



Annual Report 2022/23

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Introduction

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Introduction from the Mayor and Chief Executive Officer

This Annual Report presents Hurunui District Council's progress against the second year of the Long Term Plan for the 2021-2031 period.

The 2022/23 year for the Hurunui District has been a productive one. Hurunui District Council (Council) has ticked off some major capital projects with a particular emphasis on upgrading and improving the Three Waters network.

Council continued the process of upgrading its water supplies to meet Drinking Water Standards for New Zealand. Commencing in 2015, during the 2022/23 year of this project it was subject to significant advancements through Stimulus Funding provided by the government and, latterly, through the use of debt.

Further work is planned for the 2023/24 year, again being funded predominantly by debt, which is pushing Council close to its self-imposed debt ceiling, a position forecasted in 2015.

Financial performance for the year

Council recorded a total operating deficit of \$2.6 million, with the key components summarised below:

Revenue:

Total revenue for the year was \$58.4 million, which was \$4.7 million greater than the budget. The key variances from budget were:

- Subsidies and Grants were \$2.1 million greater than budgeted due to grants received for the Mayors Taskforce for Jobs Programme (MTFJ) and a range of transitional funding from the Affordable Waters Reform Programme.
- Significant development in the district's South Ward has meant that both

development contributions and the level of assets vested in Council from developers have been well up on the level budgeted for.

Expenditure:

Total expenditure was \$61.0 million, which was \$9.1 million greater than budget. The key variances from budget were:

- Employment costs were \$0.76 million greater than budget. This represents the return to full operations for the Hanmer Springs Thermal Pools and Spa, the increased activity in the Regulatory area and the additional wage costs attached to MTFJ.
- Operating costs were \$3.6 million ahead of budget. A significant portion of the increase was in the roading area, a result of repair work from various flooding events over the past 18 months.
- Depreciation was \$4.5 million ahead of budget. The significant revaluation of Council's Roothing Assets in the 2021/22 year has resulted in a greater level of depreciation for the 2022/23 year.

Other comprehensive revenue:

- Council revalued its land and buildings at the end of June 2023 which resulted in a \$22.1 million increase. In addition, further adjustments were made to the value of its Roothing Assets to reflect its current fair value, increasing the value of this area by \$4.2 million.

Financial position at the end of the year

Fixed assets:

Total Council assets sat at \$709 million as at 30 June 2023, some \$36 million greater than last year. This reflects a combination of the increase of capital expenditure carried out over the financial year and the increase in the value of land and buildings.

Debt:

Council budgeted that total debt as at 30 June 2023 would be \$54 million. Due to timing of capital expenditure, the balance of debt at the end of June 2023 was \$47.5 million.

Affordable Waters Reform

The Affordable Waters Reform programme has continued to move through the legislative process. The legislation as it currently stands will mean that the responsibility for the service delivery and infrastructure for Three Waters for the Hurunui District will be transferred on or before 1 July 2026 to a water service entity that will consist of Canterbury's and West Coast's councils.

Conclusion

There is no doubt that the major decisions around the Affordable Waters Reform and the Resource Management Act, along with the Future for Local Government, may significantly change the context of how Council will function in the future. Low commodity prices, high interest rates and a high cost of living are factors to add to the prediction that challenges will be ongoing for all in local government.

Although all councils have legislative requirements to meet, this Council remains united in collectively ensuring Hurunui District offers a place of prosperity and connections. There is a commitment to educate, inform and lead the district into the future, no matter what that looks like.

In supporting these choices, Council is very aware of the responsibility to supply key services that meet the desired needs of everyone who chooses this district as their place of choice to live, work and play.

Marie H. Black.



Mayor, Marie Black

Hamish Dobbie

Hamish Dobbie
Chief Executive Officer

Statement of compliance and responsibility

Compliance

The Council and management of the Hurunui District Council confirm that all the statutory requirements of Section 98 and Part 3 of the Local Government Act 2002 have been complied with.

The Statement of Service Performance of the Council has been prepared in accordance with the requirements of Part 3 of Schedule 10 of the Local Government Act 2002, including the requirement from section 111 of the Act to prepare all information in accordance with New Zealand generally accepted accounting practice (NZ GAAP).

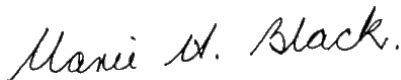
Responsibility

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 and service performance reporting.

In the opinion of the Council and management of Hurunui District Council, the Annual Report for the year ended 30 June 2023 (including financial statement and service performance reporting) fairly reflects the financial position and operations of Hurunui District Council.

Dated 31 October 2023



Mayor
Marie Black



Chief Executive Officer
Hamish Dobbie



Chief Financial Officer
Jason Beck

Wellbeing	Outcome	Definition
Social	A desirable and safe place to live	<ul style="list-style-type: none"> • 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.
Cultural	A place where our traditional rural values and heritage make Hurunui unique	<ul style="list-style-type: none"> • People have a range of opportunities to participate in leisure and culture activities • Our historic and cultural heritage is protected for future generations.
Economic	A place with a thriving local economy	<ul style="list-style-type: none"> • We are a good place to do business, to live and to visit.
	A place with essential infrastructure	<ul style="list-style-type: none"> • We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.
Environmental	A place that demonstrates environmental responsibility	<ul style="list-style-type: none"> • 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.

Council Activities (how we contribute)

Groups of activities	Individual services
<ul style="list-style-type: none"> • Water supply • Sewerage • Stormwater and drainage • Roads and footpaths • Public services • Regulatory services • Coastal hazards 	<ul style="list-style-type: none"> • Water supplies • Sewer schemes • Stormwater and drainage • Roading – Roads, Bridges, Footpaths, Street Lighting, Road Safety • Community Services – Area Amenities, Community Programmes, Grants, Tourism and District Promotion • Property – Social and Residential Housing, Forestry, Public Toilets, Halls, Pools, Township Maintenance • Reserves – District and Local Reserves, Cemeteries • Civil Defence • Libraries • Waste Management, Refuse and Litter Bin Collection. • Resource Management • Compliance and Regulatory – Public Health, Liquor Licensing, Animal Control, Building Control • Coastal hazards.
<ul style="list-style-type: none"> • Public services • Hanmer Springs Thermal Pools and Spa 	<ul style="list-style-type: none"> • Community Services – Area Amenities, Community Programmes, Grants, Tourism and District Promotion • Property – Social and Residential Housing, Forestry, Public Toilets, Halls, Pools, Township Maintenance • Reserves – District and Local Reserves, Cemeteries • Civil Defence • Libraries • Waste Management, Refuse and Litter Bin Collection. • HSTP&S – Thermal Pools, Spa, Café, I-Site.
<ul style="list-style-type: none"> • Public services • Hanmer Springs Thermal Pools and Spa • Governance and corporate services 	<ul style="list-style-type: none"> • Community Services – Area Amenities, Community Programmes, Grants, Tourism and District Promotion • Property – Social and Residential Housing , Forestry, Public Toilets, Halls, Pools, Township Maintenance • Reserves – District and Local Reserves, Cemeteries • Civil Defence • Libraries • Waste Management, Refuse and Litter Bin Collection • HSTP&S – Thermal Pools, Spa, Café, I-Site • Governance • Corporate services.
<ul style="list-style-type: none"> • Water supply • Sewerage • Stormwater and drainage • Roads and footpaths 	<ul style="list-style-type: none"> • Water supplies • Sewer schemes • Stormwater and drainage • Roading – Roads, Bridges, Footpaths, Street Lighting, Road Safety.
<ul style="list-style-type: none"> • Public services • Regulatory services • Coastal hazards 	<ul style="list-style-type: none"> • Community Services – Area Amenities, Community Programmes, Grants, Tourism and District Promotion • Property – Social and Residential Housing, Forestry, Public Toilets, Halls, Pools, Township Maintenance • Reserves – District and Local Reserves, Cemeteries • Civil Defence • Libraries • Waste Management, Refuse and Litter Bin Collection. • Resource Management • Compliance and Regulatory – Public Health, Liquor Licensing, Animal Control, Building Control • Coastal hazards.

Council activities and statement of service performance

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Water supply

Overview

The Water Supply group of activities includes the various functions of rural and township water supplies.

Aim

Our aim is to provide a sustainable supply of water that meets the needs of present and future domestic and agricultural consumers, and complies with Drinking Water Standards New Zealand.

Community outcomes that water supplies contribute to

1. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community wellbeings that water supplies contribute to

- Economic
- Social

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating deficit of \$1,150,177 was recorded against a budgeted operating deficit of \$848,640. The key variances from budget are:

- Rates are \$164,545 lower than budget due to the lower level of water usage rated for than was budgeted.
- Other Income was \$478,572 greater than budget due to a greater level of connection fees being received as well as the remaining Three Waters stimulus funding and an allowance from central government to assist the Three Waters transition process.
- Vested Assets Income was \$289,574 greater than budget due to the higher level of growth experienced, particularly in Amberley Township, over the past 24 months with the assets created by developers being formally vested in Council during the 2022/23 year.
- Employment Costs were \$150,810 greater than budget due to additional staffing required to support the Three Waters transition process that

was not budgeted for.

- Other Direct Expenditure was \$341,177 lower than budget due to: Electricity costs being \$222,604 lower than budget; Maintenance cost being \$101,462 lower than budget; and Compliance Testing being \$96,237 lower than budget. These are offset by total Insurance costs being \$102,954 greater than budget.
- Internal Interest Paid is \$524,193 greater than budget due to the increased external interest rates passed on from the Council.
- Depreciation is \$515,903 greater than budget due to the effects of the revaluation of water assets in 2021.
- Capital Expenditure was \$3,073,393 greater than budget due to the decision to undertake the works on the Waikari Basin water supplies, which was not allowed for in the Annual Plan.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating deficit of \$1,150,177 was \$1,652,080 lower than the operating surplus recorded for the 2021/2022 year of \$501,903. The key variances from last year are:

- Rates are \$161,442 greater than last year due to the increased rates per unit and connection charges as was allowed for in the 2022/23 Annual Plan.
- Other Income is \$1,868,745 lower than last year due to 2021/22 including \$2,036,399 in Three Waters Stimulus Funding.
- Vested Assets Income was \$282,661 greater than last year due to the higher level of growth experienced, particularly in Amberley Township, over the past 24 months with the assets created by developers being formally vested in Council during the 2022/23 year.
- Development Contributions were \$253,258 lower than last year due to the higher level of growth experienced in the 2021/22 year.
- Employment Costs were \$477,120 greater than last year due to directly charging Water Supplies for staff rather than through the Council Overhead charge.
- Other Direct Expenditure was \$117,090 lower than last year due to 2021/22 including operational costs funded from the Three Waters Stimulus package, that was not required in 2022/23.

- Internal Interest Paid is \$626,630 greater than last year due to the increased external interest rates passed on from the Council and the underlying internal debt being higher due to the higher level of Capital Expenditure incurred during the year.
- Council Overheads are \$431,738 lower than last year due to the change to applying wages cost directly to Water Supplies.
- Depreciation is \$402,369 greater than last year due to the effects of the revaluation of water assets in 2021 and the higher level of Capital Expenditure incurred in the past 24 months.
- Loss on Sale is \$945,213 lower than last year due to the higher level of Water Assets that were removed and disposed during the 2021/22 year.
- Capital Expenditure was \$6,884,069 greater than the level incurred last year due to bringing forward works on drinking water standards compliance and the Waikari Basin water supplies.

Internal Borrowing

- After adjusting for the Earthquake and Plant Debt specifically relating to Three Waters, the opening balance of internal borrowing for Water Supplies was \$15,229,132.
- Cash surpluses recorded in Water Supplies totalling \$891,450 were used to offset the borrowings, with a further \$14,471,541 of Capital Expenditure (excluding found assets) incurred, resulting in the balance of the internal borrowings for Water Supplies sitting at \$28,809,223 as at the end of the year – an overall increase in borrowings of \$13,580,091.
- The amount of Internal Interest charged to the Water Supplies for the year was \$1,074,858, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$44,580.

Note:

Water Supplies are subject to the Affordable Waters Reform programme outlined in Note 29 – Affordable Waters Reform.

Group Activity - Water

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	7,171,177	7,335,723	7,009,735
Other Income	571,112	92,538	2,439,857
Internal Interest Received	44,580	638	6,682
Vested Assets	482,876	193,302	200,214
Development Contributions	342,953	433,472	596,211
Total Operating Revenue	8,612,698	8,055,672	10,252,699
OPERATING EXPENDITURE			
Employment Costs	2,010,118	1,859,308	1,532,998
Other Direct Expenditure	3,263,003	3,604,179	3,380,093
Internal Interest Paid	1,074,858	550,665	448,227
Council Overheads	937,004	939,646	1,368,742
Depreciation	2,466,418	1,950,515	2,064,049
Loss on Disposal of Assets	11,475	0	956,688
Total Operating Expenditure	9,762,875	8,904,312	9,750,797
Operating Surplus (Deficit)	(1,150,177)	(848,640)	501,903
CAPITAL EXPENDITURE			
District Wide Water	5,719,270	10,183,785	3,193,442
Water - Stimulus Package	35,343	0	2,011,151
National Transition Unit	3,728	0	0
Amberley	2,932,742	0	1,254,971
Ashley Rural	459,507	550,588	411,535
Culverden	0	0	0
Waiau Town	0	0	0
Amuri Plains	508,362	0	0
Balmoral	0	0	15,233
Waiau Rural	0	0	0
Cheviot	241,048	215,147	36,985
Waipara	55,057	103,010	0
Hanmer Springs	96,591	278,127	58,152
Hawarden - Waikari	3,538,721	15,452	611,720
Hurunui Rural	776,138	118,977	61,220
3 Waters Plant	171,971	0	0
Recovery Management - Three Waters	0	0	0
Total Capital Expenditure	14,538,479	11,465,085	7,654,409

Water supply performance measures

Safety – supply safe drinking water

The national compliance standard for drinking water changed during the reporting period. The Drinking Water Standards for New Zealand (DWSNZ) were in force pre 14 November 2022 and Drinking Water Quality Assurance Rules (DWQAR) were in force from 14 November 2022. There are significant differences in the two standards that made this year’s compliance assessment complex and also resulted in a substantial change with respect to the number of water supplies that were capable of achieving compliance. The national water regulator, Taumata Arowai, requires compliance to be reported as days or months of the year compliant out of the total days or months in the compliance period.

Performance measure Description	Performance target issue	Performance target outcomes
Meet bacterial compliance under the DWSNZ. Less than 1 e-coli per 100ml of drinking water tested.	Bacteria compliance	LTP target: No failed tests* Department of Internal Affairs (DIA) target: 100% bacterial compliance
Measurement method	Water Outlook records, Laserfiche records and Laboratory records, 3 rd party independent review report (Matt Molloy Consulting Ltd)	
End of year performance	<p>2023 (Pre Nov 2022, under DWSNZ) – LTP target: Target achieved, no samples contained E.coli. DIA target: Target achieved, 20 of 20 treatment plants complied.</p> <p>2023 (Post Nov 2022, under DWQAR) – LTP target*: 1 E.Coli was detected in a single Cheviot WTP sample. DIA target: Target not achieved. An independent expert was engaged by the Council to review the results of compliance testing for 2023 and the results appear in the table on pages 17 and 18.</p> <p>2022 Target achieved against both LTP and DIA targets – no E.coli failures (performance measured against DWSNZ).</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Meet protozoal compliance under the DWSNZ. Accredited treatment system in place to meet log-credit rating of receiving environment providing the drinking water.	Protozoa compliance	LTP target: 8 of the 20 water supplies are compliant* DIA target: 100% of water supplies are compliant
Measurement method	Water Outlook records, Laserfiche records and Laboratory records.	
End of year performance	<p>2023 (Pre Nov 2022, under DWSNZ) – LTP target: Target not achieved DIA target: Target not achieved Protozoa compliance was achieved against the DWSNZ for 5 of 20 treatment plants. The treatment plants that achieved protozoa compliance were Amberley (Kowai), Amberley (Racecourse), Amberley (Leithfield Beach), Culverden and Ashley Rural.</p> <p>2023 (Post Nov 2022, under DWQAR) – LTP target* and DIA target: Targets not achieved HDC is on track to achieve protozoa compliance by December 2024 for all water supplies. An independent expert was engaged by the Council to review the results of compliance testing for 2023 and the results appear in the tables on pages 17 and 18.</p> <p>2022 Target not achieved against both LTP and DIA targets (performance measured against DWSNZ).</p>	

* These performance measures were set before the introduction of the new rules by Taumata Arowai (effective from 14 November 2022). Therefore, we are reporting our performance against two different requirements. Compliance against both requirements was independently assessed and verified by Matt Molloy Consulting Ltd, an independent drinking water compliance specialist. Note: from 1 July 2022 – 13 November 2022 we measured compliance against Parts 4 and 5 of the Drinking Water Standards 2005, (revised 2018) with a target of no failed tests for bacteria compliance (which was achieved) and 8 of the 20 water supplies compliant for protozoa compliance (which was not achieved). From 14 November 2022 – 30 June 2023 we measured compliance against DWQAR.

Table of the results for the period 1 July 2022 to 13 November 2023:

Water Supply	Treatment Plants	Treatment Plant	
		Bacterial	Protozoa
Amberley (AMB001)	Amberley – Racecourse Road (TP02280)	✓	✓
	Amberley – Leithfield Beach (TP01082)	✓	✓
	Amberley – Kowai (TP02294)	✓	✓
Amuri (AMU001)	Amuri (TP01076)	✓	X
Ashley Rural (ASH002)	Ashley Rural (TP00191)	✓	✓
Balmoral (BAL003)	Balmoral (TP01077)	✓	X
Blythe (BLY001)	Blythe (TP00970)	✓	X
Cheviot (CHE001)	Cheviot (TP00198)	✓	X
Culverden (CUL001)	Culverden (TP01080)	✓	✓
Hanmer Springs (HAN001)	Hanmer Springs (TP00197)	✓	X
Hawarden (HAW001)	Hawarden/Waikari (TP00195)	✓	X
Hurunui #1/Motonau (MOT016)	Hurunui #1 (TP00196)	✓	X
Kaiwara (KAI039)	Kaiwara (TP00971)	✓	X
Lower Waitohi (LOW001)	Lower Waitohi (TP01084)	✓	X
Parnassus (PAR009)	Parnassus (TP01083)	✓	X
Peaks (PEA001)	Peaks (TP00972)	✓	X
Upper Waitohi (WAI066)	Upper Waitohi (TP01084)	✓	X
Waiau Rural (WAI067)	Waiau Rural (TP01085)	✓	X
Waiau Town (WAI026)	Waiau Town (TP00433)	✓	X
Waipara (WAI068)	Waipara (TP01086)	✓	X

✓ = compliant with DWSNZ requirements for the full period

X = not compliant with the DWSNZ requirements for one or more days in the period

Table of the results for the period 14 November 2022 to 30 June 2023:

Water Supply	Treatment Plants	Treatment Plant	
		Bacterial	Protozoa
Amberley (AMB001)	Amberley – Racecourse Road (TP02280)	228/229 d	221/229 d
	Amberley – Leithfield Beach (TP01082)	228/229 d	223/229 d
	Amberley – Kowai (TP02294)	0/132 d	0/132 d
Amuri (AMU001)	Amuri (TP01076)	0/229 d	0/229 d
Ashley Rural (ASH002)	Ashley Rural (TP00191)	229/229 d	229/229 d
Balmoral (BAL003)	Balmoral (TP01077)	0/8 m	0/8 m
Blythe (BLY001)	Blythe (TP00970)	0/8 m	0/8 m
Cheviot (CHE001)	Cheviot (TP00198)	0/229 d	0/229 d
Culverden (CUL001)	Culverden (TP01080)	23/229 d	0/229 d
Hanmer Springs (HAN001)	Hanmer Springs (TP00197)	229/229 d	227/229 d
Hawarden (HAW001)	Hawarden/Waikari (TP00195) -Bakers Ford	0/38 d	0/38 d
	Hawarden/Waikari (TP100255)-Waikari Basin	207/207 d	207/207 d
Hurunui #1/Motunau (MOT016)	Hurunui #1 (TP00196)	227/229 d	0/229 d
Kaiwara (KAI039)	Kaiwara (TP00971)	0/8 m	0/8 m
Lower Waitohi (LOW001)	Lower Waitohi (TP01084)	72/229 d	0/229 d
Parnassus (PAR009)	Parnassus (TP01083)	0/8 m	0/8 m
Peaks (PEA001)	Peaks (TP00972)	0/8 m	0/8 m
Upper Waitohi (WAI066)	Upper Waitohi (TP01084)	132/229 d	0/229 d
Waiau Rural (WAI067)	Waiau Rural (TP01085)	229/229 d	0/229 d
Waiau Town (WAI026)	Waiau Town (TP00433)	0/8 m	0/8 m
Waipara (WAI068)	Waipara (TP01086)	0/8 m	0/8 m

d = days compliant with DWQAR requirements out of number of days operating
m = months compliant with DWQAR requirements out of number of months operating

Notes: The number of treatment plants increased from 20 to 21 post November 2022 due to the commissioning of a new water treatment plant for Hawarden-Waikari (Waikari Basin plant). This was a temporary increase in treatment plants, as the old plant for Hawarden-Waikari (Bakers Ford) was decommissioned later in the period.

The 16 water treatment plants that are not compliant under the DWQAR are as follows:

Amberley (Kowai) and Culverden – These plants were capable of achieving compliance under the DWSNZ via secure groundwater criteria, but ‘secure groundwater’ is not a compliance option under the DWQAR. Plant upgrade work is underway to install UV disinfection equipment.

Amuri – during the compliance period the plant had an unvalidated UV unit which was incapable of achieving protozoa or bacterial compliance.

Hawarden-Waikari (Bakers Ford) – this plant was operational during part of the compliance monitoring period and had an unvalidated UV unit which was incapable of achieving protozoa or bacterial compliance. The plant was decommissioned during the compliance period.

Waiau Town – during the compliance period the treatment plant did not have a UV unit installed and the UF membrane filter is incapable of achieving compliance under the new rules

Cheviot, Hurunui #1, Upper Waitohi, Balmoral, Blythe, Lower Waitohi, Kaiwara, Parnassus, Peaks, Waiau Rural and Waipara – These treatment plants did not have a protozoa treatment barrier during the compliance period and were therefore incapable of achieving protozoa compliance.

Maintenance – maintain water systems so water is not wasted or lost

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from metered town supplies (on demand water)	To lose no more than 20% volume of water
Measurement method	From meter reading and SCADA or relevant monitoring system will be used to determine the water volume pumped in an on-demand and combined water system	
End of year performance	<p>2023 Target achieved - The real losses were 18.1%. Information from all metered (on-demand) water supplies was used to determine real water losses across the Hurunui District using a 'top-down' approach (water balance) for identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network.</p> <p>2022 Target achieved – The real losses were 13.2%. Information from all metered (on-demand) water supplies was used to determine real water losses across the Hurunui District using a 'top-down' approach (water balance) for identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from rural supplies (restricted water)	Unmeasured for 2022/23
Measurement method	The metering and SCADA or relevant monitoring system will be used to determine the water volume pumped in a restricted scheme and the volume of water sold plus the total volume of monitoring water subtracted.	
End of year performance	<p>2023 Not applicable - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p> <p>2022 Not applicable - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p>	

Response time – to respond quickly to water supply call-outs

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Urgent fault responsiveness	To respond within 4 hours
Measurement method	The Customer Service Request (CSR) system will be used to measure the time from when the customer’s call was first received and when an officer arrives at the site to investigate the request for service.	
End of year performance	<p>2023 Target achieved - The median response time was 1.00 hour. Council reviewed the reporting category to include restricted supply as part of urgent classification. 95 urgent restricted and on-demand requests were responded to.</p> <p>2022 Target achieved - The median response time was 1.5 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 143 urgent restricted and on-demand requests were responded to.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Urgent fault resolution	To fix within 16 hours
Measurement method	The CSR system will be used to measure the time from when the customer’s call was first received and when the water supply is restored.	
End of year performance	<p>2023 Target achieved - The median resolution time is 2.33 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 95 urgent restricted and on-demand requests were responded to.</p> <p>2022 Target achieved - The median resolution time is 1.97 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 143 urgent restricted and on-demand requests were responded to.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Non-urgent fault responsiveness	To respond with 4 days (96 hours)
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate the request for service.	
End of year performance	2023 Target achieved - The median time to respond to non-urgent call-outs was 0.94 days (22.63 hours). 2022 Target achieved – The median time to respond to non-urgent call-outs was 17.78 hours.	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Non-urgent fault resolution	To fix within 10 days (240 hours)
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when a request for service is resolved.	
End of year performance	2023 Target achieved - The median time to resolve a non-urgent customer request was 1.05 days (25.35 hours). 2022 Target achieved – The median time to resolve a non-urgent customer request was 20.64 hours.	

Customer satisfaction – reduce the number of water related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water clarity.	Drinking water clarity	No more than 23 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to clarity issues.	
End of year performance	2023 Target achieved - 17 complaints were received relating to clarity. 2022 Target achieved – 18 complaints were received relating to clarity.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water taste.	Drinking water taste	No more than 20 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to taste concerns	
End of year performance	2023 Target achieved - 5 complaints were received relating to drinking water taste. 2022 Target achieved - 7 complaints were received relating to drinking water taste.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water odour.	Drinking water odour	No more than 9 complaints per annum
Measurement method	The measure is the total number of requests for service logged into the CSR system relating to odour concerns	
End of year performance	2023 Target achieved - 1 complaint was received relating to odour. 2022 Target achieved - 1 complaint was received relating to odour.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water pressure or flow.	Drinking water pressure or flow	No more than 550 complaints per annum
Measurement method	The measure is the total number of requests for service logged into the CSR system relating to pressure or flow in the drinking water that requires investigation for cause and resolution.	
End of year performance	2023 Target achieved - 255 complaints received for pressure or flow related problems. 2022 Target achieved - 216 complaints received for pressure or flow related problems.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about continuity of supply.	Continuity of drinking water supply	No more than 240 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to continuity of water supply.	
End of year performance	2023 Target achieved – 95 complaints were received 2022 Target achieved – 143 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about the local authority's response to any of the issues expressed per 1,000 connections to the local authority's networked reticulation system.	Issues in drinking water (re customer complaints above) expressed per 1000 connections to the network	No more than 50 customer complaints per 1,000 connections.
Measurement method	The measure is the total number of requests for service logged in to the CSR system relating to clarity, taste, odour, pressure/flow and continuity of water supply is added together during the year and divided by the total number of water rated properties, divided by 1000 and rounded to the nearest whole number.	
End of year performance	<p>2023 Target achieved – 46.04 customer complaints per 1,000 connections were received during the year - 373 customer complaint for 8,101 connections.</p> <p>2022 Target achieved – 46.4 customer complaints per 1,000 connections were received during the year - 385 customer complaint for 8,298 connections.</p>	

Demand management – have enough water to supply our customers

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's daily consumption of drinking water across all on-demand drinking water schemes provided by the service provider.	The average consumption of drinking water per day per resident within the territorial authority district.	To supply up to 285 litres per person per day
Measurement method	The amount of drinking water supplied in the year in Amberley, Leithfield Beach, Waiiau, Culverden and Waipara water schemes, divided by the average household population (census data), divided by 365 days and expressed as litres per person per day.	
End of year performance	<p>2023 Target not achieved - An average of 303.63 litres per person per day have been consumed.</p> <p>2022 Target not achieved – 332 litres per person per day.</p>	

Sewerage

Overview

The Sewerage group of activities includes the various functions of the seven sewerage schemes in the district.

Aim

Our aim is to provide efficient, cost-effective sewage disposal schemes relevant to the needs of the community.

Community outcomes that sewerage contributes to

1. 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.
2. 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.
3. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community wellbeings that sewerage contributes to

- Economic
- Social

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$830,609 was recorded against a budgeted operating surplus of \$420,616. The key variances from budget are:

- Vested Assets Income was \$661,731 greater than budget due to the higher level of growth experienced, particularly in Amberley Township, over the past 24 months with the assets created by developers being formally vested in Council during

the 2022/23 year.

- Internal Interest Paid is \$163,481 greater than budget due to the increased external interest rates passed on from the Council.
- Depreciation is \$181,607 greater than budget due to the effects of the revaluation of water assets in 2021.
- Capital Expenditure was \$945,184 greater than budget due to the higher level of Vested Assets that the Council assumed ownership of during the year.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating surplus of \$830,609 was \$2,758,031 lower than the operating surplus recorded for the 2021/2022 year of \$3,588,641. The key variances from last year are:

- Rates are \$101,704 greater than last year due to the increased rates per connection charged as was allowed for in the 2022/23 Annual Plan.
- Other Income is \$1,220,494 lower than last year due to 2021/22 including \$1,250,425 in Three Waters Stimulus Funding.
- Vested Assets Income was \$2,222,401 lower than last year due to a significant amount of lines and points recognised for the Amberley area in the 2021/22 year.
- Development Contributions were \$165,489 lower than last year due to the higher level of growth experienced in the 2021/22 year.
- Other Direct Expenditure was \$482,434 lower than last year due to 2021/22 including operational costs funded from the Three Waters Stimulus package, that was not required in 2022/23.
- Internal Interest Paid is \$192,671 greater than last year due to the increased external interest rates passed on from the Council and the underlying internal debt being higher due to the higher level of Capital Expenditure incurred during the year.
- Loss on Sale is \$405,846 lower than last year due to the higher level of Water Assets that were removed and disposed during the 2021/22 year.
- Capital Expenditure was \$2,671,318 lower than last year due to the Council recognising in excess of \$3 million of Vested Assets in the 2021/22 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$8,494,368.
- Cash operating surpluses of \$1,475,850 were recorded to offset the borrowings with a further \$2,221,156 of Capital Expenditure (excluding found assets). This has resulted in the balance of the internal borrowings for Sewerage sitting at \$9,239,674 as at the end of the year – an overall increase of \$745,306.
- The amount of Internal Interest charged to the

Water Supplies for the year was \$477,016, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$42,143.

Note:

Sewerage is subject to the Affordable Waters Reform programme outlined in Note 29 – Affordable Waters Reform.

Group Activity - Sewerage

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,875,518	1,828,461	1,773,815
Other Income	60,109	0	1,280,603
Internal Interest Received	42,143	0	6,945
Vested Assets	964,272	302,540	3,186,673
Development Contributions	286,064	220,759	451,554
Total Operating Revenue	3,228,107	2,351,760	6,699,589
OPERATING EXPENDITURE			
Employment Costs	190,993	180,627	206,911
Other Direct Expenditure	581,706	507,504	1,064,140
Internal Interest Paid	477,016	313,535	284,345
Council Overheads	178,458	178,893	202,864
Depreciation	932,191	750,585	909,710
Loss on Disposal of Assets	37,132	0	442,978
Total Operating Expenditure	2,397,497	1,931,144	3,110,949
Operating Surplus (Deficit)	830,609	420,616	3,588,641
CAPITAL EXPENDITURE			
District Wide Sewerage	1,587,476	1,006,587	3,616,861
Wastewater - Stimulus Package	6,590	0	587,845
Amberley	416,716	20,602	276,988
Cheviot	243,954	220,000	52,932
Greta Valley	0	2,575	0
Motunau Beach	0	2,575	0
Hanmer Springs	1,175	0	438,103
Hawarden	19,292	52,383	0
Waikari	26,208	51,505	0
Total Capital Expenditure	2,301,411	1,356,227	4,972,728

Sewerage performance measures

System and adequacy – sewerage systems to operate as they should

Performance measure Description	Performance target issue	Performance target outcomes
Measuring the number of sewage overflows to the environment resulting from system inadequacy under 'normal' operating circumstances.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	No more than 2 dry weather sewerage overflows per 1,000 connections
Measurement method	The CSR system will be used to measure the total number of 'dry weather' sewerage overflows divided by the total number of wastewater rated properties divided by 1000.	
Current performance	2023 Target achieved – 1.17 overflows per 1,000 connections have been experienced (5 overflows for 4,269 connections). 2022 Target achieved – 1.42 overflows per 1,000 connections have been experienced (6 overflows for 4,214 connections).	

Discharge compliance – comply with all sewerage discharge consents issued by Environment Canterbury (ECan)

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2023 Target achieved - 0 abatement notices. 2022 Target achieved - 0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2023 Target achieved - 0 infringement notices. 2022 Target achieved - 0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2023 <u>Target achieved</u> - 0 enforcement notices. 2022 <u>Target achieved</u> - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2023 <u>Target achieved</u> - 0 convictions. 2022 <u>Target achieved</u> - 0 convictions.	

Response time – to quickly respond to and resolve sewerage systems faults

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site. 	Call-out attendance time period	To respond within 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate the request for service.	
Current performance	2023 <u>Target achieved</u> - The median response time for blockages and mechanical and electrical faults was 0.38 hours (8 total requests for service). 2022 <u>Target achieved</u> - The median response time for blockages and mechanical and electrical faults was 1.58 hours (6 total requests for service).	

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	Call-out resolution time period	To fix within 12 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the service has been restored.	
Current performance	2023 Target achieved - The median fault resolution time was 4.38 hours (8 total service requests). 2022 Target achieved – The median fault resolution time was 4.68 hours (6 total service requests)	

Customer satisfaction – reduce the number of sewerage-related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage odour.	The number of complaints about sewerage odour	No more than 3 complaints per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to sewage odour.	
Current performance	2023 Target achieved - No complaints were received relating to odour. 2022 Target achieved - 1 complaint was received relating to odour.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system faults.	The number complaints about sewerage system faults	No more than 3 complaints per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to mechanical or electrical faults.	
Current performance	2023 Target not achieved – 4 system fault complaints were received. 2022 Target not achieved - 4 system fault complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system blockages.	The number of complaints about sewerage system blockages	No more than 18 complaints received per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to system blockages.	
Current performance	2023 Target achieved - 10 complaints were received in relation to system blockages. 2022 Target achieved - 16 complaints were received in relation to system blockages.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of poor response complaints received by the territorial authority about sewerage.	The number poor response complaints about sewerage	No poor response complaints received.
Measurement method	The CSR system will be used to measure the total number of events relating to poor response.	
Current performance	2023 <u>Target achieved</u> – no poor response complaints were received. 2022 <u>Target achieved</u> – no poor response complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.	The total number of complaints pertaining to the above issues per 1,000 connections	No more than 7 complaints per 1,000 connections received.
Measurement method	The CSR system will be used to measure the total number of requests for service divided by the total number of wastewater rated properties divided by 1000.	
Current performance	2023 <u>Target not achieved</u> – 3.3 complaints per 1,000 connections were received - 14 complaints for 4,269 connections. 2022 <u>Target achieved</u> – 5.2 complaints per 1,000 connections were received - 22 complaints for 4,214 connections.	

Stormwater and drainage

Overview

The Stormwater and drainage activity includes the various functions of the land drainage schemes and resultant flood protection.

Aim

Our aim is to prevent or minimise the adverse effects of surface flooding and stormwater discharge.

Community outcomes that stormwater and drainage contribute to

1. 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.
2. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community wellbeings that stormwater and drainage contribute to

- Economic
- Social

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$402,009 was recorded against a budgeted operating surplus of \$530,515. The key variances from budget are:

- Vested Assets are \$228,646 lower than budget due to specific stormwater assets to be transferred to Council at a vastly lower level than previously budgeted for.
- Capital Expenditure is \$1,401,655 lower than budget due to deferring the budgeted works at Hanmer Springs until the 2024/25 year.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating surplus of \$402,009 was \$132,674 greater than the operating surplus recorded for the 2021/2022 year of \$269,335. The key variances from last year are:

- Other Income is \$127,575 lower than last year due to 2021/22 including \$82,583 in Three Waters Stimulus Funding.
- Other Direct Expenditure was \$173,192 lower than last year due to 2021/22 including operational costs funded from the Three Waters Stimulus package, which was not required in 2022/23, and also the level of consultancy costs incurred for Hanmer Springs for the 2021/22 year was not required in 2022/23.
- Capital Expenditure was \$627,772 lower than last year due a higher level of Vested Assets being recognised in the 2021/22 year and a higher level of works undertaken in Amberley last year.

Internal Borrowing

- After making an adjustment to the opening balance to the District Urban Stormwater account, the level of internal borrowing at the start of the financial year was \$2,012,418.
- Cash operating surpluses of \$487,754 and with a further \$277,541 of Capital Expenditure (excluding Found Assets) and other direct transfers incurred has resulted in the balance of the internal borrowings for Stormwater sitting at \$1,802,204, as at the end of the year – an overall decrease in borrowing of \$210,214.
- The amount of Internal Interest charged to Stormwater for the year was \$110,361 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$19,850.

Note:

Stormwater and drainage are subject to the Affordable Waters Reform programme outlined in Note 29 – Affordable Waters Reform.

Group Activity - Stormwater and drainage

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	760,667	757,529	696,624
Other Income	0	0	127,575
Internal Interest Received	19,850	1,044	3,074
Vested Assets	73,895	302,540	76,750
Development Contributions	88,155	42,450	158,112
Total Operating Revenue	942,567	1,103,563	1,062,135
OPERATING EXPENDITURE			
Employment Costs	37,726	91,596	93,490
Other Direct Expenditure	174,568	180,622	347,760
Internal Interest Paid	110,361	88,052	72,336
Council Overheads	33,070	33,071	44,642
Depreciation	184,831	179,707	184,412
Loss on Disposal of Assets	0	0	50,159
Total Operating Expenditure	540,558	573,048	792,800
Operating Surplus (Deficit)	402,009	530,515	269,335
CAPITAL EXPENDITURE			
District Wide Stormwater	58,513	369,497	512,499
Stormwater - Stimulus Package	0	0	29,442
Amberley Stormwater	186,366	135,973	359,286
Cheviot Stormwater	0	0	0
Jed River Clearance	0	0	0
Motunau Beach Stormwater	0	0	0
Hanmer Springs Stormwater	1,857	1,078,063	4,441
Hawarden Stormwater	0	51,505	0
Waikari Stormwater	31,647	45,000	486
Total Capital Expenditure	278,383	1,680,038	906,155

Stormwater and drainage performance measures

System and adequacy - have good stormwater drainage systems to prevent people's homes from flooding

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of flooding events that occurs through a financial year, with a flooding event being an overflow from a service provider maintained stormwater system that enters a habitable floor.	The number of flooding events that occur in a territorial authority district.	No flooding events
Measurement method	The CSR system will be used to measure the total number of habitable floors flooded	
End of year performance	2023 Target not achieved - 1 flooding event affecting habitable floors was recorded - A tree collapsed and blocked a culvert entrance causing stormwater to overflow and subsequently enter a washroom of a property. 2022 Target achieved - 0 flooding events affecting habitable floors.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of habitable floors that are affected through each flood event, per 1000 properties paying targeted rates for the maintenance of this stormwater system.	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	No habitable floors flooded
Measurement method	The CSR system will be used to measure the total number of requests for service relating to flooding of habitable floors and divided by the total number of connected properties divided by 1000	
End of year performance	2023 Target not achieved - 1 habitable floors affected by flooding event. 2022 Target achieved - 0 habitable floors affected per flooding event.	

Discharge compliance - comply with resource consents for discharge from the Council's stormwater systems

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2023 Target achieved - 0 abatement notices. 2022 Target achieved - 0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2023 <u>Target achieved</u> - 0 infringement notices. 2022 <u>Target achieved</u> - 0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2023 <u>Target achieved</u> - 0 enforcement notices. 2022 <u>Target achieved</u> - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2023 <u>Target achieved</u> - 0 convictions. 2022 <u>Target achieved</u> - 0 convictions.	

Response time - to respond quickly to flooded homes

Performance measure Description	Performance target issue	Performance target outcomes
Measured median response time period taken by service provider official to attend to a floor-flood event complaint from a customer.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	To respond in less than 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate.	
End of year performance	2023 <u>Target achieved</u> – the one service request was responded to in 1.62 hours. 2022 <u>Target achieved</u> - 0 floor-flood complaints.	

Customer satisfaction - have stormwater drainage systems which work well

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the total number of complaints received for poor performance of all service provider maintained stormwater systems (over the financial year), per 1,000 properties paying targeted rates for maintenance of all service provider maintained stormwater systems across the district.	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority’s stormwater system.	No more than 7 complaints per 1,000 connections per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to lack of maintenance or poor performance of the maintained stormwater system divided by the number of connected properties divided by 1000.	
End of year performance	<p>2023 <u>Target not achieved</u> – 9.71 complaints per 1,000 properties paying targeted rates for maintenance were received (46 complaints for 4,736 properties paying targeted rates).</p> <p>2022 <u>Target achieved</u> – 4.39 complaints per 1,000 properties paying targeted rates for maintenance were received, reduction in complaints is as a result of improved maintenance and inspections.</p>	

Roads and footpaths

Overview

The roads and footpaths activity includes the various functions of street lighting, bridges and road safety, as well as all local roads and township footpaths (not state highways).

Aim

Our aim is to provide a transport network that is safe, affordable and accessible for all people throughout the district.

Community outcomes that roads and footpaths contribute to

1. 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.
2. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community wellbeings that roads and footpaths contribute to

- Economic
- Social

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating deficit of \$3,784,016 was recorded against a budgeted operating surplus of \$1,243,477. The key variances from budget are:

- Vested Asset Income is \$589,141 greater than budget due to the recognition of new roading assets being transferred from developers to Council once the respective maintenance periods have been completed.
- Other Direct Costs are \$1,534,499 greater than budget due to the costs relating to storm events incurred in the 2022/23 year.
- Depreciation is \$4,022,179 greater than budget due to the effects of the revaluation of Roding

Assets undertaken for the 2021/22 Annual Report.

- Capital Expenditure was \$841,553 lower than budget due to resources being placed on emergency works following storm events and communities not undertaking the level of new footpath construction that was budgeted for.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating deficit of \$3,784,016 was \$1,767,605 lower than the operating deficit recorded for the 2021/2022 year of \$2,016,411. The key variances from last year are:

- Rates are \$2,625,426 greater than last year due to the increase allowed for in the 2022/23 Annual Plan which took into account of the large increase in roading costs.
- Other Income is \$915,385 lower than last year due to a lower level of subsidies received in 2022/23 than the previous year.
- Vested Asset Income is \$1,092,542 greater than last year due to the higher level of growth experienced in the past 24 months, resulting in a greater level of asset created by developers being vested in Council.
- Other Direct Costs are \$510,149 greater than last year due to the costs relating to storm events incurred in the 2022/23 year.
- Depreciation is \$4,060,960 greater than budget due to the effects of the revaluation of Roding Assets undertaken for the 2021/22 Annual Report.
- Capital Expenditure was \$1,852,952 higher than last year due to a higher level of Vested Assets recognised by the Council this year.

Internal Borrowing

- At the start of the financial year the level of internal debt for Roding and Footpaths was \$1,437,565
- Cash operating deficits and direct transfers of \$6,300,882 were recorded and with a further \$6,300,607 of Capital Expenditure incurred has resulted in the balance of \$1,804,275 of debt for roads and footpaths as at the end of the year – an overall increase in debt of \$367,210.
- The amount of Internal Interest charged to Roding for the year was \$14,623 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$9,664.

Group Activity - Roads and footpaths

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	6,724,491	6,743,769	4,099,064
Other Income	4,635,692	4,651,443	5,551,077
Internal Interest Received	9,664	896	2,034
Vested Assets	1,345,492	756,351	252,950
Total Operating Revenue	12,715,339	12,152,460	9,905,126
OPERATING EXPENDITURE			
Employment Costs	49,226	13,680	43,892
Other Direct Expenditure	6,446,611	4,912,112	5,936,462
Internal Interest Paid	14,623	16,476	6,423
Council Overheads	271,206	271,206	278,031
Depreciation	9,717,688	5,695,509	5,656,728
Total Operating Expenditure	16,499,354	10,908,983	11,921,536
Operating Surplus (Deficit)	(3,784,016)	1,243,477	(2,016,411)
CAPITAL EXPENDITURE			
Roading	5,703,459	6,369,551	4,151,836
Roadside Construction	597,423	772,884	296,094
Total Capital Expenditure	6,300,882	7,142,435	4,447,930

Roads and footpaths performance measures

Road safety - have roads which are safe to drive on

Performance measure description	Performance target issue	Performance target outcomes
Measure of fatalities and serious injuries on local roads assessed by NZ Police as being attributable to poor or negligent road maintenance outcomes.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	No fatalities and serious injury crashes on local (HDC) roads
Measurement method	Measured by statistics provided by NZTA (Crash Accident Statistics data) for Hurunui's local roads, linked to NZ Police reports of 'findings of investigation - most likely cause of accident'.	
End of year performance	<p>2023 Target not achieved - CAS shows 4 serious and no Fatal crashes in the Hurunui District for the 2022/23 financial year. None of the reported crashes were attributed to poor or negligent road maintenance outcomes and a decrease in the number fatal and serious crashes compared to prior year.</p> <p>2022 Target not achieved - CAS shows 6 serious and 1 Fatal crash in the Hurunui District for the 2021/22 financial year. None of the reported crashes were attributed to poor or negligent road maintenance outcomes.</p>	

Road Condition - have sealed roads in good condition

Performance measure description	Performance target issue	Performance target outcomes
Smooth Travel Exposure (STE). The proportion of vehicle kilometres travelled (VKT) in a year that occurs on 'smooth' sealed roads, this indicates the ride quality experienced by the motorist.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Greater than 90% smooth travel rating
Measurement method	ONRC Performance Measures Reporting Tool. The calculation determines smoothness using the Vehicle per Day bands currently implemented in RAMM, together with their NAASRA thresholds.	
End of year performance	<p>2023 Target achieved – Road Roughness Surveys are conducted biennially due to the expense of undertaking the task. The last survey was undertaken in 2022. Therefore, in 2023, Smooth Travel Exposure has been calculated using traffic count data collected during the reporting year. Smooth Travel Exposure for 2023 has been calculated at 91% for Hurunui's urban roads and 98% for rural roads.</p> <p>2022 Target achieved – The Smooth Travel Exposure for Hurunui's rural roads were – Primary Collector – 90.7%; Secondary Collector – 96.4%; Access – 92.8%; and Low Volume – 92.1%.</p>	

Road maintenance - maintain our roads to be in good condition

Performance measure description	Performance target issue	Performance target outcomes
Measured as the percentage of sealed roads resealed each financial year.	The percentage of the sealed local road network that is resurfaced.	To reseat more than 5% of our local roads every year
Measurement method	RAMM provides reseat data through the Pavement & Surfacing module	
End of year performance	<p>2023 Target not achieved – 4.49% (28.2km was resealed of the 628km of sealed roads in the network). The 5% target was not met due to the new maintenance contract rates dictating the total % able to be completed, coupled with weather delays.</p> <p>2022 Target not achieved – 3.88% of the local roads network was resealed, (157,220m²/4,052,112m² completed). Approx 94% of programmed m2 were completed, with 3 sites held over due to Covid resourcing and weather delays. Note that the financial allocation would only allow for 4% of network to be sealed, so unable to achieve target anyway.</p>	

Performance measure description	Performance target issue	Performance target outcomes
The percentage of potholes or corrugations that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	There are no more than 5 potholes >200mm in diameter or deeper than 40mm in any 100m length of road and there are no potholes, short rutted or scoured sections of road exceeding 70mm in depth or larger than 400mm in diameter.	No more than 30 per annum
Measurement method	Data from Monthly audit	
End of year performance	<p>2023 Target achieved – No large potholes for the year were identified during audits.</p> <p>2022 Target achieved – 5 large potholes for the year were identified during audits.</p>	

Condition of footpaths - have footpaths in good condition

Performance measure description	Performance target issue	Performance target outcomes
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority’s relevant document (such as its Annual Plan, activity management plan, asset management plan, annual works programme or Long Term Plan).	The number of customer service requests received where the trip hazard is >25mm in height	No more than 10 customer service requests received per annum where the trip hazard was greater than 25mm.
Measurement method	The CSR system will be used to measure the number of footpath related service requests relating to hazards exceeding the criteria	
End of year performance	<p>2023 Target achieved – 6 customer service requests were received where the trip hazard was greater than 25mm.</p> <p>2022 Target achieved – 8 customer service requests were received where the trip hazard was greater than 25mm.</p>	

Response to service requests

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault responsiveness from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 2 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2023 <u>Target not achieved</u> – Median response time was 0.86 hours. 2022 <u>Target achieved</u> – Median response time was 0.65 hours.	

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault resolution from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 16 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2023 <u>Target not achieved</u> – Median response time was 55.05 hours. Result for 2023 was higher due to instances of flooding and street lighting which takes longer to resolve. 2022 <u>Target achieved</u> – Median response time was 0.65 hours.	

Performance measure description	Performance target issue	Performance target outcomes
Non-urgent fault responsiveness	Nonurgent is defined as a fault or defect on a local road that is not a time critical situation or incident.	Median response time within 72 hours
Measurement method	The CSR system will be used to measure the number of median business days to respond to nonurgent faults	
End of year performance	2023 <u>Target achieved</u> – Median response time was 43.52 hours. 2022 <u>Target achieved</u> – Median response time was 38.7 hours.	

Performance measure description	Performance target issue	Performance target outcomes
Non-urgent fault resolution	Nonurgent is defined as a fault or defect on a local road that is not a time critical situation or incident.	100% of the service requests closed
Measurement method	The CSR system will be used to measure the percentage of resolved nonurgent faults	
End of year performance	2023 <u>Target not achieved</u> – 93% closed within the financial year (105 closed request of 119). 2022 <u>Target not achieved</u> – 99.9% closed within the financial year.	

Coastal hazards

Overview

The coastal hazards activity is currently limited to the Foreshore Protection Bund at Amberley Beach. In addition, the Council has been holding various coastal conversations with the beach communities, which is currently funded by the Policy Planning budget in the Regulatory Services activity area.

Aim

Our aim is to address the impact of climate change on the coastal communities of the district.

Community outcomes that coastal hazards contribute to

1. 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.
2. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights

Community wellbeings that coastal hazards contribute to

- Social
- Environmental

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$7,648 was recorded against a budgeted operating surplus of \$18,033. There are no significant variances from budget.

Financial Commentary – 2021/2022 actual compared with 2020/2021 actual

This year's operating surplus of \$7,648 was \$15,223 lower than the operating surplus recorded for the 2021/2022 year of \$22,872. There are no significant variances from last year.

Internal Borrowing

- At the start of the financial year, the level of funds on hand for Coastal Hazards was \$106,057.
- Cash operating surpluses of 7,648 and with no further Capital Expenditure has resulted in the balance of the funds on hand for Coastal Hazards sitting at \$113,705 as at the end of the year – an overall increase in funds on hand of \$7,648.
- There was no Internal Interest charged to Coastal Hazards for the year, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$2,804.

Group Activity - Coastal hazards

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	22,616	23,251	22,303
Internal Interest Received	2,804	806	568
Total Operating Revenue	25,420	24,057	22,872
OPERATING EXPENDITURE			
Other Direct Expenditure	17,772	0	0
Depreciation	0	6,024	0
Total Operating Expenditure	17,772	6,024	0
Operating Surplus (Deficit)	7,648	18,033	22,872
CAPITAL EXPENDITURE			
Amberley Beach Foreshore Protection	0	0	0
Total Capital Expenditure	0	0	0

Public services

Overview

The public services group of activities includes library, waste and recycling, Civil Defence, tourism, reserves and property. 'Property' encompasses public toilets, halls, social housing, swimming pools, medical centres and township maintenance, such as gardening and lawn mowing.

Aim

Our aim is to provide services that support the community to lead healthy and fulfilled lives which meet and extend their recreational and cultural needs.

Community outcomes that public services contribute to

1. 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.
2. 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.
3. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent and manage the rest in a sustainable way.

Community wellbeings that public services contribute to

- Economic
- Social
- Cultural
- Environmental

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating deficit of \$1,048,484 was recorded against a budgeted operating deficit of \$1,133,269. The key variances from budget are:

- Rates are \$103,238 greater than budget due to a greater number of properties rated for than was allowed for in the budget.
- Other Income is \$1,443,618 greater than budget due to a range of unbudgeted grants being received during the year for new programmes.
- Internal Interest Received is \$94,156 greater than budget due to the increased external interest rates being passed onto those activities holding funds.
- Development Contributions are \$156,775 greater than budget due to a higher level of growth experienced than was predicted.
- Other Direct Expenditure is \$1,462,179 greater than budget due to expenditure incurred for programmes that Council received grants that was not budgeted for.
- Capital Expenditure was \$390,165 lower than budget due to various reserve development projects being deferred during the year.

Financial Commentary – 2021/2022 actual compared with 2020/2021 actual

This year's operating deficit of \$1,048,484 was \$1,722,754 lower than the operating surplus recorded for the 2021/2022 year of \$674,270. The key variances from last year are:

- Rates are \$107,077 greater than last year due to a greater number of properties being rated for than last year.
- Other Income is \$311,343 lower than last year due to the level of grants and donation received for the Amberley Swimming Pool in 2021/22. This is offset by the recognition of the funding for the Mayor's Task Force for Jobs programme.
- Internal Interest Received is \$109,843 greater than last year due to the increased external interest rates being passed onto those activities holding funds.
- Development Contributions are \$270,106 lower than last year due to a higher level of growth experienced in the 2021/22 year than this year.
- Employment Costs are \$319,914 greater than last

year due to costs relating to externally-funded programmes this year, including the Mayor's Task Force for Jobs programme.

- Other Direct Expenditure is \$1,011,413 greater than last year due to costs relating to externally-funded programmes this year, including the Mayor's Task Force for Jobs programme.
- Internal Interest Paid is \$113,639 greater than last year due to the increased external interest rates passed on from the Council.
- Council Overheads are \$179,380 lower than last year due to the change to applying wages cost directly to Public Services.
- Capital Expenditure is \$1,046,186 lower than last year due to the construction of the Amberley Swimming Pool being included in the capital work for the 2021/22 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Public Services was \$4,777,448.
- Operating cash surpluses recorded by the individual Public Services funded by Targeted Rate totalled \$184,471 and further \$579,950 of Capital Expenditure and other transfers incurred has resulted in the balance of the internal borrowings for Public Services sitting at \$5,172,967 at the end of the year – an overall increase in internal debt of \$395,479.
- The amount of Internal Interest charged to the Public Services for the year was \$301,326 and for those activities that held funds (rather than being in debt) receiving an amount of internal interest totalling \$133,524.

Group Activity - Public services

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	6,964,163	6,860,925	6,857,086
Other Income	3,499,001	2,055,382	3,810,344
Internal Interest Received	133,524	39,368	23,681
Development Contributions	480,379	323,604	750,484
Total Operating Revenue	11,077,066	9,279,279	11,441,596
OPERATING EXPENDITURE			
Employment Costs	2,424,745	2,348,111	2,104,832
Other Direct Expenditure	6,841,870	5,379,690	5,830,456
Internal Interest Paid	301,326	223,784	187,688
Council Overheads	1,642,286	1,642,289	1,821,666
Depreciation	915,322	818,673	822,684
Total Operating Expenditure	12,125,550	10,412,548	10,767,326
Operating Surplus (Deficit)	(1,048,484)	(1,133,269)	674,270
CAPITAL EXPENDITURE			
Community Services	10,715	0	16,365
Property	940,463	623,770	2,465,929
Reserves	528,460	1,030,529	121,220
Emergency Services	13,435	10,301	0
Library	77,660	106,615	118,009
Waste Minimisation	442,727	632,408	338,122
Total Capital Expenditure	2,013,460	2,403,624	3,059,645

Public services performance measures

Council public services – have customers satisfied with Council’s public services

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – reserves and cemeteries	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target not achieved</u> – Satisfaction with Reserves has decreased from 86% to 82% and satisfaction with Cemeteries has decreased from 59% to 51%.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – property (halls and public toilets)	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target not achieved</u> – Satisfaction with Halls had remained at 60%, however, satisfaction with Public Toilets has decreased from 78% to 77%.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – library	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target achieved</u> – Satisfaction with Libraries had increased from 75% to 76%.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – waste minimisation - waste collection	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target not achieved</u> – Satisfaction with Waste Collection had decreased from 79% to 77%. The main reason given for dissatisfaction was a desire to see wheelie bins used for kerbside collections.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – waste minimisation – recycling collection	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target achieved</u> – Satisfaction with Recycling Collection had increased from 68% to 70%. Of those who were dissatisfied the main themes for dissatisfaction were a desire for wheelie bins to be used for kerbside collections and for a greater range of recycling to be collected, e.g. green waste, glass, soft plastics.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – emergency services - civil defence	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p> <p>2022 <u>Target achieved</u> – Satisfaction with Civil Defence has remained at 57%.</p>	

Have libraries that are relevant and used by the public

Performance measure Description	Performance target issue	Performance target outcomes
Measure the usage of the library service by our residents as a percentage of the District's population.	Membership numbers	That at least 70% of the District's population are active members.
Measurement method	The percentage of active members of the library service as provided in the data from the Kotui Library Management System. Active membership is defined as a member having used their library card in the last 2 years.	
End of year performance	<p>2023 <u>Target not achieved</u> – 35.4% of the district's population are active members</p> <p>2022 <u>Target not achieved</u> – 36.2% of the district's population are active members.</p>	

Residual waste disposed to the landfill - increase the volume of recycling and reduce residual waste

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	The weight of waste to landfill	No more than 3,200 tonnes of waste to landfill per annum.
Measurement method	Weighbridge data from Kate Valley. Reported to HDC monthly	
End of year performance	<p>2023 <u>Target not achieved</u> – The tonnage of waste to landfill was 3,708 tonnes.</p> <p>2022 <u>Target not achieved</u> – The tonnage of waste to landfill was 3,793 tonnes.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Recycling contamination	No more than 5% of recycling sent to EcoSort is dirty or not an acceptable product.
Measurement method	Data provided by EcoSort to HDC Waste Staff monthly	
End of year performance	<p>2023 <u>Target achieved</u> – The contamination rate for recycling sent to EcoSort was 1.4%. No recycling was rejected.</p> <p>2022 <u>Target achieved</u> – The contamination rate for recycling sent to EcoSort was 1.39%. No recycling was rejected.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Recycling to waste ratio	More than 48% of waste is recycling.
Measurement method	Weight data reported to HDC monthly by EcoSort (recycling), Transwaste (landfill), and other companies receiving recycling material.	
End of year performance	<p>2023 <u>Target not achieved</u> – Percentage of overall waste that was recycling was 29.66%. The result for 2023 lower than 2022 due to a significant amount of cleanfill received in October 2021.</p> <p>2022 <u>Target not achieved</u> – Percentage of overall waste that was recycling was 34.09%.</p>	

Regulatory services

Overview

The regulatory services group of activities includes compliance and regulatory functions such as, resource management, building controls, public health, alcohol licencing and animal control.

Aim

Our aim is to protect people, animals and the environment from harmful activities, disease and hazards.

Community outcomes that regulatory services contribute to

1. 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.
2. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent and manage the rest in a sustainable way.

Community wellbeings that regulatory services contribute to

- Economic
- Social
- Environmental

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating deficit of \$453,938 was recorded against a budgeted operating deficit of \$102,969. The key variances from budget are:

- Other Direct Expenditure is \$468,734 greater than budget due to the cost relating to defending resource consent decisions and the additional external costs incurred in processing building consents.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating deficit of \$453,938 was \$696,952 lower than the operating surplus recorded for the 2021/2022 year of \$243,014. The key variances from last year are:

- Rates are \$102,294 lower than last year as was allowed for in the 2022/23 Annual Plan.
- Employment Costs are \$183,274 greater than last year due to additional staff budgeted for in the 2022/23 Annual Plan.
- Other Direct Expenditure is \$407,315 greater than last year due additional costs incurred in defending resource consent decisions and additional external costs associated with the building consents process.

Internal Borrowing

This activity does not hold internal borrowings.

Group Activity - Regulatory services

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,609,740	1,609,741	1,712,034
Other Income	2,220,256	2,122,852	2,256,494
Total Operating Revenue	3,829,996	3,732,592	3,968,528
OPERATING EXPENDITURE			
Employment Costs	2,229,184	2,249,545	2,045,910
Other Direct Expenditure	1,200,644	731,910	793,329
Council Overheads	854,106	854,106	886,276
Total Operating Expenditure	4,283,934	3,835,561	3,725,514
Operating Surplus (Deficit)	(453,938)	(102,969)	243,014
CAPITAL EXPENDITURE			
Functions	0	3,605	0
Total Capital Expenditure	0	3,605	0

Regulatory performance measures

Process consent applications - process all consent applications quickly

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Building consent processing time	To issue all building consents within 20 working days (excluding Request for Information (RFI) waiting time).
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2023 Target not achieved - 88% of consents issued within 20 working days. The increase in performance has been attributable to the increased availability of contractors to assist in the processing function.</p> <p>2022 Target not achieved – 63% of consents were processed within the 20 working day period. A large increase in dwellings, the loss of some technical staff and on-call processing contractors have meant that timeframes have not been met.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Resources consents (non-notified)	To issue all resource consents within 20 working days
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2023 Target not achieved – 99.4% of consents were issued within 20 working days.</p> <p>2022 Target not achieved – 98% of consents were issued within 20 working days.</p>	

Compliance inspections – reduce and manage health risks to the public

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Licensed food premises for compliance with NZ legislation	To inspect all licensed food premises every year
Measurement method	MPI Monthly Dashboard Report	
End of year performance	<p>2023 Target achieved – 84 Verification audits were carried out at food businesses during this financial year. This represents all verifications that fell due</p> <p>2022 Target achieved - 79 Verification audits were carried out at food businesses during this financial year. This represents all verifications that fell due. <i>Note that inspection of all food businesses annually is not a requirement of the Food Act 2014. The Act requires that verification audits are carried out at a frequency of between 3 and 18 months. The frequency is determined by criteria which included the compliance history of the business and the level of risk of the specific types of food preparation carried out at each premises.</i></p>	

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	On licence liquor premises for compliance with NZ legislation	To inspect 75% of On, Off, Club Licence premises every year
Measurement method	Council's data base (Magiq)	
End of year performance	2023 Target not achieved - 62% of On, Off, Club Licenced premises were inspected (74 out of 119). 2022 Target not achieved - 71% (82 out of 116) On, Off, Club Licenced premises were inspected	

Animal complaints - stop animals causing danger or public nuisance

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to dog attacks	To respond to all dogs attacks within 24 hours
Measurement method	MagiQ CSR data and contractor incident sheets	
End of year performance	2023 Target not achieved – 90% of reported dog attack incidents were attended within 24 hours (19 of 21 incidents). 2022 Target not achieved - 93% of reported dog attack incidents were attended within 24 hours (23 of 25 incidents).	

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to wandering stock	To respond to all reports of wandering stock within 24 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2023 Target not achieved – 91% (30 of 33 reports) of wandering stock complaints attended to within 24 hours. 2022 Target not achieved – 92% (24 of 26 reports) incidents of wondering stock were responded to within 24 hours	

Hanmer Springs Thermal Pools and Spa

Overview

The Hanmer Springs Thermal Pools and Spa (HSTPS) group of activities comprises of recreational and thermal pools, beauty spas, information centre (i-site) and the café on the thermal pools reserve site.

Aim

Our aim is to be recognised as the premier thermal pool and spa complex in Australasia.

Community outcomes that the Hanmer Springs Thermal Pools and Spa contributes to

1. A place with a thriving local economy:
 - We are seen as a good place to do business, to live and to visit.
2. 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.

Community wellbeings that the Hanmer Springs Thermal Pools and Spa contributes to

- Economic
- Cultural

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$1,331,450 was recorded against a budgeted operating surplus of \$1,464,596. Excluding internal charges and transfers to offset reserve costs, the surplus recorded by the Hanmer Springs Thermal Pools and Spa facility was \$2,416,701 which was greater than the budget of \$2,364,581.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating surplus of \$1,331,450 was \$1,438,578 greater than the operating deficit recorded for the 2021/2022 year of \$107,218. Excluding internal charges and transfers to offset reserve costs, the surplus derived from the facility

of \$2,416,701 was \$1,739,270 greater than last year's surplus of \$677,431.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$14,609,372.
- After meeting Capital Expenditure requirements and paying the budgeted "dividend" of \$2 million, the facility was able to repay \$600,000 of debt, resulting in the balance sitting at \$14,009,372 as at 30 June 2023.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$871,214.

Group Activity - Hanmer Springs Thermal Pools and Spa

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Other Income	14,423,920	14,011,764	12,029,711
Total Operating Revenue	14,423,920	14,011,764	12,029,711
OPERATING EXPENDITURE			
Employment Costs	6,018,161	5,605,090	5,852,047
Other Direct Expenditure	4,582,361	4,589,590	4,116,308
Internal Interest Paid	871,214	665,437	563,830
Council Overheads	208,987	208,987	213,021
Depreciation	1,411,746	1,478,064	1,391,634
Total Operating Expenditure	13,092,470	12,547,168	12,136,839
Operating Surplus (Deficit)	1,331,450	1,464,596	(107,128)
CAPITAL EXPENDITURE			
HSTP&S	1,422,846	2,668,486	1,044,502
Total Capital Expenditure	1,422,846	2,668,486	1,044,502

Hanmer Springs Thermal Pools & Spa performance measures

Visitors - increase usage of the thermal pools and spa complex

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer numbers	To increase customer numbers from the previous year
Measurement method	The total number of customers as per the HSTPS electronic records.	
End of year performance	<p>2023 Target achieved – Total visitors for the financial year totalled 463,643, which was 13.5% higher than the customer numbers recorded last year.</p> <p>2022 Target not achieved – Total visitors for the financial year totalled 408,532, which was 24.5% lower than the customer numbers recorded last year. The decrease in the customer numbers reflects COVID-19 restrictions in place for the majority of the 2021/22 year.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer satisfaction	To maintain or improve customer satisfaction from the previous year
Measurement method	Annual customer satisfaction survey.	
End of year performance	<p>2023 Target not achieved - Data collected for the year showed a net promoter score (NPS) 51 for the Pools and 55 for the Spa. When compared to last year's net promoter score, there has been a reduction for the Pools from 61 recorded last year and a reduction in the score for the Spa, which recorded 60 last year. It should be noted that any NPS over 50 is considered excellent.</p> <p>2022 Target not achieved - Data collected for the year showed a net promoter score 61 for the Pools and 60 for the Spa. When compared to last year's net promoter score, there has been an improvement for the Pools from 52 recorded last year but a reduction in the score for the Spa, which recorded 64 last year.</p>	

Profitability – achieve our business plan

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of results compared to the Council approved business plan.	Profit	To make the profit which is forecast for each year
Measurement method	As recorded in financial reports for the Business Unit.	
End of year performance	<p>2023 Target not achieved – A surplus after depreciation and interest of \$1,681,221 was achieved against budgeted surplus of \$1,699,144. The target was not achieved due to the increase in interest rates charged on the internal debt between Council and the Hanmer Springs Thermal Pools and Spa.</p> <p>2022 Target not achieved – A surplus after depreciation and interest of \$108,408 was achieved against budgeted surplus of \$1,836,701. This result was affected by COVID-19 restrictions in place for the majority of the 2021/22 year.</p>	

Governance and corporate

Overview

The governance and corporate services group of activities includes the running of the democracy function and the corporate functions of Council.

Aim

Our aim is to provide systems and processes for establishing and maintaining effective decision-making for the overall benefit of the community. By representing the community's interests and enabling ways in which the community can contribute to Council decisions.

Community outcomes that governance and corporate services contribute to

1. A place with a thriving local economy:
 - We are seen as a good place to do business, to live and to visit

Community wellbeings that governance and corporate services contribute to

- Economic

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$1,321,574 recorded against a budgeted deficit of \$107,652 for the year. The key variances from budget are:

- Rates are \$164,825 greater than budget due to a greater number of properties and capital value being rated for than was budgeted.
- Other Income is \$946,431 greater than budget due to the increase in the value of derivatives and the receipt of the first tranche of Better Off Funding
- Internal Interest Received is \$1,022,218 greater than budget due to the increased interest rates being charged to activities holding debt.
- Employment Costs are \$140,678 greater than budget due to increased staffing in Information Technology and Health and Safety.
- Other Direct Expenditure is \$653,744 greater than budget due to increased interest rates and have resulted in an increase to the interest cost

for the year.

- Internal Interest Paid is \$234,940 greater than budget due to increased interest rates being paid to those activities that hold funds.
- Depreciation is \$328,192 lower than budget due to a change to the recognition of the Vehicles and Plant relating to the Three Waters activity.
- Capital Expenditure was \$575,221 lower than budget due to recognising the vehicle and plant purchases for this year relating to the utilities department in the Water Supplies activity.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating surplus of \$1,321,574 was \$371,605 lower than the operating surplus recorded for the 2021/2022 year of \$1,693,179. The key variances from last year are:

- Rates are \$144,817 lower than last year as was allowed in the 2022/23 Annual Plan.
- Other Income is \$531,152 lower than last year's due to last year recording a significant increase in the value of derivatives.
- Internal Interest Received is \$1,325,650 greater than last year due to the increase internal interest rates charged.
- Council Overheads Income is \$718,900 lower than last year due to a change to the overhead allocation structure where more wages cost is directly attributable to activities.
- Employment Costs are \$745,597 lower than last year due to the change in the overhead allocation structure.
- Other Direct Expenditure is \$1,055,246 greater than last year due to higher external interest cost incurred in the 2022/23 year.
- Internal Interest Paid is \$228,524 greater than last year due to the higher internal interest rates paid to those activities that hold funds.
- Depreciation is \$208,066 lower than last year due to a change to the recognition of the Vehicles and Plant relating to the Three Waters activity.
- Capital Expenditure was \$200,894 lower than budget due to recognising the vehicle and plant purchases for this year relating to the utilities department in the Water Supplies activity.

Internal Borrowing

This activity provides the internal debt through the Treasury Function to the other groups of activities for the Council.

The total internal interest received from those activities with debt was \$3,005,361.

The total internal interest paid to those activities that held funds was \$277,692.

Group Activity - Governance and corporate

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	895,615	730,790	1,040,432
Other Income	2,804,533	1,858,102	3,335,685
Internal Interest Received	3,005,361	1,983,142	1,679,711
Council Overheads (Income)	4,852,903	4,855,982	5,571,802
Total Operating Revenue	11,558,412	9,428,016	11,627,630
OPERATING EXPENDITURE			
Employment Costs	4,494,264	4,353,586	5,239,861
Other Direct Expenditure	4,328,454	3,674,710	3,273,208
Internal Interest Paid	277,692	42,752	49,167
Council Overheads	723,413	723,412	751,133
Depreciation	413,016	741,208	621,081
Total Operating Expenditure	10,236,838	9,535,668	9,934,451
Operating Surplus (Deficit)	1,321,574	(107,652)	1,693,179
CAPITAL EXPENDITURE			
Governance	13,472	11,331	0
Corporate Services	342,950	920,311	557,316
Total Capital Expenditure	356,421	931,642	557,316

Earthquake recovery

Overview

The earthquake recovery group of activities includes the function relating to the recovery of debt resulting from the November 2016 earthquake sequence.

Aim

Our aim is to repay the debt incurred by the Council resulting from the November 2016 earthquake sequence.

Community outcomes that earthquake recovery contribute to

1. 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.
2. A place with essential and appropriate 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.

Community wellbeings that earthquake recovery contribute to

- Economic
- Social

Financial Commentary – 2022/2023 actual compared with 2022/2023 budget

Overall, an operating surplus of \$261,370 was recorded against a budgeted surplus of \$344,963 for the year. There are no significant variances from the budget for 2022/23.

Financial Commentary – 2022/2023 actual compared with 2021/2022 actual

This year's operating surplus of \$261,370 was \$201,015 lower than the operating surplus recorded for the 2021/22 year of \$462,386. The key variances from last year are:

- Other Income is \$731,658 lower than last year due to recognising grants last year to complete projects and also the funding towards the Mayor's Task Force for Jobs programme (now part of Public Services) was included in this activity in 2021/22.
- Employment Costs are \$207,328 lower than last year due to the Mayor's Task Force for Jobs programme being included in this activity in 2021/22.
- Other Direct Expenditure is \$397,409 lower than last year due to the Mayor's Task Force for Jobs programme being included in this activity in 2021/22.

Internal Borrowing

- After adjusting for the Earthquake Recovery Debt specifically relating to Three Waters, the level of internal debt from the Earthquake at the start of the year was \$2,583,987.
- Operating surpluses or deficits recorded in the individual costs centres relating to Recovery as well as direct transfers made from other activities to complement the funding received to carry out repair work resulting from the Earthquakes has meant that there was a \$257,610 decrease in the debt, resulting in a balance of \$2,326,377 remaining as at 30 June 2023.
- The amount of Internal Interest charged to the Earthquake Recovery for the year was \$130,836.

Group Activity - Earthquake recovery

	2022/2023 Actual	2022/2023 Budget	2021/2022 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	393,676	450,687	448,668
Other Income	43,076	37,440	774,734
Total Operating Revenue	436,751	488,127	1,223,402
OPERATING EXPENDITURE			
Employment Costs	5,222	3,815	212,551
Other Direct Expenditure	34,950	9,783	432,359
Internal Interest Paid	130,836	125,194	110,680
Council Overheads	4,372	4,372	5,427
Total Operating Expenditure	175,381	143,165	761,016
Operating Surplus (Deficit)	261,370	344,963	462,386
CAPITAL EXPENDITURE			
Community Assets - Recovery	0	0	4,608
Council Assets - Recovery	3,761	0	52,461
Total Capital Expenditure	3,761	0	57,068

Statement of service performance policies, critical judgements and assumptions

The service performance reporting has been disclosed for as part of the Groups of Activities included in this Annual Report on Pages 13 to 57.

The Statement of Service Performance of the Hurunui District Council has been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Statement of Service Performance has been prepared in accordance with Tier 1 PBE financial reporting standards (PBR FRS 48), which have been applied consistently throughout the period, and complies with PBE financial reporting standards.

Service performance reporting judgements

PBE FRS 48 requires the disclosure of judgements used in the selection, measurement and aggregation of service performance information in Council's Annual Report 2022/23.

In the preparation of the performance framework in the Long Term Plan 2021-2031 and the Annual Plan 2022/23, Council has made the following judgments in the selection of our service performance measures:

- We have reflected on the extent to which the levels of service we planned to provide to the community were best captured by performance measures
- We have retained the levels of service and performance measures consulted on with our community during the preparation of the Long Term Plan 2021-2031, and these were carried through into the Annual Plan 2022/23. The measures are those that Council needs to report against in this Annual Report 2022/23.
- We have analysed the levels of service and performance measures and noted areas where we will propose improving them during the upcoming Long Term Plan 2024-2034 and consult with our community on them through that process.
- Every two years we have surveyed our community on how we are going against some of the performance measures through our ratepayers' and residents' survey, and have considered the views and feedback expressed by our residents.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in Council's Long Term Plan.

The performance framework links to Council's vision and community outcomes. These can be found in the Long Term Plan 2021-2031.

Changes to performance framework from the 2021/22 year

There are no changes to the performance framework from the previous year.

Mandatory performance measures for transport, water supply, wastewater, stormwater and flood protection

Under section 261B of the Local Government Act 2002, the Secretary for Local Government made the Non-Financial Performance Measures Rules 2013. These rules outline mandatory performance measures for all councils to include in their Long Term Plans and to report on through their Annual Reports. The purpose was to enable the public to compare across councils the level of service provided in relation to the following groups of activities: transport, water supply, wastewater, stormwater, and flood protection. Council has no discretion on these mandatory performance measures and is reporting on them in this Annual Report.

Measures to demonstrate statutory compliance

We are also required to demonstrate compliance against some of our statutory requirements (such as percentage of both building consents and resource consents applications processed within 20 statutory days). Including performance measures on these matters helps demonstrate to our community how we comply with our statutory obligations.

Other judgements

Further to the above judgements being made in the selection of performance measures, we also apply judgements on how we report against the range of other services we provide to our community. We make judgements on what we will measure, how we will measure the levels of service, and on the aggregation and presentation of service performance information relating to those activities.

These judgements may be informed by a range of factors including:

- levels of satisfaction with Council services received in residents' surveys and other sources
- implementation of Council policies and plans
- areas where Council is investing additional funding in order to see the impact that has on levels of service and satisfaction with services
- areas where Council is interested in monitoring changing behaviours and attitudes in the community in relation to the services it delivers
- the effectiveness of expenditure in terms of delivering on outcomes.

Setting funding levels for services

As part of setting funding levels Council has considered the impact on services and their related performance measures. Despite funding pressures across Council, we determined through the Annual Plan 2022/23 process that the levels of service will remain at current levels and, as such, they did not need to be adjusted for funding reasons.

Material judgements

Material judgements have been applied as follows:

Surveys

To measure the quality of our outputs, we use the ratepayers' and residents' survey to obtain customers', citizens' and community views on Council services and their experiences with Council. This helps us to assess the quality of the service provided.

- These surveys are carried out independently by external parties.
- They have also been designed to measure changes in perception of service delivery over time.
- As there is a significant cost of this process, Council has determined that the survey shall only be carried out every two years and as the last survey relating to the 2021/22 year, the statement of service performance will record a number of performance targets that have not been measures in the 2022/23 year. This does not include the survey performance measure relating to the Hanmer Springs Thermal Pools and Spa, which is carried out annually.

Customer Service Requests

A number of measures refer to Customer Service Requests (CSRs). These are requests received via a range of methods (telephone, email, the Snap-Send-Solve app, direct referral to staff). All CSRs are entered into the Council's Enterprise System (Magiq) and tracked through to completion. The assumption is that all CSRs are managed through this process and not dealt with by staff independently.

External implications for statements about performance

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the Council. For example, in previous years, the performance of the Hanmer Springs Thermal Pools and Spa has been substantially affected by the restrictions imposed under the Covid-19 protocols.

Financial statements

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Statement of comprehensive revenue and expense

For the year ended June 2023

	Notes	Group		Council		
		Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Budget 2023 \$000's	Actual 2022 \$000's
Revenue						
Rates, excluding targeted water supply rates	3(i)	25,589	22,725	25,589	25,457	22,725
Targeted rates for water supply	3(i)	829	932	829	883	932
Subsidies and grants	3(ii)	6,552	12,506	6,552	4,406	12,506
Development and financial contributions		1,198	1,955	1,198	1,020	1,955
Fees and charges, excluding those for water supplies	3(iii)	19,836	15,729	19,836	19,410	15,729
Fees and charges for water supplies	3(iii)	199	453	199	93	453
Interest revenue	3(iv)	134	22	134	0	22
Other revenue	3(v)	4,065	6,794	4,065	2,476	6,794
		58,401	61,117	58,401	53,745	61,117
Less Expenditure						
Employee benefits	4	17,460	17,332	17,460	16,705	17,332
Other expenses	6	25,813	24,007	25,813	22,165	24,007
Finance expenses	5	1,659	1,167	1,659	1,424	1,167
Depreciation, amortisation and loss on disposal	17	16,090	13,100	16,090	11,620	13,100
Total operating expenditure		61,021	55,607	61,021	51,915	55,607
Operating surplus/(deficit) before tax		(2,621)	5,510	(2,621)	1,830	5,510
Share of associates surplus/(deficit)	14	17	1	0	0	0
Net surplus/(deficit) before tax		(2,603)	5,511	(2,621)	1,830	5,510
Tax expense	7	0	0	0	0	0
Net surplus/(deficit) after tax		(2,603)	5,511	(2,621)	1,830	5,510
Add other comprehensive revenue and expense						
Gains/(losses) on asset revaluation	15 & 24	26,309	154,039	26,309	0	154,039
Gains/(losses) in fair value of shares		(35)	(14)	(35)	0	(14)
Impairment to property plant and equipment	15 & 24	0	0	0	0	0
		26,274	154,025	26,274	0	154,025
Total comprehensive revenue and expense		23,670	159,536	23,653	1,830	159,536

The accompanying notes form part of the financial statements.

Statement of financial position

For the year ended June 2023

Notes	Group			Council		
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Budget 2023 \$000's	Actual 2022 \$000's	
Assets						
Current assets						
Cash and cash equivalents	8	1,201	3,044	1,201	87	3,044
Trade and other receivables	9	4,358	4,034	4,358	4,285	4,034
Inventories	10	155	130	155	125	130
Non-current assets held for sale	11	0	0	0	0	0
Other financial assets	13	3	0	3	0	0
Derivative financial instruments	12	16	5	16	0	5
Total current assets		5,734	7,214	5,734	4,497	7,214
Non-current assets						
Property, plant and equipment						
- Operational	15	64,304	54,927	64,304	56,548	54,927
- Restricted	15	61,256	48,162	61,256	52,019	48,162
- Infrastructure	15	573,873	558,909	573,873	433,142	558,909
Intangible assets	16	617	937	617	392	937
Forestry assets	18	326	295	326	460	295
Other financial assets	13	1,452	1,008	1,452	991	1,008
Investments in associates	14	283	265	0	0	0
Derivative financial instruments	12	992	683	992	0	683
Total non-current assets		703,102	665,186	702,819	543,552	664,921
Total assets		708,836	672,400	708,553	548,049	672,135
Liabilities						
Current liabilities						
Payables and deferred revenue	19	12,269	9,394	12,269	10,431	9,394
Landfill aftercare provision	22	123	8	123	0	8
Employee entitlements	21	1,750	1,633	1,750	1,987	1,633
Current portion of term debt	20	13,500	14,000	13,500	0	14,000
Derivative financial instruments	12	0	9	0	0	9
Total current liabilities		27,642	25,044	27,642	12,418	25,044
Non-current liabilities						
Term debt	20	34,000	24,000	34,000	54,000	24,000
Payables and deferred revenue	19	0	0	0	0	0
Landfill aftercare provision	22	172	98	172	0	98
Employee entitlements	21	88	94	88	0	94
Derivative financial instruments	12	0	56	0	889	56
Total non-current liabilities		34,260	24,249	34,260	54,889	24,249
Total liabilities		61,903	49,293	61,903	67,307	49,293
Net assets		646,933	623,107	646,650	480,742	622,842
Equity						
Asset revaluation reserve	24	468,166	441,857	468,166	237,079	441,857
AFS investments revaluation reserve	24	238	273	238	0	273
Special fund reserves	24	8,004	6,554	8,004	0	6,554
Rate reserve funds	24	(63,051)	(49,100)	(63,051)	(57,886)	(49,100)
Retained earnings	24	233,576	223,522	233,293	301,549	223,257
Total equity		646,933	623,107	646,650	480,742	622,842

The accompanying notes form part of the financial statements.

Statement of changes in equity

For the year ended June 2023

	Notes	Group			Council	
		Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Budget 2023 \$000's	Actual 2022 \$000's
Equity at start of year		623,107	462,083	622,842	478,912	461,818
Add total comprehensive revenue and expense for year		23,670	159,536	23,653	1,830	159,536
Found assets	15	155	1,488	155	0	1,488
Equity at end of year	24	<u>646,933</u>	<u>623,107</u>	<u>646,650</u>	<u>480,742</u>	<u>622,842</u>

The accompanying notes form part of the financial statements.

Statement of cash flows

For the year ended June 2023

	Notes	Group			Council	
		Actual	Actual	Actual	Budget	Actual
		2023	2022	2023	2023	2022
		\$000's	\$000's	\$000's	\$000's	\$000's
Cash flows from operating activities						
Revenue		55,408	55,847	55,408	51,932	55,847
Agency receipts		4,320	4,128	4,320	2,243	4,128
Interest received		85	22	85	0	22
Dividends received		220	197	220	180	197
Payments to suppliers and employees		(40,997)	(41,788)	(40,997)	(38,553)	(41,788)
Interest and other costs of finance paid		(1,399)	(1,086)	(1,399)	(1,425)	(1,086)
Agency payments		(4,320)	(4,128)	(4,320)	(2,243)	(4,128)
Net GST movement		(336)	79	(336)	0	79
Net cash from operating activities		12,981	13,271	12,981	12,134	13,271
Cash flows from investing activities						
Payment on loan		0	5	0	0	5
Proceeds from the sale of plant, property & equipment		331	793	331	0	793
Proceeds on sale of investments		0	0	0	0	0
Insurance recoveries		0	0	0	0	0
Payment for purchase of investments		(478)	0	(478)	0	0
Payment for plant, property & equipment		(24,177)	(17,976)	(24,177)	(26,097)	(17,976)
Net cash from investing activities		(24,324)	(17,178)	(24,324)	(26,097)	(17,178)
Cash flows from financing activities						
Proceeds from the issue of debt securities		9,500	0	9,500	13,500	0
Repayment of loans		0	0	0	0	0
Net cash from financing activities		9,500	0	9,500	13,500	0
Increase/(decrease) in cash & cash equivalents		(1,843)	(3,907)	(1,843)	(463)	(3,907)
Cash and cash equivalents as 1 July		3,044	6,951	3,044	550	6,951
Cash and cash equivalents as 30 June	8	1,201	3,044	1,201	87	3,044

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.

The accompanying notes form part of the financial statements.

Statement of cash flows - continued

For the year ended June 2023

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net surplus/(deficit) after tax	(2,603)	5,511	(2,621)	5,510
Non cash items				
Impairment of property intended for sale	0	0	0	0
Vested and found assets	(2,867)	(3,717)	(2,867)	(3,717)
Movement in derivatives	0	0	0	0
(Gain)/loss on fair value of forestry	(31)	166	(31)	166
Movement in landfill aftercare liability	0	0	0	0
Movement in non current employee entitlements	(6)	6	(6)	6
Depreciation and amortisation	16,090	13,100	16,090	13,100
	13,186	9,555	13,186	9,555
Items classified as investing or financing				
(Gain)/loss on sale of assets	0	0	0	0
(Gain)/loss on fair value of financial assets	(351)	(1,769)	(351)	(1,769)
	(351)	(1,769)	(351)	(1,769)
Movements in working capital				
(Increase)/decrease in inventory	(25)	(11)	(25)	(11)
(Increase)/decrease in receivables	(324)	50	(324)	50
Increase/(decrease) in payables	2,938	115	2,938	115
Increase/(decrease) in current employee entitlements	0	0	0	0
Increase/(decrease) in income in advance	0	0	0	0
	2,589	154	2,589	154
Other movements				
Share of associates (surplus)/deficit	(17)	(1)	0	0
Other movements	178	(179)	178	(179)
	161	(180)	178	(179)
Net cash flow from operating activities (as per Statement of Cash Flows)	12,981	13,271	12,981	13,271

The accompanying notes form part of the financial statements.

Notes to the financial statements

- | | | | |
|-----|--|-----|--|
| 1. | Statement of accounting policies | 17. | Depreciation and amortisation expense by group of activity |
| 2. | Summary revenue and expenditure for group activities | 18. | Forestry assets |
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| 4. | Personnel costs | 20. | Borrowings |
| 5. | Finance cost | 21. | Employee entitlements |
| 6. | Other expenses | 22. | Provisions |
| 7. | Tax | 23. | Contingencies |
| 8. | Cash and cash equivalents | 24. | Equity |
| 9. | Receivables | 25. | Related party disclosures |
| 10. | Inventory | 26. | Events after balance date |
| 11. | Non-current assets held for sale | 27. | Financial instruments |
| 12. | Derivative financial instruments | 28. | Explanations of major variances against budget |
| 13. | Other financial assets | 29. | Water services reform programme |
| 14. | Investments in associate | | |
| 15. | Property, plant and equipment | | |
| 16. | Intangible assets | | |

NOTE 1 - Statement of accounting policies

REPORTING ENTITY

Hurunui District Council (the Council) is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

The Council and group provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the group as public benefit entities for financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2023. The financial statements were authorised for issue by the Council on 31 October 2023.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with and comply with PBE Standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 4.

The remuneration and severance payments are rounded to the nearest dollar.

Other changes in accounting policies

Accounting policies have been changed to incorporate all necessary changes as required by the new Public Benefit Entity (PBE) Standards. No changes to recognition/measurement were required.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2022/2023 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 15.
- Estimating the retirement and long service leave obligations – see Note 21.
- Estimating the landfill aftercare provision – see Note 22.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions – see Note 3.
- Classification of property – see Note 15.

NOTE 2 - Summary of revenue and expenditure for groups of activities

Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area. There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	Actual 2023 \$000's	Council Budget 2023 \$000's	Actual 2022 \$000's
Activities revenue			
Water Supplies	8,613	8,056	10,253
Sewerage	3,228	2,352	6,700
Roads and Footpaths	12,715	12,152	9,905
Stormwater and Drainage	943	1,104	1,062
Coastal Hazards	25	24	23
Public Services	11,077	9,279	11,442
Regulatory Services	3,830	3,733	3,969
Hanmer Springs Thermal Pools and Spa	14,424	14,012	12,030
Governance & Corporate Services	11,558	9,428	11,628
Earthquake Recovery	437	488	1,223
Total activity income	66,850	60,627	68,233
Less internal income	8,111	6,882	7,294
Total activities revenue	58,739	53,745	60,939
Gains/(losses) on forestry revaluation	31	0	(165)
Gains/(losses) on NZ emissions units	(370)	0	344
Total revenue	58,401	53,745	61,117
Less activities expenditure			
Water Supplies	9,763	8,904	9,751
Sewerage	2,397	1,931	3,111
Roads and Footpaths	16,499	10,909	11,922
Stormwater and Drainage	541	573	793
Coastal Hazards	18	6	0
Public Services	12,126	10,413	10,767
Regulatory Services	4,284	3,836	3,726
Hanmer Springs Thermal Pools and Spa	13,092	12,547	12,137
Governance & Corporate Services	10,237	9,536	9,934
Earthquake Recovery	175	143	761
Total activities expenditure	69,132	58,798	62,901
Less internal expenditure	8,111	6,882	7,294
Total expenditure	61,021	51,916	55,607

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (see Note 3). In order to fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown above.

NOTE 3 - Revenue

Accounting policy

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Canterbury Regional Council (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

Development and financial contributions

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

Insurance proceeds

The Council recognises insurance proceeds when they become receivable.

Waka Kotahi New Zealand Transport Agency roading subsidies

The Council receives funding assistance from Waka Kotahi New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed of by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Critical judgements in applying accounting policies

Accounting for donated or vested land and buildings with use or return conditions

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity and no revenue would ever be recognised for the asset received.

The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

(i) Breakdown of rates and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Rates revenue				
District wide rates	13,864	11,419	13,864	11,419
Targeted rates				
- Other water rates	6,282	6,078	6,282	6,078
- Refuse	397	393	397	393
- Stormwater/drainage	688	636	688	636
- Tourism	261	260	261	260
- Pool inspections	0	48	0	48
- Medical centres	268	266	268	266
- Amberley special projects	157	151	157	151
- Amenities	1,615	1,552	1,615	1,552
- Sewerage	1,876	1,774	1,876	1,774
Rate penalties	208	171	208	171
Rate remissions	(27)	(22)	(27)	(22)
	25,589	22,725	25,589	22,725
Metered water supply	829	932	829	932
Total rates	26,418	23,657	26,418	23,657

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which other local authorities rate. The annual rates income of the Council for the year ended 30 June 2023 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

(ii) Breakdown of subsidies and grants

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
New Zealand Transport Agency roading subsidies	4,560	5,461	4,560	5,461
Provincial Growth Fund grants	0	0	0	0
COVID-19 related wage subsidies	0	1,278	0	1,278
Three Waters Reform funding	75	3,369	75	3,369
Other grants	1,917	2,399	1,917	2,399
Total subsidies and grants	6,552	12,506	6,552	12,506

(iii) Breakdown of fees and charges

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Building and resource consent charges	1,286	1,361	1,286	1,361
Other regulatory revenue	557	555	557	555
Solid waste charges	1,213	1,077	1,213	1,077
Hanmer Springs Thermal Pools and Spa receipts	14,404	10,688	14,404	10,688
Other fees and charges	2,377	2,048	2,377	2,048
	19,836	15,729	19,836	15,729
Fees and charges for water supplies	199	453	199	453
Total fees and charges	20,035	16,182	20,035	16,182

(iv) Breakdown of interest revenue

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Interest revenue				
Short term deposits and call accounts	134	22	134	22
Total interest revenue	134	22	134	22

(v) Breakdown of other revenue

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Forestry asset revaluation gains/(losses)	31	(165)	31	(165)
NZ Emissions Units revaluation gains/(losses)	(370)	344	(370)	344
Property, plant and equipment gains/(losses) on disposal	187	49	187	49
Change in fair value of interest rate swaps	384	1,769	384	1,769
Vested asset revenue	2,867	3,717	2,867	3,717
Dividends	220	197	220	197
Donations	75	127	75	127
Petrol tax	69	78	69	78
Insurance proceeds	0	72	0	72
Forestry proceeds	19	65	19	65
Rental income	582	542	582	542
Total other revenue	4,065	6,794	4,065	6,794

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 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Not later than one year	186	94	186	94
Later than one year and not later than five years	187	105	187	105
Later than five years	1	1	1	1
	374	200	374	200

No contingent rents have been recognised during the period.

NOTE 4 - Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes:

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Gross payroll expense	17,927	17,174	17,927	17,174
Less: Capitalised payroll costs	1,114	532	1,114	532
Net employee benefits expense	16,812	16,642	16,812	16,642
Employer contribution to super	536	494	536	494
Increase/(decrease) in employee benefit liabilities	111	197	111	197
Total personnel costs	17,460	17,332	17,460	17,332

Chief Executive Officer remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$300,314 (2022: \$300,909).

Elected representatives

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

	Group		Council	
	Actual 2023 \$	Actual 2022 \$	Actual 2023 \$	Actual 2022 \$
Nicky Anderson	8,393	32,575	8,393	32,575
Karen Armstrong	31,179	27,755	31,179	27,755
Ross Barnes	38,068	28,341	38,068	28,341
Marie Black	108,152	99,688	108,152	99,688
Robbie Bruerton	28,148	25,785	28,148	25,785
Vincent Daly	46,648	41,633	46,648	41,633
Tom Davies	26,624	0	26,624	0
Fiona Harris	31,580	25,785	31,580	25,785
David Hislop	19,794	0	19,794	0
Mary Holloway	8,694	26,840	8,694	26,840
Garry Jackson	19,931	0	19,931	0
Vanessa McPherson	19,454	0	19,454	0
Geoff Shier	9,427	29,435	9,427	29,435
Michael Ward	8,694	30,187	8,694	30,187
Pauline White	31,580	26,368	31,580	26,368
	436,366	394,392	436,366	394,392

Council employee remuneration by band

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

	Actual 2023 #		Actual 2022 #
< \$60,000	134	< \$60,000	153
\$60,000 - \$79,999	55	\$60,000 - \$79,999	52
\$80,000 - \$99,999	33	\$80,000 - \$99,999	26
\$100,000 - \$119,999	15	\$100,000 - \$119,999	17
\$120,000 - \$139,999	10	\$120,000 - \$139,999	8
\$140,000 - \$219,999	7	\$140,000 - \$219,999	5
\$220,000 - \$299,999	2	\$220,000 - \$299,999	2
	256		263

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2023, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 148 (2022: 135) full-time employees, with a further 108 (2022: 128) part-time staff representing 66.41 (2022: 76.73) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

For the year ended 30 June 2023, the Council made one severance payment (2022: none) to employees totalling \$25,000 (2022: \$Nil).

NOTE 5 - Finance costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Breakdown of finance costs

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Interest expense:				
- Interest on borrowings	1,659	1,167	1,659	1,167
- Other interest costs	0	0	0	0
Net finance costs	1,659	1,167	1,659	1,167

NOTE 6 - Other expenses

Accounting policy

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

Operating 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 as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Breakdown of other expenses and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Fees paid to principal auditor				
- audit fees for 2022/23 financial statement audit	185	0	185	0
- audit fees for 2021/22 financial statement audit	20	141	20	141
- audit fees for 2020/21 financial statement audit	0	7	0	7
- audit fees for Long Term Plan	0	8	0	8
- audit fees for debenture trust deed audit	5	5	5	5
- disbursements charged	1	5	1	5
Impairment of receivables	0	0	0	0
Expenses from other activities	25,602	23,841	25,602	23,841
Total other expenses	25,813	24,007	25,813	24,007

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.

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Not later than one year	4	15	4	15
Later than one year and not later than five years	0	4	0	4
Later than five years	0	0	0	0
	4	19	4	19

Restrictions

2023 Nil (2022: There were no restrictions placed on the Council and group by any leasing arrangements).

Canterbury Museum Trust Board

The Canterbury Museum Trust raises levies on Local Authorities for the Canterbury Museum operations and developments.

For the year ending 30 June 2023, Council paid \$85,473 (2022: \$83,958) for operations to the Canterbury Museum Trust.

NOTE 7 - Tax

Accounting policy

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Council does not have any deferred tax.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

Breakdown of taxes and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Components of tax expense				
Current tax expense	0	0	0	0
Adjustment to current tax in prior years	0	0	0	0
Deferred tax expense	0	0	0	0
	0	0	0	0
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	(2,603)	5,511	(2,621)	5,510
Tax at 28%	(729)	1,543	(734)	1,543
Non-taxable income	729	(1,543)	734	(1,543)
Non-taxable expenditure	0	0	0	0
Deferred tax expense	0	0	0	0
Prior year adjustments	0	0	0	0
	0	0	0	0
Imputation credit account				
Credits available for future use	245	240	69	67
	245	240	69	67

NOTE 8 - Cash and cash equivalents**Accounting policy**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Breakdown of cash and cash equivalents and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Cash at bank or in hand	1,201	3,044	1,201	3,044
Short term deposits with maturities of less than 3 months	0	0	0	0
	1,201	3,044	1,201	3,044

NOTE 9 - Trade and other receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Breakdown of receivables and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Rates receivables	1,369	1,097	1,369	1,097
Other receivables	1,604	2,454	1,604	2,454
Goods and services tax (GST) receivable	1,426	538	1,426	538
Receivables prior to impairment	4,399	4,088	4,399	4,088
Less allowance for credit losses	(41)	(54)	(41)	(54)
Total receivables	4,358	4,034	4,358	4,034

Rates receivable

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Other receivables

The ECL rates for other receivables at 30 June 2023 and 1 July 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on Council and the group's credit loss matrix is as follows:

	2023			2022		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	2,489	0	2,489	2,560	0	2,560
Past due 1-60 days	490	0	490	337	0	337
Past due 61-120 days	16	0	16	52	0	52
Past due >120 days	1,404	(41)	1,363	1,139	(54)	1,085
Total	4,399	(41)	4,358	4,088	(54)	4,034
Group						
Not past due	2,489	0	2,489	2,560	0	2,560
Past due 1-60 days	490	0	490	337	0	337
Past due 61-120 days	16	0	16	52	0	52
Past due >120 days	1,404	(41)	1,363	1,139	(54)	1,085
Total	4,399	(41)	4,358	4,088	(54)	4,034

Movements in the allowance for credit losses as follows:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Opening balance for credit losses at 1 July	(54)	(44)	(54)	(44)
Additional provisions made during the year	(17)	(24)	(17)	(24)
Provisions reversed during the year	29	14	29	14
Receivables written-off during the year	0	0	0	0
Balance at 30 June	(41)	(54)	(41)	(54)

NOTE 10 - Inventory

Accounting policy

Inventories are held for retail purposes by the Hanmer Springs Thermal Pools and Spa. The inventory is measured at the lower of cost and net realisable value.

Breakdown of inventory and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Inventory	155	130	155	130
Total inventory	155	130	155	130

No inventory is pledged as security for liabilities (2022: \$Nil). However, some inventory is subject to retention of title clauses.

NOTE 11 - Non-current assets held for sale**Accounting policy**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown on non-current assets held for sale and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Assets classified as held for sale	0	0	0	0
Total non-current assets held for sale	0	0	0	0

NOTE 12 - Derivative financial instruments

Accounting policy

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Hedge accounting

The Council and group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council and group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council and group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is applied only for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of "finance costs".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss is recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a nonfinancial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Breakdown of derivative financial instruments and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Current asset portion				
Interest rate swaps - cash flow hedges	16	5	16	5
<i>Total current asset portion</i>	<u>16</u>	<u>5</u>	<u>16</u>	<u>5</u>
Non-current asset portion				
Interest rate swaps - cash flow hedges	992	683	992	683
<i>Total non-current asset portion</i>	<u>992</u>	<u>683</u>	<u>992</u>	<u>683</u>
Total derivative financial instrument assets	<u>1,008</u>	<u>688</u>	<u>1,008</u>	<u>688</u>
Current liability portion				
Interest rate swaps - cash flow hedges	0	9	0	9
<i>Total current liability portion</i>	<u>0</u>	<u>9</u>	<u>0</u>	<u>9</u>
Non-current liability portion				
Interest rate swaps - cash flow hedges	0	56	0	56
<i>Total non-current liability portion</i>	<u>0</u>	<u>56</u>	<u>0</u>	<u>56</u>
Total derivative financial instrument liabilities	<u>0</u>	<u>65</u>	<u>0</u>	<u>65</u>

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$27.5 million (2022: \$19.0 million).

At 30 June 2023, the fixed interest rates of cash flows hedge interest rate swaps varied from 1.44% to 4.99% (2022: 1.44% to 4.99%).

Gains and losses recognised in the hedging reserve in equity (see Note 27) on interest rate swap contracts as at 30 June 2023 will be released to the surplus or deficit as interest is paid on the underlying debt.

The Council and group currently have no fair value hedges.

Fair Value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values 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.

NOTE 13 - Other financial assets

Accounting policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Debt instruments in this category are the Council and group's listed bonds.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council and group has no instruments in this category.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Breakdown of other financial assets and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Current portion				
Hanmer Springs Bowling Club	3	0	3	0
<i>Total current portion</i>	<u>3</u>	<u>0</u>	<u>3</u>	<u>0</u>
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Civic Assurance shares	13	14	13	14
Transwaste Canterbury shares	417	451	417	451
<i>Total investments in CCOs and similar entities</i>	<u>430</u>	<u>465</u>	<u>430</u>	<u>465</u>
<i>Other investments</i>				
Hanmer Springs Bowling Club	39	0	39	0
Hurunui Community Development Trust	186	0	186	0
Local Government Funding Agency Borrower Notes	797	543	797	543
<i>Total other investments</i>	<u>1,022</u>	<u>543</u>	<u>1,022</u>	<u>543</u>
<i>Total non-current portion</i>	<u>1,452</u>	<u>1,008</u>	<u>1,452</u>	<u>1,008</u>
Total other financial assets	<u>1,455</u>	<u>1,008</u>	<u>1,455</u>	<u>1,008</u>

Fair value

Community loans

The fair value of the Hanmer Springs Bowling Club loan is \$42,749 (2022: Nil). The Hanmer Springs Bowling Club pays interest at market rates and as such, fair value has been determined at face value of the loan as at 30 June 2023.

The fair value of the Hurunui Community Development Trust loan is \$185,892 (2022: Nil). The loan is interest free and as such, the fair value is determined using discounted cash flows at 5.50%.

Unlisted shares

Unlisted shares are recognised at fair value. Fair value has been determined on net asset backing of each of the entities.

Community loans

The face value of the Hanmer Springs Bowling Club loan is \$42,749 (2022: Nil).

The face value of the Hurunui Community Development Trust loan is \$415,000 (2022: Nil).

The Council's community loan scheme is designed to help community organisations to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans. Loans are for a maximum of 15 years and interest is either nil or the Council's Average Weighted Cost of Capital plus a margin of 1% per annum.

The fair value of loans at initial recognition has been determined using cash flows discounted at a rate based on the loan recipient's assessed financial risk factors.

Movements in the carrying value of community loans are as follows:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
At 1 July	0	5	0	5
New loans drawn	460	0	460	0
Fair value adjustment on initial recognition	(229)	0	(229)	0
Loan repaid during the year	(2)	(5)	(2)	(5)
Expected credit loss allowance recognised during the year	0	0	0	0
At 30 June	<u>229</u>	<u>0</u>	<u>229</u>	<u>0</u>

Council manages credit risk associated with community loans in accordance with its Treasury Management Policy. To access community loans, applicants must demonstrate a reasonable credit history and ability to make repayments. As part of the application process, Council completes due diligence checks to confirm the credit risk associated with each applicant. Council does not enter into any loan agreements that result in credit-impaired loans on origination. Council monitors increases in credit risk by performing regular reviews of financial statements, completing regular payment performance analyses, and review of macroeconomic changes in the Hurunui District. Council considers a debtor's credit risk to have significantly increased if the information suggests they will be unable to make loan repayments.

NOTE 14 - Investments in associates

Accounting policy

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

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate. The investment in the associate is carried at cost in the Council's parent entity financial statements.

Breakdown of investment in associate and further information

	Group	
	Actual 2023 \$000's	Actual 2022 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	265	265
Share of total recognised revenues and expenses for this year	17	1
Balance at 30 June	283	265
Summarised financial information of Enterprise North Canterbury		
Assets	1,205	1,286
Liabilities	640	756
Revenues	1,342	1,125
Surplus/(deficit)	46	0
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2023 (2022: Nil).

NOTE 15 - Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that 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 the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings (operational and restricted) and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net 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 accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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%
<i>Roads, Streets and Bridges</i>		
- 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%
<i>Sewerage</i>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.50%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
<i>Water</i>		
- 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%
<i>Drainage</i>		
- Points	3 - 10 years	10 - 33.33%
- Lines	80 years	1.25%
	50 - 80 years	1.25 – 2%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and 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 its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as 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 revenue and expense 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, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

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 2023.

The values of the assets have been considered on a Fair Value basis in accordance to PBE IPSAS 17 under a highest and best use scenario. "Fair Value" as defined under IFRS 13 Fair Value Measurement is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Other commonly used terms to describe fair value include "market value" and "open market value".

Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

In determining the Market Value for the properties included within the schedule, there are typically three approaches that can be employed to provide value parameters, namely the Direct Sales Comparison approach, Income Approach or in the situation where the asset is specialised and no market evidence exists the Optimised Depreciated Replacement approach.

The Direct Sales Comparison approach is an estimate of value based on a comparison of the asset to similar assets that have recently sold. Adjustments are made to allow for factors such as; age of sale, size, location, quality, condition, marketability, age, shape of site, access, contour, aspect and tenure.

The Income Approach is a market value based valuation approach. It reflects what a prudent investor would pay for an asset, given an expected return with consideration of the risks involved in the investment. There are two widely used income approaches, Capitalisation of Income and Discounted Cash Flow.

The Capitalisation of Income approach is the most widely used approach however the Discounted Cash Flow Approach is also used and is particularly used on property with an uneven income stream such as commercial and industrial properties. These approaches look at the relationship between the income of a property and its expected returns. Capitalisation rates and yields are assessed by comparing the subject property to similar properties that have recently sold with adjustments for factors taken into consideration for factors such as tenure, quality of construction, condition, size, lease terms, quality of tenant and security of income. The capitalisation rate must in essence reflect the rates of return actually being achieved for comparable investments in the market.

The Optimised Depreciated Replacement Cost approach is only used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

The Optimised Depreciated Replacement Cost (ODRC) begins with assessing the replacement cost of the assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design. The balance of the replacement cost less all forms of obsolescence and over design represents the fair value of the asset.

The replacement cost rates are derived from construction contracts of like assets, reference to publications such as QV Cost Builder, recent costings obtained from construction details and New Zealand Property Institute cost information.

Restricted assets

Certain infrastructure assets and land have been vested in Council 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: sewerage, water, drainage, and roads

The most recent valuation of three water assets (sewerage, water and stormwater) was performed internally by the Council's Technical Officer - Utilities, D Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. The sewer ponds in Amberley and Hanmer Springs have been valued at cost less accumulated depreciation. The valuation is effective as at 30 June 2021.

Roading assets were valued at depreciated replacement cost as at 30 June 2022. The valuation was prepared by Stephen Lee and Jako Abrie of Beca Limited. The valuation was reviewed by Kevin Dunn of Beca Limited and approved by Marvin Clough of Beca Limited.

For the 2022/23 year, Council has revised the values to reflect fair value. That fair value assessment has been based on industry movements in roading costs, which we obtained from Waka Kotahi NZ Transport Agency's June 2023 Indices for: Maintenance; Reseals; Networks Outcomes; Structures; Construction; Professional Services and Bitumen Price.

The indices Council has used have been peer reviewed by Kevin Dunn of Beca Limited and approved by Martin Clough of Beca Limited.

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 the Council has elected to use the fair value of the land under roads as at 30 June 2005 at deemed cost. Land under roads is no longer revalued.

Sewerage, water, drainage, and roading infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- *Optimisation* - Optimisation allows for obsolete, redundant and over designed assets to be valued accordingly using an optimisation factor where replacement costs are adjusted using this factor to allow for replacement of over designed and obsolete assets in the three waters networks. Existing assets are fully utilised and as such the unit rate factor (URF) equals 1 for the assets.

In rural areas, Ashley Rural Water Supply in particular, the original network linked large farm blocks across paddocks. As these blocks have been sub-divided into lifestyle blocks, Council has taken the opportunity to replace the existing pipes across private property with sub-mains in the road reserve thus reducing the amount of public infrastructure on private land. Note that in such a scenario, the existing pipe is abandoned on-site and disposed from the asset database.

- *Replacement Costs* - Replacement cost (RC) is unit rate x quantity and, to account for optimisation, optimised replacement cost (ORC) is unit rate x quantity x unit rate factor. The unit rate includes over Council overheads.

Replacements costs have been determined using known asset costs from capital projects completed by the Capital Works Team and from costs provided by developers for vested assets installed during sub divisions.

- *Residual Value* - Residual Value is the salvageable value of an asset at the end of its base life. Assetfinda sets residual value as 0 (unless instructed otherwise). As infrastructure assets are usually disposed of without sale, they are considered to be of little value at the end of their base life. Accordingly, residual values are set at zero for this valuation.

- *Remaining Useful Lives* - During the valuation process Assetfinda allows the user to adjust the remaining life of an asset based on their condition or performance. The valuation of the asset is completed on the remaining useful life.

Remaining Useful Life (RUL) is the amount of time remaining in years until the asset reaches the end of its base life. In Assetfinda, RUL is assessed on base life less age with condition and performance also taken into account. If an asset has exceeded its base life but remains in use, Assetfinda assigns the asset with an adjusted remaining life of 2.5% of its base life.

A minimum of a one year life has been assigned to all assets in service that have exceeded their base lives. This minimum allows recognition of economically assets for replacement planning purposes and avoids less than one year RULs artificially inflating depreciated replacement cost.

- *Depreciated Replacement Cost* - Assets are straight line depreciated to full depreciation using the depreciated replacement cost (DRC) method at the end of their base lives where the asset no longer depreciates. As the starting points are ORCs, the DRC method produces Optimised Depreciated Replacement Costs (ODRC).

ODRC is assessed using the DRC method at any given point within the assets total useful life (TUL). TUL is age + remaining useful life. The formula used to calculate ODRC is $ORC \times RUL/TUL$.

Certain infrastructural assets have been vested in the Council as part of the subdivision consent process. Vested infrastructure assets have been valued based on the estimated quantities of the components vested in the Council.

NOTE 15 - Property, plant and equipment

Core infrastructure asset disclosures

Included within the Council infrastructure assets are the following core Council assets:

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2023				
Water supply - treatment plants and facilities	16,372	8,072	0	25,656
Water supply - other assets	70,467	5,808	483	121,995
Sewerage - treatment plants and facilities	11,588	210	0	9,372
Sewerage - other assets	25,053	1,127	964	43,023
Stormwater and drainage	12,317	204	74	15,086
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	421,710	4,949	1,345	745,303
2022				
Water supply - treatment plants and facilities	8,981	2,696	0	17,581
Water supply - other assets	65,804	4,758	200	115,885
Sewerage - treatment plants and facilities	6,528	405	0	9,162
Sewerage - other assets	28,773	1,381	3,187	44,119
Stormwater and drainage	12,224	829	77	14,884
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	420,847	4,195	253	739,906

Work in progress

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	Council and group	
	2023	2022
Water infrastructure	13,699,545	10,408,530
Sewer infrastructure	1,488,598	1,218,350
Stormwater infrastructure	824,187	2,015,224
Roading infrastructure	0	0
Council land - operational	0	0
Council land - restricted	0	0
Council buildings - operational	0	53,676
Council buildings - restricted	1,112,890	2,469,607
	17,125,221	16,165,388

Found Assets

During the year, the Council had identified assets that were previously installed but were insufficiently recorded in the Council's Assets Management systems. The total of these assets are as follows:

	Council and group	
	2023	2022
Water infrastructure	73,528	938,581
Sewer infrastructure	73,665	159,160
Stormwater infrastructure	8,086	390,220
	155,278	1,487,960

These items classified as Found Assets have been recorded as additions in the preceding schedule and a corresponding adjustment has been made to Retained Earnings in the Equity note.

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 the maintenance of 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.

Capital commitments

The amount of contractual commitments for acquisition of property, plant, and equipment is:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Water infrastructure	3,369	345	3,369	345
Sewer infrastructure	0	97	0	97
Stormwater infrastructure	0	0	0	0
Roading infrastructure	0	318	0	318
Other capital commitments	97	104	97	104
Total capital commitments	3,466	864	3,466	864

The Council has allowed in its Annual Plan to undertake direct roading expenditure to the value of \$13.2 million over the next twelve months (1 July 2023 to 30 June 2024). Of this amount \$7.5 million was classified as capital expenditure.

The primary Rooding Maintenance and Operational Contract was let in June 2022 and took effect from 1 July 2022.

The length of the contract is for five years and with the ability to extend the contract by a further four years (5+2+2 contract).

Council does let other smaller roading contracts but these are completed in the same financial year. These smaller contracts may include both operating and capital expenditure.

	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	10,158	0	10,158	(8)	(611)	0	0	0	0	0	9,539	0	9,539
Council Buildings	16,943	180	16,763	387	(461)	0	0	0	186	0	17,329	366	16,963
Council Plant & Equipment	7,646	6,215	1,431	699	(461)	0	0	0	639	(125)	7,884	6,729	1,155
Library Books	1,650	1,464	186	52	0	0	0	0	58	0	1,702	1,522	180
Thermal Reserve Buildings & Pools	19,073	381	18,692	147	0	0	0	0	383	0	19,220	764	18,456
Thermal Reserve Plant & Equipment	16,658	7,813	8,845	798	0	0	0	0	1,008	0	17,456	8,821	8,634
2022 Total	72,128	16,053	56,075	2,073	(1,072)	0	0	0	2,275	(125)	73,129	18,202	54,927
Freehold Land	9,539	0	9,539	0	(84)	2,447	0	0	0	0	11,901	0	11,901
Council Buildings	17,329	366	16,963	523	(470)	2,095	0	0	268	0	19,314	0	19,314
Council Plant & Equipment	7,884	6,729	1,155	775	(461)	0	0	0	641	(355)	8,189	7,016	1,174
Library Books	1,702	1,522	180	57	0	0	0	0	56	0	1,759	1,578	181
Thermal Reserve Buildings & Pools	19,220	764	18,456	825	0	4,634	0	0	393	0	23,520	0	23,520
Thermal Reserve Plant & Equipment	17,456	8,821	8,634	598	0	9,175	0	0	1,018	0	18,054	9,840	8,214
2023 Total	73,129	18,202	54,927	2,779	(554)	9,175	0	0	2,377	(355)	82,738	18,433	64,304
Restricted Assets													
Freehold Land	30,843	0	30,843	43	0	0	0	0	0	0	30,885	0	30,885
Council Buildings	15,669	452	15,217	2,531	0	0	0	0	471	0	18,200	923	17,277
2022 Total	46,512	452	46,060	2,574	0	0	0	0	471	0	49,085	923	48,162
Freehold Land	30,885	0	30,885	31	(25)	9,385	0	0	0	0	40,277	0	40,277
Council Buildings	18,200	923	17,277	1,232	0	2,918	0	0	448	0	20,979	0	20,979
2023 Total	49,085	923	48,162	1,263	(25)	12,303	0	0	448	0	61,256	0	61,256
Infrastructural Assets													
Freehold Land	3,482	0	3,482	0	0	0	0	0	0	0	3,482	0	3,482
Roading Land	12,269	0	12,269	0	0	0	0	0	0	0	12,269	0	12,269
Water	70,140	0	70,140	7,654	(957)	0	0	0	2,064	(12)	76,837	2,052	74,785
Sewerage	31,675	0	31,675	4,973	(442)	0	0	0	910	(7)	36,205	903	35,302
Roading	278,979	10,962	268,017	4,448	0	154,039	0	0	5,657	0	420,847	0	420,847
Drainage	11,552	0	11,552	906	(51)	0	0	0	184	(1)	12,408	184	12,224
2022 Total	408,097	10,962	397,135	17,981	(1,450)	154,039	0	0	8,815	(19)	582,048	3,139	588,909
Freehold Land	3,482	0	3,482	63	0	642	0	0	0	0	4,187	0	4,187
Roading Land	12,269	0	12,269	7	0	0	0	0	0	0	12,178	0	12,178
Water	76,837	2,052	74,785	14,363	(30)	0	0	0	2,309	0	91,200	4,361	86,839
Sewerage	36,205	903	35,302	2,301	(30)	0	0	0	932	0	38,476	1,835	36,641
Roading	420,847	0	420,847	6,294	0	4,189	98	0	9,718	0	421,710	0	421,710
Drainage	12,408	184	12,224	278	0	0	0	0	185	0	12,686	389	12,317
2023 Total	582,048	3,139	588,909	23,306	(30)	4,831	0	0	13,143	(144)	684,263	6,556	677,707
Total 2022	526,736	27,466	499,270	22,628	(2,522)	154,039	0	0	15,841	(144)	684,263	22,265	661,998
Total 2023	684,263	22,265	661,998	27,348	(609)	26,305	0	0	15,988	(355)	724,431	24,986	699,445

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

NOTE 16 - Intangible assets

Accounting policy

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

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Free carbon units received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

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 asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

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

Impairment of 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.

Breakdown of intangible assets and further information

Movements in the carrying value for each class of intangible asset are as follows:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Software:				
Cost				
Balance at 1 July	1,047	1,017	1,047	1,017
Additions	39	30	39	30
Disposals	0	0	0	0
Balance at 30 June	1,086	1,047	1,086	1,047
Aerial photography:				
Cost				
Balance at 1 July	313	298	313	298
Additions	83	15	83	15
Disposals	0	0	0	0
Balance at 30 June	396	313	396	313
Accumulated amortisation and impairment				
Balance at 1 July	1,225	1,124	1,225	1,124
Amortisation charge for software and aerial photography	73	101	73	101
Disposals	0	0	0	0
Balance at 30 June	1,298	1,225	1,298	1,225
Carrying amount at 30 June	184	135	184	135
New Zealand Emission Units:				
Cost				
Balance at 1 July	802	458	802	458
Additions	0	0	0	0
Disposals	0	0	0	0
Add increase/(decrease) in value	(370)	344	(370)	344
Carrying amount at 30 June	433	802	433	802
Total intangible assets	617	937	617	937

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities (2022: Nil)

NOTE 17 - Depreciation and amortisation expenses by group activity

	Council	
	Actual 2023 \$000's	Actual 2022 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	2,466	2,064
Sewerage	932	910
Roads and Footpaths	9,718	5,657
Stormwater and Drainage	185	184
Coastal Hazards	0	0
Public Services	915	823
Regulatory Services	0	0
Hanmer Springs Thermal Pools and Spa	1,412	1,392
Governance & Corporate Services	413	621
Total depreciation and amortisation expense	16,041	11,650
<i>Add loss on disposal of assets</i>		
Water Supplies	11	957
Sewerage	37	443
Stormwater and Drainage	0	50
Public Services	0	0
Governance & Corporate Services	0	0
Total depreciation, amortisation and loss in disposal	16,090	13,100

NOTE 18 - Forestry assets

Accounting policy

Standing forestry assets are independently revalued annually by Laurie Forestry Limited at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Balance at 1 July	295	460	295	460
Increase due to purchases	0	0	0	0
Gains/(losses) arising from changes attributable to physical changes	0	0	0	0
Gains/(losses) arising from changes attributable to price changes	31	(51)	31	(51)
Reclassified as assets held for sale	0	0	0	0
Decreases due to harvest	0	(114)	0	(114)
Balance at 30 June	326	295	326	295

The Council owns 73.6 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 3 to 39 years (2022: 73.6 hectares).

Valuation assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2023.

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

- a pre-tax discount rate of 8.00% (2022: 8.25%) 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.

Emissions Trading Scheme

As Council holds greater than 50 hectares of pre-1990 forests, it has registered under the New Zealand Emissions Units Register. As at 30 June 2023, the Council was allocated 10,560 NZUs. The value of these have been recognised as intangible assets in Note 16 (2022: 10,560 NZUs).

NOTE 19 - Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are recorded at their face value.

Breakdown of payables and other information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Current portion				
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	8,446	5,601	8,446	5,601
Development and financial contribution in advance	436	312	436	312
Other deferred revenue	1,775	1,544	1,775	1,544
<i>Total</i>	<u>10,657</u>	<u>7,457</u>	<u>10,657</u>	<u>7,457</u>
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	0	0	0	0
Other grants received subject to substantive conditions not yet met	1,612	1,938	1,612	1,938
<i>Total</i>	<u>1,612</u>	<u>1,938</u>	<u>1,612</u>	<u>1,938</u>
Total payables and deferred revenue - current portion	<u>12,269</u>	<u>9,394</u>	<u>12,269</u>	<u>9,394</u>
Non-current portion				
<i>Payables and deferred revenue under non-exchange contracts</i>				
Other grants received subject to substantive conditions not yet met	0	0	0	0
Total payables and deferred revenue - non-current portion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Other grants include:

- A total of \$383,235 (2022: \$693,994) of grants received from various sources (including Rata Foundation, Lottery Grants Board, MBIE) have been received for various projects. These projects are expected to be completed and the conditions of the grant to be met in the 2023/2024 year. This is recognised as the current liability portion.
- a grant from the Ministry of Culture and Heritage of \$1.5 million was received by Council in May 2010 towards urgent maintenance and earthquake strengthening of the Nurses Block, which is one of the key buildings vested to Council from the former Queen Mary Hospital site. Council had utilised \$270,905 on urgent maintenance work leaving \$1,229,095 remaining to complete further work. This balance will be recognised as income when the earthquake strengthening work has been carried out. As no formal agreement has been reached to defer the work further, this has been reclassified as a current liability.

NOTE 20 - Borrowings

Accounting policy

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 the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Secured loans				
Current	13,500	14,000	13,500	14,000
Non-current	34,000	24,000	34,000	24,000
Balance	47,500	38,000	47,500	38,000

As at 30 June 2023, the Council has \$5.5 million (2022 \$7.0 million) of its \$53.1 million (2022: \$45.0 million) debt facilities available. The total amount of the borrowings approximates its fair value.

Interest terms for secured loans

Of the Council's borrowing, \$42.5 million (2022: \$35.0 million) was on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. In addition, the remaining \$5.0 million (2022: \$3.0 million) of the Council's borrowing was on a fixed rate. As well as the fixed rate loans, the Council uses interest rate swaps and interest rate caps to provide for a fixed rate portion of the borrowings of 43.15% (2022: 39.47%)
The effective fixed rates for the portion included in interest rate swaps and interest rate caps range from 1.44% to 4.99% (2022: 1.44% to 4.99%) plus a margin for credit risk.

Security

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

As at 30 June 2023, Council had issued \$38.0 million of Security Stock to the Local Government Funding Agency for term debt (2022: \$30.0 million). Council had also issued Security Stock with the Local Government Funding Agency in relation to short term debt which amounted to \$8.0 million as at 30 June 2023 (2022: \$8.0 million). Council has also issued \$31.0 million of Security Stock to Trading Banks (2022: \$31.0 million).

Internal borrowings

Information about internal borrowings is provided in the reserve funds schedule on Note 24 of the Council's annual report. Internal borrowings are eliminated on consolidation of activities in the Council's financial statements.

NOTE 21 - Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, and sick leave.

A liability for sick leave is recognised 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 it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

Estimating long service leave obligations

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the official cash rate.

The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows.

The salary inflation factor has been set based on the consumer price index.

A weighted average discount rate of 5.50% (2022: 2.00%) and an inflation factor of 6.00% (2022: 7.30%) were used.

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Current portion				
Accrued pay	390	290	390	290
Annual leave	1,217	1,237	1,217	1,237
Sick leave	56	42	56	42
Long service leave	87	64	87	64
	1,750	1,633	1,750	1,633
Non-current portion				
Long service leave	88	94	88	94
	88	94	88	94
	1,838	1,727	1,838	1,727

NOTE 22 - Provisions

Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

As operator of the Waikari Landfill, the Council 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.

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

The following significant assumptions have been made in estimating the provision:

- The annual aftercare costs relating to closed landfills have been estimated at \$8,000 per annum until 2032.
- Additional provisions of \$115,000 for 2023/2024 and \$107,000 for 2024/2025 have been made for remediation of the Waikari Landfill.
- An annual inflation factor of 6.00% (2022: 7.30%) has been applied in estimating the future cash outflows.
- Discount rate of 5.50% (2022: 2.00%) has been used to discount the estimated future cash outflows.

This information is based on the Consumer Price Index and the Official Cash Rate.

Breakdown of provisions and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Balance at 1 July	107	106	107	106
Additional provisions	221	0	221	0
Adjustment to provisions	(33)	1	(33)	1
Amount of provision used	0	0	0	0
Balance at 30 June	295	107	295	107
Disclosed as:				
Current	123	8	123	8
Non-current	172	98	172	98
	295	107	295	107

NOTE 23 - Contingencies

Contingent liabilities

Local Government Funding Agency

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a current credit rating from Fitch Ratings of AA+ and Standard and Poor's of AAA for local currency and AA+ for foreign currency.

As at 30 June 2023, the Council is one of the participating authorities of the LGFA.

In that regard, it has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2023, the LGFA had borrowings totalling \$17.684 billion (2022: \$15.789 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value of the guarantee, and therefore has not recognised a liability. The Council considers the risk of the LGFA defaulting on repayment of interest or capital very low on the basis that:

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

RiskPool

Hurunui District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call, in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision.

At this point any potential liability is unable to be quantified.

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.

Contingent assets

As at 30 June 2023, the Council had no outstanding contingent assets. (2022: \$Nil).

NOTE 24 - Equity

Accounting policy

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- accumulated funds;
- restricted reserves;
- property revaluation reserve;
- fair value through other comprehensive revenue and expense reserve; and

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council

Asset revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Breakdown of equity and further information

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Asset revaluation reserve				
Balance at 1 July	441,857	287,819	441,857	287,819
Revaluation increments/(decrements)	26,309	154,039	26,309	154,039
Adjustment to opening balance	0	0	0	0
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	468,166	441,857	468,166	441,857
Available for sale reserve				
Balance at 1 July	273	287	273	287
Valuation gain/(loss) recognised	(35)	(14)	(35)	(14)
Balance at 30 June	238	273	238	273
Special fund reserves				
Balance at 1 July	6,554	4,573	6,554	4,573
Adjustment to the opening balance	20	(10)	20	(10)
Adjusted balance at 1 July	6,574	4,563	6,574	4,563
Surplus/(deficit) for year	1,538	1,994	1,538	1,994
Transfers in/(out)	(109)	(3)	(109)	(3)
Balance at 30 June	8,004	6,554	8,004	6,554
Rate reserve funds				
Balance at 1 July	(49,100)	(41,160)	(49,100)	(41,160)
Adjustment to the opening balance	61	813	61	813
Surplus/(deficit) for year	9,242	12,410	9,242	12,410
Transfers in/(out)	(23,255)	(21,162)	(23,255)	(21,162)
Balance at 30 June	(63,051)	(49,100)	(63,051)	(49,100)

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Retained earnings				
Balance at 1 July	223,522	210,565	223,257	210,300
Adjustment to the opening balance	(81)	(803)	(81)	(803)
Surplus/(deficit) after tax	(2,603)	5,511	(2,621)	5,510
Plant, property and equipment disposed	0	0	0	0
Found assets	155	1,488	155	1,488
Net internal borrowing appropriations	14,013	8,752	14,013	8,752
Net special fund appropriations	(1,429)	(1,991)	(1,429)	(1,991)
Balance at 30 June	233,576	223,522	233,293	223,257
Summary of equity accounts				
Asset revaluation reserve	468,166	441,857	468,166	441,857
Available-for-sale revaluation reserve	238	273	238	273
Special fund reserves	8,004	6,554	8,004	6,554
Rate reserve funds	(63,051)	(49,100)	(63,051)	(49,100)
Retained earnings	233,576	223,522	233,293	223,257
	646,933	623,107	646,650	622,842

Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. 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.

The breakdown of the Council-created reserves is provided in the following schedules:

Special Fund Reserves as at 30 June 2023

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2022	Appropriations 2022-2023 Surplus/ (Deficit)	Transfers In/Out	Closing Balance 30 June 2023
			\$	\$	\$	\$
Urban Water Development Contributions Fund	Water Supplies	To provide funds for growth related urban water projects	790,726	165,207	0	955,933
Rural Water Development Contributions Fund	Water Supplies	To provide funds for growth related rural water projects	526,576	219,669	0	746,245
Sewer Development Contributions Fund	Water Supplies	To provide funds for growth related sewer projects	1,352,594	328,207	0	1,680,801
Amberley Beach Reserve Fund	Sewerage	To fund projects for Amberley Beach	121,035	0	0	121,035
	Community Services and Facilities	Correction to Opening Balance	20,000	3,209	20,000	164,244
Leitfield Beach Fund	Community Services and Facilities	To fund projects for Leitfield Beach	(46,163)	10,755	0	(35,407)
Amberley Township Reserves Development Fund	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	850,515	184,385	0	1,034,900
Amberley Walking & Cycling Routes Development Fund	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	261,236	61,141	0	322,377
Amberley Water Reserves Development Fund	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	516,865	191,750	(21,431)	687,184
Amberley RSA Fund	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	523	(451)	0	72
Amberley Reserve Pavilion Development Fund	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	6,062	163	0	6,225
Amberley Stormwater Development Reserve	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	283,121	97,535	0	380,657
Amberley Contestable Fund	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	26,958	68,609	(72,725)	22,743
Amun Community Centre	Community Services and Facilities	To fund projects for the Culverden Community Centre	54,701	1,451	0	56,152
Amun Sports Facilities Fund	Community Services and Facilities	To fund projects for sports facilities in the Amun Ward	10,013	7,375	0	17,388
Amun Contestable Fund	Community Services and Facilities	To provide funds for reserve projects in the Amun Ward	22,093	(4,307)	0	17,787
Waiata Community Pool Fund	Community Services and Facilities	To provide funds for on-going operations of the Swimming Pool for the Waiata Community	119,151	33,479	0	152,630
Waiata River Protection Fund	Community Services and Facilities	To provide funds for the River Protection work of the Waiata Township	35,263	(1,264)	0	33,979
Chelviot RSA Fund	Community Services and Facilities	To hold funds on behalf of the Chelviot RSA	4,735	661	0	5,395
Clenmark Contestable Fund	Community Services and Facilities	To provide funds for reserve projects in the Chelviot Ward	32,774	8,333	0	41,108
Hammer Springs Domain Development Reserve	Reserves	To provide funds for reserve projects in the Glenmark Ward	16,373	6,332	0	22,705
Hammer Springs Domain Pavilion Fund	Reserves	To provide funds for growth related projects for the Domain in Hammer Springs	127,288	7,254	(9,101)	125,440
Hammer Springs Township Development Reserve	Reserves	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	33,234	881	0	34,114
Hammer Springs Conical Hill	Property	To provide funds for growth related projects for the Town Centre in Hammer Springs	(293,578)	(9,495)	0	(303,073)
Hammer Springs Contestable Fund	Reserves	To provide funds for growth related projects for the Conical Walkway area in Hammer Springs	21,199	1,443	(15,900)	6,742
Hammer Springs Staff House Reserve Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	47,264	8,333	0	55,597
Hammer Springs Stormwater Development Contributions Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	213,504	2,872	(61,027)	155,349
Hammer Springs Stormwater Development Contributions Fund	Reserves	To provide funds for growth related projects for Hammer Springs Stormwater	66,055	3,211	0	69,266
Hammer Springs Weather Contingency Fund	Reserves	To provide funds for growth related projects for Hammer Springs Stormwater	56,603	1,552	0	58,155
Hammer Springs Track Network Group	Reserves	To provide funds to assist in repair work following a significant weather event in Hammer Springs	0	10,816	15,129	25,945
Hurunui Ward Land Subdivision Reserve	Reserves	To fund projects for the Hurunui Ward	6,783	180	35,615	42,578
Hurunui Contestable Fund	Reserves	To provide funds for reserve projects in the Hurunui Ward	5,795	1,318	0	7,113
Waiata Gorge Ferry Bridge Presentation	Reserves	To provide funds for the maintenance of the Waiata Ferry Bridge	79,226	7,894	0	87,120
Hammer Springs Tourism Promotion	Reserves	To fund marketing projects for the Hammer Springs Ward	24,670	4,516	0	29,186
Queen Mary Development Reserve	Reserves	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	1,114,027	113,657	0	1,227,684
District Library Development Contributions Fund	Community Services	To provide a holding account for unused funding for the District Library	1,937	12,292	0	13,152
Mayor's Task Force for Jobs	Community Services	To provide funds for projects on Chamberlain Park in Amberley	15,601	(325)	0	14,276
Chamberlain Bros Trust	Reserves	To provide funds for projects on Chamberlain Park in Amberley	2,595	65	0	2,659
Graves Maintenance Trust	Reserves	To provide funds for the replacement of gravestones in the Council's Cemeteries	750	19	0	768
Busch Domain Gates	Reserves	To provide funds for the replacement of gravestones in the Council's Cemeteries	425	11	0	436
Busch Legacy Trust	Reserves	To fund projects on the Hawarden Reserve	8,134	25	0	8,159
Hawarden Memorial Park	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,361	34	0	1,395
Birdson Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,451	36	0	1,487
Forrester Trust	Reserves	To provide funds for the activities of the Hammer Heritage Forest Trust	3,100	78	0	3,178
Hammer Heritage Forest Trust	Reserves	To hold funds for Restoration Projects in Hammer Springs	0	493	0	493
Hammer Springs Community Restoration Fund	Reserves	To hold funds for the Waiata Neibal Club	3,792	94	0	3,886
Waiata Neibal Club	Reserves	To provide funds for adverse events	13,114	0	0	13,114
Adverse Events Reserve	Reserves		0	0	0	0
			6,574,629	1,538,491	(109,440)	8,003,680

Special Fund Reserves as at 30 June 2022	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2021	Appropriations 2021-2022 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2022
				\$	\$	\$	\$
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	563,937	276,788	0	790,725
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	150,681	375,894	0	526,576
Sewer Development Contributions Fund	Sewerage	Sewerage	To provide funds for growth related sewer projects	894,095	468,498	0	1,362,594
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	120,400	634	0	121,035
Lutfield Beach Fund	Reserves	Community Services and Facilities	To fund projects for Lutfield Beach	(57,237)	11,075	0	(46,163)
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	595,005	265,510	0	860,515
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	167,681	83,555	0	251,236
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	247,249	269,616	0	516,865
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To hold funds for the Amberley Reserve Pavilion	3,444	(2,521)	0	923
Amberley Stormwater Development Reserve	Reserves	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	137,350	6,062	0	143,412
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	38,238	145,771	0	284,009
Amuri Community Centre	Reserves	Community Services and Facilities	Correction to Opening Balance	(9,679)	(1,601)	0	26,958
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	54,367	334	0	54,701
Amuri Contestable Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	2,972	7,041	0	10,013
Waiau Community Pool Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	20,516	3,014	(1,436)	22,093
Waiau River Protection Fund	Reserves	Community Services and Facilities	To provide funds for the rebuild of the Swimming Pool for the Waiau Community	129,454	(10,303)	0	119,151
Cheviot RSA Fund	Reserves	Community Services and Facilities	To provide funds for the River Protection work of the Waiau Township	25,088	10,175	0	35,263
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	4,705	30	0	4,735
Genmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	32,774	0	0	32,774
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Genmark Ward	8,040	8,333	0	16,373
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	119,667	7,620	0	127,288
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	34,023	(4,950)	4,161	33,234
Hammer Springs Township Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	2,716	1,444	(4,161)	0
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(298,388)	4,810	0	(293,578)
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	25,220	(4,022)	0	21,199
Hammer Springs Medical Centre Development Contributions Fund	Property	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	38,931	8,333	0	47,264
Huruni Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Ward	216,987	(2,208)	(1,275)	213,504
Huruni Contestable Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Medical Centre in Hammer Springs	63,452	2,603	0	66,055
Hammer Springs Stormwater Development Contributions Fund	Reserves	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	45,332	13,271	0	58,603
Huruni Stormwater Development Reserve	Reserves	Community Services and Facilities	To provide funds for the Huruni Ward	6,742	41	0	6,783
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Huruni Ward	4,592	1,203	0	5,795
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	73,962	5,263	0	79,226
District Library Development Contributions Fund	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	23,867	804	0	24,670
Meyer's Task Force for Jobs	Community Services	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	1,005,831	108,196	0	1,114,027
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for growth related projects for the District Library	10,597	2,954	0	13,552
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for growth related projects for the ITTO programme	13,088	(13,151)	0	1,397
Bush Legacy Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	16,111	(511)	0	15,600
Hawarden Domain Gates	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,955	40	0	2,995
Hawarden Memorial Park	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	228	5	0	233
Forester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	7,096	197	0	7,293
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	1,352	9	0	1,361
Waikari Netball Club	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,442	9	0	1,451
Adverse Events Reserve	Reserves	Community Services and Facilities	To provide funds for the activities of the Hammer Heritage Forest Trust	3,081	19	0	3,100
			To hold funds for the Waikari Netball Club	13,114	0	0	13,114
			To provide funds for adverse events				
				4,563,423	1,993,916	(2,711)	6,554,629

Rate Reserve Funds as at 30 June 2023

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2022	Appropriations 2022-2023 Surplus/ (Deficit)	Transfers In/Out	Closing Balance 30 June 2023
			\$	\$	\$	\$
District Wide Water	Water Supplies	To fund capital projects relating to water	(14,006,263)			
Balmoral Water	Water Supplies	Correction to Opening Balance	43,175	713,864	(14,253,909)	(27,503,333)
Three Waters Stimulus Package	Water Supplies	To fund capital projects for Balmoral water	73,153	42,087	0	115,240
Three Waters Earthquake Recovery Debt	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	(473,656)	74,620	(45,661)	(444,697)
Three Waters Plant Account	Water Supplies	Debt from Three Waters Activities resulting from November 2016 Hurunui-Kaikoura Earthquake Sequence	0	40,378	0	(345,815)
District Wide Sewer	Sewerage	Correction to Opening Balance	(478,349)	20,701	(171,971)	(630,619)
District Urban Stormwater	Stormwater and Drainage	To fund capital projects for sewer	(8,940,950)	1,475,850	(2,221,156)	(9,238,674)
Amberley Stormwater	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	40,864	167,857	(132,408)	156,690
Cheviot Stormwater	Stormwater and Drainage	To fund capital projects for Amberley stormwater	74,377	164,838	(104,386)	(1,830,356)
Jed River Clearance	Stormwater and Drainage	To fund capital projects for Jed River Clearance	46,144	8,148	(7,243)	47,048
Motunau Beach Stormwater	Stormwater and Drainage	To fund capital projects for Motunau Beach Stormwater	5,921	992	0	6,913
Hammer Springs Stormwater	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(27,070)	2,707	0	(24,363)
Hawarden Stormwater	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(304,760)	123,251	(1,857)	(183,366)
Waikari Stormwater	Stormwater and Drainage	To fund capital projects for Waikari stormwater	(14,878)	11,513	0	(3,365)
District Wide Road	Roads and Footpaths	To fund Road Funding over the life of the Long Term Plan	57,794	8,449	(31,647)	34,596
Woodbank Road Sealing - Stage 1	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(1,598,515)	5,840,900	(5,703,458)	(1,459,074)
District Footpaths Maintenance	Roads and Footpaths	Correction to Opening Balance	(4,673)	0	0	0
Amuri Ward Roadside Construction	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(87,329)	3,229	(314,957)	(499,047)
Cheviot Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	78,366	23,438	(51,886)	50,736
Waipara Township Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	0	14,115	(31)	13,984
Hammer Springs Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	117,519	3,120	0	120,639
Hunui Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Waipara Township	4,146	3,750	0	7,896
Amberley Beach Foreshore Protection	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	35,377	30,945	(176,124)	(109,803)
Amberley Ward Pool Fund	Coastal Hazards	To fund roadside construction projects for Hunui Ward	67,452	2,440	(54,544)	69,892
Canterbury Museum Capital Levy Fund	Community Services	To fund capital projects for Amberley Beach Foreshore Protection	106,057	7,648	0	113,705
Amberley Amenities	Community Services	Correction to Opening Balance	(831,132)	30,963	(94,804)	(895,836)
Amuri Amenities	Community Services	To fund levy required for the Capital Development work of the Canterbury Museum	202,280	35,225	0	237,485
Cheviot Amenities	Community Services	To fund capital projects for Amberley Ward Amenities	(1,114,369)	30,664	(88,975)	(1,92,681)
Northern Glenmark Amenities	Community Services	Correction to Opening Balance	(20,000)	(5,695)	(13,138)	(48,178)
Waipara Amenities	Community Services	To fund capital projects for Amuri Ward Amenities	25,188	(25,617)	7,243	6,814
Hammer Springs Amenities	Community Services	To fund capital projects for Cheviot Ward Amenities	41,069	(12,095)	0	29,004
Hammer Springs Amenities	Community Services	To fund capital projects for Northern Glenmark Amenities	73,459	7,766	(16,452)	64,773
Hammer Springs Amenities	Community Services	To fund capital projects for Waipara Amenities	37,833	(7,624)	0	30,209
Hunui Amenities	Community Services	To fund capital projects for Omihiri Amenities	(893,653)	77,446	(267,380)	(1,078,382)
Amuri Medical General	Property	Correction to Opening Balance	38,248	(12,036)	0	26,212
Hammer Springs Medical General	Property	To fund capital projects for medical centres in the Amuri Ward	(63,675)	95,181	0	31,506
Waikari Medical Centre	Property	To fund capital projects for medical centres in the Cheviot Ward	(165,960)	38,483	(84)	(127,560)
Social Housing Fund	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(286,947)	12,436	0	(254,511)
Earthquake Prone Buildings Fund	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(82,812)	4,321	0	(78,491)
Hammer Springs Thermal Pools & Spa	Regulatory Services	To fund capital projects for medical centres in the Hunui Ward	(197,720)	5,638	(87,362)	(279,544)
Hammer Springs Thermal Pools & Spa	Regulatory Services	To fund capital projects for Social Housing throughout the District	(382,179)	(25,879)	0	(408,058)
Hammer Springs Thermal Pools & Spa	Regulatory Services	To fund assessment and improvements to Council owned buildings to meet NBS requirements	(1,887,671)	(104,556)	0	(1,992,227)
Hammer Springs Thermal Pools & Spa	Regulatory Services	To fund previous deficits recorded for Refuse Collection	(2,970,160)	0	600,000	(14,009,372)
Hammer Springs Thermal Pools & Spa	Regulatory Services	Internal debt relating to key expansion projects for the HSTP&S	386,193	261,370	(3,761)	(2,265,377)
Hammer Springs Thermal Pools & Spa	Regulatory Services	To fund the District's debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(49,038,274)	9,242,216	(23,258,831)	(63,054,891)
Hammer Springs Thermal Pools & Spa	Regulatory Services	Correction to Opening Balance				

Rate Reserve Funds as at 30 June 2022	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2021	Appropriations 2021-2022 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2022
				\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water	(10,636,884)	1,335,289	(4,704,677)	(14,006,272)
Bathoral Water	Water Supplies	Water Supplies	To fund capital projects for bathoral water	26,260	46,893	0	73,153
Three Waters Stimulus Package	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	0	2,154,783	(2,628,438)	(473,656)
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for sewer	(8,185,220)	3,452,008	(4,225,724)	(8,940,936)
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	Correction to Opening Balance	17,987	0	0	17,987
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	23,716	100,232	(122,280)	40,864
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	39,196	144,332	(359,286)	(1,890,808)
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	44,916	1,228	0	46,144
Mohamui Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Mohamui Beach Stormwater	5,071	850	0	5,921
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(29,703)	5,632	(4,441)	(27,070)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(26,246)	(30,786)	0	(57,032)
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Waikari stormwater	11,367	11,367	0	22,734
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Waikari stormwater	49,819	8,460	(486)	57,794
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To stage Road Funding over the life of the Long Term Plan	(1,937,715)	3,501,367	(4,147,164)	(1,596,515)
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	Correction to Opening Balance	632,996	43	0	633,039
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	4,629	45,664	(84,809)	(187,320)
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(148,514)	31,663	(1,466)	(168,317)
Cheviot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	48,738	14,213	(48,056)	78,966
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	33,846	738	0	34,584
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	116,781	3,212	0	119,993
Hurunui Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township	90,088	32,379	(87,090)	35,377
Amberley Beach Foreshore Protection	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	32,569	10,251	0	42,820
Canterbury Museum Amenities	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	67,212	428	(186)	67,454
Amuri Amenities	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Amberley Beach Foreshore Protection	83,185	22,872	0	106,057
Northern Glenmark Amenities	Public Services	Public Services	To fund portion of the proposed Amberley Pool	424,574	678,846	(1,934,552)	(831,132)
Waipara Amenities	Public Services	Public Services	To fund levy required for the Capital Development work of the Canterbury Museum	169,993	32,268	0	202,261
Hammer Springs Amenities	Public Services	Public Services	To fund capital projects for Amberley Ward Amenities	(1,128,214)	47,786	(33,941)	(1,114,369)
Waikari Amenities	Public Services	Public Services	To fund capital projects for Amuri Ward Amenities	64,799	(1,093)	(79,626)	(29,346)
Hammer Springs Amenities	Public Services	Public Services	To fund capital projects for Cheviot Ward Amenities	26,281	(1,093)	0	25,188
Amuri Amenities	Public Services	Public Services	To fund capital projects for Northern Glenmark Amenities	51,260	(10,161)	0	41,099
Waipara Amenities	Public Services	Public Services	To fund capital projects for Waipara Amenities	64,594	8,865	0	73,459
Hammer Springs Amenities	Public Services	Public Services	To fund capital projects for Omihau Amenities	32,054	5,779	0	37,833
Hurunui Amenities	Public Services	Public Services	To fund capital projects for Hammer Springs Ward Amenities	(895,646)	41,705	(74,889)	(893,653)
Cheviot Medical General	Property	Property	Correction to Opening Balance	35,177	0	0	35,177
Hammer Springs Medical General	Property	Property	To fund capital projects for Hurunui Ward Amenities	47,241	(8,593)	0	38,648
Waikari Medical Centre	Property	Property	To fund capital projects for medical centres in the Amuri Ward	(147,874)	99,492	(15,293)	(63,675)
Social Housing Fund	Property	Property	To fund capital projects for medical centres in the Cheviot Ward	(207,356)	43,983	(2,686)	(165,980)
Earthquake Prone Buildings Fund	Property	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(265,877)	25,980	(27,050)	(266,947)
Refuse Collection	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(268,912)	43,098	0	(225,814)
Hammer Springs Thermal Reserve Internal Loan	Property	Property	To fund capital projects for medical centres in the Hurunui Ward	(90,959)	8,147	0	(82,812)
Earthquake Recovery Debt	Property	Property	To fund capital projects for Social Housing throughout the District	(55,229)	(69,229)	(72,797)	(197,255)
	Property	Property	To fund assessment and improvements to Council owned buildings to meet NBS requirements	246,223	135,957	0	382,179
	Property	Property	To fund previous deficits recorded for Refuse Collection	(1,660,707)	(26,964)	0	(1,687,671)
	Property	Property	Internal debt relating to fly expansion projects for the HSTP&S	(12,159,372)	0	(2,450,000)	(14,609,372)
	Property	Property	To fund the District's debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(3,475,858)	475,537	(57,069)	(3,057,390)
	Property	Property	Correction to Opening Balance	87,208	12,409,972	(21,161,911)	(9,064,731)
Total Rate Reserve Funds				(40,347,911)	12,409,972	(21,161,911)	(49,099,730)

NOTE 25 - Related party disclosures

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Further transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Key management personnel compensation

	Actual 2023 \$000's	Actual 2022 \$000's
<i>Councillors</i>		
Remuneration	436	394
Full-time equivalent members	11	11
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,140	1,160
Full-time equivalent members	5	5
Total key management personnel remuneration	1,576	1,554
Total full-time equivalent members	16	16

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 4.

Enterprise North Canterbury

During the financial year, the Council paid \$51,250 (2022: \$51,250) to Enterprise North Canterbury as a grant for its general purposes.

During the financial year, the Council paid a further \$270 for additional services (2022: \$2,345).

As at 30 June 2023, there was no outstanding balance owing to Enterprise North Canterbury (2022: \$Nil).

Broomfield School

Cr Pauline White is a teacher at Broomfield School. Broomfield School received two grants as part of the Council's allocation of Creative Communities funding - one for \$1,492.17 (plus GST) and one for \$1,513.40 (plus GST). The school also received an annual grant of \$1,500 as the community's contribution to the School's swimming pool.

NOTE 26 - Events after balance date

A separate disclosure has been made in Note 29 for the Affordable Waters Reform programme.

Between late June and early August 2023, high seas eroded an area of Claverley Road - a coastal road north of Cheviot. To provide access to the properties, the Council agreed on 22 August 2023 to incur up to \$520,000 to rebuild the road and protect the coastline road directly to the north and south of the wash out by continuing a rock revetment for up to an additional 120 metres.

Other than these two issues, there are no further events subsequent to balance date that would affect the readers' understanding of the annual report.

(2022: COVID-19 and Affordable Waters Reform).

NOTE 27 - Financial instruments

27A - Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Financial assets				
<i>Mandatorily measured at FVTOCRE</i>				
Unlisted shares	1,227	1,008	1,227	1,008
Total at FVTOCRE	1,227	1,008	1,227	1,008
<i>Amortised costs</i>				
Cash and cash equivalents	1,201	3,044	1,201	3,044
Debtors and other receivables	4,358	4,034	4,358	4,034
Interest bearing loans	43	0	43	0
Non interest bearing loans	186	0	186	0
Total at amortised cost	5,788	7,079	5,788	7,079
<i>Mandatorily measured at FVTSD</i>				
Interest rate swaps	1,008	688	1,008	688
Total at FVTSD	1,008	688	1,008	688
Financial liabilities				
<i>Mandatorily measured at FVTSD</i>				
Interest rate swaps	0	65	0	65
Total at FVTSD	0	65	0	65
<i>Amortised costs</i>				
Borrowings				
- secured loans	47,500	38,000	47,500	38,000
Creditors and deferred revenue	12,269	5,601	12,269	5,601
Total at amortised cost	59,769	43,601	59,769	43,601

27B - 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:

- Level 1 - Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - 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.
- Level 3 - 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 2023				
<i>Financial assets</i>				
Unlisted shares	1,227	0	0	1,227
Interest rate swaps	1,008	0	1,008	0
<i>Financial liabilities</i>				
Interest rate swaps	0	0	0	0
Council and Group 2022				
<i>Financial assets</i>				
Unlisted shares	1,008	0	0	1,008
Interest rate swaps	688	0	688	0
<i>Financial liabilities</i>				
Interest rate swaps	65	0	65	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 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Balance as at 1 July	1,008	985	1,008	985
Gains/(losses) recognised in in other comprehensive revenue and expense	(35)	(14)	(35)	(14)
Purchases	0	0	0	0
Sales	254	36	254	36
Balance at 30 June	1,227	1,008	1,227	1,008

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

27C - 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*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 55% 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 55% and 95% of its borrowings in fixed rate instruments and uses interest rate swaps to convert floating rate borrowing to fixed rate borrowing to manage interest rate risk. Under the interest rate swaps, the Council agrees with other parties to exchange, at specific intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Council causing a loss. In the normal course of its business, credit risks arise 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 as follows:

	Group		Council	
	Actual 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Cash and cash equivalents	1,201	3,044	1,201	3,044
Debtors and other receivables	4,358	4,034	4,358	4,034
Interest bearing loans	43	0	43	0
Non interest bearing loans	186	0	186	0
Total credit risk	5,788	7,079	5,788	7,079

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 23.

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 2023 \$000's	Actual 2022 \$000's	Actual 2023 \$000's	Actual 2022 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA-	1,201	3,044	1,201	3,044
Total cash and cash equivalents	1,201	3,044	1,201	3,044
Counterparties without credit ratings:				
Interest bearing loans				
Existing counterparty with no defaults in the past	43	0	43	0
Total Non interest bearing loans	43	0	43	0
Non interest bearing loans				
Existing counterparty with no defaults in the past	186	0	186	0
Total Non interest bearing loans	186	0	186	0

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.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk 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 part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. As at 30 June 2023, the Council has a credit facility of \$53.0 million (2022: \$45.0 million) against which it had drawn \$47.5 million (2022: \$38.0 million). One tranche of Local Government Funding Agency borrowings totalling \$4.0 million matures on 15 April 2024 and the Short Term Debt with the Local Government Funding Agency of \$8.0 million matures on 19 July 2023.

Contractual maturity analysis of financial liabilities excluding derivatives

The table below analyses the Council and group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interests payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	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 2023					
Creditors and deferred revenue	12,269	12,269	12,269	0	0
Secured loans	47,500	47,500	13,500	28,000	6,000
Council and Group 2022					
Creditors and deferred revenue	5,601	5,601	5,601	0	0
Secured loans	38,000	38,000	14,000	18,000	6,000

Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council and Group's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into those relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	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 2023					
Net settled derivative liabilities	0	0	0	0	0
Council and Group 2022					
Net settled derivative liabilities	65	65	9	56	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 2023					
Cash and cash equivalents	1,201	1,201	1,201	0	0
Debtors and other receivables	4,358	4,358	4,358	0	0
Interest bearing loans	43	43	3	16	24
Non interest bearing loans	417	417	0	0	417
Net settled derivative assets	1,008	1,008	16	980	11
Council and Group 2022					
Cash and cash equivalents	3,044	3,044	3,044	0	0
Debtors and other receivables	4,034	4,034	4,034	0	0
Non interest bearing loans	0	0	0	0	0
Net settled derivative assets	688	688	5	322	361

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	2023 \$000		2022 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(8)	12	(19)	30
Interest rate swaps	(669)	643	(436)	410
Financial liabilities				
Secured loans	(471)	475	(376)	380
Interest rate swaps	0	0	(58)	56
Total sensitivity	(1,149)	1,130	(889)	877

Explanation of interest rate sensitivity

The interest rate sensitivity is based on a reasonably possible movement in interest rates, with all other variables 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 28- Explanations of major variances against budget

Explanations for major variations from the Council's budget figures in the 2022/2023 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Revenue:

Subsidies and grants are \$2.1 million greater than budget. This includes the funding for the Mayor's Task Force for Jobs of \$337,609; Better Off Funding of \$420,011; and Affordable Waters Reform Transition Funding of \$220,506, all of which was not budgeted for.

Other revenue is \$1.6 million greater than budget. The total Vested Asset Income was \$1.3 million greater than allowed for in the budget and the gain on the fair value of the Council's Derivatives was \$384,000 which was not budgeted for.

Expenditure:

Employment benefits were \$755,000 greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa ahead of budget which reflected the requirement to be fully operational for the majority of the year. The employment benefits costs for Council was ahead of budget due to additional staffing levels in the Regulatory area required to meet increasing activity and also additional wage costs associated with the Mayor's Task Force for Jobs programme.

Other expenses are ahead of budget by \$3.6 million. This primarily relates to the additional emergency reinstatement costs in Roothing which was required as a result of the various flooding and storm events occurring during the year.

Depreciation cost was ahead of budget \$4.5 million. This is primarily due to additional depreciation costs for Roothing, which was the result of the significant increase in values included in the 2021/22 Annual Report.

Other comprehensive revenue:

The revaluation of land and buildings and the fair value assessment adjustment to roading assets has resulted in a gain on asset revaluation of \$26.3 million, which was not budgeted for.

Statement of financial position

Fixed assets:

Property plant and equipment was \$157.7 million higher than the level budgeted for. The key reason for this has been the revaluation of the Roothing Assets, carried out for the 2021/22 Annual Report and the result of the revaluation of Land and Buildings for the 2022/23 year.

Debt:

Council had budgeted that the total debt as at 30 June 2023 would be \$54.0 million. The debt at the end of the year was only \$47.5 million. The key difference being timing of the payments for significant levels of capital expenditure.

NOTE 29 - Water services reform programme

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

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes 10 publicly-owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

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1 - Funding impact statement for whole of Council

For the year ended June 2023

	2022 Long Term Plan \$000's	2022 Actual \$000's	2023 Annual Plan \$000's	2023 Actual \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	11,290	11,494	13,687	13,881
Targeted rates	12,126	12,337	12,654	12,744
Subsidies and grants for operating purposes	2,112	4,367	1,616	4,270
Fees and charges for water supply	22,631	19,714	19,960	21,032
Interest and dividends from investments	150	219	180	353
Local authorities fuel tax, fines, infringements, and other receipts	265	79	154	76
Total operating funding (A)	48,574	48,209	48,252	52,356
Applications of operating funding				
Payments to staff and suppliers	37,188	41,340	38,870	43,273
Finance costs	974	1,167	1,425	1,659
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	38,162	42,507	40,295	44,932
Surplus/(deficit) of operating funding (A-B)	10,412	5,703	7,956	7,424
Sources of capital funding				
Subsidies and grants for capital expenditure	2,519	5,275	2,919	1,935
Development and financial contributions	2,374	1,969	2,575	1,198
Assets vested in Council	0	3,717	0	2,867
Increase/(decrease) in debt	2,116	(23)	13,910	9,492
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	7,009	10,938	19,404	15,491
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	1,770	4,052	4,760	3,152
- To improve the level of service	10,205	5,965	9,879	5,578
- To replace existing assets	11,391	12,682	13,012	18,486
Increase/(decrease) in reserves	(5,945)	(6,059)	(291)	(4,300)
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	17,421	16,641	27,360	22,916
Surplus/(deficit) of operating funding (C-D)	(10,412)	(5,703)	(7,956)	(7,424)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(deficit) after tax	17,988	5,510	1,830	(2,621)
Add depreciation	10,760	11,650	11,620	16,041
Add loss on disposal	0	1,450	0	49
Less gains on asset revaluation	(13,443)	0	0	0
Less change in fair value of derivatives	0	(1,769)	0	(384)
Less gains on forestry revaluation	0	165	0	(31)
Less gains in value of NZUs	0	(344)	0	370
Less development and financial contributions	(2,374)	(1,969)	(2,575)	(1,198)
Less subsidies and grants for capital expenditure	(2,519)	(5,275)	(2,919)	(1,935)
Less vested asset income	0	(3,717)	0	(2,867)
Surplus/(deficit) of operating funding (A-B)	10,412	5,703	7,956	7,424

2 - Funding impact statement for water supply

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	6,980	7,336	7,171
Subsidies and grants for operating purposes	0	0	221
Fees and charges	2,355	93	276
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	9,335	7,428	7,667
Applications of operating funding			
Payments to staff and suppliers	4,664	4,672	5,273
Finance costs	368	501	1,030
Internal charges and overheads applied	1,369	1,387	937
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,401	6,560	7,240
Surplus/(deficit) of operating funding (A-B)	2,934	868	427
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	75
Development and financial contributions	605	627	343
Assets vested in Council	0	0	483
Increase/(decrease) in internal debt	3,884	9,328	13,522
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	4,489	9,955	14,423
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	338	348	756
- To improve the level of service	3,764	5,726	3,080
- To replace existing assets	3,321	4,749	10,702
Increase/(decrease) in reserves	0	0	311
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	7,423	10,823	14,850
Surplus/(deficit) of operating funding (C-D)	(2,934)	(868)	(427)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	1,749	(456)	(1,150)
Add depreciation	1,791	1,951	2,466
Add loss on disposal	0	0	11
Less development and financial contributions	(605)	(627)	(343)
Less subsidies and grants for capital expenditure	0	0	(75)
Less vested asset income	0	0	(483)
Surplus/(deficit) of operating funding (A-B)	2,934	868	427

2 - Funding impact statement for sewer

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	1,736	1,828	1,876
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,345	0	60
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	3,081	1,828	1,936
Applications of operating funding			
Payments to staff and suppliers	957	609	773
Finance costs	243	263	435
Internal charges and overheads applied	203	206	178
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,402	1,077	1,386
Surplus/(deficit) of operating funding (A-B)	1,679	751	550
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	349	523	286
Assets vested in Council	0	0	964
Increase/(decrease) in internal debt	601	(54)	756
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	950	469	2,006
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	294	303	1,026
- To improve the level of service	65	67	52
- To replace existing assets	2,270	851	1,222
Increase/(decrease) in reserves	0	0	255
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,629	1,220	2,556
Surplus/(deficit) of operating funding (C-D)	(1,679)	(751)	(550)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	1,329	524	831
Add depreciation	699	751	932
Add Loss on Disposal	0	0	37
Less development and financial contributions	(349)	(523)	(286)
Less subsidies and grants for capital expenditure	0	0	0
Less vested asset income	0	0	(964)
Surplus/(deficit) of operating funding (A-B)	1,679	751	550

2 - Funding impact statement for stormwater & drainage

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	702	758	761
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	115	0	0
Total operating funding (A)	817	758	761
Applications of operating funding			
Payments to staff and suppliers	264	270	212
Finance costs	68	82	91
Internal charges and overheads applied	45	45	33
Other operating funding applications	0	0	0
Total applications of operating funding (B)	376	397	336
Surplus/(deficit) of operating funding (A-B)	441	360	425
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	334	345	88
Assets vested in Council	0	0	74
Increase/(decrease) in internal debt	432	915	(209)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	767	1,260	(47)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	294	303	0
- To improve the level of service	914	1,317	35
- To replace existing assets	0	0	243
Increase/(decrease) in reserves	0	0	99
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	1,208	1,620	377
Surplus/(deficit) of operating funding (C-D)	(441)	(360)	(425)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	614	526	402
Add depreciation	161	180	185
Add loss on disposal	0	0	0
Less development and financial contributions	(334)	(345)	(88)
Less subsidies and grants for capital expenditure	0	0	0
Less vested asset income	0	0	(74)
Surplus/(deficit) of operating funding (A-B)	441	360	425

2 - Funding impact statement for roads and footpaths

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,033	4,810	6,578
Targeted rates	65	67	147
Subsidies and grants for operating purposes	2,112	2,134	2,896
Fees and charges	(75)	(33)	0
Internal charges and overheads recovered	2	0	0
Local authorities fuel tax, fines, infringements, and other receipts	150	154	76
Total operating funding (A)	6,286	7,133	9,696
Applications of operating funding			
Payments to staff and suppliers	3,991	4,115	6,496
Finance costs	4	14	5
Internal charges and overheads applied	278	282	271
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,273	4,410	6,772
Surplus/(deficit) of operating funding (A-B)	2,014	2,722	2,924
Sources of capital funding			
Subsidies and grants for capital expenditure	2,519	2,523	1,664
Development and financial contributions	734	756	0
Assets vested in Council	0	0	1,345
Increase/(decrease) in internal debt	1,151	298	367
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	4,404	3,577	3,377
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	744	767	1,345
- To improve the level of service	1,897	1,457	464
- To replace existing assets	3,776	4,076	4,491
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6,418	6,300	6,301
Surplus/(deficit) of operating funding (C-D)	(2,014)	(2,722)	(2,924)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(142)	306	(3,784)
Add depreciation	5,408	5,696	9,718
Less development and financial contributions	(734)	(756)	0
Less subsidies and grants for capital expenditure	(2,519)	(2,523)	(1,664)
Less vested asset income	0	0	(1,345)
Surplus/(deficit) of operating funding (A-B)	2,014	2,722	2,924

2 - Funding impact statement for coastal hazards

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	23	23	23
Subsidies and grants for operating purposes	0	0	0
Fees and charges	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)	23	23	23
Applications of operating funding			
Payments to staff and suppliers	25	0	18
Finance costs	0	0	(3)
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	25	0	15
Surplus/(deficit) of operating funding (A-B)	(2)	23	8
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	(23)	(8)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2	(23)	(8)
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	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	0	0
Surplus/(deficit) of operating funding (C-D)	2	(23)	(8)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	0	0	8
Add depreciation	0	0	0
Add loss on disposal	0	0	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	0	0	8

2- Funding impact statement for public services

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,249	4,389	4,197
Targeted rates	2,570	2,607	2,767
Subsidies and grants for operating purposes	0	0	663
Fees and charges	2,219	2,289	2,640
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	9,038	9,285	10,267
Applications of operating funding			
Payments to staff and suppliers	7,537	7,740	9,267
Finance costs	152	174	168
Internal charges and overheads applied	1,822	1,846	1,642
Other operating funding applications	0	0	0
Total applications of operating funding (B)	9,511	9,760	11,077
Surplus/(deficit) of operating funding (A-B)	(473)	(476)	(809)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	196
Development and financial contributions	351	324	480
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	2,231	1,391	328
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2,582	1,714	1,004
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	100	1,122	24
- To improve the level of service	2,438	855	757
- To replace existing assets	697	398	1,233
Increase/(decrease) in reserves	(1,126)	(1,136)	(1,819)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,109	1,239	195
Surplus/(deficit) of operating funding (C-D)	473	476	809
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(886)	(971)	(1,048)
Add depreciation	764	819	915
Add loss on disposal	0	0	0
Less development and financial contributions	(351)	(324)	(480)
Surplus/(deficit) of operating funding (A-B)	(473)	(476)	(809)

2- Funding impact statement for regulatory services

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,666	1,709	1,610
Targeted rates	51	51	0
Subsidies and grants for operating purposes	0	0	27
Fees and charges	1,907	1,960	2,193
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	3,623	3,721	3,830
Applications of operating funding			
Payments to staff and suppliers	2,755	2,803	3,430
Finance costs	0	0	0
Internal charges and overheads applied	886	898	854
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,641	3,701	4,284
Surplus/(deficit) of operating funding (A-B)	(18)	19	(454)
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	15	4	0
Increase/(decrease) in reserves	(33)	16	(454)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(18)	19	(454)
Surplus/(deficit) of operating funding (C-D)	18	(19)	454
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(18)	19	(454)
Add depreciation	0	0	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	(18)	19	(454)

2 - Funding impact statement for Hanmer Springs Thermal Pools & Spa

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	12,938	13,581	14,424
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	12,938	13,581	14,424
Applications of operating funding			
Payments to staff and suppliers	9,251	9,537	10,601
Finance costs	636	623	871
Internal charges and overheads applied	213	216	209
Other operating funding applications	0	0	0
Total applications of operating funding (B)	10,100	10,375	11,681
Surplus/(deficit) of operating funding (A-B)	2,837	3,206	2,743
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	1,400	2,850	(600)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,400	2,850	(600)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	950	2,500	1,102
- To replace existing assets	450	350	321
Increase/(decrease) in reserves	2,837	3,206	720
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	4,237	6,056	2,143
Surplus/(deficit) of operating funding (C-D)	(2,837)	(3,206)	(2,743)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	1,616	1,916	1,331
Add depreciation	1,221	1,290	1,412
Surplus/(deficit) of operating funding (A-B)	2,837	3,206	2,743

2 - Funding impact statement for governance & corporate

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	895	880	1,103
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	420
Fees and charges	1,806	1,854	1,439
Internal charges and overheads recovered	5,572	5,646	4,853
Interest and dividends from investments	0	0	353
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	8,273	8,379	8,169
Applications of operating funding			
Payments to staff and suppliers	8,457	8,715	7,164
Finance costs	(1,588)	(1,764)	(1,069)
Internal charges and overheads applied	751	761	723
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,620	7,712	6,818
Surplus/(deficit) of operating funding (A-B)	653	667	1,350
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	(7,241)	(1,729)	(4,406)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(7,241)	(1,729)	(4,406)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	177	243	83
- To replace existing assets	859	1,281	273
Increase/(decrease) in reserves	(7,624)	(2,585)	(3,413)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(6,588)	(1,062)	(3,056)
Surplus/(deficit) of operating funding (C-D)	(653)	(667)	(1,350)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(58)	(58)	1,322
Add depreciation	710	725	413
Less change in fair value of derivatives	0	0	(384)
Surplus/(deficit) of operating funding (A-B)	653	667	1,350

2 - Funding impact statement for earthquake recovery

For the year ended June 2023

	2022 Long Term Plan \$000's	2023 Long Term Plan \$000's	2023 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	447	451	394
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	43
Fees and charges	287	38	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	735	489	437
Applications of operating funding			
Payments to staff and suppliers	262	12	40
Finance costs	119	108	131
Internal charges and overheads applied	5	5	4
Other operating funding applications	0	0	0
Total applications of operating funding (B)	387	126	175
Surplus/(deficit) of operating funding (A-B)	348	364	261
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	(345)	(364)	(258)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(345)	(364)	(258)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	4
- To replace existing assets	3	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3	0	4
Surplus/(deficit) of operating funding (C-D)	(348)	(364)	(261)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	348	364	261
Less subsidies and grants for capital expenditure	0	0	0
Surplus/(deficit) of operating funding (A-B)	348	364	261

3 - Rating-based information

The following rating base information for Hurunui District Council is disclosed based on the rating base information at the end of the **preceding** financial year:

	30 June 2022
Number of rating units within the district	9,905
Total Capital Value of rating units within the district	\$9,221,301,650
Total Land Value of rating units within the district	\$6,090,424,989

4 - Insurance of assets

The following information relates to the insurance of Council assets as at 30 June

	2023 \$000's	2022 \$000's
The total value of all Council assets covered by insurance contracts	95,322	78,154
The maximum amount to which insured assets are insured	132,609	123,827
The total value of all Council assets covered by financial risk-sharing arrangements	106,579	96,388
Maximum amount available to the Council under financial risk-sharing arrangements	187,921	162,091
Total value of assets that are self-insured	434,967	433,116
Value of funds maintained for self-insurance	0	0

In the event of natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewerage assets, and provide a subsidy towards the restoration of roads.

5 - Māori decision-making

Clause 35 of Schedule 10 of the Local Government Act 2002 requires the Council to report on the activities that it has undertaken to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the Council.

The Hurunui District Council 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.

Working Together

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

- 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.
- Providing rūnanga with a copy of the weekly report of new resource consents applications.
- Consulting rūnanga on notified consents, or Statutory Acknowledgment Areas, or quarrying and mining activities.
- Rūnanga are consulted on any governance matters that shape the district including: Long Term and Annual Plans and representation reviews.
- Mahaanui Kuarataiao are engaged on behalf of the rūnanga to provide comments on district plan changes and relevant resource consents.
- Meetings between Council officers and Mahaanui Kurataiao.
- Hui at Takahanga marae with Council and Ngāti Kuri representatives.

Benchmarks

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2023

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.

Rates affordability benchmark

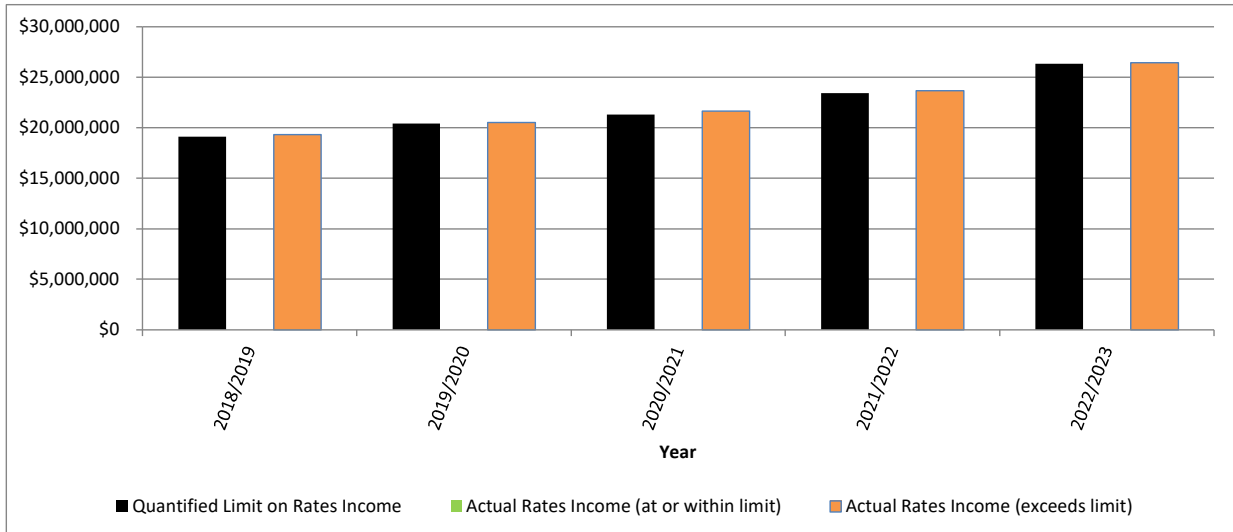
The council meets the rates affordability benchmark if—

- 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:

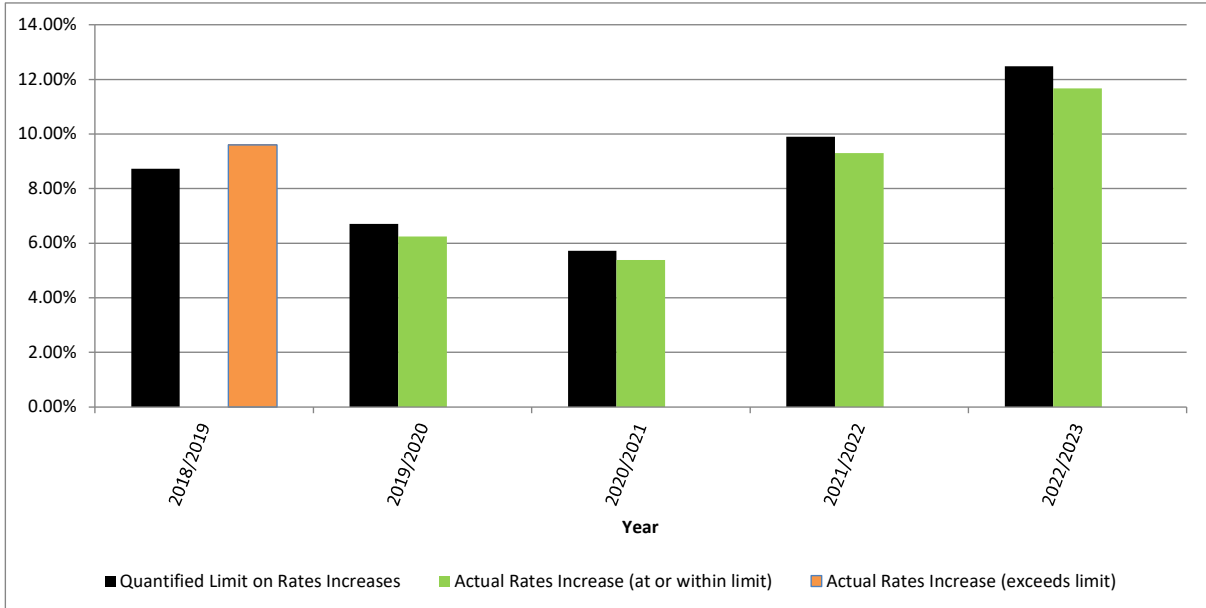
- 2018/2019 - 8.00% growth adjusted increase from prior year = \$19,116,191
- 2019/2020 - 6.00% growth adjusted increase from prior year = \$20,400,799
- 2020/2021 - 5.00% growth adjusted increase from prior year = \$21,307,533
- 2021/2022 - 8.50% growth adjusted increase from prior year = \$23,418,602
- 2022/2023 - 10.50% growth adjusted increase from prior year = \$26,340,876



Note: The actual rates for 2022/2023 has exceeded the limit due to growth in the rating base being higher than was predicted in the Annual Plan.

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: 2018/2019 8.73% (8.00% growth adjusted); 2019/2020 6.71% (6.00% growth adjusted); 2020/2021 5.72% (5.00% growth adjusted); 2021/2022 9.90% (8.50% growth adjusted) and 2022/2023 12.48% (10.50% growth adjusted).



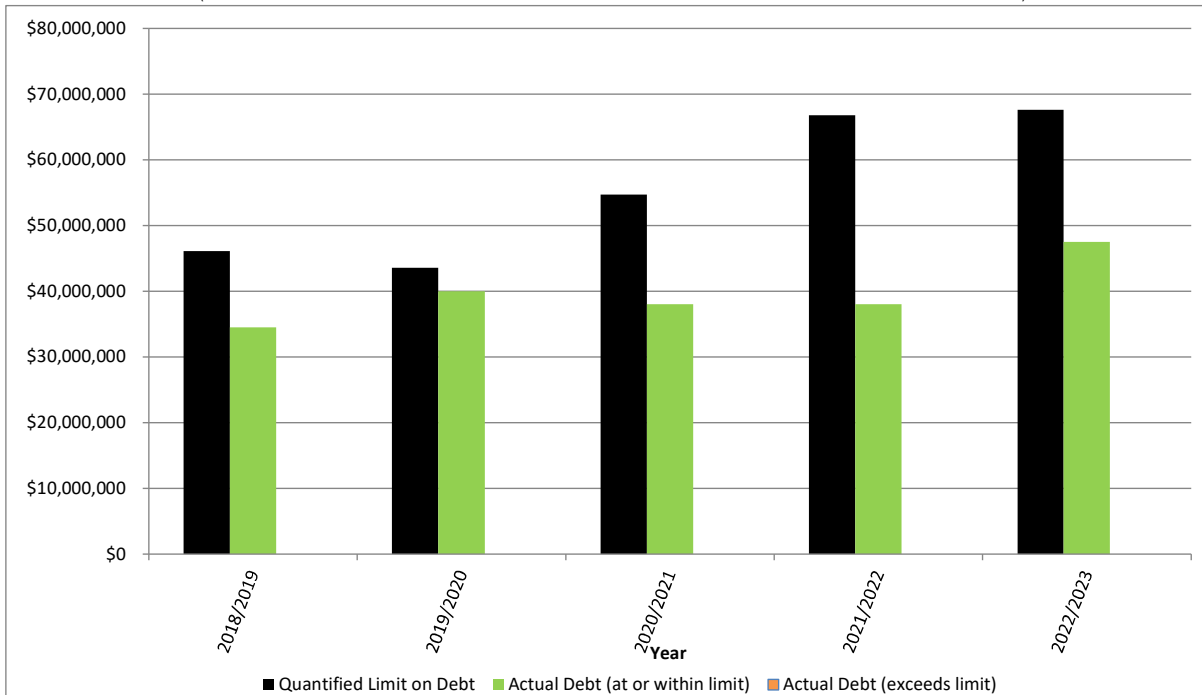
The following graphs compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

There are three factors in the Council's Financial Strategy to help determine limits on debt:

- Total debt is no more than 125% of Total Income (Limit for 2022/2023 is \$67.6m)
- Interest expense is no more than 6.25% of Total Income (Limit for 2022/2023 is \$3.38m)
- Interest expense is no more than 12.5% of Total Rates (Limits for 2022/2023 is \$3.30m)

Total Debt is no more than 125% of Total Income

(Limits were: 2018/2019 \$47.3m; 2019/2020 \$44.3m; 2020/2021 \$54.8m; 2021/2022 \$66.8m and 2022/2023 \$67.6m)

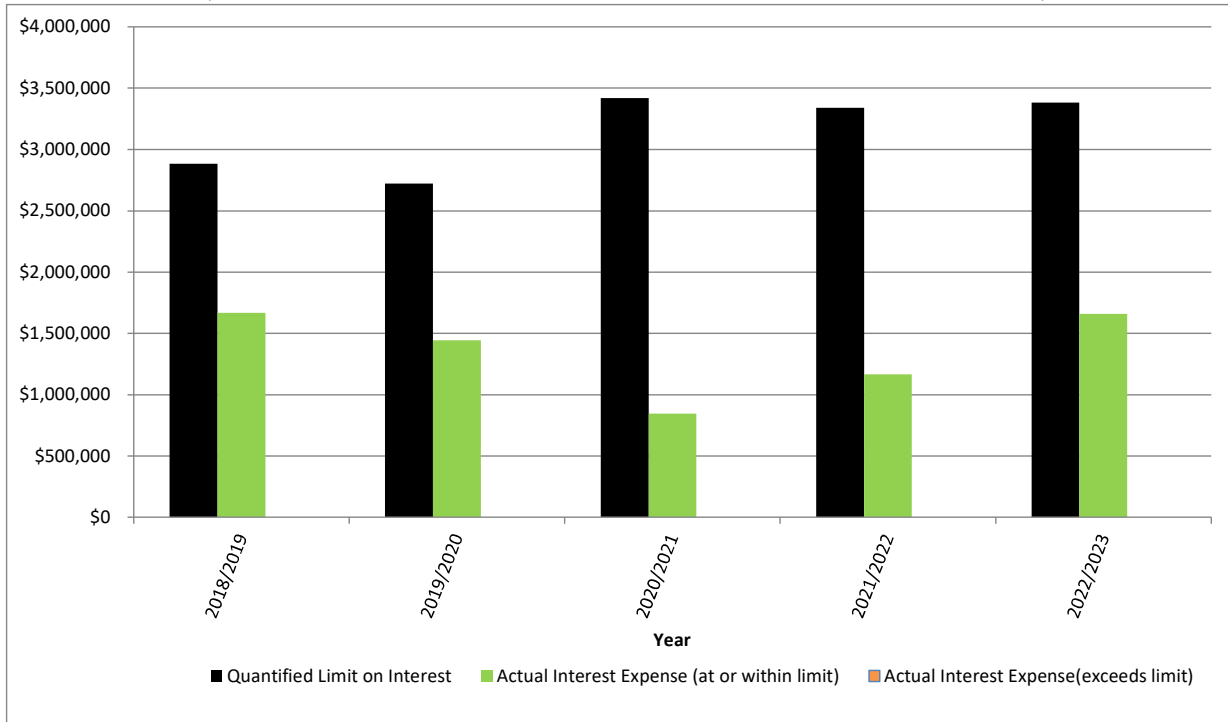


Note: the measure was amended in 2021/2022 from total debt is no more than 100% of total income to total debt is no more than 125% of total income.

Debt affordability benchmarks (Continued)

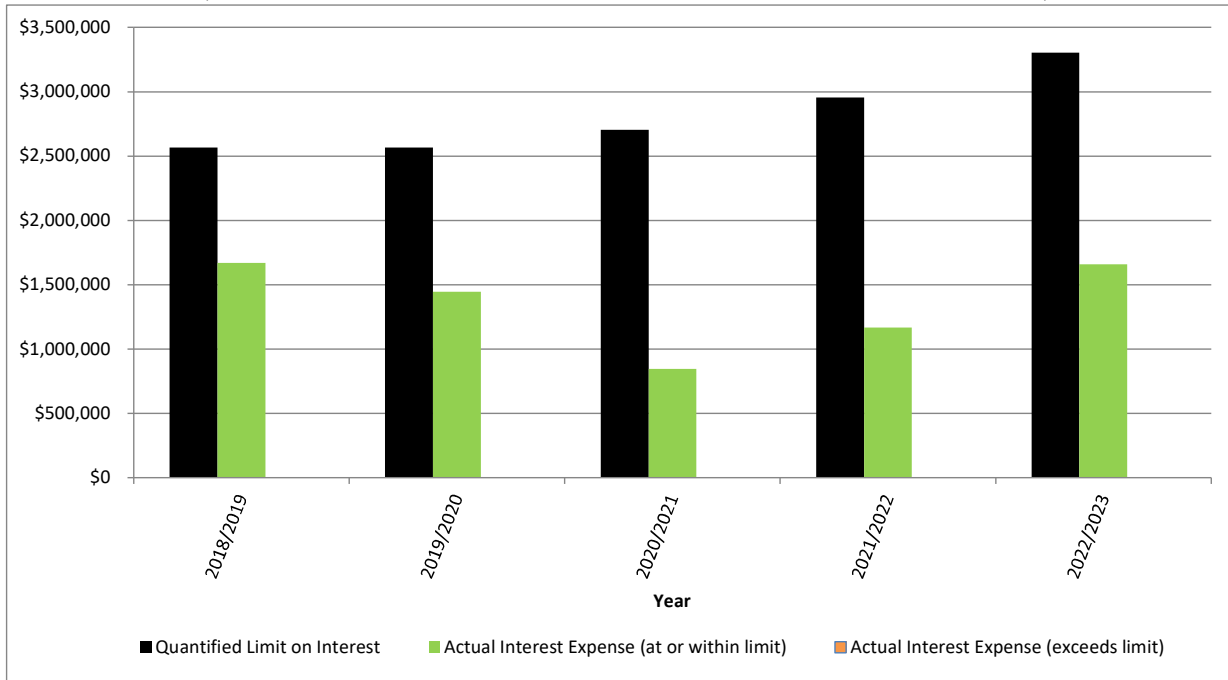
Interest expense is no more than 6.25% of Total Income

(Limits were: 2018/2019 \$2.88m; 2019/2020 \$2.77m; 2020/2021 \$3.42m 2021/2022 \$3.34m and 2022/2023 \$3.38m)



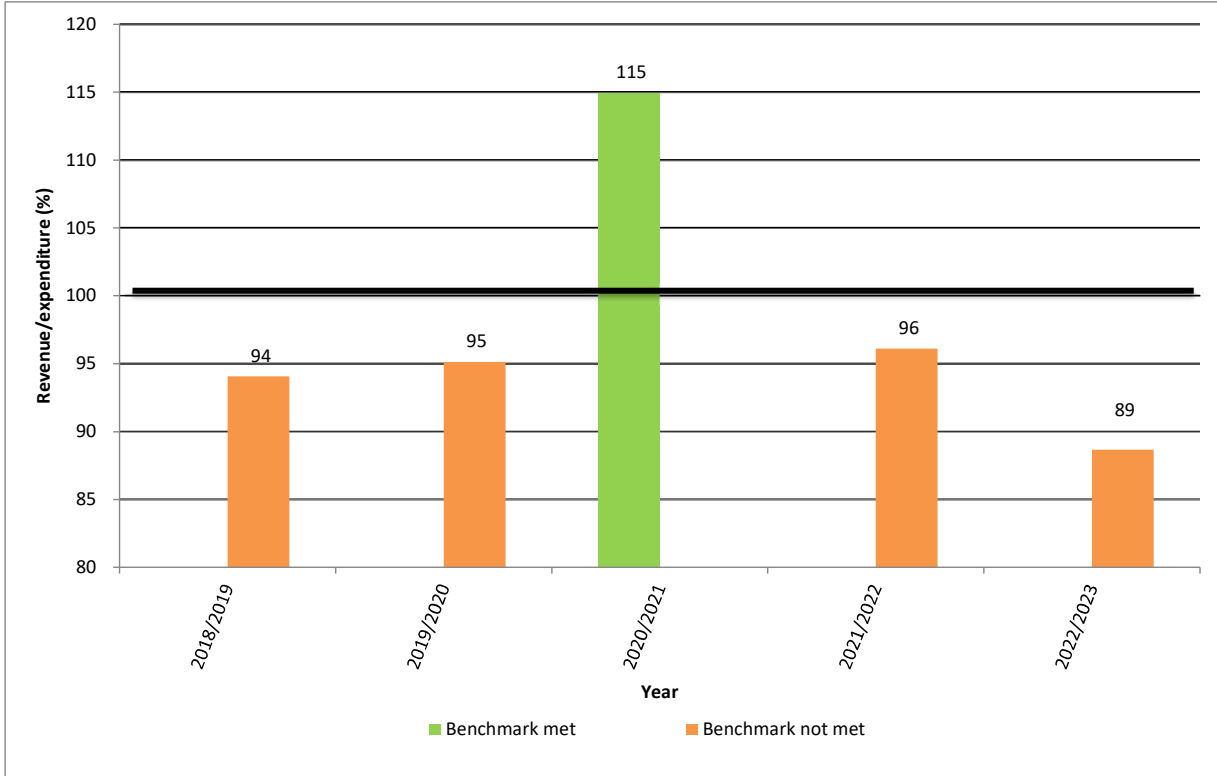
Interest expense is no more than 12.5% of Total Rates

(Limits were: 2018/2019 \$2.42m; 2019/2020 \$2.57m; 2020/2021 \$2.71m; 2021/2022 \$2.96m and 2022/2023 \$3.30m)



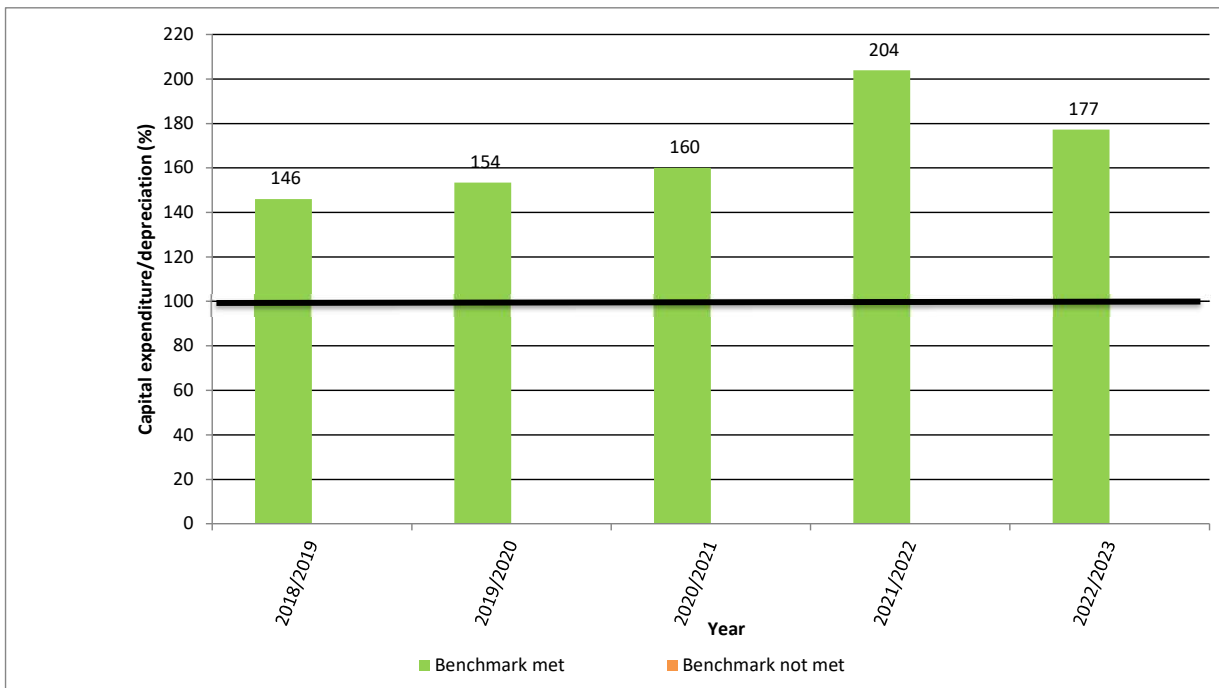
Balanced budget benchmark

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.



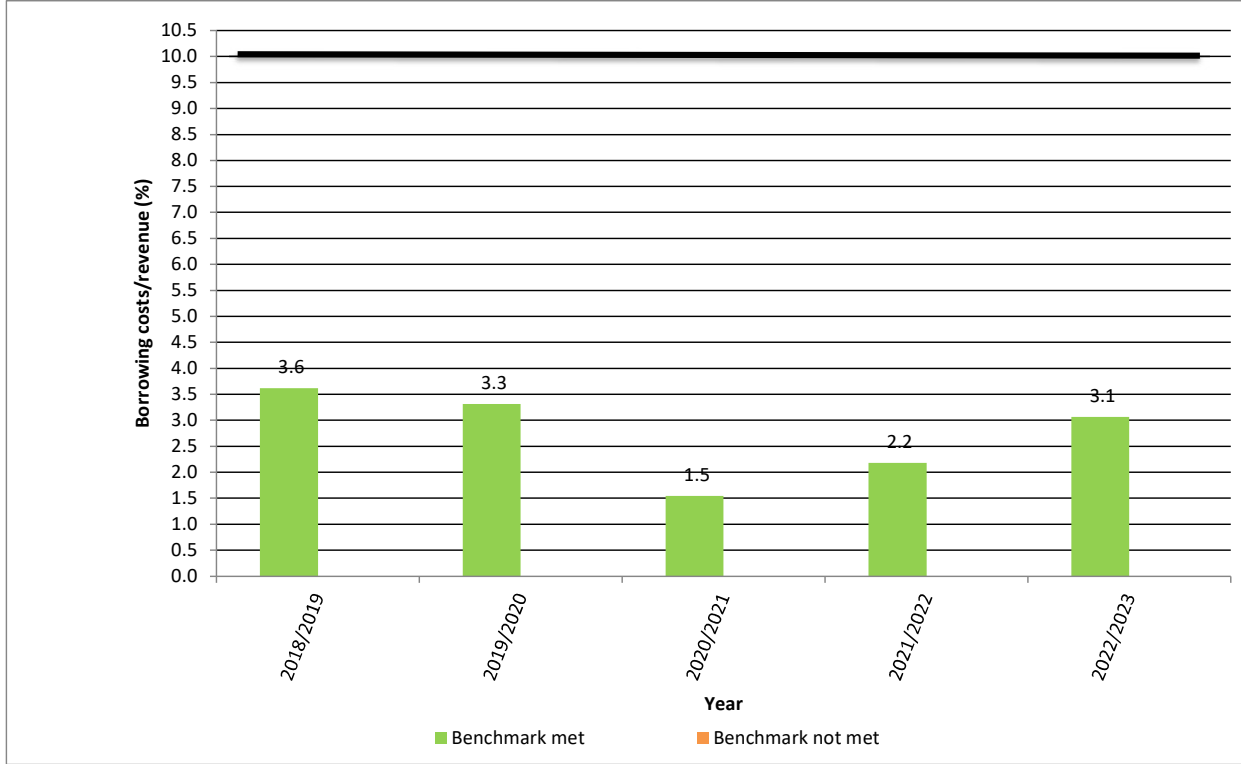
Essential services benchmark

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.



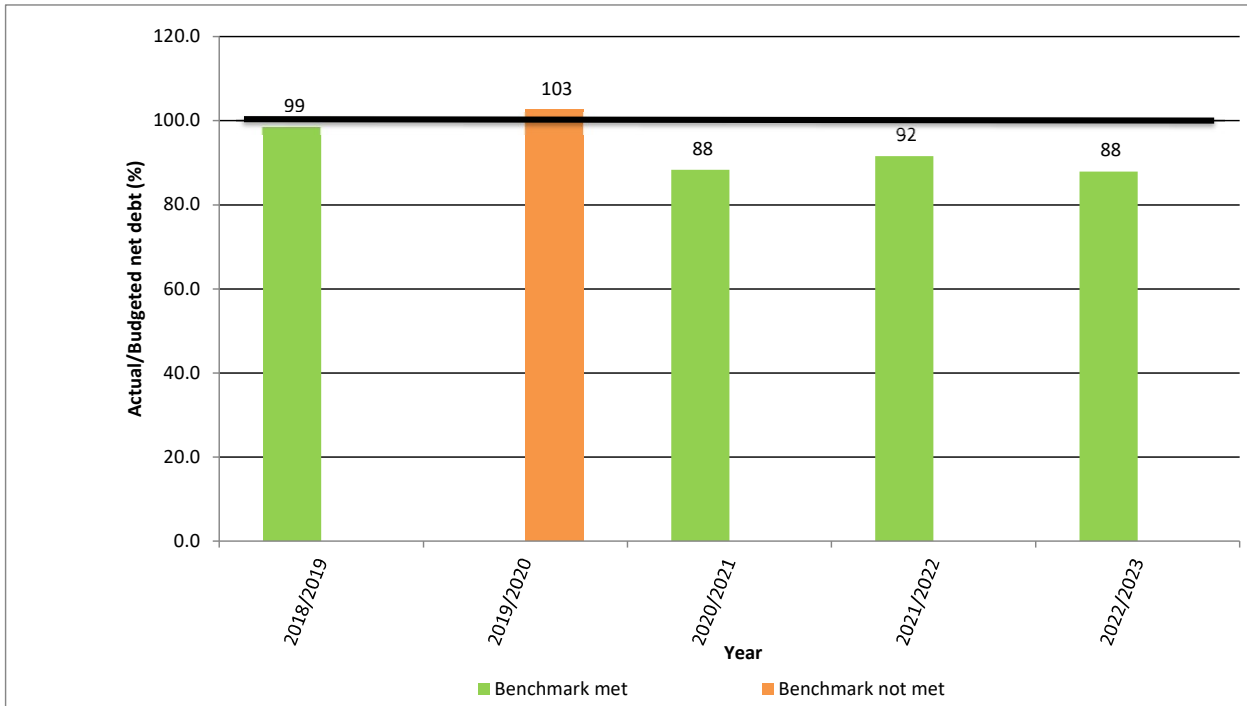
Debt servicing benchmark

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.



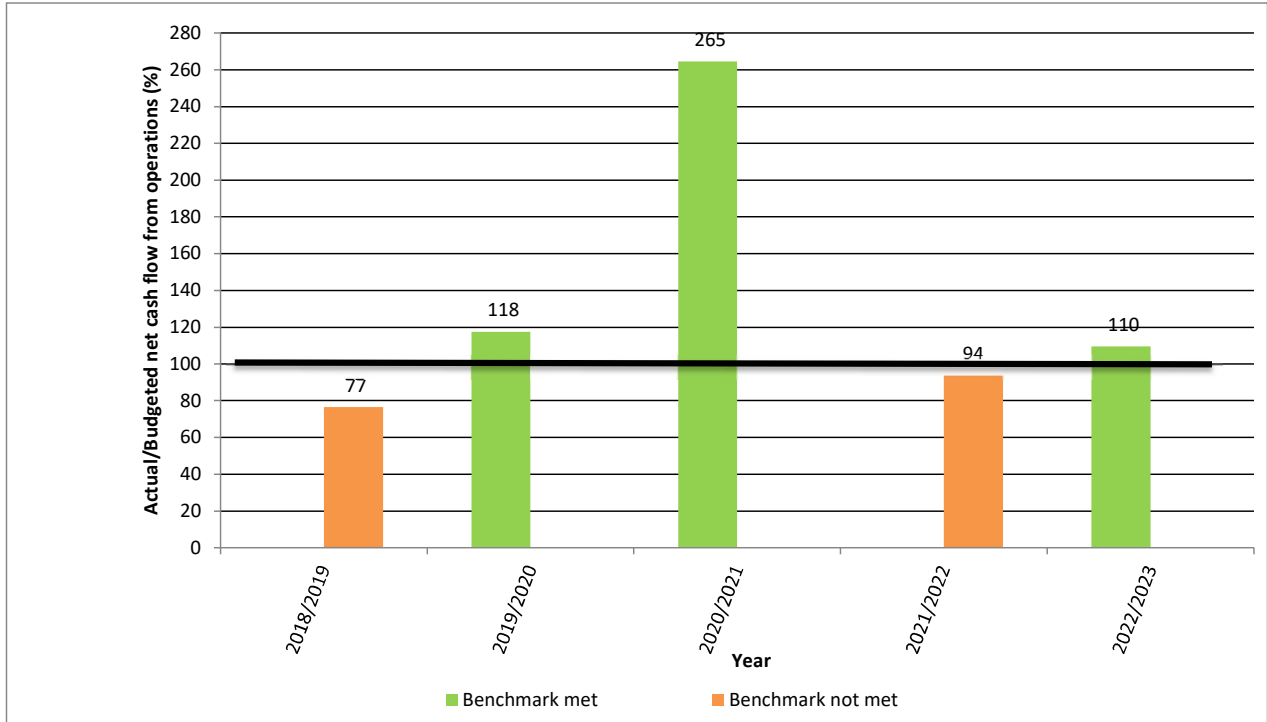
Debt control benchmark

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

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Enterprise North Canterbury

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 focused 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.

Hurunui’s key objective for continued investment in ENC has been to assist in cultivating and promoting economic activity and to foster growth in North Canterbury. We achieve this by approving the Statement of Intent and reviewing the progress through the Annual Report.

The following disclosures on Objectives and Achievements were taken from the Draft Annual Report prepared by Enterprise North Canterbury, which was unaudited at the time of adoption of the Hurunui District Council’s Annual Report.

Summary of 2022/2023 Objectives and Achievements

Strategy Objective 1: Supporting existing businesses to grow and prosper

Objective 1.1 **Support existing businesses to grow and prosper:**

Performance Measure	Target	Results
Deliver the Regional Business Partner Programme for NZTE	Undertake 48 Capability Assessments Issue a minimum of \$80,000 NZTE Vouchers A minimum of 24 businesses referred to Business Mentors NZ	66 Assessment completed (<i>achieved</i>) \$82,804 vouchers issues (<i>achieved</i>) 30 businesses referred to BMNZ (<i>achieved</i>)
Attract Talent to the Region	New employee attraction programme developed and implemented in conjunction with relevant organisations and agencies	We consulted businesses about their worker/talent issues. Then in conjunction with a design agency we created a brand identity for North Canterbury. New website was built using the URL northcanterbury.co.nz and ENC (the organisation) website moved to enterprisencorthcanterbury.co.nz Hurunui Tourism, Waimakariri Promotion and ENC funded the new brand, website and one video and photography for the website. (<i>achieved</i>) Two organisations also fully funded videos for the new website (Hanmer Springs Thermal Pools and Spa and Waimakariri District Council) (<i>achieved</i>)

Support new and expanding businesses	Provide business support 50 new start-up businesses and 50 existing businesses to grow/expand	62 new businesses supported (<i>achieved</i>) A total of 92 existing/expanding/declining businesses supported (<i>achieved</i>)
Maintain and grow ENC's website and social media	Grow social media channels by 10%	Facebook likes increased 25.75% on last year from 3,218 to 2,559 (<i>achieved</i>) Website visits decreased by 74% on last due to changing URL's from northcanterbury.co.nz to enterprisenorthcanterbury.co.nz (<i>not achieved</i>)

Objective 1.2 Celebrate and Recognise Business Leaders in the region:

Performance Measure	Target	Results
Launch the 2023 Business Awards	Category and Major Sponsors sign up Launch event held Achieve at least 60 businesses entering	Full Sponsorship secured for nine categories (<i>achieved</i>) Two launch events held in Waipara and Kaikoura (<i>achieved</i>) 84 applications started, 57 completed and 54 entries accepted to be judged and go forward to the Gala awards to be held 6 October 2023 (<i>Not achieved</i>)

Objective 1.3 To assist Hurunui Council establish economic projects in the district, improving the wellbeing and viability of Hurunui communities:

Performance Measure	Target	Results
Programme of initiatives agreed and implemented	ENC assists and supports initiatives as agreed	ENC continued to work with key parties HDC, MainPower, TransWaste, Ngai Tahu Farming to progress the concept of a green energy powered commercial hub for the agriculture sector. ENC took part in a presentation to Hurunui District Councillors about the benefits of a proposed Hurunui Green Energy Hub ENC presented to AmberleyNZ, the Hurunui Tourism Board and at a full Hurunui Council meeting on current and joint initiatives. (<i>achieved</i>)

Strategic Objective 2: Attract and inspire businesses, Mana Whenua (Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri) and Government to Invest in our region

Objective 2.1 Develop a North Canterbury Cycle Trail:

Performance Measure	Target	Results
Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara	Staff prepare and submit applications in conjunction with the Councils Staff facilitate ongoing meetings of key stakeholders of cycle trails and signing of MOU	No applications submitted this year We have had multiple meetings with WDC, Te Kohaka Trust (TKoT) and ECan ENC engaged Mark Inglis to inspect the two trails up for development which ECan and TKoT own and write a project costing and implementation plan. (<i>achieved</i>)

Objective 2.2 Deliver the MADE NORTH CANTERBURY Food and Beverage project to achieve greater collaboration:

Performance Measure	Target	Results
Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect	<p>Grow MADE NORTH CANTERBURY Website, Facebook and Instagram platforms by 10% that promote detail of business and product, increasing awareness and sales of NCF&B</p> <p>New marketing and promotional initiatives and resources for NCF&B businesses</p> <p>Opportunities identified to attend and profile MADE NORTH CANTERBURY members at event and trade shows</p>	<p>Website: 11,197 users, up from 9,178 (22% on last year) <i>(achieved)</i></p> <p>Facebook: 4,101 followers, up from 3,691 (11% on last year) <i>(achieved)</i></p> <p>Instagram: 1,465 followers, up from 1,002 (46% on last year) <i>(achieved)</i></p> <p>We facilitated a grocery display of MADE members at Durham Street New World in May 2023.</p> <p>We once again assisted Canterbury Nuts to coordinate MADE NORTH CANTERBURY Goodie Boxes for Xmas</p> <p>ENC launched the inaugural 'North Course' in October 2022 working with 33 cafes/restaurants and 3 local supermarkets (Rangiora New World, Rangiora PaknSave and Culverden Four Square) supporting local food and beverage producers to profile their product. <i>(achieved)</i></p> <p>A networking function 'Flavours of Business' was held 29 June with local food and beverage industry members in attendance <i>(achieved)</i></p>

Objective 2.3 Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri:

Performance Measure	Target	Results
Activate relationships with the business entities through various projects involving ENC and both Councils	Identify and promote investment opportunities that benefit the North Canterbury community	ENC and Hurunui District Council worked with Ngai Tahu property to assess the viability of purchasing land and developing a green powered commercial Hub

Introduced Rangiora High School's agriculture training project lead to Ngai Tahu Farming in order for them to potentially form a training partnership benefitting the regions rangatahi after we identified common interests. *(achieved)*

[Please note that the 3rd set of ENC objectives related to their work with Waimakariri District Council only and are not mentioned here.]

Transwaste Canterbury Limited

TRANSWASTE CANTERBURY LIMITED

Background

Transwaste Canterbury Limited operates a regional land- fill 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%. An additional landfill was reopened after the Canterbury earthquakes and is still operating and run by Transwaste Canterbury Ltd.

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

Our key objective for investment in Transwaste Canterbury Limited has been to receive an economic return for our investment. We continue to receive dividends from the Company.

Targets were set under the Statement of Intent for the three years ending 30 June 2024. A comparison of achievement against those targets is as follows:

Objective:

Environment: To ensure that Transwaste, 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 its natural resources.

Desired Outcomes	Performance Measures and Target	Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches notified during the year or advised by ECan.	Nil proven breaches.
(b) Prepare (next) Tiromoana Bush Restoration Management Plan for the five-year period commencing 1 July 2022.	Restoration Management Plan completed, with Board sign-off.	Completed, approved June 2022.
(c) Prepare Tiromoana Bush strategic plan for (say) next 20 years.	Strategic Plan prepared, with Board sign-off.	Achieved - long term goals included in the 5 year plan.

Objective:

Environment: Support New Zealand’s “Predator Free by 2050” goal, maintain and/or reduce net Green House Emissions and to use the gas captured in a socially and economically sustainable way.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 90% of landfill gas produced by Kate Valley landfill (measured in accordance with the regulations to the Climate Change Response Act 2002).	Achieved for the year ended 31 December 2022. The next measurement date is 31 December 2023.
(b) To ensure the beneficial use of landfill gas to obtain the best economic value.	To increase the MWh of electricity exported from Kate Valley landfill by 50% over the three year Sol period 2023 to 2025.	Not achieved, but on track - sufficient generation capacity is available on site to support the target, however achieving the target remains dependent on transmission line improvements, which is under discussion with MainPower NZ Limited.
(c) Measure the company’s carbon footprint.	Carbon footprint is measured and independently certified. KPIs achieved.	Project with Toitu Envirocare to measure carbon footprint for the year ended 30 June 2022 completed and audited.
(d) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	Achieved, based on reduced emission rate of replacement trucks. Two new Euro VI trucks on the road.
(e) Measure NZU credits on exotic forestry	5 yearly measurement of NZU credits completed (due by 31 December 2022) and number of units reported.	Achieved - registrations completed and related units allocated.
(f) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Register and measure under ETS schemes available - Number of units reported.	Achieved - registrations and measurements completed.

Desired Outcomes	Performance Measures and Target	Achievement
(g) Maintain large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting - evident in <5% of vegetation monitoring plots.	Achieved – 13 deer and 59 pigs culled as part of nine culling operations carried out in Tiromoana Bush for the period.
(h) Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimal impact on native biodiversity in Tiromoana Bush.	The abundance of bird life (as indicated by remeasuring of the bird monitoring transects) is greater than the 2005-2009 baseline for bellbird and grey warbler.	On track to achieve – ongoing monthly trapping and monitoring being undertaken. Annual pest survey - tunnel and ink pad completed

Objective:

Corporate Citizenship/Community Relations: To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Finance the Kate Valley Landfill Community Trust (from the Disposal Charge) for the purpose of benefiting the local community immediately affected by the landfill operation.	Annual payment to Kate Valley Landfill Community Trust, to be determined on an annual basis.	Achieved. The company has made contributions to the trust for the 2022/23 year totalling \$91,256.
(b) Develop and maintain education material with regard to waste management and the environment.	Material used by schools.	Achieved. The Waipara school visited Landfill and received an educational presentation and landfill tour. CWS Team, supported by local Police and Road Transport Association visited the Woodend School and every student got the opportunity to go through the Truck and learn about blindspots.
(c) Plan for sites aftercare and closure – financially and revenue streams.	Adequate provisioning, which stands up to audit scrutiny, in financial statements for aftercare and closure costs.	Achieved. Methodologies comply with the applicable reporting standards.

Objective:

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.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Timely, high quality and reliable waste transport services.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste’s failure to supply containers.	Achieved – no impacts.
(b) Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved - no disruption to receipt of waste occurred, despite the landfill being closed due to high wind on 2 days for 5 hours in total.

Objective:

Health and Safety: Strive for zero injury accidents in all operations the Company and its main contractor, Waste Management NZ Ltd (through its Canterbury Waste Services division - CWS), will be responsible for, whilst maintaining a high level of service and production.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.	Maintain or improve current total recordable injury frequency rate (TRIFR) for the last 12 months.	Achieved – nil LTIs in all operations. Actual TRIFR for the 12 months ended 30 June 2023 is zero.
(b) Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).	Annual operational plans objectives met, with no serious avoidable injuries.	Achieved. Good patronage on walkways.
(c) No traffic incidents where CWS drivers at fault.	No at-fault incidents.	Achieved – no at-fault traffic incidents for the period.

Objective:

Good Employer: Be a Good Employer, through either direct employment or by way of management contracts with CWS.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensure CWS has objectives and policies that detail the relationship with employees, their remuneration, safety and other issues such as equal opportunity in employment.	No more than 15% annually of CWS landfill and transport staff annual FTE turnover.	Achieved. Turnover of permanent employees at Kate Valley was 5 across the team out of 46 FTEs, resulting in 11% annual turnover.
(b) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.	10 hours per FTE annually for CWS staff training.	Achieved. Kate Valley staff have undertaken 12.3 hours per FTE.

Objective:

Consultation/Communication: Establish and maintain good relations with the local host community of the Kate Valley landfill and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group.	At least two Kate Valley Community Liaison group meetings held per year.	Achieved. Four Community Liaison Group meetings held in the period.
(b) Engage with other interest groups including Tangata Whenua and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Achieved. More than three interactions with Kate Valley neighbours, community and interest groups including engagement with Ngai Tüähuriri through Mahaanui Kurataiao.

Objective:

Legislative/Regulatory Compliance: To be a good Corporate Citizen by acting lawfully

Desired Outcomes	Performance Measures and Target	Achievement
(a) To ensure compliance with all relevant legislation and statutory requirements.	Annual reporting to Board on areas of compliance and non-compliance. Nil known legislative and regulatory non-compliance.	Achieved. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley. One non-compliance, being waste trips, a variation to waste trips is in progress with the Hurunui District Council (HDC). Not achieved, above issue with respect to waste trips communicated to HDC in advance and variation to consent being processed.

Objective:

Shareholder Interests: To operate a successful business, providing a fair rate of return to its shareholders.

Desired Outcomes	Performance Measures and Target	Achievement
(a) To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.	Total Revenue (inclusive of waste levy) of \$68,086,000 EBIT of \$23,095,000 Dividends relating to Kate Valley of \$16,100,000	Not achieved. \$63,091,000. Overall tonnes of waste to landfill was 5.3% below budget. Not achieved. \$855,000 below budget at \$22,142,000, primarily as a result of the decreased tonnes of waste to landfill compared to budget. Achieved. Dividends totalling \$18,300,000 were paid during the year for the Kate Valley operations.

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Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of Hurunui District Council's annual report for the year ended
30 June 2023**

The Auditor-General is the auditor of Hurunui District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Chris Genet using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 61 to 117:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2023; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 120, presents fairly, in all material respects, 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 statement of service performance on pages 13 to 60:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 121 to 130, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 121 to 130, presents fairly, in all material respects, 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.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 135 to 141, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 29 on page 117, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council as outlined in note 29 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan/long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 12, 131 to 133, and 142 to 152, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of*

Ethics for Assurance Practitioners (including International Independence Standards)
(New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement in relation to the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



Chris Genet
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand