

Summary Annual Report from 2021/2022

Summary of Buller District Council's achievements from 2021/2022

Message from the Mayor & Chief Executive Officer

Tena koutou, Tena koutou, Tena kotou katoa

Welcome to the Buller District Council's Summary Annual Report for 2021/2022 which details our performance for the second year of the Long-Term Plan (LTP) 2021-2031 "Shaping our District". Despite two significant flood events and a further COVID-19 lockdown we have done our best to keep our focus on our planned work and incorporated significant flood recovery activities and infrastructure repairs.

This included delivering the infrastructure works programme above 90% for the fourth year in a row, completion of key Kānoa (previously Provincial Growth Fund) and Ministry Business Innovation Environment (MBIE) funded projects such as the Tidal Creek No2 Bridge, Rough Creek Bridge, the Reefton water supply upgrade, the Punakaiki water trunk main upgrade, the Toki Bridge and commencing the Temporary Village at Alma Road.

In summary... Buller District Council has had a strong year in terms of the Mayor and Councillors working in partnership with the Chief Executive Officer to build on the strong foundations put in place from the previous year. This has been evidenced by the resilience shown through two significant flood events and COVID-19 lockdowns.

Many of our projects take a collaborative approach and aim to help our community thrive. This is based on proactive working relationships with iwi, government agencies, neighbouring councils, public/private partnerships, local businesses and non-government agencies. The strength of these relationships is a taonga for our district and reflects our commitment to the Long-Term Plan 2021-2031.



Jamie Cleine
Mayor



Rachel Townrow
Acting Chief Executive Officer

Overall financial result

Council's financial results were significantly affected due to two significant weather events during the financial year. The July 2021 and February 2022 floods resulted in less planned business-as-usual projects being undertaken for some activities. Council received unbudgeted income and expenditure for flood recovery which in some areas of Council replaced planned works. Council was well supported by government agencies through additional external grant funding to meet the costs caused by the floods.

Overall, Council has a surplus of \$61.58 million compared to a predicted surplus of \$12.74 million in the 2021 - 2031 LTP. Total operating revenue was \$52.6m which was greater than the anticipated budget of \$32.1m. Council's total operating expenditure was \$45.8m which exceeded the budget of \$32.1 million by \$13.7m. Overall Buller District Council has a surplus before infrastructure revaluation of \$6.8m compared to a predicted surplus in the 2021/2022 LTP of \$15,000.

Council received a number of unbudgeted subsidies from external parties over the period. The majority of these related to income for flood recovery works. \$10.7m of 25.3m grant income related to flood recovery

Working with our Communities

Council embraces the four community well-beings:

- Cultural
- Social
- Economic
- Environment

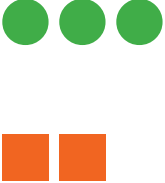


Community outcomes and well-beings describe how Buller District Council aims to achieve meeting the current and future needs of our communities. This includes providing good-quality infrastructure, providing public services as well as performing regular functions.

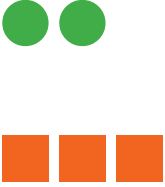




Community outcomes set the direction for the Long Term Plan (LTP) and the Annual Plan (AP). All activities including in the LTP or AP that Council undertakes, make a contribution toward achieving the community outcomes and well-beings.

Non-financial performance measures

Council measures its performance each year using a core set of Key Performance Indicators (KPI's) that are determined in the Long Term Plan. Council has 46 performance measures reported across 11 groups of activities.

During 2021/2022 Council met 22 of the 46 measures.

<p>Governance and Representation</p> <p><i>Council measures 5 KPIs. 3 were met and 2 were not met.</i></p> <p>Not all building consents were technically correct, achieved a result of 98.91% (2021: Met).</p> <p>A Number of consents exceeded planned delivery capacity (2021: Met).</p>	
<p>Customer and Support Services</p> <p><i>Council measures 1 KPI, this was met (2021: met).</i></p>	
<p>Community Services</p> <p><i>Council measures 8 KPIs, with 5 met and 3 not met.</i></p> <p>The target of total visits to theatre to be maintained or increased was not met. This is due to COVID-19 closures and flood events (2021: Not measured).</p> <p>The target of 80% of respondents being satisfied with theatre services was not met. Due to COVID-19 and council's focus on flood recovery the survey was not completed (2021: Not measured).</p>	

<p>The target of completing a biennial survey regarding customer satisfaction was not met. Due to COVID-19 and council’s focus on flood recovery the survey was not completed. The survey is due to be completed in June 2023 (2021: Not measured).</p>	
<p>Regulatory Services</p> <p><i>Council measures 5 KPIs, with 2 being met and 3 not met.</i></p> <p>The target of having 100% of building consents technically correct and granted within the timeframe was not met. Council achieved 98.91% (2021: Met).</p> <p>The target to process 100% of non-notified resource consents within the statutory timeframe was not met. This was due to the number of consents exceeding the planned delivery capacity (2021: Met).</p> <p>The target to inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders to ensure they meet Food Hygiene regulations has not been met. Currently 27 premises due for inspection (2021: 8 overdue).</p>	
<p>Property Management</p> <p><i>Council measures 4 KPIs with all 4 being met.</i></p>	
<p>In-house Professional Business Unit/ Infrastructure Delivery</p> <p><i>Council measured 1 KPI, which was met (2021: the measure was met).</i></p>	
<p>Stormwater</p> <p><i>Council measures 4 KPIs, 2 were met and 2 not met (2021: all measures met).</i></p> <p><i>The target to attend to flooding events target is less than one hour, this measure could not be met due to the scale of the flood events of July 2021 and February 2022. (2021: Met)</i></p> <p><i>The target to have less than 5 houses flooded for each flooding event was not met due to the scale of the July 2021 and February 2022 events. (2021: Met).</i></p>	
<p>Wastewater</p>	

Council measures 4 KPIs, 2 were met, 2 were not met. (2021: 1 measure not met).
 The measure relating to the average response time to network overflows was not met. Average attendance time was less than 2 hours.
 Average resolution time was less than one working day.



Wastewater (continued)

- Total number of overflows were 14
- Wet weather overflows was 10
- Overflows during flood events was 2
- Dry weather overflow was 2

There were likely to have been multiple unrecorded overflow events during the two floods.

Water Supplies

Council measures 6 KPIs. None were met.

Bacterial compliance was met for Westport, Carters Beach, Reefton and Inangahua Junction, but not for any other supplies. Protozoal compliance was not met for any supplies. The target is 100% compliance (2021: Bacterial compliance was met for Inangahua junction but not for any other supplies, protozoal compliance was not achieved for any water supplies).





The target percentage of water loss from networked reticulation of 30% was not met because the plant item to measure water loss was not operational for the whole year and the water loss was unknown (2021: not measured).

The target to attend call outs within two hours, and target to resolve faults within five hours have not been achieved. There were 32 urgent requests based on Council's service request system, 24 were attended within two hours and eight were attended late (2020: 25 urgent requests and 2 were attended late). There were 32 urgent requests based on Council's service request system, 25 were resolved within five hours and seven were resolved late (2020: 25 urgent requests and 2 were resolved late).

The target for average consumption of drinking water per day per resident of 700 liters was not met. This was only measured for 2 water supplies – Inangahua Junction 340L/person/day and Reefton 1090L/person/day (2021: Not measured).

The mandatory performance measure to have less than 5 complaints per 1,000 connections about the Clarity, Taste, Odour, Pressure or flow and continuity of supply was not met (Clarity: 2.35 per 1,000 connections, Taste: 1.31 per 1,000 connections, Odour: 0.26 per 1,000 connections, Pressure: 5.50 per 1,000 connections and Continuity of Supply: 8.91 per 1,000 connections) (2021: Clarity: 2.24 per 1,000 connections, Taste: 1.24 per 1,000 connections, Odour: 0 per 1,000 connections, Pressure: 7.72 per 1,000 connections and Continuity of Supply: 9.97 per 1,000 connections).



<p>Solid Waste</p> <p><i>Council measured 1 KPI, which was met (2021: not measured).</i></p>	
<p>Roading and Transport</p> <p><i>Council measures 7 KPIs. 1 was met and 6 weren't met.</i></p> <p>The target for the 10 year average for resurfacing local roads being greater than 5.8% was not met. The reseal program for 3 years were combined into two years.</p> <p>The target to measure smooth travel exposure (STE) by maintaining ≥90 STE count/km road roughness testing. Target was not achieved, 89% achieved (Measured every 2 years)</p> <p>Continue to achieve 75% of footpaths ranked as grade 1 and 2 (satisfactory) was not made. The result was 64% (2021: 64% target was achieved).</p> <p>Continue to achieve ≥ 95% of footpaths ranked as grade 1-3(satisfactory or deficient) was not made. The result was 89% (2021: 64% target was achieved).</p> <p>Target to achieve 85% of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days was not met. The result was 55% (2021: 65% target was achieved).</p> <p>The target to achieve >5.8%, 10 year average as a percentage of the sealed road network that is resurfaced was not met. The result was 6.8%. Previous years low reduce the average down. (2021: 3.1%, 10 year average 4.5%, target not met).</p> <p>(2021: 7 KPI's were met, 1 was not met.)</p>	  

Statement of Compliance and Responsibility

Compliance

The Council and Management staff of the Buller District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with. Responsibility The Council and Management staff of the Buller District Council accept responsibility for the preparation of the Annual Financial Statements and the judgments used in them. The Financial Statements are unable to be amended following issue. The Council and management of the Buller District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In the opinion of the Council and management of the Buller District Council, the Annual Financial Statements for the year ended 30 June 2022 fairly reflect the financial position and operations of the Buller District Council and Group.

The Annual Report documents the Council activities until 30 June 2022 but was adopted on 25 January 2023. The Council's CEO for the period before 30 June 2022, Sharon Mason, resigned effective 2 December 2022 and Acting Chief Executive Rachel Townrow at the time of the adoption of the Annual Report has signed/certified the Annual Report as required.

A copy of the full 2021/2022 Annual Report is available to read online at www.bullerdc.govt.nz/annual-report and is also available from Council offices and libraries in Reefton and Westport.

Key Infrastructure Assets Information and Major Projects

WASTEWATER / SEWERAGE | Monitoring and reporting of the Wastewater Treatment Plants has been undertaken in accordance with the resource consents.

The composting of bio-solids from the wastewater treatment plant with green waste has continued at Westport.

The sewer and stormwater system modelling and separation are continuing. This work assesses the level of stormwater infiltration into the network and allows for planning to reduce the amount of stormwater entering it, therefore improving capacity across the network.

SOLID WASTE |

Council has continued with district-wide education campaigns around recycling, reminding residents as to what can be recycled, as well as encouraging people to reduce and reuse waste.

Karamea and Maruia continue within budgets. There is a very effective solid waste community group at Karamea who work in conjunction with Council to optimise the use of the landfill and recycling opportunities.

WATER SUPPLIES

Westport |

The replacement for the trunk main has been started and is currently underway.

Reefton |

Reefton water upgrade work has been started with the rising main being laid from the water treatment plant on The Strand to the base of the reservoir hill on Donovan Street.

Punakaiki | The replacement of the Punakaiki trunkmain commenced with stage 1 completed and stage 2 started within the 2021/2022 financial year. Upgrades to the Punakaiki klip tanks will also be installed.

ROADING & TRANSPORT

Funding | Buller is a large district with numerous settlements and small towns along its coastline and in the hinterland. It is only able to function economically and socially because of a vital local roading network maintained by Council. 604km of Council roads link into the main State Highways. Half of those local roads are sealed, with the other half unsealed. These local roads incorporate 153 bridges and large culverts.

- The local roads financial assistance rate that has been determined by the New Zealand Transport Agency is 72% for the 2021/2022 year.
- The financial assistance rate of 100% is guaranteed for special purpose roads (SPRs) until 2023/2024. A business case assessment has been completed and Council is negotiating a transition plan with Waka Kotahi/NZTA to determine if the Karamea SPR should be re-classified as State Highway.
- Council has undertaken a classification of all the roads in the network in accordance with the guidelines developed by the New Zealand Transport Agency. The classification of the roading network will lead to levels of service being developed for each road category, this may impact on our customer's expectations.

Major Projects | This year remedial upgrades to the Karamea Highway included Glasseye right turn bay, barrier installations, corner shaping and reseals.

- Reefton water supply upgrade;
- District Revitalisation and Toki Poutangata Bridge;
- Harbour structures and ablution block;
- Airport lighting replacement (half share);
- Flood recovery property plant and equipment and infrastructure reinstatement;
- Sealed road resurfacing;
- Westport cemetery road reseal;
- Various community led revitalisation projects;
- Punakaiki trunk main (Department of Internal Affairs funded).

Financial Overview

Revenue and Expenditure

Total operating revenue was \$52.63 million, which was \$20.55 million more than the anticipated budget of \$32.07 million. The main contributor is an additional \$16.58 million of subsidies and grants income, which was more than anticipated. This income is made up of several unbudgeted central government grants including flood recovery projects.

Non-cash items included in the financial results. Council recorded total non-cash income of \$58.53 million including \$2.72 million as a consequence of a revaluation gain on derivatives, revaluation of investment land of \$1.03 million, and \$54.78 million relating to revaluation of infrastructure assets. Council also records a non-cash write-off of investments. This is the write-off of Whitebait New Zealand Limited shares of 0.50 million.

Total operating expenditure was \$45.82 million, which exceeded the budget of \$32.06 million by \$13.74 million. The main contributor was additional expenses included in the Other Expenses category. These expenses related to central government funded operational expenses for flood recovery. Mayor's Taskforce for Jobs subsidies paid out were \$600,000 over budget due to additional external funding.

Council's net debt position | Net debt (debt less term deposits) was \$16.64 million at balance date. The 2021/2022 Long Term Plan budget assumed that net debt would be \$21.39 million for the 2021/2022 period.

Capital expenditure | Council continued to maintain assets and upgrade them when required. Council budgeted to spend \$9.27 million on capital expenditure in the 2021/2022 Long Term Plan. \$8.42 million was capitalised during the year and in addition, \$11.02 million of work in progress was underway at year end. This work in progress reflects unbudgeted flood recovery projects as well as business as usual projects including roading and transport works, which were not yet complete because of the impact of the severe weather events during the year.

Major projects that have been completed this year include:

- Reefton water supply upgrade \$1.57 million
- District Revitalisation and Toki Poutangata Bridge \$2.83 million
- Harbour structures and ablution block \$210,000
- Airport lighting replacement \$94,000 (half share)
- Flood recovery property plant and equipment and infrastructure reinstatement \$481,000
- Sealed road resurfacing \$1.07 million
- Westport cemetery road reseal \$54,000
- Various community led revitalisation projects \$163,000
- Punakaiki trunk main (Department of Internal Affairs funded) \$590,000.

Roading capital expenditure totaled \$1.31 million for 2021/2022 compared to the budgeted spend of \$3.22 million. The reason for the \$1.93 million variance is the severe weather events. The outstanding work is re-programmed for the next financial year and the funding is secured.

Summary Financial Statements as at 30 June 2022

Summary of Statement of Comprehensive Revenue & Expenses <i>for the year ended 30 June 2022</i>	Parent	Parent	Parent	Group	Group
	2021/2022	2021/2022	2020/2021	2021/2022	2020/2021
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Operating Revenue	52,627	32,076	45,744	63,275	54,979
Total Operating Expenditure *	45,833	32,061	35,588	55,345	45,199
Net Surplus (Deficit) before taxation	6,793	15	10,157	7,930	9,780
Income Tax Expense	0	0	0	(718)	24
Net Surplus (Deficit) After Taxation	6,793	15	10,157	8,648	9,756
Other Comprehensive Revenue & Expense - Increase/Decrease in Asset Revaluation & Other Reserves	54,782	12,727	0	54,782	0
Total Comprehensive Revenue & Expense	61,575	12,742	10,157	63,430	9,756
* Includes finance costs of:	1,524	818	870	1,565	869

Summary of Statement of Changes in Equity <i>for the year ended 30 June 2022</i>	Parent	Parent	Parent	Group	Group
	2021/2022	2021/2022	2020/2021	2021/2022	2020/2021
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Equity As At 1 July	391,280	400,338	381,123	389,304	379,548
Total Comprehensive Revenue & Expense	61,575	12,742	10,157	63,430	9,756
Equity At The End Of The Year	452,854	413,080	391,280	452,734	389,504
Accumulated Funds	181,216	179,576	174,319	178,146	169,394
Reserves	6,147	4,100	5,972	6,147	5,972
Asset Revaluation Reserve	265,492	229,404	210,989	268,441	213,938
Total Equity	452,854	413,080	391,280	452,734	389,304

Summary of Statement of Financial Position <i>as at 30 June 2022</i>	Parent	Parent	Parent	Group	Group
	2021/2022	2021/2022	2020/2021	2021/2022	2020/2021
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Current Assets	28,616	22,448	31,084	34,982	35,558
Total Non Current Assets	471,052	439,808	408,179	466,688	402,554
Total Assets	499,667	462,256	439,264	501,670	438,112
Total Current Liabilities	16,250	8,231	29,847	18,372	30,628
Total Non Current Liabilities	30,563	40,945	18,136	30,564	18,179
Total Equity	452,854	413,080	391,280	452,734	389,304
Total Liabilities And Equity	499,667	462,256	439,264	501,670	438,112

Summary of Statement of Cash Flows <i>for the year ended 30 June 2022</i>	Parent	Parent	Parent	Group	Group
	2021/2022	2021/2022	2020/2021	2021/2022	2020/2021
	Actual	Budget	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Cash Inflow (Outflow) From Operating Activities	12,588	7,699	12,866	16,865	14,198
Net Cash Inflow (Outflow) From Investing Activities	(13,311)	(8,236)	(9,901)	(16,421)	(13,602)
Net Cash Inflow (Outflow) From Financing Activities	1,440	(230)	0	1,440	0
Net Increase (Decrease) In Cash Held	716	(767)	2,966	1,885	596
Opening Cash Balance At 1 July	5,833	1,764	2,866	7,979	7,383
Closing Cash Balance	6,549	997	5,832	9,864	7,979

Ernst & Young has issued an unmodified audit opinion for the full Annual Report. Ernst & Young has raised an emphasis of matter regarding the Government's three waters reform program.

Without modifying their opinion, Ernst & Young drew attention to the disclosures about the impact of the Government's three waters reform program on the District Council as set out in note 28 on page 168 to the financial statements.

Notes to the Financial Statements

- Part 6 Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of information contained in its full financial report.
- All figures reported in the summary are presented in New Zealand dollars and are rounded to the nearest thousand dollar amount.
- Comparative information for the previous reporting period is shown for all items disclosed in the summary financial statements, except when such information is not disclosed in the full financial statements.
- The specific disclosures included in the summary financial report have been extracted from the full financial report adopted on 25 January 2023 and authorised for issue by the Buller District Councillors on that date. This summary has been prepared in accordance with Public Benefit Entity (PBE) FRS 43: Summary Financial Statements.
- The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The report dated 25 January 2022 has received an unmodified audit report. A copy of the full financial report may be obtained from Council's offices or on the Council's website (www.bullerdc.govt.nz).
- This summary financial report has been examined by the auditor for compliance with the full financial report. An unmodified auditor's report is included with this summary.
- The information included in the summary financial report has been extracted from the audited full annual report and authorised for issue by the Acting Chief Executive on 25 February 2023.
- Council's summary financial report has been prepared in accordance with NZ GAAP. The report complies with PBE Standards as they relate to the summary financial statements.
- Council's full financial statements have been prepared in accordance with NZ GAAP. They comply with PBE Accounting Standards as applicable for a Tier 1 Public Benefit Entity.
- There has been no new standards and amendments issued which are relevant to the Council and group, which have been adopted.
- Post Balance Date Events**

Subsequent to balance date Council has been approved for funding of \$17.1m by Central Government. This funding is specifically for Tranche 2 Flood Recovery which encompasses repair and reinstatement of water supplies, waste-water systems, port dredging and port infrastructure.

An application has also been made to Waka Kotahi for reinstatement of both Local Roads and the Special Purpose Road Karamea Highway which were damaged in the February 2022 severe weather event. The application is at review stage and has not yet been approved.

Three waters reform On 14 December 2022 Royal Assent was received confirming that the Three Waters service delivery reforms using a legislated approach so that every Council in New Zealand must participate and cannot opt out. Three Waters reform involves the creation of four statutory water services entities to be responsible for service delivery and infrastructure for all water services, removing these from local authorities from 1 July 2024. There is uncertainty associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and how the control and governance of these entities will be undertaken. Despite this uncertainty, once the reform is legislated Council will no longer be responsible for the delivery and infrastructure of three water services from 1 July 2024. The impacts of the proposed reforms are currently unclear. Additional information is expected later in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

As at 30 June 2022, Council has \$17.3m of borrowings and activity deficits related to three waters activities, the carrying value of Council's Three Waters Assets was \$85.031 million. Three Waters Asset capital additions during the year was \$3.266 million and annual operating expenditure in relation to Three Waters Assets was \$4.233 million. Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out on pages 174 to 182. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

Covid-19 The Covid-19 pandemic has not significantly impacted the Buller District Council financial results. Further commentary on the Covid-19 pandemic is included in Note 31. There have been no other significant events after balance date.

12. Contingent Liabilities

Contingent Liabilities for the Council and Group are as follows:

Council has recognised a Kāinga Ora contribution of \$400,000 as a contingent liability. The funds were used for pensioner housing upgrades. The amount will be required to be paid back to Housing New Zealand if Council does not utilise the funds on a pensioner housing project or divests the completed project within a 20 year timeframe. This liability ceases on 11 June 2027.

No settlement by the Council has been made.

Council has one resource consent decision subject to appeal in the Environment Court for which it may be liable for costs should the appeal be upheld. The resource consent decision relates to an open cast coal mine in the Te Kuha area. The extent of any potential liability was unknown at balance date. The court process was put on hold on 22 June 2018 at the request of the resource consent applicant and remains on hold post balance date. (2020/2021: Potential liability for unknown level of costs should the Te Kuha open cast coal mine consent decision appeal be upheld in the Environment Court).

Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers cease to participate in the scheme, the Council could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

WestReef had \$130,000 in Performance Bonds outstanding with Westpac as at 30 June 2022 (2020/2021: \$130,000).

Buller Health Trust has no contingent liabilities as at 30 June 2022 (2020/2021: nil).

Buller Recreation Limited had no contingent liabilities at 30 June 2022 (2020/2021: had a contingent liability to complete the purchase of the 24 Hour gym, subject to certain conditions being meet).

Buller Holdings Limited has no contingent liabilities as at 30 June 2022 (2020/2021: nil).

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BULLER 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 Buller District Council (the District Council) and its subsidiaries and controlled entities (the Group) for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 2 to 5 and 9 to 11:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in 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 of the statement of service provision (referred to as "Service Performance").

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 26 January 2023. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 28 on page 168 of the financial statements. 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 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these



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services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

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.

Other than the audits of the full and summary annual reports and a limited assurance opinion in respect of the District Council's debenture trust deed, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

A handwritten signature in blue ink, appearing to read 'B Summerfield', is written over a faint, light blue circular stamp.

Brendan Summerfield
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Christchurch, New Zealand
10 March 2023