



ANNUAL REPORT SUMMARY 2022/23

FOR THE YEAR ENDING 30 JUNE 2023

GO RURAL
DISTRICT COUNCIL
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HIGHLIGHTS

Welcome to the Gore District Council's Annual Report summary for the 2022/23 financial year.

This is a snapshot of what we did well during the year and how we performed against our budgets.

It's important to read the full Annual Report to get a complete picture of our performance.

You can download it from our website www.goredc.govt.nz

Mayoral and Executive Foreword

We are pleased to provide a brief commentary on some of the more notable achievements and issues arising during the 2022/23 financial year. Full commentary and disclosure of the Council's financial and non-financial performance in the year under review can be found in the full Annual Report.

Financial Performance

Our financial statements record a deficit of \$2.433m as opposed to a budgeted deficit of \$763,000. The principal driver for the deficit was an unexpected spike in depreciation of \$1.3m. The year under review has been very challenging in a financial sense due to high inflation, rising interest rates, an increase in debt to fund essential capital works, and a very tight employment market, which has necessitated personnel expenses being increased to meet the market.

Both revenue and expenditure were significantly higher than budgeted levels. A significant factor in increased revenue was three significant grants received from the Government totalling \$1.55m. In addition, the vesting of the Hokonui Moonshine Museum building to the Council

for the value of \$1.1m needed to be recognized in the income statements for the year.

On the expenditure side, apart from depreciation of \$1.3m, the Council also incurred higher road maintenance expenditure (\$1m), personnel costs (\$817,000), increased interest expenditure (\$673,000), and increased costs with resource consent processing (substantially offset by an increase in income) and the District Plan review. Both of these regulatory items contributed to an additional \$732,000 in expenditure than what was foreshadowed.

Total borrowings at year-end were \$50m. This is very much in line with the forecast of \$50.3m.

Three Waters Capital Projects

The Council has had an intensive focus on completing essential capital works in recent years. In the past 12 months, a number of critical projects have either been completed or significantly advanced to address longstanding issues.

- Replacing a major wastewater main between the intersection of Wigan and Hyde streets and Eccles and Ardwick streets. This was a high priority due to

the pipeline's poor condition and the fact it passes through private property, the rail corridor, a state highway and the Eccles Street playground.

- Finishing installing a new stormwater system and wastewater main in Elizabeth, Joseph and St Andrews streets. Previously, there was a combined wastewater and stormwater main and the area was prone to surface flooding during intense rainfall.



- Completing a robust renewals plan for the Gore and Mataura reticulated networks. This saw 31km of condition data, which covers approximately 28% of our networks, analysed and developed into a renewal strategy.
- Desludging Pond One at the Gore oxidation ponds. The sludge was pumped into Geobags in a containment bund built west of the ponds. The Geobags allow the sludge to dewater over the next two to three years, with the liquid being pumped into Pond Two. We expect to remove about 2500 tonnes of sludge.
- Installation of a new membrane plant at the East Gore Water Treatment Plant. The new membrane plant means that once fully commissioned, the water supply of Gore will be fully compliant with the New Zealand Drinking Water Standards. Total completion awaits the installation of a pipeline under the bed of the Mataura River, which was the community's preferred option.
- Upgrading the Mataura Water Treatment Plant so it is also fully compliant with the New Zealand Drinking Water Standards. At the time of writing, this project was almost completed.



Worksafe Prosecution

Since 2019, the Council has faced charges brought by Worksafe in connection with the alleged drowning of a toddler in the Gore oxidation ponds. The circumstances behind the death surrounding the toddler have generated an extraordinary amount of publicity and posed serious questions about the adequacy of the investigation that took place.

All the while, the Council was facing a serious charge under the Health And Safety At Work Act 2015. The charge brought by Worksafe attracted a maximum fine of \$1.5m. Due to deep-seated concerns about the adequacy of the investigations and serious questions about how the toddler got to be in pond two, where he was found deceased, the Council maintained a stance of pleading not guilty to the charge. Just prior to the scheduled defended hearing, Worksafe indicated it was prepared to lower the charge to one of failing in a duty in respect of the fencing around the oxidation ponds. This lower charge has a maximum fine of \$500,000.

The Council, therefore, changed its plea to guilty. The court opted not to impose any fine.

Whilst this is a great result for ratepayers from a financial perspective, the sense of unease about whether all relevant facts of this tragic event have been exposed still remain. At the time of writing, a coronial inquest into the death of young Lachlan Jones was scheduled to occur early in the new year.



New Library and Community Rooms

In March 2023, the new James Cumming Community Centre and Library was opened. This project was the culmination of an idea spawned in the 2020 lockdown in response to the Government's Shovel Ready funding programme. The project attracted a grant of \$3m from the Shovel Ready Fund, together with \$958,000 from Mataura Valley Milk Limited as a financial contribution arising from its development at McNab. The \$7.7m project was completed within budget during a time of high construction cost inflation.

The combined effect of the upgraded Civic Administration Building, along with the library and community room complex, provides a civic precinct that will serve the community well for decades to come.



New Second Tier Management

At the start of the year under review, the Council installed a new management structure that provided more support for the senior operational leadership. The new structure was centered around a dedicated General Manager for People and Culture, along with a General Manager for Critical Services, covering emerging trends such as climate change and emergency management, together with the more traditional activities of Three Waters, roading, and waste minimisation. The structure, whilst an additional cost, has had a profound positive effect on the culture of the Council organisation, as borne out of staff surveys.

Local Government Sector Reform

The last year or so has highlighted the dire need for reform in the local government sector. Funding, in particular, is proving problematic, with ratepayers unable to absorb and sustain the sharp cost increases being incurred in the interests of improving national infrastructure.

The previous Government's controversial Three Waters reforms appear to be on the brink of cancellation, with the new National-led Government promising to repeal the reform and leave the assets with local communities to administer. However, this does not cure the problem of crucial funding deficits, which cannot be met in total by local ratepayers.

Put simply, the existing means of funding local government infrastructure and services is not fit for purpose. This situation is exacerbated when central

Government-inspired regulations force communities into significant capital works.

Once these issues are overlaid with a Council structure set up in a frenzy almost 35 years ago, then the need for reform becomes compelling and urgent. As councils like Gore District start to bump up against debt ceiling limits, some very difficult choices will have to be made, including key projects being advanced.

The previous Government has been considering a report on the future of local government delivered by an independent panel. While it is difficult to envisage the new Government enthusiastically embracing a report commissioned by its predecessor, many Councils in New Zealand do not have the luxury of time to wait for the funding cavalry to arrive.

As a consequence, energetic advocacy in this area is envisaged over the coming year.



Keith Hovell
Acting Mayor



Stephen Parry
Chief Executive



ABOUT THE ANNUAL REPORT

An annual report sets out our financial and non-financial performance. Its purpose is to measure how we performed against the goals we set for the year.

Here's a quick overview of our planning and reporting cycle.

We have two overarching planning documents – the Long Term Plan (also known as a 10-Year) and the Annual Plan.

We produce a Long Term Plan in consultation with our community every three years. The Long Term Plan

outlines our vision for the District over the following decade and outlines key projects and budgets.

The first year of the Long Term Plan also serves as the Annual Plan for that year.

In the two years following a Long Term Plan, we have an Annual Plan each year. These are like chapters two and three of the Long Term Plan.

Our main reporting document is the Annual Report.

Year in Review

The 2022/23 financial year was Year 2 of our 2021-2031 Long Term Plan. Things beyond our control, such as inflation and the Russian invasion of Ukraine, continued to impact our activities and service delivery.

There have also been reforms affecting councils. Three Waters, Resource Management and the Future for Local Government are the most significant.

The year's highlight was the opening of our James Cumming Community Centre and Library. The \$7.7 million redevelopment of the former James Cumming Wing into a modern library and community space has been an outstanding success.

The project received a \$3 million grant from the Government's Shovel Ready Fund, designed to stimulate development during the COVID pandemic, and \$958,000 from Mataura Valley Milk.

Another major project milestone was the release of the draft Gore District Plan. We had worked with the community for over two years to produce a plan that protects the environment and things a community values while encouraging growth and prosperity. After considering all the feedback, we released our Proposed District Plan in September for public consultation.

Council planning and performance monitoring cycle



HOW THE COUNCIL PERFORMED

We commission an annual survey of residents to find out what they think about specific services and facilities and how they feel about the District and our performance.

As with previous years, the 2023 survey was conducted by phone and online. There were 380 respondents to the telephone survey, and 281 residents chose to give their feedback through the online survey.

As well as finding out what our residents think, the survey enables us to benchmark our performance against similar councils. These were South Taranaki, Ashburton, Clutha, Far North and Grey district councils.

The satisfaction level with our services was higher than the group mean for:

- | | |
|---|--|
|  Overall satisfaction with the Council's performance |  Public toilets |
|  Community pools |  Footpaths |
|  Community hall |  Gravel roads |
|  Playgrounds |  Sealed roads |
|  Parks and Reserves |  Water supply |
|  Sports grounds |  Wastewater |



In the survey you told us we continue to meet your expectations in delivering outstanding customer support, recreational facilities, and parks and reserves.



 **97%**

satisfied with sports grounds and the MLT Event Centre



 **98%**

satisfied with the Gore Visitor Centre



 **97%**

satisfied with parks and reserves

Priority Issues

Stormwater

In the survey, you told us our stormwater network was a major concern. Significant surface flooding in December 2022 was still front of mind for many people when the survey was undertaken. Consequently, only 64% of survey respondents were happy with our stormwater system – the lowest since 2015.

Roading

Improving roading remains the priority for a third of our residents. Trend analysis shows a decline in the satisfaction levels for local sealed roads and footpaths and a minor improvement for local gravel roads compared to 2022.

Reasons for dissatisfaction with roading mainly focused on the condition of the roads, where seal repairs are being poorly done/not repaired for the long term.

Recycling

Similar to 2022, a significantly high proportion of residents think one of the priorities needs to be fixing the recycling/waste services. Rural residents continue to be highly engaged around recycling, with 59% wanting the service introduced in rural areas.



3 Waters

The Government's 3 Waters Reforms continued to have a significant impact on planning and reporting in the last financial year. Plans to have four water service entities were scrapped in April/May and the Government decided to establish 10 entities.

Given the change in Government in October, there is a lot of uncertainty around what the future holds for 3 Waters.

Centralising Gore's water treatment at the upgraded East Gore Water Treatment Plant took a significant

step forward during the year. After completing community engagement and considering the advantages and disadvantages of continuing to investigate a dual-purpose bridge, the Council decided to focus on getting the pipeline across the river by drilling underneath it. Staff are currently undertaking investigation and design work for this.

The delays in installing a pipeline across the Mataura River has also meant the planned replacement of the Hilbre Avenue reservoir has been delayed until 2026.

RESIDENTS PRIORITIES IN ORDER WERE:

1. Roothing

2. Recycling/waste services

3. Water issues

4. Wastewater/ Stormwater

5. Footpaths





Our commitment to ensuring our communities have access to water that meets national drinking water standards saw work start on upgrading the Mataura Water Treatment Plant. This project includes installing a UV unit and filter upgrades to help with taste and odour issues during summer when we take water from the Mataura River.

Other work undertaken includes:

- Replacing a major wastewater main between the intersection of Wigan and Hyde streets and Eccles and Ardwick street. This was a high priority due to the pipeline's poor condition and the fact it passes through private property, the rail corridor, a state highway and the Eccles Street playground.
- Finishing installing a new stormwater system, and wastewater main in Elizabeth, Joseph and St Andrews streets. Previously, the wastewater main for this area was a combined wastewater and stormwater main, and the area was prone to surface flooding during intense rainfall.
- Completing a robust renewals plan for Gore and Mataura's reticulated network. This saw 31km of condition data, which covers approximately 28% of our networks, analysed and developed into a renewal strategy.
- Desludging Pond One at the Gore Wastewater Treatment Plant. The sludge is being pumped into Geobags in a containment bund built west of the ponds. The Geobags will allow the sludge to dewater over the next two-three years, with the liquid being pumped into Pond Two. We expect to remove about 2500 tonnes of sludge.

Quality of life

The results show that most residents hold very positive perceptions of the area, which is consistent with previous years.

Compared to last year, the residents reported an increasing sense of community and pride in the way their area looks.

However, there was a drop in the percentage of results who felt the Gore District was a safe place to live.



 **89%**

agreed the Gore District is a great place to live

Parks and Reserves

We know our parks and reserves are a constant source of pride for the community.

The highlights for the year included:

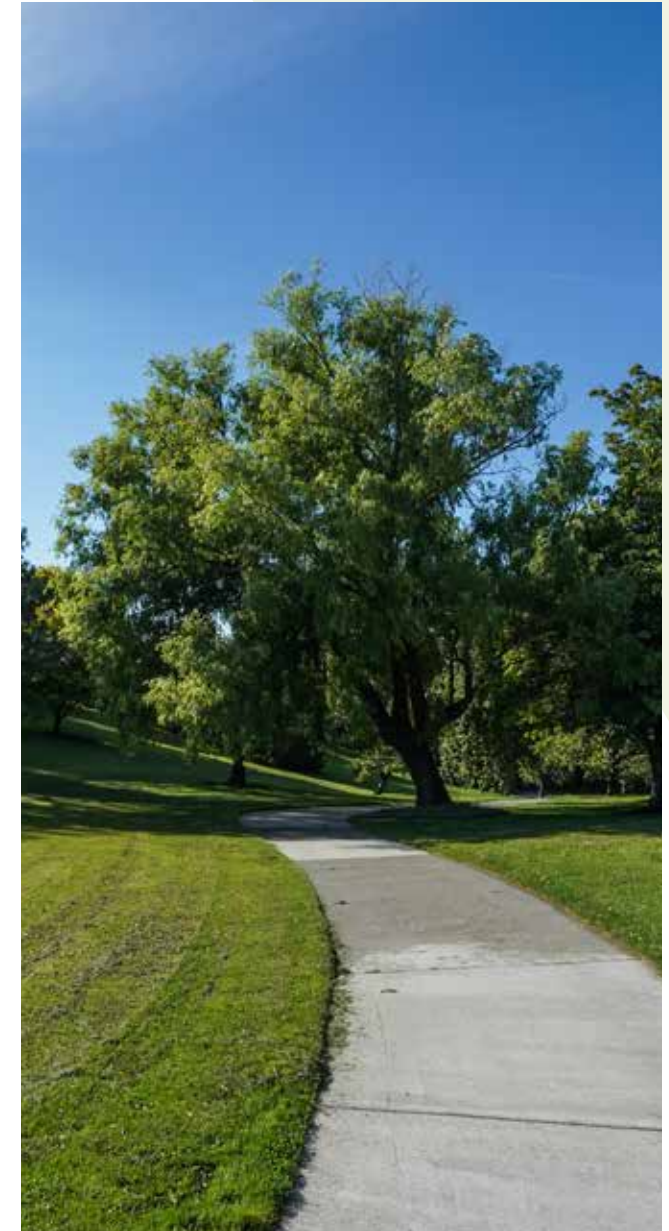
Our parks team worked with the Pukerau Cemetery Support Group Trust to improve signage and amenities at the Pukerau cemetery. This work saw the Trust pick up the Community Awards at the national cemeteries conference.

We planted 120 mature trees in park and road reserve land. The Hamilton Park revegetation programme saw 1ha planted this year. This equates to 2,600 native plants in the ground. A positive aspect is the increased support from schools, community, and business groups.

The Bannerman Park Hosta collection area has been redeveloped and extended and is now one of the most significant collections in New Zealand.

James Cumming Community Centre and Library - over 3,500 plants, seating and boulders installed.

Matai Ridge subdivision - about 1,000 native plants in the reserve and around the retention pond. Street trees were planted, and berms sowed.



Grants

We supported 33 organisations, groups or events via our Grants.

We had budgeted to give out \$486,810 in the 2022/23 year but ended up distributing \$528,912. The increase was mainly due to a grant of \$105,500 to the Hokonui Moonshine Museum Charitable Trust for the moonshine museum upgrade.



Roading

Major weather events and inflation had an impact on our ability to maintain our usual level of service. There were fewer companies tendering for and undertaking work, and costs increased significantly.

Locally, a wet winter meant a proliferation of potholes on gravel roads. Unfortunately, conditions prevented our roading team from grading these roads as quickly as it would have liked.

As mentioned earlier, electrical storms accompanied by heavy rainfall in December overwhelmed Gore's stormwater system several times. The storm lasted only about an hour each time but resulted in significant localised flooding.

Roading by numbers:



21.2km resealed
132km regravelled



466m kerb and
channel replaced
16.2km of rural surface
water channels constructed

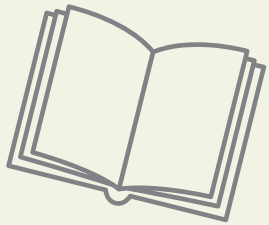


343m
of footpaths reconstructed



68,064

number of **VISITORS**
to the Gore Library



\$40M

the value of our
**PARKS AND
RECREATIONAL**
assets

5,000

the number of people
who attended our



**CHRISTMAS
CARNIVAL**



896KM

the length of our
ROADING NETWORK

SIGNIFICANT PERFORMANCE MEASURES

Our staff managed to hit 47 of our 63 performance measures. That is 74.6 percent, an improvement on the 66.7 percent achieved in the last financial year.

Water



Target not achieved relates to two treatment plants not being compliant with national drinking water standards. One – the Mataura water treatment plant, has since become compliant.

Wastewater

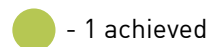


Stormwater

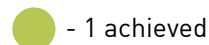


Target not achieved was response time to flooding events. Our response time was 88 minutes, against our target of 60 minutes.

Solid Waste



Arts and Heritage



Gore Aquatic Centre and Event Centre



KEY

- Achieved
- Almost achieved
- Not achieved

Roading

- ● - 2 achieved
- ● ● - 3 almost achieved
- ● - 2 not achieved

Target not achieved related to residents' satisfaction with gravel roads and footpath maintenance.

Parks and Reserves

- ● ● ● - 4 achieved
- - 1 not achieved

Target not achieved was the continued low satisfaction level with public toilets.

Gore Library

- - 1 achieved
- - 1 not achieved

Target not achieved was caused by the library being closed for three months due to moving to the new building and delays in getting building compliance.

Regulatory and Planning

- ● - 2 achieved
-

Governance

- - 1 not achieved

Not achieved related to residents' and ratepayers' satisfaction with the decisions and actions of the Council as measured in the Residents' Survey.



OUR ANNUAL INCOME

What was our planned income?

We budgeted for an income of **\$29.8** million

Why is there a difference?

The difference arose in three main areas - grants received (\$1.8m), other income (\$1.4m) and fees and charges (\$1.1m).

We were fortunate to receive three grants from the Government. These were:

- 3 Waters Better off Funding - \$1.2m
- Shovel Ready - \$350,000
- 3Waters transitional funding - \$200,000.

The movement in other income was largely due to the Hokonui Moonshine Museum building being vested to the Council. Quotable Value NZ sets the building's

capital value at \$1.1m, which needs to be recognised in our income.

There were several activities where the amount of fees and charges received was ahead of budget.

These include

- Gore Transfer Station - \$164,000,
- Resource consents - \$158,000,
- Penalty payments on rates - \$158,000,
- Trade waste charges - \$95,000, and
- Other regulatory functions - \$79,000

What was our actual income?

Our actual income was **\$34.9** million

OUR ANNUAL SPEND

What did we plan to spend?

We planned to spend **\$30.6** million

Why is there a difference?

- Additional depreciation costs of \$1.3m largely due to the revaluation of assets.
- The combined rural and urban roading maintenance expenditure was \$1m over budget. Some of this was due to timing, as our roading team works on a three-year maintenance cycle.
- \$817,000 for personnel costs. We had several new positions, new tier 2 management structure, a digital communications specialist, a planning graduate and roading operations. There were also a number of fixed-term positions. There was significant movement in the recruitment market, with wage inflation of up to 30% in some areas.

- \$732,000 in the regulatory area, with resource planning and consent contractors \$408,000 over budget (partially offset by an increase in income for resource consents) and the District Plan review \$324,000 over budget.
- \$673,000 unbudgeted increase in interest expenditure. When the 2022/23 budget was adopted, there was no indication interest rates would increase at the speed and level that eventuated.
- \$443,000 unbudgeted payment of reserves to Otama Rural Water Supply, with the scheme moving into private ownership on 1 July 2022.

What did we actually spend?

Our actual spend was **\$37.3** million

OUR ASSETS

What was our planned spend?

We planned to spend **\$15.8** million

Why is there a difference?

The variances are due to the timing of expenditure compared to the budget for the James Cumming Community Centre and Library, the Elizabeth Street stormwater and wastewater separation project, Gore and Maitua water treatment plant upgrades, the Māruawai Centre and the desludging projects.

What was our actual spend?

Our actual spend was **\$20.6** million

How do we pay for our assets?

A number of our capital projects are receiving full or partial funding from central government. We borrow money to pay for large projects that provide services to our community for a long time. Borrowing money over a long period means people who will benefit in the future also contribute to the cost.

OUR BORROWING

What was our planned borrowing?

We planned to borrow **\$50.3** million

Why is there a difference?

The Council's total borrowing at 30 June 2023 was marginally lower than the budgeted position. The projects that new borrowing in the 2022/23 year funded include the James Cumming Community

Centre and Library, Maitua water treatment plant upgrade, desludging of the oxidation ponds and the stormwater and wastewater separation project.

What was our actual borrowing?

Our actual borrowing was **\$50** million

SUMMARY FINANCIAL STATEMENTS

Operating revenue: This is day to day income received from things such as rates, fees and charges

Operating expenses:

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

Total comprehensive income:

This is the difference between operating revenue and operating expenses for the current year i.e.
more revenue = surplus
more expenses = (deficit)

Assets: The property we own

Liabilities: The amount we owe

Operating activities: The difference between operating revenue and operating expenses

Investing activities: The difference between buying and selling assets

Financing activities: The difference between borrowing and the repayment of loans

Cash held: Money in the bank

Summary statement of comprehensive revenue and expense for the year ended 30 June 2023	2023 \$000	AP 2023 \$000	2022 \$000
Operating revenue	34,921	29,843	34,765
Finance costs	(1,889)	(1,216)	(1,036)
Other operating expenses	(35,465)	(29,390)	(31,284)
Total operating expenses	(37,354)	(30,606)	(32,320)
Net surplus/(deficit)	(2,433)	(763)	2,445
Other comprehensive revenue and expense	-	-	66,670
Total comprehensive revenue and expense	(2,433)	(763)	69,115
Summary statement of changes in net assets/equity for the year ended 30 June 2023	2023 \$000	AP 2023 \$000	2022 \$000
Balance at 1 July	499,279	456,294	430,164
Total comprehensive revenue and expense	(2,433)	(763)	69,115
Balance at 30 June	496,846	455,531	499,279
Equity represented by:			
Retained earnings	138,374	142,518	139,594
Reserves	358,472	313,013	359,685
Summary statement of financial position as at 30 June 2023	2023 \$000	AP 2023 \$000	2022 \$000
Current assets	9,373	9,068	9,577
Non-current assets	543,514	504,611	531,757
Total Assets	552,887	513,679	541,334
Current Liabilities	19,391	16,227	17,300
Non-current Liabilities	36,650	41,921	24,755
Total Liabilities	56,041	58,148	42,055
Net assets/equity	489,846	455,531	499,279
Summary cash flow statement for the year ended 30 June 2023	2023 \$000	AP 2023 \$000	2022 \$000
Net from operating activities	3,916	6,245	4,730
Net from investing activities	(17,935)	(15,801)	(8,856)
Net from financing activities	14,500	9,551	3,000
Net increase/decrease in cash held	481	(5)	(1,126)
Opening cash balance	1,810	2,300	2,936
Closing cash balance	2,291	2,295	1,810

Notes

1. Section 98 (4) (b) of the Local Government Act 2002 requires the Council to make publicly available a summary of the information contained in its Annual Report.
2. The specific disclosures included in the summary report have been extracted from the full financial report completed on 2 November 2023.
3. The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated 2 November 2023 has received an unqualified audit report. A full copy of the financial report may be obtained from the Council's offices or on its website (www.goredc.govt.nz).
4. This summary financial report has been examined by the auditor for consistency with the full financial report.
5. The Council's full financial report has complied with NZ GAAP and Tier 1 Public Benefit Entity (PBE) standards.
6. The Summary Financial Report Complies With PBE FRS 43 Summary Financial Statements.
7. The presentation currency of the Summary Financial Statements is New Zealand dollars.
8. The Summary Financial Statements were authorised by the Council on 2 November 2023.
9. In May 2019 the Otama Rural Water supply Bill received royal assent. The Bill provides a process whereby the Otama Rural Water Supply scheme can be transferred to the users of the scheme, despite section 130 of the Local Government Act 2002, and provides for certain related matters if the scheme is transferred. A referendum for the users of the scheme was held in late 2021, with the final result being declared on 10 December 2021, with a majority of 90.94% voting in favour of the scheme being transferred to Otama Rural Water Limited on 1 July 2022 for the sale price of \$1. The assets relating to the Otama Rural Water Supply scheme were written down to a fair value of \$1 in the 2021/2022 financial year, resulting in a loss of \$98,000 on the asset. Reserves of \$443,497 were paid out in the 2022/2023 financial year.
10. The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA.

Explanation of major variances against budget

Statement of Comprehensive Revenue & Expense

The difference in revenue arose in three main areas - grants (\$1.8m), other revenue (\$1.4m) and fees and charges (\$1.1m). The Council received Better Off Funding grants (\$1.2m), Shovel Ready grants (\$350k) and 3Waters transition funding grant (\$200k). All of these were unbudgeted in the 2022/23, mostly due to the announcement of funding being made after the Council had adopted the 2022/23 Annual Plan. The movement in Other Revenue was largely due to the vesting of the Hokonui Moonshine Museum building to Council. Quotable Value NZ has a recorded capital value of that building as \$1.1m, which needed to be recognised in the Council's income. There were a number of activities that contributed to the fees and charges received being greater than budget including the transfer station (\$164k), resource consents (\$158k), late penalties received on rates (\$158k), trade waste charges (\$95k) and other regulatory charges (\$79k).

There were a number of factors that contributed to the increase in expenditure against the Council's Annual Plan. These included:

- Additional depreciation costs of \$1.3m due to the revaluation of the Council's assets at 30 June 2022.
- The combined rural and urban roading contractor maintenance expenditure was \$1.0 million over budget for the year. This can be due to timing as roading work on a three year maintenance cycle.
- \$817k for personnel costs with a number of positions coming onstream including two new general managers, a digital media specialist, a planning graduate, roading operations personnel. There were also a number of fixed term positions in Events, Ready for

Living, policy analyst and library. The remainder can be explained by significant movement in the recruitment market with wage inflation of up to 30% felt in some areas.

- \$732k in the regulatory area, with resource planning and consent contractors \$408k over budget (note that this is partially offset by the increase in resource consent income) and district plan \$324k over budget.
- \$673k unbudgeted increase in interest expenditure. At the time that the Council's 2022/23 Annual Plan was adopted, there was no indication that the interest rates would increase at the speed and level that eventuated.
- \$443k unbudgeted payment to Otama Rural Water Supply, with the scheme moving into private ownership on 1 July 2022.

Statement of Financial Position

- a. Current assets are higher than budget, primarily due to transferring sections from the Matai Ridge subdivision to inventory, ready for sale.
- b. Property, plant and equipment higher than budget as a result of the revaluations that were undertaken.
- c. Whilst overall borrowings were close to budget, the split between current and non-current borrowings differed to the budget. Higher borrowings compared to budget were recorded in current borrowings and less in non-current borrowings due to the Council trying to minimise the impact of the increasing interest rates.

TO THE READERS OF GORE 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 Gore District Council (the Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following summary statements on pages 12 to 17:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and cash flow statement for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance referred to as Significant 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 02 November 2023. That report also includes:

- An emphasis of matter paragraph that draws attention to page 94 in the audited financial statements, which describes the impact of the three waters reform the Council's audited financial statements.

This matter is disclosed in note 9 in 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 have carried out engagements in the areas of Debenture Trust Deed Reporting which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the Council.



Mike Hoshek,
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand
02 November 2023

