

# Annual Report Summary 2009/10

## Our Community Our Future

Matamata-Piako District Council recently published the Annual Report for the 2009/10 financial year, which detailed our achievements against the activities, projects and budgets signalled in the 2009-2019 Long-Term Council Community Plan (LTCCP). The information obtained in this summary is drawn from the full 2009/10 Annual Report.

**This summary outlines:**

- Council's end of year financial position;

- Council's performance in the areas of Community Development, Community Facilities, Community Infrastructure and Environmental Care; and
- Council's audit opinion from – Audit New Zealand.

The full 2009/10 Annual Report is available online at [www.mpdc.govt.nz](http://www.mpdc.govt.nz) or at Council offices in Matamata, Morrinsville and Te Aroha. Alternatively you can phone 0800 746 467 and a copy of the Annual Report will be posted to you.

## We are pleased to present the Annual Report Summary 2009/10

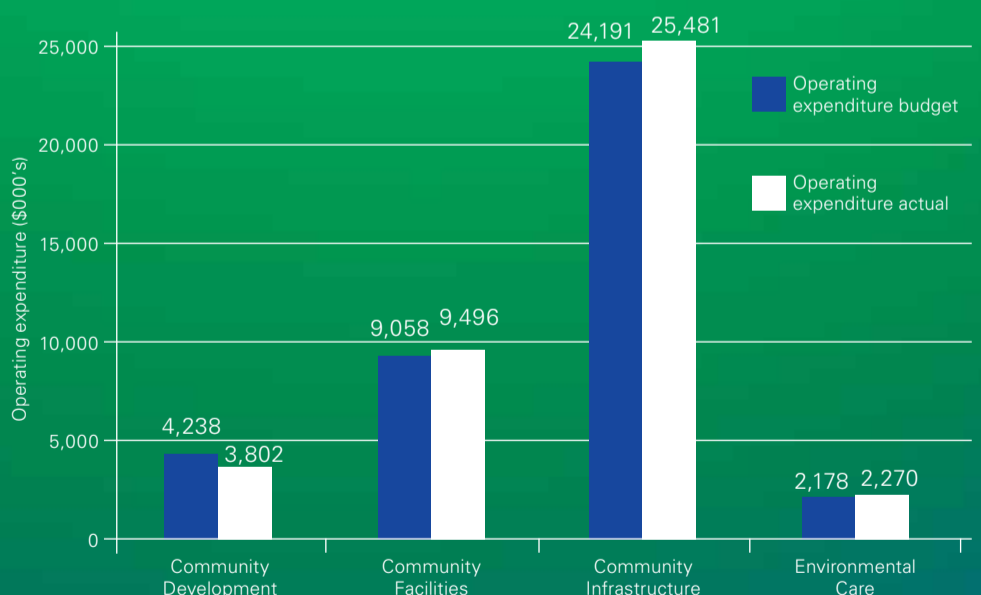
The Annual Report completes the first year of our 2009-2019 Long-Term Council Community Plan.

This 12 month period again saw good progress in long-term planning and policy in a number of areas. We have also made progress on a number of important projects that will provide benefits to our community for many years to come. Some examples of these are listed below:

- Council's overall financial position remains sound as at 30 June 2010. All Council's activities and projects completed during the year were largely within budget;
- Council has again run the Business Night Out awards, Industry Training Graduations and the Community Volunteer Awards, all with great success. We have added Geographic Information Systems (GIS) mapping to our new website, the first of the e-services that we are planning to make available to our community;
- Council has completed four District Plan changes, the most significant of which has been the addition of Precinct F to the Matamata residential and rural residential zones. We have also completed a Growth Strategy, which will assist our work to accommodate future growth in our district;
- Council has achieved excellent results on satisfaction levels with our housing, libraries, parks, public amenities and aquatic facilities (over 90% satisfaction rates). These results were obtained through our Annual Customer Survey undertaken by Versus Research;
- Council has started work on projects to upgrade the wastewater treatment plants in Matamata, Waihou and Morrinsville. A wastewater treatment plant at Tahuna has also been completed. The works at the Matamata, Morrinsville and Tahuna treatment plants were scheduled for this financial year. Work started at the Waihou treatment plant was brought forward to allow environmental issues to be addressed;
- Council is seen as one of the leading authorities in the Waikato in terms of its improvement of drinking water systems to meet the standards required in 2014. Council compliance with the New Zealand Drinking Water Standards (NZDWS) has not been achieved for this year. This is because Council does not yet have 12 months worth of continuous compliance monitoring data. This data is required to meet an "A" grading for our water schemes. There are no tests which indicate that the water was anything other than safe to drink. Council has installed equipment and systems necessary to achieve compliance and is now focusing on obtaining the required data in order to achieve compliance with the NZDWS in 2012; and
- Council has completed a Waste Minimisation Strategy, this strategy sets out our goals as a community to take responsibility for, and reduce the amount of waste we send to landfill. Our solid waste monitoring has shown an increase in the percentage of waste being recycled, this is a trend we wish to continue in the coming years.

There are many other projects that have happened this year, all of which have contributed to the results shown in the Annual Report. Council would like to thank and acknowledge Councillors and Council staff for all the effort put in to achieve this. Thank you also to the many groups and individuals who have involved themselves by assisting Council in achieving such a satisfactory result.

### Key activity areas operating expenditure 2009/10



*Hugh Vercoe*

**Hugh Vercoe** QSM, ED, JP  
Mayor

6 October 2010

## Key Achievements

This is a summary of Council's achievements in the 2009/10 financial year. The four major groups of activities are outlined below.

### Community Development

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

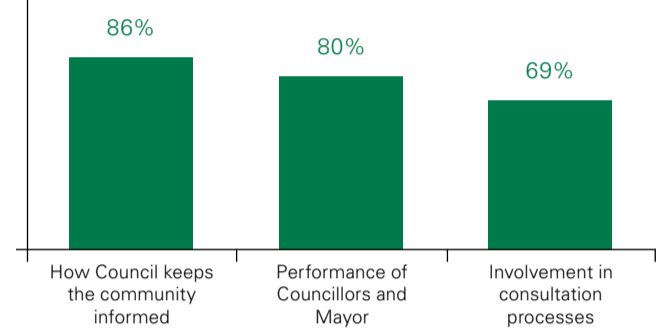
#### Summary

8 out of the 13 performance measures for Community Development were achieved.

#### Key achievements

- The first community outcomes report (now available on our website and at our offices) was completed which gives the community an update on how we are progressing towards our community outcomes;
- A Growth Strategy was developed to provide guidance to future development in the district and to allow for more informed decision-making; and
- Plan changes 2 (Greenlea Premier Meats Limited), 16 (Rezoning of Kaitiaki Conservation Zone - Dearlove), 31 (Precinct F, Matamata), and 33 (Local & General Election Signage) were completed.

Community satisfaction 2009/10



#### Key performance measures and trends

Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Communications</b> Percentage of the community satisfied/very satisfied with how Council keeps them informed	New measure	Baseline established	86% satisfied	✓	A key part of the communication role is to ensure the public are informed on Council activities, and to promote and encourage community participation.
<b>Democracy</b> Percentage of the community satisfied/ very satisfied with the performance of Councillors and Mayor	New measure	85% satisfied	80% satisfied	x	For people to participate in the democratic process they need to trust that Council will listen to and respect ideas from the community.  80% of residents surveyed were satisfied/very satisfied, 10% were not very satisfied and 10% were unsure.
<b>District Plan</b> 100% of plan changes researched, proposed, consulted, and reported on as required by Council in accordance with the relevant statutory requirements	100%	100%	100%	✓	The District Plan is a living document that needs to continually be maintained and developed to keep up with legislation, other plans and strategies, and changes within the community.
<b>Strategies and Planning</b> Percentage of the community satisfied/very satisfied with the involvement in consultation process	55%	52%	69%	✓	Information and advice provided by Council will ensure that people are able to participate when Council is preparing plans and strategies.  69% of the community was satisfied/very satisfied, 9% were not very satisfied and 22% were unsure.

### Community Facilities

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

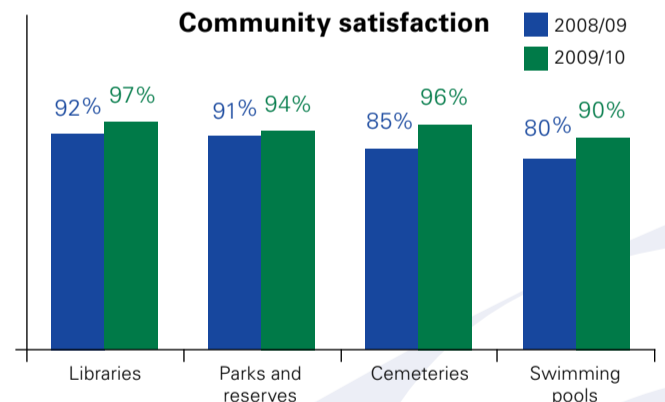
#### Summary

13 out of the 16 performance measures for Community Facilities were achieved.

#### Key achievements

- Reserve Management Plans were adopted for active and passive reserves;
- The development of the Stillborn Memorial Section at Piako Cemetery, Morrinsville;
- A District Heritage Trail was completed, which links the three towns and visits places of historical interest on the way; and
- An Arts, Culture and Heritage Strategy was adopted to provide a clear set of priorities for the enhancement of arts, culture and heritage facilities and initiatives across the district.

Community satisfaction



#### Key performance measures and trends

Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Housing and other property</b> Percentage of pensioner housing tenants satisfied/very satisfied with standard of maintenance and accommodation	84%	75%	94%	✓	Council provides pensioner housing for the community so that elderly people can have access to good quality affordable housing.  94% of respondents (67/71) were satisfied or very satisfied with pensioner housing. 82% were satisfied with the maintenance of the buildings and 86% were satisfied with the maintenance of the grounds.
<b>Libraries</b> 94% of users satisfied/ very satisfied with library services	92% satisfied	94% satisfied	97% satisfied	✓	Providing quality library services contributes to the attractiveness of living in our district.
<b>Parks and Reserves</b> 90% of users satisfied/ very satisfied with parks and reserves	91%	90%	94%	✓	Parks, reserves and play areas are provided to support the health and wellbeing of the community.
<b>Public Amenities</b> 90% of people satisfied/ very satisfied with cemeteries, who have visited a Council cemetery in the last year	85% satisfied	90% satisfied	96% satisfied	✓	Maintaining cemeteries at a standard that meets the satisfaction of cemetery visitors and shows respect to our deceased.
<b>Recreation and Culture</b> 80% of customers satisfied/ very satisfied with aquatic facilities that have used them in the last year	80%	80%	90%	✓	Aquatic facilities are provided to support the health and wellbeing of the community.

## Community Infrastructure

Community Infrastructure represents many of the responsibilities that Council has historically managed; maintenance and development of roads, stormwater, wastewater (sewage), water supply and waste management.

### Summary

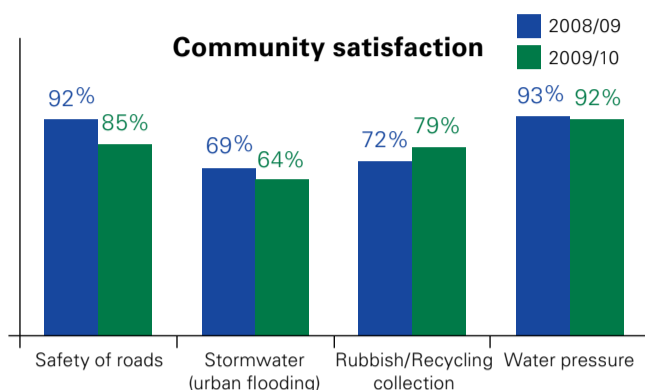
8 out of the 20 performance measures for Community Infrastructure were achieved.

### Key performance measures and trends

Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Roading</b> 85% of users believe the roading network is safe	92%	85%	85%	✓	85% of people surveyed agreed/strongly agreed with this statement. 14% disagreed/strongly disagreed and 1% were unsure.
<b>Stormwater</b> Resource Consent compliance for discharge of stormwater to waterways	New measure	Partial compliance of resource consents as measured by EW	Not measured	x	Council has submitted a self assessment to Environment Waikato. This shows compliance with all but one of our resource consents. While minimum monitoring was undertaken on the non-complying consent, a formal monitoring programme (now developed) had not been implemented.
<b>Waste Management</b> Proportion of waste recycled and/or composted from transfer stations and kerbside recycling collection service	20%	22%	23.6%	✓	Transfer stations and refuse and recycling collection services provide residents with a range of options to manage their waste.
<b>Wastewater</b> Compliance of resource consents for discharge of treated wastewater from wastewater treatment facilities to waterways	New measure	Partial compliance of resource consents as measured by EW	Not measured	x	Council has five wastewater treatment plants which need resource consent for discharge to waterways. The Morrinsville plant is achieving a high level of compliance, the Matamata plant is achieving partial compliance. Tahuna has not yet been tested for compliance. New consents for Te Aroha and Waihou have been applied for and are being processed by the Waikato Regional Council.
<b>Water</b> Compliance with NZ Drinking water standards	Compliance not achieved	Compliance achieved	Compliance not achieved	x	The Tawari and Matamata South supplies both have A gradings under the NZDWS 2000. The Matamata Tills Road, Morrinsville and Te Aroha supplies are compliant with E.Coli specifications, however they do not meet the NZDWS 2000 due to water clarity issues. We have made improvements to these plants and good progress towards obtaining the data required to meet NZDWS 2008 grading requirements. The Te Aroha West supply is not treated and cannot meet NZDWS in its current state.

### Key achievements

- A Waste Minimisation Strategy and action plan has been adopted;
- Stormwater Management Plans for all the towns have been completed. These plans identified that the major contributing factor towards flooding issues was the disposal of stormwater on private properties;
- The construction of a wastewater treatment plant at Tahuna has been completed; and
- New Zealand Transport Agency's safety assessment showed that our rural sealed network is in good shape from a safety perspective.



## Environmental Care

Environmental Care represents Council's role and commitment in protecting the natural resources of the district and our mandated responsibility to arbitrate between the different needs and interests of community members. It also contributes to the safety and health of our communities. This activity is responsible for resource consents, building consents, environmental health, liquor licences, animal control, and civil defence.

### Summary

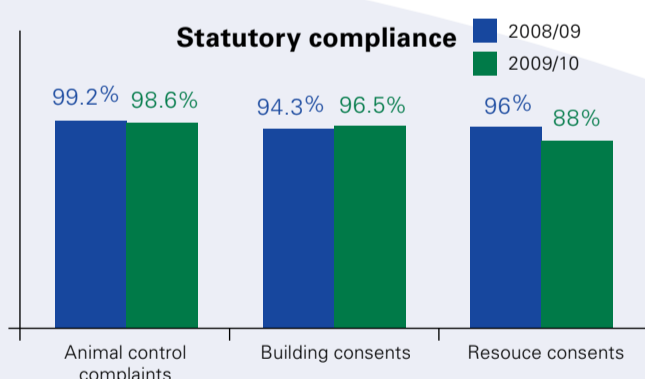
7 out of the 12 performance measures for Environmental Care were achieved.

### Key performance measures and trends

Measure	Actual 08/09	Target 09/10	Actual 09/10	Achieved	Comments
<b>Animal Control</b> 100% of complaints will be investigated and reported back to complainant within adopted timeframes	99.2%	100%	98.6%	x	712/722 (98.6%) complaints were investigated within adopted timeframes. However due to the implementation of a new corporate system we are not able to report on whether the outcome was reported back within adopted timeframes. A reporting system will be in place by mid 2010 which will allow us to report on the results.
<b>Building Control</b> 100% of building consents will be processed within statutory timeframes (20 working days)	94.3%	100%	96.5%	x	Building consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly. 96.5% (601/623) were processed within statutory timeframes. The main reasons for not meeting timeframes are workload and complexity of some applications.
<b>Community Protection</b> 100% of food premises in the district are inspected annually to ensure they comply with standards	New measure	100% inspected	100% inspected	✓	People can have confidence in the hygiene standards when purchasing food from premises in the district. 152/152 of food premises in the district have been inspected.
<b>Regulatory Planning</b> Percentage of resource consents processed within statutory timeframes	96%	80%	88%	✓	Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly. 191/216 resource consents were processed within statutory timeframes.

### Key achievements

- Council's building control unit retained its accreditation following re-assessment by International Accreditation New Zealand;
- Council successfully implemented a new corporate software system, this included transferring and updating a large amount of data to improve accuracy in recording of information and streamline processes; and
- A new district dog pound, to be built in Waihou has been through the design, resource consent and tendering stages, construction is programmed to begin in August 2010.



## Financial Summary

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

**Operating expenses**  
These are our day to day expenses such as the phone and power bill

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

**Assets**  
The property we own

**Liabilities**  
The amount we owe

**Equity**  
Is the total that we own minus the total that we owe

**Net**  
This is what's left after all deductions

**Operating activities**  
Difference between operating revenue and operating expenses

**Investing activities**  
Difference between buying and selling assets

**Financing activities**  
Difference between borrowing and repayment of loans

**Cash held**  
Money in bank

Statement of comprehensive income for the year ended 30 June 2010	2008/09 Actual \$000's	2009/10 Budget \$000's	2009/10 Actual \$000's
• Operating revenue	46,590	38,746	40,852
• Operating expenses	37,828	37,078	38,352
Finance cost	1,609	1,807	1,614
Net surplus/(deficit)	7,153	(139)	886
Other comprehensive income	23,925	(195)	-
<b>Total comprehensive income</b>	<b>31,078</b>	<b>(334)</b>	<b>886</b>

Statement of changes in equity for the year ended 30 June 2010	2008/09 Actual \$000's	2009/10 Budget \$000's	2009/10 Actual \$000's
Balance at 1 July	506,118	519,943	537,196
• Total comprehensive income	31,078	(334)	886
<b>Balance at 30 June</b>	<b>537,196</b>	<b>519,609</b>	<b>538,082</b>

Statement of financial position as at 30 June 2010	2008/09 Actual \$000's	2009/10 Budget \$000's	2009/10 Actual \$000's
• Current assets	14,760	10,725	20,314
Non-current assets	550,174	551,711	553,503
Total assets	564,934	562,436	573,817
Current liabilities	19,317	5,546	7,835
• Non-current liabilities	8,421	37,281	27,900
Total liabilities	27,738	42,827	35,735
<b>Equity and net assets</b>	<b>537,196</b>	<b>519,609</b>	<b>538,082</b>

Statement of cashflows for the year ended 30 June 2010	2008/09 Actual \$000's	2009/10 Budget \$000's	2009/10 Actual \$000's
• Net from operating activities	16,316	9,419	12,624
• Net from investing activities	(18,780)	(20,935)	(18,961)
• Net from financing activities	(1,181)	7,530	8,428
Net increase/decrease in cash held	(3,645)	(3,986)	2,091
Opening cash balance	9,235	5,994	5,590
<b>Closing cash balance</b>	<b>5,590</b>	<b>2,008</b>	<b>7,681</b>

The statement of comprehensive income shows a surplus of \$0.886 million was achieved for the year ended 30 June 2010, against a budgeted deficit of \$0.334 million. The increased surplus to budget was largely as a result of; the recognition of the value of infrastructural assets that were vested to Council through the subdivision process \$1.362 million, the sale of lots in Matamata's Mangawhero Road industrial land subdivision of \$0.681 million, and a higher than budgeted dividend received from the Power New Zealand investment fund \$0.227 million. These increases were offset by a decrease in revenue from development contributions which were \$0.689 million less than budgeted as a result of the economic downturn. Operating revenue in the previous year was significant due to the sale of 17 of the Mangawhero lots.

The statement of financial position shows that Council's equity or net assets are \$18.5 million above the budgeted level. This is largely due to the impact of the prior year's revaluation of fixed assets that resulted in a significant unbudgeted increase in the value of assets.

The statement of cashflows shows that net cash inflows were ahead of budget by over \$6 million, which is significantly due to the Matamata Mangawhero Road industrial land subdivision lot sales, the receipt of dividends and proceeds from borrowings, offset by a delay in capital spending.

The actual levels of service provided to the community for all activities are generally similar to those expected in the 2009-19 Long-Term Council Community Plan.

## Additional Disclosure

### Reporting Entity

Matamata-Piako District Council is a Local Authority under Schedule 2, Part 2, of the Local Government Act 2002. The financial statements have been prepared in accordance with the provisions of this legislation. Council has designated itself as a public benefit entity for the purpose of the New Zealand equivalents of the International Financial Reporting Standards.

### Statement of Commitments

Council's commitment on projects where contracts have been entered into but goods or services have not been received is \$5.213 million (2009: \$0.552 million).

### Contingent Liabilities

Council may be exposed to potential future claims for weathertightness of homes within the district which 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.

RiskPool provides public liability and professional indemnity insurance for its members. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/03 and 2003/04 fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Council is party to a property settlement dispute. The potential liability, (if any), cannot be quantified at this stage, however legal costs related to any potential case may be up to \$20,000. The risk of any future liability is considered low.

Council has a contingent liability of \$1.5 million for uncalled capital in respect of Council's 15.625% shareholding in the Waikato Regional Airport Limited (2009: \$1.5 million). There are no plans at this stage for the capital to be called.

## Audit Report

### To the readers of Matamata-Piako District Council's summary annual financial statements, groups of activity statements and the other requirements for the year ended 30 June 2010

We have audited the summary financial statements, groups of activity statements and the other requirements of Schedule 10 of the Local Government Act 2002 as set out on pages 1 to 4.

### Unqualified opinion

In our opinion:

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

We expressed an unqualified audit opinion, in our report dated 6 October 2010, on:

- the full financial statements;
- the groups of activity statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

### Basis of opinion

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

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, groups of activity statements and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, groups of activity statements and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.



F Caetano  
Audit New Zealand  
On behalf of the Auditor General  
Auckland, New Zealand  
6 October 2010

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

This audit report relates to the summary financial statements, service provision information and the other requirements of Matamata-Piako District Council for the year ended 30 June 2010 included on the Matamata-Piako District Council's website. The Council is responsible for the maintenance and integrity of Matamata-Piako District Council's website. We have not been engaged to report on the integrity of Matamata-Piako District Council's website. We accept no responsibility for any changes that may have occurred to the summary financial statements, service provision information and the other requirements since they were initially presented on the website.

The audit report refers only to the summary financial statements, service provision information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary financial statements, service provision information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements, service provision information and the other requirements as well as the related audit report dated 6 October 2010 to confirm the information included in the audited summary financial statements, service provision information and the other requirements presented on this website.



matamata  
piako  
district council