



matamata-piako district council

# Annual Report 2014/15

1 July 2014 - 30 June 2015

# 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.

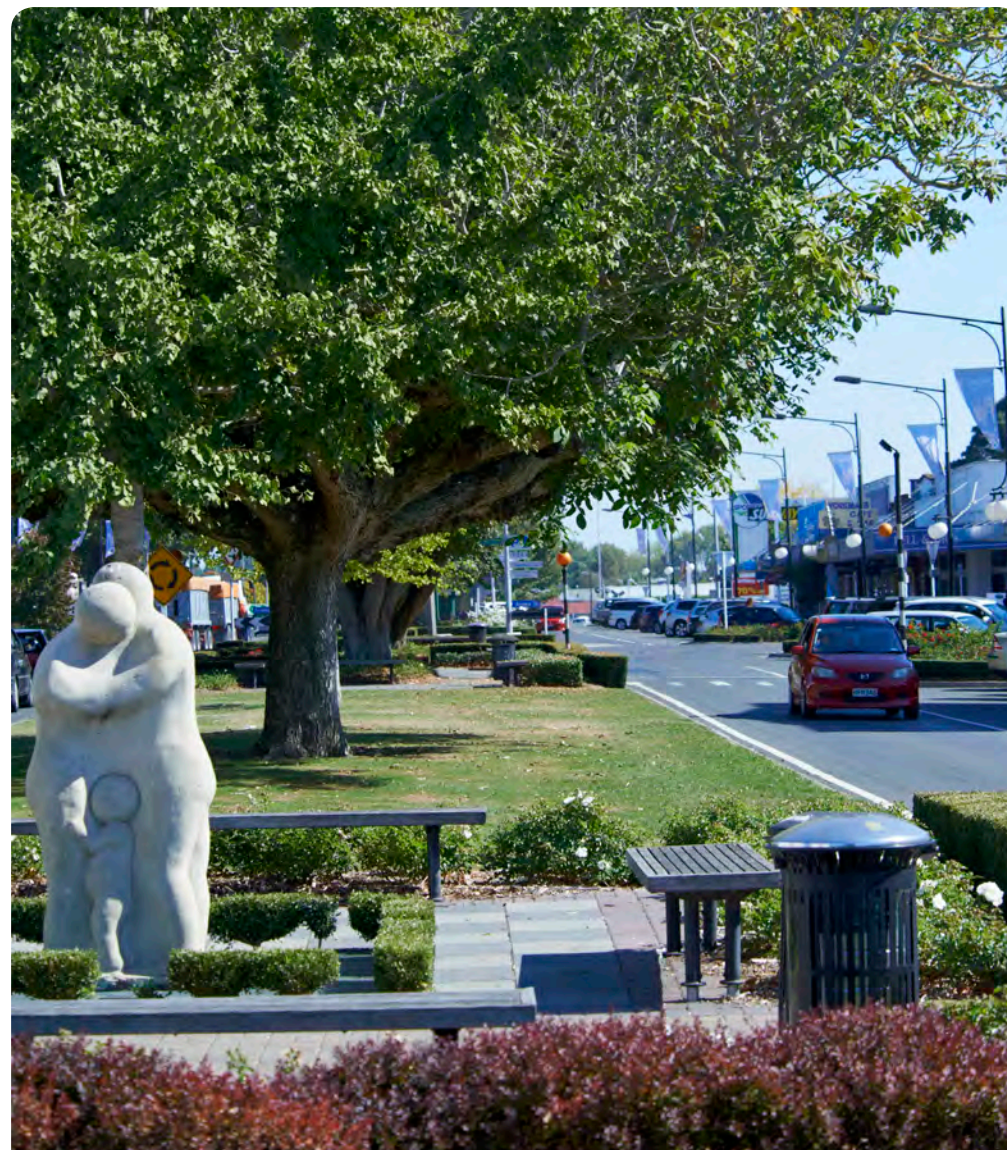
In the opinion of the Council and management of Matamata-Piako District Council, the Financial Statements for the period ended 30 June 2015 fairly reflect the financial position and operations of the Matamata-Piako District Council.

Jan Barnes, Mayor

Don McLeod, Chief Executive Officer

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Broadway, Matamata.

# Contents



Independent Auditor's Report.....	4
Mayor's Message.....	7
<b>Part one: Introduction.....</b>	<b>8</b>
Our Mayor and Councillors .....	8
Our Council .....	9
Our Local Residents .....	10
Our Community Our Future A Guide .....	11
Our District Today .....	12
Financial Summary .....	14
Community Outcomes .....	20
Maori Outcomes .....	27
Maori Participation in Council Decision Making .....	33
<b>Part two: What we do.....</b>	<b>35</b>
Introduction to Council activities .....	36
Performance Summary.....	37
Community Facilities .....	39
Community Infrastructure .....	58
Community Development .....	93
Environmental Care .....	111
Funding and Borrowing .....	124
<b>Part three: Financial statements and notes.....</b>	<b>126</b>



Thames Street, Morrinsville.

# 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 2015

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 2015 on page 128;
  - the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 127 to 128; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 129 to 171;
- the statement of service provision of each group of activities carried out by the District Council on pages 36 to 123;
- the funding impact statements in relation to each group of activities of the District Council on pages 56 to 123;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 56 to 123;
- the funding impact statement of the District Council on page 124; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 14 to 16.

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 125;
  - reserve funds on page 157 to 158;
  - remuneration paid to the elected members and certain employees of the District Council on page 162;
  - employee staffing levels and remuneration on page 162 and 163;
  - severance payments on page 163;
  - rating base units on page 13; and
  - insurance of assets on page 149;
- 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 pages 33 and 34; and

- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 2.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council on pages 127 to 171
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand;
- the statement of service provision of the District Council on pages 36 to 123:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand;
- the funding impact statements in relation to each group of activities of the District Council on pages 56 to 123, presents fairly, in all material respects, 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 56 to 123, presents fairly, in all material respects 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 124, presents fairly, in all material respects 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; and
- the disclosures on pages 14 to 16 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 Aotake Aotearoa

## Compliance with the other requirements of schedule 10

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 14 October 2015. 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 the 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 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 the 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 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 the statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that presents fairly 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 presents fairly 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 presents fairly 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.

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

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.

## 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.

# Independent Auditor's Report



**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

## 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 and the audit of the District Council's 2015-25 Long Term Plan an independent assurance review of the District Council's Debenture Trust Deed 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



Grazing livestock.

# Mayor's Message



Welcome everyone to our Annual Report showcasing our performance during the 2014/15 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 our financial year Council is in a very good financial position, and we have lived within our means.

## Business friendly approach

Council has been very successful in its approach to becoming more business friendly for the community. Having a strong focus on economic development, we have established the Economic Development working party to look at ways we can help develop and drive initiatives to benefit our local economy. We hosted a series of workshops with local businesses to find out what the barriers are for future economic growth in our district. The lack of high speed internet was a concern for many businesses. In response to this we have submitted an application to Central Government for our district to be reprioritised to receive ultra fast broadband.

We have created a new staff position so that businesses have one main point of contact when getting a project or idea off the ground. To save time working with multiple departments within Council, this staff member acts as a liaison between the business person and staff to ensure a more streamlined process.

A number of improvements have been made to our website. This has allowed for the public to make applications online for Land Information Memorandum Reports and Community Grants, to receive rates invoices via email, and to lodge and track their building consents through our website. Our Facebook audience is continually growing and we have also created a Facebook page for our libraries.

## Key projects

We have achieved some great outcomes in 2014/15 through a number of projects. For the first time this year we produced the Annual Report Summary in a calendar format, which received positive feedback. The calendar incorporated key dates including the kerbside collection dates for each town, Council meetings dates, and key dates for rates notices and dog registrations.

I'm very pleased with the way Council is continuing to meet its statutory obligations. Council adopted its Long Term Plan in late June following a good level of input from the community. We received very positive feedback from our auditors, Audit New Zealand, praising Council for the way in which the councillors and staff worked so closely together to produce the Long Term Plan.

As shown in the Annual Report, Council remains in a very good financial position and has seen a reduction in our debt levels by \$6 million.

Your elected members will continue to work with our community and businesses in partnership, to deliver savings for our ratepayers while still delivering a high standard of service so Matamata-Piako remains a great place to live, work and play.

Jan Barnes



View of Mount Te Aroha.

# Introduction

## Our Mayor and Councillors



Mayor



Jan Barnes  
JP

Deputy Mayor



James Thomas  
JP, Morrinsville



Garry Stanley  
Matamata



Bob McGrail  
Matamata



Leonie Tisch  
Matamata



Brian Hunter  
Matamata



Neil Goodger  
Morrinsville



Maurice Steffert  
Morrinsville



Nicki Robb  
Morrinsville



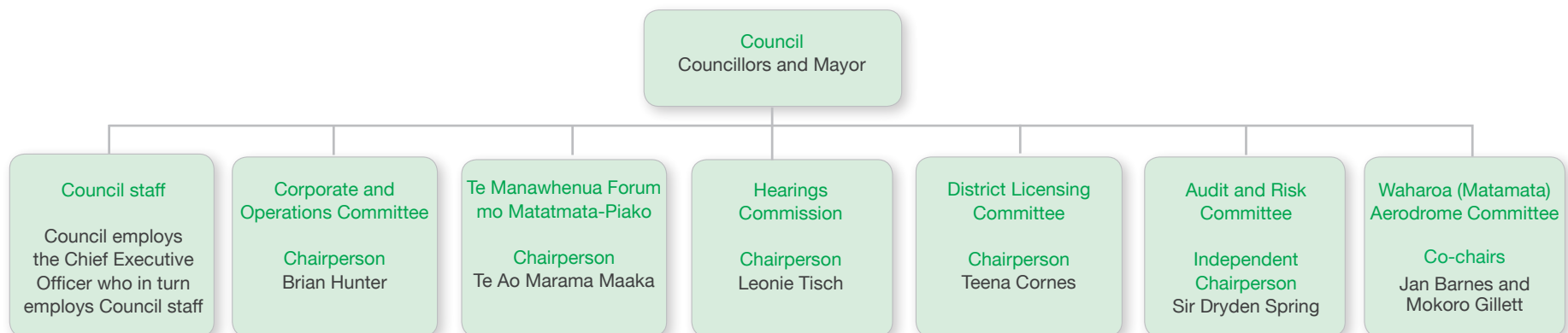
Peter Jager  
Te Aroha



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 Long Term 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

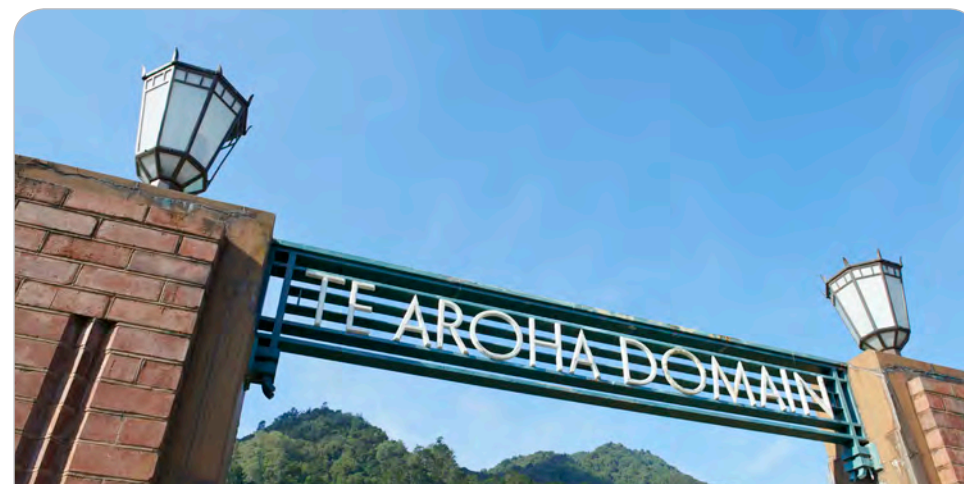
The Audit and Risk Committee was recommended by the Office of the Auditor-General and our auditors, Audit New Zealand. The purpose of the Audit and Risk Committee is to ensure Council has appropriate risk management and internal and financial control systems. The Audit and Risk Committee is comprised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

## The Waharoa (Matamata) Aerodrome Committee

The Waharoa (Matamata) Aerodrome Committee is a committee that was created by legislation under the Ngati Haua Claims Settlement Act 2014. The committee comprises of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngati Haua Iwi Trust Board trustees.

The functions of the committee, as set out in the Ngati Haua Claims Settlement Act 2014 are to:

- make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land
- make final decisions on access and parking arrangements for the Raungaiti Marae land that affects the Waharoa Aerodrome
- 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.



Entrance to the Te Aroha Domain.

# 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 2015 Council adopted the Long Term Plan, a strategic vision to 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 Long Term Plan:

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



# 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 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 the Morrin Museum that displays the best of Morrinsville's proud farming and local history, and the 'Herd of Cows' project.

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), the historic Te Aroha Domain featuring Swim Zone Te Aroha, Te Aroha Mineral Spas, and the Hauraki Rail Trail.

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	2006	2013	2016
Tahuroa	2,529	2,655	2,817
Waitoa	318	303	327
Springdale	2,487	2,451	2,559
Waihou-Walton	4,344	3,999	4,192
Te Aroha	3,771	3,903	4,133
Morrinsville West	2,547	2,562	2,766
Morrinsville East	4,056	4,431	4,723
Waharoa	507	465	498
Okauia	1,911	1,965	2,087
Te Poi	819	801	838
Hinuera	891	909	954
Matamata North	2,628	2,928	3,157
Matamata South	3,681	4,164	4,522
<b>Total</b>	<b>30,480</b>	<b>31,536</b>	<b>33,571</b>

## General information about the district\*\*

	2012/13	2013/14	2014/15
Number of electors (enrolled)**	22,215	22,307	22,991
Number of rating units***	14,813	14,788	15,006
Value of improvements***	\$3,528,009,100	\$3,500,014,100	\$3,968,782,000
Net land value***	\$6,771,179,540	\$6,745,516,040	\$6,291,427,400
Total capital value***	\$10,299,188,640	\$10,245,530,140	\$10,260,209,400
Total rates	\$29,970,000	\$30,388,000	\$30,996,000
Average total rates per property	\$2,023	\$2,055	\$2,066

\* Information taken from Census data and Rationale

\*\* Electoral enrolment centre

\*\*\*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

New Zealand European	86.3%	74%
Maori	14.8%	14.9%
Other	7.9%	22.1%

### Dwelling status

Occupied		
Private dwelling	12,282	1,561,959
Non-private dwelling	36	8,739
Total	12,318	1,570,695
Unoccupied	678	185,448

# Financial Summary



## Annual report disclosure statement for the year ending 30 June 2015

### 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.

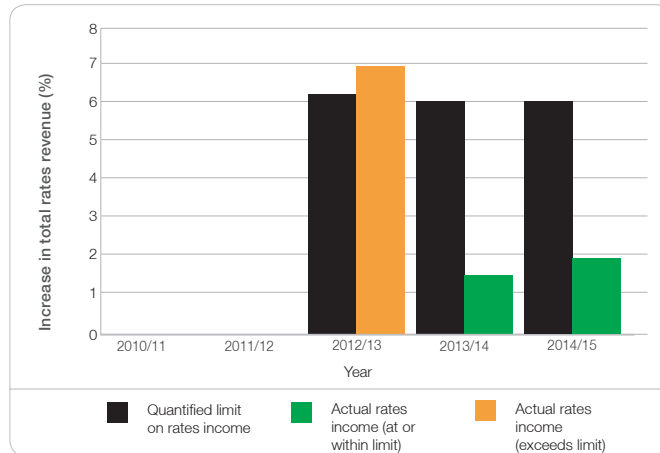
### Rates affordability benchmark

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



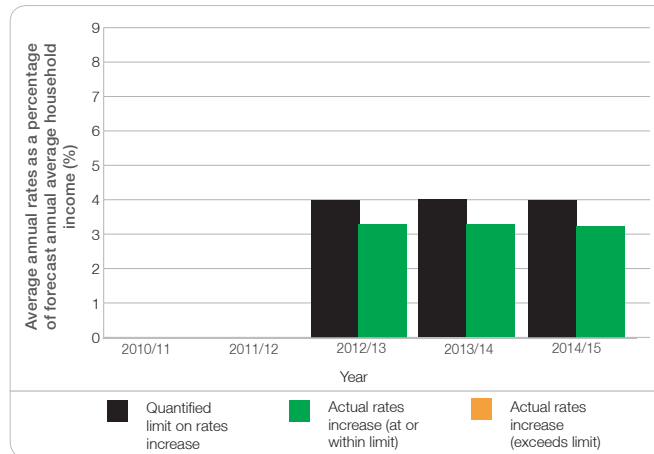
was intended to meet forecast increase in costs each year as set out in the Long Term Plan 2012-22.

### 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 the years following was much lower than the limit as a result of cost savings. The compound increase in rates revenue over the last three years was just 10.6% compared to the budgeted limit of 18%.

### 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:

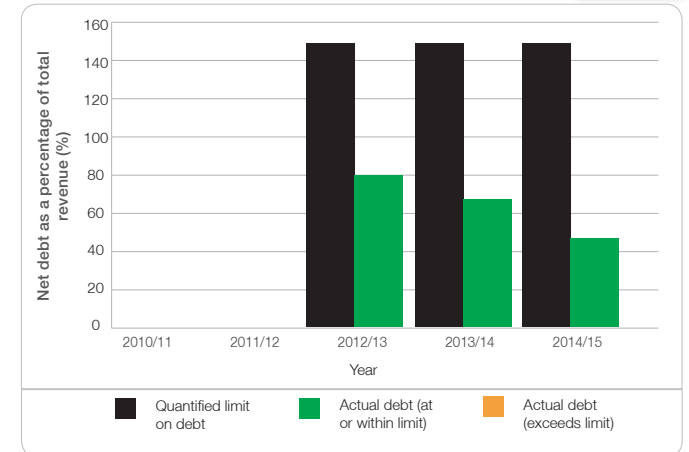
Over the last three years, the average annual rates as a percentage of forecast average household income has actually declined slightly from 3.32% to 3.25%, compared to the limit on increases of 4%.

### 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%.

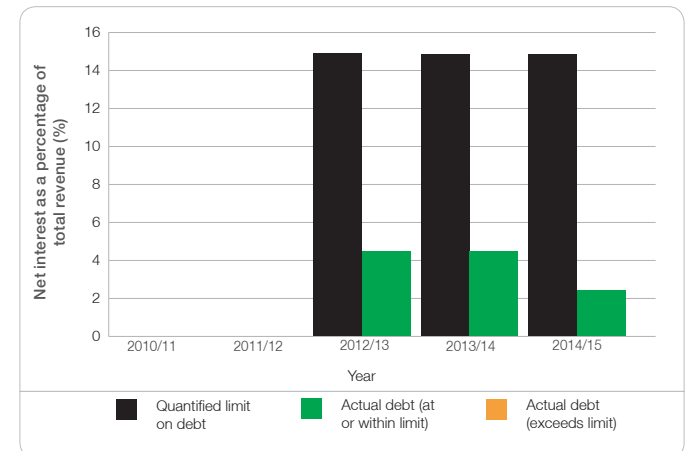


### Comment:

Council's actual net debt as a percentage of total revenue has reduced over the last three years from 80% in 2012/13 to 47% in 2014/15. 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.



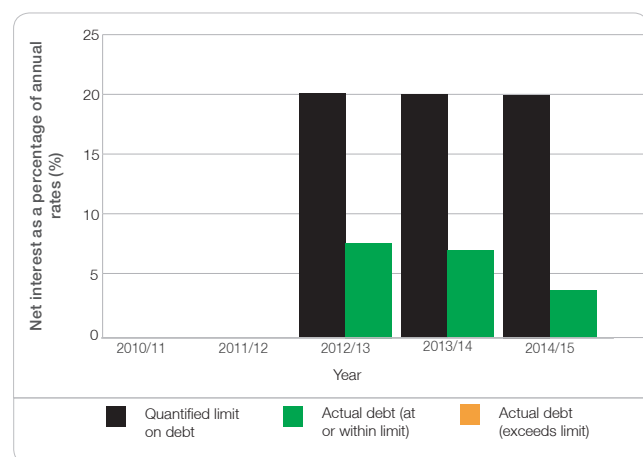
# Financial Summary

## Comment:

Council's actual interest costs have reduced from 4.86% of total revenue in 2012/13 to 2.42% in 2014/15. 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.

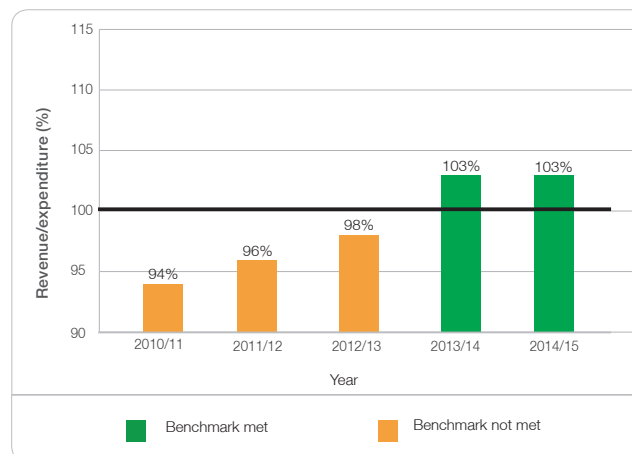


## Comment:

Council's actual interest costs have reduced from 7.26% of rates revenue in 2012/13 to 3.64% in 2014/15. 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.

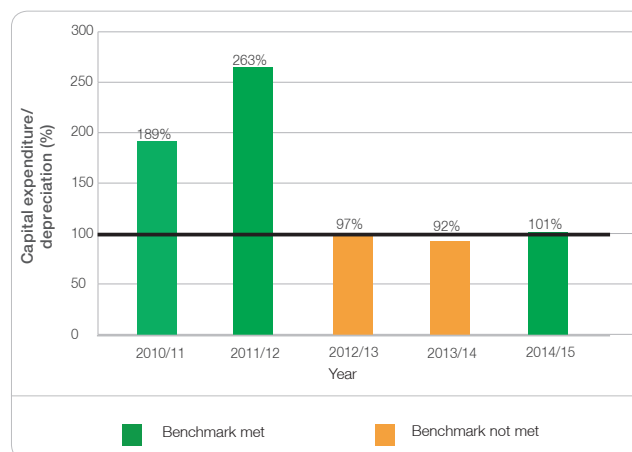


## Comment:

Council spent a significant amount on upgrading wastewater and water treatment plants in the years up to 2012/13. 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.

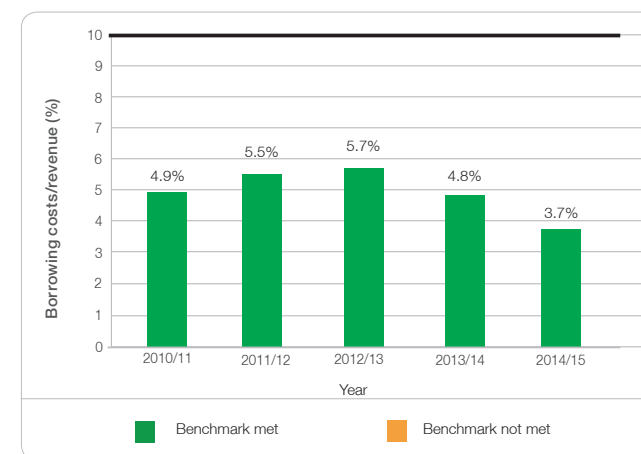


## Comment:

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.



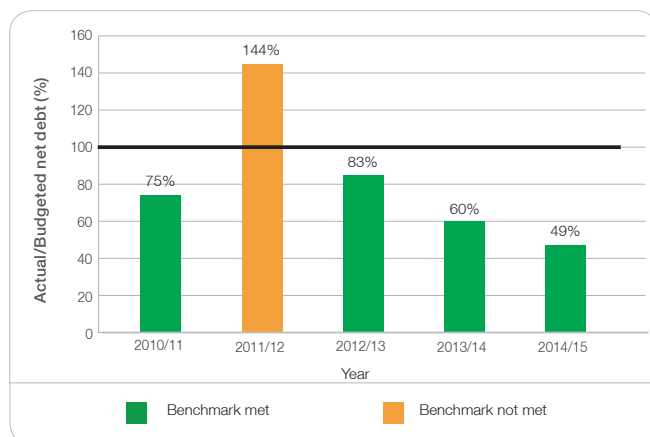
## Comment:

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

# 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:

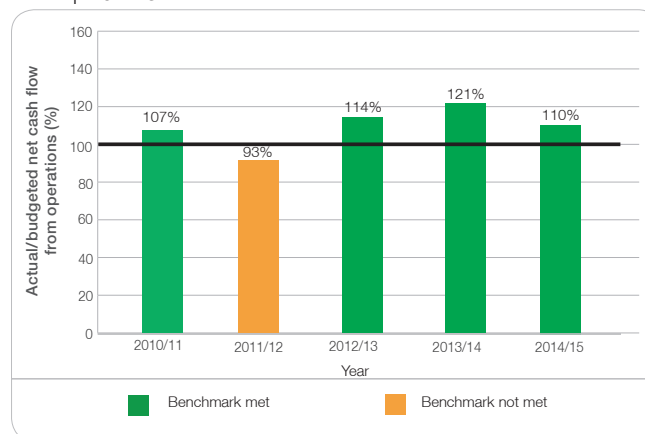
Net debt rose significantly in the 2011/12 year as the bulk of the construction work for the Morrinsville wastewater upgrade project was completed in that year. This was slightly later than planned. Debt in the last three years has reduced as capital spending has been lower than budgeted and maturing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

## Power New Zealand Fund - Overseas share investments returned to New Zealand

The total value of the overseas shares at the start of the 2014/15 financial year was \$10.699 million. When it was announced that the equity fund that the shares were invested in was to be wound up in October 2014, we sought professional advice on the best options at that time, keeping in mind that Council had previously resolved to repatriate the funds to New Zealand when a benchmarked level of returns were reached. The final value of the shares at the date of sale was \$10.4 million. \$5 million of this was used to repay a maturing external loan during the period, resulting in significant interest savings going forward. The remaining balance of \$5.4 million has been added to Council's treasury investments, with the annual interest returns from that investment earmarked for the continued use of subsidising roading rates – an asset that everyone in the district benefits from.

## Operations control benchmark

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



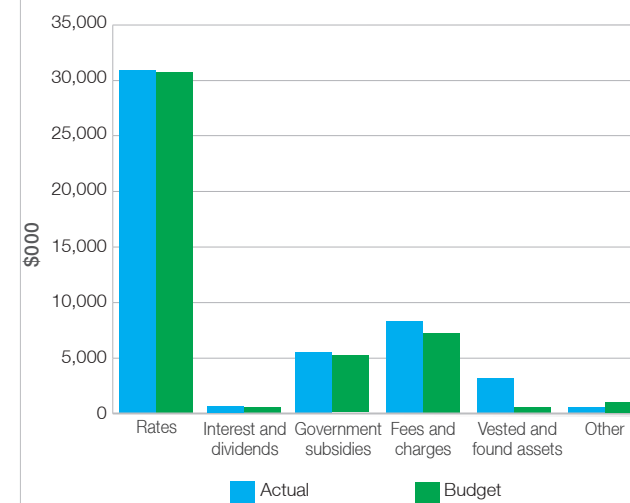
### Comment:

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

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

Over the past few years Council has entered into a range of interest rate swaps – contracts that effectively lock in the current rates of interest on our future debt. The swap contracts are put in place while interest rates are considered low, with the expectation that over the next ten years, interest rates are likely to rise. The benefit of having this certainty over the interest rates is that we can avoid having to ask our ratepayers for extra rates in years where the market interest rates rise sharply. It gives ratepayers and Council much more certainty into the future. We value the swap portfolio on the 30th of June each year for financial reporting purposes, and the valuations may go up and down depending on how market interest rates are tracking, but these annual movements have no impact on Council's cash position – the focus of the swap portfolio is on the long-term gains. The average interest rate that we have locked in with these contracts is 4.13%, which is the average rate that will apply on up to \$34.5 million of our debt over the next ten years. These interest rates swaps provide us with a level of certainty and stability in our financing costs in the future.

## 2014/15 Revenue compared to budget



## What was our planned revenue?

Council budgeted for a revenue of \$45.1 million.

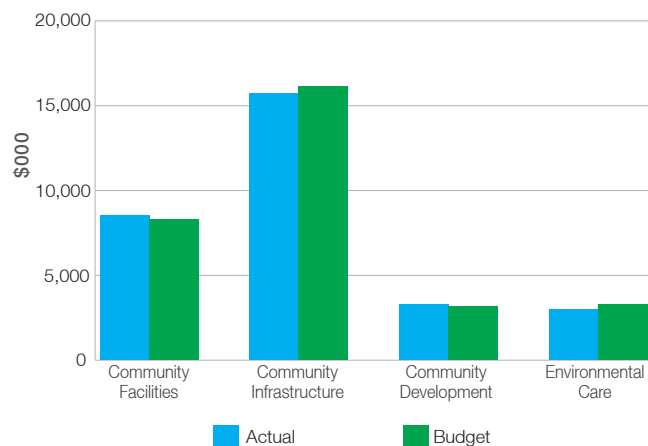
## What was our actual revenue?

The actual revenue for the year was \$48.7 million.

## Why is there a difference?

In terms of general day to day operations, the overall actual revenue for the year was very close to budget, with minor ups and downs across the board. The biggest increase came from metered water and trade waste revenue, which exceeded the level budgeted by \$799,000, driven by increased demand from the district's significant industrial users. During the year we identified that the value of Council's swimming pool tanks had not previously been recorded in our books. Accounting standards require the value of these identified assets to be shown as revenue. These assets are valued at \$2.2 million. Expected revenue from development contributions fell short of the level budgeted by \$334,000. Other areas where revenue exceeded expectations were roading subsidy income, interest, and revenue from external works undertaken by Kaimai Valley Services (Council's works department).

### 2014/15 Expenses by activity group compared to budget (excluding depreciation)



#### What did we plan to spend?

Our expenses (excluding finance costs and other losses) were budgeted to be \$42.4 million this year.

#### What did we actually spend?

Our expenses (excluding finance costs and other losses) were \$41.5 million.

#### Why is there a difference?

In terms of the general day to day activities of Council, overall costs were largely in line with what was budgeted for this year, if not slightly under in a number of areas. Wastewater was the main activity where costs were higher than budget by \$196,000 particularly due to issues at the Matamata treatment plant with odour control and plant. Council's works division, Kaimai Valley Services experienced an increase in external work (stock underpasses etc), compared to budget, increasing their costs by \$160,000. A revaluation of Council's infrastructure and property assets in June 2014 resulted in depreciation savings this year of \$1.5 million.

#### What about finance costs?

Significant savings of \$485,000 were achieved this year on the interest cost of Council's external loans as the level of external debt was significantly lower than planned due to a delay in capital spending. As well, \$5 million of external debt was repaid in the last quarter of the year, saving further interest costs.

### Spending on assets this year

We budgeted for a total of \$14.8 million to be spent during the year on building new and renewing existing assets within the district. The actual amount spent was \$12.4 million.

#### Why is there a difference?

\$2.3 million was budgeted for a new reservoir and booster pumps for Morrinsville. Investigations into the best way to proceed with the project are being undertaken, with just \$100,000 of the budget spent to date. Similarly, new pumps and water mains were scheduled for Burwood Road, Matamata at a budgeted cost of \$135,000, which have not yet been started. \$1 million was budgeted to be spent in this financial year on the design and construction of the Te Aroha Events Centre. Delays in the process have meant that only \$340,000 of that budget was spent by the end of the year. The 2014/15 budget also allowed for \$200,000 to be spent on the Matamata Civic Centre, however no capital was spent this year as Council consulted further on the scope and scale of the project with the community. All of these unspent budgets and projects will be carried forward to be spent in the coming year.

Similarly, there were projects and budgets unspent from the 2013/14 year that were completed and spent during the 2014/15 year. These include \$110,000 on the Matamata Sports Centre upgrade, \$422,000 on the Morrinsville water back wash project and just over \$600,000 on various wastewater projects including rotary screens, membrane replacements and aerators for treatment plants.

### Average rates per rating unit



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 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). 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 this year?

We didn't borrow any additional money this year – in fact we were able to repay \$6 million of our core external debt. \$5 million of this came from the proceeds of the Power New Zealand overseas shares sold during the year. Total debt at the end of this financial year was budgeted to be \$41.6 million. At 30 June 2015, our debt was \$26.1 million, down from \$32.1 million last year. 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 than budgeted has meant that the cost of interest to finance our loans was \$485,000 lower than budgeted.

### Net debt per rating unit



Net debt rose significantly from 2010/11 as Council undertook 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?

A key focus of the Council (as set out in the Long Term Plan) 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%. Our level of debt compared to revenue has been falling over the last 3 years, and we are now sitting at just 47% compared the limit of 150%. What this means is that we have significant capacity to take up opportunities as they arise and perhaps more importantly, we have plenty of capacity to recover quickly if a disaster occurs (as it did in Canterbury). Having a lower level of debt makes us more resilient. In the recently adopted 2015-25 Long Term Plan, we have forecast over the next 10 years that our debt will peak at around \$48 million in 2019/20, and will average around 81% of our revenue, so still well below the prudent limit of 150%.

## Statement of cashflows - where did the cash come from and where did it go?

Our total cash held at year end increased by \$3.0 million over the year - nearly \$2 million more than we had budgeted for. In terms of our day to day operating activities, extra cash of \$1.4 million was received (compared to budget) in the form of increased metered water and trade waste revenue from industrial users, increased interest from investments and a reduction in finance costs. In terms of our investing activities, (that is cash earned/spent in the purchasing and selling of assets), our net spend was \$7.99 million less than we had budgeted. This was due to the delayed capital spending, and from the unbudgeted proceeds from the sale of assets and the overseas shares and investments. For our financing cashflows, we had budgeted to refinance a \$5 million loan that matured during the year, and to borrow an additional \$2.5 million for capital spending. Instead we used \$5 million from the sale of the overseas shares to repay the loan, and no further funding was required.

## Statement of financial position – how do we stand overall?

The key aspects to assessing a Council's financial health is the state of their network of assets and their level of debt. Matamata-Piako District Council is in good financial shape. Our physical assets valued at \$569 million are generally in a good state. We do have some planned capital work to catch up on, but we have plenty of capacity financially to do so. Our current level of debt, at \$26.1 million is considered low for a Council of our size and nature. The delayed capital spending and the returned Power New Zealand fund, now held as term deposits, mean that our current assets at 30 June are much higher than budgeted. Current liabilities were higher than budgeted due to payments of rates and metered water being received in advance of being invoiced. In addition an unbudgeted liability is recognised at year end for the unfavourable valuation of Council's interest rate swap portfolio at 30 June 2015.

### Revenue

This is day to day revenue received from things such as rates, metered water, pool fees, resource consents etc.

### Expenses

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

### Finance costs

This is the interest we pay on our external loans

### Other gains and losses

These measure annual movements in the value of our assets that aren't property, plant and equipment

### Total comprehensive revenue and expense

This is the difference between revenue and total 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 revenue and expense for the year ended 30 June	Actual 2013/14	Budget 2014/15	Actual 2014/15
	\$000	\$000	\$000
Revenue	47,093	45,116	48,703
Expenses	(41,420)	(42,400)	(41,479)
Finance costs	(2,206)	(2,156)	(1,671)
Other gains and losses	365	-	(3,200)
Share of joint venture surplus/(deficit)	18	-	5
<b>Net surplus/(deficit)</b>	<b>3,850</b>	<b>560</b>	<b>2,358</b>
<b>Other comprehensive revenue and expense</b>			
Gain on property, plant and equipment revaluation	11,443	-	-
<b>Total comprehensive revenue and expense</b>	<b>15,293</b>	<b>560</b>	<b>2,358</b>
Statement of changes in equity for the year ended 30 June	Actual 2013/14	Budget 2014/15	Actual 2014/15
	\$000	\$000	\$000
Balance at 1 July	537,625	567,838	552,918
Total comprehensive revenue and expense	15,293	560	2,358
<b>Balance at 30 June</b>	<b>552,918</b>	<b>568,398</b>	<b>555,276</b>
<b>Equity represented by:</b>			
Retained earnings	419,559	420,336	411,542
Other reserves	133,359	148,062	143,734
Statement of financial position for the year ended 30 June	Actual 2013/14	Budget 2014/15	Actual 2014/15
	\$000	\$000	\$000
Current assets	8,419	6,874	16,427
Non-current assets	584,986	610,342	574,372
Total assets	593,405	617,216	590,799
Current liabilities	13,014	6,994	8,330
Non-current liabilities	27,473	41,824	27,193
Total liabilities	40,487	48,818	35,523
<b>Equity</b>	<b>552,918</b>	<b>568,398</b>	<b>555,276</b>
Statement of cash flows for the year ended 30 June	Actual 2013/14	Budget 2014/15	Actual 2014/15
	\$000	\$000	\$000
Net from operating activities	15,122	13,837	15,275
Net from investing activities	(10,901)	(14,245)	(6,268)
Net from financing activities	(3,346)	1,506	(5,968)
Net increase/decrease in cash held	875	1,098	3,039
Opening cash balance	624	694	1,499
<b>Closing cash balance</b>	<b>1,499</b>	<b>1,792</b>	<b>4,538</b>

Figures shown in brackets indicate a deficit or loss

# Financial Summary



## What are other gains and losses?

For accounting purposes, we recognise any changes in the value of our financial assets each year, for example, the changes in the value of the interest rate swap contracts we have entered into. A valuation of Council's interest rate swaps at 30 June 2015 showed a loss in value of \$1,737,000 since the last valuation a year ago, caused by the recent and sharp decline in interest rates (read more on our interest rate swaps on page 20). The value of the Power New Zealand investment fund decreased by \$310,000 up to October 2014 when the investment was sold, and the value of the foreign currency hedging contracts associated with that investment fund decreased by \$233,000 also. Council has shown a loss of \$891,000, which recognises the value of assets that were replaced before the end of their estimated useful life. All of these non-cash losses do not have any impact on Council's cash position – they are adjustments made in our books to ensure that the financial statements comply with International Financial Reporting Standards.



Hobbit house at Hobbiton, Matamata.

## Additional Disclosures

### Reporting entity

Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA), and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The financial statements are for the Council and include a 34% interest in a jointly controlled entity, Thames Valley Combined Civil Defence Committee. There have been no changes in accounting policies during the financial year.

### Capital Commitments

At 30 June 2015, Council have commitments of \$4.704 million for projects where contracts have been entered into but goods or services have not been received. (2014: Nil).

### 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 (WRAL) (2014: \$1,500,000). Subsequent to balance date Council has entered into a sale and purchase agreement with WRAL for the company to buy back Council's portion of the unpaid capital.

**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 eight local authority guarantors of the LGFA.

Together with the shareholders and other guarantors, Council is a guarantor of all of the LGFA's lending. At 30 June 2015, LGFA lending totalled \$5.056 billion (2014: \$3.728 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, the Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore have not recognised a liability. The Council considers the risk of the 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.

**Unquantified claims** - As disclosed in note 25 of the Annual Report, a provision of \$50,000 (2014: \$100,000) 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.

Council is also aware of two further potential claims against Council that have been advised to our insurers (2014: Nil). Council's potential liability in both cases is limited to the insurance excess payable on any successful claim of \$10,000.

**Te Aroha wastewater resource consent** - under the new resource consent issued by Waikato Regional Council for the Te Aroha Wastewater Treatment plant during 2015, if Council fails to meet annual nitrate discharge conditions as per the consent, then an annual sum of \$15,000 will be payable to the local Wetlands Trust.

There are no contingent liabilities associated with Council's joint venture, Thames Valley Combined Civil Defence Committee (2014: nil).

### Event after balance date

Other than the WRAL agreement, there were no further significant events after balance date.

# 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 form the basis of the Long Term 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.



# Community Outcomes

We need to report on our community outcomes to show the community that 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 provide a 24 hour, 7 day a week Animal Control service that during 2014/15 responded to 95.1% 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 100% of health and 100% of alcohol licensing inspections during 2014/15.
	(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 15 October 2014 to recognise business success. We granted approximately \$275,000 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, Citizens Advice Bureau and Sport Waikato.
	(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. The Matamata Public Relations Association and the Morrinsville Chamber of Commerce were both given grants to help fund activities in Matamata and Morrinsville. These activities included providing information services for tourists and supporting businesses and events in the towns.
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 100% 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.	Progress towards this outcome with the civil defence staff training is ongoing as the standard for training is in the development stage. This is being undertaken at a regional level.

# 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. Although we have not met the New Zealand Drinking Water Standards, our testing and monitoring has confirmed that our drinking water supplies are safe to drink.  We continue to encourage appropriate disposal of recyclables resulting in 46.6% of our total waste being diverted from landfill.
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 'Has Council Got It Right?', consultation on our Long Term Plan and the trial closure of the medians on Broadway, Matamata) and provided feedback to the community on how we are doing by publishing our Annual Report 2013/14. We also made improvements to our website so that people can access Council information at their 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 2014/15 there were four meetings of the Te Manawhenua Forum mo Matamata-Piako where manawhenua had input into our decision making process. These meetings were held on 2 September, 2 December 3 March and 2 June. In addition to this, a workshop was held with Forum members on 2 December 2014 to re-affirm their current work programme for Council to consider as part of its Long Term Plan 2015-25 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 carried out consultation on our Long Term Plan as well as the pre-consultation to our Long Term Plan called 'Has Council Got It Right?', trial closure of the medians on Broadway in Matamata, the proposed Matamata Civic Centre and the Significance and Engagement Policy. We will continue to look at ways to best engage with public to encourage participation in the democratic process.
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 2014/15, 198,103 people visited our three libraries.  In total throughout our district our parks were booked 86 times. Te Aroha parks were booked 53 times, with 14 bookings recorded for Matamata parks. Morrinsville park facilities were booked by the community 19 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.	In 2014/15 we had 74,696 visits to our website. We have continued to encourage people to make submissions online through our website and to sign up to our e-newsletter mailing lists. People can also pay their rates, dog registration fees or apply for a resource consent or LIM through our website.
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 they are safe and well maintained for people to use.  We have enlarged the carpark at Te Miro Forest (Waterworks Road Reserve) to improve access and provide better parking for mountain bikers. New reserve name signs have been ordered and will be installed at Te Miro shortly. Funding was approved towards a new public toilet at Te Miro Forest. The project is currently awaiting resource and building consents and is expected to be completed in 2015.  New signs and track markers have been installed along the Te Aroha Mountain Track, Horseman's Track, Lipsey Track and Domain Upper and Lower Tracks. Interpretation signs for Te Aroha Domain and new signs and track markers for the Tui-Domain Track are also being designed and should be installed later in 2015.
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 contributed to 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 completed an investigation into the most viable route to extend the rail trail from Te Aroha to Matamata. This has been included in the Long Term Plan with further investigations underway in 2015/16.

# Community Outcomes



Purpose	Community outcomes	Activities that contribute to these outcomes	How will we contribute?	Progress towards community outcomes
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		
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 2014/15 assessment was self assessed as fully compliant by staff.
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 2014/15 46.6% of refuse was diverted from landfill.
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.	WWe have been undertaking a review of our District Plan. As part of this, the plan changes for transportation, works and network utilities can now be made operative. The plan change looking at the extent of residential, business, industrial and rural-residential zones is underway. We aim to notify submissions in late 2015 for this. We have also continued to monitor the state of the environment and updated this information to the community in November 2014 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 a review of our industrial and rural-residential zones including the development and subdivision controls. We aim to notify submissions in late 2015 and hold a hearing in the first half of 2016.
	(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 71,500 library titles (as at 30 June 2015) excluding magazines, newspapers, electronic databases and national library stock. In 2014/15 we acquired 5,559 new items. 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. In 2014/15 we published information on arts events in our district 17 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.	During this financial year we have been processing Private Plan Change 46 – Development Concept Plan (DCP) for Poultry Processing & Manufacturing, Waitoa which seeks to amend the Development Concept Plan for the Inghams Enterprises NZ (Pty) poultry processing factory in Waitoa. As at 30 June 2015, Inghams were working with the only submitter that wishes to be heard to see if an agreed position could be achieved.
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 2014/15 we have processed 141 resource consents, 139 off these were processed within statutory timeframes. We also processed 732 building consents, all of these were processed within statutory timeframes.
Local Infrastructure	(e) Systems will exist to provide sustainable clean water for our community/ Iwi.	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). Water testing and monitoring confirmed that our water supplies were safe to drink. However, there were specific areas of the new standard where compliance was not achieved mainly due to protozoa and turbidity spikes.
Local Public Services Regulatory Functions	(f) Council will support Tangata Whenua in their role to provide facilities such as marae and papakaainga.		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 safe, 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 during 2014/15. 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



## The 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.	<p>This is measured through the number of meetings held by the Te Manawhenua Forum mo Matamata-Piako and other Committees of Council created under treaty settlement legislation.</p> <p><u>Te Manawhenua Forum mo Matamata-Piako</u></p> <p>In 2014/15 there were four meetings of the Te Manawhenua Forum mo Matamata-Piako. These meetings were held on 2 September and 2 December 2014, 3 March and 2 June 2015. In addition to this a workshop was held with Forum members on 2 December 2014 to re-affirm their current work programme for Council to consider as part of its Long Term Plan 2015-25 budget process.</p> <p><u>Waharoa (Matamata) Aerodrome Committee</u></p> <p>The Committee was created in 2015 by legislation under the Ngati Haua Claims Settlement Act 2014. More information on the Committee is set out further on in the Annual Report under 'Maori participation in decision making'. The Committee held two meetings in 2014/15, on the 26th of March and the 28th of May. Issues considered included an overview of the Aerodrome's operations and financials, options for improving vehicle access to the adjoining marae, and meeting representatives of some of the user groups at the Aerodrome.</p>
		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.	<p>This is measured by the specific instances where the Forum has formally submitted on Council proposals. In 2014/15 the Forum made one submission – to the Matamata-Piako District Council 2015-25 Long Term Plan requesting additional annual funding to hold an annual Waitangi Day event and to advance the annual Forum work programme.</p> <p>In its submission, the Forum acknowledged the good working relationship it has with Council and the progress made on the work streams proposed by the Forum to date. The Forum thanked Council for its partnership in celebrating the 175th anniversary of the signing of Te Tiriti o Waitangi (Treaty of Waitangi) in 2015. The Forum sought annual funding of \$5,000 to hold a Waitangi Day event and additional annual funding of \$5,000 to advance the Forum work programme. Council resolved to contribute up to \$5,000 for the 2015/16 financial year to help fund another Waitangi Day celebration event in support of another funding application to the Crown. This funding is for one year only, and will need to be reviewed by Council after this. Council has declined to increase funding for the forum work programme by \$5,000; instead Council advised that the Forum should look at utilising its existing \$20,000 budget which is usually under spent by approximately this amount each year.</p>
		We sometimes establish working parties to undertake specific projects and report back to the full Council.	We measure progress through the number of Council initiated working parties which have Iwi representation. There were no Council initiated working parties with Iwi representation in 14/15.

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
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	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.	<p>We measure this through the number of resource consent consultation responses each financial year, the most recent results being for 2013/14 as part of the State of the Environment report that was produced 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.</p> <p>The response rates by Iwi to Council consultation has varied in the past 10 years, in the range between 42% 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. It is anticipated that as Iwi complete treaty settlement negotiations, Council will continue to move towards a model of providing reports on resource consents to Iwi, and our indicators will need to be reviewed, as the percentage of individual responses to resource consents will drop.</p> <p>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%; 2013/14 - 42%.</p>
(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.	<p>We measure progress as part of the annual survey of Forum members, where we ask, "How satisfied are you with Council's recognition of Treaty of Waitangi settlement issues?" In 2014 there was an average score of 5.6/10 - 0 being very dissatisfied, 10 being very satisfied (this is compared to previous results - 2014:3.9/10; 2013: 3.7/10; and 2012: 6.6/10).</p> <p>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 3.8/10 (this is compared to previous results - 2014:3.6/10; 2013: 3.8/10; and 2012: 4.3/10).</p>
	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.	<p><u>Te Tiriti o Waitangi/Treaty of Waitangi</u></p> <p>We measure progress through the extent to which we have participated in Treaty of Waitangi settlement negotiation discussions. There are four Iwi groups within Matamata-Piako that are at various stages with the Crown regarding Treaty of Waitangi Settlements. Council has been engaged at varying levels in these processes.</p> <p><u>Hauraki Iwi</u></p> <p>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 ongoing.</p> <p><u>Ngati Haua</u></p> <p>Council has also been engaged in the Ngati Haua Treaty of Waitangi settlement negotiations, which have now completed, with the Ngati Haua Claims Settlement Act 2014 passed in late 2014/15. More details on the Act and its impact on Maori participation on Council decision making are set out further on in the Annual Report under 'Maori participation in decision making'.</p> <p><u>Raukawa</u></p> <p>Raukawa has completed its treaty settlement negotiations, with the Raukawa Claims Settlement Act 2014 passed in mid 2014/15. More details on the Act and its impact on Maori participation on Council decision making are set out further on in the Annual Report under 'Maori participation in decision making'.</p> <p><u>Ngati Hinerangi</u></p> <p>Ngati Hinerangi is an Iwi based in the East Waikato - Tauranga Moana district. It has recently been recognised by the Crown as an entity that can participate in the Treaty Settlement process. Ngati Hinerangi is now in the very early stages of its discussions with the Crown - negotiating towards an agreement in principle with the Crown. While details are not yet known, it is anticipated that Council will be involved in these discussions in the future.</p>

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
3. Recreation and facilities			
(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 measure progress by recording how Council has supported/ contributed to Maori cultural facilities (e.g. funding, rates relief). We currently have recorded 40 non rateable Maori properties and 150 rateable Maori properties in the district (compare to 144 in 2013/14). The value of non rateable (freehold) Maori properties in the district is \$5,389,200. The value of rateable Maori properties in the district is \$72,727,200 (compared to \$63,581,400 in 13/14). The value of Maori freehold land is adjusted to reflect the requirements of Te Ture Whenua Maori Act 1993. Council remits approximately \$13,000 each year on Maori properties. There were no applications to the Heritage Building Fund in 2014/15.
(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.	We measure progress by the number of formalised arrangements for joint management of reserves and times Iwi are consulted with on reserve management plans and the number of reserves classified as historic reserves or otherwise for Maori purposes. As a result of completion of Treaty of Waitangi settlement negotiations with Ngati Haua, we have one statutory co-governance Committee of Council and Ngati Haua to oversee the governance of the Waharoa (Matamata) Aerodrome. More details on the two Committee meetings and the issues they considered are set out further on in the Annual Report under 'Maori participation in decision making'. We have not undertaken a review of any reserve management plans during 2014/15. 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.	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. We measure progress by the number of resource consents applied for/granted to substantially modify scheduled heritage buildings and/or buildings within the Te Aroha character area and measures taken by Council toward the recognition and protection of cultural/heritage sites (e.g. funding, numbers of resource consents impacting heritage or cultural sites). <u>Character areas/heritage</u> The Te Aroha Character Area has a special zoning to protect its unique buildings and places. From 2000/01 – 2013/14 there have been 10 resource consents applied for (and granted) to substantially modify scheduled buildings in the Te Aroha Character Area. These have mainly related to altering the appearance of buildings by the addition of signage or decks. In 2010/11 the only consent granted for modification was for alterations and repairs to the Band Rotunda in the Te Aroha Domain. In 2012/13 two consents were granted. Extensions were made to the Te Aroha fire station. The Te Aroha Masonic Lodge was rebuilt for use as a veterinary clinic. One consent was granted in 2013/14 to refurbish an existing retail facility within the Te Aroha Character Area. Two consents were granted in the 2006/07 year to develop structures in the Character Area. One structure was a covered outdoor area for a hotel and the other was a garage. There were no consents granted to construct new buildings within the Te Aroha Character Area between 2007/08 and 2013/14. Since 2000/01, six resource consents have been granted to modify listed heritage features outside the Te Aroha Character Area. The most recent consent application was granted in 2013/14. It was an extension of time for a resource consent first granted in 2008/09. This was for the removal of the Thames Valley Power Board building in Matamata. 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 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 also an upgrade of buildings at the Rukumoana Marae. In 2012/13 there was an application to construct a new wharehau 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. There are 88 listed heritage features in the Matamata-Piako District Plan. These include historic buildings such as churches and commercial buildings, as well as monuments, geological formations, and landing sites. In the 2010/11 year the Te Aroha Power House was added to the heritage schedule. There are 78 other culturally significant sites in the district including urupa (Maori burial site), 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. There were no applications to the Heritage Building Fund in 2014/15. <u>Responses to resource consents</u> We measure the number of resource consent consultation responses each financial year, the most recent results being for 2013/14 as part of the State of the Environment report that was produced 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, in the range between 42% and 90%, it is anticipated that Iwi response rates will improve as more Iwi in and around the district complete treaty settlement negotiations. In almost all of the responses received, Iwi stated that they had no concerns with the proposals. It is anticipated that as Iwi complete treaty settlement negotiations, Council will continue to move towards a model of providing reports on resource consents to Iwi, and our indicators will need to be reviewed, as the percentage of individual responses to resource consents will drop. 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%; 2013/14 - 42%.
(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		

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
(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	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.	This is measured through our library records which capture the titles that have a Maori statistical category (which is broadly similar to a 'collection'). In the 2014/15 financial year our total Maori item category count was 1503. In the 2014/15 financial year we added 29 new items with a Maori item category to our library collection. The usage of our Maori collection items is measured by our borrowing records. In 2014/15 there were 882 Maori items issued to library members compared with 1171 in 2013/14.
	Communications	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.	We measure progress by the number of Maori events promoted on our website. We held a pool party to celebrate Waitangi Day. We promoted this event through our website. For the period July - December 2014 we did not have any Maori events to promote. We will endeavour to work with members of our Te Manawhenua Forum to identify events within our district that we can promote in our events calendar.
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.	<p>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. We measure progress by the number of resource consents applied for/granted to substantially modify scheduled heritage buildings and/or buildings within the Te Aroha character area and measures taken by Council toward the recognition and protection of cultural/heritage sites (e.g. funding, numbers of resource consents impacting heritage or cultural sites).</p> <p><u>Character areas/heritage</u></p> <p>The Te Aroha Character Area has a special zoning to protect its unique buildings and places. From 2000/01 – 2013/14 there have been 10 resource consents applied for (and granted) to substantially modify scheduled buildings in the Te Aroha Character Area. The majority were related to altering the appearance of buildings by the addition of signage or decks. In 2010/11 the only consent granted for modification was for alterations and repairs to the Band Rotunda in the Te Aroha Domain.</p> <p>In 2012/13 two consents were granted. Extensions were made to the Te Aroha fire station. The Te Aroha Masonic Lodge was rebuilt for use as a veterinary clinic. One consent was granted in 2013/14 to refurbish an existing retail facility within the Te Aroha Character Area. Two consents were granted in the 2006/07 year to develop structures in the Character Area. One structure was a covered outdoor area for a hotel and the other was a garage. There were no consents granted to construct new buildings within the Te Aroha Character Area between 2007/08 and 2013/14.</p> <p>Since 2000/01, six resource consents have been granted to modify listed heritage features outside the Te Aroha Character Area. The most recent consent application was granted in 2013/14. It was an extension of time for a resource consent first granted in 2008/09. This was for the removal of the Thames Valley Power Board building in Matamata. 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 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 also an upgrade of buildings at the Rukumoana Marae. In 2012/13 there was an application to construct a new wharehau 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>There are 88 listed heritage features in the Matamata-Piako District Plan. These include historic buildings such as churches and commercial buildings, as well as monuments, geological formations, and landing sites. In the 2010/11 year the Te Aroha Power House was added to the heritage schedule. There are 78 other culturally significant sites in the district including urupa (Maori burial site), 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. There were no applications to the Heritage Building Fund in 2014/15.</p>

# Maori Outcomes



Community outcomes	Activities that contribute to these outcomes	How do we contribute?	Progress towards community outcomes
(f) Council will support Tangata Whenua in their role to provide facilities such as marae and papakaainga.	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 papakaainga.	<p>We measure progress by recording the number of Iwi development and management plans in operation. An Iwi management plan is a document developed and approved by Iwi to address matters of resource management activity of significance within their respective rohe (ancestral lands). The plans can contain information relating to specific cultural values, historical accounts, descriptions of areas of interest (hapu/Iwi boundaries) and consultation and engagement protocols for resource consents and plan changes. These plans are taken into account by the council in the management of the region's natural resources, providing a formal way for Iwi interests to be incorporated into the council's decision making.</p> <p>We are aware of two Iwi development or management plan within the district boundaries:</p> <ul style="list-style-type: none"> <li>the Te Rautaki Taiao a Raukawa, the Raukawa Environmental Management Plan 2015 from Raukawa</li> <li>Waikato-Tainui Environmental Plan, Tai Tumu, Tai Pari, Tai Ao from Waikato-Tainui.</li> </ul> <p>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).</p>
	Finance and Business Services	We aim to support Tangata Whenua to provide facilities such as marae and papakaainga through our policy on rates remissions for Maori freehold land and policy on postponement of rates on Maori freehold land.	<p>We measure progress by recording the number of non-rated Marae and meeting houses as per the Local Government (Rating) Act 2002). We currently have recorded 40 non rateable Maori properties and 150 rateable Maori properties in the district (compare to 144 in 2013/14). The value of non rateable (freehold) Maori properties in the district is \$5,389,200. The value of rateable Maori properties in the district is \$72,727,200 (compared to \$63,581,400 in 2013/14). The value of Maori freehold land is adjusted to reflect the requirements of Te Ture Whenua Maori Act 1993. Council remits approximately \$13,000 each year on Maori properties.</p> <p>There were no applications to the Heritage Building Fund in 2014/15.</p>

# 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 has 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 now only send Ngati Haua a list of all the resource consents that we receive each week and they make enquiries about any that they are interested in seeing.

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.mpd.govt.nz](http://www.mpd.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 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 settling Treaty of Waitangi claims. While these agreements are between the Crown and Iwi, we 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 ongoing 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 engaged in the Ngati Haua Treaty of Waitangi settlement negotiations. The Ngati Haua Claims Settlement Act 2014 was passed in to law in December 2014. The Act 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 (Matamata) Aerodrome. As part of settlement the Council, the Crown and Ngati Haua agreed that a co-governance committee called the Waharoa (Matamata) Aerodrome Committee comprising of Ngati Haua and Council representatives (the Committee) would be established for the Waharoa Aerodrome.

The Committee was created in 2015 by legislation under the Ngati Haua Claims Settlement Act 2014. The Committee comprises of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngati Haua Iwi Trust Board trustees. The functions of the Committee, as set out in the Ngati Haua Claims Settlement Act 2014 are to:

- make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land
- make final decisions on access and parking arrangements for the Raungaiti Marae land that affects the Waharoa Aerodrome
- 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.

# Maori Participation in Council Decision Making

The Committee held two meetings in 2014/15, on the 26th of March and the 28th of May. Issues considered included an overview of the Aerodrome's operations and financials, options for improving vehicle access to the adjoining marae, and meeting representatives of some of the user groups at the Aerodrome.

Ngati Haua also has provisions for statutory acknowledgements, in a framework similar to the one previously described below for Raukawa. The statutory acknowledgements for Ngati Haua cover the following areas within the Matamata-Piako District:

- Te Wairere (being Wairere Falls Scenic Reserve, part of Gordon Park Scenic Reserve, and part of Kaimai Mamaku Conservation Park)
- Te Weraiti (being part of Kaimai Mamaku Conservation Park)
- Ngatamahinerua (being part of Kaimai Mamaku Conservation Park and part of Maurihiro Scenic Reserve)
- Waorongomai (being part of Kaimai Mamaku Conservation Park)
- parts of the Waikato River and tributaries.

Council will incorporate the statutory acknowledgements, as they relate to the district in schedule 10 of the Matamata-Piako Operative District Plan in August 2015/16. More information on the statutory acknowledgements for Ngati Haua can be found in the Ngati Haua Claims Settlement Act 2014 ([www.legislation.govt.nz](http://www.legislation.govt.nz)).

## Raukawa Treaty of Waitangi Settlement

The Crown has 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 included in the Ngati Haua Claims Settlement Act 2014) 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. Raukawa have also released Te Rautaki Taiao a Raukawa, the Raukawa Environmental Management Plan 2015.

Council has been required to include statutory acknowledgements in its District Plan. The purpose of the statutory acknowledgement is to:

- require relevant consent authorities (including Council), the Environment Court, and Heritage New Zealand Pouhere Taonga to have regard to the statutory acknowledgement
- require relevant consent authorities to record the statutory acknowledgement on statutory plans that relate to the statutory areas and, for a period of 20 years from the effective date, to provide to the trustees summaries of resource consent applications or copies of notices of applications for activities within, adjacent to, or directly affecting the areas listed below
- enable the trustees and any member of Raukawa to cite the statutory acknowledgment as evidence of the association of Raukawa with a statutory area.

The statutory acknowledgements for Raukawa in the Matamata-Piako District cover the:

- part of the Kaimai-Mamaku Conservation Park
- the Okauia and Taihoa geothermal fields
- parts of the Waihou River and its tributaries
- part of Lake Karapiro.

More information on the statutory acknowledgements for Raukawa can be found in the Raukawa Claims Settlement Act 2014 ([www.legislation.govt.nz](http://www.legislation.govt.nz)) and schedule 10 of the Matamata-Piako Operative District Plan ([www.mppdc.govt.nz](http://www.mppdc.govt.nz)).