

ANNUAL REPORT SUMMARY 2021/22

FOR THE YEAR ENDING 30 JUNE 2022

GO RURAL
DISTRICT COUNCIL CITY
RE LIVING

www.goredc.govt.nz



HIGHLIGHTS

We are pleased to be able to provide a brief commentary on some of the more notable achievements and progress on the key projects that occurred during the 2021/22 financial year. The financial year under review represents the first year of the Council's 2021-2031 10-Year-Plan (10YP), also known as the Long-Term Plan. Full commentary and disclosure of the Council's financial and non-financial performance in the year under review can be found in this Annual Report.

Financial performance

Our financial statements record a surplus of \$2.445 million compared to a budgeted figure of \$4.485 million. Given the higher degree of cost uncertainty associated with Covid-19 and the prevailing economic climate, this result is considered to be satisfactory.

Total borrowing at year-end was \$35.5 million, which is \$5.216 million less than what was forecast.

This difference is due to delays in executing some key projects, which are highlighted below.

Significant variances that occurred within certain activities are profiled on page 13 of this report. The reasons for these variances are provided within this section of the report.

Three Waters reform

In the foreword of the Annual Report for 2020/21, we mentioned the debate on Three Waters reform that had been raging within the Local Government sector and Central Government circles throughout the previous 12 months. Nothing much has changed in the ensuing 12-month period, with the proposed reforms galvanizing an increasingly sceptical public. This, in turn, generated a lot of debate at the recent local authority elections, and will no doubt feature prominently in the general election at the end of 2023.

In the meantime, we are dealing with a tsunami of information requests to assist the planning for the creation of four new water entities. Legislation to create the new entities is currently working its way through the parliamentary process.

We have been steadfast in our belief that whilst reform of the Three Waters sector is necessary, we do not believe the model promulgated by the Government is fit for purpose. In a submission to the Government, we advocated for a funding model akin to what occurs with roading and Waka Kotahi. We believe this model would be far more suitable and far less disruptive to resolve what is essentially a funding deficit within Three Waters.

Needless to say, should the reform process proceed as mooted by the current government, the impact on the Gore District Council will be profound.

Three Waters incentive funding

It is pleasing to report the Council completed the key projects contained within the Three Waters incentive funding provided by the Government. This incentive funding, totalling \$2.575 million, enabled the Council to complete the installation of new wastewater and water mains in Wigan Street, as well as CCTV analysis of approximately 25% of our wastewater network.

The wastewater trunk main in Wigan Street was in a seriously advanced state of disrepair due to having reached the end of its economic life. Therefore, it is heartening to be able to use the funding to future-proof this important segment of the network. The CCTV data will assist us in being able to make informed decisions about where it is best placed to spend its limited funds on wastewater network improvements.

Bridge over troubled water

In the previous Annual Report, we reported the Council had secured a resource consent by independent commissions to construct a new bridge over the Mataura River to provide both a means of conveying water from the upgraded East Gore Water Treatment Plant and walking and cycling opportunities for the public. At that time, it was noted an appeal had been lodged against this decision to the Environment Court. The appeal was upheld by the Environment Court, and therefore a resource consent to construct the bridge as proposed was not granted.

We were obviously disappointed with this decision, as it has meant we could not realise our plans to centralise water treatment for Gore. During the year under review, the Council completed the installation and

commissioning of the new membrane plant at East Gore.

However, until such time as two new pipelines can be installed across the Mataura River, approximately one-third of the Gore residents will not receive water that meets national drinking water standards.

We acknowledge we could have done better in talking to our community about this project. Therefore, community engagement on options to get the pipelines across the Mataura River to the Jacobstown Well will be undertaken this year. The Council is acutely aware that with Three Waters reform and the need to have treated water in Gore that is fully compliant with the New Zealand Drinking Water Standards, time is of the essence.



Matai Ridge Residential Subdivision

Regular readers may recall we abandoned plans to develop a residential subdivision in East Gore known as Matai Ridge. The decision to abandon the project at the end of 2016 related to the economics of the project when development costs were placed alongside expected section values. However, the explosion in land values and house prices post the Covid-19 shutdown in 2020 and the consequential shortages experienced in housing stock, prompted a rethink.

Following a period of careful reflection and analysis, we decided to enter into a joint operation agreement with the Kingston Lifestyle Family Trust, which is the owner of Wilson's Contracting Ltd. The joint operation partner had tendered for the project on two separate occasions,

only for the Council to opt to not proceed with the development by itself.

The joint operation agreement was entered into in December 2021, with section sales in the 36-lot development being promoted shortly afterward. The reaction from the public was very pleasing, with all except five of the sections conditionally sold by the end of January 2022. This gave the joint operation a significant degree of confidence about the financial prospects of the development.

Pleasing progress has been made with the physical construction of the new subdivision, with titles expected to be issued in March 2023.

The joint operation development sees a complimentary mix of skills whereby we provide the land, the resource consent, the detailed engineering design, and its marketing collateral with the Kingston Lifestyle Family Trust by virtue of its ownership of Wilson's Contracting Ltd, providing civil engineering construction and project management expertise.

The new subdivision will provide meaningful relief for a shortage of both sections and modern housing options that are currently constraining the growth of Gore.



New library and community rooms

As reported last year, the Council let a contract for the development of a new Library and community centre toward the end of 2021. The project was made possible via a grant of \$3 million from the Government's Shovel Ready Fund. This exciting project was well advanced by the time of writing this foreword, with an official opening planned for late March 2023. The new facility will be known as the James Cumming Community Centre and Library, replete with Māori cultural artwork commissioned in close collaboration with Hokonui Rūnanga.

It is pleasing to be able to report that while there have been some delays in completing the project due to supply chain issues emanating from Covid-19, the project has been able to be completed within budget, despite the high inflationary environment throughout the construction period. The expected final cost is \$7.76 million.



Managing and Living with Covid

No commentary on the performance of Council operations would be complete without reference to managing and living with the threat of Covid-19. Towards the end of 2021, after a relatively benign period without Covid-19, the Omicron variant started to make its presence felt within the community. This highly infectious variant caused consternation and differing policy settings amongst private and public organisations.

In our case, a senior management Covid-19 advisory group was formed to advise the Chief Executive on the appropriateness of measures to be undertaken to be able to manage Covid-19 in Council premises.

This resulted in the Council resisting the popular urge to place compulsion on all staff to be vaccinated or visitors

to Council facilities and premises to hold a similar status. The Council, through careful risk management, opted not to exclude anyone.

Instead, we wanted to ensure any visitors wore a mask, scanned in, and socially distanced to protect both themselves and others. As a consequence, the Council received far less public agitation than other communities where a more strident approach to mandating vaccination was utilised.

This was a difficult period of time in which we had to critically assess the long-term risks but also resist the urge to capitulate to popular short-term measures that could prove corrosive for both community and organisational unity.

District Plan Review

A Council-appointed District Plan review subcommittee diligently worked throughout the year to advance a comprehensive review of the District Plan. Utilising the expertise of the Council's planning consultants, The Property Group, the subcommittee wrestled with a number of big and contentious issues.

At the time of writing, the Draft District Plan had been released for public feedback. After considering feedback received from the public, formal notification of the Proposed District Plan is expected toward the end of the 2022/23 financial year. The review is a significant undertaking and will ultimately replace a plan that was made operative in 2006.



A handwritten signature in black ink, appearing to read 'B. Bell'.

Ben Bell
Mayor

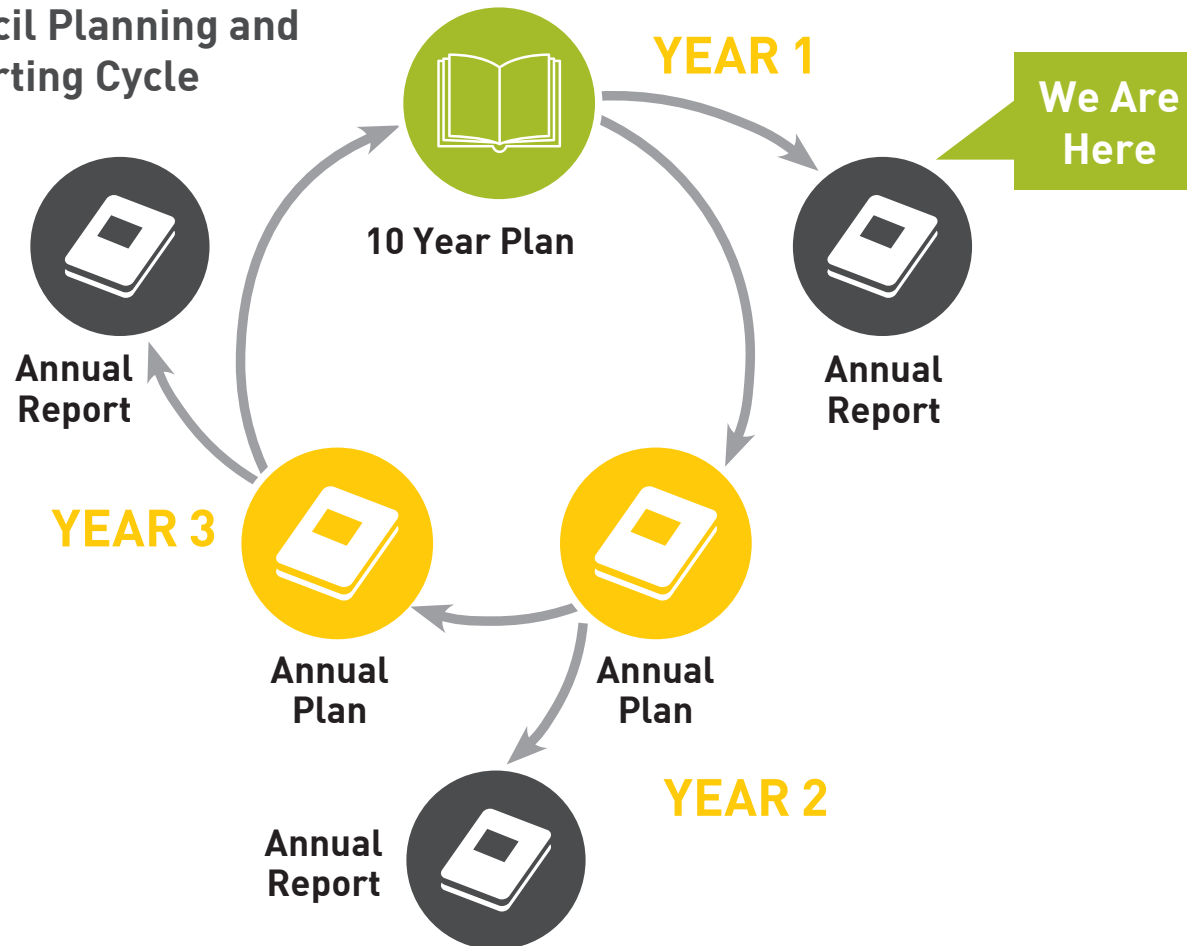


A handwritten signature in black ink, appearing to read 'Stephen Parry'.

Stephen Parry
Chief Executive

ABOUT THE ANNUAL REPORT

Council Planning and Reporting Cycle



What is an Annual Report?

As the name suggests, we produce an Annual Report every year. It is the document that lets our residents know if we are doing what we said we would in the 10-Year-Plan (or Long Term Plan as it's also known) and Annual Plan.

We let you know the key decisions we made, our financial performance and if we met our levels of service measures.

This year's Annual Report covers the first year of our 2021-2031 10-Year-Plan, which is from 1 July 2021 to 30 June 2022.

What are 10 Year Plans and Annual Plans?

Every three years we develop a 10-Year-Plan (10YP) in consultation with the community. It is our lead documents and sets our direction, budgets and work plans. In the two years between adopting a 10YP we develop Annual Plans, also in consultation with the community. These are essentially an update to what was agreed to through the 10YP highlighting any changes to budgets and projects.

HOW THE COUNCIL PERFORMED

Each year 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.

In line with previous years, the 2022 survey was conducted both by phone and online. There were 382 respondents to the telephone survey and 226 residents chose to give their feedback through the online survey.

As well as finding out what our residents think, the survey also 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 in all instances except kerbside recycling, which we discontinued in 2020 amid uncertainty around the recycling contract.

Highlights were satisfaction levels with our recreational facilities and parks, which were among the highest.

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



 **99%**

satisfied with sports grounds and the MLT Event Centre



 **95%**

satisfied with the Gore Aquatic Centre



 **96%**

satisfied with parks and reserves

Priority Issues

Improving roading remains the main priority for a third of our residents. This is similar to last year (35%) and may be attributed to the continuing dissatisfaction with the road conditions (eg potholes and gravel roads). However, it is also likely to reflect the issues experienced with the Streets Alive Trials.

Rural residents were significantly more likely to mention roading as a priority (57%).

Residents also told us they want us to focus on water. The Three Waters Reforms has firmly put our water, stormwater and wastewater services in the public's sights.

Similar to 2020, a significantly high proportion of residents think one of the priorities needs to be fixing the recycling/waste services. The Council is already taking steps to address concerns raised in the last

residents' survey, launching its Rethinking Waste programme in early 2022.

A lot of work is underway to explore options for reintroducing a kerbside recycling service. Once we have details about costs and the type of service, we will be looking for public feedback.

Residents priorities in order were:

1. Roading
2. Water issues
3. Recycling/waste services
4. Footpaths
5. Wastewater/ Stormwater



Quality of life

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

The number of people who agreed the Gore District is a great place to live, there is a great sense of community, and they felt a sense of pride in how their area looks and feels was higher than urban results nationally.

However, results also indicate the perception of the Gore District as a safe place to live and the sense of community and pride were at low points.

 **89%** agreed the Gore District is a great place to live

Libraries

Construction of the new Gore Library and James Cumming Community Centre hit top gear last year. The Gore library remained in its temporary premise, and the number of visitors dropped due to COVID-19 restrictions. However, there was still a strong demand for library services from its 4,209 members.

We have 43,500 items in the library 

Grants

Once again, we supported 33 organisations, groups or events via our Grants. We had budgeted to give out \$486,810 in the 2021/22 year but ended up distributing \$541,219. The increase was due to a grant of \$142,476 to the Hokonui Heritage Centre Trust for its Hokonui Moonshine Museum upgrade.

3 Waters

The Government 3 Waters Reforms have had a significant impact on planning and reporting in the last financial year. At the time of writing, the Government-mandated reform would see the delivery of Gore and Mataura's 3 Water services transferred to Entity D on 1 July 2024.

We have finished upgrading the East Gore Water Treatment Plant, which means 65% of Gore's water supply is now being treated in accordance with the New Zealand Drinking Water Standards. Unfortunately, in March this year, the Environment Court upheld an appeal against our resource consent to construct a bridge that would support two pipelines across the Mataura River.

Until a new connection is installed across the river, the remaining 35% of Gore's water supply will not meet New Zealand Drinking Water Standards. We are currently considering alternative options to install the necessary pipelines.

Other work undertaken includes:


- Design and procurement for a major upgrade of the Mataura Water Treatment Plant. We expect to complete construction work late next year.
- A major water reticulation renewal in Wigan Street.
- Ownership of the Otama Rural Water Scheme was transferred to the Otama Rural Water Company on 1 July.
- Construction started on a \$4.1 million project to separate the stormwater and wastewater systems and replace the water supply network in Elizabeth Street, St Andrew's Street and the western end of Joseph Street.


Roading


COVID-19 significantly impacted our ability to maintain our usual level of service. At times the number of staff available to undertake road works was severely reduced and delayed the completion of works.

A significant new issue impacting roading activities during the second half of the year was the financial consequences of the war in Ukraine. This contributed to rapidly increased costs for fuel and bitumen, both critical to roading activities. This is likely to be an ongoing problem that could impact the level of service provided.

Roading by numbers:

 **18.1km** resealed
112km regravelled

 **448m** kerb and channel replaced
23km of rural surface water channels constructed

 **908m** of footpaths reconstructed
600m of dust suppression seals laid



We planted 160 mature trees in our parks and cemeteries.

We've rolled out new signage at Bannerman Park, Charlton Park Cemetery, and the Gore Gardens.

Comprehensive interpretive panels have been installed at Gore's southern layby, the Mataura Cemetery Kiosk, the Mataura Memorial Kiosk and Pukerau Cemetery Kiosk.



SIGNIFICANT PERFORMANCE MEASURES

COVID-19 significantly impacted the opening hours of our facilities and our staff's ability to meet our levels of service. For example, our libraries didn't achieve 95% of their opening hours due to Covid alert level compliance.

Nevertheless, our staff still managed to hit 36 of our 54 performance measures. That's 66.7%, an improvement on the 62% achieved in the last financial year.

Arts and Heritage

Despite Covid restrictions, the arts and heritage team met the target of 10 exhibitions per annum and exceeded the target of 10 performances/events per annum. DRAFT Public interest in art education programmes was re-ignited with events fully, or over, subscribed.

Water

Response to urgent customer requests about no water in town.

Target: 60 minutes

Actual: 15 minutes

Response to non-urgent customer requests.

Target: five days

Actual: under one day

Parks and Reserves

Our target is to get an average of over 90% satisfaction across our parks and reserves, which we achieved. We appreciate the condition of our public toilets continues to be an issue with residents.

- Parks and Reserves – 97%
- Sportsgrounds – 99%
- Playgrounds – 96%
- Cemeteries – 94%
- Provision of community buildings or halls – 94%
- Public conveniences – 84%

97%
agreed there are **GREAT**
PARKS AND RESERVES
where they live.



Gore Visitor Centre

The Gore Visitor Centre was a victim of COVID-19 alert level restrictions. It remained a five day a week operation, as opposed to seven days pre-COVID, and staffing challenges saw reduced opening hours some weeks.

Nevertheless, it continues to achieve high satisfaction levels with residents. This year's Resident's Survey saw a 97% satisfaction rating, an improvement on last year.

The visitor centre returned to its original home as front of house at the Hokonui Moonshine Museum, although the refurbishments to the museum were ongoing.

The location of the visitor centre within a key heritage attraction was appropriate and consistent with national and international trends.

While there were some tourism-focused activities, a lot of the visitor centre's work in the last financial year was around supporting locals through COVID and being a hub for information.

A review of visitor services was carried out at the start of 2022. It found Gore and Mandeville's high domestic visitor reliance has meant they were more resilient and relatively less impacted than the iconic international visitor destinations like Fiordland and Queenstown.

The coming year is an exciting one with the opening of the moonshine museum and the opportunity to roll out some of the efficiencies identified in the review.



97%

satisfied with the
Gore Visitor Centre

OUR ANNUAL INCOME

What was our planned income?

We budgeted for an income of **\$32.3** million

Why is there a difference?

The difference arose in three main areas - grants received (\$1.0m), other income (\$1.0m) and other gains/ (losses) (\$1.3m).

The Mayor's Taskforce for Jobs - Closing the Gaps is applied for annually, and the outcome is not known at the time the budget is set, so no revenue budget is set. The unbudgeted grant funding received for this activity was \$500k. The remainder of the grants received variance is a result of timing on government grants for shovel ready, 3Waters stimulus funding, and Provincial Growth funding.

The Council also experienced a gain of \$1.62m over budget for the revaluation of interest rate swaps.

What was our actual income?

Our actual income was **\$34.8** million

OUR ANNUAL SPEND

What did we plan to spend?

We planned to spend **\$27.8** million

Why is there a difference?

The difference was due to a number of factors, including:

- Additional District Plan costs of \$527k as the programme of work was accelerated to enable consultation to occur sooner.
- \$657k for consultants to backfill vacant positions in planning, governance, IT and finance.
- \$465k unbudgeted expenditure for Mayor's Taskforce for Jobs. The expenditure was unbudgeted as it is dependent upon the funding being granted.
- Legal expenses were \$371k over budget due to an employment matter and the hearing for the bridge across the Mataura River.
- Inflationary increase in chemicals for 3Waters and Aquatic Centre activities equating to \$239k over budget.

What did we actually spend?

Our actual spend was **\$32.3** million

OUR ASSETS

What was our planned spend?

We planned to spend **\$20.1** million

Why is there a difference?

The walking and cycling bridge across the Mataura River was budgeted to be constructed in the 2021/2022 financial year. This project was put on hold after the resource consent hearing ruled against the bridge being built in the preferred location. This project will go back to the community for further engagement.

The other variances are due to the timing of expenditure compared to budget for the James Cumming Community Centre and Library, the stormwater and wastewater separation, and the desludging projects.

What was our actual spend?

Our actual spend was **\$13.7** 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 the community for a long time. By borrowing the money over the long period, it means people who will benefit in the future also contribute to the cost.

OUR BORROWING

What was our planned borrowing?

We planned to borrow **\$40.7** million

Why is there a difference?

We didn't borrow as much as we had planned due to the timing of the expenditure on key projects such as the stormwater and wastewater separation, the desludging of the oxidation ponds, the James Cumming Community Centre and Library, and the upgrade of the Council's enterprise management system.

What was our actual borrowing?

Our actual borrowing was **\$35.5** 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 2022	2022 \$000	AP 2022 \$000	2021 \$000
Operating revenue	34,765	32,261	29,132
Finance costs	(1,036)	(1,008)	(920)
Other operating expenses	(31,284)	(26,768)	(27,098)
Total operating expenses	(32,320)	(27,776)	(28,018)
Net surplus/(deficit)	2,445	4,485	1,114
Other comprehensive revenue and expense	66,670	22,892	(780)
Total comprehensive revenue and expense	69,115	27,377	334
Summary statement of changes in net assets/equity for the year ended 30 June 2022	2022 \$000	AP 2022 \$000	2021 \$000
Balance at 1 July	430,164	428,918	429,830
Total comprehensive revenue and expense	69,115	27,377	334
Balance at 30 June	499,279	456,295	430,164
Equity represented by:			
Retained earnings	139,568	143,284	135,209
Reserves	360,807	313,011	294,955
Summary statement of financial position as at 30 June 2022	2022 \$000	AP 2022 \$000	2021 \$000
Current assets	9,577	8,946	11,746
Non-current assets	531,757	495,813	459,284
Total Assets	541,334	504,759	471,030
Current Liabilities	17,300	16,096	12,764
Non-current Liabilities	24,755	32,368	28,102
Total Liabilities	42,055	48,464	40,866
Net assets/equity	499,279	456,295	430,164
Summary cash flow statement for the year ended 30 June 2022	2022 \$000	AP 2022 \$000	2021 \$000
Net from operating activities	4,730	10,972	9,736
Net from investing activities	(8,856)	(20,112)	(19,105)
Net from financing activities	3,000	9,134	10,000
Net increase/decrease in cash held	(1,126)	(6)	631
Opening cash balance	2,936	2,306	2,305
Closing cash balance	1,810	2,300	2,936

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 14 February 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 14 February 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 14 February 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 will also be 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.
11. The Council has pleaded guilty to a reduced charge of failing to perform a duty, laid by WorkSafe. The Council will be sentenced in the Gore District Court on 6 March 2023.
12. In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the Gore District Council will no longer deliver three waters services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

Explanation of major variances against budget

Statement of Comprehensive Revenue & Expense

- a. The most significant variance relates to the revaluation of the Council's assets where revaluations came in at \$43.8m higher than budget. In particular, wastewater infrastructure assets have experienced a 207% increase in asset value per the WSP, the Council's infrastructure asset valuers. This will lead to a significant increase in depreciation from the 2023/24 year, and put pressure on the rating increase for ratepayers.
- b. Subsidies and grants is higher than budget by \$983k. This is mainly due to the Shovel Ready funding from Government for the multisports centre re-roof, the redevelopment of the Library and Community rooms, funding for Mayor's Taskforce for Jobs, and the stimulus funding received for 3Waters. Depreciation and amortisation expense is higher than budget by \$783k. This was largely due to the impairment on the James Cumming Wing, where redevelopment has started.
- c. Other gains/(losses) is higher than budget by \$1.303m. This is made up of a gain of \$1.6m gain on the revaluation of interest rate swaps which was offset by the writing down of the assets relating to Otama Rural Water Supply to a fair value of \$1.
- d. Other expenses are higher than budget by \$1.83m. The main contributors to the variance include the additional \$650k granted to the Hokonui Moonshine Museum Charitable Trust for the redevelopment of the Moonshine Museum and Distillery. A net increase of \$327k in the expenses relating to solid waste disposal. Expenditure for Mayor's Taskforce for Jobs of \$221k (offset by grant funding received). The number of vacancies within the organisation, Council in a number of cases were required to hire consultants to ensure that work was completed. This has resulted in expenditure on consultants being \$387k over budget. The stimulus funding received for 3Waters has also resulted in an increase in operating expenditure in wastewater to the value of \$305k.

Statement of Financial Position

- a. Current assets are higher than budget by \$842k. This is primarily due to the Council transferring the Matai Ridge Subdivision from non-current assets into inventory ready for sale.
- b. Property, plant and equipment higher than budget as a result of the revaluations that were undertaken.
- c. Total borrowings is lower than budget by \$5.2m due to good working capital management and delays in a number of projects.

Any Questions: Phone 03 209 0330 Email info@goredc.govt.nz Facebook [facebook.com/GoreDC](https://www.facebook.com/GoreDC)

INDEPENDENT AUDITOR'S REPORT

Deloitte.

TO THE READERS OF GORE DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The summary of the annual report was derived from the annual report of the Gore District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 8 to 15:

- the summary statement of financial position as at 30 June 2022;
- 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 2022;
- 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 2022 in our auditor's report dated 14 February 2023. That report also includes:

- An emphasis of matter paragraph that draws attention to page 100 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 12 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 the Long Term Plan 2021-2031, Debenture Trust Deed Reporting and Registry Audit, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.



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