | Actual 2013/14 |
|--|----------------|----------------|----------------|
| | \$000 | \$000 | \$000 |
| Operating revenue | 46,487 | 44,755 | 48,457 |
| Operating expenses | 43,715 | 41,723 | 42,419 |
| Finance costs | 2,566 | 3,016 | 2,206 |
| Share of joint venture surplus/(deficit) | 2 | - | 18 |
| Net surplus/(deficit) | 208 | 16 | 3,850 |
| Other comprehensive income | | | |
| Gain on property, plant and equipment revaluation | - | - | 11,443 |
| Total comprehensive income | 208 | 16 | 15,293 |
| Statement of changes in equity for the year ended 30 June | Actual 2012/13 | Budget 2013/14 | Actual 2013/14 |
| | \$000 | \$000 | \$000 |
| Balance at 1 July | 537,417 | 542,720 | 537,625 |
| Total comprehensive income | 208 | 16 | 15,293 |
| Balance at 30 June | 537,625 | 542,736 | 552,918 |
| Equity represented by: | | | |
| Retained earnings | 420,689 | 433,829 | 419,559 |
| Other reserves | 116,936 | 108,907 | 133,359 |
| Statement of financial position for the year ended 30 June | Actual 2012/13 | Budget 2013/14 | Actual 2013/14 |
| | \$000 | \$000 | \$000 |
| Current assets | 6,572 | 10,524 | 8,419 |
| Non-current assets | 574,426 | 594,684 | 584,986 |
| Total assets | 580,998 | 605,208 | 593,405 |
| Current liabilities | 11,750 | 7,536 | 13,014 |
| Non-current liabilities | 31,623 | 54,936 | 27,473 |
| Total liabilities | 43,373 | 62,472 | 40,487 |
| Equity | 537,625 | 542,736 | 552,918 |
| Statement of cash flows for the year ended 30 June | Actual 2012/13 | Budget 2013/14 | Actual 2013/14 |
| | \$000 | \$000 | \$000 |
| Net from operating activities | 14,068 | 12,235 | 15,122 |
| Net from investing activities | (8,037) | (17,302) | (10,901) |
| Net from financing activities | (8,813) | 4,592 | (3,346) |
| Net increase/decrease in cash held | (2,782) | (475) | 875 |
| Opening cash balance | 3,406 | 1,169 | 624 |
| Closing cash balance | 624 | 694 | 1,499 |

Figures shown in brackets indicate a deficit or loss

Explanations of major variances against budget

Statement of comprehensive income

Operating revenue: Operating revenue was \$3.7 million greater than budgeted. The biggest differences were that, over the year, \$1.1 million of assets from subdivisions were vested in Council (\$486,000 more than budgeted), the value of the PNZ investment fund increased by \$429,000, the value of the foreign currency hedging contracts associated with the investment fund increased by \$405,000 and the value of Council's interest rate swaps increased by \$530,000. Dividends of \$1.2 million were received from the PNZ investment fund (\$858,000 higher than budgeted). And revenue from metered water and trade waste exceeded the level budgeted by \$612,000, driven by increased demand from the district's significant industrial users.

Operating expenses: Operating expenses were \$696,000 greater than budgeted. This was due to a \$953,000 loss on the disposal and impairment of assets. This was offset by operational savings achieved during the year.

Finance costs: Finance costs were \$810,000 less than budgeted due to less debt being required and more favourable interest rates resulting in interest savings.

Other comprehensive income: The value of Council's infrastructural and property assets increased by \$11.44 million overall, following a revaluation undertaken at 30 June 2014. The valuation was not scheduled to occur until the following year.

Statement of financial position

Current assets: Current assets were \$2.1 million less than budgeted as Council no longer holds large cash investments, and rather utilises surplus cash for reducing debt through its revolving debt facility.

Non-current assets: Non-current assets were \$9.7 million less than budgeted overall, due to planned capital projects being delayed or no longer required, and countered by an increase in the valuation of Councils assets.

Current liabilities: Current liabilities were \$5.5 million higher than budgeted, largely due to the timing of Council's loans due to mature within the next twelve months.

Non-current liabilities: Non-current liabilities were \$27.5 million less than budgeted. The reduction has come about due to the utilisation of maturing investments and cash to internally fund capital projects and reduce floating debt. In addition, planned capital projects were either delayed or are no longer required, reducing the requirement for debt.

Statement of cashflows

Operating activities: Cash received was \$2.9 million higher than budgeted, and came from the increased rates, subsidy and metered water income received this year.

Investing activities: Capital expenditure was lower than budgeted.

Financing activities: Due to the delayed capital spend, external debt was not required to be raised as budgeted.

Additional Disclosures

Reporting entity: Matamata-Piako District Council is a Local Authority domiciled in New Zealand and governed by the Local Government Act 2002. The financial statements for the year ended 30 June 2014 have been prepared in accordance with the provisions of this Act. Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards. The financial statements are for the Council and include a 34% interest in a jointly controlled entity, Thames Valley Combined Civil Defence Committee.

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

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

Changes in accounting policies: there have been no changes in accounting policies during the financial year.

Capital Commitments: At 30 June 2014, Council does not have any commitment for projects where contracts have been entered into but goods or services have not been received. (2013: \$336,000).

Contingent Liabilities

Uncalled capital: Council has a contingent liability of \$1,500,000 for uncalled capital in respect of our 15.625% shareholding in the Waikato Regional Airport Limited (2013: \$1,500,000). There are no plans at this stage for the capital to be called. Council also has an uncalled share capital of Local Authority Shared Services Limited, which amounts to \$1,000 as at 30 June 2014 (2013: \$1,000), and an uncalled capital share of Waikato Regional Aerial Photography Service of \$4,708 (2013: \$4,708).

Local Government Funding Agency: The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+. The LGFA has 30 local authority shareholders and this Council is one of 9 local authority guarantors of the LGFA. Together with the shareholders and other

guarantors, Council is a guarantor of all of LGFA's borrowings. At 30 June 2014, LGFA had borrowings totalling \$3.728 billion (2013: \$2.497 billion). Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Local Authority Protection Programme Disaster Fund: Up to 30 June 2014, Council was party to an agreement of the Local Authority Protection Programme Disaster Fund. This fund was built up by local authorities to provide mutual self-assurance. In previous years a contingent liability was disclosed in respect of the potential for additional contributions to be called for. From 1 July 2014, Council has withdrawn from the mutual fund, and as such, no contingent liability exists going forward.

Te Aroha wastewater resource consent: A hearing for the resource consent to be issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant is scheduled for early December 2014. It is probable that Council will incur legal and compliance costs in respect of this process but these costs cannot be quantified at this stage.

Unquantified claims: As disclosed in note 25 of the Annual Report, a provision of \$100,000 (2013: \$67,000) has been recognised for weathertightness claims whereby Council is aware of specific potential future claims. Council may also be exposed to potential future claims that have not yet been lodged, up until the statutory limitation period expires. The amount of potential future claims is not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services Act 2006, but other statutory limitation periods could also affect claims. The Supreme Court decision in October 2012 on a council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of this ruling.

There are no contingent liabilities associated with Council's joint venture, Thames Valley Combined Civil Defence Committee (2013: nil).

Independent Auditor's Report

Independent Auditor's Report
To the readers of Matamata-Piako District
Council's summary annual report for the year ended 30 June 2014

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

The summary annual report was derived from the annual report of the Matamata-Piako District Council (the District Council) for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 1 to 23:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council.

We expressed an unmodified audit opinion on the the District Council's full audited statements in our report dated 8 October 2014.

Opinion

In our opinion:

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

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.



BH Halford,
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
8 October 2014



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