

\$(3.9)m

We had deficit of \$(3.9)m compared with a budgeted deficit of \$(1.9)m.

\$30.6m

Total debt

Council uses debt to fund projects with long term benefits such as sewerage schemes and water supplies

9,127

Total number of rating units

Total capital value of rating units \$3.824m

Total land value of rating units \$ 1,744m

\$13.0m

Capital expenditure

Amount spent on asset renewals and new assets

\$578m

Total asset value

This includes Council's Property, Plant and Equipment (e.g. roading network, sewerage systems, water supply systems etc.) as well as other assets such as cash and term investments

## From the Mayor and CEO

Welcome to this summary of the 2022/2023 Annual Report. It provides an overview of Council's performance during the period 1 July 2022 to 30 June 2023. The Annual Report is an important way of demonstrating Council's accountability to you - its community. In this summary we list some of our achievement highlights from the previous 12 months, look at how we have performed and show what it has all cost.



Tania Gibson  
Mayor



Paul Morris  
Chief Executive

This summary was authorised for issue by Grey District Council management on 31 October 2023.

### How do we measure our financial performance?

We measure our financial performance against our budget as set out in our Long-Term Plan 2021-2031. Information on how much Council has spent and on what is outlined in the summary financial statements section of this document.

### How do we measure our service performance?

We use a range of performance measures to measure our service performance and we set targets for each measure in our Long-Term Plan 2021-2031. Information on how we performed is outlined in service performance section of this document.

Some of our measures are based on our annual resident satisfaction survey. Our independent research company carried out on-line and telephone interviews between late November 2022 and early March 2023. The on-line sample was self-selecting, and the overall sample profile was balanced as far as possible within budget constraints by using the telephone interviews. The statistical margin of error at a 95% confidence level for the sample of 350 is plus/minus 5.3%.

### Want to read the whole report?

The Annual Report provides information about our performance for the year ended 30 June 2023. This document is a summary of that report and is intended to provide an overview only of the full report. If you would like to know more, the full Annual Report for 2022/2023 is available from:

- Council's website, [www.greycdc.govt.nz](http://www.greycdc.govt.nz); or
- Pick up a copy from Council offices at 105 Tainui Street, Greymouth

You can find more information about Council and its activities by following us on Facebook, [www.facebook.com/GreyDC](https://www.facebook.com/GreyDC)

## Service performance

Based on our annual resident survey, 59% of residents surveyed are satisfied with Council's performance. We also achieved 27 of our 70 (39%) performance targets for the financial year. On the whole, this is fair result, with good levels of resident satisfaction for most services and good response times for services when issues arise. The restrictions imposed in relation to the Covid-19 pandemic, and the practical impact of these on the delivery of Council services certainly explains why some targets were missed.

A selection of our performance measure for the year is set out below.

### Community & recreation

Includes libraries, swimming pools, heritage, recreation centres, cemeteries, parks and tracks, in-house task force & public toilets

✘	63%	% of residents satisfied with our libraries [target: 82%]
✘	71%	% of users are satisfied with swimming pools (target: 75%)

It is likely that satisfaction with the library service was impacted by the Covid-19 related restrictions in place during parts of the year.

### Democracy & administration

Includes Council, consultation, administration & economic development

✘	60%	% of residents satisfied with the overall service from Council offices [target: 80%]
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## Environmental services

Includes district planning, building control, animal control, health regulation, liquor licensing, regulatory enforcement & emergency management

✓	100%	% of after-hours animal control complaints responded to within two hours (target 100%)
✘	92%	% of building consent applications issued within statutory time limits [target 100%]

### Land transport

Includes roading & footpaths

✓	91%	% of customer requests responded to within 10 working days
✘	62%	% of residents are satisfied with Council's roading network (target 72%)

### Commercial & property

Includes Council property, parking, retirement housing, aerodrome & Port

✘	66%	% of residents are satisfied with the availability of public parking (target 75%)
✓	100%	% of tenants satisfied with retirement housing [target: 90%]

### Solid waste

Includes refuse collection, refuse disposal & recycling

✘	12%	% of waste recycled [target: 17%]
✘	80%	% of residents satisfied with the household rubbish and/or recycling collection service provided by the Council [target: 82%]

## Stormwater

Includes management of stormwater & flood protection

✓	70%	% of residents satisfied with the way their property drains stormwater (urban and residential areas only) [target: 70%]
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### Wastewater (sewerage)

Includes collection, treatment & disposal of wastewater

✓	1.1%	Number of dry weather sewerage overflows per 1,000 sewerage connections [target: 1.8%]
✘	60%	% of residents satisfied with wastewater service [target: 65%]

### Water supply

Includes treatment & distribution of drinking water

✓	63%	% of residents satisfied with overall water supply service [target: 58%]
✘	72%	Maximum % of real water loss from Greymouth reticulation system [target 25%]

The level of water loss suggests that leakage is significantly higher than previously known. Council is working to improve monitoring and identification of leakage.

## Summary financial statements

Grey District Council is a public benefit entity (PBE) and the full financial statements have been prepared in accordance with and comply with, Tier 1 PBE accounting standards. The summary financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) as it relates to summary financial statements.

### Basis of preparation

Council has prepared the summary financial statements to give an overview of its performance. The specific disclosures included in the summary financial report have been extracted from the full audited Annual Report, which was approved and adopted by Council on 31 October 2023. The full financial statements comply with PBE standards and received an unqualified audit opinion.

Readers should note that the summary information contained here cannot be expected to provide as complete an understanding as provided by the full financial statements of the financial performance, financial position, cash flows, accounting policies and service performance measures of the Council. Users who would like additional information should read the full Annual Report, available online at [www.greydc.govt.nz](http://www.greydc.govt.nz) and Council offices.

The summary financial statements are presented in New Zealand dollars and are rounded to the nearest thousand dollars (\$000) where indicated. These summary financial statements have been prepared in accordance with PBE FRS 43: Summary Financial Statements.

## Summary statement of comprehensive revenue & expense for the year ended 30 June 2023

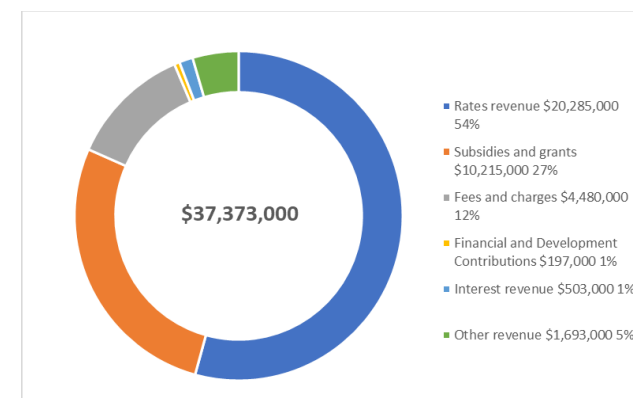
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Total revenue	37,373	31,501	46,310
Finance costs	(1,363)	(1,361)	(999)
Other expenditure	(39,943)	(32,046)	(34,252)
<b>Surplus/(deficit) before tax</b>	<b>(3,933)</b>	<b>(1,906)</b>	<b>11,059</b>
Income tax expense	-	-	-
<b>Surplus/(deficit) after tax</b>	<b>(3,933)</b>	<b>(1,906)</b>	<b>11,059</b>
<b>Other comprehensive income and expense</b>			
Gains/(losses) on revaluation of assets	47,063	11,916	74,110
<b>Total comprehensive revenue and expense</b>	<b>43,130</b>	<b>10,010</b>	<b>85,169</b>

### Significant variations from budget

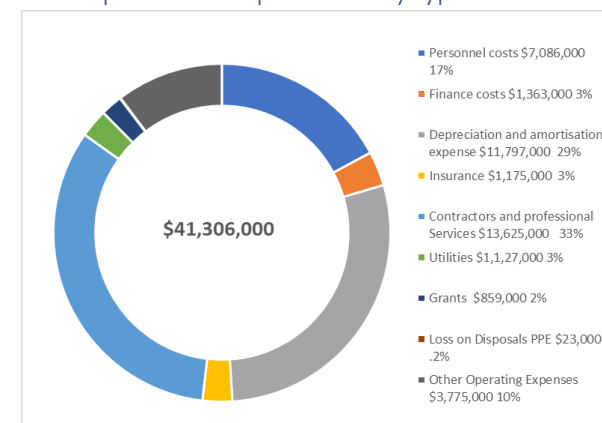
Our deficit for the year is \$(3.9)m compared to a budgeted deficit of \$(1.9)m. This deficit was mainly driven by other expenses. The main variations compared with our budget include:

- **Subsidies and grants revenue** was \$5.1 million above budget mainly due carry over of the three bridges projects and water supply external funding for the reservoirs.
- **Financial Contributions revenue** was \$197k above budget due to higher than anticipated sub-division activity.
- **Other revenue** was \$654k above budget mainly due to an increase in the valuation of interest rate swaps that are used to fix the interest rate on Council's borrowing (the value of swaps increases when interest rates fall).
- **Total expenses** were \$5.4 million above budget mainly due to consultants and contactor costs as well as increased costs in utilities, insurance and other costs which have substantially increased due inflationary pressures in the 2002/2023 financial year.

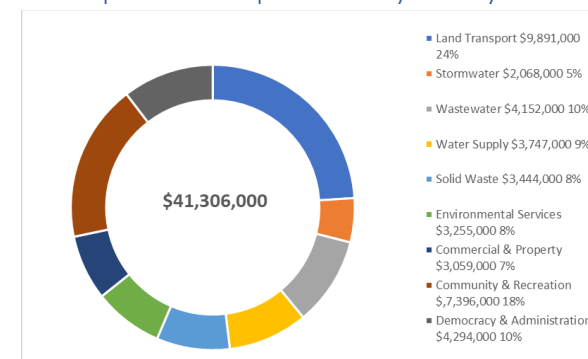
## Sources of revenue



## Total operational expenditure by type



## Total operational expenditure by activity



## Summary statement of financial position as at 30 June 2023

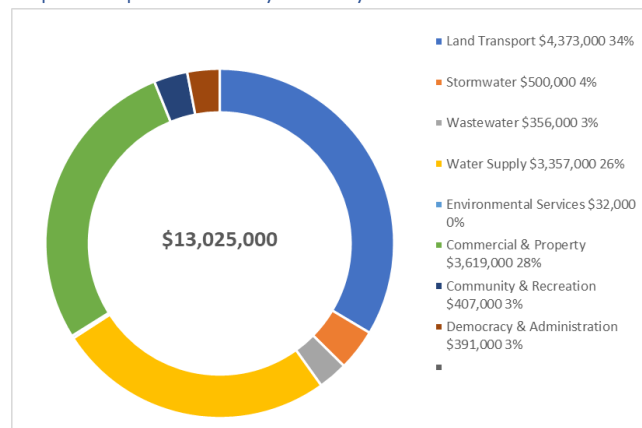
	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Current assets	14,999	12,983	19,942
Non-current assets	563,264	462,069	515,065
<b>Total assets</b>	<b>578,263</b>	<b>475,052</b>	<b>535,007</b>
Current liabilities	14,195	13,044	15,649
Non-current liabilities	25,170	36,281	23,590
<b>Total liabilities</b>	<b>39,365</b>	<b>49,325</b>	<b>39,239</b>
Accumulated funds	229,731	225,254	233,599
Reserves	7,966	8,530	8,031
Revaluation reserves	301,201	191,943	254,138
<b>Total equity</b>	<b>538,898</b>	<b>425,727</b>	<b>495,768</b>
<b>Total equity and liabilities</b>	<b>578,263</b>	<b>475,052</b>	<b>535,007</b>

### Significant variations from budget

Our total equity as at 30 June 2023 is \$113,172 million above our budget. The main variations compared with our budget include:

- **Total Assets** are above budget by \$103 million due to the revaluation of roading and three waters assets.
- **Total Liabilities** are \$9.9 million less than budgeted due to council not needing to increase their borrowing capacity relating to new capital projects in the 2022/2023 financial year.

### Capital expenditure by activity



Council spent \$13.0 million on building new assets and renewing and improving existing assets. The largest projects were

- Roading renewals-various \$4,373,000
- Water Supply Renewals-various \$3,357,000
- Slipway- Port of Greymouth \$3,107,000
- Stormwater Renewals-various \$500,000

### Three Waters Reform

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

### Statement of changes in equity for the year ended 30 June 2023

	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
<b>Balance at 1 July</b>	<b>495,768</b>	<b>415,717</b>	<b>410,598</b>
Total comprehensive revenue and expense for the year	43,130	10,010	85,170
<b>Balance at 30 June</b>	<b>538,898</b>	<b>425,727</b>	<b>495,768</b>

## Summary statement of cashflows for the year ended 30 June 2023

	Actual 2023 \$000	Budget 2023 \$000	Actual 2022 \$000
Cash flows from operating activities	14,250	7,929	10,802
Cash flows from investing activities	(11,739)	(13,832)	(17,053)
Cash flows from financing activities	-	4,757	8
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,511</b>	<b>(1,146)</b>	<b>(6,243)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8,028</b>	<b>8,103</b>	<b>5,517</b>

### Significant variations from budget

Cash flow variations from budget largely reflect the variations explained above in relation to revenue, expenses and receivables.

### Summary of contingent assets and contingent liabilities

- Council has agreed to act as a sole guarantor for a Westurf Recreation Trust loan, up to a maximum of \$200,000, for the purposes of upgrading their artificial turf at the Greymouth Hockey Stadium. This is contingent on final Council satisfaction on the project being financially sustainable. As at balance date the trust has not yet proceeded with uplifting of a loan and has indicated to Council that they are unlikely to require the loan.
- The Council is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit scheme.
- Grey District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The NZLGFA has a current credit rating from Fitch Ratings of AA+ and Standard and Poor's rating of AAA for local currency and AA+ for foreign.
- Grey 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 operations of the scheme.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF GREY DISTRICT COUNCIL'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The summary of the annual report was derived from the annual report of Grey District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following summary statements on pages 2 to 4:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the statement of service provision (referred to as "Service Performance").

#### Opinion

In our opinion:

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

#### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

#### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 31 October 2023. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about uncertainty over the water services reform programme.



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

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

#### Auditor's responsibility

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

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

Other than the audit of the annual report, audit of the debenture trustee reporting, we have no relationship with or interests in the District Council.

Brendand Summerfield  
Ernst & Young  
Chartered Accountants  
On behalf of the Auditor-General  
Christchurch, New Zealand  
6 November 2023