



SUMMARY ANNUAL REPORT

2023/24

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Summary of the Annual Report

This document is a summary of the Council's annual report for the 2023/24 financial year. The summary outlines the major matters dealt with in the full annual report, which was adopted by the Council on 11 December 2024. This summary was authorised for issue by the Mayor and Chief Executive on 20 December 2024.

This summary has been prepared in accordance with financial reporting standards and has been examined by the Council's auditors for consistency with the full annual report. The Independent Auditor have expressed a qualified audit opinion on the Council's full audited statement of service performance, and a qualified audit opinion on the Council's full audited financial statements, and unmodified opinion on the audited information, excluding the statement of service performance and financial statements in their report dated 11 December 2024.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full report. Readers are referred to the full annual report if they require more details.

In its full financial statements, the Council has made an explicit and unreserved statement of compliance with PBE Standards Reduced Disclosure Regime.

The full annual report is available from the Carterton District Council Office and Carterton Library, or can be downloaded from the Council's website www.cdc.govt.nz/reports

Introduction from the Mayor

Kia ora, nau mai, haere mai ki tēnei putanga o te pūrongo ā-tau.

Hello and welcome to the 2023/24 Carterton District Council Annual Report.

The middle year of a Council triennium is always when the rubber hits the road. And this year was no exception.

Our first full year as a team saw Council grasp some opportunities, tackle some difficult issues, and continue living our vision as a welcoming and vibrant community where we all enjoy living.

We celebrated our community with a dazzling night at the Charles Rooking Carter Awards, acknowledging our local heroes at the Events Centre. Recognising supreme winner Cimone Grayson and all the winners and finalists was a great moment.

Carterton also came to life in spring with our Daffodil Festival returning. It was so good to see Grant and Heather Smith acknowledged with honours for their long-standing work here, living examples of that vision.

When Wellington sneezes, Wairarapa gets a cold, and we were caught by both economic and political changes during our year. Central Government will always set direction for us in the local government sector. Significant changes to legislation were signalled after the general election and the shift was notable. We aim to be nimble enough to adjust with the prevailing current but strong enough to fight for our community when we need to.

I do not need to remind you of the economic pressures we are facing. Our Long-Term Plan consultation was focused on resilience.

We have taken an axe to “nice to haves” and done our best to focus strongly on infrastructure

Despite taking a pragmatic approach to our 10-year planning, and cutting back some projects, we still encountered some issues through the process. It has taught everyone at Council a lot, and we will all take time when appropriate to review and learn from the year.



It was a year where investment in Carterton’s infrastructure came to fruition. We celebrated the opening of our water storage tanks at Dalefield. The enhanced storage these provide enhances Carterton’s ability to combat our climate extremes. We progressed the Waingawa water project with a goal of providing our business hub with a more efficient water source. On the back of celebrating our extended wastewater reservoirs last year, we expanded our land with the Matarawa farm purchase to continue to realise our vision of keeping our waterways clean.

Carterton is in a strong position when it comes to our three waters networks, but we are facing the increasing reality that we may not be able to progress on our own.

A Wairarapa-wide approach, and beyond, will also be a consideration for water services and I have called for greater co-operation at Council level, and for serious consideration of amalgamating our three Wairarapa Councils.

Wairarapa continued its recovery from Cyclone Gabrielle with a new team inaugurated to manage our areas, supported by Carterton District Council and our neighbours. Another example of working together for the wider Wairarapa.

The LTP consultation was just one of a plethora of request for public feedback. During 2023/24 we asked our community to guide our thoughts on speed management, rating review, different stages of representation review, property sales and proposed bylaws. We sought feedback on cycle lanes, gambling policy, waste management and minimisation, and the District Plan review. This is a crucial part of local democracy. Our challenges and opportunities are best served by listening to our community voices. Not solely from the Council table, or from our Council staff. We want and need your thoughts on all these issues. And we need to know how we can reach out to you better.

A renewed, shared Mayors Taskforce for Jobs showed how we can help our young people and our community at large through a Wairarapa-wide approach. It was a pleasure to work with rangatahi to guide them through the early stages of their careers, especially at a time of economic uncertainty. No reward can be greater than helping people get started in life.

Tēnā koutou, tēnā koutou, tēnā koutou katoa.

A handwritten signature in blue ink, appearing to be 'Ron Mark', written in a cursive style.

Maj (rtd) HW Hon Ron Mark, OSRE (Oman), DSAP (MFO)
Mayor
20 December 2024

Chief Executive's report

Tēnā koutou

It gives me great pleasure to introduce our Annual Report for 2023/24.



The year has seen a significant amount of recovery work being undertaken on our roading network following Cyclones Hale and Gabrielle. The effort required by our roading joint venture Ruamāhanga Roads to complete these works, whilst also keeping on top of our usual roading maintenance has been challenging but satisfying to undertake. In addition to the maintenance and renewal program the roading team has also managed to complete the majority of recovery work. NZ Transport Agency (Waka Kotahi) provided Financial Assistance Rate for this emergency work, providing reduced costs to the ratepayer.

Our Waters team has also been busy with upgrading our networks as budgets and resources allow. It is very pleasing to report our water loss through leaks continues to improve and was just 13 per cent for 2023/24 (2022/23 16 per cent). A key part of our wastewater strategy is to expand our land-based discharge of treated wastewater. This year Council decided to acquire the 85ha property at 44 Matarawa Road adjoining the wastewater treatment site, to further expand our land-based discharge of treated wastewater. I am looking forward to discussing options for the development of this site with Council in the near future.

Our Waters work has been undertaken with a view to the future, as the Coalition Government introduces Local Water Done Well, the successor to Three Water Reforms. Local Water Done Well requires Council to ring-fence our drinking water, wastewater and stormwater revenues, assets, debts, staff and operations from all other Council services. Delivering water services in the future is likely (but doesn't have to be) outside of Council in a separate entity. It is also likely (but doesn't have to be) done jointly with other Councils. CDC has been progressing two possibilities as the legislation has progressed and enacted. The first is with the Wellington region councils covering the area from Horowhenua to Masterton and south to the Cook Strait. The second is just the Wairarapa and Tararua Councils, without Wellington. We will whittle down the options to the most viable during 2024 and expect to hold public consultation in early 2025 on our options.

Our Community Services team proudly continued their visible work with well-maintained parks and walking tracks, a great library, amazing events centre, and our free outdoor swimming pool. Additionally, our team are supporting our rangatahi to thrive through the delivery of a regional approach to the Mayors Taskforce for Jobs (MTFJ) programme. This programme provides a conduit to help young people into sustainable employment, with

CARTERTON DISTRICT COUNCIL | Summary of the Annual Report 30 June 2024

90 young people successfully placed in work, and 68 into sustainable long-term employment.

Celebrating our community and its achievements was a highlight this year with a return of the Charles Rooking Carter Awards. With 59 worthy applicants, the judging and decision-making process was incredibly difficult. The finalists reinforced the incredible talent, generosity, and tenacity of our people who make up the vibrant and strong fabric of our Carterton community.

Another key focus for 2023/24 has been the refresh of the Long-Term Plan (LTP) extending this out from 2024/25 for ten years to 2034/35. Like all Councils around the country the challenges we have faced have been compounded with significant cost increases in infrastructure renewals and construction, insurance, weather related damages and recoveries, and energy costs. Being a small Council it is difficult to manage such costs increases without this impacting rates. A key part of setting the rates is determining how costs should be apportioned and our Rating Review consulted on options in late 2023. Feedback was strong particularly from the rural community and Council determined only minor changes were introduced in this LTP.

This year saw us begin to report on Service Requests to Council, highlighting the amount of work that staff undertake on a regular basis that often goes unnoticed. Making a Service Request is a fast and easy way to point out something that needs attention, whether it be a wandering animal, a new pothole, a blocked drain or a request our Library adds a new title to the collection, our team will make sure your Service Request gets looked at. In the year to 30 June 2024 Council staff logged 1,400 Service Requests and completed or closed 1,298 of these (2022/23 Service Requests logged 956, with 942 closed). If you have seen something that needs our attention, you can lodge a Service Request [here](#).

It would be remiss of me however to not extend a huge and grateful thank you to our staff, Elected Representatives, mana whenua and amazing community groups for the dedication, commitment and support they have shown to Carterton and the Council during the past year. I am proud to be part of such an outstanding team here in the heart of Wairarapa.

Ngā manaakitanga / Kind regards

A handwritten signature in blue ink that reads "Geoff Hamilton". The signature is fluid and cursive.

Geoff Hamilton
Chief Executive
20 December 2024

Measuring progress against performance measures

The Annual Plan 2023/24 included performance measures for each significant activity.

Council did not complete a resident's survey in 2023/24 or 2022/23. The most recent results from the 2021/22 survey have been included as the last comparable result.

Council has reviewed the Performance Framework as part of work on the 2024-2034 Long-Term Plan. This review highlighted the need to consider alternative ways to receive feedback from residents, especially in regard to specific projects and when targeting individual groups in the community. As a result of not completing the resident's survey, Council received a qualified audit opinion on the statement of service performance.

Here are some highlights showing how Council performed against targets during the year ended 30 June 2024 (excluding residents' satisfaction measures).

Governance

- Of the seven performance measures assessed, four were achieved.
- The Annual Report was adopted on 11 December 2024 within the statutory deadline, (31 December 2024) with a modified audit report. The audit opinion includes a modification due to no resident's satisfaction survey undertaken in 2022/23 and 2023/24. The audit opinion also includes a modification in relation to an investment valuation.
- 100 per cent of agendas for scheduled meetings of Council were available at least three days before the meeting, exceeding the target of at least 90 per cent.

Community support

- In the survey of Events Centre hirers conducted during 2023/2024, 92 per cent of event promoters and 100 per cent of community organisations who responded rated their satisfaction in the range of 7–10 (out of 10).

Regulatory and planning

- Of the five performance measures evaluated, four were achieved.
- 214 Project Information Memorandum (PIMs) and building consents, 133 Land Information Memorandum (LIMs), and 92 resource consents were processed during the year. All but two resource consents were processed within the statutory timeframes.
- 100 per cent of known food premises and liquor outlets in the district have been monitored, ensuring current licensing and registration adherence.

Transportation

- Of the ten performance measures evaluated, five were achieved.
- Average quality of ride on the sealed road network was rated at 98 per cent, exceeding the target of 90 per cent.

Wastewater

- Of the eight performance measures evaluated, seven were achieved.
- There was three dry weather sewage overflow in the reticulation network during the year.
- 33 complaints on the wastewater system were reported during the year, being a rate of 11.3 complaints per 1000 connections.

Storm water

- Of the eight performance measures evaluated, seven were achieved.
- There was no flooding events reported during the year. A flooding event is where a residential or commercial floor-space is flooded.
- 15 complaints on the stormwater system were reported during the year, being a rate of 5.2 complaints per 1000 connections.

Waste management

- The one performance measure evaluated was not achieved. Full compliance with resource consent conditions was not achieved, with one instance of non-compliance. Groundwater sampling adjacent to the closed landfill has shown to exceed some consent conditions.

Water supply

- Of the 11 performance measures evaluated, five were achieved.
- Non-compliance issues arose in relation to the Water Services (Drinking Water Services for New Zealand Regulations 2022 T3 Bacterial Rules and Protozoal Rules of the Drinking Water Quality Assurance Rules 2022).
- Average water consumption per resident serviced by water supply was 326 litres per day (including water losses), less than the target of 400 litres per day.
- Water loss from the networked reticulated system was 13 per cent, much lower than the target of 45 per cent.

Summary financial statements

The specific disclosures included in these summary financial statements have been extracted from the full financial statements adopted by Council on 11 December 2024.

The full financial statements of Council were prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and in accordance with the PBE Standards Reduced Disclosure Regime (RDR).

The summary financial statements comply with PBE Financial Reporting Standard 43 Summary Financial Statements. They are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

- The Summary Statements of Financial Performance, Comprehensive Revenue and Expense, and Changes in Equity present the financial performance and equity movements of the Council. These statements summarise operating income and expenditure as well as other financial transactions that have impacted on Council's net equity.
- The Summary Statement of Financial Position presents the assets we own and the liabilities we owe to other parties.
- The Summary Statement of Cashflows shows how we generated and used cash.

Summary Statement of Financial Performance for the year ended 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Revenue			
Rates	16,316	17,676	17,546
Fees and charges	2,072	2,092	2,189
Waka Kotahi (NZTA) subsidy	3,140	3,010	3,864
Other revenue	4,960	4,192	2,917
Total Revenue	26,488	26,969	26,516
Expenditure			
Governance	843	825	954
Transportation	6,813	6,888	7,142
Water Supply	3,557	4,527	4,190
Wastewater	2,887	3,891	3,445
Stormwater	447	402	394
Waste management	1,197	1,271	1,350
Community support	5,973	6,988	6,416
Regulatory And Planning	2,417	1,953	2,372
Other expenses	(2)	134	5
Total Expenditure	24,132	26,881	26,267
Operating Surplus/(deficit)	2,356	88	249
Fair value gains/(losses)	(148)	107	-
Surplus/(deficit) before tax	2,208	195	249
Taxation expense	-	-	-
Surplus/(deficit) after tax	2,208	195	249
<i>Note: Operating expenditure included:</i>			
Depreciation	5,877	6,803	6,954
Finance costs	422	943	792
Personnel costs	6,272	6,983	7,151

Summary Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Surplus/(deficit) after tax	2,207	195	249
Gain on property, plant & equipment revaluation	-	(352)	(2)
Impairment gain/(loss) on revalued property, plant & equipment	(4,470)	1,198	-
Financial assets at fair value through other comprehensive revenue and expense	(2)	(1)	-
Total other comprehensive revenue and expense	(4,472)	846	(2)
Total comprehensive revenue and expense	(2,265)	1,041	247

Summary Statement of Changes in Equity for the year ended 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Equity at start of year	271,216	268,951	238,897
Total comprehensive revenue and expense	(2,265)	1,041	247
Equity at end of year	268,950	269,991	239,144
Components of equity at end of year			
Public equity	126,309	124,914	115,466
Restricted reserves	6,186	6,218	8,151
Other reserves	5,954	7,777	9,723
Revaluation reserves	130,501	131,081	105,804
Equity at end of year	268,950	269,991	239,144

Summary Statement of Financial Position as at 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Current assets	16,472	15,977	17,798
Non-current assets	275,110	283,892	249,296
Total assets	291,581	299,869	267,094
Current liabilities	9,918	7,274	8,093
Non-current liabilities	12,714	22,606	19,854
Total liabilities	22,632	29,880	27,948
Total equity	268,949	269,989	239,146

Summary Statement of Cash flows for the year ended 30 June 2024

	Annual Report 30 June 2023 \$000	Annual Report 30 June 2024 \$000	Annual Plan 30 June 2024 \$000
Net cash flow from:			
- operating activities	7,551	7,641	7,173
- investing activities	(8,685)	(15,134)	(9,288)
- financing activities	2,700	7,200	2,640
Net cash flows for the year	1,566	(293)	525
Add cash at start of year	11,888	13,454	3,337
Balance at end of year	13,454	13,162	3,862
Represented by			
Cash, cash equivalents, & bank overdrafts	13,454	13,162	3,862

Contingent liabilities and contingent assets

Local Government Funding Agency (LGFA)

Council is a guarantor of LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from Standard and Poor's of AA+.

As at 30 June 2024, Council is one of several local authority borrowers and guarantors of the LGFA. The LGFA's loans to local authorities are \$23 billion (2023: \$18.5 billion), of which Council have borrowed \$0.025 billion (2023: \$0.017 billion). As a result, Council's cross guarantee on LGFA's loans to other local authorities is \$23 billion (2023: \$18.5 billion).

Public Benefit Entity (PBE) Accounting Standards require Council to recognise the guaranteed liability at fair value. However, Council have been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council consider the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events in New Zealand; and,
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Wastewater treatment plant contract

CDC have an ongoing dispute with the main contractor of the Wastewater Treatment Plant Reservoir Project, Central Hawkes Bay Earthmovers LTD (CHBE). This includes contractual performance challenges, damage to the three reservoir liners, completion of unfinished works and late delivery of the contracted works.

A Court ruling in November 2023 clarified the bond is not able to be released at this time. Following this ruling Council has sought decisions from the Engineer to the Contract on three areas of dispute to progress contract claims. These include the certification by the Engineer that CHBE was neglecting its' obligations under the contract, confirmation of the process by which Council took possession of site on 31 August 2021, and the cost incurred by Council to complete the contract works.

The wastewater reservoirs were brought into service in June 2023. Council has capitalised all costs incurred including the additional cost to repair damage and complete the contract works. These costs are being depreciated in line with our existing policies. While CDC expects to be able to recover some costs relating to the contract, there are uncertainties around the amount, and the timing. As such, no contingent asset has been recognised. Any recoveries received will be used to offset the cost capitalised.

Events after balance date

Riskpool

Carterton District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has potential liabilities for members' claims in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects).

Riskpool has advised that it is still working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Norman Avenue Road Upgrade

Norman Avenue project bisects the Waingawa Industrial Area and responds to growth while collaboratively working with the relevant landowners responsible for developing the Waingawa Industrial Park. This project ensures that adequate downstream roading infrastructure is provided for the expected traffic volumes, commensurate with the current and predicted future growth. A thorough site investigation and predictive model of future traffic volumes concluded that the existing road geometry and the underlying road foundation is inadequate to meet the likely long-term needs of the industrial area in this part of Waingawa.

At the 31 of July 2024 Ordinary Council Meeting, council received the report and endorsed the Norman Avenue Road Upgrade with approval of funding from the Roading contribution fund.

Local Water Done Well (LWDW)

In October 2023, a new Government was elected, resulting in the Water Services Acts Repeal Act 2024 in February 2024, which removed the previous Government's legislation and reform programme. Since February 2024 legislative changes have been made to New Zealand's water management framework under the "Local Water Done Well" legislation which will have implications for how local councils manage and finance water services in future years. In August 2024, the Local Government (Water Services Preliminary Arrangements) Bill was passed to enable councils to develop their Water Services Delivery Plans during the 2024-25 year.

Key aspects of the new legislative model are:

- Councils are required to adopt a Water Services Delivery Plan (WSDP) by 3 September 2025 to set out how water services will be delivered, financed, and implemented. The WSDP will also outline when new arrangements will take effect.
- The legislative framework encourages councils to establish Water Council-Controlled Organisations (CCOs) to manage water services. These CCOs are permitted to borrow up to 500 per cent of their operating revenues, subject to prudent credit criteria, from the New Zealand Local Government Funding Agency (LGFA), facilitating significant infrastructure investments. Subject to the form of any CCO, and delivery arrangement selected by Council, SWDC may be required to provide a debt guarantee.
- Implementation of a new economic regulation regime, overseen by the Commerce Commission. This regime ensures that revenues collected for water services are ring-fenced and used solely for water-related projects, preventing use for other council priorities.
- Increased regulatory flexibility for Taumata Arowai, providing greater flexibility in water quality compliance, allowing exemptions for smaller water supplies, and introducing a single national standard for wastewater performance.

As part of the preparation for Local Waters Done Well reform, CDC officers and elected members had been evaluating two joint delivery options—one involving the Wairarapa region and Tararua District (Wai+T), and another with a Wellington regional working group. On the 30 October 2024 Council voted unanimously to exit the Wellington regional WSDP and focus on developing the Wai+T model. The collaborative Wairarapa and Tararua multi-council water services council-controlled organisation (CCO) model will be presented to the community for formal consultation in 2025.

Whilst these changes do not impact the financial or service performance information in this report, there will be potential impacts in future years. None of these impacts directly challenge the viability of Council, or its assumption of maintaining going concern status.

- **Financial Management:** The increased borrowing capacity through LGFA loans allows Councils and Water CCOs to invest in critical water infrastructure without immediate price increases.
- **Regulatory Compliance:** Councils and their CCOs will need to adhere to new economic regulations, ensuring that all water service revenues are transparently managed and invested solely in water services. This may require adjustments to existing financial and operational practices.
- **Strategic Planning:** Council must develop and submit Water Services Delivery Plans that outline how water services will be managed and financed under the new framework. This includes exploring partnerships with other councils via CCOs to leverage resources and reduce costs.

Major variances against budget

Explanations for major variations from Council's estimated figures in the 2023/24 Annual Plan are as follows:

Statement of Financial Performance

The overall decrease in the operating surplus compared to the Annual Plan is primarily attributed to ongoing emergency works on the roading network the net impact of this work has resulted in a shortfall of approximately \$557k against the budget. These emergency works are ongoing.

Operating Revenue

Interest rates have also exceeded budgeted expectations, due to higher interest rates contributing to an increase in interest income of \$275k.

Grants received from central government for the Mayors Taskforce for Jobs (MTFJ) and Three Waters Better Off funding were not included in the budget, resulting in approximately \$600k.

Miscellaneous revenue was higher than budgeted, primarily due to rebates reinvested in managed funds \$297k, which were challenging to forecast at the time of budgeting.

Operating Expenditure

The annual survey was again not commissioned for this year. Personnel costs under budget is partly due to underspent training costs and vacancy lag in a few positions.

Water supply and wastewater expenditure was higher than budget due to expenditure for transitional funding from DIA of approximately \$160k was unbudgeted.

Depreciation was \$307k higher than budgeted due to timing of projects completion.

Legal fees of \$58k for the Wastewater Treatment Plant (WWTP) was included in a previous year's budget but spent in the current year.

Finally, community support expenditure was higher than budget due to MTFJ grant expenditure not being included in budget \$617k.

These variances reflect both challenges and opportunities in managing our financial performance effectively.

Statement of Other Comprehensive Revenue and Expense

The impairment to roads of \$4.4m last financial year and was charged against the revaluation reserve and we have completed work of \$1.1m this financial year.

Statement of Financial Position

Property, plant, and equipment reflects assets that exceed budgeted amounts. This is mainly due unbudgeted purchase of land of \$4.5m for the WWTP.

Other movements in budgeted property, plant and equipment were due to the opening balances being underestimated by approximately \$23.0m from actual balances.

Statement of Cashflows

Council has higher than budgeted net movement in debt, mainly due to the loan funding of land purchase that was not included in the budget. And also reflected a higher than budgeted cash balance at 1 July 2023.

Independent Auditor's Report

Independent Auditor's Report

To the readers of Carterton District Council's summary of the annual report for the year ended 30 June 2024

The summary of the annual report was derived from the annual report of the Carterton District Council (the District Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 6 to 10:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of financial performance, statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include other explanatory information; and
- the summary statement of service provision (in the "Measuring progress against performance measures" section of the summary annual report).

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*.

However, the summary financial statements and statement of service performance include limitations in scope to the equivalent extent as the full audited financial statements and statement of service performance. This limitation is explained below in *The full annual report and our audit report thereon* section.

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 a qualified opinion on the financial statements and statement of service provision and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2024 in our auditor's report date 11 December 2024. The basis for our qualified opinion on the financial statements and statement of service provision is explained below.

Financial statements: Our work was limited with respect to the carrying value of the investment in a limited partnership

As disclosed in note 7 to the financial statements in the full annual report, the District Council has an investment in a limited partnership recorded at a fair value of \$927,000 at 30 June 2024. The audit of the limited partnership's financial statements for the year ended 30 June 2024 (which include the limited partnership's underlying investments at fair value) was not complete at the date of our audit report. There were no alternative

procedures we could perform to confirm that the carrying value of this investment is materially correctly stated. We were therefore unable to obtain sufficient appropriate audit evidence to support the carrying value.

As a result, our work was limited, and we have been unable to determine whether any adjustments are needed to the value of the investment at 30 June 2024 included in the statement of financial position or the related movement in fair value for the period recognised in the statement of financial performance.

Statement of service performance: Our work was limited because the Council did not complete its annual residents' satisfaction survey

Levels of residents' satisfaction are an important part of the District Council's performance information because they are indicative of the quality of the services provided to residents. The District Council set out in its 2021-31 Long term plan that it would conduct a residents' satisfaction survey on an annual basis.

As explained on page 48 of the full annual report, the District Council has not carried out its residents' satisfaction survey since the year ended 30 June 2022. The results of this survey form the basis of reporting for several performance measures and are significant because other measures of performance in the framework are not able to compensate for the lack of data on residents' satisfaction. As a result, the District Council was unable to report against its residents' satisfaction survey measures this year.

Our audit opinion in respect of these measures was also qualified in the 2023 performance year.

Information about this matter is also disclosed on page 5 of the District Council's summary annual report.

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*.

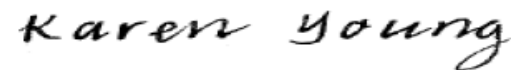
Auditor's responsibility

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.

In addition to our audit and the reporting on the summary and full annual reports, we have audited Carterton District Council's 2024-2034 Long-term plan and carried out a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council.



Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
20 December 2024