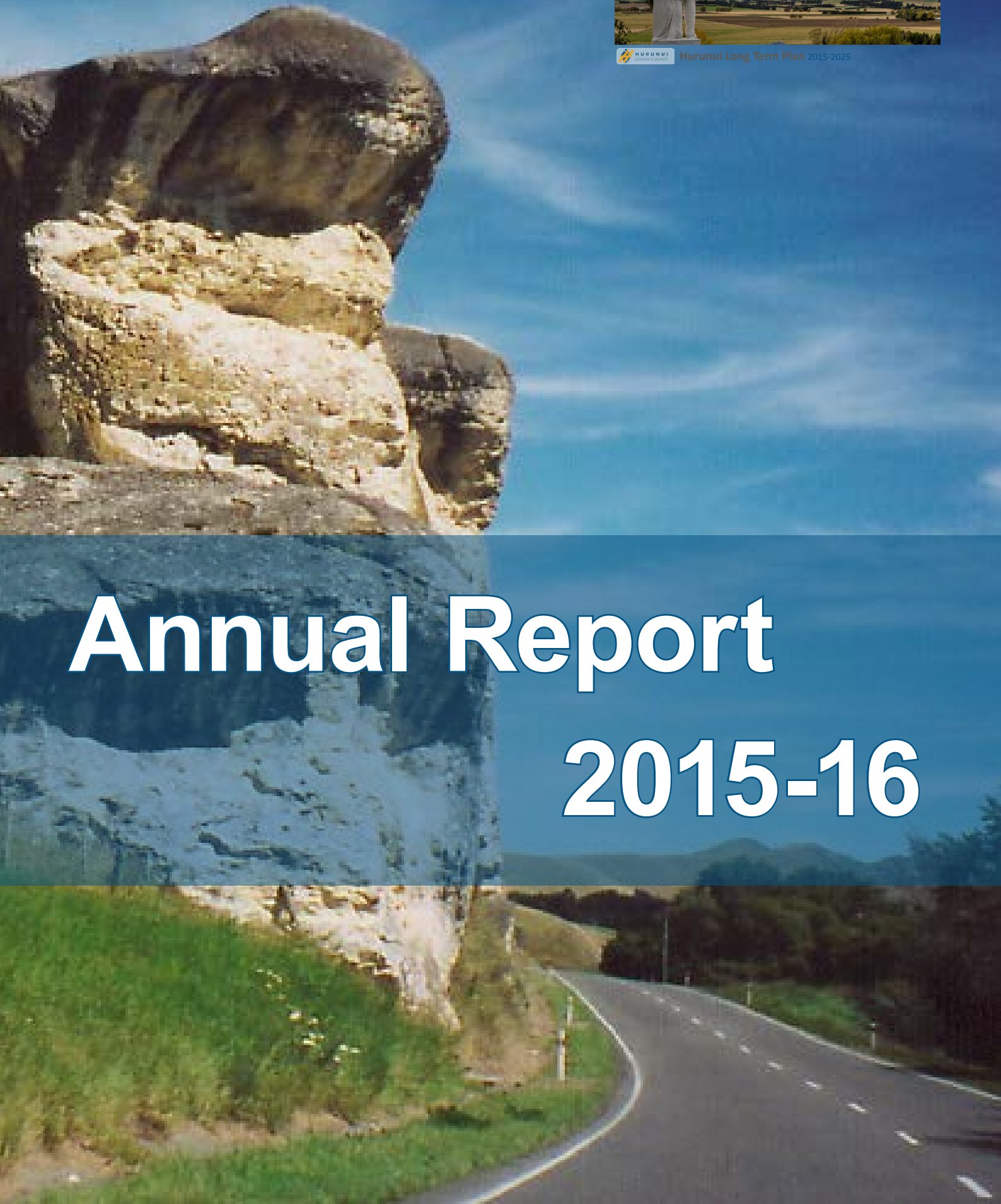




 Hurunui Long Term Plan 2015-2025

# Annual Report

# 2015-16





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# Introduction

# Introduction from the Mayor and Chief Executive Officer

This Annual Report summarises our performance for the financial year from 1 July 2015 to 30 June 2016. This was the first year of our 2015 – 2025 Long Term Plan. Looking back over the year, we consider that we substantially achieved what we set out to do.

Our approach is about sustainability and affordability into the future. We focused on what had to be done, how we would fund that, and how we would manage any associated debt in a reasonable and affordable manner. Our commitment is to provide our communities with good infrastructure, regulatory and public services that represent the best value for the funds spent, and at the least possible cost to our ratepayers and residents.

Our focus on capital expenditure has been to meet the needs of the district for improved basic infrastructure services in the roading and three waters areas while ensuring that capital investments in public, corporate and regulatory services continue to support improvement in those areas. Debt management is also an on-going asset management focus which drives asset life assessment to ensure that assets are replaced at the optimum time in their life cycle. Thus a number of asset replacements planned for the 2015-16 year were delayed because they have usable life left, whilst some others have been brought forward as the end of their useful life has been reached.

As we implemented our financial strategy and infrastructure upgrade programme, we were very mindful of the financial difficulties our rural communities are facing through drought and cyclical commodity price fluctuations. The duration of the current drought is unprecedented and has affected a large sector of Hurunui's primary producers and many service industries and retail businesses.

The effects of these events will be ongoing for an unknown period, and have undoubtedly caused financial stress and will create some uncertainty about the community's ability to fund our Financial Strategy.

Last year we came to the difficult position of having to increase rates to pay for core service upgrades, specifically water and sewer. We had no option but to look at alternative ways to fund these costly service upgrades to stay within our debt limit. To achieve that, we made some fundamental changes which started from 2015/16.

The biggest change was to charge a district wide rate to fund water and sewer instead of our previous local targeted rate for those on Council run schemes. (An exception was made for those on the Balmoral Water

Scheme.) We also introduced a depreciation rating facility to enable us to accumulate funds for water and sewer infrastructure upgrades.

This annual report details our financial performance in particular, but to summarise, the following is a brief overview of the past year.

## Financial Performance

Our primary concern is to manage your rates responsibly and prudently, while at the same time, provide affordable and appropriate quality services. For those of you who are interested in the numbers, here is a summary of the past year:

- The net surplus after tax for the year was \$440,000. In the Long Term Plan, the Council had budgeted to record a net deficit after tax of \$1,097,000.
- Operating revenue was \$40.0 million compared to budgeted Operating Revenue of \$35.5 million. One of the key reasons for the variance is a total of \$3.4 million of assets that have been vested in Council during the year has been recognised as Vested Asset Income.
- Operating expenditure was \$39.6 million compared to a budgeted operating expenditure of \$36.6 million. Council has recognised a loss of \$875,000 in the financial year in relation to the fair value of the interest rate swaps entered into to provide certainty about the level of interest it is charged on its term debt. This has come about due to the drop in the wholesale interest rates towards the end of the financial year. Depreciation has also exceeded budget by \$1.0 million to due updated valuation of assets information being available.
- On top of the \$440,000 net surplus, the Council has also recognised an increase to the value of its Roading Assets of \$64.1 million.
- Capital expenditure for the year was \$13.6 million. The budget had allowed for total capital expenditure of \$13.3 million. Although the overall result was close to budget, there variances within the various activities which are discussed in the relevant sections.
- Total Assets held by Council at the end of June 2016 was \$459.3 million.
- The total debt held by Council at the end of June was \$19.5 million.

## Satisfaction

Each year we undertake a resident satisfaction survey to help us understand our customers better and to improve our service.

Overall satisfaction with the Council has increased in 2016 following a gradual decline between 2011 and 2015 with 78% of residents saying they were satisfied or very satisfied. 79% of residents said they were satisfied (or very satisfied) with the service they received at council offices which is back on track after a dip between 2012 and 2014. Most of our services such as libraries, public toilets, reserves, community halls, etc, continue to receive high satisfaction levels.

This year we asked a new question about rural fire and were delighted to see that 91% of residents are satisfied (with most being very satisfied) with the service we provide mainly through our dedicated volunteers. This could be due to an increased appreciation of this service following news there is to be a new fire service which will incorporate rural fire from July 2017.

## Roads

In 2015, we signed up to a new roading contract with SICON. We are pleased to report that the transition has gone well with a huge focus on improvement. This is a significant and our most challenging contract due to the cost (25% of our total operational budget and 40% of our capital budget) for a rural district council of our size. With less government funding and a small rating population to pay, it is difficult to meet everyone's expectations for our roads. Given that most of our roads are unsealed, this in itself is a difficulty. As with any new substantial contract, the initial year brings about 'teething' problems but we are confident that we are headed in the right direction.

## Water

We have been challenged by water issues in several parts of the district over the year, but very pleased to report that we have made good progress. Water hardness and staining issues in Amberley have substantially improved. We have seen a significant reduction in aesthetic issues, such as the taste, smell and clarity of water due to the better flushing programme we introduced and our improved procedures to treat water. Most pleasing is the faster turnaround we have achieved in dealing with our customer service requests. Water will continue to receive our attention to ensure that the quality and supply remains reliable and meets New Zealand drinking water standards.

## Growth

Our review of the District Plan has been a major project over several years. It is a key planning and strategy document for us and the community and it was vital that it reflected community desires, environmental responsibility and encouraged development and growth. After a substantial effort, the process to finalise the plan

is almost over with the new District Plan coming into effect from September 2016.

Applications for building and resource consents have remained steady although not as high as the post Canterbury earthquake period. The growth is mainly in the southern part of the district – Amberley and Leithfield, and has started to return in Hanmer Springs.

## Community

We can all feel very proud of our youth who have proven to be outstanding. The Youth Council has matured and grown and has now established itself as a respected and credible voice on community issues. During the year, they have won several awards commending our Youth Council and Youth Development Advisor. We were delighted with our Youth Council's Chair, Sean Ryan who the supreme youth award sponsored by Patoa Farms.

We have been working closely with a community driven project called 'Together Hurunui' which is working towards an outcome where 'All People in the Hurunui are valued and connected'. Through this project, and community funding, three Community Connectors and a Youth Connector have been employed to work in the district to work on the goal.

## Hanmer Springs Thermal Pools and Spa

The thermal pools and spa has continued to perform exceptionally well. Not only did we attract more than half a million visitors, the pools complex continued to be recognised nationally. It won the champion tourism category of the Champion Canterbury Business Awards and the innovation award at the New Zealand Aquatics Industry awards. The complex has a Trip Advisor rating of 4.5 and is the highest ranked pool complex in Australasia. The popularity of the spa exceeded our capacity to meet demand and in late 2015, we opened a new boutique spa in the Hanmer Springs Village.

## Conclusion

Although we have achieved some good results in the past year, there is still plenty to focus on and improve. We will continue to strive to deliver the most appropriate and affordable services to our district. Going forward, there are new challenges and projects to manage and it is our job to ensure that we deal with these in a sustainable manner, including responsible debt management.

# Statement of compliance and responsibility

## Compliance

The Council and management of Hurunui District Council confirms that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002 (and Amendment Act 2010), have been complied with.

## Responsibility

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

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

In the opinion of the Council and management of Hurunui District Council, the Annual Report for the year ended 30 June 2016 fairly reflects the financial position and operations of Hurunui District Council.

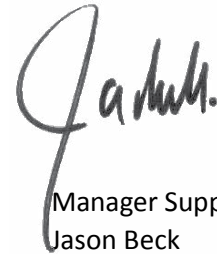
Dated 1 December 2016.



Mayor  
Winton Dalley



Chief Executive Officer  
Hamish Dobbie



Manager Support Services  
Jason Beck



# Council activities

# Water services

## Overview

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

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.

## Summary

During the year, we have placed a much greater emphasis on the service delivery aspect of water and created a new service delivery team. We have been challenged by water issues in several parts of the district over the year, but are pleased to report that we have made good progress. More effort has been placed on pre-empting problems, particularly in the latter half of the year when the public expressed concerns about our water supply in Amberley and Leithfield.

Water hardness and staining issues in Amberley have declined substantially. We have seen a significant reduction in aesthetic issues, such as the taste, smell and clarity of water due to the introduction of an enhanced flushing programme and our improvements to our processes for water treatment. Most pleasing is the faster turnaround we have achieved in dealing with our customer service requests. Water will continue to receive our attention to ensure that the quality and supply remains reliable and meets New Zealand drinking water standards.

We have a set of challenging performance targets to aim for and so far we are seeing an increase on performance compared to previous years. As well as maintaining

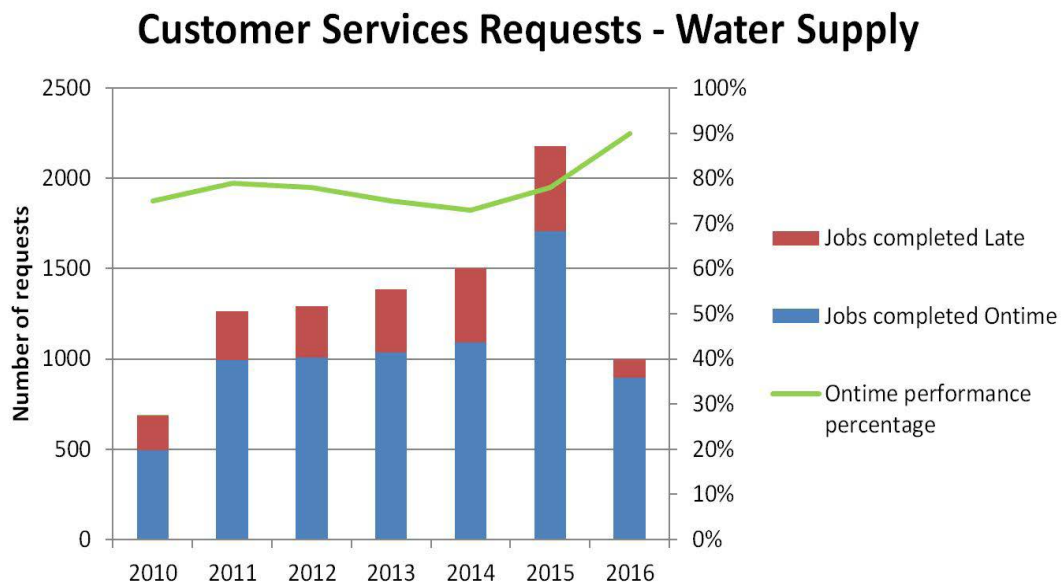
our water systems, we have focused on improving our customer experience and establishing robust processes. A good indication of the improvements in this area can be seen by the increase in customer service requests (CSRs) being met on time. Fig 1 shows the volume and 'delivered on time' performance metrics improvements.

Our focus on capital expenditure has been to meet the needs of the district for improved basic infrastructure while making sure the associated debt can be managed. To do this, we have consciously been stretching out the life of our assets and replacing them at the optimum time in their life cycle. Our total capital spend on water for the year across the district was \$3,426,289. This was spent mainly on general reticulation and pump renewals but notable projects included:

- Upgrade pipes to bring compliant drinking water to the Ashley Rural Scheme from the new Leithfield Beach bore (Stages 1 and 2) - \$1.6m
- Upgrade pipework and mixing plant to bring water from new Leithfield Beach bore into Amberley to alleviate nuisance iron and hardness issues - \$0.1m
- Upgrade Seadown reservoir feeding water to Amberley to maximise water mixing with water from Racecourse bore to alleviate nuisance iron and hardness issues - \$0.2m
- Install new water treatment plant delivering compliant water to Waiau Township - \$0.2m (a further \$0.4m was spent in 2014/15)

Our water supply service includes 80 pump stations and over 2,000 kilometres of pipes. Many of the schemes are treated with chlorine [or a similar type chemical] or ultra violet light to ensure we deliver water that doesn't jeopardise public health. We do have some sources

Fig. 1



The data shown is calendar years and 2016 is showing January to July

that have no chemical additives and these are usually referred to as 'secure sources'.

Providing a good customer experience is of paramount importance to us but this good experience is often a difficult target to achieve given the sometimes conflicting targets we have to achieve. We must deliver a supply of water to our customers that does not jeopardise health. But to do this, many of our schemes are treated with chemicals which can be detected as an odour or taste or, as is often the case, both.

Over the year, we have concentrated efforts on controlling the treatment plants better than previously and as a result we now have a reliable and consistent dose of chlorine entering the supply. This consistent dosage is being detected by our customers which has led to more customer notifications about taste and odour issues. Once we have established the required chlorine levels at the end of the water supply lines, we will be able to adjust the dosage at the treatment plants and attempt to reduce the taste and odour issues. It should be noted that inactive chlorine is relatively odourless and tasteless so detecting it through the water supplies means it's active and providing a healthy water supply. Fig 2 demonstrates the control of the treatment levels in a typical scheme (FAC refers to the amount of Chlorine being recorded.)

A large number of our customer service requests relate to customers being out of water. These are typically caused through:

- Unavoidable forced shutdowns to repair major breaks
- The property owner
- Blocked restrictors

We have been improving our communication with our customers to keep them informed ahead of a situation when we know their water supply will be affected, for example, when a shutdown is required. Then the intent is to notify our customers in advance.

## Performance measures

See the Appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$333,923 was recorded against a budgeted operating deficit of \$464,453. The key variances from budget have been:

- Rates – this is higher than budget due to the increased level of connections to the supplies than was anticipated when the budgets for the Annual Plan were prepared.
- Other Income and Development Contributions – connection fees and development contributions for the Ashley Rural and Cheviot water supplies are ahead of budget for the year due to the greater level of development and requirement for water.
- Vested Asset Income – a total of \$803,828 was recognised as assets vested in Council. The budget allowed for only \$58,000.

## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$333,923 was \$763,672 greater than the operating deficit recorded for the 2014/2015 year of \$429,749.

- Rates – as flagged in the 2015/2016 Long Term Plan, rates have increased for all supplies resulting in an increase of \$237,385 from last year. This increase was required to stage in the funding of depreciation.
- Other Income and Development Contributions– the level of development has increased in the 2015/2016 year and the number of new connections, particularly on the Ashley Scheme has meant that income has increased by \$205,704 from the previous year.
- Vested Asset Income – again the level of development in the 2015/2016 was increased from the previous year and the result is that the amount of assets vested in Council has increase by \$718,346 from last year.
- Direct Operating Expenditure – the costs are up on last year by \$385,770, which is largely due the level of electricity relating to pumping water as a result of the dry year experienced in the Hurunui.

## Significant capital expenditure

Overall, \$3,426,289 was recognised as Capital Expenditure for the 2015/2016. This was \$1,231,280 lower than was budgeted for.

- District Wide Water – the capital expenditure recognised has been the level of assets that have been vested in Council of \$803,828 plus a further \$61,965 of found assets were recognised during the year. This is well up on the budget of \$58,000.
- Amberley Water – \$287,852 was recognised for capital for the year, which was \$140,291 lower than the budget. The key item of expenditure was in relation to the water treatment for the town's supply.
- Ashley Rural Water - \$1,770,939 was recognised for capital for the year, which was \$610,615 lower than

the budget. The key item of expenditure was the new watermain to serve the northern part of the supply. Further work will be carried forward into the 2016/2017 year.

- Culverden Township – the budget did allow for the renewal of the reticulation into the township at a cost of \$570,712. The work to replace this asset was not required during the year and the project has been deferred.
- Waiau Township Water – Council has secured a subsidy from the Ministry of Health to upgrade the water supply for Waiau Township. A further \$184,155 was spent on this project.
- Cheviot Water – Various renewals of facilities and an upgrade of the main intake was budgeted for but were not required to be undertaken during the year and these projects have been deferred.
- Hanmer Springs – \$100,000 of facilities renewals were budgeted for but not required to be undertaken during the year and these projects have been deferred.

- Hurunui Rural – only \$89,631 was recognised as capital for the year, which was \$276,332 lower than the budget, with various facilities and reticulation renewals being deferred.

### Internal borrowing

- At the start of the financial year, the level of internal borrowing for water supplies was \$5,693,228.
- Cash surpluses recorded by the individual water supplies totalling \$1,847,510 were used to offset the borrowings, with a further \$3,383,743 of capital expenditure (excluding \$61,965 of found assets) incurred resulting in the balance of the internal borrowings for water supplies sitting at \$7,229,460 as at the end of the year – an overall increase of \$1,536,233.
- The amount of internal interest charged to the water supplies for the year was \$396,426, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$8,211.

## Group Activity - Water Supplies

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b>Operating Statement</b>			
<b>OPERATING REVENUE</b>			
Rates	5,142,839	5,146,770	4,905,454
Other Income	520,683	118,412	286,176
Internal Interest Received	8,211	82	10,564
Vested Assets	803,828	58,000	85,482
Development Contributions	71,749	279,920	103,073
<b>Total Operating Revenue</b>	<b>6,547,308</b>	<b>5,603,184</b>	<b>5,390,749</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	705,696	716,829	745,681
Other Direct Expenditure	2,583,652	2,560,397	2,197,882
Internal Interest Paid	396,426	372,617	305,138
Council Overheads	934,065	934,048	940,428
Depreciation	1,538,963	1,483,745	1,428,701
Loss on Disposal of Assets	54,584	0	202,669
<b>Total Operating Expenditure</b>	<b>6,213,386</b>	<b>6,067,636</b>	<b>5,820,499</b>
<b>Operating Surplus (Deficit)</b>	<b>333,923</b>	<b>(464,453)</b>	<b>(429,749)</b>
<b>CAPITAL EXPENDITURE</b>			
District Wide Water	865,793	58,000	203,959
Amberley	287,852	428,144	852,397
Leithfield Beach	27,422	23,090	26,434
Ashley Rural	1,770,939	2,381,554	900,792
Culverden	32,778	655,131	(305)
Waiau Town	237,338	74,954	437,482
Amuri Plains	6,153	19,881	3,534
Balmoral	16,144	49,128	122,644
Waiau Rural	14,258	98,082	47,025
Cheviot	18,081	329,198	87,844
Waipara	0	22,864	0
Hanmer Springs	17,739	121,337	160,951
Hawarden - Waikari	42,161	30,243	66,497
Hurunui Rural	89,631	365,963	154,629
<b>Total Capital Expenditure</b>	<b>3,426,289</b>	<b>4,657,569</b>	<b>3,063,883</b>

# Sewerage

## Overview

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

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

## Summary

During the year, our focus was mainly on business as usual and maintaining or improving our sewerage systems. The total capital spend for the year across the district was \$721,982, mainly for reticulation renewals.

Other projects included:

- Amberley - main street sewer upgrade - \$0.2m
- Hanmer Springs – waste water disposal upgrade - \$0.1m

Most of our townships have a council operated sewerage supply (waste water), but not all. Our rural communities are mainly self-sufficient with septic tanks. As with our other infrastructure services, we have put more effort into improving our service delivery and response times to issues raised through customer service requests (CSRs). We had few CSRs through the year relating to sewerage as shown in the following table.

CSR type	Total
Number of 'dry weather' sewage overflows	10
Odour complaint	6
Sewerage mechanical/electrical faults	3
Sewerage system blockages	9

We have a set of challenging performance measures to aim for and so far we are seeing an increase on performance compared to previous years. A good indication of the improvements in this area can be seen by the increase in CSRs being met on time. Fig 2 shows the volume and 'delivered on time' performance metrics improvements.

Public notifications are important to us as we would have no other way of knowing about some of the issues raised due to the nature of the concerns. For example, we received complaints about bad odour in Hanmer Springs. As a result of the complaints, we undertook a thorough clean-out of the key trunk lines and made many repairs where tree roots and other obstacles had caused damage to the sewerage network. Through receiving several complaints, the issue was resolved when we had been unaware that there was a problem.

## Performance measures

See the appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$8,592 was recorded against a budgeted operating deficit of \$361,045. The key variances from budget have been:

- Vested Asset Income – due to the level of development for the year, the total amount of assets vested in Council was \$385,359, whereas the budget was only \$95,700.

## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$8,592 was \$309,763 greater than the operating deficit recorded for the 2014/2015 year of \$301,171.

- Rates – as flagged in the 2015/2025 Long Term Plan, rates have increased by \$260,001 from last year to stage in the funding of depreciation.
- Vested Asset Income – the level of assets vested in the Council for the 2015/2016 year was \$385,359, which was greater than the amount recognised in the 2014/2015 year of \$93,099.
- Other Direct Expenditure – the direct costs for sewerage are up on the level incurred in the last year due to the costs of relating to repairs to the Cheviot sewer ponds carried out last year and included in work in progress have been reclassified as operating cost this year.

## Significant capital expenditure

Overall, \$721,982 was recognised as capital expenditure for the 2015/2016 year. This was \$1,282,825 lower than was budgeted for.

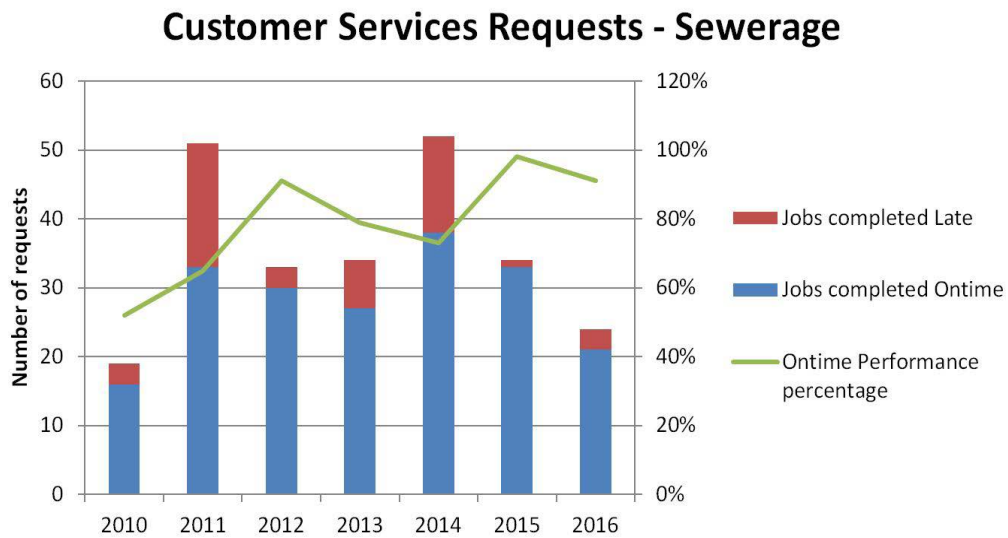
- District Wide Sewer – the amount of assets vested in Council was \$385,359 plus a further \$6,044 of found assets were recognised during the year. The budget allowed for the year was only \$95,700.
- Amberley Sewer – \$186,681 of capital was incurred for the year, relating to key pipe upgrades, however, the budget of \$1,024,834 was not achieved due to a further stage of the pipe upgrade work being deferred.
- Hanmer Springs sewer – it was budgeted to spend \$500,000 on the first stage of the disposal project for Hanmer Springs. At the end of the year only \$79,266 was spent on the project with the balance to be carried forward to the 2016/2017 year.

### Internal borrowing

- At the start of the financial year, the level of internal borrowing for sewerage was \$5,399,790.
- Cash operating surpluses of \$341,539 were recorded to offset the borrowings with a further \$715,937 of capital expenditure (excluding \$6,044 of found assets). This has resulted in the balance of the internal borrowings for sewerage sitting at \$5,774,188 as at the end of the year – an overall increase of \$374,398.
- The amount of internal interest charged to sewerage for the year was \$381,771, with those that held funds

(rather than being in debt) receiving an amount of internal interest totalling \$8,619.

Fig. 2



The data shown is calendar years and 2016 is showing January to July

## Group Activity - Sewerage

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b><u>Operating Statement</u></b>			
<b>OPERATING REVENUE</b>			
Rates	1,171,520	1,144,629	911,519
Other Income	348	351	2,277
Internal Interest Received	8,619	0	4,312
Vested Assets	385,359	95,700	93,099
Development Contributions	130,864	70,493	246,855
<b>Total Operating Revenue</b>	<b>1,696,711</b>	<b>1,311,173</b>	<b>1,258,062</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	62,587	54,928	39,787
Other Direct Expenditure	633,224	614,417	560,419
Internal Interest Paid	381,771	398,203	371,747
Council Overheads	138,106	138,088	137,436
Depreciation	472,431	466,582	449,489
Loss on Disposal of Assets	0	0	355
<b>Total Operating Expenditure</b>	<b>1,688,119</b>	<b>1,672,218</b>	<b>1,559,233</b>
<b>Operating Surplus (Deficit)</b>	<b>8,592</b>	<b>(361,045)</b>	<b>(301,171)</b>
<b>CAPITAL EXPENDITURE</b>			
District Wide Sewerage	391,404	95,700	103,959
Amberley	186,681	1,024,834	197,349
Cheviot	2,911	84,252	5,125
Greta Valley	0	0	0
Motunau Beach	0	45,544	0
Hanmer Springs	119,095	625,000	73,696
Hawarden	2,776	9,840	8,103
Waikari	19,115	119,637	10,000
<b>Total Capital Expenditure</b>	<b>721,982</b>	<b>2,004,807</b>	<b>398,231</b>

# Stormwater & drainage

## Overview

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

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

## Summary

We have boosted our efforts to provide good stormwater and drainage infrastructure in the district in recent times. The total capital spend for the year was \$341,417, mainly on drain upgrades but notable projects included:

- Assets vested in Council from developers was \$321,588
- Hawarden - removal of bottlenecks \$0.1m

We have had no instances of flooding of homes over the year. Whereas this could be put down to the drought conditions much of the district has been experiencing, a maintenance and operations working practice has been put in place for our high risk areas. The preventative maintenance routine will consist of inspections and sampling to prevent flooding and contamination.

Customer service has had an increased focus, particularly in responding and completing requests on time. Consistent with our delivery of other infrastructure services, we have improved our performance in this area as can be seen in fig 3.

## Performance measures

See the Appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$233,489 was recorded against a budgeted operating surplus of \$119,302. The key variances from budget have been:

- Vested assets income – the level of vested assets that were recognised in the 2015/2016 year was \$320,588, which was greater than the budget of \$95,700.
- Employment costs – when the budgets were prepared, Council had a dedicated Stormwater Engineer on staff. During the year the individual resigned and was not replaced and as a result, there has been a savings recorded for the year.
- Other direct expenditure – There has been an increase on budget of \$242,723. Part of this increase has been the reclassification of items included in capital work in progress last year that have now been considered to be operating expenditure this year.

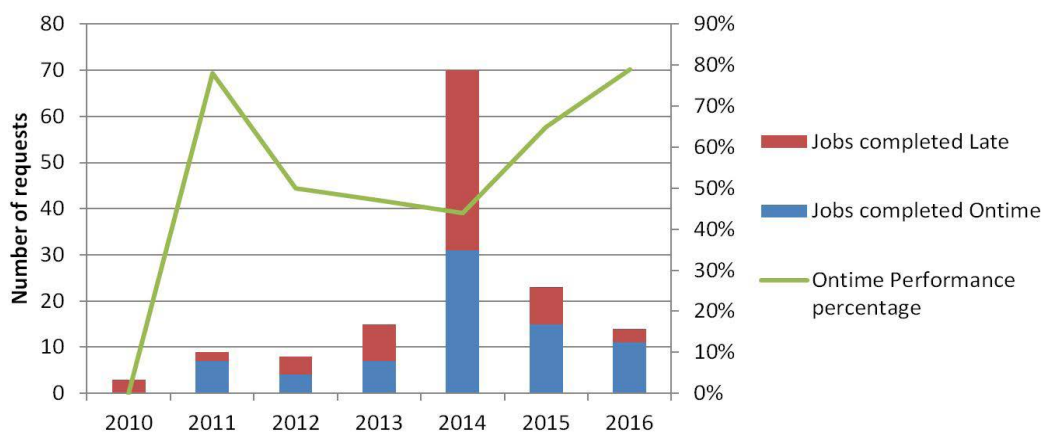
## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year’s operating surplus of \$233,489 was \$235,237 greater than the operating deficit recorded for the 2014/2015 year of \$1,747.

- Vested assets income – the level of vested assets that were recognised in the 2015/2016 year was \$320,588, which was \$259,590 higher than the

Fig. 3

## Customer Service Requests - Stormwater/Drainage



The data shown is calendar years and 2016 is showing January to July



amount of vested assets recognised in 2014/2015 of \$60,988.

- Employment costs – during the 2015/2016 year the dedicated Stormwater Engineer resigned and was not replaced and as a result, there has been a savings recorded for the year.
- Other direct expenditure – in 2014/2015, The Amberley Beach community undertook the renourishment work which was funded by a fund that the Beach ratepayers had been contributing to for the last seven years.

### Significant capital expenditure

Overall, \$341,417 was recognised as capital expenditure for the 2015/2016. This was \$175,283 lower than was budgeted for.

- Vested assets income – the level of vested assets that were recognised in the 2015/2016 year was \$320,588 plus a further \$1,795 of found assets were

recognised during the year. The budget allowed for the year was only \$95,700.

- Adjustments have been made to reclassify items that were recorded as capital work in progress last year as operating expenditure this year.

### Internal borrowing

- At the start of the financial year, the level of internal borrowing for stormwater was \$1,368,472.
- Cash operating deficits of \$193,069 and an adjustment to capital of \$19,034 has resulted in the balance of the internal borrowings for stormwater sitting at \$1,580,574 as at the end of the year – an overall increase in borrowing of \$212,102.
- The amount of internal interest charged to stormwater for the year was \$87,046, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$5,624.

## Group Activity - Stormwater

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b><u>Operating Statement</u></b>			
<b>OPERATING REVENUE</b>			
Rates	467,497	471,002	426,529
Internal Interest Received	5,624	1,670	6,245
Vested Assets	320,588	95,700	60,998
Development Contributions	38,680	13,826	75,008
<b>Total Operating Revenue</b>	<b>832,388</b>	<b>582,197</b>	<b>568,779</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	16,670	90,433	97,889
Other Direct Expenditure	390,061	169,338	250,568
Internal Interest Paid	87,046	100,116	97,625
Council Overheads	11,952	11,952	11,520
Depreciation	93,169	91,057	95,699
Loss on Disposal of Assets	0	0	17,226
<b>Total Operating Expenditure</b>	<b>598,899</b>	<b>462,895</b>	<b>570,526</b>
<b>Operating Surplus (Deficit)</b>	<b>233,489</b>	<b>119,302</b>	<b>(1,747)</b>
<b>CAPITAL EXPENDITURE</b>			
District Wide Stormwater	322,383	95,700	1,049,360
Amberley Beach Foreshore Protection	0	0	0
Amberley Stormwater	(87,676)	172,000	203,736
Cheviot Stormwater	0	0	0
Jed River Clearance	0	0	0
Motunau Beach Stormwater	0	48,000	0
Hanmer Springs Stormwater	45,623	148,000	5,392
Hawarden Stormwater	61,087	53,000	0
Waikari Stormwater	0	0	0
<b>Total Capital Expenditure</b>	<b>341,417</b>	<b>516,700</b>	<b>1,258,488</b>

# Roads & 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).

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

## Summary

During the year, the way in which we deliver our infrastructure services has been reshaped to put more emphasis on the delivery of our road and footpath services. This was done to better respond to community concerns that our roads were not being maintained well enough. We are responsible for most roads in the district (except State Highways). The maintenance of our roads and footpaths is done through contracted services and this year was the first year of our new contract with SICON Ltd. This is a substantial contract for the Council as funding our road network is our biggest single expenditure.

We have a set of challenging performance targets to aim for and so far we are seeing an increase on performance compared to previous years. As well as maintaining the roads and footpaths to ensure a safe and good quality network, the focus has been on improving our processes and our customers' experience. Overall, we are pleased with our progress during the year. The service delivery focus with new targets and emphasis on process and getting the work done has produced good results.

An area where we have put effort into has been to respond and complete customer service requests (CSRs) more quickly. Our responses to CSRs over the year has greatly improved with the number of overdue requests steadily decreasing. All requests are monitored and those overdue are reported to the Council and management team. A good indication of the improvements in this area can be seen by the increase in CSRs being met on time.

Fig 4 shows the volume and 'delivered on time' performance improvements. 2015 and 2016 shows a marked increase in the number of CSRs being completed within the timeframes set in our performance targets.

## Roads

Every month an audit of 40 kilometres is carried out in random places across the district looking at equal

portions of sealed and unsealed roads. The intention of this audit is to check the quality of the maintenance work being carried out. Working with SICON Ltd, we have seen consistently high results, which is evidence of the solid working relationship we have established. Fig 7 shows our quarterly performance and confirms that the work requirements are being fully met.

Another area of focus is road safety. A key factor here is the quality of the road surface. One of the main reasons for road deterioration is water being retained on the road, so this year has seen a heavy focus on removing water. This can be seen district wide by improved shape to our unsealed roads and better drainage on sealed and unsealed roads.

We had no fatalities or serious accidents recorded on our local roads. Unfortunately, a serious accident was recorded in the district on one of the state highways which are managed by the New Zealand Transport Agency (NZTA), not our council.

Across New Zealand, sealed roads are rated according to several measures. One of them is the 'smoothness' of roads. Our target is to make sure we have a better score than the rural roads national average. The national average is currently 95.21%, whereas we achieved a score of 99% - thus confirming we are providing a good driving surface for road users.

Unsealed roads require regular maintenance and the regularity of that maintenance depends on several factors such as the:

- location of the road and the local environment
- numbers of vehicles using it
- types of vehicles using it
- the way it was constructed

Among others, the main items that get checked are those that affect the driving experience of road users, namely potholes and corrugations.

Over the year, we resealed 32 kilometres of road which equates to 5.25% of the 609 kilometres of sealed roads we have in the district. We aim to reseat 5% each year which might seem small but at around \$34,000 per kilometre, this is expensive work. This rate of resealing will not keep up with the demand over time but will be reviewed during the next long term plan review in 2018.

The number of CSRs relating to the condition of our unsealed roads has significantly decreased during the year compared to previous years. This indicates that the

roads are in good condition as well as being confirmed through our audits and that there were no reported potholes or corrugations larger than our contract conditions (larger than 70mm in depth and 300mm in diameter). Fig 5 shows the number of CSRs relating to potholes and corrugations since 2012 and that they have reduced substantially over the past year.

## Footpaths

A Footpath Condition Assessment was commissioned to identify the state of our footpaths across the district. The assessment will be used to evaluate and cost a forward works programme for renewals and maintenance over the district in the coming years. As well as identifying the condition of the footpaths, all safety issues have been identified and plans established to remedy them.

Traditionally, footpath programmes have been established ward by ward but this has resulted in some areas having better or worse footpaths than others. Going forward we are aiming to have fit for purpose footpaths across the district, while still maintaining the local character of each township.

## Capital spend

The total capital spend for roading across the district was \$5,384,495, and footpaths \$291,578, with notable projects shown in the table below

Project	Cost
Unsealed road metalling	\$0.3 million
Sealed Road resurfacing	\$1.0 million
Drainage (culvert) renewals	\$0.1 million
Pavement rehabilitation	\$0.6 million
Structural components (bridges)	\$0.1 million
Traffic services renewals	\$0.2 million
Road marking	\$0.1 million
Safety improvements	\$0.5 million
Resilience improvements	\$0.3 million
Amberley footpath renewal	\$0.1 million
Hanmer Springs footpath renewal	\$0.1 million

## Performance measures

See the Appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$880,375 was recorded against a budgeted operating surplus of \$336,905. The key variances from budget have been:

- NZTA Subsidies – the total subsidies recognised in 2015/2016 was \$3,977,012, which was \$292,655 greater than was budgeted for which was the result of additional projects being funded for after the Long Term Plan budgets were finalised.
- Vested assets income – the total amount of assets vested in Council during the year amounted to \$1,834,760. The budget had allowed for only \$239,250.
- Other direct expenditure – the amount of other direct expenditure exceeds the budget by \$799,188. Contractors costs and external network management costs exceeded budget.
- Depreciation – the amount of depreciation charged has increased by \$534,647 on the level budgeted for. This was due to a reassessment of the level of depreciation as a result of the revaluation of the Council's roading assets that was carried out for the 2012/2013 year that did not flow through to the budget.

## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$880,375 was \$155,530 greater than the operating surplus recorded for the 2014/2015 year of \$724,845.

- Rates – there has been a decrease of \$265,423 in rates as was flagged in the Long Term Plan.
- NZTA subsidies – the level of costs that Council had incurred in the 2014/2015 year for emergency reinstatement work was far greater than the 2015/2016 year and as a result, the amount Council had received in NZTA subsidies has reduced this year.
- Vested assets income – the total amount of assets vested in Council during the year amounted to \$1,834,760. The amount recognised in 2014/2015 was only \$665,428.
- Operating expenditure – the Council did not incur any emergency reinstatement work in the 2015/2016 year as it had in previous years. As a result, the operating costs are \$164,006 lower in the 2015/2016 year.

## Significant capital expenditure

Overall, \$5,676,074 was recognised as capital expenditure for the 2015/2016. This was \$1,543,869 greater than was budgeted for.

- Subsidised roading – the Council spent a total of \$3.5 million on capital expenditure for roading during the year. These projects are partially funded by the New Zealand Transport Agency. The key projects for the year were 'unsealed road metalling', 'sealed road resurfacing' and 'area wide pavement rehabilitation'.

- In addition, a total of \$1,834,760 of roading assets were vested in Council during the year, this includes: \$849,385 in pavement surfacing; \$15,343 in retaining structures; \$327,671 in footpaths; \$256,136 in swales, kerb and channelling; \$203,204 street lights; and \$27,120 in land under roads.
- Footpath capital work had totalled \$291,578 for the year, in particular \$116,696 in the Amberley ward; \$41,659 in the Amuri ward; \$16,200 in the Cheviot ward; \$113,130 in the Hanmer Springs ward; and \$3,893 in the Hurunui ward,

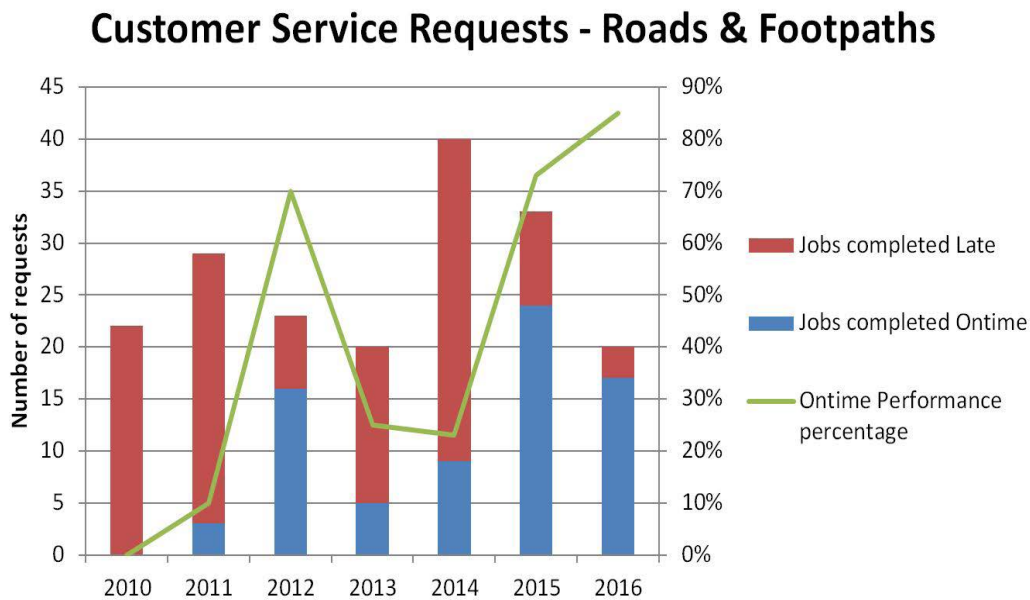
Amberley ward special projects. From 1 July 2015, the internal debt will also include balances of road-side construction accounts for each ward.

- Cash operating surpluses of \$471,844 and with a further \$291,578 of capital expenditure for footpaths incurred has resulted in the balance of the internal borrowings for roading sitting at \$42,445 as at the end of the year – an overall decrease in borrowing of \$180,265.
- The amount of internal interest charged to roading for the year was \$15,612, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$6,820.

### Internal borrowing

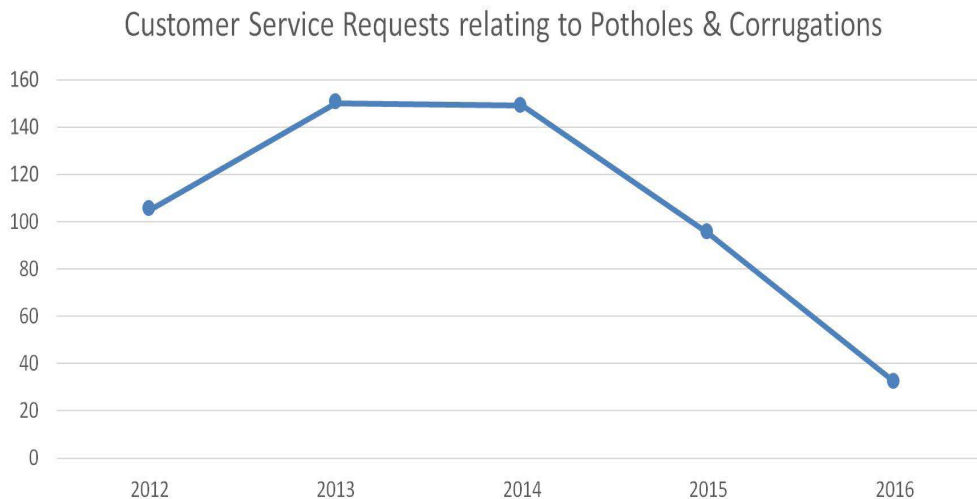
- At the start of the financial year, the level of internal borrowing for roading was \$222,710, which related to stage 1 of Woodbank Road sealing project and the

Fig 4.



The data shown is calendar years and 2016 is showing January to July

Fig 5



The data shown is calendar years and 2016 is showing January to July

## Group Activity - Roads and Footpaths

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b><u>Operating Statement</u></b>			
<b>OPERATING REVENUE</b>			
Rates	3,578,952	3,594,015	3,844,376
NZTA Subsidies	3,977,012	3,706,856	4,808,527
Other Income	177,525	155,043	163,252
Internal Interest Received	6,820	0	0
Vested Assets	1,834,760	239,250	665,428
<b>Total Operating Revenue</b>	<b>9,575,069</b>	<b>7,695,164</b>	<b>9,481,583</b>
<b>OPERATING EXPENDITURE</b>			
Other Direct Expenditure	3,809,234	3,009,501	3,972,625
Internal Interest Paid	15,612	14,467	1,660
Council Overheads	592,427	592,431	608,351
Depreciation	4,276,507	3,741,860	4,173,640
<b>Total Operating Expenditure</b>	<b>8,694,694</b>	<b>7,358,260</b>	<b>8,756,738</b>
<b>Operating Surplus (Deficit)</b>	<b>880,375</b>	<b>336,905</b>	<b>724,845</b>
<b>CAPITAL EXPENDITURE</b>			
Roading	5,384,495	3,906,204	5,134,559
Roadside Construction	291,578	226,000	305,939
<b>Total Capital Expenditure</b>	<b>5,676,074</b>	<b>4,132,205</b>	<b>5,440,497</b>

# Public Services

## Overview

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

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.

## Summary

The services we provide in this section are those that typically individuals and organisations could not afford to provide. We are pleased with our results over the past year but continually looking at how we can be more efficient and targeted to the changing world we live in while at the same time, retaining the unique character of the Hurunui district. Each year we undertake a telephone survey. Our services generally rate highly and this year, the results were in the main consistent with some higher and others lower.

Fig 6

Service/Facility	2010	2011	2012	2013	2014	2015	2016	Trend
The rural fire service	-	-	-	-	-	-	91	-
The maintenance of parks and reserves	85	91	87	-	90	-	88	↔
The library service	81	84	81	-	83	-	84	↔
The household waste collection service*	91	95	96	-	87	-	80	↓
The overall service received when contacted Council offices**	78	79	76	75	71	-	79	↑ since 2014
The household recycling collection service*	-	86	89	-	72	-	78	↑ since 2014
The quality of public toilets available	78	80	82	-	76	-	77	↔
The standard of local halls	76	78	78	-	73	-	71	↓ since 2012
The standard of cemeteries	60	68	62	-	70	-	55	↓ †See note below
With the Council's Civil Defence preparedness	-	-	-	-	-	-	52	-

Sample: Total participants: 2007 – 2015: 500; 2016: 300 Note: some services not asked about in all years

\*Sample: those who have their household waste collected by the Council: 2012: 261; 2014: 293; 2016: 158

\*\*Sample: those who contacted Council offices: 2010: 312; 2011: 305; 2012: 310; 2013: 322; 2014: 304; 2016: 178

† While satisfaction with cemeteries has decreased since 2014, this is due to an increase in DK/NA rather than an increase in dissatisfaction

## Waste/recycling -

Our transfer stations have proven to be popular, particularly the Amberley Transfer Station which has been operating since June 2014. The use of this has exceeded our expectations but also increased our waste to landfill (due to commercial volumes of waste being received) whereas ultimately we have a goal to reduce it. On the other hand, our recyclables are increasing as we intended. It would appear that through charging only 50 cents per recycling bag and \$2.50 for a rubbish/waste bag has encouraged people to recycle more when it comes to roadside collection. We also have permitted certain recyclables to be accepted for no charge at the transfer stations and that has also encouraged people to maximise their waste diversion. Our waste education programme continues to be popular with our schools, pre-schools and community groups and we also attend shows and other community events.

Fig 7 depicts the tonnage of waste and recycling we have managed over the past two years.

## Property

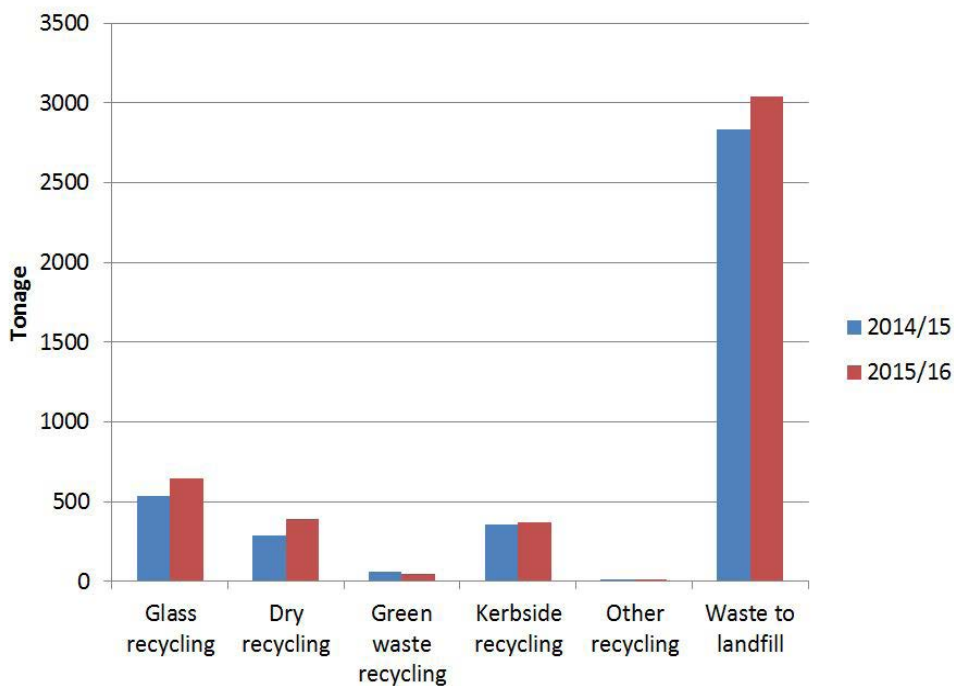
We manage and maintain many buildings, reserves and township amenities every year. Improvement works have been done in some of our reserves, particularly Chamberlain Park (Amberley), Hanmer Springs Sports Reserve, as well as the Glenmark and Hanmer Springs cemeteries. Earthquake repairs were finally carried out in the pensioner units in Amberley and Waikari. The camp amenities were upgraded at our popular camping grounds at Gore Bay.

## Emergency Services

The new Fire and Emergency New Zealand authority was announced during the year. This will be an amalgamation of all of the fire services in New Zealand Fire Service including ours. This has caused us to think

Fig 7

## Waste & Recycling Tonnage 2014/15 and 2015/16



about the transition period before the new service commences in July 2017. This is a vitally important service to our rural communities and we will continue to ensure that our fire crews have the resources they need to do their job. Our fire crews consist of mainly volunteers who give up their time to train and attend emergency situations. Without our volunteers, this service would not exist to the high level it does.

### Community

We can all feel very proud of our youth who have proven to be outstanding. During the year, they have been recognised through the following awards:

- Ministry of Youth Development – winner of the Youth Group Award
- Hurunui District Council – Youth Council recognised for their contribution to our community
- Youth Voice Canterbury Awards
- U.S. Embassy Youth Council Te Tohi Tokomaha (Youth Group) Award – winner - Hurunui Youth Council
- Supreme Youth Award for the Hurunui District Sponsored by Patoa Farms – Sean Ryan, chair of the Hurunui Youth Council
- Vodafone Foundation Te Tohu Hihiri Taumata (Working for youth) Award - runner up, Rochelle Faimalo (our Youth Development Officer)

- Brookfields Emerging Leader of the Year Award - highly commended citation Rochelle Faimalo

Our library service has broadened its range of e-materials (books, newspapers, magazines, etc) and these are available at no cost to our library members.

### Performance measures

See the Appendices section of this Annual Report for performance measures and data.

### Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating deficit of \$2,148,222 was recorded against a budgeted operating deficit of \$2,193,817. The key variances from budget have been:

- Other income – the level of Other income is up on budget by \$1,015,573 due to:
  - Forestry proceeds exceeding budget by \$429,000
  - Insurance proceeds being received on community buildings of \$255,490, that were not budgeted for.
  - Income from rural fire control that exceeded budget by \$217,000, including \$106,000 in recoveries and \$69,000 in subsidies for equipment.

- Transfer station charges were ahead of budget by \$240,000 but the sale of refuse and recycling bags was only \$215,000 as opposed to a budget of \$532,000.
- Other direct expenditure – the level of other expenditure is up on budget by \$915,199 mainly due harvesting costs for forestry have exceeded budget by \$471,000.
- Library – \$62,257 was spent on library books for the year.
- Amberley Reserves – Council settled the purchase of a new Eastern Reserve for Amberley at a cost of \$370,919.
- Rural Fire – further rural fire appliances and digital radios were purchased for the Rural Fire parties in the district.

### Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating deficit of \$2,148,222 was \$1,432,799 lower than the operating deficit recorded for the 2014/2015 year of \$715,422.

- Rates – the level of rates struck for Public Services was \$590,841 lower than was received in the 2014/2015 year. This was flagged in the Long Term Plan and primarily relates to the decision to reduce refuse collection rates in lieu of charging for refuse and recycling bags.
- Other income – this has reduced from last year by \$483,658, which is primarily due to forestry proceeds being \$1,004,000 less than was recorded in the previous year due to a lower level of harvesting undertaken. This was offset by receiving \$255,490 in insurance proceeds on community buildings.
- Development contributions – The increased level of development in Amberley has dropped off resulting in the level of development contributions received for reserves being substantially less in the 2015/2016 year than in the previous year.
- Other direct expenditure – this is \$218,158 lower than last year mainly due to the reduction in the costs of harvesting, which was \$421,375 less than last year due a smaller area of forest being harvested.

### Significant capital expenditure

Overall, \$938,059 was recognised as capital expenditure for the 2015/2016. This was \$179,941 lower than the level budgeted for.

- Property – costs of \$246,167 was incurred on the Amberley Business Park which was not budgeted for. The Long Term Plan did allow for \$300,000 to be spent on renovations for the Cheviot Medical Centre, which has been deferred to the 2016/2017 year.

### Internal borrowing

- At the start of the financial year, the level of internal borrowing for community services and facilities was \$3,123,113.
- Operating deficits recorded by the individual public services funded by targeted rate totalled \$630,260 and further \$407,111 of capital expenditure incurred has resulting in the balance of the internal borrowings for public services sitting at \$4,160,484 at the end of the year – an overall increase of \$1,037,484.
- The amount of internal interest charged to the Public Services for the year was \$306,656 and for those activities that held funds (rather than being in debt) receiving an amount of internal interest totalling \$93,203.



## Group Activity - Public Services

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b><u>Operating Statement</u></b>			
<b>OPERATING REVENUE</b>			
Rates	3,534,940	3,511,547	4,125,782
Other Income	2,723,598	1,708,025	3,207,256
Internal Interest Received	93,203	75,898	82,203
Development Contributions	272,853	188,843	530,671
<b>Total Operating Revenue</b>	<b>6,624,594</b>	<b>5,484,312</b>	<b>7,945,912</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	1,264,911	1,225,196	1,043,268
Other Direct Expenditure	5,118,894	4,203,695	5,337,052
Internal Interest Paid	306,656	308,417	345,546
Council Overheads	1,302,512	1,302,509	1,227,768
Depreciation	779,842	638,313	707,700
<b>Total Operating Expenditure</b>	<b>8,772,816</b>	<b>7,678,129</b>	<b>8,661,334</b>
<b>Operating Surplus (Deficit)</b>	<b>(2,148,222)</b>	<b>(2,193,817)</b>	<b>(715,422)</b>
<b>CAPITAL EXPENDITURE</b>			
Community Services	0	0	60,366
Property	275,936	312,500	49,791
Reserves	391,774	590,500	158,096
Emergency Services	161,777	145,000	214,595
Library	62,257	70,000	54,309
Waste Minimisation	46,316	0	88,943
<b>Total Capital Expenditure</b>	<b>938,059</b>	<b>1,118,000</b>	<b>626,099</b>

# 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.

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

## Summary

We have had a good year and achieved most of our performance targets. We consistently maintained a high performance in processing nearly all of applications for building and resource consents well within the legal 20 working day limit. (We only missed two!) We are very pleased with this achievement and know that our customers are too. The faster we can meet this demand, the quicker our residents can get on with their projects. Resource and Building consent numbers have decreased in line with the economic impacts of the drought and lower dairy payments but growth is continuing, with the larger scale subdivision and land use consents continuing to be in Amberley and Hanmer Springs (fig 8 & 9).

We aim to inspect one third of all known properties with swimming pools each year so that over a 3-year period we will have inspected all swimming pools for safe fencing. We achieved this target.

Although we aim to inspect all food and liquor premises each year, we only inspected 91% of food premises due to the implementation of the new Food Act. The emphasis is now on high risk premises which require a transition to Food Control Plans by early next year.

In a rural district such as ours, there are many animals, however, we receive surprisingly few complaints about roaming stock and biting dogs. Those we do receive; we consistently respond within 24 hours. Given the geographical spread of the district, this is a great result as invariably there is a large distance to cover to reach the animals and owners relating to the complaints.

We continued with our review of the District Plan during the year. This complex and lengthy review has taken longer than our original intention but we believed that it was more important to bring the community with us on this journey and take the time to ensure that our District Plan is a good fit for the Hurunui District. It will be finalised in 2016/17 year, but due to the hours and hours spent on the District Plan, we would be remiss

not to mention it here. The District Plan is a critical document for the district due to the protection it offers land owners and our environment.

## Performance measures

See the Appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$58,840 was recorded against a budgeted operating budget of \$3,486. The key variances from budget have been:

- Other income – other income for the year was \$117,783 lower than budget, mainly due to the income derived from the building control department being lower than expected by \$98,718.
- Employment costs – Wages for resource management was \$110,000 lower than budget due to less planning staff than was budgeted for.

## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$58,840 was \$68,359 greater than the operating deficit recorded for the 2014/2015 year of \$9,520.

- Rates – the rates charged for the 2014/2015 year were greater than the level struck for the previous year due to the increased costs relating to building control.
- Employment costs – there was a decrease from 2014/2015 in the employment costs due to lower staff numbers in planning and building control than the previous year.

## Significant capital expenditure

Overall, \$36,924 was recognised as capital expenditure for the 2015/2016. This was \$38,076 lower than was budgeted for.

- A replacement vehicle was purchased with two other budgeted by deferred until the 2016/2017 year.

## Internal borrowing

This activity does not hold internal borrowings.

Fig 8

### Building Consent Applications and Processing Timeliness

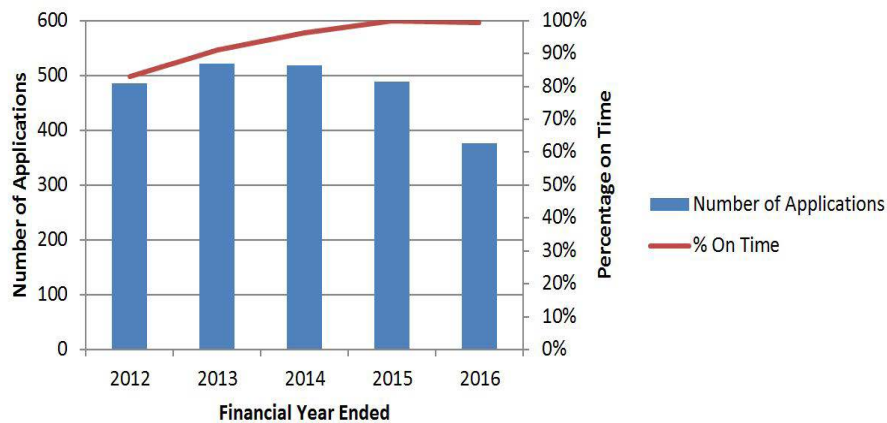
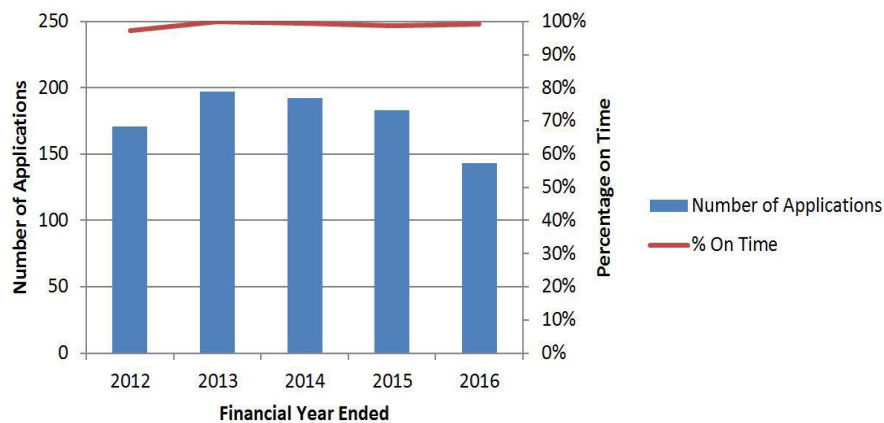


Fig 9

### Resource Consent Applications and Processing Timeliness



## Group Activity - Regulatory Services

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b>Operating Statement</b>			
<b>OPERATING REVENUE</b>			
Rates	1,363,249	1,364,187	1,242,061
Other Income	1,330,833	1,448,616	1,408,719
<b>Total Operating Revenue</b>	<b>2,694,083</b>	<b>2,812,803</b>	<b>2,650,781</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	1,287,900	1,458,558	1,501,484
Other Direct Expenditure	700,683	712,761	632,306
Council Overheads	605,162	605,161	494,268
Depreciation	41,499	32,837	32,243
<b>Total Operating Expenditure</b>	<b>2,635,243</b>	<b>2,809,317</b>	<b>2,660,301</b>
<b>Operating Surplus (Deficit)</b>	<b>58,840</b>	<b>3,486</b>	<b>(9,520)</b>
<b>CAPITAL EXPENDITURE</b>			
Resource Management & Planning	36,924	25,000	0
Compliance and Regulatory Functions	0	50,000	39,040
<b>Total Capital Expenditure</b>	<b>36,924</b>	<b>75,000</b>	<b>39,040</b>

# Hanmer Springs Thermal Pools & Spa

## Overview

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

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

## Summary

Our total profit for the year was \$2,532,773 which was \$25,252 down on what we anticipated for the year. While not achieving budgeted levels for the year, a surplus growth of 3% was achieved. Key factors influencing this result was the Tea Kiosk Cafe and Grill not achieving our budgeted revenue levels in the months following the renovation programme of the restaurant.

We set up an Artisan spa late last year in Hanmer Springs on a separate site to the thermal pools and spa to meet the growing market for this type of luxury service. We incurred trading losses in the start-up phase of the business but this has quickly turned around and now generating its own profits.

The thermal pools showed strong revenue and surplus growth for the year.

During the year over half a million (528,967) customers visited the Hanmer Springs Thermal Pools and Spa complex. This was up on the previous year and met our target of 2% growth. The Christchurch market (which represents three quarters of our business), declined by 3%. However, this was offset by a 17% growth from the international market which has been a focus of our marketing efforts.

We recorded high customer satisfaction levels. Although our customer satisfaction ratings are consistently high, three of our top four key customer satisfaction questions showed further improvement over last year as shown below.

A net promoter score of 52 has been achieved for the year. The net promoter score is used extensively to gauge the popularity of businesses. The score reflects

the consumers willingness to promote a business to other consumers. Our research company Stratos advises us that a score over 50% is a very good result.

## Performance measures

See the Appendices section of this Annual Report for performance measures and data.

## Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating surplus of \$1,571,031 was recorded against a budgeted operating surplus of \$1,462,638. The key variances from budget have been:

- Other income – income from the Hanmer Springs Thermal Pools and Spa finished the year \$412,685 lower than the amount budgeted for. The budget expectation for the café and the Artisan Spa were higher than were achieved.
- Internal interest – the internal debt was adjusted to move in line with the actual capital expenditure and as a result the interest charge for the year was \$165,936 lower than was allowed for in the budget.

## Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$1,571,031 was \$100,855 higher than the operating surplus recorded for the 2014/2015 year of \$1,459,945. The key variances from last year was:

- Other income – income is higher for the by \$801,981 due to a combination pools and spa revenue increasing and higher revenue derived from the upgraded café and the new Artisan Spa.
- Employment costs and other direct expenditure – overall, direct expenditure increased by \$692,636, of which the upgraded café and the new Artisan Spa are contributing factors.

## Significant capital expenditure

Overall, \$2,007,354 was recognised as capital expenditure for the 2015/2016. This was \$1,507,354 greater than was budgeted for, although there were funds carried forward from the previous year. The key projects undertaken were: the completion of the changing rooms upgrade at a cost of \$200,000; café

## Customer satisfaction questions & rating

Are changing facilities clean and tidy?	93% satisfied (last year 85%)
Total complex clean and tidy?	94% satisfied (last year 94%)
Lifeguard supervision adequate?	93% satisfaction (last year 94%)
Staff friendly and helpful?	94% satisfaction (last year 92%)

buildings upgrade of \$569,000, cafe equipment of \$419,000 and the final payments for the discharge bore of \$395,000.

### Internal borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$10,637,848.
- The business unit transferred a total of \$2,130,435 to Council, of which \$2,000,000 was the allocation of interest and dividends. The Council provided a

further \$700,000 in working capital to the pools operation, which resulted in the internal debt sitting at \$11,207,413 at the end of the year – and increase of \$569,565.

- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$729,400.

## Group Activity - Hanmer Springs Thermal Pools & Spa

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b><u>Operating Statement</u></b>			
<b>OPERATING REVENUE</b>			
Other Income	11,228,957	11,641,642	10,201,913
<b>Total Operating Revenue</b>	<b>11,228,957</b>	<b>11,641,642</b>	<b>10,201,913</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	4,371,553	4,154,469	3,910,279
Other Direct Expenditure	3,557,346	4,190,428	3,111,153
Internal Interest Paid	729,400	895,336	782,751
Council Overheads	145,453	145,453	138,132
Depreciation	854,173	793,318	799,654
<b>Total Operating Expenditure</b>	<b>9,657,926</b>	<b>10,179,004</b>	<b>8,741,968</b>
<b>Operating Surplus (Deficit)</b>	<b>1,571,031</b>	<b>1,462,638</b>	<b>1,459,945</b>
<b>CAPITAL EXPENDITURE</b>			
HSTP&S	2,007,354	500,000	2,060,944
<b>Total Capital Expenditure</b>	<b>2,007,354</b>	<b>500,000</b>	<b>2,060,944</b>

## Governance & Corporate

### Financial commentary – 2015/2016 actual compared with 2015/2016 budget

Overall, an operating deficit of \$565,172 was recorded against a breakeven budget for the year. The key variances from budget have been:

- Other income – Other income was higher than budget due to:
  - Transwaste dividend for the year was \$177,600, whereas the budget was only \$72,000.
  - Insurance proceeds for Council office was \$90,000 that was not budgeted for.
- Other direct expenditure – direct costs were \$433,788 higher than budgeted. The key variances were in the treasury area where external interest costs were \$271,247 lower than budgeted for due to lower external debt than was anticipated. This was offset by the \$875,058 change in the fair value of the Council's interest rate swap portfolio that was recognised as a cost during the year.

### Financial commentary – 2015/2016 actual compared with 2014/2015 actual

This year's operating surplus of \$565,172 was \$236,335 greater than the operating deficit recorded for the 2014/2015 year of \$801,508. The key variances from last year were:

- Rates – as allowed for in the Long Term Plan, rates were \$350,038 greater than the previous year mainly from the lower surplus budgeted to be recorded in treasury which is used to offset general rates.
- Employment costs - As a result of the change in the structure of the organisation, employment costs allocated to Governance and Corporate were \$219,431 higher than the previous year.

### Significant capital expenditure

Overall, \$412,270 was recognised as capital expenditure for the 2015/2016. This was \$97,390 greater than was budgeted for.

- Included in capital was \$133,549 incurred a part of the office alterations in Amberley.

### 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 \$1,917,226.

The total internal interest paid to those activities that held funds was \$122,790.

## Group Activity - Governance and Corporate

	2015/2016 Actual	2015/2016 Budget	2014/2015 Actual
<b>Operating Statement</b>			
<b>OPERATING REVENUE</b>			
Rates	186,996	160,407	(163,042)
Other Income	682,971	315,800	603,434
Internal Interest Received	1,917,226	2,089,156	1,908,309
Council Overheads (Income)	5,206,060	5,206,025	4,929,155
<b>Total Operating Revenue</b>	<b>7,993,252</b>	<b>7,771,387</b>	<b>7,277,856</b>
<b>OPERATING EXPENDITURE</b>			
Employment Costs	3,426,147	3,306,832	3,206,716
Other Direct Expenditure	3,050,782	2,616,994	3,061,447
Internal Interest Paid	122,790	77,649	107,167
Council Overheads	1,476,374	1,476,369	1,371,252
Depreciation	482,332	293,543	332,782
<b>Total Operating Expenditure</b>	<b>8,558,424</b>	<b>7,771,387</b>	<b>8,079,364</b>
<b>Operating Surplus (Deficit)</b>	<b>(565,172)</b>	<b>0</b>	<b>(801,508)</b>
<b>CAPITAL EXPENDITURE</b>			
Governance	0	0	0
Corporate Services	412,270	314,880	192,084
<b>Total Capital Expenditure</b>	<b>412,270</b>	<b>314,880</b>	<b>192,084</b>

# Overall comparison with the 2015/16 LTP

## Performance:

There was no major variance from the strategic directions outlined in the 2015/2025 Long Term Plan. The Council recorded a net surplus after tax of \$440,000 whereas the Council budgeted to record a deficit after tax for the 2015/2016 year \$1,097,000. In addition, the Council recorded a gain on the value of its assets of \$64.1 million and recognised a \$26,000 increase in its equity shares which brought the total comprehensive income for the Council for the year to \$64,596,000.

## Revenue:

Operating revenue for the year was \$40,014,000 which was \$4,485,000 greater than predicted in the Long Term Plan. The key variances being:

- Rates received were \$148,000 greater than allowed for in the Long Term Plan. This was due to there being a greater number of properties being rated for than was anticipated when the budgets were prepared.
- Subsidies and grants were \$290,000 higher than was budgeted for. Of this amount \$292,655 relates to NZTA subsidies received on additional expenditure approved after the Long Term Plan budgets were finalised.
- Forestry proceeds for the year were \$507,891, whereas the budget was only \$78,000.
- Insurance proceeds from outstanding claims on damage resulting from the Canterbury earthquakes recognised during the year were \$366,488 which were not budgeted for.
- Vested asset income totalled \$3,345,000 whereas the budget was only \$488,650.

## Operating expenditure:

Operating expenditure was \$39,575,000 for the year, \$2,949,000 greater than was predicted in the Annual Plan, the key variances being:

- Roading expenditure overall was \$799,118 greater than budget due to additional expenditure being funded by NZTA after the budgets were completed.
- Costs associated with forestry harvest was \$429,000, which was not budgeted for.
- As part of the costs recognised by treasury, \$875,000 was relating to the change in the fair value of the Council's interest rate swaps, which were not budgeted for.
- Depreciation overall was \$1,053,000 greater than was budgeted for. This was mainly from roading where the budget was not aligned to that of the valuation that was carried out in 2013.

## Capital expenditure

Total capital expenditure for the year was \$13.6 million as opposed to the budget of \$13.32 million. The key reasons for this result are:

- Water supplies – total capital expenditure was \$3,426,289 compared to the budget of \$4,657,569. Total assets vested in the Council were \$803,828 plus a further \$61,905 of found assets were recorded. Significant works were undertaken on the Ashley supply to provide water to the northern area of the supply. Further works on the treatment upgrade for the Waiau township supply, of which subsidies were received. There were numerous budgets for facilities and reticulation renewals which were largely under-spent during the year, the key one of which was the reticulation renewal for the Culverden township of \$570,000 which was deferred as the replacement was not yet required.
- Sewer – total capital expenditure was \$721,982 compared to a budget of \$2,004,807. Total assets vested for the year was \$385,359 plus a further \$6,044 of found assets were recorded. The key projects budgeted for was pipe upgrades for Amberley and the disposal project for Hanmer Springs. One of the Amberley pipe upgrades, budgeted at \$817,000 was deferred and only \$72,000 of the budgeted \$500,000 of the first stage of the disposal project for Hanmer Springs was spent.
- Stormwater and drainage – total capital expenditure was \$341,417 compared to a budget of \$516,700. Total assets vested for the year was \$320,588 plus a further \$1,795 of found assets were recorded.
- Roading and footpaths - total capital expenditure was \$5,676,074 compared to a budget of \$4,132,205. Total assets vested for the year was \$1,834,760. The key projects for the year were unsealed road metal-ling, sealed road resurfacing and area-wide pavement rehabilitation. In addition, total of \$291,578 was spent on various footpath projects during the year.
- Public Services - total capital expenditure was \$938,059 compared to a budget of \$1,118,000. The purchase of the Eastern Reserve for Amberley was settled during the year at a cost of \$371,000. Council also incurred unbudgeted costs of \$246,000 in the Amberley Business Park. It was budgeted that \$300,000 would be spent on renovations for the Cheviot Medical Centre. This project was deferred to the 2016/2017 year.
- Hanmer Springs Thermal Pools and Spa - total capital expenditure was \$2,007,354 compared to a budget

of \$500,000. The key projects undertaken were: the completion of the changing rooms upgrade at a cost of \$200,000; café buildings upgrade of \$569,000, café equipment of \$419,000 and the final payment for the discharge bore of \$395,000.

- Governance and corporate services – total capital expenditure was \$412,270 compared to a budget of \$314,880. The key capital projects were replacement of vehicles and information technology equipment but a cost of \$134,000 was incurred on the alterations to the office in Amberley.



# Financial statements

# Statement of comprehensive revenue and expense

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Group			Council	
		Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Revenue</b>						
Rates, excluding targeted water supply rates	3	14,858	14,919	14,858	14,847	14,919
Targeted rates for water supply	3	682	496	682	545	496
Subsidies and grants	4	4,028	4,869	4,028	3,738	4,869
Development and financial contributions		537	956	537	553	956
Fees and charges, excluding those for water supplies	5	14,014	12,806	14,014	14,379	12,806
Fees and charges for water supplies	5	570	336	570	118	336
Interest revenue	6	49	65	49	0	65
Other revenue	7	5,277	3,019	5,277	1,349	3,019
		<b>40,014</b>	<b>37,465</b>	<b>40,014</b>	<b>35,529</b>	<b>37,465</b>
<b>Less Expenditure</b>						
Employee Benefits	8	11,136	10,546	11,136	11,020	10,546
Other Expenses	9	17,973	17,436	17,973	16,798	17,436
Finance Expenses	6	1,871	1,688	1,871	1,267	1,688
Depreciation, Amortisation and Loss on Disposal	20	8,593	8,240	8,593	7,541	8,240
<b>Total Operating Expenditure</b>		<b>39,574</b>	<b>37,909</b>	<b>39,574</b>	<b>36,626</b>	<b>37,909</b>
<b>Operating Surplus/(Deficit) before tax</b>		<b>440</b>	<b>(444)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
Share of associates surplus/(deficit)		(7)	(4)	0	0	0
<b>Net Surplus/(Deficit) before tax</b>		<b>433</b>	<b>(448)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
Tax Expense	10	0	0	0	0	0
<b>Net Surplus/(Deficit) after tax</b>		<b>433</b>	<b>(448)</b>	<b>440</b>	<b>(1,097)</b>	<b>(444)</b>
<b>Add Other Comprehensive Revenue and Expense</b>						
Gains/(Losses) on Asset Revaluation		64,130	11,010	64,130	10,622	11,010
Gains/(Losses) in Fair Value of Shares		26	151	26	0	151
		<b>64,156</b>	<b>11,161</b>	<b>64,156</b>	<b>10,622</b>	<b>11,161</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>64,589</b>	<b>10,713</b>	<b>64,596</b>	<b>9,525</b>	<b>10,717</b>

The accompanying policies and notes form part of the financial statements.

# Statement of financial position

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	Group			Council	
		Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	11	1,274	1,774	1,274	453	1,774
Trade and other receivables	12	1,850	3,149	1,850	3,442	3,149
Inventories	15	214	157	214	143	157
Non-current assets held for sale	16	305	305	305	305	305
Derivative financial instruments	13	0	0	0	0	0
<b>Total current assets</b>		<b>3,643</b>	<b>5,384</b>	<b>3,643</b>	<b>4,343</b>	<b>5,384</b>
<b>Non-current assets</b>						
Property, plant and equipment						
- Operational	18	47,425	46,380	47,425	45,208	46,380
- Restricted	18	37,489	37,315	37,489	39,219	37,315
- Infrastructure	18	369,007	301,147	369,007	308,356	301,147
Intangible assets	19	394	254	394	266	254
Forestry assets	21	502	552	502	950	552
Other financial assets	14	924	825	924	617	825
Investments in associates	17	200	207	0	0	0
Derivative financial instruments	13	0	35	0	0	35
<b>Total non-current assets</b>		<b>455,941</b>	<b>386,716</b>	<b>455,741</b>	<b>394,616</b>	<b>386,509</b>
<b>Total assets</b>		<b>459,584</b>	<b>392,100</b>	<b>459,384</b>	<b>398,959</b>	<b>391,893</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables and deferred revenue	22	6,040	6,332	6,040	4,995	6,332
Landfill aftercare provision	25	8	8	8	0	8
Employee entitlements	24	1,111	987	1,111	1,782	987
Current portion of term debt	23	0	0	0	0	0
Derivative financial instruments	13	21	13	21	0	13
<b>Total current liabilities</b>		<b>7,180</b>	<b>7,340</b>	<b>7,180</b>	<b>6,777</b>	<b>7,340</b>
<b>Non-current liabilities</b>						
Term debt	23	19,500	17,200	19,500	26,000	17,200
Landfill aftercare provision	25	102	98	102	0	98
Employee entitlements	24	50	93	50	0	93
Derivative financial instruments	13	1,639	808	1,639	0	808
<b>Total non-current liabilities</b>		<b>21,292</b>	<b>18,199</b>	<b>21,292</b>	<b>26,000</b>	<b>18,199</b>
<b>Total liabilities</b>		<b>28,472</b>	<b>25,539</b>	<b>28,472</b>	<b>32,777</b>	<b>25,539</b>
<b>Net assets</b>		<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>
<b>Equity</b>						
Asset revaluation reserve	26	274,560	210,485	274,560	178,242	210,485
AFS investments revaluation reserve	26	434	408	434	0	408
Special fund reserves	26	2,310	1,598	2,310	0	1,598
Rate reserve funds	26	(29,995)	(26,338)	(29,995)	(23,988)	(26,338)
Retained earnings	26	183,804	180,408	183,603	211,928	180,201
<b>Total Equity</b>		<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>

The accompanying policies and notes form part of the financial statements.

# Statement of changes in equity

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Group		Council		
		Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Equity at Start of Year</b>		<b>366,561</b>	<b>354,730</b>	<b>366,354</b>	<b>356,657</b>	<b>354,519</b>
Add Total Comprehensive Revenue and Expense for Year		64,589	10,713	64,596	9,525	10,717
Adjustment to opening balance of Rate Reserve Funds		(108)	0	(108)	0	0
Found Assets	18	70	1,119	70	0	1,119
<b>Equity at End of Year</b>	<b>26</b>	<b>431,112</b>	<b>366,561</b>	<b>430,912</b>	<b>366,182</b>	<b>366,354</b>

The accompanying policies and notes form part of the financial statements.

# Statement of cash flows

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

Notes	Group			Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Budget 2016 \$000's	Actual 2015 \$000's
<b>Cash flows from operating activities</b>					
Revenue	37,000	36,740	37,000	34,969	36,740
Agency receipts	3,136	3,218	3,136	2,243	3,218
Interest received	49	65	49	0	65
Dividends received	172	163	172	72	163
Payments to suppliers and employees	(28,693)	(29,453)	(28,693)	(27,818)	(29,453)
Interest and other costs of finance paid	(997)	(781)	(997)	(1,267)	(781)
Agency payments	(3,136)	(3,218)	(3,136)	(2,243)	(3,218)
Net GST Movement	376	256	376	0	256
<b>Net cash from operating activities</b>	<b>7,907</b>	<b>6,990</b>	<b>7,907</b>	<b>5,956</b>	<b>6,990</b>
<b>Cash flows from investing activities</b>					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	0	0	0	0	0
Proceeds on sale of investments	0	71	0	0	71
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	(151)	(57)	(151)	0	(57)
Payment for plant, property & equipment	(10,556)	(10,305)	(10,556)	(12,831)	(10,305)
<b>Net cash from investing activities</b>	<b>(10,707)</b>	<b>(10,291)</b>	<b>(10,707)</b>	<b>(12,831)</b>	<b>(10,291)</b>
<b>Cash flows from financing activities</b>					
Proceeds from the issue of debt securities	5,000	4,000	5,000	7,300	4,000
Repayment of loans	(2,700)	(3,000)	(2,700)	0	(3,000)
<b>Net cash from financing activities</b>	<b>2,300</b>	<b>1,000</b>	<b>2,300</b>	<b>7,300</b>	<b>1,000</b>
<b>Increase/(decrease) in cash &amp; cash equivalents</b>	<b>(500)</b>	<b>(2,301)</b>	<b>(500)</b>	<b>425</b>	<b>(2,301)</b>
Cash and cash equivalents as 1 July	1,774	4,075	1,774	28	4,075
<b>Cash and cash equivalents as 30 June</b>	<b>1,274</b>	<b>1,774</b>	<b>1,274</b>	<b>453</b>	<b>1,774</b>

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

# Notes to the financial statements

## Note 1: Statement of Accounting Policies for the year ended 30 June 2016

### 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), associate Enterprise North Canterbury (50% equity share) and Canterbury Economic Development Company Limited (10%) 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 2016. The financial statements were authorised for issue by the Council on 1 December 2016.

### 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.

There have been no material changes in accounting policies or estimates during the year.

### Statement of compliance

The financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements 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).

### Standards issued and not yet effective and not early adopted

Amendments have made to the PBE accounting standards as a consequence of IASB and IPSASB's annual standards improvements process. These updated standards apply to PBEs with reporting periods beginning on or after 1 January 2016. The Council will apply these updated standards in preparing its 30 June 2017 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards

## Summary of Significant Accounting Policies

### 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.

### Subsidiaries

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

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

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

### *Associates*

The Council's associate investment is accounted for in the group financial statements using the equity method. 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 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 Council 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.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

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

### **Revenue**

Revenue is measured at the 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 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.
- Rate 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 Environment Canterbury (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

#### *Development 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.

#### *New Zealand Transport Agency roading subsidies*

The Council receives funding assistance from the 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 facilities, such as local swimming pools and Hanmer Springs Thermal pools and Spa. 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 by users.

### *Infringement fees and fine*

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines.

### *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 from property developments, the fair value is based on construction price information provided by the property developer or the Council's standard unit costs are used.

For long-lived assets that must be used for a specific use (e.g. 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 it will need to return or pass the asset to another party.

### *Interest revenue*

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

### *Dividend revenue*

Dividends are recognised when the right to receive payment has been established.

### **Borrowing costs**

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

### **Grant expenditure**

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

### **Income tax**

Income tax expense includes components relating to both 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. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

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



## Leases

### *Operational leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised 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.

### Cash and cash equivalents

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.

### Trade and other receivables

Receivables are recorded at their face value, less any provision for impairment.

### Derivative financial instruments

Derivative financial instruments are used to manage exposure to 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.

### Other financial assets

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows

from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

### *Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently

measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### *Fair value through other comprehensive revenue and expense*

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## **Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### *Loans and receivables, and held-to-maturity investments*

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership,

or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

### *Financial assets at fair value through other comprehensive revenue and expense*

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

## **Inventories**

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at, adjusted, when applicable, for any loss of service potential.

The amount of any write-down for the loss of service potential or from cost to net realisable value is

recognised in the surplus or deficit in the period of the write-down.

### Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale 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 (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

### Property, plant & equipment

Property, plant and equipment consists of:

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

**Restricted assets** — Restricted assets are parks and reserves owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** — Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network.

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

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

#### Additions

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

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

#### Disposals

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

#### Subsequent Costs

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

#### Revaluation

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

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

#### Operational Land and Buildings

Land and Buildings were valued by QV Limited (Registered Valuers) as at 30 June 2014. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2014. They are stated at valuation less accumulated depreciation and accumulated impairment.

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

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

### *Restricted Assets*

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

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

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

The roading valuation includes land under the roading network. The valuation of this land is based on the average rateable value of land in the associated ward as determined by QV Valuations (Registered Valuers) as at 30 June 2005. Under NZ IFRS 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.

Roading assets have been valued at depreciated replacement cost as at 30 June 2016. The valuation was performed internally by HDC’s Roading Engineer – Asset Management, J Whyte and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. Additions and disposals after the date of valuation will be recorded at cost.

Water, Sewerage, Stormwater and Drainage Assets have been valued at depreciated replacement cost as at 30 June 2015. The valuation was performed internally by the Council’s Technical Officer - Utilities, D Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. Additions and disposals since the date of valuation have been recorded at cost. The sewer ponds in Amberley and Hanmer Springs have been valued at costs less accumulated depreciation.

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.

### *Depreciation*

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

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

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as shown opposite.

### *Intangible assets*

#### *Software acquisition and development*

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

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

#### *Carbon Credits*

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.

	Useful Life	Depreciation Rate
Buildings - wooden (excluding properties intended for sale)	50 years	2%
Buildings - concrete (excluding properties intended for sale)	100 years	1%
Furniture and fittings: administration	5 years	20%
Furniture and fittings: pensioner flats	10 years	10%
Library books	3 – 8 years	12.5 – 33.33%
Computer hardware	3 – 4 years	25 – 33.33%
Motor vehicles	5 years	20%
Thermal pools - plant	5 years	20%
Thermal pools – development expenditure	20 – 100 years	1% - 5%
Plant and machinery (excluding HDC's infrastructural assets)	10 years	10%
Small plant and machines	3 - 10 years	10 - 33.33%
Car parks	20 – 25 years	4 – 5%
Landscaping	10 – 50 years	2 – 10%
<b>Roads, Streets and Bridges</b>		
- 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%
<b>Sewerage</b>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.5%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
<b>Water</b>		
- 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%
<b>Drainage</b>	3 - 10 years	10 - 33.33%
- Points	80 years	1.25%
- Lines	50 - 80 years	1.25 – 2%

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

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

Computer software 3 – 4 years 25 – 33%

Aerial Photos 10 years 10%

### Impairment of property, plant, and equipment and intangible assets

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

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

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

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

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

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

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

## Forestry assets

Standing forestry assets are independently revalued annually by Laurie Forestry Ltd 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.

## Creditors and other payables

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

## Borrowings

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

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

## Employee Entitlements

### *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.

## Provisions

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.

## Equity

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.

- retained earnings;
- restricted reserves;
- asset 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.

## Goods and Services Tax

All 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 2015/2016 long term plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

## Cost Allocation

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

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

'Indirect costs' are those costs, which cannot be identified in an economically feasible manner with a specific significant activity. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and the like.

## Critical accounting estimates and assumptions

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 discussed below.

## *Infrastructural assets*

Note 18 provides information about the estimates and assumptions applied in determining the fair value of infrastructural assets.

## Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying the accounting policies for the period ended 30 June 2016. Judgments have been made over useful lives of property, plant and equipment and intangible assets, landfill aftercare provision, probability of reaching vesting date for long service liability, sick leave provisions, valuations of infrastructural assets and the long term effects on the Council's assets as a result of the Canterbury earthquakes. Therefore, actual results may differ from these estimates.

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



## Note 2: Summary of revenue and expenditure for groups of activities

		Council	
	Actual	Budget	Actual
	2016	2016	2015
	\$000's	\$000's	\$000's
<b>Page</b>	<b>Activities Revenue</b>		
6	Water Supplies	6,547	5,391
9	Sewerage	1,697	1,258
12	Roads and Footpaths	9,575	9,482
14	Stormwater and Drainage	832	569
18	Public Services	6,625	7,946
21	Regulatory Services	2,694	2,651
24	Hanmer Springs Thermal Pools and Spa	11,229	10,202
26	Governance & Corporate Services	7,993	7,278
	<b>Total activity income</b>	<b>47,192</b>	<b>44,776</b>
	Less internal income	7,246	6,941
	Less vested asset income	0	0
	<b>Total Activities Revenue</b>	<b>39,947</b>	<b>37,835</b>
	Gains/(Losses) on Forestry Revaluation	(50)	(398)
	Gains/(Losses) on NZ Emissions Units	117	28
	<b>Total Revenue</b>	<b>40,014</b>	<b>37,465</b>
<b>Page</b>	<b>Less Activities Expenditure</b>		
6	Water Supplies	6,213	5,820
9	Sewerage	1,688	1,559
12	Roads and Footpaths	8,695	8,757
14	Stormwater and Drainage	599	571
18	Public Services	8,773	8,661
21	Regulatory Services	2,635	2,660
24	Hanmer Springs Thermal Pools and Spa	9,658	8,742
26	Governance & Corporate Services	8,558	8,079
	<b>Total activity expenditure</b>	<b>46,820</b>	<b>44,850</b>
	Less internal expenditure	7,246	6,941
	<b>Total Expenditure</b>	<b>39,574</b>	<b>37,909</b>
	<b>Net Surplus/(Deficit) before tax</b>	<b>440</b>	<b>(444)</b>
	Tax Expense	0	0
	<b>Net Surplus/(Deficit) after tax</b>	<b>440</b>	<b>(444)</b>
	Add Other Comprehensive Income (not recognised in Activities Revenue or Expenditure)		
	Gains/(Losses) on Asset Revaluation	64,130	11,010
	Gains/(Losses) in Fair Value of Shares	26	151
	<b>Total Comprehensive Revenue and Expense</b>	<b>64,596</b>	<b>10,717</b>

**Note 3: Rates**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Rates revenue</b>				
District wide rates	6,389	6,094	6,389	6,094
Targeted rates				
- Other Water rates	4,461	4,409	4,461	4,409
- Refuse	152	699	152	699
- Stormwater/Drainage	346	318	346	318
- Rural Fire	315	308	315	308
- Tourism	205	206	205	206
- Pool Inspections	48	35	48	35
- Medical Centres	257	249	257	249
- Amberley Special Projects	37	0	37	0
- Amenities	1,212	1,585	1,212	1,585
- Roadside Construction	170	0	170	0
- Sewerage	1,172	912	1,172	912
Rate penalties	94	122	94	122
Rate remissions	0	(20)	0	(20)
	14,858	14,919	14,858	14,919
Metered Water Supply	682	496	682	496
<b>Total rates</b>	<b>15,540</b>	<b>15,415</b>	<b>15,540</b>	<b>15,415</b>

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates. 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 2016 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

**Note 4: Subsidies and grants**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
New Zealand Transport Agency roading subsidies	3,977	4,802	3,977	4,802
Ministry of Health drinking water related subsidies	0	0	0	0
Other Grants	51	67	51	67
<b>Total subsidies and grants</b>	<b>4,028</b>	<b>4,869</b>	<b>4,028</b>	<b>4,869</b>

**New Zealand Transport Agency roading subsidies**

There are no unfulfilled conditions and other contingencies attached to New Zealand Transport Agency subsidies recognised.

**Note 5: Fees and charges**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Building and resource consent charges	787	952	787	952
Other regulatory revenue	544	456	544	456
Solid waste charges	679	480	679	480
Hanmer Springs Thermal Pools and Spa receipts	11,229	10,249	11,229	10,249
Other fees and charges	775	668	775	668
	14,014	12,806	14,014	12,806
Fees and charges for water supplies	570	336	570	336
<b>Total fees and charges</b>	<b>14,584</b>	<b>13,142</b>	<b>14,584</b>	<b>13,142</b>

**Note 6: Interest revenue and finance costs**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Interest revenue</b>				
Short term deposits and call accounts	49	65	49	65
<b>Total interest revenue</b>	<b>49</b>	<b>65</b>	<b>49</b>	<b>65</b>
<b>Finance costs</b>				
Interest on borrowings	996	877	996	877
Change in fair value of interest rate swaps	875	811	875	811
<b>Total finance costs</b>	<b>1,871</b>	<b>1,688</b>	<b>1,871</b>	<b>1,688</b>
<b>Net finance costs</b>	<b>(1,822)</b>	<b>(1,623)</b>	<b>(1,822)</b>	<b>(1,623)</b>

**Note 7: Other revenue**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Gains/(losses) on Forestry Valuation	(50)	(398)	(50)	(398)
Gains/(losses) on NZ Emissions Units	117	28	117	28
Gains/(losses) on Sale of Assets	0	25	0	25
Vested Asset Revenue	3,345	905	3,345	905
Dividends	178	163	178	163
Donations	101	52	101	52
Petrol Tax	138	164	138	164
Insurance Proceeds	362	15	362	15
Forestry Proceeds	508	1,511	508	1,511
Rental Income	578	552	578	552
<b>Total other revenue</b>	<b>5,277</b>	<b>3,019</b>	<b>5,277</b>	<b>3,019</b>

**Note 8: Employee benefit expense**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Salary and wages	10,779	10,370	10,779	10,370
Employer contribution to super	276	264	276	264
Increase/(decrease) in employee benefit liabilities (Note 24)	81	(89)	81	(89)
<b>Total employee benefit expenses</b>	<b>11,136</b>	<b>10,546</b>	<b>11,136</b>	<b>10,546</b>

**Note 9: Other expenses**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Fees paid to principal auditor				
- audit fees for financial statement audit	107	105	107	105
- audit fees for Long Term Plan	0	67	0	67
- audit fees for additional work	0	26	0	26
- disbursements charged	2	5	2	5
Expenses from other activities	17,864	17,233	17,864	17,233
<b>Total other expenses</b>	<b>17,973</b>	<b>17,436</b>	<b>17,973</b>	<b>17,436</b>

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

**Note 10: Tax**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Components of tax expense</b>				
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
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Relationship between tax expense and accounting profit</b>				
Surplus/(deficit) before tax	433	(448)	440	(444)
Tax at 28%	121	(126)	123	(124)
Non-taxable income	(121)	126	(123)	124
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Imputation credit account</b>				
Credits available for future use	295	295	0	0
	<b>295</b>	<b>295</b>	<b>0</b>	<b>0</b>

All income currently derived by the Council is exempt from income tax. Any net income subject to tax would only be its assessable income net of related expenses derived from the Hurunui District Council Group and any other council controlled organisations.

**Note 11: Cash and cash equivalents**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Cash at bank or in hand	1,274	1,774	1,274	1,774
	<b>1,274</b>	<b>1,774</b>	<b>1,274</b>	<b>1,774</b>

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

**Note 12: Trade and other receivables**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Rates receivables	373	319	373	319
Other receivables	1,685	2,791	1,685	2,791
Goods and services tax (GST) receivable	(106)	166	(106)	166
Receivables prior to impairment	1,952	3,276	1,952	3,276
Less provision for impairment	(101)	(127)	(101)	(127)
<b>Total Receivables</b>	<b>1,850</b>	<b>3,149</b>	<b>1,850</b>	<b>3,149</b>

**Fair value**

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

**Impairment**

The Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High court to have the judgement enforced by sale or lease of the rating unit.

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

The ageing profile of receivables as at 30 June 2016 and 2015 is detailed below:

	2016			2015		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
<b>Council</b>						
Not past due	1,154	0	1,154	2,660	0	2,660
Past due 1-60 days	226	0	226	226	0	226
Past due 61-120 days	178	0	178	184	0	184
Past due >120 days	393	(101)	292	206	(127)	79
<b>Total</b>	<b>1,952</b>	<b>(101)</b>	<b>1,850</b>	<b>3,276</b>	<b>(127)</b>	<b>3,149</b>
<b>Group</b>						
Not past due	1,154	0	1,154	2,660	0	2,660
Past due 1-60 days	226	0	226	226	0	226
Past due 61-120 days	178	0	178	184	0	184
Past due >120 days	393	(101)	292	206	(127)	79
<b>Total</b>	<b>1,952</b>	<b>(101)</b>	<b>1,850</b>	<b>3,276</b>	<b>(127)</b>	<b>3,149</b>

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables.

**Note 13: Derivative financial instruments**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Current liability portion</b>				
Interest rate swaps	21	13	21	13
<b>Current asset portion</b>				
Interest rate swaps	0	0	0	0
<b>Non-current liability portion</b>				
Interest rate swaps	1,639	808	1,639	808
<b>Non-current asset portion</b>				
Interest rate swaps	0	(35)	0	(35)
<b>Total derivative financial instruments liability</b>	<b>1,661</b>	<b>786</b>	<b>1,661</b>	<b>786</b>

**Fair Value***Interest rate swaps*

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

**Interest rate swaps**

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$16.5 million (2015: \$15.0 million). At 30 June 2016, the fixed interest rates of cash flows hedge interest rate swaps varied from 3.65% to 5.30% (2015: 3.77% to 5.30%)

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

**Note 14: Other financial assets**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Environment Canterbury - Waiau River Loan	26	33	26	33
Shares carrying amount				
- Local Government Funding Agency Borrower Notes	272	192	272	192
- Civic Assurance	20	17	20	17
- Transwaste Canterbury	606	583	606	583
<b>Fair value amount</b>	<b>924</b>	<b>825</b>	<b>924</b>	<b>825</b>

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

Changes in the fair value of unlisted shares are recognised through comprehensive revenue and expense using the available for sale approach. The fair value movement recognised in comprehensive revenue and expense for the period was a gain of \$25,910 (2015: Gain of \$151,139). There were no impairments or realised gains or losses recognised in the statement of comprehensive revenue and expense for the period (2015: Nil).

**Note 15: Inventory**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Inventory	214	157	214	157
	<b>214</b>	<b>157</b>	<b>214</b>	<b>157</b>

Inventory is held by the Hanmer Springs Thermal Pools and Spa for retail purposes.

**Note 16: Non-current assets held for sale**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Land classified as held for sale	305	305	305	305
	<b>305</b>	<b>305</b>	<b>305</b>	<b>305</b>

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

**Note 17: Investments in associates**

	Group	
	Actual 2016 \$000's	Actual 2015 \$000's
<b>Movements in the carrying amount of investment in Enterprise North Canterbury</b>		
Balance at 1 July	207	211
Share of total recognised revenues and expenses	(7)	(4)
<b>Balance at 30 June</b>	<b>200</b>	<b>207</b>
<b>Summarised financial information of Enterprise North Canterbury</b>		
Assets	636	577
Liabilities	236	163
Revenues	1,050	915
Surplus/(deficit)	(13)	(8)
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2016 (2015: Nil).

**Note 18a: Property, plant and equipment**

	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
<b>Operational Assets</b>													
Freehold Land	10,062	0	10,062	0	0	0	0	0	0	0	10,062	0	10,062
Council Buildings	12,797	582	12,215	114	0	0	0	0	275	0	12,912	857	12,055
Council Plant & Equipment	5,966	3,586	2,380	568	(106)	0	0	0	6,428	(60)	3,993	3,993	2,435
Library Books	1,257	1,053	204	54	0	0	0	0	48	0	1,311	1,101	210
Thermal Reserve Buildings & Pools	13,088	0	13,088	1,519	0	0	0	0	270	0	14,607	270	14,337
Thermal Reserve Plant & Equipment	10,488	3,219	7,270	541	0	0	0	0	529	0	11,030	3,748	7,282
<b>2015 Total</b>	<b>55,659</b>	<b>8,440</b>	<b>45,219</b>	<b>2,798</b>	<b>(106)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,951</b>	<b>(60)</b>	<b>56,351</b>	<b>9,971</b>	<b>46,380</b>
Freehold Land	10,062	0	10,062	246	0	0	0	0	0	0	10,308	0	10,308
Council Buildings	12,912	857	12,055	134	0	0	0	0	187	0	13,045	1,044	12,001
Council Plant & Equipment	6,428	3,993	2,435	445	0	0	0	0	747	0	6,874	2,133	4,740
Library Books	1,311	1,101	210	62	0	0	0	0	591	0	1,374	1,168	206
Thermal Reserve Buildings & Pools	14,607	270	14,337	769	(36)	0	0	0	317	(33)	15,968	587	15,380
Thermal Reserve Plant & Equipment	11,030	3,748	7,282	2,803	(36)	0	0	0	1,855	(33)	11,650	4,252	7,397
<b>2016 Total</b>	<b>56,351</b>	<b>9,971</b>	<b>46,380</b>	<b>2,903</b>	<b>(36)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,855</b>	<b>(33)</b>	<b>59,217</b>	<b>11,792</b>	<b>47,425</b>
<b>Restricted Assets</b>													
Freehold Land	24,821	18	24,803	40	0	0	0	0	0	0	24,861	18	24,843
Council Buildings	13,177	635	12,519	182	0	0	0	0	229	0	13,358	887	12,472
<b>2015 Total</b>	<b>37,998</b>	<b>676</b>	<b>37,322</b>	<b>222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>229</b>	<b>0</b>	<b>38,220</b>	<b>905</b>	<b>37,315</b>
Freehold Land	24,861	18	24,843	389	0	0	0	0	0	0	25,250	18	25,232
Council Buildings	13,359	887	12,472	24	0	0	0	0	238	0	13,383	1,125	12,258
<b>2016 Total</b>	<b>38,220</b>	<b>905</b>	<b>37,315</b>	<b>413</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>238</b>	<b>0</b>	<b>38,633</b>	<b>1,143</b>	<b>37,489</b>
<b>Infrastructural Assets</b>													
Freehold Land	2,479	0	2,479	144	0	0	0	0	0	0	2,623	0	2,623
Roading Land	12,111	0	12,111	7	0	0	0	0	0	0	12,118	0	12,118
Water	45,287	2,788	42,499	2,920	(203)	7,337	0	0	1,429	0	51,125	0	51,125
Sewerage	17,912	883	17,029	398	(0)	2,840	0	0	449	0	19,617	0	19,617
Roading	212,942	4,072	208,870	5,265	0	0	0	0	4,174	0	218,207	8,246	209,961
Drainage	3,671	147	3,524	1,298	(17)	1,033	0	0	96	0	5,703	0	5,703
<b>2015 Total</b>	<b>294,402</b>	<b>7,890</b>	<b>286,512</b>	<b>9,992</b>	<b>(220)</b>	<b>11,010</b>	<b>0</b>	<b>0</b>	<b>6,148</b>	<b>0</b>	<b>309,393</b>	<b>8,246</b>	<b>301,147</b>
Freehold Land	2,623	0	2,623	0	0	0	0	0	0	0	2,623	0	2,623
Roading Land	12,118	0	12,118	27	0	0	0	0	0	0	12,145	0	12,145
Water	51,125	0	51,125	3,426	(55)	0	0	0	1,539	0	54,497	1,539	52,958
Sewerage	19,617	0	19,617	772	0	0	0	0	472	0	20,339	472	19,867
Roading	218,207	8,246	209,961	5,649	0	64,130	0	0	4,277	0	275,695	0	275,695
Drainage	5,703	0	5,703	341	0	0	0	0	93	0	5,812	93	5,719
<b>2016 Total</b>	<b>306,383</b>	<b>8,246</b>	<b>301,147</b>	<b>10,166</b>	<b>(55)</b>	<b>64,130</b>	<b>0</b>	<b>0</b>	<b>6,381</b>	<b>0</b>	<b>371,111</b>	<b>2,105</b>	<b>369,007</b>
<b>Total 2015</b>	<b>386,059</b>	<b>17,006</b>	<b>369,053</b>	<b>13,012</b>	<b>(326)</b>	<b>11,010</b>	<b>0</b>	<b>0</b>	<b>7,967</b>	<b>(60)</b>	<b>403,963</b>	<b>19,122</b>	<b>384,842</b>
<b>Total 2016</b>	<b>403,963</b>	<b>19,122</b>	<b>384,842</b>	<b>13,481</b>	<b>(91)</b>	<b>64,130</b>	<b>0</b>	<b>0</b>	<b>8,474</b>	<b>(33)</b>	<b>468,961</b>	<b>15,040</b>	<b>453,921</b>

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



## Note 18b: Property, plant and equipment (Cont'd)

### Freehold Land, Buildings and Pools Carried at Fair Value

An independent valuation of the consolidated entity's land, buildings and pools was performed by QV Limited, registered independent valuers not related to the consolidated entity, to determine the fair value of land, buildings and pools at 30 June 2014. The valuation, which conforms to New Zealand Property Institute Practice Standard 3 - Valuations for Financial Reporting Purposes, was determined by using standard and recognised valuation methods depending upon the type of property. Under the New Zealand Property Institute Practice Standard 1, which came into force from 1 May, 2004, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date.

### Land under road

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

### Roading assets

Roading assets have been valued at depreciated replacement costs as at 30 June 2016. The valuation was performed internally by the Council's Roothing Engineer - Asset Management, John Whyte, and peer reviewed by reviewed by M Clough, Registered Valuer of Beca Valuations Limited.

### Water and sewer assets

Water and sewer assets have been valued at depreciated replacement cost as at 30 June 2015. The valuation was performed internally by the Council's Technical Officer for Utilities, David Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. The sewer ponds in Amberley and Hanmer Springs have been valued at cost less accumulated depreciation.

### Drainage and stormwater assets

Drainage and stormwater assets have been valued at depreciated replacement cost as at 30 June 2015. The valuation was performed internally by the Council's Technical Officer for Utilities, David Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited.

### Work in Progress

The total amount of property, plant and equipment in the course of construction as at 30 June 2016 was as follows:

	<b>2016</b>	<b>2015</b>
Water Infrastructure	197,730	1,535,657
Sewer Infrastructure	159,311	406,637
Stormwater Infrastructure	4,956	151,026
Roothing Infrastructure	0	16,978
Council Land - Operational	246,167	0
Council Land - Restricted	43,317	40,000
Council Buildings - Operational	130,046	0
Council Buildings - Restricted	8,500	102,699
	<b><u>\$790,027</u></b>	<b><u>\$2,252,997</u></b>

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

### 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 as as follows:

	<b>2016</b>	<b>2015</b>
Water Infrastructure	61,965	118,477
Sewer Infrastructure	6,044	10,859
Stormwater Infrastructure	1,795	988,363
	<b><u>\$69,805</u></b>	<b><u>\$1,117,699</u></b>

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 maintain the Soldiers' Block and Chisholm Ward and the surrounding land area. It is also committed to ensure the history of Hanmer Springs will be promoted to the community and visitors through heritage interpretation of the Queen Mary Hospital Heritage Site.

**Note 18c: Property, plant and equipment (Cont'd)****Core infrastructure asset disclosures**

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

**Acquisitions made during 2015/2016**

	<b>Closing Book Value (\$000's)</b>	<b>Constructed by Council (\$000's)</b>	<b>Vested in Council (\$000's)</b>
Water Supply - Treatment Plants and facilities	4,801	136	-
Water Supply - Other Assets	48,157	2,486	804
	<u>52,958</u>	<u>2,622</u>	<u>804</u>
Sewerage - Treatment Plants and facilities	4,530	8	-
Sewerage - Other Assets	15,337	329	385
	<u>19,867</u>	<u>337</u>	<u>385</u>
Stormwater and Drainage	5,719	20	321
Flood Protection and Control Works	-	-	-
Roads and Footpaths (excluding land)	275,695	3,983	1,666

All assets are valued on a deemed cost valuation basis.

**Note 19: Intangible assets**

	<b>Group</b>		<b>Council</b>	
	<b>Actual 2016 \$000's</b>	<b>Actual 2015 \$000's</b>	<b>Actual 2016 \$000's</b>	<b>Actual 2015 \$000's</b>
<b>Software:</b>				
<b>Cost</b>				
Balance at 1 July	661	577	661	577
Additions	67	84	67	84
Disposals	0	0	0	0
<b>Balance at 30 June</b>	<u>728</u>	<u>661</u>	<u>728</u>	<u>661</u>
<b>Aerial Photography:</b>				
<b>Cost</b>				
Balance at 1 July	167	112	167	112
Additions	20	55	20	55
Disposals	0	0	0	0
<b>Balance at 30 June</b>	<u>187</u>	<u>167</u>	<u>187</u>	<u>167</u>
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July	646	593	646	593
Amortisation charge for Software and Aerial Photography	65	53	65	53
Disposals	0	0	0	0
<b>Balance at 30 June</b>	<u>711</u>	<u>646</u>	<u>711</u>	<u>646</u>
<b>Carrying amount at 30 June</b>	<u>205</u>	<u>183</u>	<u>205</u>	<u>183</u>
<b>New Zealand Emission Units:</b>				
<b>Cost</b>				
Balance at 1 July	72	44	72	44
Add Additions	0	0	0	0
Less Disposals	0	0	0	0
Add increase in value	117	28	117	28
<b>Carrying amount at 30 June</b>	<u>189</u>	<u>72</u>	<u>189</u>	<u>72</u>
<b>Total Intangible Assets</b>	<u>394</u>	<u>254</u>	<u>394</u>	<u>254</u>

**Note 20: Depreciation and amortisation expenses by group of activity**

	Council	
	Actual 2016 \$000's	Actual 2015 \$000's
<b>Directly attributable depreciation and amortisation expense by group of activity</b>		
Water Supplies	1,539	1,429
Sewerage	472	449
Roads and Footpaths	4,277	4,174
Stormwater and Drainage	93	96
Public Services	780	708
Regulatory Services	41	32
Hanmer Springs Thermal Pools and Spa	854	800
Governance & Corporate Services	482	333
<b>Total depreciation and amortisation expense</b>	<b>8,539</b>	<b>8,020</b>
Add loss on disposal of assets		
Water Supplies	55	203
Sewerage	0	0
Stormwater and Drainage	0	17
<b>Total depreciation, amortisation and loss in disposal</b>	<b>8,593</b>	<b>8,240</b>

**Note 21: Forestry assets**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Balance at 1 July	552	950	552	950
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	13	90	13	90
Decreases due to sales	0	0	0	0
Decreases due to harvest	(62)	(488)	(62)	(488)
<b>Balance at 30 June</b>	<b>502</b>	<b>552</b>	<b>502</b>	<b>552</b>

The Council owns 234.8 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 3 to 35 years.

**Valuation Assumptions**

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2016. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8.5% (2015: 8.5%) has been used in discounting the present value of expected cash flows;
- the value of the underlying land has not been included in the valuation;
- the valuation assumes that the current tree crop will be grown for one rotation only, and that no new planting will be undertaken or charged against the existing crop.
- time conventions used in the valuation are that the valuation year commences at 1st July and ends 30th June the next calendar year. This convention applies to all costs, prices, yields and age of trees although it may need to be adjusted for any significant price movements during the valuation year.
- the valuation uses current and actual prevailing industry costs. The costs have been expressed in real terms, and no adjustment has been made for any possible changes in prices relative to cost.

**Financial risk management strategies**

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

**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 2016, the Council was allocated 10,560 NZUs. The value of these have been recognised as Intangible Assets in note 19.

**Note 22: Payables and deferred revenue**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	3,170	3,396	3,170	3,396
Development and financial contribution in advance	218	299	218	299
Other deferred revenue	944	1,139	944	1,139
<b>Total</b>	<b>4,332</b>	<b>4,834</b>	<b>4,332</b>	<b>4,834</b>
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	2	7	2	7
Grants payable	0	0	0	0
Other grants received subject to substantive conditions not yet met	1,706	1,491	1,706	1,491
<b>Total</b>	<b>1,708</b>	<b>1,498</b>	<b>1,708</b>	<b>1,498</b>
<b>Total payables and deferred revenue</b>	<b>6,040</b>	<b>6,332</b>	<b>6,040</b>	<b>6,332</b>

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 grant from the Ministry of Health of \$476,863 (2015: \$260,700) for the purpose of upgrading the water treatment infrastructure for Waiau Township.
- 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 was 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 \$1,229,905 remaining to complete further work. This balance will be recognised as income when the earthquake strengthening work has been carried out.

**Note 23: Borrowings**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Secured Loans</b>				
Current	0	0	0	0
Non-current	19,500	17,200	19,500	17,200
<b>Balance</b>	<b>19,500</b>	<b>17,200</b>	<b>19,500</b>	<b>17,200</b>

As at 30 June 2016, the Council had debt facilities totalling \$26.0 million (2015: \$21.0 million).

The Council's borrowing of \$19.5 million (2015: \$17.2 million) on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. The Council uses interest rate swaps to provide for a fixed rate portion of the borrowings of 84.62% (2015: 87.21%) The effective fixed rates for this portion range from 3.65% to 5.30% (2015: 3.77% to 5.30%) plus a margin for credit risk.

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

The total amount of the borrowings approximates its fair value.

**Note 24: Employee entitlements**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Current portion</b>				
Accrued pay	329	206	329	206
Annual leave	688	703	688	703
Sick leave	34	33	34	33
Long service leave	61	44	61	44
	<b>1,111</b>	<b>987</b>	<b>1,111</b>	<b>987</b>
<b>Non-current portion</b>				
Long service leave	50	93	50	93
	<b>50</b>	<b>93</b>	<b>50</b>	<b>93</b>
	<b>1,161</b>	<b>1,080</b>	<b>1,161</b>	<b>1,080</b>

**Note 25: Landfill aftercare provision**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Balance at 1 July	106	124	106	124
Additional provisions	0	0	0	0
Adjustment to provisions	4	0	4	0
Amount of provision used	0	(18)	0	(18)
<b>Balance at 30 June</b>	<b>110</b>	<b>106</b>	<b>110</b>	<b>106</b>
<b>Disclosed as:</b>				
Current	8	8	8	8
Non-current	102	98	102	98
	<b>110</b>	<b>106</b>	<b>110</b>	<b>106</b>

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

**Note 26: Equity**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Asset revaluation reserve</b>				
Balance at 1 July	210,485	199,695	210,485	199,695
Revaluation increments/(decrements)	64,130	11,010	64,130	11,010
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	(55)	(220)	(55)	(220)
<b>Balance at 30 June</b>	<b>274,560</b>	<b>210,485</b>	<b>274,560</b>	<b>210,485</b>
The asset revaluation reserve arises on the revaluation of land and buildings, and infrastructural assets. Where a revalued land, building or infrastructural assets is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.				
<b>Available for sale reserve</b>				
Balance at 1 July	408	257	408	257
Valuation gain/(loss) recognised	26	151	26	151
<b>Balance at 30 June</b>	<b>434</b>	<b>408</b>	<b>434</b>	<b>408</b>
The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit or loss.				
<b>Special fund reserves</b>				
Balance at 1 July	1,598	785	1,598	785
PBE Transition adjustment	0	0	0	0
Adjusted Balance at 1 July	1,598	785	1,598	785
Transfers in	529	971	529	971
Transfers out	183	(159)	183	(159)
<b>Balance at 30 June</b>	<b>2,310</b>	<b>1,598</b>	<b>2,310</b>	<b>1,598</b>
<b>Rate Reserve Funds</b>				
Balance at 1 July	(26,338)	(24,261)	(26,338)	(24,261)
Adjustment to the opening balance	(108)	0	(108)	0
Surplus/(deficit) for year	1,838	1,613	1,838	1,613
Transfers in/(out)	(5,387)	(3,689)	(5,387)	(3,689)
<b>Balance at 30 June</b>	<b>(29,995)</b>	<b>(26,338)</b>	<b>(29,995)</b>	<b>(26,338)</b>
<b>Retained earnings</b>				
Balance at 1 July	180,408	178,254	180,201	178,043
Surplus/(deficit) after tax	433	(448)	440	(444)
Plant, property and equipment disposed	55	220	55	220
Found assets	70	1,118	70	1,118
Net internal borrowing appropriations	3,549	2,076	3,549	2,076
Net special fund appropriations	(712)	(812)	(712)	(812)
<b>Balance at 30 June</b>	<b>183,803</b>	<b>180,408</b>	<b>183,603</b>	<b>180,201</b>
<b>Summary of equity accounts</b>				
Asset revaluation reserve	274,560	210,485	274,560	210,485
Available-for-sale revaluation reserve	434	408	434	408
Special fund reserves	2,310	1,598	2,310	1,598
Rate reserve funds	(29,995)	(26,338)	(29,995)	(26,338)
Retained earnings	183,803	180,408	183,603	180,201
	<b>431,111</b>	<b>366,561</b>	<b>430,912</b>	<b>366,354</b>

**Note 27: Statement of cash flow reconciliation**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Reconciliation of surplus for the period to net cash flows from operating activities</b>				
<b>Net Surplus/(Deficit) after tax</b>	<b>433</b>	<b>(447)</b>	<b>440</b>	<b>(444)</b>
<b>Non Cash Items</b>				
Vested assets	(3,345)	(905)	(3,345)	(905)
Gain/Loss on Fair Value of Forestry	50	398	50	398
Movement in Non Current Employee Entitlements	(44)	46	(44)	46
Depreciation and amortisation	8,594	8,240	8,594	8,240
	<b>5,255</b>	<b>7,779</b>	<b>5,255</b>	<b>7,779</b>
<b>Items classified as investing or financing</b>				
(Gain)/loss on Sale of Assets	0	(25)	0	(25)
(Gain)/loss on fair value of NZ Emissions Units	117	(28)	117	(28)
(Gain)/loss on fair value of financial assets	874	812	874	812
	<b>991</b>	<b>759</b>	<b>991</b>	<b>759</b>
<b>Movements in working capital</b>				
(Increase)/decrease in Inventory	(55)	(15)	(55)	(15)
(Increase)/decrease in Receivables	993	293	993	293
Increase/(decrease) in Payables	283	(1,381)	283	(1,381)
	<b>1,221</b>	<b>(1,103)</b>	<b>1,221</b>	<b>(1,103)</b>
<b>Other Movements</b>				
Insurance recoveries related to capital item	0	0	0	0
Share of associates (surplus)/deficit	7	3	0	0
	<b>7</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>Net Cash Flow from Operating Activities (as per Statement of Cash Flows)</b>	<b>7,907</b>	<b>6,991</b>	<b>7,907</b>	<b>6,991</b>

**Note 28: Capital commitments and operating leases****Capital Commitments**

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Property, plant and equipment	426	234	426	234
	<b>426</b>	<b>234</b>	<b>426</b>	<b>234</b>

The Council has allowed in its Long Term Plan to undertake direct roading expenditure to the value of \$20 million over the next three years. The primary Roothing Maintenance and Operational Contract was let in June 2015 and took effect from 1 July 2015. The length of the contract is for three years and with the ability to extend the contract by a further four years (3+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.

**Operating leases as lessee**

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

**Operating leases as lessor**

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

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Not later than one year	146	73	146	73
Later than one year and not later than five years	428	236	428	236
Later than five years	846	193	846	193
	<b>1,420</b>	<b>502</b>	<b>1,420</b>	<b>502</b>

No contingent rents have been recognised during the period.



## Note 29: Contingencies

### Contingent Assets

As at 30 June 2016, the Council had no outstanding contingent assets. (2015: \$497,200). In prior years, Council had various outstanding insurance claims for buildings that were damaged as a result of the Canterbury Earthquakes. The claims have been settled and the proceeds were received on 1 July 2016 and are included as Trade and Other Receivables as at 30 June 2016.

### 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 and it has a current credit rating from Standards and Poor's of AA+.

Together with the other local authorities (both shareholders and guarantors), the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2016, the LGFA had borrowings totalling \$6.445 billion (2015 \$4.998 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*

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the Fund year. The Council has been asked to make calls in the past for Fund years as a result of deficits incurred due to the "leaky building" issue. No calls have been made by the Board of New Zealand Mutual Liability RiskPool for the 2015/2016 year (2015: Nil). There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

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

#### *Impairment of Buildings*

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

**Note 30: Related party disclosures**

The parent entity in the consolidated entity is the Council.

**Equity interests in subsidiaries**

The Council holds interests in the following entities:

- Hurunui Holdings Limited 100% (2015: 100%)
- Canterbury Economic Development Company Limited 10% (2015: 10%)
- Enterprise North Canterbury 50% (2015: 50%)
- Transwaste Canterbury Limited 1.2% (2015: 1.2%)

**Transactions involving the parent entity**

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

During the year, the Council disposed of solid waste at the Kate Valley Landfill. The Landfill is owned and operated by Transwaste Canterbury Limited which Hurunui District Council owns 1.2% of the shares and Councillor RW Davison is a director. The services cost \$393,093 (2015: \$358,591). As at 30 June 2016, Council owed Transwaste Canterbury Limited \$35,173 (2015: \$28,427).

During the year, the Council leased the medical centre in Rotherham to the Amuri Health Care Limited, of which Councillor RW Davison is a director up until 31 December 2015. The revenue for the year was \$17,873 (2015: \$16,148). As at 30 June 2016, the amount owing to Council was \$13,953 (2015: \$16,664).

During the year, the Council leased the medical centre in Waikari to the Waikari Health Care Limited, of which Mayor WR Dalley is a director. The revenue for the year was \$9,711 (2015: \$9,271). As at 30 June 2016, the amount owing to Council was Nil (2015: Nil).

Cr JM Fletcher is a director of Hanmer Holiday Homes 2004 Limited. The company supplied various services, mainly collection of glass in the solid waste activity, to the value of \$2,655 (2015: \$3,063). As at 30 June 2016, Council owed the company \$127 (2014: \$127). The company also received services from Council for advertising through the district promotion activity to the value of \$100 (2015: Nil). As at 30 June 2016, the company had no outstanding balance with Council (2015: Nil).

Cr JM Fletcher is also a director of Alpine Holiday Homes 2007 Limited. The company received service from Council for advertising through the district promotion activity to the value of \$100 (2015: \$Nil). As at 30 June 2016, the company had no outstanding balance with Council (2015: Nil).

GD Abbot, the General Manager of the Hanmer Springs Thermal Pools and Spa, is a director of Christchurch and Canterbury Marketing Limited. The company provides tourism services to which the Council makes contributions to the value of \$12,500 (2015: \$12,750). As at 30 June 2016, the company had no outstanding balance with Council (2015: Nil).

Other than the above, no Councillors or senior management have entered into related party transactions with the Group. No amounts were provided for doubtful debts relating to debts due from related parties as at 30 June 2016 (2015: Nil).

**Hurunui Holdings Limited**

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

**Enterprise North Canterbury**

During the financial year, the Council paid \$51,250 (2015: \$51,565) to Enterprise North Canterbury as a grant for its general purposes. During the financial year, the Council paid a further \$3,490 for additional services (2015: \$2,255). As at 30 June 2016, there was no outstanding balance owing to Enterprise North Canterbury (2015: \$Nil).

**Canterbury Economic Development Company Limited**

During the financial year, the Council had no transactions with Canterbury Economic Development Company Limited (2015: Nil)

**Key management personnel compensation**

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

	Council	
	Actual 2016 \$000's	Actual 2015 \$000's
<i>Councillors</i>		
Remuneration	311	287
Full-time equivalent members	10	10
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,205	1,163
Full-time equivalent members	7.00	6.75
<b>Total key management personnel remuneration</b>	<b>1,516</b>	<b>1,450</b>
<b>Total full-time equivalent members</b>	<b>17.00</b>	<b>16.75</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

### Note 31: Remuneration

#### Chief Executive Officer

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$248,390 (2015: \$214,249).

#### Elected representatives

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

	Council	
	Actual 2016 \$	Actual 2015 \$
Marie Black	37,080	31,734
Gary Cooper	22,518	20,710
Julie Coster	21,670	19,662
Winton Dalley	79,105	70,994
Vincent Daly	27,693	25,888
Richard Davison	30,180	30,042
Jason Fletcher	26,544	22,898
Jim Harre	23,130	23,831
Fiona Harris	21,670	19,662
Judith McKendry	21,670	21,502
	<b>311,260</b>	<b>286,923</b>

#### Council Employees

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

	Council	
	Actual 2016 #	Actual 2015 #
< \$60,000	141	133
\$60,000 - \$79,999	30	29
\$80,000 - \$99,999	19	16
\$100,000 - \$139,999	8	5
\$140,000 - \$259,999	7	6
	<b>205</b>	<b>189</b>

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2016, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 112 (2015: 102) full-time employees, with a further 93 (2015: 87) part-time staff representing 55.6 (2015: 49.9) full-time equivalent employees.

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

### Note 32: Severance payments

Schedule 10(19) of the Local Government Act 2002 requires any severance including the tax liability to be disclosed.

For the year ended 30 June 2016, the Council made 2 (2015: Nil) severance payments to employees totalling \$18,000 (2015: Nil). The value of each of the severance payments was \$10,000 and \$8,000.

### Note 33: Events after balance date

On 14 November 2016, the District experienced a 7.8 magnitude earthquake that affected the north east area of the district.

There has been damage to the roading network and also water treatment and reticulation as well as to a number of Council owned buildings, however, it is too early to assess the extent or the cost of the damage.

**Note 34: Financial instruments****34A - Financial instrument categories**

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

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Financial assets</b>				
<i>Loans and Receivables</i>				
Cash and cash equivalents	1,274	1,774	1,274	1,774
Debtors and other receivables	1,850	3,149	1,850	3,149
Non interest bearing loans	26	33	26	33
<i>Total loans and receivables</i>	<b>3,150</b>	<b>4,956</b>	<b>3,150</b>	<b>4,956</b>
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares	898	792	898	792
<i>Total fair value through other comprehensive revenue and expense</i>	<b>898</b>	<b>792</b>	<b>898</b>	<b>792</b>
<b>Financial liabilities</b>				
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	1,660	786	1,660	786
<i>Total fair value through surplus or deficit</i>	<b>1,660</b>	<b>786</b>	<b>1,660</b>	<b>786</b>
<i>Financial liabilities at amortised cost</i>				
Borrowings				
- secured loans	19,500	17,200	19,500	17,200
Creditors and deferred revenue	6,040	3,396	6,040	3,396
<i>Total financial liabilities at amortised cost</i>	<b>25,540</b>	<b>20,596</b>	<b>25,540</b>	<b>20,596</b>

**34B - Fair value hierarchy disclosures**

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

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

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

	Total \$000's	Quoted Market Price \$000's	Observable Inputs \$000's	Significant non-observable inputs \$000's
<b>Council and Group 2016</b>				
<i>Financial assets</i>				
Unlisted shares	898	0	0	898
<i>Financial liabilities</i>				
Interest rate swaps	1660	0	1660	0
<b>Council and Group 2015</b>				
<i>Financial assets</i>				
Unlisted shares	792	0	0	792
<i>Financial liabilities</i>				
Interest rate swaps	786	0	786	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 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Balance as at 1 July	792	577	792	577
Gains/losses recognised in in other comprehensive revenue and expense	26	151	26	151
Purchases	80	64	80	64
<b>Balance at 30 June</b>	<b>898</b>	<b>792</b>	<b>898</b>	<b>792</b>

### 34C - Financial instrument risks

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

#### Market Risk

##### *Currency risk*

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

##### *Fair value interest rate risk*

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

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

##### *Cash flow interest rate risk*

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

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

#### Credit risk

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

##### *Maximum exposure to credit risk*

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

	Group		Council	
	Actual 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
Cash and cash equivalents	1,274	1,774	1,274	1,774
Debtors and other receivables	1,850	3,149	1,850	3,149
Non interest bearing loans	26	33	26	33
<b>Total credit risk</b>	<b>3,150</b>	<b>4,956</b>	<b>3,150</b>	<b>4,956</b>

**34D: 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 2016 \$000's	Actual 2015 \$000's	Actual 2016 \$000's	Actual 2015 \$000's
<b>Counterparties with credit ratings:</b>				
<b>Cash and cash equivalents</b>				
AA-	1,274	1,774	1,274	1,774
<b>Total cash and cash equivalents</b>	<b>1,274</b>	<b>1,774</b>	<b>1,274</b>	<b>1,774</b>
<b>Counterparties without credit ratings:</b>				
<b>Non interest bearing loans</b>				
Existing counterparty with no defaults in the past	26	33	26	33
<b>Total Non interest bearing loans</b>	<b>26</b>	<b>33</b>	<b>26</b>	<b>33</b>

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.

### 34E: Liquidity risk

Liquidity risk is the extent to which the Council will encounter difficulty in raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and ability to close out market positions. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As at 30 June 2016, the Council has a credit facility of \$26 million (2015: \$21 million) against which it had drawn \$19.5 million (2015: \$17.2 million). No borrowings are due for maturity within the next 12 months.

#### 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
<b>Council and Group 2016</b>					
Creditors and deferred revenue	3,170	3,170	3,170	0	0
Secured loans	22,540	22,540	0	12,699	9,841
<b>Council and Group 2015</b>					
Creditors and deferred revenue	3,396	3,396	3,396	0	0
Secured loans	20,333	20,333	756	13,055	6,521

#### 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
<b>Council and Group 2016</b>					
Net settled derivative liabilities	1,661	1,661	21	548	1,092
<b>Council and Group 2015</b>					
Net settled derivative liabilities	821	821	13	419	389

#### 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
<b>Council and Group 2016</b>					
Cash and cash equivalents	1,274	1,274	1,274	0	0
Debtors and other receivables	1,850	1,850	1,850	0	0
Non interest bearing loans	26	26	7	19	0
Net settled derivative assets	0	0	0	0	0
<b>Council and Group 2015</b>					
Cash and cash equivalents	1,774	1,774	1,774	0	0
Debtors and other receivables	3,149	3,149	3,149	0	0
Non interest bearing loans	33	33	7	26	0
Net settled derivative assets	35	35	0	0	35



**34F: 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	2016 \$000		2015 \$000	
	-100bps	+100bps	-100bps	+100bps
<b>Financial assets</b>				
Cash and cash equivalents	(13)	13	(17)	17
Interest rate swaps	0	0	0	0
<b>Financial liabilities</b>				
Secured loans	195	(195)	172	(172)
Interest rate swaps	(840)	900	(892)	831
<b>Total sensitivity</b>	<b>(658)</b>	<b>718</b>	<b>(737)</b>	<b>676</b>

*Explanation of interest rate sensitivity*

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

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

**Note 35: Capital management**

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

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

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

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

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

Special Fund Reserves as at 30 June 2016

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2016	Appropriations 2015-2016 Surplus/(Deficit)	Transfers In/(Out)	Closing Balance 30 June 2016
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	0	76,741	189,893	266,634
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	0	3,218	0	3,218
Sewer Development Contributions Fund	Sewerage	Sewerage	To provide funds for growth related sewer projects	0	139,483	166,912	306,395
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	71,386	2,533	61,361	135,280
Leithfield Beach Fund	Reserves	Community Services and Facilities	To fund projects for Leithfield Beach	0	0	13,834	13,834
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	337,204	26,454	0	363,658
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	114,565	23,801	0	138,366
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	441,105	83,004	(333,827)	190,282
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	633	22	0	655
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(20,171)	6,016	0	(14,155)
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pipes	(42,482)	0	42,482	0
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	209,394	0	(209,394)	0
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide funds for growth related projects for Amberley Water	189,893	0	(189,893)	0
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	0	34,639	0	38,117
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	46,236	(6,177)	0	40,059
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	20,203	717	0	20,920
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	45,420	1,612	0	47,031
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	38,335	(34,000)	0	4,335
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	36,559	(5,353)	(7,800)	23,406
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	5,521	196	0	5,717
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	3,007	(77)	0	2,930
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	43,927	8,333	0	52,260
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	2,436	106	0	2,542
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	58,711	(520)	(43,114)	15,077
Kate Valley Landfill Community Trust Fund	Reserves	Community Services and Facilities	To hold funds for projects in the Waipara area	0	1,455	22,852	24,307
Omih Reserve Development	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omih Reserve	3,638	658	0	4,296
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	62,856	(14,048)	0	48,808
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	29,151	1,580	0	30,731
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	47,210	603	(30,177)	17,636
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(26,173)	2,248	0	(23,924)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(845,548)	(5,687)	500,000	(351,235)
Hammer Springs Contical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	20,344	(9,949)	0	10,395
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	24,935	(1,365)	0	23,570
Hammer Springs Medical Centre Development Contributions F	Property	Community Services and Facilities	To provide funds for growth related projects for the Medical Centre in Hammer Springs	0	15,737	0	15,737
Hammer Springs Stormwater Development Contributions Fund	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	0	14,253	0	14,253
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	4,943	175	0	5,119
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	13,892	(5,905)	0	7,987
Waiou Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiou Ferry Bridge	30,805	7,704	0	38,509
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	59,605	6,522	0	66,127
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	491,236	130,819	0	622,055
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	0	0	0	0
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	32,346	23,045	0	55,391
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	17,227	(111)	0	17,116
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,139	76	0	2,215
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	621	22	0	643
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	189	7	0	196
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	4,640	165	0	4,805
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,126	40	0	1,166
Forester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,206	43	0	1,249
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	To provide funds for the activities of the Hammer Heritage Forest Trust	2,580	92	0	2,672
Adverse Events Reserve	Reserves	Community Services and Facilities	To provide funds for adverse events	13,114	0	0	13,114
				<b>1,597,444</b>	<b>528,925</b>	<b>183,129</b>	<b>2,309,498</b>

Special Fund Reserves as at 30 June 2015

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2014	Appropriations 2014-2015 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2015
Amberley Beach Reserve Fund	Reserves	To fund projects for Amberley Beach	68,953	2,433	0	71,386
Amberley Township Reserves Development Fund	Reserves	To provide funds for growth related projects for township reserves in Amberley	203,755	133,449	0	337,204
Amberley Walking & Cycling Routes Development Fund	Reserves	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	8,178	44,610	(11,826)	114,965
Amberley Ward Reserves Development Fund	Reserves	To provide funds for growth related projects for ward reserves in Amberley	330,012	147,093	(36,000)	441,105
Amberley RSA Fund	Reserves	To hold funds on behalf of the Amberley RSA	491	142	0	633
Amberley Reserve Pavilion Development Fund	Property	To provide funds for growth related projects for the Amberley Reserve Pavilion	(33,881)	13,710	0	(20,171)
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	To provide funds for growth related projects for Amberley Sewer Pipes	(52,284)	121,697	(111,895)	(42,482)
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	87,079	122,315	0	209,394
Amberley Water Development Reserve	Water Supplies	To provide funds for growth related projects for Amberley Water	98,140	91,753	0	189,893
Amberley Stormwater Development Reserve	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	(56,905)	62,383	0	3,478
Amberley Contestable Fund	Reserves	To provide funds for reserve projects in the Amberley Ward	51,236	(5,000)	0	46,236
Anni Ward Land Subdivision Reserve	Reserves	To fund projects for the Anni Ward	19,514	688	0	20,203
Anni Community Centre	Reserves	To fund projects for the Culverden Community Centre	43,872	1,548	0	45,420
Anni Sports Facilities Fund	Reserves	To fund projects for sports facilities in the Anni Ward	30,202	8,133	0	38,335
Amuri Contestable Fund	Reserves	To provide funds for reserve projects in the Amuri Ward	29,358	7,201	0	36,559
Cheviot Ward Land Subdivision Reserve	Reserves	To fund projects for Cheviot Ward	5,333	188	0	5,521
Cheviot RSA Fund	Reserves	To hold funds on behalf of the Cheviot RSA	3,944	(937)	0	3,007
Cheviot Contestable Fund	Reserves	To provide funds for reserve projects in the Cheviot Ward	40,418	3,510	0	43,927
Glenmark Ward Land Subdivision Reserve	Reserves	To fund projects for Glenmark Ward	2,354	83	0	2,436
Waipara Pavilion Fund	Reserves	To fund projects for the Waipara Pavilion	33,392	25,319	0	58,711
Omihiri Reserve Development	Reserves	To provide funds for growth related projects for the Omihiri Reserve	(917)	4,555	0	3,638
Glenmark Contestable Fund	Reserves	To provide funds for reserve projects in the Glenmark Ward	52,866	10,000	0	62,866
Hammer Springs Domain Development Reserve	Reserves	To provide funds for growth related projects for the Domain in Hammer Springs	22,355	6,796	0	29,151
Hammer Springs Domain Pavilion Fund	Reserves	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	47,210	0	0	47,210
Hammer Springs Hall Development Reserve	Property	To provide funds for growth related projects for the Hammer Springs Hall	(27,783)	1,611	0	(26,173)
Hammer Springs Township Development Reserve	Property	To provide funds for growth related projects for the Town Centre in Hammer Springs	(800,290)	(45,257)	0	(845,548)
Hammer Springs Conical Hill	Reserves	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	25,831	(5,487)	0	20,344
Hammer Springs Contestable Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	14,935	10,000	0	24,935
Hunui Ward Land Subdivision Reserve	Reserves	To fund projects for the Hunui Ward	4,775	168	0	4,943
Hunui Contestable Fund	Reserves	To provide funds for reserve projects in the Hunui Ward	19,892	(6,000)	0	13,892
Waiau Gorge Ferry Bridge Preservation	Reserves	To provide funds for the maintenance of the Waiau Ferry Bridge	23,481	7,323	0	30,805
Hammer Springs Tourism Promotion	Reserves	To fund marketing projects for the Hammer Springs Ward	53,391	6,214	0	59,605
Queen Mary Development Reserve	Reserves	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	358,945	132,291	0	491,236
Queen Mary Nurses Block Govt Grant Fund	Reserves	Site	0	0	0	0
District Library Development Contributions Fund	Community Services	To provide funds for growth related projects for the District Library	(32,281)	65,628	0	32,346
Chamberlain Bros Trust	Reserves	To provide funds for projects on Chamberlain Park in Amberley	17,242	(15)	0	17,227
Graves Maintenance Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,067	73	0	2,139
Culverden Domain Gates	Reserves	To provide funds for the replacement of the gates leading into the Culverden Domain	600	21	0	621
Bush Legacy Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	183	6	0	189
Hawarden Memorial Park	Reserves	To fund projects on the Hawarden Reserve	4,482	158	0	4,640
Bridson Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,087	38	0	1,126
Forester Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,165	41	0	1,206
Hammer Heritage Forest Trust	Reserves	To provide funds for the activities of the Hammer Heritage Forest Trust	0	2,580	0	2,580
Adverse Events Reserve	Reserves	To provide funds for adverse events	13,114	0	0	13,114
			<b>786,102</b>	<b>971,064</b>	<b>(159,721)</b>	<b>1,597,444</b>

Rate Reserve Funds as at 30 June 2016

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2015	Appropriations 2015-2016 Surplus/(Deficit)	Capital Expenditure	Closing Balance 30 June 2016
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water	0	(3,800,081)	(3,365,936)	(7,166,018)
Inferim treatment for Drinking Water	Water Supplies	Water Supplies	To fund capital projects relating to inferim treatment of water	(298,453)	298,453	0	0
Full Treatment	Water Supplies	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	Water Supplies	To fund capital projects for Amberley water	(1,553,728)	1,553,728	0	0
Leithfield Beach Water	Water Supplies	Water Supplies	To fund capital projects for Leithfield Beach water	(68,554)	88,554	0	0
Ashley Rural Water	Water Supplies	Water Supplies	To fund capital projects for Ashley Rural water	(726,145)	726,145	0	0
Culverden Water	Water Supplies	Water Supplies	To fund capital projects for Culverden water	(83,034)	83,034	0	0
Waiau Township Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Township water	(670,597)	670,597	0	0
Amuri Plains Water	Water Supplies	Water Supplies	To fund capital projects for Amuri Plains water	(101,723)	101,723	0	0
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	(42,837)	(2,837)	(17,807)	(63,443)
Waiau Rural Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Rural water	(257,376)	257,376	0	0
Cheviot Water	Water Supplies	Water Supplies	To fund capital projects for Cheviot water	(1,411,608)	1,411,608	0	0
Waipara Township Water	Water Supplies	Water Supplies	To fund capital projects for Waipara Township water	(48,420)	(48,420)	0	0
Hammer Springs Water	Water Supplies	Water Supplies	To fund capital projects for Hammer Springs water	(58,791)	58,791	0	0
Hawarden - Wakan Water	Water Supplies	Water Supplies	To fund capital projects for Hawarden-Waikari water	(47,541)	(47,541)	0	0
Hurunui Rural Water	Water Supplies	Water Supplies	To fund capital projects for Hurunui Rural water	(496,382)	496,382	0	0
District Wide Water	Sewerage	Sewerage	To fund capital projects for sewer	0	(5,058,251)	(715,937)	(5,774,188)
Amberley Sewer	Sewerage	Sewerage	To fund capital projects for Amberley sewer	(3,118,925)	3,118,925	0	0
Culverden Sewer	Sewerage	Sewerage	To fund capital projects for Culverden sewer	(3,010)	3,010	0	0
Cheviot Sewer	Sewerage	Sewerage	To fund capital projects for Cheviot sewer	(107,284)	107,284	0	0
Greta Valley Sewer	Sewerage	Sewerage	To fund capital projects for Greta Valley sewer	(18,521)	18,521	0	0
Matunau Beach Sewer	Sewerage	Sewerage	To fund capital projects for Matunau Beach sewer	(17,865)	(17,865)	0	0
Waipara Sewer	Sewerage	Sewerage	To fund capital projects for Waipara sewer	(20,436)	20,436	0	0
Hammer Springs Sewer	Sewerage	Sewerage	To fund capital projects for Hammer Springs sewer	(1,839,460)	1,839,460	0	0
Hawarden Sewer	Sewerage	Sewerage	To fund capital projects for Hawarden sewer	(45,285)	264,735	0	0
Waikari Sewer	Sewerage	Sewerage	To fund capital projects for Waikari sewer	(51,709)	12,215	0	63,923
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	(1,464,007)	(178,182)	87,676	(1,554,514)
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	0	11,099	0	11,099
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Cheviot stormwater	4,538	(605)	0	3,933
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	(11,449)	(11,449)	0	(11,449)
Matunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Matunau Beach Stormwater	39,290	(36,018)	(45,623)	(42,351)
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	0	2,754	(61,087)	(58,333)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	0	7,118	0	7,118
Waikari Stormwater	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(20,870)	(57,911)	0	(78,781)
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	87,335	15,078	0	(29,361)
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund special reading projects in the Amberley Ward	(201,840)	24,877	0	(177,163)
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	0	76,350	(41,659)	34,691
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	0	73,029	(16,200)	56,829
Cheviot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township	0	30,795	0	30,795
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	0	161,868	(113,130)	48,738
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	0	(18,174)	0	(18,174)
Hammer Springs Subdivision Expenditure	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	0	20,885	(3,893)	16,992
Hurunui Ward Roadside Construction	Community Services and Facilities	Community Services and Facilities	To fund portion of District Library construction costs	17,458	619	0	18,077
District Library - Amberley Ward	Community Services and Facilities	Community Services and Facilities	Correction to opening balance	(1,271,320)	334,534	(377,343)	(1,383,406)
Amberley Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	(69,278)	8,738	(28,768)	209,178
Amuri Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Amuri Ward Amenities	230,209	(45,877)	0	64,915
Cheviot Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	110,892	(23,926)	0	0
Glenmark Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	(358,213)	(509,916)	0	(867,474)
Hammer Springs Amenities	Community Services and Facilities	Community Services and Facilities	Correction to opening balance	655	0	0	655
Hurunui Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	73,631	4,661	0	39,041
Amuri Amenities	Property	Property	Correction to opening balance	(99,251)	68,614	0	(514,920)
Amuri Medical General	Property	Property	To fund capital projects for medical centres in the Amuri Ward	(983,534)	45,886	0	(68,705)
Cheviot Medical General	Property	Property	To fund capital projects for medical centres in the Cheviot Ward	(104,591)	3,646	0	(307,493)
Hammer Springs Medical General	Property	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(311,139)	25,879	0	(422,672)
Hammer Springs Medical House	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(448,551)	0	0	(107,475)
Waikari Medical Centre	Property	Property	To fund capital projects for medical centres in the Hurunui Ward	(113,190)	(40,280)	0	(221,861)
Rural Fire Control	Emergency Services	Emergency Services	To fund previous deficits recorded for Rural Fire Control	(181,601)	(508,453)	0	(607,670)
Refuse Collection	Waste Minimisation	Waste Minimisation	To fund previous deficits recorded for Refuse Collection	(99,216)	0	0	(99,216)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(10,837,848)	0	(568,565)	(11,207,413)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Corrections to Opening Balances	107,874	0	0	107,874
<b>Total Rate Reserve Funds</b>				<b>(26,337,286)</b>	<b>1,837,564</b>	<b>(5,386,969)</b>	<b>(29,886,691)</b>

Rate Reserve Funds as at 30 June 2015

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2014	Appropriations 2014-2015 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2015
			\$	\$	\$	\$
Interim treatment for Drinking Water	Water Supplies	To fund capital projects relating to interim treatment of water	395,291	96,838	0	298,453
Full Treatment	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	To fund capital projects for Amberley water	(692,027)	(9,304)	(652,397)	(1,553,728)
Leithfield Beach Water	Water Supplies	To fund capital projects for Leithfield Beach water	(70,672)	8,552	(26,434)	(88,554)
Ashley Rural Water	Water Supplies	To fund capital projects for Ashley Rural water	(366,915)	531,562	(900,792)	(726,145)
Culverden Water	Water Supplies	To fund capital projects for Culverden water	(70,491)	(12,848)	305	(83,034)
Waiau Township Water	Water Supplies	To fund capital projects for Waiau Township water	(188,358)	(44,756)	(437,482)	(670,597)
Amuri Plains Water	Water Supplies	To fund capital projects for Amuri Plains water	(89,844)	(8,344)	(3,534)	(101,723)
Balmoral Water	Water Supplies	To fund capital projects for Balmoral water	109,274	(29,429)	(122,644)	(42,799)
Waiau Rural Water	Water Supplies	To fund capital projects for Waiau Rural water	(239,445)	29,094	(47,025)	(257,376)
Cheviot Water	Water Supplies	To fund capital projects for Cheviot water	(1,386,070)	62,307	(87,844)	(1,411,608)
Waipara Township Water	Water Supplies	To fund capital projects for Waipara Township water	42,063	6,367	0	48,420
Hammer Springs Water	Water Supplies	To fund capital projects for Hammer Springs water	(70,312)	172,472	(160,951)	(68,791)
Hawarden - Waikari Water	Water Supplies	To fund capital projects for Hawarden-Waikari water	51,212	62,827	(66,497)	47,541
Hurunui Rural Water	Water Supplies	To fund capital projects for Hurunui Rural water	(500,801)	159,048	(154,629)	(496,382)
Amberley Sewer	Sewerage	To fund capital projects for Amberley sewer	(2,956,348)	34,772	(197,349)	(3,118,925)
Culverden Sewer	Sewerage	To fund capital projects for Culverden sewer	(2,803)	(207)	0	(3,010)
Cheviot Sewer	Sewerage	To fund capital projects for Cheviot sewer	(88,548)	(13,612)	(5,125)	(107,284)
Greta Valley Sewer	Sewerage	To fund capital projects for Greta Valley sewer	(22,367)	3,846	0	(18,521)
Motunau Beach Sewer	Sewerage	To fund capital projects for Motunau Beach sewer	7,865	10,000	0	17,865
Waipara Sewer	Sewerage	To fund capital projects for Waipara sewer	(19,034)	(1,403)	0	(20,436)
Hammer Springs Sewer	Sewerage	To fund capital projects for Hammer Springs sewer	(1,743,415)	(22,349)	(73,696)	(1,839,460)
Hawarden Sewer	Sewerage	To fund capital projects for Hawarden sewer	5,887	(43,069)	(6,103)	(45,285)
Waikari Sewer	Sewerage	To fund capital projects for Waikari sewer	(210,212)	(44,523)	(10,000)	(264,735)
Amberley Stormwater	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	144,176	(92,468)	0	51,709
Amberley Stormwater	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,292,402)	32,130	(203,736)	(1,464,007)
Jed River Clearance	Stormwater and Drainage	To fund capital projects for Jed River Clearance	3,591	946	0	4,538
Hammer Springs Stormwater	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	6,699	37,962	(5,392)	39,290
Woodbank Road Sealing - Stage 1	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(24,033)	3,163	0	(20,870)
Amberley Special Projects	Roads and Footpaths	To fund special roading projects in the Amberley Ward	0	(150,000)	(51,840)	(201,840)
Hammer Springs Subdivision Expenditure	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	0	0	0	0
District Library - Amberley Ward	Community Services	To fund portion of District Library construction costs	16,865	593	0	17,458
Amberley Amenities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	(1,487,621)	298,199	(81,898)	(1,271,320)
Amuri Amenities	Community Services and Facilities	To fund capital projects for Amuri Ward Amenities	192,955	147,543	(110,289)	230,209
Cheviot Amenities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	82,773	58,819	(30,700)	110,892
Glenmark Amenities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	(3,824)	27,750	0	23,926
Hammer Springs Amenities	Community Services and Facilities	To fund capital projects for Hammer Springs Ward Amenities	(507,233)	284,033	(105,013)	(352,213)
Hurunui Amenities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	17,412	56,219	0	73,631
Amuri Medical General	Property	To fund capital projects for medical centres in the Amuri Ward	(633,763)	56,801	(6,572)	(583,534)
Cheviot Medical General	Property	To fund capital projects for medical centres in the Cheviot Ward	(142,987)	38,406	0	(104,581)
Hammer Springs Medical General	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(326,368)	15,229	0	(311,139)
Hammer Springs Medical House	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(467,637)	19,086	0	(448,551)
Waikari Medical Centre	Property	To fund capital projects for medical centres in the Hurunui Ward	(115,761)	2,571	0	(113,190)
Rural Fire Control	Emergency Services and Facilities	To fund previous deficits recorded for Rural Fire Control	(273,549)	91,948	0	(181,601)
Refuse Collection	Waste Minimisation	To fund previous deficits recorded for Refuse Collection	134,514	(233,730)	0	(99,216)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(10,699,003)	0	60,155	(10,638,848)
<b>Total Rate Reserve Funds</b>			<b>(24,260,867)</b>	<b>1,613,062</b>	<b>(3,669,491)</b>	<b>(26,337,296)</b>

## Note 36: Rating Base Information

Section 30A of the Local Government Act 2002, requires Councils to disclose rating base information within the District as at 30 June 2015. The relevant information is as follows:

(a) Number of rating units within the district:	8,064
(b) Total Capital Value of rating units within the district:	\$ 5,818,887,150
(c) Total Land Value of rating units within the district:	\$ 3,753,744,400

## Note 37: Insurance of Assets

Section 31A of the Local Government Act 2002, requires Councils to disclose information about insurance on its assets as at 30 June 2016. The relevant information is as follows:

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

### Buildings

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

Carrying Value of Buildings with insurance cover:	\$ 39,639,201
Maximum amount insured for Buildings with full insurance cover:	\$ 73,697,819
Maximum amount insured for Buildings with limited insurance cover:	\$ 24,890,500

### Vehicles

All Council vehicles have full insurance coverage.

Carrying Value of Vehicles with insurance cover:	\$ 1,300,382
Maximum amount insured for Vehicles with full insurance cover:	\$ 2,095,538

### Forestry

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

Carrying Value of Forestry Assets:	\$ 502,356
Maximum amount insured for Forestry Assets:	\$ 460,302

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

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

Carrying Value of Water Supplies covered by LAPP:	\$ 52,957,742
Carrying Value of Sewerage Schemes covered by LAPP:	\$ 19,866,551
Carrying Value of Stormwater Systems covered by LAPP:	\$ 5,719,248
Maximum amount covered by LAPP:	\$ 115,710,000

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

The Hurunui District Council has not set funds aside for assistance to meeting the reinstatement costs of damage on assets that are not insured. The Council does not have any insurance covering on its Roding Assets which has a carrying value of \$235,284,647.

**Note 38: Statutory Deadline**

Section 98 of the Local Government Act 2002 requires that Council adopts its annual report within four months after the end of the financial year. Council was not able to comply with this requirement for the year ended 30 June 2016 and this annual report was not adopted until 1 December 2016.

# Funding impact statements

## WHOLE OF COUNCIL - FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Annual Plan \$000's	2015 Annual Report \$000's	2016 Long Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, rates penalties	6,012	6,196	6,421	6,483
Targeted rates	8,411	9,218	8,971	9,057
Subsidies and grants for operating purposes	1,691	2,466	1,722	2,462
Fees and charges for water supply	474	286	0	521
Interest and dividends from investments	77	228	72	226
Local authorities fuel tax, fines, infringements, and other receipts	13,614	15,170	15,316	15,750
<b>Total operating funding (A)</b>	<b>30,279</b>	<b>33,564</b>	<b>32,502</b>	<b>34,499</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	25,702	29,669	27,818	29,109
Finance costs	1,016	0	1,267	1,871
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>26,718</b>	<b>29,669</b>	<b>29,085</b>	<b>30,980</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>3,561</b>	<b>3,895</b>	<b>3,417</b>	<b>3,519</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,803	2,411	1,985	1,567
Development and financial contributions	752	956	1,042	537
Assets vested in Council	0	905	0	3,345
Increase/(decrease) in debt	4,479	1,000	7,300	2,300
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>7,034</b>	<b>5,272</b>	<b>10,327</b>	<b>7,748</b>
<b>Applications of capital funding</b>				
Capital expenditure:				
- To meet additional demand	256	2,363	1,391	4,149
- To improve the level of service	4,647	4,761	5,528	4,760
- To replace existing assets	5,667	5,956	6,400	4,651
Increase/(decrease) in reserves	25	(3,913)	425	(2,294)
Increase/(decrease) in investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>10,595</b>	<b>9,167</b>	<b>13,744</b>	<b>11,266</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(3,561)</b>	<b>(3,895)</b>	<b>(3,417)</b>	<b>(3,518)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>				
<b>Surplus/(Deficit) after tax</b>	<b>(464)</b>	<b>(444)</b>	<b>(1,097)</b>	<b>440</b>
Add Depreciation	6,468	8,240	7,541	8,593
Add Loss on Disposal	0	0	0	0
Less change in fair value of derivatives	0	0	0	0
Less gains on forestry revaluation	112	398	0	50
Less gains on asset sales	0	0	0	0
Less gains in value of NZUs	0	(28)	0	(117)
Less Development and Financial Contributions	(752)	(956)	(1,042)	(537)
Less Subsidies and Grants for Capital Expenditure	(1,803)	(2,410)	(1,985)	(1,567)
Less Vested Asset income	0	(905)	0	(3,345)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>3,561</b>	<b>3,895</b>	<b>3,417</b>	<b>3,519</b>



## WATER SUPPLIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	4,208	5,147	5,143
Subsidies and grants for operating purposes	0	0	0
Fees and charges	500	118	521
Internal charges and overheads recovered	7	0	0
Local authorities fuel tax, fines, infringements, and other receipts	115	0	0
<b>Total operating funding (A)</b>	<b>4,830</b>	<b>5,265</b>	<b>5,664</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,546	3,277	3,289
Finance costs	372	373	388
Internal charges and overheads applied	969	934	934
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,887</b>	<b>4,584</b>	<b>4,612</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>943</b>	<b>681</b>	<b>1,052</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	140	338	72
Assets vested in Council	0	0	804
Increase/(decrease) in internal debt	(189)	3,638	1,579
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(49)</b>	<b>3,976</b>	<b>2,454</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	46	128	804
- To improve the level of service	24	2,870	2,184
- To replace existing assets	824	1,659	438
Increase/(decrease) in reserves	0	0	80
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>894</b>	<b>4,657</b>	<b>3,506</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(943)</b>	<b>(681)</b>	<b>(1,052)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>123</b>	<b>(464)</b>	<b>334</b>
Add Depreciation	960	1,483	1,594
Less Development and Financial Contributions	(140)	(338)	(72)
Less Subsidies and Grants for Capital Expenditure	0	0	0
Less Vested Asset income	0	0	(804)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>943</b>	<b>681</b>	<b>1,052</b>

## SEWERAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	758	1,145	1,172
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
<b>Total operating funding (A)</b>	<b>758</b>	<b>1,145</b>	<b>1,172</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	308	669	696
Finance costs	374	398	373
Internal charges and overheads applied	144	138	138
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>826</b>	<b>1,205</b>	<b>1,207</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(68)</b>	<b>(60)</b>	<b>(35)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	75	166	131
Assets vested in Council	0	0	385
Increase/(decrease) in internal debt	1,544	1,899	380
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>1,619</b>	<b>2,065</b>	<b>897</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	35	913	573
- To improve the level of service	1,385	855	0
- To replace existing assets	131	237	149
Increase/(decrease) in reserves	0	0	140
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,551</b>	<b>2,005</b>	<b>862</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>68</b>	<b>60</b>	<b>34</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>(360)</b>	<b>(361)</b>	<b>9</b>
Add Depreciation	368	467	472
Less Development and Financial Contributions	(76)	(166)	(131)
Less Vested Asset income	0	0	(385)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(68)</b>	<b>(60)</b>	<b>(35)</b>

## STORMWATER AND DRAINAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	106	122	122
Targeted rates	281	349	346
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
<b>Total operating funding (A)</b>	<b>387</b>	<b>471</b>	<b>467</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	127	260	407
Finance costs	113	98	81
Internal charges and overheads applied	14	12	12
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>254</b>	<b>370</b>	<b>500</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>133</b>	<b>101</b>	<b>(33)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	18	110	39
Assets vested in Council	0	0	321
Increase/(decrease) in internal debt	(151)	306	166
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(133)</b>	<b>416</b>	<b>526</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	0	96	321
- To improve the level of service	0	421	37
- To replace existing assets	0	0	(17)
Increase/(decrease) in reserves	0	0	152
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>517</b>	<b>493</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(133)</b>	<b>(101)</b>	<b>33</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>102</b>	<b>119</b>	<b>233</b>
Add Depreciation	49	92	93
Less Development and Financial Contributions	(18)	(110)	(39)
Less Vested Asset income	0	0	(321)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>133</b>	<b>101</b>	<b>(33)</b>

## ROADS AND FOOTPATHS - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	3,582	3,431	3,362
Targeted rates	183	163	217
Subsidies and grants for operating purposes	1,661	1,722	2,410
Fees and charges	0	5	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	157	150	155
<b>Total operating funding (A)</b>	<b>5,583</b>	<b>5,471</b>	<b>6,144</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,035	3,011	3,810
Finance costs	2	14	9
Internal charges and overheads applied	639	592	592
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,676</b>	<b>3,617</b>	<b>4,411</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,907</b>	<b>1,854</b>	<b>1,733</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	1,833	1,985	1,567
Development and financial contributions	164	239	23
Assets vested in Council	0	54	1,835
Increase/(decrease) in internal debt	(3)	0	46
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>1,994</b>	<b>2,278</b>	<b>3,470</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	164	244	1,835
- To improve the level of service	75	165	829
- To replace existing assets	3,662	3,723	3,013
Increase/(decrease) in reserves	0	0	(473)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>3,901</b>	<b>4,132</b>	<b>5,203</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(1,907)</b>	<b>(1,854)</b>	<b>(1,733)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>713</b>	<b>337</b>	<b>880</b>
Add Depreciation	3,191	3,741	4,277
Less Development and Financial Contributions	(164)	(239)	(23)
Less Subsidies and Grants for Capital Expenditure	(1,833)	(1,985)	(1,567)
Less Vested Asset income	0	0	(1,835)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,907</b>	<b>1,854</b>	<b>1,733</b>

**PUBLIC SERVICES - GROUP ACTIVITY FUNDING IMPACT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,235	1,387	1,404
Targeted rates	2,749	2,124	2,131
Subsidies and grants for operating purposes	0	0	51
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	1,291	1,709	2,672
<b>Total operating funding (A)</b>	<b>5,275</b>	<b>5,220</b>	<b>6,259</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,303	5,428	6,384
Finance costs	257	233	213
Internal charges and overheads applied	1,228	1,303	1,303
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>6,788</b>	<b>6,964</b>	<b>7,900</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(1,513)</b>	<b>(1,744)</b>	<b>(1,641)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	244	189	273
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	275	414	474
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>519</b>	<b>603</b>	<b>747</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	21	10	617
- To improve the level of service	353	912	100
- To replace existing assets	68	196	222
Increase/(decrease) in reserves	(1,436)	(2,259)	(1,834)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(994)</b>	<b>(1,141)</b>	<b>(895)</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>1,513</b>	<b>1,744</b>	<b>1,641</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>(1,855)</b>	<b>(2,194)</b>	<b>(2,148)</b>
Add Depreciation	586	639	780
Less Development and Financial Contributions	(244)	(189)	(273)
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>(1,513)</b>	<b>(1,744)</b>	<b>(1,641)</b>

## REGULATORY SERVICES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,193	1,321	1,315
Targeted rates	31	44	48
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	1,552	1,447	1,331
<b>Total operating funding (A)</b>	<b>2,776</b>	<b>2,812</b>	<b>2,694</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,174	2,171	1,989
Finance costs	0	0	0
Internal charges and overheads applied	494	605	605
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,668</b>	<b>2,776</b>	<b>2,594</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>108</b>	<b>36</b>	<b>100</b>
<b>Sources of capital funding</b>			
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
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	10	0	0
- To replace existing assets	53	75	37
Increase/(decrease) in reserves	45	(39)	63
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>108</b>	<b>36</b>	<b>100</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(108)</b>	<b>(36)</b>	<b>(100)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>73</b>	<b>3</b>	<b>59</b>
Add Depreciation	35	33	41
Less Development and Financial Contributions	0	0	0
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>108</b>	<b>36</b>	<b>100</b>

## HANMER SPRINGS THERMAL POOLS AND SPA - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
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	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	10,305	11,642	11,229
<b>Total operating funding (A)</b>	<b>10,305</b>	<b>11,642</b>	<b>11,229</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	7,161	8,346	7,929
Finance costs	1,074	895	729
Internal charges and overheads applied	137	145	145
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>8,372</b>	<b>9,386</b>	<b>8,804</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,933</b>	<b>2,256</b>	<b>2,425</b>
<b>Sources of capital funding</b>			
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	537	500	570
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>537</b>	<b>500</b>	<b>570</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	537	300	1,590
- To replace existing assets	107	200	418
Increase/(decrease) in reserves	1,826	2,256	987
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>2,470</b>	<b>2,756</b>	<b>2,995</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(1,933)</b>	<b>(2,256)</b>	<b>(2,425)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>1,021</b>	<b>1,463</b>	<b>1,571</b>
Add Depreciation	912	793	854
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>1,933</b>	<b>2,256</b>	<b>2,425</b>

## GOVERNANCE AND CORPORATE SERVICES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2015 Long-Term Plan \$000's	2016 Long-Term Plan \$000's	2016 Annual Report \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	(161)	160	281
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	5,206
Interest and dividends from investments	4,939	5,206	226
Local authorities fuel tax, fines, infringements, and other receipts	318	316	363
<b>Total operating funding (A)</b>	<b>5,096</b>	<b>5,682</b>	<b>6,076</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,525	5,924	4,606
Finance costs	(2,065)	(2,012)	77
Internal charges and overheads applied	1,371	1,476	1,476
Other operating funding applications	0	0	0
<b>Total applications of operating funding (B)</b>	<b>4,831</b>	<b>5,388</b>	<b>6,159</b>
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>265</b>	<b>294</b>	<b>(83)</b>
<b>Sources of capital funding</b>			
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	488	(915)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>488</b>	<b>(915)</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	153	5	19
- To replace existing assets	231	310	393
Increase/(decrease) in reserves	(119)	467	(1,410)
Increase/(decrease) in investments	0	0	0
<b>Total applications of capital funding (D)</b>	<b>265</b>	<b>782</b>	<b>(998)</b>
<b>Surplus/(deficit) of operating funding (C-D)</b>	<b>(265)</b>	<b>(294)</b>	<b>83</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliations between Financial Summary and Funding Impact Statement</b>			
<b>Surplus/(Deficit) for Activity</b>	<b>(45)</b>	<b>0</b>	<b>(565)</b>
Add Depreciation	310	294	482
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>265</b>	<b>294</b>	<b>(83)</b>



# Benchmarking

**Local Government (Financial Reporting and Prudence) Regulations 2014**

Annual report disclosure statement for the year ended 30 June 2016

**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*

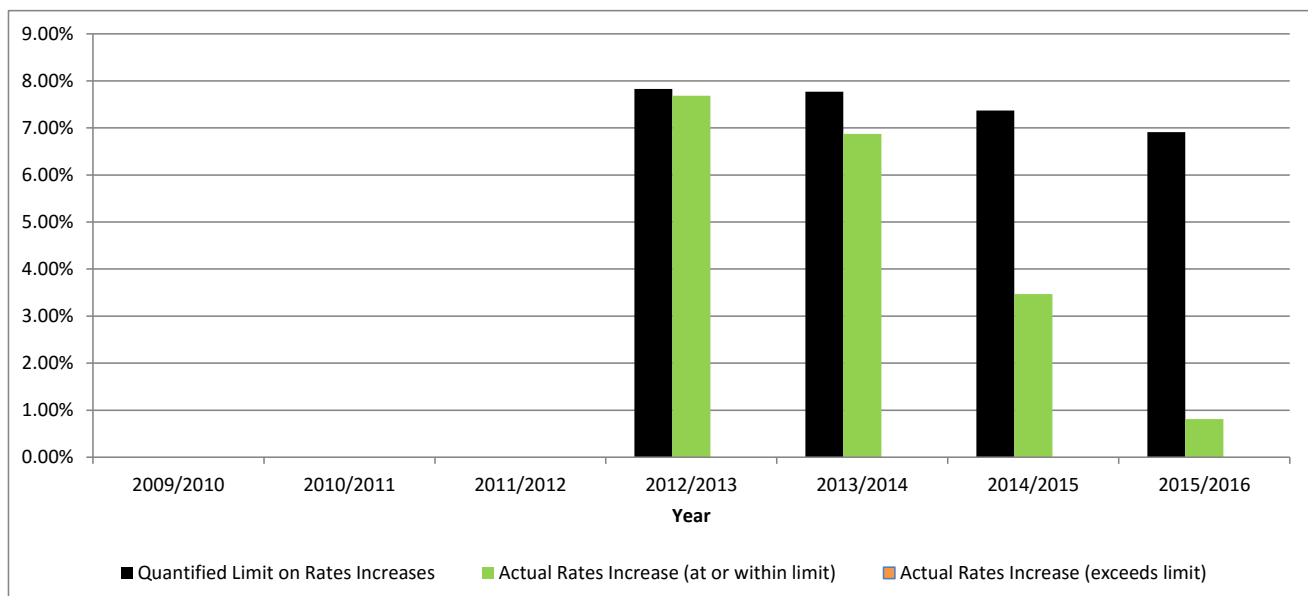
The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s long-term plan. The quantified limit was set out as follows:

- 2012/2013 7.83% increase from prior year (\$12,945,000 + 7.83%) = \$13,959,000
- 2013/2014 7.77% increase from prior year (\$13,940,000 + 7.77%) = \$15,023,000
- 2014/2015 7.37% increase from prior year (\$14,898,000 + 7.37%) = \$15,995,982
- 2015/2016 6.90% (6.00% growth adjusted) increase from prior year (\$15,415,000 + 6.91%) = \$16,480,000



*Rates (increases) affordability*

The following graph compares the council’s actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council’s long-term plan. The quantified limits were: 2012/2013 7.83%; 2013/2014 7.77%; 2014/2015 7.37% and 2015/2016 6.91% (6.00% growth adjusted).



### Debt affordability benchmarks

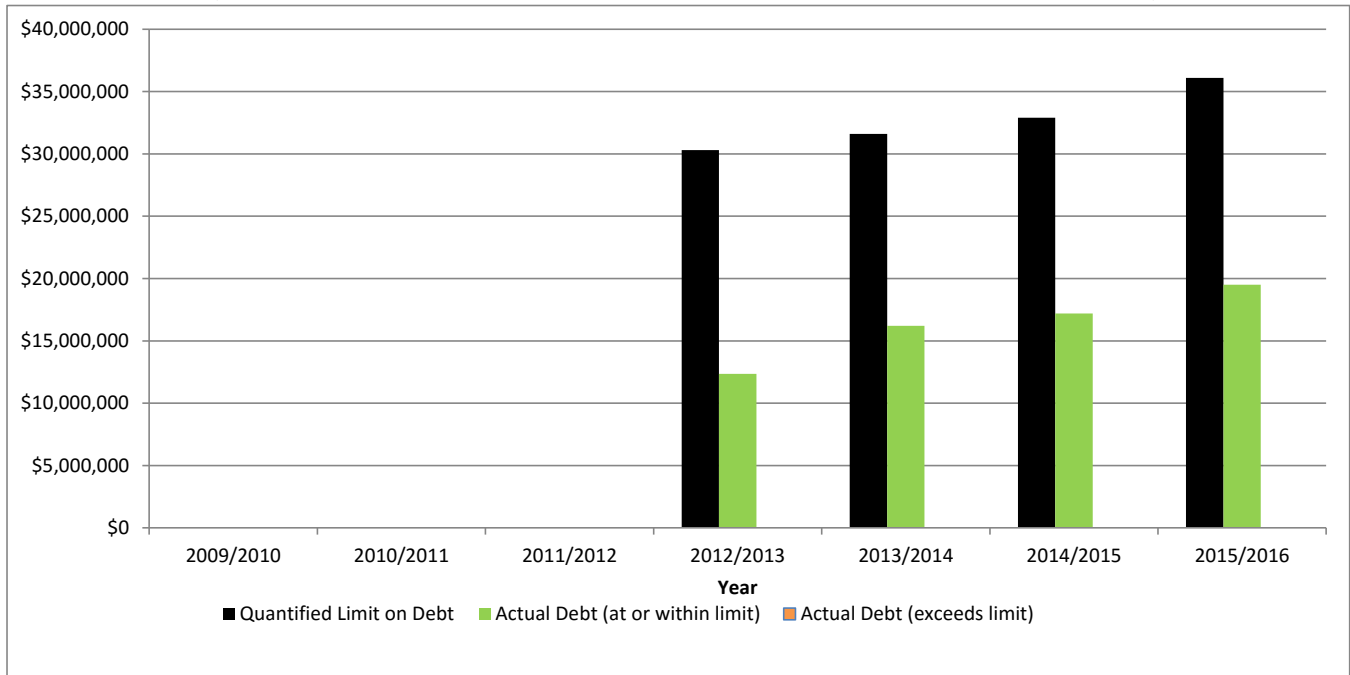
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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

- Total Debt is no more than 100% of Total Income (Limit for 2015/2016 is \$36.1m)
- Total Debt is no more than 10% of Total Equity (Limit for 2015/2016 is \$37.7m)
- Interest expense is no more than 6.25% of Total Income (Limit for 2015/2016 is \$2.26m)
- Interest expense is no more than 12.5% of Total Rates (Limits for 2015/2016 is \$1.95m)

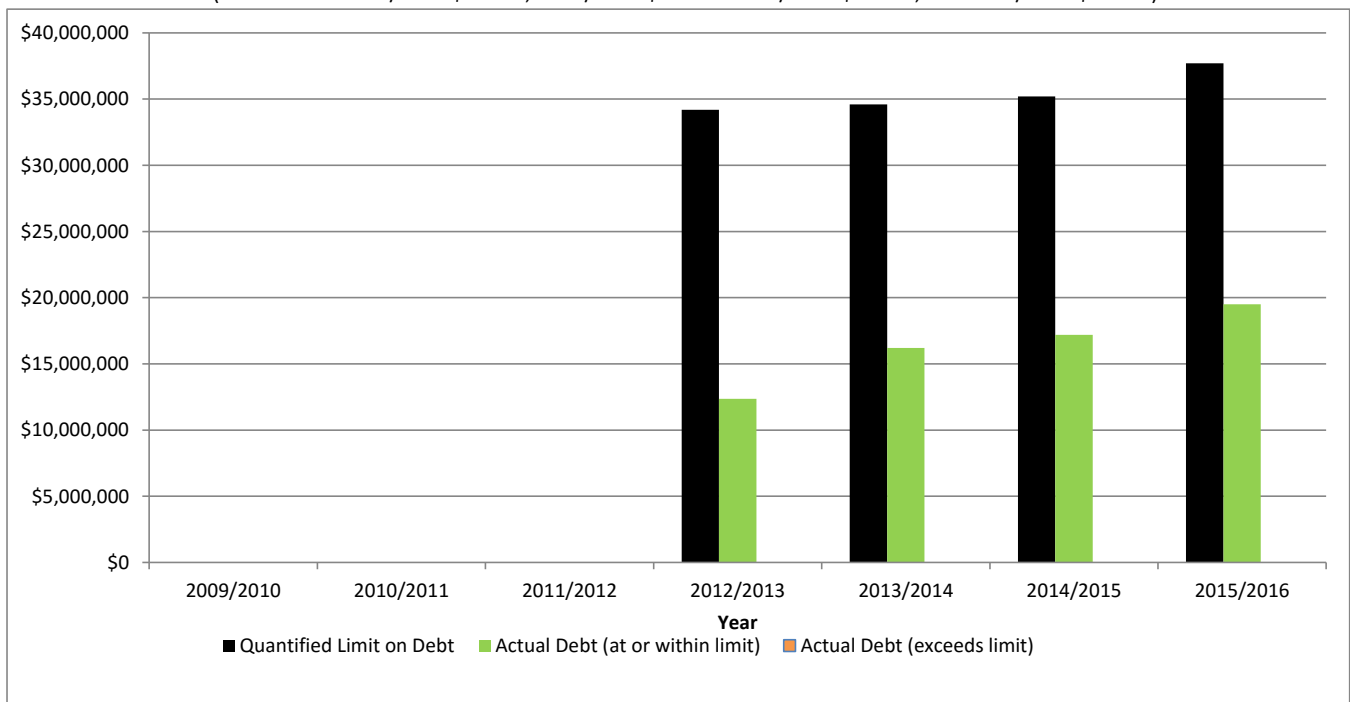
#### Total Debt is no more than 100% of Total Income

(Limits were: 2012/2013 \$30.3m; 2013/2014 \$31.6m; 2014/2015 \$32.9m; and 2015/2016 \$36.1m)



#### Total Debt is no more than 10% of Total Equity

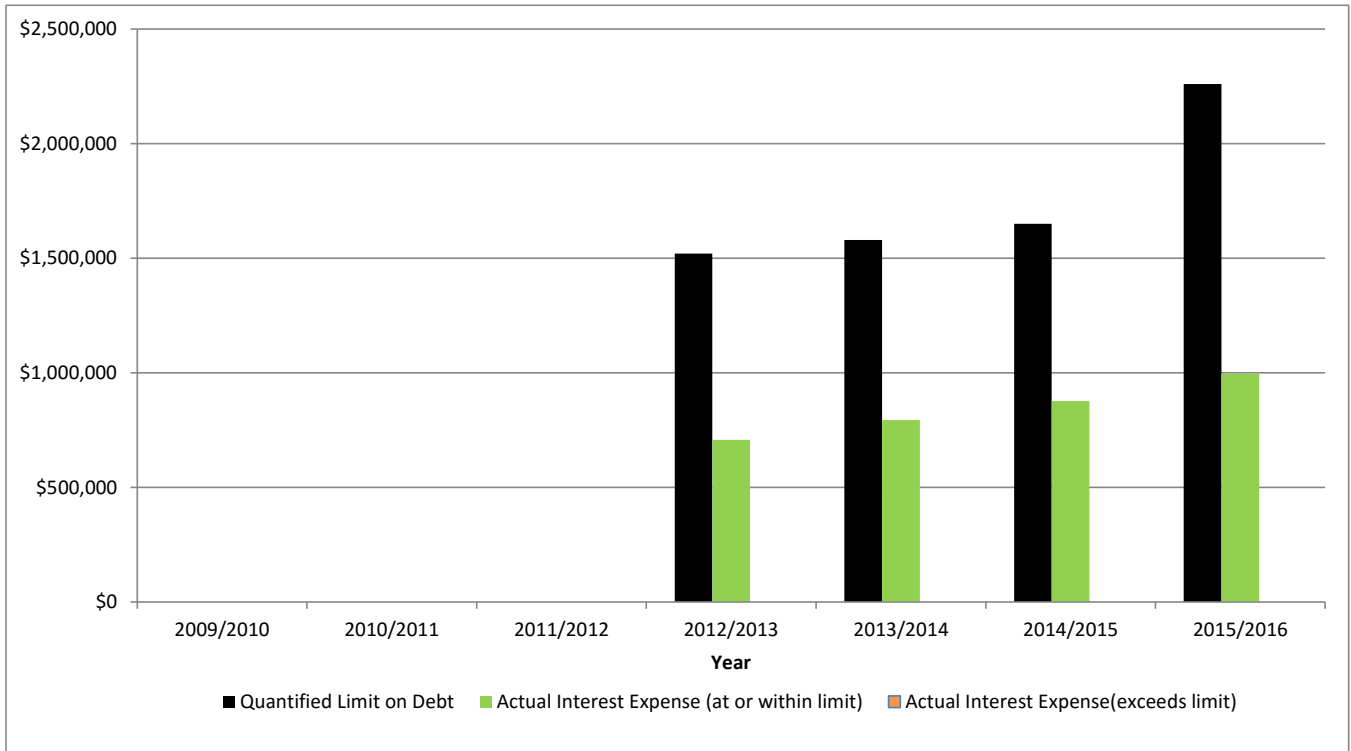
(Limits were: 2012/2013 \$34.2m; 2013/2014 \$34.6m; 2014/2015 \$35.2m; and 2015/2016 \$37.7m)



Debt affordability benchmarks (Continued)

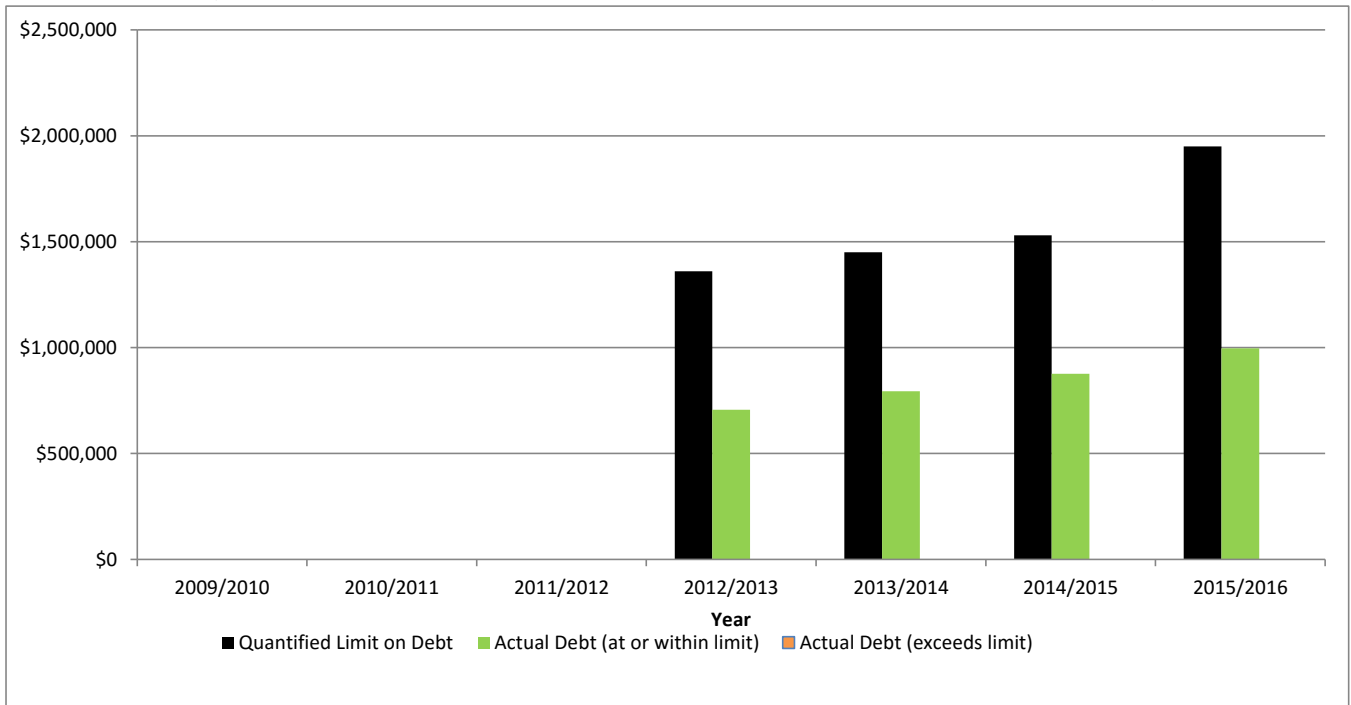
**Interest expense is no more than 6.25% of Total Income**

(Limits were: 2012/2013 \$1.52m; 2013/2014 \$1.58m; 2014/2015 \$1.65m; and 2015/2016 \$2.26m)



**Interest expense is no more than 12.5% of Total Rates**

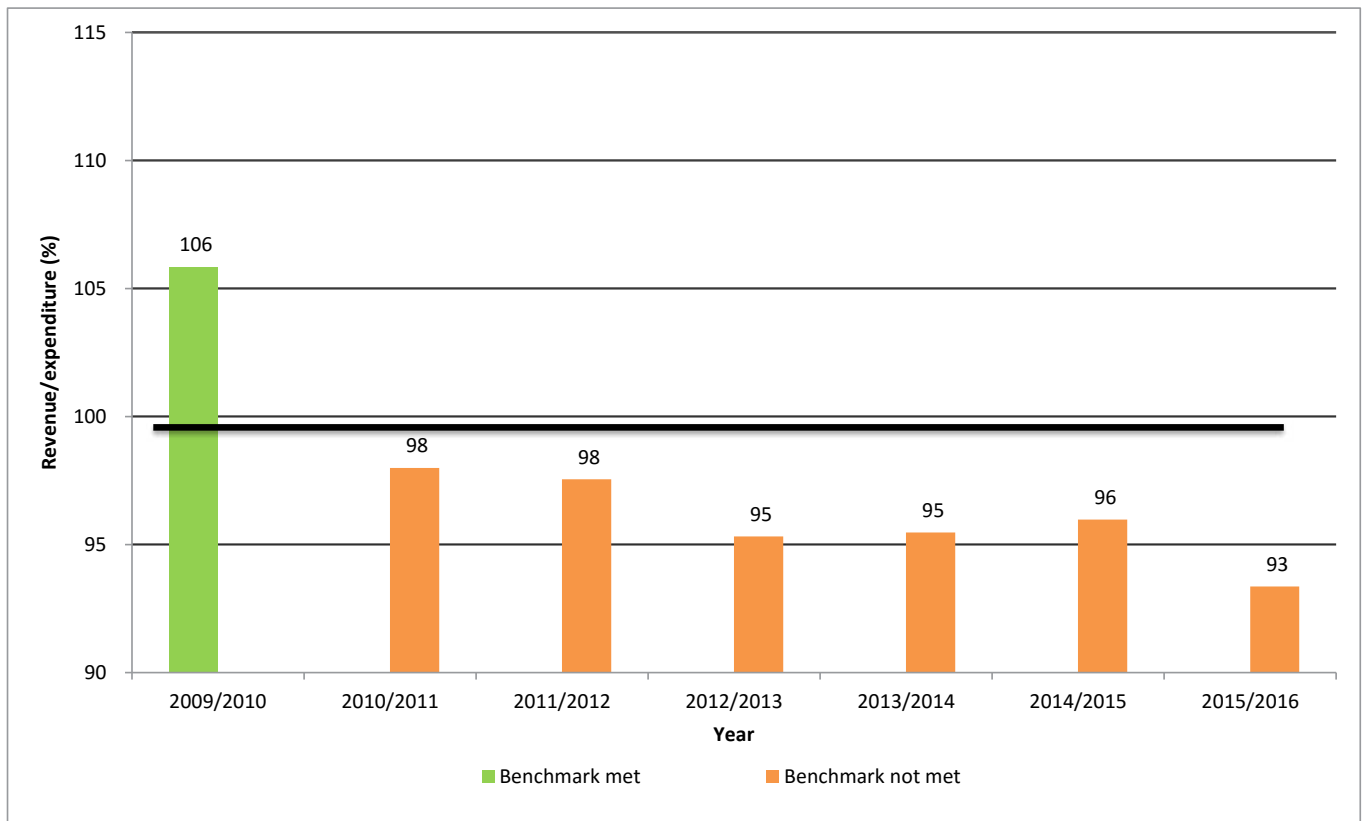
(Limits were: 2012/2013 \$1.36m; 2013/2014 \$1.45m; 2014/2015 \$1.53m; and 2015/2016 \$1.95m)



### Balanced budget benchmark

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

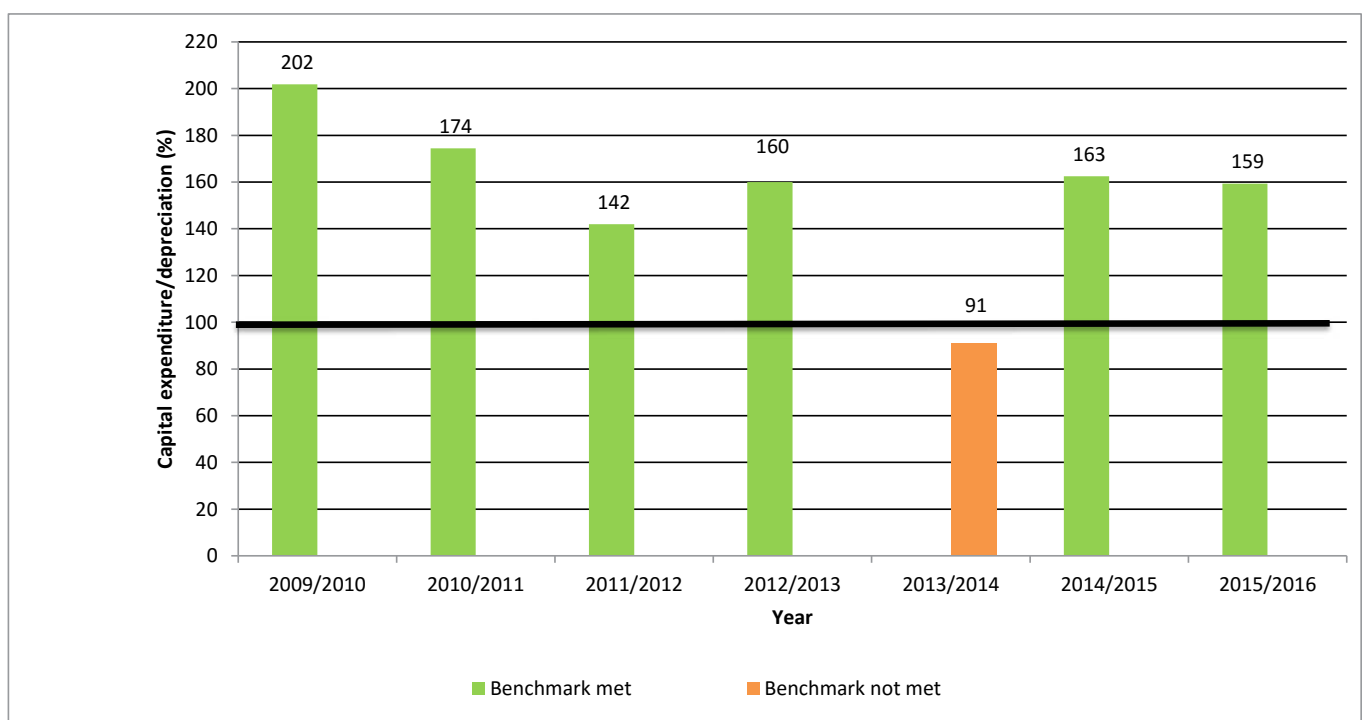
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Essential services benchmark

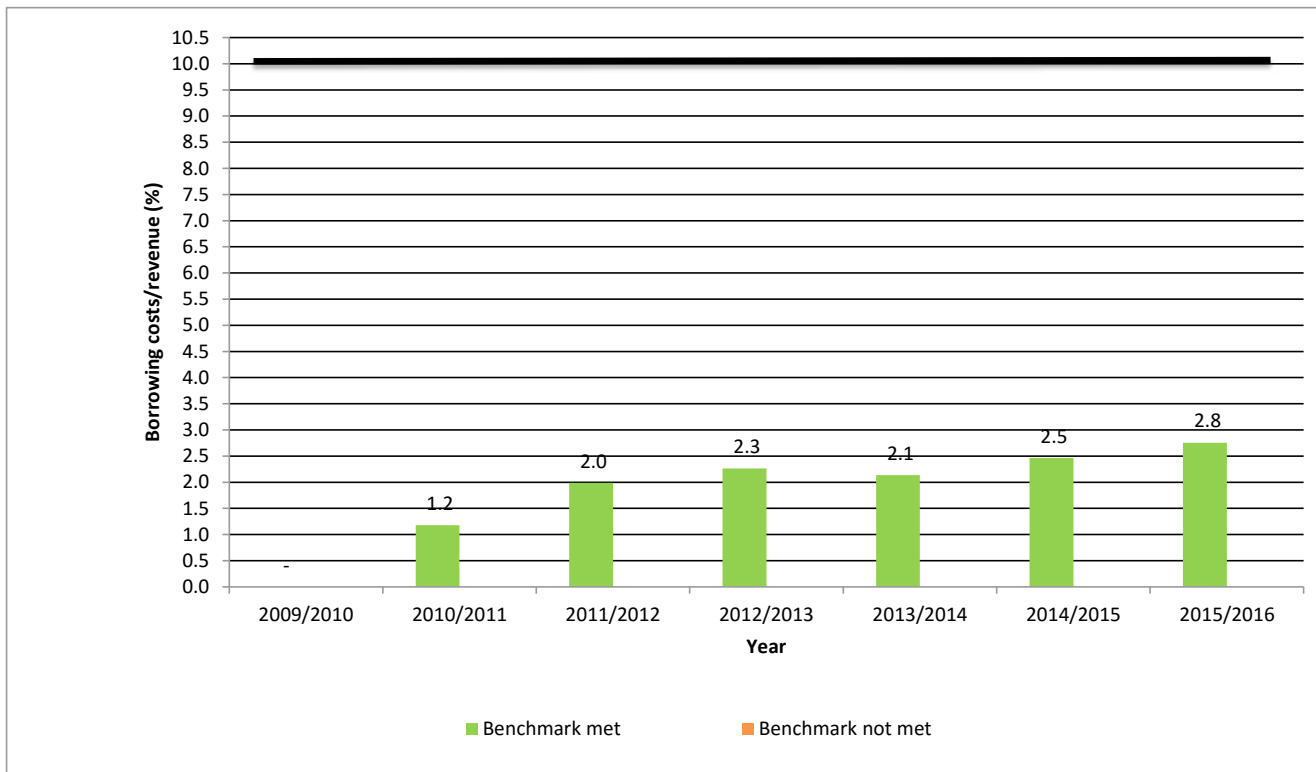
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

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



**Debt servicing benchmark**

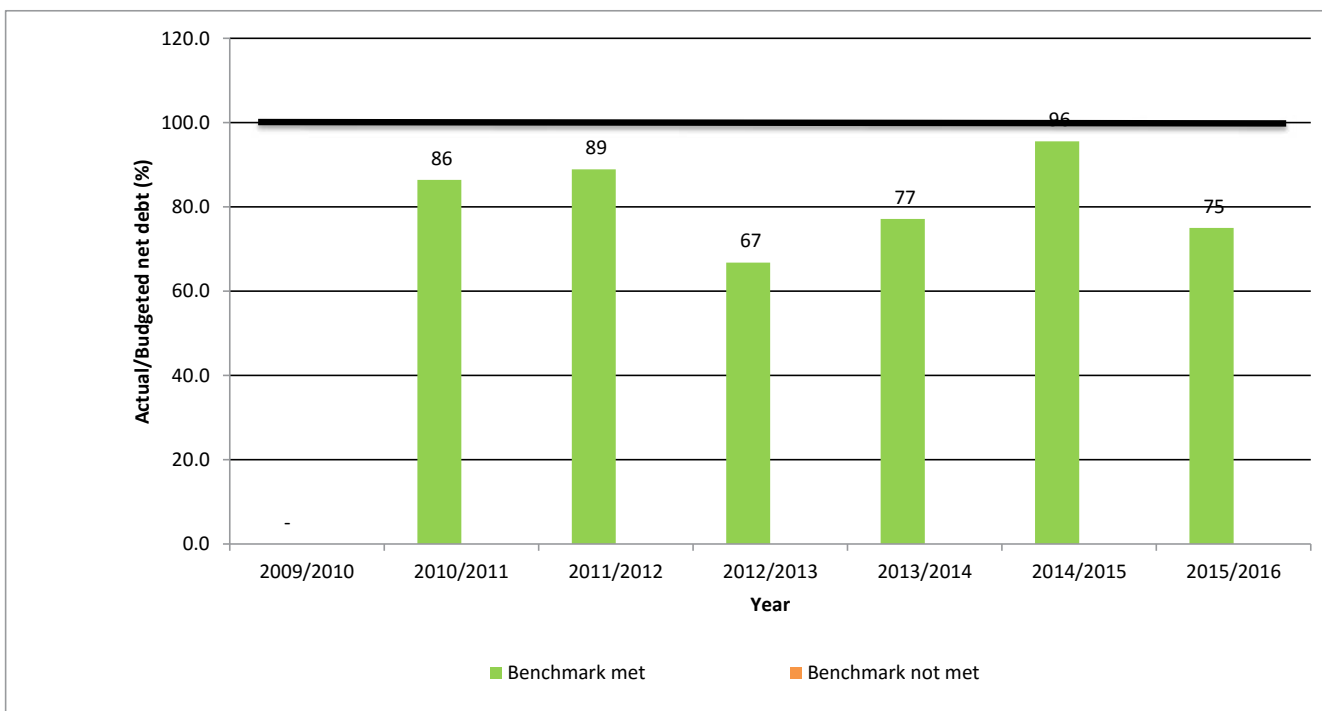
The following graph displays the council’s borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment). Because Statistics New Zealand projects the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



**Debt control benchmark**

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

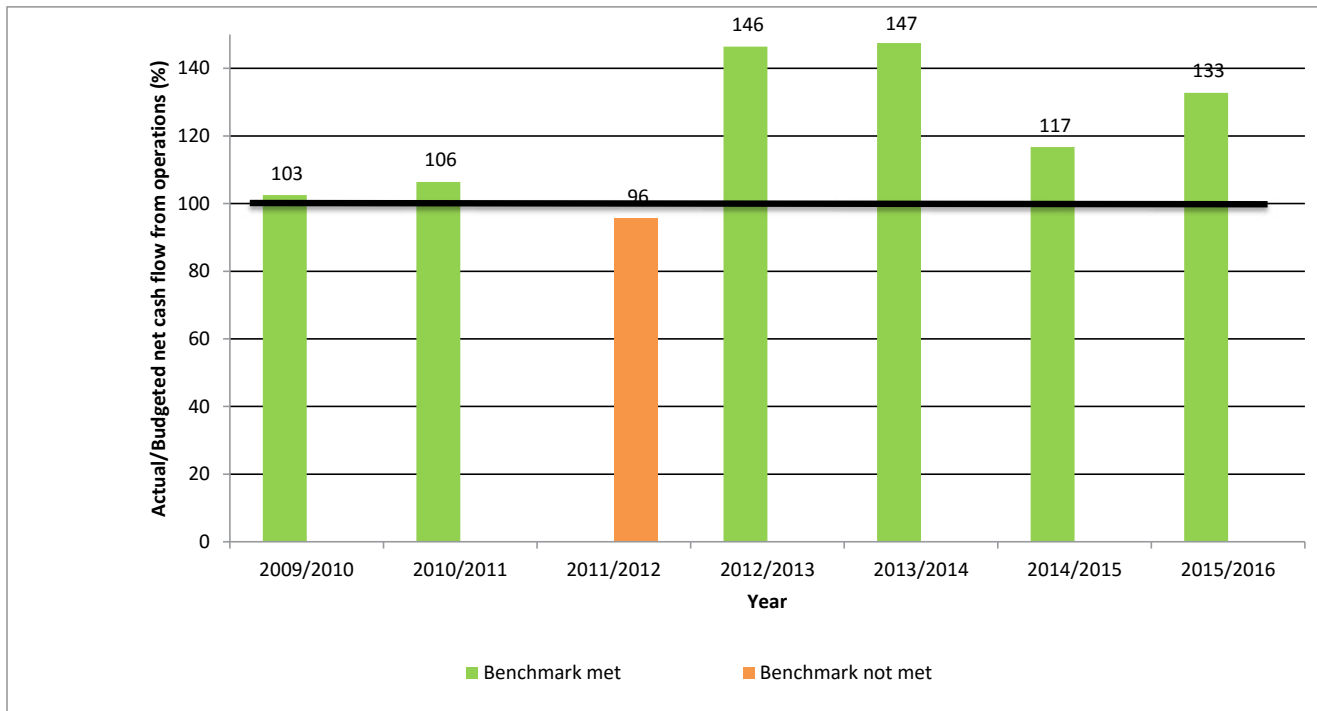
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



**Operations control benchmark**

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.







# Council controlled organisations

# Enterprise North Canterbury

## 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.

Our 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.

## Summary of 2015/2016 Objectives and Achievements

### Objective 1 Exceptional Infrastructure

#### *Enhanced broadband capability for North Canterbury*

- ENC worked closely with Amuri Health Care Centre (AHCC) on the rural broadband for health. Chorus carried out an upgrade to the cabinet in response to our lobbying on behalf of the AHCC.
- ENC established free WiFi and signage to the main street of Cheviot. The Cheviot Promotions Association agreed to fund ongoing data costs.
- ENC submitted an application to Ministry of Business, Innovation and Employment (MBIE) on behalf of Hurunui and Waimakariri District Councils for government funding for the national rural broadband initiative and cellular black spot. A decision has not yet been made on which Councils will be successful in their bid for a share of the \$150m stage two funding.

### Objective 2 Retain and support existing businesses

#### *Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities*

- ENC has a five-year contract as a subcontractor for the Regional business partner programme with NZTE. During the year:

- ENC scored 100% satisfaction of services provided through the NZTE annual customer survey. Target, minimum of 80% satisfaction
- ENC carried out 101 capability assessments (72 last year). Target 55
- 129 training vouchers (125 last year) were issued to 85 businesses (66 last year) in the amount of \$67,914 (\$53,493 last year). Target a minimum of \$50,500 NZTE Vouchers
- 120 face to face meetings (122 last year), introductions and follow ups as required with local businesses of which 48 were start-ups (29 last year)
- 35% of training vouchers issued by ENC to businesses were redeemed for courses or coaching run by Enterprise North Canterbury (61% last year)
- There are limited training and coaching providers in North Canterbury. ENC continues to develop and run business growth courses to meet the market and ran 30 courses made up of 49 half-day training workshops (40 half-days last year). There were a total of 215 attendees (206 last year) at these workshops.
- ENC commenced a free financial coaching programme at the business centre one day each month provided and sponsored by BDO.
- ENC supports local businesses by referring them to the appropriate support agency. 54 referrals were made to Business Mentors NZ (59 last year), of which 42 businesses were matched with Mentors.

#### *Communicate with businesses so they are well informed about services and support available to them*

- 11 ENC newsletters were produced throughout the year. The newsletters go out to just over 2400 subscribers on the ENC database.
- ENC sent out 24 media releases throughout the year resulting in extensive profile through local print media and online news sites.
- ENC appeared 59 times in local print media.
- ENC website statistics increased compared to previous year - visits were 44,732, up from 28,644 (56% increase).

- The North Canterbury Job Vacancy Website – 344 job vacancies were listed this year (314 last year) with 199 applications made on line (65 last year).

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

*ENC will celebrate and recognise business leaders and business successes*

Organising and hosting the biennial business awards. ENC's target was for full sponsorship of eight categories and an increase of 10% business entries, an increase of 10% attendance at the Gala Awards Ceremony, and for participating businesses surveyed to have a minimum of 80% satisfaction rate of involvement.

- 60 entries were received (28% increase from 47 in 2014).
- The 2016 Gala Awards dinner was held at the new Ohoka Hall venue which is limited to 360 people. As such, a 10% increase on the 347 attendees in 2014 was not possible.

*Undertake analysis of regional employment opportunities and trends*

- Two six-monthly business confidence surveys were done this year. In November 2015, 48 responded out of 83 invited and in April 2016, 43 responded out of 83 invited.

*Assist Hurunui Town Development*

- ENC collated community asset mapping which identified the need for a connector role in Amuri, and then set up the systems and process to employ the community connector now in place. This is funded by the Ministry of Social Development and donations from local businesses.

*ENC Business Centre*

A major new initiative was implemented this year for ENC and Kaiapoi i-SITE to co-locate in accommodation in Kaiapoi and set up a new business centre for North Canterbury.

# Transwaste Canterbury Limited

## Background

Transwaste Canterbury Limited operates a regional landfill at Kate Valley and associated transport services in a joint venture with Canterbury Waste Services. Hurunui District Council is one of the councils in the Canterbury region which between them own 50% of the shares in Transwaste Canterbury Limited. Hurunui's share of the Company amounts to 1.2%. 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.

## Summary of 2015/2016 Objectives and Achievements

### Objective 1

*To operate a successful business, providing a fair rate of return to its shareholders*

- The revenue received from Kate Valley was \$47,491,000, less than the target of \$53,628,000 due to less than expected levels of high density demolition related waste to the landfill. This resulted in the EBIT being only \$19,730,000 (\$3,535,000 below the target of \$23,255,000) and dividends totalling \$14,800,000 instead of the predicted \$16,100,000.
- The revenue received from the Burwood Resource Recovery Park was also below target with \$8,582,000 received (\$17,053,000 target) due to a fire which resulted in the recovery park being closed for 7 – 8 months. The fire also resulted in the EBIT only being \$4,673,000, well below the target of \$11,481,000.

### Objective 2

*To ensure that the Transwaste Canterbury Group, as a minimum, meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources*

- There are no known breaches of established resource consents.
- The Tiromoana Bush Development Plan has been prepared but not signed off by the Board as per the target.

- The Kate Valley landfill gas capture and destruction target of 90% landfill gas has been achieved for the reporting year ended 31 December 2015.

### Objective 3

*To be a good Corporate Citizen by acting lawfully*

- Transwaste Canterbury has complied with all relevant legislation and statutory requirements.

### Objective 4

*To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues*

- \$85,669 was paid to the Kate Valley Landfill Community Trust to benefit local community, which achieved the target to make a contribution.
- Education modules were used in the National waste curriculum by schools as per the target.
- The target to provide adequate provisioning for aftercare and closure for sites was achieved.

### Objective 5

*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*

- The target to have timely high quality and reliable waste transport services was achieved through having containers available for waste.
- The target for the landfill to be available to waste transporters for more than 99% of normal annual transport access hours was achieved.

### Objective 6

*Be a good employer, through either direct employment or by way of management contracts with the Waste Management NZ Ltd divisions, Canterbury Waste Services and Canterbury Materials Recovery Facilities*

- The turnover target of no more than 15% of staff was achieved with 4.4% turnover at Kate Valley.
- The target for 10 hours training per full time employee was exceeded with 11 hours or more.

### Objective 7

*Strive for zero injury accidents in all operations the company and its main contractors will be responsible for, whilst maintaining a high level of service and production*

- The target to maintain or improve the total recordable injury frequency rate was achieved with zero for the year.
- The objective to maintain Kate Valley public walkways so that no serious avoidable injuries occurred was achieved.

- The objective to have no 'at fault' incidents by Canterbury Waste drivers was achieved.

### **Objective 8**

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

- Four community liaison group meetings were held concerning Kate Valley communities which exceeded the target of 2.
- Two community liaison group meetings were held concerning Burwood communities which achieved the target of 2.
- 5 meetings with interest groups (including Tangata Whenua) were held exceeding the target of 3.



# Appendices

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# Appendix 1 - Performance measures

The following pages show the end of year status for all the performance measures included in the Long Term Plan and reported to Council monthly.



# Water Supply Performance Measures

## Safety

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	0% failure
<b>Measurement method</b>	All water supply e-coli tests done on sample points across all drinking water schemes will have zero noncompliance. Test records are kept in the WINZ database	
<b>Current performance</b>	0.57% failure (equating to 15 test failures from 2,638 tests across the district). Raw water sampling has begun to understand the full extent of the E.Coli content of the water. This will provide for a full appreciation of the treatment required. This result has not quite reached the ideal zero target, but does show good progress toward it. Preventative maintenance programs now in place will assist in reducing the number of failures by reducing the risk of mechanical faults.	

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	N/A
<b>Measurement method</b>	We are unable to reach protozoa compliance or measure this performance target for several years to come. Plans are in place to have all protozoa compliance treatment systems on at-risk intakes installed by 2024 (for minor schemes); 2025 (for small schemes); and 2026 (for neighbourhood schemes), unless substantial financial subsidies become available and are approved by Ministry of Health.	
<b>Current performance</b>	Not compliant to date. Deep well sources are currently being age tested and assessed for secure bore status (protozoa compliance). All other at-risk intakes are being assessed for determined protozoa contamination risk. To date protozoa testing has produced very good results with low or no protozoa present.	

## Maintenance

Performance measure Description	Performance target issue	Performance target outcomes
Measure real water losses on all drinking water systems. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Real water loss (on demand Metered supply)	maximum 20% losses
<b>Measurement method</b>	Measurement will be the difference between the volumes of water pumped to the water schemes and the metered consumption volumes to each scheme. The difference will be calculated as the percentage real water loss.	
<b>Current performance</b>	15.5% water losses. This excludes any water flows or meters in Amberley. The reason this cannot be accounted for is because the Amberley water scheme was reconfigured and some of the places we take water from supply water to rural schemes (restricted supplies) which are currently unable to be measured for water loss.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure real water losses on all drinking water systems. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Real water loss (on demand unmetered supply)	N/A
<b>Measurement method</b>	Known and recorded pumped volumes to scheme annually. Unknown consumption volumes. Thus we cannot measure real water losses to the scheme from the above criteria (unknown usage).	
<b>Current performance</b>	Cannot be measured. Unable to measure real water losses from unmetered on-demand supplies. The only on-demand unmetered supply is at Leithfield Beach which is programmed to have meters installed in 2016/2017.) Electronic metering is being considered for Leithfield Beach pending the cost difference with manually read meters and other benefits.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure real water losses on all drinking water systems. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Real water loss (restricted supply to tanks)	N/A
<b>Measurement method</b>	Unknown consumption volumes (unmetered). Restricted water supply schemes have purchased units of water supplied daily through set water restrictors into private tank/reservoir, limiting the water supply quantity to the purchased amount only. However, the supply shuts off when the receiving tank is full, thus we remain unsure of the actual water consumed daily (unmetered).	
<b>Current performance</b>	Cannot be measured. Currently unable to measure real water losses (restricted supply to tanks with unknown measure of actual usage per day) and work is underway to see if 'indicative' metrics can be established. A re-jetting program is currently underway to ensure as few illegal takes as possible are taking water from the reticulation.	

### Fault median response time

Performance measure Description	Performance target issue	Performance target outcomes
Median time taken by service provider in responding to the customer's call for assistance. An urgent call-out is one that leads to complete loss of water supply.	Urgent call-outs for fault responsiveness	2 hours
<b>Measurement method</b>	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 complaint. The officer investigating will determine the call as urgent if there is reported complete loss of water to an on-demand scheme. The median time taken over an annual period will be used as the result.	
<b>Current performance</b>	48 urgent requests for 'no water on demand supply' were received. They took a median of 2.3 hours to respond which is slightly higher than the target. Most of the requests were responded to within 2 hours.	

Performance measure Description	Performance target issue	Performance target outcomes
Median time taken by service provider in remedying the customer's call for assistance. An urgent call-out is one that leads to complete loss of water supply.	Urgent call-outs for fault resolution	12 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when an officer has resolved the complaint. The median time over an annual period will be used as the result for all determined urgent callouts.	
<b>Current performance</b>	48 urgent requests for 'no water on demand supply' were received. They took a median of 2.6 hours to resolve which is much faster than the target. Most of these requests are resolved at the same time as the response.	

Performance measure Description	Performance target issue	Performance target outcomes
Median time taken by service provider in responding to the customer's call for assistance. A non-urgent call-out is for all other calls excluding 'urgent' descriptor.	Non-urgent callouts for fault responsiveness	72 hours
<b>Measurement method</b>	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 complaint. The officer investigating will determine the call as non-urgent if it relates to anything other than total water loss to an on-demand water scheme. The median time difference over an annual period will be used as the result.	
<b>Current performance</b>	1,967 non-urgent requests were received taking a median of 26.5 hours to respond. This is well within the 72 hour target. The reasons for the requests for service were varied. Refer to the pie graph labelled 'non urgent callouts for fault responsiveness' at the end of this section which shows the fault types.	

Performance measure Description	Performance target issue	Performance target outcomes
Median time taken by service provider in remedying the customer's call for assistance. A non-urgent call-out is for all other calls excluding 'urgent' descriptor.	Non-urgent callouts for fault resolution	120 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when an officer has resolved the complaint. The median time difference over an annual period will be used as the result for all determined non-urgent call-out CSRs.	
<b>Current performance</b>	1,967 non-urgent requests were received taking a median of 42.2 hours to resolve. This is well within the target. Refer to pie graph for fault types below.	

## Customer satisfaction

Performance measure Description	Performance target issue	Performance target outcomes
Customer complaints received by service provider about the perception of the drinking water's clarity.	Drinking water clarity	Zero
<b>Measurement method</b>	The measure is the annual total number of complaints logged into the CRS system relating to clarity issues in the drinking water that requires investigation for cause and resolution.	
<b>Current performance</b>	47 complaints were received about drinking water clarity. Clarity of water is typically isolated to the Amberley area, where the supplies have a history of high iron. This coupled to the prolonged absence of a proper flushing programme has meant a considerable amount of sediment and iron has built up in pipes. A program to flush appropriate hydrants in the affected areas had made a vast improvement in the clarity of the water supply. One particular short section of urban pipe may be replaced as it has remained discoloured for longer than other similar areas.	

Performance measure Description	Performance target issue	Performance target outcomes
Customer complaints received by service provider about the perception of the drinking water's taste.	Drinking water taste	Zero
<b>Measurement method</b>	The measure is the annual total number of complaints logged into the CRS system relating to taste concerns in the drinking water that requires investigation for cause and resolution.	
<b>Current performance</b>	30 complaints about drinking water taste were received across the district. These are mainly related to the taste of chlorine, which is the treatment method for many of the rural supplies. As we strive to improve the bacterial compliance and improve the water safety on these schemes it is expected that in the short term the volume of these complaints will grow because we have to ensure chlorine residual is reaching the end of the schemes. Once the residual is achieved at the end of the schemes the use of chlorine will be reduced to manage the taste aspect.	

Performance measure Description	Performance target issue	Performance target outcomes
Customer complaints received by service provider about the perception of the drinking water's odour.	Drinking water odour	Zero
<b>Measurement method</b>	The measure is the annual total number of complaints logged into the CRS system relating to odour concerns in the drinking water that requires investigation for cause and resolution.	
<b>Current performance</b>	11 complaints about drinking water odour were received across the district. These are mainly related to the odour of chlorine, which is the treatment method for many of the rural supplies. As we strive to improve the bacterial compliance and improve the water safety on these schemes it is expected that in the short term the volume of these complaints will grow because we have to ensure chlorine residual is reaching the end of the schemes. Once the residual is achieved at the end of the schemes the use of chlorine will be reduced to manage the odour aspect.	

Performance measure Description	Performance target issue	Performance target outcomes
Customer complaints received by service provider about the perception of the drinking water's pressure or flow (i.e. less than the agreed levels of service).	Drinking water pressure or flow	Zero
<b>Measurement method</b>	The measure is the annual total number of complaints logged into the CSR system relating to pressure or flow in the drinking water that requires investigation for cause and resolution.	
<b>Current performance</b>	31 complaints were received across the district about drinking water pressure or flow. Causes are primarily partially blocked filters within the meter or restrictors feeding water onto the property. Some were generated by the hydrant flushing causing a temporary pressure problem and others are due to faults as a result of failings in the aged area of the water schemes.	

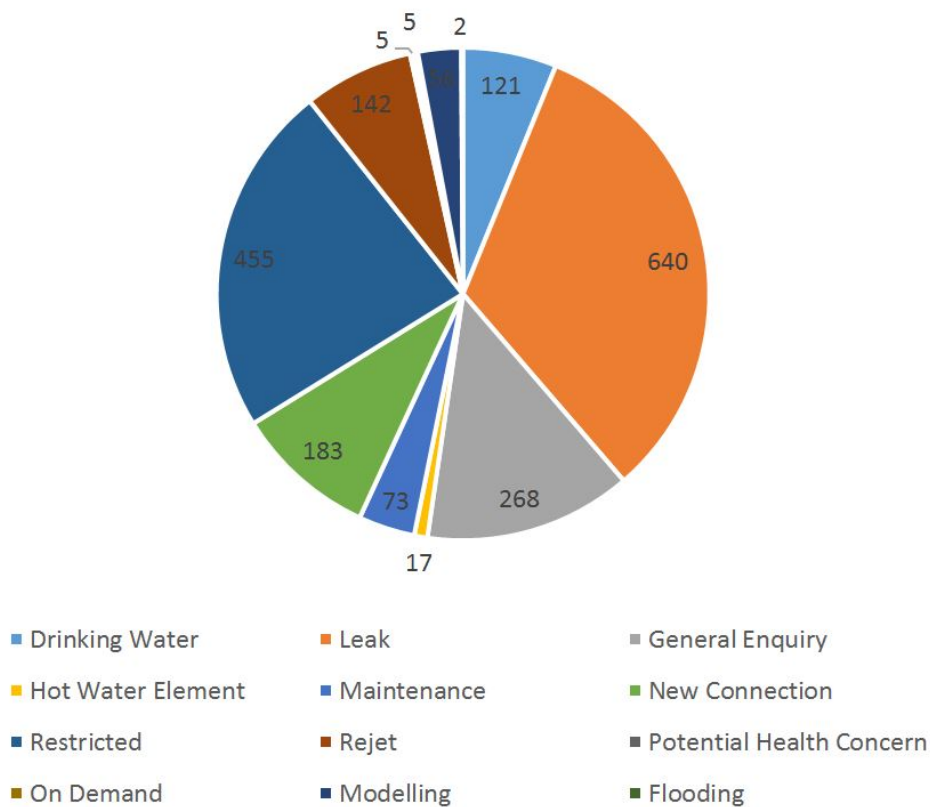
Performance measure Description	Performance target issue	Performance target outcomes
Customer complaints received by service provider about the perception of the drinking water's continuity of supply (i.e. less than the agreed levels of service)	Continuity of drinking water supply	Zero
<b>Measurement method</b>	The measure is the annual total number of complaints logged into the CRS system relating to continuity of water supply concerns that requires investigation for cause and resolution.	
<b>Current performance</b>	411 complaints were received about the continuity of drinking water supply. These complaints typically relate to issues caused by: <ul style="list-style-type: none"> <li>• Unavoidable forced shutdowns to repair major breaks</li> <li>• Caused by the property owner</li> <li>• Blocked restrictors</li> </ul> Efforts are being made to improve communication with customers when a shutdown is required so that they are notified in advance. A re-jetting programme (to check and clean restrictors) is underway and restrictors will be unblocked as a routine activity. This will help reduce issues with continuity. Last year we received 386 complaints. The increase is probably due to 2 main reasons – the network getting older and our improved focus on better recording of customer service requests (including complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's perception of the quality of the drinking water across a financial year, as provided by the service provider.	Issues in drinking water (re customer complaints above) expressed per 1000 connections to the network	Zero
<b>Measurement method</b>	The measure is the total number of complaints received 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), rounded to the nearest whole number.	
<b>Current performance</b>	530 complaints were received during the year. This equated to 70 complaints per 1,000 drinking water connections (we have 7,596 connections in total). Many of the complaints related to the same events.	

## Demand management

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.	Average consumption of drinking water per day per customer within service provider's district.	285 litres per person per day
<b>Measurement method</b>	The measure is the total amount of drinking water supplied in the year across all on-demand drinking water schemes, divided by the normal household population (census data), divided by 365 days and expressed as litres per person per day.	
<b>Current performance</b>	The average consumption across all on demand drinking water schemes amounted to 298.44 litres per person per day. This is slightly higher than the target. This is a new measure and over time, annual measures will start to tell a story.	

## Non-urgent callouts for fault responsiveness



# Sewerage Performance Measures

## System and adequacy

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.	Number of 'dry weather' sewage overflows from service provider's system expressed per 1000 connections to sewerage network	Nil
<b>Measurement method</b>	Measured as the total number of 'dry weather' sewage overflow incidents (CSR system and officer observations) divided by the total number of wastewater rated properties connected to the various networks divided by 1000	
<b>Current performance</b>	13 complaints relating to overflows were received. This equates to 4.2 complaints per 1000 connections. from a total number of 3,106 connections across the district. This is higher than our target but not more than expected.	

## Discharge compliance

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various sewerage systems	Abatement notices	Nil
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. An abatement notice is a written direction requiring certain action to be taken or ceased issued under section 17 of the Resource Management Act.	
<b>Current performance</b>	0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various sewerage systems	Infringement notices	Nil
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. Infringement notices and fines can be issued for failure to comply with an abatement notice.	
<b>Current performance</b>	0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various sewerage systems	Enforcement notices	Nil
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. An Enforcement Order is an order made by the Environment Court that may require certain actions to be taken or ceased, or money to be paid, within a specified time.	
<b>Current performance</b>	0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various sewerage systems	Convictions	Nil
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. This measurement is as a result of successful prosecution outcomes only. Prosecutions are taken where there has been a significant contravention of the RMA (1991).	
<b>Current performance</b>	0 convictions.	

## Fault response time

Performance measure Description	Performance target issue	Performance target outcomes
Time taken by service provider in responding to the customer's call for assistance.	Call-out attendance time period	2 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred. The responses will be those as a result of blockages or mechanical or electrical faults. The median time taken will be used as the end of year result.	
<b>Current performance</b>	26 urgent requests were received taking a median of 2.4 hours to respond. Slightly over the target time for the response but the time to resolve the issue exceeds the target.	

Performance measure Description	Performance target issue	Performance target outcomes
Time taken by service provider in remedying the customer's call for assistance.	Call-out resolution time period	12 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when the fault has been resolved to the customers' satisfaction. The fault resolution will be those as a result of blockages or mechanical or electrical faults. The median time taken will be used as the end of year result.	
<b>Current performance</b>	26 urgent requests were received taking a median of 2.8 hours to respond which exceeds the 12 hour target.	

## Customer satisfaction

Performance measure Description	Performance target issue	Performance target outcomes
Total number of customer complaints received about sewage odour	Sewage odour	Nil
<b>Measurement method</b>	Customer complaints relating to sewage odour from the sewerage network is logged as a CSR for investigation re the cause and resolution. This is tallied and reported at the end of the year as total number of complaints received relating to sewage odour.	
<b>Current performance</b>	6 complaints were received about odour from sewerage networks. This is a low number of complaints but we aim for 0.	



Performance measure Description	Performance target issue	Performance target outcomes
Total number of customer complaints received about sewerage mechanical/electrical system faults	Sewerage mechanical/electrical faults	Nil
<b>Measurement method</b>	Customer complaints relating to sewerage mechanical or electrical faults causing service disruption on the sewerage network is logged as a CSR for investigation re the cause and resolution. This is tallied and reported at the end of the year as total number of complaints received relating to service disruption as a result of mechanical or electrical faults.	
<b>Current performance</b>	3 mechanical or electrical faults were received. Although our target is for no faults, it is not unexpected to have some throughout the year. The low number of faults confirms that our systems are operating well.	

Performance measure Description	Performance target issue	Performance target outcomes
Total number of customer complaints received about sewerage blockages	Sewerage system blockages	Nil
<b>Measurement method</b>	Customer complaints relating to sewer blockage causing service disruption on the sewerage network is logged as a CSR for investigation re the cause and resolution. This is tallied and reported at the end of the year as total number of complaints received relating to service disruption as a result of sewer blockages.	
<b>Current performance</b>	12 sewerage system blockages were reported. Although higher than our ambitious target of 0, 12 blockages is a low complaint rate.	

Performance measure Description	Performance target issue	Performance target outcomes
Total number of customer complaints received about poor service provider response to sewage issues	Poor service provider response	Nil
<b>Measurement method</b>	Customer complaints relating to poor service provider response to sewer issues is logged as a CSR for investigation and resolution. This is tallied and reported at the end of the year as total number of complaints received relating to poor service provider response to sewage issues.	
<b>Current performance</b>	0 complaints.	

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's perception of the quality of the sewerage services across a financial year, as provided by the service provider.	Issues in sewerage services (customer satisfaction measures) expressed per 1000 connections to the sewer network	Nil
<b>Measurement method</b>	Measure of total number of customer complaints relating to sewerage service provided expressed per 1000 connections (wastewater rated properties) to the sewerage network for odour, mechanical/electrical faults and blockages.	
<b>Current performance</b>	18 complaints were received from a total of 3,106 connections to the sewer network. This equates to 5.8 complaints per 1000 connections. The low rate of complaints confirms our sewerage network is operating well in the main.	

# Stormwater and Drainage Performance Measures

## System and adequacy

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.	Reported flooding events	Zero
<b>Measurement method</b>	Flooding events will be recorded separately, where 1 or more habitable floors are affected (observed or reported to the service provider).	
<b>Current performance</b>	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.	Habitable floors affected per flooding event	Zero
<b>Measurement method</b>	Known and reported flooded habitable floors will be captured on the CSR system for end of year reporting.	
<b>Current performance</b>	0 habitable floors affected per flooding event.	

## Discharge compliance

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various stormwater systems.	Abatement Notices	Zero
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. An abatement notice is a written direction requiring certain action to be taken or ceased issued under section 17 of the Resource Management Act.	
<b>Current performance</b>	0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various stormwater systems.	Infringement Notices	Zero
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. Infringement notices and fines can be issued for failure to comply with an abatement notice.	
<b>Current performance</b>	0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various stormwater systems.	Enforcement Notices	Zero
<b>Measurement method</b>	As logged from consent monitoring reports from ECan. An Enforcement Notice is an order made by the Environment Court that may require certain actions to be taken or ceased, or money to be paid, within a specified time.	
<b>Current performance</b>	0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of service provider's compliance with the numerous resource consent conditions for discharge from the various stormwater systems.	Convictions	Zero
<b>Measurement method</b>	The measure will be a tally of all successful prosecutions against the Council for resource consent non-compliance. Environment Canterbury undertakes prosecutions where there has been a significant contravention of the Resource Management Act.	
<b>Current performance</b>	0 convictions.	

## Response time

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.	Median call-out attendance time	< 2 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a service provider attended a to a floor-flood event complaint. The median time taken will be used as the end of year result.	
<b>Current performance</b>	1 request was received and according to the CSR system, it took 45.7 hours to respond. Investigation has shown that this job was attended to and resolved the same day. More emphasis is now being given to ensuring each CSR is closed properly on the system.	

## Customer satisfaction

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 1000 properties paying targeted rates for maintenance of all service provider maintained stormwater systems across the district.	Complaints received	Zero
<b>Measurement method</b>	The CSR system will be used to tally all poor performance complaints about stormwater systems logged in the CSR system annually.	
<b>Current performance</b>	29 complaints were received in total (from the 4,485 properties paying targeted rates). This equates to 5.6 complaints per 1,000 properties. This is a much higher rate of complaints than we consider acceptable. More emphasis is being given to managing our stormwater systems proactively which should see a reduction in complaints going forward.	

# Roads and Footpaths Performance Measures

## Road Safety

Performance measure Description	Performance target issue	Performance target outcomes
Measure of fatalities on local roads assessed by NZ Police as being attributable to poor or negligent road maintenance outcomes.	Fatalities	Nil
<b>Measurement method</b>	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'.	
<b>Current performance</b>	0 fatalities on local roads to date.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of serious injuries on local roads assessed by NZ Police as being attributable to poor or negligent road maintenance outcomes.	Serious crashes	Nil
<b>Measurement method</b>	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'.	
<b>Current performance</b>	0 serious crashes on local roads to date.	

## Condition of sealed road network

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.	Smooth Travel Exposure	Better than the national average for all rural roads nationally
<b>Measurement method</b>	Captured from the collated data on the NZTA web site, specifically: <a href="http://www.nzta.govt.nz/resources/road-network-trends/index.html">http://www.nzta.govt.nz/resources/road-network-trends/index.html</a> .	
<b>Current performance</b>	This is measured annually. The Smooth Travel Exposure for Hurunui's rural roads in 2014/2015 was 99%. The national average for rural roads for that period was 95.21%. A higher value is better which demonstrates that rural roads in the Hurunui district are doing comparatively better than nationally.	

## Maintenance of sealed road network

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the percentage of sealed roads resealed each financial year.	% of sealed roads resealed annually	Greater than 5%
<b>Measurement method</b>	The total numbers of square metres of roads resealed are divided by the total square metres of sealed road asset, for that year expressed as a percentage.	
<b>Current performance</b>	5.5% of roads resealed. For now, this is a good result. The amount of road sealing done each year will be reassessed when the Council next reviews its long term plan.	

## Condition of unsealed road network

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of potholes that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	Potholes no more than 70mm deep and 300mm diameter	0%
<b>Measurement method</b>	Monthly audit of contractor's performance.	
<b>Current performance</b>	0% potholes more than 70mm deep and 300mm diameter were located in the audited areas. This is a good result showing that our maintenance programme is working well.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of corrugations that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	Corrugations do not exceed 70mm in depth	0%
<b>Measurement method</b>	Monthly audit of contractor's performance.	
<b>Current performance</b>	0% corrugations exceeded 70mm in depth in the audited areas. Good result showing that our maintenance programme is working well.	

## Condition of footpaths within local road network

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of footpaths that meets the LoS standard for tripping hazards (as captured in the relevant document) measured in across the whole district.	% footpaths with tripping hazards >20mm high	0%
<b>Measurement method</b>	The targeted 'audited section' (20%) will be taken as representative of the entire network of footpaths across the district, with the 20% audit section changing every year over five years (ensuring full audit every 5 years).	
<b>Current performance</b>	Unknown % trip hazards at this stage but we will soon have more information. This currently being assessed under the Footpath Condition Rating contract we have entered into. This will generate a maintenance plan to determine priority works.	

Performance measure Description	Performance target issue	Performance target outcomes
The length of urban roads without at least a footpath on one side of the road.	Reduce the length of urban roads with no footpath, as a percentage of the total urban road network	Actual %
<b>Measurement method</b>	RAMM Report.	
<b>Current performance</b>	31% of urban roads are without at least a footpath on one side of the road. An analysis of the district's footpaths will be undertaken to determine where these need to increase (if at all). Local communities have an ability to decide whether or not to have footpaths in their areas funded through local rates. A district wide analysis will help to evaluate priorities and consistencies.	

## Response to Service Requests

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Potholes, in all sealed roads, assessed to be greater than 40mm deep will be filled within 1 week	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% potholes filled within 1 week of known assessment. Routine road inspections help identify where there are potholes. Good result showing that our maintenance programme is working well.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Corrugations in metal (unsealed) roads greater than 40mm deep will be removed within 2 weeks	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% corrugations removed within 2 weeks of known assessment. Routine road inspections help identify where there are corrugations. Good result showing that our maintenance programme is working well.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Blocked culvert inlets and outlets are to be cleared within 2 weeks	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% achieved. All blocked culverts are to be inspected within 2 days of notification and prioritised for works, as appropriate. There are 4,823 culverts in the district and few CSRs are received in relation to blockages.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Bridge structural component damage is to be made safe within two days.	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	10 CSRs relating to bridge structural components were received. 9 were repaired within 2 days but one took longer but has since been fixed. Bridge maintenance is a part of the routine road contract with few CSRs being received.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Service requests regarding flooding on roads in rainfall events will be assessed within 24 hours.	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% of flooding concerns assessed within 24 hours. With the majority of the district being declared a drought zone, there has been little rainfall causing flooding over the year.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Trip hazards on footpath pavements, greater than 20mm in height, are to be corrected within 4 Weeks.	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% reported footpath trip hazards greater than 20mm are corrected within 4 weeks. The full extent of these trip hazards are currently being assessed through the Footpath Condition Rating contract.	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the service provider responds within the time frames specified in the AMP and the Road Maintenance Contract..	Any damage to Regulatory Signs will result in them being fixed or replaced within 48 hours.	100%
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
<b>Current performance</b>	100% of regulatory signs damaged are fixed within 48 hours.	



Service Request Type	TOTAL		ONTIME	LATE	PERFORMANCE
Drainage - Blocked Culverts/Pipes/Sumps	21		20	1	95%
Drainage - Bridges (Railings/Blockages/Signage)	11		9	2	82%
Enviro - Ice/Snow	10		7	3	70%
Enviro - Mowing	7		7	0	100%
Enviro - Trees	39		26	13	67%
General Enquiry	71		65	6	92%
Licence To Occupy Road Reserve	3		3	0	100%
Maintenance	15		11	4	73%
Sealed Road - Potholes/Edgebreak	42		38	4	90%
Sealed Road - Waste/Detritus	16		15	1	94%
Traffic - Signs - Other & Marker	52		45	7	87%
Unsealed Road - Dust	7		6	1	86%
Unsealed Road - Metalling	34		26	8	76%
Unsealed Road - Potholes/Corrugations	74		64	10	86%
Unsealed Road - Slips/Rockfall/Slumps	6		6	0	100%
Unsealed Road - Waste	4		3	1	75%
Traffic - Road Marking	7		4	3	57%
Phone Request	32		22	10	69%
Traffic - Signs - Regulatory	39		32	7	82%
Abandoned Vehicle	9		7	2	78%
Drainage - Roadside - Watertable/Land Drain	16		11	5	69%
Township - K&C	4		2	2	50%
Enviro - Flooding	1		1	0	100%
Sealed Road - Slips/Rockfall/Slumps	8		7	1	88%
Township - Drainage	7		7	0	100%
Enviro - Abandoned Vehicles	3		2	1	67%
Enviro - Gorse/Broom/Plant Pests	7		5	2	71%
Enviro - Rubbish Dump/Littering	3		2	1	67%
Sealed Road - Resealing	14		13	1	93%
Township - Trees	7		7	0	100%
Roading - Urgent	10		9	1	90%
Sealed Road - Sight Alignment	5		3	2	60%
Sealed Road - Utility Crossing	2		2	0	100%
Township - Street Cleaning	7		5	2	71%
Roadside Spraying of Brushweeds Amuri Area	1		0	1	0%
Roadside Spraying of Brushweeds Cheviot Area	1		1	0	100%
Township - Mowing	1		1	0	100%
Move/new light required	1		1	0	100%
Roadside Spraying of Brushweeds Hurunui Area	1		0	1	0%
Traffic - Traffic Management (TMP)	2		2	0	100%
Footpaths	37		29	8	78%

# Public Services Performance Measures

## Public services in the Hurunui District

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction - library	Maintained or improved
<b>Measurement method</b>	Annual resident satisfaction survey.	
<b>Current performance</b>	84% satisfaction. This is consistent with previous years from 2010.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – waste minimisation	Maintained or improved
<b>Measurement method</b>	Annual resident satisfaction survey.	
<b>Current performance</b>	<p>Waste collection - 80% satisfaction. This is a reduction from previous years with satisfaction levels ranging from 87% to 91%. The cause for the decrease is suspected to be the change in the way the service is charged. From this year, people were required to buy their rubbish bags at \$2.50 per bag to cover the cost of the collection. Previously people were given 52 bags and charged through their rates. Despite widely advertising the difference, there is the perception that the cost of the 'bags' is high rather than appreciating that it is the service that is paid from the \$2.50. The awareness of the cost has had the desired effect of reducing the amount of waste collected from households.</p> <p>Recycling collection - 78%. This is an increase in satisfaction from 72% in 2014 although recycling bags also have to be purchased. The cost of these bags is deliberately lower at 50 cents per bag to encourage recycling. There has been an increase in recycling collected from households.</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)	Maintained or improved
<b>Measurement method</b>	Annual resident satisfaction survey.	
<b>Current performance</b>	Halls – 71% satisfaction. This is a slight decrease from previous years. Public toilets – 77% satisfaction. This is consistent with previous years.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – reserves and cemeteries	Maintained or improved
<b>Measurement method</b>	Annual resident satisfaction survey.	
<b>Current performance</b>	Reserves and parks – 88% satisfaction. This is consistent with previous years. Cemeteries – 55% satisfaction. This would appear to be a large drop in satisfaction from previous years, but there was an unusually high number of 'don't knows' in the survey this year.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – emergency services	Maintained or improved
<b>Measurement method</b>	Annual resident satisfaction survey.	
<b>Current performance</b>	Rural fire – 91% satisfaction. This was the first year this has been measured. Civil defence preparedness – 52% satisfaction. This was the first year this has been measured.	

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	No less than 50% of the district's population
<b>Measurement method</b>	Library management system (Kotui).	
<b>Current performance</b>	69% of the population. The Hurunui district has a high rate of membership compared to national data.	

Performance measure Description	Performance target issue	Performance target outcomes
The Soldiers Block on the Queen Mary Hospital Historic Reserve is suitable for commercial and/or community use.	Project completion	Leased to tenants in the 2015/16 year
<b>Measurement method</b>	The Soldiers Block has lease agreement/s in place for commercial and/or community use.	
<b>Current performance</b>	The building is not leased despite extensive advertising. Work is underway. The cost to meet building standards within heritage status is a deterrent to commercial operations.	

## Residual waste disposed to the landfill

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Residual waste to landfill	Reduces each year per capita
<b>Measurement method</b>	The Kate Valley Landfill weighs all waste deposited at the Landfill and notifies the Council of the amount. This is the measure to be used for waste to landfill where waste collection services are used.	
<b>Current performance</b>	Residual waste sent to Kate Valley Landfill rose to 3,042.10 tonnes (up from 2832.92 in 2014/15 and 2,169.56 in 2013/14). This increase is largely due to the increase in commercial waste and skips going through the Amberley transfer station and more waste volumes sent to the Hanmer Springs transfer station. The Amberley transfer station is only in its second year of operation and has exceeded demand from within the Hurunui district and from other districts, particularly Waimakariri. Recent building activity in Hanmer Springs after a lull has created more waste in this area.	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Recycling	Increases each year per property
<b>Measurement method</b>	Our contracted recycling operators report on the weight of recyclables taken to Christchurch for recycling. This is the measure to be used for recycling per property where recycling services are provided.	
<b>Current performance</b>	Recycling has increased by 213 tonnes when compared to the previous year. The total recycling tonnage was 1,461.74 (1,248.60 in 2014/15 and 1,227.08 in 2013/14). Pricing incentives have been used to encourage recycling over solid waste. For example, recycling bags for roadside collection cost 50 cents each compared with \$2.50 for a rubbish bag. Most recyclables are able to be dropped off at a transfer station for no charge. The recycling delivered to Christchurch is audited and has a contamination rate of under 1% (permitted level is 10%). This is an extremely good result.	

# Regulatory Performance Measures

## Process consent applications

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Building consents	Within 20 working days
<b>Measurement method</b>	Council's data base (NCS)	
<b>Current performance</b>	99.48% of the building consents were processed within 20 working days with each taking an average of 10 days. 379 consent were processed in total for the year with only 2 missing the 20 days through administration errors.	

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Resources consents (non-notified)	Within 20 working days
<b>Measurement method</b>	Council's data base (NCS)	
<b>Current performance</b>	100% of the resource consents were processed within 20 working days with each taking an average 13 days. A total of 128 resource consents were processed during the year.	

## Compliance with the Fencing of Swimming Pools Act

Performance measure Description	Performance target issue	Performance target outcomes
Inspect swimming pools for compliance with safety standards.	Compliance inspections	30% of known swimming pools
<b>Measurement method</b>	Council's data base (NCS)	
<b>Current performance</b>	118 pools were inspected during the year. Each year one third of all of the district's known pools are inspected (353 pools in total). All but one of the 118 pools inspected were deemed compliant. The owner of the outstanding pool applied for an exemption which was denied.	

## Compliance with food and liquor legislation and health standards

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Compliance inspections	100% of licenced food premises
<b>Measurement method</b>	Council's data base (NCS)	
<b>Current performance</b>	131 (91%) of licenced premises were inspected from a total of 140 premises. Of those inspected, 40% were found with minor non-compliance issues when inspected (mainly food storage and cleaning issues) and all but 13 were rectified by end of financial year.	

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Compliance inspections	100% of 'on licence' liquor premises
<b>Measurement method</b>	Council's data base (NCS)	
<b>Current performance</b>	54 (100%) of on licence liquor premises were inspected. Of those, 2% were found with minor non-compliance issues at time of inspection (mainly around signage), but compliance was achieved through education. One premise faced enforcement action for failing a 'Controlled Purchase Operation' [this is an audit to check compliance].	

## Dog and stock complaints

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	Dog biting	100% within 24 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when the Animal Contractor responded.	
<b>Current performance</b>	100% of all dog incidences were responded to within 24 hours. There were 421 customer service requests relating to dog incidences. Of those, 34 concerned aggressive dogs. The majority of the requests related to dogs either lost or found (163) and the remainder were a variety of issues. 5 dogs in the district are classified as dangerous and another 5 as menacing. There are 5,348 dogs registered in the district.	

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	Wandering stock	100% within 24 hours
<b>Measurement method</b>	The CSR system will be used to measure the time from when the customer's call was first received and when the Animal Contractor responded.	
<b>Current performance</b>	100%. There were 81 notifications of wandering stock over the year.	

# HSTP&S Performance Measures

## Local, national and international visitors

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	Maintained or improved
<b>Measurement method</b>	Annual customer satisfaction survey.	
<b>Current performance</b>	93% and 94% satisfaction levels. Consistent with (although slightly higher) than the previous year.	

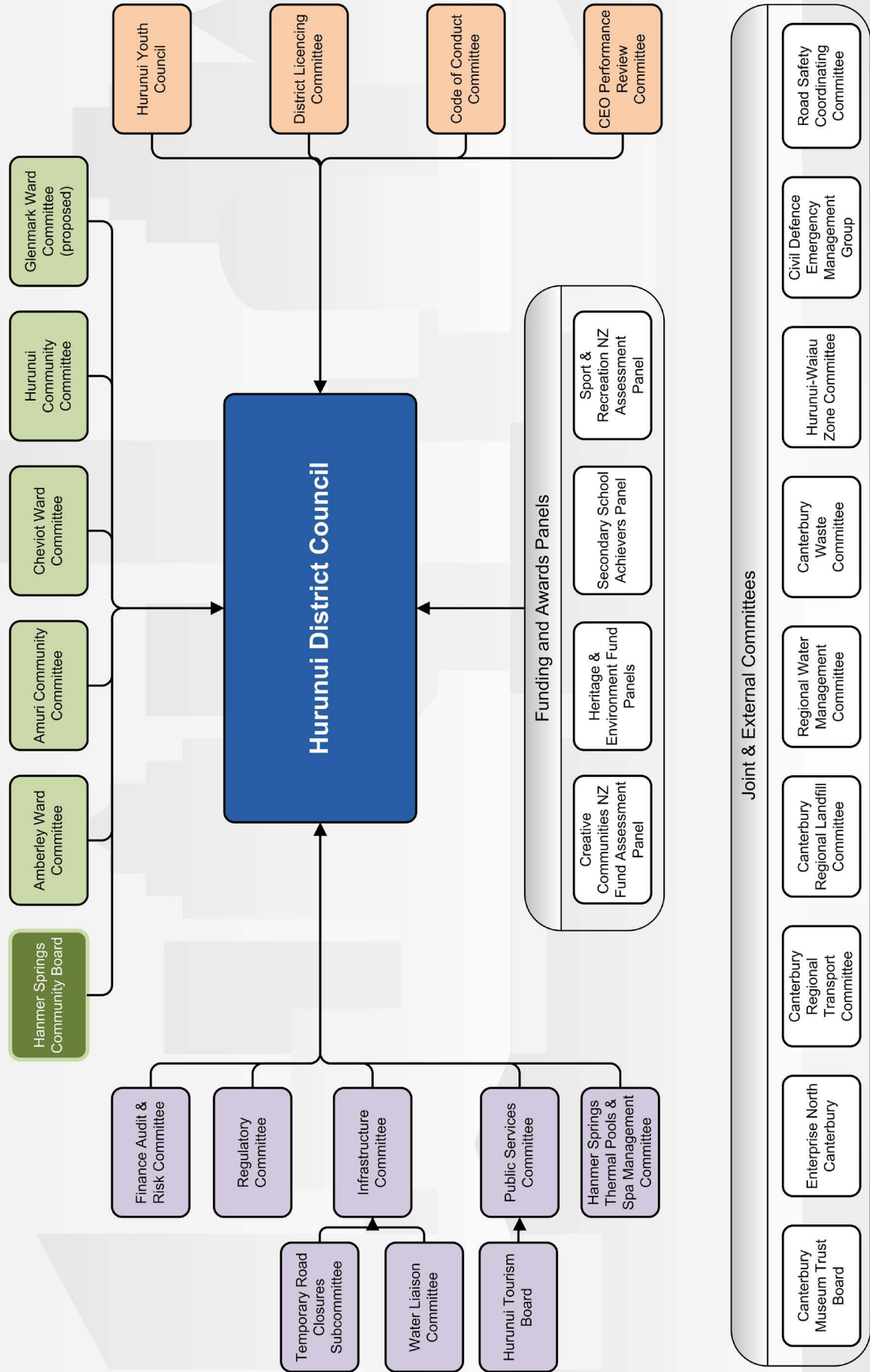
Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer numbers	Maintained or more than the annual projected growth
<b>Measurement method</b>	The total number of customers as per the HSTPS electronic records.	
<b>Current performance</b>	528,967 customers visited the thermal pools and spa complex. This was up on the previous year (516,000) and met our target of 2% growth each year. The Christchurch market (which represents three quarters of our business) declined by 3%. However, this was offset by a 17% growth from the international market which has been a focus of our marketing efforts.	

## Profitability of the thermal pools and spa complex

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of results compared to the Council approved business plan.	Profit	Better than or in line with profit budget.
<b>Measurement method</b>	As recorded in the Council's financial accounting system (NCS).	
<b>Current performance</b>	The total profit for the year was \$2,470,266 which was \$63,391 down on what we anticipated for the year. While not achieving budgeted levels for the year, a surplus growth of 0.24% was achieved.	

# Appendix 2 - Council committee structure

## Hurunui District Council – Committee Structure





# Appendix 3 - Auditor's report

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Hurunui District Council and group's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of Hurunui District Council (the District Council) and group. The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, on her behalf, to:

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information); and
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Opinion on the audited information

In our opinion:

- The financial statements on pages 27 to 75:
  - present fairly, in all material respects:
    - the District Council and group's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with tier 1 public benefit entity accounting standards.
- The funding impact statement on page 76, 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.
- The Council activities on pages 6 to 26 and 101 to 123:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- 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 77 to 84 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.
- The funding impact statement for each group of activities on pages 77 to 84, 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 and group's long-term plan.

### **Compliance with requirements**

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 33 to 91, which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 1 December 2016. This is the date at which our opinion is expressed.

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

### **Basis of opinion**

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

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

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

An audit also involves evaluating:

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

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

When reporting on whether the District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

### **Responsibilities of the Council**

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

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

## **Independence**

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

In addition to this audit, which includes our report on the Other Requirements, we have audited and completed an assurance report to the District Council's debenture trustee. This engagement is compatible with independence requirements.

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



**Bede Kearney**  
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Christchurch, New Zealand





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