

# Hurunui District Council Annual Report Summary 2010 - 2011



## Introduction from the Mayor and Chief Executive Officer

We are pleased to present our 2010/11 Annual Report Summary which shows the Council's performance against the objectives and financial budgets specified in Annual Plan for the 2010/11 year. This is your opportunity to see how we have managed our operations as well as to see our achievements.

Our programme of works and services was originally set out in the Council's Hurunui Long Term Community Plan 2009-19 and then revised in the 2010/11 Annual Plan. Both Plans were prepared against a backdrop of the global economic recession, the effects of which still continue to be felt. What we did not anticipate when preparing the Plans, were the Canterbury earthquakes and the significant impact that has had.

Our primary concern when preparing the programme for 2010/11 was affordability. We were very aware that the New Zealand economy was, and is still, shaking off the effects of an economic downturn. We developed a plan which we saw as financially responsible.

Overall, we are generally performing well against our targets - despite the difficult economic environment and earthquakes. The projects outlined in the Annual Plan were generally completed or are on track for completion, except when there were factors beyond our control, and where we fell short, we are working to address this.

## Finance

Overall, income was above budget by \$6.6 million, but this does include recognising \$6.3 million of land and buildings vested in Council as part of the Queen Mary Hospital site. Operating expenditure was up on budget by \$1.5 million, due to additional roading costs as a result of flooding in July and August and also additional costs incurred as a result of Mainpower appealing the Council's decision to decline its resource consent application for a windfarm on Mt Cass. The council recorded a net surplus after tax of \$6.2 million and after accounting for an increase in the value of Council's assets of \$4.7 million, the Council recorded a total comprehensive income of \$10.9 million. After excluding the \$6.3 million of vested assets received this year and the \$708,000 of vested assets in the budget, the Council was approximately \$572,000 behind budget due to those additional costs. Council will review how to fund this as part of the Long Term Plan preparation. We operated on a 1.05% reduction in the general rate in the 2010/11 financial year (although we had indicated a 5.7% increase in the general rate in the HLTCP 2009/19). Targeted rates varied from area to area and between properties increased on average to 6.1%. The overall rate increase was 3%, which was in line with the average inflation rate assumed in the 2010/11 budget of 3%. Targeted rates are influenced by community needs and decided on by local ward/community committees and boards, rather than the Council. This enables local decision making on matters which are of importance to local areas as opposed those which impact on the entire district.

## Service Performance

The results of our annual resident satisfaction surveys, conducted by Opinions Market Research, confirmed a general upward trend in satisfaction for the fourth year in a row. In general, residents are positive about the performance of the Council and the state of facilities and services, with confidence in the Council's overall performance now sitting at 87%. The results also show an improvement with the Hanmer Springs Community Board members' overall performance at 63% satisfaction. The full survey results are available on our website at: <http://www.hurunui.govt.nz/news-and-views/resident-surveys/>

## New Council and Committees

We had a significant change in the Council's membership from the October 2010 elections with a new mayor and six new councillors joining three returning councillors, to form the newly elected Council. The Hanmer Springs Community Board also gained four new members who joined the sole returning member and the local Ward Councillor that we appoint to the Board. In order to improve the efficiency and effectiveness of our governance model, an innovative decision making committee structure was approved by the new Council in October 2010. This resulted in the formation of a new Strategy and Policy Committee, a new Regulatory Committee and a new Audit and Risk Committee. We reconfirmed many of the existing committees focusing on local amenities, local reserves and water schemes to continue to encourage and enable significant involvement by local community representatives in their own local issues. We reviewed the effectiveness of the new committees in June 2011 and there was agreement that the new structure was working well.

## Hanmer Springs Thermal Pools & Spa Development

The Hanmer Springs Thermal Pools and Spa is a major asset for the Council, and a significant strength for the district in terms of its international recognition and as a tourist attraction, and for the revenue it produces annually. The HLTCP 2009-19 outlined a \$7.5m expansion project for the Pools and Spa. The completion of the new development which included new and upgraded pools and facilities occurred on time and resulted in the complex opening on 20 December 2010. The projected surplus from the thermal pools and spa (before interest and depreciation) for 2010/11 was \$2.8 million and this was achieved.

## Hanmer Springs Township Upgrade

A major two million dollar upgrade of the Hanmer Springs Township was completed in early 2011. This upgrade included a major reconstruction of the main road in the township to provide safer pedestrian crossing areas and to encourage vehicles to slow down. It also included stormwater improvements, general beautification of the town centre with attractive plantings, new seating arrangements and preservation of the feature oak trees along Amuri Avenue.

## New Amuri Health Centre

A new one million dollar medical centre was built and completed in Rotherham on a new site and serves the greater part of the Amuri Ward. The new centre was opened in an official ceremony on 26 June 2011. The project was a great example of a community and the Council working in partnership to realise a shared vision and make something very worthwhile happen.

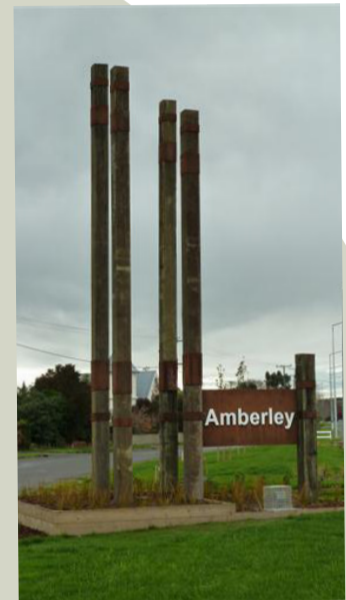
## Significant Achievements

### Amberley Town Upgrade

The major upgrade of the Amberley Township has been mostly completed. The \$359,000 upgrade included new signage at the southern entrance to Amberley, a new pathway with 21 story boards, new kerb and channelling, plantings and reshaping of grass and tree lined verges. The look of the design is to emphasise the rural and rustic nature of the Amberley township as the gateway to the Hurunui. The planned northern access sign has not proceeded yet and has been delayed by the difficult "frangibility" requirements of the New Zealand Transport Agency (which controls signage regulations for State Highways). We were disappointed with New Zealand Transport Agency for not providing funding to complete the upgrade with drainage and kerb and channelling on the west side of the main street. The upgrade project was 'dogged' by several delays caused through contractors' (un)availability for a number of reasons, but particularly the earthquakes.

### Community Development Programme

Through a community driven proposal to the Council, we applied for funding from the Department of Internal Affairs to fund a community development programme for the Hurunui district. The application was successful and we employed a Community Development Advisor in November 2010. A number of programmes have been set up or initiated since that time. Some examples include: driving courses for the elderly; a "capturing the past" project between school students and our elderly people; elderly and youth forums to identify needs for both groups; community data base; and the investigation of a Hurunui community trust. The programme is funded for three years and we are pleased with the interest in the programme and the range of initiatives that have been undertaken within a very short time.



Amberley Welcome sign



Civil Defence Education day  
Waipara School



Mayor  
Winton Dalley



Chief Executive Officer  
Andrew Dalziel

Each year we also face significant compliance costs. In the 2010/11 year alone we paid \$89,000. to Audit New Zealand to audit our Annual Report. Canterbury Regional Council consent and monitoring charges, water quality monitoring costs, National Dog Database fees, Remuneration Authority fees, and even music licence fees all add to the overall cost. The cost is growing and unfortunately, as a result of adverse events, such as the nationwide leaky buildings issue and the Canterbury earthquakes, we expect even higher compliance costs next year.

Another significant cost during the year was for legal fees for advice and to defend or appeal plan change decisions and resource consents and for Environment Court costs. Examples where Council was forced to appear in the Environment Court to deal with appeals included the proposed Mt Cass wind farm and the Amberley stormwater consents. We spent \$116,659 on legal fees plus a further \$794,420 on other consultants during the year. We were also involved in several complex planning issues including: the Regional Policy Statement; the Natural Resources Regional Plan, a submission to a proposed National Policy Statement for Indigenous Biodiversity (to protect the Council's position); the Meridian Wind Farm consent; the Hurunui Water Project (the 'no damming of the Hurunui River' issue); the Hanmer Springs Plan Change regarding business and town centre development; the Hanmer Springs Urban Growth Strategy (including carparking and multiple dwelling units); and the Amberley shopping complex.

In August 2010 we granted a non-notified consent for variations for an expanded supermarket in Amberley (first granted a non notified consent in February 2010). By the end of June 2011, the developers still had not yet confirmed a supermarket tenant or building consents. The developers are still progressing their plans and have recently announced the commencement of the first phase of their associated residential development.

During the year we made some changes to our engineering services department to refocus our resources on improving our performance, particularly in the utilities and roading areas. We split the engineering functions into two distinct areas so that now there is a separate Roading and Utilities Department and an Amenities and Special Projects Department. Both are managed by separate senior managers who report directly to the Chief Executive Officer. This has provided us with the ability to more closely scrutinise our roading contracts and apply more attention to water quality, stormwater assets, bridge repairs and amenity needs throughout the district.

Another area where we have been committed to improving our performance has been in developing a strong working relationship with Ngai Tahu, which includes Kaikoura Runanga, Tuahiwi Runanga, Te Runanga o Ngai Tahu (TRONT), and Ngai Tahu Holdings Ltd. During the year, we have met with Ngai Tahu representatives through Council meetings or the Hurunui Waiau Zone Committee meetings. We are working on communicating better on an ongoing basis so that issues of mutual interest are known and understood, which ultimately contributes to better decision making.

Finally, we hope you find the information in this end of year report useful and informative. It has been a unique year and our sincere thanks go out to our elected members and members of our many committees, and to staff for their dedicated commitment to their tasks and the district. Also, our heartfelt condolences to those of you who lost family members or friends during the earthquakes, or suffered serious property or business damage as a result.



## Other Key Project Updates

In the 2010/11 Annual Plan, there were other projects we asked for public feedback on prior to finalising the Plan.

Over the past year, this is where we have got to with these projects:

### Water Management

Water management is a big issue in our district. Our community supported the Hurunui district being the first of the ten 'zone' committees to be set up to support the Canterbury Water Management Strategy, which calls for a collaborative and integrated approach to the management of water. The Hurunui Waiau Zone Committee was successfully formed in July 2010 and has undertaken an exhaustive programme of meetings and public consultation to form a Zone Implementation Programme (commonly known as the 'ZIP'). The ZIP was formally received by the Hurunui District Council and Canterbury Regional Council in August 2011 and it has provided the basis for the Hurunui Waiau Regional Plan, a statutory planning document, and made public by the Canterbury Regional Council, which is responsible for the implementation of the ZIP.

### Cheviot Water Treatment Plant

The Cheviot, Gore Bay and Port Robinson areas have had water supplied by a Miox treatment plant since early 2008. This is a temporary measure as it does not fully comply with the drinking water standards and we have until 2014 to fully upgrade the scheme. We had \$579,000 in the budget carried over from the 2009/10 year to fund a new water source or a new treatment plant. In conjunction with the Cheviot Ward Committee we decided not to build a new water scheme this year, and instead have been monitoring and assessing two alternative sources for quality and quantity for a water supply to Cheviot as it is considered advantageous to look at other alternative intakes before making a final decision. The funds have been carried over into the 2011/12 year.

### Hanmer Springs Water Pump & Pipe Renewals

\$243,000 was budgeted for pump and pipe renewals in Hanmer Springs. We did indicate that the work would not take place if the components were found to still be in good condition. On assessing these asset components, the majority were found to still have at least ten years useful life left in them. Thus only minor works were carried out under pipe renewals. This pipe replacement programme has been deferred and pushed out to 2021/2022.



### Amberley Infrastructure Upgrade

Due to projected growth in the Amberley Township, \$406,000 was budgeted to upgrade the water scheme. We decided to defer an extensive pipe renewal programme to 2014/2015 as assessments of our current infrastructure confirmed they could last a few more years without compromising the scheme. Two new bores have been drilled to secure reliable water supplies for Amberley. The first bore in the Amberley Domain was unsuccessful, with the water intake unsuitable. The second bore is located alongside State Highway 1 and is capable of providing good quantity and quality water for domestic use. The Canterbury Regional Council (ECan) needs to approve the resource consent before this new intake can be used to supply water to the Amberley scheme.

\$110,000 was budgeted for the installation of a duplicate bore for the Leithfield Beach Township. This has not yet eventuated and alternative options to secure water supply to the Leithfield Beach scheme are being considered before we take the drilling option. Delays have occurred because of difficulties in obtaining resources as a result of demand on these due to the Canterbury earthquakes. The project will continue into the 2011/12 year. The Amberley stormwater mitigation proposals were consented in January 2011 but appeals lodged against them were only resolved through Environment Court mediation in September 2011, so no physical works have been carried out yet. The delays caused by the consent process, coupled with the huge cost of that process has left Amberley exposed to further floods. We are addressing this issue urgently. The Leithfield outfall pipeline was successfully completed to help with flooding prevention.

### Community Arts Council's Grant

A new annual sum of \$5,000 (\$2,500 each) to the Amuri and Hurunui Arts Councils to support their ongoing cultural and arts activities was introduced and paid in July 2010. We are keen to support our local artists and promote the continuation and growth of arts and culture in our district.

### Business Recycling Collection Rate

We introduced a mandatory business rate of \$240 per year for a recycling collection service from 1 July 2010. This was to counter concern that businesses previously were able to opt out of contributing to the cost of recycling which placed unfair burden on those who did pay.

### Tsunami Warning System

Tsunami disasters highlighted from around the world in recent years has heightened people's awareness of this potential hazard when living in coastal settlements. Following public concern that there were no local tsunami warning systems in place, we agreed to trial some at Amberley Beach and Leithfield Beach. The systems were installed and have been tested. Further tests and evaluation will be done before considering installing more at other beach areas.



### Queen Mary Hospital Historic Reserve

An agreement with the Crown to vest approximately 5.5 hectares of the former Queen Mary Hospital site, with three historic buildings, (Soldiers Block, Nurses Block and the Chisholm Block) in the Council as an historic reserve was confirmed in June 2010. Part of the agreement was to perform essential building refurbishment to prevent further deterioration and undertake the necessary planning for the buildings to be developed and made available for appropriate commercial and community use. \$188,187 was budgeted for this work as well as a further \$56,000 for grounds' maintenance. The work on the buildings and land has been successfully completed within budget. In addition, the stakeholder group formed by the Council assisted with preparing the Draft Queen Mary Hospital Historic Reserve Management Plan which was notified on 6 August 2011. This Plan sets out the overall management goals of the reserve which aim to preserve and enhance the special nature of this site. We aim to finalise the Plan by the end of December 2011. We are currently looking to employ a consultant to market the three buildings for us.

### Woodlands Reserve

The Department of Conservation (DOC) offered to vest the Woodlands Reserve in Jollies Pass Road, Hanmer Springs in the Council for management purposes. Because this area is widely used by the community and visitors, it is considered to be an asset to the district. We put aside \$15,000 for the maintenance of the old field office building in anticipation of agreeing to the vesting. However, DOC has been unable to vest the land in Council due to the value of assets on the property that they would have to write-off. Instead they signed a memorandum of understanding for joint management with the Council. A management plan that sets out the responsibilities of each agency has been developed but not finalised yet. The plan proposes joint use of the building with DOC retaining a portion for their office and leasing the rest to Council for a 'peppercorn'. This could be sublet to generate some income or retained for community purposes. DOC still retains concession rights and income for any other use of the reserve. We have not had a need to spend the \$15,000 yet and a final decision has not been made on the future management of the land.

### Waitohi Reserve

We had planned to upgrade the Waitohi Reserve and put aside \$30,000 to do so, however, this has not yet occurred. We received an application from a prospective lessee and had advertised this intention as per the Reserves Act. This long process is nearing its conclusion and will enable development of the site to continue with the construction of cabins and ablution facilities, over the next 12 months. The \$30,000 has been carried over to the next financial year.

### Waipara Sewerage Scheme

In response to a request from residents, the Council commissioned consultants to investigate a sewerage scheme for the Waipara township in the 2009/10 year. The consultants found that a scheme to service the community would cost approximately \$1.64 million which would be funded by those properties that would benefit from the scheme. A public poll was conducted in early 2011 with the 110 property owners in the township. The cost per property worked out to be more than the community was prepared to pay. It was decided not to proceed with the scheme at this time due to the issue of affordability and lack of community support.

### Culverden Sewerage Scheme

\$25,000 was budgeted to investigate the feasibility of a sewerage scheme for the Culverden Township. The investigation was undertaken in early 2011 and concluded the capital cost to be \$3.9 million. Assuming that this would be loan funded over 25 years, the operating costs (including loan repayments) was estimated to be \$400,000 per annum, which worked out to be \$1,840 per annum for developed sections and \$920 per annum for vacant or undeveloped sections. The Amuri Community Committee considered the proposal but decided that this was an unfair burden on ratepayers and rejected the proposal. No further work is proposed at this time.

### Performance Overview

The following table presents an overview of how well Council achieved the 113 performance targets detailed in the Hurunui Long Term Community Plan 2009-19. This is a summary of results only and is presented at the activity group level. For detailed performance measure results, please refer to the full copy of the Annual Report 2010/11, pages 19 -70.

Activity Group	Achieved	Almost Achieved	Not Achieved
1. Community Services and Facilities	74%	21%	6%
2. Environment and Safety	63%	23%	13%
3. Growth and Development	50%	13%	38%
4. Utility Services and Infrastructure	53%	17%	30%
5. Hanmer Springs Thermal Pools and Spa	71%	29%	0%
6. Governance	50%	25%	25%
Council Total	63%	20%	17%

### Roading

Funding for our roading operating budget from New Zealand Transport Agency (NZTA) was substantially reduced for 2010/11. Our reduction for Hurunui amounted to approximately \$250,000 less than what had been planned through the HLTCF 2009 - 19 and Regional Land Transport Programme 2009/12. NZTA funding reductions will continue to challenge us into the years ahead and we promised we would pursue smarter procurement and new contract initiatives. Our roading maintenance programme was on track for the year with only 3.7% carried over into the following year as a result of work commitments through the rainfall emergency events early in the year. Major achievements included the Amberley Beach Road intersection improvement, bridge renewal works to nine structures including five bridge deck replacements, an emergency event remedial works caused by unseasonably high rainfall in July and August 2010, five sections of pavement construction treatment, resealing of over 40 kilometres of sealed road infrastructure with long-lasting, high-quality two coat seals and finally, safety improvements to the Hurunui Bluffs Road (rock scaling), Amuri Avenue intersection improvements (Hanmer Springs) and Campbell Terrace embankment stabilization (Motunau Beach).

### School Active Warning Signs

We have been installing school active warning signs throughout the district. This year we installed four sets (in Cheviot, Amuri, Leithfield and Waiau). These have been popular with teachers and parents as children often have to cross state highways to get to school. We are also working with schools to assist with alternative safety solutions through our road safety programme.

### Shared Services

We continuously look for cost effective solutions in all that we do to ensure that we get maximum value for every dollar spent. Shared services with other councils or organisations is sometimes one such solution. Some examples include:

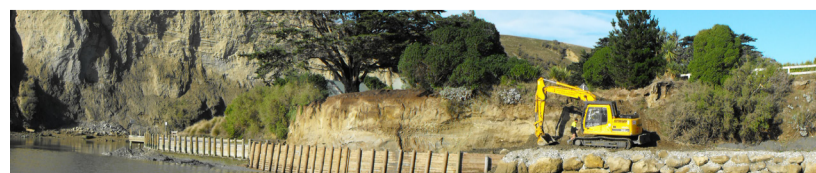
- School and community libraries
- Mainpower Hurunui Natural Environment Fund
- Economic development
- Roading
- Water supply
- Solid waste
- Rates collection
- Building consents

### How the Canterbury Earthquakes Affected Us

The Canterbury earthquakes on 4 September 2010, 22 February 2011 and 13 June 2011, and the ongoing aftershocks, impacted on the Hurunui district in a variety of ways. Although the district did not suffer the severe infrastructure damage experienced in Christchurch and the Waimakariri and Selwyn districts, there was still a substantial amount of damage to buildings and property throughout Hurunui. Most of this was damage to private assets rather than damage to Council's public infrastructure.

Some of the key impacts resulting from these earthquakes include:

- Our ability to process our building consents within 20 working days continues to be affected. This is in part due to increased demand, but also because our partner organisation (Selwyn District Council) is now unavailable to support us. There is also lack of contractors/consultants available in Canterbury.
- The number of International and national visitors to Hanmer Springs Thermal Pools and Spa is well below our goal. This reflects tourist sector trends since the earthquakes.
- A number of our contracted services have been significantly delayed, including township upgrades. This is due in a large part to us giving priority to our contractors to respond to emergency earthquake repairs in Christchurch.
- There will be an ongoing financial impact because of the severity of the damage caused by the earthquakes, as well as significantly increased insurance premiums in the next financial year.



Motunau Beach

## Note to the Summary Financial Statements:

- The summary financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).
- The summary financial statements were approved for issue by the Hurunui District Council on 1 December 2011.
- The specific disclosures included in the summary financial statements have been extracted from the full Annual Report.
- The summary financial statements cannot be expected to provide as complete an understanding as provided by the full Annual Report.
- The full Annual Report was approved for issue on 24 November 2011. The Council did not meet the statutory deadline of 31 October as required by the Local Government Act 2002.
- The full Annual Report has been audited and an unqualified audit report was issued.
- The full Annual Report was prepared in accordance with general accepted accounting practice in New Zealand (NZ GAAP) and complied with New Zealand International Financial Reporting Standards (NZ IFRS).
- The Hurunui District Council is a public benefit entity.

### Contingent Assets:

As at 30 June 2011, the group has an insurance claim for damage to buildings resulting from the Canterbury earthquakes which have been estimated at \$220,000. In addition, there is a dispute relating to illegal felling of a block of Council's plantation, with settlement being pursued.

### Contingent Liabilities:

The Council has been given advance notice from the Board of New Zealand Mutual Liability RiskPool that a call will be made on the Council for a share of the shortfall in the mutual pool's funds. The shortfall in the mutual pool's funds have been derived by the impact of the Leaky Building issue. The Council has been advised that the amount of the call is \$25,663. There will 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. Council has received notice that there are two active claims under Weathertight Homes Resolution Service. The Council has assessed the the potential liability to Council arises from these claims is minimal.

## Statement of Comprehensive Income for the year ended 30 June 2011

The Statement of Comprehensive Income shows that the Council recorded a net surplus after tax of \$6.2 million for the 2010 / 2011 year. For the same period last year, the Council recorded a surplus of \$3.1 million. On top of this surplus, the Council recognised an increase to the value of its stormwater assets and land & buildings Assets of \$4.7 million, resulting in a total comprehensive income 10.9 million.

	Group		Council		
	Actual 2011	Actual 2010	Actual 2011	Budget 2011	Actual 2010
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Revenue</b>					
District Wide Rates & Rate Penalties	5,198	5,185	5,198	5,111	5,185
Targeted Rates	7,273	6,778	7,273	7,122	6,778
Development Contributions	509	456	509	822	456
Interest Received	53	146	53	10	145
NZTA Subsidies	3,989	3,436	3,989	3,354	3,436
Hanmer Springs Thermal Pools & Spa	7,700	6,768	7,700	7,549	6,768
Vested Asset Income	6,349	562	6,349	708	562
Other Income	3,457	4,586	3,457	3,304	4,586
Gains/(Losses) on Forestry Revaluation	30	503	30	0	503
Gains/(Losses) on Sale of Investments	0	73	0	0	73
	<b>34,558</b>	<b>28,493</b>	<b>34,558</b>	<b>27,980</b>	<b>28,492</b>
<b>Less Expenditure</b>					
Employee Benefits	8,110	7,573	8,110	7,887	7,573
Direct Expenditure	14,278	12,722	14,278	12,539	12,721
Finance Expenses	448	0	448	625	0
Depreciation & Amortisation	5,522	5,122	5,522	5,798	5,122
<b>Total Operating Expenditure</b>	<b>28,358</b>	<b>25,417</b>	<b>28,358</b>	<b>26,849</b>	<b>25,416</b>
<b>Operating Surplus/(Deficit) before tax</b>	<b>6,200</b>	<b>3,076</b>	<b>6,200</b>	<b>1,131</b>	<b>3,076</b>
Share of associates surplus/(deficit)	39	5	0	0	0
<b>Net Surplus/(Deficit) before tax</b>	<b>6,239</b>	<b>3,081</b>	<b>6,200</b>	<b>1,131</b>	<b>3,076</b>
Tax Expense	0	0	0	0	0
<b>Net Surplus/(Deficit) after tax</b>	<b>6,239</b>	<b>3,081</b>	<b>6,200</b>	<b>1,131</b>	<b>3,076</b>
<b>Add Other Comprehensive Income</b>					
Gains/(Losses) on Asset Revaluation	4,688	33,432	4,688	0	33,432
Gains/(Losses) in Fair Value of Shares	14	0	14	0	0
	<b>4,702</b>	<b>33,432</b>	<b>4,702</b>	<b>0</b>	<b>33,432</b>
<b>Total Comprehensive Income</b>	<b>10,941</b>	<b>36,513</b>	<b>10,902</b>	<b>1,131</b>	<b>36,508</b>

## Statement of Cash Flows for the year ended 30 June 2011

The Statement of Cash Flows, shows that received net cash from operating activities of \$6.6 million, along with debt financing of \$11.4 million, was used to pay for \$18.5 million in fixed assets. The end result was that there was \$487,000 less in the bank than there was at the start of the financial year.

	Group		Council		
	Actual 2011	Actual 2010	Actual 2011	Budget 2011	Actual 2010
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Cash flows from operating activities</b>					
Revenue	27,830	29,993	27,830	27,263	29,993
Agency receipts	2,637	2,436	2,637	2,243	2,436
Interest received	137	138	137	10	138
Dividends received	69	33	69	0	33
Payments to suppliers and employees	(21,067)	(22,581)	(21,067)	(20,426)	(22,581)
Interest and other costs of finance paid	(283)	0	(283)	(625)	0
Agency payments	(2,637)	(2,436)	(2,637)	(2,243)	(2,436)
Net GST Movement	(64)	175	(64)	0	175
<b>Net cash from operating activities</b>	<b>6,622</b>	<b>7,758</b>	<b>6,622</b>	<b>6,222</b>	<b>7,758</b>
<b>Cash flows from investing activities</b>					
Payment on Loan	9	0	9	0	0
Proceeds from the sale of plant, property & equipment	308	0	308	0	0
Proceeds on sale of investments	0	2,112	0	0	2,424
Payment for plant, property & equipment	(18,828)	(10,186)	(18,828)	(11,599)	(10,186)
<b>Net cash from investing activities</b>	<b>(18,511)</b>	<b>(8,074)</b>	<b>(18,511)</b>	<b>(11,599)</b>	<b>(7,762)</b>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of debt securities	11,402	0	11,402	5,700	0
<b>Net cash from financing activities</b>	<b>11,402</b>	<b>0</b>	<b>11,402</b>	<b>5,700</b>	<b>0</b>
<b>Increase/(decrease) in cash &amp; cash equivalents</b>	<b>(487)</b>	<b>(316)</b>	<b>(487)</b>	<b>323</b>	<b>(4)</b>
Cash and cash equivalents as 1 July	2,326	2,642	2,326	(237)	2,330
<b>Cash and cash equivalents as 30 June</b>	<b>1,839</b>	<b>2,326</b>	<b>1,839</b>	<b>86</b>	<b>2,326</b>

## Statement of Changes in Equity for the year ended 30 June 2011

	Group		Council		
	Actual 2011	Actual 2010	Actual 2011	Budget 2011	Actual 2009
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Equity at Start of Year</b>	<b>308,559</b>	<b>272,046</b>	<b>308,391</b>	<b>273,970</b>	<b>271,883</b>
Add Total Comprehensive Income for Year	10,941	36,513	10,902	1,132	36,508
<b>Equity at End of Year</b>	<b>319,500</b>	<b>308,559</b>	<b>319,293</b>	<b>275,102</b>	<b>308,391</b>

## Statement of Financial Position as at 30 June 2011

The Statement of Financial Position shows the level of assets that the Council owns and the amount of liabilities that the Council owes as at end of June 2011. The statement shows that the Council held \$4.1 million in cash and other Current Assets, over \$330 million in Fixed Assets and Forestry as at June 2011. Liabilities totalled \$16.5 million, resulting in the total amount of equity owned by the Hurunui District Council of \$319 million.

	Group		Council		
	Actual 2011	Actual 2010	Actual 2011	Budget 2011	Actual 2010
	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	1,839	2,326	1,839	86	2,326
Trade and other receivables	1,762	1,455	1,762	4,723	1,455
Inventories	162	171	162	110	171
Non-current assets held for sale	372	470	372	440	470
<b>Total current assets</b>	<b>4,135</b>	<b>4,422</b>	<b>4,135</b>	<b>5,359</b>	<b>4,422</b>
<b>Non-current assets</b>					
Property, plant and equipment					
- Operational	41,301	30,647	41,301	29,002	30,647
- Restricted	35,136	27,441	35,136	38,240	27,441
- Infrastructure	252,599	247,944	252,599	219,773	247,944
Intangible assets	122	93	122	21	93
Forestry assets	2,212	2,182	2,212	1,679	2,182
Other financial assets	330	325	330	332	325
Investments in associates	207	168	0	0	0
<b>Total non-current assets</b>	<b>331,907</b>	<b>308,800</b>	<b>331,700</b>	<b>289,047</b>	<b>308,632</b>
<b>Total assets</b>	<b>336,042</b>	<b>313,222</b>	<b>335,835</b>	<b>294,406</b>	<b>313,054</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	3,000	2,900	3,000	5,929	2,900
Landfill aftercare provision	8	8	8	8	8
Employee benefits	881	763	881	0	763
Income in advance	908	841	908	0	841
<b>Total current liabilities</b>	<b>4,797</b>	<b>4,512</b>	<b>4,797</b>	<b>5,937</b>	<b>4,512</b>
<b>Non-current liabilities</b>					
Term debt	11,402	0	11,402	13,200	0
Landfill aftercare provision	221	151	221	167	151
Derivative financial instruments	122	0	122	0	0
<b>Total non-current liabilities</b>	<b>11,745</b>	<b>151</b>	<b>11,745</b>	<b>13,367</b>	<b>151</b>
<b>Total liabilities</b>	<b>16,542</b>	<b>4,663</b>	<b>16,542</b>	<b>19,304</b>	<b>4,663</b>
<b>Net assets</b>	<b>319,500</b>	<b>308,559</b>	<b>319,293</b>	<b>275,102</b>	<b>308,391</b>
<b>Equity</b>					
Asset revaluation reserve	163,659	159,204	163,659	144,220	159,204
AFS investments revaluation reserve	92	78	92	0	78
Other reserves	278	1,970	278	4,698	1,970
Retained earnings	155,471	147,307	155,264	126,184	147,139
<b>Total Equity</b>	<b>319,500</b>	<b>308,559</b>	<b>319,293</b>	<b>275,102</b>	<b>308,391</b>

### Independent Auditor's Report

To the readers of Hurunui District Council and group's summary of the annual report for the year ended 30 June 2011

We have audited the summary of the annual report (the summary) as set out on pages 15 to 17 which was derived from the audited statements in the annual report of the Hurunui District Council (the District Council) and group for the year ended 30 June 2011 on which we expressed an unmodified audit opinion in our report dated 24 November 2011.

The summary comprises:

- the summary statement of financial position as at 30 June 2011, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended; and
- the summary of the District Council and group's non-financial performance information and summaries of other information contained in its annual report.

### Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

### Basis of opinion

The audit was conducted in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 24 November 2011 on the audited statements.

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

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council or any of its subsidiaries.

Andy Burns,  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
05 December 2011

## Audit Report

## Council Contacts

The 2010/11 Annual Report is available:

- Council Offices, Service Centres and Libraries
- www.hurunui.govt.nz
- info@hurunui.govt.nz
- Phone 03 3148 816