

Clutha District Council Annual Report 2013/14 - A Summary



A Word From the Mayor

This is the fourth annual report summary I've had the privilege of introducing. I appreciate the growing awareness in our district for the need to have input into the direction our council is taking.

The annual report provides information and trends that help with Council's forward direction, while challenging us to critically scrutinise how well Council is functioning.

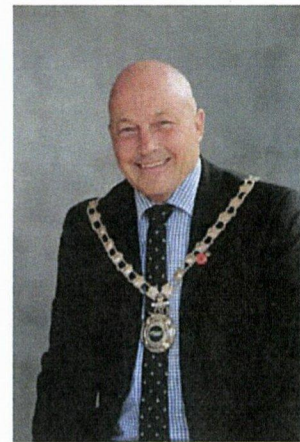
The past year identified a slowdown in the number of discretionary projects, and at the same time we grappled with legislative requirements from central government. These requirements continue to stretch and challenge us.

Coming up there will be compulsory upgrades within the 'three waters' areas and new funding arrangements for our large roading network – a possible drop in our subsidy from 61% to 52% over the next nine years.

In seeking to meet the challenges these changes present us we will need to intensify our focus on efficiencies and emphasize collaboration with neighbouring councils. Because over the next 10 years, much of our projected rate increases revolve around meeting central government compliance costs.

Some of the highlights of the year include:

- The 2013 triennial elections, held on 12 October, saw two new faces round the Council table: Jo-anne Thomson (Balclutha ward) and Selwyn Wilkinson (Bruce ward)
- Ongoing participation in the 'Shared Services – Southland and Beyond' forum. As part of this Council has worked collaboratively with others in respect of building consents and sharing resources and knowledge for information technology services with Environment Southland, Invercargill City and Southland District Councils.
- The ongoing development of plans and engagement for the Balclutha streetscape upgrade.
- Continuing partnerships with community groups to progress community projects, for example, Owaka Moving Forward which provides a positive example of



communities working with Council to realise community ambitions.

The past year has also provided its share of challenges. Pounaweia sewerage costs and problems at the Balclutha swimming pool are two examples. Not only must we acknowledge these issues; we must provide assurance that our systems are robust enough to minimise these kinds of problems in future.

But the most important job from a leadership point of view this year was the search for a new chief executive, after we farwelled Charles Hakkaart after many years of valuable service to our organisation. Shortly before the year end in June, we welcomed Steve Hill to the district and to the helm. The fact we were able to attract a candidate of his calibre, with the skills and enthusiasm for the task that lies ahead is great for our district and organisation.

This 2013/14 year has been both busy and challenging. I've no doubt that more challenging times await us as we move together into the future.

Bryan Cadogan
Mayor

Community Leadership

Shared Services

Council continued to work with the local authorities from the Clutha District south, as part of 'Shared Services - Southland and Beyond'. This included:

- Being part of the shared services agreement with Ngai Tahu based on a charter of understanding.
- Shared resources and knowledge for information technology (IT) services with Environment Southland, Invercargill City Council and Southland District Council.
- Building consent authorities working collaboratively.

Economic Development

Clutha Development Trust, Council's newly established economic development contractor, completed its first full year of service in 2013/14. Highlights from the last year included:

- Establishing a primary production sector database, an important first step in being able to effectively communicate with the sector and target future services. This involved contact with over 900 farmers throughout the district.
- Working in conjunction with the Otago Regional Council (ORC) and farmers to improve water quality and environmental sustainability in the district.
- Initial stages of the 'Living and Working in the Clutha District' project, to investigate the motivators and economic implications of people who work in the district but live elsewhere.
- Establishment of Destination Clutha as a Regional Tourism Organisation.
- Development of the Clutha Visitor Strategy.

Clutha District Youth Council

The Youth Council began the year in full-swing with two days of intensive team building. Other Youth Council highlights included:

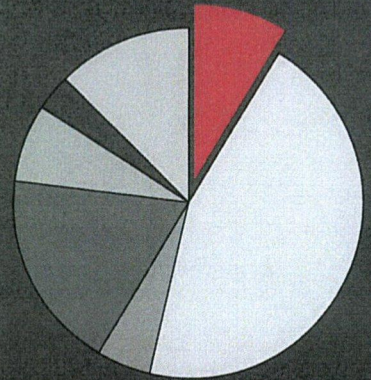
- Promoting Clean Up Clutha Country alongside the annual Keep New Zealand Beautiful week
- Hosting Motivational speakers "That Blind Woman" Julie Woods and John Marrable
- Delivering the first stage of the Balclutha Skate Park Graffiti Art Project.
- Staging the highly successful "By Youth 4 Youth" series.

Clutha District Youth Development Programme

Clutha District Council contracted the Malcam Charitable Trust to deliver the programme, the main objective being to provide Clutha District youth between 12 and 24 with the opportunity to build self-esteem and confidence, build leadership skills, and increase their connection with, and participation within their communities. Programmes will get underway in 2014/15.

New Zealand Small Town Conference

In September 2013 the Clutha District hosted the three-day New Zealand Small Town Conference. The positive feedback received from delegates from other parts of the country affirmed that we fulfilled the vision for the New Zealand Small Town Conference, to give small towns in New Zealand the opportunity to come together annually to share ideas, gain inspiration and promote their own communities.



\$1.9 million expenditure in 2013/14
(5.7% of total expenditure)

83% of residents were satisfied with decision-making, leadership and planning of elected members
(33% above target)

82% resident satisfaction with overall performance of Council
(22% above target)



Balclutha Skate Park Graffiti Art Project

Roading

Overview

Council spent \$15 million maintaining and improving Clutha's local roading network during 2013/14. Bigger ticket items included:

- \$2.4 million spent to maintain the district's 2,000km network of unsealed roads. As an overall average across the network, roads were graded 3.5 times and \$1.6 million worth of maintenance metalling and spot metalling was applied to these roads.
- Rebuilding of a total of 5.7km of sealed roads as pavement rehabilitations, costing just under \$2 million. Work was done on Toko Mouth Road, Waipori Road, Wangaloa Road (North Clutha), Owaka Highway, part of Pounawea Road (South Clutha), Moa Flat Road and Tuapeka West Road (West Clutha).

Clydevale Bridge Upgrade

Much needed bridge strengthening work was originally scheduled for 2012/13. After delays in gaining NZTA funding, and retendering to get a better price, work took place in 2013/14. The final cost was \$755,000, of which Council's share was \$234,000. During the upgrade, the Tuapeka Mouth Ferry – approximately 10km upstream – was utilised. The upgrade means the bridge will be able to take standard Class 1 (44 tonne) vehicles without a permit.

Balclutha Streetscape Upgrade

During the year Council invited feedback on the Balclutha Streetscape Upgrade. Submitters raised a number of issues. The most prominent concerned whether

the Memorial Hall should remain an area of focus for the town, resurfacing of footpaths and parking concerns were also raised.

Further consultation was undertaken in June to determine the main focal point of town. Options were between John Street, Elizabeth Street, or a combination of both. Council decided that Elizabeth Street would be the town focal point. Construction is expected to be completed during the 2014/15 year.

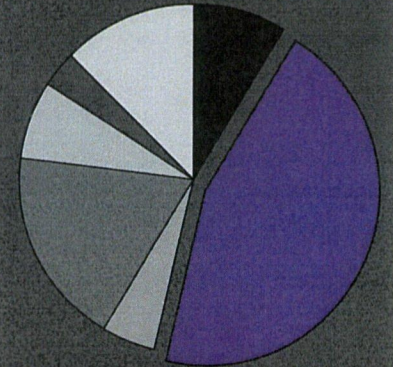
Road Safety

A key goal for Council is working towards reducing the number of injury crashes in the district. For the third year in a row there were no fatalities on local roads. There were 38 reported injury crashes in 2013/14, which is an improvement on last year's number of 45. Road safety education during the year primarily focused on initiatives targeting the high risks areas for our district, which is alcohol and speed.

Three-year resealing programme

In a move to be more efficient, stimulate competition and gain better prices, Council tendered for a 3-year contract for Reseal and Preseal Repairs in 2012/13. In the past this work has been contracted out on an annual basis. Changing to the new approach has been successful and is expected to save around \$600,000.

At the end of the second year of the contract, Council had undertaken 62.2km of reseals. As a result of the good rates received for the contract, \$400,000 of the 2013/14 budget allocation will be carried forward to supplement the 2014/15 roading programme.



\$16 million
expenditure in
2013/14
(48% of total expenditure)

61% resident
satisfaction
with local roads
(6% above target)

71% resident
satisfaction
with footpaths
(31% above target)

Unsealed
roading
network graded
an average of 3.5
times
(0.2 above target)



Resealing Centennial Avenue, Balclutha

Water, Sewerage and Stormwater Services

Water Treatment Plant Upgrades

Following investigations into what work is required to meet protozoa and bacterial compliance, Council has proposed a number of upgrades throughout district schemes in order to meet new drinking water standards. The upgrade work will come in two stages. The first stage is to gain a clear understanding of the quality of incoming water: identifying seasonal variations and the effect of extreme weather on raw water quality. The second stage involves physical works associated with the upgrades, scheduled to take place over 2013/14 and 2014/15. More details will be provided in the Long Term Plan.

Clydevale Pomahaka Upgrade

In September Council commissioned an engineering consultancy firm to investigate increasing the water supply within the Clydevale Pomahaka rural water scheme. The upgrade will enable the supply of additional water to support further land-use intensification and dairy expansion on the Pomahaka side of the scheme.

A tender for the first part of the project has been issued. Work will continue through the 2014/15 financial year and the budget has been carried forward accordingly.

Sewage Treatment Plant Upgrades

Heriot, Waihola and Kaitangata Sewage

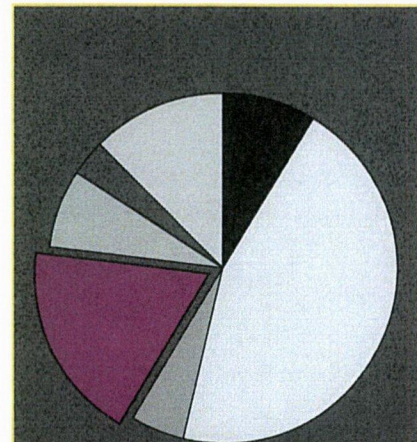
Treatment Plants all have applications with the Otago Regional Council to renew sewage discharge resource consents. Council decided to take advantage of the economies of scale to be gained by 'bundling' together the necessary upgrades at the three plants. Following the appointment of a successful contractor, work is scheduled for the next three years. Council has until February 2018 to complete this work.

Pounawea Sewerage

In late 2012, Council committed to construct a sewerage system in Pounawea at a cost of \$310,000. During 2013/14 Council worked through addressing the implications of a cost overrun for this project of \$277,000. This was a result of increasing the coverage of the system to provide reticulation beyond the area first committed to. The funding shortfall will come mainly from reserves (approximately \$155,000) and endowment interest (\$95,000) with the remainder coming from a district-wide rate (\$27,000).

Milton Stormwater

Due to staff changes and ongoing design work the Milton Stormwater Scheme upgrade was been deferred to 2014/15. Once complete, the project should substantially reduce the amount of rural run-off entering the town during a large flood event.



\$8.4 million expenditure on water, sewerage and stormwater services in 2013/14
(25% of total expenditure)

73% resident satisfaction with urban water taste and cleanliness
(22% above target)

53% resident satisfaction with rural water taste and cleanliness
(2% above target)



Solid Waste Management

Mt Cooee Pipeline Remediation

CCTV footage indicated two significant sources of infiltration in the stormwater pipeline at Mt Cooee Landfill. One of these was deemed necessary for repair when the work was carried out in November 2013. Ongoing issues have been discussed with the Otago Regional Council and an action plan to deal with them has been developed, to be implemented in 2014/15.

Clutha 'my-waste mobile app

Council recently launched a new mobile app about refuse and recycling for residents and visitors. It is understood the 'my-waste' app is a council first for New Zealand, and was rolled out using funding received from the Ministry for the Environment under the Waste Minimisation Fund.

The app allows mobile device users to download a range of refuse and recycling information, including:

- Wheelie bin collection schedules,
- Landfill and transfer station fees and operating hours,
- A search function which lets users quickly find out whether or not an item is recyclable,
- Settings for optional reminders for their wheelie bin day,

- A geolocation function to find the closest drop off location, and
- 'Report-a-problem' function which allows residents to report problems such as a missed wheelie bin collection, damaged bins, illegal refuse dumping and even overflowing public refuse bins.

TV Takeback Programme

After 16 months the TV TakeBack Programme ended in August with a total of 454 unwanted televisions collected within the Clutha District. The programme sought to encourage residents to responsibly dispose of their TVs following the digitization of the television network.

Enviroschools

The number of Enviroschools continued to grow during the year. There are now eight schools signed up to the programme, which works towards creating a healthy, peaceful, sustainable world through people teaching and learning together. This constitutes 32% of all schools in the District.



Rosebank School students planting native shrubs and trees around the school grounds



\$1.2 million expenditure in 2013/14
(3.5% of total expenditure)

82% resident satisfaction with wheelie bin service
(2% below target)

665 tonnes of recyclables diverted from landfill
(15 tonnes above target)

74% of residents aware of at least 2 things they can do to reduce the amount of waste they produce
(1% below target)



Balclutha Pool

Ongoing temperature fluctuations caused issues throughout the year for Balclutha pool. This resulted in a number of short (one to two day) closures during the year and two week-long closures in May and June 2014. A number of improvements planned for during the pool's annual maintenance shutdown aimed to sort out these problems.

100 Years as a Carnegie Library

A highlight for Community Services this year was the centenary celebration for Balclutha's Carnegie Library. There has been a public library in Balclutha since before 1867. In 1888, after a petition and a public meeting, the Balclutha Borough Council took over operating the library. In 1913, the Council approached the Carnegie Foundation, and on 28 May 1914 the Carnegie Library in Balclutha was opened by Prime Minister Massey. Although there were many built in New Zealand, Balclutha is one of only two that remain in operation out of the original Carnegie funded building. The official celebration was held on Saturday 24 May.

Improvement to Public Toilets

Balclutha public toilets, located near the Warehouse and the town hall, were refurbished in May at a cost of \$65,000. The toilets now look and function as new.

Community Housing Renewals

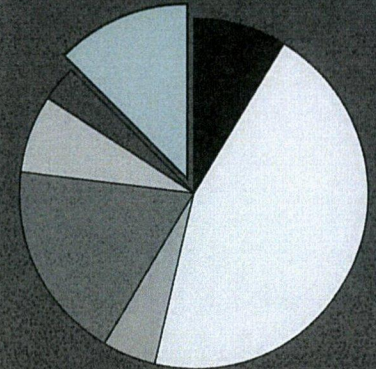
Council carried out a number of renewal projects on community houses throughout the district. Drainage issues at Clinton and Waiholo were addressed, though additional work and cable upgrades will need to be undertaken in 2014/15.

Wet floor showers were installed at Lawrence, Tapanui and Balclutha's Toshvale units. Feedback from tenants has been positive, especially in relation to more accessible bathrooms. In Tapanui new showers were budgeted for \$55,000 over a three year period. However, it was more economical to complete all the work in the 2013/14 financial year. The final cost of \$31,000 was well within budget.

All except two of the units at Naish Courts and Argyle Street have had their kitchens upgraded. The upgrades have improved kitchen areas and made them more user-friendly for tenants.

Elizabeth Street Purchase

During 2013/14 Council purchased property in Elizabeth Street, Balclutha, as a strategic investment in line with Council's endowment land policy. The purchase also gave Council another option to consult with the public towards the final design for the Balclutha streetscape upgrade.

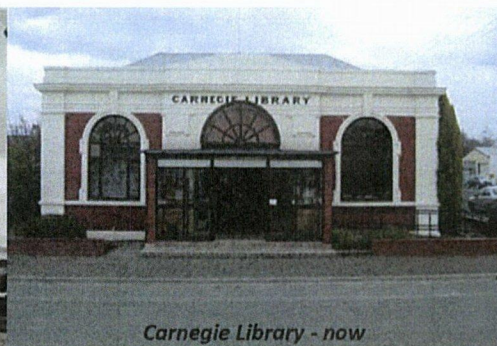
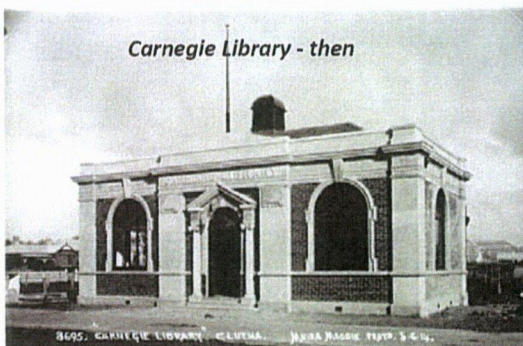


\$4.1 million expenditure in 2013/14
(12% of total expenditure)

99% resident satisfaction with libraries
(9% above target)

59% resident satisfaction with swimming pools
(4% above target)

64% resident satisfaction with public toilets
(19% above target)



Regulatory & Emergency Services

Resource Consents

There was an increase in the number of resource consents processed: 82 compared to 58 in 2012/13 and 46 in 2011/12. This was largely due to an increase in subdivision consents throughout the district.

Environmental Health

The Food Bill was passed by Parliament at the end of May and will become the Food Act 2014. The central feature of the new Act is a sliding scale where businesses that are higher risk from a food safety point of view will operate under more stringent food safety requirements and checks than lower risk food businesses. The new law recognises that each business is different and is a positive step forward from the old Act and its one-size-fits-all approach to food safety.

Higher-risk food businesses – that prepare and sell meals or sell raw meat or seafood, for example – will operate under a written Food Control Plan (FCP) where businesses identify food safety risks and steps they need to take to manage these risks. Businesses that produce or sell medium risk foods – like non-alcoholic beverages, for example – will come under

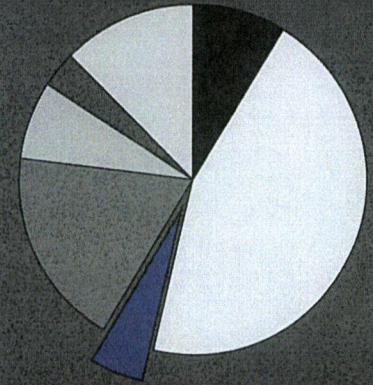
National Programmes. There are three levels of National Programmes, which are based on the level of food safety risk. They won't have to register a written plan, but will have to make sure they are following the requirements for producing safe food that will be set out in regulations. This includes having to register their business details, keep minimal records and have periodic checks.

Liquor Licensing

During the year the new Sale and Supply of Alcohol Act came into force. Council made changes to the processes for dealing with licence applications that applied from 18 June 2012, and started work on establishing a District Licensing Committee and developing a Local Alcohol Policy.

Emergency Management

Following an earthquake in the Solomon Islands last April, Council activated its Emergency Operations Centre. This was in response to a potential tsunami. Due to the low level of threat to New Zealand, the warning was quickly lifted. The activation was a good opportunity to test our coastal warning systems.



**\$1.9 million
combined
expenditure in
2013/14**

**99% of building
consents &
PIMS processed
within 20 days
(1% below target)**

**47% of residents
have taken steps
to prepare for
a Civil Defence
emergency
(14% below target)**

**98% of fire
permit
applications
processed
within 5 days
(2% below target)**



Council's Financial Position

After forecasting a \$1.6 million deficit in 2013/14, Council recorded a surplus of \$849,000.

One of the main reasons this non cash surplus came about was due to changes in timing for Lawrence's Tuapeka Aquatic Centre project. Council has committed \$1.35 million towards this community project. This amount was not released in 2013/14 as budgeted, as the project had not reached the point when funding could be drawn down upon. Council has carried this forward into the 2014/15 year. The \$1.35 million will be internally loan funded from Council reserves and paid back via rates over a 25 year period. This deferral also means the project will not impact on rates until 2015/16.

Revenue was approximately \$500,000 less than budgeted. This was mainly due to the fact that rates levied on Council-owned properties are no longer accounted for, and forecast income for Kaitangata forestry wasn't received, as trees weren't felled during 2013/14 as initially planned.

After forecasting \$16.2 million worth of capital works in 2013/14, a total of \$9.9 million went through the books this year. This was primarily due to the changes in timing for major projects, such as Balclutha streetscape improvements and water treatment upgrades.

Council has no external debt and continues to fund activities internally. Due to the change in timing for several large projects referred to above, internal debt decreased from \$22.6 million to \$22.0 million, rather than increasing to \$27.5 million as forecast. Consequently internal debt now sits at \$1,284 per capita. Our other measure of internal debt is interest costs as a percentage of rates revenue, which is currently 4.91%. These are well within Council's self-imposed limits set in the financial strategy of \$1,500 per capita and 10% of rates revenue to service internal debt.

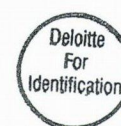
A flow on effect of less reserve funds being committed to internal borrowing, contributed to an increase in investments, from \$18.5 million to \$21.9 million. In fact this was \$11.0 million higher than the drop to \$10.9 million forecasted in the 2013/14 Annual Plan.

Fixed assets were also higher than budgeted by \$7.6 million. This was principally due to the revaluation of roading at the end of June 2014 being one year earlier than budgeted.

The overall rates change from 2012/13 to 2013/14 was 3.77%. This was slightly down on the 3.87% forecast in the 2013/14 Annual Plan and within the parameters set in our 2012/22 Financial Strategy for 2013/14.

Key Financial Indicators 2013/14

	ACTUAL 30 June 13 (\$,000)	BUDGET 30 June 14 (\$,000)	ACTUAL 30 June 14 (\$,000)
Summary Statement of Financial Performance			
Income			
Rates Revenue	21,931	22,941	22,764
Other Operating Revenue	13,162	12,227	11,895
Total Operating Revenue	35,093	35,168	34,659
Expenditure			
Employee Benefits Expense	4,272	4,457	4,429
Depreciation	12,418	13,219	13,228
Interest Expense	0	0	0
Other Expenditure	16,948	19,180	16,153
Total Operating Expenditure	33,638	36,856	33,810
Surplus/(Deficit)	1,455	-1,688	849
Summary Statement of Comprehensive Income			
Available for sale valuation gain/(loss)	-4	0	-2
Gain/(loss) on PP&E revaluation	155	0	25,585
Total other comprehensive income	151	0	25,583
Total other comprehensive income for the year	1,606	-1,688	26,432
Summary Statement of Changes in Equity			
Equity at the beginning of the year	989,062	998,110	990,668
Equity at the end of the year	990,668	996,422	1,017,100
Summary Statement of Financial Position			
Current Assets	21,622	15,219	26,263
Non current Assets	974,526	988,435	996,633
Total Assets	996,148	1,003,654	1,022,896
Current Liabilities	4,402	6,467	4,956
Non current Liabilities	1,078	765	840
Total Liabilities	5,480	7,232	5,796
Net Assets/Equity	990,668	996,422	1,017,100
Summary Statement of Cashflows			
Net Cashflows from Operating activities	13,987	11,530	13,052
Net Cashflows from Investing activities	-13,703	-11,831	-12,742
Net Cashflows from Financing activities	-999	-3	-51
Net Cashflows for the Year	-715	-304	259



EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of Financial Performance

There was an operating surplus at year-end of \$0.849 million. Council had forecasted a loss of \$1.6 million. The variances from budget are explained below.

Total revenue was approximately \$0.509 million less than budget. The following major variances contributed to this:

- Rates are less than budgeted by \$0.177 million as rates levied on councils own properties have been removed from both income and expenditure.
- Fees, rents & miscellaneous income was behind budget by \$0.317 million. The major variance being that the budgeted income of \$0.235 million from Kaitangata Forestry was not received as the trees were not felled during the year.
- New Zealand Transport Agency income was under budget by \$0.156 million. All target roading lengths were met in the year but Council obtained very competitive contact rates.
- Forestry was revalued upwards by \$0.136 million but investment income was under budget by \$0.493 million due to fixed interest bonds dropping in value.

Operating costs were \$3.08 million less than budgeted. The following major variances contributed to this:

- Community Leadership was under budget by \$1.085 million. The grant from the Lawrence Tuapeka Community Board to the Tuapeka Aquatic Centre for \$0.660 million has not been paid, and a budgeted grant of \$0.23 million was not paid to the Tuapeka Aquatic Centre from Community Support.
- Central Administration was under budget by \$0.051 million. Forestry expenditure was under budget by \$0.033 million.

- Community Services was under budget by \$0.557 million. Main variance in this activity was the grant to the Tuapeka Aquatic Centre for \$0.440 has not been paid.
- Roothing was under budget by \$0.83 million. The main variance in this activity was depreciation was less than budgeted by \$0.82 million.
- Sanitary services were under budget by \$0.293 million. The main variance was landfill operation costs which were less than budget by \$0.142 million.
- Water services was over budget by \$0.177million. The main variance was for non-routine expenditure.
- As discussed above rates levied on Councils own properties have been removed from both income and expenditure.

Statement of Financial Position

- Short term investments are higher than budgeted by \$11 million. Some of the variance related to internal loans which were not raised for the Tuapeka Aquatic Centre - \$1.230 million; Balclutha Main Street - \$1.8 million; Footpaths - \$0.550 million and Various Water and Sewerage Schemes - \$1.335 million.
- Fixed assets are higher than budgeted by \$7.6 million. This is principally due to the revaluation of roading at the end of June 2014 being one year earlier than budgeted.

Statement of Changes in Equity

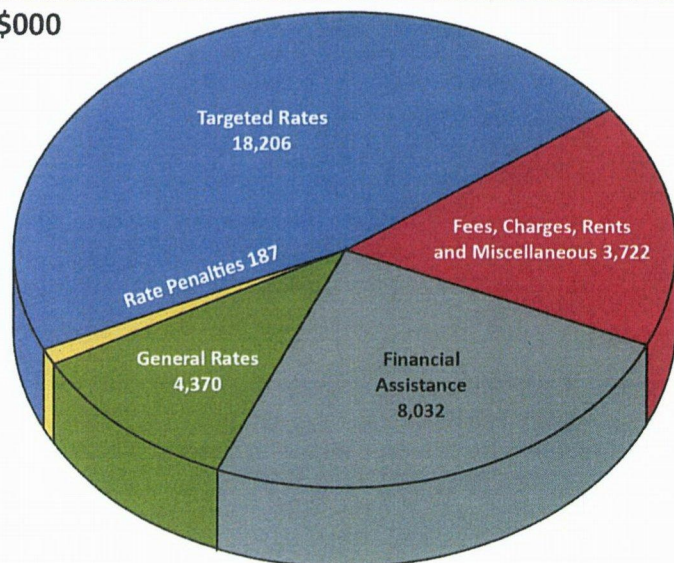
Variances in the surplus have been commented on under the Statement of Financial Performance above.

Statement of Cashflows

Variances in the surplus have been commented on under the Statement of Financial Performance above.

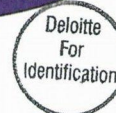
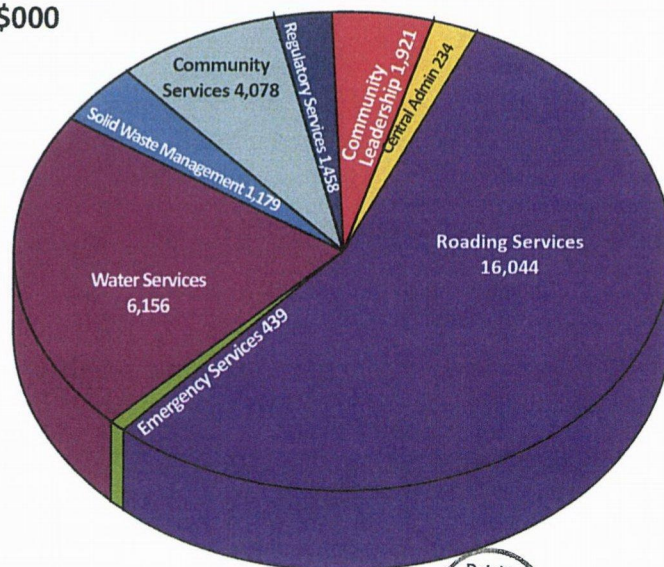
Total Income 2013/14

\$000



Total Expenditure 2013/14

\$000



Section 98(4)(b) of the Local Government Act 2002 requires Council to make publicly available a summary of the information contained in its Annual Report.

This summary booklet of the Annual Report 2013/14 provides:

- An outline of Council's end of year financial position.
- An overview of Council services during 2013/14.
- A statement from Council's auditors - Deloitte.

The specific disclosures included in the summary have been extracted from the full Annual Report 2012/13 adopted on 10 October 2013. This summary document cannot be expected to provide as complete an understanding as provided by the full financial report itself.

A full copy of the Annual Report 2013/14 is available from Council main office at Rosebank Terrace, Balclutha or by contacting 0800 801 350. It is also available on the Council website at www.cluthadc.govt.nz.

The Annual Report 2013/14 has been audited and gained an unqualified opinion, which means the report has met the requirements of the Local Government Act 2002.

This summary financial report has been examined by the auditor for consistency with the full financial report. The auditor's report is included with this summary.

The Council's full financial report has complied with NZ GAAP and stated explicitly that they comply with NZ equivalents to IFRS (International Financial Reporting Standards) as applicable for public entities. The summary financial report complies with FRS 43 - summary financial statements.

The presentation currency of the annual report is in New Zealand dollars.

The summary annual report is rounded to the nearest thousand dollars.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
CLUTHA DISTRICT COUNCIL'S
SUMMARY ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

The summary annual report was derived from the annual report of the Clutha District Council (the Council) for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 2 to 10:

- the summary statement of financial position as at 30 June 2014;
- the summaries of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014;
- the notes to the summary financial statements that include other explanatory information;
- the expenditure by group of activities for the year ended 30 June 2014; and
- the summary statement of service provision (referred to as "Significant Performance Measures" and "How did the Council Perform?") of the Council.

We expressed an unmodified audit opinion on the Council's full audited statements in our report dated 23 October 2014.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): *Summary Financial Statements*.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.



We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

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

A handwritten signature in blue ink that reads "B E Tomkins".
A handwritten version of the Deloitte logo in blue ink, with "Deloitte" written in a cursive style.

B E Tomkins
Deloitte
On behalf of the Auditor-General
Dunedin, New Zealand

23 October 2014