

2013/14

ANNUAL REPORT

Contents

Introduction	1
Foreword	2
Introduction from the Mayor and Chief Executive Officer	3
Purpose of the Council	6
The planning cycle	7
Shared services and partnerships	8
Māori decision making	10
Statement of compliance and responsibility	11
Groups of Council Activities	13
Introduction	14
Overall comparison with the 2013/14 Annual Plan	14
Water supply	16
Sewerage	21
Roads and footpaths	24
Stormwater and drainage	27
Community services and facilities	29
Community services	31
Property	34
Reserves	36
Environment and safety	37
Emergency services	40
Resource management	41
Compliance and regulatory functions	44
Waste minimisation	47
District promotion	49
Hanmer Springs Thermal Pools and Spa	51
Governance	54
Financial Statements	57
Statement of comprehensive income	58
Statement of changes in equity	59
Statement of financial position	60
Statement of cash flows	61
Notes to the financial statements	62
Funding impact statements	100
Benchmarking	111
Introduction	112
The benchmarks	113
Council Contolled Organisations	119
Enterprise North Canterbury	120
Transwaste Canterbury Limited	122
Independent Auditor’s Report	123
Appendices	129
Council committee structure	130
Organisational structure	131

Introduction

Foreword	2
Introduction from the Mayor and Chief Executive Officer	3
Purpose of the Council	6
The planning cycle	7
Shared services and partnerships	8
Māori decision making	10
Statement of compliance and responsibility	11

Foreword

This Annual Report provides information about our performance during the 2013/14 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 and Chief Executive Officer

This Annual Report summarises our performance for the financial year from 1 July 2013 to 30 June 2014. Our programme of activities was based on the second year of our 10 year plan (Hurunui Community Long Term Plan 2012/22).

For the most part, the 2013/14 year has been business as usual but with some changes to our governance and leadership. The triennial local government election in October 2013 brought about changes to our Council with three new councillors and six returning. The Hanmer Springs Community Board had a substantial change with four new members and one returning member. In addition, Hamish Dobbie joined the Council as our new Chief Executive Officer in September 2013. Despite this level of change to our council, we have continued to make steady progress with minimal disruption to our programme.

Financial Performance

We are committed to managing Council funds and your rates responsibly and affordability is a primary focus when it comes to deciding what we do and don't do. The detail about our financial performance is contained within this document, but here are some brief facts about our financial performance in the past year.

Council recorded a net deficit after tax of \$1,858,000. This was \$379,000 lower than the budgeted net deficit of \$1,479,000. Council has recognised a further increase in the valuation of its assets for the year of \$4,163,000, and \$121,000 increase to the value of its equity shares bringing the total comprehensive income up to a total of \$2,426,000.

Our operating revenue was \$36.9 million which was \$5.5 million greater than what we predicted in our annual plan. The key variances were due to roading subsidies received in relation to the emergency reinstatement work that was required after the July 2013 storm event. In addition, Council received \$3.8 million in forestry proceeds as the result of harvesting the Ashworths Forestry block after the wind event of October 2013.

Operating expenditure was \$38.7 million which was \$5.9 million greater than predicted in the annual plan. The key variances were costs in relation to harvesting the forestry block of \$2.0 million, the additional \$1.8 million spent on emergency reinstatement work for roading and \$1.9 million more in depreciation costs.

Capital Expenditure was \$8.7 million, which was \$1.5 million up on the level budgeted for. The key variances being the completion of some projects that were carried forward from the 2012/2013 year, principally the completion of the Amberley Transfer Station Project and some pipe upgrade work for Amberley Sewer. Included in the capital expenditure is \$1,010,000 of assets that were vested in the Council during the year.

The Council now owns \$379 million of assets on behalf of our residents and ratepayers. At 30 June 2014, Council's debt was \$16.2 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 continues to generate a revenue stream for the benefit of the district. The complex generated a \$2.4 million surplus in 2013/14, which was \$188,000 greater than was budgeted for.
2. We took on debt to build and redevelop core infrastructure to meet higher standards mandated by the Regional Council and Central Government regulations (for example; the first stage of meeting full compliance with the New Zealand Drinking Water Standards across the district and upgrading of effluent infrastructure to meet the increased discharge standards driven by the implementation of the National Policy Statement for Freshwater Management).

Service Performance

Since 2007, we have undertaken a resident satisfaction survey each year. The most recent survey was undertaken in February 2014 and pleasingly, it shows that most people are reasonably satisfied with the Council's performance overall.

This year's survey showed that:

- 75% of residents were satisfied (or highly satisfied) over all with the Council
- 74% had trust in Council's decision making
- 73% had trust in Council staff to do a good job
- 75% had trust in Council to do a good job
- 81% had trust in Council to manage its debt level
- 77% were satisfied with the performance of the Mayor and Councillors
- 71% were satisfied with the level of service received at council offices

Most of our services such as libraries, public toilets, cemeteries, community halls, etc, have consistently received high satisfaction. Roading on the other hand is the Council's largest spending area and the most visible asset we have, but overall, results tend not to be as high. Residents satisfied with the maintenance on the roads was 70% compared to 65% last year. Sealed roads rated at 69% satisfaction, lower than the 76% scored last year, but unsealed roads continued to receive a low satisfaction rating with the last two years scoring around 50%. Roading has caused us concern for some time now with increased costs to maintain, increased public expectations, and less government assistance to financially contribute. Whilst we will continue to try to more with less and work on improving our overall performance, we are rapidly approaching a point where we have to choose between reduced levels of service or increased cost to our ratepayers. This will be a future discussion with our residents through our long term planning process.

District Changes

There has been noticeable growth in the Amberley Ward, and few of our people would not have discovered the new retail complex which opened in May 2014, by now. Building consent applications have continued to be steady although have dropped slightly from the previous year. The population for the Hurunui district has now been confirmed at 12,000 (2013 Census data), compared with 10,750 in 2006 (the previous Census). Most of our townships are not growing and the main increase in population has been due to the growth in the southern end of the district. It is important for us to understand how population growth (and decline) impacts on our levels of service into the future.

Key Projects

We undertook or commenced a number of projects during the year. In the 'Council Activities' section of this Annual Report, we have rated ourselves against a range of performance measures. This is where we report how well we did against what we said we were going to do. All in all, we mainly achieved what we set out to do. In the 2013/14 Annual Plan, we discussed a number of key projects that we intended to do. This is a brief summary on how we did:

Insurance premium reduction

Up until 2012/13, the Council has fully insured all of its assets. However the cost of doing so reached almost three times the cost it had been in 2010 (pre Canterbury earthquakes). Whereas the Council had agreed in 2012 to remain fully insured, the reality of that caused us to

reconsider. With the endorsement of our local ward committees and board, we have since increased our risk on some Council owned assets and reduced our insurance bill by \$217,000.

Sewer Improvements

We had a number of costly sewer projects to undertake including desludging of some of our sewer plants. We decided not to do Hanmer Springs in 2013/14 after our engineers assessed that this could be deferred until 2017/2018, subject to a further survey assessment closer to the time. However, the ponds of Hawarden and Wai-kari cannot wait that long and have been re-prioritised for completion within the next two years. A new innovative methodology for desludging is being considered to reduce costs substantially. Hopefully this method will be able to be used for other larger ponds if found successful and applicable.

Drinking Water

The Kaiwara water intake was substantially damaged during a storm in October 2012 and had been maintained by a temporary supply. The new intake serving the Kaiwara rural water scheme has been completed, including new routed pipelines. We consider the new location to have considerable less risk associated with it compared to the last intake placement, as well as providing a good supply of water for this scheme into the future. Insurance cover paid for most of the new intake costs.

Hanmer Springs Doctor's Residence

Finding qualified medical staff prepared to work and live in rural New Zealand is a problem our district shares with others in the country and the availability of good quality accommodation is a very important factor when recruiting GP's. With suitable quality rental accommodation in Hanmer Springs expensive and scarce, it was sensible for the Practice to own its own GP residence. The Council owns the medical centre in Hanmer Springs and now owns a residence, purchased in 2013.

Cheviot Library/Service Centre

The Cheviot service centre renovations were finalised during the year. The community library, which had been based at the Cheviot Area School, moved into the building and has been up and running since October 2013.

District Plan Review

This is a major project for the Council and one that will take several years to complete. We have done a sub-

stantial amount of work on the District Plan over the past year, inviting community and Ngai Tahu feedback on several aspects of this as we have gone along. It will still be some months before it is finalised given the complexities of this task, but we are satisfied with the progress we have been making. 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.

Conclusion

The Council is focussed on delivering infrastructure, regulatory and public services in a manner that is effective, efficient and appropriate to meet both our current and future needs. The development of our Long Term Plan for the 2015 to 2025 period, is already engaging the minds of the Council and the people of the Hurunui. The future holds a number of challenges and opportunities

for our district including infrastructure affordability in relation to demographic changes, ensuring a vibrant framework for economic development and managing overall debt in the face of higher regulatory compliance burdens coupled with reduced funding from central government. We are fortunate that we enjoy living and working in one of New Zealand's most wonderful districts, with resilient and innovative people who will work with us to overcome future challenges and firmly grasp the opportunities that eventuate.

I hope you enjoy reading this annual report.



A handwritten signature in black ink, appearing to read 'W Dalley'.

Winton Dalley
Mayor



A handwritten signature in black ink, appearing to read 'Hamish Dobbie'.

Hamish Dobbie
Chief Executive Officer

Purpose of the Council

The Council's Vision

Community partnership in growth and wellbeing

The Council's Core Principles

- Focus on core services
- Financial responsibility and affordability
- Continuous improvement in service to everyone in our district
- Facilitate appropriate growth in the district

The planning cycle

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

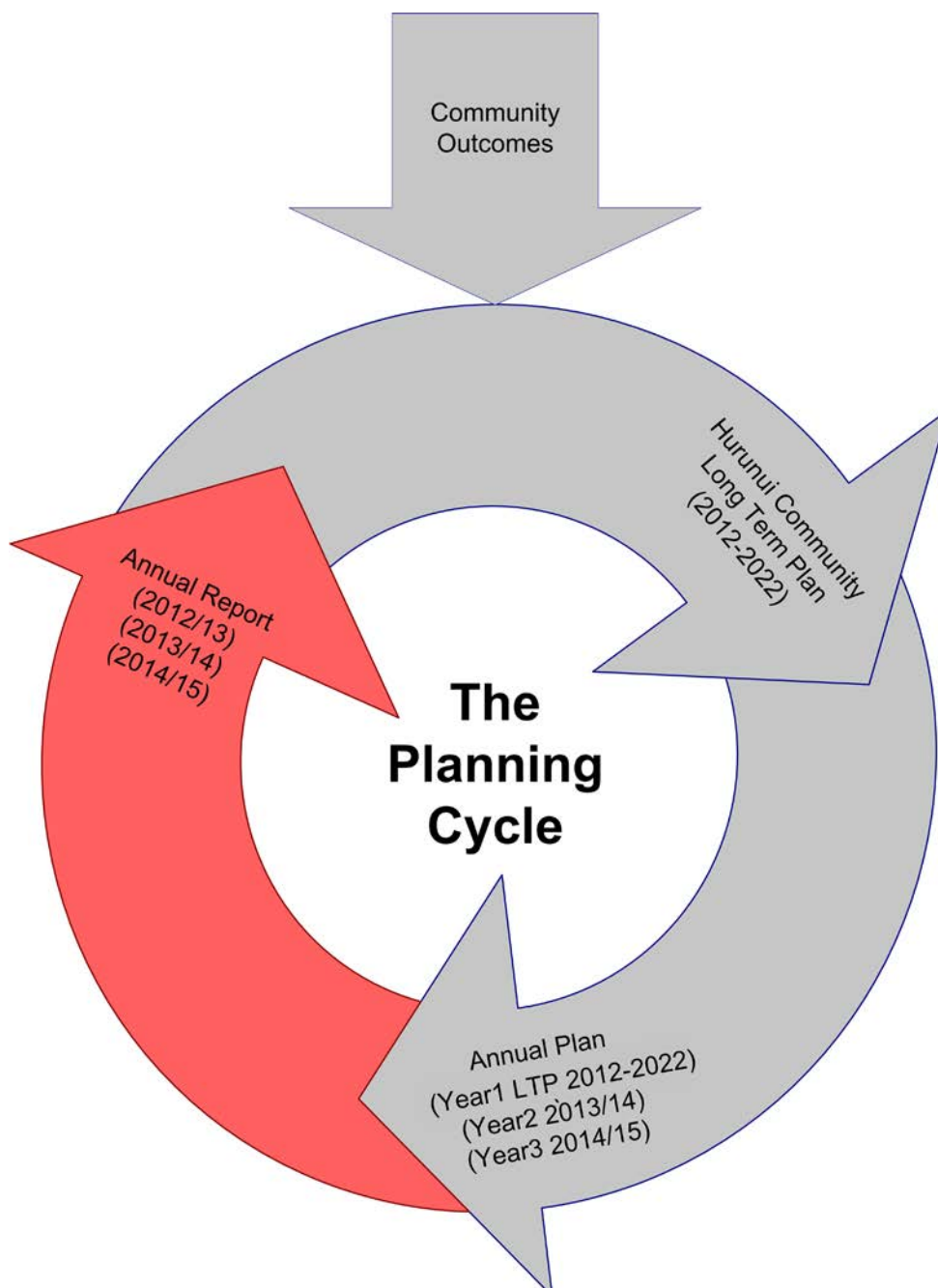
The planning cycle starts with the development of a “Long Term Plan”. In the Long Term Plan, we set out what we expect to be doing for the next ten years and how we expect to pay for it. Although the Long Term Plan covers 10 years, it is reviewed and revised every three years to ensure that it is updated to reflect changes to the district and community expectations.

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 produced, 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 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 two of the District's three Area Schools (Amuri and Hurunui). In each case, the Council runs its community libraries in conjunction with the school libraries. Hurunui Libraries are part of the Kotui consortium of 23 libraries from around the country which have purchased Library Management software to reduce cost and include a shared help-desk model. We are a member of two consortiums for the provision of downloadable e and audio books. These are Overdrive (South Island wide) and Borrow Box from Bolinda (Canterbury Libraries). We purchase electronic databases through the NZ wide EPIC service that provides a consortium model to all public libraries in NZ. Hurunui Libraries is a foundation member of a proposed book buying consortium currently working with a preferred supplier regarding shared book purchasing.

Mainpower Hurunui Natural Environment Fund

Mainpower and the Council each contribute \$5,000 per year toward a shared annual contestable fund. The fund is to encourage people in the community to undertake initiatives which restore natural plants and animal life. The \$10,000 fund is awarded in June each year to the successful recipients.

Canterbury Museum

Hurunui, Waimakariri and Selwyn District Councils along with Christchurch City Council are the contributing authorities who fund the costs relating to the Canterbury Museum. For the 2013/14 year, the Council contributed \$63,226 of the total operating levies charge of \$7,473,897.

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 have also been actively involved for some years with all the territorial authorities in Canterbury to evaluate a possible enlarged rural fire district for the whole of Canterbury, and at present we

are evaluating the feasibility of an enlarged district from Selwyn in the south to Hurunui.

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.

We currently have shared service agreements with Waimakariri District Council, Kaikoura District Council, Selwyn District Council, Timaru District Council and Christchurch City Council.

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 \$51,565 for the 2013/14 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 road maintenance contractor.
- Shared maintenance agreement with WDC to all shared local boundary roads. Sicon undertakes the maintenance of all the shared sealed roads and Downer (our road maintenance contractor) undertakes the maintenance of all the shared unsealed roads).
- Street lighting contract with Mainpower as a shared service contract between us, WDC and NZ Transport Agency for economy of scale.
- Network Assessment Contract with BECA as a shared service contract with us and WDC for economy of scale.

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 and on-going knowledge and experience of operating and maintaining the Ashley Rural water scheme, we continue to 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 our 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 January 2014, the Council entered into an agreement to provide full information technology services to Kaikoura District Council.

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 (MoU) between Te Rūnanga o Ngāi Tahu, Te Ngāi Tūāhuriri 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 tangata 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:

- 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, 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.
- Joint policy/planning meetings with Council and Ngāi Tahu planning staff.
- Involving Māori in the District Plan Review – Invitation to attend all District Plan Councillor workshops to develop draft provisions
- Working together with Ngāi Tahu and the rūnanga to develop the introductory chapter to the District Plan that embeds maori values throughout the plan and promotes greater cross-cultural understanding and collaborative action.
- Encouraging resource consent applicants to include cultural impact assessments in their assessment of environmental effects where relevant.
- Ensuring infrastructure projects consider the values, issues, objectives and policies of Ngāti Kurī and Ngāi Tūāhuriri through reference to their respective environmental management plans

Statement of compliance and responsibility

Compliance

The Council and management of Hurunui District Council 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.

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 2014 fairly reflects the financial position and operations of Hurunui District Council.

Dated 30 October 2014.



Mayor
Winton Dalley



Chief Executive Officer
Hamish Dobbie



Financial Services Manager
Jason Beck

Groups of Council Activities

Introduction	14
Overall comparison with the 2013/14 Annual Plan	14
Water supply	16
Sewerage	21
Roads and footpaths	24
Stormwater and drainage	27
Community services and facilities	29
Community services	31
Property	34
Reserves	36
Environment and safety	37
Emergency services	40
Resource management	41
Compliance and regulatory functions	44
Waste minimisation	47
District promotion	49
Hanmer Springs Thermal Pools and Spa	51
Governance	54

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 index page. Six 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. Two groups, 'Community services and facilities', and 'Environment and safety' each have a number of separate activities.

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 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 the Annual Plan.

Overall comparison with the 2013/14 Annual Plan

Performance:

There was no major variance from the strategic directions outlined in Year 2 of the 2012/2022 Long Term Plan. The Council recorded a net deficit after tax of \$1,858,000 whereas the Council budgeted to record a deficit after tax for the 2013/2014 year \$1,479,000. In addition, the Council recorded a gain on the value of its assets of \$4,163,000 and recognised a \$121,000 increase in its equity shares which brought the total comprehensive deficit recorded for the Council for the year to \$2,426,000.

Revenue:

Operating Revenue for the year was \$36,854,000 which was \$5,487,000 greater than predicted in the Annual Plan. The key variances being:

- Rates received (excluding rates for metered water supply) were \$467,000 greater than allowed for in the Annual Plan. This was due to there being a greater number of properties being rated for than was anticipated when the budgets were prepared.
- Subsidies and Grants were higher than budgeted for as a result of the increased level of New Zealand Transport Agency subsidies received from the significant amount of emergency reinstatement work required after the storm events of July 2013
- A very successful trading year for the Hanmer Springs Thermal Pools and Spa resulted in the income being \$166,000 greater than was budgeted for.
- Other Income was boosted by Forestry Proceeds of \$3.8 million, well up on the \$330,000 budget for. This was the result of the wind event from October 2013 which necessitated the harvesting of the Ashworth Forestry Block ahead of schedule. The harvest of the block had meant that the end of year valuation of the Council forest estate has reduced by \$1,788,000.

Operating Expenditure:

Operating Expenditure was \$38,712,000 for the year, \$5,886,000 greater than was predicted in the Annual Plan, the key variances being:

- Costs associated with forestry were \$2,052,000 greater than budget. This represents the unbudgeted costs associated with harvesting the forestry blocks ahead of schedule.
- The costs associated with the Emergency Reinstatement work on the Council's Roding Network were \$1,827,000, which was not specifically budgeted for.

- A fire at the Ashley Forest resulted in an unbudgeted \$189,000 in suppression costs, which the Council is pursuing reimbursement for.
- The costs associated with the District Plan Review were \$139,000 greater than budget.
- Depreciation was \$1,669,000 greater than was budgeted for. This was due to the fact that the depreciation budgets for Utilities and Roading were prepared before the completion of end of year valuations.
- Council also recognised the decommissioning of \$246,000 of Utility Assets during the year.
- These major increases on budget were offset by the deferring of \$575,000 of operating costs relating to the desludging of the Waikari and Hanmer Springs Sewer Ponds.
- In addition, after accounting for the increase in the value of Council's derivatives, the external finance costs were \$714,000 lower than was budgeted for.

Capital Expenditure

Total Capital Expenditure for the year was \$8.7 million as opposed to the budget of \$7.2 million. The key reasons for this result are:

- Water Supplies – the Council had spent a total of \$1,112,393 on Water Capital Works compared with the budget of \$760,609. The budget for the year was bolstered by a number of projects that were scheduled in the 2012/2013 being carried forward to the 2013/2014 year. Key projects carried out were: the upgrade of the Rising Main in Amberley; the completion of the Miox installations through the District; and the first stage of the new water main on Marshmans Road on the Ashley Rural Water Supply.
- Sewerage - the Council had spent a total of \$583,485 on Sewer Capital Works compared with the budget of \$64,246 – again, a number of projects were carried forward from the previous year. Work was undertaken on the key pipe upgrade works for Amberley and the resource consent renewal process for the Cheviot Scheme. Council also received \$222,891 in vested assets during the year from a key subdivision in Hanmer Springs and work associated with the supermarket in Amberley.
- Roads and Footpaths – the Council has spent \$2,752,167 on Capital Expenditure for Roading during the year. The key projects for the year were Unsealed Road Metalling, Sealed Road Resurfacing and Area Wide Pavement Rehabilitation. Council also received a total of \$549,488 in vested assets during the year. In addition, total of \$278,159 was spent on various Footpath projects during the year.
- Stormwater - the Council had spent a total of \$11,780 on Stormwater Capital Works compared with the budget of \$62,000. The key reason was that key projects budgeted for Hanmer Springs did not proceed, with the amounts being carried forward into the 2014/2015 year. In addition, Council recognised a further \$141,586 for vested stormwater assets during the year.
- Community Services and Facilities – the Council spent \$637,352 on Capital Expenditure for Community Services and Facilities during the year. This was \$290,000 less than was budgeted for. There were a number of reserve projects that were continued to be deferred 2014/2015 year. The key project undertaken was the purchase of the Doctor's House in Hanmer Springs of \$500,000.
- Environment and Safety – the Council spent \$1,252,902 on Capital Expenditure for Environment and Safety during the year. This was \$1,045,000 greater than was budgeted for. The major reason was that there was \$1,154,658 spent on the Amberley Transfer Station, the budget for which was carried forward from previous years.
- Hanmer Springs Thermal Pools and Spa – the Council spent \$813,632 on Capital Expenditure for the Hanmer Springs Thermal Pools and Spa during the year. This was \$156,000 less than was budgeted for. Costs were incurred on the Discharge Bore and the new Chlorine Gas Shed and planning work was undertaken on the upgrade of the changing rooms, which was a project that was budgeted for in the 2012/2013 year but finally underway in July 2014.

Water supply

Water Supply covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating deficit of \$663,268 was recorded against a budgeted operating deficit of \$276,214. The key variances from budget have been:

- Rates – this is higher than budget due to the increased level of connections to the supplies than was anticipated when the budgets for the Annual Plan were prepared.
- Other Income – Connection fees for the Ashley Rural, Cheviot and Hurunui Rural Water supplies are ahead of budget for the year due to the greater level of development and requirement for water.
- Vested Asset Income – The amount recognised as vested assets for the year was \$95,798, which was up on the budget of \$33,996. The vested assets were associated with the subdivision on Ripplingale Road in Hanmer Springs.
- Development Contributions – A total of \$154,355 was received from development contributions as opposed to a budget of \$85,828. The key developments have occurred in the Ashley Rural Water area.
- Depreciation – The cost of depreciation was \$1,411,820. This was \$444,495 higher than the budget due to the budget being set prior to the last revaluation process undertaken for utilities.
- Loss on Disposal of Assets – Council had identified a series of lines and points, particularly on the Ashley Rural Water Supply area that have since been replaced and now no longer provide any service for the relevant water supplies. The total of these amounts to \$189,713.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating deficit of \$663,268 was \$566,692 lower than the operating surplus recorded for the 2012/2013 year of \$96,576.

- Rates – as flagged in the 2012/2013 Annual Plan, rates have increased for all supplies as well as the second stage of the increase in rates for the installation of Miox Plants throughout the District.
- Other Income – there was a significant amount of development in the 2012/2013 year and the level of connection fees and development contributions (particularly for Ashley Rural and Amberley Township). In addition, an insurance claim of \$107,049 relating to the Kaiwara Intake washout was recognised in the 2012/2013 year.
- Vested Asset Income – The level of development in the 2012/2013 year had resulted in \$386,613 of assets being vested in Council. The subdivision development has been considerably lighter in the 2013/2014 year and as a result, the amount of vested assets has been lower.
- Other Direct Expenditure – Electricity costs on most supplies were higher than was incurred in the 2012/2013 year.
- Loss on Disposal of Assets – The level of assets disposed during the year was \$198,272 lower than in the 2012/2013 year.

Significant Capital Expenditure

Overall, \$1,112,393 was recognised as Capital Expenditure for the 2013/2014. This was \$351,784 greater than was budgeted for.

- District Wide Water – The amount of assets vested in Council for the year was \$95,798. This was due to a key subdivision in Hanmer Springs.
- Interim Treatment for Water – during the year, the Council finalised the installations of the Miox plants on Water Supplies that either had no treatment did not have a deep well source. The amount recognised for the year was \$42,951, to which there was no budget allowed for in the Annual Plan, however, the funding was carried over from the 2012/2013 year.
- Amberley Water – \$282,202 was recognised for Capital for the year, which was \$226,892 greater than the Annual Plan budget. The key item of expenditure was the upgrade of the Rising Main, the funding of which was carried over from the 2012/2013 year.
- Ashley Rural Water - \$392,682 was recognised for Capital for the year, which was \$210,206 greater than the Annual Plan budget. The key items of expenditure were the Generator, the new pump

shed on Station Road and the first stage of the new watermain on Marshmans Road

- Waiiau Township Water – Further work was carried out on the project treatment project that was partially funded with a subsidy from the Ministry of Health. The total cost incurred in 2013/2014 was \$70,128 which is an overspend of the \$520 budget.
- Hurunui Rural Water – a range of pipe replacement work was carried out during the year totalling \$86,815 which was \$33,185 greater than was budgeted for.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Water Supplies was \$3,697,985.
- Operating surpluses recorded by the individual Water Supplies totalling \$856,892 were used to offset the borrowings, with a further \$1,016,595 of Capital Expenditure (excluding Vested Assets) incurred resulting in the balance of the internal borrowings for Water Supplies sitting at \$3,857,688 as at the end of the year – an overall increase of \$159,703.
- The amount of Internal Interest charged to the Water Supplies for the year was \$279,440, with those

that held funds (rather than being in debt) receiving an amount of internal interest totalling \$11,418.

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

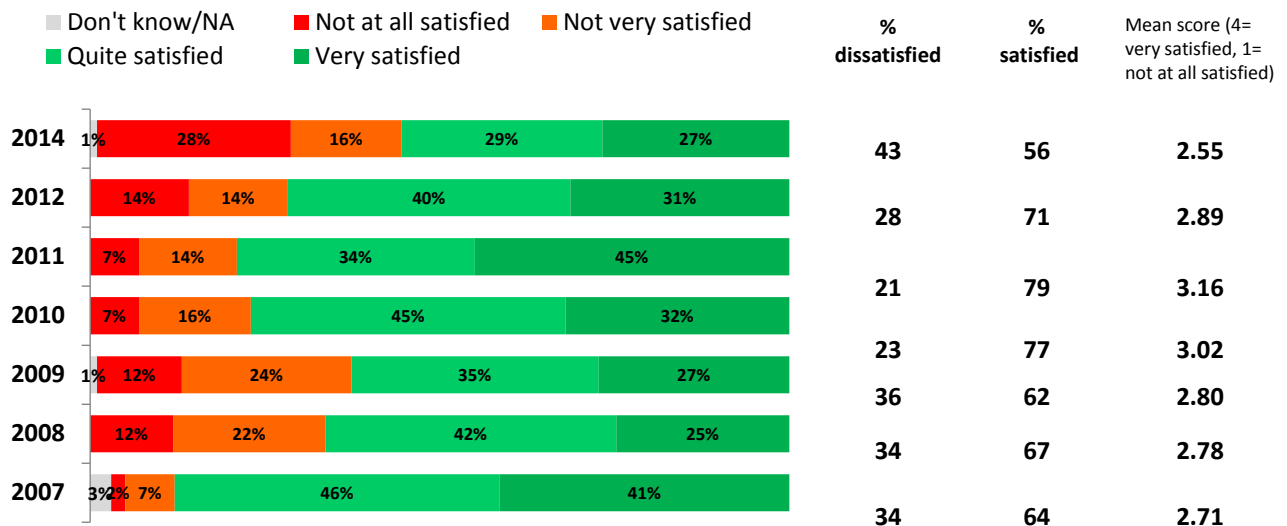
Goal	How we will achieve our goals	Performance measures
Supply water to meet consumer needs	Provide a continuous 'on demand' supply of potable water to urban areas and a 'restricted' supply of water to rural areas	Major faults to water supply pipelines greater than 250mm diameter that affect customers are repaired within 24 hours
End of year result - Met		
No major faults on pipelines greater than 250mm diameter (critical pipeline supply) were reported for the 2013/14 financial year. This figure is extracted from the tracked Customer Services Request system in HDC's data base. It is worthy of note that this is the same figure that we had in the 2012/2013 financial year		

Goal	How we will achieve our goals	Performance measures
Supply water to meet consumer needs	Undertake a resident satisfaction survey.	Resident satisfaction will continue to improve over the coming years.
End of year result - Not met		
<p>In our annual resident satisfaction survey, we ask a number of questions to gauge how our consumers would rate our water supply. Of those on a township supply, we ask how satisfied they are with the 'appearance and taste' and 'pressure and flow'. For those on rural schemes, we ask is they are satisfied with the 'amount of water available'.</p> <p>Unfortunately, our results for the appearance and taste question were lower than in previous years at 56%, down from 71% in 2012. One of the biggest areas of dissatisfaction has come from Amberley Township residents with only 37% satisfied. This is mostly due to the significant increase in iron content coming from the deep bore water supply. Treatment options are being discussed, but due to the high cost of the various options, no decision has yet been made to treat this nuisance value. While 100% of Glenmark residents were satisfied in 2012, only 38% reported being satisfied in 2013/14. To meet the new drinking water requirements, the water has been treated which has meant a change in taste from the original untreated water that was being previously supplied.</p> <p>Satisfaction among residents with the pressure and flow of the town water supply has remained relatively consistent since 2007 with a slight decrease overall this year to 79% from 81% in 2012. A substantial improvement was shown in Glenmark from 50% in 2012 to 88% in 2014.</p> <p>Satisfaction among residents for the amount of water available on rural water schemes has remained reasonably constant over the years with 79% in 2013/14. Glenmark's satisfaction increased markedly from 68% in 2012 to 85% in 2014. Other areas showing an improvement were Amberley - 77% in 2012 to 82% in 2014, Amuri - 78% in 2012 to 81% in 2014 and Hurunui - 74% in 2012 to 76% in 2014.</p> <p>Information source is the 2014 resident satisfaction survey.</p>		

Goal	How we will achieve our goals	Performance measures
Supply water to meet consumer needs	Water tested for quality.	The safety standard for potable water improves each year.
End of year result - Not met		
<p>In 2013/2014, we did 1,358 water safety tests in total on our 13 water schemes. The water tests highlight whether or not there is the presence of e-coli in the drinking water that would make it unsafe to drink. During the year, we found e-coli levels greater than acceptable (0 per 100ml of water) as follows:</p> <ul style="list-style-type: none"> • Amberley Township – 3 transgressions • Waiau Township – 7 transgressions • Cheviot and Rural – 8 transgressions • Hurunui Rural – 34 transgressions <p>This resulted in Temporary Boil Water Notices being issued to the schemes affected. Despite installing new treatment plants to improve the quality of the water, we have experienced several failures of this equipment. Most of the problems were with the Hurunui Rural Water Scheme, where we have had recurring problems with the new plant and the old chlorinator. Most of the issues have been resolved but there are still some problems with the new mixed oxidant (MIOX) treatment plants.</p> <p>In 2012/2013, we had 3.7% transgressions and sought to reduce this in 2013/2014. In 2013/2014 we had 52 failures out of the 1,358 tests done (3.8% transgressions) - a similar result to the previous year. We will continue to focus on eliminate these problems so that transgressions for e-coli become a thing of the past.</p> <p>Water testing results are logged and tracked in the Water Information New Zealand (WINZ) database. Further information on this database can be viewed at Council offices on request.</p> <p>Source http://www.drinkingwater.esr.cri.nz/default.asp.</p>		

Satisfaction with the Town Water Supply: Appearance and Taste

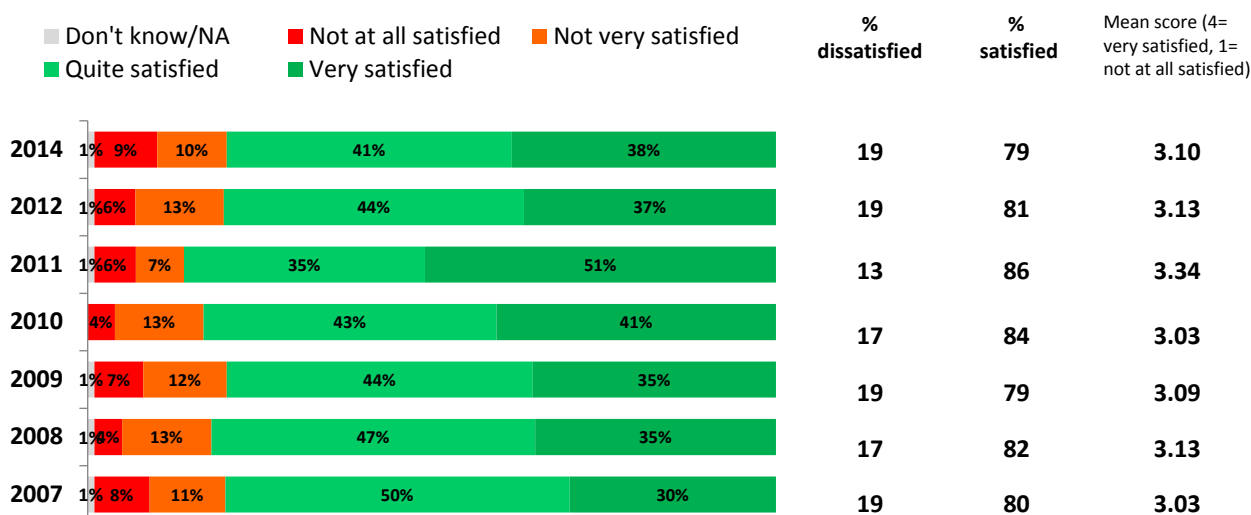
Satisfaction with the appearance and taste of the town water supply has decreased dramatically since 2012 from 71% to just over half (56%) this year.



Base: Those on town water supply: 2007: 192, 2008: 204, 2009: 234, 2010: 215, 2011: 229, 2012: 239, 2014:245

Satisfaction with the Town Water Supply: Pressure and Flow

Whilst satisfaction with appearance and taste has decreased, satisfaction among residents with the pressure and flow of the town water supply has remained relatively consistent since 2007. This year 79% of residents reported being satisfied.

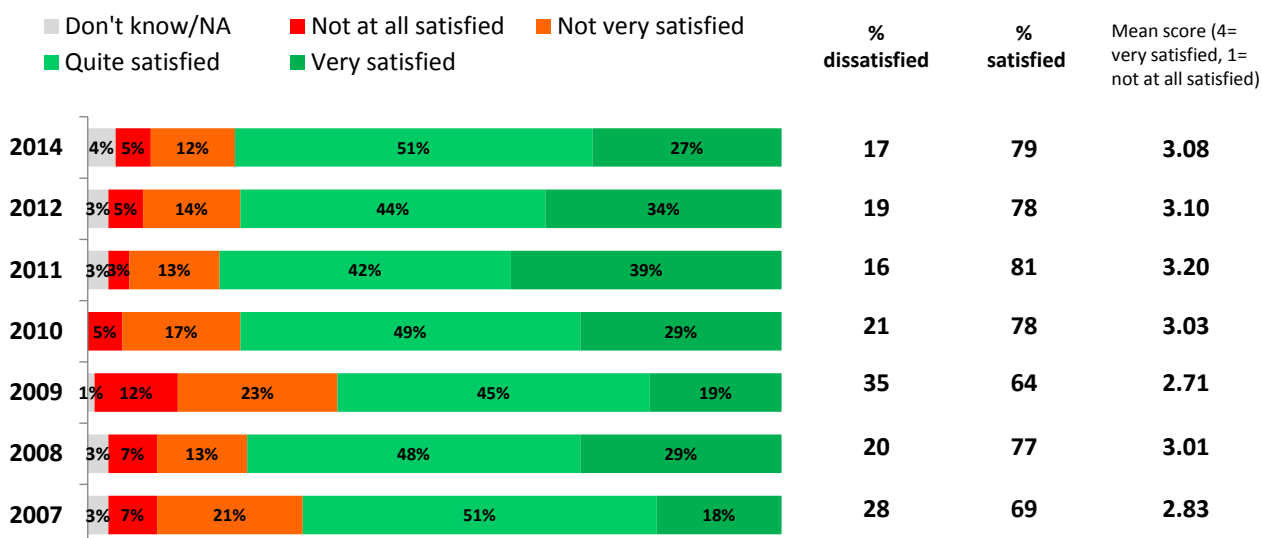


Base: Those on town water supply: 2007: 192, 2008: 204, 2009: 234, 2010: 215, 2011: 229, 2012: 239, 2014:245

2

Satisfaction with the Amount of Water Available on Rural Water Scheme

Satisfaction among residents on the rural water scheme regarding the amount of water available to them has remained relatively consistent, with 79% of residents agreeing they are satisfied this year.



Base: Those on rural water supply: 2007: 247, 2008: 233, 2009: 227, 2010: 221, 2011: 213, 2012: 214, 2014: 209

3



Group Activity - Water Supplies

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	4,612,647	4,429,691	4,276,854
Other Income	190,987	75,285	540,934
Internal Interest Received	11,418	8,186	13,258
Vested Assets	95,798	33,996	386,613
Development Contributions	154,355	85,828	383,707
Total Operating Revenue	5,065,206	4,632,985	5,601,366
OPERATING EXPENDITURE			
Employment Costs	687,536	672,321	622,074
Other Direct Expenditure	2,222,968	1,981,133	1,938,294
Internal Interest Paid	279,440	350,824	268,584
Council Overheads	936,996	937,597	909,336
Depreciation	1,411,820	967,325	1,378,517
Loss on Disposal of Assets	189,713	0	387,985
Total Operating Expenditure	5,728,474	4,909,200	5,504,790
Operating Surplus (Deficit)	(\$663,268)	(\$276,214)	\$96,576
CAPITAL EXPENDITURE			
District Wide Water	95,798	33,996	386,613
Interim Treatment for Water	42,951	0	474,218
Amberley	282,202	55,310	161,064
Leithfield Beach	22,659	0	59,829
Ashley Rural	392,682	182,476	225,937
Culverden	14,960	35,472	15,694
Waiau Town	70,128	520	245,255
Amuri Plains	24,838	23,598	1,643
Balmoral	2,325	8,078	9,695
Waiau Rural	19,739	29,621	16,037
Cheviot	6,456	215,558	273,633
Waipara	37,824	15,000	11,170
Hanmer Springs	12,846	40,980	37,641
Hawarden - Waikari	167	0	18,272
Hurunui Rural	86,815	120,000	137,880
Total Capital Expenditure	\$1,112,393	\$760,609	\$2,074,582

Sewerage

Sewerage covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating deficit of \$432,277 was recorded against a budgeted operating deficit of \$1,091,559. The key variances from budget have been:

- Rates – this is higher than budget due to the increased level of connections to the schemes than was anticipated when the budgets for the Annual Plan were prepared.
- Vested Asset Income – The level of assets vested in Council for the year was \$222,891, whereas the budget was only \$33,996. The key assets vested were in conjunction with the Rippingale Road subdivision in Hanmer Springs and the supermarket site in Amberley.
- Development Contributions – Due to the development in Hanmer Springs, the level of Development Contributions has exceeded budget by \$46,180.
- Other Direct Expenditure – In the budget for the Annual Plan, a \$475,000 was allowed for the desludging of the Hanmer Springs Sewer Ponds and a further \$100,000 for the Waikari Sewer Ponds. Neither of these key projects was undertaken during the year. This is the key reason for the underspend of \$475,709 from the budget.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating deficit of \$432,277 was \$562,533 lower than the operating surplus recorded for the 2012/2013 year of \$130,256.

- Rates – as flagged in the 2012/2022 Long Term Plan, rates have increased by \$87,345 to service an increased level of internal debt.
- Vested Asset Income – the level of assets vested in the Council for the 2012/2013 year was \$483,255, whilst for the 2013/2014 year; the amount is only

\$222,891. This was due to the higher level of new development that occurred in the 2012/2013 year.

- Development Contributions – Again, due to the development in the Amberley Township in the 2012/2013 year, the level of Development Contributions was \$303,614 last year compared to only \$84,900 received in 2013/2014.
- Other Direct Expenditure – the level of operating expenditure in Hanmer Springs was higher than for the 2012/2013 year due to the cost of electricity relating to the full function of the Sewer Pond Aerators and also the level of consultants costs incurred in preparation for the resource consent renewal for the ponds which is due in early 2015.

Significant Capital Expenditure

Overall, \$583,485 was recognised as Capital Expenditure for the 2013/2014. This was \$519,239 greater than was budgeted for.

- District Wide Sewer – The amount of assets vested in Council for the year was \$222,891. This was due to a key subdivision in Hanmer Springs and the work in Amberley in conjunction with the supermarket.
- Amberley Sewer – \$266,584 was incurred for the year, whereas the Annual Plan budget was only \$13,280. Key Pipe Upgrade work was carried out during the year, which was projects that were carried forward from the 2012/2013 year.
- Cheviot Sewer – Work was required to be undertaken to meet conditions of the resource consent renewal. A total of \$71,217 was recognised in the 2013/2014 year from a budget of only \$2,000; however the funding for this work was carried over from the prior year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$4,724,976.
- Overall operating surpluses of \$56,595 were recorded and further Capital Expenditure of \$360,594 (excluding vested assets) was incurred during the year. This has resulted in the balance of the internal borrowings for Sewerage sitting at \$5,028,975 as at the end of the year – an overall increase of \$303,999.
- The amount of Internal Interest charged to the Water Supplies for the year was \$354,302, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$7,417.

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

- 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

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

A place that demonstrates environmental responsibility

Goal	How we will achieve our goals	Performance measures
Protect public health through ensuring good sanitary standards.	Maintain sewage disposal and treatment facilities in most urban areas.	All major and significant non-compliances for our sewage disposal resource consents reduce until we have 0% non compliance. (Target for this year = 1%).
End of year result - Met		
<p>13 resource consents related to sewerage in 2013/14, with a total of 204 conditions. Of these 204 conditions, Environment Canterbury monitored 184 of them. Two of the 184 conditions were significant non-compliances (1%). Both of these related to sampling requirements of treated discharge from the treatment ponds into an open drain. The 13 May 2014 monitoring report from Environment Canterbury reported the Cheviot sewerage scheme as being significantly non-compliant due to repeated missed or late schedule samples. Although this in itself is minor non-compliance, they were elevated to significant non-compliances due to the recurrence of the non-compliance. A new sampling programme and roster has since been implemented to ensure schedule samples are now done on time as per the resource consent requirement.</p> <p>Source: Environment Canterbury compliance monitoring reports, resource consent numbers 12, CRC091326 & 12, CRC091327.</p>		

Goal	How we will achieve our goals	Performance measures
Protect public health through ensuring good sanitary standards.	Maintain sewage disposal and treatment facilities in most urban areas.	All sewer breaks are repaired within 12 hours of notification.
End of year result - Met		
<p>There were no sewerage breaks reported in 2013-14 (compared to two in the previous year). We use CCTV to monitor the condition of our underground wastewater pipe assets for issues such as deterioration and blockage build-up. This helps us to develop improvement programmes as required and to mitigate future sewer breaks.</p> <p>Source: Council’s Customer Service Requests.</p>		

Group Activity - Sewerage

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	720,467	686,060	633,122
Other Income	690	330	4,803
Internal Interest Received	7,417	1,776	7,337
Vested Assets	222,891	33,996	483,255
Development Contributions	84,900	38,792	303,614
Total Operating Revenue	1,036,364	760,954	1,432,130
OPERATING EXPENDITURE			
Employment Costs	27,093	55,379	47,719
Other Direct Expenditure	447,604	923,313	344,165
Internal Interest Paid	354,302	361,210	324,632
Council Overheads	139,272	139,284	134,160
Depreciation	447,351	373,326	437,296
Loss on Disposal of Assets	53,019	0	13,901
Total Operating Expenditure	1,468,641	1,852,512	1,301,874
Operating Surplus (Deficit)	(\$432,277)	(\$1,091,559)	\$130,256
CAPITAL EXPENDITURE			
District Wide Sewer	222,891	33,996	483,255
Amberley	266,584	13,280	20,986
Culverden	0	0	0
Cheviot	71,217	2,000	10,439
Greta Valley	8,033	2,078	2,880
Motunau Beach	10,928	0	15,585
Waipara	0	0	0
Hanmer Springs	3,211	10,392	243,905
Hawarden	621	2,500	0
Waikari	0	0	1,320
Total Capital Expenditure	\$583,485	\$64,246	\$778,370

Roads and footpaths

Roads and footpaths covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating surplus of \$422,468 was recorded against a budgeted operating surplus of \$633,785. The key variances from budget have been:

- NZTA Subsidies – the total subsidies recognised in 2013/2014 was \$5,058,788, which was \$1,670,890 greater than was budgeted for. The increase is the increased operating expenditure that was caused by the storm events of July that resulted in a \$1,826,710 of emergency reinstatement work.
- Vested Assets Income – The total value of assets vested in Council during the year was \$549,488, which was \$390,842 greater than was budgeted for. The key series of roading assets identified during the year was for Rippingale Road in Hanmer Springs and Tennyson Close also in Hanmer Springs.
- Depreciation – The amount of depreciation charged has increased by \$889,572 on the level budgeted for. This was due to the revaluation of the Council's Roding Assets that was carried out for the 2012/2013 year.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating surplus of \$422,468 was \$543,678 lower than the operating surplus recorded for the 2012/2013 year of \$966,146.

- Rates – there has been an increase of \$140,621 in rates. This was flagged in the Annual Plan as being required to continue to meet the required levels of service despite the lower level of funding available for the three year period of 2012 to 2015.
- NZTA Subsidies – there has been an increased level of subsidies received due to the increased cost of emergency reinstatement to which NZTA is contributing a higher subsidy rate than the standard rate received for routine work.

- Vested Assets Income – The level of assets vested in Council in 2012/2013 was considerably higher than 2013/2014 due to the higher level of subdivision work that was carried out.
- Operating Expenditure – this has increased by \$1,973,071 due to the \$1,826,710 of emergency reinstatement work incurred during the year.
- Depreciation – As a result of the revaluation process undertaken by the Council at the end of June 2013 that resulted in a higher value of the Council's Roding assets, the level of depreciation to be recognised in the 2013/2014 year was significantly higher than in the previous year.

Significant Capital Expenditure

Overall, \$3,579,814 was recognised as Capital Expenditure for the 2013/2014. This was \$233,057 lower than was budgeted for.

- Subsidised and Special Purpose Roding – The Council spent a total of \$2.75 million on Capital Expenditure for Roding 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, a total of \$549,488 of Roding Assets were vested in Council during the year, this includes \$56,871 in Pavement Surfacing, \$161,054 in Footpaths, \$91,843 in Swales, Kerb and Channelling, \$94,740 for Street Lights and \$126,500 relating to stock underpasses.
- Footpath Construction – A total of \$278,158 was spent on Footpath works during the year. This was \$59,383 greater than the \$218,775 budget, however, work in the Amberley, Amuri, Cheviot and Hanmer Springs has been deferred until the 2014/2015 year. The Council spent \$150,000 on work that will eventually link key subdivisions in Amberley.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Roding was \$20,768, which related to Stage 1 of Woodbank Road Sealing project.
- Adjustment was made to the balance to bring it to a balance of \$24,033 at year end.
- The interest charged for the year was \$3,298.

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

drinking and development), waste water, stormwater and solid waste.

A place with essential infrastructure

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for

Goal	How we will achieve our goals	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Contract out road maintenance and monitor performance accordingly.	Hurunui's sealed roads will compare favourably with the national rural road condition rating index.

End of year result - Mostly met

Condition ratings of sealed roads are assessed in June each year (for the previous year). The corresponding report is released in December of that year which means that our results for 2013/14 will be available in December 2014.

The December 2013 Sealed Roads Condition Rating Index report assessed the condition index (CI) for Hurunui's sealed roads in 2012/2013 at 97%, compared to the national average for rural roads of 98.3%. The Hurunui's sealed road network has stayed consistent at 97% over the last three years for condition index ratings, whilst the national average has progressively improved from 2010/2011 : 98% to 2011/2012 : 98.2%, and subsequently 2012/2013 : 98.3%. This shows that Hurunui's sealed roads are marginally lower and have remained lower than those nationally on rural sealed roads for Condition Index. Factors included in the CI rating are seal cracking, scabbing, raveling, potholes, pothole patches and seal flushing. Although the result is slightly lower than the national average overall, we have done better than the national average for the major measures below.

Source: <http://www.nzta.govt.nz/resources/road-net>. (Click on Planning and Investment Outcomes, then Transport data, then Transport networks, then Condition).

Goal	How we will achieve our goals	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Contract out road maintenance and monitor performance accordingly.	Hurunui's sealed roads will compare favourably with the national rural road smoothness travel exposure rating.

End of year result - Met

The 2012/2013 assessment for smooth travel exposure for Hurunui's sealed roads is 98%, 1% better than last year's result. The national rural road average is 95%, slightly lower than last year's assessment at 96%. In this case, a higher value is better. This means that Hurunui is doing better than the national average for rural sealed roads. Smooth travel exposure is an index which takes into account both the roughness and average daily traffic measured each year.

Source: <http://www.nzta.govt.nz/resources/road-net>. (Click on Planning and Investment Outcomes, then Transport data, then Transport networks, then Smoothness).

Goal	How we will achieve our goals	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Contract out road maintenance and monitor performance accordingly.	Hurunui's sealed roads will compare favourably with the national rural road 'roughness' rating.

End of year result - Met

The 2012/13 assessment percentage for the road network's 'roughness' in the Hurunui is 3.7% (with 2011/12 : 4.2%; and 2010/11 : 4.2%). The national average for rural roads is 9.53% (2011/12 : 9.4%; 2010/11 : 9.1%). In this case, a lower value is better and this means that Hurunui has substantially fewer 'rough' roads than that the national network for rural sealed roads.

Source: <http://www.nzta.govt.nz/resources/road-net>. (Click on Planning and Investment Outcomes, then Transport data, then Transport networks, then Roughness).

Goal	How we will achieve our goals	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Contract out road maintenance and monitor performance accordingly.	Hurunui's sealed roads will compare favourably with the national rural road pavement integrity rating index.

End of year result - Met

The strength of sealed roads is measured via a 'pavement integrity index' (PII). Our sealed road network for 2012/2013 measured at 96.4%, 0.2% less than the previous year's 96.6% rating. The national average in 2012/2013 for rural roads is 95%, the same as last year's assessment. A higher value is better; therefore our roads are rated better than the national rural road average for strength.

Source: <http://www.nzta.govt.nz/resources/road-net>. (Click on Planning and Investment Outcomes, then Transport data, then Transport networks, then Pavement Integrity).

Goal	How we will achieve our goals	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Undertake a residents satisfaction survey.	Residents consider the overall standard of road maintenance to be satisfactory (more than 70%).
End of year result - Met		
The 2014 resident satisfaction survey showed satisfaction levels for the overall standard of road maintenance in the Hurunui to be 70%. This is reasonably consistent with the results of our satisfaction survey over the years with 2011 being the only year to rate higher at 73% satisfaction. (Previous satisfaction results for the same measure are 2007: 66%; 2008: 66%; 2009: 67%; 2010: 70%; 2011: 73%; 2012: 69%; 2013: 65%; 2014:70%) Source: 2014 Resident Satisfaction Survey.		

Goal	How we will achieve our goals	Performance measures
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.
End of year result - Met		
The second step of a 3-year bridging programme covering the years from 2013 to 2015 went as planned during the year. The bridge replacement contract was tendered out and successfully won by Hunter Civil and they commenced works in April 2013/2014. This contract will continue through to June 2015. 13 bridges will have remedial works done in this time but no bridges will be completed by June 2014. The bridging replacement programme will result in some old and obsolete timber decks being replaced with concrete decks to improve road user safety and bridge weight ratings. Routine maintenance is on-going within the road maintenance contract with Downers, now into their third year of a 3+1+1 approved contract. Every three years, general bridge inspection is carried out by Opus International and they provide a 3-year forward works programme identifying high, medium and low priority maintenance work which is then integrated into the Downers works programme. Opus's next general inspection is due to be carried out late in 2014 and the priority list will feed into our budget plan for 2015/18.		

Group Activity - Roads and Footpaths

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	3,640,759	3,644,744	3,500,138
NZTA Subsidies	5,058,788	3,387,898	3,318,994
Other Income	135,471	139,224	122,830
Internal Interest Received	0	0	0
Vested Assets	549,488	158,646	852,084
Development Contributions	0	0	0
Total Operating Revenue	9,384,505	7,330,512	7,794,046
OPERATING EXPENDITURE			
Employment Costs	541	0	579
Other Direct Expenditure	5,190,196	2,958,412	3,125,406
Internal Interest Paid	3,298	1,953	1,707
Council Overheads	541,188	554,183	597,620
Depreciation	4,071,751	3,182,179	3,102,589
Total Operating Expenditure	9,806,974	6,696,727	6,827,900
Operating Surplus (Deficit)	(\$422,468)	\$633,785	\$966,146
CAPITAL EXPENDITURE			
Subsidised Roding	3,018,851	3,546,646	3,897,929
Special Purpose Roding	282,804	47,450	19,129
Unsubsidised Roding	0	0	0
Road Safety Programme	0	0	0
Amberley Ward Roadside Construction	12,574	28,288	39,881
Amberley Ward Special Projects	150,000	0	0
Amuri Ward Roadside Construction	0	45,724	162,523
Cheviot Ward Roadside Construction	0	35,196	72,910
Glenmark Ward Roadside Construction	0	0	0
Hanmer Springs Ward Roadside Construction	89,585	92,940	185,526
Hurunui Ward Roadside Construction	26,000	16,627	0
Total Capital Expenditure	\$3,579,814	\$3,812,871	\$4,377,898

Stormwater and drainage

Stormwater and drainage covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating surplus of \$268,038 was recorded against a budgeted operating surplus of \$35,825. The key variances from budget have been:

- Vested Assets Income – A total of \$141,586 was recognised as vested assets for the year. The Council had not previously budgeted to receive vested assets for Stormwater. These assets relate to the new subdivision in Hanmer Springs.
- Employment Costs – the budget for the 2013/2014 year allowed for the employment of a Stormwater Engineer. That position commenced in late January 2014, so the full budget of \$103,130 was not spent.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating surplus of \$268,038 was \$341,906 lower than the operating surplus recorded for the 2011/2012 year of \$609,944.

- Rates – for the 2013/2014 year, additional rates were set in the Annual Plan to fund the employment of a stormwater engineer.
- Vested Assets Income – The level of assets vested in Council in 2012/2013 was considerably higher than 2013/2014 due to the higher level of subdivision work that was carried out.
- Development Contributions – there was a significant amount of development in Amberley in the 2012/2013 year resulting \$90,550 of Development Contributions being received. The level of development has not been as great in the 2013/2014 year and as a result, the level of contribution received was only \$31,519.

- Other Direct Expenditure – In 2012/2013, there was a significant amount of consultants costs incurred in relation to the development of the global stormwater consent for Amberley. While that process continued in the 2013/2014, the costs incurred were not at the same level.

Significant Capital Expenditure

Overall, \$152,366 was recognised as Capital Expenditure for the 2013/2014. This was \$90,014 greater than was budgeted for.

- Vested Assets – The assessment of assets vested in Council for the 2013/2014 year was \$141,586, which related to the subdivision in Hanmer Springs.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Stormwater was \$1,263,365.
- Overall operating surpluses of \$136,210 and further Capital Expenditure of \$10,780 (excluding Vested Assets) incurred has resulted resulting in the balance of the internal borrowings for Stormwater sitting at \$1,137,935 as at the end of the year – an overall decrease in borrowing of \$125,430.
- The amount of Internal Interest charged to Stormwater for the year was \$100,842, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$4,734.

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
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. (Target for this year = 1%).
End of year result - Unknown		
<p>We have 44 resource consents with 529 conditions relating to stormwater. We are unable to report on the end of year compliance as no monitoring report has been received from Environment Canterbury relating to these conditions. We have carried out the actions required of us to comply with the conditions of the approved resource consents. The lack of monitoring is not a result of non attention, but simply that stormwater is monitored very irregularly. We can only conclude that the have had no instances of non-compliance notices issued or registered with HDC.</p> <p>Source: Council records of stormwater consents.</p>		

Goal	How we will achieve our goals	Performance measures
Minimise the risk of flooding.	Employ an engineer to manage the stormwater and drainage portfolio.	District wide stormwater catchment and management plans have been put in place.
End of year result - Not met		
<p>Stormwater management is an area that we are focusing on to mitigate the effects of flooding, improve stormwater asset capability and to meet the residents' expectations. In January 2014, we engaged an engineer to specifically focus on stormwater and to develop stormwater plans for the Hurunui district. The appointment was further into the year than was hoped for due to a nationwide demand for engineers, and a first for the Council to have a dedicated employee for stormwater. Catchment plans are currently being developed for all urban areas, before progressing to district-wide assessments next year. Some improvement and remedial stormwater works have been identified and are being progressed.</p>		

Group Activity - Stormwater

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	424,096	389,601	295,130
Other Income	0	0	0
Internal Interest Received	4,734	2,640	3,900
Vested Assets	141,586	0	706,995
Development Contributions	31,519	17,791	90,550
Total Operating Revenue	601,935	410,032	1,096,575
OPERATING EXPENDITURE			
Employment Costs	39,504	103,130	818
Other Direct Expenditure	102,480	90,443	297,632
Internal Interest Paid	100,842	118,452	99,407
Council Overheads	13,380	13,382	12,852
Depreciation	74,393	48,800	72,623
Loss on Disposal of Assets	3,298	0	3,298
Total Operating Expenditure	333,897	374,207	486,631
Operating Surplus (Deficit)	\$268,038	\$35,825	\$609,944
CAPITAL EXPENDITURE			
District Wide Stormwater	141,586	0	706,995
Amberley Beach Foreshore Protection	0	0	0
Amberley Stormwater	10,780	0	38,194
Jed River Clearance	0	0	0
Hanmer Springs Stormwater	0	62,352	0
Total Capital Expenditure	\$152,366	\$62,352	\$745,189

Community services and facilities

Community Services and Facilities cover three activities:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating deficit of \$1,911,087 was recorded against a budgeted operating deficit of \$2,113,502. The key variances from budget have been:

- Other Income – the level of Other Income is up on budget by \$113,976 due to higher than expected income from the farming operations on the Scargill-Motunau Recreation Reserve, higher receipts from the camp at Amberley Beach and higher receipts for the Waikari Reserve.
- Development Contributions – the level of development contributions received for the year was down on that budgeted for particularly in respect to the Queen Mary Upgrade.
- Employment Costs – the amount of employment costs allocated to Community Services and Facilities was lower than was budgeted for the year, particularly for general Hanmer Springs Amenities and District Reserves.
- Other Direct Expenditure – the level of operating expenditure on District Reserves are lower than was budgeted for with the amount set aside for work on the Queen Mary Site being less than anticipated while earthquake strength issues are being investigated.
- Depreciation – The amount of Depreciation charged for the year was \$575,324, compared with the budget of \$432,142. The increase on budget is relating to the realignment of depreciation on buildings

that had an increase in value when buildings were last revalued.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating deficit of \$1,911,087 was \$705,677 greater than the operating deficit recorded for the 2012/2013 year of \$1,205,410.

- Rates – the level of rates struck for Community Services and Facilities is \$139,958 greater than was received in the 2012/2013 year. The increase in rates was anticipated with the Hanmer Springs Community setting a new rate for the purchase of a Doctor's House. In addition, there was an increase provided for the Community Halls and Pools in anticipation of increasing Insurance Costs.
- Other Income – the level of Other Income is down from last year due to the Insurance Proceeds received from the damage to the Balcairn Council Chambers of \$203,580 and the termination of the Community Development Programme at the end of June 2013, of which the Council received a grant of \$80,000.
- Development Contributions – the significant level of development that occurred in the 2012/2013 year has not been as high in the 2013/2014 year and consequently, the level of development contributions is lower.
- Other Direct Expenditure – the level of operating expenditure is down on that recorded in the 2012/2013 year due to a range of repair work carried out on buildings with earthquake damage. In addition, the Council went through of process of placing priorities over buildings in respect to the level of insurance cover, which resulted in a large saving in premiums for community assets.

Significant Capital Expenditure

Overall, \$637,352 was recognised as Capital Expenditure for the 2013/2014. This was \$290,268 less than was budgeted for.

- Library – \$58,290 was spent on Library books for the year.
- Medical Buildings – after consulting with the community through the Annual Plan, the Council, purchased a new house to accommodate a doctor in Hanmer Springs at a price of \$500,000.
- Reserves – A total of \$319,416 was budgeted for capital projects for Reserves. At the end of the year only \$50,672 was spent, with remaining balances to be carried forward into the 2013/2014 year. Of the

project that were undertaken: \$15,149 was spent on new Water Heating for the Leithfield Beach Camp; \$12,234 was spent on the Squash Courts at the Scargill-Motunau Recreation Reserve; and funding towards a tractor and new picnic tables for the Hamner Springs Reserves.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Community Services and Facilities was \$3,113,131.
- Operating surpluses (excluding depreciation) recorded by the individual Community Services and Facilities totalling \$571,702 were used to offset the borrowings, with a further \$833,768 of Capital Expenditure incurred resulting in the balance of the internal borrowings for Community Services and Facilities sitting at \$3,375,198 as at the end of the year – an overall increase of \$262,066.
- The amount of Internal Interest charged to the Community Services and Facilities for the year was \$299,245 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$63,828.

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.

Group Activity - Community Services and Facilities

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,672,445	1,610,444	1,532,487
Other Income	815,638	701,662	1,216,194
Internal Interest Received	63,828	45,994	46,004
Development Contributions	200,911	247,626	750,758
Council Overheads (Income)	0	0	0
Total Operating Revenue	2,752,822	2,605,726	3,545,443
OPERATING EXPENDITURE			
Employment Costs	716,922	844,940	730,548
Other Direct Expenditure	2,053,019	2,075,164	2,217,646
Internal Interest Paid	299,245	347,568	305,170
Council Overheads	1,019,400	1,019,414	997,838
Depreciation	575,324	432,142	499,651
Total Operating Expenditure	4,663,910	4,719,229	4,750,854
Operating Surplus (Deficit)	(\$1,911,087)	(\$2,113,503)	(\$1,205,410)
CAPITAL EXPENDITURE			
Community Services	58,290	67,548	118,800
Property	528,390	540,656	241,377
Reserves	50,672	319,416	82,776
Total Capital Expenditure	\$637,352	\$927,620	\$442,953

Community services

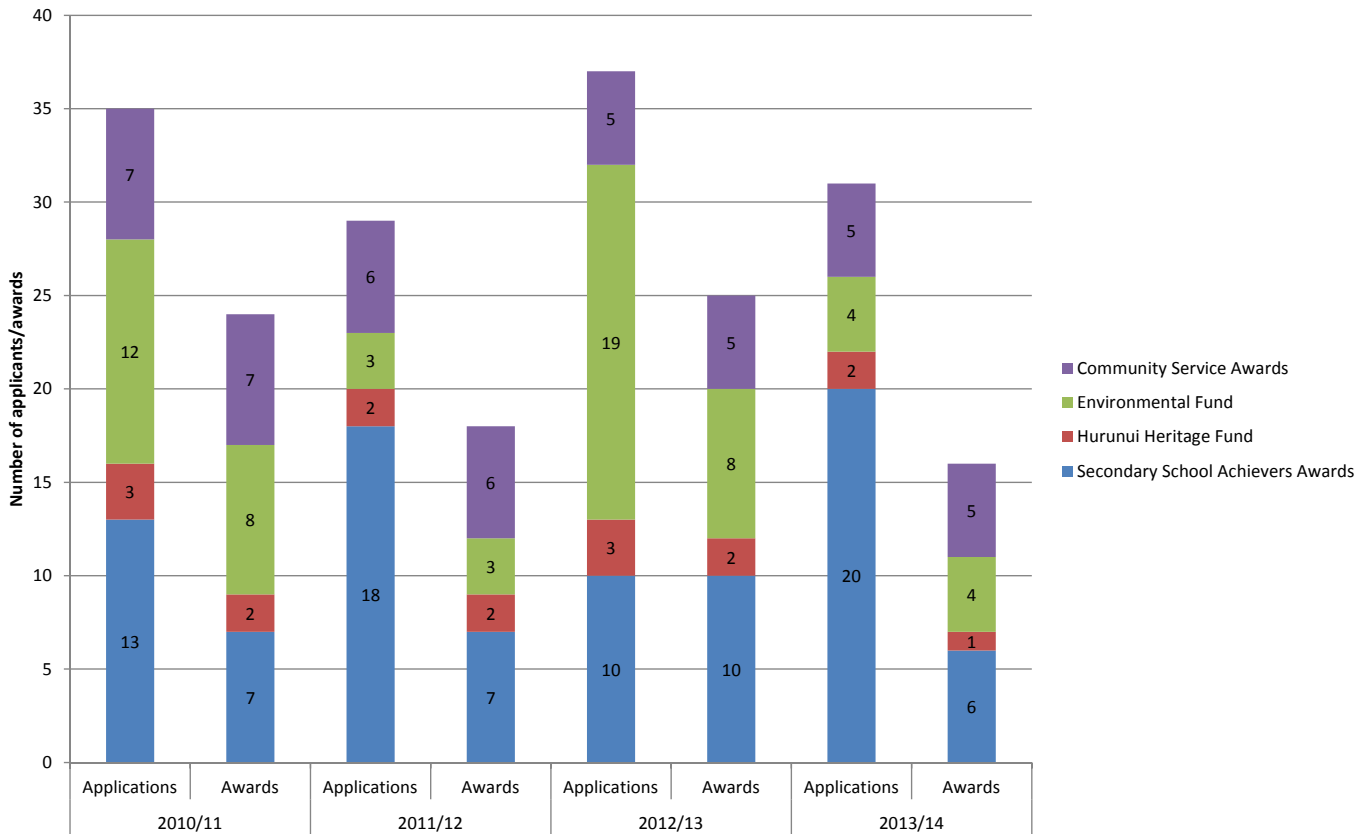
Goal	How we will achieve our goals	Performance measures
Provide community services that are valued by people in the District.	Run a youth programme that meets the needs of our local youth.	Youth events attendances reach no less than the minimum desired.
End of year result - Not met		
At the end of the year, the Hurunui Youth Programme completed all of the activities that had been scheduled. There were a total of 39 'registered' events (the events where we record names) and another 15 'non-registered' events (open) held, as well as the weekly school visits, regular youth meetings and club days/nights. Of the 39 registered events, five events did not achieve the minimum desired numbers set. These have been evaluated and either deleted, put on hold or adjusted to make them more appealing (in conjunction with discussions with attendees and with the Hurunui Youth Council).		

Goal	How we will achieve our goals	Performance measures
Provide community services that are valued by people in the District.	Undertake a residents satisfaction survey.	Satisfaction with library customers is maintained or continues to improve.
End of year result - Met		
Satisfaction with the service provided by the library increased to 83%, up 2% on the 2012/13 result for this question. With the exception of Cheviot, satisfaction levels across the district were consistently high (Amberley 94%, Glenmark 96%, Amuri 80%, Hanmer Springs 78% and Hurunui 75%). Cheviot residents are least likely to say they are satisfied with the library (61%). It is noted that this has been a consistent result since 2007. Borrowing from the Cheviot library has increased by 67% since its relocation in October 2013. When the survey was conducted in early February 2014 the Cheviot service point was still relatively new.		

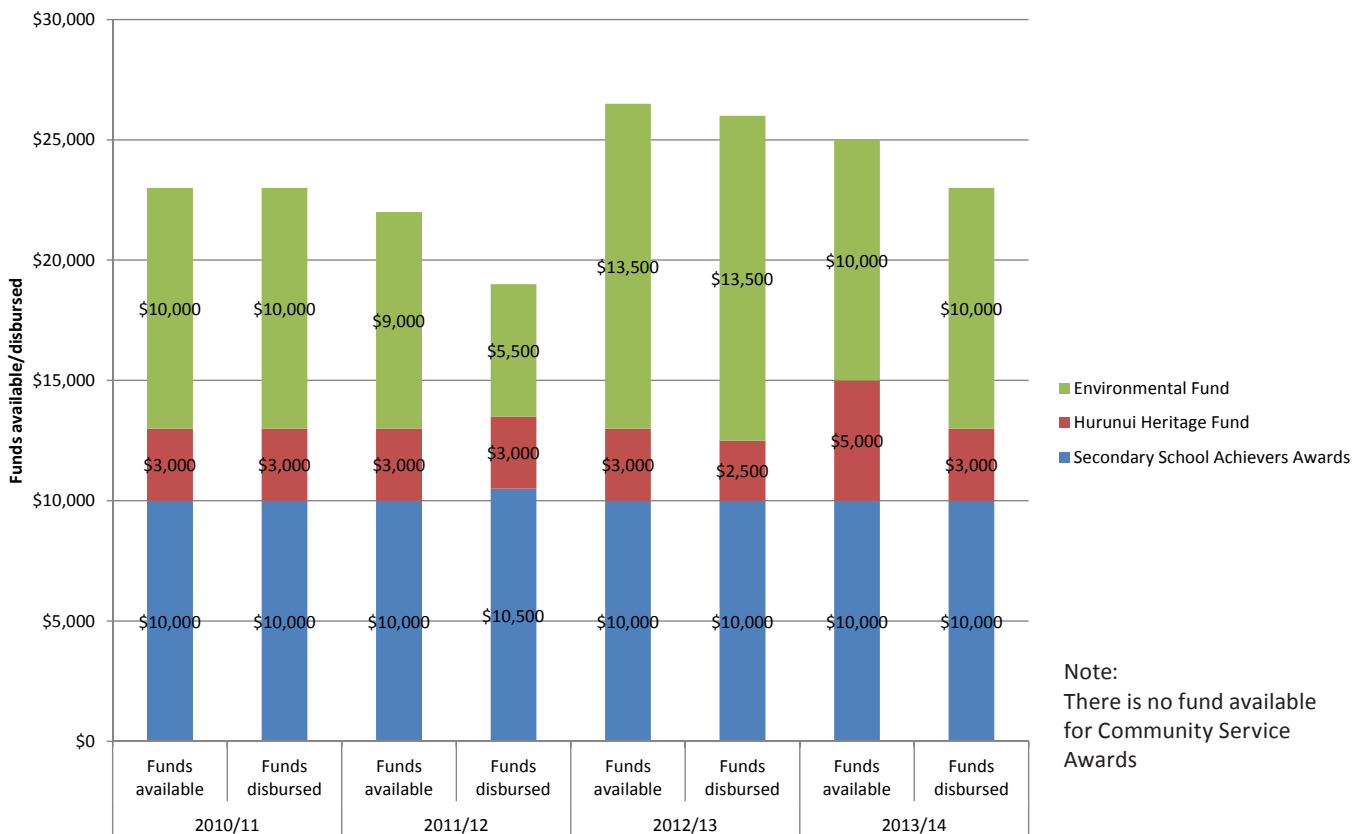
Goal	How we will achieve our goals	Performance measures
Provide community services that are valued by people in the District.	Reward and recognise outstanding contribution from people in the District.	Awards and funds are disbursed according to the criteria annually.
End of year result - Met		
Each year the Council distributes funds and awards for outstanding service or contribution to the district. This year we received 20 applications for the secondary school achiever awards (the biggest for some years). The \$10,000 fund was distributed between the top 6 students. Five community service awards were distributed throughout the district. This is to recognise voluntary effort and no financial reward is given. Only 2 applications were received for the Hurunui Heritage Fund for projects that improve the preservation and understanding of the district's heritage. Of the 2 applications, one was awarded \$3,100 out of the \$5,000 available. Four applications for the Council and MainPower's joint Hurunui Natural Environment Fund were received. A total of \$10,000 is available for works on public or private land that benefits existing indigenous values or reinstates indigenous vegetation. The total fund was distributed in full to all four applicants.		

	2009	2010	2011	2012	2014
Resident satisfaction with the library	77%	81%	84%	81%	83%

Applicants/awards by year and fund

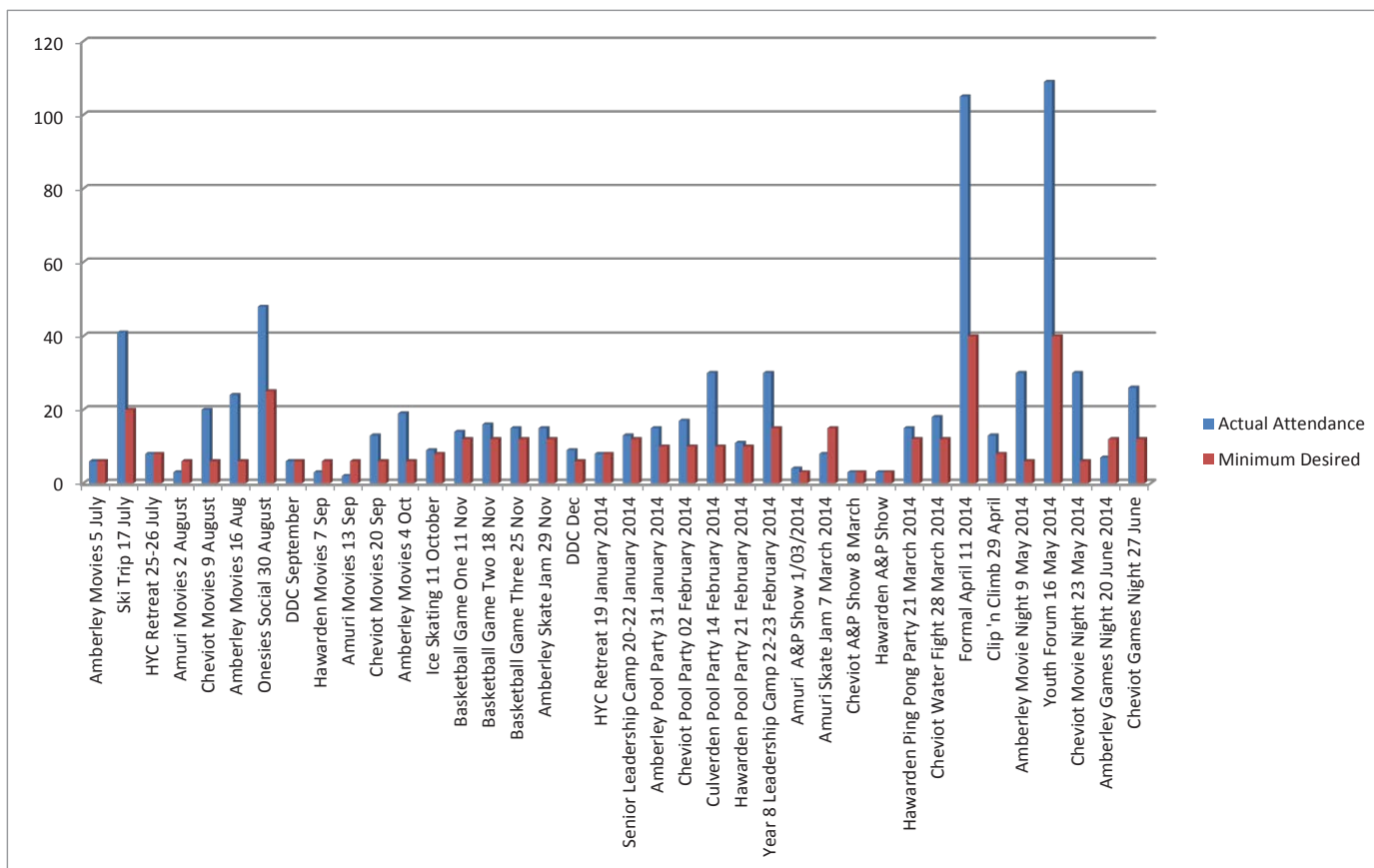


Funds available/disbursed by year and fund



Note:
There is no fund available for Community Service Awards

Hurunui Youth Programme Registered Attendance Chart 2013-2014



Activity - Community Services

Operating Statement

OPERATING REVENUE

Rates	789,861	740,755	788,234
Other Income	96,071	94,828	188,485
Internal Interest Received	8,854	1,501	2,703
Development Contributions	27,511	38,777	87,966

Total Operating Revenue

922,297

875,861

1,067,388

OPERATING EXPENDITURE

Employment Costs	457,345	514,474	522,088
Other Direct Expenditure	416,212	359,632	450,349
Internal Interest Paid	124,929	150,151	141,741
Council Overheads	518,460	518,439	502,668
Depreciation	177,924	109,842	136,682

Total Operating Expenditure

1,694,870

1,652,537

1,753,528

Operating Surplus (Deficit)

(\$72,573)

(\$76,676)

(\$686,141)

CAPITAL EXPENDITURE

Library	58,290	67,548	118,800
Community Programmes	0	0	0
Grants	0	0	0
Amenities	0	0	0

Total Capital Expenditure

\$58,290

\$67,548

\$118,800

Property

Goal	How we will achieve our goals	Performance measures
To provide and maintain buildings to support activities and recreational needs for local communities.	Consult with the community about the future of the Amberley swimming pool.	Decide on the course of action to be taken (build, upgrade or abandon) depending upon community views.
End of year result - Not met		
An incorporated Society 'Save our Pool Inc.' was formed from interested community leaders to develop plans and raise funds for the agreed option. The Amberley Ward Committee approved \$15,000 of funding for the society to commission a scoping report. That report has not yet been received but when received will determine the future course of actions		

Goal	How we will achieve our goals	Performance measures
To maintain townships so they are neat and tidy.	Investigate complaints about the standard of any Council owned facilities.	All complaints are followed up within 48 hours.
End of year result - Not met		
34 customer requests for service were lodged in relation to our property. Of the 34, 31 were followed up within 48 hour. Most of the requests were to bring matters to our attention for service rather than 'complaints'. Unfortunately were not able to respond to 3 of the requests within 48 hours due to: staff illness (an issue at times for a small council); and difficulty in finding a supplier to make a sign for one of our reserves. Our usual signage supplier had recently been disestablished. The requests for service relating to council owned property included community halls, playground equipment, reserves (trees), pensioner units, cemeteries, public toilets, camping grounds and depots. On most occasions, our response time is very prompt and delays to actually completing any service requirements are almost always due to having to wait for contractors or tradespeople to be able to 'fit the job in' to their schedules.		

Goal	How we will achieve our goals	Performance measures
To maintain townships so they are neat and tidy.	Undertake a residents satisfaction survey.	Residents satisfaction over attractiveness and neatness of their townships is maintained or improved.
End of year result - Not met		
We did not ask a question relating to neatness and attractiveness of townships in our 2014 resident satisfaction survey. We do know that residents in the main are satisfied with council owned township facilities such as halls, libraries, parks and reserves, cemeteries, waste and recycling and footpaths. The results vary but over time have mainly been consistent. Satisfaction for recycling and waste has reduced due to the introduction of new collection bags. In the past, residents were able to put their waste and recycling into bags or boxes of their choice. We will be monitoring this trend into the future.		

Service/Facility	2010	2011	2012	2014
Maintenance of parks and reserve	85	91	87	90
Standard of local halls	76	78	78	73
Service provided by the library	81	84	81	83
Quality of public toilets	78	80	82	76
Standard of cemetery	60	68	62	70
Satisfaction with household waste collection	91	95	96	87
Satisfaction with household recycling collection	-	86	89	72
Standard of public footpaths	74	66	67	71

Activity - Property

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	603,512	597,699	487,325
Other Income	426,548	413,345	774,366
Internal Interest Received	54	0	0
Development Contributions	73,771	63,460	72,803
Total Operating Revenue	1,103,885	1,074,504	1,334,493
OPERATING EXPENDITURE			
Employment Costs	127,295	146,967	136,671
Other Direct Expenditure	865,629	807,453	984,204
Internal Interest Paid	173,843	195,168	162,332
Council Overheads	117,600	117,616	114,236
Depreciation	321,220	256,461	293,536
Total Operating Expenditure	1,605,588	1,523,666	1,690,978
Operating Surplus (Deficit)	(\$501,703)	(\$449,162)	(\$356,486)
CAPITAL EXPENDITURE			
Rental Property	3,685	0	149,811
Public Toilets	0	0	14,945
Medical Centres	500,000	500,000	2,546
Halls	17,367	12,078	37,438
Pools	0	2,078	0
Township Maintenance	7,338	26,500	36,636
Total Capital Expenditure	\$528,390	\$540,656	\$241,377

Reserves

Goal	How we will achieve our goals	Performance measures
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.
End of year result - Mostly met		
A total of \$524,676 was spent on operating expenses for local amenities reserves, which was \$58,342 lower than was budgeted for. Capital Expenditure for the year was \$43,138, which was \$71,923 lower than budget due to the decision to defer the resealing of the tennis courts at Leithfield Beach.		

Goal	How we will achieve our goals	Performance measures
Our cemeteries meet the needs of our communities.	Undertake a residents satisfaction survey.	No less than 90% of residents who have visited a cemetery are satisfied.
End of year result - Not met		
70% of residents surveyed were satisfied with the standard of cemeteries in the district (compared with 62% in 2012). There was no distinction made in the survey between those who had actually visited a cemetery and those who hadn't.		

Activity - Reserves

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	279,072	271,990	256,929
Other Income	293,019	193,488	253,343
Internal Interest Received	54,920	44,493	43,301
Development Contributions	99,630	145,389	589,989
Total Operating Revenue	726,641	655,361	1,143,563
OPERATING EXPENDITURE			
Employment Costs	132,281	183,499	71,789
Other Direct Expenditure	771,177	908,081	783,093
Internal Interest Paid	473	2,249	1,097
Council Overheads	383,340	383,359	380,934
Depreciation	76,180	65,839	69,434
Total Operating Expenditure	1,363,451	1,543,027	1,306,347
Operating Surplus (Deficit)	(\$636,809)	(\$887,666)	(\$162,784)
CAPITAL EXPENDITURE			
District Reserves	7,533	74,455	24,200
Cemeteries	0	129,900	2,750
Amberley Reserves	15,149	95,836	32,014
Amuri Reserves	0	8,833	15,708
Cheviot Reserves	0	0	0
Glenmark Reserves	12,234	0	7,083
Hanmer Springs Reserves	15,755	10,392	0
Hurunui Reserves	0	0	1,021
Self Funded Reserves	0	0	0
Trust Funds	0	0	0
Total Capital Expenditure	\$50,672	\$319,416	\$82,776

Environment and safety

Environment and Safety cover four activities:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating deficit of \$529,266 was recorded against a budgeted operating surplus of \$17,418. 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 – other income for Environment and Safety is up on budget due to: a subsidy of \$29,859 was received on Rural Fire Equipment purchased, which was not budgeted for; Dog Licence fees ended the year \$15,197 up on the level budgeted for due to a higher number of dogs being registered in the District; changes to the Liquor Licensing legalisation had meant that fees increased by \$25,949 on the level budgeted for; and Solid Waste Charges were \$20,509 greater than budget.
- 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 – other direct expenditure is up on budget by \$509,922. This is due to: Costs incurred in suppressing a rural fire in the Ashley Forest area was \$189,126, of which the Council is actively pursuing reimbursement; direct costs associated with District Plan review was \$139,460 greater than

budgeted for; Consultants costs associated with Building Control was \$83,926 greater than budget; and Solid Waste Costs were \$150,811 greater than budget, which included the unbudgeted purchase of refuse and recycling bags as the result of change to the collection structure. These costs were offset by the Council only spending \$13,600 of the budgeted \$170,000 on Earthquake Strength reviews due to the delay to confirmation of the relevant legislation.

- Depreciation – the level of depreciation is higher than budgeted due to the depreciation that has been charged on the newly developed Transfer Station site in Amberley.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating deficit of \$529,266 was \$572,714 less than the operating surplus recorded for the 2012/2013 year of \$43,448.

- Rates – the rates charged for the 2013/2014 year were higher than the level struck for the previous year due to the budgeted costs involved in reviewing 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 – Other income is up on the previous year by \$73,275, which is due to: Subsidies received on Rural Fire Equipment; Income from Building Control is up on last year by \$29,438 due to increased level of building activity during the year; Changes to the Liquor Licensing legalisation has resulted in increased income of \$25,086 from last year; the greater number of dogs registered in the District has resulted in Dog Licenses being \$46,207 greater than that recognised last year; and income from Solid Waste was \$38,652 greater than was recorded in the 2012/2013 year .
- Employment Costs – there was an increase from 2012/2013 in the employment costs due to: the higher staff numbers required in the building control department; increased level of training incurred on Rural Fire Control; increased staffing requirements in relation to the sale of alcohol legislation and a greater level of resources assigned to Animal Control.
- Other Direct Expenditure – the major movement in direct expenditure for Environment and Safety is as follows: Costs incurred in suppressing a rural fire in the Ashley Forest area was \$189,126, of which the Council is actively pursuing reimbursement; direct costs associated with District Plan review was

\$144,418 greater than last year; Consultants costs associated with Building Control was \$47,902 greater than last year; and Solid Waste Costs were \$181,611 greater than last year. These costs were offset by the Council only spending \$13,600 on Earthquake Strength reviews compared to \$90,150 spent in the 2012/2013 year.

- Depreciation – the level of depreciation is higher this year compared to last year due to the depreciation that has been charged on the newly developed Transfer Station site in Amberley.

Significant Capital Expenditure

Overall, \$1,252,902 was recognised as Capital Expenditure for the 2013/2014. This was \$1,045,454 greater than was budgeted for.

- Civil Defence and Rural Fire – A total of \$101,892 was spent of the \$119,508 budget. Work totalling \$35,634 was carried out on Generators and a further \$66,258 was spent on work on Rural Fire Tankers. Budget for the Remote Trigger for Tsunami Sirens, Digital radios for Rural Fire and the Fire Depot in Waiau have been deferred until 2014/2015.
- Resource Management and Planning - \$25,980 was budgeted to purchase a replacement vehicle for the Monitoring area. This was deferred until 2014/2015. In the meantime, the biodiversity vehicle was sold and replaced from the current fleet of vehicles.
- Compliance and Regulatory – Replacement vehicles for Building Inspectors and Public Health Officer was budgeted for but not spent and will be carried forward to the 2014/2015 year.
- 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 2013/2014 year \$1,154,658 was spent to complete the project.

Internal Borrowing

- At the start of the financial year, the level of internal funds on hand for Environment and Safety was \$90,704. This was in respect to the Targeted Rate Funded Rural Fire Control and Household Refuse Collection.
- Operating deficits recorded by the individual Environment and Safety cost centres totalled \$229,739 (primarily due to the costs incurred on the Ashley Forest Fire suppression) and resulted overall borrowings for Environment and Safety at the end of the year of \$139,035 – an overall increase in internal borrowings of \$229,739.
- The amount of Internal Interest charged to the Environment and Safety cost centres for the year was \$11,321 with those cost centres that held funds (rather than being in debt) receiving an amount of internal interest totalling \$4,315.

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

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,419,346	3,313,371	3,303,658
Other Income	1,725,543	1,654,378	1,652,268
Internal Interest Received	4,315	0	1,917
Development Contributions	0	0	0
Council Overheads (Income)	0	0	0
Total Operating Revenue	5,149,203	4,967,750	4,957,844
OPERATING EXPENDITURE			
Employment Costs	1,625,615	1,476,772	1,465,350
Other Direct Expenditure	3,097,932	2,605,232	2,611,067
Internal Interest Paid	11,321	7,443	1,910
Council Overheads	743,412	743,423	717,140
Depreciation	200,189	117,462	118,928
Total Operating Expenditure	5,678,469	4,950,332	4,914,395
Operating Surplus (Deficit)	(\$529,266)	\$17,418	\$43,448
CAPITAL EXPENDITURE			
Emergency Services	101,892	119,508	148,699
Resource Management & Planning	(12,206)	25,980	31,686
Compliance and Regulatory Functions	8,558	61,960	45,763
Waste Minimisation	1,154,658	0	967,265
Total Capital Expenditure	\$1,252,902	\$207,448	\$1,193,412

Emergency services

Goal	How we will achieve our goals	Performance measures
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.
End of year result - Met		
<p>Educating the public to be prepared for an emergency situation is an on-going programme involving different initiatives. The following is an example of what has been done to do this during the year:</p> <ul style="list-style-type: none"> • Council website with useful information about preparedness. • Weather warnings notified to the public through the web and Facebook. • Displays and interactive games and models at the Amberley and Amuri A&P shows (for both civil defence and rural fire). • Use of an earthquake stimulator at shows and schools to heighten awareness of what to do. • Talk about preparedness, civil defence and rural fire at a fortnightly dedicated slot on the local 'Compass' radio station. • Fire permits are used as an education opportunity to promote safe burning. • New initiatives include developing a planning guide for the public, and working with small businesses to develop business continuity plans. 		

Goal	How we will achieve our goals	Performance measures
To be prepared for emergency situations which have adverse implications for the District.	Ensure there are sufficient resources.	Staff and volunteers are trained to deal with an emergency.
End of year result - Met		
<p>Developing and training volunteers to respond and deal with an emergency is an important function of the council. There are 9 sector posts within the district and within those, there is regular training. The frequency is different for different groups, remembering that these are volunteers, therefore the training has to suit them. Some train fortnightly, some monthly and others quarterly.</p> <p>There are 6 volunteer rural fire forces in the Hurunui district with the newest being formed at Mt Lyford. Two basic rural fire courses were delivered during the year – February and May, and a rural fire pump course. Of the 92 rural fire personnel, 59 attended a training course in the 2013/2014 financial year. Each fire force also conducts fortnightly or monthly training.</p> <p>Staff training has been through real life situations during the year. Minor civil defence activations were initiated through severe weather events. Most staff have been involved in formal civil defence training with the newest staff yet to receive any. We are confident that we have sufficiently trained staff to manage effectively in a civil defence emergency. Within the Canterbury region, more emphasis is being placed on sharing expertise and skill across the region for all emergency situations where people, property and animals are at risk. It is recognised that to train all staff and to maintain the level competence for all staff is impractical if not an impossible aim, not to mention costly.</p>		

Activity - Emergency Services

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	444,635	435,047	432,925
Other Income	25,817	0	2,021
Internal Interest Received	0	0	170
Total Operating Revenue	470,452	435,047	435,116
OPERATING EXPENDITURE			
Employment Costs	163,619	110,696	100,984
Other Direct Expenditure	388,016	152,887	175,758
Internal Interest Paid	11,321	7,182	1,894
Council Overheads	102,144	102,140	99,764
Depreciation	91,814	60,848	66,359
Total Operating Expenditure	756,914	433,753	444,759
Operating Surplus (Deficit)	(\$286,462)	\$1,294	(\$9,644)
CAPITAL EXPENDITURE			
Civil Defence	35,634	25,980	52,977
Rural Fire	66,258	93,528	95,722
Total Capital Expenditure	\$101,892	\$119,508	\$148,699

Resource management

Goal	How we will achieve our goals	Performance measures
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.	The District Plan review is complete.

End of year result - Not met

We started to review our District Plan over a year ago. This work is complex and important to the future of the Hurunui district. Therefore it is more important that we do this thoroughly at the expense of taking longer than we may have initially planned. The review is not complete but we have been actively seeking community feedback for us to consider before we get to the final draft stage. There have been many hours of work invested in this project by both staff and councillors and we believe that we will have developed a robust plan to put out for public consultation in 2015.

Goal	How we will achieve our goals	Performance measures
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.

End of year result - Met

169 resource consents were processed within the statutory time-frame and 1 resource consent was processed outside the statutory time-frame. This equates to 99.4% of resource consents been processed within 20 working days.

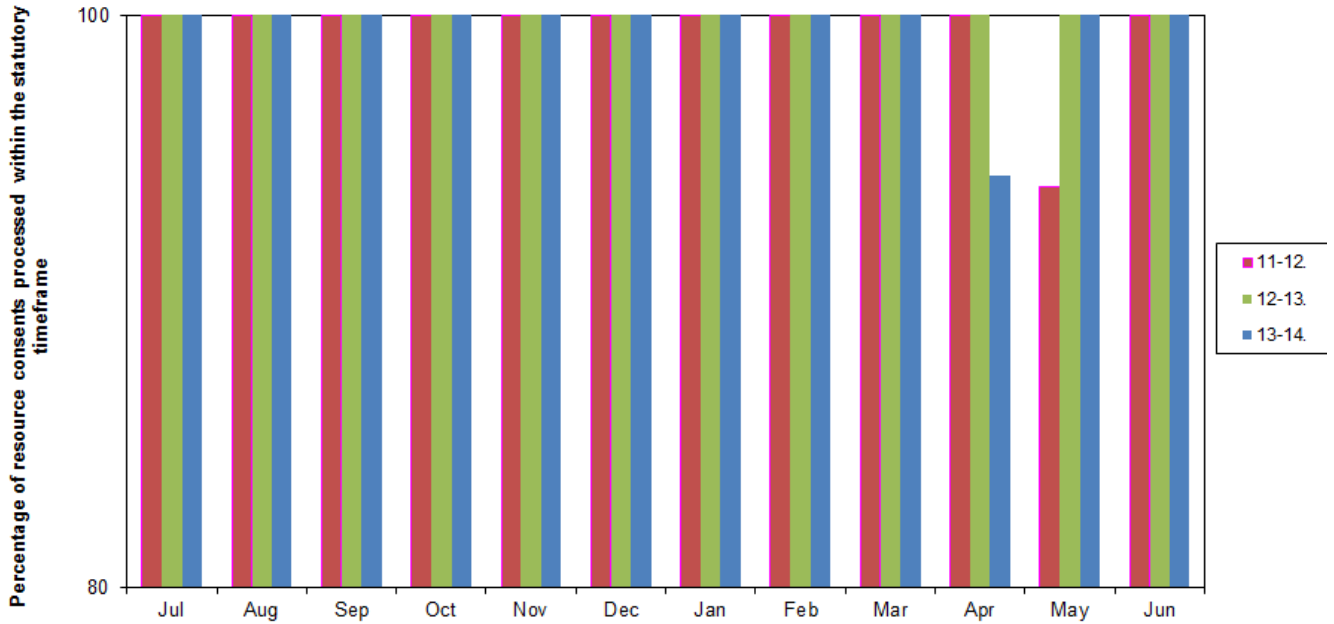
Goal	How we will achieve our goals	Performance measures
To manage our natural resources as safely as possible and ensure they are protected for the future.	Protect the unique biodiversity values of the District.	Work with land owners and communities to encourage restoring indigenous plants and animals.

End of year result - Met

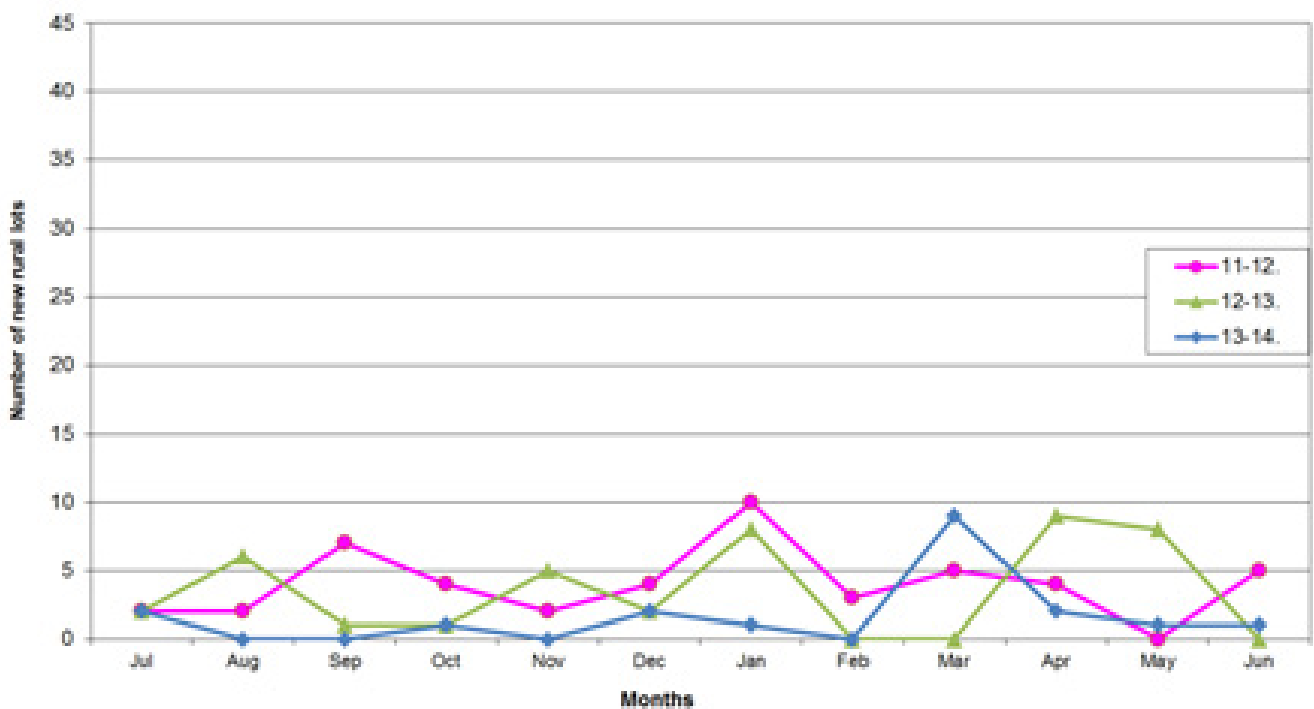
Through the District Plan review, landowners have been invited to work with council officers to identify significant natural areas on private land. This has generated much interest and feedback. In addition, our biodiversity officer has worked with landowners and community groups to implement biodiversity protection and restoration projects such as planting programmes, trapping pest mammals, plus documenting work on National Biodiversity Database, NatureWatchNZ. A variety of specific projects and advice has been undertaken during the year, for example:

- Funding applications, rates relief of covenants, and tax benefits of riparian planting and fencing, and reduction of nitrogen runoff to waterways.
- Designed and implemented programmes for community groups to restore Council-owned sections of the Chatterton River and Tipapa Stream.
- Working with DOC to plant rare and endangered limestone plants on Council-owned land.
- Awareness programme to promote the value of protecting, enhancing, and restoring biodiversity through fact sheets and presentations to community groups. This included creating a children's book, 'Celebrating Biodiversity in the Hurunui District'.

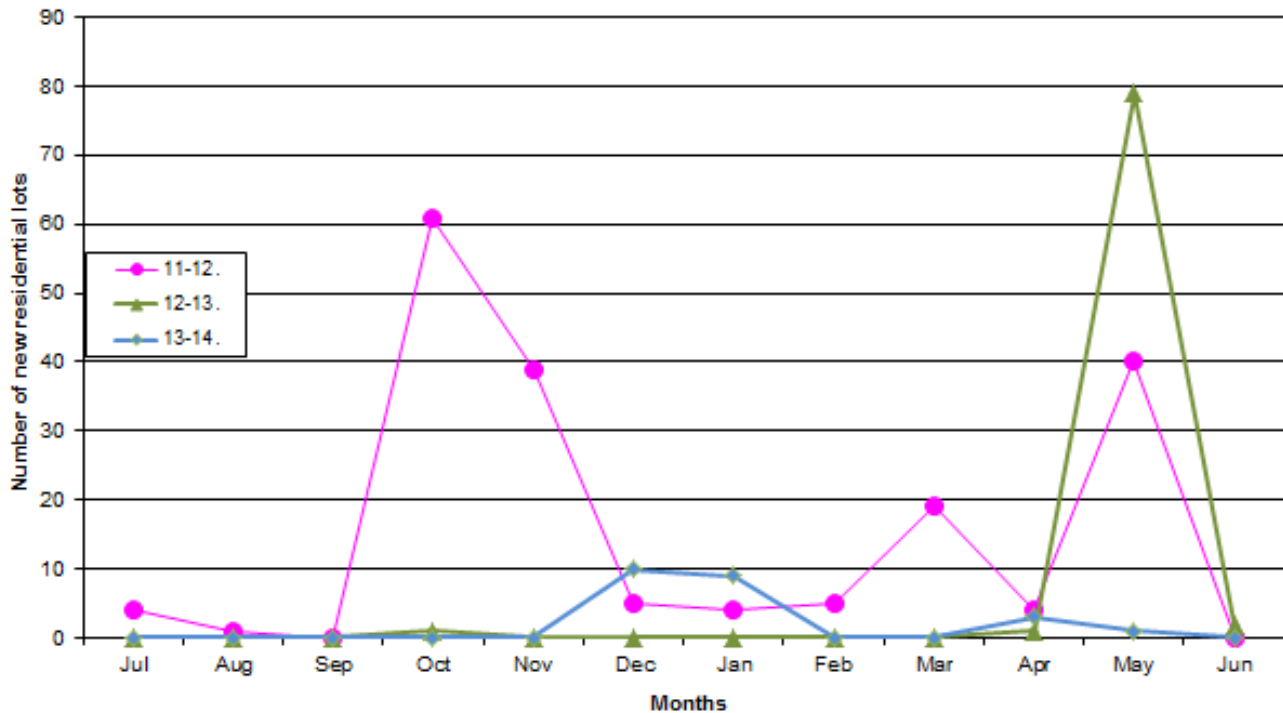
**Percentage of Resource Consents processed within the 20 working day statutory timeframe
Comparison between financial years**



**Number of rural lots created by subdivision consents
Comparison between financial years**



Number of residential lots created by subdivision consents Comparison between financial years



Activity - Resource Management

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	848,169	841,511	868,579
Other Income	405,098	420,770	493,705
Total Operating Revenue	1,253,267	1,262,281	1,362,284
OPERATING EXPENDITURE			
Employment Costs	609,094	626,241	650,939
Other Direct Expenditure	512,926	345,137	391,817
Council Overheads	276,384	276,384	266,498
Depreciation	6,876	14,520	9,416
Total Operating Expenditure	1,405,281	1,262,281	1,318,670
Operating Surplus (Deficit)	(\$152,014)	(\$0)	\$43,614
CAPITAL EXPENDITURE			
Resource Management	(12,206)	25,980	0
Subdivision Inspection	0	0	31,686
Total Capital Expenditure	(\$12,206)	\$25,980	\$31,686

Compliance and regulatory functions

Goal	How we will achieve our goals	Performance measures
Buildings are safe for the public.	Inspect buildings in accord with NZ building standards.	80% of building consents are processed within 20 working days.

End of year result - Met

A total of 513 building consents were issued during the year. Of these, 494 were processed within the statutory 20 working days which equals 96%. We were late in processing 19 of the building consents due to a number of clerical, resource and contractor issues. These have all been addressed and 100% of consents have been issued within the required time in the last 6 months of the year. A daily monitoring programme of consents is now being carried out to avoid any future consent going over the 20 working days.

We had originally set our target at 80% because of the difficulties Canterbury has been experiencing with obtaining skilled building officers. This has impacted in the past on our ability to process building consents in a timely fashion. We are fortunate to have qualified staff and also have a shared working relationship with other councils so we can assist each other.

Goal	How we will achieve our goals	Performance measures
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 and on licence liquor premises are inspected annually.

End of year result - Not met

93% (130) of licensed food premises and 96% (50) of on licensed liquor premises were inspected during the year. There are 155 licenced food premises (149 in 2012/13 and 153 in 2011/12), and 52 on licenced liquor premises (52 in 2012/13 and 67 in 2011/12). As a result of the inspections, some minor food related issues were identified and resolved with the operator, but there were no serious non-compliances.

We work with other agencies (police and public health) to make sure liquor sales and licences are within the law and do different types of inspections including testing to see whether any of the outlets are selling to underage purchasers. During our visits, we unfortunately found 7 cases where illegal sales were made. These were dealt with by the Alcohol Regulatory and Licensing Authority with suspensions of licences for the premises and the manager's certificates. Higher risk premises were visited with 17 of them being visited on more than one occasion. Intoxication issues were found at 2 of the premises and excessive noise complaints were dealt with at 3 of the premises.

We did fewer inspections than the previous 2 years when we inspected all premises (100%). With the introduction of the new 'Sale and Supply of Alcohol Act' and the measures we needed to put in place to implement it, we focused our inspections on the higher risk premises rather than all of them. Given that we generally do inspect all premises, it was more important during the year to put time into ensuring the new Act was implemented correctly. We will have additional on-going resourcing needs and in September 2014, we employed a part time environmental health officer to supplement our internal capacity.

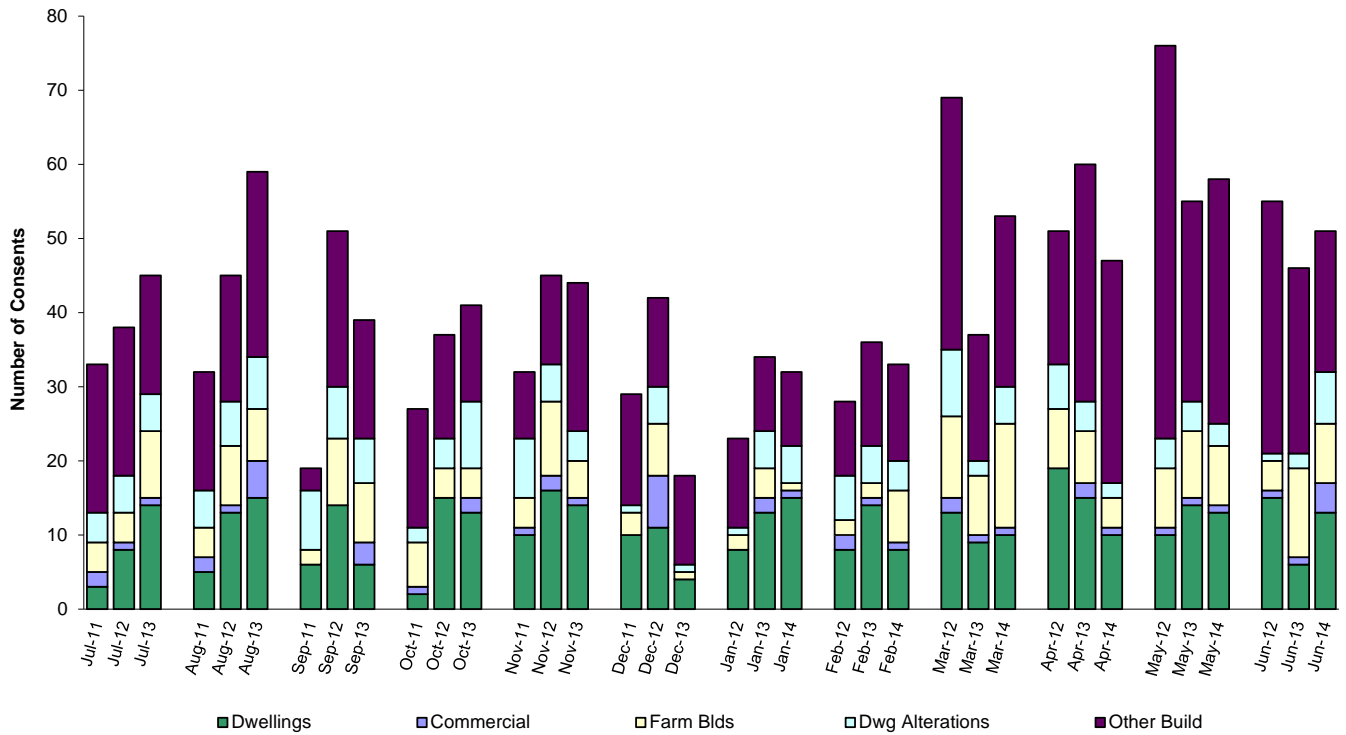
Goal	How we will achieve our goals	Performance measures
Dogs and stock do not cause a nuisance.	Investigate complaints about animals causing danger or nuisance.	All serious dog complaints are followed up within 24 hours.

End of year result - Met

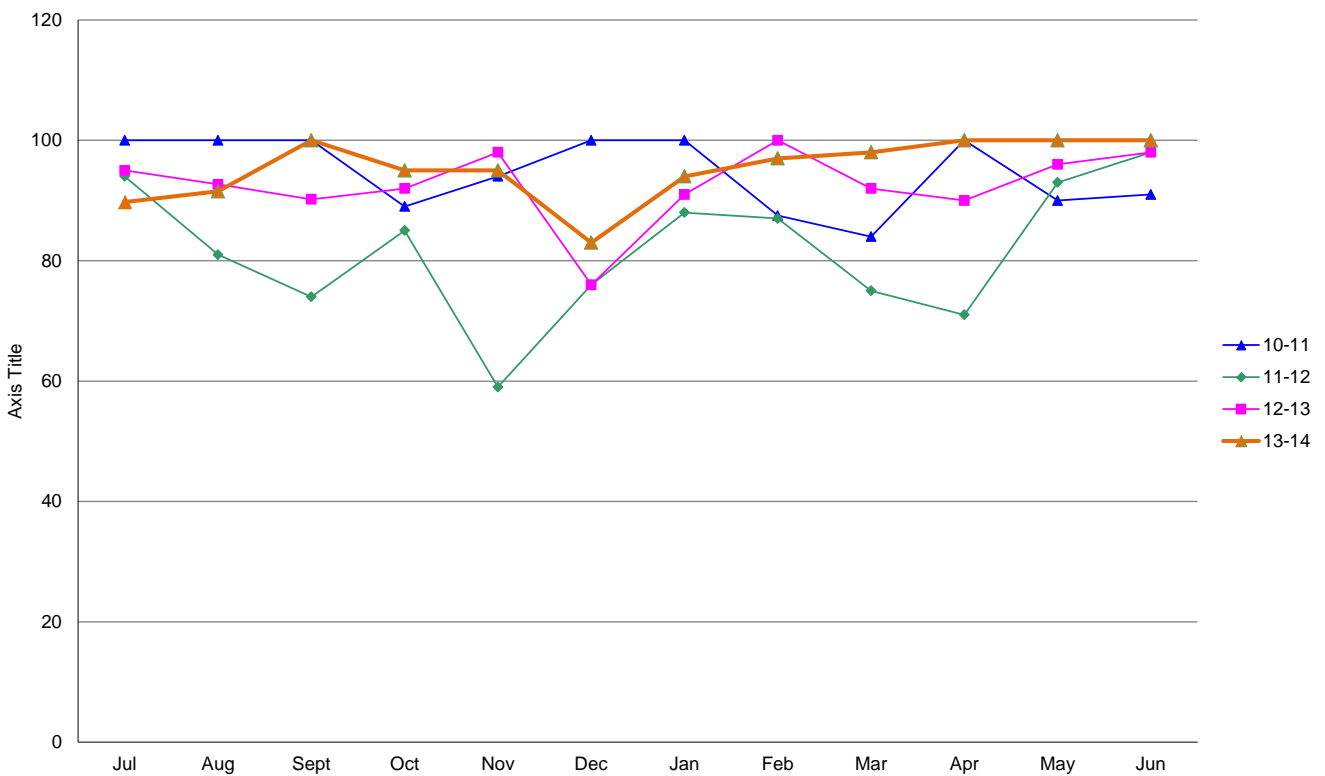
There are 5,399 dogs on our dog registration data base for the Hurunui district. This is a slight reduction from the previous 2 years (2013: 5,506; 2012:5,565; 2011:5,299; 2010: 5,109). All serious dog complaints were investigated within 24 hours. We received a total of 390 complaints about dogs during the year. The nature of the complaints varied (see table).

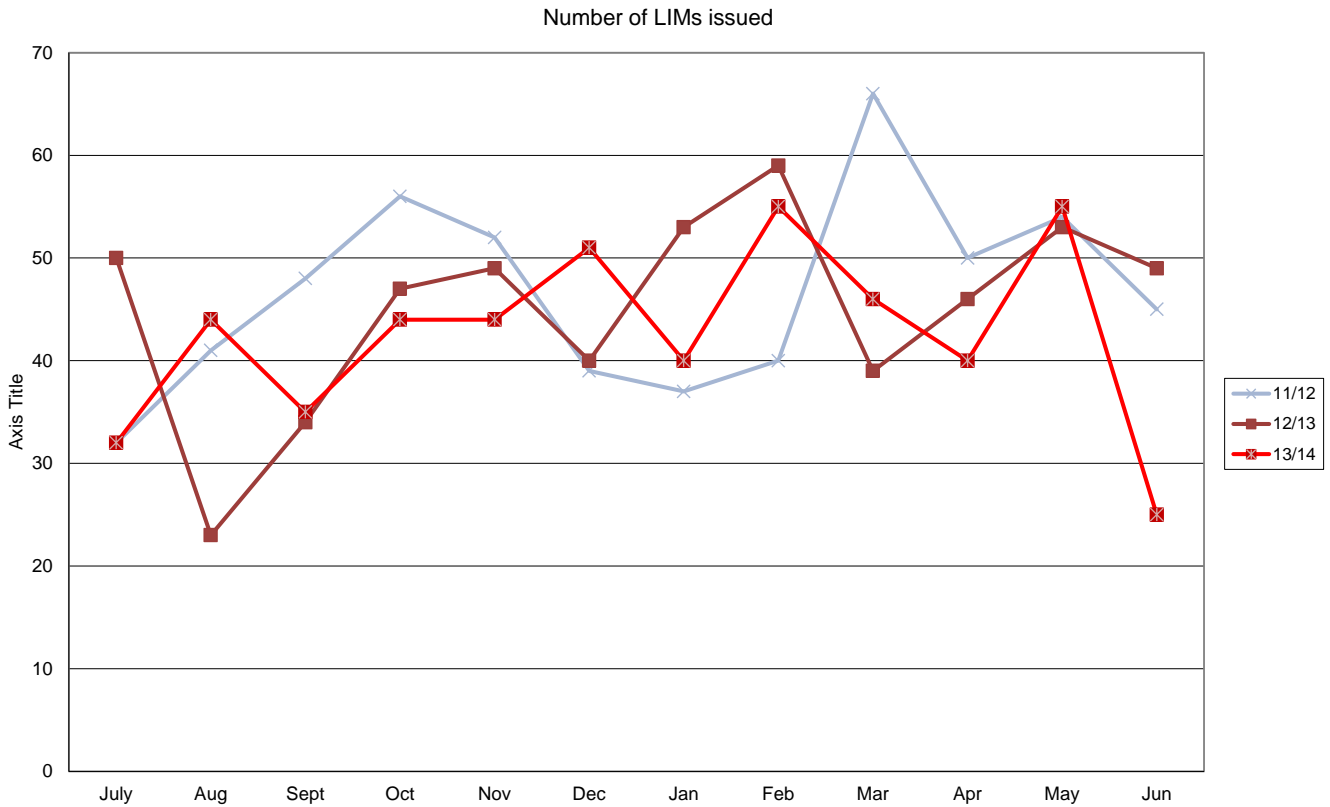
	2014	2013	2012
Aggressive behaviour	34	43	28
Stock worrying	7	17	15
Barking	69	75	66
Lost/Found/Roaming	246	256	306
Welfare	16	19	34

Building Consents issued by category for whole District



Percentage of Consents issued within the 20 day statutory time frame





Activity - Compliance & Regulatory Functions

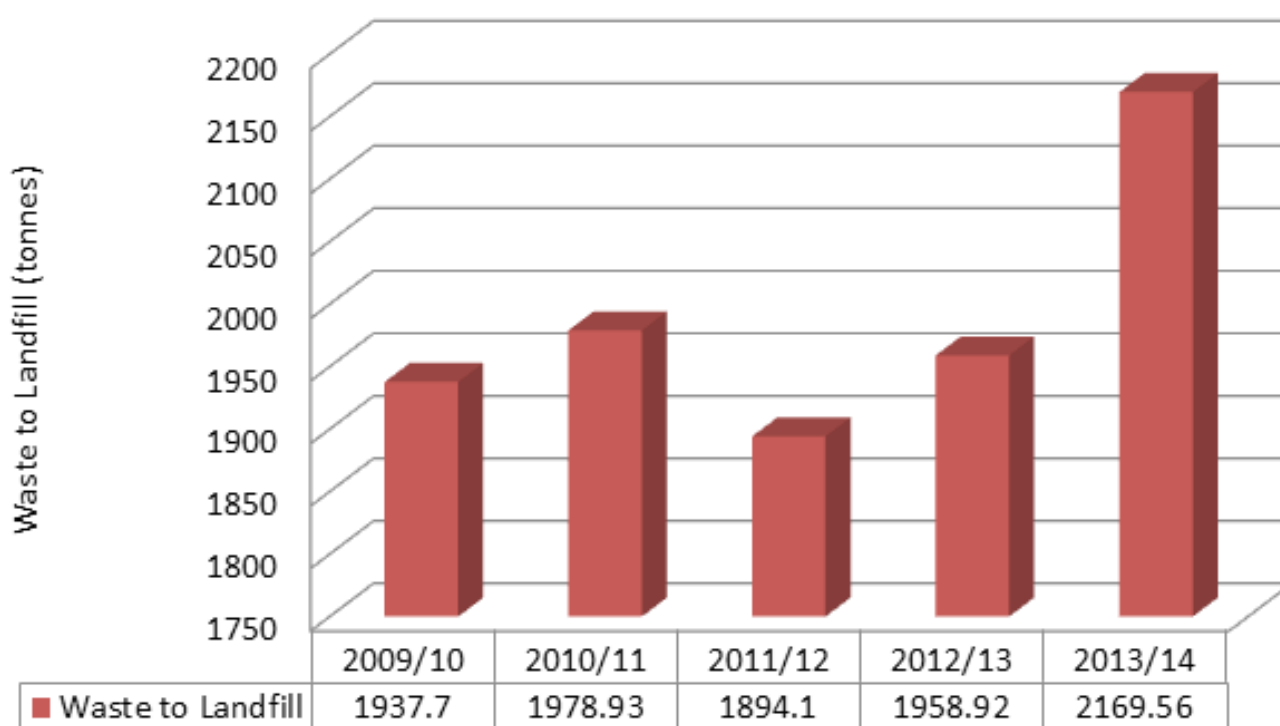
	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	397,016	394,730	265,804
Other Income	1,040,158	999,503	940,580
Total Operating Revenue	1,437,175	1,394,233	1,206,385
OPERATING EXPENDITURE			
Employment Costs	755,214	662,022	620,341
Other Direct Expenditure	394,438	452,367	419,452
Council Overheads	240,132	240,123	230,686
Depreciation	12,301	23,333	17,501
Total Operating Expenditure	1,402,084	1,377,846	1,287,980
Operating Surplus (Deficit)	\$35,090	\$16,387	(\$81,595)
CAPITAL EXPENDITURE			
Building Control	8,558	35,980	45,763
Public Health	0	25,980	0
Liquor Licensing	0	0	0
Animal Control	0	0	0
Total Capital Expenditure	\$8,558	\$61,960	\$45,763

Waste minimisation

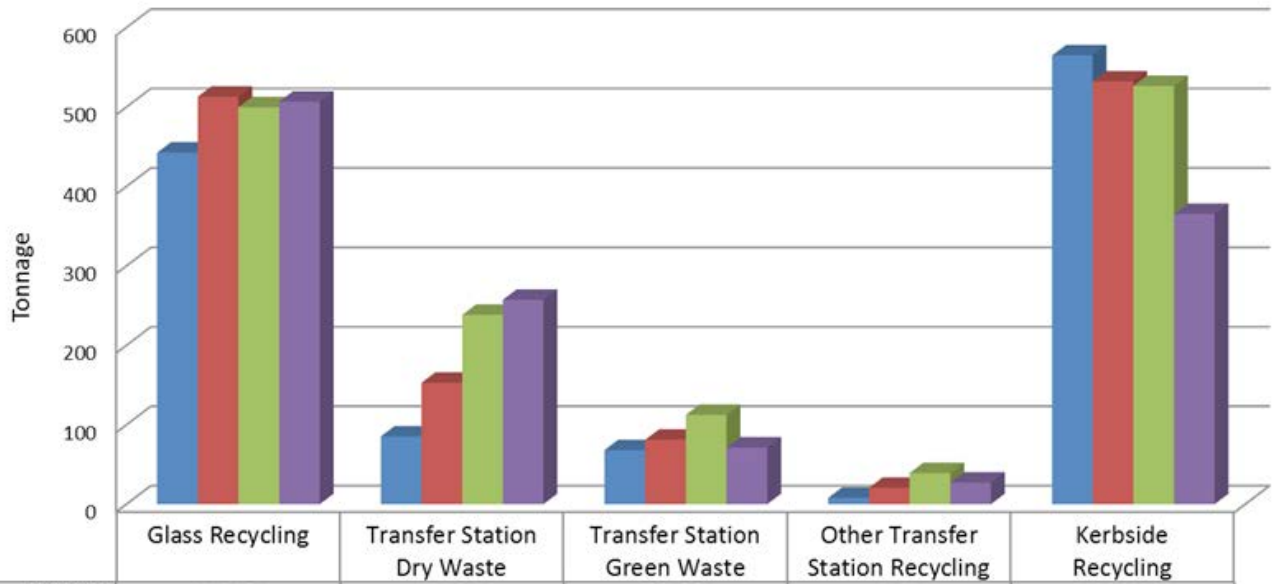
Goal	How we will achieve our goals	Performance measures
To continue to work to reduce the quantities of residual waste from the district, disposed of to landfill.	Encourage the community to recycle and reduce their residual waste.	Residual waste to landfill reduces each year.
End of year result - Not met		
<p>Despite our best efforts to reduce the amount of residual waste sent to the landfill each year, we have not been able to achieve that this year. Part of the issue is that we have a growing community in Amberley and the popularity of holiday homes in Hanmer Springs has contributed to increases in waste rather than reductions.</p> <p>During the year, the amount of waste deposited to the landfill rose to 2,169.5 tonnes (compared with 1,959 in 2012/13 and 1,894 in 2011/12). We will continue to encourage and educate people to recycle and reduce waste.</p>		

Goal	How we will achieve our goals	Performance measures
To continue to work to reduce the quantities of residual waste from the district, disposed of to landfill.	Encourage the community to recycle and reduce their residual waste.	Recycling levels increase each year.
End of year result - Not met		
<p>Whereas we are aiming to increase our volumes of recyclables, we have had mixed results during the year.</p> <ul style="list-style-type: none"> • There has been a decrease in green waste coming into the transfer stations which implies that people are dealing with it in other ways, such as burn or composting at home. 71 tonnes during the year compared with 112 in 2012/13 and 81 in 2011/12. • The volume of recyclables (plastic, paper, scrap metal, etc) going to our transfer stations has increased to 257 tonnes (up from 238 in 2012/13 and 153 in 2011/12). The growth in housing and population in Amberley could account for some of this increase. • However the volumes collected from the kerbside have been decreasing since 2010. It is difficult for us to establish the reasons for this. The way we have been measuring our kerbside collection has been rather rudimentary but we believe our measurements will be accurate as of February 2014 when we changed contractors. The volumes in kerbside collection show only 365 tonnes were picked up during the year, compared to 526 in 2012/13; 532 in 2011/12 and 565 in 2010/11. <p>A new transfer station opened in Amberley in June 2014 and already we are seeing a marked increase in recyclables and sales. We do expect our end of year results next year to show an increase with our improved service.</p>		

Hurunui - Waste to Landfill



Breakdown of Hurunui's Recycling



	Glass Recycling	Transfer Station Dry Waste	Transfer Station Green Waste	Other Transfer Station Recycling	Kerbside Recycling
2010/11	442.35	85.259	68.003	7.89	564.744
2011/12	512.83	152.69	81.01	20.505	532.006
2012/13	499.406	238.15	112.465	39.1	526.354
2013/14	506.5	257.2	71.143	27	365.24

Activity - Waste Minimisation

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	1,729,526	1,642,084	1,736,349
Other Income	254,469	234,105	215,962
Internal Interest Received	4,315	0	1,748
Total Operating Revenue	1,988,310	1,876,189	1,954,059
OPERATING EXPENDITURE			
Employment Costs	97,688	77,813	93,086
Other Direct Expenditure	1,802,552	1,654,840	1,624,041
Internal Interest Paid	0	261	16
Council Overheads	124,752	124,776	120,192
Depreciation	89,197	18,760	25,652
Total Operating Expenditure	2,114,190	1,876,450	1,862,986
Operating Surplus (Deficit)	(\$125,879)	(\$261)	\$91,073
CAPITAL EXPENDITURE			
Transfer Stations	1,154,658	0	967,265
Litter Bin Collection	0	0	0
Household Refuse Collection	0	0	0
Total Capital Expenditure	\$1,154,658	\$0	\$967,265

District promotion

District promotion covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating deficit of \$71,582 was recorded against a budgeted operating deficit of \$46,800. 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 – 2013/14 Actual compared with 2012/13 Actual

This year's operating deficit of \$71,582 was \$7,051 more than the operating deficit recorded for the 2012/2013 year of \$64,531.

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
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.
End of year result - Not met		
The number of visitors who stayed overnight in the Hurunui during the year totalled 335,884 (+0.8 percentage growth). The total guest nights for all of New Zealand was 33,710,060 (5.4 percentage growth). Although a slight improvement to the previous year, this is still below our aim to at least match the growth in New Zealand. We believe this is a realistic goal particularly considering the national reputation of the Hanmer Springs thermal pools and spa. Comparable figures for previous years were: 2012/13 - 335,487 (-4.2%); 2011/12 - 350,354 (+11.4%); 2010/11 - 314,533 (+7.9%).		

Goal	How we will achieve our goals	Performance measures
To increase our visitors and population.	Promote the District through advertising and marketing and encourage people to come.	Our population increases each census.
End of year result - Met		
Our population did show an increase in the 2013 census from the 2006 census, which has been confirmed as 12,000 (from 10,476). The population growth is mainly in the Amberley area where there has been substantial development with new dwellings, particularly post the 2010/11 Canterbury earthquakes.		

Goal	How we will achieve our goals	Performance measures
To increase our visitors and population.	Promote the District through advertising and marketing and encourage people to come.	Develop a new district promotion activity model
End of year result - Not met		
In 2012/13 the Council considered how to promote the District and delegated the Hurunui Tourism Board to do this alongside tourism promotion. \$30,000 was identified for an events development fund from 1 July 2013 but the criteria for any expenditure has yet to be agreed. The Council decided to let this discussion 'lay on the table' and may reconsider it in the future.		

Group Activity - District Promotion

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Rates	297,081	303,365	398,547
Other Income	60,708	15,157	80,062
Internal Interest Received	0	0	0
Development Contributions	0	0	0
Council Overheads (Income)	0	0	0
Total Operating Revenue	357,790	318,522	478,609
OPERATING EXPENDITURE			
Employment Costs	51,345	52,482	52,135
Other Direct Expenditure	367,927	301,810	481,038
Internal Interest Paid	0	0	0
Council Overheads	3,528	3,529	3,396
Depreciation	6,571	7,500	6,571
Total Operating Expenditure	429,372	365,321	543,140
Operating Surplus (Deficit)	(\$71,582)	(\$46,800)	(\$64,531)
CAPITAL EXPENDITURE			
Tourism	0	0	0
Economic Development	0	0	0
Total Capital Expenditure	\$0	\$0	\$0

Hanmer Springs Thermal Pools and Spa

Hanmer Springs Thermal Pools and Spa cover one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating surplus of \$1,248,148 was recorded against a budgeted operating surplus of \$1,028,726. The key variances from budget have been:

- Other Income – income from the Hanmer Springs Thermal Pools and Spa finished the year \$165,784 greater than the amount budgeted for.
- Internal Interest – due to not undertaking the anticipated level of Capital Expenditure during the year, the level of internal debt had not changed and as a result, the internal interest charge is \$43,750 lower than budgeted for.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating surplus of \$1,248,148 was \$220,093 higher than the operating surplus recorded for the 2012/2013 year of \$1,028,055. The key variance from last year was:

- Other Income – due to a combination of higher patronage and a price increase during the year, the overall income from the activity increased by \$417,026 from 2012/2013.
- Employment Costs and Other Direct Expenditure – overall, direct expenditure increased by \$178,488.

Significant Capital Expenditure

Overall, \$813,632 was recognised as Capital Expenditure for the 2013/2014. This was still \$156,368 lower than was budgeted for, despite the Council carrying forward a budget of \$2 million from the 2012/2013 year relating to the upgrade of the changing room and the administration block. The key work carried out during the year was:

- \$145,880 spent on a new Chlorine Gas Shed.
- \$53,618 spent on building work on the Café.

- \$181,769 on further costs towards the Discharge Bore
- \$345,711 spent during the year on the work on the I-site and the Changing Room Upgrade.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$10,698,003.
- The level of internal debt remained constant at \$10,698,003 during the year.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$936,075

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

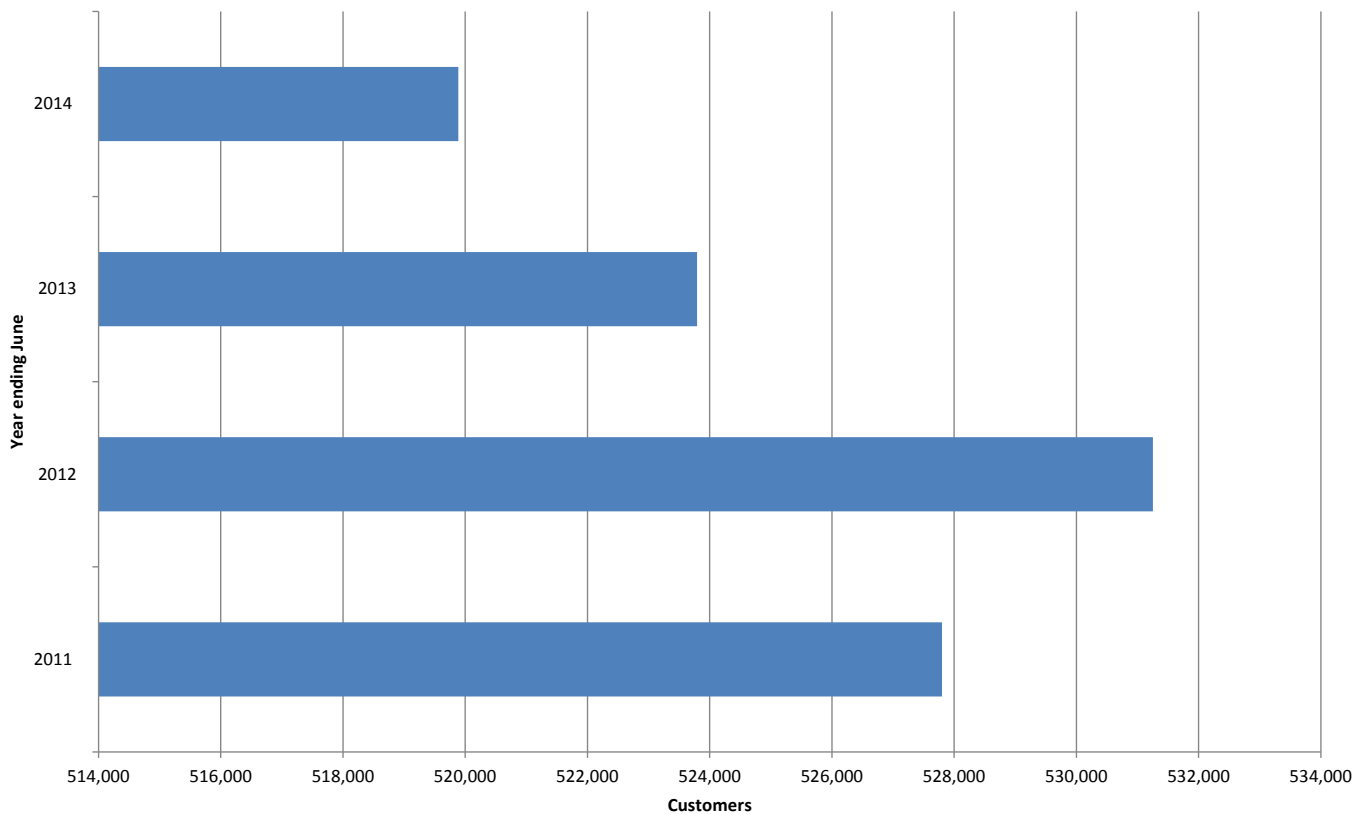
- People have a range of opportunities to participate in leisure and culture activities
- Our historic and cultural heritage is protected for future generations

Goal	How we will achieve our goals	Performance measures
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.
End of year result - Not met		
Customer numbers were down 1% on last year as a result of the predicted fall off of Christchurch customers. The loss of these customers was greater than forecast at 9%. International customers increased by 1%		

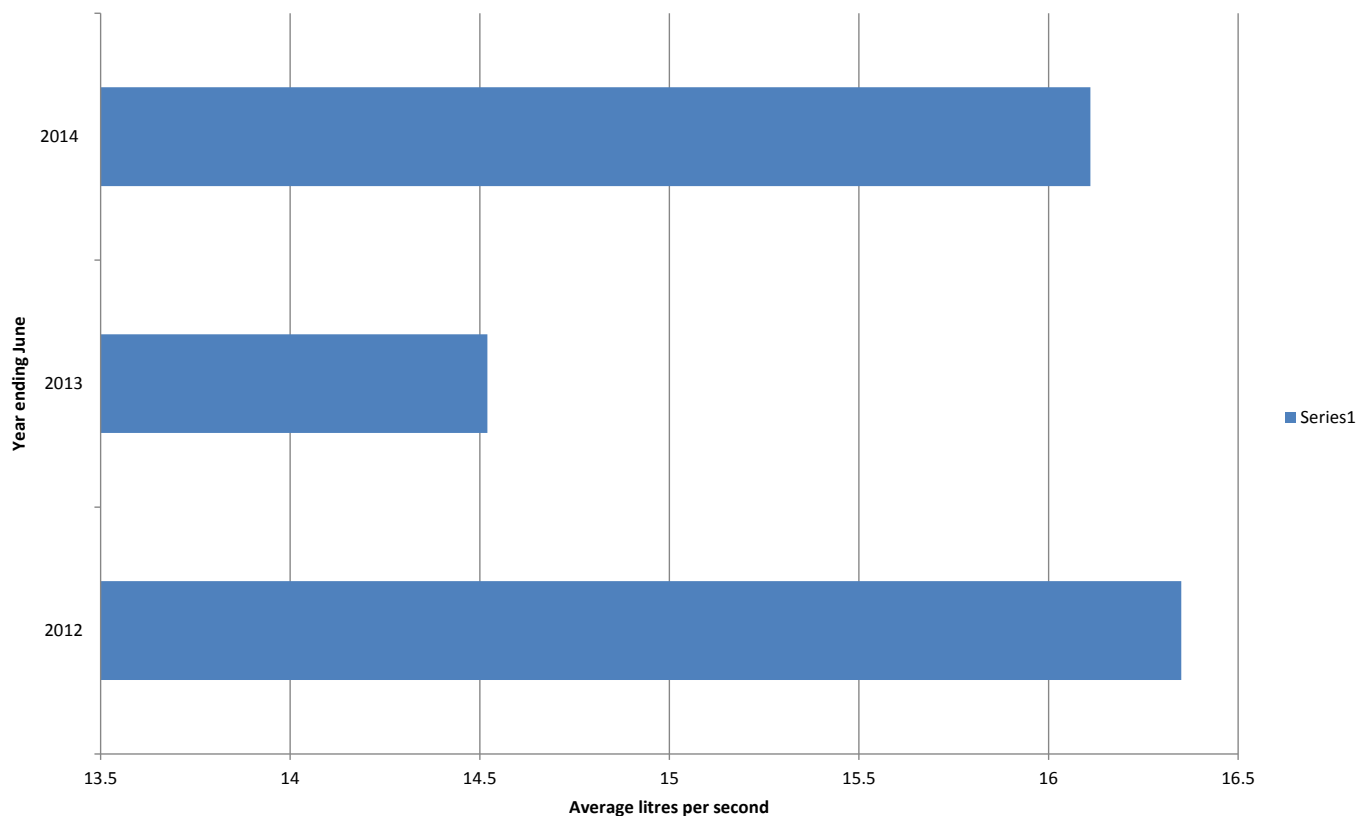
Goal	How we will achieve our goals	Performance measures
Manage the thermal reserve complex profitably.	Operate the complex to an approved business plan.	The thermal complex achieves an annual surplus in line with the annual budget.
End of year result - Met		
A surplus of \$2,329,737 was recorded against a budget of \$2,124,387		

Goal	How we will achieve our goals	Performance measures
Maintain the complex so that it is in good condition for future generations.	Protect the thermal water to ensure an ongoing supply.	Bore water consumption levels are within the consent limits at no more than 47.5 litres per second.
End of year result - Met		
Water consumption levels are at 16.11 litres per second.		

Customer numbers



Bore water consumption



It is not unusual to have fluctuations from year to year as bore consumption is influenced by bather loading and weather conditions.

Group Activity - Hanmer Springs Thermal Pools & Spa

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
Operating Statement			
OPERATING REVENUE			
Other Income	9,966,784	9,801,000	9,549,758
Total Operating Revenue	9,966,784	9,801,000	9,549,758
OPERATING EXPENDITURE			
Employment Costs	3,704,932	3,760,122	3,568,773
Other Direct Expenditure	3,128,169	3,077,600	3,085,840
Internal Interest Paid	936,075	979,825	936,075
Council Overheads	135,720	135,727	132,290
Depreciation	813,739	819,000	798,725
Total Operating Expenditure	8,718,636	8,772,274	8,521,703
Operating Surplus (Deficit)	\$1,248,148	\$1,028,726	\$1,028,055
CAPITAL EXPENDITURE			
Hanmer Springs Thermal Pools & Spa	813,632	970,000	206,600
Total Capital Expenditure	\$813,632	\$970,000	\$206,600

Governance

Governance covers one activity:

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 – 2013/14 Actual compared with 2013/14 Budget

Overall, an operating surplus of \$58,941 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 and the final cost of the election was lower than was budgeted for.

Financial Commentary – 2013/14 Actual compared with 2012/13 Actual

This year's operating surplus of \$58,941 was \$46,366 lower than the operating surplus recorded for the 2012/2013 year of \$105,307. The key variances from last year were:

- Rates – the general rate component to Governance increased by \$32,813 from last year. This was increased during the budget process to allow for an increase in Elected Members' remuneration and a higher allocation of staff time associated with the Governance function. In addition, the rates were increased to allow for the cost of the election.
- Employment Costs – this has increased due to a greater allocation of staff time directly associated with serving of the governance function.

Significant Capital Expenditure

Overall, \$5,360 was recognised as Capital Expenditure for the 2013/2014. There was no budget set; however, this was to provide Councillors with electronic devices to improve communication. The budget allowed for the replacement vehicle for the Mayor was not utilised.

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
Represent the interests of the Hurunui District communities.	Undertake regular residents satisfaction survey.	Residents satisfaction with the overall performance of the Council is maintained or improved.
End of year result - Not met		
The Council has run a resident satisfaction survey since 2007. Satisfaction levels have remained reasonably consistent throughout that time. Satisfaction with the performance of the Mayor and Councillors was 77% satisfied in 2014 – the same as in 2007 when the first survey was undertaken. The years in between have remained close to this percentage with the lowest being 70% in 2008. Satisfaction with the performance of the Council over the last 12 months is consistent with 2013, however it is marginally lower than 2009 - 2012. 75% in 2014, 78% in 2013. Satisfaction with the overall service received from the Council Offices has been maintained since 2007 although, this year, 71% reported being satisfied which is lower than in more recent years. (See table below.)		

	2007	2008	2009	2010	2011	2012	2013	2014
Satisfaction with performance of Mayor and Councillors	77%	70%	75%	76%	76%	76%	76%	77%
Satisfaction with Performance of Hurunui District Council	n/a	78%	79%	83%	87%	84%	78%	75%
Satisfaction with the overall service received from the Council Offices	72%	77%	70%	78%	79%	78%	78%	71%

Group Activity - Governance

	2013/2014 Actual	2013/2014 Budget	2012/2013 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,018,852	1,010,527	986,039
Other Income	21,328	21,000	19,089
Internal Interest Received	0	0	0
Total Operating Revenue	1,040,180	1,031,527	1,005,128
OPERATING EXPENDITURE			
Employment Costs	479,109	455,114	417,147
Other Direct Expenditure	186,672	256,182	153,795
Council Overheads	310,764	310,767	324,654
Depreciation	4,695	9,464	4,225
Total Operating Expenditure	981,240	1,031,527	899,821
Operating Surplus (Deficit)	\$58,941	\$0	\$105,307
CAPITAL EXPENDITURE			
Council	5,360	36,372	5,283
Total Capital Expenditure	\$5,360	\$36,372	\$5,283

Financial Statements

Statement of comprehensive income	58
Statement of changes in equity	59
Statement of financial position	60
Statement of cash flows	61
Notes to the financial statements	62
Funding impact statements	100

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2014

Notes	Group			Council		
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's	
Revenue						
Total rates revenue, excluding targeted water supply rate	3	14,399	13,578	14,399	13,932	13,578
Fees, charges, and targeted rates for water supply	3	659	1,125	659	471	1,125
Development Contributions	3	472	1,145	472	390	1,145
Investment income	3	188	137	188	74	137
Subsidies and grants	3	5,153	3,499	5,153	3,388	3,499
Hanmer Springs Thermal Pools & Spa	3	9,967	9,503	9,967	9,801	9,503
Vested Asset Income	3	1,010	2,429	1,010	227	2,429
Other Income	3	6,770	3,371	6,770	3,071	3,371
Gains/(Losses) on Forestry Revaluation	13	(1,788)	401	(1,788)	13	401
Gains/(Losses) on NZ Emissions Units	11	25	(54)	25	0	(54)
		36,854	35,134	36,854	31,367	35,134
Less Expenditure						
Employee Benefits	4	9,933	9,334	9,933	9,895	9,334
Direct Expenditure	5	20,059	15,510	20,059	15,431	15,510
Finance Expenses	5	508	320	508	1,222	320
Depreciation, Amortisation and Loss on Disposal	5	8,213	7,197	8,213	6,298	7,197
Total Operating Expenditure		38,712	32,361	38,712	32,846	32,361
Operating Surplus/(Deficit) before tax		(1,858)	2,773	(1,858)	(1,479)	2,773
Share of associates surplus/(deficit)	16	(3)	1	0	0	0
Net Surplus/(Deficit) before tax		(1,861)	2,774	(1,858)	(1,479)	2,773
Tax Expense	6	0	0	0	0	0
Net Surplus/(Deficit) after tax		(1,861)	2,774	(1,858)	(1,479)	2,773
Add Other Comprehensive Income						
Gains/(Losses) on Asset Revaluation	10	4,163	16,505	4,163	4,938	16,505
Gains/(Losses) in Fair Value of Shares		121	41	121	0	41
		4,283	16,546	4,283	4,938	16,546
Total Comprehensive Income		2,423	19,320	2,426	3,459	19,319

The accompanying notes form part of the financial statements

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2014

Notes	Group			Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's
Equity at Start of Year	353,537	334,217	353,323	339,556	334,004
Add Total Comprehensive Income for Year	2,423	19,320	2,426	3,459	19,319
Equity at End of Year	23 <u>355,960</u>	<u>353,537</u>	<u>355,749</u>	<u>343,015</u>	<u>353,323</u>

The accompanying notes form part of the financial statements



Statement of financial position

AS AT 30 JUNE 2014

Notes	Group			Council		
	Actual	Actual	Actual	Budget	Actual	
	2014	2013	2014	2014	2013	
	\$000's	\$000's	\$000's	\$000's	\$000's	
Assets						
Current Assets						
Cash and cash equivalents	7	4,075	1,786	4,075	37	1,786
Trade and other receivables	8	3,442	2,290	3,442	2,181	2,290
Inventories		143	155	143	204	155
Non-current assets held for sale	9	305	305	305	324	305
Total current assets		7,964	4,536	7,964	2,746	4,536
Non-current assets						
Property, plant and equipment						
- Operational	10	45,219	41,238	45,219	45,978	41,238
- Restricted	10	37,322	35,941	37,322	45,550	35,941
- Infrastructure	10	286,513	287,160	286,513	272,926	287,160
Intangible assets	11	140	147	140	80	147
Forestry assets	13	950	2,738	950	2,363	2,738
Other financial assets	15	617	374	617	339	374
Investments in associates	16	211	214	0	0	0
Total non-current assets		370,972	367,812	370,761	367,236	367,598
Total assets		378,936	372,348	378,725	369,982	372,134
Liabilities						
Current liabilities						
Trade and other payables	18	3,826	3,539	3,826	4,183	3,539
Landfill aftercare provision	20	8	8	8	8	8
Employee benefits	21	1,122	1,054	1,122	0	1,054
Current portion of term debt	22	2,000	0	2,000	0	0
Current portion of derivative financial instruments	14	1	11	1	0	11
Income in advance	19	1,683	1,444	1,683	997	1,444
Total current liabilities		8,639	6,056	8,639	5,188	6,056
Non-current liabilities						
Term debt	22	14,200	12,350	14,200	21,000	12,350
Landfill aftercare provision	20	116	120	116	779	120
Employee benefits	21	47	35	47	0	35
Derivative financial instruments	14	(26)	250	(26)	0	250
Total non-current liabilities		14,338	12,755	14,338	21,779	12,755
Total liabilities		22,977	18,811	22,977	26,967	18,811
Net assets		355,960	353,537	355,749	343,015	353,323
Equity						
Asset revaluation reserve	23	199,695	195,532	199,695	189,563	195,532
AFS investments revaluation reserve	23	257	136	257	92	136
Special fund reserves	23	2,015	1,975	2,015	972	1,975
Rate reserve funds	23	(24,261)	(23,428)	(24,261)	(21,947)	(23,428)
Retained earnings	23	178,254	179,322	178,043	174,335	179,108
Total Equity		355,960	353,537	355,749	343,015	353,323

The accompanying notes form part of the financial statements

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2014

Notes	Group			Council	
	Actual	Actual	Actual	Budget	Actual
	2014	2013	2014	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's
Cash flows from operating activities					
Revenue	36,569	32,180	36,569	30,979	32,180
Agency receipts	3,006	2,857	3,006	2,243	2,857
Interest received	60	54	60	0	54
Dividends received	128	83	128	74	83
Payments to suppliers and employees	(29,925)	(25,039)	(29,925)	(25,175)	(25,039)
Interest and other costs of finance paid	(832)	(2,084)	(832)	(1,223)	(2,084)
Agency payments	(3,006)	(720)	(3,006)	(2,243)	(720)
Net GST Movement	(178)	233	(178)	0	233
Net cash from operating activities	5,822	7,564	5,822	4,655	7,564
24					
Cash flows from investing activities					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	0	246	0	0	246
Proceeds on sale of investments	101	5	101	0	5
Insurance recoveries	0	204	0	0	204
Payment for purchase of investments	(121)	0	(121)	0	0
Payment for plant, property & equipment	(7,363)	(7,658)	(7,363)	(6,993)	(7,658)
Net cash from investing activities	(7,383)	(7,203)	(7,383)	(6,993)	(7,203)
Cash flows from financing activities					
Proceeds from the issue of debt securities	3,850	5,900	3,850	2,250	5,900
Repayment of loans	0	(5,550)	0	0	(5,550)
Net cash from financing activities	3,850	350	3,850	2,250	350
Increase/(decrease) in cash & cash equivalents	2,289	711	2,289	(88)	711
Cash and cash equivalents as 1 July	1,786	1,075	1,786	124	1,075
Cash and cash equivalents as 30 June	4,075	1,786	4,075	36	1,786

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 2014

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 2014 and were authorised for issue by HDC on 30 October 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 is expected to 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. As the PAS are still under development, the

Council is unable to assess 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 intra-group 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 the 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.

Land Transport New Zealand subsidies

Land Transport New Zealand 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 the HDC provides, or is able to provide, the service for which the contribution was charged. Otherwise development contributions are recognized as liabilities until such time the HDC provides, or is able to provide, the service.

Development contributions are classified as part of "Other Revenue".

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 the HDC and the HHL board of directors, 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 recog-

nised 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 asset's 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 QV Limited (Registered Valuers) as at 30 June 2014. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2014. 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 as 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 Roading 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.

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.

See table on page 70.

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 de-recognised. 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 meas-

ured 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 recognised 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 Council Community Plan (LTCCP) 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 2014. Judgments have been made over useful lives of property, plant and equipment and intangible assets, landfill after-care 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 2014 \$000's	Budget 2014 \$000's	Actual 2013 \$000's
Page	Activities Revenue			
16	Water Supplies	5,065	4,633	5,601
21	Sewerage	1,036	761	1,432
24	Roads and Footpaths	9,385	7,331	7,794
27	Stormwater and Drainage	602	410	1,097
29	Community Services and Facilities	2,753	2,606	3,545
37	Environment and Safety	5,149	4,968	4,958
49	District Promotion	358	319	479
51	Hanmer Springs Thermal Pools and Spa	9,967	9,801	9,550
54	Governance	1,040	1,032	1,005
	Corporate Services	10,276	6,672	6,215
	Total activity income	45,631	38,531	41,676
	Less internal income	7,014	7,176	6,889
	Total Activities Revenue	38,617	31,355	34,787
	Gains/(Losses) on Forestry Revaluation	(1,788)	13	401
	Gains/(Losses) on NZ Emissions Units	25	0	(54)
	Total Revenue	36,854	31,368	35,134
Page	Less Activities Expenditure			
16	Water Supplies	5,728	4,909	5,505
21	Sewerage	1,469	1,853	1,302
24	Roads and Footpaths	9,807	6,697	6,828
27	Stormwater and Drainage	334	374	487
29	Community Services and Facilities	4,664	4,719	4,751
37	Environment and Safety	5,678	4,950	4,914
49	District Promotion	429	365	543
51	Hanmer Springs Thermal Pools and Spa	8,719	8,772	8,522
54	Governance	981	1,032	900
	Corporate Services	7,916	6,352	5,498
	Total activity expenditure	45,726	40,023	39,250
	Less internal expenditure	7,014	7,176	6,889
	Total Expenditure	38,712	32,847	32,361
	Net Surplus/(Deficit) before tax	(1,858)	(1,479)	2,774
	Tax Expense	0	0	0
	Net Surplus/(Deficit) after tax	(1,858)	(1,479)	2,774
	Add Other Comprehensive Income (not recognised in Activities Revenue or Expenditure)			
	Gains/(Losses) on Asset Revaluation	4,163	4,938	16,505
	Gains/(Losses) in Fair Value of Shares	121	0	41
	Total Comprehensive Income	2,425	3,459	19,320

Note 3: Revenue

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Rates revenue				
District wide rates	6,012	5,611	6,012	5,611
Rate penalties	98	86	98	86
Targeted rates				
- Refuse	870	855	870	855
- Stormwater/Drainage	318	295	318	295
- Road Sealing	(5)	5	(5)	5
- Rural Fire	291	277	291	277
- Tourism	202	308	202	308
- Pool Inspections	36	33	36	33
- Medical Centres	249	185	249	185
- Amberley Library Rate	43	40	43	40
- Amenities	1,450	1,334	1,450	1,334
- Sewerage	720	633	720	633
- Water (excluding water supply rates)	4,114	3,915	4,114	3,915
Total rates revenue, excluding targeted water supply rates	14,399	13,578	14,399	13,578
Targeted water supply rates	499	362	499	362
Total annual rates income	14,898	13,940	14,898	13,940
Other revenue				
Gains/(Losses) in Forestry Valuation	(1,788)	401	(1,788)	401
Gains/(Losses) on NZ Emissions Units	25	(54)	25	(54)
Gains/(Losses) on Sale of Assets	31	26	31	26
Fees and charges for water supplies	160	763	160	763
Vested Asset Income	1,010	2,429	1,010	2,429
Interest	60	54	60	54
Dividends	128	83	128	83
Donations	15	14	15	14
Subsidies revenue	5,153	3,499	5,153	3,499
Petrol Tax	130	116	130	116
Hanmer Springs Thermal Pools & Spa Receipts	9,967	9,503	9,967	9,503
Insurance Proceeds	17	381	17	381
Forestry Proceeds	3,829	121	3,829	121
User Charges	761	759	761	759
Rental	541	520	541	520
Regulatory revenue	1,445	1,434	1,445	1,434
Development contributions	472	1,145	472	1,145
	21,956	21,194	21,956	21,194
Total revenue	36,854	35,134	36,854	35,134

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 2013/2014 financial year, the Council provided remissions totalling \$18,843 (2012: \$16,670).

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 earthquake 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, of the Soldiers' Block and Chisholm Ward and surrounding land area. The development and maintenance expenditure is at the discretion of the Council and subject to the Long Term Planning process.

Note 4: Employee benefit expense

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Salary and wages	9,577	9,112	9,577	9,112
Employer contribution to super	277	169	277	169
Increase/(decrease) in employee benefit liabilities (Note 21)	79	53	79	53
Total employee benefit expenses	9,933	9,334	9,933	9,334

Note 5: Other expenses

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Fees paid to principal auditor				
- audit fees for financial statement audit	104	101	104	101
- audit fees for Long Term Plan	0	0	0	0
- audit fees for additional work	65	12	65	12
- disbursements charged	3	2	3	2
Finance costs				
- interest expense on bank borrowings	794	707	794	707
- fair value movement of derivatives	(286)	(387)	(286)	(387)
Movements in doubtful debts	0	(0)	0	(0)
Depreciation of non-current assets	7,904	6,730	7,904	6,730
Amortisation of non-current assets	63	62	63	62
Loss on disposal of assets	246	405	246	405
Expenses from other activities	19,887	15,395	19,887	15,395
Total other expenses	28,779	23,027	28,779	23,027

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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$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	(1,861)	2,774	(1,858)	(1,858)
Tax at 28% (2013: 28%)	(521)	777	(520)	(520)
Non-taxable income	521	(777)	520	520
	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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Cash at bank or in hand	4,075	1,786	4,075	1,786
	4,075	1,786	4,075	1,786

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

Note 8: Trade and other receivables

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Trade and other receivables	3,188	2,190	3,188	2,190
Goods and services tax (GST) receivable	314	160	314	160
Provision for impairment	(60)	(60)	(60)	(60)
	3,442	2,290	3,442	2,290

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 2014 and 2013 are detailed below:

	2014			2013		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	2,779	0	2,779	1,801	0	1,801
Past due 1-60 days	238	0	238	236	0	236
Past due 61-120 days	132	0	132	13	0	13
Past due >120 days	353	(60)	293	300	(60)	240
Total	3,502	(60)	3,442	2,350	(60)	2,290
Group						
Not past due	2,779	0	2,779	1,801	0	1,801
Past due 1-60 days	238	0	238	236	0	236
Past due 61-120 days	132	0	132	13	0	13
Past due >120 days	353	(60)	293	300	(60)	240
Total	3,502	(60)	3,442	2,350	(60)	2,290

Note 9: Non-current assets held for sale

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$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 QV Limited, registered independent valuers not related to the consolidated entity, to determine the fair value of land, buildings and pools at 30 June 2014. 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 2014 was as follows:

	2014	2013
Water Infrastructure	1,247,500	1,214,738
Sewer Infrastructure	655,489	295,116
Stormwater Infrastructure	123,974	113,194
Roothing Infrastructure	380,591	73,250
Council Buildings - Operational	0	84,183
Council Buildings - Restricted	59,382	24,199
	<u>\$2,466,936</u>	<u>\$1,804,680</u>

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

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 land 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	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
Operational Assets													
Freehold Land	8,417	0	8,417	300	(208)	0	0	0	0	0	8,509	0	8,509
Council Buildings	9,821	159	9,662	686	0	1,369	0	0	165	0	10,507	324	10,183
Council Plant & Equipment	5,542	3,377	2,165	618	(144)	0	0	0	501	(118)	6,016	3,760	2,256
Library Books	1,140	930	210	62	0	0	0	0	62	0	1,202	992	210
Thermal Reserve Buildings & Pools	13,416	268	13,148	0	0	0	0	0	267	0	13,416	535	12,881
Thermal Reserve Plant & Equipment	12,776	5,255	7,521	208	0	0	0	0	530	0	12,984	5,785	7,199
2013 Total	51,112	9,989	41,123	1,874	(352)	0	0	0	1,525	(118)	52,634	11,396	41,238
Freehold Land	8,509	0	8,509	184	0	1,369	0	0	0	0	10,062	0	10,062
Council Buildings	10,507	324	10,183	1,520	0	770	0	0	258	0	12,797	582	12,215
Council Plant & Equipment	6,016	3,760	2,256	715	(765)	0	0	0	537	(711)	5,966	3,586	2,380
Library Books	1,202	992	210	55	0	0	0	0	61	0	1,257	1,053	204
Thermal Reserve Buildings & Pools	13,416	535	12,881	199	0	278	0	0	270	0	13,088	0	13,088
Thermal Reserve Plant & Equipment	12,984	5,785	7,199	614	(3,109)	0	0	0	527	(3,093)	10,489	3,219	7,270
2014 Total	52,634	11,396	41,238	3,287	(3,874)	2,417	0	0	1,653	(3,804)	53,659	8,440	45,219
Restricted Assets													
Freehold Land	22,338	6	22,332	123	0	0	837	0	6	0	23,298	12	23,286
Council Buildings	13,030	209	12,821	45	0	0	0	0	211	0	13,075	420	12,655
2013 Total	35,368	215	35,153	168	0	0	837	0	217	0	36,373	432	35,941
Freehold Land	23,298	12	23,286	0	0	1,523	0	0	6	0	24,821	18	24,803
Council Buildings	13,075	420	12,655	56	0	46	0	0	238	0	13,177	658	12,519
2014 Total	36,373	432	35,941	56	0	1,569	0	0	244	0	37,998	676	37,322
Infrastructural Assets													
Freehold Land	2,303	0	2,303	0	0	0	0	0	0	0	2,303	0	2,303
Roading Land	11,730	0	11,730	376	0	0	0	0	0	0	12,106	0	12,106
Water	42,675	0	42,675	2,077	(387)	0	0	0	1,376	0	44,365	1,376	42,989
Sewerage	16,618	0	16,618	778	(14)	0	0	0	436	0	17,382	436	16,946
Roading	198,804	6,004	192,800	4,002	0	16,505	(837)	0	3,103	0	209,367	0	209,367
Drainage	2,779	0	2,779	746	(3)	0	0	0	73	0	3,522	73	3,449
2013 Total	274,909	6,004	268,905	7,979	(404)	16,505	(837)	0	4,988	0	289,045	1,885	287,160
Freehold Land	2,303	0	2,303	0	0	176	0	0	0	0	2,479	0	2,479
Roading Land	12,106	0	12,106	5	0	0	0	0	0	0	12,111	0	12,111
Water	44,365	1,376	42,989	1,112	(190)	0	0	0	1,412	0	45,287	2,788	42,500
Sewerage	17,382	436	16,946	583	(53)	0	0	0	447	0	17,912	883	17,029
Roading	209,367	0	209,367	3,575	0	0	0	0	4,072	0	212,942	4,072	208,870
Drainage	3,522	73	3,449	152	(3)	0	0	0	74	0	3,671	147	3,524
2014 Total	289,045	1,885	287,160	5,428	(246)	176	0	0	6,005	0	294,404	7,890	286,513
Total 2013	361,389	16,208	345,181	10,021	(756)	16,505	0	0	6,730	(118)	378,052	13,713	364,339
Total 2014	378,052	13,713	364,339	8,771	(4,120)	4,163	0	0	7,902	(3,804)	386,061	17,006	369,054

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

Note 11: Intangible assets

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Software:				
Cost				
Balance at 1 July	546	473	546	473
Additions	31	73	31	73
Disposals	0	0	0	0
Balance at 30 June	577	546	577	546
Aerial Photography:				
Cost				
Balance at 1 July	112	103	112	103
Additions	0	9	0	9
Disposals	0	0	0	0
Balance at 30 June	112	112	112	112
Accumulated amortisation and impairment				
Balance at 1 July	530	468	530	468
Amortisation charge for Software and Aerial Photography	63	62	63	62
Disposals	0	0	0	0
Balance at 30 June	593	530	593	530
Carrying amount at 30 June	96	128	96	128
New Zealand Emmision Units:				
Cost				
Balance at 1 July	19	73	19	73
Add Additions	0	0	0	0
Less Disposals	0	0	0	0
Add increase in value	25	(54)	25	(54)
Carrying amount at 30 June	44	19	44	19
Total Intangible Assets	140	147	140	147

Note 12: Depreciation and amortisation expenses by group of activity

	Council	
	Actual 2014 \$000's	Actual 2013 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	1,412	1,379
Sewerage	447	437
Roads and Footpaths	4,072	3,103
Stormwater and Drainage	74	73
Community Services and Facilities	575	500
Environment and Safety	200	119
District Promotion	7	7
Hanmer Springs Thermal Pools and Spa	814	799
Governance	5	4
Directly attributable depreciation and amortisation expense by group of activity	7,606	6,419
Depreciation and amortisation expense not directly attributable to group of activities	361	373
Total depreciation and amortisation expense	7,967	6,792

Note 13: Forestry assets

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Balance at 1 July	2,738	2,337	2,738	2,337
Gain/(losses) arising from changes in fair value	(1,788)	401	(1,788)	401
Balance at 30 June	950	2,738	950	2,738

The Council owns 234.8 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 2 to 36 years.

Valuation Assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2014. 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 2014, 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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Current liability portion				
Interest rate swaps	1	11	1	11
Non-current liability portion				
Interest rate swaps	(26)	250	(26)	250
Total derivative financial instruments liability	(25)	261	(25)	261

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 \$17.0 million. (2013: \$15.0 million). At 30 June 2014, the fixed interest rates of cash flows hedge interest rate swaps varied from 3.95% to 5.30% (2013: 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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Environment Canterbury - Waiau River Loan	40	47	40	47
Shares carrying amount				
- Local Government Funding Agency Borrower Notes	128	0	128	0
- Civic Assurance	16	16	16	16
- Transwaste Canterbury	433	311	433	311
Fair value amount	617	374	617	374

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 gain of \$121,592 (2013: Gain of \$41,999). There were no impairments or realised gains or losses recognised in the statement of comprehensive for the period (2013: Nil).

Note 16: Investments in associates

	Group	
	Actual 2014 \$000's	Actual 2013 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	214	213
Share of total recognised revenues and expenses	(3)	1
Balance at 30 June	211	214
Summarised financial information of Enterprise North Canterbury		
Assets	649	694
Liabilities	228	266
Revenues	906	934
Surplus/(deficit)	(6)	2
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2014 (2013: 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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Financial assets				
<i>Loans and Receivables</i>				
Cash and cash equivalents	4,075	1,786	4,075	1,786
Debtors and other receivables	3,442	2,290	3,442	2,290
Non interest bearing loans	40	47	40	47
<i>Total loans and receivables</i>	7,557	4,123	7,557	4,123
<i>Fair value through other comprehensive income</i>				
Unlisted shares	449	327	449	327
<i>Total fair value through other comprehensive income</i>	449	327	449	327
Financial liabilities				
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	(25)	261	(25)	261
<i>Total fair value through surplus or deficit</i>	(25)	261	(25)	261
<i>Financial liabilities at amortised cost</i>				
Borrowings				
- secured loans	16,200	12,350	16,200	12,350
Creditors and other payables	3,826	3,539	3,826	3,539
<i>Total financial liabilities at amortised cost</i>	20,026	15,889	20,026	15,889

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 2014				
<i>Financial assets</i>				
Unlisted shares	449	0	0	449
<i>Financial liabilities</i>				
Interest rate swaps	(25)	0	(25)	0
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

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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Balance as at 1 July	327	286	327	286
Gains/losses recognised in surplus/(deficit)	121	41	121	41
Balance at 30 June	448	327	448	327

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, as 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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Cash and cash equivalents	4,075	1,786	4,075	1,786
Debtors and other receivables	3,442	2,290	3,442	2,290
Non interest bearing loans	40	47	40	47
Total credit risk	7,557	4,123	7,557	4,123

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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA	4,075	1,786	4,075	1,786
Total cash and cash equivalents	4,075	1,786	4,075	1,786
Counterparties without credit ratings:				
Non interest bearing loans				
Existing counterparty with no defaults in the past	40	47	40	47
Total Non interest bearing loans	40	47	40	47
Shares in unlisted companies				
Unlisted shares	448	327	448	327
Total shares in unlisted companies	448	327	448	327

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 2014, the Council has a credit facility of \$19 million (2013: \$18 million) against which it had drawn \$16.2 million (2013: \$12.35 million). There is a tranche of borrowings totalling \$2 million that is 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 2014					
Creditors and other payables	3,826	3,826	3,826	0	0
Secured loans	16,200	16,200	2,000	10,200	4,000
Interest rate swaps	77	77	1	76	0
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

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 2014					
Cash and cash equivalents	4,075	4,075	4,075	0	0
Debtors and other receivables	3,442	3,442	3,442	0	0
Non interest bearing loans	40	40	7	28	5
Interest rate swaps	102	102	0	0	102
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

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	2014 \$000		2013 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(41)	41	(18)	18
Interest rate swaps	0	1	0	0
Financial liabilities				
Secured loans	162	(162)	124	(124)
Interest rate swaps	(613)	626	(794)	238
Total sensitivity	(492)	506	(688)	132

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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Trade payables	3,873	2,704	3,873	2,704
Agency payables	(47)	835	(47)	835
	3,826	3,539	3,826	3,539

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

Note 19: Income in Advance

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Deposits and bonds	848	764	848	764
Other income in advance	835	680	835	680
	1,683	1,444	1,683	1,444

Note 20: Landfill aftercare provision

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Balance at 1 July	128	138	128	138
Additional provisions	0	0	0	0
Adjustment to provisions	4	(2)	4	(2)
Amount of provision used	(8)	(8)	(8)	(8)
Balance at 30 June	124	128	124	128
Disclosed as:				
Current	8	8	8	8
Non-current	116	120	116	120
	124	128	124	128

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 21: Employee benefit liability

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Current portion				
Accrued pay	391	341	391	341
Annual leave	667	639	667	639
Sick leave	28	30	28	30
Long service leave	35	44	35	44
	1,122	1,054	1,122	1,054
Non-current portion				
Long service leave	47	36	47	36
	47	36	47	36
	1,169	1,090	1,169	1,090

Note 22: Borrowings

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Secured Loans				
Current	2,000	0	2,000	0
Non-current	14,200	12,350	14,200	12,350
Balance	16,200	12,350	16,200	12,350

As at 30 June 2014, the Council had debt facilities totaling \$19.0 million (2013: \$18.0 million)

The Council's borrowing of \$16.2 million (2013: \$12.35 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 77.16%. The effective fixed rates for this portion range from 3.95% 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 23: Equity

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Asset revaluation reserve				
Balance at 1 July	195,532	179,027	195,532	179,027
Revaluation increments/(decrements)	4,163	16,505	4,163	16,505
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	199,695	195,532	199,695	195,532
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	136	95	136	95
Valuation gain/(loss) recognised	121	41	121	41
Balance at 30 June	257	136	257	136
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	1,975	720	1,975	720
Transfers in	266	1,238	266	1,238
Transfers out	(226)	17	(226)	17
Balance at 30 June	2,015	1,975	2,015	1,975
Rate Reserve Funds				
Balance at 1 July (Transferred from Retained Earnings)	(23,428)	(20,498)	(23,428)	(20,498)
Surplus/(deficit) for year	1,388	1,684	1,388	1,684
Transfers in/(out)	(2,222)	(4,614)	(2,222)	(4,614)
Balance at 30 June	(24,261)	(23,428)	(24,261)	(23,428)
Retained earnings				
Balance at 1 July	179,322	174,873	179,108	174,660
Surplus/(deficit) after tax	(1,861)	2,774	(1,858)	2,773
Plant, property and equipment disposed	0	0	0	0
Net internal borrowing appropriations	833	2,930	833	2,930
Net special fund appropriations	(40)	(1,255)	(40)	(1,255)
Balance at 30 June	178,254	179,322	178,043	179,108
Summary of equity accounts				
Asset revaluation reserve	199,695	195,532	199,695	195,532
Available-for-sale revaluation reserve	257	136	257	136
Special fund reserves	2,015	1,975	2,015	1,975
Rate reserve funds	(24,261)	(23,428)	(24,261)	(23,428)
Retained earnings	178,254	179,322	178,043	179,108
	355,960	353,537	355,749	353,323

Note 24: Statement of cash flow reconciliation

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net Surplus/(Deficit) after tax	(1,861)	2,774	(1,858)	2,773
Non Cash Items				
Vested assets	(1,010)	(2,429)	(1,010)	(2,429)
Gain/Loss on Fair Value of Forestry	1,788	(401)	1,788	(401)
Movement in Landfill Aftercare Liability	0	(10)	0	(10)
Movement in Non Current Employee Entitlements	11	0	11	0
Depreciation and amortisation	7,963	6,792	7,963	6,792
	8,752	3,952	8,752	3,952
Items classified as investing or financing				
(Gain)/loss on Sale of Assets	215	379	215	379
(Gain)/loss on fair value of NZ Emissions Units	(25)	54	(25)	54
(Gain)/loss on fair value of financial assets	(286)	(387)	(286)	(387)
	(96)	46	(96)	46
Movements in working capital				
(Increase)/decrease in Inventory	12	37	12	37
(Increase)/decrease in Receivables	(1,152)	(239)	(1,152)	(239)
Increase/(decrease) in Payables	164	646	164	646
Increase/(decrease) in Current Employee Entitlements	0	53	0	53
Increase/(decrease) in Income in Advance	0	500	0	500
	(976)	997	(976)	997
Other Movements				
Insurance recoveries related to capital item	0	(204)	0	(204)
Share of associates (surplus)/deficit	3	(1)	0	0
	3	(205)	0	(204)
Net Cash Flow from Operating Activities (as per Statement of Cash Flows)	5,822	7,564	5,822	7,564

Note 25: Capital commitments and operating leases**Capital Commitments**

	Group		Council	
	Actual 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Property, plant and equipment	750	667	750	667
	750	667	750	667

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 2014 \$000's	Actual 2013 \$000's	Actual 2014 \$000's	Actual 2013 \$000's
Not later than one year	133	163	133	163
Later than one year and not later than five years	177	109	177	109
Later than five years	4	9	4	9
	314	281	314	281

No contingent rents have been recognised during the period.

Note 26: 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. (2013: \$497,000). In addition, there was a fire in the Ashley Forest area, which cost the Council's Rural Fire Control Department approximately \$189,000 to suppress. It has been assessed that a total of \$170,000 is to be reimbursed for the costs by the party causing the fire but that is still to be agreed to.

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 for 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 2014/2015 year (2013: Nil). 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.

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 27: 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% (2013: 100%)
- Enterprise North Canterbury 50% (2013: 50%)
- Canterbury Economic Development Company Limited 10% (2013: 10%)
- Transwaste Canterbury Limited 1.2% (2013: 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).

During the year, the Council disposed of solid waste at the Kate Valley Landfill. The Landfill is owned and operated by Transwaste Canterbury Limited which Hurunui District Council owns 1.2% of the shares and Councillor RW Davison is a director. The services cost \$301,949 (2013: \$251,080). As at 30 June 2014, Council owed Transwaste Canterbury Limited \$26,445 (2013: Nil).

During the year, the Council leased the medical centre in Rotherham to the Amuri Health Care Limited, of which Councillor RW Davison is a director. The revenue for the year was \$13,328 (2013: \$13,217, plus a contribution to the building of \$63,594). As at 30 June 2014, the amount owing to Council was \$14,831 (2013: \$74,410).

Cr JM Fletcher is a director of Hanmer Holiday Homes 2004 Limited. The company supplied various services, mainly collection of glass in the solid waste activity, to the value of \$1,919 (2013: \$1,852). As at 30 June 2014, Council owed the company \$266 (2013: Nil). The company also received services from Council for advertising through the district promotion activity to the value of \$4,780 (2013: \$3,900). As at 30 June 2014, the company had no outstanding balance with Council (2013: Nil).

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 2014 (2013: 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 \$51,565 (2013: \$50,000) to Enterprise North Canterbury as a grant for its general purposes. The Council has made no payment for any additional services (2013: Nil).

Key management personnel compensation

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

	Council	
	Actual 2014 \$000's	Actual 2013 \$000's
Salary and Allowances	1,392	1,339
Other benefits	66	58
	1,458	1,397

Related Party Commitments

As at 30 June 2014, there was no related party commitments (2013: Nil).

Note 28: Remuneration

Chief Executive Officer

Andrew Dalziel was the Chief Executive Officer of the Hurunui District Council from 1 July 2013 to 30 August 2013. Hamish Dobbie began his 5 year contract as Chief Executive Officer on 16 September 2013.

	Council	
	Actual 2014 \$	Actual 2013 \$
Andrew Dalziel (1 July 2013 to 30 August 2013)		
- Salary	53,891	229,133
- Vehicle (at FBT rates)	1,529	8,220
- Superannuation contribution	1,983	5,026
	57,403	242,379
Hamish Dobbie (16 September 2013 to 30 June 2014)		
- Salary	163,942	0
- Vehicle (at FBT rates)	7,168	0
- Superannuation contribution	4,573	0
	175,683	0

Mayor and Councillors

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

	Council	
	Actual 2014 \$	Actual 2013 \$
Marie Black	29,450	18,422
Russell Black	5,191	15,565
Gary Cooper	19,958	17,853
Julie Coster	13,108	0
Winton Dalley	69,848	67,459
Vincent Daly	23,125	20,188
Richard Davison	27,073	21,703
Jason Fletcher	18,020	0
Jim Harre	21,574	19,557
Fiona Harris	13,108	0
Ross Little	8,161	19,100
Michael Malthus	14,163	27,664
Judith McKendry	18,299	15,565
	281,077	243,076

Council Employees

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

	Council	
	Actual 2014 #	Actual 2013 #
< \$60,000	127	138
\$60,000 - \$79,999	27	17
\$80,000 - \$99,999	15	13
\$100,000 - \$139,999	6	2
\$140,000 - \$259,999	6	6
	181	176

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 92 (2013: 87) full-time employees, with a further 89 (2013: 89) part-time staff representing 53.7 (2013: 54.5) full-time equivalent employees.

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

Note 29: 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 2014, no severance payments were made (2013: Nil).

Note 30: Subsequent events

There have been no events subsequent to 30 June 2014 which would affect the readers' assessment of the financial performance and position of the Hurunui District Council.

Note 31: 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 2014

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2013	Appropriations 2013-2014 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2014
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	51,688	(4,186)	21,452	68,953
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley Ward	192,829	10,926	0	203,755
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley Ward	75,086	6,695	0	81,781
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	294,353	35,658	0	330,012
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	65	426	0	491
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(35,248)	1,367	0	(33,881)
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pipes	175,397	11,193	(238,874)	(52,284)
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	70,791	16,288	0	87,079
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide funds for growth related projects for Amberley Water	112,564	9,945	(24,369)	98,140
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	(61,038)	2,133	0	(58,905)
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	42,667	8,568	0	51,236
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	18,845	669	0	19,514
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	42,368	1,504	0	43,872
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	22,288	7,913	0	30,202
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	20,557	8,800	0	29,358
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	5,150	183	0	5,333
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	3,919	25	0	3,944
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	24,387	16,031	0	40,418
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	2,273	81	0	2,354
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	8,360	8,365	16,667	33,392
Omihiri Reserve Development	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omihiri Reserve	(2,963)	2,046	0	(917)
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	36,189	16,667	0	52,856
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	3	22,351	0	22,355
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	0	0	47,210	47,210
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(36,415)	8,631	0	(27,783)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(783,069)	(17,221)	0	(800,290)
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	19,728	6,103	0	25,831
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	47,210	14,935	(47,210)	14,935
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	4,611	164	0	4,775
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	33,627	(12,714)	(1,021)	19,892
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	18,610	4,871	0	23,481
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	48,224	5,167	0	53,391
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	310,939	48,007	0	358,945
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	1,229,095	0	0	1,229,095
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	(57,897)	24,616	0	(33,281)
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	17,342	(100)	0	17,242
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,996	71	0	2,067
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	579	21	0	600
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	177	6	0	183
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	4,328	154	0	4,482
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,050	37	0	1,087
Forrester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,125	40	0	1,165
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	0	0	0	0
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	13,114	0	0	13,114
				1,974,905	266,437	(226,145)	2,015,197

Special Fund Reserves as at 30 June 2013

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2012	Appropriations 2012-2013 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2013
				\$	\$	\$	\$
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	26,771	1,020	23,897	51,688
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	30,626	162,203	0	192,829
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	13,167	61,920	0	75,086
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	77,992	216,361	0	294,353
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	0	65	0	65
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(56,485)	21,237	0	(35,248)
Amberley Sewer Pipes Upgrade Development Reserve	Reserves	Water Supplies	To provide funds for growth related projects for Amberley Sewer Pipes	33,594	141,803	0	175,397
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	(81,117)	151,908	0	70,791
Amberley Water Development Reserve	Sewerage	Water Supplies	To provide funds for growth related projects for Amberley Water	11,002	101,563	0	112,565
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	(133,686)	72,649	0	(61,038)
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	33,222	9,446	0	42,667
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	18,199	646	0	18,845
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	40,916	1,452	0	42,368
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	14,645	7,643	0	22,288
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	24,318	(3,761)	0	20,557
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	4,973	177	0	5,150
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	3,957	(38)	0	3,919
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	21,108	3,279	0	24,387
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	2,195	78	0	2,273
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	10,068	5,375	(7,083)	8,360
Omihiri Reserve Development	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omihiri Reserve	(7,897)	4,934	0	(2,963)
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	19,522	16,667	0	36,189
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	0	3	0	3
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(41,300)	4,886	0	(36,415)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(756,394)	(26,676)	0	(783,069)
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	16,866	2,863	0	19,728
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	30,543	16,667	0	47,210
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	3,495	116	1,000	4,611
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	28,833	5,141	(348)	33,627
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	13,034	5,576	0	18,610
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	43,280	4,945	0	48,224
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	145,814	165,124	0	310,939
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	1,229,095	0	0	1,229,095
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	(139,445)	81,548	0	(57,897)
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	16,689	643	0	17,342
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,922	74	0	1,996
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	558	21	0	579
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	170	7	0	177
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	4,168	160	0	4,328
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,011	39	0	1,050
Forrester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,083	42	0	1,125
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	653	(653)	0	0
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	13,114	0	0	13,114
				720,289	1,237,149	-17,466	1,974,905



Rate Reserve Funds as at 30 June 2014

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2013	Appropriations 2013-2014 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2014
			\$	\$	\$	\$
Interim treatment for Drinking Water	Water Supplies	To fund capital projects relating to interim treatment of water	(433,665)	81,326	(42,951)	(395,291)
Full Treatment	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	To fund capital projects for Amberley water	(463,744)	53,919	(282,202)	(692,027)
Leithfield Beach Water	Water Supplies	To fund capital projects for Leithfield Beach water	(359,960)	9,256	(22,659)	(70,672)
Ashley Rural Water	Water Supplies	To fund capital projects for Ashley Rural water	(53,640)	395,727	(392,682)	(356,915)
Culverden Water	Water Supplies	To fund capital projects for Culverden water	(157,467)	(1,890)	(14,960)	(70,491)
Waiau Township Water	Water Supplies	To fund capital projects for Waiau Township water	(46,102)	39,237	(70,128)	(188,358)
Amuri Plains Water	Water Supplies	To fund capital projects for Amuri Plains water	107,402	(18,904)	(24,838)	(89,844)
Balmoral Water	Water Supplies	To fund capital projects for Balmoral water	(233,221)	4,197	(2,325)	(109,274)
Waiau Rural Water	Water Supplies	To fund capital projects for Waiau Rural water	(1,363,249)	13,516	(19,739)	(239,445)
Cheviot Water	Water Supplies	To fund capital projects for Cheviot water	80,917	(16,365)	(6,456)	(1,386,070)
Waipara Township Water	Water Supplies	To fund capital projects for Waipara Township water	(229,397)	(1,039)	(37,824)	42,053
Hammer Springs Water	Water Supplies	To fund capital projects for Hammer Springs water	10,727	171,931	(12,846)	(70,312)
Hawarden - Waikari Water	Water Supplies	To fund capital projects for Hawarden-Waikari water	(499,315)	40,662	(167)	51,212
Hurunui Rural Water	Water Supplies	To fund capital projects for Hurunui Rural water	(2,756,460)	66,696	(86,815)	(500,801)
Amberley Sewer	Sewerage	To fund capital projects for Amberley sewer	(2,607)	(195)	(266,584)	(2,956,348)
Culverden Sewer	Sewerage	To fund capital projects for Culverden sewer	(48,847)	31,517	(71,217)	(2,803)
Cheviot Sewer	Sewerage	To fund capital projects for Cheviot sewer	(17,483)	3,149	(8,033)	(88,548)
Greta Valley Sewer	Sewerage	To fund capital projects for Greta Valley sewer	8,573	10,221	(8,033)	(22,367)
Molunau Beach Sewer	Sewerage	To fund capital projects for Molunau Beach sewer	(17,706)	(1,328)	(10,928)	7,865
Waipara Sewer	Sewerage	To fund capital projects for Waipara sewer	(1,649,159)	(91,045)	(3,211)	(19,034)
Hammer Springs Sewer	Sewerage	To fund capital projects for Hammer Springs sewer	(7,523)	14,031	(621)	(1,743,415)
Hawarden Sewer	Sewerage	To fund capital projects for Hawarden sewer	120,652	23,551	0	5,887
Waikari Sewer	Sewerage	To fund capital projects for Waikari sewer	(1,333,256)	51,634	0	(210,212)
Amberley Beach Foreshore Protection	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	2,673	919	0	144,176
Amberley Stormwater	Stormwater and Drainage	To fund capital projects for Amberley Stormwater	(53,434)	60,133	0	(1,292,402)
Jed River Clearance	Stormwater and Drainage	To fund capital projects for Jed River Clearance	(20,768)	(3,265)	0	3,591
Hammer Springs Stormwater	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(25,660)	42,525	0	6,699
Woodbank Road Sealing - Stage 1	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(1,291,756)	(13,353)	(182,512)	(24,033)
District Library - Amberley Ward	Community Services	To fund portion of District Library construction costs	56,296	136,657	0	16,865
Amberley Amenities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	36,331	46,443	0	(1,487,621)
Amuri Amenities	Community Services and Facilities	To fund capital projects for Amuri Ward Amenities	(10,904)	14,535	0	192,952
Cheviot Amenities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	(571,839)	182,404	(117,798)	82,774
Hammer Springs Amenities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	23,920	19,492	(26,000)	(3,828)
Hurunui Amenities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	(700,225)	66,462	0	(507,232)
Amuri Medical General	Property	To fund capital projects for medical centres in the Amuri Ward	(170,357)	27,360	0	17,412
Cheviot Medical General	Property	To fund capital projects for medical centres in the Cheviot Ward	(350,507)	24,139	0	(633,763)
Hammer Springs Medical General	Property	To fund capital projects for medical centres in the Hammer Springs Ward	0	32,363	(500,000)	(142,997)
Hammer Springs Medical House	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(108,435)	(7,326)	0	(326,368)
Waikari Medical Centre	Property	To fund capital projects for medical centres in the Hurunui Ward	2,005	(275,554)	0	(467,637)
Rural Fire Control	Emergency Services	To fund previous deficits recorded for Rural Fire Control	88,700	45,814	0	(115,761)
Refuse Collection	Waste Minimisation	To fund previous deficits recorded for Refuse Collection	(10,698,003)	0	0	(273,549)
Hammer Springs Thermal Pools	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(23,427,529)	1,388,395	(2,221,737)	(2,956,870)
Total Rate Reserve Funds			(23,427,529)	1,388,395	(2,221,737)	(24,260,870)

Rate Reserve Funds as at 30 June 2013

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2012	Appropriations 2012-2013 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2013
				\$	\$	\$	\$
Interim treatment for Drinking Water	Water Supplies	Water Supplies	To fund capital projects relating to interim treatment of water	0	40,553	(474,218)	(433,665)
Full Treatment	Water Supplies	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	Water Supplies	To fund capital projects for Amberley water	(311,962)	9,282	(161,064)	(463,744)
Leithfield Beach Water	Water Supplies	Water Supplies	To fund capital projects for Leithfield Beach water	1,110	1,449	(59,829)	(57,270)
Ashley Rural Water	Water Supplies	Water Supplies	To fund capital projects for Ashley Rural water	(954,728)	820,705	(225,937)	(359,960)
Culverden Water	Water Supplies	Water Supplies	To fund capital projects for Culverden water	(40,870)	2,924	(15,694)	(53,640)
Waiau Township Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Township water	61,484	26,304	(245,255)	(157,467)
Amuri Plains Water	Water Supplies	Water Supplies	To fund capital projects for Amuri Plains water	(49,841)	5,383	(1,643)	(46,102)
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	109,907	7,191	(9,695)	107,402
Waiau Rural Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Rural water	(247,398)	30,214	(16,037)	(233,221)
Cheviot Water	Water Supplies	Water Supplies	To fund capital projects for Cheviot water	(1,173,615)	84,000	(273,633)	(1,363,249)
Waipara Township Water	Water Supplies	Water Supplies	To fund capital projects for Waipara Township water	82,415	9,672	(11,170)	80,917
Hammer Springs Water	Water Supplies	Water Supplies	To fund capital projects for Hammer Springs water	(335,685)	143,929	(37,641)	(229,397)
Hawarden - Waikari Water	Water Supplies	Water Supplies	To fund capital projects for Hawarden-Waikari water	(8,788)	37,787	(18,272)	10,727
Hurunui Rural Water	Water Supplies	Water Supplies	To fund capital projects for Hurunui Rural water	(516,946)	155,511	(137,880)	(499,315)
Amberley Sewer	Sewerage	Sewerage	To fund capital projects for Amberley sewer	(2,547,551)	(187,923)	(20,986)	(2,756,460)
Culverden Sewer	Sewerage	Sewerage	To fund capital projects for Culverden sewer	0	(182)	0	(2,607)
Cheviot Sewer	Sewerage	Sewerage	To fund capital projects for Cheviot sewer	(60,658)	22,249	(10,439)	(48,847)
Greta Valley Sewer	Sewerage	Sewerage	To fund capital projects for Greta Valley sewer	(15,335)	733	(2,880)	(17,483)
Motunau Beach Sewer	Sewerage	Sewerage	To fund capital projects for Motunau Beach sewer	18,596	5,562	(15,585)	8,573
Waipara Sewer	Sewerage	Sewerage	To fund capital projects for Waipara sewer	(16,473)	(1,233)	0	(17,706)
Hammer Springs Sewer	Sewerage	Sewerage	To fund capital projects for Hammer Springs sewer	(1,343,922)	(61,332)	(243,905)	(1,649,159)
Hawarden Sewer	Sewerage	Sewerage	To fund capital projects for Hawarden sewer	(16,546)	9,023	0	(7,523)
Waikari Sewer	Sewerage	Sewerage	To fund capital projects for Waikari sewer	(250,035)	17,591	(1,320)	(233,764)
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	97,942	22,710	0	120,652
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,191,798)	(103,264)	(38,194)	(1,333,256)
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	2,363	310	0	2,673
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(40,265)	(13,169)	0	(53,434)
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(29,821)	9,053	0	(20,768)
District Library - Amberley Ward	Community Services and Facilities	Community Services and Facilities	To fund portion of District Library construction costs	(62,482)	36,822	0	(25,660)
Amberley Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	(1,176,931)	(5,492)	(109,333)	(1,291,756)
Amuri Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Amuri Ward Amenities	155,503	79,023	(178,231)	56,296
Cheviot Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	65,001	44,240	(72,910)	36,331
Glenmark Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	(4,943)	1,123	(7,083)	(10,904)
Hurunui Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	(503,978)	154,302	(222,162)	(571,839)
Hammer Springs Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Hammer Springs Ward Amenities	6,102	17,818	0	23,920
Amuri Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Amuri Ward	(814,943)	117,264	(2,546)	(700,225)
Cheviot Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Cheviot Ward	(193,586)	23,229	0	(170,357)
Hammer Springs Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Hammer Springs Ward	(365,557)	15,050	0	(350,507)
Waikari Medical Centre	Property	Community Services and Facilities	To fund capital projects for medical centres in the Hurunui Ward	(110,024)	1,589	0	(108,435)
Rural Fire Control	Emergency Services	Environmental and Safety	To fund previous deficits recorded for Rural Fire Control	5,723	(3,718)	0	2,005
Refuse Collection	Waste Minimisation	Environmental and Safety	To fund previous deficits recorded for Refuse Collection	(18,965)	107,665	0	88,700
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(8,698,003)	0	(2,000,000)	(10,698,003)
Total Rate Reserve Funds				(20,497,928)	1,683,943	(4,613,544)	(23,427,529)



Note 32: Rating Base Information

Section 30A of the Local Government Act 2002, requires Councils to disclose rating base information within the District as at 30 June 2014. The relevant information is as follows:

(a) Number of rating units within the district:	8,010
(b) Total Capital Value of rating units within the district:	\$ 5,734,645,650
(c) Total Land Value of rating units within the district:	\$ 3,722,148,900

Note 33: Insurance of Assets

Section 31A of the Local Government Act 2002, requires Councils to disclose information about insurance on its assets as at 30 June 2014. The relevant information is as follows:

- (a) *The total value of all assets of the Council that are covered by insurance contracts, and the maximum amount to which they are insured:*

Buildings

The Hurunui District Council has adopted a tiered structure in respect to the insurance policy on its buildings. The structure allows for full insurance cover on buildings that are deemed to be essential and for buildings that are deemed discretionary, the Council has resolved to eliminate the natural disaster cover.

Carrying Value of Buildings with insurance cover:	\$ 37,995,645
Maximum amount insured for Buildings with full insurance cover:	\$ 51,971,816
Maximum amount insured for Buildings with limited insurance cover:	\$ 24,666,500

Vehicles

All Council vehicles have full insurance coverage.

Carrying Value of Vehicles with insurance cover:	\$ 1,269,949
Maximum amount insured for Vehicles with full insurance cover:	\$ 1,802,389

Forestry

The Forestry Estate is insured for accidental physical damage or destruction caused by fire, lightning, impact, malicious damage.

Carrying Value of Forestry Assets:	\$ 950,245
Maximum amount insured for Forestry Assets:	\$ 2,058,459

- (b) *The total value of all assets of the Council that are covered by financial risk sharing arrangements, and the maximum amount available to the Council under those arrangements.*

The Hurunui District Council is a member of the Local Authority Protection Programme (LAPP). This covers Council for 40% of the reinstatement of infrastructural assets as a result of a natural disaster, with central government contributing to remaining 60%.

Carrying Value of Water Supplies covered by LAPP:	\$ 42,527,000
Carrying Value of Sewerage Schemes covered by LAPP:	\$ 17,029,000
Carrying Value of Stormwater Systems covered by LAPP:	\$ 3,524,000
Maximum amount covered by LAPP:	\$ 91,343,489

- (c) *The total value of all assets of the Council that are self-insured, and the value of any fund maintained by Council for that purpose.*

The Hurunui District Council has not set funds aside for assistance to meeting the reinstatement costs of damage on assets that are not insured. The Council does not have any insurance covering on its Roadway Assets which has a carrying value of \$208,780,000.

Note 34: Core Asset Information

Clause 6 of the Local Government (Financial Reporting and Prudence) Regulations 2014, requires Councils to disclose information about its core assets.

	Closing Book Value (\$000's)	Acquisitions made during 2013/2014	
		Constructed by Council (\$000's)	Vested in Council (\$000's)
Water Supply - Treatment Plants and facilities	4,622	106	-
Water Supply - Other Assets	37,878	910	96
	<u>42,500</u>	<u>1,016</u>	<u>96</u>
Sewerage - Treatment Plants and facilities	4,731	117	-
Sewerage - Other Assets	12,298	243	223
	<u>17,029</u>	<u>360</u>	<u>223</u>
Stormwater and Drainage	3,524	11	141
Flood Protection and Control Works	-	-	-
Roads and Footpaths	208,870	3,030	549

All assets are valued on a deemed cost valuation basis.

Funding impact statements

WHOLE OF COUNCIL - FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2014 Annual Plan \$000's	2014 Annual Report \$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	5,982	6,144	5,629	5,697
Targeted rates (other than a targeted rate for water supply)	8,022	8,247	7,627	7,878
Subsidies and grants for operating purposes	1,613	3,267	1,563	1,476
Fees, charges, and targeted rates for water supply	471	631	444	741
Interest and dividends from investments	74	137	72	137
Local authorities fuel tax, fines, infringements, and other receipts	12,801	16,861	12,031	12,745
Total operating funding (A)	28,963	35,287	27,366	28,674
Applications of operating funding				
Payments to staff and suppliers	25,326	30,499	23,526	24,843
Finance costs	1,223	0	969	709
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	26,549	30,499	24,495	25,552
Surplus/(deficit) of operating funding (A-B)	2,414	4,787	2,871	3,122
Sources of capital funding				
Subsidies and grants for capital expenditure	1,775	1,851	1,821	2,130
Development and financial contributions	617	472	608	1,530
Assets vested in Council	0	1,010	0	0
Increase/(decrease) in debt	1,771	3,850	4,265	350
Gross proceeds from sale of assets	0	0	0	246
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	4,163	7,183	6,694	4,256
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	390	1,444	848	0
- To improve the level of service	1,720	2,916	4,909	2,803
- To replace existing assets	5,109	4,318	5,007	4,645
Increase/(decrease) in reserves	(642)	3,291	(1,199)	(71)
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	6,577	11,969	9,565	7,378
Surplus/(deficit) of operating funding (C-D)	(2,414)	(4,786)	(2,871)	(3,122)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(Deficit) after tax	(1,479)	(1,858)	(227)	2,773
Add Depreciation	6,298	8,214	5,804	6,792
Add Loss on Disposal	0	0	0	405
Less change in fair value of derivatives	0	0	0	(387)
Less gains on forestry revaluation	(13)	1,788	(277)	(401)
Less gains on asset sales	0	0	0	(26)
Less gains in value of NZUs	0	(25)	0	54
Less Development and Financial Contributions	(617)	(472)	(608)	(1,530)
Less Subsidies and Grants for Capital Expenditure	(1,775)	(1,851)	(1,821)	(2,130)
Less Vested Asset income	0	(1,010)	0	(2,428)
Surplus/(deficit) of operating funding (A-B)	2,414	4,786	2,871	3,122

WATER SUPPLIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 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)	3,773	3,986	4,114
Subsidies and grants for operating purposes	0	0	0
Fees, charges, and targeted rates for water supply	444	471	631
Internal charges and overheads recovered	9	6	0
Local authorities fuel tax, fines, infringements, and other receipts	108	111	0
Total operating funding (A)	4,334	4,574	4,745
Applications of operating funding			
Payments to staff and suppliers	2,396	2,471	2,911
Finance costs	310	386	268
Internal charges and overheads applied	909	938	937
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,615	3,795	4,116
Surplus/(deficit) of operating funding (A-B)	719	779	629
Sources of capital funding			
Subsidies and grants for capital expenditure	114	0	59
Development and financial contributions	130	135	154
Assets vested in Council	0	0	96
Increase/(decrease) in internal debt	1,130	(210)	160
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,374	(75)	469
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	33	44	92
- To improve the level of service	1,534	82	465
- To replace existing assets	526	578	554
Increase/(decrease) in reserves	0	0	(13)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,093	704	1,098
Surplus/(deficit) of operating funding (C-D)	(719)	(779)	(629)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	30	(52)	(663)
Add Depreciation	933	966	1,603
Less Development and Financial Contributions	(130)	(135)	(154)
Less Subsidies and Grants for Capital Expenditure	(114)	0	(59)
Less Vested Asset income	0	0	(96)
Surplus/(deficit) of operating funding (A-B)	719	779	630

SEWERAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 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)	618	684	720
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	1
Total operating funding (A)	618	684	721
Applications of operating funding			
Payments to staff and suppliers	289	304	475
Finance costs	293	360	347
Internal charges and overheads applied	134	138	139
Other operating funding applications	0	0	0
Total applications of operating funding (B)	716	802	961
Surplus/(deficit) of operating funding (A-B)	(98)	(118)	(240)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	70	73	85
Assets vested in Council	0	0	223
Increase/(decrease) in internal debt	947	196	304
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,017	269	612
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	507	34	462
- To improve the level of service	101	94	0
- To replace existing assets	311	23	122
Increase/(decrease) in reserves	0	0	(211)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	919	151	372
Surplus/(deficit) of operating funding (C-D)	98	118	239
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(394)	(418)	(432)
Add Depreciation	366	373	501
Less Development and Financial Contributions	(70)	(73)	(85)
Less Vested Asset income	0	0	(223)
Surplus/(deficit) of operating funding (A-B)	(98)	(118)	(239)

STORMWATER AND DRAINAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	103	106
Targeted rates (other than a targeted rate for water supply)	279	286	318
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)	279	389	424
Applications of operating funding			
Payments to staff and suppliers	59	138	142
Finance costs	106	118	96
Internal charges and overheads applied	13	13	13
Other operating funding applications	0	0	0
Total applications of operating funding (B)	178	269	251
Surplus/(deficit) of operating funding (A-B)	101	120	173
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	17	19	32
Assets vested in Council	0	0	142
Increase/(decrease) in internal debt	176	(77)	(126)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	193	(58)	47
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	100	0	142
- To improve the level of service	194	62	11
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	67
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	294	62	220
Surplus/(deficit) of operating funding (C-D)	(101)	(120)	(173)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	73	90	268
Add Depreciation	45	48	78
Less Development and Financial Contributions	(17)	(18)	(32)
Less Vested Asset income	0	0	(142)
Surplus/(deficit) of operating funding (A-B)	101	120	173

ROADS AND FOOTPATHS - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,331	3,448	3,427
Targeted rates (other than a targeted rate for water supply)	181	183	214
Subsidies and grants for operating purposes	1,563	1,612	3,267
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	148	152	135
Total operating funding (A)	5,223	5,395	7,043
Applications of operating funding			
Payments to staff and suppliers	2,836	2,924	5,191
Finance costs	2	2	3
Internal charges and overheads applied	598	618	541
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,436	3,544	5,735
Surplus/(deficit) of operating funding (A-B)	1,787	1,851	1,308
Sources of capital funding			
Subsidies and grants for capital expenditure	1,707	1,774	1,792
Development and financial contributions	153	159	0
Assets vested in Council	0	0	549
Increase/(decrease) in internal debt	(3)	(3)	63
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,857	1,930	2,405
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	153	159	749
- To improve the level of service	70	73	0
- To replace existing assets	3,421	3,549	2,831
Increase/(decrease) in reserves	0	0	132
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3,644	3,781	3,712
Surplus/(deficit) of operating funding (C-D)	(1,787)	(1,851)	(1,307)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	783	602	(422)
Add Depreciation	2,864	3,182	4,071
Less Development and Financial Contributions	(153)	(159)	0
Less Subsidies and Grants for Capital Expenditure	(1,707)	(1,774)	(1,792)
Less Vested Asset income	0	0	(549)
Surplus/(deficit) of operating funding (A-B)	1,666	1,851	1,307

COMMUNITY SERVICES AND FACILITIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	80	135	157
Targeted rates (other than a targeted rate for water supply)	1,445	1,487	1,516
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	756	701	816
Total operating funding (A)	2,281	2,323	2,488
Applications of operating funding			
Payments to staff and suppliers	2,831	2,798	2,770
Finance costs	262	257	235
Internal charges and overheads applied	998	1,020	1,019
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,091	4,075	4,025
Surplus/(deficit) of operating funding (A-B)	(1,810)	(1,752)	(1,537)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	239	248	201
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	14	(130)	204
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	253	118	405
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	55	151	0
- To improve the level of service	261	216	535
- To replace existing assets	125	70	102
Increase/(decrease) in reserves	(1,998)	(2,071)	(1,769)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(1,557)	(1,634)	(1,132)
Surplus/(deficit) of operating funding (C-D)	1,810	1,752	1,537
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(1,969)	(1,905)	(1,911)
Add Depreciation	398	401	575
Less Development and Financial Contributions	(239)	(248)	(201)
Surplus/(deficit) of operating funding (A-B)	(1,810)	(1,752)	(1,537)

ENVIRONMENT AND SAFETY - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,144	2,248	2,256
Targeted rates (other than a targeted rate for water supply)	1,046	1,064	1,163
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	1,290	1,330	1,726
Total operating funding (A)	4,480	4,642	5,145
Applications of operating funding			
Payments to staff and suppliers	3,673	3,800	4,724
Finance costs	8	8	7
Internal charges and overheads applied	717	743	743
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,398	4,551	5,474
Surplus/(deficit) of operating funding (A-B)	82	91	(329)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	2	19	230
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2	19	230
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	50	26	1,154
- To replace existing assets	184	171	98
Increase/(decrease) in reserves	(150)	(87)	(1,352)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	84	110	(99)
Surplus/(deficit) of operating funding (C-D)	(82)	(91)	329
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(25)	(20)	(529)
Add Depreciation	107	111	200
Surplus/(deficit) of operating funding (A-B)	82	91	(329)

DISTRICT PROMOTION - GROUP ACTIVITY FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	90	93	96
Targeted rates (other than a targeted rate for water supply)	286	297	202
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	5	5	61
Total operating funding (A)	381	395	358
Applications of operating funding			
Payments to staff and suppliers	416	435	419
Finance costs	0	0	0
Internal charges and overheads applied	3	3	4
Other operating funding applications	0	0	0
Total applications of operating funding (B)	419	438	423
Surplus/(deficit) of operating funding (A-B)	(38)	(43)	(65)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	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	0
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	(38)	(43)	(65)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(38)	(43)	(65)
Surplus/(deficit) of operating funding (C-D)	38	43	65
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(45)	(47)	(72)
Add Depreciation	7	4	7
Surplus/(deficit) of operating funding (A-B)	(38)	(43)	(65)

HANMER SPRINGS THERMAL POOLS AND SPA - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 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	9,572	10,004	9,967
Total operating funding (A)	9,572	10,004	9,967
Applications of operating funding			
Payments to staff and suppliers	6,635	6,950	6,833
Finance costs	936	1,027	936
Internal charges and overheads applied	132	134	136
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,703	8,111	7,905
Surplus/(deficit) of operating funding (A-B)	1,869	1,893	2,062
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	2,000	1,039	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2,000	1,039	0
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	2,550	1,351	530
- To replace existing assets	100	104	283
Increase/(decrease) in reserves	1,219	1,477	1,248
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3,869	2,932	2,062
Surplus/(deficit) of operating funding (C-D)	(1,869)	(1,893)	(2,062)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	1,032	1,012	1,248
Add Depreciation	837	881	814
Surplus/(deficit) of operating funding (A-B)	1,869	1,893	2,062

GOVERNANCE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2013 Long-Term Plan \$000's	2014 Long-Term Plan \$000's	2014 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	991	1,052	1,019
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	16	17	21
Total operating funding (A)	1,007	1,069	1,040
Applications of operating funding			
Payments to staff and suppliers	676	723	666
Finance costs	0	0	0
Internal charges and overheads applied	325	337	311
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,001	1,060	977
Surplus/(deficit) of operating funding (A-B)	6	9	64
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	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	0
- To replace existing assets	6	36	5
Increase/(decrease) in reserves	0	(27)	58
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6	9	63
Surplus/(deficit) of operating funding (C-D)	(6)	(9)	(63)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	0	0	59
Add Depreciation	6	9	4
Surplus/(deficit) of operating funding (A-B)	6	9	63

Benchmarking

Introduction	112
The benchmarks	113

Introduction

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2014

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

The benchmarks

Rates affordability benchmark

The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

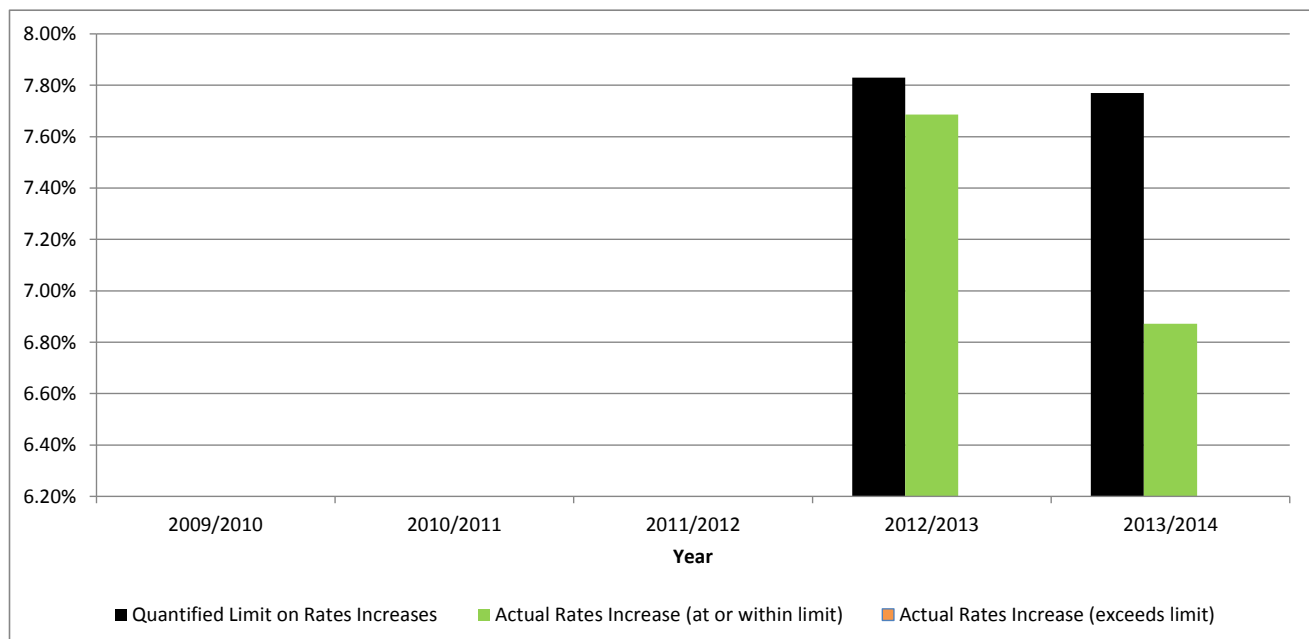
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit was set out as follows:

- 2012/2013 7.83% increase from prior year ($\$12,945,000 + 7.83\% = \$13,959,000$)
- 2013/2014 7.77% increase from prior year ($\$13,940,000 + 7.77\% = \$15,023,000$)



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limits were: 2012/2013 7.83%; and 2013/2014 7.77%.



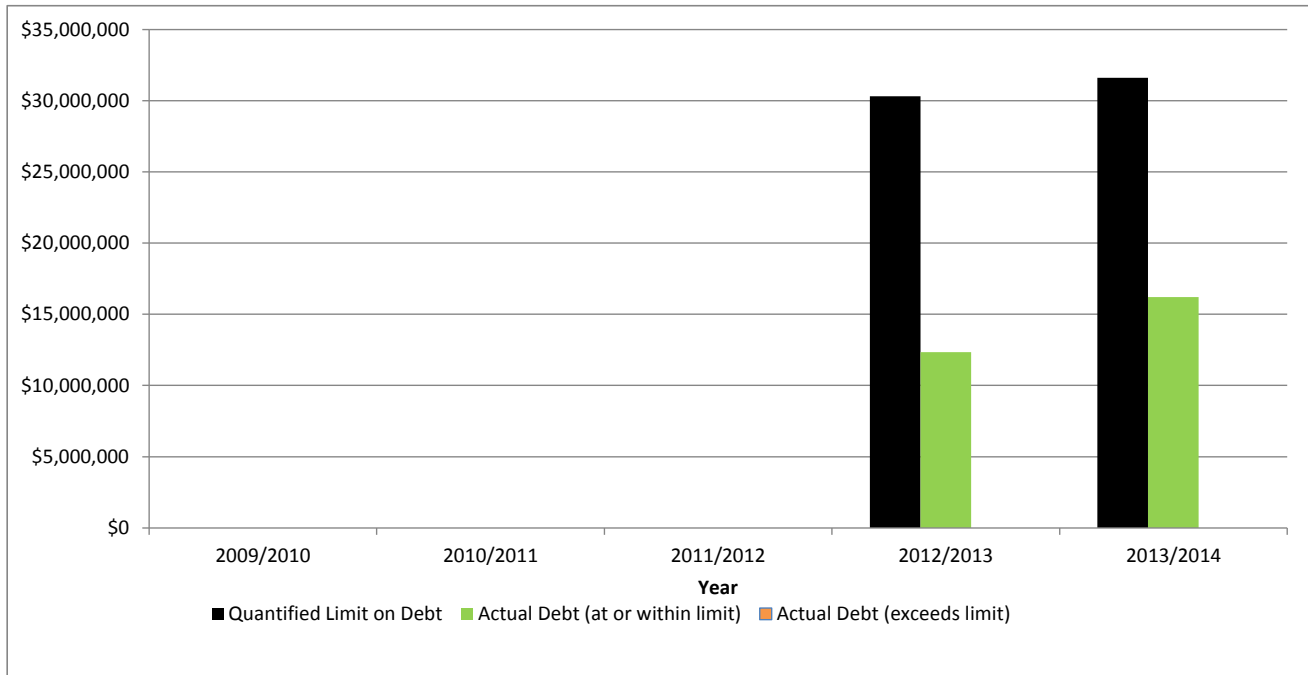
Debt affordability benchmarks

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

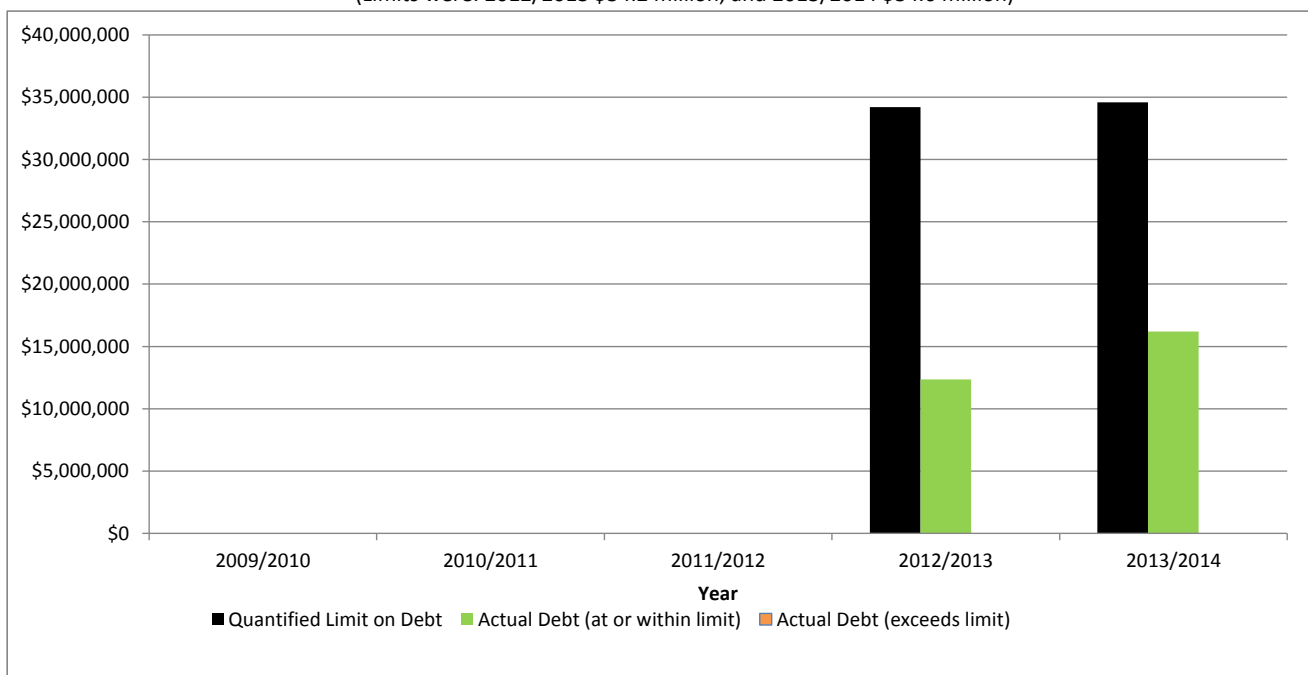
The following graphs compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s long-term plan. There are four factors in the Council’s Financial Strategy to help determine limits on debt:

- Total Debt is no more than 100% of Total Income (Limits were: 2012/2013 \$30.3 million; and 2013/2014 \$31.6 million)
- Total Debt is no more than 10% of Total Equity (Limits were: 2012/2013 \$34.2 million; and 2013/2014 \$34.6 million)
- Interest expense is no more than 5% of Total Income (Limits were: 2012/2013 \$1.52 million; and 2013/2014 \$1.58 million)
- Interest expense is no more than 10% of Total Rates (Limits were: 2012/2013 \$1.36 million; and 2013/2014 \$1.45 million)

Total Debt is no more than 100% of Total Income
(Limits were: 2012/2013 \$30.3 million; and 2013/2014 \$31.6 million)



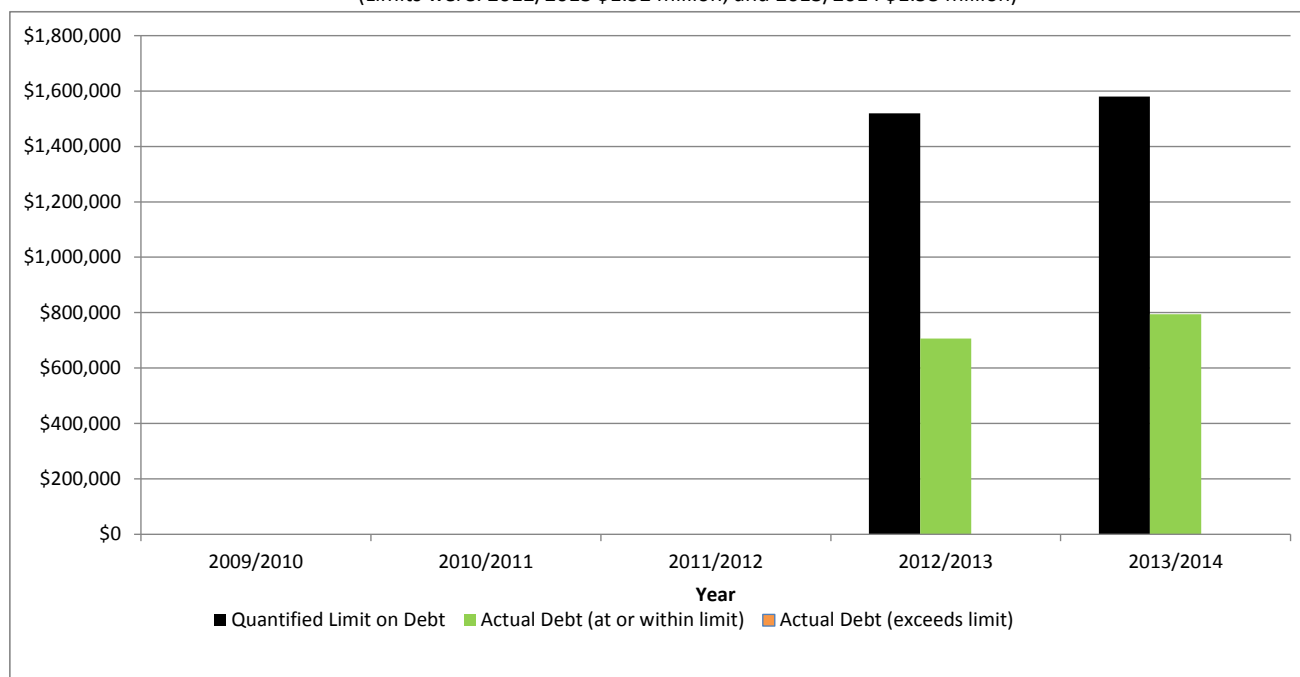
Total Debt is no more than 10% of Total Equity
(Limits were: 2012/2013 \$34.2 million; and 2013/2014 \$34.6 million)



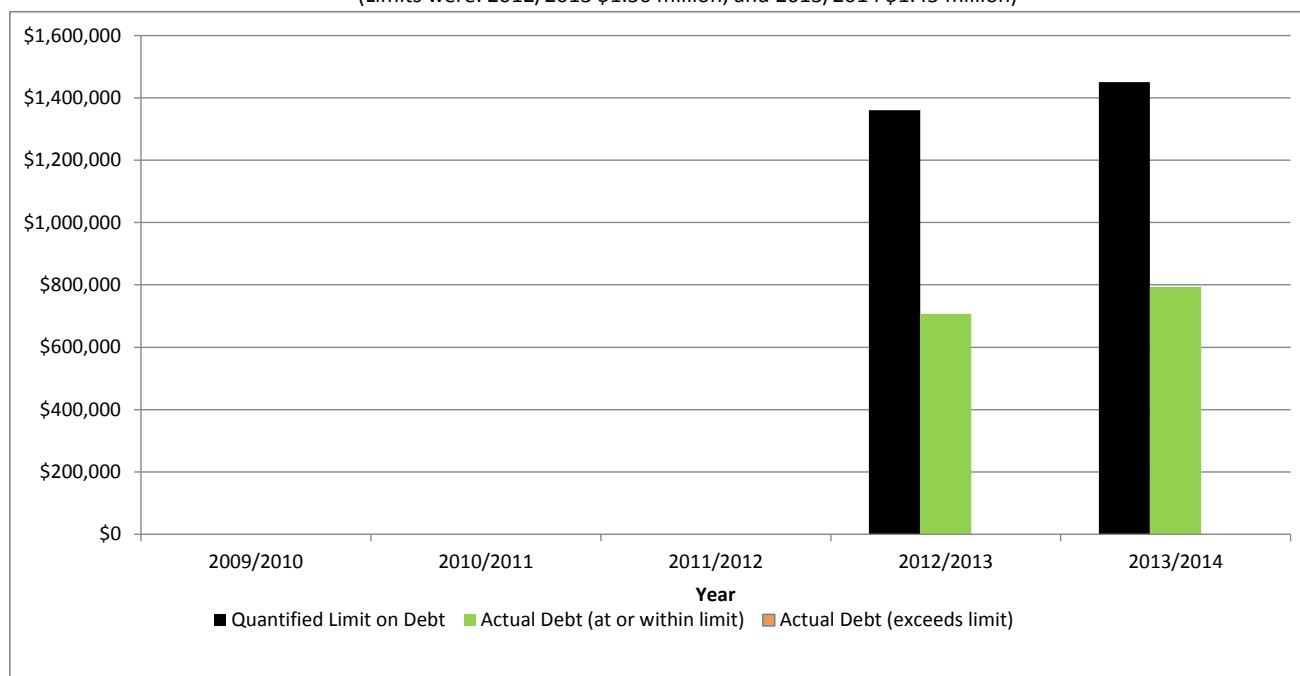
Debt affordability benchmarks (Continued)

Interest expense is no more than 5% of Total Income

(Limits were: 2012/2013 \$1.52 million; and 2013/2014 \$1.58 million)

**Interest expense is no more than 10% of Total Rates**

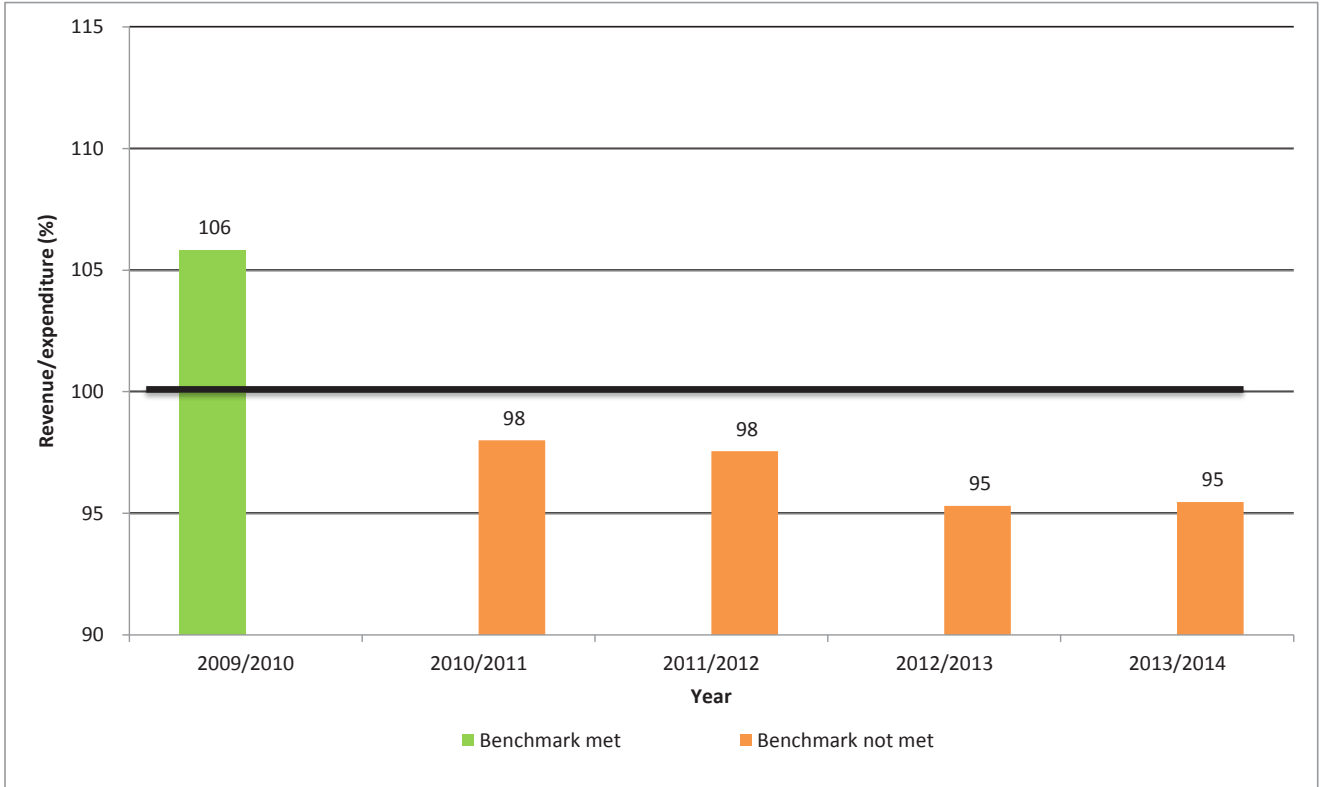
(Limits were: 2012/2013 \$1.36 million; and 2013/2014 \$1.45 million)



Balanced budget benchmark

The following graph displays the council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

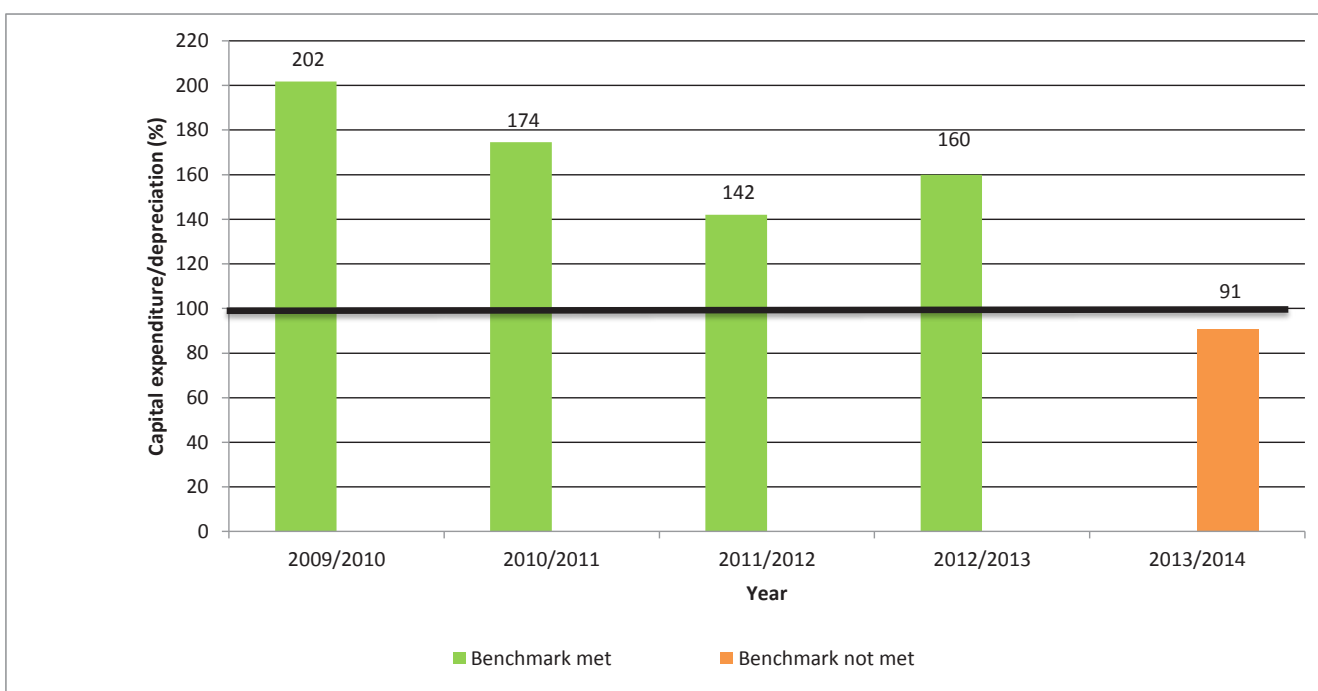
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

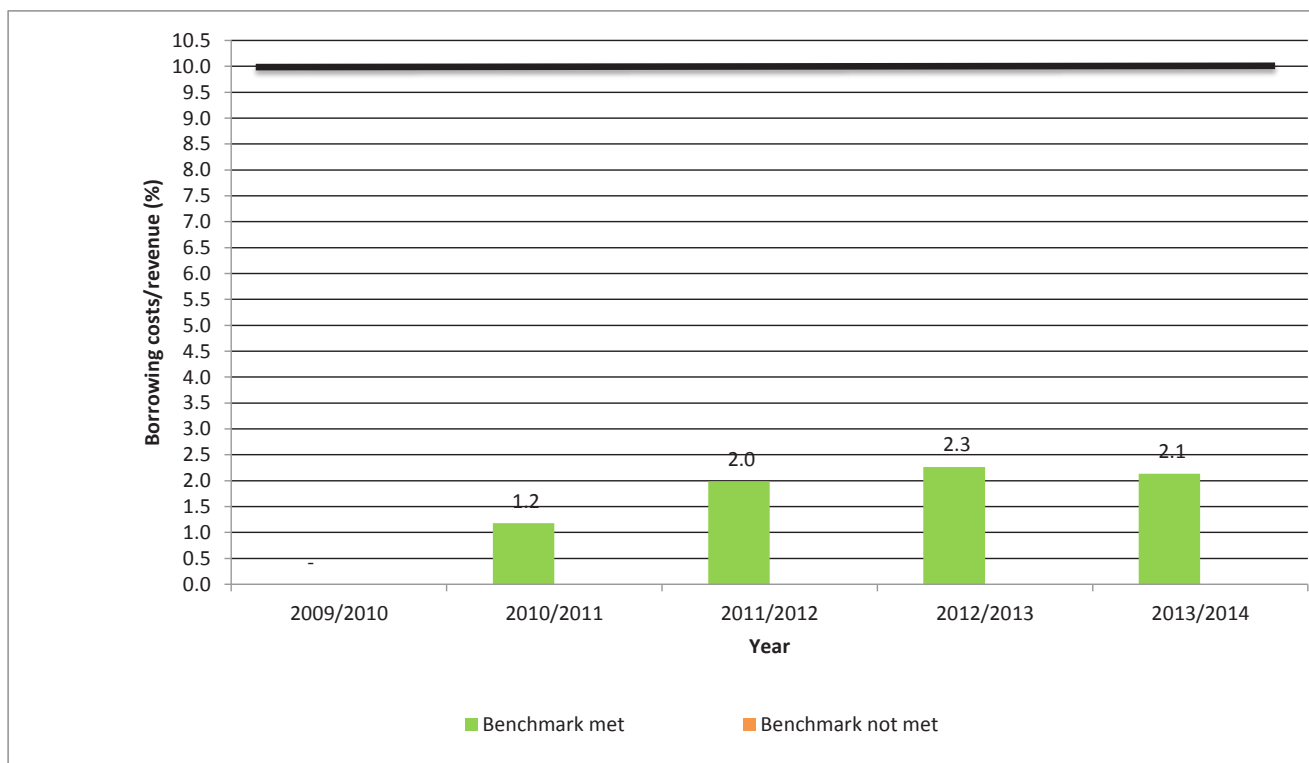
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services.

The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

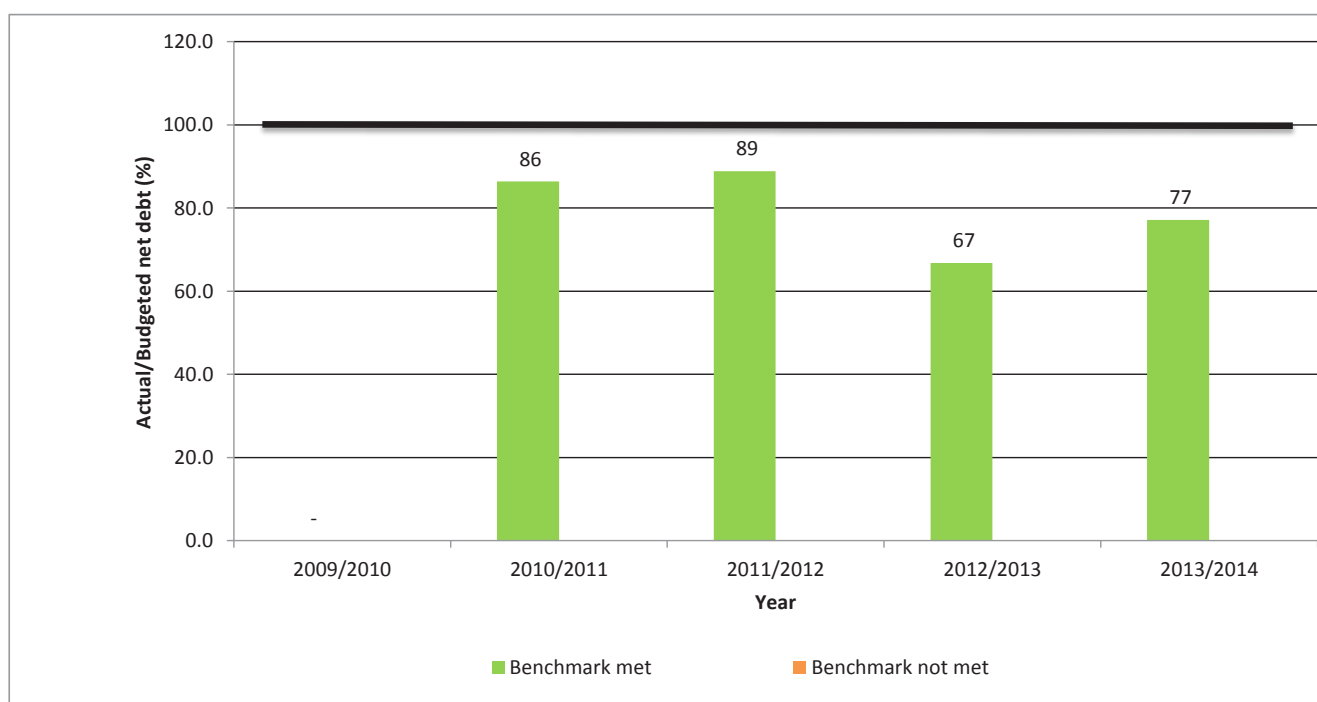
The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

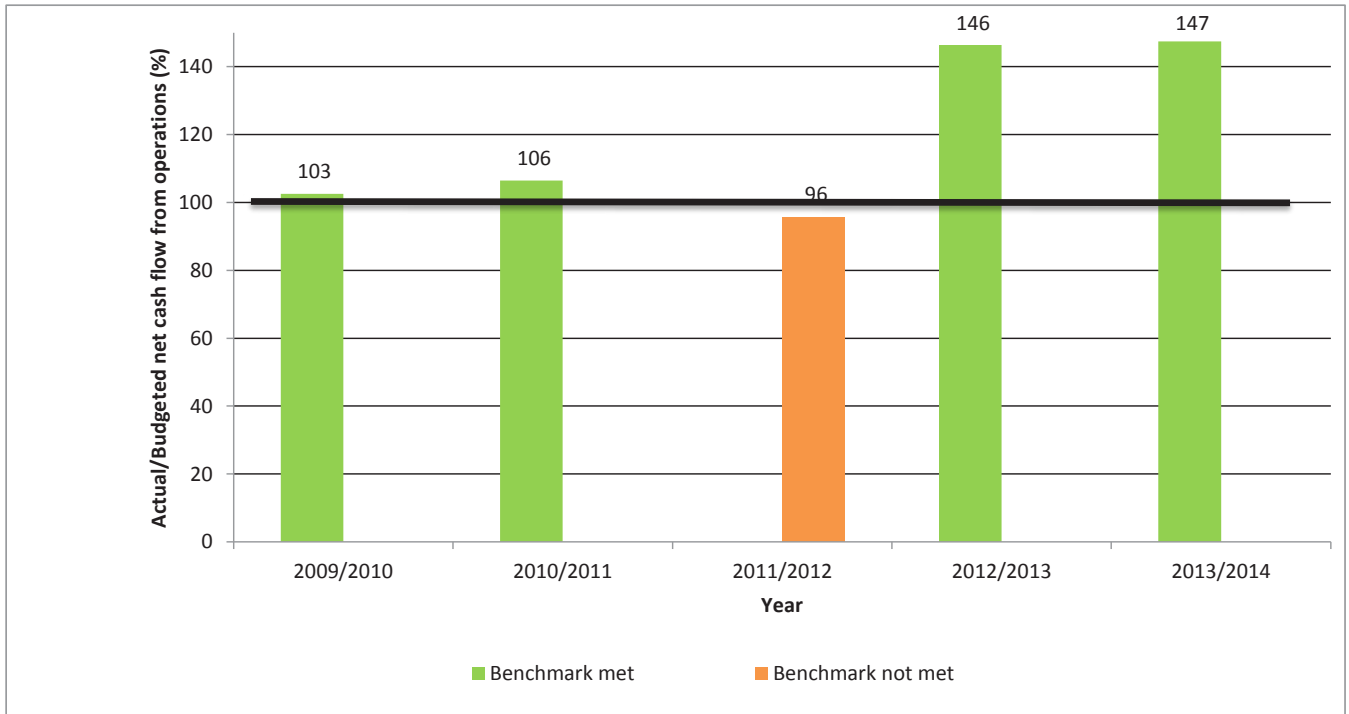
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Council Controlled Organisations

Enterprise North Canterbury	120
Transwaste Canterbury Limited	122

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.

2013/2014 Objectives

1 Large Businesses and New Projects

- 1.1 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
- 1.2 ENC will promote the development of "business to business" networks within the region

2 Infrastructure

- 2.1 When ENC identifies infrastructural gaps (namely broadband) that may impact on the creation of wealth in the region it will lobby appropriate agencies for the provision of such facilities and services.

3 Retain and support existing SME businesses

- 3.1 ENC will support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities
- 3.2 ENC will celebrate and recognise business leaders and business successes
- 3.3 ENC will facilitate the establishment of industry groupings where there are sought by the sector, to achieve efficiencies in marketing, product development and the securing of resources.

- 3.4 Undertaken research to identify gaps, opportunities and track business issues and trends
- 3.5 ENC will assist town development as and when invited

2013/2014 Achievements

- 1.1 ENC Rural Engagement Objective: ENC is committed to creating new initiatives that stimulate and accelerate economic growth for the North Canterbury rural sector. Three key areas of focus:
 - Finding the gap
 - Key Relationship Management
 - Communication
- 1.2 Networking functions: Four networking functions were held during the year with a total of 317 attendees (271 last year).
- 2.1 ENC has worked closely with Chorus, Enable, Farmside, Snap, Amuri.net, Vodafone, and Telecom offering solutions to a number of entities in Kaiapoi, Rangiora, Eyrewell, Balmoral, and is seeking ongoing solutions in Waipara, Hanmer, Culverden, Saltwater, Southbrook, Loburn, Ohoka, Oxford and beyond. ENC co-hosted a workshop with OPUS to 27 building owners and developers in Rangiora to identify potential cost savings, building concepts and resource capabilities. ENC became part of a regional Canterbury Digital Forum to develop a Canterbury wide Digital Strategy.
- 3.1 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
 - Provide other Business Support Programmes
 - Referrals
 - Mentoring
 - Communications with businesses and ENC stakeholders
- 3.2 The celebration of business achievements within the region is an important stimulus for entrepreneurs.
 - In May 2014 ENC launched the North Canterbury Exceptional Business Awards. Entries closed on the 18th of July with 45 businesses entering seven categories
- 3.3 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.

- 3.4 ENC undertook business surveys in November 2013 and May 2014 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. ENC

carried out an audit of the current labour market conditions in North Canterbury to gain a greater understanding of the impact of the Canterbury earthquakes and low level of unemployment on the rural sector.

- 3.5 Culverden – assessed economic development opportunities.

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:

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

1. Shareholder Interest: To operate a successful business, providing a fair rate of return to its shareholders.
2. Healthy Environment: To ensure that the group, as a minimum, meets 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. Corporate Citizen: To be a responsible Corporate Citizen by acting lawfully, fairly and honestly and to be sensitive to local issues.
4. Service Quality: 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. Good Employer: Be a Good Employer, through either direct employment or by way of management contracts with Canterbury Waste Services (CWS) and Canterbury Material Recovery Facilities (CMRF). Strive for zero injury accidents in all operations the company and its main contractors, CWS and CMRF, will be responsible for, whilst maintaining a high level of service and production. To ensure that CWS

and CMRF adhere to the performance targets set out under this clause.

6. Consultation and Community Relations: 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 groups (including Tangata Whenua) on issues that are likely to affect them.

Results for 2013/2014

1. Three of the five performance targets were met. The two targets not met were: the average return on invested capital was 11.5% rather than the target of 11.87%; and annual Burwood Resource Recovery Park revenue was \$15,990,000 rather than the target of \$16,392,000.
2. Three of the four performance targets were met, with the one not achieved being only 3,070 plants of native species being planted rather than the targeted 4,000.
3. Two of the three performance targets were met, with the one not achieved being due to the website being operational from June 2014, rather than October 2013.
4. All three performance targets were met.
5. Seven of the eight performance targets were met, with the one not achieved being that on average CWS staff attended external training equivalent to 8.6 hours per FTE, rather than the targeted 10 hours per FTE.
6. Five of the six performance targets were met, with the one not being in respect to receiving 102 complaints from two families relating to odour, although none of these have been substantiated by Environment Canterbury.

Independent Auditor's Report

Independent Auditor's Report

To the readers of Hurunui District Council and group's annual report for the year ended 30 June 2014

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 2014 on page 60;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 58, 59 and page 61;
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 62 to 93;
- the statement of service provision (referred to as Groups of Council Activities) of the District Council on pages 14 to 55;
- the funding impact statements in relation to each group of activities of the District Council on pages 101 to 109;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 14 to 55;
- the funding impact statement of the District Council on page 100; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on page 99 and pages 113 to 118.

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 14 to 55;
 - reserve funds on pages 94 to 97;
 - remuneration paid to the elected members and certain employees of the District Council on page 92;

- employee staffing levels and remuneration on page 92;
- severance payments on page 93;
- council-controlled organisations on pages 120 to 122;
- rating base units on page 98; and
- insurance of assets on page 98.
- 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 10.
- A statement of compliance signed by the mayor and chief executive of the District Council on page 11.

Opinion

Audited information

In our opinion:

- The financial statements of the District Council and group on pages 58 to 93:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2014; and
 - the results of their operations and cash flows for the year ended on that date.
- The Group of Council Activities of the District Council on pages 14 to 55:
 - 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 2014, 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 101 to 109, 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 14 to 55, 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.
- The funding impact statement of the District Council on page 100, 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 disclosures on pages 113 to 118 represent a complete list of required disclosures and accurately reflect the information drawn from District Council's audited information.

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 30 October 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 [description used by the Council Type for the statement of service provision]. 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 Group of Councils Activities 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.

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 Group of Council Activities 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;
- 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;

- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- 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.

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 this 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 this audit, which includes our report on the *Other Requirements*, we have completed an assurance engagement preparing a report to the District Council's bond trustee pursuant to a debenture trust deed. This engagement is compatible with those independence requirements.

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

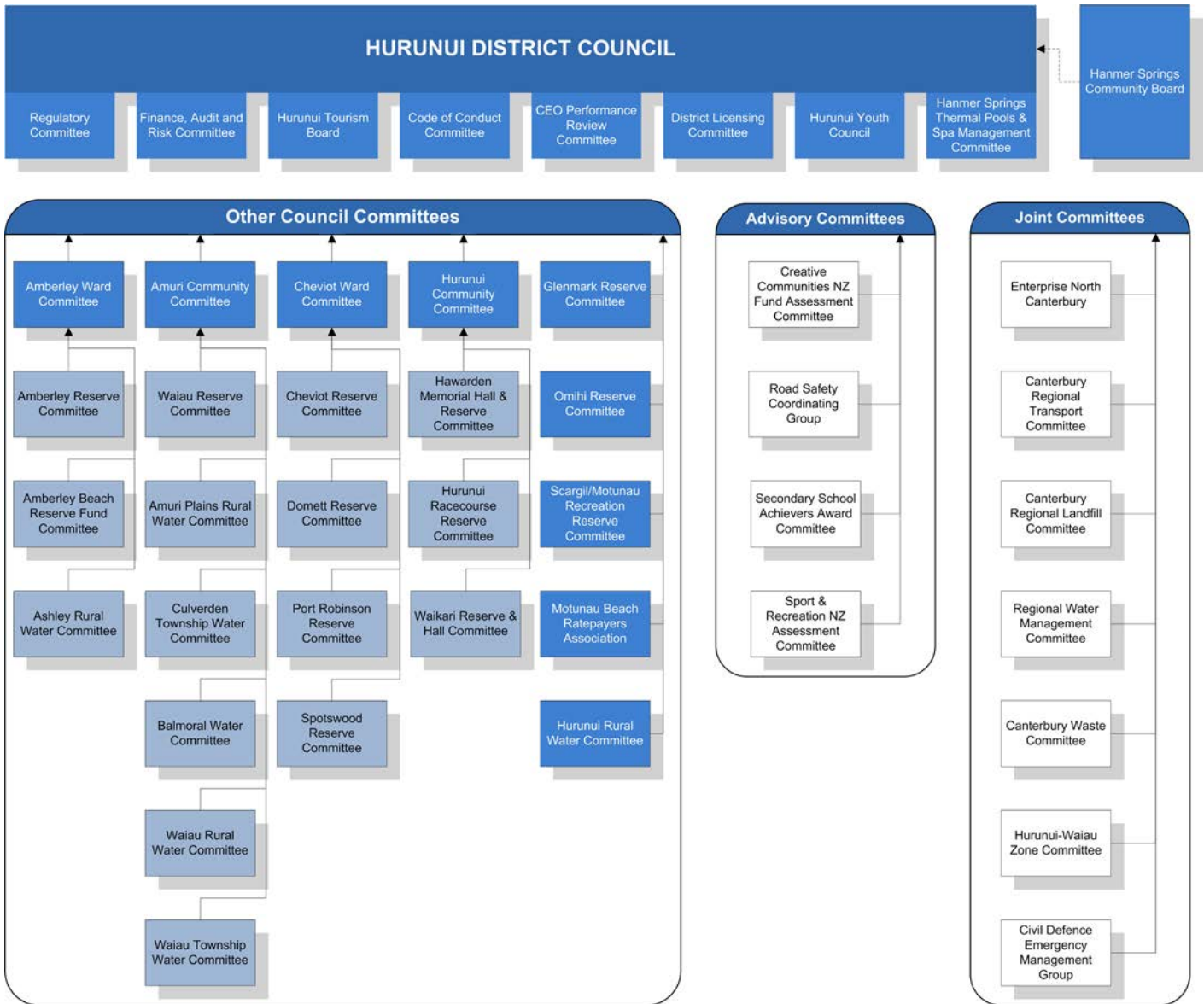


Julian Tan
New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Appendices

Council committee structure	132
Organisational structure	133

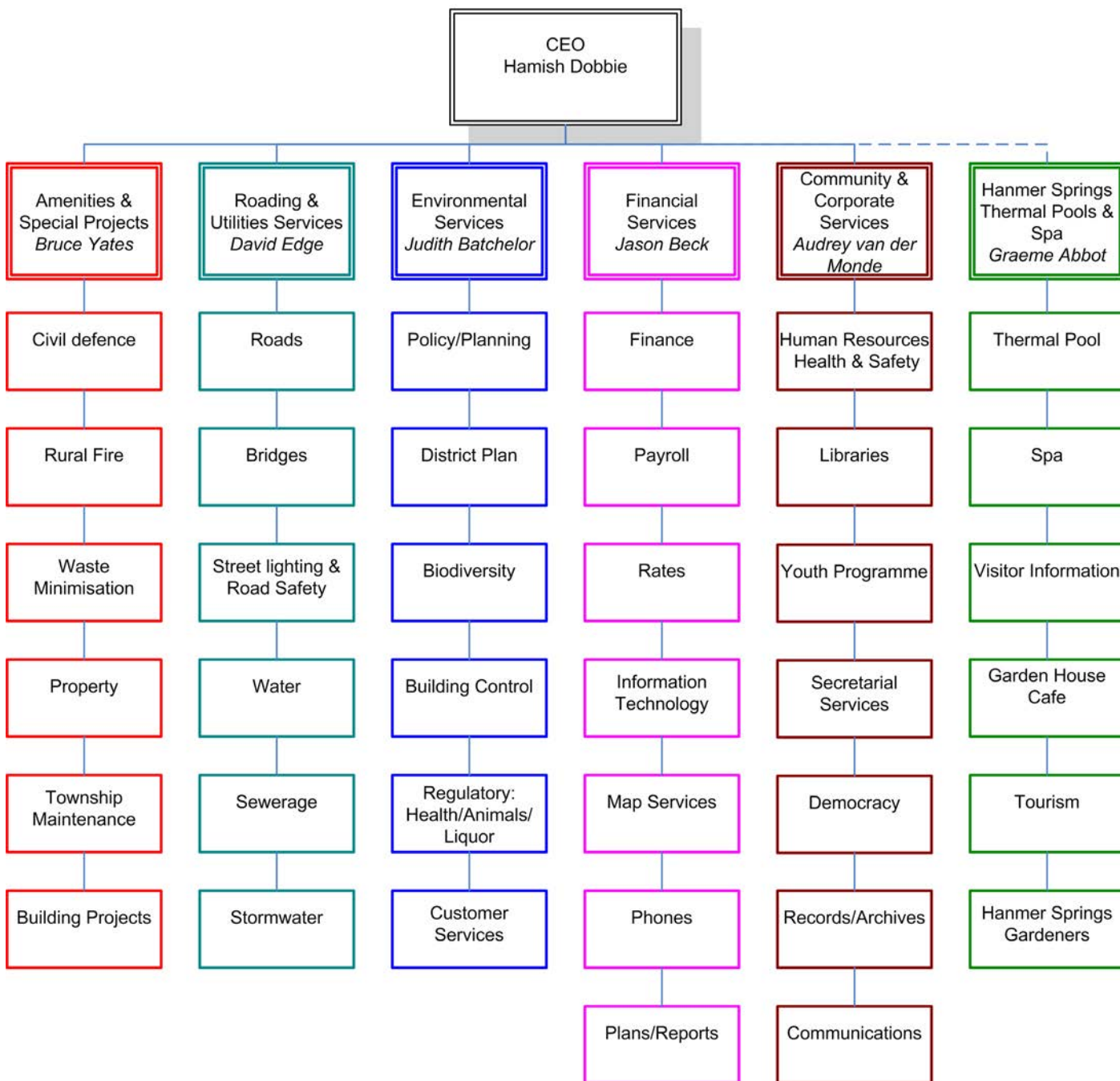
Council committee structure



Organisational structure

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**

