



TASMAN DISTRICT COUNCIL

# ANNUAL REPORT SUMMARY 2020

 **tasman** | Te Kaunihera o  
district council | **te tai o Aorere**

Welcome to this summary of Tasman District Council's Annual Report for 2019/2020. The full Annual Report is an important part of our accountability back to you – our community. It outlines the work we have carried out, presents an up-to-date picture of our financial performance, and details our progress on the projects and targets identified for Year 2 of the Long Term Plan (LTP) 2018 – 2028.

## A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE

This year our entire community has faced unprecedented challenges as a result of the Covid-19 pandemic. We are pleased to report that we were able to maintain essential infrastructure and community services during the lockdown phase. Throughout the year, Council also managed to make progress on a number of key projects across the District, including the Waimea Community Dam, Motueka Library and Brightwater Town Centre Upgrade.

The projects outlined in the Annual Report are a reflection of the diverse range of activities that we undertake. There have been significant infrastructure projects to support growth, especially in Richmond, as well as important upgrades across the District to improve our water, wastewater and stormwater networks. We also celebrated the completion of several exciting new recreation projects, such as the Tākaka to Pōhara cycleway. We have also been busy developing long-term strategic documents to guide Council's response to issues such as population growth, the economy, the environment and climate change.

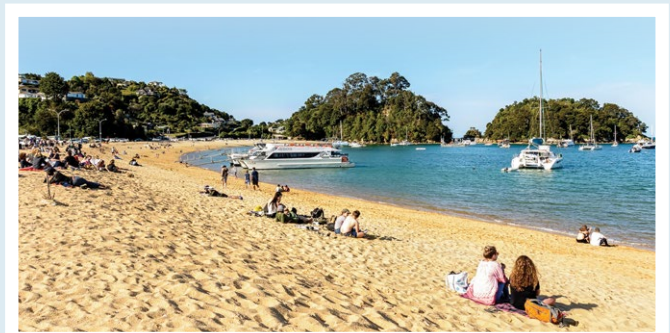
We are grateful to all of those who responded to the pandemic, including our own staff, iwi, community groups, Nelson City Council, and other organisations, including central government. While uncertainty remains, Tasman is well placed for recovery. In 2020/2021, the Council will need to continue to invest in our region, supporting projects that stimulate the economy and help provide employment. We look forward to continuing to work with our community and other organisations to help ensure Tasman has a healthy environment, strong economy and a vibrant community.



**Tim King**  
Mayor



**Janine Dowding**  
Chief Executive Officer



# WHAT HAVE WE ACHIEVED FOR THE YEAR?

Here are some of the major events and achievements for the year to June 2020:



The community worked together to create a bit of fun for the kids during the lockdown. This big bear brought smiles in Tapawera



Ngāti Rārua Ātiawa Iwi Trust donated these two pou at the entrance to Te Maatu – Thorp Bush in Motueka

## COVID-19 PANDEMIC AND RESTRICTIONS

The Covid-19 pandemic continues to have a huge impact on a global scale. In Tasman, continuing uncertainty and economic impacts are ongoing.

Throughout the nationwide lockdown that began in March 2020, the Council was able to maintain essential infrastructure, environmental and community services. Council service centres and libraries closed on 23 March, reopening progressively from mid-May. However, customer service staff continued to be available for community enquiries remotely, while communications staff ensured timely, accurate public information was available and easily accessible. Council staff were part of the Nelson Tasman Civil Defence Emergency Management Group's efforts to assist those with urgent welfare needs, and also kept in touch with our community housing tenants to support them throughout the lockdown.

In recognition of the challenges our community faced as a result of the pandemic this year, the Council:

- set a zero percent rates revenue increase for 2020/2021
- continued its capital works programme to provide local construction jobs and support to the sector
- provided rent relief for commercial tenants in sectors most affected by the lockdown
- halved registration fees for operators of registered campgrounds and commercial vessels
- increased payment frequency to our service providers
- offered a range of rates payment options for those in need.

Local government will play a significant role in the recovery from Covid-19, including in rebuilding the local economy. The Council is part of Project Kōkiri – the Nelson Tasman Economic Response and Recovery Plan to stimulate the economy, protect and create jobs, and accelerate investment into the region.

## WORKING WITH IWI

The Council and iwi of Te Tau Ihu (top of the South Island) have continued to engage in a more meaningful and collaborative manner, supported by our Kaihautū and Kaumātua who we welcomed to the Council in late 2019.

Te Waari Carkeek (Ngāti Toa Rangatira and Ngāti Raukawa), our full-time Kaihautū, provides cultural support to Council, ensures Māori perspective informs our decision-making and helps raise staff awareness and understanding of Te Ao Māori (Māori world view).

Kaumātua Archdeacon Emeritus Harvey Ruru QSM and Jane du Feu MNZM commenced their role in October 2019 following the retirement of Archdeacon Emeritus Andy Joseph QSM. Our Kaumātua are recognised as taonga and highly respected elders by the Council and iwi, and provide the Mayor and elected members with tikanga Māori support at civic events. They also help us understand iwi priorities.

Throughout 2019/2020, the Council and iwi of Te Tau Ihu have worked together on projects such as the Covid-19 response, Waimea Community Dam, Motueka Library and Port Tarakohe. We have also worked together on the development of strategies such as the Te Taihu Intergenerational Strategy, Kotahitanga Mō Te Taiao Alliance, and other key environmental and water management strategies.

This year we adopted a bilingual identity, Te Kaunihera o te tai o Aorere, and logo. Te Tai-o-Aorere is an ancient name for Tasman Bay and many continue to use the name today. 'Te Kaunihera' means the Council, while 'o te tai' refers to the sea. 'Aorere' can be likened to 'the many rivers of floating clouds'.

# WHAT HAVE WE ACHIEVED FOR THE YEAR? (CONT.)



## PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT

### Climate change action

In 2019, we adopted an internally focused Tasman Climate Action Plan. The plan aims to ensure we have our own house in order, improving the sustainability of the way we operate as an organisation. An internal working group is responsible for ensuring progress against the targets in the plan.

Key highlights include:

- an energy audit of Council buildings and assets so we can identify and measure improvements
- installation of LED lights at the Richmond Library
- external funding secured to expand our willow and poplar nursery
- waste management and minimisation initiatives
- further research on the likely impacts of climate change on Tasman District
- an e-bike added to the Council pool vehicle fleet to reduce vehicle emissions related to work travel
- a regular sustainability column in Newsline.

Our work reviewing and planning for the natural hazards facing our communities continued, with a focus on coastal inundation, sea level rise and land disturbance. This long-term adaptive planning work will take several years to complete and conversations with our communities will be ongoing.

### Environmental plans and projects

We have also made significant progress on a range of plans and strategies for protecting and enhancing our natural environment, including:

- a new Bio Strategy for restoring and sustaining our natural biodiversity, and carrying out biosecurity controls in Tasman
- embarking on a complete review of Tasman's resource management plans to create a single Tasman Environment Plan (Aorere ki uta, Aorere ki tai) – the blueprint for the future of our communities and the management and protection of natural resources
- a new Nelson Tasman Waste Management and Minimisation Plan to help our region avoid the creation of waste, improve the way we use resources reduce the harmful effects of waste
- the Kotahitanga Mō Te Taiao Alliance Strategy to drive large-scale conservation projects that also have social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions.

## WORKING TOGETHER WITH OUR COMMUNITY

Many of Council's activities and projects also benefit from the contribution from the wider community. There are numerous volunteers and community groups, including iwi and churches, who support our community's welfare needs, such as providing food parcels during the Covid-19 response. There are now several community-led transport services across the District, helping our rural communities to stay connected and access services. There is a huge amount of work happening across the district to protect and restore our unique natural environment. We are grateful to the many residents who maintain their local facilities, including community halls, walking tracks, and gardens.

Many hands make light work, or he rau ringa e oti ai. The strength of these relationships is a taonga of our District.

# WHAT HAVE WE ACHIEVED FOR THE YEAR? (CONT.)



Construction on water and wastewater upgrades in Māpua



The Tākaka to Pōhara cycleway

## ENHANCING DRINKING WATER SECURITY AND SUPPLY

Construction of the Waimea Community Dam is well underway, bringing a resilient, secure drinking water supply a step closer for the communities of Richmond, Brightwater, Wakefield, Māpua and Redwood Valley. In August 2019, a ground-breaking ceremony at the construction site formally marked the start of the dam build. In March 2020, the Council-controlled organisation in charge of the dam's construction and eventual operation, Waimea Water Ltd, presented revised project costs and timeframes as a result of encountering unexpected geological conditions. Although the Covid-19 pandemic caused further delays, the project reached a significant milestone in August 2020 with the completion of the 165-metre-long diversion culvert.

Several other projects have been underway to provide a safe and secure water supply, including a new water supply system in the north-west urban area of Motueka, and new or upgraded water mains in Richmond, Māpua and Wakefield.

Work continues on the major water and wastewater upgrades in Māpua. A replacement water main, both increasing capacity and reducing the frequency of breaks and disruption, provides a safe, secure water supply for future subdivisions. The moratorium on new water connections in Māpua will be lifted from August 2021.

## TRANSPORTATION IMPROVEMENTS

The way we to get around our District plays a key role in both social and economic connection. We have made some significant improvements to the accessibility and safety of our driving, walking and cycling network over the past year, including:

- Completion of the Tākaka to Pōhara cycleway
- Intersection upgrades
- Brightwater Town Centre upgrade to create a safer, more attractive Ellis Street
- Lower speed limits for many local roads.

## INFRASTRUCTURE TO SUPPORT GROWTH

Tasman's population has been growing at a relatively high rate for several years, creating demand for serviced land for housing and development. Ensuring land is connected to water, stormwater and sewerage networks so it's suitable for homes and businesses has been keeping us busy – and keeping up with this demand as best we can is a key part of our role in ensuring housing supply isn't constrained (which could push up prices) in Tasman District.

Work is underway on a multi-year project to install a new water main through Richmond south and west. Working together with developers in Richmond west on stormwater channel improvements at Poutama Drain and Borck Creek has created efficiencies and cost savings for ratepayers and developers. The Headingly Lane trunk water main and widening of Bateup Road were completed this year, also supporting population growth in Richmond.



# WHAT HAVE WE ACHIEVED FOR THE YEAR? (CONT.)



Concept design for the new Motueka Library



## COMMUNITY SPACES AND PLACES

Construction began on a new library for Motueka in September 2020, the culmination of years of planning and investigation to replace the ageing and undersized library in Pah Street. The new library in Decks Reserve will be a purpose-built, sustainable facility capable of providing modern library services to Motueka's growing community. Its design will recognise Motueka's unique cultural and community identity.

A new entrance way for Te Maatu – Thorp Bush in Motueka was a Tasman Youth Council-initiated project with wide community input. Two carved pou were gifted by Ngāti Rārua Ātiawa Iwi Trust (NRAIT) while Keep Motueka Beautiful contributed information panels. New lighting, seating and a concreted entranceway complete the project to create a safe, welcoming space for everyone to enjoy.

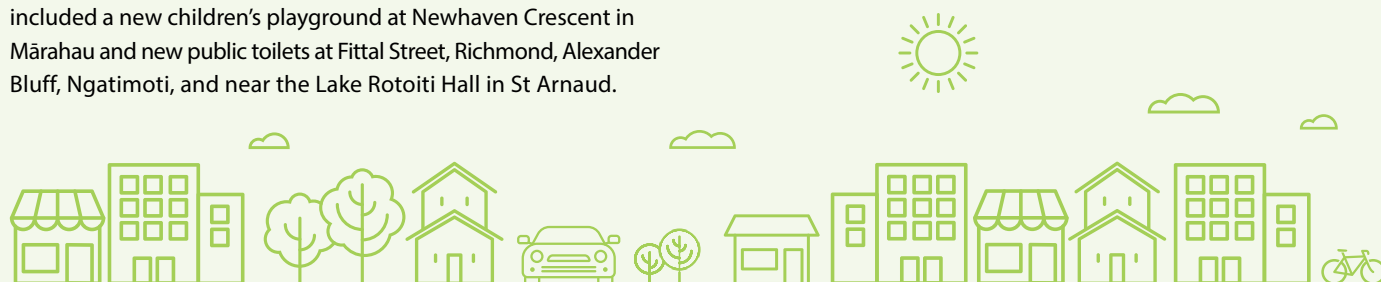
In partnership with Nelson City Council, we carried out further improvements to our region's multi-use sport and recreation destination Saxton Field. These include the completion of the junior mountainbike track, resurfacing of the athletics track, and lighting for the Saxton Velodrome.

Our ongoing work to provide great community facilities this year included a new children's playground at Newhaven Crescent in Mārahau and new public toilets at Fittal Street, Richmond, Alexander Bluff, Ngatimoti, and near the Lake Rotoiti Hall in St Arnaud.

## PLANNING FOR THE FUTURE

We're always looking ahead to make sure our projects, services, programmes and plans will continue to meet the needs of our community and environment in decades to come. Some of the key plans we've been working on include:

- The Long Term Plan 2021 – 2031. We sought the community's views on where we should prioritise our efforts during early community engagement in mid-2020. Another round of consultation on our projects, plans and budgets for the next 10 years will take place in March/April 2021.
- The Te Taihū Intergenerational Strategy (a collaboration of Wakatū Incorporation, councils, iwi, chambers of commerce, the Nelson Regional Development Agency, Nelson Marlborough Institute of Technology and businesses) provides direction for the long-term wellbeing of our region's people, economy and environment.
- The Nelson Tasman Future Development Strategy gives high-level guidance for where and how Tasman District and Nelson City will accommodate housing and business growth over the next 30 years.



**READ MORE ABOUT THE PROJECTS AND WORK WE'VE BEEN DOING IN 2019/2020 BY READING THE FULL ANNUAL REPORT AT [WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS](http://WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS)**

# OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our performance in delivering services to our community using a set of performance targets which are set out in the LTP 2018 – 2028. Reporting against these targets presents a high level view of our performance. You can find more results on other aspects of performance, such as environmental and regulatory monitoring in the public reports held on our website or by contacting Council.

We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all of these targets each year. We achieved 85 of our targets fully, 12 were achieved within 5% of the target, 19 were not achieved, and there were five that we either did not have the full information available to report on or they were not due to be measured this year.

The Annual Report includes a set of Local Government Mandatory Performance Measures. In 2019/2020, Council has achieved the majority of these for the Transport and Wastewater activities. However, several of the Water Supply mandatory performance measures were not achieved, including compliance with drinking water standards.

There is a range of reasons for the number of performance targets that have not been achieved this year. In some cases, the impacts of the Covid-19 pandemic and alert level restrictions affected performance (eg library visits, earnings for Council Enterprises, recycling, and customer response timeframes). These impacts are outlined in the full Annual Report. Staff capacity and workload issues affected our performance in areas such as resource consent processing times. In other cases, further investigation and investment is planned to address performance issues, such as drinking water compliance.

However, Council is pleased to report there was a higher level of achievement in 2019/2020 than in 2018/2019, with 97 targets fully or nearly achieved this year, compared with 84 last year.

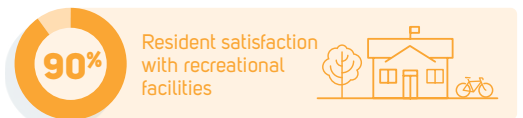
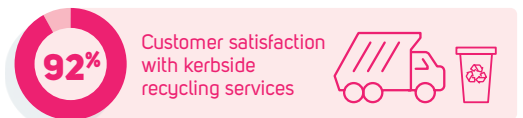
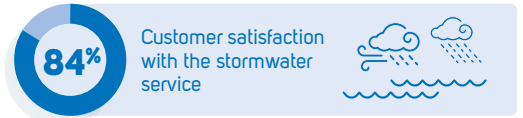
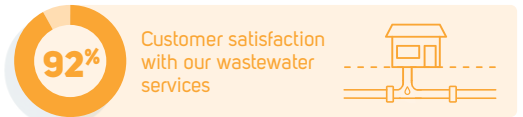
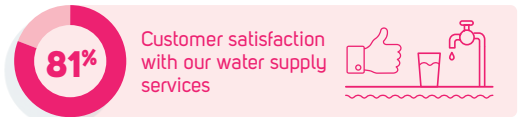
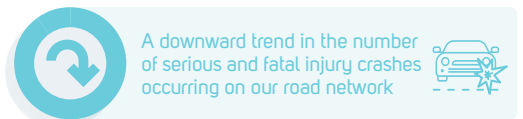
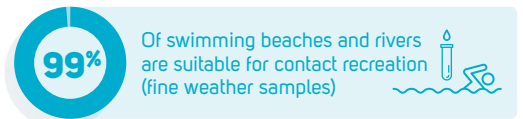
## PERFORMANCE TARGETS FULLY OR NEARLY ACHIEVED



- Target fully achieved
- Target achieved within 5%
- Target fully achieved
- Target achieved within 5%

**DETAILS OF OUR PERFORMANCE AGAINST ALL OUR TARGETS IS PROVIDED IN PART 4: FINANCIAL AND NON-FINANCIAL PERFORMANCE OF THE FULL ANNUAL REPORT 2020 AT [WWW.TASMAN.GOV.TZ/LINK/ANNUAL-REPORTS](http://WWW.TASMAN.GOV.TZ/LINK/ANNUAL-REPORTS)**

## PERFORMANCE HIGHLIGHTS



# KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2019/2020 year was higher than budgeted. The accounting surplus was \$26.9 million and total comprehensive revenue and expense was \$103 million.

The net debt position of \$156.2 million was well below the planned debt level of \$191.0 million, and still below the \$200 million cap set in our current Financial Strategy as part of the LTP 2018 – 2028.

The 2019/2020 year saw rates income increase by 2.74%, after an allowance for growth. This is also below the agreed cap in the Financial Strategy of 3%. The 2020/2021 Annual Plan has a 0% rate rise as a result of COVID-19.

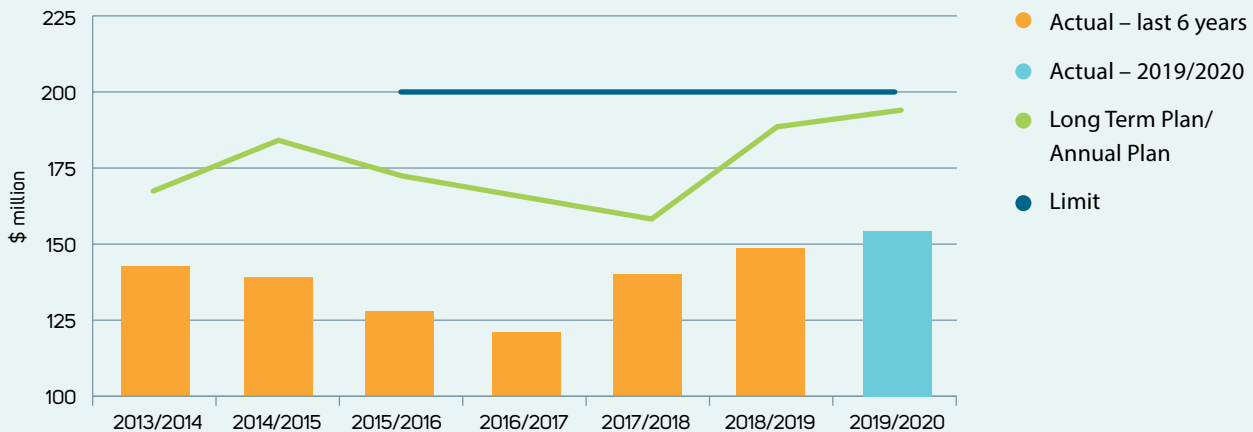
The positive financial position reflects ongoing operational savings achieved by Council and delayed capital expenditure for some large projects. The result was also assisted by a number of external factors which moved in our favour.

A fuller description of the financial variances from the Annual Plan 2019/2020 are contained in Note 36 to the Accounts in the full Annual Report.

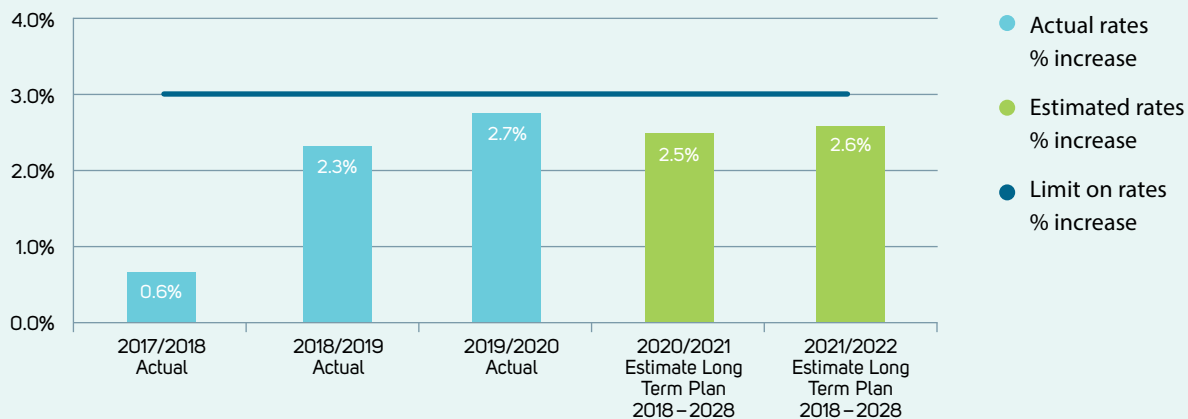
Total Council net assets now total \$1.59 billion, which is an increase of \$103 million since 2019.



## HOW ARE WE TRACKING AGAINST PLANNED NET DEBT?



## RATES INCOME INCREASES





# FINANCIAL POSITION AND STATEMENTS

## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

ACTUAL 2019 \$000		ACTUAL 2020 \$000	BUDGET 2020 \$000
154,696	Revenue	152,619	139,073
(3,495)	Fair value gain/(loss) on revaluation	(1,552)	621
1,194	Finance income	4,411	253
8,419	Share of joint ventures surplus/(deficit)	5,053	–
<b>160,814</b>	<b>Total revenue</b>	<b>160,531</b>	<b>139,947</b>
119,421	Expenditure	125,696	114,558
7,934	Finance expense	7,936	8,137
<b>127,355</b>	<b>Total expense</b>	<b>133,632</b>	<b>122,695</b>
<b>33,459</b>	<b>Surplus/(deficit) before taxation</b>	<b>26,899</b>	<b>17,252</b>
–	Income tax expense	–	–
<b>33,459</b>	<b>Surplus/(deficit) after tax</b>	<b>26,899</b>	<b>17,252</b>
	<b>OTHER COMPREHENSIVE REVENUE</b>		
381	Gain on Council property, plant and equipment revaluations	44,161	–
–	Deferred tax on asset revaluations	–	–
819	Movement in NZLG shares value	781	–
(514)	Asset impairment disposal gain/(loss)	–	–
(960)	Other comprehensive income including share of joint ventures and operations	31,137	–
<b>(274)</b>	<b>Total other comprehensive revenue and expense</b>	<b>76,079</b>	<b>–</b>
<b>33,185</b>	<b>Total comprehensive revenue and expense</b>	<b>102,978</b>	<b>17,252</b>

The statement above shows surplus before other comprehensive revenue of \$26.9 million (2019: \$33.5 million) compared with a budgeted accounting surplus of \$17.3 million (2019: \$12.7 million). This equates to a surplus or favourable variance of \$9.6 million. Variances are explained in Note 36 of the Annual Report.

## SUMMARY STATEMENT OF FINANCIAL POSITION

ACTUAL 2019 \$000		ACTUAL 2020 \$000	BUDGET 2020 \$000
33,078	Current assets	89,077	25,037
(61,276)	Current liabilities	(99,392)	(37,681)
<b>(28,198)</b>	<b>Working capital</b>	<b>(10,315)</b>	<b>(12,644)</b>
1,673,138	Non-current assets	1,783,342	1,762,138
(156,128)	Non-current liabilities	(181,237)	(200,617)
<b>1,488,812</b>	<b>Total net assets</b>	<b>1,591,790</b>	<b>1,548,877</b>
<b>1,488,812</b>	<b>Total equity</b>	<b>1,591,790</b>	<b>1,548,877</b>

# FINANCIAL POSITION AND STATEMENTS (CONT.)

## SUMMARY STATEMENT OF CASHFLOWS

ACTUAL 2019 \$000		ACTUAL 2020 \$000	BUDGET 2020 \$000
54,116	Net cash flow from operating	48,662	38,743
(59,498)	Net cash flow from investing	(86,545)	(39,911)
19,362	Net cash flow from financing	51,319	3,322
<b>13,980</b>	<b>Total net cash flows</b>	<b>13,436</b>	<b>2,154</b>
1,293	Opening cash held	15,273	5,109
<b>15,273</b>	<b>Closing cash and cash equivalents balance</b>	<b>28,709</b>	<b>7,263</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

ACTUAL 2019 \$000		ACTUAL 2020 \$000	BUDGET 2020 \$000
<b>1,455,627</b>	<b>Equity at start of year</b>	<b>1,488,812</b>	<b>1,531,625</b>
33,185	Total comprehensive revenue and expense	102,978	17,252
<b>1,488,812</b>	<b>Total equity</b>	<b>1,591,790</b>	<b>1,548,877</b>

## SIGNIFICANT ACCOUNTING MATTERS

- Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. Contained in the project agreements are clauses related to the financing of cost over-runs, a loan guarantee and a compensation clause. No liabilities, or contingent liabilities, have been recognised in relation to these clauses. Further details are provided in the Annual Report 2020 in Note 41.
- Council applied new accounting standards Public Benefit Entities (PBE) accounting standards IPSAS 34-38 in the Financial Statements. This resulted in recognition of the assets, liabilities, revenue and expenses that arise from its interest in Councils' joint operations. Under the previous standards, Council recognised its share of all transactions and balances. Further details are provided in the Annual Report 2020 in Note 21.

## FINANCIAL IMPLICATIONS OF COVID-19

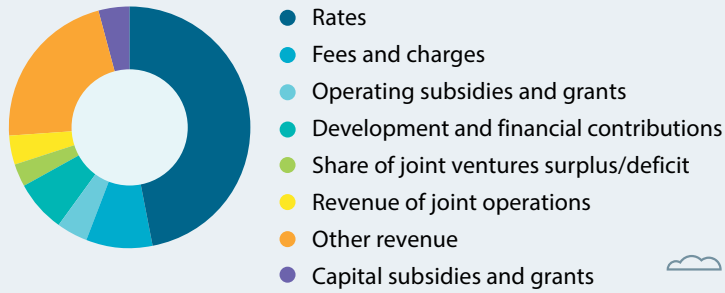
Key financial implications of Covid-19 included:

- Some income loss, mainly from: dividends, rent relief and campgrounds.
- Additional Civil Defence costs in response to providing emergency accommodation and other welfare costs.
- Significant uncertainties related to estimating the fair value of the investment properties held by Council's Joint Venture, Port Nelson.

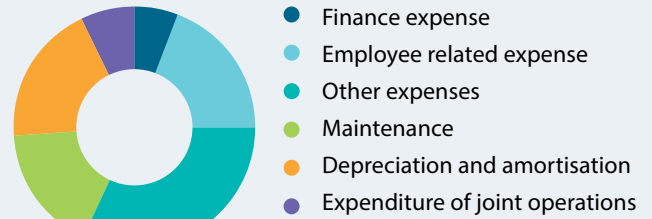
- Over lockdown, Port Nelson continued operating as an essential service. However, the export of several commodities including logs, processed forestry commodities, such as medium-density fibreboard and laminated veneer lumber, ceased. The Council performed an impairment test on its investment in Port Nelson and concluded that no impairment was necessary. However, the valuation is highly sensitive to the discount rate applied.
- Nelson Airport have not completed a fair value assessment as at 30 June 2020 for the land and improvements asset class, due to the high degree of uncertainty in the property market.
- This year Council has revalued its infrastructure assets at 30 June 2020. It is possible that replacement cost rates may be subject to short-term changes due to shortages of materials or specialist labour.
- Council also revalued its Forestry and Investment Property assets at 30 June 2020, the impact of Covid-19 is included in Note 17 and 19.
- An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from Covid-19.
- Further details are provided in the Annual Report 2020 in Note 43.

# FINANCIAL POSITION AND STATEMENTS (CONT.)

## REVENUE \$160.5M



## EXPENDITURE \$133.6M



## LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on 18 December 2020 and covers the year from 1 July 2019 to 30 June 2020.

The full and summary financial statements have been prepared in accordance with Tier 1 Public Benefit Entities (PBE) accounting standards. The Summary Annual Report has been prepared with PBE FRS-43 Summary Financial Statements.

The Council's full Annual Report has been audited by Audit New Zealand on behalf of the Office of the Auditor General and an unmodified opinion was issued. The audit opinion included an emphasis of matter related to the sensitivity of

the Port Nelson impairment assessment, and Port Nelsons investment property. This Summary report cannot be expected to provide as complete an understanding (of the financial and service performance, financial position and cashflows of the Council) as provided by the full Annual Report. The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

Due to delays in 2020 resulting from Covid-19, the Annual Report was adopted just before the Christmas break. This Summary was made publicly available within five weeks after the adoption of the Annual Report, but was not available within the one month timeframe required by s98(4) of the Local Government Act.

**THE FULL ANNUAL REPORT CAN BE OBTAINED FROM THE COUNCIL'S WEBSITE, [WWW.TASMAN.GOV.TZ/LINK/ANNUAL-REPORTS](http://WWW.TASMAN.GOV.TZ/LINK/ANNUAL-REPORTS)**



## To the readers of Tasman 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 the Tasman 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 3 to 11:

- the summary statement of financial position as at 30 June 2020;
- the summaries of the statement of comprehensive income, 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 statement of objectives and 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 2020 in our auditor's report dated 18 December 2020. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the impact of Covid-19 on the District Council as set out in the full annual report in note 43 to the financial statements. We drew specific attention to the following matters due to the significant level of uncertainty caused by Covid-19:

- **Sensitivity of the valuation model used in the impairment assessment**

The sensitivity of the District Council's impairment model to changes in key assumptions for the investment in Port Nelson.

- **Investment property**

The District Council's investment in Port Nelson and resulting share of Port Nelson's surplus is affected by the fair value of Port Nelson's investment properties. The valuer of Port Nelson's investment properties has communicated significant uncertainties related to estimating their fair value.

This information is referred to in the summary of the annual report on page 11.

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



**John Mackey,**  
Audit New Zealand

On behalf of the Auditor-General  
Christchurch, New Zealand  
21 January 2021