



matamata-piako district council

# annual report 2013/14

8 October 2014

# Statement of Compliance



## Compliance

The Council and management of Matamata-Piako District Council confirm that all statutory requirements of the Local Government Act 2002 have been complied with in relation to the preparation of this Annual Report.

## Responsibility

The Council and management of Matamata-Piako District Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Matamata-Piako District Council accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Matamata-Piako District Council, the Financial Statements for the period ended 30 June 2014 fairly reflect the financial position and operations of the Matamata-Piako District Council.

A handwritten signature in black ink, appearing to read "Jan Barnes".

Jan Barnes, Mayor

A handwritten signature in black ink, appearing to read "Don McLeod".

Don McLeod, Chief Executive Officer

8 October 2014

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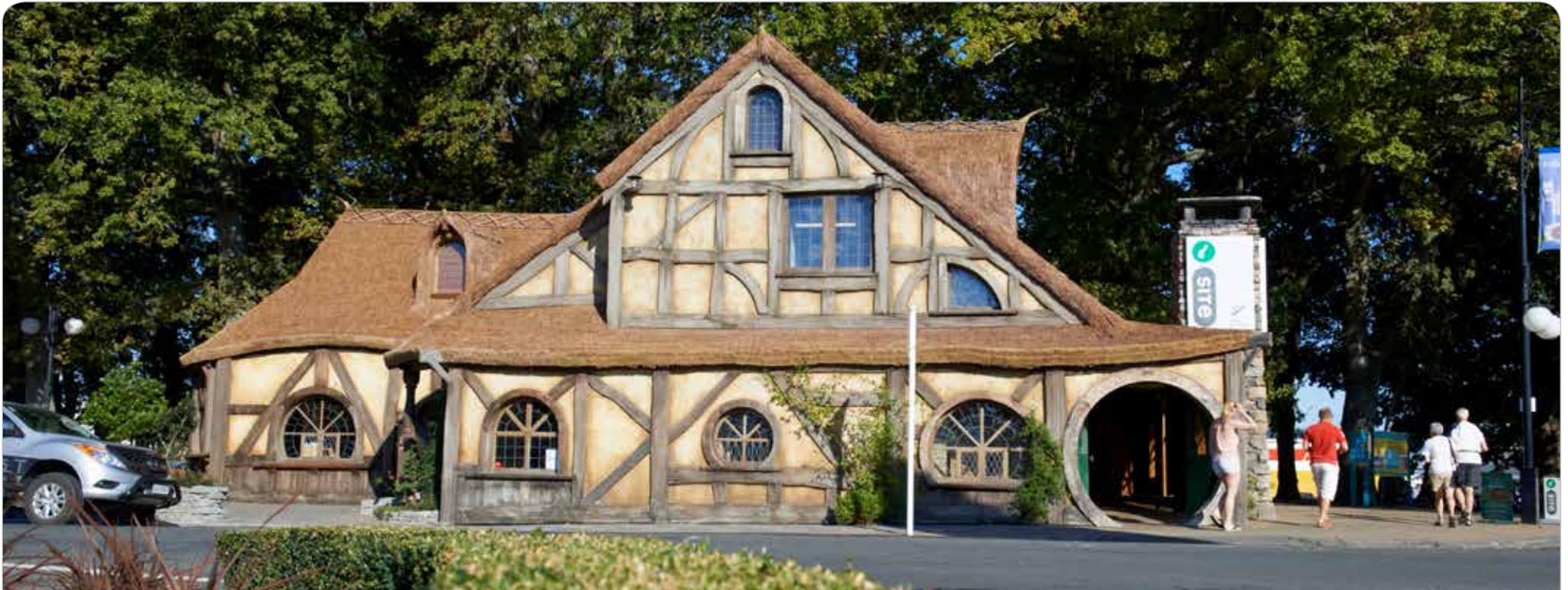


Flower Pots, Morrinsville.

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Matamata i-SITE Gatehouse.

# Independent Auditor's Report



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## To the readers of Matamata-Piako District Council's annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Matamata-Piako District Council (the District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2014 on page 114;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 113 to 114; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 115 to 162;
- the statement of service provision of each group of activities carried out by the District Council on pages 38 to 109;
- the funding impact statements in relation to each group of activities of the District Council on pages 55 to 109;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 55 to 109;
- the funding impact statement of the District Council on page 110; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 19 to 24.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 111;
  - reserve funds on pages 143 to 144;
  - remuneration paid to the elected members and certain employees of the District Council on pages 147 and 150;
  - employee staffing levels and remuneration on page 150 and 151;
  - severance payments on page 151;
  - rating base units on page 13;
  - insurance of assets on page 138; and
  - council-controlled organisations on pages 160 to 162.

- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 36; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive page 2.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council on pages 112 to 162:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2014; and
    - the results of its operations and cash flows for the year ended on that date.
- the statement of service provision of the District Council on pages 38 to 109:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2014, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
    - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 55 to 109, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 55 to 109, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the funding impact statement of the District Council on page 111 fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the disclosures on pages 19 to 24 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

# Independent Auditor's Report



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

Independent Auditor's  
Report

## Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 8 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows; and
  - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

# Independent Auditor's Report



AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with, or interests, in the District Council.

B H Halford,  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

# Mayor's Message



Welcome to 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. 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.

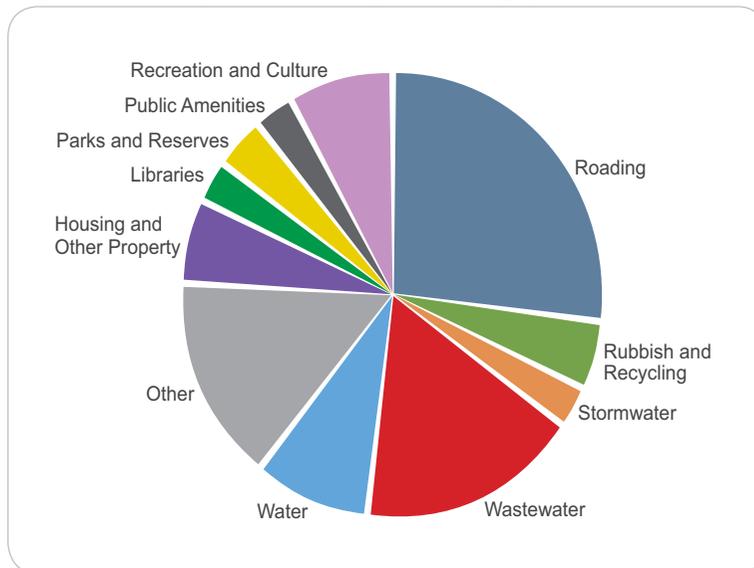
## Value for money services

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

# Introduction

## Our Mayor and Councillors



### Mayor



Jan Barnes  
*JP*

### Deputy Mayor



James Thomas  
*Morrinsville*



Garry Stanley  
*Matamata*



Bob McGrail  
*Matamata*



Leonie Tisch  
*Matamata*



Brian Hunter  
*Matamata*



Neil Goodger  
*Morrinsville*



Maurice Steffert  
*Morrinsville*



Nicki Robb  
*Morrinsville*



Peter Jager  
*Te Aroha*



Teena Cornes  
*Te Aroha*



Ash Tanner  
*Te Aroha*



# Our Council

## Mayor and Councillors

The Matamata-Piako District is divided into three wards: Matamata, Morrinsville and Te Aroha. Our Council consists of the Mayor, elected by all voters throughout the district, and 11 Councillors elected on a ward basis. The Councillors and Mayor are elected to represent their communities and make decisions for the wellbeing of the district.

The elected representatives are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and look after the district's day to day operations.

## The Corporate and Operations Committee

This committee is made up of the Mayor and all 11 Councillors. Council has delegated all of its responsibilities, duties and powers to the Corporate and Operations Committee, except for the ones it cannot delegate under the Local Government Act 2002.

## Te Manawhenua Forum mo Matamata-Piako

The Te Manawhenua Forum mo Matamata-Piako (Forum) is a standing committee of Council established to advise Council on cultural, economic, environmental and social issues of significance to manawhenua groups.

The Forum also gives advice to Council about issues that affect Maori in our district, and works with Council on the development of policies, such as the Our Community Our Future plan, District Plan and other projects. Appointed representatives include membership from Council, Ngati Haua, Ngati Rahiri Tumutumu, Raukawa, Ngati Maru, Ngati Whanaunga and Ngati Paoa. Ngati Tamatera also have the ability to join. The Forum meets quarterly.

## The Hearings Commission

The Hearings Commission is responsible for:

- hearing and determining applications for resource consents under the Resource Management Act 1991
- granting exemptions to fencing requirements under the Fencing of Swimming Pools Act 1987
- hearing and determining objections under the Dog Control Act 1996.

## The District Licensing Committee

Council is required to have a District Licensing Committee to consider and determine applications under the Sale and Supply of Alcohol Act 2012. The District Licensing Committee's functions are to consider and determine applications for club, special, on and off licences and manager's certificates.

## The Audit and Risk Committee

The Audit and Risk Committee was recommended by the Office of the Auditor-General and our auditors, Audit New Zealand. The purpose of the Audit and Risk Committee is to ensure Council has appropriate risk management and internal and financial control systems. The Audit and Risk Committee is comprised of an independent chairperson, the Mayor and three elected members.

## The Waharoa (Matamata) Aerodrome Committee

The Waharoa (Matamata) Aerodrome Committee is a committee that will be created by legislation under the Ngati Haua Claims Settlement Bill. The committee will comprise of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngati Haua Trust Board trustees.

The functions of the committee, as set out in the Ngati Haua Claims Settlement Bill are to:

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



Hauraki Rail Trail.

# Our Local Residents



Michelle, Doris and Tony are 'typical' local residents. They all have their own stories and priorities, and their job is to help explain what is in the Annual Report.



Hello, my name is Doris.  
I'm here to help guide you through this report.  
I want to see a district that looks after our elders and makes Matamata-Piako a great place for my grandchildren to grow up.

I live in Matamata with my husband Robert. We have lived in Matamata for the last 30 years. We have two grown up children - Marie and Michael, and three young grandchildren. I am interested in understanding the Council's performance both financially and non-financially because I believe that it's important for the community to understand how rates have been spent during the year.

I own a 100 hectare farm in Manawaru, with a herd of 300 cows. I live on the farm with my partner Sarah, and we have a worker called James. We have two dogs - a working border collie called Molly, and pet foxy called Possum. I'm interested in understanding what projects Council has completed during the year and what they have cost.

Hi, I'm Tony.  
I'm here to help guide you through this report. I want to see a district that values its resources.



Hi, I'm Michelle.  
I'm here to help guide you through this report. I want to see a district that continues to be a great place to raise a family.



I live in Morrinsville with my husband Nick and our three children - Katie (8), Matt (6), and Ella (3). We have a chocolate poodle called Coco, and a tabby cat called Jingles. I'm interested in the Council's Annual Report because I think Morrinsville's a great community, and I want to make sure it remains a great place to raise my family. We use loads of Council services like sports grounds, the library, the swimming pool and playgrounds, plus the usual stuff like the dump, the roads and water, so I'm interested in understanding how these services have performed during the year.

# Our Community Our Future

## A Guide



Our planning cycle is a three yearly process based on legislative requirements set out in the Local Government Act 2002.



### Our Community Our Future

In June 2012 Council adopted the Our Community Our Future plan (Long Term Plan), a strategic vision that will shape Council's decision making. This plan explains what we will do over the next ten years, why we plan to do it, how much it will cost and how it will be funded. By law, Long Term Plans must be audited to ensure that the information all councils provide is robust, sustainable, accurate and consistently presented across the country.

The Our Community Our Future plan:

- describes the type of district our communities have told us they want – our “community outcomes”
- identifies the key projects to take place over the next ten years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years
- determines how much this will cost and how we will fund it.

In completing the plan we were required to do a number of things, such as:

- take a sustainable development approach and promote community wellbeing
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Maori to contribute to decision making
- collaborate and cooperate with other agencies and surrounding councils to achieve desired outcomes.

### Annual Plan

The Annual Plan is produced in the two years that we do not produce a Long Term Plan. It provides updated financial information on the budget and rates, and identifies adjustments we need to make in light of the previous year's financial performance. The Annual Plans for 2013/14 and 2014/15 support, and should be read in conjunction with, the Our Community Our Future Plan. The Annual Plan is not required to be audited.

### Annual Report

The Annual Report is a yearly account produced by October 31 for the preceding financial year (from 1 July to 30 June). It highlights key achievements as well as information about budgets and other financial and non financial performance targets.

The Annual Report is our key way of informing the community of how we performed in relation to either the Annual Plan or Long Term Plan prepared the previous year. We also produce a six month report (1 July to 31 December), which provides a snapshot of our progress at the half year mark.

By law, the Annual Report must be audited to ensure that the information all councils provide is accurate and consistently presented across the country.

The Annual Report provides a snapshot of the Council's performance for the year.



Introduction

# Our district today



Matamata-Piako is a rural district of approximately 175,477 hectares in the Waikato Region. Just over half the district's population live in one of three main towns (Matamata, Morrinsville and Te Aroha), with the remainder living in rural areas.

Matamata is well known as the location of the Hobbiton movie set where The Lord of the Rings and The Hobbit movies were filmed. With a strong equine and racing community, Matamata has produced many fine thoroughbred horses that can be found racing internationally. Matamata is also home to the historic Firth Tower Estate and Museum.

The easy rolling terrain surrounding Morrinsville makes for some of the best farmland in New Zealand, earning it the title 'Cream of the Country'. Morrinsville is home to the Wallace Gallery which showcases artwork from around the district and wider region. It is also home to a recently built museum that displays the best of Morrinsville's proud farming and local history.

Te Aroha's major attractions include Mount Te Aroha (952 metres high) and the stunning Kaimai-Mamaku Forest Park which offers a range of day walks or overnight tramps. At the foot of the mountain is the Mokena Geyser (the only natural hot soda water geyser in the world), and the historic Te Aroha Domain featuring the Te Aroha Leisure Pools and Te Aroha Mineral Spas.

Our district is one of New Zealand's cornerstones of the dairy industry with some of the best quality soils in New Zealand. We also have a strong presence from other industries such as horticulture and meat processing.



*Farming is crucial to our economy.*

# Our district today



## Population trends\*

Area unit	2001	2006	2013
Tahuroa	2,499	2,529	2,655
Waitoa	360	318	303
Springdale	2,526	2,487	2,451
Waihou-Walton	4,053	4,344	3,999
Te Aroha	3,687	3,771	3,903
Morrinsville West	2,520	2,547	2,562
Morrinsville East	3,678	4,056	4,431
Waharoa	534	507	465
Okauia	1,803	1,911	1,965
Te Poi	792	819	801
Hinuera	894	891	909
Matamata North	2,589	2,628	2,928
Matamata South	3,540	3,681	4,164
<b>Total</b>	<b>29,469</b>	<b>30,480</b>	<b>31,536</b>

## General information about the district

	2011/12	2012/13	2013/14
Number of electors (enrolled)**	21,995	22,215	22,307
Number of rating units ***	14,712	14,813	14,788
Total capital value ***	\$10,207,926,540	\$10,299,188,640	\$10,245,530,140
Total land value ***	\$6,758,689,440	\$6,771,179,540	\$6,745,516,040

\* Information taken from Census data

\*\* Enrolment statistics as at 30 June 2014

\*\*\* At the end of the preceding financial year

## About our people\*

	Matamata-Piako (2013)	Rest of New Zealand (2013)
People aged 65 years and over	18%	14.3%
People aged 16 - 64 years	60.6%	65.3%
People aged under 15 years	21.4%	20.4%
Median household income	\$49,100	\$51,400
Median personal income	\$29,700	\$28,500
Residents that speak Maori	3.4%	3.7%
Unemployment rate	2.5%	7.1%

### Ethnicity

	Matamata-Piako (2013)	Rest of New Zealand (2013)
New Zealand European	82.9%	74%
Maori	14%	14.9%
Other	3.1%	11.1%

### Dwelling status

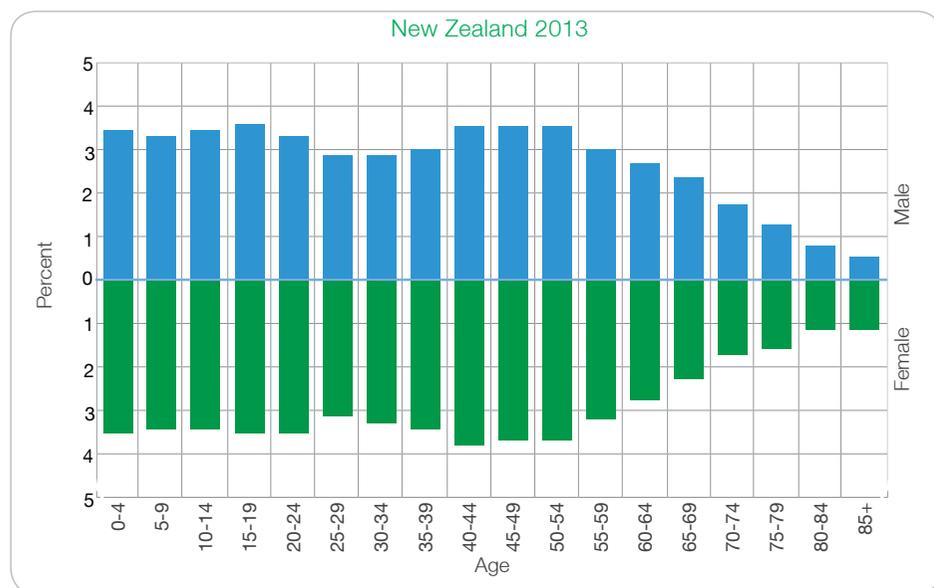
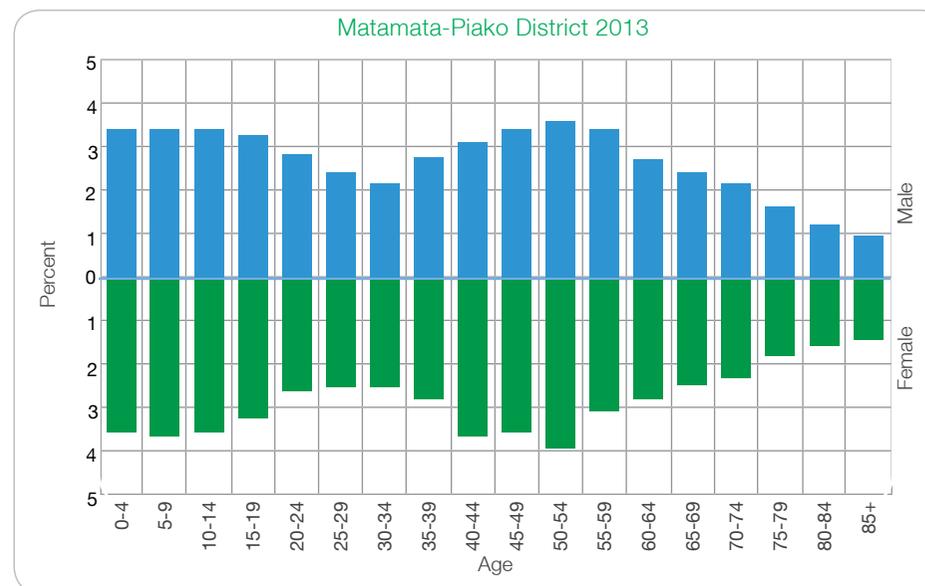
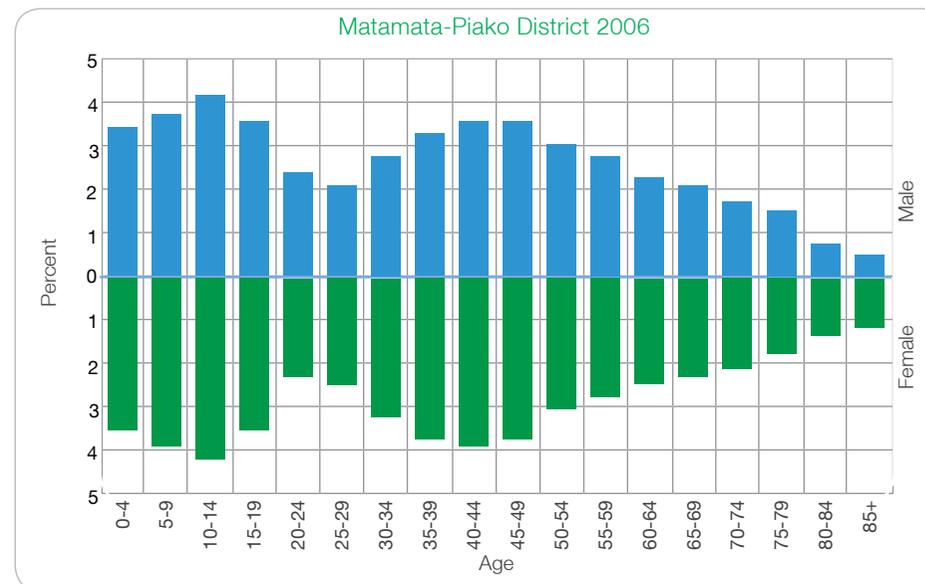
	Matamata-Piako (2013)	Rest of New Zealand (2013)
Occupied		
Private dwelling	12,282	1,561,959
Non-private dwelling	36	8,739
Total	12,318	1,570,695
Unoccupied	678	185,448

# Our district today

The tables on the previous page show that the population of Matamata-Piako is growing slowly - we are one of a few districts in the Waikato, apart from Hamilton City, to still have an increasing population. While some of our rural areas have had an increase in population, overall population numbers in our rural areas are declining with more growth in the urban areas. This is consistent with the consolidation of farms into larger operations and an older population moving into our urban areas.

The graphs on this page compare the Matamata-Piako District population distribution from 2006 and 2013 to the rest of New Zealand in 2013. These graphs show that although our population is increasing it is also getting older. This is consistent with the national trend towards an older population. There is also notable lack of young people in the 15-34 year age bracket in the district. This trend is likely to be due to the few tertiary education providers in the district and less employment opportunities for school leavers. Many young people leave rural areas for tertiary education and employment opportunities in cities such as Auckland.

The demographic information recorded in this report is derived from the 2013 Census of Population and Dwellings (conducted by Statistics New Zealand in March 2013). We have also used an analysis of the historical population growth of the district.



# Changes to the Local Government Act 2002

## Local Government (Financial Reporting and Prudence) Regulations 2014

In March 2014 the Local Government (Financial Reporting and Prudence) Regulations 2014 came into effect. This was part of the Central Government's broader programme for building a more productive, competitive economy and better public services.

These regulations aim to encourage better local authority financial governance and management. The regulations introduce a common set of financial prudence measures and benchmarks to improve transparency and comparison between councils.

## Local Government Act 2002 Amendment Act 2014

The Local Government Act 2002 Amendment Act 2014 became law on 8 August 2014.

The Amendment Act amends the Local Government Act 2002 to:

- change what development contributions can be used for;
- allow for objections to development contributions charges;
- encourage more collaboration and shared services between local authorities;
- make consultation requirements more flexible;
- provide for a new significance and engagement policy;
- enable more efficient and focused consultation on long-term plans and annual plans;
- remove unnecessary duplication between annual plans and long-term plans;
- introduce new requirements for infrastructure strategies and asset management planning;
- enable elected members to use technology to participate in council meetings, rather than attending in person;
- require councils to disclose information about their rating bases in long-term plans, annual plans and annual reports; and
- require disclosure of risk management arrangements for physical assets in annual reports.

The Act also includes provisions that enable the Local Government Commission to:

- establish local boards (similar to those in Auckland) as part of new unitary authorities, and in existing unitary authorities; and
- create council-controlled organisations and joint committees as part of a reorganisation scheme.

# Shared Services



As part of our commitment to providing cost effective services for our community, we are working with other councils in the Waikato region to see where we can make savings and gain efficiencies by working together.

- **Rubbish and recycling collection** - In October 2013 we finalised a shared services contract between Matamata-Piako, Thames-Coromandel, and Hauraki District Councils. This included new wheelie bins for recycling and a new recycling service starting. Now all the districts run weekly rubbish bag collections and fortnightly recycling collections. This joint contract has meant that we have reduced the cost of rubbish and recycling collections for those who use the service.
- **Libraries** - Library Manager services are being shared with Hauraki District Council for two days per week. This is a two year contract which commenced in February 2013, after which the arrangement will be reevaluated.
- **Civil defence** - We are required to plan and provide for civil defence emergency management in our area. Through a combined arrangement with Thames-Coromandel and Hauraki District Councils we jointly developed the 'Thames Valley Emergency Operating Area Plan 2014-2017'.
- **Recruitment** - We have shared recruitment administration services with other councils through Greg Tims & Associates (Find your place website).
- **Water/Wastewater** - We are looking at shared use of water and wastewater operators and training to provide for cover and resiliency.
- **Roading** - We share a Road Safety Coordinator with Thames-Coromandel and Hauraki District Councils. This position focuses on delivering an education programme which is funded by New Zealand Transport Agency (NZTA). We are part of the Waikato Regional Transport Model which is a traffic model to ensure we achieve consistency when using traffic modelling throughout the region. We are also entering into an agreement for the Waikato Road Asset Technical Alliance to assist in delivering a more robust and consistent management of assets throughout the Waikato.
- **Policy/Plan development** - We have worked with a number of other Councils throughout the Waikato on the development of regional plans and policies such as the Regional Spatial Plan and the Regional Significance and Engagement Policy. Together with Thames-Coromandel and Hauraki District Councils we also jointly procured growth projections from Rationale Ltd to feed into our long term planning process. This ensured a consistent approach whilst still considering localised growth drivers.

We recognise that not all areas of our activities will necessarily benefit from working with other councils and that there may be times where our community's needs will differ from others in the Waikato, however we will continue to review areas of our business to take advantage of joint services to ensure our community is getting best value for money.

# Performance Summary



In 2013/14 we have focussed on maintaining our services to support our community while making sure cost increases are affordable. We delivered our extensive range of activities, services and projects to similar levels as detailed in Our Long term Plan – Our Community Our Future 2012-22 and at a similar standard as previous years.

A number of our performance measures (these can be found in the following pages) are measured through an annual customer survey. Details of this survey are outlined on the following page.

The remainder of our performance measures are measured through a range of different ways such as our customer request management system which records all enquiries and complaints, visitor numbers (e.g. to our libraries and pools), number of website visitors etc. Whilst some of these performance targets have not been achieved the majority of our results are better than or consistent with previous year's results. There were four measures out of 44 where the results have decreased significantly in comparison to previous years, these measures were the number of people visiting our libraries, the number of complaints received regarding kerbside refuse and recycling not collected on the usual day, the percentage of flooding complaints recorded, investigated and a response given to the complainant within adopted timeframes and the percentage of civil defence positions filled with appropriately trained staff (these are detailed below).

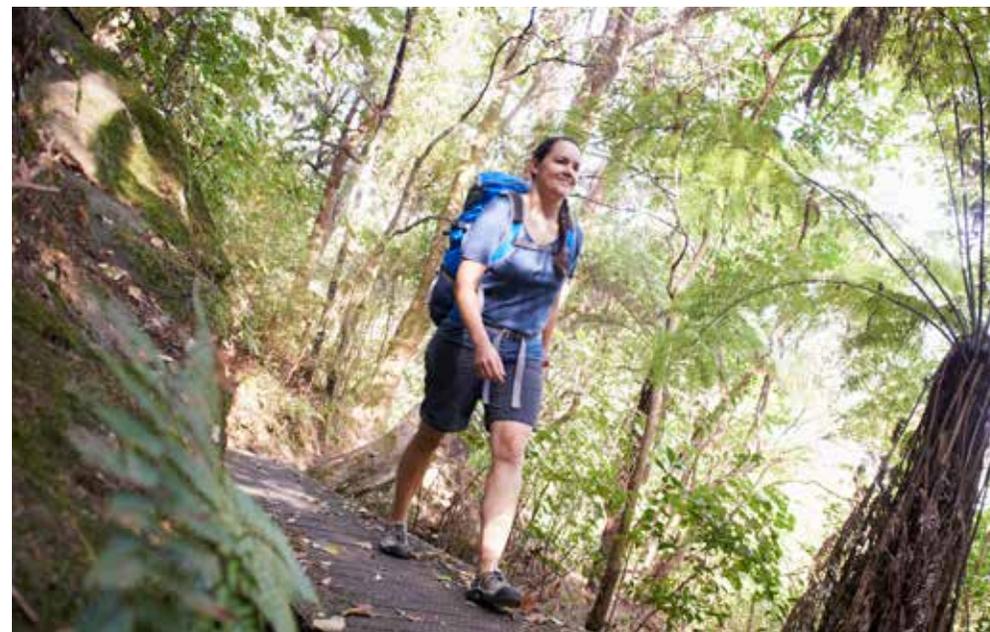
The decrease in visitor numbers to our libraries could be attributed to the changing technology now available, ebooks and audio books can now be downloaded and hard copy books can be reserved and renewed online along with a number of other services. This has seen a shift away from people needing to physically go to a library whilst still using library services online. This is the first year we have measured visitors to our library website since the new site was built in 2012/13, therefore in future years we anticipate less people visiting a physical library but more people using our online library services.

The number of complaints received regarding kerbside refuse and recycling not collected on the usual day has increased from an average of 18 complaints per month in 2012/13 to an average of 24.58 complaints per month in 2013/14. In October 2013 we entered into a joint contract with Hauraki and Thames-Coromandel District Councils to achieve cost savings in this area, this changed the way recycling was collected, so it is understandable that there was initial confusion over this. The number of complaints increased between October 2013 and January 2014, however between January 2014 and June 2014 these numbers have been steadily reducing as people become more familiar with the new collection system. We anticipate that these numbers will continue decreasing over the next year.

The percentage of flooding complaints recorded, investigated and a response given to the complainant within adopted timeframes has decreased to 19% this year. 100% of these

complaints were recorded, and investigated within the specified timeframes. Unfortunately whilst all of these complaints were investigated within timeframes it hasn't been recorded in the majority of instances whether a response was given to the complainant. It is noted that some of these complaints came from people not wanting to leave their details, therefore they could not be phoned back, a number also came from Council staff going about their every day work notifying other council staff of issues that need attention. We will work on improvements in our reporting system to improve results for the Annual Report 2014/15.

This is the first year we have measured the percentage of civil defence positions filled with appropriately trained staff. In 2012/13 we completed a training needs analysis to get a good understanding of what our staff levels should be. In 2013/14 we have given training to staff and run a number of staff exercises throughout the year however because the national training framework is still being developed, with only one of the courses finalised (Emergency Operating Foundations Course) we have only reached 18% of the positions filled with appropriately trained staff. The remaining courses are still being developed nationally and once these are available we will ensure we have appropriately trained staff.



*Walking tracks help our community stay healthy and active.*

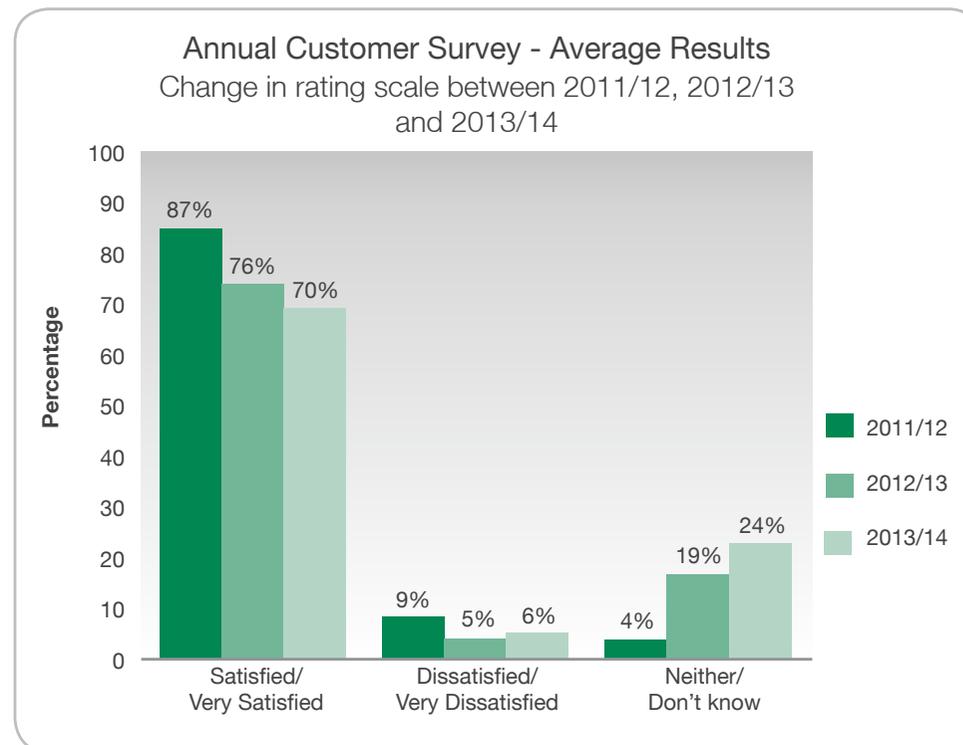
# Performance Summary



## Annual Customer Survey

A number of our performance measures are measured through our annual customer survey. This survey was conducted by Versus Research Limited (Versus) in March 2014. There were 413 randomly selected people surveyed. Versus ensure respondents are representative of the overall population of our district in regards to where they live, their sex, age, ethnicity and so forth. The margin of error in the survey was +/- 4.82% at the 95% confidence interval. In other words if this survey was to be repeated again with a different set of randomly selected respondents at a similar time there would be a very high probability that the results would be within 5% of the original results.

This survey asks how satisfied respondents are with a number of different services or facilities that Council provides. Respondents are asked to rate their satisfaction on a 10 point scale with 1 being very dissatisfied and 10 being very satisfied. This means that if respondents rank their satisfaction as a 5 or a 6 out of 10 then this is classed as 'neither satisfied nor dissatisfied' given that 5 and 6 is the midpoint on a 10 point scale. Our targets that come from this survey are generally 'X% of people satisfied with X', we find that this result often looks worse than it is due to the 5 and 6 responses being counted as neither. For example satisfaction with involvement in consultation in 2013/14 was 12% very satisfied, 41% satisfied, 28% neither, 4% dissatisfied, 1% very dissatisfied and 14% don't know. When the 53% satisfied with involvement in consultation is read in isolation it tends to look worse than it is, however when you read that only 5% were dissatisfied and the remainder were neither satisfied nor dissatisfied or didn't know it paints a clearer picture.



Council Activities



### Change in rating scale between 2011/12, 2012/13 and 2013/14

In 2011/12 this survey had a different rating scale, respondents were asked if they were; very satisfied, satisfied, not very satisfied or if they didn't know. This meant that there was no neither option. The above graph illustrates how this change in rating scale has affected the results. It is important to note that whilst the average satisfaction may have decreased, the average dissatisfaction has also decreased, largely due to the introduction of a neither satisfied nor dissatisfied option.

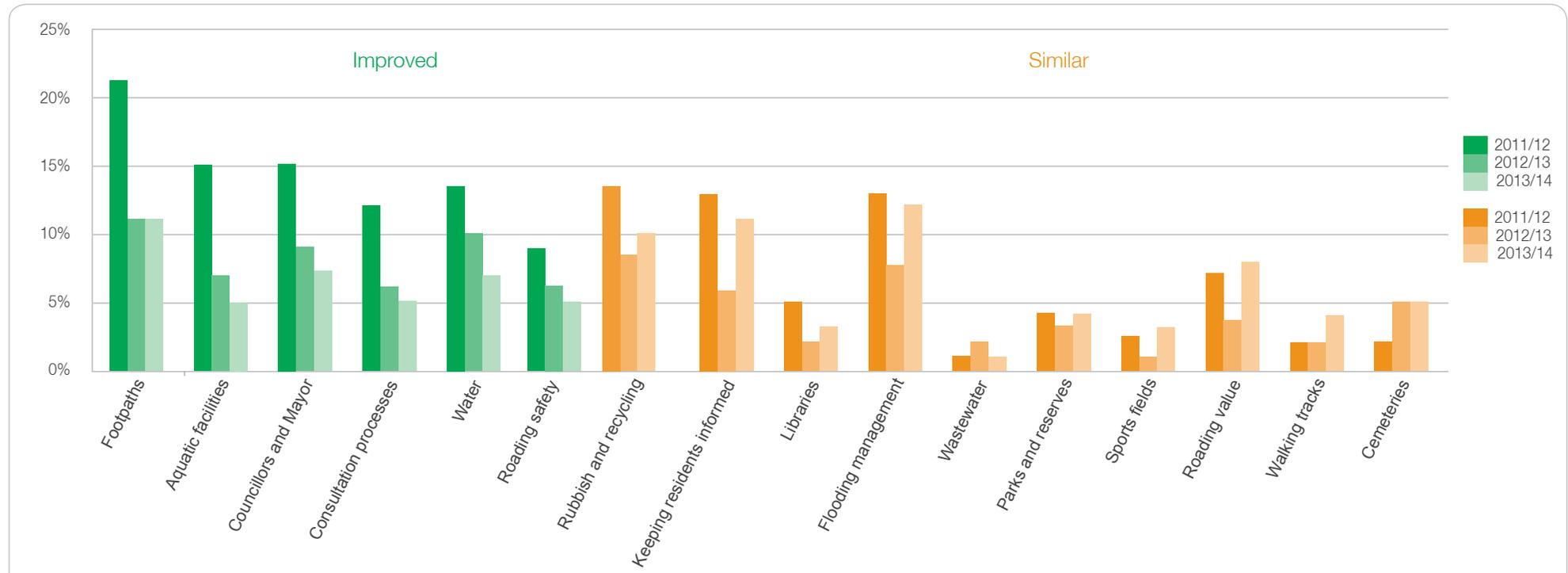
# Performance Summary

Due to the change in rating scale seen between 2011/12 and 2012/13 it is hard to compare the percentage of people satisfied. The graph below shows a comparison of those that were dissatisfied.

Overall six out of the 16 services and facilities improved, in 2011/12 we had 22% of people dissatisfied with footpaths but in 2012/13 and 2013/14 this decreased to only 11% of people dissatisfied. In 2011/12 15% of people were dissatisfied with our aquatic facilities, this decreased to 7% in 2012/13 and then decreased further to only 5% dissatisfied in 2013/14.

A further ten out of the 16 stayed at a similar level (within 3%).

## Level of dissatisfaction and how this has changed over the past three years



# Financial Summary



## 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.

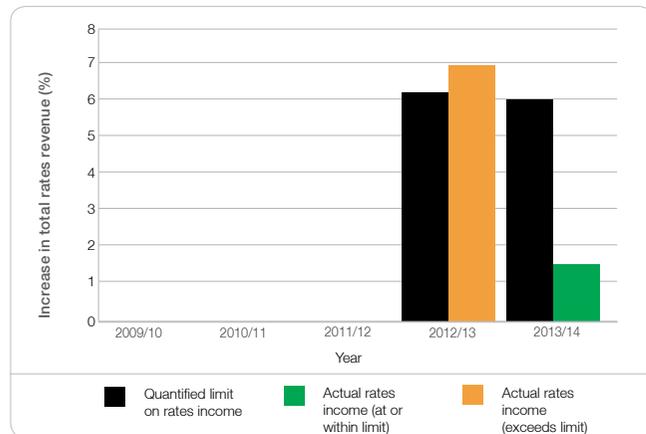
### Rates affordability benchmark

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.

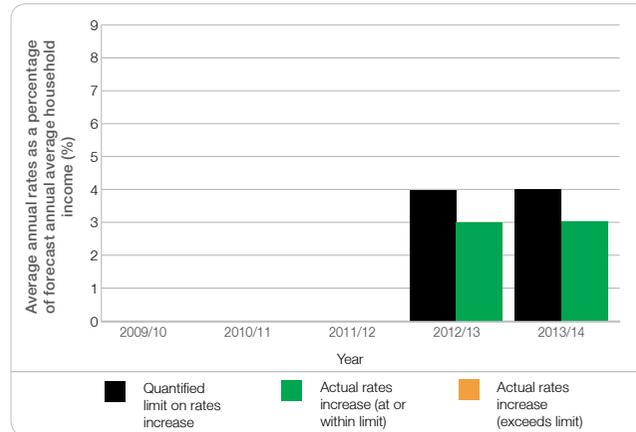


### Comment:

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:

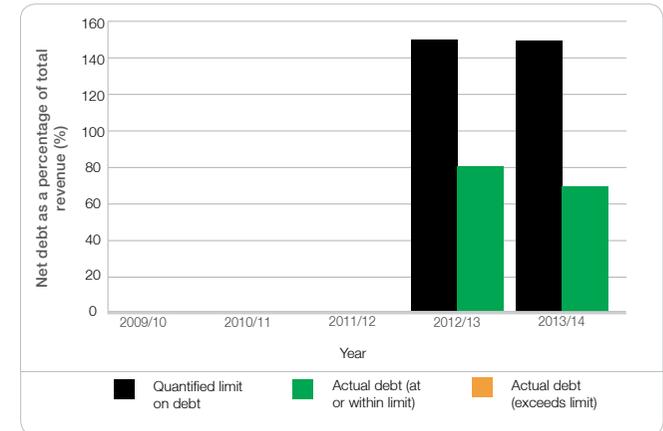
For both years, the actual increase has been around 3.3% compared to the limit of 4%.

### 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%.

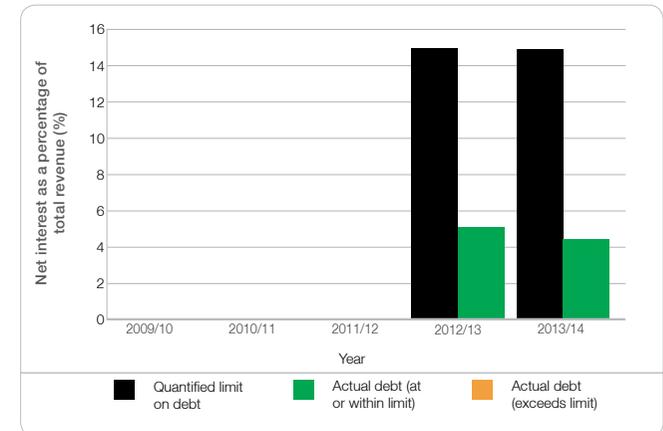


### Comment:

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.



Introduction

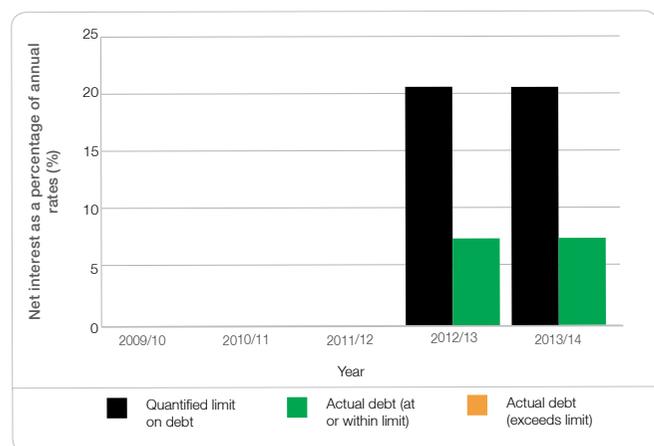
# Financial Summary

## 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.

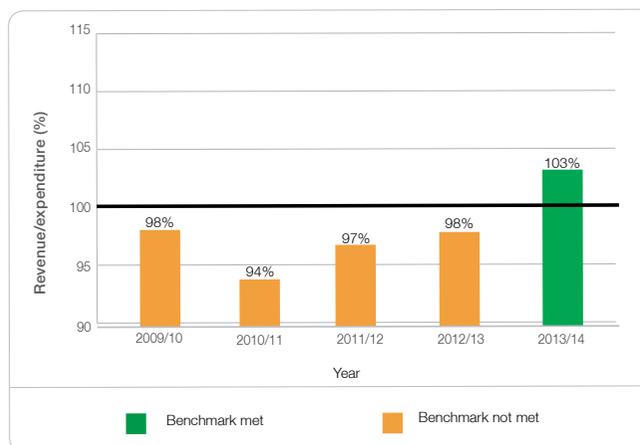


## Comment:

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.

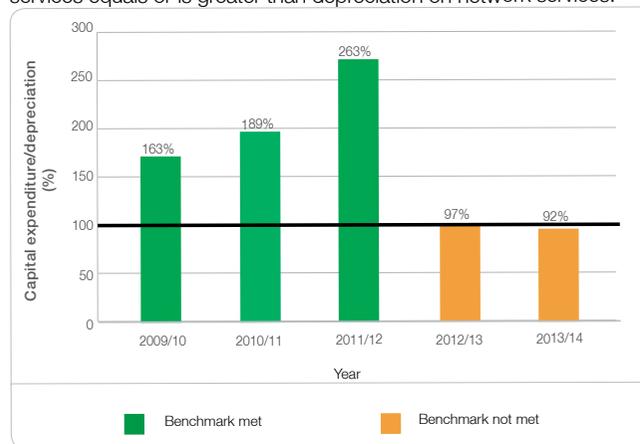


## Comment:

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.

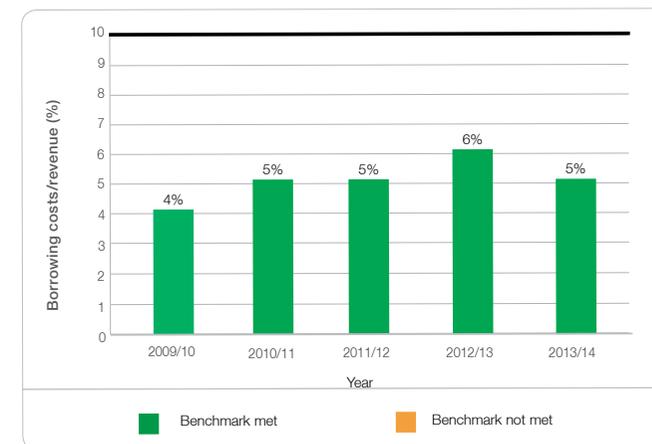


## Comment:

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.



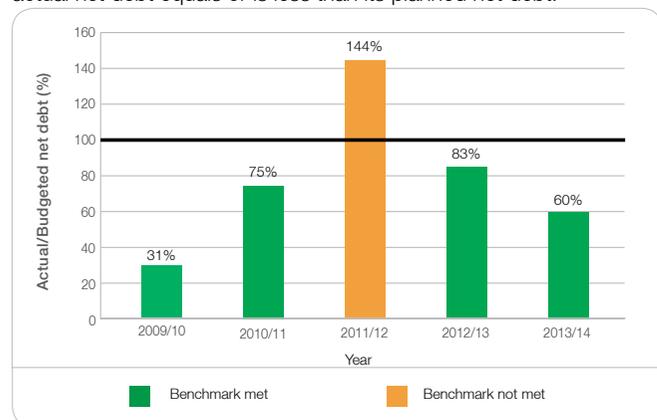
## Comment:

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

# Financial Summary

## 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.

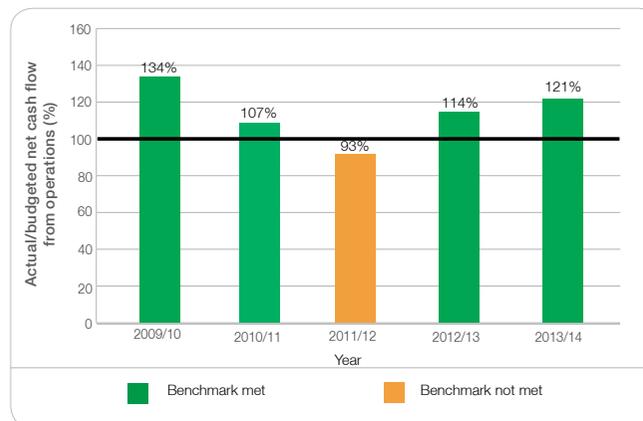


### Comment:

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:

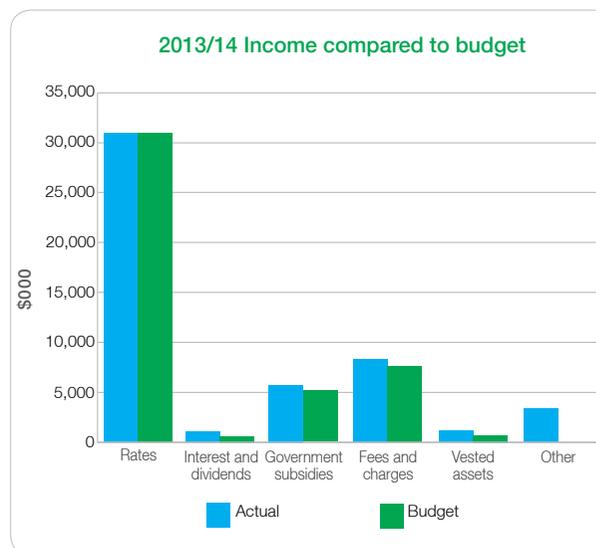
In 2011/12 the NZTA subsidy received was lower than budgeted, and receipts of development contributions were significantly lower than budgeted.

## 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.



## What was our planned income?

Council budgeted for an income of \$44.8 million.

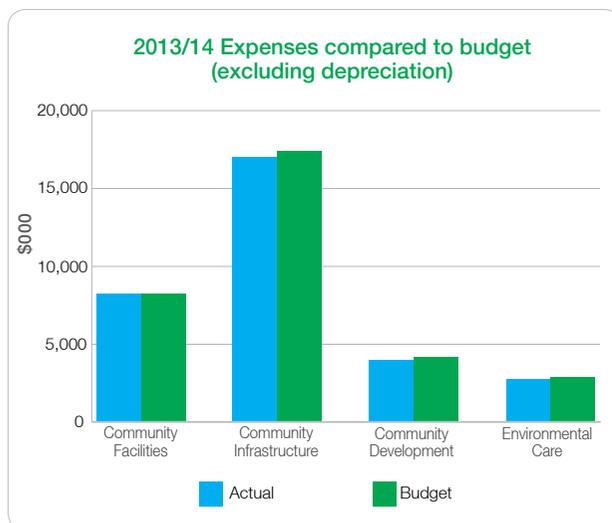
## What was our actual income?

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.

# Financial Summary



## 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.



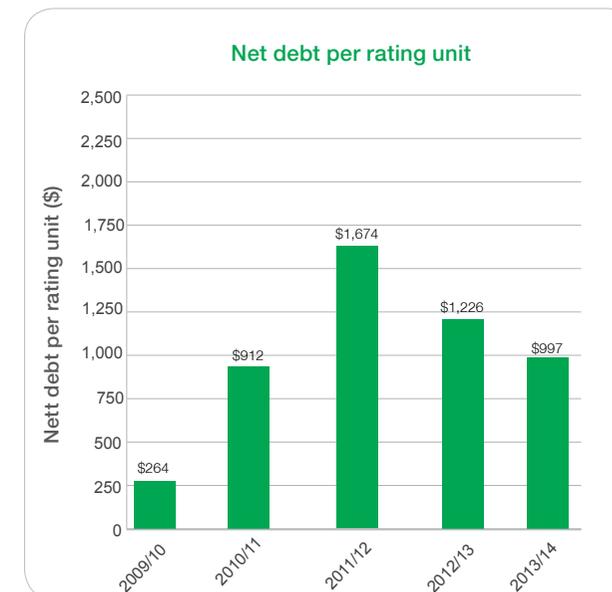
Note: Total rates excludes metered water income and individual targeted rates for industries in respect of the Morrinsville Wastewater Treatment Plant upgrade project.

## 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.

# Financial Summary

## 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
<b>Total comprehensive income</b>	<b>208</b>	<b>16</b>	<b>15,293</b>
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
<b>Balance at 30 June</b>	<b>537,625</b>	<b>542,736</b>	<b>552,918</b>
<b>Equity represented by:</b>			
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
<b>Total assets</b>	<b>580,998</b>	<b>605,208</b>	<b>593,405</b>
Current liabilities	11,750	7,536	13,014
Non-current liabilities	31,623	54,936	27,473
<b>Total liabilities</b>	<b>43,373</b>	<b>62,472</b>	<b>40,487</b>
<b>Equity</b>	<b>537,625</b>	<b>542,736</b>	<b>552,918</b>
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
<b>Closing cash balance</b>	<b>624</b>	<b>694</b>	<b>1,499</b>

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).

# Community Outcomes



Community outcomes are our vision for the future of our community. We consulted with our community to create outcomes that aim to build a vibrant, healthy and thriving district for everyone.

## Our future approach

Community outcomes support our vision to enable democratic local decision making and to meet the needs of current and future generations in a cost effective and efficient manner.

Our original community outcomes were developed in 2004/05 after consultation with the community and stakeholders. We worked with the community to develop their visions for Matamata, Morrinsville, Te Aroha, the rural area, and Iwi, and used these visions to develop 117 community outcomes for us and other organisations (such as schools and the police).

In 2010/11 we worked with the community to review the community outcomes, and the revised outcomes formed the basis of the Our Community Our Future plan. As a result of changes to legislation, our community outcomes now focus on activities we undertake to contribute to the wellbeing of the community (they no longer include outcomes for other organisations).

## How we developed our community outcomes

Our community outcomes went through a review process to ensure they were appropriate for our district. We started this process by asking various community agencies how we should go about a review. The feedback helped to make sure we involved as many people as possible. We then reviewed the community outcomes, focusing on the ones that we contribute to directly.

## Community consultation

Once we narrowed down the focus and developed some draft outcomes, we worked through a consultation process to get feedback from the community.

We developed a three tiered consultation process that allowed people to have their say in the way that suited them best. The opportunity for people to take part was advertised in full page advertisements in two local newspapers (the Piako Post and Matamata Chronicle) on 10 and 24 November 2010. This was also promoted on our website.

The basic level of consultation involved people being able to comment on the 'best thing about living in Matamata-Piako' and the 'one thing that would improve life in Matamata-Piako'. People could have their say through Facebook, text message, or on the Our Community Our Future website. We aimed to use the feedback from this level to identify specific issues that could be addressed within the community outcomes.

The mid level of consultation was a survey seeking feedback on the draft outcomes. This was able to be completed online or in hard copy, at our offices and libraries. Feedback from this level was used when reviewing the outcomes again.

The deepest level of consultation was community focus groups, which were held in Matamata, Morrinsville and Te Aroha. We encouraged both community groups and individuals to attend the focus groups.

We used an H form, which is a tool that allowed the groups to evaluate and score the draft community outcomes, and the reasons why they gave it that score. It also sought suggestions for improvements. The H forms were done in small groups (4-5 people) with Council staff and a facilitator assisting the process.

## Community Boards

The community outcomes were also discussed with the three Community Boards (disestablished following the 2013 elections) in November and December 2010. The proposed community outcomes were discussed as formal agenda items at the Morrinsville and Matamata Community Board meetings. Te Aroha Community Board members attended the Te Aroha community focus group, so further discussion at a Community Board meeting was not necessary.

## Te Manawhenua Forum mo Matamata-Piako (Forum)

We sought feedback on the community outcomes at the Te Manawhenua Forum mo Matamata-Piako meeting on 11 December 2010 and at a workshop in January 2011. The Forum put forward various suggestions for improving the community outcomes, including developing 'Maori specific outcomes'.

## Council decisions

We reviewed all of the feedback collated from the consultation process and made changes to the community outcomes. These were adopted for inclusion in the Our Community Our Future plan.

We grouped these outcomes into six themes:

- Strong and safe communities
- Decision making
- Recreation and facilities
- Growth and development
- Arts and heritage
- Our environment

The community outcomes are listed in the following table. We have also identified how these outcomes relate to meeting commitment/needs for good quality infrastructure, public services and regulatory functions, and the indicators that help measure and report on community outcomes.

Because the community outcomes are aspirational, our progress towards individual outcomes will be influenced by what our community sees as being the priority, and what we can achieve within our resources.

We aim to contribute to all the community outcomes and encourage the community to make positive contributions towards these outcomes. We have reported on progress made towards these community outcomes in this report.

Community outcomes are Council's vision for the community – these form the basis for all of Council's planning. The next table provides information on Council's progress towards achieving community outcomes.



Introduction

# Community Outcomes



We need to report on our community outcomes to show the community we are making progress towards achieving them. We will report on these community outcomes by using the performance framework in our Annual Reports as key indicators. We will supplement this from time to time with information gained from other sources. In accordance with changes to the Local Government Act 2002 we have identified how our outcomes relate to the overall purpose of local government. The table below summarises how we have measured and reported on progress towards our community outcomes.

Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
1. Strong and safe communities				
Local Public Services Regulatory Functions	(a) Council will aim to significantly reduce illegal activities and anti social behaviour in our community.	Animal Control Building Control Community Protection	We contribute to the safety of our community by providing a 24 hour, 7 day a week Animal Control service. We also ensure buildings meet legal requirements, complaints of illegal building work and disturbing noise are quickly responded to and alcohol licensing inspections are carried out to confirm alcohol sale and abuse controls operate effectively.	We provided a 24 hour, 7 day a week Animal Control service that responded to 95.7% of complaints within specified timeframes. We also ensured buildings met legal requirements by responding to 100% of complaints about illegal buildings within 10 working days. We helped reduce anti social behaviour in the community by carrying out all of our alcohol licensing inspections in the 2013/14 financial year.
	(b) Council will encourage a vibrant and cooperative community and recognise success within our district.	Communications Strategies and Planning	We organise an annual event to recognise those who give their time and effort to help others and support local businesses. We also aim to foster local community development by making grants available to groups that provide community services.	We organised and held the Annual Business Awards on 9 October 2013 to recognise business success. We have granted over \$100,000 to community organisations to support a vibrant and cooperative local community. Some of the organisations that have received grants include Enviroschools, district museums, Morrinsville Community House and Citizens Advice Bureau.
	(c) Council will encourage growth and prosperity to ensure the district is an attractive place to raise a family.	Strategies and Planning	We achieve this outcome by allocating grants to support local and regional tourism promotion initiatives and local social services.	We have contributed to this outcome by contributing \$100,000 to regional tourism promotion. We also supported the Hauraki Rail Trail by contributing to the underwriting of the trail. The operation of the trail is providing opportunities for tourism and growth in our community. The Morrinsville Business and Promotion Association was given a grant to help fund its activities in Morrinsville. These activities included providing information services for tourists and supporting businesses and events in the town. The Matamata Public Relations Association has been given a grant and loan to help fund its activities in Matamata.
Local Public Services Regulatory Functions	(d) Council will encourage access to good quality and affordable housing.	Housing and Other Property Building Control	We support this outcome by providing affordable elderly persons housing. We also achieve this outcome by processing building consents so that buildings are safe and of a good quality.	We have contributed to this outcome by providing elderly persons housing with rents below the market median for the district. We have also achieved this outcome by processing 99.9% of building consents within statutory timeframes so that buildings are safe and of a good quality.
Local Public Services Regulatory Functions	(e) Council will prepare for emergencies.	Community Protection	We aim to be prepared for emergencies by ensuring staff are qualified to act in a civil defence emergency if necessary.	We have made progress towards this outcome with the civil defence staff training and analysis project completed. This has been undertaken at a regional level and will enable us to get a good understanding of what our staff requirements are.  We have also developed the 'Thames Valley Emergency Operating Area Plan 2014-2017' in conjunction with Thames-Coromandel and Hauraki District Councils.

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
Local Infrastructure Local Public Services Regulatory Functions	(f) Council services and activities will contribute to the health and wellbeing of our community/lwi.	Rubbish and Recycling Stormwater Wastewater Water Community Protection Building Control	We aim to have a strong community. We contribute to this through most of our activities, such as our water service which provides safe drinking water, our wastewater and rubbish networks that ensure safe disposal of waste and our stormwater system which prevents flooding to properties.  Our regulatory services ensure buildings and food premises are safe.	We have continued to provide these services and activities to the community. Our regulatory services ensure buildings and food premises are safe. In the 2013/14 year we have carried out 100% of our health and alcohol licence inspections to ensure statutory requirements were met and the health and wellbeing of the community was maintained.
2. Decision making				
Local Public Services Regulatory Functions	(a) Our community/lwi will be informed and have the opportunity to comment on significant issues.	Communications Democracy Strategies and Planning Regulatory Planning	We provide important information to the community and lwi so people are aware of what is happening at Council, how it will affect them, and how they can be involved in decision making.	In this financial year we have provided a wide range of information to the community and lwi. We have undertaken public consultations (including the draft Local Alcohol Policy) and provided feedback to the community on how we are doing by publishing our Annual Report 2012/13. We also made improvements to our website so that people can access Council information at leisure.
Local Public Services	(b) Tangata whenua with manawhenua status (those with authority over the land under Maori lore) have meaningful involvement in decision making.	Democracy	By involving Tangata Whenua with manawhenua status in the decision making process we ensure that we are making informed and representative decisions on behalf of the community.	In the 2013/14 year there were four meetings of the Te Manawhenua Forum mo Matamata-Piako where manawhenua have had input into Council decision making process. These meetings were held on 3 September, 3 December, 4 March and 3 June. In addition to this a workshop was held with Forum members on 23 October 2013 to develop a draft work programme for Council to consider as part of its 2014/15 Annual Plan budget process.
Local Public Services Regulatory Functions	(c) Council's decision making will be sound, visionary, and consider the different needs of our community/lwi.	Democracy Strategies and Planning Regulatory Planning	For people to participate in the democratic process they need to be confident that we will make sound decisions and will listen and respect ideas from the community and lwi. We aim to ensure this happens through improvements in our engagement with the community and lwi, and by following statutory processes.	We have undertaken a review of our representation arrangements to ensure the community is well represented by the people who make decisions about the district's future. Following public consultation we decided to retain the existing number of Councillors and ward boundaries but to disestablish Community Boards. The Local Government Commission has confirmed our decision on this matter.  We carried out consultation on the draft Local Alcohol Policy, Legal Highs Policy (Local Approved Products Policy), Open Spaces Strategy and Town Strategies. We also carried out consultation on the proposed Matamata Civic Centre and received 457 submissions. By seeking community input we can consider the different views and needs of our community/lwi.
Local Public Services	(d) Council will recognise treaty settlement issues between the Crown and lwi.	Democracy Strategies and Planning	Refer to the Maori Outcomes section	

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
3. Recreation and facilities				
Local Infrastructure Local Public Services Regulatory Functions	(a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them.	Libraries Parks and Reserves Public Amenities Recreation and Culture	We contribute to this through activities, such as providing libraries that support learning and good quality, safe sports fields and facilities for exercise. Clean and safe amenities, such as public toilets, playgrounds and park benches encourage people to use our public spaces.	We have achieved this outcome by continuing to provide libraries and hosting events such as the Summer Reading Programme. We measure progress towards this outcome by the number of visitors to our libraries, which indicates how accessible they are to people. In this reporting period, 222,843 people visited our three libraries.  The number of bookings indicates how well our parks are used by the community. In total throughout our district our parks were booked 79 times. Te Aroha parks were booked 49 times, with 12 bookings recorded for Matamata parks. Morrinsville park facilities were booked by the community 18 times. These figures are similar to previous years as most are year round bookings for events such as school sports.
Local Public Services	(b) People will be well informed of the district's resources, equipment, and facilities.	Communications	Our website is a key business tool to provide information and electronic services to the community. It allows people to find the information they need and interact with us at their convenience.	Council's website received a major upgrade, with the new site being launched on 1 April 2014. The main driver behind the upgrade was network security, however, it also gave us an opportunity to update the site and make other improvements. From 1 July 2013 to 30 June 2014 we had 63,958 total website visits.
Local Infrastructure	(c) Council walking and cycling tracks will be promoted, well maintained, and developed as resources allow.	Public amenities	Our goal is to keep our tracks maintained to a good standard to ensure they are safe and encourage people to use them.	We continue to work with community groups to maintain tracks so that they are safe and well maintained for people to use.  Track maps have now been added to Council's website to help people plan their activities. We enlarged the carpark at Te Miro Forest (Waterworks Road Reserve) to improve access and provide better parking for mountain bikers. New signs have been ordered and will be installed at Te Miro early in the 2014/15 year. New signs and track markers have also been designed and ordered for several Te Aroha tracks and these will be installed over the first few months of 2014/15.
Local Public Services	(d) The tourism potential of our district will be recognised and encouraged.	Strategies and Planning	We continue to work towards this outcome by supporting local and regional tourism promotion initiatives.	We have achieved this outcome by contributing \$100,000 to regional tourism promotion. The operation of the Hauraki Rail Trail is providing opportunities for tourism and growth in our community. We have also provided funding for signage to promote the trail.
Local Public Services	(e) Maori cultural facilities (such as marae) will be recognised for their contribution to community wellbeing.	Communications	Refer to the Maori Outcomes section	
Local Infrastructure	(f) Maori will have opportunities to provide input to the governance of ancestral lands administered as reserves.	Parks and Reserves		

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
4. Our environment				
Local Infrastructure Regulatory Functions	(a) Council will manage contaminants, odours and air pollution from its activities.	Stormwater Wastewater	Stormwater and wastewater systems discharge into the environment. The quality and quantity of the discharges must meet the appropriate standards. We hold resource consents for these discharges and have set a target to comply with these as measured by Waikato Regional Council.	We hold four comprehensive stormwater resource consents relating to the urban areas of Matamata, Te Aroha, Morrinsville and Waharoa. The 2012/13 assessment was confirmed as full compliance. The 2013/14 assessment has been submitted to Waikato Regional Council. Council staff has assessed it as being full compliance we are just awaiting the Waikato Regional Council audit and confirmation.
Local Infrastructure Local Public Services Regulatory Functions	(b) Council will provide and promote sustainable waste management options to protect our environment.	Rubbish and Recycling	Making sure our services are reliable and available encourages people to recycle and to dispose of waste responsibly and sustainably.	We are achieving this outcome by providing refuse and recycling services to the community. In the 2013/14 year, 44.7% of refuse was diverted from landfill, exceeding our performance target.
Local Infrastructure Local Public Services Regulatory Functions	(c) Council will protect and regenerate our native flora, wetlands and significant natural features.	District Plan Regulatory Planning	Our District Plan sets rules to protect significant natural features in our district. Through implementation of these rules we aim to protect the natural environment. We monitor success through our state of the environment reporting.	We have been undertaking a review of our District Plan. As part of this, the decision on the rural subdivision plan change has been completed. A hearing has been held on the draft works and network utilities and transportation plan changes and the draft Town Strategies (setting out twenty year development plans for Morrinsville, Matamata and Te Aroha) were adopted. We have also continued to monitor the state of the environment and updated this information to the community in November 2013 via our website.
	(d) The adverse effects of development, industry and farming will be managed, monitored and minimised.		Our District Plan sets rules to regulate industry and farming. Through the implementation of these rules we protect the community from adverse effects on the environment. Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews.	We are undertaking a review of the District Plan, including completing the rural subdivision plan change. This plan change reviewed minimum lot sizes and provision for rural residential development, to ensure that the high quality soils of our district will be protected. Plan Change 42 became operative on 4 December 2013.
	(e) High quality soils in our district will be protected.			

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
5. Arts and heritage				
Local Infrastructure Local Public Services	(a) The whakapapa (ancestral heritage)/heritage and character of our district will be protected and promoted.	Libraries	Our libraries aim to offer collections of information, recreational and cultural resources which contribute towards people having the opportunity to learn about their own and other's heritage and culture. Refer also to the Maori Outcomes section.	In order for libraries to support community needs we need to have an up to date collection. We have 73,508 library titles (as at 30 June 2014) excluding magazines, newspapers, electronic databases and national library stock. During the 2013/14 financial year we acquired 10,179 new items which means 13.8% of the total collection has been replaced. This is an indicator of how up to date our collection is.
Local Infrastructure	(b) Our kawa (protocol), tikanga (customs), history and knowledge will be respected and preserved.			
Local Public Services	(c) Waahi tapu and taonga (significant and treasured sites) will be recognised.			
	(d) People will have the opportunity to learn about their own and other's kawa (protocol), tikanga (customs), whakapapa (ancestral heritage), heritage and culture.			
Local Public Services	(e) Council will encourage the arts.	Communications	Our communications activities help promote artistic activities and keep the community informed of arts events.	We have contributed to this outcome by providing information on arts events in our fortnightly Council in Focus page in our local newspapers. During the financial year we published information on arts events in our district 21 times through our local newspapers.
6. Growth and development				
Regulatory Functions	(a) Council plans will be flexible, to accommodate well planned, sustainable growth.	District Plan Strategies and Planning Regulatory Planning	District Plan changes are a way to exercise some flexibility while still ensuring growth and development occurs in a well planned and sustainable manner. Through resource consent processing we allow flexibility so breaches of the District Plan can be considered appropriately.  We also aim to ensure that all our strategies are well planned and flexible to respond to the needs of the community by consulting with them when developing these documents.	We have been undertaking a review of our District Plan. As part of this, the rural subdivision plan change has been completed, a hearing has been held on the draft works and network utilities and transportation plan changes and the draft Town Strategies, setting out twenty year development plans for Morrinsville, Matamata and Te Aroha, were adopted.
Regulatory Functions	(b) Development will be conducted in a manner respectful to kawa (protocol), tikanga (customs) and values.	Regulatory Planning	Through resource consent processing we can ensure development is carried out in a controlled and sustainable way.  Refer also to the Maori Outcomes section.	

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
Local Infrastructure	(c) Council will provide essential infrastructure to meet the needs of our community now and in the future.	Roading Solid Waste Water Wastewater Stormwater	Our goal is to ensure that our assets are maintained and replaced when required so our community has access to essential services.	We have continued to provide these services and activities to the community.
Regulatory Functions	(d) Council consent processes will ensure that our communities and environment are safe and sustainable.	Building Control Regulatory Planning	By processing consents we ensure projects meet relevant safety and environmental standards.	In the financial year we have processed 132 resource consents, 131 of these (99.2%) of these were processed within statutory timeframes. We also processed 798 building consents, 797 of these (99.9%) were processed within statutory timeframes.
Local Infrastructure	(e) Systems will exist to provide sustainable clean water for our community/ lwi.	Water	Our core goal for Water is to protect communities from drinking water related health issues.	The Health (Drinking Water) Amendment Act 2007 requires us to comply with the New Zealand Drinking Water Standards (NZDWS) 2008. This involves a rigorous testing and monitoring regime and the preparation of a Public Health Risk Management Plan (PHRMP). The Te Aroha PHRMP was submitted and accepted by the DHB in 2010. Water testing and monitoring confirmed that Te Aroha water was safe to drink. However, there were specific areas of the new standard where compliance was not achieved mainly due to Protozoa and turbidity spikes. We are reviewing our plant procedures and controls to ensure that we can comply with the standards by 1 July 2015.
Local Public Services Regulatory Functions	(f) Council will support Tangata Whenua in their role to provide facilities such as marae and papakainga.		Refer to the Maori Outcomes section	
Local Public Services	(g) Council will contribute to a safe and efficient transport network.	Roading	We seek to provide a roading and footpath network that is accessible and affordable.	One of the ways we can measure the safety of our roading network is by the number of serious injury and fatal accidents that occur. On Council managed roads there were no serious or fatal accidents due to road conditions in the 2013/14 financial year. Over time, the occurrence of accidents has reduced and this trend is currently maintained, although we need to be aware of peaks and troughs in our statistics.

# Maori Outcomes



## Aim of the Maori outcomes

Ki te whakarite te taha hinengaio te taha wairua te taha tinana te taha whaanau ki te aoturoa, ka tino whai mana te mauri (to ensure that there is a holistic balance of the spiritual, physical, emotional, and whaanau (family) wellbeing in line with the environment to ensure the life giving force is maintained). Iwi are included alongside the community in our outcome themes. This recognises the status of Iwi as having manawhenua and being a key part of our community. It also acknowledges the responsibility we have towards facilitating Iwi involvement in decision making under the Local Government Act 2002.

Maori related outcomes reflect the importance of Maori culture to our community's vision and Council's activities.

## How we measure performance

Maori indicators were developed in conjunction with the Te Manawhenua Forum mo Matamata-Piako (Forum). An indicator is a parameter that can be measured (e.g. a distance from a goal, target, threshold or benchmark) to show trends or sudden changes in a particular condition. They are reactive to change and simplify complex data into readily usable information that we can use to communicate complex trends or events. They provide a general signal about issues and trends, and measure progress towards achieving outcomes. The indicators for our Maori specific outcomes are as follows:

Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
2. Decision making			
(b) Tangata Whenua with manawhenua status (those with authority over the land under Maori lore) have meaningful involvement in decision making.	Democracy Strategies and Planning District Plan Regulatory Planning All of Council	The Forum is a standing committee of Council that has been developed under a Heads of Agreement with Forum members. The purpose of the Forum is to facilitate Tangata Whenua contribution to our decision making. We plan to achieve this outcome by continuing to fund and hold Forum meetings each year, and workshops (where required) so Iwi can participate in decision making.	The Forum is scheduled to meet four times a year. In 2013/14 the Forum held four meetings: 3 September, 3 December, 4 March and 3 June. The Forum considered matters including the review of its Heads of Agreement with Council, Annual Report, youth work being undertaken by Council, and the appointment of a new chairperson, Te Ao Marama Maaka of Ngati Haua. In addition to this a workshop was held with Forum members on 23 October to develop a draft work programme for Council to consider as part of its 2014/15 Annual Plan budget process. This is an improvement on 2012/13 where the Forum had three meetings (4 December 2012, 5 March 2013 and 4 June 2013) and one workshop (4 September 2012) because of a lack of a quorum.
		The purpose of the Forum is to facilitate Tangata Whenua contribution to our decision making. The Forum can make formal submissions to our plans and strategies (such as Long Term Plans and District Plan changes). Through the submissions process we are able to formally consider the views of the Forum. We aim to achieve this outcome by consulting with the Forum on our key legislative documents.	This is measured by the specific instances where the Forum have formally submitted on Council proposals. In 2013/14 the Forum submitted a formal proposal of work programme to be considered by Council as part of its Annual Plan budgeting process. This was resolved at the Forum's 3 December 2013 meeting and was part of the draft budget discussions as part of the Annual Plan. In 2012/13 the Forum did not formally submit on any Council proposals.
		We sometimes establish working parties to undertake specific projects and report back to the full Council.	There were no Council initiated working parties that have Iwi representation.
		We have statutory obligations to facilitate participation of Maori in decision making. We consult with Iwi in the district on resource consent applications made under the Resource Management Act 1991 that are relevant to Maori.	We measure the number of resource consent consultation responses each financial year, the most recent results being for 2012/13 as part of the State of the Environment report. The 2013/14 report will be available in November 2014. Consultation with Iwi is important in creating an effective partnership in the management of the district's natural and physical resources. We consult with Iwi when we receive resource and subdivision consent applications that may be of Iwi interest. As part of the memoranda of understanding that we have with a number of Iwi, there is no consultation on some types of resource consents, including breaches of development controls such as yard requirements in urban areas. The response rates by Iwi to Council consultation has varied in the past ten years, in the range between 45% and 90%, it is anticipated that Iwi response rates will improve as more Iwi in and around the district complete treaty settlement negotiations. In nearly all of the responses received, Iwi stated that they had no concerns with the proposals. Response rate are as follows: 2000/01 - 59%; 2001/02 - 77%; 2002/03 - 68%; 2003/04 - 80%; 2004/05 - 74%; 2005/06 - 45%; 2006/07 - 45%; 2007/08 - 74%; 2008/09 - 80%; 2009/10 - 68%; 2010/11 - 52%; 2011/12 - 56%; 2012/13 - 90%.

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
(d) Council will recognise Treaty settlement issues between the Crown and Iwi.	Strategies and Planning	We have been working with the Crown to provide feedback on Treaty of Waitangi settlement issues. We aim to recognise Treaty issues working through the Office of Treaty Settlements process.	As part of the annual survey of Forum members we ask, "How satisfied are you with Council's recognition of Treaty of Waitangi settlement issues?" In 2014 there was an average score of 3.9/10 - 0 being very dissatisfied, 10 being very satisfied (2013: 3.7/10, 2012: 6.6/10).  We also ask "How confident are you that all settlements for lands and properties confiscated unjustly will be negotiated to fair and durable outcomes?" In 2014 there was an average score of 3.6/10 (2013: 3.8/10, 2012: 4.3/10).
	Democracy Strategies and Planning	We have been engaged by the Crown to provide feedback on Treaty of Waitangi settlement negotiations with Hauraki Iwi and Ngati Haua. Treaty of Waitangi settlement outcomes may result in Iwi having greater involvement in decision making.	We have been invited to provide feedback to the Crown on its settlement negotiations with Hauraki Iwi. The Hauraki Iwi are comprised of the following 12 Iwi: Ngati Tai ki Tamaki; Ngati Hako; Ngati Hei; Ngati Maru; Ngati Paoa; Ngati Porou ki Hauraki; Ngati Pukenga; Ngati Rahiri Tumutumu; Ngati Tamatera; Ngati Tara Tokanui; Ngati Whanaunga and Te Patukirikiri. Other Iwi with rohe (ancestral lands) within the district, Ngati Haua and Raukawa, are also involved in co-governance discussions. At the time of writing the Annual Report, negotiations between the Crown and Iwi were on going.  Council has also been engaged in the Ngati Haua Treaty of Waitangi settlement negotiations. The Ngati Haua Claims Settlement Bill (Bill) was introduced to parliament on 4 October 2013, and had its second reading on 7 May 2014. The Bill gives effect to the deed of settlement signed on 18 July 2013 in which the Crown and Ngati Haua agreed to the final settlement of the non-raupata historical Treaty of Waitangi claims. The settlement package includes recognition of breaches of the Treaty of Waitangi, cultural and spiritual redress in the return of significant sites, and financial redress.  One site of significance to Ngati Haua is the Waharoa Aerodrome. As part of settlement Council and Ngati Haua have agreed that a co-governance committee (the Committee) will be established for the Waharoa Aerodrome. The Committee will consist of three representatives of Council (the Mayor, the Deputy Mayor, and another Councillor) and three appointees by Ngati Haua.
<b>3. Recreation and facilities</b>			
(e) Maori cultural facilities (such as Marae) will be recognised for their contribution to community wellbeing.	Communications	In order for Maori cultural facilities to be recognised the community need to be aware of them. We aim to provide information on our website about our local Maori cultural facilities so the community can be informed about the important role they play in the district.	This is measured by including information on local Maori cultural facilities on Council's website. Council staff have developed content about local Iwi for the website and are in the process of consultation with Iwi on the suitability of this content for the website.
	All of Council	In order for Maori cultural facilities to be recognised by the community, it is important they are supported for the role they play in the district. We aim to provide opportunities for rates relief through our policy on rates remissions for Maori freehold land and policy on postponement of rates on Maori freehold land.	We currently have recorded 40 non rateable Maori properties and 144 rateable Maori properties in the district. The value of non rateable (freehold) Maori properties in the district is \$5,389,200. The value of rateable Maori properties in the district \$63,581,400. The value of Maori freehold land is adjusted to reflect the requirements of Te Ture Whenua Maori Act 1993. These adjustments are based on multiple ownership and special significance sites. The total adjusted value is \$3,529,000. Council remits approximately \$13,621.19 each year on Maori properties.
(f) Maori will have opportunities to provide input to the governance of ancestral lands administered as reserves.	Parks and Reserves	We manage parks and reserves for the benefit of the community. One of our aims is to ensure that Iwi are consulted with on our reserve management plans.	As a result of completion of Treaty of Waitangi settlement negotiations with Ngati Haua, we will have one statutory co-governance Committee of Council and Ngati Haua (Committee) to oversee the governance of the Waharoa Aerodrome. The Committee needs to hold its first meeting within two months of settlement legislation being passed. This is expected to happen in the second half of 2014 or early 2015 at the latest.  We have not undertaken a review of any reserve management plans during 2013/14. Reviews of Reserve Management Plans generally happen only once every five years or more. Council does not have any historic reserves identified for Maori purpose.

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
5. Arts and Heritage			
(a) The whakapapa (ancestral heritage)/heritage and character of our district will be protected and promoted.	District Plan Regulatory Planning	Regulatory Planning is a service provided by Council as one of the activities required to meet our obligations under the Resource Management Act 1991. Through this activity we apply the rules set down in our District Plan to protect the whakapapa (ancestral heritage)/heritage and character of our district.	<p>Culturally significant sites contribute to the district's identity and are part of our heritage. Some consent applications require consultation with Iwi to ensure development does not negatively affect Maori land, artefacts or treasures. Council monitors these indicators through State of the Environment reporting, with the most recent information available from the 2012/13 financial year. There are 85 listed heritage features in the District Plan. These include historic buildings such as churches and commercial buildings, as well as monuments, geological formations, and landing sites. There are 80 other culturally significant sites in the district including urupa, pa and midden sites, and marae. One of these culturally significant sites (a pa site) was added to the District Plan in the 2006/07 financial year after a plan change was undertaken. In the 2010/11 year the Te Aroha Power House was added to the heritage schedule, however no further sites associated with Maori have been added to the District Plan since 2006/07. The number of resource consents applied for and granted involving sites that contain or adjoin a culturally significant site has been very low between 2003/04 and 2010/11 when only one application was made and granted. In 2011/12, there was one application involving the relocation of the Horahora Historical Power Pylon to the Firth Tower Reserve, and an upgrade of buildings at the Rukumoana Marae. In 2012/13 there was an application to construct a new whareniui (meeting house) to replace an existing building at Raungaiti Marae in Waharoa, and an application to quarry adjacent to the Ongatiti Ignimbrite Bluffs, which were found to be unaffected by the proposal.</p> <p>We measure the number of resource consent consultation responses each financial year, the most recent results being for 2012/13 as part of the State of the Environment report. The 2013/14 report will be available in November 2014. Consultation with Iwi is important in creating an effective partnership in the management of the district's natural and physical resources. We consult with Iwi when we receive resource and subdivision consent applications that may be of Iwi interest. As part of the memoranda of understanding that we have with a number of Iwi, there is no consultation on some types of resource consents, including breaches of development controls such as yard requirements in urban areas. The response rates by Iwi to Council consultation has varied in the past 10 years, between 45% and 90%. It is anticipated that Iwi response rates will improve as more Iwi in and around the district complete treaty settlement negotiations. In nearly all of the responses received, Iwi stated that they had no concerns with the proposals. Response rate are as follows: 2000/01 - 59%; 2001/02 - 77%; 2002/03 - 68%; 2003/04 - 80%; 2004/05 - 74%; 2005/06 - 45%; 2006/07 - 45%; 2007/08 - 74%; 2008/09 - 80%; 2009/10 - 68%; 2010/11 - 52%; 2011/12 - 56%; 2012/13 - 90%.</p>
(b) Our kawa (protocol), tikanga (customs), history and knowledge will be respected and preserved.	Regulatory Planning District Plan	We also have statutory obligations to facilitate Maori participation in decision making. We currently have agreements to consult with Iwi in the district on resource consent applications made under the Resource Management Act 1991.	
(c) Waahi tapu and taonga (significant and treasured sites) will be recognised.	All of Council		
(d) People will have the opportunity to learn about their own and other's kawa (protocol), tikanga (customs), whakapapa (ancestral heritage)/heritage and culture.	Libraries  Communications	<p>Our libraries aim to offer collections of information, recreational and cultural resources that contribute towards people having the opportunity to learn about our own and others' heritage and culture.</p> <p>We aim for our website to be a key business tool to provide information and electronic services to the community. We aim to make continual improvements to the website content and services.</p>	



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
6. Growth and Development			
(b) Development will be conducted in a manner respectful to kawa (protocol), tikanga (customs) and values.	Regulatory Planning District Plan	We provide Regulatory Planning to meet our obligations under the Resource Management Act 1991. Through this activity we apply the rules set down in our District Plan to ensure development is carried out in an appropriate way.	Culturally significant sites contribute to the district's identity and are part of our heritage. Some consent applications require consultation with Iwi to ensure development does not negatively affect Maori land, artefacts or treasures. Council monitors these indicators through State of the Environment reporting, with the most recent information available from the 2012/13 financial year. There are 85 listed heritage features in the District Plan. These include historic buildings such as churches and commercial buildings, as well as monuments, geological formations, and landing sites. There are 80 other culturally significant sites in the district including urupa, pa and midden sites, and marae. One of these culturally significant sites (a pa site) was added to the District Plan in the 2006/07 financial year after a plan change was undertaken. In the 2010/11 year the Te Aroha Power House was added to the heritage schedule, however no further sites associated with Maori have been added to the District Plan since 2006/07. The number of resource consents applied for and granted involving sites that contain or adjoin a culturally significant site has been very low between 2003/04 and 2010/11 when only one application was made and granted. In 2011/12, there was one application involving the relocation of the Horahora Historical Power Pylon to the Firth Tower Reserve, and an upgrade of buildings at the Rukumoana Marae. In 2012/13 there was an application to construct a new whareniui (meeting house) to replace an existing building at Raungaiti Marae in Waharoa, and an application to quarry adjacent to the Ongatiti Ignimbrite Bluffs, which were found to be unaffected by the proposal.
(f) Council will support Tangata Whenua in their role to provide facilities such as marae and papakainga.	District Plan	Through our District Plan we provide for the ongoing management of the natural and physical resources of the district to ensure it is protected for future generations. Our District Plan objectives, policies and rules are one of the ways we can support facilities such as marae and papakainga.	We are aware of one Iwi development or management plan within the district boundaries from Waikato Tainui. This Iwi Management Plan will be presented to Council formally in 2014. It is anticipated that as Treaty settlements are completed by local Iwi and the crown, there will be a greater opportunity for Iwi to develop management plans. Treaty settlements also contemplate the creation of co-governance frameworks for natural resources (such as the Waihou and Piako Rivers).
	Finance and Business Services	We aim to support Tangata Whenua to provide facilities such as marae and papakainga through our policy on rates remissions for Maori freehold land and policy on postponement of rates on Maori freehold land.	We currently have recorded 40 non rateable Maori properties and 144 rateable Maori properties in the district. The value of non rateable (freehold) Maori properties in the district is \$5,389,200. The value of rateable Maori properties in the district \$63,581,400. The value of Maori freehold land is adjusted to reflect the requirements of Te Ture Whenua Maori Act 1993. These adjustments are based on multiple ownership and special significance sites, the total adjusted value is \$3,529,000. Council remits approximately \$13,624.19 each year on Maori properties.

# Maori Participation in Council Decision Making



Under the Local Government Act 2002, we need to establish and maintain processes to provide opportunities for Maori to contribute to our decision making processes. Several Iwi have rohe (ancestral lands) or interests in our district, including Ngati Haua, Ngati Rahiri Tumutumu, Raukawa, Ngati Maru, Ngati Whanaunga, Ngati Paoa and Ngati Tamatera, this is reflected in our processes for Maori to have opportunities to contribute to decision making in the district.

## Te Manawhenua Forum mo Matamata-Piako

The Te Manawhenua Forum mo Matamata-Piako (Forum) was developed under a Heads of Agreement by Council and Iwi to establish a formal process of representation for Maori in the decision making process within the district. The purpose of the Forum is to facilitate manawhenua contribution to our decision making. The Forum meets quarterly to consider matters relating to the interests of Maori communities. The forum is a standing committee of Council and the structure was developed through discussions with Maori nominated representatives. Appointed representatives include membership from Council, Ngati Haua, Ngati Rahiri Tumutumu, Raukawa, Ngati Maru, Ngati Whanaunga, Ngati Paoa, as well as any other members the forum may agree to in the future. Ngati Tamatera has the ability to be represented but have not appointed any representatives.

## Resource Management Act 1991 - resource consent processing

Currently we have agreements with Iwi within the district to consult with them on resource consent applications made under the Resource Management Act 1991. When we receive resource consent applications that may be of Iwi interest, we notify the agreed Iwi representatives and seek their feedback. Those Iwi are Ngati Paoa, Ngati Rahiri Tumutumu, Ngati Haua and Raukawa. We are currently undertaking a rolling review of the District Plan. As part of this process we will review how we engage with Iwi through the resource consent process. We also monitor the number of times we seek and receive feedback from Iwi. The results of this monitoring are reported each year in our State of the Environment report, which is available on our website ([www.mpdc.govt.nz](http://www.mpdc.govt.nz)).

## Treaty of Waitangi settlements

Treaty of Waitangi claims and settlements have been a significant feature of New Zealand race relations and politics since 1975. Over the last 30 years, New Zealand governments have increasingly provided formal, legal and political opportunities for Maori to seek redress for breaches by the Crown of the guarantees set out in the Treaty of Waitangi. Iwi in and around the Matamata-Piako District are currently negotiating with the Crown, and are at various stages of setting Treaty of Waitangi claims. While these agreements are between the Crown and Iwi, local authorities will be affected by the outcome of these settlements, particularly where Iwi are seeking co-governance of natural resources. Broadly put, co-governance involves setting up frameworks for Iwi to have input into Resource Management Act 1991 governance matters (such as the development of regional plans and strategies).

### Hauraki Treaty of Waitangi Settlements

In 2010, the Crown and Hauraki Iwi signed the Hauraki Collective Framework agreement, which outlined the process for on going negotiations towards settlement of shared claims, including possible elements of a settlement. The Iwi in the Hauraki Collective are Ngati Hako, Ngati Paoa, Ngati Tamatera, Ngati Tara-Tokanui, Ngati Porou ki Hauraki, Ngati Whanaunga, Ngati Hei, Ngati Maru, Ngati Pukenga, Te Patukirikiri, Ngati Tai ki Tamaki and Ngati Rahiri Tumutumu. The Crown

acknowledges that Raukawa, and Ngati Haua also have interests in the Waihou River that are of significant cultural, historical and spiritual importance to the Iwi. We (as well as the Waikato Regional Council and other adjoining district councils) have been engaged by the Crown to provide feedback in the ongoing negotiations between the Crown and Hauraki Iwi.

### Ngati Haua Treaty of Waitangi Settlement

Council was also engaged in the Ngati Haua Treaty of Waitangi settlement negotiations. The Ngati Haua Claims Settlement Bill (Bill) was introduced to parliament on 4 October 2013, and had its second reading on 7 May 2014. The Bill gives effect to the deed of settlement signed on 18 July 2013 in which the Crown and Ngati Haua agreed to the final settlement of the non-raupata historical Treaty of Waitangi claims. The settlement package includes recognition of breaches of the Treaty of Waitangi, cultural and spiritual redress in the return of significant sites, and financial redress.

One site of significance to Ngati Haua is the Waharoa Aerodrome. As part of settlement Council and Ngati Haua have agreed that a co-governance committee (the Committee) will be established for the Waharoa Aerodrome. The Committee will consist of three representatives of Council (the Mayor, the Deputy Mayor, and another Councillor) and three appointees by Ngati Haua. They will be a permanent committee under statute, and will be able to:

- make recommendations to Council in relation to the administration of the Waharoa Aerodrome
- make final decisions on access and parking arrangements for the Waharoa Aerodrome that affect Raungaiti Marae
- undertake and make recommendations on any review of the reserve management plan that Council decide to initiate
- perform any other functions that the Council may delegate to it.

The Committee needs to hold its first meeting within two months of settlement legislation being passed. This is expected to happen in the second half of 2014 or early 2015 at the latest.

### Raukawa Treaty of Waitangi Settlement

The Crown has recently settled the claims of the Raukawa Iwi with legislation to give effect to the deed of settlement signed on 2 June 2012 in which the Crown and Raukawa agreed to the final settlement of the historical claims of Raukawa. The Raukawa Claims Settlement Bill had its first reading on 6 August 2013, a second reading on 19 February 2014, and a final reading on 12 March 2014. The bill received royal assent on 19 March 2014 and became the Raukawa Claims Settlement Act 2014. There were no specific arrangements between Council and Raukawa (such as have been proposed in the Ngati Haua Claims Settlement Bill) however as with other settlement processes Raukawa may now be in a position to consider developing documents such as Iwi Management Plans for the areas of their Rohe (ancestral lands) that fall within the Matamata-Piako District.