

We are pleased to present the 2008/09 Annual Report Summary

This year was one that saw Council consider at length what it aims to achieve in the district over the next ten years.

The community was asked for feedback on a range of important issues. The final outcomes of this consultation were outlined in the Long-Term Council Community Plan 2009-2019, which was adopted in June.

The development of the long-term plan required significant effort on behalf of Council from both elected members and the organisation. It was pleasing to have Audit NZ provide a clear audit opinion.

We have progressed through and completed a number of key projects this year that will provide benefits to our communities for many years to come. Examples of these projects are:

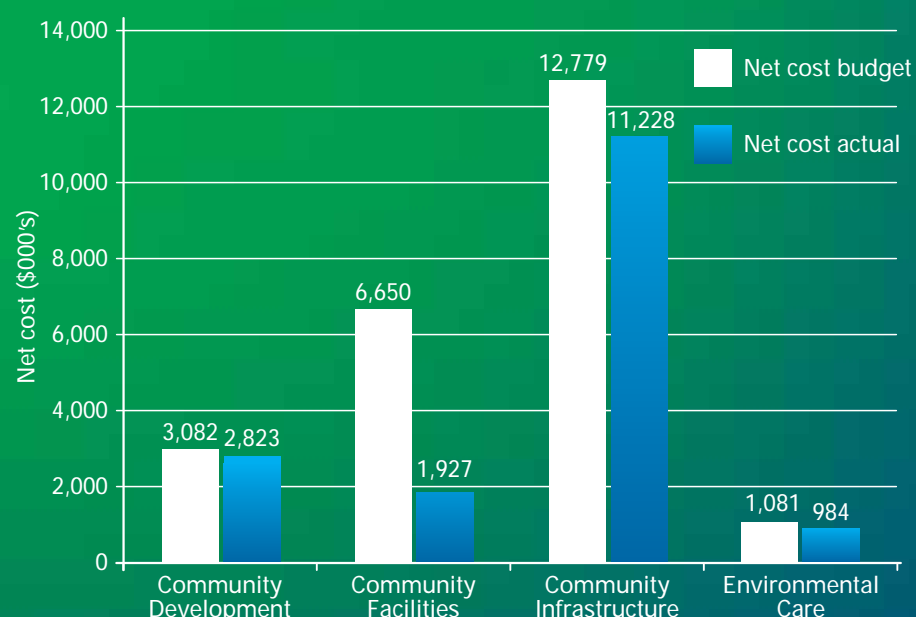
- The organisation replaced its 20 year old software with an up-to-date system that deals with all Council functions from the back room to the front desk
- This year saw the launch of our new website. The aim was to provide a platform, in conjunction with the new corporate system, for opportunities to enhance services
- An upgrade to the Matamata water treatment plant progressed steadily throughout the year and a significant upgrade was achieved in the Te Poi supply
- This year saw the completion of an overall review of the stormwater strategy in the Matamata township, and the progress of a significant overland flow path to reduce flooding in Nikau Place and Kahikatea Crescent. A district wide Stormwater Management Bylaw was also adopted
- This year also saw the publishing of the Ministry for the Environments bi-annual audit of Council's performance of processing resource consents against the statutory timeframes, a very high level of compliance (99%) was achieved

This 12 month period again saw good progress in a number of key areas - in respect to long-term planning, policy and capital projects.

As always thanks must also extend to the many groups and individuals who involve themselves and assist Council in achieving the results we do.

Note: Net cost of service reduced substantially due to income generated from the Matamata Mangawhero Road industrial land subdivision.

Key activity areas financial summary 2008/09



Annual Report Summary 2008/09

Matamata-Piako District Council recently published the Annual Report for the 2008/09 financial year, which detailed our achievements against the activities, projects and budgets signalled in the 2006-2016 Long-Term Council Community Plan (LTCCP). The information obtained in this summary is drawn from the full 2008/09 Annual Report.

This booklet provides:

- An outline of Council's end of year financial position
- A summary of Council's performance in the areas of Community Development, Community Facilities, Community Infrastructure, and Environmental Care
- An opinion from Council's auditors - Audit New Zealand

The full Annual Report is available online at www.mpdcc.govt.nz or at Council offices in Matamata, Morrinsville and Te Aroha. Alternatively you can phone 0800 746 467 and a copy of the Annual Report will be posted to you.



Hugh Vercoe O.S.M, E.D, J.P
Mayor




Don McLeod
Chief Executive



14 October 2009

Key Achievements

This is a brief summary of Council's achievements in the 2008/09 financial year. The four major groups of activities are outlined below.

Community Development

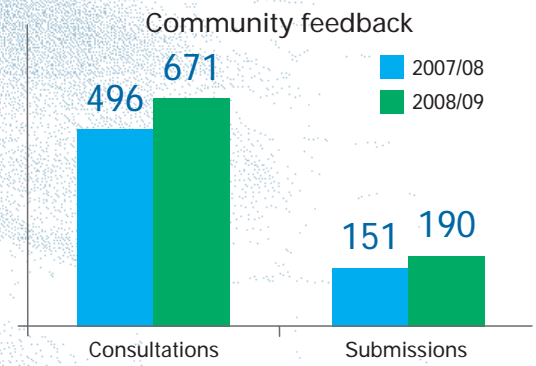
Community Development has a focus on economic, social, environmental and cultural wellbeing and includes activities such as democracy, the District Plan, the Long-Term Council Community Plan and generally increasing input into Council decision-making.

Summary

9 out of the 10 performance measures for Community Development were achieved.

Key achievements

- Council completed its 'Our Community Our Future', 2009-19 Long-Term Council Community Plan
- A growth strategy was developed to provide guidance to future development in the district and to allow for more informed decision-making
- Plan changes 11 (schedule of urban trees for protection), 27 (connectivity between developments), and 32 (residential zoning for Banks Road in Matamata) were completed



Key performance measures and trends

Measure	Actual 2007/08	Target 2008/09	Actual 2008/09	Achieved	Comments
Democracy Satisfaction of involvement with consultation processes	51% (35% neither satisfied or dissatisfied)	70%	55% (25% neither satisfied or dissatisfied)		Council is committed to improving its relationship with the residents of the district. Council will progressively move towards managing all of its democratic responsibilities in a more holistic, integrated and socially responsive manner. Survey* results are an indication of this progress.
District Plan To collect the indicators for the District Plan and report on the Council's website annually	13 December	30 November	25 November	✓	State of the Environment monitoring is gathering information on the condition of the environment and to detect any changes in relation to how this is being managed via the objectives and policies of the District Plan. This allows informed decisions to be made regarding the management of these. The State of the Environment monitoring results are available on Council's website www.mpdc.govt.nz .
Strategies and planning The rates of participation in processes and feedback received on these processes	0.48%	0.5%	0.6%	✓	Council has received submissions on plans, policies and strategies from 190 residents during 2008/09. This figure is 0.6% of the district's estimated population as at 1 July 2008.
Number of consultations and feedback	53% decrease (496)	0.1% improvement	35% improvement (671)	✓	Council has consulted on plans, policies and strategies with 671 residents during 2008/09.

Community Facilities

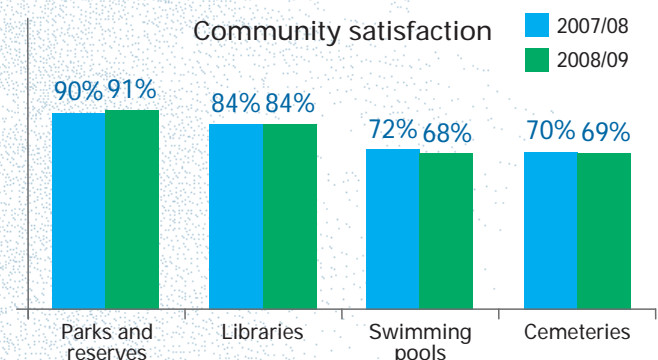
Community Facilities are Council activities focused on recreational and cultural opportunities in the district. This includes providing services and assets, such as libraries, swimming pools, parks and reserves and other public amenities.

Summary

12 out of the 30 performance measures for Community Facilities were achieved.

Key achievements

- Installation of the Morrinsville centennial clock
- Successful application to Ministry of Justice allowing Council to launch an anti-graffiti education programme
- Morrinsville cenotaph upgrade
- Stillborn remembrance garden in Morrinsville completed
- Morrinsville graffiti rapid removal programme established
- Tracks and Signage Strategies adopted



Key performance measures and trends

Measure	Actual 2007/08	Target 2008/09	Actual 2008/09	Achieved	Comments
Housing and other property Tenant satisfaction with standard of maintenance and accommodation	94% (5% neither satisfied or dissatisfied)	77%	84% (10% neither satisfied or dissatisfied)	✓	Council conducts customer satisfaction surveys with tenants to ensure expectations are being met.
Libraries Customers satisfied with library services	84% (14% 'Don't know')	Equal to or better than average of past three years (85%)	84% (13% 'Don't know')		Council supports library services to ensure that opportunities for life long learning, information access, leisure and reading are available to all people in our community.
Parks and reserves Public satisfaction of users with parks and reserves level of service	90% satisfied	90% satisfied	91% satisfied	✓	Council provides parks and reserves in order to support the health and wellbeing of the community by providing areas for sport and recreation, landscapes and green places that are restful and enhance the visual amenity.
Public amenities (cemeteries) Public satisfaction of users with cemetery levels of service	3% not satisfied	Less than 4% not satisfied	2% not satisfied	✓	69% of residents surveyed* were very satisfied or satisfied with the maintenance and operation of cemeteries. A further 29% responded 'Don't know', and 2% of residents surveyed were not satisfied.
Public amenities (public toilets and car parks) Public satisfaction of users with public toilets	70% (19% 'Don't know')	80% satisfied with levels of service	66% (21% 'Don't know')		Council aims to provide public toilets that are safe, hygienic and conveniently located. To improve this level of satisfaction Council has demolished toilets in the Morrinsville Recreation Grounds and Rapurapu Reserve due to vandalism and poor condition. A number of upgrades to facilities, for example Studholme Street upgrade and new toilets for the Morrinsville Recreation Grounds are programmed for the 2009/10 year.
Recreation and culture Compliance with the Building Act and related standards (structural integrity, access, exit, fire fighting, lighting and ventilation (as applicable))	Achieved	Warrant of Fitness held and maintained	Not achieved		This performance measure was not achieved. Council owns 18 buildings that require a warrant of fitness. 17 out of the 18 maintained a warrant. The Te Aroha Mineral Spas have an outstanding problem with a building consent which is in the process of being remedied.

*National Research Bureau (NRB) Survey

Community Infrastructure

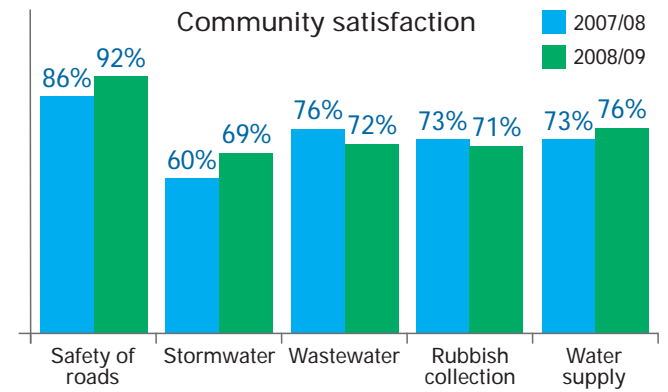
Community Infrastructure represents many responsibilities that are seen as core Council activities. These include the development and maintenance of roads, stormwater, wastewater (sewage), water and waste management.

Summary

21 out of the 39 performance measures for Community Infrastructure were achieved.

Key achievements

- 96 kilometres of roads were resealed to preserve the surfacing of the roading system
- A Stormwater Bylaw covering the whole district was prepared and adopted by Council
- Water treatment plants have been undergoing upgrades to meet new Drinking Water Standards; work at Tills Road (Matamata) is continuing, work at Te Aroha is almost complete and work at Matamata South has been completed



Key performance measures and trends

Measure	Actual 2007/08	Target 2008/09	Actual 2008/09	Achieved	Comments
Roading The network is regarded as safe in comparison to other similar networks	Increased by 4%	Crash severity reduced by 1%	Decreased by 44%		A comparison to other similar networks is not available, therefore the measure has not been achieved. The Roothing activity aims to provide a safe, reliable and efficient roading network. There have been 4 fatal and 10 serious crashes (total 14 crashes) in the district in 2008/09. There were also 25 reported minor crashes. There were a total of 25 fatal and serious crashes in 2007/08. Therefore there was a decrease of 44% in 2008/09. Speed and poor observation were the biggest contributors to crashes in the district.
Stormwater Residential stormwater systems designed to a one in five year flood	100%	100%	100%	✓	All resource consents (subdivisions) issued by Council required a system designed to cater for a one in five year flood to be installed.
Wastewater Compliance with resource consent conditions for wastewater discharges	90.8%	80%	94.3%	✓	Council's Utilities Engineer uses software to measure the level of wastewater discharge for every wastewater plant. The new plant in Te Aroha meets its resource consent conditions, works are underway to upgrade wastewater plants in Morrinsville and Matamata to meet resource consent conditions. This work is programmed in the 2009-19 long-term plan.
Waste management Community satisfied with: • Transfer station facilities • Performance kerbside refuse and recycling	69% 66%	85% 85%	69% 74%		Council provides waste management services including domestic refuse and recycling kerbside collection and transfer station facilities.
Water Customer satisfaction with water pressure within urban areas	91%	90%	93%	✓	93% of urban residents surveyed* were very satisfied or fairly satisfied with the water pressure within urban areas.

Environmental Care

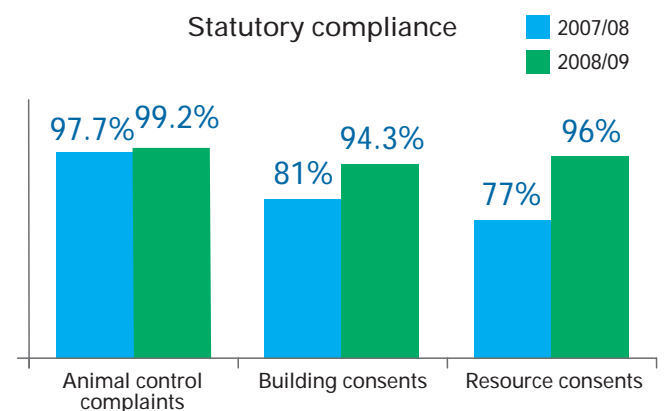
Environmental Care represents Council's role and commitment to protect the natural resources of the district. It reflects our responsibility to determine the different needs and interests of community members. This activity is responsible for resource consents, building consents, environmental health, liquor licenses, animal control, and emergency management.

Summary

6 out of the 15 performance measures for Environmental Care were achieved.

Key achievements

- Council regained accreditation as a Building Control Authority in May 2009
- Council was ranked first in Waikato and ninth overall for processing resource consents within timeframes in 2007/08
- The regulatory planning satisfaction survey came back with much better results than the previous year in the processing and decision stages



Key performance measures and trends

Measure	Actual 2007/08	Target 2008/09	Actual 2008/09	Achieved	Comments
Animal control Respond to incidents and complaints within adopted timeframes	97.7%	100%	99.2%		99.2% (704 out of 710) of incidents and complaints were responded to within adopted timeframes. The adopted response timeframe varies depending on the type of complaint.
Building control Process building consents within statutory time frame (20 working days)	81%	100%	94.3%		Under the Building Act 2004, Council is required to process building consents within 20 working days. 893 building consents were processed by Council during the year and 94.3% (842) of these were processed within statutory timeframe.
Community protection Participate in an emergency management partnership with Thames-Coromandel and Hauraki Districts	100%	90% meeting attendance - at political and officer level	100%	✓	Council participates in emergency management meetings. Meeting attendance provides for planning and preparation for emergencies and for response and recovery in the event of an emergency. 100% (7 out of 7) of meetings were attended by Council's staff in charge of emergency management.
Regulatory planning All consents completed within statutory timeframes	77%	100%	96%		208 out of 217 consents (96%) were completed within statutory timeframes.

*National Research Bureau (NRB) Survey

Financial Summary

	Statement of financial performance for the year ended 30 June 2009	2007/08 Actual \$000's	2008/09 Budget \$000's	2008/09 Actual \$000's
Operating revenue This is our day to day income received from things such as rates and metered water billing	Operating revenue	39,114	36,522	45,672
Operating expenses These are our day to day expenses such as the phone and power bill	Operating expenses	33,770	34,834	36,910
	Finance cost	1,100	2,239	1,609
	Net surplus/(deficit)	4,244	(551)	7,153
				Profit and loss statement
	Statement of changes in equity for the year ended 30 June 2009	2007/08 Actual \$000's	2008/09 Budget \$000's	2008/09 Actual \$000's
	Public equity at the start of the year	504,013	469,374	506,118
Net surplus/(deficit) This is the difference between operating revenue and operating expenses for the current year i.e. More revenue = surplus More expenses = deficit	Net surplus/(deficit) for the year	4,244	(551)	7,153
	Other reserves	(2,139)	33,039	23,925
	Total recognised revenue and expenses	2,105	32,488	31,078
	Public equity at the end of the year	506,118	501,862	537,196
				Change in equity
	Statement of financial position as at 30 June 2009	2007/08 Actual \$000's	2008/09 Budget \$000's	2008/09 Actual \$000's
Assets The property we own	Current assets	17,989	7,394	13,960
Liabilities The amount we owe	Non-current assets	515,917	526,299	550,974
Equity is the total that we own minus the total we owe	Total assets	533,906	533,693	564,934
Net This is what's left after all deductions	Current liabilities	6,634	7,133	19,317
Operating activities Difference between operating revenue and operating expenses	Non-current liabilities	21,154	24,698	8,421
	Total liabilities	27,788	31,831	27,738
	Equity and net assets	506,118	501,862	537,196
				Total net worth
	Statement of cash flows for the year ended 30 June 2009	2007/08 Actual \$000's	2008/09 Budget \$000's	2008/09 Actual \$000's
Investing activities Difference between buying and selling assets	Net from operating activities	8,529	5,804	16,316
	Net from investing activities	(13,902)	(12,759)	(18,780)
Financing activities Difference between borrowing and repayment of loans	Net from financing activities	8,577	4,685	(1,181)
	Net increase/decrease in cash held	3,204	(2,270)	(3,645)
Cash held Money in bank	Opening cash balance	6,031	6,564	9,235
	Closing cash balance	9,235	4,294	5,590

Council's net surplus, operating revenue, cash-flows and the balance of cash investments increased significantly to budget due to the sale of 17 of the 21 industrial lots created in Matamata's Mangawhero Road subdivision developed by Council. Revenue also increased to budget due to assets vested and contributions received by Council from development within the district. Operating expenditure was slightly higher than budget due to costs related to the industrial subdivision, and a general increase in some contracted costs. These increases were offset by a reduction in the provision for landfill aftercare following a review of costs, and other cost savings were achieved throughout areas of Council. A revaluation undertaken in July 2008 has also resulted in a large

increase in the value of Council's assets and equity, and an increase in depreciation expenses. Savings in finance costs were made as loans were not required to be drawn as expected, also reducing Council's liabilities at year end compared to budget.

Levels of service for all areas are generally similar to what have been undertaken in previous years, although due to development there are additional maintenance costs as well as assets such as additional parks and reserves.

Additional Disclosure

Reporting entity

Matamata-Piako District Council (the Council) is a local authority governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand. The Council's primary objective is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Council's full financial statements, authorised for issue by Council on 14 October 2009, have been prepared in accordance with the requirements of LGA 2002 and with New Zealand generally accepted accounting practice. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. They have been audited by Audit New Zealand and have received an unqualified audit opinion.

The Council's Summary Financial Statements are in compliance with Financial Reporting Standard (FRS) 43 Summary Financial Statements. Presented in New Zealand dollars, they are for the year ended 30 June 2009, and were authorised for issue by

Council on 14 October 2009. However, the Summary Financial Statements cannot be expected to provide as complete an understanding as provided by the full Annual Report of the Council.

Council incorrectly applied a new policy on accounting for development contribution revenue when it was applied for the first time in 2008. This caused an understatement of revenue received from development contributions of \$1,146,000 for 2008 (prior years \$1,806,000), and an overstatement of the liability created to recognise receipts for services that had not yet been provided by Council in 2008 of \$2,952,000. Council had in fact provided, or was able to provide, all services for which the contribution was charged at the time that they were received. The prior period error has been corrected in the 2008 comparative figures shown above.

Contingent liabilities

During May 2004, the shareholders of Waikato Regional Airport Limited (WRAL), of which Matamata-Piako District Council has a 15.625% shareholding, authorised the company to issue further shares totaling \$21.6 million to shareholders. The capital restructure is part of the WRAL development and allows WRAL to borrow

commercially at favourable interest rates. On 1 May 2009 WRAL called up \$1.875 million off Matamata-Piako District Council shareholding. This call of capital will be due for payment on 14 July 2009. Council will then have a contingent liability of \$1.5 million for uncalled capital.

Council is aware that 2 applications have been lodged with the Weathertight Homes Resolution Service for assessment but no claims have been lodged at this point. Should a claim be lodged in the future, Council's maximum potential exposure would be limited to the value of their insurance excess, which is \$50,000 per claim. Council's insurer, RiskPool, will pay out a maximum of \$500,000 in any one year. In June 2009, RiskPool announced that only claims notified to them before 1 July 2009 will be covered.

Statement of commitments

Council's commitment on projects where contracts have been entered into but goods or services have not been received is \$563,422 (2008: \$369,000). Of this, \$552,000 relates to capital and \$11,422 relates to non-cancellable operating contracts.

Audit Report

To the readers of Matamata-Piako District Council's summary annual financial statements, performance information and the other requirements for the year ended 30 June 2009

We have audited the summary financial statements, performance information and the other requirements as set out in pages 1 to 4.

Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 14 October 2009, on:

- the full financial statements; and
- the performance information; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Matamata-Piako District Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.

F Caetano
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand,
14 October 2009

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Matters relating to the electronic presentation of the summary audited financial statements, performance information and the other requirements

This audit report relates to the summary financial statements, performance information and the other requirements of Matamata-Piako District Council for the year ended 30 June 2009 included on the Matamata-Piako District Council's website. Matamata-Piako District Council's Council is responsible for the maintenance and integrity of the Matamata-Piako District Council's website. We have not been engaged to report on the integrity of the Matamata-Piako District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements, performance information and the other requirements as well as the related audit report dated 14 October 2009 to confirm the information included in the audited summary financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Annual Report Summary 2008/09

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www.mpdc.govt.nz

**matamata
piako**
district council