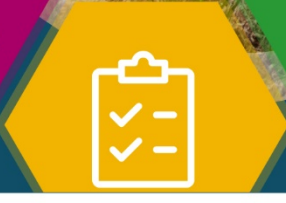




**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Annual Report 2019-2020

Together we Thrive! E ora ngātahi ana!

Kia ora from the Mayor and Chief Executive

Nau mai

It gives us great pleasure to present to you the Annual Report for 2019/2020.

Central Hawke's Bay District Council's Annual Report for 2019/2020 is one that reflects the unprecedented changes that have happened in our society with the global pandemic of COVID-19 reaching New Zealand. In Central Hawke's Bay we also added a significant drought event which has meant our community has seen incredible challenge but is also bound together by inspiring stories of resilience and community spirit. It is our pleasure to present this Annual Report.

Through all of this turmoil, Council has remained focused on delivering on our bold plans to create a community where we have got the basics right, while also creating an environment for social and economic growth. We are proud of the fact that while in unprecedented times, Council has continued to provide leadership, value and consistency.

Together we thrive, our strategic framework for transformation and governance, continues to deliver significant transformation and energy for the district and council. Early in 2020, we were recognised in the 2020 Local Government Excellence Awards for Innovation in Organisation & People Development for our work in Project Thrive. This external and independent assessment of our progress to date and our priorities for the future, gives us assurance and our community confidence that we are on the right path.

In October 2019, local Triennial elections were held which saw the establishment of a new Council.

Following this, elected members took the time to set governance expectations to focus on five strategic priorities for the next three years and our 2020-21 year will see us progress the mahi we've already started in key areas including: **The Big Water Story, the District Plan, the Wastewater Treatment Project, Social Housing and Waste Free CHB.**

Council is driving expectations for planning and development of durable infrastructure that future-proof our district and will support growth. We've made significant progress on **#thebigwaterstory**, completing two flagship projects – the Otane Alternate Water Supply and Takapau Water Treatment Plant Upgrade. Continuing into 2020 and 2021, priority works on Waipukurau's State Highway 2 Borefield Upgrade Project are well underway.

How we deal with what we call 'Smart Growth' has an impact across the breadth of Council services and projects. Central Hawke's Bay is growing at unprecedented levels and our community is changing, as families and people head to our patch of paradise as a desirable lifestyle location. Despite the current economic challenges, our population is projected to increase to over 18,000 people by 2031 – with some 1,500 homes forecast to be built in that same time. Being prepared for what's ahead is critical to ensuring future generations of residents in Central Hawke's Bay continue to Thrive! You will see significant activity reported in our building and resource consenting sections of this report.

It is important to us that while we respond to this growth we are still ensuring we preserve and nurture our identity, culture, environment, community and economy that makes Central Hawke's Bay so special.

To capture this, and our land infrastructural and legislative responsibilities, early in 2020 Council developed a blueprint for growth of our three main towns for the next 30 years. This blueprint - called an 'Integrated Spatial Plan' (ISP) – is key to informing our Long Term Plan 2021 to 2031. Both are essential documents in ensuring that our assets – infrastructure and community – meet the needs of our community now and into the future.

Our other mechanism for directing growth and activity for the future of the district is via our **District Plan**. Our District Plan is the 'rule book' that directs how we will use, develop and subdivide our land over the next 10 years. We released the draft Plan for public consultation in May 2019. Since then, several community meetings have discussed the draft, with over 100 submissions received covering a range of issues and provisions. The District Plan Subcommittee has been working hard on the consideration and inclusion of public submissions to the

draft plan. The plan is on track to be notified publically in May 2021.

In 2019, Council adopted the new Waste Management and Minimisation Plan (WMMP), which sets out how the Central Hawke's Bay district's waste will be managed, and how the community can continue to work together towards our goal of a '**Waste Free CHB**'. The Plan is a requirement of the Waste Minimisation Act (WMA) and has an effective period of six years. In 2020, we've commenced a targeted communications campaign designed to help us reach our goals in this area.

So much of what we do as a Council is a reflection of the skills and expertise of Council staff, elected members and volunteers working alongside members of the public. We thank you all for your service and achievements. You are all fantastic ambassadors for our district and work hard to look after the place we love.

Now the hard work continues – to deliver against our Long Term Plan, a bold and ambitious work programme that establishes a platform for social and economic growth while protecting and promoting our unique environment and landscape, while also building the 2021-2031 Long Term Plan, *Our Thriving Future*.

Together we will thrive!
E ora ngātahi ana!



Alex Walker

Alex Walker
Mayor of Central Hawke's Bay



Monique Davidson

Monique Davidson
Chief Executive Officer



Central Hawke's Bay District Council

About this summary

This summary is a snapshot of the Council's activities and finances for the period ending 30 June 2020.

The information it contains has been extracted from our 2019/20 Annual Report which was prepared in accordance with NZ GAAP and in compliance with PBE IPSAS and contains detailed information about our finances and service performance.

This summary financial report has been prepared in accordance with PBE FRS – 43 but cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Central Hawke's Bay District Council.

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity.

This summary financial report is for an individual entity.

The financial statements are presented in the functional currency of New Zealand, which is New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Copies of the full 2019/2020 Annual Report can be obtained from the Council office, Ruataniwha Street, Waipawa or viewed online at www.chbdc.govt.nz. This summary represents fairly and consistently the major matters dealt with in the Annual Report 2019/2020 which was issued on 24 September 2020.

The Annual Report was audited and received an unmodified audit opinion.

Key Initiatives and Projects

The Big Water Story

Three years ago, Central Hawke's Bay District Council started a very important conversation with the community about how we could realise our aspirations to *Thrive*, and what role the Council plays in that. Through this process, the importance of water to our community came through as one of the strongest messages. This, combined with a vision for growth and prosperity, environmental responsibilities, and durable infrastructure, was how [#thebigwaterstory](#) was born.

[#thebigwaterstory](#) is about our wastewater, stormwater and drinking water, and represents the durable infrastructure required to transform the day to day lives of Central Hawke's Bay's residents.

The 2019/2020 year has seen the delivery of key flagship projects in The Big Water Story, including the Otane Alternate Water Supply and the Takapau Water Treatment Plant upgrade, both of which have seen tangible improvements made to the day to day lives of those in Otane and Takapau.



The Big Waste Water Story

Wastewater Treatment Project 2019 saw some significant strides forward in planning for the future of our Wastewater in Central Hawke's Bay.

We formally responded to the environment court order concerning the Waipawa Wastewater Plant and outlined a proposed long term plan for the future of Waipawa, Waipukurau and Otane's wastewater. We've been working closely with community members develop options which focus on generational thinking to ensure a positive balance between the environmental health of our District, the strength of our infrastructure to enable Central Hawke's Bay to *Thrive*, and affordability for all of our people.

District Plan

The review of the District Plan began in late 2017. The review is a full second generation review and began with the preparation of a draft Plan to engage with the Central Hawke's Bay community and key stakeholders.

Elected members are committed to engaging with the community and stakeholders to ensure that the community clearly understands and supports the direction and provisions of the reviewed Plan. We released the draft Plan for public consultation in May 2019. Several community meetings and hui were held to discuss the draft, with 100 submissions received covering a wide range of issues and provisions. Submitters were also given the opportunity to present in person at Informal Hearings in February 2020.

The District Plan Committee have met on several occasions following the informal hearings to deliberate on all submissions and make recommendations on them for consideration by Council. Following adoption of the Integrated Spatial Plan by Council in September 2020 the Committee will then be able to make final recommendations on remaining submissions.

Once any necessary amendments are completed on the draft Plan, we will be embarking on the preparation of the Proposed Plan. The Proposed Plan is anticipated to be notified for public comment in 2021. At this point, the ball really starts rolling as the release of the Proposed Plan marks the beginning of the formal and statutory phase of the District Plan review.

Social Housing

We're continuing to focus on social housing as a major enabler of the social and economic wellbeing of Central Hawke's Bay.

In March 2019 Council adopted its first Housing Strategic Framework, with four goals and a number of actions defining how Council will support the transformation of social housing in the District. The major focus of Council to date has been advocating for the District, by working in partnership with the Ministry of Housing and Urban Development (MHUD) and Kainga Ora on Government funded housing development opportunities with results of that partnership expecting to result in tangible outcomes in late 2020 early 2021 for our community.

The second major focus is a piece of work underway reviewing Councils Retirement Housing portfolio. The purpose of the review is to understand how best Council can leverage the community's investment in the portfolio to support social housing outcomes across the District. The outcomes of the review will be included in the 2021 Long Term Plan for consideration by the community.

Waste Free CHB

In 2019, Council went out for consultation on the new Waste Minimisation and Management Plan (WMMP), which sets out how Central Hawke's Bay District Council will play its part in managing the district's waste over the next six years while continuing to work towards our goal of a 'Waste Free CHB'.



Council has set some ambitious goals and targets to assist us in our mission to become a Waste Free CHB:

Targets

1	To increase diversion from landfill to 70% by 2040
2	To increase diversion from landfill to 48% by 2025
3	To increase participation in kerbside recycling services (measured through set-out rates) to 60% by 2025

Goals

1	A community committed to minimising waste sent to landfill
2	A community that considers, and where appropriate implements, new initiatives and innovative ways to assist in reducing, reusing and recycling wastes
3	Minimise environmental harm and protect public health
4	Work in partnership with others

Key background work for this plan includes:

- An audit undertaken by Waste Not in 2019 of wastes at our landfill, transfer stations, and in kerbside services
- A Waste Assessment written by Eunomia in 2019, collating all information and data relating to waste in our district (including the outcomes of the Waste Not audit)
- Workshops with key stakeholder groups
- Workshops with councillors.

We know that together with the community we need to reduce what is going into our landfill, increase re-use and recycling, raise awareness and education and ensure that our services are practical and affordable.

Waste has long been a widely-discussed topic in our community and Council wants to ensure that this plan has the support of residents and the business community alike. In the 2020 / 2021 year, Council will undertake a major review of Section 17a in the waste space, reviewing how we deliver services to the community.

Integrated Spatial Plan

Central Hawke's Bay is growing at unprecedented levels and our community is changing, as families and people head to our patch of paradise as a desirable lifestyle location. In 2018 Central Hawke's Bay's population hit an all-time high of just over 14,000 residents, reaching levels of growth and optimism not seen since the 1960's.

Fast forward to 2031 and despite the current economic challenges, our population is projected to increase to over 18,000 people – with some 1,500 homes forecast to be built in that same time. Being prepared for what's ahead is critical to ensuring future generations of residents in Central Hawke's Bay continue to *Thrive!*

To respond to this growth to ensure our cultural, environmental, social and economic wellbeing needs and land infrastructural and legislative responsibilities are met, we've developed a blueprint for growth of our three main towns for the next 30 years.

We've relied heavily on feedback taken from the community in the development of *Project Thrive*, to build upon our communities' vision and with workshops held with local residents and stakeholders such as Centralines and the New Zealand Transport Agency in June to develop the blueprint.

This blueprint – called an 'Integrated Spatial Plan' (ISP) – is key to informing our Long Term Plan 2021 to 2031. Both are essential documents in ensuring that our assets – infrastructure and community – meet the needs of our community now and into the future.

This will help us finalise our direction of growth. We will then use every tool in our box from our Long Term Plan investments, through our District Plan review, through partnerships and programmes to implement this direction and bring *Thrive* alive!

Economic Development and Tourism Funding

Central Hawke's Bay District Council has been successful in securing funding from multiple sources, to assist us in tourism and economic development projects across the district.

Council welcome the investment into local projects that support and accelerate economic growth for businesses, communities and tourism in the district.

In this space, funding has been granted through the Provincial Growth Fund, Tourism Infrastructure Fund and Lottery Environment and Heritage Fund. This funding is going toward a number of initiatives including:

- Ngā Ara Tipuna Pā Site capital project: \$3,198,000 (Provincial Growth Fund and Lottery Environment and Heritage).
- Vegetation Management in roading corridors and public reserves: \$2,000,000 (Provincial Growth Fund).
- Employment pilot: \$100,000 (Mayor's Taskforce for Jobs).
- Te Paerahi Beach, ablution block and water storage: \$406,896 (Tourism Infrastructure Fund).

- Tourism Infrastructure Needs Assessment: \$50,000 (Tourism Infrastructure Fund).

Our Thriving Future – Long Term Plan 2021-31

In 2020, work commenced in setting the direction for the 2021-31 Long Term Plan – *Our Thriving Future*.

Three years ago, Council asked you to tell us what it would take to ensure that we, the Central Hawke's Bay community, *Thrive*. Since then, we've been hard at work – planning, preparing and focusing on [#DoingtheMahi](#) to put these aspirations into practice, and solve the big issues that you told us were important to you. Together, we've been working on a plan for the years ahead, to ensure we have a thriving future that belongs to everyone.

At Central Hawke's Bay District Council, we pride ourselves on our transparency, and in the fact that we truly listen to what it is that you, as a community, have to say. And we'll always continue to do just that. What YOU want is still unquestionably important to us.

Now, it's time to adjust and build our next steps, as we set the direction for the next 10 years in Central Hawke's Bay. We've all got big goals for our district and now, together, we need to decide how we're going to bring these plans to life.

In building *Project Thrive*, you've told us what your priorities are and there's a lot you, the community, collectively want to achieve. Council has drilled down on these priorities to come up with 'The Great Eight' areas of opportunity for you, and for Council. Some of these areas focus on our infrastructure – drinking water, water management and roading for example; some on community wellness – like housing and facilities; and some on our changing environment – such as our open spaces, our district growth, and ways in which we can work toward a waste free CHB.

Council commenced pre-engagement in August 2020, asking the community to consider: **Of all the things you want to do, what's most important to you, and at what cost?**

Following feedback received through this pre-engagement, formal consultation will take place early in 2021 and the 2021-31 Long Term Plan drafted for adoption mid-2021.



About this summary

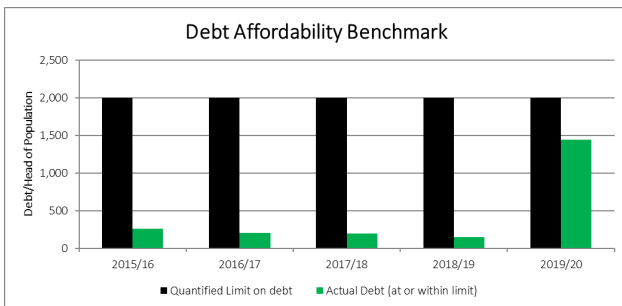
The following graphs are examples of benchmark reporting requirements that Council must now report against in the full Annual Report.

The full set of benchmark disclosures is included in the full Annual Report.

Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

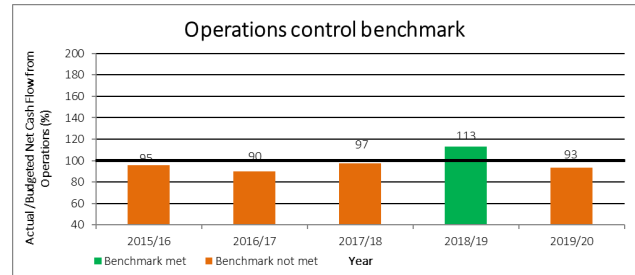
The following graph compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s long-term plan. The quantified limit as detailed in the financial strategy is that Council’s total debt per head of population will not exceed \$2,000.



Council consistently performs well against this quantified limit as set in the Financial Strategy due to well managed and prudent debt management.

Operational Control benchmark

This graph displays the council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Because this benchmark is driven by operating cash flows it is impacted by changes in levels of unpaid invoices at year end. What Council’s cash flow statement shows is that Council’s cash operating surplus was \$0.8m less than budgeted. However, as part of Council’s commitment to the Council to the local business community during COVID Council is processing its supplier payments more regularly than the previous monthly cycle. As a result, Council’s outstanding supplier payments owing at year end was \$1.7m lower than the previous year which has adversely impacted Council’s cash surplus this year.

Summary of Financial Statements for the period ending 30 June 2020

Statement of Comprehensive Revenue and Expense

	2019 COUNCIL ACTUAL \$'000	2020 COUNCIL BUDGET \$'000	2020 COUNCIL ACTUAL \$'000
Total Revenue	35,754	32,020	35,398
Finance Costs	173	583	429
Other Operating expenditure	34,130	31,425	35,454
Net Operating Surplus/(Deficit)	1,451	12	(485)
Other (Gains)/Losses	22	-	-
Income Tax	-	-	-
Net Surplus/(Deficit)	1,429	12	(485)
Movements in PPE revaluations	47,287	20,005	2,417
Impairment of Asset	0	-	(1,082)
Total Comprehensive Revenue and Expense	48,716	20,017	850

Statement of Financial Position Summary

	2019 COUNCIL ACTUAL \$'000	2020 COUNCIL BUDGET \$'000	2020 COUNCIL ACTUAL \$'000
Total Current Assets	10,422	7,624	19,068
Total Non-Current Assets	846,190	842,796	855,391
Total Assets	856,612	850,420	874,459
Total Current Liabilities	9,504	5,335	8,056
Total Non-Current Liabilities	5,489	17,806	23,934
Total Liabilities	14,993	23,141	31,990
Special & Other Funds	6,900	6,925	7,025
Trust Funds	182	166	182
Revaluation Reserve of Assets	589,475	575,684	590,804
Ratepayers' Equity	245,062	244,504	244,458
Total Equity	841,619	827,279	842,469
Total Liabilities and Equity	856,612	850,420	874,459

Statement of Changes in Equity Summary

	2019 COUNCIL ACTUAL \$'000	2020 COUNCIL BUDGET \$'000	2020 COUNCIL ACTUAL \$'000
Equity at the Beginning of the Year	792,903	807,262	841,619
Total Comprehensive Revenue and Expense	48,716	20,017	850
Equity at the End of the Year	841,619	827,279	842,469

Statement of Cash Flows Summary

	2019 COUNCIL ACTUAL \$'000	2020 COUNCIL BUDGET \$'000	2020 COUNCIL ACTUAL \$'000
Net Cash from Operating Activities	9,429	7,162	5,831
Net Cash from Investing Activities	(8,140)	(16,382)	(25,747)
Net Cash from Financing Activities	(684)	9,221	17,882
Net Increase/(Decrease) in Cash	605	0	(2,034)
Cash at the Beginning of the Year	3,956	3,956	4,561
Cash at the End of the Year	4,561	3,956	2,527

Financial Performance Overview

For the financial year Council had a deficit of \$485k compared to a budget surplus of \$12k. Overall income was above budget by \$3.2m with total operating expenditure over budget by \$3.7m. The table and explanations below illustrate this.

Financial Overview

	2019 COUNCIL ACTUAL \$'000	2020 COUNCIL BUDGET \$'000	2020 COUNCIL ACTUAL \$'000
Total Revenue	35,754	32,020	35,398
Operating expenditure	22,184	19,323	23,057
Finance Cost	173	583	429
Other (Gains) and Losses	22	0	0
Net Surplus/(Deficit) excluding non-cash movements	13,375	12,114	11,912
Non Cash Movements			
Depreciation	11,946	12,102	12,397
Other Gains and Losses	0	0	0
Net Surplus/(Deficit)	1,429	12	(485)

Explanations

- During the year Council was recipient of significant Central Government funding towards tourism infrastructure (public toilets at Te Paerahi and Ngā Ara Tipuna which is a Pā site interpretation project which will showcase the network of six historic pā sites surrounding Waipukurau), and other infrastructure (such as funding to upgrade the Central Hawke's Bay end of Route 52), as well as COVID-19/drought recovery job creation schemes (Mayors Taskforce, and vegetation management projects). This has had the impact of both increasing Councils revenue, but also increasing its expenditure.
- Income from Fees and Charges was above budget by \$521k (and \$366k above last year) due to increased income from Solid Waste Charges +\$342k (reflecting the buoyant economy and refuse from out of the district income – Tararua Council also uses Central Hawke's Bay's Landfill) and from Consents +\$249k (again reflecting the buoyant economy and the high level of residential construction happening in the region). However, both these activities had corresponding increases in costs driven by this high level of demand. The Solid Waste activity had to acquire additional carbon credits to match the tonnage of waste going to landfill, and the volume of consents being processed was beyond what Council's internal staff could process so Council was more reliant on external consultants to process the excess demand. Both these increases are reflected in the higher than budgeted operating expenditure for the year.
- Operating expenditure is above budget due to the following:
 - Higher Personnel Costs +\$278k against budget driven by a combination of market matching to ensure staff retention, addition positions funded by PGF projects, and growth pressures within certain Council activities.
 - Operating Costs +\$3.5m against budget, but only \$0.5m against Last Year (Comments are against budget – \$0.3m in economic development due to Provincial Growth Fund and COVID-19 Recovery spends, \$0.2m in planning and regulatory primarily due to outsourcing high volume of consents which couldn't all be processed in house that Land Transport cost for maintenance were higher by \$712k which is offset by a reduction in renewals approved by NZTA.
 - Land Transport cost for maintenance were higher by \$1.0m due to the flooding events mainly offset by subsidy from NZTA and a project to improve Council Asset Management Systems/Information.
 - Solid Waste costs were higher by \$0.4m which reflects the higher volume of waste being processed and buying the additional carbon credits.
 - Across the 3 Waters (Drinking, Sewer, and Stormwater) operational costs were over budget by \$0.1m, however drinking water was significantly over due to higher compliance and treatment costs as well as additional resources applied to fixing water leaks, offset by savings across the other two networks.
 - The (Gain)/Loss disclosed above is the deemed impairment on the two buildings identified as having seismic issues (Waipukurau Library and Memorial Hall).

Non-Financial Performance Overview

Overall, we achieved good results this year in terms of the non-financial performance measures. However, there were some areas that we did not achieve what we set out to do in the 2018-28 Long Term Plan, as identified below.

In Brief the Council Achievements are as follows:

GROUP	TARGET ACHIEVED	TARGET NOT ACHIEVED
Community Leadership and Governance Group	4 (67%)	2 (33%)
Planning and Regulatory Group	8 (41%)	11 (59%)
Land Transport Group	2 (33%)	4 (67%)
Solid Waste Group	3 (60%)	2 (40%)
Water Supply Group	6 (60%)	4 (40%)
Wastewater Group	6 (86%)	1 (14%)
Stormwater Group	5 (100%)	0 (0%)
Recreation and Community Facilities Group	14 (58%)	10 (42%)

Community Leadership and Governance

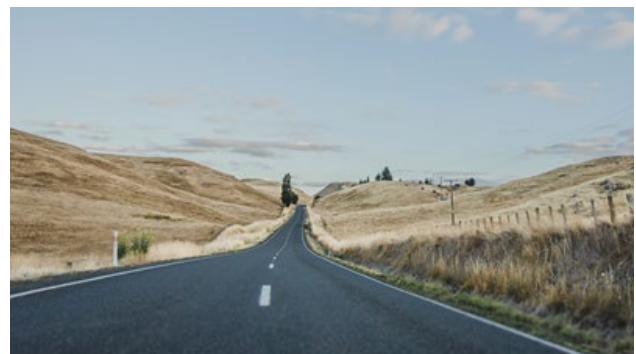
We set a target that 70% of people consider that Council has communicated well on Council business. During the Independent Survey in June 52% of people considered Council communicates well about Council business (which is consistent with the previous years).

Planning and Regulatory

We set a target that 100% of building consents would be processed within 20 working days. 363 Building Consents were processed in the year with 356 (98%) processed within the 20-day statutory timeframes in the reporting period. Record high consent volumes put pressure on staff to keep up with the number of consents submitted.

Land Transport

We set a target that we would reduce fatalities and serious injury crashes on the local road network to 0. During the year 1 fatalities and 4 serious injury crashes were recorded within the reporting period. In reviewing the crash reports, road factors (excluding weather) were not the main contributing factor in the crashes.



We set a target of 90% user satisfaction, but the Annual Residents Survey achieved a 78% satisfaction rate.

Solid Waste

We set a target that 90% of users satisfied with the solid waste service provided. During the independent Annual Residents Survey in June, 77% of users were satisfied with the solid waste service provided.

We set a target of 1,500 tonnes recycled during the year. 1,212 tonnes was achieved, and through Councils waste free CHB campaign we hope to improve this number next year.

Water Supply

We set a target that all water supplies comply with Parts 4 and 5 of the Drinking water Standard. Of the six supplies, this was achieved with Otane and Waipawa. As part of the big water story Council is making improvements across its treatment network to improve this compliance in the future.



We set a target that 90% of users satisfied with the water supply service. During the independent Annual Residents Survey in June, 83% of users were satisfied with the solid waste service provided.

Wastewater

We set a target that there would be <10 complaints per annum per 1,000 sewer connections. During the year 14.4 complaints per 1,000 were received, as Council had some odour issues during the year.

Stormwater

All targets met.

Recreation and Community Facilities

Within the Park, Reserves and Swimming Pools activities, many measures were not achievable due to COVID-19 level 3 and 4 closures.

Within the Public Toilets all targets which achieved.

Within the Retirement Housing all targets which achieved.

Within the Libraries activity some measures were not achievable due to COVID-19 level 3 and 4 closures, as well as closures due to seismic concerns.



Within the Theatres, Halls and Museums activities, many measures were not achievable due to COVID-19 level 3 and 4 closures.

For the complete list of measures and outcomes, please refer to the full Annual Report 2019/20 on our website www.chbdc.govt.nz.

Audit Report



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF
CENTRAL HAWKE'S BAY DISTRICT COUNCIL'S
SUMMARY OF THE ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The summary of the annual report was derived from the annual report of Central Hawke's Bay District Council (the District Council) for the year ended 30 June 2020.

The summary of the annual report comprises the following summary statements on pages 7 to 10:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2020;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision (referred to as the Non-Financial Performance Overview).

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 2020 in our auditor's report dated 24 September 2020. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about the impact of COVID-19 on the District Council.

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 A member firm of Ernst & Young Global Limited

Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.

David Borrie
 Ernst & Young
 Chartered Accountants
 On behalf of the Auditor-General
 Wellington, New Zealand
 24 September 2020

