



**Whangarei**  
District Council



# **Summary**





# How we spent each dollar\*



## Transportation



**32c**

*on roads, cycleways,*

*footpaths, streetlighting, parking and more*

## Storm Water



**1c**

*on drainage systems and flood minimisation*

## Parks



**14c**

*on parks, reserves, sportsfields, playgrounds & more*

## Water

**12c**

*on treatment and supply*



## Governance & Strategy

**3c**



*on our strategic and democratic functions*

## Community Services

**4c**

*on enhancing & strengthening our communities*



## Venues & Events



*for venue management & producing events*

## Planning & Regulatory



*for planning monitoring & enforcement activities*

## Wastewater

**5c**

*on disposal and treatment*



## Libraries



*learning reading & leisure*

## Support Services

**15c**

*on keeping Council running*



## Solid Waste

**4c**

*on dealing with rubbish & recycling*

\* Figures are calculated using the activity Funding Impact Statements and are a combination of operational and capital expenditure.



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## Our summary document

This is a summary of Council's activities for the year 1 July 2020 to 30 June 2021. The information has been extracted from our 2020-21 Annual Report, which was adopted on 16 December 2021. It has been prepared in accordance with FRS-43: Summary Financial Statements.

This summary does not provide detailed information about our finances and service performance. This can be obtained from the Annual Report available on our website ([www.wdc.govt.nz](http://www.wdc.govt.nz)) or at any Council office. Audit NZ has audited the full financial statements and issued an unqualified report. This Summary has been examined by Audit NZ for consistency with the full Annual Report. This report was authorised for issue by Council resolution on 16 December 2021.



Sheryl L Mai  
Mayor



Rob Forlong  
Chief Executive

Thursday 16 December 2021



# Introduction

Despite a reduced income in response to COVID-19 and then millions of dollars in storm damage, 2020-21 was an outstanding year. It was both productive – we completed our largest capital works programme (\$90m, of which \$55m was in core infrastructure) – and it was highly participative, with a huge amount of public consultation and feedback from the community.

We received your feedback on a huge range of matters, from the broad and long-term to the short and closely focused. People read our plans, attended meetings, discussed matters online, considered options and then gave us their views. Topics included our Growth Strategy, Speed Limit Bylaws, Placemaking Plans, the Waterfront Precinct Plan, Whangārei's Wastewater Treatment Plant discharge consent and our Long Term Plan and representation. Your feedback prompted us to change how you will be represented in our Council after the next elections when we will have one general ward of 10 Councillors, one Māori Ward of two Councillors and one Mayor. This is a significant change and reflects how our District is leading the evolution of democracy in Aotearoa.

Climate change, our strategies for managing its impacts including coastal works and investment in long term drinking water supplies, along with policies to help us reduce our own carbon footprint drove many projects. Anticipating and adapting to climate change and sea level rise is part of all infrastructure, planning and regulatory work. Ensuring roads, pipework and buildings are built (or in some cases, rebuilt) to sound standards and in places that can cope with sea level rise and climate change is part of that picture.

Work progressed on community-friendly, shared walking and cycle paths around and through our city and outlying parts of the District with \$6m invested. Our \$34m programme of transport works included rehabilitating 5.4km (0.51%) of the sealed road network, resealing 118km (11.1%) and allocating \$10m to a new bridge and walking lane across Limeburner's Creek on Port Road. A once-in-25-years pavement upgrade on Rewa Rewa Road through the City's industrial area was completed, 8.4km of metal roads were sealed, 1.6km of new footpaths were built and old high-pressure sodium and mercury vapour lights were replaced with energy efficient LED streetlights.

From inner city upgrades and the new Town Basin park to cycling facilities, skateboard parks and destination playgrounds, events from the Matariki free whānau day to the Fringe Festival, Festival of Motor Sport, Children's Day, the Endless summer Festival, School Holiday Programmes, and more – we worked together, community and Council.

The results of ambitious targets and mutual support between Council and the public shows what a resourceful, connected and resilient community we are, and what we can achieve when we work together.



**Her Worship the Mayor  
Sheryl Mai**

A handwritten signature in black ink that reads "Sheryl Mai".



**Chief Executive  
Rob Forlong**

A handwritten signature in black ink that reads "Rob Forlong".



# Our achievements

- **Operating surplus** of \$53.1 million (including accounting adjustments) – \$50.0 million better than budget.
- **100%** of financial targets achieved
- S&P Global Ratings **credit rating reaffirmed** as AA+.
- **100% of targets** were met in the Community Property, District Planning, Flood Control, Stormwater and Strategy areas.
- Met **68% of our non-financial targets** and service levels.
- Overall satisfaction with Council at **83%.\***

\*2021 resident satisfaction survey



\$217.6  
million

Revenue

\$164.6  
million

Expenses

\$53.1  
million

Operating surplus

\$145.0  
million

Net external debt

\$90.1  
million

Capital works completed

AA<sup>+</sup>

(negative outlook)

Credit rating



## Key projects

### NEW WHAU VALLEY WATER TREATMENT PLANT

This year the \$1.1m upgrade to the water mains between the Hātea River and the new \$30m Whau Valley Water Treatment Plant were completed extending and enhancing Whangārei City's main water supply for decades.

### NEW NORTHLAND FOOTBALL HUB AT TIKIPUNGA

This year a grant was made to begin the design for this \$1.2m facility destined to become a regional hub for this growing sport and nurturing the development of our future All Whites and Football Ferns.

### STADIUM UPGRADES

To prepare for the Rugby World Cup 2021 (playing in 2022), improvements were made to the pitch and new \$3.38m lights that meet international broadcasting standards were installed along with a new 46m<sup>2</sup> screen.

### NEW SKATE PARKS

The Ngunguru Skatepark was completed and contracts were let for the Waipu Skatepark and Activity Zone.

### URBAN INTERSECTION UPGRADES

Major work on urban streets included re-surfacing Mill Road, a major commuter route, and resurfacing of Rewa Rewa Road, a heavily used route through an industrial area.

### NEW TOWN BASIN PARK AND CHILDREN'S PLAYGROUND UPGRADE

Work advanced as scheduled on the new \$5.2m Town Basin park which is due to open in the coming financial year. The refurbished Town Basin children's playground opened in February.

### CCTV UPGRADES

We continued the rollout of the fibre optic upgrade in the City Centre increasing coverage by bringing more cameras into the network.



*New Whau Valley Water Treatment Plant*



*Matariki Pahū Ahi was the first event at Semenoff Stadium to use the new 46m<sup>2</sup> screen*



*Sod-turning at the Waipu skatepark*



## POHE ISLAND REDEVELOPMENT

Multiple projects on Pohe Island progressed or were completed during the year. The skatepark was completed in March, is getting good use and is now the District's most diverse skating venue. Major work has been completed on elements of the Bike Park, and the Camera Obscura is open for viewing.

## STORMWATER SYSTEM IMPROVEMENTS

This year we invested \$1.1m on stormwater lines and manhole renewals to help meet the challenges of climate change and to improve water quality.

## SEAL EXTENSIONS ON RURAL ROADS

Sealing of unsealed roads to help improve safety and reduce dust from road traffic.

## SPORTSFIELD IMPROVEMENTS

New lights were installed at Horahora and Otangarei sportsfields and the parking area at Cobham Oval was landscaped and sealed providing 184 carparks in readiness for the Rugby World Cup 2021.

## WALKWAYS AND TRACKS

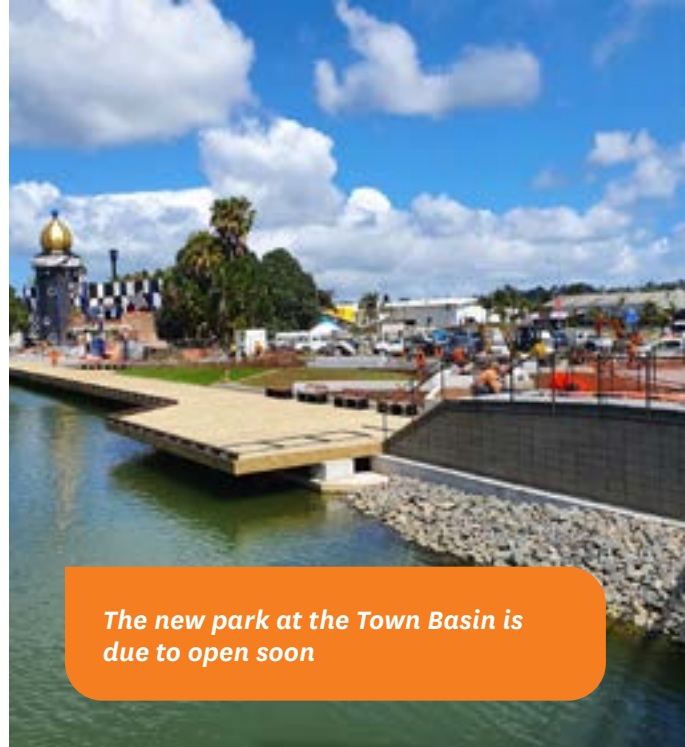
We live in a District of great natural beauty and our 56km of walking tracks provide plenty of options for getting out in nature. This year the Tikipunga walkway was extended from Tikipunga sports park to Vinegar Hill.

## CITY CENTRE PLAN

The first of a series of inner-city revitalisation projects kicked off including a tactical urbanism (\$100,000 from Waka Kotahi) project to improve flows to and from the bus station into the City Centre, and changes to John, James and Dent Street to improve connections to the Town Basin.

## CIVIC CENTRE

Significant progress was made on Whangārei District's Civic Centre, which promises to be a central hub for democratic processes, customer services, administrative functions and Council staff.



*The new park at the Town Basin is due to open soon*



*The refurbished Town Basin Playground opened in February*



*Parts of the Pohe Island Bike Park are now open for business*



# Meeting our targets

We've achieved all six of our financial targets



Targets	Result
Achieve a balanced budget	✓
Limit rates revenue to maximum of 70% of total revenue	✓
Net debt no higher than 175% of total revenue	✓
Maintain net interest costs at less than 25% of rates revenue	✓
Net debt per capita level below \$2,290	✓
Provide sufficient funding to complete the planned capital expenditure programme without reliance on selling assets	✓

We've met 51 of our 73 non-financial targets, three targets were not measured this year



Of the 36 levels of service that were measured 68% were achieved. This compares to 63% last year.

Performance improved or stayed the same for 66% of measures over the course of the year, compared to 48% the previous year.

Community Property, District Planning, Flood Control, Stormwater and Strategy areas all achieved 100% of their annual targets.

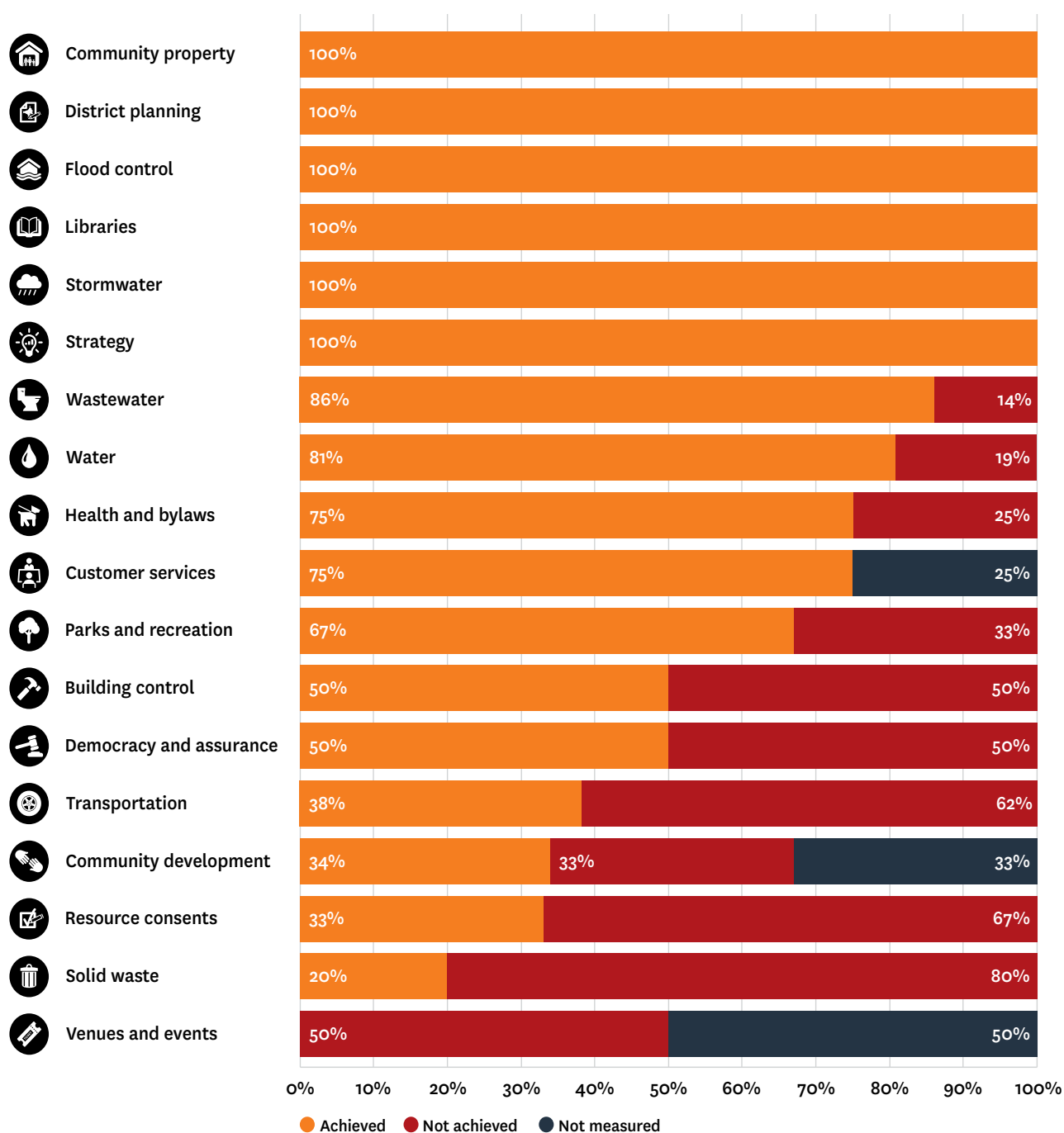
Some activity groups did not achieve all their targets or achieved lower results than last year.

In light of the improvements to the resident survey sampling methods, some measures may now carry an unrealistic target, or the target measure itself does not accurately reflect performance expectations. These were reviewed as part of the 2021-31 Long Term Plan, which can be viewed on our website.



# Highlights from the Annual Report

## Overall service performance



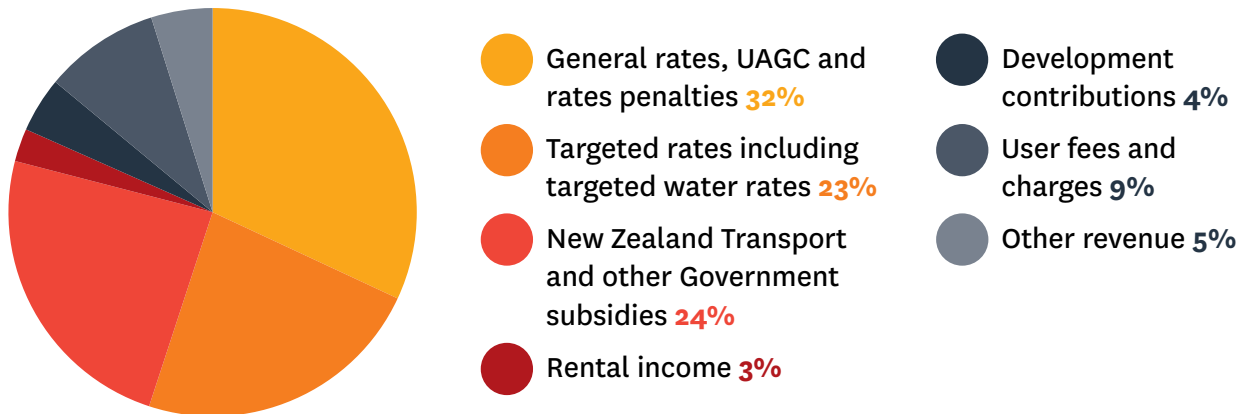


## Our finances

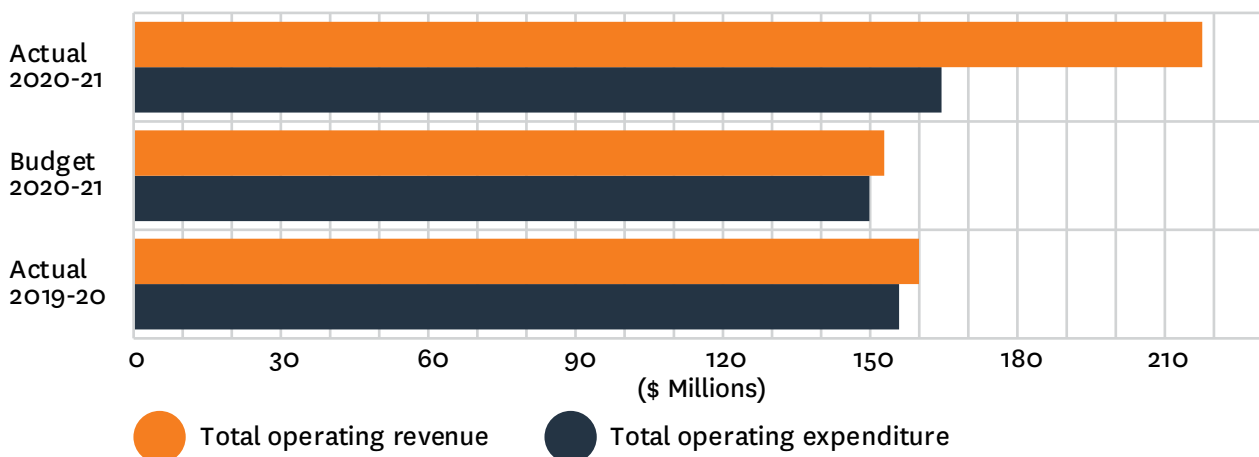
Council uses funding through rates, user fees and government subsidies, to provide day-to-day services, maintain our assets and build new ones to cater for the current and future needs of our community.

The graphs on these pages are key indicators of our financial performance and show you where our income came from, how it was spent across all areas of Council, how much we own (our assets) and how much debt we have.

### Where the money came from

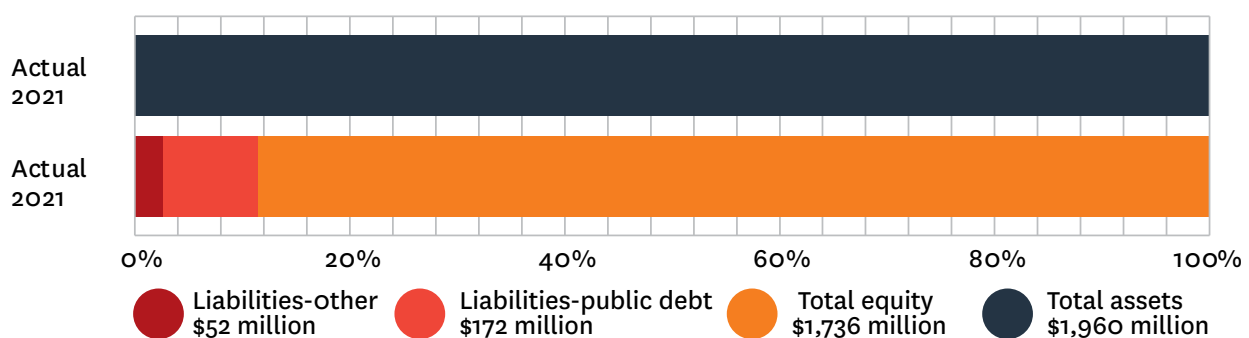


### Balancing the budget



### What we own – what we owe

#### TOTAL ASSETS, LIABILITY & EQUITY





## How the money was spent on activities

### OPERATIONAL EXPENDITURE

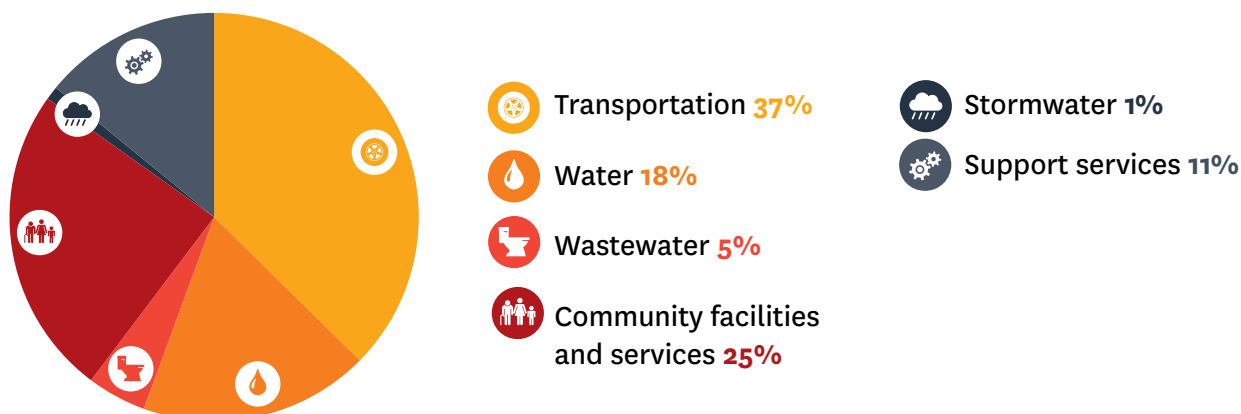
#### Funding our day-to-day operations



\*Figures are calculated using the activity Funding Impacts Statements.

### CAPITAL EXPENDITURE

#### Building or replacing our assets

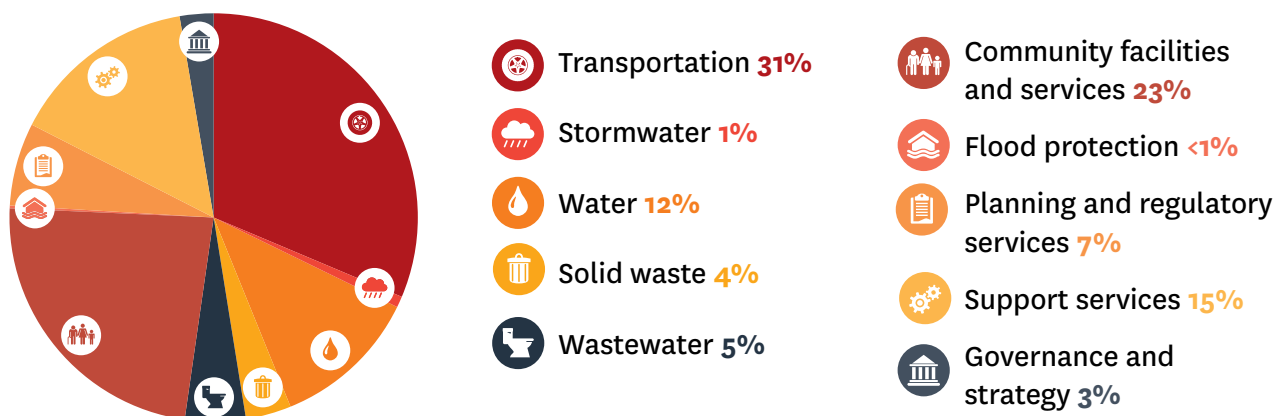


Although planning and regulatory and solid waste activities had a small amount of capital expenditure, they represented 0.1% and 0.3% of total capital expenditure respectively and do not appear on the above graph due to rounding. Flood protection had no capital expenditure

\*Figures are calculated using the activity Funding Impacts Statements.

### TOTAL EXPENDITURE

#### Operational expenditure + capital expenditure





# Summary Financial Statements

## Summary Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Revenue</b>					
Rates	102,372	103,784	100,994	102,372	100,994
Other revenue	113,883	49,082	57,616	124,652	63,819
Share of profit/(loss) from joint ventures	1,348	-	1,337	1,392	1,356
<b>Total income</b>	<b>217,603</b>	<b>152,866</b>	<b>159,947</b>	<b>228,416</b>	<b>166,169</b>
<b>Expenses</b>					
Finance costs	4,981	7,687	7,677	4,981	7,687
Other expenses	159,571	142,131	148,181	160,239	148,876
<b>Total operating expenditure</b>	<b>164,552</b>	<b>149,818</b>	<b>155,858</b>	<b>165,220</b>	<b>156,563</b>
<b>Operating surplus/(deficit) before taxation</b>	<b>53,051</b>	<b>3,048</b>	<b>4,089</b>	<b>63,196</b>	<b>9,606</b>
Taxation charge	-	-	-	(16)	94
<b>Operating surplus/(deficit) after taxation</b>	<b>53,051</b>	<b>3,048</b>	<b>4,089</b>	<b>63,212</b>	<b>9,512</b>
Gain/(Loss) on infrastructure asset revaluation	7,231	17,959	5,699	7,231	5,699
Gain/(Loss) on other asset revaluations	385	-	260	385	260
<b>Total comprehensive income</b>	<b>60,667</b>	<b>21,007</b>	<b>10,048</b>	<b>70,828</b>	<b>15,471</b>

## Summary Statement of Changes in Equity

For the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Opening balance as at 1 July 2020	1,674,946	1,694,291	1,664,898	1,696,995	1,681,524
Total comprehensive revenue and expense	60,667	21,007	10,048	70,828	15,471
<b>Total recognised equity as at 30 June 2021</b>	<b>1,735,613</b>	<b>1,715,298</b>	<b>1,674,946</b>	<b>1,767,823</b>	<b>1,696,995</b>

## Summary of commitments and contingent liabilities

Council has capital commitments of \$74.6 million (2020: \$29.0 million).

Council has minimal contingent liabilities. 2021: \$250k (2020: \$1.3m).



# Summary Statement of Financial Position

*As at 30 June 2021*

	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Assets</b>					
Total current assets	44,357	49,125	57,832	49,511	63,435
Total non-current assets	1,915,632	1,887,854	1,825,431	1,944,600	1,843,617
<b>Total assets</b>	<b>1,959,989</b>	<b>1,936,979</b>	<b>1,883,263</b>	<b>1,994,111</b>	<b>1,907,052</b>
<b>Liabilities</b>					
Total current liabilities	68,249	58,529	67,368	69,442	68,373
Total non-current liabilities	156,127	163,152	140,949	156,846	141,684
<b>Total liabilities</b>	<b>224,376</b>	<b>221,681</b>	<b>208,317</b>	<b>226,288</b>	<b>210,057</b>
<b>Total equity</b>	<b>1,735,613</b>	<b>1,715,298</b>	<b>1,674,946</b>	<b>1,767,823</b>	<b>1,696,995</b>

## Debt Summary

*As at 30 June 2021*

	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Public debt – current portion	30,000	30,000	33,000	30,000	33,000
Public debt – term portion	142,000	144,000	119,000	142,000	119,000
<b>Total debt</b>	<b>172,000</b>	<b>174,000</b>	<b>152,000</b>	<b>172,000</b>	<b>152,000</b>

## Summary Cash Flow Statement

*For the year ended 30 June 2021*

	Council			Group	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Net cash from operating activities	79,944	41,537	47,248	90,158	53,423
Net cash used in investment activities	(109,093)	(69,057)	(50,416)	(117,093)	(58,217)
Net cash used in financing activities	20,090	22,000	9,998	20,090	9,998
<b>Net increase/(decrease) in cash and cash equivalents for the year</b>	<b>(9,059)</b>	<b>(5,520)</b>	<b>6,830</b>	<b>(6,845)</b>	<b>5,204</b>
Cash and cash equivalents at the beginning of the year	36,060	30,402	29,230	38,920	33,716
<b>Total cash and cash equivalents at the end of the year</b>	<b>27,001</b>	<b>24,882</b>	<b>36,060</b>	<b>32,075</b>	<b>38,920</b>



## Statement of compliance

The financial statements have been prepared in accordance with Tier 1 PBE Standards and comply with NZ GAAP. They also comply with the requirements of the Local Government Act 2002. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ('000).

## Events after balance date

### **Northland Events Centre Trust – governance arrangements**

On 23rd July 2020, Council considered options for the future governance arrangements of the Northland Events Centre. A recommendation was adopted endorsing a new 'full trust' approach as the preferred option going forward. Under this option the trust would govern and hold management responsibilities.

On 21 September 2021 the Northland Events Centre Trustees unanimously resolved to wind up the existing Northland Events Centre Trust in accordance with the Deed of Trust. This resolution includes the effective date of termination as 30 November 2021.

A new Council controlled organisation 'Northland Events Centre (2021) Trust' has been formed. The transition process is being managed by Council in collaboration with newly appointed Trustees of the Northland Events Centre (2021) Trust. Operational activities, assets and liabilities will be transferred to the new Trust at 30 November 2021.

### **Three Waters Reform**

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated 'all-in' approach. The three waters reform involves the creation of four statutory Water Services Entities (WSEs) to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

### **Three Waters Reform – Legal Action**

In November 2021, Council resolved to join the multi council campaign to convince the Government to alter its intention to proceed with legislation that will compel councils to transfer their Three Waters assets into the ownership and/or operational control of another legal entity without the agreement of an affected council to that transfer. The matter is currently with the High Court.



## Public Consultation – Oruku Landing Conference and Multi-Events Centre

During the period 18 October – 18 November 2021, Council consulted with the public on a proposed Long Term Plan amendment focused specifically on the Oruku Landing Conference and Multi-Events Centre. The consultation was to seek public feedback on plans for Council to proceed with the project and invest up to \$57m.

On 26 November 2021 Council considered submissions and resolved to abandon the Oruku Landing Conference and Multi-Events Centre project.

## COVID-19

Our District continues to be impacted by COVID-19 restrictions with the emergence of the Delta variant in New Zealand. Council anticipates potential issues with supply chain, cost escalations, and delays to project delivery over the coming year. The post 30 June 2021 changes in the COVID-19 alert levels had no impact on the financial statements for the year ended 30 June 2021.

## Variance Explanations

Key financial information	Actual 2021 \$'000	Budget 2021 \$'000	Comments
Statement of comprehensive revenue and expense			
Total revenue	217,603	152,866	<p>Total revenue was higher than budget by \$64.7 million:</p> <ul style="list-style-type: none"><li>• development contributions were \$5.1 million higher than budget, reflective of the continuing growth in the region and the recovery from COVID-19.</li><li>• subsidies and grants was \$22.9 million higher than budget due to subsidies received from the following: \$2.6m from Waka Kotahi re flooding repairs. \$3.7m from the Ministry of Health re Three Waters, \$13.3m from MBIE re worker redeployment, \$1.8m from MBIE re Bike Northland and \$1.8m from Crown Infrastructure Partners re shovel ready projects.</li><li>• fees and charges revenue were \$4.0 million higher than budget due to COVID-19 not impacting Council's level of services as expected.</li><li>• vested asset income was higher than budget by \$3.8 million due to the conservative nature of the budget and reflective of continued growth.</li><li>• an unbudgeted investment property revaluation gain of \$15.6 million was due to the rapid increase of investment property values over the previous year.</li><li>• an unbudgeted gain on derivatives of \$8.1 million due to rising interest rates.</li><li>• an unbudgeted gain from property sales of \$1.0 million.</li><li>• other revenue was \$4.3 million higher than budgeted.</li></ul>



Key financial information	Actual 2021 \$'000	Budget 2021 \$'000	Comments
Total expenses	164,552	149,818	<p>Total operating expenses were higher than budget by \$14.7 million:</p> <ul style="list-style-type: none"> <li>• personnel costs were \$1.3 million lower than budget due to staff vacancies.</li> <li>• depreciation and amortisation was \$1.5 million less than budget as the previous years Roding valuation was a smaller increment than expected.</li> <li>• finance costs were \$2.7 million lower than budget due to lower interest rates.</li> <li>• general grants were higher than budget by \$8.5 million due to the Te Tai Tokerau redeployment package payments to other Northland councils.</li> <li>• unbudgeted losses on disposal of other assets of \$1.7 million which are not budgeted due to the uncertainty regarding timing of asset disposals.</li> <li>• other expenses were \$10.0 million higher than budgeted due to an increase in professional services, contractors and consultants.</li> </ul>
Surplus/ (deficit)	53,051	3,048	

#### Statement of financial position

Total assets	1,959,989	1,936,979	<p>Total assets are higher than budget by \$31.7 million:</p> <ul style="list-style-type: none"> <li>• cash and cash equivalents are \$2.1 million above budget.</li> <li>• debtors and receivables are \$7.0 million below budget mainly due to COVID-19 and Council's \$5.0 million relief response to it last year which did not eventuate.</li> </ul> <p>Property, plant and equipment is \$2.2 million below budget:</p> <ul style="list-style-type: none"> <li>• Council's opening position was \$15.0 million less than budget due to timing differences for the completion of projects, and additional unbudgeted projects.</li> <li>• Council's capital expenditure was \$17.0 million more than budget due to timing of completion of projects and also externally funded projects.</li> <li>• Investment properties are \$31.2 million above budget due to the unbudgeted purchase of properties for \$18.0 million and the unbudgeted valuation increment of \$17.0 million. Council's opening position was \$3.0 million less than budget due to the prior year disposals and valuation decrement.</li> </ul>
Total liabilities	224,376	221,681	<p>Total liabilities are higher than budget by \$2.7 million:</p> <ul style="list-style-type: none"> <li>• payables and deferred revenue are \$8.4 million higher than budget mainly due to \$4.8 million of income in advance received re Three Waters and Crown Infrastructures Partners.</li> <li>• derivative financial instruments are \$5.1 million under budget due to unrealised revaluation gains.</li> <li>• borrowings are \$2.0 million under budget due to less new borrowing required than budgeted.</li> </ul>
Net assets	1,735,613	1,715,298	



Key financial information	Actual 2021 \$'000	Budget 2021 \$'000	Comments
<b>Cash flow statement</b>			
Net cash flows from operating activities	79,944	41,537	<p>Net cash flows from operating activities was higher than budget by \$38.4 million:</p> <ul style="list-style-type: none"> <li>• other revenue including development contributions were higher than budget by \$10.4 million due to COVID-19 not impacting Council's level of services as expected.</li> <li>• rates received were higher than budget by \$3.8 million</li> <li>• fees and charges received were higher than budget by \$6.6 million due to COVID-19 not impacting Council's level of services as expected.</li> <li>• subsidies and grants were higher than budget by \$29.7 million due to subsidies received from the following: \$2.6m from Waka Kotahi re flooding repairs. \$5.9m from the Ministry of Health re Three Waters, \$13.3m from MBIE re worker redeployment, \$1.8m from MBIE re Bike Northland and \$4.0m from Crown Infrastructure Partners re shovel ready projects.</li> <li>• interest paid was lower than budget by \$2.8 million due to lower interest rates than budgeted.</li> <li>• payments to suppliers were \$12.8 million higher than budget due to an increase in professional services, contractors and consultants.</li> </ul>
Net cash flows from investing activities	(109,093)	(69,057)	<p>Net cash flows from investing activities was higher than budget by \$40.0 million:</p> <ul style="list-style-type: none"> <li>• Unbudgeted expenditure on investment property \$18.0 million, intangibles \$5.0 million and the development of fixed assets \$18.0 million contributed to the greater spend than budgeted.</li> <li>• proceeds from sale of fixed assets were higher than budget by \$0.6 million due to the sale of properties and other assets.</li> <li>• net receipts from investments and loans was higher than budget by \$1.3 million due to distributions from Joint Ventures.</li> </ul>
Net cash flows from financing activities	20,090	22,000	Net cash flows from financing activities was lower than budget by \$1.9 million.
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(9,059)	(5,520)	



# ***Independent Auditor's Report***

## **To the readers of Whangarei District Council's summary of the annual report for the year ended 30 June 2021**

The summary of the annual report was derived from the annual report of the Whangarei District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on page 9 and pages 12 to 17:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the overall service 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 16 December 2021. 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 29 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed in the Events after balance date note of the summary financial statements.

### ***Council's responsibility for the summary of the annual report***

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

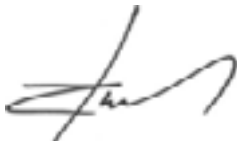


## **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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



Carl Wessels,  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand  
16 December 2021

AUDIT NEW ZEALAND  
Mana Aotake Aotearoa





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