



**SOUTH WAIRARAPA  
DISTRICT COUNCIL**

*Kia Reretahi Tātau*

# Summary of the Annual Report 2022/23

For the year ended 30 June 2023

**PŪRONGO-Ā-TAU 2022/23**  
Year Two of the 2021-2031  
Long Term Plan



## Summary of the Annual Report

This document is a summary of the Council's annual report for the 2022/23 financial year.

The summary outlines the major matters dealt with in the full annual report, which was adopted by the Council on 07 December 2023. This summary was authorised for issue by the Mayor and Chief Executive on 07 December 2023.

This summary report cannot be expected to provide a complete understanding of the Council as provided in the Annual Report.

This summary has been prepared in accordance with financial reporting standards and has been examined by the Council's auditors for consistency with the full annual report. The auditors expressed an unmodified audit opinion on the Council's full audited statement of service performance and audited financial statements and other audited information in their report dated 07 December 2023.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full report. Readers are referred to the annual report if they require more details.

In its full financial statements, the Council has made an explicit and unreserved statement of compliance with the PBE Standards Reduced Disclosure Regime. The summary financial statements are in compliance with the PBE FRS 43 standard.

The full annual report is available from the South Wairarapa District Council offices, 19 Kitchener Street, Martinborough or can be downloaded from the Council's website [www.swdc.govt.nz](http://www.swdc.govt.nz), or at Council libraries in Featherston, Greytown and Martinborough.

## A message from the Mayor and the Interim Chief Executive

**Kia Reretahi Tātou**

**Ko te kōtuitui i ētahi āhuatanga e rua,  
nui ake rānei,**

**kia ngātahi ai te mahi**

**It is the interlinking**

**of two or more things  
to work together**

It is our pleasure to present this South Wairarapa District Council Annual Report and provide feedback to you on what this Council has achieved in the 2022/2023 year.

It's fair to say it has been a busy year for us all, with Cyclones Hale and Gabrielle testing the resilience of our communities. Our infrastructure teams have worked tirelessly to reinstate access routes along our more remote roads, and we appreciate the significant funding provided by Waka Kotahi to support this recovery.

It was all hands on deck when the Wairarapa Emergency Operations Centre was activated, and we also assisted the Nelson-Tasman and Tairāwhiti regions when they most needed help.

We have worked with our neighbouring councils to build up our collective readiness to cope with future emergencies. It is pleasing to see this reflected in a big jump in the percentage of people who now feel prepared to cope in a future emergency.

Our infrastructure challenges have required us to be innovative. This is reflected in the new EcoReef retaining walls along the Cape Palliser/Mātakitaki-a-Kupe Road, and our investment in design work to overcome issues with our wastewater systems.

Speaking of innovation, we are absolutely thrilled that the South Wairarapa Dog Pound won first prize in the SuperIdea category of the 2023 Local Government New Zealand SuperLocal Awards. This is an incredible achievement for our small council and the suppliers who helped us to make this idea a reality.

Collaborations and partnerships are good for both the Council and our community, and we will continue to take this approach to achieve positive outcomes.

We are a new council – with 19 out of a total of 22 members being newly elected – and we recognise it is essential to work closely with the Māori Standing Committee (which gained voting rights on a number of committees over the past year), Council officers and contractors, and central government to continue to make progress on the key performance measures discussed in this report.

Some of the challenges we are facing are rising costs, new central government requirements, and skills shortages in some specialist council roles. At times, both staff and elected members have been subject to harassment in social media, on the phone, and via email. We expect our community to be passionate about our district and vocal on matters they care about, and constructive feedback is always welcome, but abuse will not be tolerated.

In the face of these challenges, it is very pleasing to see the improvements we are making in key areas such as timely responses to official information requests (we dealt with 78 requests for information under the Local Government Official Information Act, with an average response period of just 10 days) and quickly bringing our strategies and policies up to date. This work has included seven council-led public consultation processes on matters of interest to our communities.

Alongside the big projects, Council officers continue to help residents with the issues of most immediate concern to them. In the 2022/23 year, this included responding to more than 5,500 customer enquiries. Here's a snapshot of just a few of these matters:

- more than 440 calls related to animal control and bylaw enforcement, such as dealing with stray dogs and noise complaints
- 120 calls related to damage to public facilities and trees
- 394 responses to illegal waste disposal (fly tipping)
- more than 1,600 calls related to roading, and access issues during emergency events
- more than 3,200 calls about water-related issues.

Looking ahead, work on our future funding model continues with pace and will be the foundation of our Long Term Plan 2024–2034, which is due to be finalised by 30<sup>th</sup> June 2024. The first principles rating review is a key element of this work, and it will be completed as we prepare for the Long-Term Planning consultation process in the first few months Of 2024.

Finally, a special mention needs to be made in support of our Community Boards that represent the interest of our three towns. Since the start of the triennium, the Boards have been reviewing and refreshing the lists of issues of most interest to their communities and developing plans around them. We have seen some fantastic work being undertaken around building community resilience, the awarding of local grants and providing support for community-based events. A tremendous effort all round.

Ngā mihi



Martin Connelly  
The Mayor



Paul Gardner  
Interim Chief Executive



## Significant Activities

### Governance

#### Community grants

Community grants (\$250,000) supported a broad range of activities including the Featherston Booktown (Karukatea) Festival 2023: Young Readers Programme in Schools, Wairarapa Dark Sky Association, and the Wellington Free Ambulance.

Community Board and Māori Standing Committee grants supported 26 community groups, including the Wairarapa Maths Association and those hosting a variety of community-based Matariki events.

Rural Travel Fund Grants (funded by Sports NZ and administered by the Council) helped local clubs to support our talented young sportspeople.

#### Civic events

Council hosted or supported a number of civic events in our community. We welcomed 25 new citizens, and commemorated King Charles III's coronation, ANZAC Day and the 80<sup>th</sup> anniversary of the Featherston Incident. We also acknowledged the Battle of Messines, and held our first official Matariki celebration.

#### Māori Standing Committee

A significant moment was celebrated in January 2023 as members of the Māori Standing Committee (MSC) were appointed voting rights on some Council Committees.

### Finance and Corporate Support

#### Council's response to weather-related emergencies

The 2022/2023 year was a very active one for emergency management in all four of the Reduction, Readiness, Response and Recovery categories.

**Response** – We connected with residents and support agencies to offer assistance in response to Cyclones Hales and Gabrielle, and our infrastructure teams worked tirelessly to reinstate access routes. We also supported the combined Wairarapa Emergency Operations Centre as it responded to the devastating impacts in Tīnui in the Masterton District.

**Recovery** – South Wairarapa, Masterton and Carterton District Councils provided coordinated, ongoing support for impacted residents. The Recovery Office continues to work with partner agencies to identify and plan support opportunities for residents who are experiencing ongoing impacts.

**Readiness** – An emergency preparedness expo in April promoted the Community Emergency Hub and general preparedness. We encouraged everyone to get to know their neighbours, prepare supplies of food, water, and any medicines they might need to get through, and to come together at their local Community Emergency Hub to help, and get help from, their fellow community members.

**Reduction** – Throughout the year we continued to assist with, and promote, Covid-19 measures and vaccinations.

## Communication and engagement

Getting the right information to the community and considering the feedback we receive is a very important part of our services. As soon as website news items and social media posts are published they are sent to any residents who have subscribed to receive these email notifications. This is especially useful during road or bridge closures.

A recent, small investment in *Antenno* has also been well received. *Antenno* is a free mobile app that sends Council-related notifications including alerts, major water outages, roadworks, closures, Council events, rates and registration reminders, consultations and more. Residents can also use *Antenno* to alert Council to any issues they come across, such as water leaks on public land, a fallen tree across the road or graffiti.

## Planning and Regulatory Services

### South Wairarapa Dog Pound

The innovatively designed dog pound was opened in Featherston on 30 May 2023. The new pound exceeds the Ministry of Primary Industries' animal welfare standards, and was recognised at the 2023 Local Government New Zealand SuperLocal Awards. It picked up first prize in the SuperIdea category by "showcasing an effective blend of innovative thinking and practicality". It also came runner up in the Supreme Award. This is an incredible achievement for our small Council.

### Featherston Masterplan heading the right way

Solid population growth is anticipated in Featherston within the next three decades as it is the town closest to Wellington, with access to the rail network.

Development of the Featherston Masterplan began in January 2022, and will enable integrated planning of land use patterns, future housing, infrastructure, transport, and reserve areas. This work will attract funding support from central government because Featherston has been identified as one of the seven "Priority Development Areas" by the Wellington Regional Leadership Committee.

### Wairarapa Combined District Plan Review

The Draft Plan was made available for informal feedback from late October 2022. Further review work has been undertaken to ensure the Plan appropriately addresses land use issues and reflects the current and future needs of the District.

Following the review of several key topics, the Proposed Wairarapa Combined District Plan will be publicly notified in mid-October 2023, with the submission and hearing processes to follow.

## Community Facilities and Services

### Joint Waste Management and Minimisation Plan

South Wairarapa District Council, along with the other seven councils within the Wellington Region, have collaborated on a Joint Waste Management and Minimisation Plan. Having this Plan in place means Council will receive ongoing waste levy funding to pay for further waste minimisation initiatives.



### Wairarapa Library Service

There has been a significant push to modernise the library service. Loans from Wairarapa Library Service collections have increased by 32% since we became part of the SMART library network. Access to this new set of collections has also led to a 60% increase in reservations by the public, with an even spread across the four libraries we operate.

### Greytown Wheels Park reaches another milestone

Council's \$1 million contribution (funded from the Restricted Reserve) will help kickstart the Greytown Wheels Park project, with community fundraising required to complete the project. The Park will be located on Council land at 2–4 Pierce Street, and construction is scheduled to start in late-2024.

### Five Towns Trail & Tauwharenikau bridge

Construction of the Tauwharenikau bridge was completed in June 2023. This was a key milestone in the strategic alliance with Five Towns Trails, as it forms the first stage of the Five Towns Trail Network. So far, more than 23,000 people have used the bridge for a wide range of activities including walking, biking, and running.

### Lake Ferry Campsite

Kiwicamp, which is a New Zealand business specialising in campground infrastructure, will take over the servicing of the Lake Ferry Holiday Park for a 12-month period. It will be responsible for implementing changes to the campground to meet regulatory standards and visitor expectations. Over the next year, visitors can anticipate significant improvements, including upgraded kitchen, bathroom, and laundry facilities, enhanced security measures, a new dump station, improvements to the grounds, and a revitalisation of all the buildings.

This is an exciting opportunity, particularly as Council anticipates increasing demand for its more remote destinations, including Lake Ferry, since the Wairarapa became New Zealand's second International Dark Sky Reserve in January 2023.

The Council loan-funded the purchase of the assets, and repayments will largely be met through proceeds from the Holiday Park. Council will meet the capital costs of the changes required to bring the campsite up to standard.

### Welcoming Communities

South Wairarapa was selected for the Government's Welcoming Communities programme towards the end of the 2021/22 year. The programme supports local councils and their communities to create welcoming and inclusive environments for newcomers. It will help us work alongside our communities to improve accessibility and inclusion for everyone who now calls South Wairarapa home.

The main focus for the 2022/23 year was to understand how welcoming and inclusive South Wairarapa was for new people, including people from different cultures and countries. The next step is to create a Welcoming Plan to address the opportunities and challenges identified through the research.

## Land Transport (Roading and Footpaths)

### Hinekura Road

We have nearly completed a six-month programme to build additional resilience into Hinekura Road after a massive landslide (estimated to be 500,000m<sup>3</sup> to 1,000,000m<sup>3</sup> in size) closed access in June 2022.

### Waka Kotahi funding approved for emergency works

Significant emergency works were carried out at Palliser Bay Road, Tukurumuri, Tora, Pahaoa, the Gluepot, Boar Bush Gully Road, Dublin Street, Moeraki and Admiral Road. This work has depleted the Rural Roading Reserve, so we made four funding requests to Waka Kotahi for emergency works, for the combined sum of \$5,357,256. These requests have now been approved by Waka Kotahi and the budgets have been allocated over the 2022/2023 and 2023/2024 financial years.

The 2023/24 Annual Plan will seek establishment of a new infrastructure emergency resilience fund to repair damage caused by unplanned natural events.

### Speed Management Plan and Speed Review Consultation

We plan to have new reduced speed restrictions near schools and marae in place by mid-2024.

The consultation period closed on 23 July, and the next step is to consider all public feedback before making decisions on any changes to the proposed approach. To find out more, see [www.swdc.govt.nz/consultation/](https://www.swdc.govt.nz/consultation/).

### EcoReef

Council has trialled an innovative hexagonal block retaining wall to provide coastal protection on an exposed part of the Cape Palliser/Mātakitaki-a-Kupe Road. Consent was approved for two locations along this road, and both sites have now been completed using funding from Waka Kotahi.

## Water Supply

### Martinborough Reservoir roof relining

Wellington Water lifted the roof of the Martinborough Reservoir with a 100-tonne crane, emptied 920,000 litres of water, installed 650 square metres of new lining on the walls, floor, and ceiling, and reinforced the exterior wall. This project will increase the resilience of the water supply network, and will help us to provide sufficient water for a growing population in the years ahead.

## Wastewater

### Featherston Wastewater Treatment Plant

We are working with Wellington Water to gain resource consent to improve the quality of treated wastewater from the Featherston Wastewater Treatment Plant, and to add land treatment to the process.

### Donald Street Wastewater Pump Station upgrade

Work has begun on installing a new wastewater (sewerage) pump station and connecting pipes in Donald Street, Featherston, and we expect this work to be completed by around September 2023. This will provide:

- an extra boost to the wastewater network by transporting water at a rate of 22 litres per second towards the treatment facilities



- a big increase in the pump station efficiency and capacity, helping to reduce the number of wastewater overflows into the environment
- increased resilience. A wastewater storage facility will be installed, giving us a place to store wastewater if the pump station stops working, or during a major event such as an earthquake.

### Martinborough Wastewater Treatment Plant

The Martinborough Wastewater Treatment Plant requires significant investment to resolve non-compliance with resource consent conditions. Council has submitted a Compliance Delivery Plan which sets out how it plans to address these issues, and we are hopeful that Greater Wellington will approve this Plan.

## Stormwater Drainage

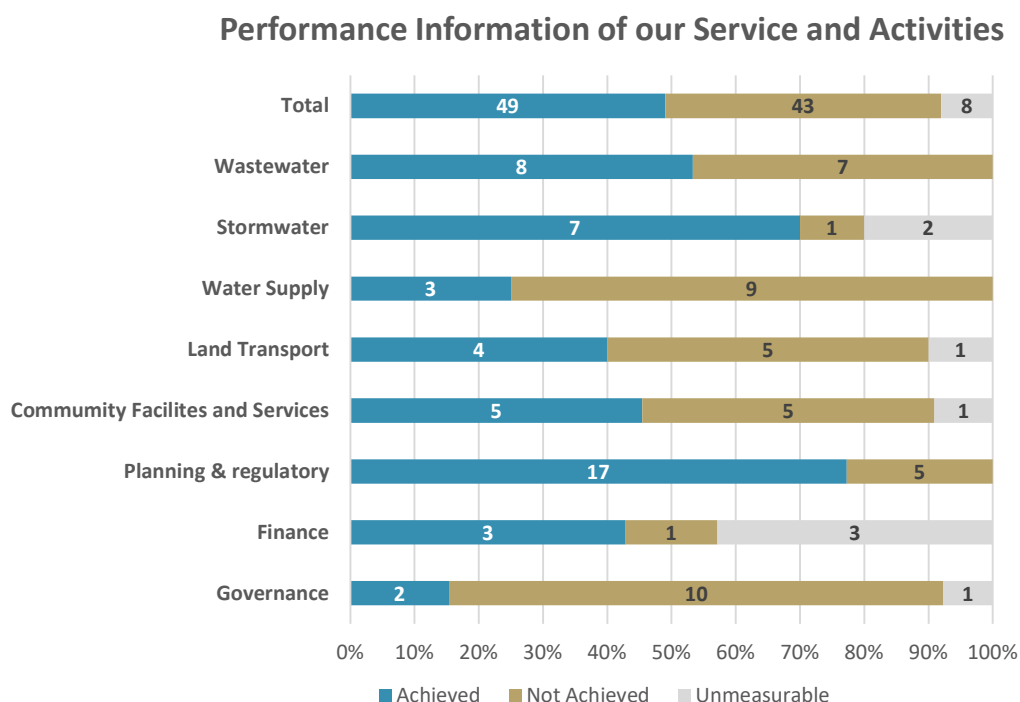
### Flood awareness/engagement

Wellington Water ran community engagement sessions in May 2023, gathering observations from residents to help validate the data it has used to map water flows and flooding in Featherston. This mapping process is an important tool for understanding and addressing Featherston's water issues. It also helped raise community awareness of flood risk in the area.

The final flood maps are expected to be completed and available to the public by September/October 2023.

## Measuring progress against performance measures

Council has 100 performance measures which were set by Council during the LTP 2021-23 process. Of these 49 were achieved, 43 were not achieved and 8 were not applicable or unmeasurable for 2022/23.



## Summary Financial Statements

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by the Council on 07 December 2023.

The full financial statements of the Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the PBE Standards Reduced Disclosure Regime (RDR).

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

### Summary Statement of Comprehensive Revenue and Expense

Table 1 provides a summary of the comparative financial performance for the Council for the 2022/23 and 2021/22 financial years. This statement and the Changes in Equity summarise the operating income and expenditure as well as other financial transactions that have impacted on the Council's net equity.

Table 1			
Actual 2021/2022 \$000		Actual 2022/2023 \$000	Budget 2022/2023 \$000
33,936	Total operating revenue	34,912	30,009
28,223	Total operating costs *	33,555	27,026
1,542	Other gains and losses	(1,567)	413
2,435	Assets vesting in Council	1,719	-
9,690	<b>Total Surplus/(Deficit)</b>	<b>1,509</b>	<b>3,395</b>
48,083	Increase/(decrease) in revaluation reserves	(495)	-
57,773	<b>Total other comprehensive revenue and expense</b>	<b>1,014</b>	<b>3,395</b>
5,634	* Operating costs includes Finance and Depreciation	6,451	6,134

### Summary Statement of Changes in Net Assets/Equity

Table 2 details public equity, and the components of total equity.

Table 2			
Actual 2021/2022 \$000		Actual 2022/2023 \$000	Budget 2022/2023 \$000
507,273	Equity at 1 July	565,047	508,771
57,773	Total comprehensive revenue and expense	1,014	3,395
565,047	<b>Balance at 30 June</b>	<b>566,061</b>	<b>512,166</b>
<i>Represented by:</i>			
167,906	Public equity	166,683	161,432
28,268	Restricted reserves and trust funds	31,000	32,559
368,873	Asset revaluation reserve	368,378	321,633
-	Other reserves	-	-

## Summary Statement of Financial Position

Table 3 provides a summary for the Council's financial position as at 30 June 2023 compared with the financial position as at 30 June 2022. This position presents the assets Council own and the liabilities owed to other parties.

Actual 2021/2022 \$000		Table 3	Actual 2022/2023 \$000	Budget 2022/2023 \$000
15,505	Total current assets		16,943	15,627
580,992	Total non-current assets		585,834	538,418
<b>596,497</b>	<b>Total Assets</b>		<b>602,777</b>	<b>554,046</b>
8,035	Total current liabilities		9,515	5,297
23,415	Total non-current liabilities		27,200	33,124
565,047	Total equity		566,061	515,625
<b>596,497</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>602,777</b>	<b>554,046</b>

## Summary Statement of Cash Flows

Table 4 summarises how the Council generated and used cash during the respective financial periods.

Actual 2021/2022 \$000		Table 4	Actual 2022/2023 \$000	Budget 2022/2023 \$000
10,749	Net cash flow from operating activities		7,514	7,464
(12,073)	Net cash flow from investing activities		(7,420)	(12,412)
2,000	Net cash flow from financing activities		2,500	5,329
<b>676</b>	<b>Net increase/(decrease) in cash held</b>		<b>2,594</b>	<b>381</b>

## Notes to the Summary Financial Statements

### Events After Balance Date

#### Riskpool

SWDC was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call-in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has now advised that it has worked through the implications of the Supreme Court decision, and in November 2023 issued a call to SWDC of \$47,645. As this amount is not material, a provision has not been made in 2022/23 and the call will be recognised in 2023/24.

## Water Services Reform Programme

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government provision of three waters services. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand.

The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner. Under this plan four new publicly owned Water Services Entities (WSEs) will run New Zealand's drinking water, wastewater and stormwater services-currently operated by councils on behalf of communities.

The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Council would belong to WSE 'G' along with other Wellington Regional Councils.

Based on the progression of the related legislation, and the draft transition date released in August for Entity G, it is expected Council will not be responsible for the delivery and infrastructure of three water services from 1 October 2024.

High level guidance has been issued that outlines which assets would transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with certainty, though significant work on this is ongoing. With the change in the Government there is a possibility of a change to the water services reform programme. Considering the recent developments there is a possibility that the new Government might repeal or substantially amend the three legislations.

## Explanations of Major Variances against Budget

Explanations for major variations from SWDC's estimated figures in the 2022/23 Annual Plan are as follows.

### Statement of Comprehensive Revenue and Expense

Operating surplus for the year was \$1.6m lower than budget, as a result of greater than planned revenues (\$4.9m higher than budget), offset by greater than planned expenses (\$6.5m higher than budget) within the overall result.

The increase in revenue reflects:

- continued high levels of developmental activity within the district, shown in greater than planned income from sub-division, and financial contributions (\$1.2m higher than budget).
- subsidy from Waka Kotahi (\$2.7m higher than budget), which was offset by corresponding increases in expense in Land Transport (\$4.3m higher than budget) related to emergency works caused by weather events.
- revenue from grants for programmes funded by central government initiatives, which was offset by corresponding increases in expense in the relevant activities:
  - Water Reform Transition Support (\$0.2m), across the three water activities,
  - Infrastructure Reference Group (\$0.3m) for the Tauherenikau Cycle Bridge, in Community Facilities and Services,
  - Mayor's Taskforce for Jobs (\$0.2m), in Community Facilities and Services,
  - New Zealand Library Partnership, Rangatahi Strategy, Welcoming Communities, Lotteries Grant, (\$0.1m total) in Community Facilities and Services,
  - Crown contribution for supporting Wairarapa Moana, (\$0.1m) which has been ringfenced into a reserve for future use.

Investment properties were revalued this year to reflect market values resulting in a decrease (\$1.6m) to total surplus.

### Statement of Financial Position

The overall position shows Council is able to meet its commitments, with having sufficient means to cover current liabilities. Assets held to support the delivery of Council services increased in value due to positive cyclical revaluations and increased capital expenditure and assets vested council. Public debt increased this financial year, in line with budget expectations. Overall, equity has increased. Transfers to special and restricted reserves balances reflect increasing development within the district and the accumulation of funds for repayment of loans.

### Statement of Cashflows

Net cashflow from operating activities is positive and in line with budget.

Net cashflow from investing activities is unfavourable, but less so than budget due to delays to capital projects in the three water activities.

Net cashflow from financing activities was \$2.8m lower than budget due to delays in debt funded capital projects.

## Other disclosures

### Related Parties

During the year councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates and purchase of rubbish bags etc.). All payments were made on a cash basis and no payments were delayed. No interest was charged and there are no outstanding balances as at 30 June 2023. No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2022: \$Nil).

### Commitments

Total Capital Commitments at 30 June 2023 were \$1.2m (2022: \$2.4m) and all relates to roading. Operating lease commitments as a lessee were \$0.1m (2022: \$0.2m).

### Contingencies

No contingent assets or liabilities existed as at 30 June 2023 (2022: Nil).



## **Independent Auditor's Report**

### **To the readers of South Wairarapa District Council's summary of the annual report for the year ended 30 June 2023**

The summary of the annual report was derived from the annual report of the South Wairarapa District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on page 2 and pages 5 to 14:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive income, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include other explanatory information; and
- the summary of performance information (referred to as Measuring Performance against performance measures).

### **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 2023 in our auditor's report dated 7 December 2023.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the uncertainty over the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. With the change in government, it may be repealed or substantially amended.

Information about this matter is also disclosed on page 12 of the summary financial statements.

### **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 and our report on the disclosure requirements, we perform a limited assurance engagement related to the District Council's debenture trust deed.

Other than these engagements, we have no relationship with, or interests in, the District Council.



Jacques Du Toit  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
15 December 2023