He Whakarāpopototanga o te Pūrongo ā-Tau 2024/25

2024/25 Annual Report Summary

MASTERTON WHAKAORIORI DISTRICT COUNCIL

Please Note: This document is a condensed version of the Annual Report. The financial statements and performance summaries contained in this report do not include all of the disclosures and detail provided in the full Annual Report. Please refer to the Annual Report on the Council website www.mstn.govt.nz for a complete understanding of the Council's performance.

Kupu Takamua

Foreword

Kōrero whakataki a te koromatua me te tūmuaki

E ngā iwi, e ngā karangataha, te iti me te rahi, tēnā koutou, tēnā tātou.

The year to 30 June 2025 has been a productive period for Masterton District Council, marked by progress in delivering essential services and infrastructure improvements for our community.

We have maintained a focus on delivering the basics that matter most to our residents well – roads, drinking water, wastewater, and stormwater systems. This commitment to core service delivery has been a focus for the year.

Throughout the year we have maintained strong financial discipline, staying within planned levels of rates funding, while ensuring adequate investment in essential infrastructure and services. Our focus on practical solutions and efficient delivery has enabled us to achieve meaningful progress within available resources and within budget.

The planned capital expenditure programme for the year of $48 million was ambitious and 82% was spent on upgrading and renewing assets across all areas of Council. As we look ahead, we remain committed to our core mission of delivering reliable, essential services that support the wellbeing and prosperity of our community.

The achievements outlined in this report reflect the dedicated efforts of our elected members and staff and our continued partnership with residents in building a resilient and thriving Masterton district.

Rebecca Johnson
Mayor

Kym Fell
Chief Executive

Te tau kua taha

Our year at a glance

812km of roading network maintained – that's the same as the distance between Masterton and Paihia

9,000m³ of gravel was added across the unsealed road network

360 road signs were replaced and 20 new ones added.

4.6km of water mains renewed in key locations – the same length as Farriers to Solway Park Hotel

1.9km of sewer mains replaced or relined – that's longer than the runway at Hood Aerodrome

322 meters of old stormwater pipes were replaced – that's almost the length of the Colin Pugh Sports Bowl running track.

924 tonne (6.9 percent) reduction in the amount of waste sent to landfill by Masterton residents - that's equivalent to 460 cars.

700+ free events at the Library – that works out to be nearly 2 per day

4,200 native plants planted in the Southern Reserve at Riversdale Beach.

161,719 visits to the Trust House Recreation Centre, or more than 5 visits per resident per year

New Henley Lake Playground opened, creating an accessible, inclusive play space

Our future

Our vision for Masterton/Whakaoriori

The vision we outlined in our 2024-34 Long-Term Plan was "Working Together: Our people – Our place – Our future".

We want the best for everyone in our community, and especially our tamariki and mokopuna. We want them to be proud of who they are, and where they come from. We want Masterton to be a place where everyone thrives.

We have identified five aspirational outcomes that will help us achieve our vision for Masterton.

Our vision

Working Together
Our people – Our place – Our future

Our community outcomes

- An engaged and empowered community
- Pride in our identity and heritage
- A sustainable and healthy environment
- A thriving and resilient economy
- Efficient, safe and effective infrastructure

The Council has identified strategic and operational priorities for the 2024-34 Long-Term Plan that will help us work toward achieving our vision and community outcomes

Our People – living their best lives	**Our Place** – getting the basics right	**Our Future** – achieving our potential
• Partnering with mana whenua	• Delivering efficient and effective services	• Realising our strengths and opportunities
• Community led, council supported	• Improving our infrastructure	• Enabling positive growth and development
• Embracing social and cultural inclusivity	• Valuing our community and open spaces	• Responding to climate change and building resilience

Underpinned by six key values that build trust

- Equity
- Affordability
- Integrity
- Transparency
- Accountability
- Respect

Ngā kakenga

Our highlights

Roads, streets, footpaths, and parking areas

We provide and maintain the local transport network across the Masterton district to ensure the safe and efficient movement of people, goods, and services.

In 2024/25 we:

- maintained our 812 km roading network (the equivalent of the distance between Masterton Whakaoriori and Paihia)
- resurfaced nearly 30 km of roads and fully rebuilt just under 3 km
- renewed over 3km of footpaths
- replaced 35 streetlights and six streetlight columns, and 360 road signs, and added 20 new signs.

Water supplies (urban and rural)

We provide treated water that is safe to drink through the Masterton urban reticulation system, Tinui and the Waingawa industrial area. In rural areas, we provide non-drinking water to rural schemes and water race supplies.

In 2024/25 we:

- invested $2.6 million in upgrading and replacing 4.6km of the water mains
- reached 98 percent completion of private water meter installations, supporting the move to charging by volume for water
- renewed 4.6 km of water mains in key locations

Wastewater services and stormwater

Wastewater services are provided to approximately 9,600 separate connected residential, commercial and industrial properties in the urban area, Waingawa industrial area, Riversdale, Castlepoint and Tinui.

In 2024/25 we:

- completed investigations and work to fix long-standing sewer infiltration issues during heavy rain, affecting Cockburn Street and Colombo Road residents
- completed 1.9 km of sewer renewals across the district
- smoke tested and filmed (CCTV) sewer pipes to assess their condition to determine renewal priorities
- replaced 322 metres of old stormwater pipes
- began a comprehensive review of waterways and open drains to develop an evidence-based maintenance programme.

Solid waste management

We provide reliable, environmentally-safe and cost-effective recycling, refuse collection and disposal services. We work to promote the adoption of sustainable waste minimisation practices.

In 2024/25 we:

- replaced a damaged portion of the transfer station roof, restoring full operations at this key waste management facility
- secured Ministry for the Environment funding for an organics kerbside collection feasibility study, undertaken in partnership with South Wairarapa and Carterton district councils
- co-hosted a regional waste forum with Carterton and South Wairarapa district councils, strengthening collaboration and knowledge sharing across the Wellington region.

Community facilities and parks

We provide facilities for use by the community, including 215 hectares of urban and rural parks, reserves and sportsfields, cemeteries, the Library and Archive, senior housing, Trust House Recreation Centre and Hood Aerodrome.

In 2024/25 we:

- were awarded first place in the 2025 Out on the Shelves Display Competition for libraries – a nationwide initiative celebrating rainbow-affirming literature in public libraries
- hosted a successful events programme, including the Cultural Festival, Christmas Parade, Halloween, and Waitangi Day
- continued upgrades across Council's senior housing
- completed the Youth Hub beside the Skate Park, providing a new space with accessible parking and toilets that can be booked by the community
- replaced the boardwalk at Te Whenua Tāpui o Whakamairu (formerly Solway Reserve), to restore safe access, with ongoing kaitiaki support from Friends of Solway Reserve
- had more than 160,000 visits to Trust House Recreation Centre across all activity types: swim, gym, stadium sports, and stadium events
- completed the widening of the main Hood Aerodrome runway to 30 metres and expanded the apron
- progressed the Hood infrastructure project to build new taxiways, roading, and infrastructure for future hangar development.

Regulatory services

We plan for Masterton's future by ensuring development is sustainable, our natural and physical heritage is protected, and public health and safety is preserved and promoted.

In 2024/25 we:

- progressed work on the Proposed Wairarapa Combined District Plan to the hearings phase in 2024, following the close of submissions and further submissions. Decisions on the Proposed District Plan were publicly notified late 2025
- issued 171 resource consents
- completed 581 building consents
- progressed work on the new Animal Shelter on Ngaumutawa Road, which will meet Ministry for Primary Industry standards. The shelter is scheduled to open in late 2025
- worked with both the National Emergency Management Agency and Wellington Region Emergency Management Office on supporting changes and challenges of proposed Civil Defence Emergency Management legislation
- completed the Future of Severely Affected Locations (FOSAL) Voluntary Buyout and Relocation Programme for Masterton District

Leadership, strategy and corporate service

Our Leadership, Strategy and Corporate Services activity provides strategic direction and leadership to the Council and our community.

In 2024/25 we:

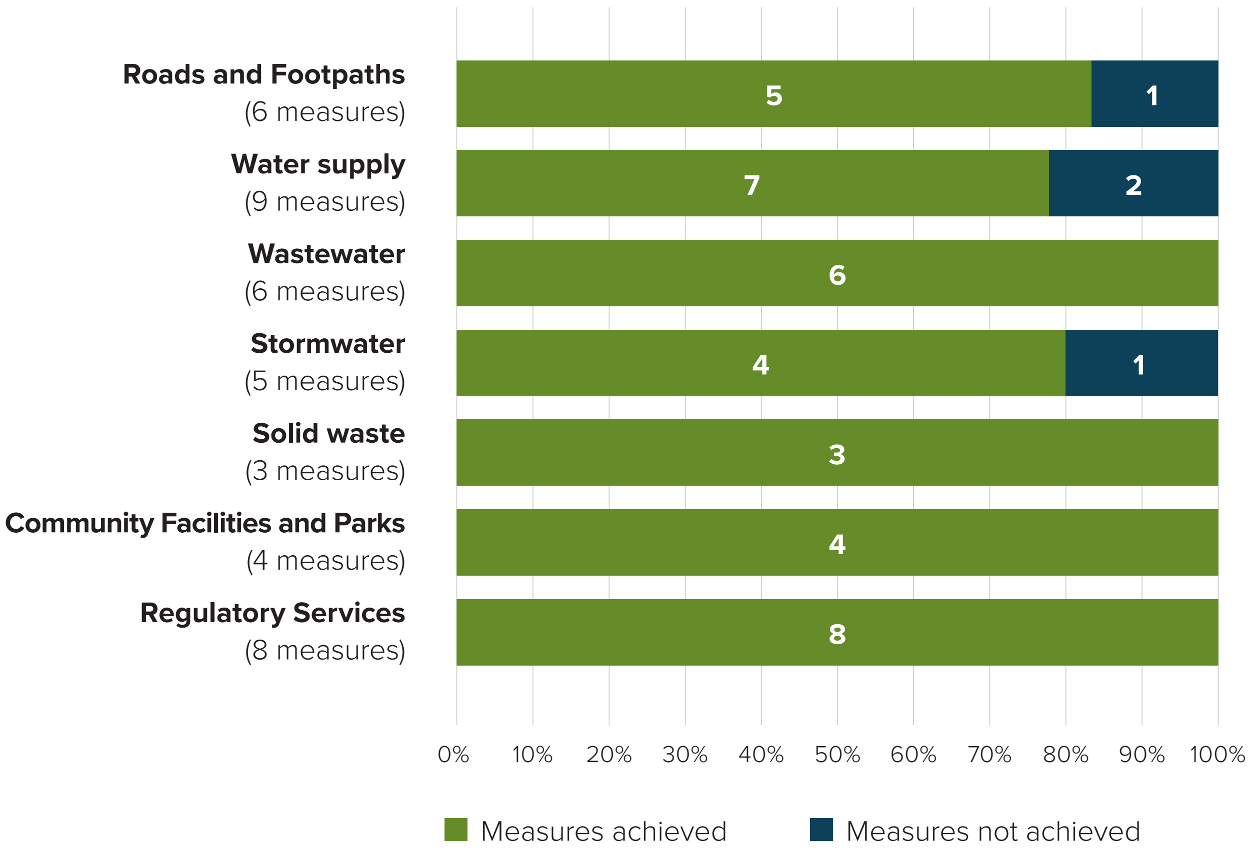
- completed public consultation on two options for delivery of water services for Masterton under Local Water Done Well - 139 submissions were received
- reviewed and adopted the Masterton Dog Policy and Control of Dogs Bylaw and delivered key regional policies, including the Wairarapa Local Alcohol Policy and the Wairarapa Class 4 Gambling and Standalone TAB Venues Policy
- drafted and consulted on a proposed Wairarapa Consolidated Bylaw, comprising 11 parts covering topics such as traffic, cemeteries, public places, water supply, and trade waste
- continued work on Eco Corridor and Mana Whenua Climate Resilience Projects, supported by Better Off funding from the Department of Internal Affairs (DIA).

Ngā ine tua atu i te pūtea

Non-financial performance measures

Here's how we performed against performance measures – 37 of 41 achieved (90.2 percent).

Our performance broken down by activity:



Taipitopito pūtea

Financial information

Summary financial statements

Masterton District Council is a territorial local authority governed by the Local Government Act 2002 (LGA 2002).

The full financial statements of Council have been prepared in accordance with Tier 1 PBE accounting standards, the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These summary financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards as they relate to summary financial statements. These summary financial statements comply with PBE-FRS 43 Summary financial statements.

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

The summary financial statements of Council are for the year ended 30 June 2025. The full annual report was authorised for issue by Council on 29 October 2025 and the summary financial statements were authorised for issue by Council on 28 November 2025.

Disclaimer

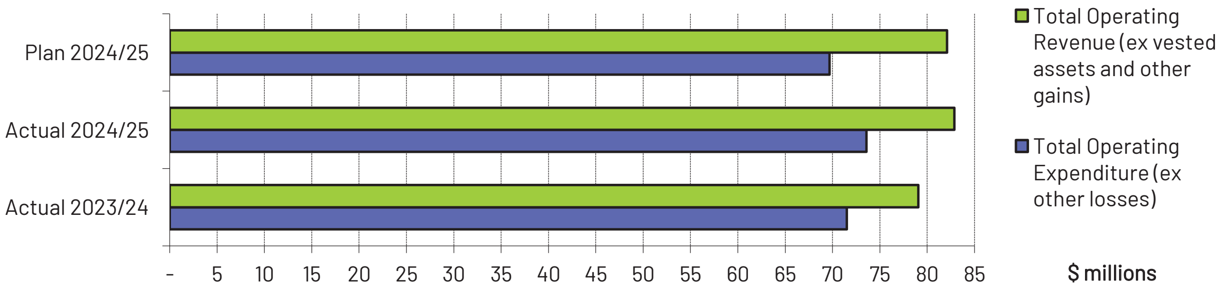
The specific disclosures included in this summary annual report have been extracted from the full annual report which was authorised for issue on 29 October 2025.

The summary cannot be expected to provide a complete understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Masterton District Council.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor General. The full annual report and summary received an unmodified audit opinion on 29 October 2025.

The full annual report can be obtained from any of the Council's offices or can be accessed online at: www.mstn.govt.nz

Operating revenue and expenditure (excluding other gains and losses)



Summary statement of comprehensive revenue and expense

for the year ended 30 June 2025 - Masterton District Council

REVENUE	Actual 2024/25 *$000*	Budget 2024/25 *$000*	Actual 2023/24 *$000*
Rates revenue	45,607	45,594	41,026
Other operating revenue (incl roading subsidies)	35,802	35,968	36,405
Finance revenue	1,516	966	1,626
Capital revenue (incl vested assets & valuation gains)	932	51	5,348
TOTAL REVENUE	**83,857**	**82,579**	**84,405**
EXPENSES			
Finance costs	3,033	2,722	3,178
Depreciation & amortisation	21,962	20,929	20,567
All Other Expenses	48,658	46,080	47,767
Other losses (incl write offs on disposal)	6,294	-	2,876
TOTAL EXPENSES	**79,947**	**69,731**	**74,387**
NET SURPLUS/(DEFICIT)	**3,910**	**12,848**	**10,018**
Income tax expense	-	-	-
NET SURPLUS/(DEFICIT) AFTER TAX	**3,910**	**12,848**	**10,018**
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Gain/(Loss) on asset revaluations	(10)	-	15,461
Financial assets fair value movement	20	-	1
TOTAL COMPREHENSIVE INCOME AND EXPENSE	**3,920**	**12,848**	**25,480**

EXPLANATION OF THE MAJOR VARIANCES

Operating revenue - is $0.396m or 0.5% more than planned. Subsidies & grants of $22.13m was $0.42m (1.88%) less than planned. $1.0m of this variance is due to less Waka Kotahi roading subsidy when they reduced their funding to part of their programme. This was partially offset by higher Government funding for the cyclone recovery office and related FOSAL buy-outs, three waters 'better-off funding' and airport expenditure.

Finance revenue - is $1.52m or $0.55m better than planned due to higher interest rates and interest from funds drawn early, intended to use for debt maturity repayment.

All Other Expenses - $2.56m or 8.4% more than planned. Roading operating costs, excl depreciation, were $1.9m (20.4%) more than planned. This variance is largely the result of storm damage response and cleanup costs being classed as operating when it had been budgeted as capital.
Operating costs for the urban water supply were $0.28m (7.7%) more than planned, with higher costs of repairing connections (tobies). Operating costs for wastewater services were $0.34m (7.1%) more than planned, due to network investigation and asset management system implementation. Solid waste costs were $0.57m (8%) less than budgeted due to lower waste tonnages received at the transfer station than planned.

Other losses - $6.29m more than planned. These include writing off the residual value of assets renewed, writing down the value of FOSAL buy-out properties, impairment and valuation decreases of cash flow hedges.

Depreciation - $1.03m or 4.9% more than planned, the increase reflecting the building asset revaluation as at 30 June 2024. The depreciation budgets for 2024/25 were set prior to knowing the revaluation result. This has resulted in some variances between plan and actual. The depreciation allowed to be funded into reserve funds remains at the level planned.

Summary statement of financial position

as at 30 June 2025 - Masterton District Council

	Actual 2024/25 $000	Budget 2024/25 $000	Last Year 2023/24 $000
Current assets	26,036	22,535	30,628
Non-current assets	1,158,475	1,182,020	1,144,948
TOTAL ASSETS	**1,184,511**	**1,204,555**	**1,175,576**
Current liabilities	27,275	25,563	26,124
Non-current liabilities	55,405	54,520	51,541
Ratepayers' equity	1,101,831	1,124,472	1,097,911
TOTAL LIABILITIES AND EQUITY	**1,184,511**	**1,204,555**	**1,175,576**

EXPLANATION OF THE MAJOR VARIANCES ARE:

Current assets is $3.5m higher than planned as there were more receivables and a new asset category of 'Non-current assets held for sale' that was not allowed for in the Plan.

Non-current assets of Property, equipment and other assets are $23.4m less than planned due to the revaluation at 30 June 2024 being less than expected, some capital projects did not progress as much as planned (Town Hall & Waiata House) and some assets have been moved into the new asset category 'Non-current assets held for sale'.

Current liabilities - Creditors & other payables are $14.2m which is 14.4% more than planned and 4% more than last year. This reflects the higher than expected level of contract work completed in June, payable in July 2025. Employee liabilities are 93.2% of the value in the plan.

The current portion of Financial Liabilities at $11.8m reflects having that value of debt maturing in the next 12 months and was anticipated in the Plan.

Summary statement of changes in equity

for the year ended 30 June 2025 - Masterton District Council

	Actual 2024/25 $000	Budget 2024/25 $000	Last Year 2023/24 $000
Equity at the beginning of the year	1,097,911	1,111,624	1,072,431
Total Comprehensive Revenue & Expense	3,920	12,848	25,480
EQUITY AT THE END OF THE YEAR	**1,101,831**	**1,124,472**	**1,097,911**
Comprising:			
Retained earnings (ratepayers' equity)	495,188	500,940	488,563
Revaluation reserves	583,077	601,331	584,564
Special funds & restricted reserves	23,566	22,201	24,784
EQUITY AT THE END OF THE YEAR	**1,101,831**	**1,124,472**	**1,097,911**

Overall the Council's equity is $22.6m (2.0%) less than anticipated in the plan, with a lower surplus being generated. Special funds and restricted reserves are $1.36m (6.1%) more than planned, with less drawing on depreciation funds than anticipated, with some unspent funding and higher depreciation costs transferred into reserves at year end.

Summary statement of cashflows

for the year ended 30 June 2025 - Masterton District Council

	Actual 2024/25 $000	Budget 2024/25 $000	Last Year 2023/24 $000
Net cash flow from operating activities	27,917	33,601	30,753
Net cash flow from investing activities	(32,705)	(43,263)	(39,004)
Net cash flow from financing activities	3,800	3,605	10,900
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(988)**	**(6,057)**	**2,649**
Cash and cash equivalents at beginning of the year	6,743	19,804	4,094
CASH, CASH EQUIVALENTS AND BANK ACCOUNTS AT THE END OF THE YEAR	**5,755**	**13,747**	**6,743**

Cash from operating activities was 83% of the level budgeted with a higher level of receivables at year end and some $1.6 million of roading expenditure planned as capital being treated as operating cost. Cash applied to investing activities is less than plan due to a some capital projects not proceeding as planned. The budget for cash flow from financing activities anticipated borrowing $14.86 million, but only $10m was required, while $5.0 million of debt was drawn as pre-funding to meet loan maturities in July 2025.

Summary statement of capital expenditure (Unaudited)

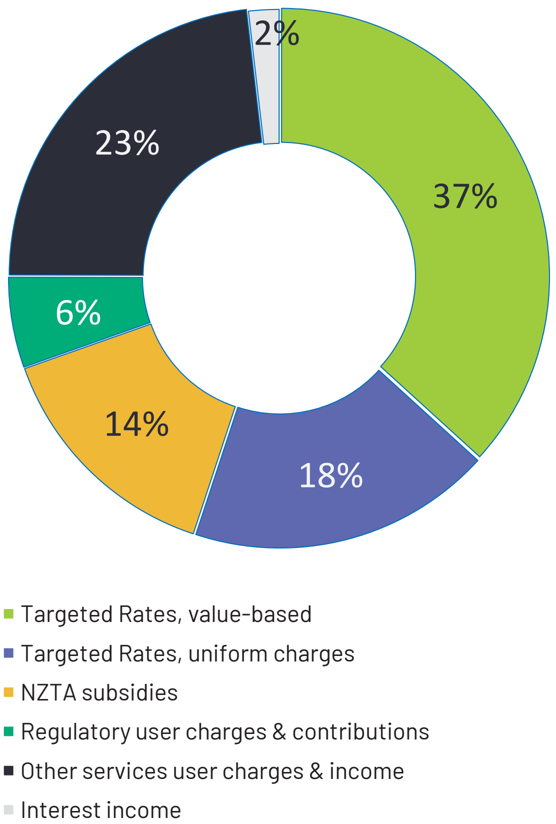
for the year ended 30 June 2025 - Masterton District Council

The table below shows a capital expenditure total of $40.1m against a Budget of $47.9m

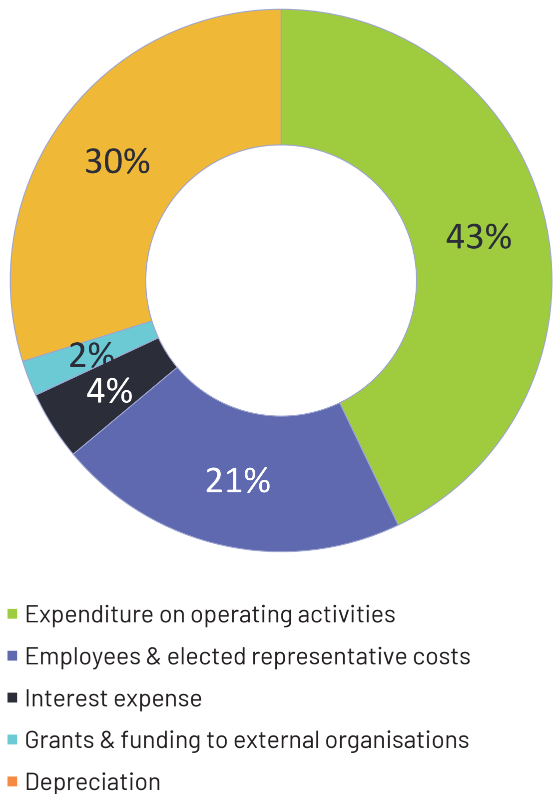
	Actual 2024/25 $000	Budget 2024/25 $000	Last Year 2023/24 $000
Roading renewals programme	7,065	8,121	6,289
Roading cyclone damage reinstatement	4,385	6,184	9,770
Footpaths and other upgrades	716	695	1,278
Water supply renewals	5,190	5,230	3,502
Wastewater treatment & disposal renewals	111	100	86
Sewerage reticulation network renewals	2,263	2,570	4,267
Stormwater upgrades	277	310	280
Riversdale, Tinui & Castlepoint sewerage schemes	56	40	50
Solid waste management renewals	469	250	94
Parks, Reserves & Sports facilities upgrades	1,433	2,573	727
Recreation Centre renewals	337	885	292
Waiata House & Town Hall projects	914	4,000	405
Airport renewals & upgrades	9,134	8,743	2,156
Other property renewals	873	587	529
FOSAL flood-prone buy-outs	2,409	2,575	-
Library extension & books renewals	741	1,176	143
Animal shelter (new)	1,710	2,200	174
Other assets	1,305	1,682	586
Vested Assets	756	-	5,231
TOTAL CAPITAL EXPENDITURE	**40,144**	**47,921**	**35,859**

Note: explanation of variances against Plan can be found in Note 31 in the Annual Report.

Operating revenue $82.9m



Costs incurred $73.7m



55% of revenue came from rates. The Council sets targeted rates, split between urban and rural wards and uses both land value and capital value of properties to base the rates payable. Uniform charges are also used to spread a portion of the costs of Council services across properties, also on a targeted basis.

NZTA subsidies were $0.97m less than planned due to less revenue being spent on cyclone reinstatement and the subsidy rate being less than planned, while regulatory & other contribution income of $4.5m was 5.4% of total revenue.

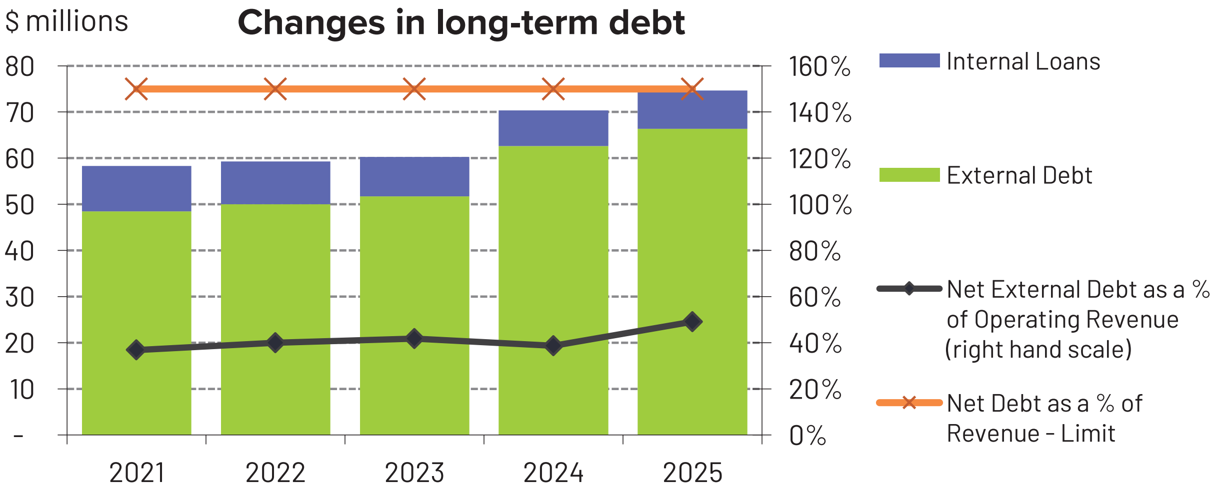
Not included in the graphs above is income of $0.76m which recognised the value of vested assets taken over by the Council from developers of subdivisions and $6.3m of losses and $176K of gains due to valuation changes and residual value of assets on disposal.

Council incurs costs to provide services necessary for the district to function. These include maintenance of infrastructure for water supply, wastewater and solid waste services, roads and footpaths, sporting and recreational facilities and Council property such as housing for the elderly and public toilets.

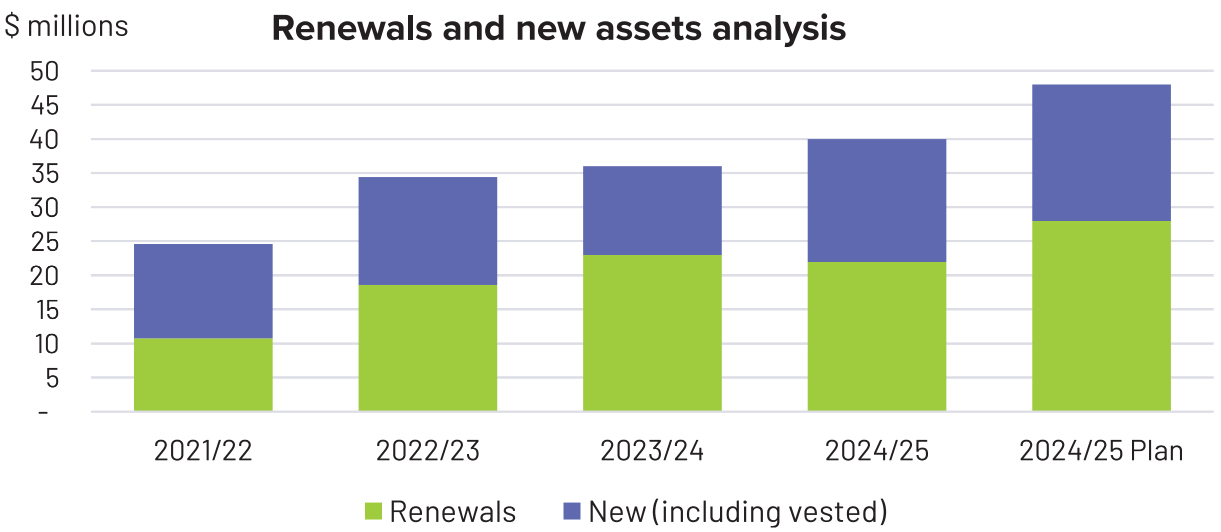
Personnel costs of $15.5m were 21.1% of total operating costs and very close to budget. Operating expenditure was up $3.92m or 5.62% up on the budgeted level with almost half of this due to cyclone recovery costs being expensed rather than capitalised (as planned). Variations against budgets, both under and over, make up the difference. More detail on variances against the plan can be read in Note 31 of the full annual report.

Long-term debt

The graph below shows the changes in the Council's long-term debt over the last five years. We have made planned repayments and we borrowed externally to fund some of the 2024/25 capital project work. In addition we borrowed $5.0M to prefund loan maturities. Interest rate risk is managed by using swaps to fix a portion of the debt portfolio. The Council policy maximum is for net debt not to exceed 150% of operating revenue. Net debt is defined as external debt, less any financial assets (excluding trade and other receivables).



Capital expenditure



This year Council spent $22.4m on renewals which is $5.3m or 21.4% less than planned. The planned $6.2m of cyclone recovery capital expenditure on roads could not all be completed in the timeframe and some of the storm event spending is recorded as operating expenditure. Renewals is expenditure to extend the life of existing assets and is generally funded from depreciation reserves (ex rates) and roading subsidies. New asset capital expenditure of $17.7m is $2.5m less than budget. Some of the major contributors to new assets included Library extension & district buildings ($1.5m), water meter installations ($0.7m), new animal shelter ($1.7m), runway reseal and upgrades at Hood Aerodrome ($9.1m) and assets vested in the Council from subdivision development ($0.76m).

Other disclosures

Related Parties

The Annual Report includes disclosure of the nature and value of transactions the Council had with other entities where those entities had a direct relationship with a Councillor or senior staff member. Entities include Masterton Trust Lands Trust, Trust House Limited, Te Hapori Skatepark Group, Elevate Wairarapa Community Trust, Dirtboy Ltd and Digital Seniors Trust. The transactions disclosed were effectively 'at arm's length'. The individuals involved were either not part of the decision-making process, or did not vote on the Council resolution where a decision affecting their interests was made. Agendas at Council meetings include an opportunity to declare any potential conflicts of interest.

Commitments

There were a total of 20 contract commitments for capital work with a value of $4.6 million at 30 June 2025. Operating contract commitments were also in place at 30 June 2025 as well as operating lease commitments as a lessee and as a lessor.

Contingencies

The full Annual Report contains a description of matters relating to earthquake prone impairment of the Town Hall and District Building, contaminated sites, the Local Government Funding Agency guarantee, liability challenges and insurance and the finalisation of the FOSAL buy-out obligations. An obligation relating to the NZ Mutual Liability Risk Pool Scheme is described. It relates to historic claims and the potential for further calls being made on members of the scheme (MDC was a member). Two contingent assets relate to insurance claims where we are yet to have confirmation that insurance cover is applicable.

Event After Balance Date

The following event after balance date is material to the financial statements:

Water services reform

On 20 August 2025, Masterton District Council (MDC) formally adopted its Water Services Delivery Plan (WSDP) as required under the Government's Local Water Done Well reform programme. The plan outlines the Council's commitment to a joint regional model for water services via a proposed Wairarapa-Tararua Water Services Organisation, a council-controlled organisation (CCO) involving South Wairarapa, Carterton and Tararua District Councils (Wai+T).

As at the adoption date of this Annual Report, the Secretary for Local Government has indicated our WSDP is still being reviewed, but there is no indication that it will not be accepted. Until there is an acceptance, the future delivery of water services remains uncertain beyond 30 June 2027.

The Council has worked with other councils in the Greater Wellington region to assess options, but ultimately decided that being part of a smaller, locally-based entity was better for Masterton ratepayers. Work with the four local Councils was progressed during 2024/25, using a project group and governance group. Consultation on the local option (Wai+T) was undertaken during the 2024/25 year, including financial modelling that compared the impacts at average property level between Wai+T and delivery of the services and owning the assets 'in-house'. The culmination of that work was the adoption of the WSDP on 20 August 2025.

The decision includes approval to spend up to $1.25 million of unbudgeted expenditure up until 30 June 2027, on MDC's share of establishment costs, to be capitalised and debt funded, then transferred to the new entity upon its formation.

While these developments do not affect the financial or service performance disclosures for the year ended 30 June 2025, they represent significant strategic and financial implications for future years. Although Council will no longer own water assets or deliver water services following the transition (expected to be 1 July 2027), the going concern status remains appropriate as MDC will, beyond that date, continue to deliver its other services as the district's local authority.

For MDC, the financial effects of the implementation of the WSDP are significant as it involves removing the following from the Council's operation: Three Waters services make up some 21.5% of operating expenditure, 32.5% of rates revenue, 20.6% of operating revenue and 66.8% of external debt (at 30 June 2025). Modelling work to assess what the future Council will look like without the Three Waters has not yet been done, given the WSDP has yet to be accepted by DIA.

Pūrongo kaitātari kaute motuhake

Independent auditor's report

Audit New Zealand
Mana Arotake Aotearoa

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

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

The summary of the annual report comprises the following information on pages 7 to 12, 15 to 17 and 20 to 21:

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

Opinion

In our opinion:

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

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2025 in our auditor's report dated 29 October 2025.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to note 34 on page 178 of the financial statements in the full annual report, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with South Wairarapa, Carterton and Tararua District Councils to deliver water, wastewater and stormwater services from 1 July 2027.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered. In addition, there is some uncertainty as the proposal is yet to be accepted by the Secretary for Local Government.

Information about this matter is also disclosed on page 21 of the summary of the annual report.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to our audit of the Council and our report on the disclosure requirements, we performed a limited assurance engagement on the Council's debenture trust deed, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Council.

Sefton Vuli
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

28 November 2025

Phone

06 370 6300

Email

mdc@mstn.govt.nz

Call into

Masterton District Council
161 Queen Street, Masterton
9am - 4pm

Write to

Masterton District Council
PO Box 444, Masterton 5840
www.mstn.govt.nz

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MASTERTON
WHAKAORIORI
DISTRICT COUNCIL