

Kaikōura District Council

Annual Report Summary 2020/2021

For the financial year ended 30 June 2021

2020/2021 Highlights and achievements

Completing our Earthquake rebuild

- Largely on time and on budget we completed the roading and three waters rebuild projects, with only the lining of the peninsula reservoir to be completed which was delayed due to Covid-19 border restrictions.
- 100% funding secured from Waka Kotahi (NZTA) to remediate the damaged NCTIR haul routes.
- The Inland Road was returned to Council control, having been reinstated to a resilient condition from Waka Kotahi.

Improving our infrastructure and facilities

- Several projects were started to improve the quality of drinking water and to improve security and technology to support our three-waters systems through the \$1.88 million received through the Governments three-waters stimulus package.
- The Suburban water supply has been significantly upgraded and water is now sourced from the same bores as the Kaikoura Urban supply, removing the boil water notice that has been in place since the earthquake.
- The Scout Hall renovation, funded by NZ Lotteries and the Provincial Growth Fund (the PGF) was well underway by the end of June and reopened in November 2021.
- Streetlights in the Kaikoura township were converted to LED along with technology allowing timers to be set and dimmed.
- New footpaths have been developed on Deal Street and Scarborough Street, the footpath on Hastings Street has been substantially renewed with other footpaths in the township having urgent repairs.
- The Airport terminal and hangar repairs have been completed from the earthquake.
- The Kaikoura Marine Development Project team have been established and concept designs for the Wataku Quay project completed – this project is funded through the PGF and the team are seeking expressions of interest from potential investors. The business case for South Bay Marina is also underway.
- Successful funding application to MBIE's Tourism Infrastructure Fund (TIF) has been approved to develop a Link Pathway.

Becoming more financially sustainable, efficient, effective

- Achieving very low levels of debt, having cash in the bank and showing we have a very flat future renewal programme for the next 30 years.
- Implemented a new asset management system and developed new roading and three-waters asset management plans.
- Completed a solid waste assessment and developed a new Waste Management and Minimisation Plan.
- A review of the Natural Hazards chapter of the District Plan commenced, including technical reports and community engagement.
- We have secured funding from the Library Partnerships Fund, enabling us to recruit and train new library staff, procure new technology, improve our projects and events, and provide e-books as a new service.
- We geared up for a new Records Management System, putting the structures in place, and the system was successfully launched in July 2021.

Covid-19

- Last year, community and customer services staff rolled up their sleeves during the alert level lockdowns, and helped our community with grocery deliveries, pharmacy prescription pickups, easter bunny egg deliveries and helping the medical centre with communications. We continue to support the medical centre with communications, vaccination days, and with planning for managing COVID-19 in the community.

Waiiau-Toa/Clarence River access

- We engaged with Iwi on the proposal to build a new bridge over the Waiiau-Toa/Clarence River, and the road protection and other resilience improvements which are essential parts of this project. The preferred solution was consulted on during the Long-Term Plan process and following a peer review has been reconfirmed as the best solution and the only solution that Waka Kotahi will subsidise.

From the CEO

The 20/21 was another incredibly busy year with many achievements. It is pleasing to note that there was improvement in overall performance indicator achievement in the financial year with Council achieving 63 out of 114 performance measures (55%). This is a good improvement on last year of only 36% achieved.

COVID-19 – Uncertainty for the community

The closure of international borders in New Zealand continued to have an economic impact on the District particularly in the tourism sector. Council provided additional support to Destination Kaikoura, our Regional Tourism Operator (RTO) to assist them with their strategy of reframing the domestic tourism market. While the impact of the pandemic on the Council's own revenue and operations income was not substantial, the Council took steps in 2020 to assist ratepayers potential financial challenges.

Council staff also worked closely with the Health Centre and other community services groups to provide community support as required in terms of communication, outreach and welfare services.

Long-Term Plan 2021-2031

The Long-Term Plan (LTP) was our first since 2015 but our most comprehensive and well informed LTP to date. Our Infrastructure Strategy provided a solid basis to make some evidence-based decisions with regard to key priorities whilst our Financial Strategy comprehensively demonstrated that the Kaikoura District Council is financially sustainable for the foreseeable future.

Capital Delivery and other major initiatives in the District

Total capital project spend for the 20/21 financial year was \$9.07m representing successful delivery of over 85% of the programme. This included some key projects such as the refurbishment of the Scout Hall, funded by NZ Lotteries and the Provincial Growth Fund (the PGF), completion of the concept design for the Wakatu Quay project, conversion of the local streetlights to LEDs in discussion with several environmental groups and initiatives. The last of the earthquake infrastructure rebuild projects were also completed with the overall programme coming in under budget and if not for Covid-19 on time.

Government Reforms

A number of central government reforms are underway that will majorly impact the local government sector. These include the three waters reform, the Resource Management Act (RMA) reforms and the Future for Local Government review. The three waters has been the most dominant of the proposed reforms during this financial period. The Council has worked in good faith with the Department of Internal Affairs through the reforms and has been delivering a programme of improvements to the water and wastewater networks. There is a lot still to play out with the three waters reforms now that they have been made mandatory by Central Government. The Council is proud to be representing the strong local community voice in opposition to the reforms as they currently stand and the loss of local democracy and decision making. More will be known on the other two reform programmes during the 21/22 year.

Sustainability and Financial position

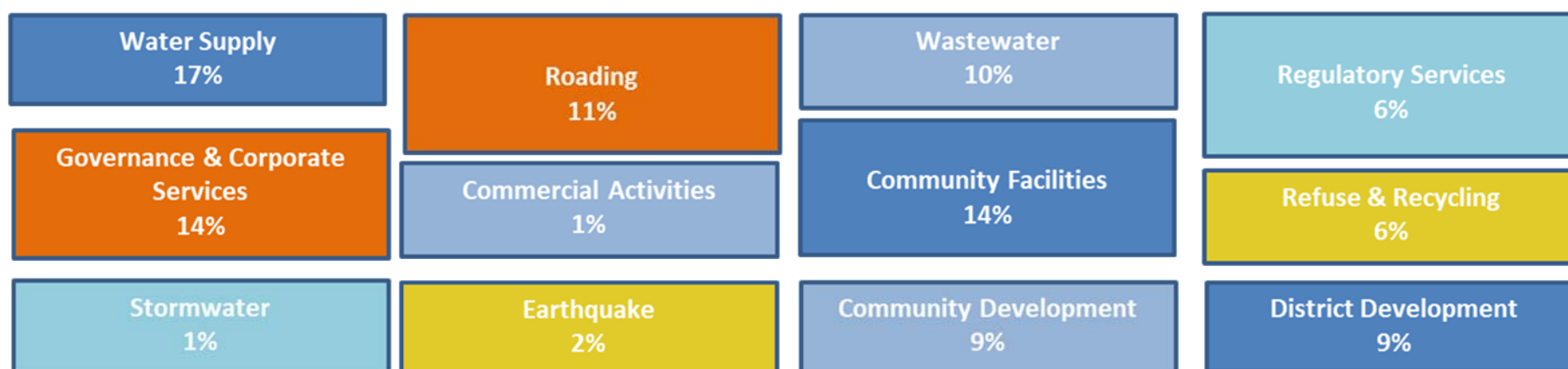
The net surplus for the year was \$6.984 million compared to a budgeted surplus of \$10.682 million. Debt remained lower than predicted levels at \$5m because there were significant unforeseen grants paid to the Council. The Council remains well within debt limits and well within its ability to service debt. Total revenue for the year was \$27.464m including total grants received of \$11.792m. Overall as highlighted above, the Council is in the best financial position that it has been for some time.

It has been another challenging but exciting year at Council. My thanks to both staff and councillors for all their hard work and also for embracing me as the new Chief Executive Officer from 1st February 2021.



WILL DOUGHTY
Chief Executive Officer

How we invested your rates



How well did Council perform?

Across our groups of activities this year, the Council achieved 63 out of 114 performance measures (55%).

This year, the Council was able to accurately report on 55% of its performance measures (63 of 114).

For the remaining performance measures, 23 measures were incomplete (part-year, part area, or only KDC results excluding contractors). In 28 cases no results were available, or the measure was not applicable.

Roads & bridges

We received 127 customer service requests for roading issues during the year. 95% of our sealed local roads met our target for smooth travel exposure.

Water supplies

Our customer service requests are achieving well against targeted performance, in terms of both the number of complaints, and the time taken to respond to service requests; however not all service requests or complaints were adequately recorded, or the time taken was not accurately captured. This means we had to disclose our performance against target as not available. We are working on improving the way we capture and record this information so that it is more meaningful for future and our aim is to have complete information for the 2022 year.

Sewerage services

The number of complaints regarding sewer odour were higher than last year at 5.33, however the number of complaints around sewer faults was significantly lower than last year at 4.52. Improvements have been made around the areas experiencing odour issues, with feedback showing these have been successful in eliminating odours.

Stormwater

The council met all their performance measures for complaints and service requests.

Recycling

The total weight of waste produced per person has increased by 13% from last year to 471kg, this is still very high compared to our target of less than 152kg. The increase in waste produced is still likely related to earthquake demolition and changes in the global market for recyclable products.

Community & customer services

67% of respondents to our resident survey said they are satisfied, or very satisfied, with the Customer Services team this is below our target of 91% but an increase on the previous year.

Community facilities

We started the project to fully renovate and strengthen the Scout Hall, with funding from the DIA's earthquake recovery fund and the PGF. This work was carried into the 2021/2022 financial year.

We continue to refurbish housing for the elderly.

We developed helicopter pads at the airport and replaced the carpet in the terminal.

A dispute with the airport hangar supplier has now been resolved, and the hangar fully repaired and tenanted. The airport is now operating fully in accordance with CAA requirements, due to new markings, signage and an agreed Operations Manual.

Commercial Activities

While the demolition was underway at Wakatu Quay, a steering group was established, and the project management team set up.

The MRF has continued to provide capital distributions to the joint venture, despite the expectation that there would be very little logging done and for there to be a call on the two Council's to inject funds into the venture.

Regulatory services

The Building Control team successfully achieved accreditation as a Building Control Authority (BCA).

There is currently 1180 known dogs in the district.

The number of complaints about dogs decreased to 110 calls, meaning we achieved our target of less than 135. With the new Responsible Camping Bylaw in place, 5 temporary Responsible Camping Ambassadors were employed, this was reduced due to diminished visitor numbers – 25 warnings were issued, 6 infringements for non-compliant camping.

District development

The geotechnical research on natural hazards in our district has been substantially completed, providing the core information to inform a full review of the natural hazards in the District Plan.

The November 2016 earthquake escalated the need for technical information to inform the natural hazards provisions of the District Plan. The review focuses on earthquake fault rupture, liquefaction, debris inundation and flooding.

We processed resource consent, project information memorandums, land information memorandums and provided information on the district plan. We kept Te Runanga O Kaikōura informed of the resource consent applications we have received. We received no objects or appeals in relation to resource consents. We did not achieve our target of 100% of resource contents processed within statutory timeframes, however 70% is an improvement on last year.

Earthquake rebuild

The rebuild of KDC's earthquake damaged roading and three-waters infrastructure has now been substantially completed at a total cost of \$40 million in capital costs over the five years since 14 November 2016. The only remaining project is the relining of the Peninsula reservoir being delayed due to Covid.

It was intended that much of the consenting and detailed design work in respect to the Waiau Toa Clarence Bridge would be completed, but concerns raised by iwi in respect to the project prevented this.

Summary financial statements

	Council			Group	
	2021 Budget \$000	2021 Actual \$000	2020 Actual \$000	2021 Actual \$000	2020 Actual \$000
Summary Statement of Comprehensive Revenue & Expense					
Total Revenue	27,014	27,465	29,012	28,628	30,331
Total Expenses (excl financing)	16,199	20,455	17,253	21,399	18,405
Financing expenses	133	69	152	70	155
Operating surplus/(deficit)	10,682	6,941	11,607	7,159	11,771
Ecan share of MRF surplus	-	43	(104)	43	(104)
Net surplus/(deficit) before tax	10,682	6,984	11,503	7,202	11,667
Income tax	-	-	-	(66)	57
Net surplus/(deficit) after tax	10,682	6,984	11,503	7,136	11,724
Gains on asset revaluation	-	6,491	16	6,491	16
Impairment losses	-	-	-	-	-
Total Comprehensive Revenue & Expense	10,682	13,475	11,519	13,627	11,740

Summary Statement of Changes in Equity					
Equity at start of year	201,563	197,790	186,271	198,736	186,996
Total comprehensive revenue & expense	10,682	13,475	11,519	13,627	11,740
Equity at end of year	212,245	211,265	197,790	212,363	198,736

Summary Statement of Financial Position					
Current assets	9,130	7,154	7,629	7,519	8,073
Non-current assets	216,472	215,762	204,050	216,686	204,914
Total Assets	225,602	222,916	211,679	224,205	212,987
Current liabilities	2,623	7,695	8,806	7,865	9,144
Non-current liabilities	10,734	3,956	5,084	3,977	5,107
Equity	212,245	211,265	197,790	212,363	198,736
Total Liabilities & Equity	225,602	222,916	211,680	224,205	212,987

Summary Statement of Cashflows					
Net cash from operating activities	13,962	1,890	1,853	2,153	2,071
Net cash from investing activities	(14,908)	1,215	(4,944)	1,001	(5,030)
Net cash from financing activities	3,772	(2,000)	5,498	(2,010)	5,473
Net increase/(decrease) in cash held	2,826	1,105	2,407	1,144	2,514
Opening cash at start of year	4,357	4,331	1,925	4,633	2,119
Closing cash balance	7,183	5,436	4,332	5,777	4,633

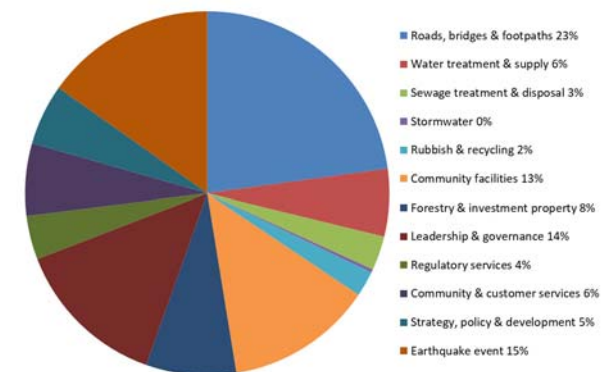
	2021 Actual \$000	2020 Actual \$000	2021 Actual \$000	2020 Actual \$000
Equity				
Year end equity is split into the following reserves:				
Public equity	111,703	105,668	112,838	106,414
Special reserves & special funds	7,432	6,483	7,432	6,483
Asset revaluation reserves	92,130	85,639	92,812	85,639
	211,265	197,790	213,082	198,536

Financial Highlights

- We had an overall surplus of \$6.98 million, with a total revenue of \$27.5 million.
- Our total expenditure was \$20.5 million.
- The Council was the recipient of several unexpected sources of revenue, including:
 - \$2.27 million from Waka Kotahi (NZTA) to remediate the NCTIR haul routes;
 - \$940k being the first tranche of the governments three -water stimulus package;
 - \$1 million government funding for “shovel-ready” projects to help construct the new swimming pool;
 - \$500k government funding for the Mayors Taskforce for jobs, to find sustainable employment for youth and people displaced from their employment due to Covid-19;
- Our external debt was reduced from \$7 million to \$5 million

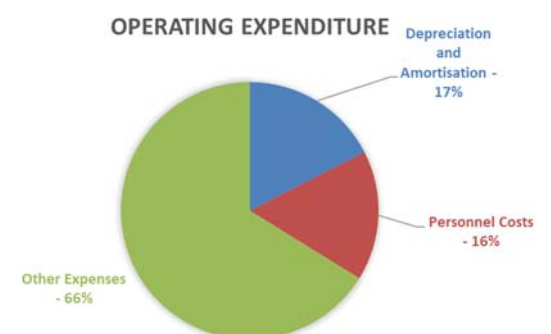
Where we spent our money

This includes operating and capital expenditure. Overall, roads, bridges and footpaths received 23% of total expenditure, with the Earthquake Event receiving 15%, Leadership and Governance 14% and Community Facilities were 13%.



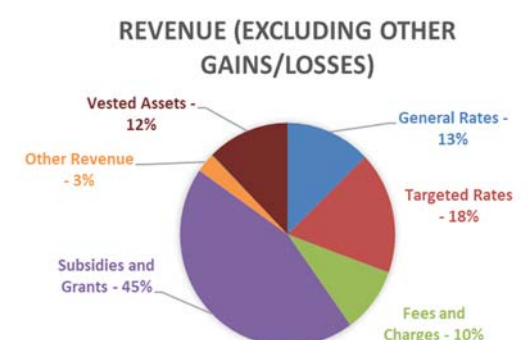
Operating Expenditure

Overall total operating expenditure of \$20.5 million exceeded the budget of \$16.3 million this includes revaluation losses of \$1.6 million.



Revenue

Kaikoura District Council rates contributed to 31% of revenue totaling \$8.19 million. Subsidies and grants made up 45%. Vested assets made up 12% or revenue which included the handover of Inland Road back to the council from Waka Kotahi (NZTA).



Annual Report Disclosure Statement

This Summary Annual Report provides an overview of Kaikōura District Council and group's operational and financial performance for the financial year ended 30 June 2021. It is prepared in accordance with section 98(4) of the Local Government Act 2002, and in line with section 98(5) of that Act, it represents fairly and consistently the information regarding the major matters dealt within the full Annual Report.

The specific disclosures included in this summary have been extracted from the full Annual Report. The auditor, Audit New Zealand, issued a qualified opinion on the financial statements and the statement of service provision (reported as Council activities). Council's service performance information because of lack of sufficiently reliable systems and processes in place during the year to accurately report on a number of performance measures. The Council also has a qualified opinion due to the fair value of land (excluding land under roads), buildings and infrastructure asset classes. Based on an analysis of relevant cost indices since the last revaluation, there is evidence that there could be a material change in fair value of the revalued asset classes. As the District Council and Group have not carried out revaluation as at 30 June 2021, it is impracticable to determine the amount of any adjustment required. An Emphasis of matter relating to the Governments three-water reform programme announcement was also noted. The full annual report was authorised for issue by the Council on 25 May 2022. Audit New Zealand acknowledge their audit was completed later than required by the sections 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$,000). This Summary Annual Report complies with PBE FRS43 Summary Financial Statements, and the full Annual Report was prepared in accordance with public benefit entity accounting standards with reduced disclosure requirements (Tier 2).

This summary report cannot be expected to provide as complete an understanding of the Council and group's financial and service performance, financial position and cash flows as the full Annual Report.

The full version of the Annual Report is available on our website; www.kaikoura.govt.nz or via the Council office.

Summary of Major Variances Against our Budget

Just as the Council completed the earthquake rebuild projects, the COVID-19 pandemic hit NZ and the Kaikōura district. The governments funding packages to stimulate the economy have been unprecedented and dominate the Council's revenue streams.

Revenue

Revenue was \$27.5 million compared to budgeted revenue of \$27 million. While the result is close to budget, there were significant ups and downs within Council's activities.

- Wakatu Quay is the main timing issue as we had budgeted the project to be mid-construction with grant revenue received of \$9.8 million, in reality we have received \$1.33 million.
- \$3.26 million gain through vesting of Inland Road back into Council control recording the value of work done by NCTIR to repair the roads and bridges that were damaged by the earthquake.
- Other unbudgeted funding received was \$2.27 million for NCTIR Haul routes, \$1 million government grant to complete the swimming pool, \$940K three-water stimulus funding, additional \$250K for the Mayoral Taskforce for Jobs (on top of the \$250K budgeted).
- Other revenue was more favorable than budgeted due to the share of Marlborough Regional Forestry joint operation revenue being \$334K higher than budget.

Expenses

Operating expenditure of \$20.5 million is \$4.1 million more than budget, \$1.68 million of this is due to fair value losses following the valuation of the three-waters and forestry assets, and the gifting of land at Boat Harbour (affected by natural hazards) to Ngati Kuri.

Other areas where expenditure exceeded budget were:

- Demolition of the former fisheries buildings at Wakatu Quay, which were found to have asbestos throughout multiple layers of concrete foundations and floors,
- Natural hazards project, which had been assumed would be complete by 30 June 2020 so was unbudgeted,
- Earthquake repair delays due to COVID-19 meant expenditure unbudgeted for 2021 financial year,
- Unforeseen grant revenue paid over to other organisations (such as Mayoral Taskforce and swimming pool),
- The share of Marlborough Regional Forestry expenses (\$575k higher than budget), and
- Depreciation was \$602k higher than budget due to the change in assessed remaining useful lives of assets.

The last two points above are both non-cash items, as are the fair value losses.

Statement of Financial Position

The forecasts for the Wakatu Quay project and South Bay feasibility study had assumed the Council would receive the entire \$10.88 million from the PGF in advance, and that there would be \$7.2 million held as cash in the bank as a result (ready to spend on the projects). The grant is being paid over in much smaller tranches as milestones are being met, and so cash is only \$5.4 million.

With all the funding being paid out by the government to stimulate the economy during the COVID-19 pandemic, the Council has kept borrowing at only \$5 million, against a forecast \$10.7 million.

Statement of Cash Flows

Cash increased over the year by \$1.1 million, to a balance of \$5.4 million at 30 June 2021.

- Grants and subsidies formed the bulk of the increased cash.
- A \$2 million tranche of loans were repaid during the year.

Post Balance Date Events

On 18 August 2021 the whole of New Zealand entered a level 4 lockdown due to a COVID-19 cluster developing in Auckland traced to the Delta strain. At the time of writing, New Zealand has transitioned to the traffic light system, enabling relative freedom of movement for those with a vaccine pass, restricted to capacity limits and, of course, mask wearing and location tracing remains mandatory. Omicron has emerged as the latest variant and is proving to be even more contagious than the Delta strain. It is now inevitable that COVID-19 will emerge in communities around New Zealand and that the Kaikōura community will be affected.

The Council assesses that COVID-19 has had, and will continue to have, minimal impact on its financial performance and position. The Council may, however, be required to provide additional support to the Kaikōura medical centre and to vulnerable people in the community, to minimise harm from the virus. Additionally, if Council staff were to become sick from COVID-19, it is likely that our ability to deliver our usual level of service will be affected.

Three-Waters Reform

In 2020, the Government announced it was commencing the three waters reform programme, with the aim of improving three waters services. In 2021, the Government outlined its proposal to reform the three waters service delivery by creating four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. In October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach.

The proposed reforms and announcements will mean Kaikōura District Council (the Council) is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024, and this is likely to have an impact on the Group's three waters contracts with the Council from that date, although the extent of that impact is uncertain (2020: the same disclosure applied).

Council Spending at a Glance

Area of Spend

Capital Spend

Operating Spend

Governance and Corporate Services

- Governance
- Administration
- Chief Executive Office
- Finance
- IT
- Communications

\$70,000

\$3,587,000

Roads, Bridges and Footpaths

- Roads and bridges
- Footpaths
- Streetlights
- Cycleways

\$4,747,000

\$1,352,000

Water treatment and Supply

- Water treatment
- Reticulation

\$586,000

\$1,006,000

Sewerage treatment and disposal

- Sewerage treatment
- Reticulation

\$152,000

\$660,000

Stormwater

- Urban stormwater
- Stormwater treatment

\$0

\$78,000

Rubbish and recycling

- Solid Waste
- Recycling

\$2,000

\$600,000

Commercial Facilities

- Parks and Reserves
- Property
- Harbour
- Airport

\$410,000

\$3,073,000

Forestry and Investment Property

- Leased Property
- South Bay Plantation
- Marlborough Regional Forestry

\$0

\$2,137,000

Regulatory Services

- Building control
- Traffic and parking control
- Dog and stock control
- Food premises and environmental health
- Liquor licensing
- Other TA regulatory functions

\$0

\$1,040,000

Community and Customer Services

- Customer Services
- Community Development
- Civil Defence emergency management
- Community grants, events and fundraising
- Youth Development
- Library

\$13,000

\$1,690,000

District Development

- Strategy and Policy
- District Planning
- Statutory Planning
- Economic Development
- Tourism & Marketing

\$0

\$1,446,000

Earthquake Event

- Rebuild earthquake damaged infrastructure

\$3,612,000

\$439,000

Independent Auditor's Report

To the readers of Kaikoura District Council's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Kaikoura District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements of the District Council and Group on pages 3 to 4:

- the summary statement of financial position as at 30 June 2021;
- 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 2021;
- the notes to the summary financial statements that include other explanatory information; and
- the summary statement of service provision (reported as "How well did Council perform?").

Opinion

In our opinion:

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

However, the summaries of the financial statements and statement of service provision include limitations in scope to the equivalent extent as the full audited financial statements and statement of service provision. These limitations are explained below in *the full annual report and our audit report thereon* section.

Summary of the annual report

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

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

The full annual report and our audit report thereon

In our auditor's report dated 25 May 2022 on the Council and Group's full annual report for the year ended 30 June 2021, we expressed a qualified opinion on the financial information and statement of service provision, and an unmodified opinion on the funding impact statements and statement about capital expenditure. The basis for our qualified opinions are explained below.

Financial statements: Our work was limited over the carrying value of the District Council and Group's revalued property, plant and equipment

As stated in the statement of accounting policies on pages 90 and 91 to the full annual report, the District Council and Group measures land (excluding land under roads), buildings, and infrastructure asset classes at fair value. PBE IPSAS 17, *Property, Plant and Equipment* requires entities that measure assets at fair value to carry out revaluations with sufficient regularity to ensure that revalued assets are not included at a value that is materially different to fair value.

Based on an analysis of relevant cost indices since the last revaluation, there is evidence that there could be a material change in the fair value of the revalued asset classes. As the District Council and Group have not carried out revaluations as at 30 June 2021, it is impracticable for us to determine the amount of any adjustment required.

Council activities: Our work was limited with respect to the reporting on a number of performance measures

The Council did not have sufficiently reliable systems and processes in place during the year to accurately report on a number of performance measures. Consequently, as explained in the introduction section of the Council Activities on page 18 to the full annual report, for just under half of the performance measures, the Council is either:

- *not able* to report any performance for the year; or
- has reported performance as *incomplete*.

We also draw attention to the fact that we issued a modified opinion on the District Council's 30 June 2020 Council Activities, which are presented as comparative information in the 30 June 2021 Council Activities.

As a result, our work was limited, and we have been unable to obtain sufficient appropriate evidence over the reported performance against these performance measures.

Information about these matters is also disclosed on page 3 of the District Council's summary annual report.

Our auditor's report on the full annual report includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme announcement as set out in the full annual report in note 36 on page 129 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Our auditor's report on the full annual report also includes a paragraph acknowledging that our audit was completed later than required by section 98(7)(a) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

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 reporting on the summary and full annual reports, we perform a limited assurance engagement related to the District Council's debenture trust deed, which is compatible with independence requirements. Other than this reporting and this limited assurance engagement, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.



Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
22 June 2022