



Hurunui Community Long Term Plan - 2012-2022



2012/13

ANNUAL REPORT

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Foreword

This Annual Report provides information about our performance during the 2012/13 financial year.

The report outlines how the Council has performed both overall and in respect of 14 specific activities, including roads, water supply, sewers, and the Hanmer Springs Thermal Pools and Spa (see the contents page for a complete list of the 14 activities).

While a large part of this report is financial information, we also provide information about the performance measures originally identified in the 2012/22 Hurunui Community Long Term Plan. In this report we summarise our position against each of the measures and show whether they have been “Met”, “Mostly Met”, or “Not Met”. A measure that was ‘Mostly Met’ is one which falls short of being met by such a narrow margin that it would be unreasonable to call it ‘not met’.

Introduction from the Mayor

This Annual Report summarises the financial year covering the period from 1 July 2012 to 30 June 2013. Our programme of activities was based on the first year of our 10 year plan (Hurunui Community Long Term Plan 2012/22).

Service Performance

Since 2007, we have undertaken a resident satisfaction survey. This year we asked some new questions to gauge trust and confidence in the Council and staff. I'm pleased to report that according to the 2013 results, satisfaction levels on the performance of the Council show consistent trends of fairly high levels of satisfaction.

This year's survey showed that:

- 78% of residents were satisfied (or highly satisfied) over all with the Hurunui District Council
- 76% had trust in Council's decision making
- 81% had trust in Council staff to do a good job
- 84% had trust in Council to manage its debt level
- 76% were satisfied with the performance of the Mayor and Councillors

Roading is the Council's largest spending area and the most visible asset we have, and is something we all use often. Residents showed higher levels of satisfaction with our sealed roads – 76%, compared to 67% last year, but unsealed roads continued to receive a low satisfaction rating with the last two years scoring 50% by comparison. Having said that, the score has improved since 2007 when it was 41%. It is our intention to continue working on improving our overall performance without incurring higher costs to our ratepayers.

Financial Performance

The Council's comprehensive income in the 2012/13 year totalled \$19.3 million. This is the result of a net surplus after tax of \$2.8 million plus a recorded gain on the valuation of roading assets of \$16.5 million.

Our operating revenue was \$35.1 million which was \$5.1 million greater than what we predicted in our long term plan. The key variances were due to the significant amount of development in the District during the year that resulted in \$2.4 million of assets vested in Council and \$1.1 million of Development Contributions received.

Operating expenditure was \$32.4 million which was \$2.1 million greater than predicted in the long term plan. The key variances were:

- Depreciation costs being \$1.4 million greater than budgeted, the majority of which was due to revalu-

ation processes that set a new level for the on-going depreciation costs

- Consultants' costs were greater than budgeted, particularly relating the increased activity with the building control department.
- Insurance costs for the year were again well up on budget due to the significant increase to the Earthquake and Natural Disaster premiums imposed on Council's assets.

Capital expenditure for the year was \$10.0 million. This includes a total of \$2.4 million of infrastructural assets that had been vested in the Council during the year. Excluding these vested assets, the capital expenditure of \$7.5 million was approximately \$3 million lower than the level budgeted for. The key variance being the \$2 million upgrade to the changing rooms and administration block for the Hanmer Springs Thermal Pools and Spa was deferred. Various Water, Sewer, Stormwater and Community projects were also deferred but this was offset by costs being incurred for the Amberley Transfer Station of \$967,000, which was budgeted to be carried out in prior year.

The Council now owns \$371 million of assets on behalf of our residents and ratepayers. At 30 June 2013, Council's debt was \$12.35 million. We have debt because of two main reasons:

1. We borrowed in recent years to fund capital improvements at the Hanmer Springs Thermal Pools and Spa complex which is owned by the Council. It is important to make sure the complex is refreshed and is in top condition to continue to attract visitors from around New Zealand and other countries, and continue to generate a revenue stream for the benefit of the district. The complex generated a \$2.1 million surplus in 2012/13. This was less than we had predicted but considering the slump in the tourism market, still a good result.
2. We took on debt to build core infrastructure and much of this now needs to meet higher standards mandated by the Regional Council and Central Government regulations (for example; drinking water; building standards).

One of Council's committees, Audit and Risk, focuses on our debt levels and making sure the Council does exercise due care and appropriate responsibility in its responsibilities. An example of this was earlier in 2013 when the Audit and Risk Committee assessed the security and risk aspects of lending up to \$6 million to the Hurunui Water Project. The Committee considered the security

to be inadequate and the risk very high for the Council. (The Council did not proceed with the loan.)

Key Projects

We undertook or commenced a number of projects in the 2012/13 year. An assessment on how we did can be found further in this Annual Report under 'Council Activities' where we rate ourselves against our performance measures. A summary of our key projects is given in the following paragraphs.

Drinking Water Standards

Miox installations were planned to be done at nine water intakes during the year. Although this ran slightly behind schedule, they have been completed now. The purpose of the Miox is to make sure our water is bacteria free and to lift the permanent boil water notices we have had in place for years. The intakes with Miox are Ashley Rural; Waiau Rural; Parnassus; Blythe; Kaiwara; Hurunui Rural No. 1; Hurunui Rural Peaks; Lower Waitohi and Waipara Township.

Sewer Improvements

We had a number of projects lined up to improve our sewer systems but due to the large costs involved, have taken a slower approach to make sure we are only spending what we have to and when we need to. One of the projects lined up is to find alternative methods to dispose wastewater to land as disposing it into waterways is no longer considered sustainable or environmentally acceptable. This is potentially very expensive work as more land is required. We are currently investigating alternative options which are more practical and affordable in conjunction with Environment Canterbury and Ngai Tahu to meet resource consents compliance before the renewal dates (Cheviot 2014 and Hanmer Springs March 2015).

We also deferred the desludging work for the Waikari wastewater treatment plant until 2013/14 as it makes for better economies of scale if we do this in conjunction for the desludging of the Hawarden wastewater treatment plant at the same time. The Amberley wastewater pipe upgrade planned for this year has also taken longer to complete. It comprises of two separate growth renewal programmes (because of the growth in Amberley). The first has been deferred for 3 years until such time as the growth demand necessitates it. The second stage of the project is at the tender evaluation stage and works will commence shortly. On the other hand, the aeration programme for the Hanmer Springs wastewater treatment plant has been completed successfully.

Stormwater Improvements

We had planned to construct new drains for the Eastern Drain and Dry Gully direct to the lagoons in Amberley. We have agreed to put this project on hold because of landowner resistance. In the meantime, we are able to drain stormwater into the sea with a consented provision to mechanically excavate a channel through the beach crest.

Targeted Tourism Rate & District Promotion

We have revised the targeted tourism rate and the new rate takes effect in the 2013/14 financial year. With regard to district promotion, our Hurunui Tourism Board (one of Council's committees) does this to some degree through advertising features. There is further work to be done before Council is able to agree on how far district promotion should extend, and what role the Council should have.

Earthquake Strengthening

We have continued our work on assessing earthquake prone Council owned buildings. So far 21 initial evaluation procedures have been carried out and 14 detailed engineering evaluations. This work has been necessary on public buildings to make sure they are safe for people to use. The type of buildings being assessed have typically been community halls and offices. The assessments have told us in percentage terms, how strong the buildings are against earthquake standards. The government is reviewing the earthquake standard criteria which will guide us as to what action we need to take for buildings.

Cheviot Library/Service Centre

The Cheviot service centre has been renovated and re-designed to accommodate the community library which has been based at the Cheviot Area School. This project had been programmed to be completed in the 2012/13 year but unfortunately was subject to delays. Getting a builder to do the work at an affordable cost was the biggest challenge. I am pleased to report that the new look joint library and service centre opened in mid-October.

Cost of Insurance

Up until 2012/13, the Council has fully insured all of its assets. However the cost of doing so is now at almost three times the cost it had been in 2010. Whereas the Council had agreed in 2012 to remain fully insured, the reality of that has caused us to reconsider and we now plan to increase our risk on some Council owned assets in order to reduce around \$200,000 from our annual insurance bill.

District Plan Review

This is a major project for the Council and collectively, elected members and staff have spent many hours on the review to date. The work will continue into 2014 before it is finalised but there is much to do before then. The District Plan is a key planning and strategy document for us and the community and we are keen to see that it reflects community desires, environmental responsibility and encourages development and growth. Community input has been invited on several aspects of the Plan so far, and more feedback will be sought as the review continues.

Conclusion

We continue to face challenges in our bid to provide good quality services at an affordable cost to our rate-payers and customers. The cost of recruitment continues to be high with specialist staff being difficult to source especially engineering, policy and planning professionals. Having the right people in the right jobs is key to delivering our services effectively and efficiently.

Maintaining our roads so they don't deteriorate is an area which has troubled us for some time. With reduced government funding from New Zealand Transport Agency (NZTA), we are challenged financially with trying to do the same or better with less money to spend. This problem is yet to be resolved, but we don't face it alone. Other councils, particularly rural councils are in a similar situation to us. NZTA is well aware of the issue and our dissatisfaction at the funding issue.

We will continue to strive to deliver the very best service we can afford. We are keen to continue to leverage our existing technology to ensure we are getting the best out of our technical products. For example, we are exploring putting all of our property files on line so that anyone can look up a property file without having to come in to the office. The new library management system installed a year ago has proven to be very effective and has changed some manual systems into fast, electronic solutions. For example, people with overdue books are now texted or emailed immediately rather than getting a letter in the mail several days later. Our purchasing, crediting and invoicing is now done electronically which means greater efficiency and controls, less paper and quicker processing time.

Finally, this Annual Report marks the end of another local government triennial period with an election concluding on 12 October 2013. I am humbled to have been con-

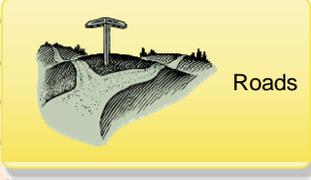
firmed as Mayor for another three year term and look forward to working with my new council.



A handwritten signature in black ink, appearing to read 'W. Dalley', written in a cursive style.

Winton Dalley
Mayor

Some facts
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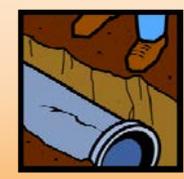
Roads

- 1,455 km of local roads (602 km sealed)
- 278 bridges
- 63km footpath and berms
- 68km kerb and channelling
- 4,622 traffic signs
- 886 street lights



Fire

- 5 volunteer Rural Fire Forces
- 59 trained Rural Fire volunteers
- 10 warranted Rural Fire Officers
- 16 Rural Fire Vehicles (fire appliances, tankers, pump trailers and smoke chasers)



Sewerage

- 7 sewerage schemes
- 13 sewerage pump stations and seven treatment plants
- 13 waste water discharge resource consents with 203 conditions
- 149 CRC consents with 1,301 conditions
- 101 HDC consents with 232 conditions



Finance

- \$12.35m debt
- \$367m assets
- Operating revenue**
 - \$5,697,000 General rates
 - \$8,243,000 Targeted rates
 - \$9,503,000 Hanmer Springs Thermal Pools and Spa
 - \$11,691,000 Other income
 - \$35,134,000 Total income
- Operating expenditure**
 - \$9,877,000 Capital expenditure
 - \$15,510,000 Direct operating costs
 - \$320,000 Finance costs
 - \$ 9,334,000 Employment costs
 - \$7,197,000 Depreciation
 - \$113,000 Audit costs
 - \$32,361,000 Total operating costs



People

- Current population estimate: 11,300
- 8,000 ratepayers
- 1,650 on the Ashley water scheme
- More than 500,000 visitors per year to the Hanmer Springs Thermal Pools and Spa



Hurunui

Statistics and figures about Hurunui District



District Council



Water

- 13 water schemes
- 24 water intake sources with a further 5 emergency back-up intakes
- 64 booster pump stations
- 1,862km pipes for rural schemes
- 179km pipe for on-demand urban schemes



Waste

- 1 regional landfill site (Kate Valley)
- 5 transfer stations
- 532 tonnes from green bag recycling collections
- 154,697 tonnes of transfer station dry waste and commercial recycling collections
- 512 tonnes glass recycling - crushed and used in Canterbury road construction
- 81 tonnes transfer station green waste
- 3.5 tonnes Agrecovery
- 3.7 tonnes engine oil



Community

- 8 libraries
- 10 public/community halls
- 34 housing units for the elderly
- 4 council owned medical centres
- 1 visitor information centre (i-site)
- 4 service centres



Council

- 1 Mayor and 9 councillors
- 1 Community Board with 5 members
- 32 committees, 7 joint committees and 4 advisory committees
- 176 staff (141.5 full-time equivalent) including HSTP&S



Land use

- Hurunui District is 8,640 square kms
- 274 hectares of recreational reserve
- 160 parks and reserves
- 2,889 hectares of road reserve
- 38,310 hectares are Significant Natural Areas (SNAs)
- 1,791 hectares of QE2 covenants
- 234.8 hectares of forestry
- 271,472 hectares of DOC estate (31.4% of district)
- 9 cemeteries
- 3 swimming pools (including the Hanmer Springs Thermal pools)



The planning cycle

This Annual Report is one product of a three-phase “planning cycle”.

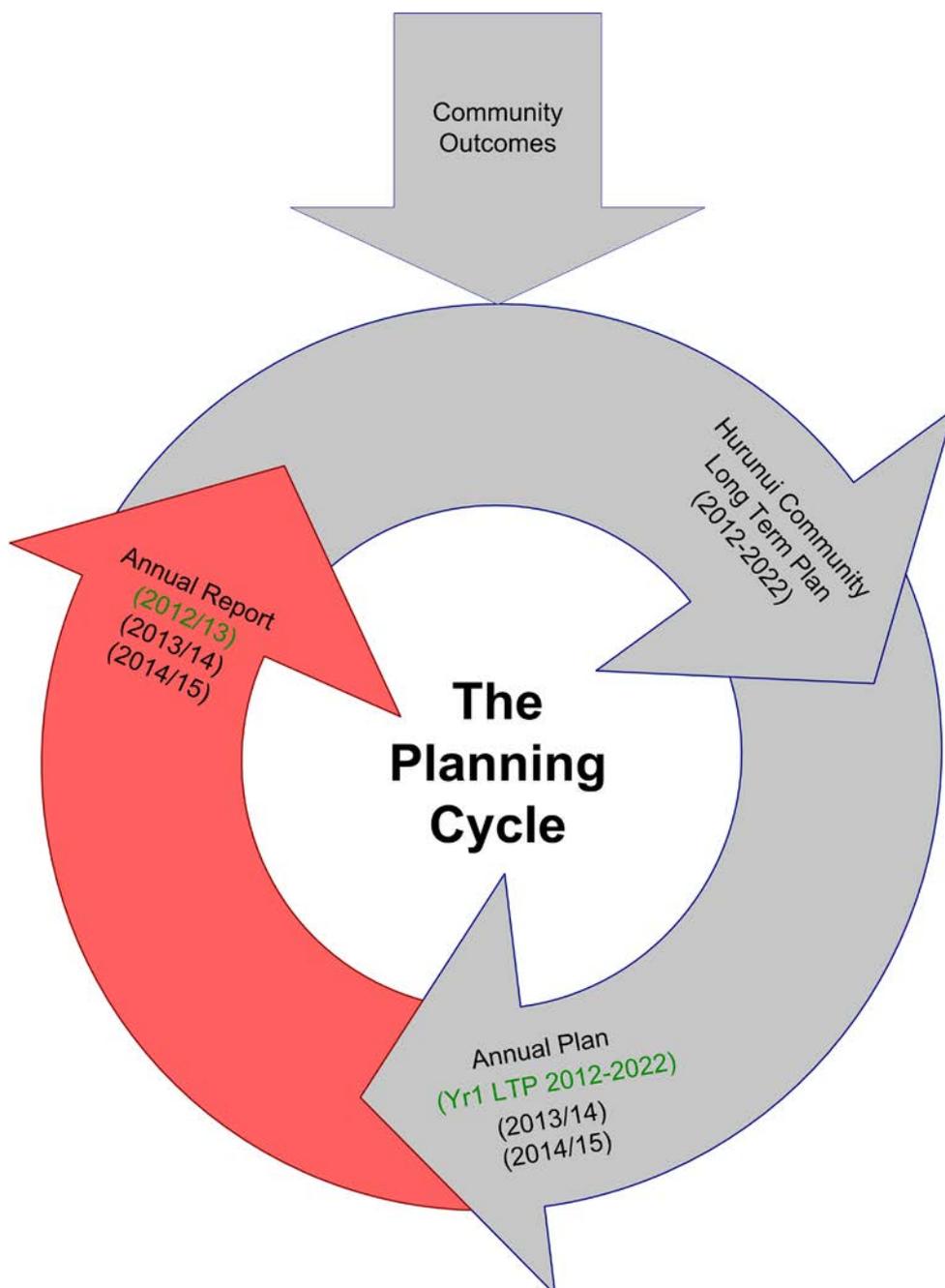
The planning cycle starts with the development of a “Long Term Plan”. This is a plan for the next 10 years that incorporates outcomes desired by the Hurunui community. In the Long Term Plan, we set out what we expect to be doing for the next ten years and how we expect to pay for it. Although the Long Term Plan covers the next 10 years, it is reviewed and revised every three years to ensure that it remains relevant to current social, economic, cultural and environmental realities.

The Long Term Plan becomes the basis for the Annual Plan produced every financial year (1 July - 31 June). Except that in the year that the Long Term Plan is pro-

duced, the Long Term Plan becomes the Annual Plan for that year. The Annual Plan details what we expect to achieve during the twelve months of the plan, what it will cost and where the funding will come from.

Both the Long Term Plan and the Annual Plan are produced first in draft form. The public are then invited to make formal submissions about the draft plan which are then considered by Council prior to the production of the final plan document.

The final part of the planning cycle is the Annual Report (this document). The Annual Report looks back on the activities of the past year and assesses how they compare against the Annual Plan for that year.



Shared services and partnerships

Introduction

Wherever possible the Council looks for the most cost effective way to deliver services without compromising service standards. One way of achieving this is by sharing services with other bodies and engaging in partnerships for service delivery. Some areas where we work in this way are:

School and Community Libraries

We operate shared libraries in the District's three Area Schools (Amuri, Cheviot and Hurunui). In each case, the Council runs its community libraries in conjunction with the school libraries. Hurunui Libraries are also part of a consortium of 19 libraries around the country which have purchased new software to provide a shared service including a shared help-desk model.

Community Development Project

The Council received funding of \$80,000 per year from the Department of Internal Affairs for a 3 year project for Community Development in the Hurunui District. Year 3 occurred in the 2012/13 year. The Department provides advice and monitors the programme's initiatives as well as fully funding it.

Mainpower Hurunui Natural Environment Fund

Mainpower donated \$4,000 towards this annual fund and the Council matches it with another \$4,000 each year.

Canterbury Museum

Under legislation, Hurunui, Waimakariri and Selwyn District Council's along with Christchurch City Council are the contributing authorities who fund the costs relating to the Canterbury Museum. For the 2012/13 year, the Council contributed \$58,647 of the total operating levies charge of \$7,117,998.

Biodiversity Programme

The Department of Conservation funds our Biodiversity programme and has approved funding for a further two years. Our Biodiversity Field Advisor has been working with land owners in the Hurunui to advise on biodiversity initiatives.

Rural Fire Control

To assist our rural fire forces, we bring in teams from neighbouring authorities in the event of a major fire, and reciprocate where required. We are also actively in-

involved with all the authorities in Canterbury to evaluate a possible enlarged rural fire district.

Building

We have been working closely with our neighbouring Councils to share our building officers and resources to manage this area more efficiently. Skilled building officers are in high demand and expected to be for some years in the aftermath of the 2010/11 Canterbury Earthquakes.

Economic Development

Our Council and Waimakariri District Council jointly support and fund Enterprise North Canterbury (ENC) to help boost economic development in North Canterbury. We contributed \$50,000 for the 2012/13 year. ENC work with businesses in both districts, providing business support, development and training, and special projects with an economic focus.

Roads

We have a number of shared service agreements for our roads. They include:

- Okuku Pass Road - shared maintenance agreement with Waimakariri District Council (WDC); through Sicon (their maintenance contractor) which undertakes the maintenance of this road.
- Balcairn/Amberley Road – shared agreement with WDC (Sicon undertakes the maintenance of the full width of the shared road, offset against maintenance of Ashby's Road).
- Street lighting contract with Mainpower. A shared service contract for economy of scale efficiencies.
- Network Assessment Contract with BECA. Shared service contract for economy of scale efficiencies.

Kate Valley Landfill

The Kate Valley Landfill is situated within the Hurunui District but is a joint venture between Transpacific Industries Group (NZ) Limited and five local authorities in Canterbury, including our Council. The councils collective share is 50% with 1.2% of that belonging to the Hurunui District Council. The company name is Transwaste Canterbury Ltd.

Water

Because of our historical knowledge and experience of operating the Ashley Rural water scheme, we provide stock and drinking water to a large part of the Waimakariri District, including the townships of Sefton and Ashley. Approximately 1,400 Waimakariri residents pay

the water proportion of rates directly to Hurunui District Council.

Rates Department

We collect rates on behalf of the Canterbury Regional Council and in return, they pay us a fee and a portion of the rating valuation cost. This income is used to offset the cost of running our rates department.

Information Technology

We work in collaboration with others through the Canterbury IT Managers Forum (projects and procurement), the Canterbury Local Authorities GIS group (all of Canterbury GIS viewer) and Canterbury GIS Consortium (aerial imagery procurement).

In addition, we have signed up with the All of Government Cellular Communications offering through Gen-l's Tahi and also function as Kaikoura District Council's GIS department.

Māori decision making

We work hard to ensure that Māori perspectives are an integral part of our decision making processes. We do this through having policies that include Māori perspectives, including Māori in our committees, and working together with Māori on specific issues of common interest. Below we have noted some of the arrangements we have in place to ensure that Māori are included and consulted in the work of Council.

Policies

Central to our working with Māori is a Memorandum of Understanding between Te Rūnanga o Ngāi Tahu, Te Ngāi Tūhauriri Rūnanga, Te Rūnanga o Kaikoura and the Council. This MoU has been in place since 2004 and is an agreement for us to work together to develop appropriate processes that will allow Council to fulfil its statutory responsibilities while recognising Ngāi Tahu as the tanga-ta whenua.

In addition to the MoU, Council has also developed policies covering Māori Contribution to Decision Making and protocols covering the accidental discovery of human remains. Accidental discovery protocols cover artefacts as well as koiwi.

Committees

While having policies in place provides a foundation for Māori decision making, it is in the work of committees that the intent of policy becomes reality. Māori are currently represented on the Hurunui – Waiau Zone Committee and the Hanmer Recreational Track Network Group.

Working Together

Council work together with Māori and encourage consideration of Māori issues in a number of areas including:

- Involving Māori in the District Plan Review – (eg: natural hazards and coastal environment workshop).
- Encouraging resource consent applicants to include cultural impact assessments in their assessment of environmental effects.
- Involvement in the Tuia Programme (through Mayors Taskforce) - Leadership development for Maori youth. Mayor Winton Dalley mentors one of the Youth Council members.
- Meetings between the Council and Ngāi Tahu.
- Providing runanga with a copy of the weekly report of new resource consents applications.
- Consulting runanga on notified consents and consents re Coastal Environment Management, or

Statutory Acknowledgment Areas, or quarrying and mining activities.

- Runanga are consulted on any governance matters that shape the district including; long term and annual plans, representation reviews, district plan changes and relevant resource consents.
- Runanga have been represented on projects such as the Northern Pegasus Bay Coastal Management Plan and the Queen Mary Hospital Historic Reserve Management Plan.
- Joint policy/planning meetings with Council and Ngāi Tahu planning staff.
- The Council has initiated and hosted two visits by Marcus Akahuta Brown to talk to young people and adults (leaders and role models for youth and Maori) in the district.

Statement of compliance and responsibility

Compliance

The Council and management of Hurunui District Council hereby confirms that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002 (and Amendment Act 2010), have been complied with, with the exception that the Annual Report was not adopted by 31 October 2013 as per Section 98 of the Local Government Act 2002.

Responsibility

The Council and management of Hurunui District Council accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them.

The Council and management of Hurunui District Council accept responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Hurunui District Council, the Annual report for the year ended 30 June 2013 fairly reflects the financial position and operations of Hurunui District Council.



Mayor
Winton Dalley



Chief Executive Officer
Hamish Dobbie



Financial Services Manager
Jason Beck

Groups of Council Activities

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Introduction

This section of the Annual Report covers the services (or activities) that Council provides - what we actually *do*.

Services are assigned to activity groups as shown on the preceding page. Six of the services are in groups of their own only having the one activity; Water supply, Sewerage, Stormwater and drainage, District promotion, Hanmer Springs Thermal Pools and Spa, and Governance.

For each group of activities the following information is provided:

- A summary for the group of activities on the overall performance of the group.
- The community outcomes to which the group of activities primarily contributes. Each community outcome is aligned to our services which contribute towards their achievement. How well we are doing with each of our service performance measures will give a good indication of how we are doing overall in achieving the community outcomes. See the end of the year results alongside the performance measures in each section of the report.
- Performance measures and results for each of the services within the group of activities.
- An explanation for any significant variations or deviations from the intended levels of service or acquisitions or replacement of assets as set out in year one of the Hurunui Community Long Term Plan - 2012-2022.
- Financial summaries for each group of activities and the individual services within the groups. The summaries compare the actual and the budgeted revenue, expenditure and capital as projected in year one of the Hurunui Community Long Term Plan - 2012-2022.

Overall comparison with the 2012/13 Annual Plan

Performance:

There was no major variance from the strategic directions outlined in Year 1 of the 2012/22 Long Term Plan. The Council recorded a Net Surplus after Tax of \$2,773,000 whereas the Council budgeted to record a deficit after tax for the 2012/13 year of \$227,000. In addition, the Council recorded a gain on the value of its roading assets of \$16,505,000 which brought the total comprehensive income recorded for the Council for the year to \$19,319,000.

Revenue:

Operating Revenue for the year was \$35,134,000 which was \$5,062,000 greater than predicted in the Long Term Plan. The key variances being:

- Development Contributions were \$755,000 greater than budget for. This has been the result of significant residential development in the Amberley Township and also a greater than budgeted increase in developments connecting to the Ashley Rural Water Supply.
- Income from Vested Assets was \$2.4 million, which was \$2.2 million greater than the budget. This is again due to the development in the Amberley Township.
- There was an increase to the value of the Council's Forestry estate of \$401,000, whereas the budget had allowed for an increase of only \$278,000.
- The rates received were \$393,000 greater than budget, which is due to there being more ratepayers receiving services that was anticipated when the budgets were confirmed.
- There was an increase in regulatory income received during the year due to a marked increase in building activity in the district.
- A total of \$381,000 of insurance proceeds has been recognised during the year. This has been in respect to earthquake damage to some buildings and also a claim for the washout of the Kaiwara Intake on the Cheviot Water Supply.

Operating Expenditure:

Operating Expenditure was \$32,361,000 for the year, \$2,062,000 greater than was predicted in the long Term Plan, the key variances being:

- There was an increase in the cost of Depreciation of \$1,393,000, the majority of which was due revaluation processes that set a new level for the on-going depreciation costs. Within the Depreciation amount

is \$405,000 of assets that have been disposed of or decommissioned during the year, which has been recorded as a loss on disposal.

- The Finance Costs totalled \$320,000, which is \$649,000 less than was budgeted for. This result is due to two key factors: External interest cost was \$262,000 lower than budget due to the Council only being required to utilise \$12.35 million of the expected \$18.5 million of debt, and in compliance with Financial Reporting Standards, the Council was required to value its Derivatives as at 30 June 2013, which resulted in a decrease in the Finance Costs for the year of \$387,000.
- The costs relating to insurance for the financial year was approximately \$125,000 greater than budgeted for the Council. This was the result of a significant increase in the premiums for Earthquake and Natural Disaster Cover. The Council has addressed the insurance costs for the 2013/2014 year by creating a tiered structure to the assets that it ensures and assigning an appropriate level of risk to each tier.
- Consultants' costs were greater than budgeted for the financial year, in particular in respect to the Building Control Department, where an additional \$86,000 was spent on consultants to assist in processing consents within the statutory timeframes. Also, an additional \$67,000 was spent on Earthquake Strength reviews of buildings. The additional costs have been funded by the higher level of income generated by the Building Control Department.
- Roading costs were \$290,000 higher than was budgeted for. This was the result of the requirement to carry out emergency reinstatement work of \$351,000 as a result of the weather events.
- Sewerage - after allowing for the \$483,000 of vested assets, the Council had spent a total of \$295,000 on Sewer Capital Works compared with the budget of \$886,000. The key reason was that two major Growth Related projects for the Amberley Sewerage scheme did not proceed. The amount budgeted for these projects have been carried forward into the 2013/2014 year.
- Stormwater - after allowing for the \$707,000 of vested assets, the Council had spent a total of \$38,000 on Stormwater Capital Works compared with the budget of \$294,000. The key reason was that key projects budgeted for Amberley Sewerage scheme did not proceed, with the amounts being carried forward into the 2013/2014 year.
- Community Services and Facilities – the amount spent for the year was \$206,000 lower than budgeted for. Capital expenditure for reserves was under spent during the year particularly for the buildings on the ex Queen Mary Hospital site and for a range of projects in Hanmer Springs. In addition, the budgeted replacement of the septic tank system at Gore Bay Camp was not required.
- Environment and Safety – the amount spent was \$959,000 greater than was budgeted for. The major reason was that there was \$967,000 spent on Amberley Transfer Station, the budget for which was carried forward from previous year. The project will be completed in the 2013/2014 year.
- Hanmer Springs Thermal Pools and Spa – Only \$206,000 of the total capital expenditure budget of \$2,650,000 was spent during the year. There were three key projects that were budgeted for but deferred until the 2013/2014 year: Administration Block and Upgrade to the Changing Rooms (both budgeted at \$1 million each) and an upgrade to the Sulphur Pools budgeted at \$300,000.
- Roading capital expenditure was \$735,000 greater than was budgeted for. The key variance was that roading assets vested in Council was \$700,000 greater than was budgeted for.

Capital Expenditure

Total Capital Expenditure for the year was \$10.0 million as opposed to the budget of \$10.8 million. The key reasons for this result are:

- Water Supplies – after allowing for the \$387,000 of vested assets, the Council had spent a total of \$1,688,000 on Water Capital Works compared with the budget of \$2,059,000. The major reason was that only \$474,000 of the \$758,000 budget for the Miox installations was recorded. This was offset by the Capital costs relating to the wash-out of the Kaiwara Intake, which resulted in an overspend of \$193,000 on the Cheviot Water Supply.

Water supply

Water Supply covers one activity area:

1. Water Supply (township supply and rural water schemes)

Our aim

To provide a sustainable supply of water that meets the needs of present and future domestic and agricultural/horticultural consumers and complies with the New Zealand Drinking Water Standards.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$96,576 was recorded against a budgeted operating surplus of \$29,938. The key variances from budget have been:

- Other Income – this is higher than budget due to the level of connection fees received during the year, especially in the Ashley Rural Water Supply, where there has been a significant amount of development. In addition, an insurance claim of \$107,049 was recognised for the Kaiwara intake wash-out.
- Vested Asset Income – due to development of Amberley Township and parts of the Ashley Rural Water Supply area, the amount of assets vested in the Council from developers was \$353,900 greater than budgeted for.
- Development Contributions – Due to the development in both Amberley Township and throughout the Ashley Rural Water Supply area, the level of Development Contributions have exceeded budget.
- Other Direct Expenditure – Electricity costs on the Hurunui Rural Water Supply and the Waiau Rural Supply were higher than budgeted. In addition, the wash-out of the Kaiwara Intake (part of the Cheviot Water Supply) resulted in increased operational costs to restore supply.
- Depreciation – the amount charged for Depreciation for the 2012/13 year of \$1.38 million was significantly ahead of the amount budgeted for. This is due to the updated depreciation charge as a result of the full revaluation of the Water Supply Assets that took effect as at 30 June 2012.
- Loss on Disposal of Assets – There was an assessment of the assets that were either replaced by new capital works, decommissioned or reclassified as

private assets rather than public assets. There was no budget allowed for this for the year.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$96,576 was \$24,907 lower than the operating surplus recorded for the 2011/12 year of \$121,483

- Rates – as flagged in the 2012/22 Long Term Plan, rates have increased for all supplies as well as making provision for the installation of Miox Plants throughout the District.
- Other Income – with the increased development, particularly in the Ashley Rural Water Supply area, the connections fees are significant ahead of what was received in the 2011/12 year. In addition, the insurance claim of \$107,049 for the Kaiwara Intake wash-out was recognised in the 2012/13 year.
- Vested Asset Income – due to development of Amberley Township and parts of the Ashley Rural Water Supply area, the amount of assets vested in the Council from developers was \$341,899 greater than the amount vested in the 2011/12 year.
- Other Direct Expenditure – Electricity costs on most supplies were higher than was incurred in the 2011/12 year. In addition, the wash-out of the Kaiwara Intake (part of the Cheviot Water Supply) resulted in increased operational costs to restore supply.
- Depreciation – the amount charged for Depreciation for the 2012/13 year of \$1.38 million was significantly ahead of the \$846,000 charged in the 2011/12 year. This is due to the updated depreciation charge as a result of the full revaluation of the Water Supply Assets that took effect as at 30 June 2012.
- Loss on Disposal of Assets – There was an assessment of the assets that were either replaced by new capital works, decommissioned or reclassified as private assets rather than public assets. This process was not carried out in the prior year.

Significant Capital Expenditure

Overall, \$2,074,582 was recognised as Capital Expenditure for the 2012/13. This was \$17,131 lower than was budgeted for.

- District Wide Water – There was an assessment of \$386,613 in Water Assets that were vested in Council during the year. From the various subdivisions that were undertaken during the year: a total of \$232,067 of water assets were added to the Amberley Water Supply; \$79,340 were added to the Ashley Rural Water Supply and \$9,867 were added to the Han-

mer Springs Water Supply. In addition, there was an additional \$65,339 added to the value of the Hawarden-Waikari Water Supply. Only \$32,713 of vested assets was budgeted for.

- Interim Treatment for Water – during the year, the Council installed Miox plants on Water Supplies that either had no treatment did not have a deep well source. The amount recognised for the year was \$474,218, which is lower than the \$758,000 budgeted for. Further completion work is scheduled for the 2013/14 year.
- Amberley Water – \$161,064 was recognised for Capital for the year, which was \$100,436 lower than the budget. The key item of expenditure was a portion of the cost for a new bore was drilled at Leithfield Beach to provide a secure source of water for the Amberley Township.
- Leithfield Beach Water - \$59,829 was spent which was for a portion of the new bore that will serve both Amberley and Leithfield Beach. There was no budget for this item, however funds were carried forward from a prior year budget.
- Ashley Rural Water – \$225,937 of a budget of \$310,000 was spent on capital work. The key item was for a separate Miox plant to serve the Ashley Supply.
- Culverden Township Water - \$15,694 was spent, whereas the budget was only \$5,000. The increase in expenditure was due to bringing forward some expenditure from future years.
- Waiau Township Water – with subsidy funding from the Ministry of Health, an upgrade to the reservoir was carried out. The total cost to date was \$245,255 which is an overspend of the \$205,500 budget.
- Amuri Plains Water – only \$1,643 of the \$4,500 budget was spent during the year.
- Balmoral Water – only \$9,695 of the \$16,000 budget was spent during the year.
- Waiau Rural Water - only \$16,037 of the \$23,500 budget was spent during the year.
- Cheviot Water – with the wash-out of the Kaiwara Intake, there was a need to replace the structure. The Supply incurred \$273,633 in costs, whereas the budget was for only \$81,000. \$107,000 of this has been funded by an insurance claim.
- Waipara Water - only \$11,170 of the \$20,000 budget was spent during the year.
- Hanmer Springs - \$162,000 was budgeted for capital for the year, with the key project being to secure additional land for treatment. This project has

been carried forward to the 2013/14 year and only \$37,641 was spent on various capital items during the year.

- Hawarden-Waikari Water - \$18,272 was spent due to the need to carry out work on a pump shed and telemetry, even though only \$3,000 was budgeted for.
- Hurunui Rural Water – a range of pipe replacement work was carried out during the year totalling \$137,880 which was \$71,120 lower than was budgeted for.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Water Supplies was \$3,384,917 (2012: \$3,671,548).
- Operating surpluses recorded by the individual Water Supplies totalling \$1,374,902 (2012: \$909,919) were used to offset the borrowings, with a further \$1,687,969 (2012: \$623,289) of Capital Expenditure incurred resulting in the balance of the internal borrowings for Water supplies sitting at \$3,697,984 (2012: \$3,384,917) as at the end of the year – an overall increase of \$313,067.
- The amount of Internal Interest charged to the Water Supplies for the year was \$268,584 (2012: \$270,650), with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$13,528 (2012: \$11,712).

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live:

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

A place with essential infrastructure:

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Supply water to meet consumer needs	Provide a continuous 'on demand' supply of potable water to urban areas and a 'restricted' supply of water to rural areas	Major faults to water supply pipelines greater than 250mm diameter that affect customers are repaired within 24 hours	No major faults occurred during the whole financial year to any water supply pipeline greater than 250mm diameter in size. This is a new measure and there is no comparable figure for 2012.	Met
	Maintain and improve water schemes to comply with DWSNZ	Install 9 mixed oxidant treatment plants and eliminate the need for permanent boil water notices	The project to install 9 oxidant treatment plants was completed at the end of August 2013; two months later than originally intended. The first to be installed were in Ashley, Waipara, Lower Waitohi, Kaiwara and Parnassus. The other four; Waiau Rural, Blythe, Hurunui Number 1 and the Peaks were commissioned later. The full programme was tracking slightly behind schedule at the end of the year, due to replacement parts having to be flown in from the USA (under guarantee and at no cost to the Council). The Ashley plant is now fully operational and the other 8 are running through a testing regime. Once the testing shows consistency in water quality, the boil water notices will be lifted. (Ashley and Waipara do not have boil water notices.)	Not met

Group Activity - Water Supplies

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	4,276,854	4,216,961	3,895,469
Other Income	540,934	221,616	95,584
Internal Interest Received	13,258	8,998	11,712
Vested Assets	386,613	32,713	44,714
Development Contributions	383,707	97,265	284,356
Total Operating Revenue	5,601,366	4,577,553	4,331,835
OPERATING EXPENDITURE			
Employment Costs	622,074	619,190	514,769
Other Direct Expenditure	1,938,294	1,777,070	1,704,577
Internal Interest Paid	268,584	309,960	270,650
Council Overheads	909,336	909,309	873,939
Depreciation	1,378,517	932,086	846,417
Loss on Disposal of Assets	387,985	0	0
Total Operating Expenditure	5,504,790	4,547,615	4,210,352
Operating Surplus (Deficit)	\$96,576	\$29,938	\$121,483
CAPITAL EXPENDITURE			
District Wide Water	386,613	32,713	44,714
Interim Treatment for Water	474,218	758,000	0
Amberley	161,064	261,500	50,686
Leithfield Beach	59,829	0	19,228
Ashley Rural	225,937	310,000	97,394
Culverden	15,694	5,000	574
Waiau Town	245,255	205,500	5,471
Amuri Plains	1,643	4,500	15,996
Balmoral	9,695	16,000	39,212
Waiau Rural	16,037	23,500	72,854
Cheviot	273,633	81,000	70,383
Waipara	11,170	20,000	1,562
Hanmer Springs	37,641	162,000	57,469
Hawarden - Waikari	18,272	3,000	747
Hurunui Rural	137,880	209,000	191,713
Total Capital Expenditure	\$2,074,582	\$2,091,713	\$668,003

Sewerage

Sewerage covers one activity area:

1. Sewerage

Our aim

To provide proficient, cost effective, sewage disposal schemes relevant to the needs of the community.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$130,256 was recorded against a budgeted operating deficit of \$393,898. The key variances from budget have been:

- Vested Asset Income – due to development of Amberley Township, the amount of assets vested in the Council from developers was \$450,542 greater than budgeted for.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded budget by \$266,241.
- Other Direct Expenditure – The budget was over-spent by \$107,245. This was primarily due to Electricity Costs relating to the Amberley Sewer Ponds were greater than budget by \$47,738 for the year. The Council also carried out \$16,815 of unbudgeted dredging surveys of the various sewer ponds throughout the District to assess the desludging programme for the next few years.
- Depreciation - As a result of capitalising the sewer ponds in Hanmer Springs and Amberley, an additional \$71,236 has been assessed as depreciation for the year.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$130,256 was \$524,538 greater than the operating deficit recorded for the 2011/12 year of \$394,282.

- Rates – as flagged in the 2012/22 Long Term Plan, rates have increased by \$64,328 to service an increased level of internal debt.
- Vested Asset Income – due to development of Amberley Township, the amount of assets vested in the Council from developers was \$321,507 greater than \$161,748 vested in the 2011/12 year.

- Development Contributions – Again, due to the development in the Amberley Township, the level of Development Contributions has exceeded the amount received in the 2011/12 year by \$237,112.
- Other Direct Expenditure – In 2011/12, the Council incurred a significant amount of expenditure in video inspections for the Hawarden Sewer System that identified critical capital work that was required.
- Depreciation – Due to the updated valuation of the Sewerage Assets carried out in 2012 and the capitalisation of the new ponds, the level of depreciation charged has increased by \$118,645 from the amount of depreciation charged last year.

Significant Capital Expenditure

Overall, \$778,370 was recognised as Capital Expenditure for the 2012/13. This was \$140,629 lower than was budgeted for.

- District Wide Sewer – There was an assessment of \$483,255 of Sewer Assets vested in Council during the year. From the various subdivisions that were undertaken during the year: a total of \$335,889 of water assets were added to the Amberley Sewer System and \$43,826 were added to the Hanmer Springs Sewer System. In addition, there was an additional \$103,539 added to the value of the Hawarden Sewer System.
- Amberley Sewer – Only \$20,986 of the budgeted \$486,240 was spent on Capital Work. The budget included two key projects, both exceeding \$200,000, which were deferred until the 2013/2014 year.
- Cheviot Sewer – only \$10,439 of the budget of \$40,046 was spent during the year with the Wave Band Correction work deferred to the 2013/2014 year.
- Greta Valley Sewer – Only \$2,880 of the total budget of \$19,000 was spent, with the funds to be carried into the 2013/2014 year.
- Motunau Beach Sewer - Only \$15,585 of the total budget of \$35,000 was spent, with the funds to be carried into the 2013/2014 year.
- Hanmer Springs Sewer – Upgrade work to the Aerator for the Sewer ponds at Hanmer Springs was carried out during the year.
- Waikari Sewer - \$71,000 was budgeted for a desludging project, but this has been deferred to the 2013/2014 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$4,234,349 (2012: \$3,708,464).

- Overall operating deficits of \$195,511 (2012: \$178,187) and further capital expenditure of \$295,115 (2012: \$347,698) incurred has resulted resulting in the balance of the internal borrowings for Sewerage sitting at \$4,724,976 (2012: \$4,234,349) as at the end of the year – an overall increase of \$490,627.
- The amount of Internal Interest charged to the sewerage schemes for the year was \$324,632 (2012: \$294,896), with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$7,337 (2012: \$3,566).

- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

A place that demonstrates environmental responsibility

- We protect our environment while preserving people’s property rights
- We minimise solid waste to the fullest extent, and manage the rest in a sustainable way

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships

A place with essential infrastructure

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Protect public health through ensuring good sanitary standards	Maintain sewerage disposal and treatment facilities in most urban areas	All major and significant non-compliances for our sewerage disposal resource consents reduce until we have 0% non compliance. Target for 2012/13 = 2% non compliance	There are a total of 365 consenting conditions and there were no major or significant non-compliances to any resource consent conditions. Therefore, we exceeded our goal to have no more than 2% non compliance. Last year we complied with 57% of resource consent conditions, but more of the non-compliant conditions were significant.	Met
		All sewer breaks are repaired within 12 hours of notification	30 sewer faults were reported for the year with two of them being breaks to the sewer pipe. Of these, one was a privately owned sewer and not the Council’s responsibility and the owner resolved the issue. The other break occurred after work hours but was fixed urgently the next day within 12 working hours.	Mostly met

Group Activity - Sewerage

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	633,122	618,127	568,794
Other Income	4,803	320	14,571
Internal Interest Received	7,337	2,158	3,566
Vested Assets	483,255	32,713	161,748
Development Contributions	303,614	37,373	66,502
Total Operating Revenue	1,432,130	690,691	815,180
OPERATING EXPENDITURE			
Employment Costs	47,719	52,454	79,432
Other Direct Expenditure	344,165	236,920	390,623
Internal Interest Paid	324,632	295,001	294,896
Council Overheads	134,160	134,154	125,860
Depreciation	437,296	366,060	318,651
Loss on Disposal of Assets	13,901	0	0
Total Operating Expenditure	1,301,874	1,084,589	1,209,462
Operating Surplus (Deficit)	\$130,256	(\$393,898)	(\$394,282)
CAPITAL EXPENDITURE			
District Wide Sewer	483,255	32,713	161,748
Amberley	20,986	486,240	106,406
Culverden	0	0	0
Cheviot	10,439	40,046	12,866
Greta Valley	2,880	19,000	0
Motunau Beach	15,585	35,000	0
Waipara	0	0	0
Hanmer Springs	243,905	235,000	42,421
Hawarden	0	0	78,926
Waikari	1,320	71,000	13,675
Total Capital Expenditure	\$778,370	\$918,999	\$416,042

Roads and footpaths

Roads and footpaths covers one activity area:

1. Roads and footpaths

Our aim

To provide a transport network that is safe and accessible for all people throughout the District.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$966,146 was recorded against a budgeted operating surplus of \$783,014. The key variances from budget have been:

- Other Income – the amount of Petrol Tax that the Council received was \$18,778 lower than was budgeted for.
- Due to increased amount of emergency reinstatement, the level of subsidies received from NZTA is higher than was budgeted for by \$49,000.
- Vested Assets Income - due to development of Amberley Township, the amount of assets vested in the Council from developers was \$699,422 greater than budgeted for.
- Roothing costs were \$290,000 higher than was budgeted for. This was the result of the requirement to carry out emergency reinstatement work of \$351,000 as a result of the weather events.
- Depreciation – the amount of depreciation charged has increased by \$239,464 on the level budgeted for. This was due to the budget not being updated after an assessment of the level of depreciation was carried out for the 2011/12 year.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$966,146 was \$550,248 greater than the operating surplus recorded for the 2011/12 year of \$415,898.

- Rates and Internal Interest Received – As part of the development of the Long Term Plan, a different funding structure was determined for Rates for the Roothing Activity. The Council no longer allocates Internal Interest from the Treasury Account directly to Roothing, but uses the surpluses from the Treasury Account to offset rates. In addition, the targeted rates used to fund Footpath Construction are now

recorded as part of the Roothing and Footpaths Activity, whereas previously they were recorded as part of the Township Maintenance cost.

- Vested Assets Income - due to development of Amberley Township, the amount of assets vested in the Council from developers was \$648,358 greater than the \$203,726 vested in Council for the 2011/12 year.
- NZTA Subsidies – As alluded to in the Long Term Plan, the amount of funding assistance from the New Zealand Transport Agency has been reduced.

Significant Capital Expenditure

Overall, \$4,377,898 was recognised as Capital Expenditure for the 2012/13. This was \$734,640 greater than was budgeted for.

- Subsidised Roothing – The Council spent a total of \$3.9 million on Capital Expenditure for Roothing during the year. These projects are partially funded by the New Zealand Transport Agency. The key projects for the year were: unsealed road metalling, sealed road resurfacing and area-wide pavement rehabilitation. In addition, the second stage of the sealing of Woodbank Road in Hanmer Springs was completed.
- In addition, a total of \$852,084 of Roothing Assets were vested in Council during the year, this is made up of \$230,553 in Pavement Surfacing, \$55,440 in Footpaths, \$108,572 in Swales, Kerb and Channelling, \$439,617 in Street Lights and \$17,902 in Land Under Roads.
- Footpath Construction – A total of \$460,840 was spent on Footpath works during the year. This was \$284,840 greater than the \$176,000 budget, however, the Amuri Community Committee, the Cheviot Ward Committee and the Hanmer Springs Community Board resolved to carry out a number of projects that have been deferred from previous years with budgets that had been carried forward.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Roothing was \$29,821 (\$Nil), which related to Stage 1 of Woodbank Road Sealing project.
- Repayments of \$9,053 have been recorded, resulting in the level of internal borrowing being at \$20,768 (2012: \$29,821) at year end. In 2012, an amount of \$29,821 was transferred to an Internal Loan.
- The interest charged for the year was \$1,707 (\$Nil).

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

A place with essential infrastructure

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste.

Goal	How we will achieve our goals	Performance measures	End of year results	Outcome
Maintain the district's roads to a standard appropriate to their use	Contract out road maintenance and monitor performance accordingly	<i>Hurunui roads will compare favourably with the national rural road averages using the measures shown below:</i>	<i>The Sealed Roads Condition Rating Report was released December 2012. Ref: www.smartmovez.org.nz/references/refs/data/road_network_trends_wizard. Overall our roads compared better than the national average as shown below:</i>	Met
		The smoothness of our roads	The smooth travel exposure for Hurunui's roads is 97% (2012=97%). The national average is 85.7%. A higher value is better which means that Hurunui is doing better than the national average for other rural roads. Smooth travel exposure is an index which takes into account both the roughness and average daily traffic measured each year.	Met
		The roughness of our roads	The percentage of 'rough' roads in the Hurunui is 4.6% (2012=4.2%). The national average is 9.1%. In this case, a lower value is better. Hurunui has far fewer rough roads than that national average.	Met
		The strength of our roads	The strength of roads is measured via a 'pavement integrity index'. Our sealed roads in the Hurunui measure 96.6% (2012=96.6). The national average is 93.7%. A higher value is better therefore our roads are rated better than the national rural road average.	Met
Ensure that all bridges are safe and well maintained	Contract out bridge maintenance and monitor performance accordingly	Replace priority bridge structures according to the bridge replacement programme	The first step of a 3 year programme was successfully completed during the year. A Bridging Replacement and Renewal Works (Programme 2012-2015) is in place. The next stage is to tender the work and for the actual contracts to commence in the 2013/2014 and 2014/2015 years. Approximate 27 bridges identified for renewal works. 2012/13 was purposely set aside for the investigation, scoping and preparation of the Contract Documents (done by Opus Ltd) to enable the contract for the completion of the physical works to be let in the first half of the 2013/14 year. This strategy was used during the 2009 - 2012 for the bridge maintenance programme then and significant cost benefits were realised. As per the plan, no bridges were replaced or had structural component replacement works done to them during the year.	Met

Group Activity - Roads and Footpaths

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,500,138	3,511,817	2,519,356
NZTA Subsidies	3,318,994	3,269,822	3,725,278
Other Income	122,830	147,502	129,553
Internal Interest Received	0	0	730,877
Vested Assets	852,084	152,662	203,726
Development Contributions	0	0	0
Total Operating Revenue	7,794,046	7,081,803	7,308,790
OPERATING EXPENDITURE			
Employment Costs	579	0	797
Other Direct Expenditure	3,125,406	2,835,517	3,232,041
Internal Interest Paid	1,707	2,162	0
Council Overheads	597,620	597,985	621,616
Depreciation	3,102,589	2,863,125	3,038,438
Total Operating Expenditure	6,827,900	6,298,789	6,892,892
Operating Surplus (Deficit)	\$966,146	\$783,014	\$415,898
CAPITAL EXPENDITURE			
Subsidised Roding	3,897,929	3,426,258	4,002,691
Special Purpose Roding	19,129	16,000	21,490
Unsubsidised Roding	0	25,000	0
Road Safety Programme	0	0	0
Amberley Ward Roadside Construction	39,881	33,000	0
Amuri Ward Roadside Construction	162,523	22,000	0
Cheviot Ward Roadside Construction	72,910	30,000	0
Glenmark Ward Roadside Construction	0	0	0
Hanmer Springs Ward Roadside Construction	185,526	75,000	0
Hurunui Ward Roadside Construction	0	16,000	0
Total Capital Expenditure	\$4,377,898	\$3,643,258	\$4,024,181

Stormwater and drainage

Stormwater and drainage covers one activity area:

1. Stormwater and drainage

Our aim

To prevent or minimise adverse effects of surface flooding and stormwater discharge.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$609,944 was recorded against a budgeted operating surplus of \$73,179. The key variances from budget have been:

- Vested Assets Income - The amount of assets vested in the Council from developers was \$706,995. No budget was allowed for.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded budget by \$73,518.
- Other Direct Expenditure – \$217,389 was spent on consultants and other authorities costs relating to the global stormwater consent process for Amberley. This amount was not budgeted for. In addition, a further \$53,931 was spent on consultants to determine a stormwater plan for Hanmer Springs. Again, this amount was not budgeted for.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$609,944 was \$560,926 greater than the operating surplus recorded for the 2011/12 year of \$49,018.

- Rates – for the 2012/13 year, Hanmer Springs set up a new targeted rate for addressing the stormwater needs in the township.
- Vested Assets Income - The amount of assets vested in the Council from developers was \$706,995, whereas the amount vested in the 2011/12 year was \$172,539.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded the amount received in the 2011/12 year by \$73,484.
- Other Direct Expenditure – the costs incurred on stormwater plans have exceeded the costs incurred

from the 2011/12 year, although \$148,300 was spent on consultants and other authorities costs for Amberley in the 2011/12 year and a further \$65,293 for Hanmer Springs.

Significant Capital Expenditure

Overall, \$745,189 was recognised as Capital Expenditure for the 2012/13. This was \$451,189 greater than was budgeted for.

- Vested Assets – The assessment of assets vested in Council for the 2012/13 year was \$706,995. This includes \$600,742 of assets vested for the Amberley Township and a further \$106,253 for Hanmer Springs.
- Amberley Stormwater – \$38,194 of expenditure was made on the Golf Link Road Portal at Amberley Beach. The full budget for the year was \$294,000 with funds to be carried forward into the 2013/2014 year to carry out physical works determined by the stormwater plan.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Stormwater was \$1,131,757 (2012: \$1,013,822).
- Overall operating deficits of \$93,414 (2012: \$14,826) and further capital expenditure of \$38,194 (2012: \$103,109) incurred has resulted resulting in the balance of the internal borrowings for Stormwater sitting at \$1,263,365 (2012: \$1,131,757) as at the end of the year – an overall increase of \$107,299.
- The amount of Internal Interest charged to the Stormwater for the year was \$99,407 (2012: \$97,042), with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$3,900 (2012: \$3,944).

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

A place with essential infrastructure

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Minimise the risk of flooding	Maintain all drainage systems in accordance with resource consent conditions	All major and significant non-compliance for our stormwater resource consents reduce until we have 0% non-compliance. (Aiming for no more than 2% non-compliance in 2012/13)	We have 30 resource consents relating to stormwater and these have 363 conditions to comply with. They are monitored by the Canterbury Regional Council (ECan). During the past year, we received 2 reports of minor non-compliance from ECan. Both have since been resolved. (2012 - 5 minor non-compliant consents)	Met

Group Activity - Stormwater

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	295,130	279,042	257,495
Other Income	0	0	(631)
Internal Interest Received	3,900	3,382	3,946
Vested Assets	706,995	0	172,539
Development Contributions	90,550	17,032	17,066
Total Operating Revenue	1,096,575	299,456	450,416
OPERATING EXPENDITURE			
Employment Costs	818	0	1,666
Other Direct Expenditure	297,632	58,500	246,813
Internal Interest Paid	99,407	109,175	97,042
Council Overheads	12,852	12,850	10,744
Depreciation	72,623	45,752	45,133
Loss on Disposal of Assets	3,298	0	0
Total Operating Expenditure	486,631	226,277	401,398
Operating Surplus (Deficit)	\$609,944	\$73,179	\$49,018
CAPITAL EXPENDITURE			
District Wide Stormwater	706,995	0	172,539
Amberley Beach Foreshore Protection	0	0	0
Amberley Stormwater	38,194	294,000	103,109
Jed River Clearance	0	0	0
Hanmer Springs Stormwater	0	0	0
Total Capital Expenditure	\$745,189	\$294,000	\$275,648

Community services and facilities

Community Services and Facilities cover three activity areas:

1. Community Services (library – youth programme – community development – grants and service awards)
2. Property (housing – public toilets – council offices – medical centres – halls – swimming pools – township maintenance)
3. Reserves (parks – reserves – cemeteries)

Our Aim:

To provide services that will support the community to lead healthy and fulfilled lives and meet and extend their recreational, cultural, educational development and information needs.

Achievement of levels of service

Each of the activities listed above have a range of performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating deficit of \$1,205,410 was recorded against a budgeted operating deficit of \$1,968,991. The key variances from budget have been:

- Other Income – the level of Other Income is up on budget due to the Insurance Proceeds of \$203,580 received from the damage to the Balcairn Council Chambers. In addition, Camp Fees received at the Amberley Beach Reserve were well ahead on budget for the year.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded budget. The total amount of Development Contributions received was \$750,758 as opposed to the budget of \$238,682.
- Employment Costs – The actual employment costs assigned to Community Services and Facilities was \$146,335 lower than was budgeted for. The key variance has been in Reserves, where less staff time has been allocated to projects than was anticipated when the budgets were prepared. Staff time has been allocated elsewhere in the organisation.
- Other Direct Expenditure – the increased cost of the Earthquake and Natural Disaster cover as part of the insurance premiums has resulted in actual cost for Community Facilities sitting at \$244,555, whereas the budget allowed for the year was only \$95,735.

- Depreciation – the amount of depreciation charged is \$101,700 greater than the level budgeted for. This is the result of the revaluation of various buildings, the depreciation on which had not been updated for the 2012/13 budget. Again, Council does not fund the cost of depreciation through rates.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating deficit of \$1,205,410 was \$393,897 greater than the operating deficit recorded for the 2011/12 year of \$1,599,307.

- Rates – the level of rates struck for Community Services and Facilities is \$94,431 lower than was received in the 2011/12 year. This is the result of restructuring the Activities as was required for the Long Term Plan and now the rates set aside for the footpath construction now forms part of the Roads and Footpaths Activity.
- Other Income – the level of Other Income is up from last year due to the Insurance Proceeds received from the damage to the Balcairn Council Chambers of \$203,580.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded the amount received in the 2011/12 year by \$544,372.
- Other Direct Expenditure – the increased cost of the Earthquake and Natural Disaster cover as part of the insurance premiums has resulted in actual costs for the year of \$244,555 exceeding the cost incurred in the 2011/12 year of \$112,615.

Significant Capital Expenditure

Overall, \$234,846 was recognised as Capital Expenditure for the 2012/13. This was \$205,800 less than was budgeted for.

- Library – the Council installed the new Kotui Library Management Software at a cost of \$56,680, which was funded from a budget carried forward from the prior year. In addition, spent a further \$62,120 of the \$65,000 budget on library books.
- Rental Property – the Council spent a further \$29,810 on double glazing the pensioner housing units that was funded through budgets carried forward from prior years. In addition, the Council spent \$120,000 to secure additional reserve land in Hanmer Springs.
- Public Toilets - \$14,945 was spent on installing an effluent dump station in Cheviot.

- Medical Centres – a small amount of landscaping work was carried out on the Rotherham Medical Centre.
- Halls - \$33,876 was spent on the Amberley Domain Pavilion on a new stage curtain and fronts doors with funds carried forward from previous years' budgets. A heat pump costing \$3,559 was installed at the Leithfield Beach Community Centre. The capital budgets for the Halls in Rotherham, Waiau and Hanmer Springs of a further \$21,000 was not used during the year, but have been carried forward into the 2013/14 year.
- Pools – none of the \$2,000 budget for Rotherham pool was used during the year.
- Township Maintenance – a total of \$88,500 was budgeted for Township Maintenance projects. Of those projects, on \$36,636 was spent primarily on exercise equipment for Hanmer Springs Township.
- Reserves – A total of \$260,146 was budgeted for capital projects for Reserves. At the end of the year only \$82,776 was spent, with remaining balances to be carried forward into the 2013/2014 year. Of the projects that were undertaken, only \$24,200 of the budgets \$71,646 was spent on the Queen Mary Hospital Buildings with further work to be undertaken when the Council has secured commercial tenants. Community involvement resulted in a total of \$30,101 being spent on the Amberley Beach Reserve. \$70,000 for a Hanmer Sign and \$40,000 for various Hanmer Reserve projects were deferred and the budget of \$45,000 to install a septic tank for the Gore Bay camp was not required.
- Operating surpluses recorded by the individual Community Services and Facilities totalling \$483,379 (2012: \$557,276) were used to offset the borrowings, with a further \$592,266 (2012: \$582,004) of capital expenditure incurred resulting in the balance of the internal borrowings for Community Services and Facilities sitting at \$3,113,136 (2012: \$3,005,837) as at the end of the year – an overall increase of \$107,299.
- The amount of Internal Interest charged to the Community Services and Facilities for the year was \$305,170 (2012: \$295,656) with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$46,004 (2012: \$48,079).

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

A place where our traditional rural values and heritage make Hurunui unique

- People have a range of opportunities to participate in leisure and culture activities
- Our historic and cultural heritage is protected for future generations.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Community Services and Facilities was \$3,005,837 (2012: \$2,981,109).

Group Activity - Community Services and Facilities

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,532,487	1,524,553	1,626,918
Other Income	1,216,194	756,270	984,716
Internal Interest Received	46,004	35,250	48,079
Development Contributions	750,758	238,682	206,386
Council Overheads (Income)	0	0	0
Total Operating Revenue	3,545,443	2,554,755	2,866,099
OPERATING EXPENDITURE			
Employment Costs	730,548	876,883	743,426
Other Direct Expenditure	2,217,646	1,953,905	1,998,170
Internal Interest Paid	305,170	297,186	295,656
Council Overheads	997,838	997,821	954,627
Depreciation	499,651	397,951	473,527
Total Operating Expenditure	4,750,854	4,523,746	4,465,406
Operating Surplus (Deficit)	(\$1,205,410)	(\$1,968,991)	(\$1,599,307)
CAPITAL EXPENDITURE			
Community Services	118,800	65,000	61,242
Property	241,377	115,500	650,151
Reserves	82,776	260,146	24,225
Total Capital Expenditure	\$442,953	\$440,646	\$735,618

Community services

Goal	How we will achieve our goals	Performance measures	End of year results	Outcome
Provide community services that are valued by people in the District	Run a youth programme that meets the needs of our local youth	Youth events attendances reach no less than the minimum desired	<p>32 events have been held for youth from 1 July 2012 to 30 June 2013 with attendances from as few as five up to more than 80 (depending on the event). In addition to these events are also youth clubs and Youth Council meetings.</p> <p>All events took place with at least the minimum numbers required. Of the 32 events held this year, there were 957 attendances from 366 individual participants. This equates to an average of 2.6 events per person, with the actual range spanning from 1-12 events attended. An additional 24 participants are involved in Youth Council or Youth Action Groups in governance/leadership roles. In addition to the events discussed above, motivational/educational speakers were organised for students and teachers and community.</p>	Met
	Run the Community Development Programme with specific outcomes	The projects short term outcomes will be achieved	<p>All of the agreed objectives were completed by June 2013 (which was also the final date of the programme's three year funding from DIA). There was an interruption to the programme part way through last year due to having to recruit another Community Development Advisor. Eight new community initiated or inspired projects were implemented in the first half of this financial year, while the second half of the year focussed on progressing or completing projects in preparedness for the programme's finishing as well as carrying out the earthquake impact survey. 65 stakeholder interviews were conducted (service, health or education organisations, government and NGOs) as well as surveys on line and by personal approach to customers at our libraries. Analysis of the extensive data produced a comprehensive report.</p>	Met

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Provide community services that are valued by people in the District	Reward and recognise outstanding contribution from people in the District	Awards and funds are disbursed according to the criteria annually	All funds and awards that the council has control over have been disbursed. The first for the year was the Secondary School Achievers awards which were recognised at a Council ceremony on 13 December 2012. All ten applicants were granted funding ranging from \$500 to \$2,000 each. The full grant of \$10,000 was allocated. On 27 June 2013, council held a ceremony for recipients of the Community Service Award, Hurunui Heritage Fund and the jointly funded Mainpower Hurunui Natural Environment Fund. Five people received a community services award (from Cheviot, and Amuri-Hurunui). Two applicants out of the 3 who applied received funds from the Hurunui Heritage Fund (\$1,500 and \$1,000 was granted). The total fund this year was \$3,000 and the \$500 unspent will be carried over toward the 2013/14 fund. There were 19 applications for the Mainpower Hurunui Environmental Award and of those, 8 received a grant ranging from \$500 to \$4,900. This year \$13,500 was made available as \$3,500 was carried over from last year. The full amount was paid out to the recipients.	Met

Activity - Community Services

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	788,234	784,686	1,454,228
Other Income	188,485	171,950	268,507
Internal Interest Received	2,703	282	8,047
Development Contributions	87,966	37,854	27,116
Total Operating Revenue	1,067,388	994,772	1,757,898
OPERATING EXPENDITURE			
Employment Costs	522,088	559,940	501,265
Other Direct Expenditure	450,349	340,680	424,355
Internal Interest Paid	141,741	139,671	125,349
Council Overheads	502,668	502,662	443,367
Depreciation	136,682	109,842	119,400
Total Operating Expenditure	1,753,528	1,652,795	1,613,735
Operating Surplus (Deficit)	(\$686,141)	(\$658,023)	\$144,163
CAPITAL EXPENDITURE			
Library	118,800	65,000	61,742
Community Programmes	0	0	0
Grants	0	0	0
Amenities	0	0	(500)
Total Capital Expenditure	\$118,800	\$65,000	\$61,242

Property

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
To maintain townships so they are neat and tidy	Investigate complaints about the standards of any Council owned facilities	All complaints are followed up within 48 hours	During the year, 129 service requests were received regarding township issues such as street cleaning, grass mowing, pensioner units and cemeteries etc. Of the 129 requests, 121 have been fully resolved, but most were not within the 48 hour target. The result is a little misleading as some of the delays were not because complaints were not followed up on, but the service requests were not cleared correctly. This area was not measured last year but more focus will be on properly using our customer service request system in future.	Not met

Activity - Property

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	487,325	489,938	172,690
Other Income	774,366	400,800	462,708
Development Contributions	72,803	60,911	35,439
Total Operating Revenue	1,334,493	951,649	670,837
OPERATING EXPENDITURE			
Employment Costs	136,671	143,127	144,592
Other Direct Expenditure	984,204	756,820	860,918
Internal Interest Paid	162,332	156,772	169,367
Council Overheads	114,236	114,233	151,859
Depreciation	293,536	222,270	287,058
Total Operating Expenditure	1,690,978	1,393,222	1,613,795
Operating Surplus (Deficit)	(\$356,486)	(\$441,573)	(\$942,958)
CAPITAL EXPENDITURE			
Rental Property	149,811	0	78,247
Public Toilets	14,945	0	5,590
Medical Centres	2,546	0	72,496
Halls	37,438	25,000	216,863
Pools	0	2,000	0
Township Maintenance	36,636	88,500	276,955
Total Capital Expenditure	\$241,377	\$115,500	\$650,151

Reserves

Goal	How we will achieve our goals	Performance measures	End of year results	Outcome
To provide parks and reserves for people to enjoy	Involve local communities in the planning and development of their reserves	Reserve and / or Ward Committees spend their annual budgets on projects identified for that year *	The district's ward and reserve committees provided input into the Reserve Management Plan before it was finalised because of their direct involvement with the council owned reserves. The Council distributed \$100,000 evenly between six rating areas (based on the previous 6 wards in the district), to spend on reserve maintenance and enhancement in accordance with the Reserve Management Plan. The Council has agreed to carry over unspent funds to enable the wards and reserve committees to 'save' up for larger projects on the reserves they are responsible for. In the 2012/13 year, these committees spent \$52,562 of that \$100,000 fund. Since implementing what is known as the 'reserves contestable fund' system in 2007, the Council has allocated a total of \$505,000 to the committees for their reserves. One committee, the Hurunui Community Committee, topped up their portion of the fund with a further \$8,000 from their amenities budget. Of the \$505,000, \$308,363 has been spent between the committees on various reserves projects.	Mostly met
	Manage the Queen Mary Historic Hospital Reserve in a manner consistent with its Management Plan	Lease the historic buildings on the reserve in accordance with the Plan or keep it in good condition, if no suitable proposals are found	Expressions of interest were invited from prospective lessees for the three historic buildings on the Queen Mary Historic Hospital Reserve. Council formed a sub-committee to interview the prospective lessees and is negotiating with parties interested in the Soldiers and Nurses blocks. The outcome from these negotiations will depend on the cost to alter the buildings to the requirements of the national earthquake standards. OPUS Consultants have been engaged to provide structural engineering advice on the two buildings concerned. As no viable proposals were put forward for Chisholm Block, that will continue to be "mothballed".	Met

* This performance measure focuses on Reserve and/or Ward Committees spending appropriately on projects each year. The intent is not so much that the budget is spent each year but, rather, that the projects to be completed in the year are done. This can mean deliberately saving one or more year's budget allocation to spend on a large future project.

Activity - Reserves

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	256,929	249,929	0
Other Income	253,343	183,520	253,501
Internal Interest Received	43,301	34,968	40,032
Development Contributions	589,989	139,917	143,830
Total Operating Revenue	1,143,563	608,334	437,364
OPERATING EXPENDITURE			
Employment Costs	71,789	173,816	97,569
Other Direct Expenditure	783,093	856,405	712,897
Internal Interest Paid	1,097	743	939
Council Overheads	380,934	380,926	359,402
Depreciation	69,434	65,839	67,069
Total Operating Expenditure	1,306,347	1,477,729	1,237,876
Operating Surplus (Deficit)	(\$162,784)	(\$869,395)	(\$800,513)
CAPITAL EXPENDITURE			
District Reserves	24,200	71,646	0
Cemeteries	2,750	5,000	8,035
Amberley Reserves	32,014	20,000	538
Amuri Reserves	15,708	8,500	8,482
Cheviot Reserves	0	0	0
Glenmark Reserves	7,083	0	4,127
Hanmer Springs Reserves	0	110,000	3,044
Hurunui Reserves	1,021	0	0
Self Funded Reserves	0	45,000	0
Trust Funds	0	0	0
Total Capital Expenditure	\$82,776	\$260,146	\$24,225

Environment and safety

Environment and Safety cover four activity areas:

1. Emergency services (civil defence – rural fire)
2. Resource management (administering the District Plan, resource consents, township planning, policy and by-law development)
3. Compliance and regulatory functions (building controls, public health and liquor licensing, animal control)
4. Waste minimisation (refuse, recycling, transfer stations, litter bin collection)

Our aim

To protect people, animals and the environment from natural disaster, disease and hazards.

Achievement of levels of service

Each of the activities listed above have a range of performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$43,448 was recorded against a budgeted operating deficit of \$24,830. The key variances from budget have been:

- Rates – The level of rates received for Refuse Collection was higher than budgeted for due to a higher than anticipated number of ratepayers being charged the rate.
- Other Income – there was an increase in development and buildings activity throughout the 2012/13 year which resulted in the income received from Resource Management and Building Control being significantly higher than what was budgeted for.
- Employment Costs – to ensure that Council could meet the required statutory timeframes for Resource and Building Consents, there was the requirement to increase the staff level for the year.
- Other Direct Expenditure – the Council also required the use of consultants to assist in the consenting process. In addition, the Council had spent \$90,150 in carrying out Earthquake Strength assessments of some of its buildings.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$43,448 was \$248,604 less than the operating surplus recorded for the 2011/12 year of \$292,052.

- Rates – the rates charged for the 2012/13 year were higher than the level struck for the previous year due to the additional costs budgeted to be incurred in relation to the District Plan Review and the review of the Earthquake Strength of the Council's buildings. In addition, there were more ratepayers paying the refuse collection rates than were identified in the previous year.
- Other Income – Resource Management and Building Control income were higher than was received in the 2011/12 year due to the increasing level of activity.
- Employment Costs – there was an increase from 2011/12 in the employment costs due to the higher staff numbers required in the building control department.
- Other Direct Expenditure – the use of consultants to assist the building control department, the additional Earthquake Strength Assessment work and projects relating to the District Plan Review has meant the costs have exceeded the amount incurred in the 2011/12 year.

Significant Capital Expenditure

Overall, \$1,193,412 was recognised as Capital Expenditure for the 2012/13. This was \$959,412 greater than was budgeted for.

- Civil Defence and Rural Fire – A total of \$148,699 was spent of the \$234,000 budget. A replacement vehicle for the Emergency Management Officer was purchased, with the existing vehicle being converted to a Smoke Chaser for Rural Fire. In addition, a new rural fire tanker was purchased for Hanmer Springs.
- Resource Management and Planning - \$31,686 was spent during the year on a replacement vehicle for the Subdivision Inspection Officer, funds for which were budgeted for in previous years.
- Compliance and Regulatory – The increase in building control staff necessitated the purchase of a vehicle that was not budgeted for.
- Waste Minimisation – although there was no specific budget set for Waste Minimisation for the year, the major projects of the relocation of the Amberley Transfer Station continued with funds carried over from prior years. For the 2012/13 year \$967,265 was spent, with the balance of the project expected to be completed before the end of the 2013 calendar year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Environment and Safety was \$13,242 (2012: \$113,724). The borrowings were in respect to the Targeted Rate Funded Rural Fire Control and Household Refuse Collection.
- Operating surpluses recorded by the individual Environment and Safety cost centres totalling \$103,946 (2012: \$100,482) were used to offset the borrowings incurred resulting in there being funds on hand for Environment and Safety of \$90,704 (2012: deficit of \$13,242) as at the end of the year – an overall decrease in internal borrowings of \$103,946.
- The amount of Internal Interest charged to the Environment and Safety cost centres for the year was \$1,910 (2012: \$6,857) with those cost centres that held funds (rather than being in debt) receiving an amount of internal interest totalling \$1,917 (2012: \$Nil).

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed.

A place that demonstrates environmental responsibility

- We protect our environment while preserving people's property rights
- We minimise solid waste to the fullest extent, and manage the rest in a sustainable way.

Group Activity - Environment and Safety

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,303,658	3,190,072	3,012,658
Other Income	1,652,268	1,290,300	1,507,002
Internal Interest Received	1,917	0	0
Development Contributions	0	0	0
Council Overheads (Income)	0	0	0
Total Operating Revenue	4,957,844	4,480,372	4,519,660
OPERATING EXPENDITURE			
Employment Costs	1,465,350	1,294,409	1,247,806
Other Direct Expenditure	2,611,067	2,378,330	2,169,544
Internal Interest Paid	1,910	8,088	6,857
Council Overheads	717,140	717,137	694,943
Depreciation	118,928	107,238	108,457
Total Operating Expenditure	4,914,395	4,505,202	4,227,607
Operating Surplus (Deficit)	\$43,448	(\$24,830)	\$292,052
CAPITAL EXPENDITURE			
Emergency Services	148,699	234,000	67,280
Resource Management & Planning	31,686	0	0
Compliance and Regulatory Functions	45,763	0	0
Waste Minimisation	967,265	0	247,325
Total Capital Expenditure	\$1,193,412	\$234,000	\$314,605

Emergency services

Goal	How we will achieve our goals	Performance measures	End of year results	Outcome
To be prepared for emergency situations which have adverse implications for the District	Ensure there are sufficient resources	Educate the public on how to prepare themselves for an emergency	<p>Public meetings were held at Amberley Beach and Leithfield Beach to organise tsunami siren tests and the placement of Tsunami Information boards. A year planner was delivered to all residential homes in the District to remind the public to be prepared and listing the Sector Post and Welfare Centre locations in the District. An Emergency Management stall was run at the Amberley, Cheviot and Hawarden A & P Shows, with several high visibility attractions to maximise exposure in late October.</p> <p>Rural Fire safety messages were placed on the radio and in Canterbury newspapers. Several popular camping sites were visited at the start of the holiday season to engage with campers and remind them of the dangers of fires and camping.</p> <p>A Strategic Tactical Fire Management Planning process is currently underway. Rate-payers were sent a letter inviting them to participate in a survey gathering information about fire hazards and other miscellaneous information. This will help identify areas where mitigation is required.</p>	Met
		Staff and volunteers are trained to deal with an emergency	<p>14 training sessions were delivered to Council staff. (Last year 12 sessions were delivered.) Amberley and Hanmer Sector Posts rejuvenated with fresh volunteer recruits and training monthly. A new CD Coordinator was appointed for the Culverden CD Sector and the Mt Lyford Sector and several training sessions delivered.</p> <p>6 volunteers attended a large Rural Fire exercise focussing on incident management, with the experiences and skills learnt transferable into a Civil Defence environment.</p> <p>A Hurunui Rural Fire team participated in the annual Canterbury Wajax Pump competition, achieving success in several categories.</p> <p>It is difficult to compare this year's results to last year's training as each year differs. Staff and volunteer turnover has an impact on what training is required and how often.</p>	Met

Activity - Emergency Services

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	432,925	430,134	423,385
Other Income	2,021	0	20,591
Internal Interest Received	170	0	0
Total Operating Revenue	435,116	430,134	443,976
OPERATING EXPENDITURE			
Employment Costs	100,984	105,720	117,310
Other Direct Expenditure	175,758	177,900	136,813
Internal Interest Paid	1,894	6,974	2,502
Council Overheads	99,764	99,764	97,165
Depreciation	66,359	56,978	56,357
Total Operating Expenditure	444,759	447,336	410,146
Operating Surplus (Deficit)	(\$9,644)	(\$17,202)	\$33,830
CAPITAL EXPENDITURE			
Civil Defence	52,977	50,000	6,845
Rural Fire	95,722	184,000	60,435
Total Capital Expenditure	\$148,699	\$234,000	\$67,280

Resource management

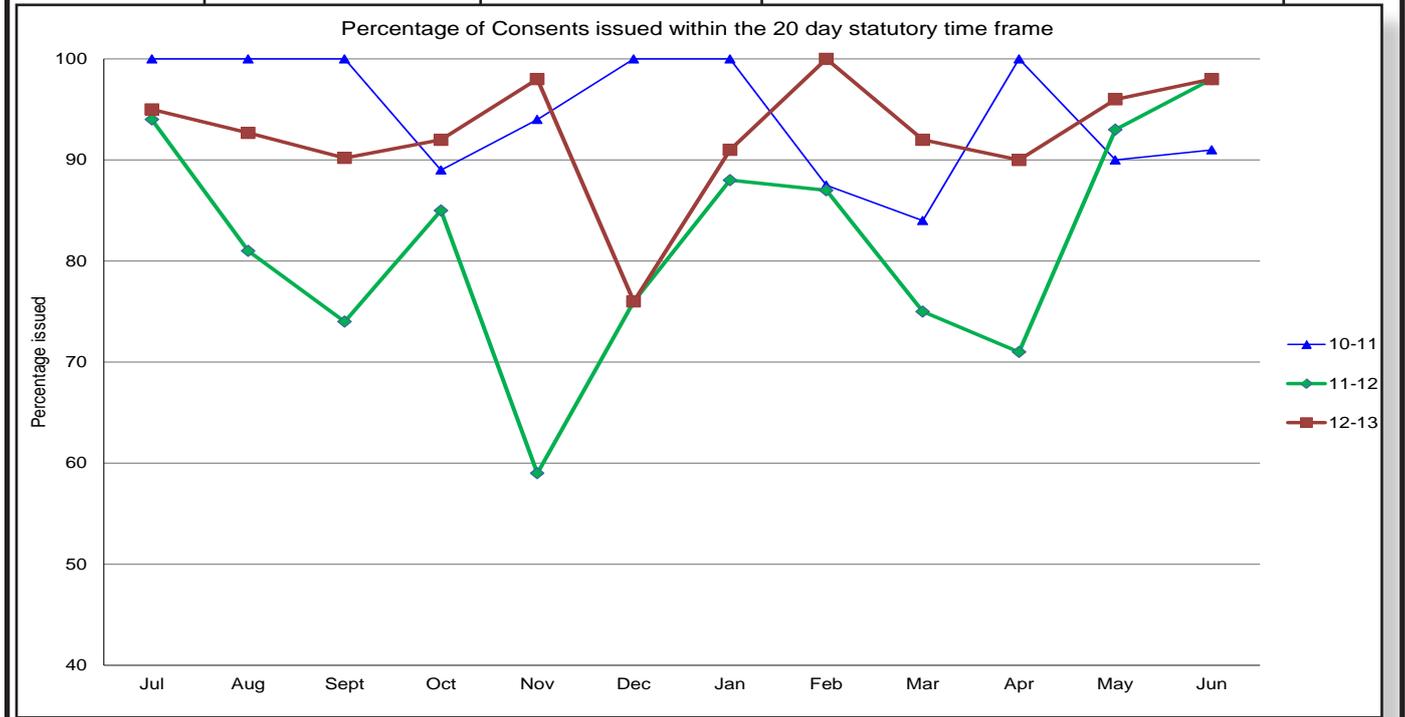
Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
To manage our natural resources as safely as possible and ensure they are protected for the future	Have good rules, standards and processes in place	95% of all resource consents will be processed within 20 working days	167 resource consents were processed within the statutory timeframe (163 in 2011/12). 11 of the 167 resource consents had the statutory timeframes extended as per Section 37 of the Resource Management Act 1991. This equates to 100% (99% in 2011/12) of all resource consents been processed within the statutory timeframe.	Met
	Protect the unique biodiversity values of the District	Work with land owners and communities to encourage restoring indigenous plants and animals	The review of the Biodiversity section of the District Plan commenced in April with letters sent to SNA owners. A second round of consultation is expected in August 2013. Several projects are underway throughout the district to restore and protect biodiversity values of the district. The new Biodiversity Advisor will be assisting with school and community driven initiatives.	Met

Activity - Resource Management & Planning

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
Operating Statement			
OPERATING REVENUE			
Rates	868,579	867,364	717,961
Other Income	493,705	408,000	475,679
Total Operating Revenue	1,362,284	1,275,364	1,193,640
OPERATING EXPENDITURE			
Employment Costs	650,939	679,798	571,288
Other Direct Expenditure	391,817	317,570	373,039
Council Overheads	266,498	266,496	255,938
Depreciation	9,416	11,500	14,467
Total Operating Expenditure	1,318,670	1,275,364	1,214,733
Operating Surplus (Deficit)	\$43,614	\$0	(\$21,093)
CAPITAL EXPENDITURE			
Resource Management	0	0	0
Subdivision Inspection	31,686	0	0
Total Capital Expenditure	\$31,686	\$0	\$0

Compliance and regulatory functions

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Buildings are safe for the public	Inspect buildings in accord with NZ Building Standards	80%* of building consents are processed within 20 working days <i>*Due to the demand for building officers in NZ, we expected it to be difficult to achieve processing 100% of all building consents within 20 working days, hence striking the 80% measure.</i>	521 building consents were processed during the year compared to 469 the previous year. 91% were processed under the statutory 20 working days (83% in 2011/12). 46 consents (9%) took longer than 20 days. The average time to process was 12 working days (compared to 13 days last year).	Met



Food and liquor premises are compliant with standards	Inspect food and liquor outlets to make sure they do not pose any risk to the public	100% of licensed food food and on licence liquor premises are inspected annually	100% of all licensed food premises and on licence liquor premises have been inspected this year (2012=100%). There are 149 licenced food premises (2012=153) in total and 52 on licenced liquor premises (2012=67).	Met
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Dogs and stock do not cause a nuisance	Investigate complaints about animals causing danger or nuisance	All serious dog complaints are followed up within 24 hours	All dog complaints are followed up by our dog contractor within 24 hours. There are 5,032 dogs registered in the district. The dog contractor attended to the following complaints during the year:	Met																		
<table border="1"> <thead> <tr> <th>Category</th> <th>2013</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>Aggressive behaviour</td> <td>43</td> <td>28</td> </tr> <tr> <td>Stock worrying</td> <td>17</td> <td>15</td> </tr> <tr> <td>Barking</td> <td>75</td> <td>66</td> </tr> <tr> <td>Lost/found/roaming</td> <td>256</td> <td>306</td> </tr> <tr> <td>Welfare concerns</td> <td>19</td> <td>34</td> </tr> </tbody> </table>				Category	2013	2012	Aggressive behaviour	43	28	Stock worrying	17	15	Barking	75	66	Lost/found/roaming	256	306	Welfare concerns	19	34	
Category	2013	2012																				
Aggressive behaviour	43	28																				
Stock worrying	17	15																				
Barking	75	66																				
Lost/found/roaming	256	306																				
Welfare concerns	19	34																				

Activity - Compliance & Regulatory Functions

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	265,804	266,135	194,367
Other Income	940,580	655,300	798,077
Total Operating Revenue	1,206,385	921,435	992,444
OPERATING EXPENDITURE			
Employment Costs	620,341	432,708	472,600
Other Direct Expenditure	419,452	261,050	245,511
Council Overheads	230,686	230,677	220,027
Depreciation	17,501	20,000	17,441
Total Operating Expenditure	1,287,980	944,435	955,579
Operating Surplus (Deficit)	(\$81,595)	(\$23,000)	\$36,865
CAPITAL EXPENDITURE			
Building Control	45,763	0	0
Public Health	0	0	0
Liquor Licensing	0	0	0
Animal Control	0	0	0
Total Capital Expenditure	\$45,763	\$0	\$0

Waste minimisation

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
To continue to work to reduce the quantities of residual waste from the district, disposed to landfill	Encourage the community to recycle and reduce their residual waste	Residual waste to landfill reduces each year	During the year 1,959 tonnes of waste was disposed of into the landfill compared with 1,894 tonnes for the 2011/12 year. This is an increase of 3.4% in total waste for the year, therefore the target to decrease waste to landfill was not met. It is suspected that the reason for this is due to a growing population, particularly in Amberley. This cannot be confirmed until the new census figures are released.	Not met
		Recycling levels increase each year	During the year, 1,421 tonnes of waste was recycled compared with 1,307.5 tonnes the previous year. This is an increase of nearly 9%. The growing population is suspected to have contributed toward this increase, along with on-going education, publicity and the implementation of new recycling facilities at the district's transfer stations.	Met

Activity - Waste Minimisation

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,736,349	1,626,439	1,676,945
Other Income	215,962	227,000	212,655
Internal Interest Received	1,748	0	0
Total Operating Revenue	1,954,059	1,853,439	1,889,600
OPERATING EXPENDITURE			
Employment Costs	93,086	76,183	86,608
Other Direct Expenditure	1,624,041	1,621,810	1,414,181
Internal Interest Paid	16	1,114	4,355
Council Overheads	120,192	120,200	121,814
Depreciation	25,652	18,760	20,192
Total Operating Expenditure	1,862,986	1,838,067	1,647,149
Operating Surplus (Deficit)	\$91,073	\$15,372	\$242,450
CAPITAL EXPENDITURE			
Transfer Stations	967,265	0	247,325
Litter Bin Collection	0	0	0
Household Refuse Collection	0	0	0
Total Capital Expenditure	\$967,265	\$0	\$247,325

District promotion

District promotion covers one activity area:

1. District promotion

Our aim

To retain businesses and support their growth and prosperity, to attract investment, new businesses, tourists and visitors, and promote the Hurunui District to improve the local economy and well-being of the local community.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating deficit of \$64,531 was recorded against a budgeted operating deficit of \$45,000. The key variances from budget have been:

- Other Income – various third party contributions were received during the year that was not budgeted for.
- Other Direct Expenditure – the third party contributions have been made for specific additional projects undertaken by the Hurunui Tourism Board. In addition, the Hurunui Tourism Board utilised unspent funds from prior years to carry out a range of other projects.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating deficit of \$64,531 was \$24,775 less than the operating deficit recorded for the 2011/12 year of \$39,756. The key variance from last year was:

- Other Direct Expenditure – the Hurunui Tourism Board utilised unspent funds from prior years to carry out a range of projects.

Significant Capital Expenditure

There is no significant capital expenditure in this activity.

Internal Borrowing

This activity does not hold internal borrowings.

Community outcomes to which this group of activities primarily contribute

A place with a thriving local economy

- We are seen as a good place to do business, to live and to visit

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
To increase our visitors and population	Promote the District through advertising and marketing and encourage people to come	Number of visitor numbers who stay overnight will not be less than the NZ average	The number of visitors who stayed overnight in the Hurunui during the year ending May 2013 was 335,487 (a reduction of -4.2% from the previous year). The total guest nights for all of New Zealand Increased by 0.8%. Comparable figures for previous years were: 2012 - 350,354 (+11.4%) 2011 - 314,533 (+7.9%) These statistics are available monthly about 2-3 months in arrears and May has been chosen each year to enable year on year comparisons. The Council promotes the district mainly through advertising features, pamphlets, at information centres, and its website.	Not met
		Develop a new district promotion activity model	The Council considered how to promote the District and delegated the Hurunui Tourism Board to do this alongside tourism promotion. \$30,000 has been identified for district promotion use from 1 July 2013 but the criteria for any expenditure has yet to be established. The Council has decided to let this discussion 'lay on the table' in the interim and may reconsider this in the 2013/14 year.	Not met

Group Activity - District Promotion

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	398,547	376,392	375,540
Other Income	80,062	5,000	76,946
Internal Interest Received	0	0	0
Development Contributions	0	0	0
Council Overheads (Income)	0	0	0
Total Operating Revenue	478,609	381,392	452,486
OPERATING EXPENDITURE			
Employment Costs	52,135	40,000	52,675
Other Direct Expenditure	481,038	375,500	420,543
Internal Interest Paid	0	0	0
Council Overheads	3,396	3,392	12,687
Depreciation	6,571	7,500	6,337
Total Operating Expenditure	543,140	426,392	492,242
Operating Surplus (Deficit)	(\$64,531)	(\$45,000)	(\$39,756)
CAPITAL EXPENDITURE			
Tourism	0	0	12,622
Economic Development	0	0	0
Total Capital Expenditure	\$0	\$0	\$12,622

Hanmer Springs Thermal Pools and Spa

Hanmer Springs Thermal Pools and Spa cover one activity area:

1. Hanmer Springs Thermal Pools and Spa (Pools, Spa, i-site, café)

Our aim

To be a nationally and internationally recognised quality visitor destination.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$1,028,055 was recorded against a budgeted operating surplus of \$1,031,923. The key variances from budget have been:

- Other Income – the Hanmer Springs Thermal Pools and Spa fell \$22,575 short of its revenue targets for the 2012/13 year. The key reasons have been due to a lower than anticipated level of patronage during the July 2012 school holiday and also the retail sales from the Visitor Information Centre has been lower than budget for the year.
- Employment Costs and Other Direct Expenditure – overall, Employment and Other Direct expenditure was \$19,371 higher than was budgeted for.
- Depreciation – The level of depreciation was lower than was budgeted for due to Capital work not progressing as anticipated.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$1,028,055 was \$103,232 less than the operating surplus recorded for the 2011/12 year of \$1,131,287. The key variance from last year was:

- Internal Interest – Under the Council's policy, the Council has extended its internal loan to the Hanmer Springs Thermal Pools and Spa to carry out the budgeted capital works. This has resulted in an increase to the amount charged as internal interest for the 2012/13 year. At the end of the year, the key capital works were not completed, but the funds will be carried forward into the 2013/2014 year.

Significant Capital Expenditure

Overall, \$206,600 was recognised as Capital Expenditure for the 2012/13 year. This was \$2,443,400 greater than was budgeted for.

- A further \$58,000 was spent on items relating to the Discharge Bore.
- The Council had budgeted \$2,000,000 towards the upgrade of the changing rooms and the renovation of the administration block. This project was deferred until a decision was made about the ability to utilise the Soldiers Block and the Queen Mary Hospital site for the administration area. The project will be carried forward into the 2013/14 year.
- A further \$300,000 was budgeted for the upgrade of the Sulphur Pools. This project was also deferred until the 2013/14 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$8,698,003 (2012: \$8,263,003).
- During the year, under Council's policy, a further amount of internal debt was applied of \$2,000,000 (2012: \$435,000) to carry out forecast capital work. This has resulted in the level of internal borrowings at the end of the year sitting at \$10,698,003 (2012: \$8,698,003).
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$936,075 (2012: \$761,076).

Community outcomes to which this group of activities primarily contribute

A place with a thriving local economy

- We are seen as a good place to do business, to live and to visit

A place where our traditional rural values and heritage make Hurunui unique

- People have a range of opportunities to participate in leisure and culture activities
- Our historic and cultural heritage is protected for future generations

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Manage and operate the thermal reserve complex to attract local, national and international visitors	Advertise, market and promote the complex	Customer numbers are maintained or increased according to the annual projections of 3% growth in customer numbers	Customer numbers were 2% less than last year. We had 519,083 customers which was a reduction of 12,169 on the previous year. We attribute this reduction to a change of strategy in our "Super Sale" pricing and estimate that this lost us 13,698 customers. We have revised this strategy for next year.	Not met
Manage the thermal reserve complex profitably	Operate the complex to an approved business plan	The thermal complex achieves an annual surplus in line with the annual budget	The end of year surplus was \$2,105,152 which was \$49,084 less than budgeted for. The key factors in this result are due to the Spa and i-SITE not achieving revenue targets for the year.	Not met
Maintain the complex so that it is in good condition for future generations	Protect the thermal water to ensure on-going supply	Bore water consumption levels are within the consent limits at no more than 47.5 litres per second	Bore water consumption for the last twelve months is 14.52 litres per second. This is a reduction of 11% when compared to last year.	Met

Group Activity - Hanmer Springs Thermal Pools & Spa

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
Operating Statement			
OPERATING REVENUE			
Other Income	9,549,758	9,572,333	9,596,886
Total Operating Revenue	9,549,758	9,572,333	9,596,886
OPERATING EXPENDITURE			
Employment Costs	3,568,773	3,651,055	3,641,052
Other Direct Expenditure	3,085,840	2,984,187	3,141,475
Internal Interest Paid	936,075	936,075	761,076
Council Overheads	132,290	132,290	127,778
Depreciation	798,725	836,803	794,219
Total Operating Expenditure	8,521,703	8,540,410	8,465,599
Operating Surplus (Deficit)	\$1,028,055	\$1,031,923	\$1,131,287
CAPITAL EXPENDITURE			
Hanmer Springs Thermal Pools & Spa	206,600	2,650,000	377,996
Total Capital Expenditure	\$206,600	\$2,650,000	\$377,996

Governance

Governance covers one activity area:

1. Governance

Our aim

To provide support and leadership to the Hurunui community and to ensure that the interests of residents and communities are advanced by the Council taking a role as 'advocate' on their behalf.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2012/13 Actual compared with 2012/13 Budget

Overall, an operating surplus of \$105,307 was recorded against a breakeven budget for the year. The key variances from budget have been:

- Other Direct Expenditure – the actual costs incurred for travelling expenses for the Councillors was lower than was budgeted for.

Financial Commentary – 2012/13 Actual compared with 2011/12 Actual

This year's operating surplus of \$105,307 was \$90,743 greater than the operating surplus recorded for the 2011/12 year of \$14,564. The key variances from last year were:

- Rates and Internal Interest Received – As part of the development of the Long Term Plan, a different funding structure was determined for Rates for the Governance Activity. The Council no longer allocates Internal Interest from the Treasury Account direct-

ly to Governance, but uses the surpluses from the Treasury Account to offset rates. Rates have also increased from last year due to a budgeted increase to the level of overhead applied to Governance.

- Other Direct Expenditure – in the 2011/12 year, audit fees costing \$67,000 for the Long Term Plan were incurred. As the Council did not require this for the 2013/2014 year, the overall expenditure is well down on the level incurred in the previous year.
- Council Overheads – as was allowed for in the Long Term Plan, the level of Council Overheads applied to Governance was \$58,636 higher than the previous year. This was due to a greater amount of the CEO's costs being allocated to directly serving the Council.

Significant Capital Expenditure

Overall, \$5,283 was recognised as Capital Expenditure for the 2012/13. There was no budget set; however, this was to provide Councillors with electronic devices to improve communication.

Internal Borrowing

This activity does not hold internal borrowings.

Community outcomes to which this group of activities primarily contribute

A desirable and safe place to live

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed

Goal	How we will achieve our goals	Performance measures	End of year results	Out-come
Represent the interests of the Hurunui District communities	Ensure our representation arrangements are fair and effective	The district's representation arrangements will be reviewed within the statutory deadlines	The Council has completed its representation review and decided to retain the current model. The review was unchallenged and therefore, there was no change to the existing representation arrangements. The council completed its review well within the statutory deadlines.	Met
	Encourage people to stand for local government	Nominations for each Ward at least equal the number of vacancies for each triennial election	<p>In the 2010 triennial local government election, there were sufficient candidates in each ward to meet the number of positions available. The same has taken place for the 2013 elections, with election day on 12 October. The number of candidates for each of the candidates 5 wards are as follows:</p> <ul style="list-style-type: none"> • Amberley – 3 candidates for 3 positions (no election required) • Amuri – Hurunui – 4 candidates for 3 positions • Cheviot – 1 candidate for 1 position (no election required) • Glenmark – 1 candidate for 1 position (no election required) • Hanmer Springs – 2 candidates for 1 position <p>The current Mayor is unopposed, therefore there will be no election for the mayoralty either. Council have tried to encourage people to stand through advertising.</p>	Met

Group Activity - Governance

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	986,039	990,808	804,741
Other Income	19,089	16,000	24,866
Internal Interest Received	0	0	73,088
Total Operating Revenue	1,005,128	1,006,808	902,696
OPERATING EXPENDITURE			
Employment Costs	417,147	446,554	388,578
Other Direct Expenditure	153,795	229,600	228,372
Council Overheads	324,654	324,654	266,018
Depreciation	4,225	6,000	5,164
Total Operating Expenditure	899,821	1,006,808	888,132
Operating Surplus (Deficit)	\$105,307	\$0	\$14,564
CAPITAL EXPENDITURE			
Council	5,283	0	0
Total Capital Expenditure	\$5,283	\$0	\$0

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Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Group			Council	
		Actual	Actual	Actual	Budget	Actual
		2013	2012	2013	2013	2012
		\$000's	\$000's	\$000's	\$000's	\$000's
Revenue						
Total rates revenue, excluding targeted water supply rates	3	13,578	12,600	13,578	13,185	12,600
Fees, charges, and targeted rates for water supply	3	1,125	721	1,125	444	721
Development Contributions	3	1,145	293	1,145	390	293
Investment income	3	137	93	137	0	93
Subsidies and grants	3	3,499	3,923	3,499	3,383	3,923
Hanmer Springs Thermal Pools & Spa	3	9,503	9,597	9,503	9,572	9,597
Vested Asset Income	3	2,429	583	2,429	219	583
Other Income	3	3,371	2,737	3,371	2,601	2,737
Gains/(Losses) on Forestry Revaluation	13	401	125	401	278	125
Gains/(Losses) on NZ Emissions Units	11	(54)	73	(54)	0	73
		35,134	30,745	35,134	30,072	30,745
Less Expenditure						
Employee Benefits	4	9,334	9,051	9,334	9,537	9,051
Direct Expenditure	5	15,510	14,780	15,510	13,989	14,780
Finance Expenses	5	320	1,110	320	969	1,110
Depreciation, Amortisation and Loss on Disposal	5	7,197	5,999	7,197	5,804	5,999
Total Operating Expenditure		32,361	30,940	32,361	30,299	30,940
Operating Surplus/(Deficit) before tax		2,773	(195)	2,773	(227)	(195)
Share of associates surplus/(deficit)	16	1	6	0	0	0
Net Surplus/(Deficit) before tax		2,774	(189)	2,773	(227)	(195)
Tax Expense	6	0	0	0	0	0
Net Surplus/(Deficit) after tax		2,774	(189)	2,773	(227)	(195)
Add Other Comprehensive Income						
Gains/(Losses) on Asset Revaluation	10	16,505	15,368	16,505	22,017	15,368
Gains/(Losses) in Fair Value of Shares		41	3	41	0	3
		16,546	15,371	16,546	22,017	15,371
Total Comprehensive Income		19,320	15,182	19,319	21,790	15,176

The accompanying notes form part of the financial statements

Statement of changes in equity

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Group			Council	
		Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Budget 2013 \$000's	Actual 2012 \$000's
Equity at Start of Year		334,217	319,500	334,004	319,904	319,293
Prior year adjustment	31	0	(465)	0	0	(465)
Equity at Start of Year (Adjusted)		334,217	319,035	334,004	319,904	318,828
Add Total Comprehensive Income for Year		19,320	15,182	19,319	21,789	15,176
Equity at End of Year	22	353,537	334,217	353,323	341,693	334,004

The accompanying notes form part of the financial statements



Statement of financial position

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

Notes	Group			Council		
	Actual	Actual	Actual	Budget	Actual	
	2013	2012	2013	2013	2012	
	\$000's	\$000's	\$000's	\$000's	\$000's	
Assets						
Current Assets						
Cash and cash equivalents	7	1,786	1,075	1,786	435	1,075
Trade and other receivables	8	2,290	2,051	2,290	1,822	2,051
Inventories		155	192	155	167	192
Non-current assets held for sale	9	305	305	305	385	305
Total current assets		4,536	3,623	4,536	2,809	3,623
Non-current assets						
Property, plant and equipment						
- Operational	10	41,238	41,123	41,238	43,769	41,123
- Restricted	10	35,941	35,153	35,941	36,644	35,153
- Infrastructure	10	287,160	268,905	287,160	279,401	268,905
Intangible assets	11	147	181	147	54	181
Forestry assets	13	2,738	2,337	2,738	2,489	2,337
Other financial assets	15	374	338	374	330	338
Investments in associates	16	214	213	0	0	0
Total non-current assets		367,812	348,250	367,598	362,687	348,037
Total assets		372,348	351,873	372,134	365,496	351,660
Liabilities						
Current liabilities						
Trade and other payables	18	3,539	2,888	3,539	4,952	2,888
Landfill aftercare provision	19	8	8	8	8	8
Employee benefits	20	1,054	998	1,054	0	998
Current portion of term debt	21	0	5,900	0	0	5,900
Current portion of derivative financial instruments	14	11	0	11	0	0
Income in advance		1,444	945	1,444	0	945
Total current liabilities		6,055	10,739	6,055	4,960	10,739
Non-current liabilities						
Term debt	21	12,350	6,100	12,350	18,500	6,100
Landfill aftercare provision	19	120	130	120	343	130
Employee benefits	20	36	39	36	0	39
Derivative financial instruments	14	250	648	250	0	648
Total non-current liabilities		12,757	6,917	12,757	18,843	6,917
Total liabilities		18,812	17,656	18,812	23,803	17,656
Net assets		353,537	334,217	353,323	341,693	334,004
Equity						
Asset revaluation reserve	22	195,532	179,027	195,532	185,768	179,027
AFS investments revaluation reserve	22	136	95	136	92	95
Special fund reserves	22	1,975	720	1,975	226	720
Rate reserve funds	22	(23,428)	(20,498)	(23,428)	(22,123)	(20,498)
Retained earnings	22	179,322	174,873	179,108	177,730	174,660
Total Equity		353,537	334,217	353,323	341,693	334,004

The accompanying notes form part of the financial statements

Statement of cash flows

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

Notes	Group			Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Budget 2013 \$000's	Actual 2012 \$000's
Cash flows from operating activities					
Revenue	32,180	29,698	32,180	29,433	29,698
Agency receipts	2,857	2,651	2,857	2,243	2,651
Interest received	54	28	54	0	28
Dividends received	83	71	83	72	71
Payments to suppliers and employees	(25,039)	(23,606)	(25,039)	(23,369)	(23,606)
Interest and other costs of finance paid	(720)	(557)	(720)	(969)	(557)
Agency payments	(2,084)	(2,651)	(2,084)	(2,243)	(2,651)
Net GST Movement	233	(148)	233	0	(148)
Net cash from operating activities	7,564	5,486	7,564	5,167	5,486
Cash flows from investing activities					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	246	88	246	0	88
Proceeds on sale of investments	5	0	5	0	0
Insurance recoveries	204	0	204	0	0
Payment for purchase of investments	0	(4)	0	0	(4)
Payment for plant, property & equipment	(7,658)	(6,932)	(7,658)	(10,545)	(6,932)
Net cash from investing activities	(7,203)	(6,848)	(7,203)	(10,545)	(6,848)
Cash flows from financing activities					
Proceeds from the issue of debt securities	5,900	598	5,900	5,098	598
Repayment of loans	(5,550)	0	(5,550)	0	0
Net cash from financing activities	350	598	350	5,098	598
Increase/(decrease) in cash & cash equivalents	711	(764)	711	(280)	(764)
Cash and cash equivalents as 1 July	1,075	1,839	1,075	715	1,839
Cash and cash equivalents as 30 June	1,786	1,075	1,786	435	1,075

The GST (net) component of operating activities reflect the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.



Notes to the financial statements

Note 1: Statement of Accounting Policies for the year ended 30 June 2013

Reporting Entity

Hurunui District Council is a territorial local authority as governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Hurunui District Council group consists of the ultimate parent Hurunui District Council (HDC) and its subsidiary Hurunui Holdings Limited (HHL) (100% owned), associate Enterprise North Canterbury (50% equity share) and Canterbury Economic Development Company Limited (10%) and Transwaste Canterbury Limited (1.2%). All HDC subsidiaries and associates are incorporated and domiciled in New Zealand.

The primary objective of HDC is to provide goods and services for the community or social benefit rather than making a financial return.

Accordingly, HDC has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The administrative seat of HDC is situated at Amberley. The financial statements of HDC are for the year ended 30 June 2013 and were authorised for issue by HDC on 17 April 2014.

Basis of Preparation

Statement of compliance

The financial statements for HDC have been 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").

The financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable financial reporting standards as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on the historical cost basis, modified by the revaluation of certain assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thou-

sand dollars (\$'000). The functional currency of the HDC is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities will be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. The

Council has not yet assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant Accounting Policies

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

HDC consolidates its subsidiaries in the group financial statements all entities where HDC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where HDC controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by HDC or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

HDC measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over HDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If HDC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investments in subsidiaries are valued as available for sale investments in HDC's own "parent entity" financial statements.

Associates

HDC accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which HDC has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise HDC's share of the surplus or deficit of the associate after the date of acquisition. HDC's share of the surplus or deficit of the associate is recognised in HDC's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment.

If HDC's share of an associate's deficit equals or exceeds its interest in the associate, HDC discontinues recognising its share of further deficits. After HDC's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that HDC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, HDC will resume recognising its share of those surpluses only after its share of surpluses equals the share of deficits not recognised. HDC's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the HDC and its associates is eliminated.

HDC's investments in associates are carried at cost in HDC's own "parent entity" financial statements.

Revenue

Revenue is measured at the fair value of consideration received.

Rates revenue

Rates are set annually by a resolution from HDC and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable. Rates collected on behalf of the Canterbury Regional Council (ECan) are not recognised in the financial statements as HDC is acting as an agent for ECan.

Water revenue

Water Billing is recognised on volumes delivered on accrual basis.

New Zealand Transport Authority subsidies

New Zealand Transport Authority roading subsidies are recognised as revenue upon entitlement which is when conditions pertaining to eligible expenditure have been fulfilled.

Contract revenue

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the balance sheet date based on the actual service provided as a percentage of total services to be provided.

User charges

Sales of goods are recognised when the significant risks and rewards of ownership of the assets have been transferred to the buyer which is usually when the goods are delivered and title has passed.

Interest revenue

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend revenue

Dividend income from investments is recognised as revenue, net of imputation credits, when the shareholders' rights to receive payment have been established.

Other revenue

Other revenue including assets vested in HDC, with or without restrictions, is recognised as revenue when control over the assets is obtained.

Development contributions

Development contributions are recognised as revenue when HDC provides, or is able to provide, the service for which the contribution was charged. Otherwise development contributions are recognised as liabilities until such time HDC provides, or is able to provide, the service.

Borrowing costs

All borrowing costs are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Income tax

Income tax in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the

corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases**Operational leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial Assets

The Group classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and financial assets at fair value through equity.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates the designation every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit and loss in which case transaction costs are recognised in the surplus or deficit.

Investments

Investments are recognised on a trade-date basis and are initially measured at fair value, including transaction costs. At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in the surplus or deficit for the period.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the surplus or deficit for the period.

Impairment of investments

An impairment loss is recognised in the surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate hedges) to hedge the risks associated with interest rate movements. The use of financial derivatives is governed by the Group's policies approved by Council which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Such derivatives are initially recorded at fair value on contract date and are adjusted to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the surplus or deficit as they arise.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs or non-current assets held for sale are recognised in the surplus or deficit. Any increase in fair value (less costs to sell) is recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, plant & equipment

Property, plant and equipment consists of:

- Operational assets — These include land, buildings, landfill post closure, library books, plant and equipment, and motor vehicles.
- Restricted assets — Restricted assets are parks and reserves owned by HDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets — Infrastructure assets are the fixed utility systems owned by HDC. Each asset class includes all items that are required for the network.

Property, Plant and Equipment are at stated values less accumulated depreciation and impairment losses.

Fixtures and Fittings, Motor Vehicles, Plant and Equipment, and Library Books are stated at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost can be measured reliably.

Revaluation

An assets fair value at the date of revaluation is equal to the revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at balance date and this is generally every three years.

Revaluation increments and decrements are credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value is recognised in the surplus or deficit. Any increase will be recognised up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Operational Land and Buildings

Land and Buildings were valued by Darroch Limited (Registered Valuers) as at 30 June 2011. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2011. They are stated at valuation less accumulated depreciation and accumulated impairment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to HDC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Restricted Assets

Certain infrastructure assets and land have been vested in HDC as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation. Vested infrastructure assets have been valued based on the estimated quantities of infrastructure components vested and the current "in the ground" cost of providing identical services.

Infrastructural asset classes; roads, water reticulation, sewerage reticulation and stormwater systems

Infrastructural assets are recorded at valuation established using depreciated replacement cost, plus additions at cost less accumulated depreciation and accumulated impairment losses. The revaluation of infrastructural assets is carried out on a three yearly cycle.

The roading valuation includes land under the roading network. The valuation of this land is based on the average rateable value of land in the associated ward as determined by QV Valuations (Registered Valuers) as at 30 June 2005. Under NZ IFRS HDC has elected to use the fair value of the land under roads as at 30 June 2005 at deemed cost. Land under roads is no longer revalued.

Roading assets have been valued at depreciated replacement cost as at 30 June 2013. The valuation was performed internally by HDC's Roothing Engineer – Asset Management, J Whyte and peer reviewed by George Jason Smith, BE(NSW), MIPENZ(Civil), CPEng, Principal Asset Management Consultants for AECOM New Zealand Limited. Additions and disposals after the date of valuation will be recorded at cost.

Water, Sewerage, Stormwater and Drainage Assets have been valued at depreciated replacement cost as at 30 June 2012. The valuation was performed internally by HDC's Technical Officer - Utilities, D Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. Additions and disposals since the date of valuation have been recorded at cost.

Certain infrastructural assets have been vested in HDC as part of the subdivision consent process. Vested infrastructure assets have been valued based on the estimated quantities of the components vested in HDC and the current "in the ground" cost of providing identical services.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment and intangible assets other than land and heritage assets, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation on revalued assets is charged to the surplus or deficit. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the surplus or deficit.

The useful lives and associated depreciation rates of major classes of assets have been estimated as shown in the table on page page 62.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that

are directly associated with the development of software for internal use by the Group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of the relevant overheads.

Carbon Credits

Carbon Credits acquired by way of a government grant are initially recognised at the date of entitlement at fair value. Subsequent to initial recognition, carbon credits are measured at the original fair value less any accumulated impairment losses.

Carbon credits have an indefinite useful life and are tested for impairment annually or when an indication of impairment exists. The useful life of carbon credits with an indefinite life is reviewed each reporting period to determine whether the indefinite life assessment continues to be supportable.

Amortisation

The carrying value of intangible assets with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the assets is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	3 – 4 years	25 – 33%
Aerial Photos	10 years	10%

Forestry assets

Forestry and other biological assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the statement of comprehensive income. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to transport the assets to market.

The fair value of standing timber older than 10 years, being the age at which it becomes marketable, is based on the market price of the estimated recoverable wood volumes, net of harvesting costs. The fair value of younger standing timber is based on the present value of the net cash flows expected to be generated by the plantation at maturity. The present values are calculated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Forests are valued annually by Laurie Forestry Ltd. Any increase or decrease in the valuation is reflected in the surplus or deficit.

Impairment of property, plant, and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Council or group would, if deprived of the asset, replace its remaining service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

Borrowings

Borrowings are initially measured at fair value of net transaction costs and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless HDC or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee Entitlements

Provision is made in respect of the Group's liability for retiring gratuity allowances, annual and long service leave, and sick leave.

Short-term benefits - Employee benefits that HDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

HDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that HDC anticipates it will be used by staff to cover those future absences.

HDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long service leave and retiring gratuity - The retiring gratuity and long service leave liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event (either legal or constructive), and it is probable that the Group will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date, and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

As operator of the Waikari Landfill, HDC has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recog-

nised as a liability when the obligation for post-closure costs arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements, and known improvements in technology, where there is sufficient evidence that these events will occur. The provision includes all other costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Goods and Services Tax

These financial statements have been prepared exclusive of GST, except for receivables and payables, which are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

Budget Figures

The budget figures are those approved by HDC at the beginning of the year after a period of consultation with the public as part of the Long Term Plan (LTP) or Annual Plan process. The budget figures have been prepared in accordance NZ GAAP and are consistent with the accounting policies adopted by HDC for the preparation of the financial statements.

Cost Allocation

HDC has derived the net cost of service for each significant activity of HDC using a system of cost allocation.

Direct Costs are charged directly to significant activities.

Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

'Direct' costs are those costs directly attributable to a significant activity.

'Indirect costs' are those costs, which cannot be identified in an economically feasible manner with a specific significant activity.

The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and the like.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying the accounting policies for the period ended 30 June 2013. Judgments have been made over useful lives of property, plant and equipment and intangible assets, landfill aftercare provision, probability of reaching vesting date for long service liability, sick leave provisions, valuations of infrastructural assets and the long term effects on HDC's assets as a result of the Canterbury earthquakes. Therefore, actual results may differ from these estimates.

The judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or the period of the revision and future periods if the revision affects both current and future periods.

Useful lives and depreciation rates	Useful Life	Depreciation Rate
Buildings - wooden (excluding properties intended for sale)	50 years	2%
Buildings - concrete (excluding properties intended for sale)	100 years	1%
Furniture and fittings: administration	5 years	20%
Furniture and fittings: pensioner flats	10 years	10%
Library books	3-8 years	12.5% - 33.33%
Computer hardware	3-4 years	25% - 33.33%
Motor vehicles	5 years	20%
Thermal pools - plant	5 years	20%
Thermal pools – development expenditure	20 – 100 years	1% - 5%
Plant and machinery (excluding HDC’s infrastructural assets)	10 years	10%
Small plant and machines	3 - 10 years	10 - 33.33%
Car parks	20 – 25 years	4 – 5%
Landscaping	10 – 50 years	2 – 10%
Roads, Streets and Bridges		
- Land under roads	Not depreciated	0%
- Pavement formation	Not depreciated	0%
- Pavement layers (sealed)	100 years	1%
- Pavement layers (unsealed)	Not depreciated	0%
- Pavement surface (sealed)	Average 16 years	6.25%
- Pavement surface (unsealed)	12 years	8.33%
- Culverts	25 – 50 years	2 – 4%
- Kerb and channel	50 – 80 years	1.25 – 2%
- Footpaths	20 – 75 years	1.33 – 5%
- Bridges – timber	70 years	1.43%
- Bridges – concrete and other	100 years	1%
- Retaining walls	50 years	2%
- Traffic signs	12 years	8.33%
- Street lighting	15 – 25 years	4 – 6.67%
Sewerage		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.5%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
Water		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	50 – 80 years	1.25 – 2%
- Reservoir and tanks	80 years	1.25%
- Pumps and controls	10 – 25 years	4 – 10%
- Pump stations/intakes	20 – 60 years	1.67 – 5%
- Treatment plant	10 – 80 years	1.25 – 10%
Drainage		
- Points	80 years	1.25%
- Lines	50 - 80 years	1.25 – 2%

Note 2: Summary of cost of services

		Council		
		Actual 2013 \$000's	Budget 2013 \$000's	Actual 2012 \$000's
Page	Activities Revenue			
18	Water Supplies	5,601	4,578	4,332
21	Sewerage	1,432	691	815
24	Roads and Footpaths	7,794	7,082	7,309
26	Stormwater and Drainage	1,097	299	450
29	Community Services and Facilities	3,545	2,555	2,866
36	Environment and Safety	4,958	4,480	4,520
44	District Promotion	479	381	452
46	Hanmer Springs Thermal Pools and Spa	9,550	9,572	9,597
48	Governance	1,005	1,007	903
	Corporate Services	6,215	6,038	6,602
	Total activity income	41,676	36,683	37,846
	Less internal income	6,889	6,889	7,298
	Total Activities Revenue	34,787	29,794	30,548
	Gains/(Losses) on Forestry Revaluation	401	278	125
	Gains/(Losses) on NZ Emissions Units	(54)	0	73
	Total Revenue	35,134	30,072	30,746
Page	Less Activities Expenditure			
18	Water Supplies	5,505	4,548	4,210
21	Sewerage	1,302	1,085	1,209
24	Roads and Footpaths	6,828	6,299	6,893
26	Stormwater and Drainage	487	226	401
29	Community Services and Facilities	4,751	4,524	4,465
36	Environment and Safety	4,914	4,505	4,228
44	District Promotion	543	426	492
46	Hanmer Springs Thermal Pools and Spa	8,522	8,540	8,466
48	Governance	900	1,007	888
	Corporate Services	5,498	6,028	6,985
	Total activity expenditure	39,250	37,188	38,238
	Less internal expenditure	6,889	6,889	7,298
	Total Expenditure	32,360	30,299	30,940
	Net Surplus/(Deficit) before tax	2,774	(227)	(195)
	Tax Expense	0	0	0
	Net Surplus/(Deficit) after tax	2,774	(227)	(195)
	Add Other Comprehensive Income (not recognised in Activities Revenue or Expenditure)			
	Gains/(Losses) on Asset Revaluation	16,505	22,017	15,368
	Gains/(Losses) in Fair Value of Shares	41	0	3
	Total Comprehensive Income	19,320	21,790	15,176

Note 3: Revenue

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Rates revenue				
District wide rates	5,611	5,254	5,611	5,254
Rate penalties	86	70	86	70
Targeted rates				
- Refuse	855	811	855	811
- Stormwater/Drainage	295	257	295	257
- Road Sealing	5	0	5	0
- Rural Fire	277	265	277	265
- Tourism	308	287	308	287
- Pool Inspections	33	26	33	26
- Medical Centres	185	168	185	168
- Amberley Library Rate	40	39	40	39
- Amenities	1,334	1,304	1,334	1,304
- Sewerage	633	569	633	569
- Water (excluding water supply rates)	3,915	3,550	3,915	3,550
Total rates revenue, excluding targeted water supply rates	13,578	12,600	13,578	12,600
Targeted water supply rates	362	345	362	345
Total annual rates income	13,940	12,945	13,940	12,945
Other revenue				
Gains/(Losses) in Forestry Valuation	401	125	401	125
Gains/(Losses) on NZ Emissions Units	(54)	73	(54)	73
Gains/(Losses) on Sale of Assets	26	32	26	32
Fees and charges for water supplies	763	376	763	376
Vested Asset Income	2,429	583	2,429	583
Interest	54	22	54	22
Dividends	83	71	83	71
Donations	14	101	14	101
Subsidies revenue	3,499	3,923	3,499	3,923
Petrol Tax	116	123	116	123
Hanmer Springs Thermal Pools & Spa Receipts	9,503	9,597	9,503	9,597
Insurance Proceeds	381	87	381	87
User Charges	880	591	880	591
Rental	520	530	520	530
Regulatory revenue	1,434	1,273	1,434	1,273
Development contributions	1,145	293	1,145	293
	21,194	17,800	21,194	17,800
Total revenue	35,134	30,745	35,134	30,745

Rate Remissions

Rates revenue is shown gross of any rate remission, which are recorded as an expense. The Council's rates remission policy allows the Council to remit rates on condition of a ratepayers' extreme financial hardship, land used for sport, and land protected for historical or cultural purposes. During the 2012/2013 financial year, the Council provided remissions totalling \$16,670 (2012: \$16,356).

Non-rateable land

Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, water and refuse collection. Non-rateable land does not constitute a remission under the Council's rate remission policy.

Government grants and subsidies

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised. In 2010, the Council was provided a grant of \$1.5 million from the Ministry of Culture and Heritage towards urgent maintenance and earthquake strengthening of the Nurses Block, which was one of the key buildings vested to Council from the former Queen Mary Hospital site. Council has undertaken part of this work, with the earthquake strengthening still to be carried out. There were no fixed timeframes around the earthquakes strengthening work but the Council has budgeted for it to be carried out in 2016. As part of the vesting process, the Council has committed setting aside \$3.4 million for the conservation, development and maintenance of the Soldiers' Block and Chisholm Ward and surrounding land area. The expenditure is at the discretion of the Council and subject to the Long Term Planning process.

Note 4: Employee benefit expense

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Salary and wages	9,112	8,756	9,112	8,756
Employer contribution to super	169	139	169	139
Increase/(decrease) in employee benefit liabilities (Note 19)	53	156	53	156
Total employee benefit expenses	9,334	9,051	9,334	9,051

Note 5: Other expenses

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Fees paid to principal auditor				
- audit fees for financial statement audit	101	98	101	98
- audit fees for Long Term Plan	0	67	0	67
- audit fees for additional work	12	22	12	22
- disbursements charged	2	3	2	3
Finance costs				
- interest expense on bank borrowings	707	584	707	584
- fair value movement of derivatives	(387)	526	(387)	526
Movements in doubtful debts	(0)	55	(0)	55
Depreciation of non-current assets	6,730	5,945	6,730	5,945
Amortisation of non-current assets	62	54	62	54
Loss on disposal of assets	405	95	405	95
Expenses from other activities	15,395	14,440	15,395	14,440
Total other expenses	23,027	21,889	23,027	21,889

Audit New Zealand has been appointed as the audit service provider on behalf of the Auditor-General for the Council and Group.

Note 6: Tax

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Components of tax expense				
Current tax expense	0	0	0	0
Adjustment to current tax in prior years	0	0	0	0
Deferred tax expense	0	0	0	0
	0	0	0	0
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	2,774	(189)	2,773	(195)
Tax at 28% (2012: 28%)	777	0	776	0
Non-taxable income	(777)	0	(776)	0
	0	0	0	0
Imputation credit account				
Credits available for future use	295	295	0	0
	295	295	0	0

Note 7: Cash and cash equivalents

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Cash at bank or in hand	1,786	1,075	1,786	1,075
	1,786	1,075	1,786	1,075

Cash at bank has original maturity of less than three months.

Note 8: Trade and other receivables

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Trade and other receivables	2,190	1,744	2,190	1,744
Goods and services tax (GST) receivable	160	367	160	367
Provision for impairment	(60)	(60)	(60)	(60)
	2,290	2,051	2,290	2,051

The average credit period on sale of goods and services is 30 days as services are paid for at the start of the process. An allowance has been made for estimated irrecoverable amounts from the sale of services, determined by reference to past default experience. There was no movement in the allowance for the current or previous financial year.

Rates are paid in quarterly instalments and 10% penalty is added on any rates unpaid at the end of the quarter. A further additional 10% is added to all rates and additional charges from the previous year remaining unpaid at 1 July. A further additional charge of 10% is added to all rates and additional charges remaining unpaid at 1 January.

The status of receivables as at 30 June 2013 and 2012 are detailed below:

	2013			2012		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	1,801	0	1,801	1,648	0	1,648
Past due 1-60 days	236	0	236	232	0	232
Past due 61-120 days	13	0	13	16	0	16
Past due >120 days	300	(60)	240	215	(60)	155
Total	2,350	(60)	2,290	2,111	(60)	2,051
Group						
Not past due	1,801	0	1,801	1,648	0	1,648
Past due 1-60 days	236	0	236	232	0	232
Past due 61-120 days	13	0	13	16	0	16
Past due >120 days	300	(60)	240	215	(60)	155
Total	2,350	(60)	2,290	2,111	(60)	2,051

Note 9: Non-current assets held for sale

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Land classified as held for sale	305	305	305	305
	305	305	305	305

The Council intends to dispose of parcels of land it no longer needs for its operations. Negotiations are being pursued with potential buyers.

Note 10: Property, plant and equipment

Freehold Land, Buildings and Pools Carried at Fair Value

An independent valuation of the consolidated entity's land, buildings and pools was performed by Darroch Limited, registered independent valuers not related to the consolidated entity, to determine the fair value of land, buildings and pools at 30 June 2011. The valuation, which conforms to New Zealand Property Institute Practice Standard 3 - Valuations for Financial Reporting Purposes, was determined by using standard and recognised valuation methods depending upon the type of property. Under the New Zealand Property Institute Practice Standard 1, which came into force from 1 May, 2004, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date.

Land under road

The valuation of this land is based on the average rateable value of land in the associated ward as determined by QV Valuations (Registered Valuers) as at 30 June 2005. Under NZ IFRS HDC has elected to use the fair value of the land under roads as at 30 June 2005 as deemed cost. Land under roads is no longer revalued.

Roading assets

Roading assets have been valued at depreciated replacement costs as at 30 June 2013. The valuation was performed internally by the Council's Roothing Engineer - Asset Management, John Whyte, and peer reviewed by George JasonSmith, BE(NSW), MIPENZ(Civil), CPEng, Principal Asset Management Consultant for AECOM New Zealand Limited.

Water and sewer assets

Water and sewer assets have been valued at depreciated replacement cost as at 30 June 2012. The valuation was performed internally by the Council's Technical Officer for Utilities, David Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited.

Drainage and stormwater assets

Drainage and stormwater assets have been valued at depreciated replacement cost as at 30 June 2012. The valuation was performed internally by the Council's Technical Officer for Utilities, David Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited.

Work in Progress

The total amount of property, plant and equipment in the course of construction as at 30 June 2013 was as follows:

	2013	2012
Water Infrastructure	1,214,738	0
Sewer Infrastructure	295,116	268,000
Stormwater Infrastructure	113,194	75,000
Roothing Infrastructure	73,250	156,000
Council Buildings - Operational	84,183	17,000
Council Buildings - Restricted	24,199	0
	<u>\$1,804,680</u>	<u>\$516,000</u>

These items classified as Work In Progress have been recorded as additions in the following schedule.

Impairment

Roothing Network

In July and August 2012, the District experienced significant rain events which resulted in some damage to the Council's rooting network. Emergency reinstatement work was carried out to bring the roads to the same condition as they were prior to the damage.

Council Owned Buildings

An assessment has been carried out on some of the Council owned buildings to determine the estimated cost of meeting the required building standards for Earthquake Strength. The cost to bring the buildings to the strength that they were valued at has not been accurately assessed and the result has been classified as a Contingent Liability.

Restrictions on plant, property and equipment

The Council agreed as part of the vesting agreement for the former Queen Mary Hospital site in Hanmer Springs, that it accepts responsibility for and maintain the integrity of the heritage site. The Council is committed to carrying out earthquake strengthening work on the Nurse's Hostel and conserve, develop and maintain the Soldiers' Block and Chisholm Ward and the surrounding area. It is also committed to ensure the history of Hanmer Springs will be promoted to the community and visitors through heritage interpretation of the Queen Mary Hospital Heritage Site.

	Cost/ Revaluation 1 July	Accumulated Depreciation 1 July	Carrying Amount 1 July	Current Year Additions	Current Year Disposals
Operational Assets					
Freehold Land	8,187	0	8,187	230	0
Council Buildings	9,617	0	9,617	204	0
Council Plant & Equipment	5,292	3,091	2,201	456	(206)
Library Books	1,078	868	210	62	0
Thermal Reserve Buildings & Pools	13,367	0	13,367	49	0
Thermal Reserve Plant & Equipment	12,447	4,729	7,718	329	0
2012 Total	49,988	8,688	41,300	1,330	(206)
Freehold Land	8,417	0	8,417	300	(208)
Council Buildings	9,821	159	9,662	686	0
Council Plant & Equipment	5,542	3,377	2,165	618	(144)
Library Books	1,140	930	210	62	0
Thermal Reserve Buildings & Pools	13,416	268	13,148	0	0
Thermal Reserve Plant & Equipment	12,776	5,255	7,521	208	0
2013 Total	51,112	9,989	41,123	1,874	(352)
Restricted Assets					
Freehold Land	22,330	0	22,330	8	0
Council Buildings	12,806	0	12,806	224	0
2012 Total	35,136	0	35,136	232	0
Freehold Land	22,338	6	22,332	123	0
Council Buildings	13,030	209	12,821	45	0
2013 Total	35,368	215	35,153	168	0
Infrastructural Assets					
Freehold Land	2,303	0	2,303	0	0
Roading Land	11,724	0	11,724	6	0
Water	29,454	1,664	27,790	669	0
Sewerage	16,033	626	15,407	510	(93)
Roading	194,521	2,966	191,555	4,283	0
Drainage	3,355	0	3,355	276	0
2012 Total	257,390	5,256	252,134	5,744	(93)
Freehold Land	2,303	0	2,303	0	0
Roading Land	11,730	0	11,730	376	0
Water	42,675	0	42,675	2,077	(387)
Sewerage	16,618	0	16,618	778	(14)
Roading	198,804	6,004	192,800	4,002	0
Drainage	2,779	0	2,779	746	(3)
2013 Total	274,909	6,004	268,905	7,979	(404)
Total 2012	342,514	13,944	328,570	7,306	(299)
Total 2013	361,389	16,208	345,181	10,021	(756)

Note: the balance of plant, property and equipment for the Council and Group are the same, therefore only one schedule has been disclosed.

Revaluation Surplus	Reclassification	Impairment	Current Year Depreciation	Accumulated Depreciation on Assets Sold or Reclassified	Cost/ Revaluation 30 June	Accumulated Depreciation and Impairment 30 June	Carrying Amount 30 June
0	0	0	0	0	8,417	0	8,417
0	0	0	159	0	9,821	159	9,662
0	0	0	467	(181)	5,542	3,377	2,165
0	0	0	62	0	1,140	930	210
0	0	0	268	0	13,416	268	13,148
0	0	0	526	0	12,776	5,255	7,521
0	0	0	1,482	(181)	51,112	9,989	41,123
0	0	0	0	0	8,509	0	8,509
0	0	0	165	0	10,507	324	10,183
0	0	0	501	(118)	6,016	3,760	2,256
0	0	0	62	0	1,202	992	210
0	0	0	267	0	13,416	535	12,881
0	0	0	530	0	12,984	5,785	7,199
0	0	0	1,525	(118)	52,634	11,396	41,238
0	0	0	6	0	22,338	6	22,332
0	0	0	209	0	13,030	209	12,821
0	0	0	215	0	35,368	215	35,153
0	837	0	6	0	23,298	12	23,286
0	0	0	211	0	13,075	420	12,655
0	837	0	217	0	36,373	432	35,941
0	0	0	0	0	2,303	0	2,303
0	0	0	0	0	11,730	0	11,730
15,062	0	0	846	0	42,675	0	42,675
1,113	0	0	319	0	16,618	0	16,618
0	0	0	3,038	0	198,804	6,004	192,800
(807)	0	0	45	0	2,779	0	2,779
15,368	0	0	4,248	0	274,909	6,004	268,905
0	0	0	0	0	2,303	0	2,303
0	0	0	0	0	12,106	0	12,106
0	0	0	1,376	0	44,365	1,376	42,989
0	0	0	436	0	17,382	436	16,946
16,505	(837)	0	3,103	0	209,367	0	209,367
0	0	0	73	0	3,522	73	3,449
16,505	(837)	0	4,988	0	289,045	1,885	287,160
15,368	0	0	5,945	(181)	361,389	16,208	345,181
16,505	0	0	6,730	(118)	378,052	13,713	364,339

Note 11: Intangible assets

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Software:				
Cost				
Balance at 1 July	473	441	473	441
Additions	73	32	73	32
Disposals	0	0	0	0
Balance at 30 June	546	473	546	473
Aerial Photography:				
Cost				
Balance at 1 July	103	95	103	95
Additions	9	8	9	8
Disposals	0	0	0	0
Balance at 30 June	112	103	112	103
Accumulated amortisation and impairment				
Balance at 1 July	468	414	468	414
Amortisation charge for Software and Aerial Photography	62	54	62	54
Disposals	0	0	0	0
Balance at 30 June	530	468	530	468
Carrying amount at 30 June	128	108	128	108
New Zealand Emission Units:				
Cost				
Balance at 1 July	73	0	73	0
Add Additions	0	73	0	73
Less Disposals	0	0	0	0
Less decrease in value	54	0	54	0
Carrying amount at 30 June	19	73	19	73
Total Intangible Assets	147	181	147	181

Note 12: Depreciation and amortisation expenses by group of activity

	Council	
	Actual 2013 \$000's	Actual 2012 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	1,379	846
Sewerage	437	319
Roads and Footpaths	3,103	3,038
Stormwater and Drainage	73	45
Community Services and Facilities	500	474
Environment and Safety	119	108
District Promotion	7	6
Hanmer Springs Thermal Pools and Spa	799	794
Governance	4	5
Directly attributable depreciation and amortisation expense by group of activity	6,419	5,636
Depreciation and amortisation expense not directly attributable to group of activities	373	363
Total depreciation and amortisation expense	6,792	5,999

Note 13: Forestry assets

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Balance at 1 July	2,337	2,212	2,337	2,212
Gain/(losses) arising from changes in fair value	401	125	401	125
Balance at 30 June	2,738	2,337	2,738	2,337

The Council owns 234.8 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 1 to 29 years.

Valuation Assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2013.

The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8.5% (2012: 8.5%) has been used in discounting the present value of expected cash flows;
- the value of the underlying land has not been included in the valuation;
- the valuation assumes that the current tree crop will be grown for one rotation only, and that no new planting will be undertaken or charged against the existing crop.
- time conventions used in the valuation are that the valuation year commences at 1st July and ends 30th June the next calendar year. This convention applies to all costs, prices, yields and age of trees although it may need to be adjusted for any significant price movements during the valuation year.
- the valuation uses current and actual prevailing industry costs. The costs have been expressed in real terms, and no adjustment has been made for any possible changes in prices relative to cost.

Financial risk management strategies

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long-term investor in forestry and does not expect timber prices to change significantly into the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices.

Emmissions Trading Scheme

As Council holds greater than 50 hectares of pre-1990 forests, it has registered under the New Zealand Emmissions Units Register. As at 30 June 2013, the Council was allocated 10,560 NZUs. The value of these have been recognised as Intangible Assets in note 11.

Note 14: Derivative financial instruments

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Current liability portion				
Interest rate swaps	11	0	11	0
Non-current liability portion				
Interest rate swaps	250	648	250	648
Total derivative financial instruments liability	261	648	261	648

Fair Value*Interest rate swaps*

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$15.0 million. (2012: \$13.0 million). At 30 June 2013, the fixed interest rates of cash flows hedge interest rate swaps varied from 3.65% to 5.30% (2012: 3.65% to 5.30%).

Changes in the fair value of interest rate swaps are recognised in the statement of comprehensive income.

Note 15: Other financial assets

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Environment Canterbury - Waiiau River Loan	47	52	47	52
Shares carrying amount				
- Civic Assurance	16	17	16	17
- Transwaste Canterbury	311	269	311	269
Fair value amount	374	338	374	338

The financial statements include holdings in unlisted shares. Fair value is estimated using a combination of estimated future discounted cash flows and asset backing per share. The discounted cash flow approach includes some assumptions that are not supportable by observable market prices or rates. Changes in these assumptions do not significantly change the fair value recognised.

Changes in the fair value of unlisted shares are recognised through comprehensive income using the available for sale approach. The fair value movement recognised in comprehensive income for the period was a Loss of \$1,033 (2012: Gain of \$3,020).

There were no impairments or realised gains or losses recognised in the statement of comprehensive for the period (2012: Nil).

Note 16: Investments in associates

	Group	
	Actual 2013 \$000's	Actual 2012 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	213	207
Share of total recognised revenues and expenses	1	6
Balance at 30 June	214	213
Summarised financial information of Enterprise North Canterbury		
Assets	694	711
Liabilities	266	285
Revenues	934	1,060
Surplus/(deficit)	2	12
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2013 (2012: Nil).

Note 17: Financial instruments**17 A - Financial instrument categories**

The accounting policies have been applied to the line items listed below:

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Financial assets				
<i>Available for sale investments</i>				
Unlisted shares	327	286	327	286
<i>Available for sale investments</i>	327	286	327	286
<i>Loans and Receivables</i>				
Cash and cash equivalents	1,786	1,075	1,786	1,075
Debtors and other receivables	2,290	2,051	2,290	2,051
Non interest bearing loans	47	52	47	52
<i>Total loans and receivables</i>	4,123	3,178	4,123	3,178
Financial liabilities				
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	261	648	261	648
<i>Total fair value through surplus or deficit</i>	261	648	261	648
<i>Financial liabilities at amortised cost</i>				
Borrowings				
- secured loans	12,350	12,000	12,350	12,000
Creditors and other payables	3,539	2,888	3,539	2,888
<i>Total financial liabilities at amortised cost</i>	15,889	14,888	15,889	14,888

17B - Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs - financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

	Total \$000's	Quoted Market Price \$000's	Observable Inputs \$000's	Significant non-observable inputs \$000's
Council and Group 2013				
<i>Financial assets</i>				
Unlisted shares	327	0	0	327
<i>Financial liabilities</i>				
Interest rate swaps	261	0	261	0
Council and Group 2012				
<i>Financial assets</i>				
Unlisted shares	286	0	0	286
<i>Financial liabilities</i>				
Interest rate swaps	648	0	648	0

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs

The table below provide a reconciliation from the opening balance to the closing balance for the financial assets and liabilities measured using valuation techniques with significant non-observable inputs.

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Balance as at 1 July	286	271	286	271
Gains/losses recognised in surplus/(deficit)	41	15	41	15
Balance at 30 June	327	286	327	286

17 C - Financial instrument risks

The Council has a series of policies to manage the risks associated with financial instruments. The Council is risk adverse and seeks to minimise exposure from its treasury activities. The Council has established and approved a Treasury Risk Management policy.

Market Risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Council is not exposed to currency risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investment held at fixed interest rates expose the Council to fair value interest rate risks.

The Council's policy is to maintain between 50% and 95% of its borrowings in fixed rate instruments. The Council is subject to fair value interest rate risk on its deposits but the risk is minimised as the deposits are for a maturity period of less than one year.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investment held at variable interest rates expose the Council to cash flow interest rate risks.

The Council's policy is to maintain between 50% and 95% of its borrowings in fixed rate instruments and uses interest rate swaps to convert floating rate borrowing to fixed rate borrowing to manage interest rate risk. Under the interest rate swaps, the Council agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council causing a loss. In the normal course of its business, credit risks arises from debtors, deposits with banks, bond investments and derivative financial instruments. The Council's investment policy limits the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

The Council's maximum exposure to credit risk for each class of financial instrument is set out below.

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Cash and cash equivalents	1,786	1,075	1,786	1,075
Debtors and other receivables	2,290	2,051	2,290	2,051
Non interest bearing loans	47	52	47	52
Total credit risk	4,123	3,178	4,123	3,178

17D: Credit quality of financial assets

The Council only deposits funds with entities that have a high credit rating. Cash and cash equivalents are with registered banks that have high credit ratings. For other financial instruments, the Council does not have high concentrations of credit risk. No collateral is held as security against these financial instruments including those that are overdue or impaired.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit rating (if available) or to historic information about counterparty default rates.

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA	1,786	1,705	1,786	1,705
Total cash and cash equivalents	1,786	1,705	1,786	1,705
Counterparties without credit ratings:				
Non interest bearing loans				
Existing counterparty with no defaults in the past	47	52	47	52
Total Non interest bearing loans	47	52	47	52
Shares in unlisted companies				
Unlisted shares	327	286	327	286
Total shares in unlisted companies	327	286	327	286

Debtors and other receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and receivables with reference to internal or external credit ratings. The Council has no significant concentration of credit risk in relation to debtors and other receivables as it has a large number of customers, primarily ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

17E: Liquidity risk

Liquidity risk is the extent to which the Council will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As at 30 June 2013, the Council has a credit facility of \$18 million (2012: \$13 million) against which it had drawn \$12.35 million (2012: \$12.0 million). There are no tranches of borrowings due for maturity within the next 12 months.

Contractual maturity analysis on financial liabilities

The table below analyses the Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Liability Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2013					
Creditors and other payables	3,539	3,539	3,539	0	0
Secured loans	12,350	12,350	0	12,350	0
Interest rate swaps	261	261	11	250	0
Council and Group 2012					
Creditors and other payables	2,888	2,888	2,888	0	0
Secured loans	12,000	12,673	6,205	6,468	0
Interest rate swaps	648	648	0	648	0

Contractual maturity analysis on financial assets

The table below analyses the Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Asset Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2013					
Cash and cash equivalents	1,786	1,786	1,786	0	0
Debtors and other receivables	2,290	2,290	2,290	0	0
Non interest bearing loans	47	47	7	28	12
Council and Group 2012					
Cash and cash equivalents	1,075	1,075	1,075	0	0
Debtors and other receivables	2,051	2,051	2,051	0	0
Non interest bearing loans	52	52	7	28	17

17F: Sensitivity analysis for interest rate risk

The table below illustrates the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant, based on the Council's and Group's financial instrument exposures at balance date.

Council and Group	2013 \$000		2012 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(18)	18	(9)	9
Interest rate swaps	0	0	0	0
Financial liabilities				
Secured loans	124	(124)	118	(118)
Interest rate swaps	(794)	238	(496)	465
Total sensitivity	(688)	132	(387)	356

Explanation of interest rate sensitivity

The interest rate sensitivity is based on a reasonably possible movement in interest rates, with all other variable held constant, measured as a basis point movement (bps). For example, an interest of 100bps is equivalent to an increase in interest rates of 1%.

The sensitivity for interest rate swaps has been calculated using a derivative valuation model based on parallel shift in interest rates of +/- 100bps.

Note 18: Trade and other payables

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Trade payables	2,704	2,826	2,704	2,826
Agency payables	835	62	835	62
	3,539	2,888	3,539	2,888

The Group has a policy to pay payables within the credit timeframe and therefore does not incur interest charges on its payables.

Note 19: Landfill aftercare provision

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Balance at 1 July	138	229	138	229
Additional provisions	0	0	0	0
Adjustment to provisions	(2)	(83)	(2)	(83)
Amount of provision used	(8)	(8)	(8)	(8)
Balance at 30 June	128	138	128	138
Disclosed as:				
Current	8	8	8	8
Non-current	120	130	120	130
	128	138	128	138

The provision for Landfill Aftercare costs represents the present value of the Council's best estimate of the future sacrifice of economic benefits that will be required to provide ongoing maintenance and monitoring of the closed Waikari Landfill.

Note 20: Employee benefit liability

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Current portion				
Accrued pay	341	293	341	293
Annual leave	639	640	639	640
Sick leave	30	37	30	37
Long service leave	44	28	44	28
	1,054	998	1,054	998
Non-current portion				
Long service leave	36	39	36	39
	36	39	36	39
	1,090	1,037	1,090	1,037

Note 21: Borrowings

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Secured Loans				
Current	0	5,900	0	5,900
Non-current	12,350	6,100	12,350	6,100
Balance	12,350	12,000	12,350	12,000

As at 30 June 2013, the Council had debt facilities totaling \$18.0 million (2012: \$13.0 million).

The Council's borrowing of \$12.35 million (2012: \$12.0 million) on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. The Council uses interest rate swaps to provide for a fixed rate portion of the borrowings of 85.0%. The effective fixed rates for this portion range from 3.65% to 5.30% plus a margin for credit risk.

The borrowings are secured against rates of the Council under a debenture trust deed.

The total amount of the borrowings approximates its fair value.

Note 22: Equity

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Asset revaluation reserve				
Balance at 1 July	179,027	163,659	179,027	163,659
Revaluation increments/(decrements)	16,505	15,368	16,505	15,368
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	195,532	179,027	195,532	179,027

The asset revaluation reserve arises on the revaluation of land and buildings, and infrastructural assets. Where a revalued land, building or infrastructural assets is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

Available for sale reserve

Balance at 1 July	95	92	95	92
Valuation gain/(loss) recognised	41	3	41	3
Balance at 30 June	136	95	136	95

The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit or loss.

Special fund reserves

Balance at 1 July	720	261	720	261
Transfers in	1,237	489	1,237	489
Transfers out	17	(29)	17	(29)
Balance at 30 June	1,975	720	1,975	720

Rate Reserve Funds

Balance at 1 July	(20,498)	(19,753)	(20,498)	(19,753)
Surplus/(deficit) for year	1,684	1,346	1,684	1,346
Transfers in/(out)	(4,614)	(2,091)	(4,614)	(2,091)
Balance at 30 June	(23,428)	(20,498)	(23,428)	(20,498)

Retained earnings

Balance at 1 July	174,873	174,777	174,660	174,570
Surplus/(deficit) after tax	2,774	(189)	2,773	(195)
Plant, property and equipment disposed	0	0	0	0
Net internal borrowing appropriations	2,930	745	2,930	745
Net special fund appropriations	(1,255)	(460)	(1,255)	(460)
Balance at 30 June	179,322	174,873	179,108	174,660

Summary of equity accounts

Asset revaluation reserve	195,532	179,027	195,532	179,027
Available-for-sale revaluation reserve	136	95	136	95
Special fund reserves	1,975	720	1,975	720
Rate reserve funds	(23,428)	(20,498)	(23,428)	(20,498)
Retained earnings	179,322	174,873	179,108	174,660
	353,537	334,217	353,323	334,004

Note 23: Statement of cash flow reconciliation

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net Surplus/(Deficit) after tax	2,774	(186)	2,773	(195)
Non Cash Items				
Vested assets	(2,429)	(583)	(2,429)	(583)
Movement in Derivatives	(387)	526	(387)	526
Receipt of NZ Emissions Units	54	(73)	54	(73)
Gain/Loss on Fair Value of Forestry	(401)	(125)	(401)	(125)
Movement in Landfill Aftercare Liability	(10)	(91)	(10)	(91)
Depreciation and amortisation	6,792	5,999	6,792	5,999
	3,619	5,653	3,619	5,653
Movements in working capital				
(Increase)/decrease in Inventory	37	(30)	37	(30)
(Increase)/decrease in Receivables	(239)	(289)	(239)	(289)
Increase/(decrease) in Payables	646	91	646	91
Increase/(decrease) in Current Employee Entitlements	53	156	53	156
Increase/(decrease) in Income in Advance	500	37	500	37
	997	(35)	997	(35)
Other Movements				
(Gain)/Loss on Sale of Plant, Property & Equipment	379	63	379	63
Insurance recoveries related to capital item	(204)	0	(204)	0
Share of associates (surplus)/deficit	0	(6)	0	0
	175	57	175	63
Net Cash Flow from Operating Activities (as per Statement of Cash Flows)	7,565	5,489	7,564	5,486

Note 24: Capital commitments and operating leases**Capital Commitments**

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Property, plant and equipment	667	461	667	461
	667	461	667	461

The Council has allowed in its Long Term Plan to undertake direct roading expenditure to the value of \$20 million over the next three years. The primary Roothing Maintenance and Operational Contract is due to expire in June 2015, but depending on the incumbent contractor's ability to achieve consistent, successful outcomes, is subject to a possible +1, +1 (years) contract period additions. The other lesser roading contracts are let and completed in the same financial year. These contracts are for roading renewals and maintenance and will give rise to capital expenditure in these years.

Operating leases as lessee

The Council and group does have an operating lease for photocopier equipment. The lease payments are based on usage and as such, due to the variable nature of the lease agreement, the future value of the lease payments cannot be reliably estimated.

Operating leases as lessor

Property is leased under operating leases. The majority of the leases have non-cancellable terms of either three or five years. The future aggregate minimum lease payments to be collected under non-cancellable leases are as follows:

	Group		Council	
	Actual 2013 \$000's	Actual 2012 \$000's	Actual 2013 \$000's	Actual 2012 \$000's
Not later than one year	163	162	163	162
Later than one year and not later than five years	109	191	109	191
Later than five years	9	15	9	15
	281	368	281	368

No contingent rents have been recognised during the period.

Note 25: Contingent assets and liabilities

Contingent Assets

The Council has a level of damage to various buildings resulting from the Canterbury Earthquakes. The assessment of the insurance claims for the Council's non-residential buildings that have yet to be settled has been estimated at \$497,200. Council had a low level of damage to its residential buildings as well. Being residential buildings, the repair process is organised by EQC and a full assessment of the damage and the possible payout should the Council undertake the repair work itself has yet to be received. (2012: \$20,000 to \$35,000).

Contingent Liabilities

RiskPool

RiskPool provide public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the Fund year. The Council has been asked to make calls in the past Fund years as a result of deficits incurred due to the "leaky building" issue. No calls have been made by the Board of New Zealand Mutual Liability RiskPool for the 2013/2014 year (2012: \$25,663).

There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by the Council. The Council is yet to receive any claims as a result of the ruling.

Council has received notice that there are two active claims under Weathertight Homes Resolution Service. The Council has assessed that the potential liability to Council arises from these claims is minimal.

Local Authority Protection Programme (LAPP)

LAPP provides member Councils with a level of cover to replace and repair underground infrastructure as a result of damage caused by a natural disaster. Subsequent to the Canterbury Earthquakes, the member Councils have adopted a mutual self-insurance mechanism for funding repair work in the future. Should a disaster affect a member Council, the Hurunui District Council is exposed to making a further contribution capped at four (4) times the current contribution of \$74,900, resulting in a maximum additional contribution of \$299,600.

Impairment of Buildings

Council has started a process of reviewing all of its buildings for earthquake strengths. Currently the Council's policy is to ensure that buildings are at least 67% of New Building Standard (NBS), however, central government is in the process of reviewing this standard nationally. The Council has identified some buildings that are less than 33% NBS, which is the level that the current valuation for buildings has been assumed. Council has had some indicative costings on certain buildings to bring them up to the new standard of 67% NBS, however, there is not enough reliability to determine what level of costs would be required to match the level that the buildings were previously valued at and as a result, no specific impairment assessment has been allowed for in this Annual Report.

Note 26: Related party disclosures

The parent entity in the consolidated entity is the Council.

Equity interests in subsidiaries

The Council holds interests in the following entities:

- Hurunui Holdings Limited 100% (2012: 100%)
- Enterprise North Canterbury 50% (2012: 50%)
- Canterbury Economic Development Company Limited 10% (2012: 10%)
- Transwaste Canterbury Limited 1.2% (2012: 1.2%)

Transactions involving the parent entity

During the year, Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Hurunui District Council (such as payment of rates, use of transfer stations, etc).

Other than the above, no Councillors or senior management have entered into related party transactions with the Group. No amounts were provided for doubtful debts relating to debts due from related parties as at 30 June 2013 (2012: Nil).

Hurunui Holdings Limited

As Hurunui Holding Limited is now no longer trading, there are no transactions between Council and the Company for the current or prior year.

Enterprise North Canterbury

During the financial year, the Council paid \$50,000 (2012: \$50,000) to Enterprise North Canterbury as a grant for its general purposes. The Council has made no payment for any additional services (2012: Nil).

Canterbury Economic Development Company Limited

During the financial year, the Council paid no administration contribution to Canterbury Economic Development Company Limited (2012: Nil).

Key management personnel compensation

The compensation of the Mayor, Councillors, CEO and other senior management is set out below:

	Council	
	Actual 2013 \$000's	Actual 2012 \$000's
Salary	1,339	1,332
Other benefits	58	47
	<u>1,397</u>	<u>1,379</u>

Related Party Commitments

As at 30 June 2013, there was no related party commitments (2012: Nil).

Note 27: Remuneration

Chief Executive Officer

Andrew Dalziel, the Chief Executive Officer of the Hurunui District Council as at 30 June 2013, had a two year extension to his employment contract which was due to expire on 31 October 2014. In July 2013, Mr Dalziel resigned and completed employment with the Council on 30 August 2013.

	Council	
	Actual 2013 \$	Actual 2012 \$
Andrew Dalziel		
- Salary	229,133	224,755
- Vehicle (at FBT rates)	8,220	8,195
- Superannuation contribution	5,026	4,280
	242,379	237,230

Mayor and Councillors

Elected representatives of the District Council received the following remuneration (including travelling allowances):

	Council	
	Actual 2013 \$	Actual 2012 \$
Marie Black	18,422	18,759
Russell Black	15,565	15,365
Gary Cooper	17,853	19,016
Winton Dalley	67,459	65,147
Vincent Daly	20,188	20,432
Richard Davison	21,703	22,656
Jim Harre	19,557	18,592
Ross Little	19,100	21,545
Michael Malthus	27,664	33,588
Judith McKendry	15,565	16,565
	243,076	251,665

Council Employees

Total annual remuneration by band for employees as at 30 June:

	Council	
	Actual 2013 #	Actual 2012 #
< \$60,000	138	147
\$60,000 - \$79,999	17	15
\$80,000 - \$99,999	13	12
\$100,000 - \$159,999	6	6
\$160,000 - \$179,999	1	1
\$220,000 - \$239,999	0	1
\$240,000 - \$259,999	1	0
	176	182

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 87 (2012: 90) full-time employees, with a further 89 (2012: 92) part-time staff representing 54.5 (2012: 58.31) full-time equivalent employees.

A full-time employee is determined on the basis of a 40-hour working week.

Note 28: Severance payments

Schedule 10(19) of the Local Government Act 2002 requires any severance including the tax liability to be disclosed. For the year ended 30 June 2013, no severance payments were made (2012: Nil).

Note 29: Subsequent events

In early September 2013, the District experienced a severe storm, of which winds of up to 200 km per hour were recorded. The winds have affected the Council's Forestry Estate. A full assessment of the damage has yet to be determined but there is the expectation that some of the Council's trees will need to be harvested ahead of the optimal maturity to ensure that the maximum extraction of timber can be achieved. Other than this event, there have been no events subsequent to 30 June 2013 which would affect the readers' assessment of the financial performance and position of the Hurunui District Council.

Note 30: Reclassification and restatement

Reclassification

The Council and group has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011. The effect of the changes to income are shown in the table below:

	Before reclassification \$000's	Actual 2012 Reclassification \$000's	After reclassification \$000's
Council & group			
Income			
District Wide Rates & Rate Penalties	5,324	(5,324)	0
Targeted Rates	7,621	(7,621)	0
Total rates revenue, excluding targeted water supply rates	0	12,600	12,600
Fees, charges and targeted rates for water supply	0	721	721
Development contributions	574	(281)	293
Interest Received	22	(22)	0
Investment income	0	93	93
NZTA Subsidies	3,725	(3,725)	0
Subsidies and grants	0	3,923	3,923
Hanmer Springs Thermal Pools and Spa	9,597	0	9,597
Vested Asset Income	583	0	583
Other Income	3,101	(364)	2,737
Gains/(Losses) on Forestry Revaluation	125	0	125
Gains/(Losses) on NZ Emissions Units	73	0	73
Total income	30,745	0	30,745

The Council and group has changed the presentation of items within equity to comply with reserves funds disclosures as required by Schedule 10 of the Local Government Act 2002. The effect of the changes to equity are shown in the table below:

	Before reclassification \$000's	Actual 2012 Reclassification \$000's	After reclassification \$000's
Council			
Asset revaluation reserve	179,027	0	179,027
AFS investments revaluation reserve	95	0	95
Special fund reserves	658	62	720
Rate reserve funds	0	(20,498)	(20,498)
Retained earnings	154,224	20,436	174,660
Total Equity	334,004	0	334,004
Group			
Asset revaluation reserve	179,027	0	179,027
AFS investments revaluation reserve	95	0	95
Special fund reserves	658	62	720
Rate reserve funds	0	(20,498)	(20,498)
Retained earnings	154,437	20,436	174,873
Total Equity	334,217	0	334,217

Note 31: Prior year adjustment

During the revaluation process for the roading network during the 2013 financial year, it was identified that items of roading operating expenditure were incorrectly capitalised in the 2010/2011 and 2011/2012 years and subsequently recognised as roading assets in the schedule of plant, property and equipment. This had the effect of understating the roading expenditure and therefore overstating the Net Surplus/(Deficit) and Total Comprehensive Income for both the 2011 and 2012 years. This also had the effect of overstating property, plant and equipment and overstating equity in the Statement of Financial Position for each year.

The incorrectly capitalised expenditure for the 2011 have resulted in an adjustment to the opening balance of equity in the financial statements. The effect of this correction is as follows:

	Council Actual 1 July 2011 (Restated) \$000's	Council Actual 1 July 2011 (Previously Reported) \$000's	Changes 1 July 2011 \$000's
Statement of Changes in Equity			
Equity at Start of Year	318,828	319,293	(465)
Statement of Financial Position			
Non-current assets			
- Infrastructure	252,134	252,599	(465)
Total non-current assets	331,235	331,700	(465)
Total Assets	335,370	335,835	(465)
Equity			
Retained earnings	154,799	155,264	(465)
Total Equity	318,828	319,293	(465)
Note 10: Property, plant and equipment			
Infrastructural Assets			
Roading (Cost/Revaluation 1 July 2011)	194,521	194,986	(465)
Roading (Carrying Amount 1 July 2011)	191,555	192,020	(465)
Note 22: Equity			
Retained Earnings			
Balance as 1 July	154,799	155,264	(465)
	Group Actual 1 July 2011 (Restated) \$000's	Group Actual 1 July 2011 (Previously Reported) \$000's	Changes 1 July 2011 \$000's
Statement of Changes in Equity			
Equity at Start of Year	319,035	319,500	(465)
Statement of Financial Position			
Non-current assets			
Total non-current assets	331,442	331,907	(465)
Total Assets	335,577	336,042	(465)
Equity			
Retained earnings	155,006	155,471	(465)
Total Equity	319,035	319,500	(465)
Note 22: Equity			
Retained Earnings			
Balance as 1 July	155,006	155,471	(465)

The prior year figures (2012 Actual) shown in the financial statements have been restated to reflect the correct operating expenditure and the effect of this correction is detailed below:

	Council Actual 30 June 2012 (Restated) \$000's	Council Actual 30 June 2012 (Previously Reported) \$000's	Changes 30 June 2012 \$000's
Statement of Comprehensive Income			
Direct Expenditure	14,780	14,494	286
Total Operating Expenditure	30,940	30,654	286
Net Surplus/(Deficit) after tax	(195)	91	(286)
Total Comprehensive Income	15,176	15,462	(286)
Statement of Changes in Equity			
Equity at End of Year	334,004	334,755	(751)
Statement of Financial Position			
Non-current assets			
- Infrastructure	268,905	269,656	(751)
Total non-current assets	348,037	348,788	(751)
Total Assets	351,660	352,411	(751)
Equity			
Retained earnings	154,224	154,975	(751)
Total Equity	334,004	334,755	(751)
Statement of Cash Flows			
Operating activities - payment to suppliers and employees	(23,606)	(23,320)	(286)
Investing activities - payment for plant, property & equipment	(6,932)	(7,218)	286
Note 10: Property, plant and equipment			
Infrastructural Assets			
Roading (Current Year Additions)	4,283	4,569	(286)
Roading (Carrying amount 30 June 2012)	192,800	193,551	(751)
Note 22: Equity			
Retained Earnings			
Surplus/(Deficit) after tax	(195)	91	(286)
Balance as 30 June 2012	154,224	154,975	(751)
	Group Actual 30 June 2012 (Restated) \$000's	Group Actual 30 June 2012 (Previously Reported) \$000's	Changes 30 June 2012 \$000's
Statement of Comprehensive Income			
Net Surplus/(Deficit) after tax	(189)	97	(286)
Total Comprehensive Income	15,182	15,468	(286)
Statement of Changes in Equity			
Equity at End of Year	334,217	334,968	(751)
Statement of Financial Position			
Non-current assets			
Total non-current assets	348,250	349,001	(751)
Total Assets	351,873	352,624	(751)
Equity			
Retained earnings	154,437	155,188	(751)
Total Equity	334,217	334,968	(751)
Note 22: Equity			
Retained Earnings			
Balance as 30 June	154,437	155,188	(751)

Note 32: Statutory Deadline

Section 98 of the Local Government Act 2002 requires that Council adopts its annual report within four months after the end of the financial year. Council was not able to comply with this requirement for the year ended 30 June 2013 and this annual report was not adopted until 17 April 2014.

Note 33: Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserve. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its annual plans (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has created reserves for different areas of benefit which are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Special Fund Reserves as at 30 June 2013

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund proje
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide fu To provide fu
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	Ward
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide fu
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide fu
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Sewerage	To provide fu
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide fu
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide fu
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide fu
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund proje
Amuri Community Centre	Reserves	Community Services and Facilities	To fund proje
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund proje
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund proje
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund proje
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund proje
Omihi Reserve Development	Reserves	Community Services and Facilities	To provide fu
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Hanmer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide fu
Hanmer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide fu
Hanmer Springs Township Development Reserve	Property	Community Services and Facilities	To provide fu
Hanmer Springs Conical Hill	Reserves	Community Services and Facilities	To provide fu
Hanmer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund proje
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide fu
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide fu
Hanmer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund mark To provide fu
Queen Mary Development Reserve	Reserves	Community Services and Facilities	Site To fund earth
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	Queen Mary
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide fu
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide fu
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide fu
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide fu
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide fu
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund proje
Bridson Trust	Reserves	Community Services and Facilities	To provide fu
Forrester Trust	Reserves	Community Services and Facilities	To provide fu
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To hold funds
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide fu

	Opening Balance 1 July 2012 \$	Appropriations 2012-2013 Surplus/ (Deficit) \$	Transfers In/(Out) \$	Closing Balance 30 June 2013 \$
Holding Reserve Funds				
Projects for Amberley Beach	26,771	1,020	23,897	51,688
Funds for growth related projects for township reserves in Amberley	30,626	162,203	0	192,829
Funds for growth related projects for Walking and Cycling Routes in the Amberley	13,167	61,920	0	75,086
Funds for growth related projects for ward reserves in Amberley	77,992	216,361	0	294,353
Projects on behalf of the Amberley RSA	0	65	0	65
Funds for growth related projects for the Amberley Reserve Pavilion	(56,485)	21,237	0	(35,248)
Funds for growth related projects for Amberley Sewer Pipes	33,594	141,803	0	175,397
Funds for growth related projects for Amberley Sewer Pond	(81,117)	151,908	0	70,791
Funds for growth related projects for Amberley Water	11,002	101,563	0	112,564
Funds for growth related projects for Hanmer Springs Stormwater	(133,686)	72,649	0	(61,038)
Funds for reserve projects in the Amberley Ward	33,222	9,446	0	42,667
Projects for the Amuri Ward	18,199	646	0	18,845
Projects for the Culverden Community Centre	40,916	1,452	0	42,368
Projects for sports facilities in the Amuri Ward	14,645	7,643	0	22,288
Funds for reserve projects in the Amuri Ward	24,318	(3,761)	0	20,557
Projects for Cheviot Ward	4,973	177	0	5,150
Projects on behalf of the Cheviot RSA	3,957	(38)	0	3,919
Funds for reserve projects in the Cheviot Ward	21,108	3,279	0	24,387
Projects for Glenmark Ward	2,195	78	0	2,273
Projects for the Waipara Pavilion	10,068	5,375	(7,083)	8,360
Funds for growth related projects for the Omihi Reserve	(7,897)	4,934	0	(2,963)
Funds for reserve projects in the Glenmark Ward	19,522	16,667	0	36,189
Funds for growth related projects for the Domain in Hanmer Springs	0	3	0	3
Funds for growth related projects for the Hanmer Springs Hall	(41,300)	4,886	0	(36,415)
Funds for growth related projects for the Town Centre in Hanmer Springs	(756,394)	(26,676)	0	(783,069)
Funds for growth related projects for Conical Walkway area in Hanmer Springs	16,866	2,863	0	19,728
Funds for reserve projects in the Hanmer Springs Ward	30,543	16,667	0	47,210
Projects for the Hurunui Ward	3,495	116	1,000	4,611
Funds for reserve projects in the Hurunui Ward	28,833	5,141	(348)	33,627
Funds for the maintenance of the Waiau Ferry Bridge	13,034	5,576	0	18,610
Marketing projects for the Hanmer Springs Ward	43,280	4,945	0	48,224
Funds for growth related projects for development of the former Queen Mary Hospital	145,814	165,124	0	310,939
Earthquake strengthening work and maintenance of the Nurses Block on the Former Hospital Site	1,229,095	0	0	1,229,095
Funds for growth related projects for the District Library	(139,445)	81,548	0	(57,897)
Funds for projects on Chamberlain Park In Amberley	16,699	643	0	17,342
Funds for maintenance of gravestones in the Council's Cemeteries	1,922	74	0	1,996
Funds for the replacement of the gates leading into the Culverden Domain	558	21	0	579
Funds for maintenance of gravestones in the Council's Cemeteries	170	7	0	177
Projects on the Hawarden Reserve	4,168	160	0	4,328
Funds for maintenance of gravestones in the Council's Cemeteries	1,011	39	0	1,050
Funds for maintenance of gravestones in the Council's Cemeteries	1,083	42	0	1,125
Projects on behalf of the Hurunui Gateways Promotion Association	653	(653)	0	0
Funds relating to adverse events	13,114	0	0	13,114
	720,289	1,237,149	17,466	1,974,905

Special Fund Reserves as at 30 June 2012

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for holding
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funding for
			To provide funding for
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	Ward
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funding for
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funding for
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Sewerage	To provide funding for
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funding for
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide funding for
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funding for
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects
Omihi Reserve Development	Reserves	Community Services and Facilities	To provide funding for
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Hanmer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funding for
Hanmer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funding for
Hanmer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funding for
Hanmer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funding for
Hanmer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funding for
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funding for
Hanmer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing
			To provide funding for
Queen Mary Development Reserve	Reserves	Community Services and Facilities	Site
			To fund earthworks
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	Queen Mary
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funding for
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funding for
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funding for
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funding for
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funding for
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects
Bridson Trust	Reserves	Community Services and Facilities	To provide funding for
Forrester Trust	Reserves	Community Services and Facilities	To provide funding for
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To hold funds
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide funding for

	Opening Balance 1 July 2011 \$	Appropriations 2011-2012 Surplus/ (Deficit) \$	Transfers In/(Out) \$	Closing Balance 30 June 2012 \$
Holding Reserve Funds				
Projects for Amberley Beach	7,500	1,169	18,102	26,771
Funds for growth related projects for township reserves in Amberley	6,796	23,830	0	30,626
Funds for growth related projects for Walking and Cycling Routes in the Amberley				
	3,904	9,263	0	13,167
Funds for growth related projects for ward reserves in Amberley	21,127	56,865	0	77,992
Funds on behalf of the Amberley RSA	0	0	0	0
Funds for growth related projects for the Amberley Reserve Pavilion	(19,206)	3,079	(40,358)	(56,485)
Funds for growth related projects for Amberley Sewer Pipes	14,551	19,043	0	33,594
Funds for growth related projects for Amberley Sewer Pond	(96,557)	15,440	0	(81,117)
Funds for growth related projects for Amberley Water	(2,265)	13,267	0	11,002
Funds for growth related projects for Hanmer Springs Stormwater	(132,847)	(839)	0	(133,686)
Funds for reserve projects in the Amberley Ward	0	33,222	0	33,222
Projects for the Amuri Ward	19,328	(1,129)	0	18,199
Projects for the Culverden Community Centre	39,130	1,786	0	40,916
Projects for sports facilities in the Amuri Ward	7,160	7,485	0	14,645
Funds for reserve projects in the Amuri Ward	0	27,318	(3,000)	24,318
Projects for Cheviot Ward	4,756	217	0	4,973
Funds on behalf of the Cheviot RSA	4,022	(65)	0	3,957
Funds for reserve projects in the Cheviot Ward	0	21,108	0	21,108
Projects for Glenmark Ward	2,099	96	0	2,195
Projects for the Waipara Pavilion	12,608	1,587	(4,127)	10,068
Funds for growth related projects for the Omihi Reserve	(12,464)	4,567	0	(7,897)
Funds for reserve projects in the Glenmark Ward	0	19,522	0	19,522
Funds for growth related projects for the Domain in Hanmer Springs	0	0	0	0
Funds for growth related projects for the Hanmer Springs Hall	(42,970)	1,670	0	(41,300)
Funds for growth related projects for the Town Centre in Hanmer Springs	(820,096)	63,702	0	(756,394)
Funds for growth related projects for Conical Walkway area in Hanmer Springs	9,756	7,110	0	16,866
Funds for reserve projects in the Hanmer Springs Ward	0	30,543	0	30,543
Projects for the Hurunui Ward	3,343	152	0	3,495
Funds for reserve projects in the Hurunui Ward	0	28,833	0	28,833
Funds for the maintenance of the Waiau Ferry Bridge	2,974	10,060	0	13,034
Marketing projects for the Hanmer Springs Ward	35,063	8,217	0	43,280
Funds for growth related projects for development of the former Queen Mary Hospital				
	82,112	63,702	0	145,814
Earthquake strengthening work and maintenance of the Nurses Block on the Former Hospital Site	1,229,095	0	0	1,229,095
Funds for growth related projects for the District Library	(155,892)	16,447	0	(139,445)
Funds for projects on Chamberlain Park In Amberley	15,971	729	0	16,700
Funds for maintenance of gravestones in the Council's Cemeteries	1,838	84	0	1,922
Funds for the replacement of the gates leading into the Culverden Domain	533	24	0	557
Funds for maintenance of gravestones in the Council's Cemeteries	162	8	0	170
Projects on the Hawarden Reserve	3,986	182	0	4,168
Funds for maintenance of gravestones in the Council's Cemeteries	967	44	0	1,011
Funds for maintenance of gravestones in the Council's Cemeteries	1,036	47	0	1,083
Funds on behalf of the Hurunui Gateways Promotion Association	0	653	0	653
Funds relating to adverse events	13,114	0	0	13,114
	260,634	489,038	(29,383)	720,289

Rate Reserve Funds as at 30 June 2013

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for
Interim treatment for Drinking Water	Water Supplies	Water Supplies	To fund capit
Full Treatment	Water Supplies	Water Supplies	To fund capit
Amberley Water	Water Supplies	Water Supplies	To fund capit
Leithfield Beach Water	Water Supplies	Water Supplies	To fund capit
Ashley Rural Water	Water Supplies	Water Supplies	To fund capit
Culverden Water	Water Supplies	Water Supplies	To fund capit
Waiau Township Water	Water Supplies	Water Supplies	To fund capit
Amuri Plains Water	Water Supplies	Water Supplies	To fund capit
Balmoral Water	Water Supplies	Water Supplies	To fund capit
Waiau Rural Water	Water Supplies	Water Supplies	To fund capit
Cheviot Water	Water Supplies	Water Supplies	To fund capit
Waipara Township Water	Water Supplies	Water Supplies	To fund capit
Hanmer Springs Water	Water Supplies	Water Supplies	To fund capit
Hawarden - Waikari Water	Water Supplies	Water Supplies	To fund capit
Hurunui Rural Water	Water Supplies	Water Supplies	To fund capit
Amberley Sewer	Sewerage	Sewerage	To fund capit
Culverden Sewer	Sewerage	Sewerage	To fund capit
Cheviot Sewer	Sewerage	Sewerage	To fund capit
Greta Valley Sewer	Sewerage	Sewerage	To fund capit
Motunau Beach Sewer	Sewerage	Sewerage	To fund capit
Waipara Sewer	Sewerage	Sewerage	To fund capit
Hanmer Springs Sewer	Sewerage	Sewerage	To fund capit
Hawarden Sewer	Sewerage	Sewerage	To fund capit
Waikari Sewer	Sewerage	Sewerage	To fund capit
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Hanmer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund cont
District Library - Amberley Ward	Community Services	Community Services and Facilities	To fund porti
Amberley Amenities	Community Services	Community Services and Facilities	To fund capit
Amuri Amenities	Community Services	Community Services and Facilities	To fund capit
Cheviot Amenities	Community Services	Community Services and Facilities	To fund capit
Glenmark Amenities	Community Services	Community Services and Facilities	To fund capit
Hanmer Springs Amenities	Community Services	Community Services and Facilities	To fund capit
Hurunui Amenities	Community Services	Community Services and Facilities	To fund capit
Amuri Medical General	Property	Community Services and Facilities	To fund capit
Cheviot Medical General	Property	Community Services and Facilities	To fund capit
Hanmer Springs Medical General	Property	Community Services and Facilities	To fund capit
Waikari Medical Centre	Property	Community Services and Facilities	To fund capit
Rural Fire Control	Emergency Services	Environmental and Safety	To fund prev
Refuse Collection	Waste Minimisation	Environmental and Safety	To fund prev
Hanmer Springs Thermal Reserve Internal Loan	Hanmer Springs Thermal Pools & Spa	Hanmer Springs Thermal Pools & Spa	Interest-only
Total Rate Reserve Funds			

	Opening	Appropriations 2012-2013		Closing
	Balance	Surplus/ (Deficit)	Capital Expenditure	Balance
	1 July 2012			30 June 2013
	\$	\$	\$	\$
Holding Reserve Funds				
Capital projects relating to interim treatment of water	0	40,553	(474,218)	(433,665)
Capital projects relating to full treatment of water	0	0	0	0
Capital projects for Amberley water	(311,962)	9,282	(161,064)	(463,744)
Capital projects for Leithfield Beach water	1,110	1,449	(59,829)	(57,270)
Capital projects for Ashley Rural water	(954,728)	820,705	(225,937)	(359,960)
Capital projects for Culverden water	(40,870)	2,924	(15,694)	(53,640)
Capital projects for Waiau Township water	61,484	26,304	(245,255)	(157,467)
Capital projects for Amuri Plains water	(49,841)	5,383	(1,643)	(46,102)
Capital projects for Balmoral water	109,907	7,191	(9,695)	107,402
Capital projects for Waiau Rural water	(247,398)	30,214	(16,037)	(233,221)
Capital projects for Cheviot water	(1,173,615)	84,000	(273,633)	(1,363,249)
Capital projects for Waipara Township water	82,415	9,672	(11,170)	80,917
Capital projects for Hanmer Springs water	(335,685)	143,929	(37,641)	(229,397)
Capital projects for Hawarden-Waikari water	(8,788)	37,787	(18,272)	10,727
Capital projects for Hurunui Rural water	(516,946)	155,511	(137,880)	(499,315)
Capital projects for Amberley sewer	(2,547,551)	(187,923)	(20,986)	(2,756,460)
Capital projects for Culverden sewer	(2,426)	(182)	0	(2,607)
Capital projects for Cheviot sewer	(60,658)	22,249	(10,439)	(48,847)
Capital projects for Greta Valley sewer	(15,335)	733	(2,880)	(17,483)
Capital projects for Motunau Beach sewer	18,596	5,562	(15,585)	8,573
Capital projects for Waipara sewer	(16,473)	(1,233)	0	(17,706)
Capital projects for Hanmer Springs sewer	(1,343,922)	(61,332)	(243,905)	(1,649,159)
Capital projects for Hawarden sewer	(16,546)	9,023	0	(7,523)
Capital projects for Waikari sewer	(250,035)	17,591	(1,320)	(233,764)
Capital projects for Amberley Beach Foreshore Protection	97,942	22,710	0	120,652
Capital projects for Amberley stormwater	(1,191,797)	(103,264)	(38,194)	(1,333,256)
Capital projects for Jed River Clearance	2,363	310	0	2,673
Capital projects for Hanmer Springs Stormwater	(40,265)	(13,169)	0	(53,434)
Contributions for the first stage of sealing of Woodbank Road in Hanmer Springs	(29,821)	9,053	0	(20,768)
Provision of District Library construction costs	(62,482)	36,822	0	(25,660)
Capital projects for Amberley Ward Amenities	(1,176,931)	(5,492)	(109,333)	(1,291,756)
Capital projects for Amuri Ward Amenities	155,503	79,023	(178,231)	56,296
Capital projects for Cheviot Ward Amenities	65,001	44,240	(72,910)	36,330
Capital projects for Glenmark Ward Amenities	(4,943)	1,123	(7,083)	(10,903)
Capital projects for Hanmer Springs Ward Amenities	(503,978)	154,302	(222,162)	(571,839)
Capital projects for Hurunui Ward Amenities	6,102	17,818	0	23,920
Capital projects for medical centres in the Amuri Ward	(814,943)	117,264	(2,546)	(700,225)
Capital projects for medical centres in the Cheviot Ward	(193,586)	23,229	0	(170,357)
Capital projects for medical centres in the Hanmer Springs Ward	(365,557)	15,050	0	(350,507)
Capital projects for medical centres in the Hurunui Ward	(110,024)	1,589	0	(108,435)
Previous deficits recorded for Rural Fire Control	5,723	(3,718)	0	2,005
Previous deficits recorded for Refuse Collection	(18,965)	107,665	0	88,700
Internal debt relating to key expansion projects for the HSTP&S	(8,698,003)	0	(2,000,000)	(10,698,003)
	(20,497,927)	1,683,943	(4,613,545)	(23,427,529)

Rate Reserve Funds as at 30 June 2012

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for
Interim treatment for Drinking Water	Water Supplies	Water Supplies	To fund capit
Full Treatment	Water Supplies	Water Supplies	To fund capit
Amberley Water	Water Supplies	Water Supplies	To fund capit
Leithfield Beach Water	Water Supplies	Water Supplies	To fund capit
Ashley Rural Water	Water Supplies	Water Supplies	To fund capit
Culverden Water	Water Supplies	Water Supplies	To fund capit
Waiau Township Water	Water Supplies	Water Supplies	To fund capit
Amuri Plains Water	Water Supplies	Water Supplies	To fund capit
Balmoral Water	Water Supplies	Water Supplies	To fund capit
Waiau Rural Water	Water Supplies	Water Supplies	To fund capit
Cheviot Water	Water Supplies	Water Supplies	To fund capit
Waipara Township Water	Water Supplies	Water Supplies	To fund capit
Hanmer Springs Water	Water Supplies	Water Supplies	To fund capit
Hawarden - Waikari Water	Water Supplies	Water Supplies	To fund capit
Hurunui Rural Water	Water Supplies	Water Supplies	To fund capit
Amberley Sewer	Sewerage	Sewerage	To fund capit
Culverden Sewer	Sewerage	Sewerage	To fund capit
Cheviot Sewer	Sewerage	Sewerage	To fund capit
Greta Valley Sewer	Sewerage	Sewerage	To fund capit
Motunau Beach Sewer	Sewerage	Sewerage	To fund capit
Waipara Sewer	Sewerage	Sewerage	To fund capit
Hanmer Springs Sewer	Sewerage	Sewerage	To fund capit
Hawarden Sewer	Sewerage	Sewerage	To fund capit
Waikari Sewer	Sewerage	Sewerage	To fund capit
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Hanmer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capit
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund cont
District Library - Amberley Ward	Community Services	Community Services and Facilities	To fund porti
Amberley Amenities	Community Services	Community Services and Facilities	To fund capit
Amuri Amenities	Community Services	Community Services and Facilities	To fund capit
Cheviot Amenities	Community Services	Community Services and Facilities	To fund capit
Glenmark Amenities	Community Services	Community Services and Facilities	To fund capit
Hanmer Springs Amenities	Community Services	Community Services and Facilities	To fund capit
Hurunui Amenities	Community Services	Community Services and Facilities	To fund capit
Amuri Medical General	Property	Community Services and Facilities	To fund capit
Cheviot Medical General	Property	Community Services and Facilities	To fund capit
Hanmer Springs Medical General	Property	Community Services and Facilities	To fund capit
Waikari Medical Centre	Property	Community Services and Facilities	To fund capit
Rural Fire Control	Emergency Services	Environmental and Safety	To fund prev
Refuse Collection	Waste Minimisation	Environmental and Safety	To fund prev
Hanmer Springs Thermal Reserve Internal Loan	Hanmer Springs Thermal Pools & Spa	Hanmer Springs Thermal Pools & Spa	Interest-only
Total Rate Reserve Funds			

	Opening	Appropriations 2011-2012		Closing
	Balance	Surplus/ (Deficit)	Capital Expenditure	Balance
	1 July 2011			30 June 2012
	\$	\$	\$	\$
Holding Reserve Funds				
Capital projects relating to interim treatment of water	0	0	0	0
Capital projects relating to full treatment of water	0	0	0	0
Capital projects for Amberley water	(283,876)	22,600	(50,686)	(311,962)
Capital projects for Leithfield Beach water	8,526	11,812	(19,228)	1,110
Capital projects for Ashley Rural water	(1,416,064)	558,730	(97,394)	(954,728)
Capital projects for Culverden water	(46,767)	6,471	(574)	(40,870)
Capital projects for Waiau Township water	50,923	16,032	(5,471)	61,484
Capital projects for Amuri Plains water	(7,074)	(26,771)	(15,996)	(49,841)
Capital projects for Balmoral water	142,106	7,013	(39,212)	109,907
Capital projects for Waiau Rural water	(197,706)	23,162	(72,854)	(247,398)
Capital projects for Cheviot water	(1,114,587)	11,355	(70,383)	(1,173,615)
Capital projects for Waipara Township water	76,351	7,626	(1,562)	82,415
Capital projects for Hanmer Springs water	(407,474)	129,258	(57,469)	(335,685)
Capital projects for Hawarden-Waikari water	(55,807)	47,766	(747)	(8,788)
Capital projects for Hurunui Rural water	(420,097)	94,864	(191,713)	(516,946)
Capital projects for Amberley sewer	(2,222,805)	(154,588)	(170,158)	(2,547,551)
Capital projects for Culverden sewer	(2,258)	(168)	0	(2,426)
Capital projects for Cheviot sewer	(68,204)	20,412	(12,866)	(60,658)
Capital projects for Greta Valley sewer	(14,111)	(1,224)	0	(15,335)
Capital projects for Motunau Beach sewer	14,182	4,414	0	18,596
Capital projects for Waipara sewer	(15,335)	(1,138)	0	(16,473)
Capital projects for Hanmer Springs sewer	(1,239,979)	(31,870)	(72,073)	(1,343,922)
Capital projects for Hawarden sewer	76,300	(13,920)	(78,926)	(16,546)
Capital projects for Waikari sewer	(236,254)	(106)	(13,675)	(250,035)
Capital projects for Amberley Beach Foreshore Protection	75,182	22,760	0	97,942
Capital projects for Amberley stormwater	(1,126,686)	37,998	(103,109)	(1,191,797)
Capital projects for Jed River Clearance	1,464	899	0	2,363
Capital projects for Hanmer Springs Stormwater	36,218	(76,483)	0	(40,265)
Contributions for the first stage of sealing of Woodbank Road in Hanmer Springs	0	(29,821)	0	(29,821)
Provision of District Library construction costs	(96,284)	33,802	0	(62,482)
Capital projects for Amberley Ward Amenities	(839,818)	19,904	(356,117)	(1,176,031)
Capital projects for Amuri Ward Amenities	139,795	88,238	(72,530)	155,503
Capital projects for Cheviot Ward Amenities	22,562	42,627	(188)	65,001
Capital projects for Glenmark Ward Amenities	(3,357)	2,541	(4,127)	(4,943)
Capital projects for Hanmer Springs Ward Amenities	(695,708)	255,572	(63,842)	(503,978)
Capital projects for Hurunui Ward Amenities	(30,533)	49,340	(12,705)	6,102
Capital projects for medical centres in the Amuri Ward	(778,346)	35,900	(72,496)	(814,942)
Capital projects for medical centres in the Cheviot Ward	(207,260)	13,674	0	(193,586)
Capital projects for medical centres in the Hanmer Springs Ward	(376,928)	11,371	0	(365,557)
Capital projects for medical centres in the Hurunui Ward	(115,232)	5,208	0	(110,024)
Provision of deficits recorded for Rural Fire Control	(4,727)	10,450	0	5,723
Provision of deficits recorded for Refuse Collection	(108,997)	90,032	0	(18,965)
Provision of internal debt relating to key expansion projects for the HSTP&S	(8,263,003)	0	(435,000)	(8,698,003)
	(19,751,668)	1,345,742	(2,091,101)	(20,497,027)

Funding impact statements

WHOLE OF COUNCIL - FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2013 Long-Term Plan \$000's	2013 Annual Report \$000's	2012 Annual Plan \$000's	2012 Annual Report \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,628	5,697	5,280	5,324
Targeted rates (other than a targeted rate for water supply)	7,628	7,878	6,999	6,830
Subsidies and grants for operating purposes	1,563	1,476	1,544	1,900
Fees, charges, and targeted rates for water supply	444	741	444	446
Interest and dividends from investments	72	137	0	93
Local authorities fuel tax, fines, infringements, and other receipts	12,030	12,745	12,073	13,055
Total operating funding (A)	27,365	28,674	26,340	27,648
Applications of operating funding				
Payments to staff and suppliers	23,526	24,843	22,161	23,736
Finance costs	969	709	831	584
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	24,495	25,552	22,992	24,320
Surplus/(deficit) of operating funding (A-B)	2,870	3,122	3,348	3,328
Sources of capital funding				
Subsidies and grants for capital expenditure	1,821	2,130	1,985	2,023
Development and financial contributions	390	1,530	697	293
Increase/(decrease) in debt	5,098	350	300	598
Gross proceeds from sale of assets	0	246	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	7,309	4,256	2,982	2,914
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	629	0	32	0
- To improve the level of service	4,910	2,803	640	1,861
- To replace existing assets	5,007	4,645	5,547	4,693
Increase/(decrease) in reserves	(367)	(71)	111	(312)
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	10,179	7,377	6,330	6,242
Surplus/(deficit) of operating funding (C-D)	(2,870)	(3,122)	(3,348)	(3,328)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement				
Surplus/(Deficit) after tax	(227)	2,773	1,014	(195)
Add Depreciation	5,805	6,792	5,662	5,999
Add Loss on Disposal	0	405	0	95
Less change in fair value of derivatives	0	(387)	0	526
Less gains on forestry revaluation	(278)	(401)	0	(125)
Less gains in value of NZUs	0	54	0	(73)
Less gains on sale of assets	0	(26)	0	0
Less Development and Financial Contributions	(390)	(1,530)	(697)	(293)
Less Subsidies and Grants for Capital Expenditure	(1,821)	(2,130)	(1,985)	(2,023)
Less Vested Asset income	(218)	(2,428)	(646)	(583)
Surplus/(deficit) of operating funding	2,871	3,122	3,348	3,328

WATER SUPPLIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	3,420	3,773	3,915
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	446	444	741
Internal charges and overheads recovered	10	9	0
Local authorities fuel tax, fines, infringements, and other receipts	109	108	0
Total operating funding (A)	3,985	4,334	4,656
Applications of operating funding			
Payments to staff and suppliers	2,178	2,396	2,560
Finance costs	385	310	255
Internal charges and overheads applied	874	909	910
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,437	3,615	3,726
Surplus/(deficit) of operating funding (A-B)	548	719	930
Sources of capital funding			
Subsidies and grants for capital expenditure	0	114	162
Development and financial contributions	254	97	384
Increase/(decrease) in internal debt	637	1,130	313
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	891	1,341	859
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	335	1,534	1,023
- To replace existing assets	1,104	526	665
Increase/(decrease) in reserves	0	0	101
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	1,439	2,060	1,789
Surplus/(deficit) of operating funding (C-D)	(548)	(719)	(930)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		30	97
Add Depreciation		933	1,378
Add Loss on Disposal		0	388
Less Development and Financial Contributions		(97)	(384)
Less Subsidies and Grants for Capital Expenditure		(114)	(162)
Less Vested Asset income		(33)	(386)
Surplus/(deficit) for Activity		719	930

SEWERAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	589	618	633
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	5
Total operating funding (A)	589	618	638
Applications of operating funding			
Payments to staff and suppliers	219	289	392
Finance costs	254	293	317
Internal charges and overheads applied	126	134	135
Other operating funding applications	0	0	0
Total applications of operating funding (B)	599	716	844
Surplus/(deficit) of operating funding (A-B)	(10)	(98)	(206)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	79	37	304
Increase/(decrease) in internal debt	(17)	947	491
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	62	984	795
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	15	474	0
- To improve the level of service	5	101	251
- To replace existing assets	32	311	44
Increase/(decrease) in reserves	0	0	294
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	52	886	589
Surplus/(deficit) of operating funding (C-D)	10	98	206
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		(394)	130
Add Depreciation		366	437
Add Loss on Disposal		0	14
Less Development and Financial Contributions		(37)	(304)
Less Vested Asset income		(33)	(483)
Surplus/(deficit) for Activity		(98)	(206)

STORMWATER AND DRAINAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	218	279	295
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	218	279	295
Applications of operating funding			
Payments to staff and suppliers	20	59	298
Finance costs	135	106	96
Internal charges and overheads applied	11	13	12
Other operating funding applications	0	0	0
Total applications of operating funding (B)	166	178	406
Surplus/(deficit) of operating funding (A-B)	52	101	(111)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	39	17	91
Increase/(decrease) in internal debt	(91)	176	138
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(52)	193	229
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	100	0
- To improve the level of service	0	194	38
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	80
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	294	118
Surplus/(deficit) of operating funding (C-D)	(52)	(101)	111
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		73	610
Add Depreciation		45	74
Add Loss on Disposal		0	3
Less Development and Financial Contributions		(17)	(91)
Less Vested Asset income		0	(707)
Surplus/(deficit) for Activity		101	(111)

ROADS AND FOOTPATHS - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,531	3,331	3,319
Targeted rates (other than a targeted rate for water supply)	0	181	181
Subsidies and grants for operating purposes	1,728	1,563	1,351
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	731	0	0
Local authorities fuel tax, fines, infringements, and other receipts	147	148	123
Total operating funding (A)	5,137	5,223	4,974
Applications of operating funding			
Payments to staff and suppliers	2,784	2,836	3,126
Finance costs	0	2	2
Internal charges and overheads applied	622	598	598
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,406	3,436	3,725
Surplus/(deficit) of operating funding (A-B)	1,731	1,787	1,249
Sources of capital funding			
Subsidies and grants for capital expenditure	1,801	1,707	1,968
Development and financial contributions	0	0	0
Increase/(decrease) in internal debt	220	(3)	(9)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2,021	1,704	1,959
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	27	70	293
- To replace existing assets	3,725	3,421	3,233
Increase/(decrease) in reserves	0	0	(318)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3,752	3,491	3,208
Surplus/(deficit) of operating funding (C-D)	(1,731)	(1,787)	(1,249)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		783	966
Add Depreciation		2,864	3,103
Less Subsidies and Grants for Capital Expenditure		(1,707)	(1,968)
Less Vested Asset income		(153)	(852)
Surplus/(deficit) for Activity		1,787	1,249

COMMUNITY SERVICES AND FACILITIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	116	80	152
Targeted rates (other than a targeted rate for water supply)	1,490	1,445	1,380
Subsidies and grants for operating purposes	0	0	125
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	729	756	1,091
Total operating funding (A)	2,335	2,281	2,749
Applications of operating funding			
Payments to staff and suppliers	2,603	2,831	2,948
Finance costs	202	262	259
Internal charges and overheads applied	955	998	998
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,760	4,091	4,205
Surplus/(deficit) of operating funding (A-B)	(1,425)	(1,810)	(1,457)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	317	239	751
Increase/(decrease) in internal debt	(242)	14	100
Gross proceeds from sale of assets	0	0	208
Lump sum contributions	0	0	0
Total sources of capital funding (C)	75	253	1,059
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	16	55	0
- To improve the level of service	162	261	138
- To replace existing assets	77	125	97
Increase/(decrease) in reserves	(1,605)	(1,998)	(633)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(1,350)	(1,557)	(398)
Surplus/(deficit) of operating funding (C-D)	1,425	1,810	1,457
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		(1,969)	(1,205)
Add Depreciation		398	500
Less Development and Financial Contributions		(239)	(751)
Surplus/(deficit) for Activity		(1,810)	(1,457)

ENVIRONMENT AND SAFETY - GROUP ACTIVITY FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,921	2,144	2,138
Targeted rates (other than a targeted rate for water supply)	1,001	1,046	1,166
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	1,275	1,290	1,652
Total operating funding (A)	4,197	4,480	4,956
Applications of operating funding			
Payments to staff and suppliers	3,431	3,673	4,076
Finance costs	9	8	0
Internal charges and overheads applied	695	717	717
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,135	4,398	4,794
Surplus/(deficit) of operating funding (A-B)	62	82	162
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in internal debt	(1)	2	(104)
Gross proceeds from sale of assets	0	0	12
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(1)	2	(92)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	5	50	1,017
- To replace existing assets	128	184	176
Increase/(decrease) in reserves	(72)	(150)	(1,123)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	61	84	70
Surplus/(deficit) of operating funding (C-D)	(62)	(82)	(162)
Funding balance ((A-B)+(C-D))	0	0	(0)
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		(25)	43
Add Depreciation		107	119
Surplus/(deficit) for Activity		82	162

DISTRICT PROMOTION - GROUP ACTIVITY FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	89	90	90
Targeted rates (other than a targeted rate for water supply)	275	286	308
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	4	5	80
Total operating funding (A)	368	381	479
Applications of operating funding			
Payments to staff and suppliers	394	416	533
Finance costs	0	0	0
Internal charges and overheads applied	13	3	3
Other operating funding applications	0	0	0
Total applications of operating funding (B)	407	419	537
Surplus/(deficit) of operating funding (A-B)	(39)	(38)	(58)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in internal debt	0	0	0
Gross proceeds from sale of assets	0	0	6
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	6
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	(39)	(38)	(52)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(39)	(38)	(52)
Surplus/(deficit) of operating funding (C-D)	39	38	58
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		(45)	(65)
Add Depreciation		7	7
Surplus/(deficit) for Activity		(38)	(58)

HANMER SPRINGS THERMAL POOLS AND SPA - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	9,632	9,572	9,550
Total operating funding (A)	9,632	9,572	9,550
Applications of operating funding			
Payments to staff and suppliers	6,418	6,635	6,655
Finance costs	761	936	936
Internal charges and overheads applied	128	132	132
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,307	7,703	7,723
Surplus/(deficit) of operating funding (A-B)	2,325	1,869	1,827
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in internal debt	0	2,000	2,000
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	2,000	2,000
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	2,550	0
- To replace existing assets	200	100	207
Increase/(decrease) in reserves	2,125	1,219	3,620
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,325	3,869	3,827
Surplus/(deficit) of operating funding (C-D)	(2,325)	(1,869)	(1,827)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		1,032	1,028
Add Depreciation		837	799
Surplus/(deficit) for Activity		1,869	1,827

GOVERNANCE - GROUP ACTIVITY FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	2012 Annual Plan \$000's	2013 Long-Term Plan \$000's	2013 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	882	991	986
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	28	16	19
Total operating funding (A)	910	1,007	1,005
Applications of operating funding			
Payments to staff and suppliers	644	676	571
Finance costs	0	0	0
Internal charges and overheads applied	266	325	325
Other operating funding applications	0	0	0
Total applications of operating funding (B)	910	1,001	896
Surplus/(deficit) of operating funding (A-B)	0	6	110
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in internal debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	5
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	6	104
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	6	109
Surplus/(deficit) of operating funding (C-D)	0	(6)	(109)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity		0	105
Add Depreciation		6	4
Surplus/(deficit) for Activity		6	109

Council Controlled Organisations

Enterprise North Canterbury	110
Canterbury Economic Development Company	111
Transwaste Canterbury Limited	112

Enterprise North Canterbury

Background

Enterprise North Canterbury (ENC) is a charitable trust which provides promotions and economic development services for the North Canterbury region. On behalf of Waimakariri and Hurunui District Councils its activities are focussed on developing existing businesses and promoting new businesses within the region. The Trust also promotes the region as a visitor destination.

The Mayors of the two Councils are trustees and the two Chief Executive Officers are advisory trustees. Other trustees are appointed jointly by the Hurunui and Waimakariri District Councils.

Council's objectives for investment in Enterprise North Canterbury

The Hurunui District Council's key objective for continued investment in Enterprise North Canterbury has been to assist in cultivating and promoting economic activity and to foster growth in North Canterbury. Council achieves this by approving the Statement of Intent and reviewing the progress through the Annual Report.

2012/2013 Objectives

1 Retain and support existing SME businesses

- 1.1 ENC will support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities
- 1.2 ENC will celebrate and recognise business leaders and business successes
- 1.3 ENC will promote Waimakariri District in accordance with the annually approved WDC/ENC promotion business plan. Hurunui District Council did not contract ENC to carry out this function.
- 1.4 ENC will facilitate the establishment of industry groupings where these are sought by the sector, to achieve efficiencies in marketing, product development and the securing of resources
- 1.5 Undertake research to identify gaps, opportunities and track business issues and trends

2 Large Businesses and New Projects

- 2.1 ENC will promote the development of "business to business" networks within the region
- 2.2 ENC will be proactive in searching for and supporting new initiatives that will create substantial wealth for the region. Particular emphasis will be given to the primary sector and its related servicing industries

3 Infrastructure

- 3.1 When ENC identifies infrastructural gaps that may impact on the creation of wealth in the region it

will lobby appropriate agencies for the provision of such facilities and services.

4 Town Support

- 4.1 Earthquake recovery
- 4.2 ENC will assist Hurunui town development as and when invited

2012/2013 Achievements

- 1.1 ENC has a pivotal role in the enhancement of business capability through training, coaching and mentoring of the SME sector, through:
 - Regional Business Partner Programme (RBP)
 - Business Training Workshops and Coaching
 - Mentoring
 - Communications with businesses and ENC stakeholders
 - Topical Seminars
 - Five ENC newsletters were produced throughout the year.
- 1.2 The celebration of business achievements within the region is an important stimulus for entrepreneurs through launching the North Canterbury Exceptional Business Awards.
- 1.3 The Waimakariri District Council adopted a Local Economic Development Strategy in April 2012 with clear objectives to promote business interests. This necessitated a change in direction of promotion services compared with previous years, to now include support for town centres and attracting new businesses to the District.
- 1.4 Often small and medium businesses will benefit from a collaborative approach to achieve superior results than is possible by each business acting independently, and ENC is well placed to facilitate such sector groupings. In particular, the North Canterbury Food and Wine Trail is in its fifth year. ENC project managed this joint venture agreement with Hurunui Tourism and Kaikoura District Council.
- 1.5 ENC undertook business surveys in November 2012 and May 2013 to provide a snapshot of business confidence and labour market needs. The results are distributed widely and used by other organisations to assist in their planning.
- 2.1 ENC achieved this through networking functions where three business update functions were held during the year with a total of 271 attendees (253 last year).
- 2.2 The rural sector is the backbone of the region's economy and will be the basis for future wealth creation in the region. ENC carried out research in

four key areas including to establish a rural sector database, to build contacts with key sector players, to understand regulatory constraints on the sector, and develop an understanding of successful relationship techniques relevant to technology transfer in the rural sector. The findings were written up in two papers “Engagement Options for ENC to increase the effectiveness in North Canterbury’s Agriculture Sector” and “Regulation in the Agriculture Sector in North Canterbury”. The Board agreed to the eight key areas of focus that were identified will be developed in the coming year.

- 3.1 In conjunction with Waimakariri District Council, ENC held a seminar on “Connecting Waimakariri through Broadband”, with 61 local business people attending. Enable and Chorus presented on their current status, programme and priorities and what these meant locally. WDC gave pres-

entations on Utilities requirements for telecommunications.

- 4.1 ENC provided business support in Kaiapoi and Rangiora through four workshop sessions. The sessions called “Strategies for changing markets” were co-ordinated and held during this time. There were 30 businesses present at these evenings. These were free to attend and fully funded by NZTE (through ENC).
- 4.2 ENC staff visited 16 local businesses in Cheviot to survey for the business sector. The research is part of the Hurunui town development strategy to achieve greater understanding of the operation and role of businesses in local communities. The survey covered 5 areas – Business Characteristics, Labour, Business Trends, About the Business, and Regional/Location Issues. The results were presented to the business community.

Canterbury Economic Development Company

Background

Canterbury Economic Development Company Limited (CED Co Ltd) was formed in October 2008 by the ten Canterbury local and regional authorities.

The core purpose and mission of the Canterbury Economic Development Co Ltd (CED Co Ltd) is to act as a promoter for transformational economic development projects that will benefit Canterbury and to utilise the Canterbury Regional Economic Development Strategy (CREDS) to coordinate strategic economic development initiatives. CED Co Ltd will act as a liaison with Central Government regarding economic development on behalf of the councils and community of Canterbury.

CED Co Ltd has successfully completed its contractual obligations with New Zealand Trade and Enterprise through the administration of the Regional Strategy Funding Programme.

Council’s objectives for investment in Canterbury Economic Development Company Limited

The Hurunui District Council’s key objective for investment in Canterbury Economic Development Company Limited has been to use the Company to act as a promoter for economic development projects that will benefit Canterbury as a whole. Council achieves this by

approving the Statement of Intent and reviewing the progress through the Annual Report.

Objectives

The objectives of CED Co Ltd were:

- To receive, review and select the most appropriate projects for funding application for the RSF.
- Act as the “final clearing house” of correspondence between “projects” and MED/NZTE during implementation.
- Provide feedback to the district and regional role players regarding project proposals.
- Communicate (via the administrative agent) shifts and changes in MED/NZTE to the regional economic development role-players.
- Provide a governance and leadership entity to stimulate collaborative efforts to transform the Canterbury economy.
- Stimulate regional collaboration.
- Support medium to long term strategic planning to lift regional economic development outcomes – such as increased competitiveness.

2012/2013 Results

For the 2012/2013 financial year, the Company was not actively trading. A review will be undertaken as to the future of the Company.

Transwaste Canterbury Limited

Background

Transwaste Canterbury Limited operates a regional landfill at Kate Valley and associated transport services in a joint venture with Canterbury Waste Services.

Hurunui District Council is one of the councils in the Canterbury region which between them own 50% of the shares in Transwaste Canterbury Limited. Hurunui's share of the Company amounts to 1.2%.

The council shareholders appoint representatives to a joint committee which in turn appoints four of the eight directors.

Council's objectives for investment in Transwaste Canterbury Economic Limited

The Hurunui District Council's key objective for investment in Transwaste Canterbury Limited has been to receive an economic return for its investment. Council continues to receive dividends from the Company.

Key performance measures

The targets of the Company under the Statement of Intent were as follows:

1. To operate a successful business, providing a fair rate of return to its shareholders.
2. To ensure that the Company meets or exceeds present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources.
3. To be a responsible Corporate Citizen by acting lawfully, fairly and honestly and to be sensitive to local issues.
4. Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.
5. Be a Good Employer. Strive for zero injury accidents in all operations the company and its main contractors, Canterbury Waste Services and Canterbury Material Recovery Facilities, will be responsible for, whilst maintaining a high level of service and production. To ensure that Canterbury Waste Services and Canterbury Material Recovery Facilities adhere to the performance targets set out under this clause.
6. Establish and maintain good relations with the local host community of the Kate Valley landfill and Burwood areas and consult with those groups and other interest group (including Tangata Whenua) on issues that are likely to affect them.

Results for 2012/2013

1. Three out of the five key performance targets were met, with the two not met relating to the Burwood Resource Recovery Park, which did not commence full operation until May 2013, rather than February 2013 as forecast.
2. Three out of the four key performance targets were met, with the one target that was not met being the fact that the Company only planted 3,137 native plants rather than 4,000 as forecast.
3. Two out of the three performance targets were met, with the one not met being the timing of the Annual review of Kate Valley Landfill, which was published in April 2013 rather than in October 2012.
4. All three key performance measures were met.
5. Six of the seven key performance targets were met, with the performance target of less than 10% of staff turnover being exceeded during the year.
6. Five of the six performance targets were met, with the target of having Nil complaints regarding landfill operations not being achieved. Twelve complaints were received regarding odour.

Appendices

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Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Hurunui District Council and group's annual report for the year ended 30 June 2013

The Auditor-General is the auditor of Hurunui District Council (the District Council) and group. The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on page 52;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 50, 51 and 53; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 54 to 88;
- the service performance information (referred to as the Group of Council Activities) of the District Council on pages 13 to 48.
- the funding impact statements in relation to each group of activities of the District Council on pages 99 to 107;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 13 to 48; and
- the funding impact statement of the District Council on page 98;

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on pages 13 to 48;
 - reserve funds on pages 90 to 97;
 - remuneration paid to the elected members and certain employees of the District Council on page 84;
 - employee staffing levels and remuneration on page 84; and



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- severance payments on page 85;
- council-controlled organisations on pages 109 to 112;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 11; and
- a statement of compliance signed by the mayor and chief executive of the District Council on page 12.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 50 to 88:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the service performance information of the District Council on pages 13 to 48:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 99 to 107, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 13 to 48, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.



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- the funding impact statement of the District Council on page 98, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 17 April 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and service performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported service performance information within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.



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When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and service performance information that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.



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Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit, which includes our report on the *Other Requirements*, we have carried out an assurance engagement providing an auditor's report to the District Council's bond trustees. This assurance engagement is compatible with those independence requirements.

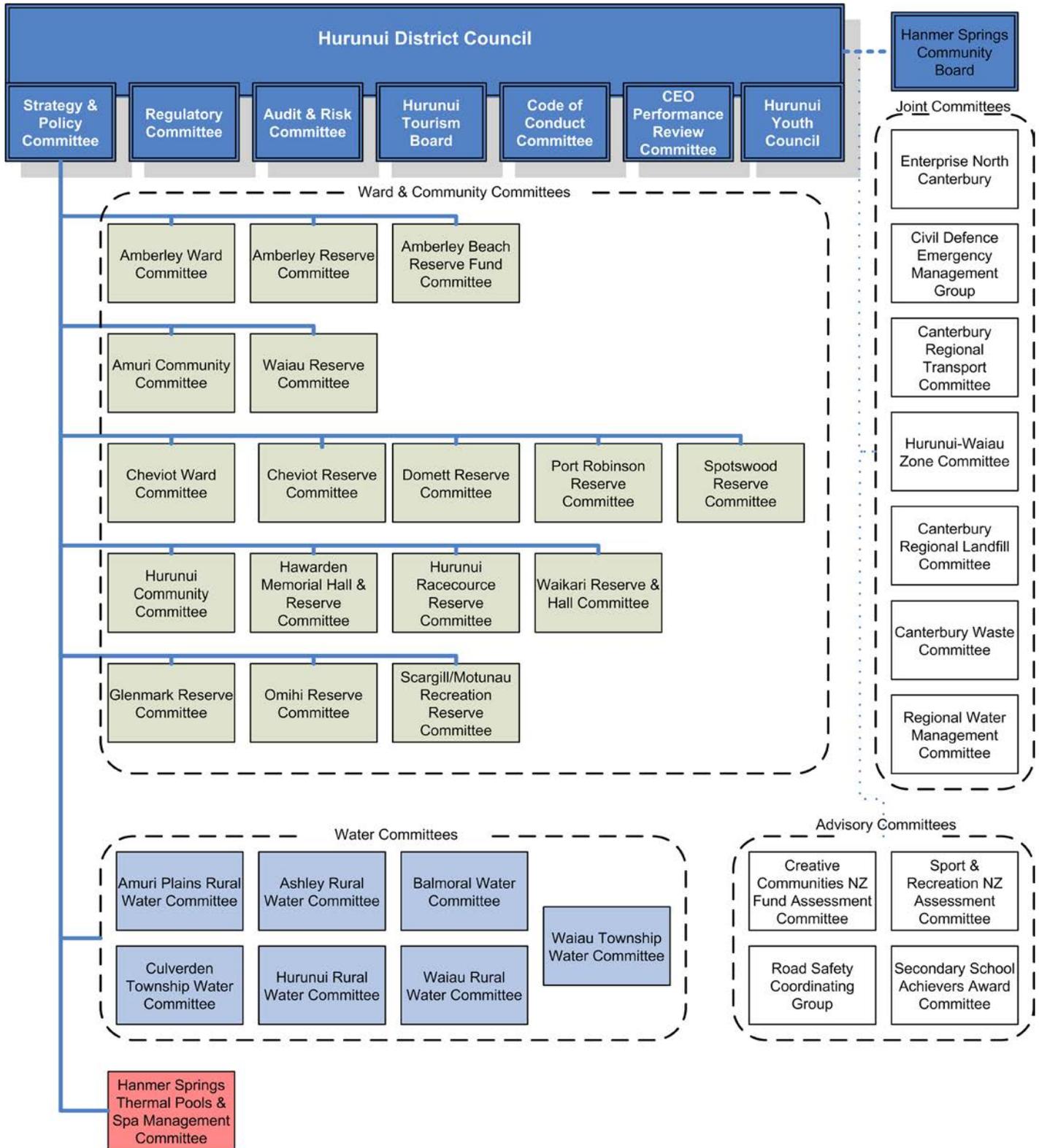
Other than the audit and the assurance engagement, we have no relationship with or interests in the District Council or any of its subsidiaries.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand



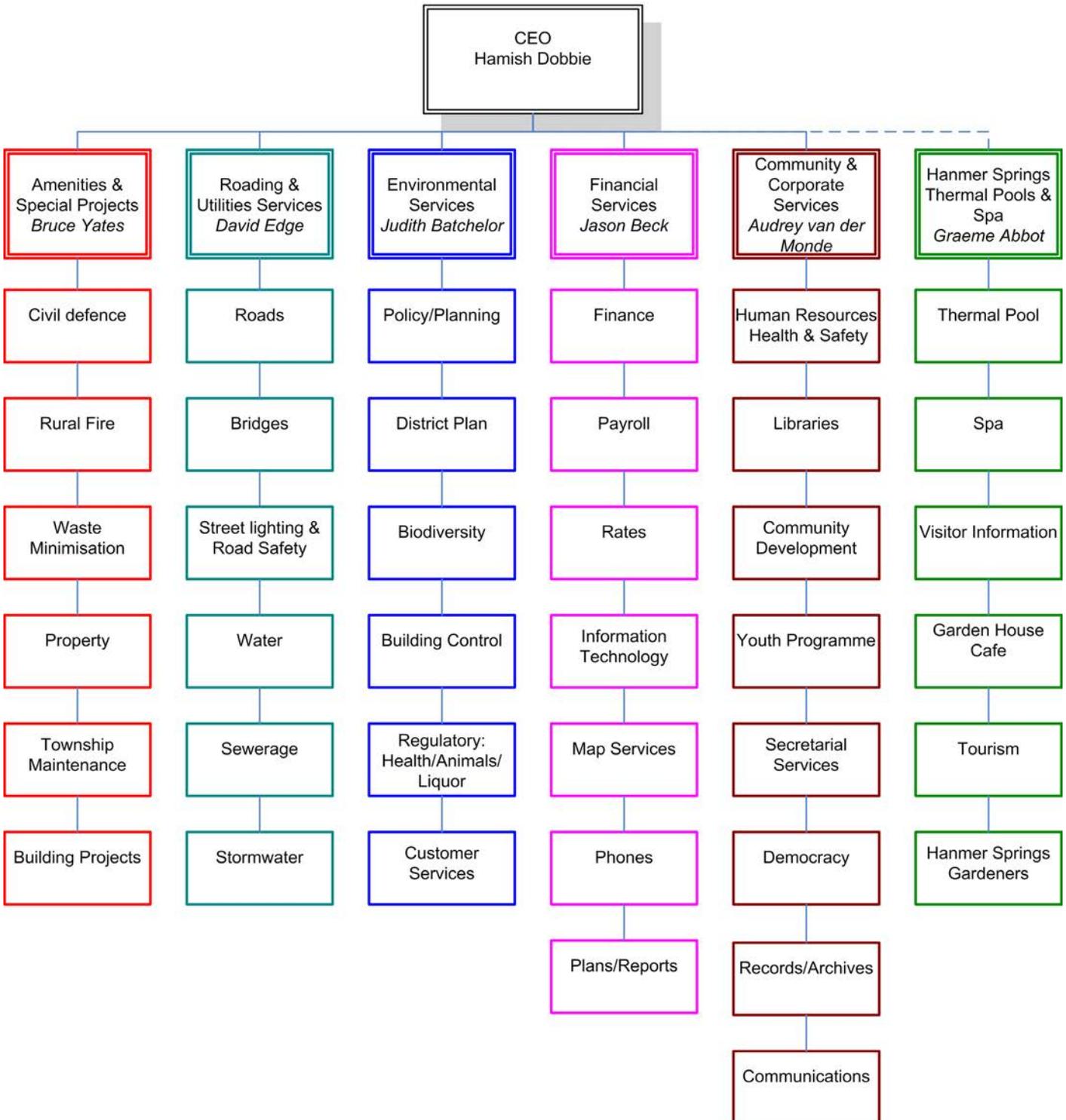
Council committee structure



Organisational structure (October 2013)

Hurunui District Council

Functional Organisation





Address: **66 Carters Road
PO Box 13
Amberley 7441**

Phone: **03 314 8816**

Fax: **03 314 9181**

Email: **info@hurunui.govt.nz**

Web: **hurunui.govt.nz**

