



te kaunihera ā-rohe o
matamata-piako
district council

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

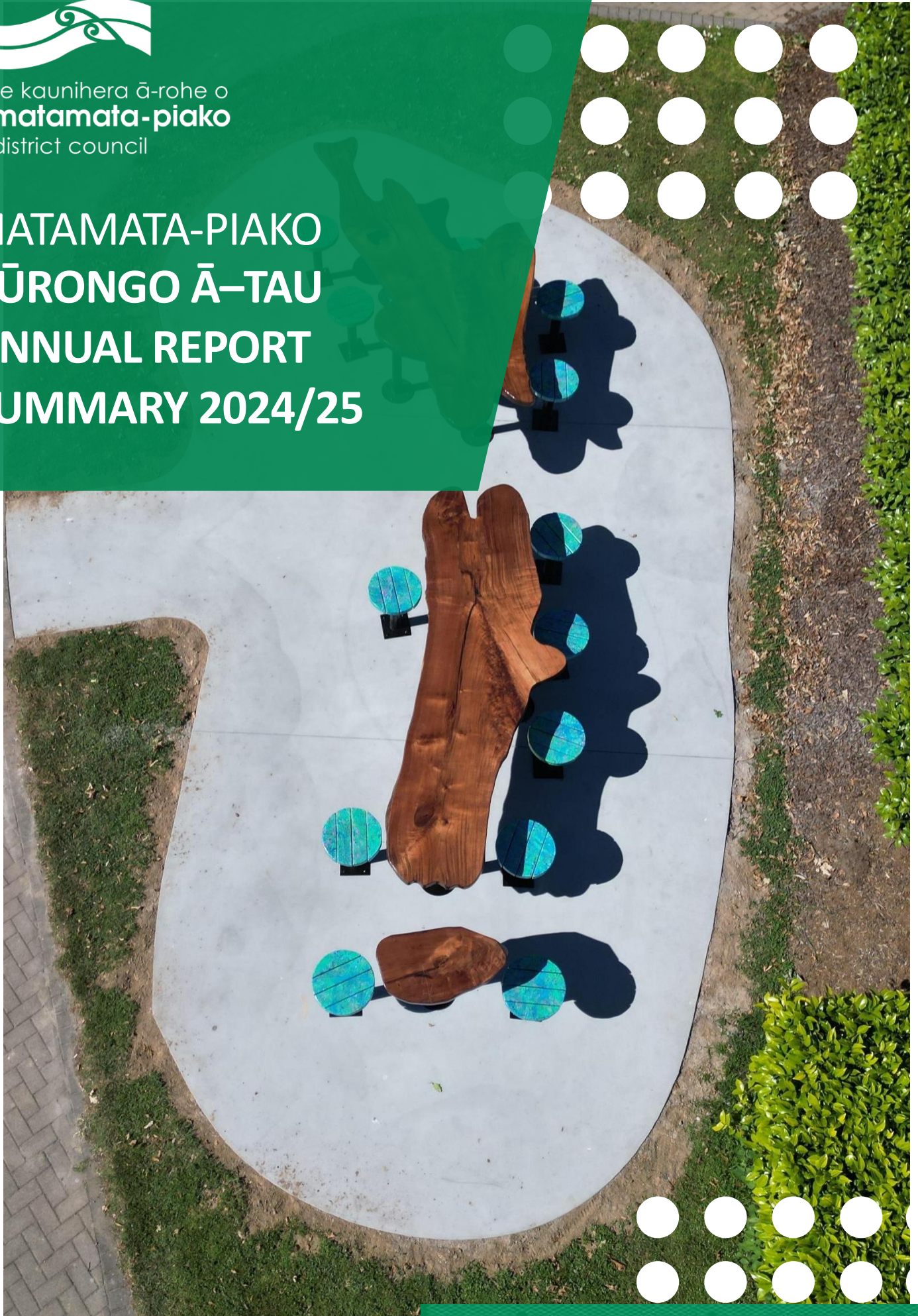


Photo of: Social Seating in Matamata

Tō Koutou Manuhia | Message from the Mayor



Kia ora koutou,

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

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

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

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

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Adrienne Wilcock'. The signature is fluid and cursive, written over a white background.

Adrienne Wilcock
Mayor as at 30 June 2025

1

HE KUPU WHAKATAKI INTRODUCTION



Ō mātou whakatutukitanga | Our achievements

We received 1315 Antenno requests.

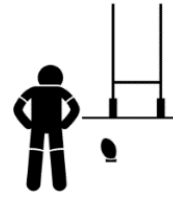


That's 3.6 per day!

We resealed over 60km of local roads.



We looked after 715 hectares of parks and reserves.



The Matamata Open Stadium build began.



786 animal control enquiries were received and investigated.



486.47 Tonnes of food waste was diverted from landfill.



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



That's 1,407 hours!

Our libraries held 621 events.



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



The Lockerbie Water Treatment Plant opened.



203 posts were made to Facebook



Waharoa bus stops were upgraded and relocated



TŌ MĀTOU WHAKAKITENGA | OUR VISION

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

Ngā hua ā-hapori | Community Outcomes

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



Outcome #1

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

Priorities

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



Outcome #2

He wāhi puawaitanga | A place to thrive

Priorities

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



Outcome #3

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

Priorities

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



Outcome #4

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

Priorities

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

Te Kaunihera | Council

Mayor and Councillors as at 30 June 2025

Mayor



Adrienne Wilcock

Matamata Ward



Caleb Ansell



James Sainsbury



Kevin Tappin

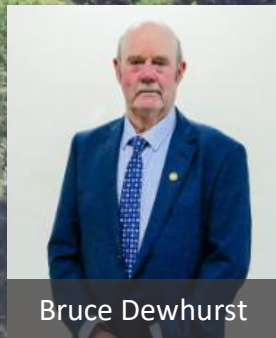


Sue Whiting

Morrinsville Ward



Sharon Dean



Bruce Dewhurst

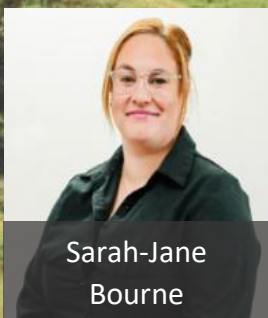


Dayne Horne



Dep. Mayor
James Thomas

Te Aroha Ward



Sarah-Jane
Bourne



Peter Jager

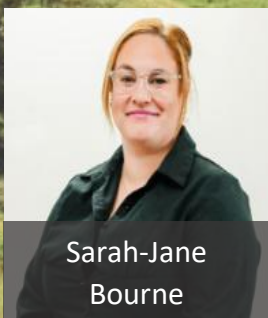


Russell Smith



Gary Thompson

Te Toa Horopū ā Matamata-Piako



Sarah-Jane
Bourne



Peter Jager



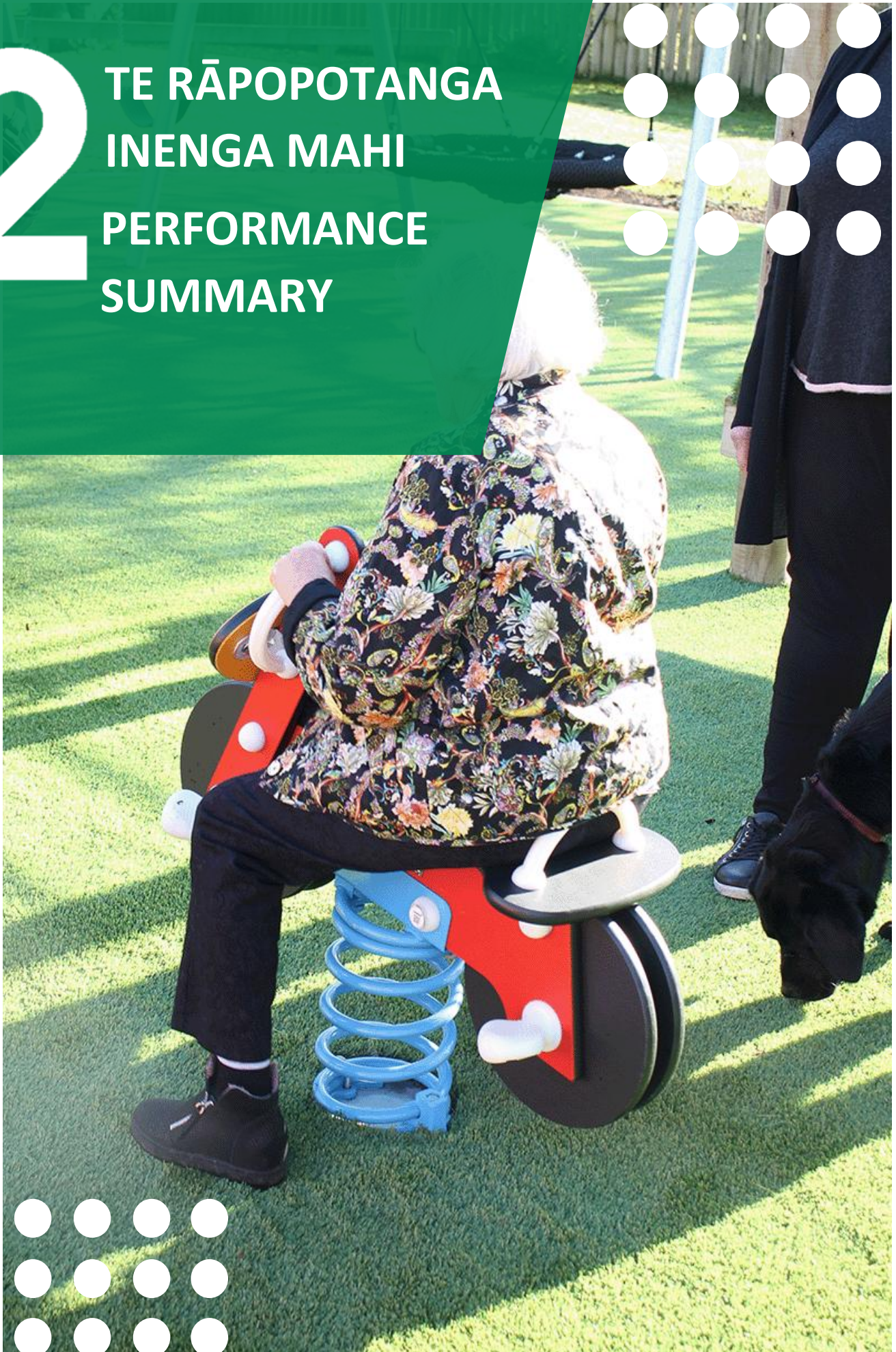
Russell Smith



Gary Thompson

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TE RĀPOPOTANGA INENGA MAHI PERFORMANCE SUMMARY



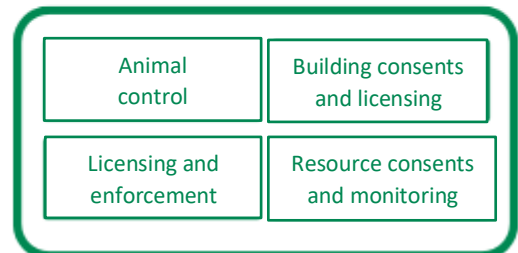
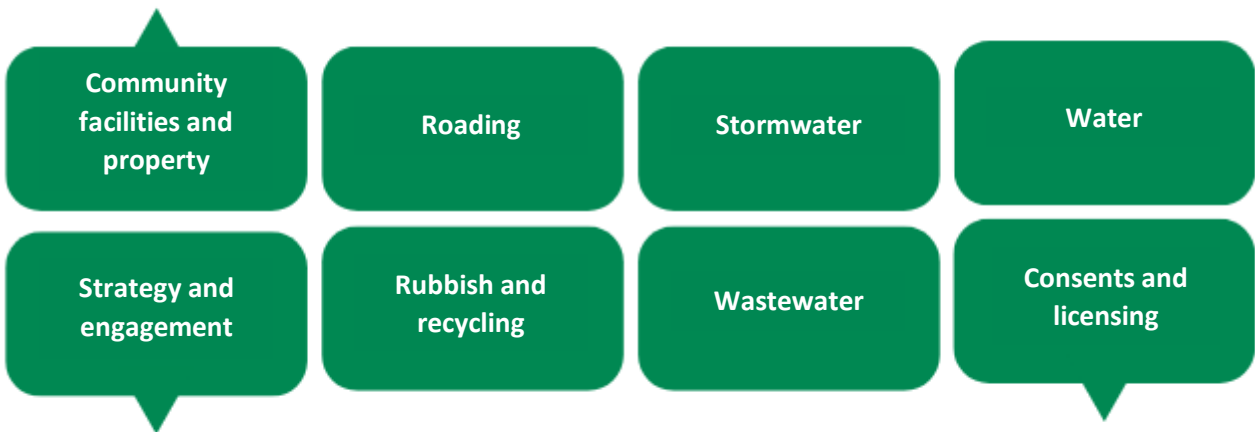
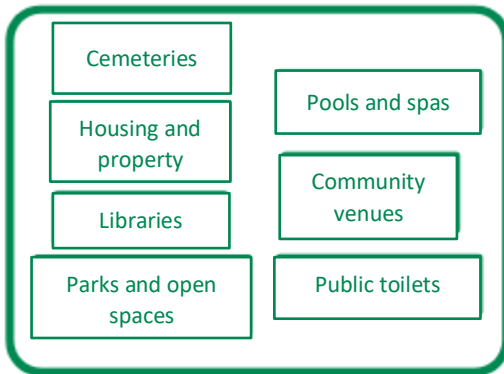
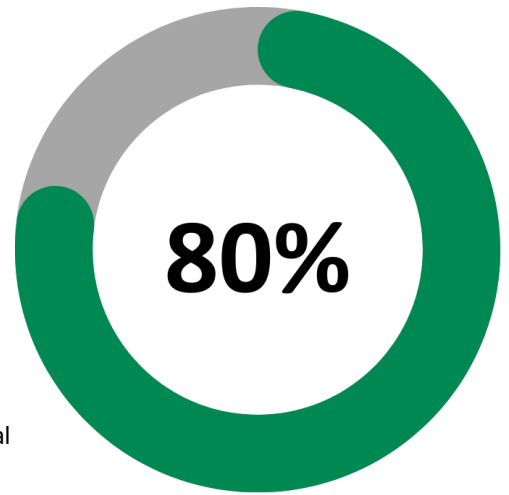
Te rāpopotanga inenga mahi

Performance summary

The service performance section describes the range of services that Council provides for the community, and reports on how effectively Council has delivered on those services over the last financial year, 1 July 2024 to 30 June 2025. We set a range of performance measures in the Long Term Plan 2024-34 with targets for the next three years.

Of the 56 performance measures set in the Long Term Plan 2024-34, 45 of the 56 were achieved giving us an overall achievement score of 80%. Ten measures were not achieved and one was not measured.

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

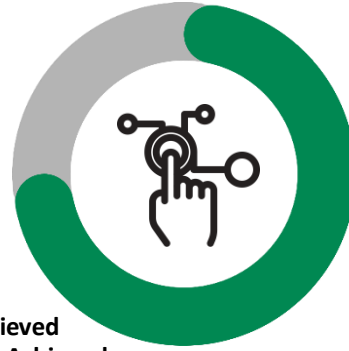


NGĀ WĀHI MĀNA ME NGĀ RAWA Ā-
HAPORI (HUI KATOĀ)
COMMUNITY FACILITIES AND PROPERTY



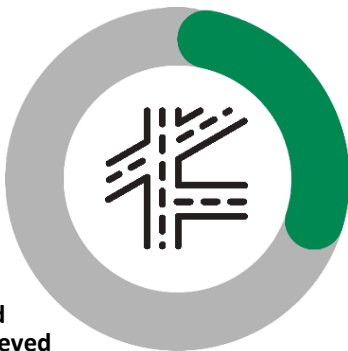
10 Achieved
2 Not Achieved

TE RAUTAKI ME TE
WHAKAWHITIWHITITI KŌRERO
STRATEGY AND ENGAGEMENT



7 Achieved
1 Not Achieved

NGĀ RORI
ROADING



3 Achieved
2 Not Achieved
1 Not Measured

TE PARA ME TE WHAKAHŌU
RUBBISH AND RECYCLING



4 Achieved
0 Not Achieved

TE WAIMARANGAI
STORMWATER



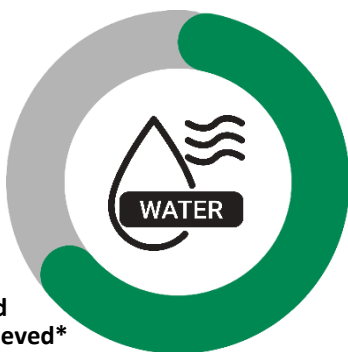
4 Achieved
0 Not Achieved

TE WAIPARA
WASTEWATER



6 Achieved
0 Not Achieved

TE WAI
WATER



6 Achieved
3 Not Achieved*

WHAKAAETNGA ME NGĀ RAIHANA
CONSENTS AND LICENSING



4 Achieved
3 Not Achieved

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

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WHAKARĀPOPOTO AHUMONI FINANCIAL SUMMARY

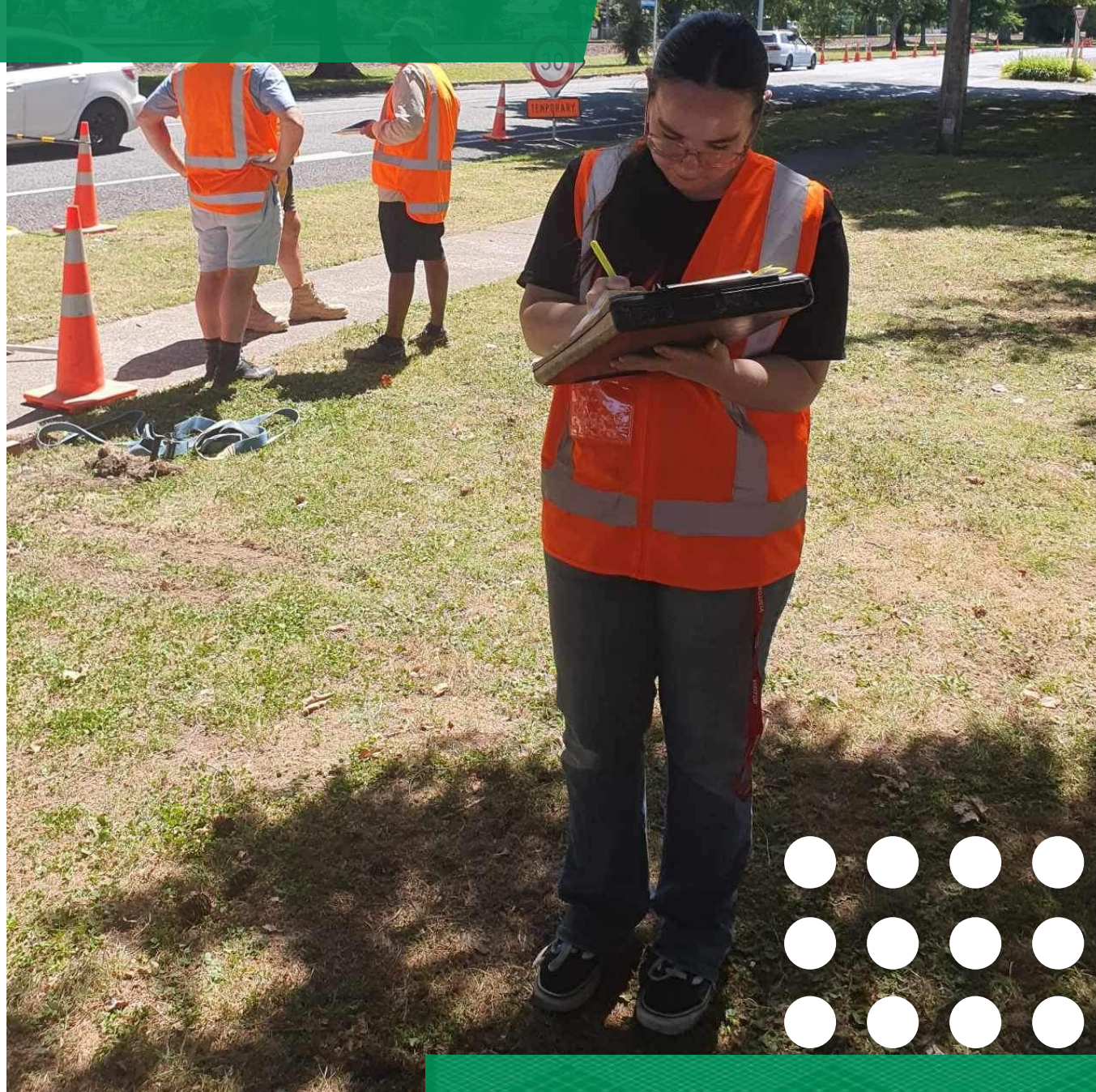


Photo of: Shared pathway - Matamata

Whakarāpopoto ahumoni

Financial Summary

Actual 2023/24 \$000		Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
Summary statement of comprehensive revenue and expense for the year ended 30 June			
89,819	Revenue	81,636	96,580
(79,064)	Expenses	(80,834)	(85,755)
(2,933)	Finance costs	(3,815)	(3,324)
7,822	Net surplus/(deficit)	(3,013)	7,501
Other comprehensive revenue and expense			
(847)	Financial assets at fair value through other comprehensive revenue and expense	-	6,037
(493)	Property, plant and equipment revaluation	21,801	236,391
(1,340)	Total other comprehensive revenue and expense	21,801	242,428
6,482	Total comprehensive revenue and expense	18,788	249,929
Summary statement of changes in equity for the year ended 30 June			
959,851	Balance at 1 July	977,212	966,333
6,482	Total comprehensive revenue and expense	18,788	249,929
966,333	Balance at 30 June	996,000	1,216,262

Statement of comprehensive revenue and expense

For the 2024/25 financial year, Council's revenue was higher than budgeted in several key areas. Additional funding and grants, including \$503,000 in Better-off funding and \$460,000 in Waste Levy subsidies, boosted income. Development contributions also exceeded expectations with major projects in Morrinsville and Matamata, and Council received \$9.5 million of vested assets from subdivision developments. Other revenue included \$1.35 million in donations towards the Matamata Open Country Stadium. Interest revenue was also higher than planned due to Council holding additional funds on term deposit from debt that was borrowed in advance.

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

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

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

The value of Council's investment in Waikato Regional Airport rose by \$6 million, reflecting growth in the company's investment property portfolio.

Land, roading, and three water assets were revalued at 30 June 2025, with land increasing by \$62.9 million (since the last revaluation in 2020), and roading and three water assets increasing by \$138.5 million and \$35.5 million respectively. These valuations highlight the rising cost of replacing essential network assets. This means that future renewals and upgrades are likely to be more expensive, which continues to put pressure on future rates.

Actual 2023/24 Restated \$000		Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
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Summary statement of financial position as at 30 June

32,600	Current assets	21,196	30,940
1,017,510	Non-current assets	1,084,960	1,288,704
1,050,110	Total assets	1,106,156	1,319,644
29,566	Current liabilities	27,044	30,488
54,211	Non-current liabilities	83,112	72,894
83,777	Total liabilities	110,156	103,382
488,094	Accumulated funds	469,194	493,092
478,239	Other reserves	526,806	723,170
966,333	Equity	996,000	1,216,262

Summary statement of cash flows for the year ended 30 June

18,540	Net cash flows from operating activities	15,406	20,295
(32,019)	Net cash flows from investing activities	(61,911)	(42,569)
20,500	Net cash flows from financing activities	41,939	19,500
7,021	Net increase/decrease in cash held	(4,566)	(2,774)
4,432	Opening cash balance	4,907	11,453
11,453	Closing cash balance	341	8,679

Details of the restated balances for 2023/24 are provided in Note 25 of the full report.

Statement of financial position

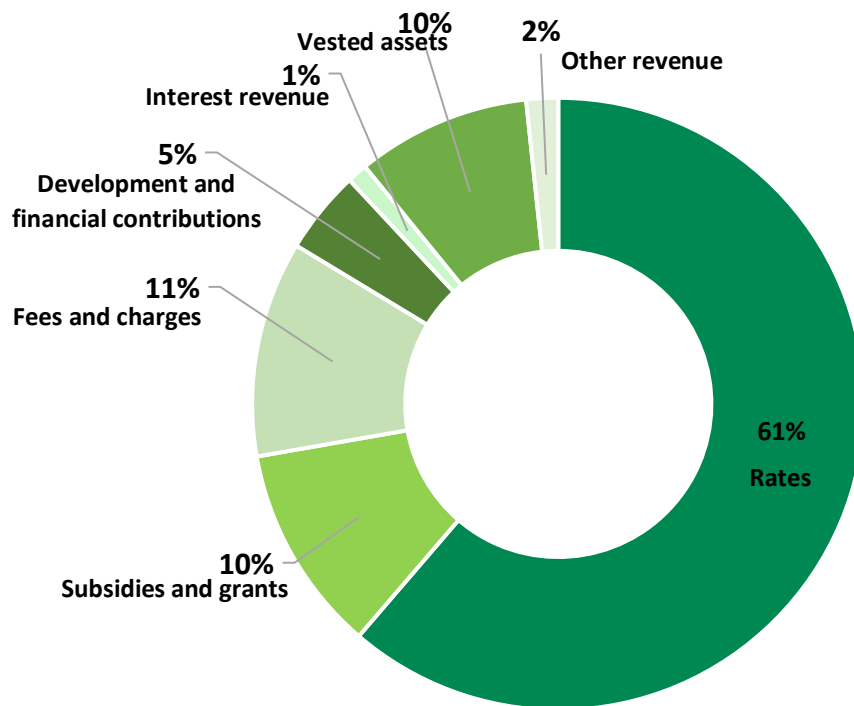
Current assets were significantly higher than budget, largely due to \$13.5 million in term deposits held to pre-fund upcoming debt maturities, and higher cash balances including \$1.5 million set aside to meet legislative contractor retention requirements.

Non-current assets were well above budget, driven by major revaluations of land, roading, and three waters infrastructure, which together added \$236 million to Council's asset base. Assets vested through subdivision development also exceeded expectations, and Council's investment in Waikato Regional Airport increased by \$6 million, reflecting growth in the airport company's property portfolio.

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









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

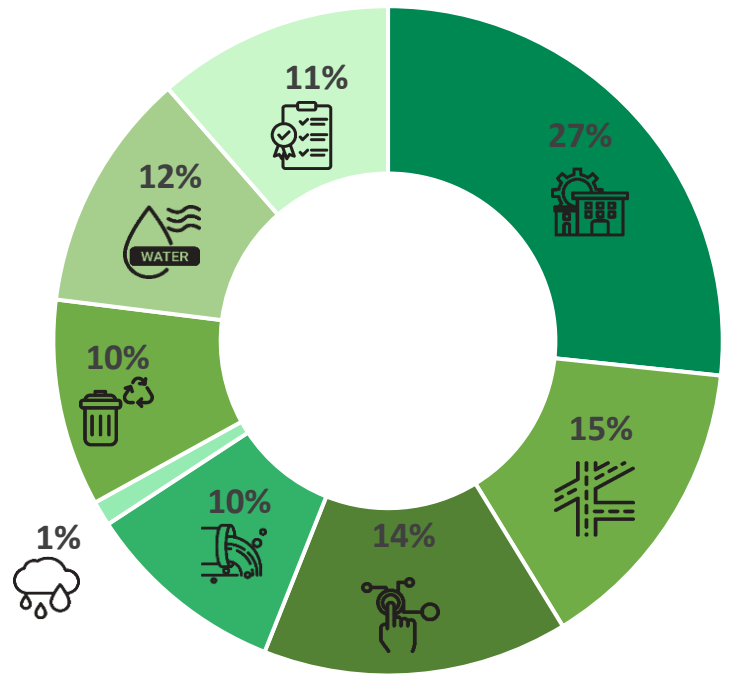
Nō whea ngā pūtea a te Kaunihera? | Where did Council get money from?











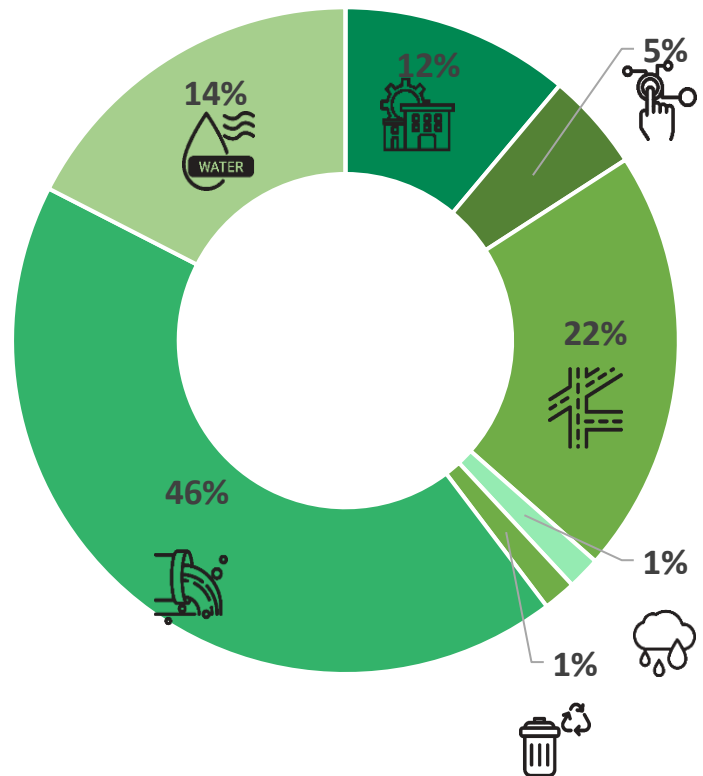
Revenue by Sources	%	\$000
Rates	61%	59,206
Subsidies and grants	10%	9,492
Fees and charges	11%	11,019
Development and financial contributions	5%	4,669
Interest revenue	1%	1,035
Vested and found assets	10%	9,533
Other revenue	2%	1,626
Total revenue	100%	96,580

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

Operating Expenditure		%	\$000
	Community Facilities and Property	27%	17,791
	Strategy and Engagement	14%	9,740
	Roading	15%	9,849
	Rubbish and Recycling	10%	6,515
	Stormwater	1%	801
	Wastewater	10%	6,675
	Water	12%	7,749
	Consents and Licensing	11%	7,617
Total		100%	66,737



Capital Expenditure		%	\$000
	Community Facilities and Property	12%	4,949
	Strategy and Engagement	5%	2,113
	Roading	22%	9,210
	Rubbish and Recycling	1%	521
	Stormwater	1%	296
	Wastewater	46%	19,326
	Water	14%	5,760
	Consents and Licensing	0%	-
Total		100%	42,175



Additional disclosures and accounting policies

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

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

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

Section 98 of the Local Government Act 2002 requires that Councils adopt their Annual Reports within four months of the end of the financial year. The Annual Report, adopted on 17 December 2025, did not meet the statutory timeframe for adoption by 31 October 2025. Completing the audit required additional time this year due to the issues encountered in the Property, Plant, and Equipment area.

Limitation of Scope in Audit Report

While Council is confident that it has properly accounted for its Property, Plant and Equipment assets, including the proper recognition and capitalisation of those assets, it became apparent during the course of the audit that Council could not provide the appropriate transactional support to our auditors within a reasonable timeframe to allow them to form an opinion on the fair statement of the Property, Plant and Equipment account balances, and the consequential flow-on impact of any possible misstatement to, for example, the funding impact statements, the level of operational expenditure, the statement of cash flows and the financial prudence benchmarks.

After due consideration, and in weighing up the costs and benefit of resolving this matter, including internal resource, audit fee, timeframe and public interest and value considerations, Council resolved that it was better to accept a limitation of scope qualification on the 2024/25 Annual Report, and focus its efforts on ensuring that an unmodified audit opinion is able to be received for the 2025/26 Annual Report. Management will make this a priority over the next few months.

Prior year error correction

Council has adjusted its comparative year financial statements (for the year ended 30 June 2024) to correct prior period errors. Council determined that \$8.13 million of land assets vested or found by 30 June 2023 had not been recognised as of that date in accordance with Council's accounting policies.

The financial statements for 2024, which are presented as comparative information in the 30 June 2025 financial statements, have been restated to correct these errors. The details of this correction can be seen in note 25 of the full Annual Report.

Changes in accounting policies

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

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective and has been applied for the year ended 30 June 2025, and can be seen in note 5 of the full Annual Report.

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

Capital commitments

At 30 June 2025, Council have commitments of \$9.1 million for projects where contracts have been entered into but goods or services have not been received (2024: \$2.1 million).

Contingencies

Te Aroha wastewater resource consent

Under the resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment Plant during 2016, if Council fails to meet annual nitrate discharge conditions as per the consent, then an annual sum of \$15,000 will be payable to the local Wetlands Trust.

New Zealand Mutual Liability Riskpool scheme

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

Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local and foreign currency rating from Fitch Ratings of AA+, and from Standard and Poor's a rating of AA+ for local currency and AAA for foreign currency.

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

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

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

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Events after balance date

Local Water Done Well

In December 2023 the New Zealand Government announced a plan for water services, called Local Water Done Well. Legislation has been enacted to progress the policy, being:

- Local Government (Water Services Preliminary Arrangements) Act 2024 (WSPA)
- Local Government (Water Services) Act 2025 (WSA)
- Local Government (Water Services) (Repeals and Amendments) Act 2025 (WSRAA)

The latter two Acts received Royal assent on 26 August 2025.

The Local Water Done Well programme restores council ownership and control of water infrastructure and services.

The WSPA required Council to prepare and submit a Water Services Delivery Plan (WSDP) by September 2025, outlining how they will meet the new regulatory, financial, and service delivery requirements.

In response, Council undertook public consultation in May 2025 and resolved in June 2025 to join a new regional water services entity—Waikato Waters Ltd, a multi-council owned Council Controlled Organisation (CCO). This decision was made in collaboration with six other Waikato councils, aiming to deliver water services more efficiently and sustainably through shared governance and infrastructure investment. Council resolved to retain Stormwater assets and services at this stage.

Council's WSDP was formally accepted by the Secretary for Local Government on 17 September 2025, confirming MPDC's commitment to transitioning water and wastewater services to Waikato Waters Ltd, which is scheduled to occur on 1 October 2026.

The financial impact of Council's decision remains uncertain due to several factors:

- Final asset valuations and debt transfer arrangements are yet to be confirmed.
- Shareholding structure and governance arrangements within Waikato Waters Ltd are still being finalised.
- Pricing models and service levels under the new entity are subject to regulatory approval and community consultation.

Council will continue to monitor developments and update financial disclosures as more information becomes available.

The estimated value of Council's shareholding in Waikato Waters Limited upon transfer cannot yet be quantified, except that Matamata-Piako's final shareholding (based on current connection data) is proposed to be around 13%.

From 1 October 2026, the service potential of the water and wastewater assets will not be realised by Council through use of the assets, it will be realised by the CCO to provide the same services to the same ratepayers before and after the transfer. Although the legal ownership of the assets will change, the beneficiaries of the assets remain the same. The impending transfer to Waikato Waters Limited has not had an impact on the financial statements or measures of performance for these services for the year ended 30 June 2025.

Further information on Council's Water Services Delivery Plan and Waikato Waters Limited can be found on our website <https://www.mpd.govt.nz/reforms/local-water-done-well>.

Breach of Wastewater consent

In November 2025, Council was sentenced to a fine of \$105,000 for breaching the Resource Management Act 1991 between April and October 2023. The prosecution followed an extended period during which a faulty UV filter at the Waihou Wastewater Treatment Plant (WWTP) was offline, resulting in partially treated wastewater being discharged into the Waihero Stream, which exceeded the levels permitted under the plant's resource consent. The discharge took place over several months, and staff were actively working to resolve the issue, with a contractor engaged, quotes approved, and regular follow-ups taking place. However, global supply delays and resourcing challenges significantly impacted the time taken to reinstate the UV disinfection system. The faulty UV unit was replaced in October 2023, and 12 months later a \$1.7 million project was completed to fully decommission the plant and divert all wastewater to the upgraded treatment facility in Te Aroha. This work eliminates the risk of similar discharges occurring in the future. In addition to the infrastructure upgrades, a district-wide SCADA monitoring system was implemented, allowing for faster issue detection, improved alarm notifications, and better remote management of wastewater systems.

Te Pānui Whākinga Mō Te Tau Mutunga O 30 Hune 2025

Annual Report Disclosure Statement for Year Ending 30 June 2025

Te kaupapa o tēnei pānui ā-pūtea? | What is the purpose of this statement?

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

Te pou taraawaho o te whai pūtea ki te rēti | Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

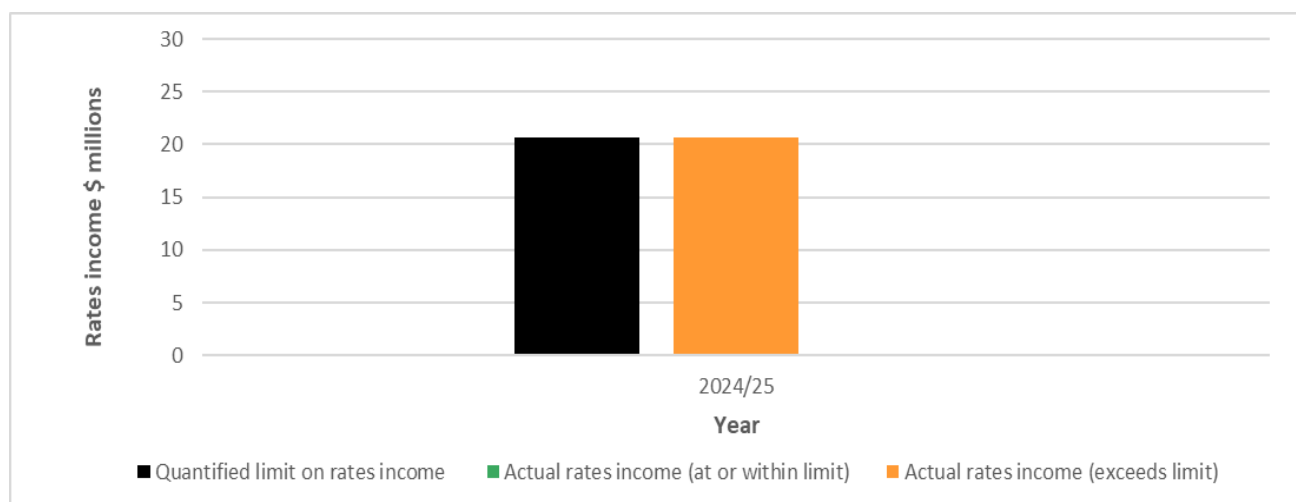
Whai pūtea (whiwhinga pūtea) ki te rēti | Rates (income) affordability

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

2024-2034 LTP

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

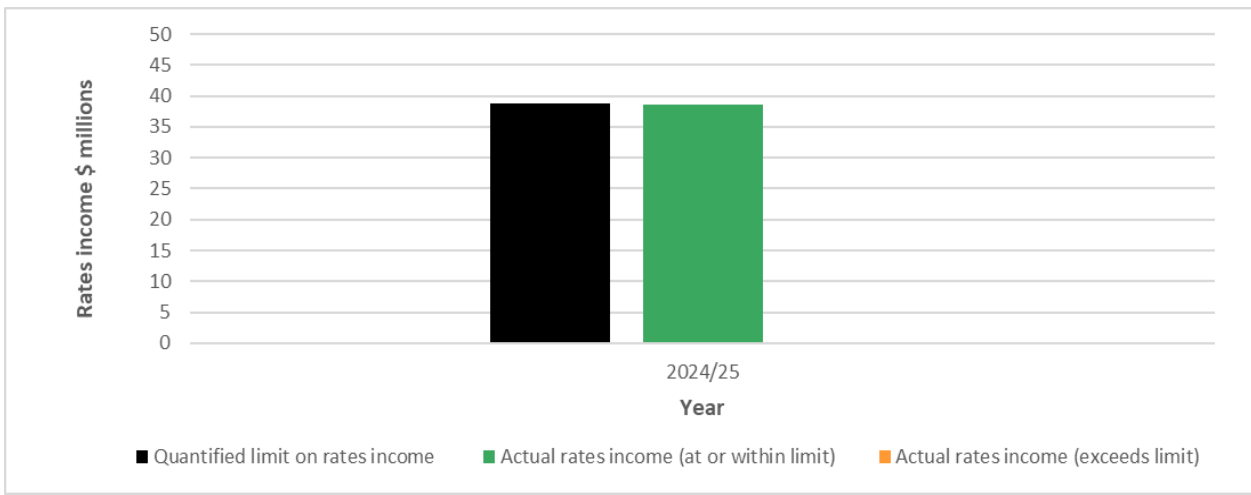
1. Rates income for **three water activities** (including metered water) will not increase by more than 25% year one, 11% years two and three and thereafter will not increase by more than 7%.



Comment:

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

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

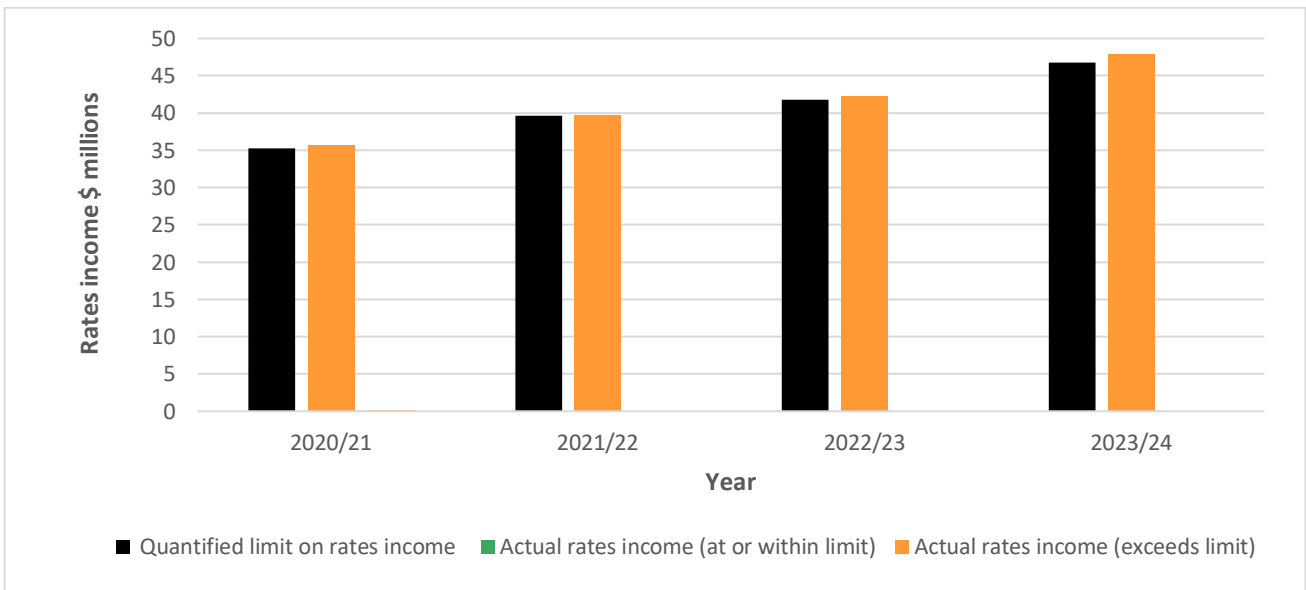


Comment:

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

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates income¹ will not increase by more than 6%, other than for year 1 (2021/22) and year 3 (2023/24) where the forecast increases are 11.73% and 11.81% respectively.



Comment:

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

¹ For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded, as the level of revenue received is not within Councils' direct control.

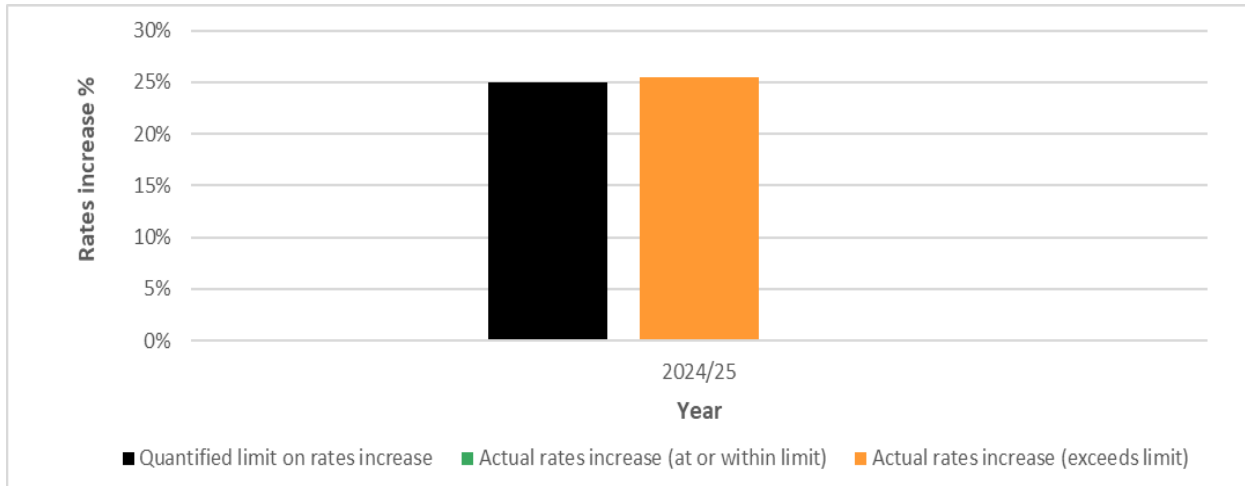
Whai pūtea (pikitanga) ki te rēti | Rates (increases) affordability

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

2024-2034 LTP

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

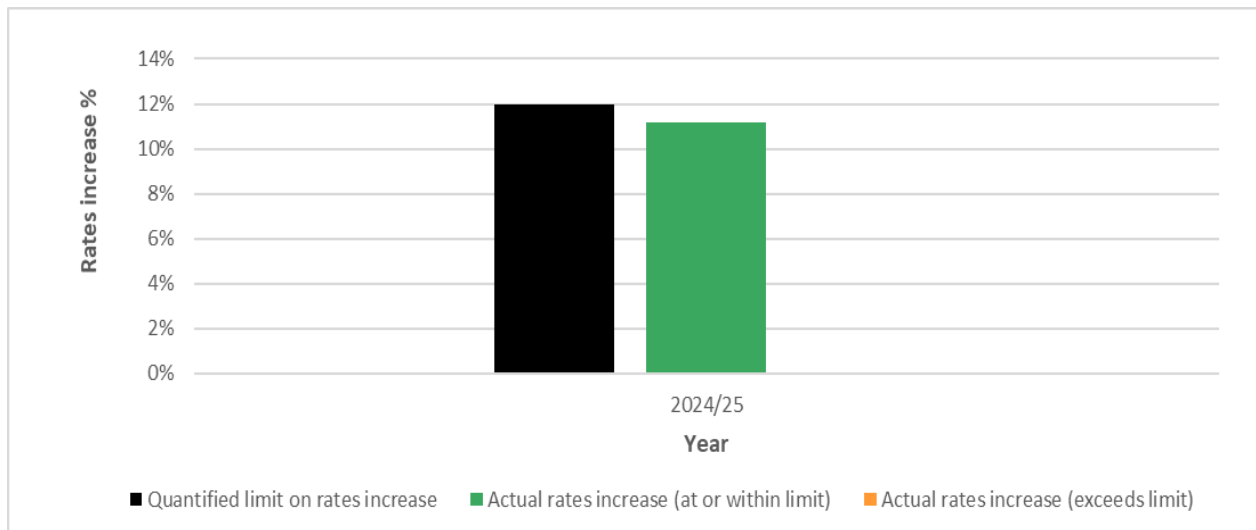
1. Rates increases for **three water activities** (including metered water) will not increase by more than 25% year one, 11% years two and three and thereafter will not increase by more than 7%.



Comment:

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

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

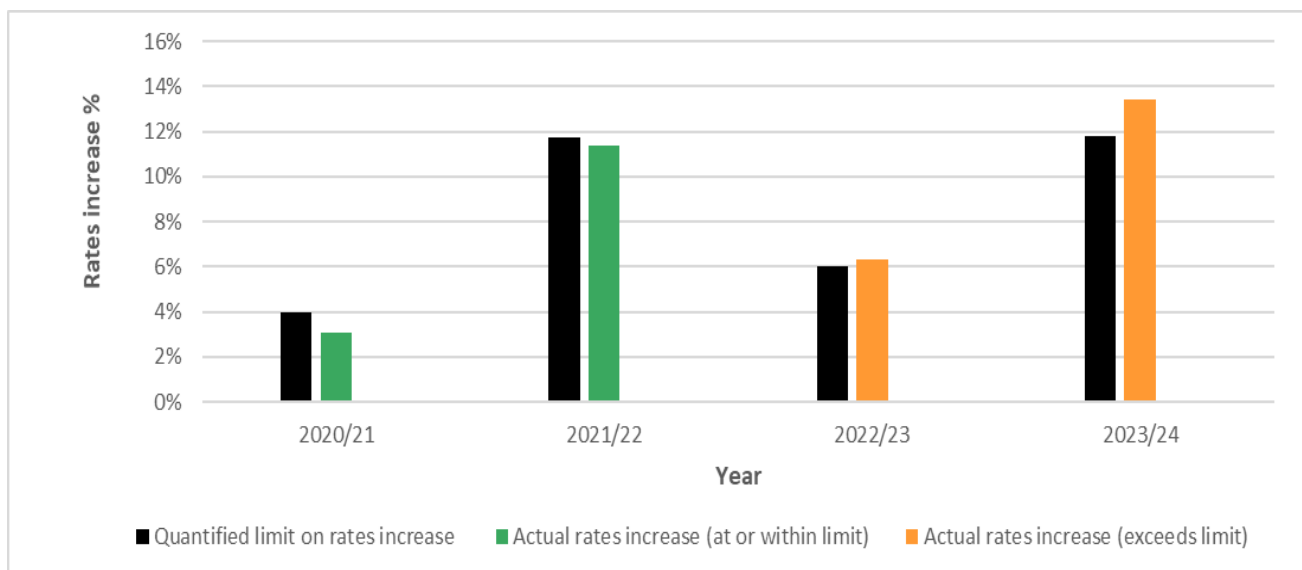


Comment:

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

2021-2031 LTP

The quantified limit from the financial strategy included in the 2021-2031 LTP is: Annual rates increases² will not be more than 6%, other than year 1 and 3 where the limits are set at 11.73% and 11.81% respectively.



Comment:

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

² For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for) and the rate revenue from metered water supplies (the majority of which came from a few large industrial users). These items are excluded, as the level of revenue received is not within Councils' direct control.

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

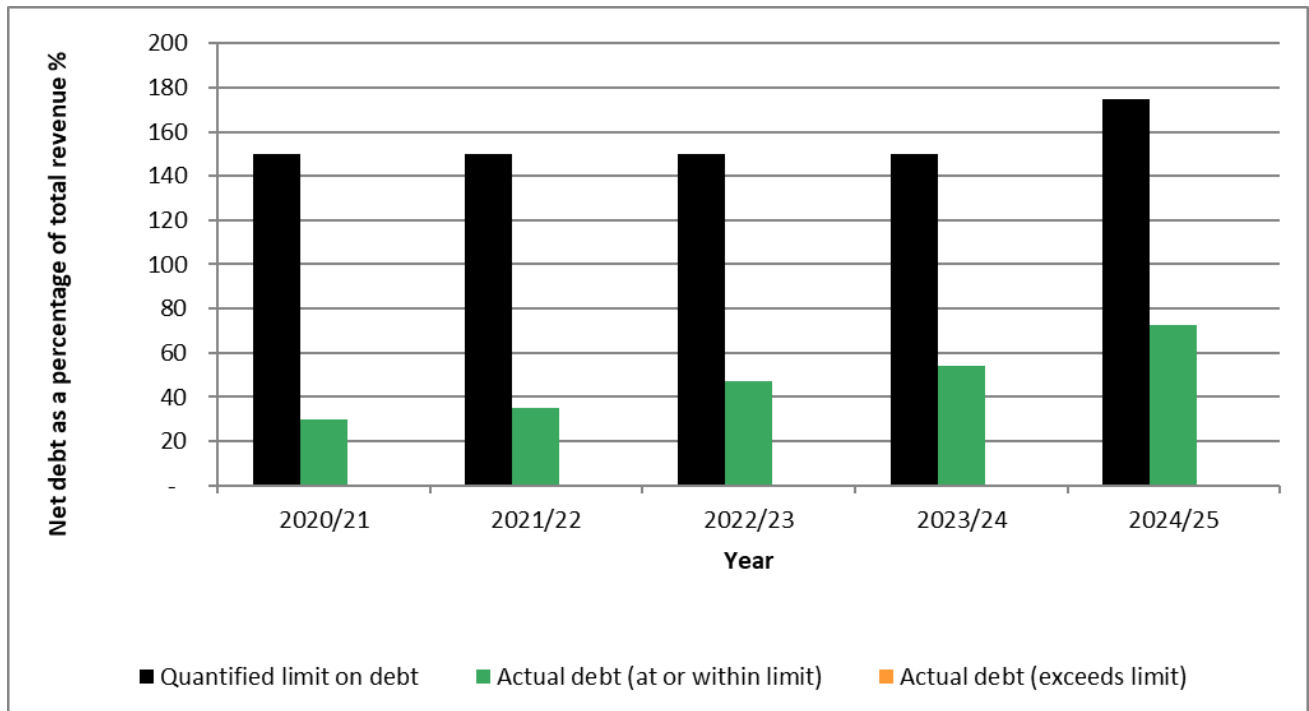
The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. The following graph compares the Council's actual borrowing with the quantified limit on borrowing stated in the Financial Strategy included in the Council's Long Term Plan.

2024-2034 LTP

The quantified limit is: Net external debt³ as a percentage of total revenue⁴ will not exceed 175%.

2021-2031 LTP

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



Note:

The results for 2020/21 and 2021/22 have been restated to 30% and 35% respectively (from 40% and 45%), as the previously reported calculations of net debt did not take into account term deposits and LFGA borrower notes, that reduce Council's net debt.

Comment:

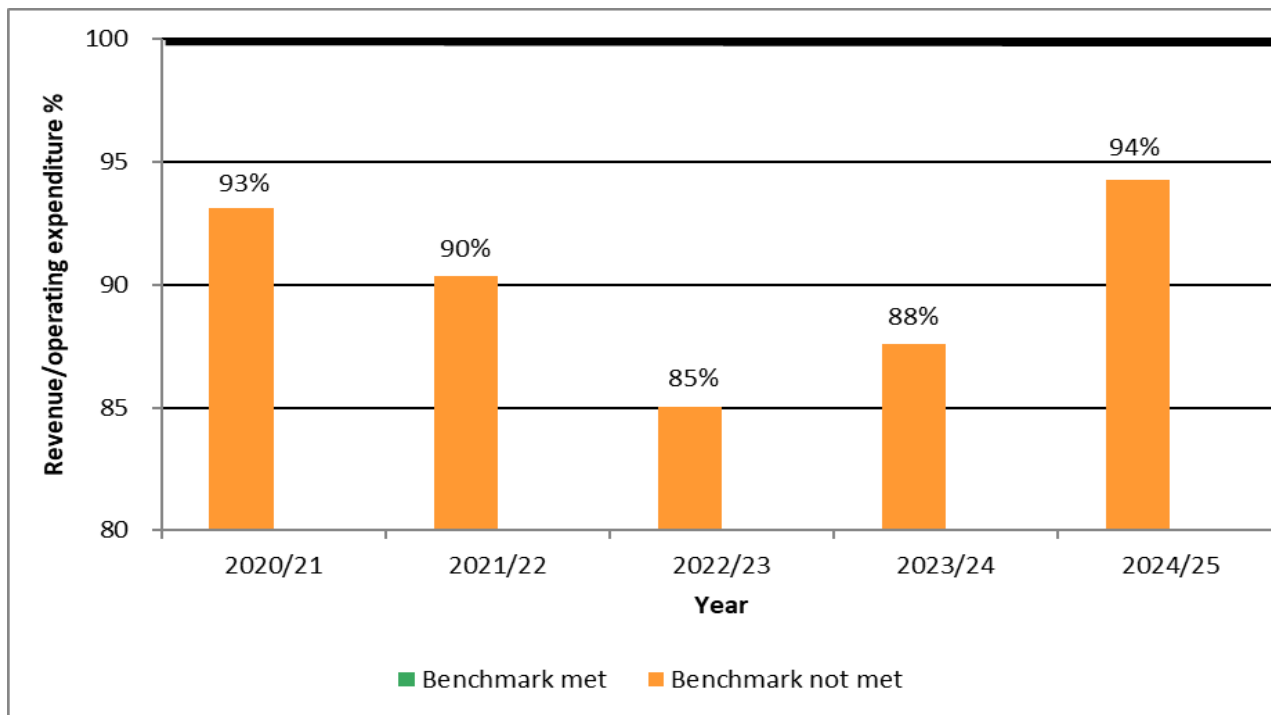
Council's net external debt as a percentage of total revenue sits at 73% at 30 June 2025 and has remained well below the policy limit for the last five years. The policy limit was increased to 175% in the 2024-2034 LTP to accommodate the significant future capital work planned in respect of the three water activities. 175% is considered by Council's key lender to be a prudent limit for a Council of our size and future growth prospects.

³ Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.

⁴ Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including found assets and the revaluation of derivatives and assets).

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

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

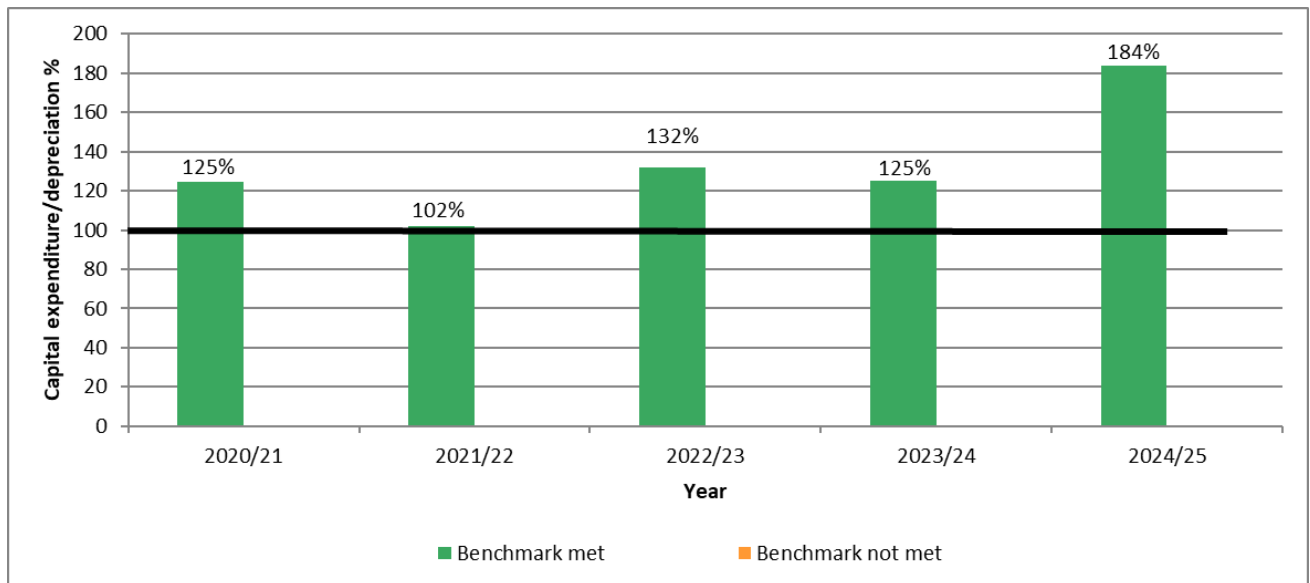


Comment:

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

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

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

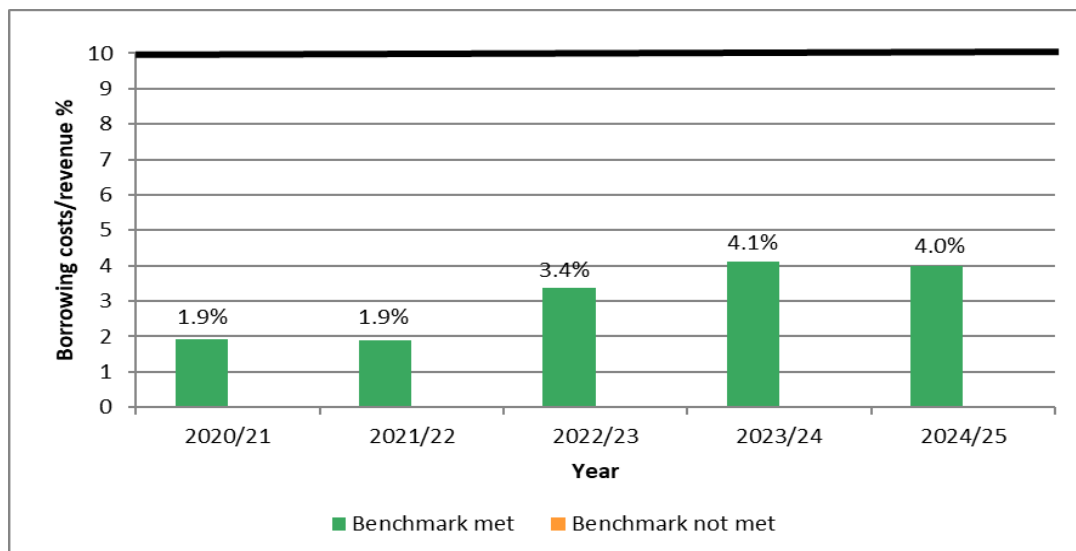


Comment:

Council's capital spending is not programmed on a straight-line basis consistent with depreciation. Over the five years shown, the capital spend averages 134% of depreciation.

Te pou taraawaho o te tiaki nama | Debt servicing benchmark

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

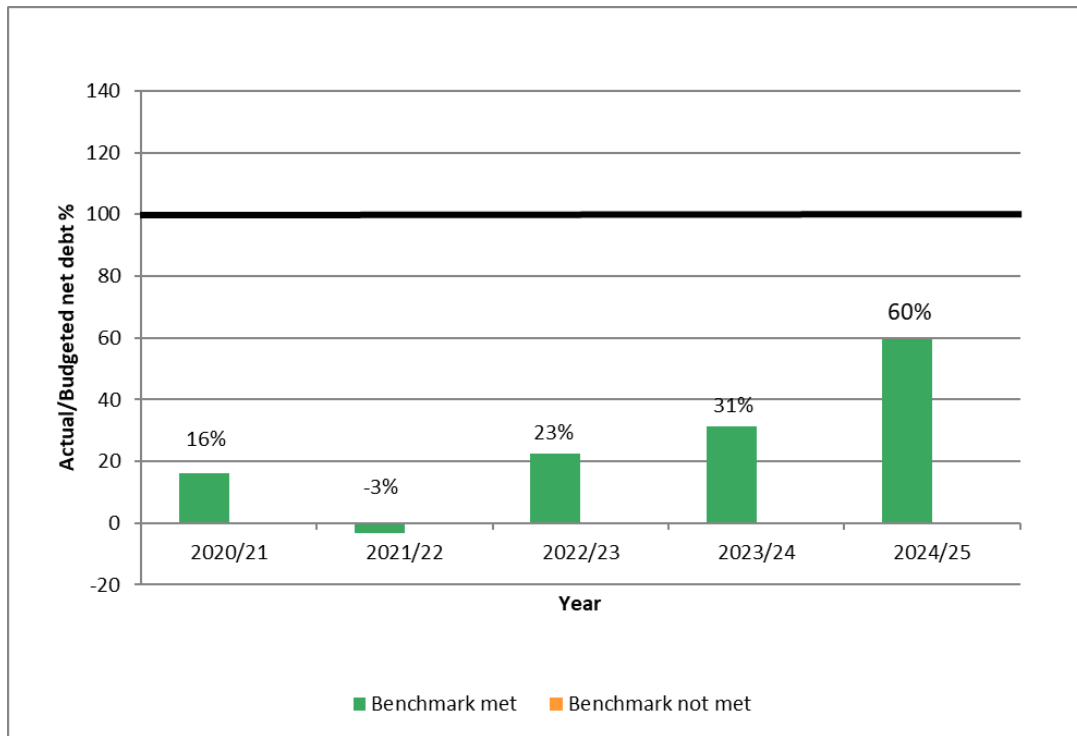


Comment:

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

Te pou taraawaho i ngā whakamātau nama | Debt control benchmark

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

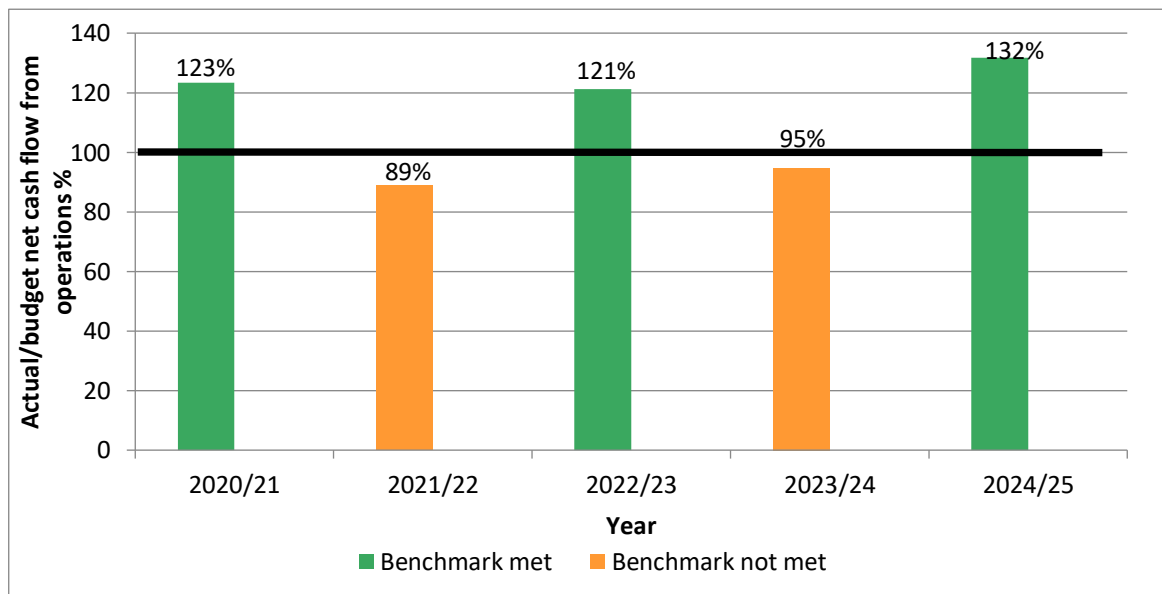


Comment:

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

Te pou taraawaho i ngā whakamātau whakahaere | Operations control benchmark

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



Comment:

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

Te Panui o Te Tautukunga

Statement of Compliance and Responsibility

Compliance

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

Responsibility

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

Responsibility for the preparation and completion of the Annual Report and the related assumptions, estimates and judgements. The Council and management adopted the Annual Report as presented here on 17 December 2025.

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

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



Ash Tanner, Mayor

17 December 2025



Manaia Te Wiata, Chief Executive Officer

17 December 2025

This summary has been prepared in accordance with PBE FRS 43 (summary financial statements), and does not include all of the information provided in the full Annual Report, and for this reason cannot be expected to provide a complete understanding of Council's performance as provided by the Annual Report. The financial statements contained in the Annual Report Summary comply with GAAP (Generally Accepted Accounting Practice). The financial statements in the Annual Report Summary have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) Accounting Standards. The Annual Report Summary has been audited by our independent auditors, Audit New Zealand, on behalf of the Auditor-General. They have issued an unmodified audit opinion. The financial statements and this summary were authorised for issue by Council on 17 December 2025. The Annual Report Summary 2024/25 is available to view at our offices or libraries in Matamata, Morrinsville and Te Aroha. If you would like a copy of the Annual Report Summary you can download it at mpdc.govt.nz. Specific disclosures included in the summary financial statements have been extracted from the full financial statements.

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TE PŪRONGO Ā TE ŌTITA MOTUHAKE INDEPENDENT AUDITOR'S REPORT

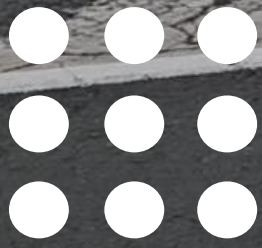
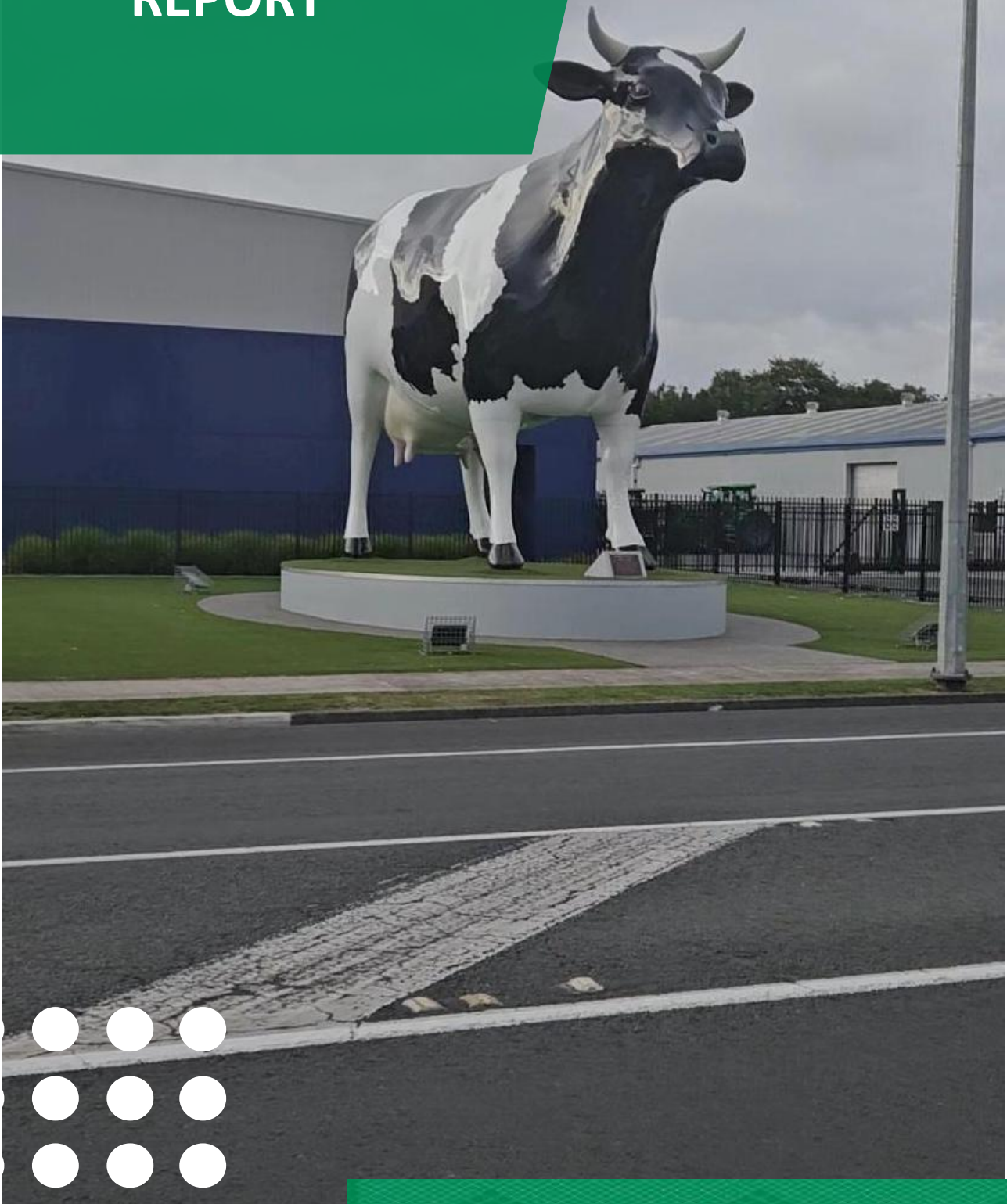
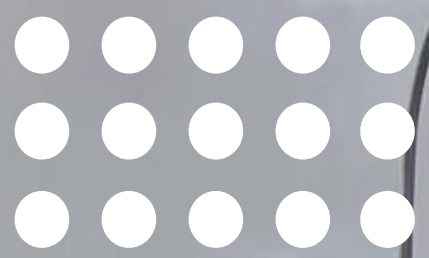


Photo of: Mabel the Mega Cow

Independent Auditor's Report

To the readers of Matamata-Piako District Council's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the Matamata-Piako District Council (the Council) for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 8 to 25:

- summary statement of financial position as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the performance summary.

Opinion

In our opinion:

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

However, the summary financial statements include a limitation in scope to the equivalent extent as the full audited financial statements. This limitation is explained below in *The full annual report and our audit report* thereon section.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified opinion on the service performance information and a qualified opinion on the financial statements and other audited information in the full annual report for the year ended 30 June 2025 in our auditor's report dated 17 December 2025. The basis for our qualified opinion on the financial statements and other audited information is explained below.

Financial statements and other audited information, excluding the service performance information – our work was limited in respect of property, plant and equipment

As a result of the issues explained in Note 12 to the financial statements on pages 97 to 107 of the full annual report, we were unable to obtain sufficient appropriate audit evidence to confirm the accuracy and completeness of the recorded additions to property, plant and equipment and transfers from work in progress for the year ended 30 June 2025.

Consequently, we were unable to obtain sufficient assurance that the carrying value of property, plant and equipment is materially correctly stated and whether the classification of expenses between operating expenditure and capital expenditure is materially correct.

As a result, our work was limited, and we have been unable to determine whether any adjustments to these amounts were necessary.

The limitation in scope described above also affects the Council's statement of cash flows, funding impact statements and the statements comparing actual and budgeted capital expenditure, to the extent that these statements are affected by the same information about property, plant and equipment transactions during the 2025 year.

Information about this matter is also disclosed on page 15 of the Council's summary annual report.

Emphasis of matter – future of water delivery

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to Note 22 of the financial statements on page 121 of the full annual report, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Hauraki, Ōtorohanga, South Waikato, Waitomo, Waipa and Taupō District Councils (the latter joining as a shareholder in a limited capacity) from 1 July 2026. The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

Information about this matter is also disclosed on page 17 of the Council's summary annual report.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to report on the summary and full annual reports, we have performed a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or its subsidiaries and controlled entities.



René van Zyl
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
17 December 2025