



**ANNUAL
REPORT
2020 - 21**

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Introduction

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Introduction from the Mayor and Chief Executive Officer

Local services delivered for local people underpins the integrity of local government in New Zealand, and the Hurunui District is no exception in this regard.

The 2020-21 year saw major capital upgrades across a range of Council facilities and assets so that improved services can continue to be delivered into the future. This Annual Report 2020-2021 presents Hurunui District Council's progress against Year 3 of its Long-Term Plan 2018-2028.

Councillors are proud to have completed the development of the Hurunui District Council Strategic Plan, which ensures we have a robust framework in place to empower sustainable communities within the Hurunui District. The Strategic Plan sets our four key objectives: vibrant communities, water resilience, targeted growth and maximising our advantages. We aim to achieve these objectives through our strength-based focus, which listens to district and community voices to ensure we are future ready. For us, this means having a focus on building an environment where people input into local assets and sustain the local business sector to create employment.

One of the lingering factors in the 2020-21 year has been the COVID-19 pandemic, and its impact on our communities at large and individual wellbeing. Traditionally as a district we have enjoyed the social, cultural and economic benefits of a range of events, which have been disrupted by COVID-19 restrictions.

Good planning creates success. Notable successes during this year included the commencement of the revamped community swimming pool in Amberley, along with the refurbishment of community halls in Scargill, Waiau and Hanmer Springs. These facilities enable people to gather for work, play and recreation, thus reaping advantages for our District for years to come.

Financial performance for the year

Our financial performance at the end of the year is summarised below:

Revenue:

Total revenue for the year was \$64.2 million, which was \$24.3 million greater than the budget. The key variances from budget were:

- Subsidies and grants are \$8.7 million greater than budget. This includes a total of \$4.1 million of Three Waters Reform Funding that has been recognised in the 2020/21 year. Council also received funding from the Tourism Infrastructure Fund for installing new public toilets as well as the completion of the Wastewater Disposal Plant in Hanmer Springs. In addition, Council received \$500,000 from the Mayor's Task Force for Jobs Programme during the year.
- Fees and Charges are \$6.1 million greater than budget. The majority of this relates to the increased revenue gained from the Hanmer Springs Thermal Pools and Spa than was budgeted for as the forecast effects of the downturn resulting in the COVID-19 did not materialise for the 2020/21 year.
- Other Revenue is \$8.8 million greater than budget. This includes \$8.5 million recognised as Vested Asset Revenue, which included \$4.8 million relating to assets that were constructed by Waka Kotahi NZ Transport Agency on the Inland Road, which was passed over to Council when the control of the road returned to Council in December 2020.

Expenditure:

Total expenditure was \$46.8 million, which was \$4.2 million greater than budget. The key variances from budget were:

- Employment benefits were \$1.0 million greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa ahead of budget which was required as the facility was fully operational during the period.
- Other expenses are ahead of budget by \$3.7 million. This relates to the additional costs associated with the Hanmer Springs Thermal Pools and Spa being at full capacity during the period. In addition, other expenses for the Earthquake Recovery Activity is up on budget due to repair work carried out on the Waiau Hall, Kowai Buildings and Scargill Pavilion.

- Finance costs are down on budget by \$1.2 million due to the short term interest rates falling and the assessment of the fair value of the Council's derivatives.

Other comprehensive revenue:

- The Council Three Waters Assets were revalued resulted in a gain of revaluation of \$11.6 million, which was not budgeted for. In addition, the Council reversed the remaining portion of the impairment it recorded against its assets after the November 2016 Earthquakes.

Financial position at the end of the year

Fixed assets:

Property plant and equipment was \$35.8 million higher than the level budgeted for. Additional capital expenditure was incurred due to additional funding available through the Three Waters Reform Funding, Tourism Infrastructure Funding and funding from the Provincial Growth Fund. The Council undertook a revaluation of the Three Waters result in an \$11.6 million increase in the value as well as reversed the remaining level of impairment it had recorded against its assets after the November 2016 Earthquakes.

Debt:

Council has budgeted that total debt as at 30 June 2021 would be \$43 million. Due to other funding avenues available, the total debt at the end of the year was only \$38 million with the cash balance being \$6.5 million greater than budgeted.

Three Waters Reform

The central government's proposed Three Waters Reform Programme has demanded considerable time of councillors, staff and the community to understand the impact that it may have on our District. Later this year, we hope to see better clarity for a way forward as we navigate this Reform process.

Conclusion

Finally, we acknowledge that this has been an extremely difficult year for many. We wish to reassure you that our Council will continue to

support our District in whatever way we can during the pandemic recovery phase. By working together, we can achieve so much more.

Mani D. Black.



Hamish Dobbie.

Hamish Dobbie
Chief Executive Officer

Statement of compliance and responsibility

Compliance

The Council and management of the Hurunui District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, 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 2021 fairly reflects the financial position and operations of Hurunui District Council.

Dated 16 December 2021.



Mayor
Marie Black



Chief Executive Officer
Hamish Dobbie



Chief Financial Officer
Jason Beck

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Community wellbeings

Wellbeing	Outcome	Definition
Social	A desirable and safe place to live	<ul style="list-style-type: none"> • We have attractive well designed townships • Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies • Risks to public health are identified and appropriately managed
Cultural	A place where our traditional rural values and heritage make Hurunui unique	<ul style="list-style-type: none"> • People have a range of opportunities to participate in leisure and culture activities • Our historic and cultural heritage is protected for future generations.
Economic	A place with a thriving local economy	<ul style="list-style-type: none"> • We are a good place to do business, to live and to visit
	A place with essential infrastructure	<ul style="list-style-type: none"> • We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.
Environmental	A place that demonstrates environmental responsibility	<ul style="list-style-type: none"> • We protect our environment while preserving people’s property rights • We minimise solid waste to the fullest extent and manage the rest in a sustainable way.

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

Water supply

Overview

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

Aim

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

Community outcomes that water supplies contribute to

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

Community well-beings that water supplies contribute to

- Economic
- Social

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

Overall, an operating surplus of \$3,606,835 was recorded against a budgeted operating deficit of \$101,470. The key variances from budget are:

- Rates are higher than budget due to the water usage charge was budgeted at 870,190m³ but was 1,122,157m³ when the rates were struck.
- Other Income is higher than budget due to \$2.486 million received in respect to the Three Waters Stimulus Package.
- Employment Costs are lower than budget due to an allocation of wage cost assigned capital projects.
- Capital expenditure is up on budget. The key variances are:
 - i. District Wide capital expenditure is down on budget due to less being spent on investigations for District Wide Drinking Water Standard Compliance than was budgeted for.
 - ii. Stimulus capital expenditure is greater than budget as the funding was introduced after the budgets were adopted.
 - iii. Ashley Rural capital expenditure is greater than budget due to the additional spent on the Pound Road to Chapel Road portion of the Loburn Rising Main Project, which was carried

forward from the prior year and additional spent on the Chapel Road to Yaxleys Stoney flat Road junction portion of the Loburn Rising Main replacement project.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$3,606,835 was \$4,345,380 higher than the operating deficit recorded for the 2019/2020 year of \$792,583. The key variances from last year are:

- Rates are higher than last year due to the increase in rates allowed for in the 2020/21 Annual Plan and also the greater level of water usage than was charged for in the prior year.
- Other Income is higher than last year due to the Three Water Stimulus funding being received in the 2020/21 year that wasn't provided for in the 2019/20 year.
- Employment Costs are lower than budget due to an allocation of wage cost assigned capital projects.
- Other Operating Expenses are down on last year due to savings achieved in electricity costs.
- Internal Interest is lower than last year due to the Council modifying the internal interest charge for the year.
- Council Overheads are higher than last year as was determined through the Annual Planning process for 2020/21.
- Depreciation is higher than last year due to the increased level of Capital Expenditure over the last few years.
- Loss on Sale is lower than last year as there was a range of assets that were decommissioned in the 2019/20 year.
- Capital expenditure is up on later year. The key variances are:
 - i. Stimulus capital expenditure is higher than budget as the funding was only allowed for in the 2020/21 year.
 - ii. Amberley capital expenditure is lower than last year due to the major works involved with the Racecourse to Seadown project occurred in the 2019/20 year.
 - iii. Ashley Rural capital expenditure is greater than last year to the additional spent on the Pound Road to Chapel Road portion of the Loburn Rising Main Project, which was carried forward from the prior year and additional spent on the Chapel Road to Yaxleys Stoney flat Road junction portion of the Loburn Rising Main replacement project.

iv. Hawarden-Waikari capital expenditure is lower than last year due to the major project for Bishells Road being carried out in the 2019/20 year.

Note:

Water Supplies are subject to the Three Waters Reform programme outlined in Note 26 - Events after balance date.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Water Supplies was \$10,853,259.
- Cash surpluses recorded in Water Supplies totalling \$5,234,382 were used to offset the borrowings, with a further \$4,991,746 of Capital Expenditure (excluding found assets of \$850,442) incurred resulting in the balance of the internal borrowings for Water supplies sitting at \$10,610,624 as at the end of the year – an overall decrease in borrowings of \$242,635.
- The amount of Internal Interest charged to the Water Supplies for the year was \$355,043, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$3,479.

Group activity - Water supply

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	6,780,971	6,629,537	6,327,820
Other Income	3,177,885	166,974	360,186
Internal Interest Received	3,479	164	20,215
Vested Assets	550,799	71,012	293,806
Development Contributions	134,243	318,559	67,687
Council Overheads (Income)	0	0	0
Total Operating Revenue	10,647,378	7,186,246	7,069,714
OPERATING EXPENDITURE			
Employment Costs	1,009,799	1,190,373	1,337,319
Other Direct Expenditure	2,643,225	2,695,006	2,885,799
Internal Interest Paid	355,043	423,829	546,009
Council Overheads	1,267,390	1,267,391	1,155,828
Depreciation	1,673,739	1,711,118	1,580,012
Loss on Disposal of Assets	91,345	0	357,330
Total Operating Expenditure	7,040,543	7,287,716	7,862,297
Operating Surplus (Deficit)	3,606,835	(101,470)	(792,583)
CAPITAL EXPENDITURE			
District Wide Water	1,798,593	1,181,313	1,095,733
Water - Stimulus Package	2,792,467	0	0
Amberley	5,144	40,467	1,069,002
Ashley Rural	950,677	663,131	654,748
Culverden	0	10,443	0
Waiau Town	0	3,916	14,774
Amuri Plains	1,906	6,527	9,630
Balmoral	0	34,462	19,190
Waiau Rural	0	2,611	0
Cheviot	146,770	175,965	236,581
Waipara	0	6,527	0
Hanmer Springs	23,819	20,886	82,005
Hawarden - Waikari	7,936	9,138	547,831
Hurunui Rural	114,877	19,581	123,474
Total Capital Expenditure	5,842,188	2,174,967	3,852,968

Sewerage

Overview

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

Aim

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

Community outcomes that sewerage contributes to

- i. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
- ii. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way.
- iii. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community well-beings that sewerage contributes to

- Economic
- Social

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

Overall, an operating surplus of \$3,604,142 was recorded against a budgeted operating surplus of \$425,583. The key variances from budget are:

- Other Income is higher than budget due to the final tranche of Tourism Infrastructure Funding received for the Hanmer Disposal Project and the amount of Three Waters Stimulus Funding received in the 2020/21 year.
- Development Contributions are ahead of budget due to the receipt of contribution relating to a major subdivision in Hanmer Springs.
- Capital expenditure is higher than budget for the year. The key variances are:
 - i. Stimulus capital expenditure is greater than budget as the funding was introduced after the budgets were adopted.
 - ii. Hanmer Springs capital expenditure is up on budget due to additional costs associated with the Hanmer Disposal Project which was carried forward from the 2019/20 year.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$3,604,142 was \$2,225,045 greater than the operating surplus recorded for the 2019/2020 year of \$1,352,609.

The key variances from last year are:

- Other Income is higher than budget due to the three waters stimulus funding being received in 2020/21.
- Development Contributions are higher than budget due to the contributions received for a major subdivision in Hanmer Springs during the year.
- Other Operating Expenses are lower than last year due to the reduced level of electricity charged in 2020/21 and the 2019/20 included the removal of asbestos on works in Hawarden.
- Internal Interest is lower than last year due to the Council modifying the internal interest charge for the year.
- Council Overheads are higher than last year as was determined through the Annual Planning process for 2020/21.

- Capital expenditure overall is down on last year. The key variances are:
 - i. District Wide capital expenditure is lower than last year due to the assessment of Vested Assets still to be carried out.
 - ii. Stimulus capital expenditure is higher than budget as the funding was only allowed for in the 2020/21 year.
 - iii. Hanmer Springs capital expenditure is lower than last year as the significant part of the Hanmer Disposal project was incurred in 2019/20.
 - iv. Hawarden capital expenditure is lower than last year due to the key project in of installing an inlet screen and aerator was carried out in the 2019/20 year.
 - v. Waikari capital expenditure is lower than last year as the key project of the Disposal to Land was incurred in the 2019/20 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$8,498,293.
- Cash operating surpluses of \$3,922,133 were recorded to offset the borrowings with a further \$3,609,060 of Capital Expenditure. This has resulted in the balance of the internal borrowings for Sewerage sitting at \$8,185,220 as at the end of the year – an overall decrease of \$313,073.
- The amount of Internal Interest charged to the Water Supplies for the year was \$282,165, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$3,717.

Note:

Sewerage is subject to the Three Waters Reform programme outlined in Note 26 - Events after balance date.

Group activity - Sewerage

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,846,083	1,829,915	1,843,655
Other Income	2,176,504	366	1,071,670
Internal Interest Received	3,717	0	20,483
Vested Assets	926,936	137,848	251,921
Development Contributions	272,249	106,288	112,913
Council Overheads (Income)	0	0	0
Total Operating Revenue	5,225,490	2,074,417	3,300,642
OPERATING EXPENDITURE			
Employment Costs	85,946	109,087	149,014
Other Direct Expenditure	453,426	406,354	605,033
Internal Interest Paid	282,165	318,050	460,730
Council Overheads	187,866	187,866	171,374
Depreciation	593,957	627,477	561,883
Loss on Disposal of Assets	17,987	0	0
Total Operating Expenditure	1,621,347	1,648,833	1,948,033
Operating Surplus (Deficit)	3,604,142	425,583	1,352,609
CAPITAL EXPENDITURE			
District Wide Sewerage	1,178,274	264,795	442,138
District Sewer Development Contribut	0	0	0
Wastewater - Stimulus Package	1,177,462	0	0
Amberley	2,796	5,222	0
Cheviot	31,087	26,108	0
Greta Valley	0	0	0
Motunau Beach	0	0	0
Hanmer Springs	1,328,243	31,329	1,902,806
Hawarden	(4,331)	3,655	215,407
Waikari	32,954	0	779,990
Total Capital Expenditure	3,746,484	331,109	3,340,341

Stormwater and drainage

Overview

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

Aim

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

Community outcomes that stormwater and drainage contribute to

- i. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
- ii. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community well-beings that stormwater and drainage contribute to

- Economic
- Social

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

Overall, an operating surplus of \$1,546,550 was recorded against a budgeted operating surplus of \$182,043. The key variances from budget are:

- Vested Assets are significantly higher than was allowed for in the budget due to stormwater assets for major subdivisions being passed over the Council ownership during the year.
- Capital Expenditure for the year was only greater than budget, due to the level of Vested Assets being recognised by Council and the additional projects funded by the three waters stimulus funding.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$1,546,550 was \$804,424 greater than the operating deficit recorded for the 2019/2020 year of \$734,916. The key variances from last year are:

- Vested Assets are significantly higher than was allowed last year due to stormwater assets for major subdivisions being passed over the Council ownership during the year.
- Capital Expenditure for the year was only greater than last year, due to the level of Vested Assets being recognised by Council and the additional projects funded by the three waters stimulus funding.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Stormwater was \$1,794,833.
- Cash operating surpluses of \$1,611,420 and with a further \$1,614,214 of Capital Expenditure (excluding Found Assets of \$1,683,970) incurred has resulted in the balance of the internal borrowings for Stormwater sitting at \$1,797,627 as at the end of the year – an overall increase in borrowing of \$2,794.
- The amount of Internal Interest charged to Stormwater for the year was \$64,921, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$1,829.

Note:

Stormwater and drainage are subject to the Three Waters Reform programme outlined in Note 26 - Events after balance date.

Group activity - Stormwater

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	677,825	684,341	601,889
Other Income	85,664	0	0
Internal Interest Received	1,829	1,350	10,588
Vested Assets	1,244,775	137,848	505,321
Development Contributions	70,474	20,867	17,452
Total Operating Revenue	2,080,567	844,406	1,135,251
OPERATING EXPENDITURE			
Employment Costs	89,534	145,702	20,725
Other Direct Expenditure	162,405	210,061	68,724
Internal Interest Paid	64,921	105,917	117,099
Council Overheads	41,289	41,289	14,730
Depreciation	136,671	159,394	151,308
Loss on Disposal of Assets	39,196	0	27,748
Total Operating Expenditure	534,017	662,362	400,334
Operating Surplus (Deficit)	1,546,550	182,043	734,916
CAPITAL EXPENDITURE			
District Wide Stormwater	2,833,012	137,848	601,053
Stormwater - Stimulus Package	85,664	0	0
Amberley Beach Foreshore Protection	0	0	0
Amberley Stormwater	109,808	102,210	9,625
Cheviot Stormwater	0	0	0
Jed River Clearance	0	0	0
Motunau Beach Stormwater	0	0	0
Hanmer Springs Stormwater	269,700	245,411	207,052
Hawarden Stormwater	0	0	0
Waikari Stormwater	0	0	0
Total Capital Expenditure	3,298,184	485,469	817,730

Roads and footpaths

Overview

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

Aim

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

Community outcomes that roads and footpaths contribute to

- i. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
- ii. A place with essential infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), wastewater, stormwater and solid waste.

Community well-beings that roads and footpaths contribute to

- Economic
- Social

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

Overall, an operating surplus of \$4,354,299 was recorded against a budgeted operating deficit of \$1,032,085. The key variances from budget are:

- A total of \$5.8 million of vested assets have been recognised during the year. \$4.8 million of these relate to the asset constructed on the Inland Road since the 2016 Earthquakes, with the other \$1.0 million relating to roading assets vested from developers.

- Capital expenditure is \$5.2 million ahead of budget due to those assets from the Inland Road being returned to Council ownership.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$4,354,299 was \$5,483,186 greater than the operating deficit recorded for the 2019/2020 year of \$1,128,887.

The key variances from last year are:

- The amount of General Rates applied to roading reduced from the level applied in the 2019/20 year, which was signalled in the 2020/21 Annual Plan.
- A total of \$5.8 million of vested assets have been recognised during the year.
- The level of operational and capital expenditure undertaken in the 2020/21 year included a higher level of work which was resulted in a higher level of subsidies being received.
- Depreciation cost was higher in the 2020/21 year than in the previous year to reflect the higher level of capital expenditure incurred during the year.
- Capital expenditure is \$5.7 million ahead of last year due to those assets from the Inland Road being returned to Council ownership.

Internal Borrowing

- At the start of the financial year, the level of internal debt for Roading and Footpaths was \$114,210.
- Cash operating deficits and direct transfers of \$9,886,909 were recorded and with a further \$11,110,129 of Capital Expenditure incurred has resulted in the balance of \$1,337,430 of debt for roads and footpaths as at the end of the year – an overall increase in debt of \$1,223,220.
- The amount of Internal Interest charged to Roading for the year was \$4,890, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$2,055.

Group activity - Roads and footpaths

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,518,478	3,519,266	3,944,551
Other Income	4,654,984	4,568,417	4,140,124
Internal Interest Received	2,055	4,312	6,814
Vested Assets	5,822,968	344,619	0
Total Operating Revenue	13,998,484	8,436,615	8,091,489
OPERATING EXPENDITURE			
Employment Costs	(5,645)	11,609	7,049
Other Direct Expenditure	3,440,126	3,363,987	3,161,608
Internal Interest Paid	4,890	7,779	2,850
Council Overheads	657,155	657,156	634,828
Depreciation	5,547,659	5,428,168	5,414,041
Total Operating Expenditure	9,644,185	9,468,699	9,220,376
Operating Surplus (Deficit)	4,354,299	(1,032,085)	(1,128,887)
CAPITAL EXPENDITURE			
Roading	11,076,901	4,937,119	4,468,464
Roadside Construction	33,229	15,000	145,478
Total Capital Expenditure	11,110,129	4,952,119	4,613,942

Public services

Overview

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

Aim

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

Community outcomes that public services contribute to

- i. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
- ii. A place where our traditional rural values and heritage make Hurunui unique:
 - People have a range of opportunities to participate in leisure and culture activities
 - Our historic and cultural heritage is protected for future generations.
- iii. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way.

Community well-beings that public services contribute to

- Economic
- Social
- Cultural
- Environmental

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

Overall, an operating deficit of \$1,695,175 was recorded against a budgeted operating deficit of \$3,061,048. The key variances from budget are:

- Other Income is up on budget due to:
 - i. additional funding received for Tourism from Strategy Tourism Assets Protection Programme and Regional Events Funding;
 - ii. Additional funding received from Tourism Infrastructure Funding for construction of toilets; and
 - iii. Library Partnership Programme Funding being received.
- Development Contributions is up on budget due to contributions received for subdivisions in Amberley.
- Employment Costs are lower than budget due to the budgeted wages being allocated to other areas.
- Other Direct Expenditure is up on budget due to:
 - i. to the expenditure incurred as a result of the additional funding received in Tourism;
 - ii. the additional grant funding provided by the Cheviot Community Committee; and
 - iii. the increased costs incurred on the Track Networks in Hanmer Springs.
- Depreciation is up on budget due to the level of depreciation allowed for in the budget
- Waste capital expenditure is greater than budgeted for as the work required on the Culverden Transfer Station was not allowed for in the budgets.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating deficit of \$1,695,175 was \$453,986 lower than the operating deficit recorded for the 2019/2020 year of \$2,149,161. The key variances from last year are:

- Rates are down on last year in Community Services and the Earthquake Prone Buildings as the Council wanted to reduce the impact on rates.
- Other Income is up on last year due to:
 - i. additional funding received for Tourism from Strategy Tourism Assets Protection Programme and Regional Events Funding;
 - ii. Additional funding received from Tourism Infrastructure Funding for construction of toilets; and
 - iii. Library Partnership Programme Funding being received.

- Internal Interest Received is lower than last year as the Council changed the interest rates reflect current market rates.
- Development Contributions is up on last year due to contributions received for subdivisions in Amberley.
- Employment Costs are lower than budget due to the budgeted wages being allocated to other areas.
- Other Direct Expenditure is up on last year due to:
 - i. the expenditure incurred as a result of the additional funding received in Tourism;
 - ii. the decision to fund additional costs in Tourism from existing reserves;
 - iii. a contribution made by Amuri Community Committee to the Squash Club; and
 - iv. the Repair work carried out on the Changing Rooms at Omihi Reserve
- Internal Interest is lower than last year due to the Council modifying the internal interest charge for the year.
- Council Overheads are higher than last year as was allowed for in the Annual Plan.
- Capital expenditure is up on last year due to:
 - i. Property capital expenditure is up on last year due to expenditure on the Amberley Pool and the construction of new Public Toilets. This has been offset by the sale of properties in Culverden and Amberley.
 - ii. Reserve capital expenditure is down on last year due to the construction of a toilet block in the Amberley Beach Reserve in the 2019/20 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Public Services was \$3,371,502.
- Operating surpluses recorded by the individual Public Services funded by Targeted Rate totalled \$562,960 and further \$785,679 of Capital Expenditure and other transfers incurred has resulted in the balance of the internal borrowings for Public Services sitting at \$3,594,220 at the end of the year – an overall increase in internal debt of \$222,718.
- The amount of Internal Interest charged to the Public Services for the year was \$168,935 and for those activities that held funds (rather than being in debt) receiving an amount of internal interest totalling \$22,463.

Group activity - Public services

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
Operating Statement			
OPERATING REVENUE			
Rates	3,994,850	3,979,833	4,251,488
Other Income	3,215,829	2,007,995	2,168,649
Internal Interest Received	22,463	40,566	154,359
Development Contributions	514,356	183,559	204,142
Total Operating Revenue	7,747,498	6,211,953	6,778,639
OPERATING EXPENDITURE			
Employment Costs	1,282,409	1,513,207	1,559,732
Other Direct Expenditure	5,472,486	5,217,255	4,721,874
Internal Interest Paid	168,935	210,748	352,475
Council Overheads	1,684,891	1,684,891	1,528,419
Depreciation	833,952	646,900	765,300
Total Operating Expenditure	9,442,673	9,273,001	8,927,799
Operating Surplus (Deficit)	(1,695,175)	(3,061,048)	(2,149,161)
CAPITAL EXPENDITURE			
Community Services	6,701	10,000	45,571
Property	93,714	63,216	(132,075)
Reserves	135,416	123,501	286,325
Emergency Services	0	55,000	0
Library	77,861	93,665	47,968
Waste Minimisation	134,446	0	45,517
Total Capital Expenditure	448,138	345,381	293,306

Regulatory services

Overview

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

Aim

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

Community outcomes that regulatory services contribute to

- i. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
- ii. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way.

Community well-beings that regulatory services contribute to

- Economic
- Social
- Environmental

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

Overall, an operating surplus of \$772,900 was recorded against a budgeted operating deficit of \$71,057. The key variances from budget are:

- Other income is higher than was budgeted due to:
 - i. the level of Building Control income being higher than was anticipated.

- ii. Funding received from the Responsible Camping Fund
 - Employment Costs are lower than budget as some positions budgeted for remained vacant.
 - Other Direct Expenditure is lower than budget due to the level of consultancy costs incurred during the year.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$772,900 was \$518,373 favourable to the operating deficit recorded for the 2019/2020 year of \$254,527. The key variances from last year are:

- Rates were \$349,397 greater than last year as was flagged in the 2020/2021 Annual Plan.
- Other Income is up on last year due to:
 - i. additional LIM income being received;
 - ii. Higher funding from the Responsible Camping fund;
 - iii. higher level of Resource Consent Fees received; and
 - iv. higher level of building consents fees being received.
- Staff costs are lower than last year as the number of employees has reduced.

Internal Borrowing

This activity does not hold internal borrowings.

Group activity - Regulatory services

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,732,520	1,732,501	1,383,123
Other Income	2,204,769	1,673,697	1,826,922
Total Operating Revenue	3,937,289	3,406,197	3,210,045
OPERATING EXPENDITURE			
Employment Costs	1,687,365	1,880,268	1,588,921
Other Direct Expenditure	657,291	776,253	620,773
Council Overheads	819,733	819,733	745,825
Depreciation	0	1,000	0
Total Operating Expenditure	3,164,389	3,477,254	2,955,518
Operating Surplus (Deficit)	772,900	(71,057)	254,527
CAPITAL EXPENDITURE			
Resource Management & Planning	0	0	0
Functions	0	0	0
Total Capital Expenditure	0	0	0

Hanmer Springs Thermal Pools and Spa

Overview

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

Aim

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

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

- i. A place with a thriving local economy:
 - We are seen as a good place to do business, to live and to visit.
- ii. A place where our traditional rural values and heritage make Hurunui unique:
 - People have a range of opportunities to participate in leisure and culture activities
 - Our historic and cultural heritage is protected for future generations.

Community well-beings that that the Hanmer Springs Thermal Pools and Spa contributes to

- Economic
- Cultural
- Environmental

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

Overall, an operating surplus of \$4,966,007 was recorded against a budgeted operating surplus of \$1,498,380. Excluding Rates and internal charges, the surplus recorded by the Hanmer Springs Thermal Pools and Spa facility was \$3,274,536, which was significantly ahead of the budget of \$63,698. As the majority of the trading year was at Alert Level 1, there were little restrictions imposed on the activity.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$4,966,007 was \$3,997,520 greater than the operating surplus recorded for the 2019/2020 year of \$968,487. Excluding Rates and Internal charges, the surplus derived from the facility of \$3,274,536 was \$2,305,516 greater than last year. As there was a significant period of the 2019/2020 year where the facility did not trade due to the Alert Level 3 and 4 restrictions, it makes direct comparisons irrelevant.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$16,085,387.
- The increased trading result and the fact that Council only required a "dividend" payment of \$1.1 million (as opposed to the standard \$2 million), the facility was able to repay \$3,926,015 of debt resulting in the balance sitting at \$12,159,372 as at 30 June 2021.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$571,651.

Group activity - Hanmer Springs Thermal Pools and Spa

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	2,464,752	2,464,749	1,224,943
Other Income	14,395,144	8,316,550	11,194,082
Total Operating Revenue	16,859,896	10,781,299	12,419,025
OPERATING EXPENDITURE			
Employment Costs	5,329,813	3,932,738	4,994,009
Other Direct Expenditure	4,455,387	3,301,963	4,038,861
Internal Interest Paid	571,651	808,992	1,037,058
Council Overheads	197,027	197,027	179,263
Depreciation	1,340,010	1,042,200	1,201,346
Total Operating Expenditure	11,893,889	9,282,919	11,450,538
Operating Surplus (Deficit)	4,966,007	1,498,380	968,487
CAPITAL EXPENDITURE			
HSTP&S	854,065	469,935	3,880,647
Total Capital Expenditure	854,065	469,935	3,880,647

Governance and Corporate

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

Overall, an operating deficit of \$2,044 was recorded against a budgeted deficit of \$781,650 for the year. The key variances from budget are:

- Rates are up on budget due to the level of Rate Penalties received during the year.
- Other Income is up on budget due to Dividends received being \$115,200 greater than budget.
- Internal Interest Received is down on budget as the internal interest rates have changed to reflect market rates.
- Other Direct Expenditure is lower than budget as the interest costs have reduced and the adjustment for fair value of derivatives has been allowed for.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating deficit of \$2,044 was \$191,149 lower than the operating surplus recorded for the 2019/2020 year of \$189,106. The key variances from last year are:

- Rates are down on last year as Council has used Treasury Surpluses in the past to offset the increase in rates for the 2020/21 year.
- Internal Interest Received has reduced from last year as the internal interest rates have changed to reflect market rates.
- Council Overheads are higher than last year to as was allowed for in the 2020/21 Annual Plan.
- Employment costs are higher than last year due to new positions being budgeted for as part of the annual planning process.
- Other Direct Expenditure is down on last year due to lower interest rates and the change in the fair value of derivatives.
- Internal Interest Paid is lower than last year to reflect the change in internal interest rates.
- Corporate Services capital expenditure is lower than last year as the Council eliminated the vehicle purchase budget for 2020/21 to lessen the impact on debt.

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 \$1,567,990.

The total internal interest paid to those activities that held funds was \$35,586.

Group activity - Governance and corporate

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	173,880	13,459	590,266
Other Income	636,374	537,217	645,046
Internal Interest Received	1,567,990	2,033,685	2,697,435
Council Overheads (Income)	5,534,886	5,555,109	5,012,113
Total Operating Revenue	7,913,131	8,139,470	8,944,861
OPERATING EXPENDITURE			
Employment Costs	5,089,036	4,966,434	4,638,879
Other Direct Expenditure	1,495,137	2,625,907	2,725,405
Internal Interest Paid	35,586	46,392	224,385
Council Overheads	674,515	694,737	581,846
Depreciation	620,901	587,651	585,240
Total Operating Expenditure	7,915,174	8,921,120	8,755,755
Operating Surplus (Deficit)	(2,044)	(781,650)	189,106
CAPITAL EXPENDITURE			
Governance	1,090	0	13,630
Corporate Services	246,410	285,306	775,396
Total Capital Expenditure	247,501	285,306	789,026

Earthquake recovery

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

Overall, an operating surplus of \$52,278 was recorded against a budgeted surplus of \$305,338 for the year. The key variances from budget are:

- Other Income is up on budget due to:
 - i. Lottery Grants received for the repair to Waiau Hall, Kowai Building and the Scargill Pavilion;
 - ii. NZTA Subsidies for Bridge Work from the Earthquakes;
 - iii. Further pay-out on the earthquake repairs to the Underground assets from NEMA; and
 - iv. \$500,000 received from the Mayor's Task Force for Jobs Programme.
- Employment costs are up on budget due to:
 - i. Cost associated with the Covid-19 response; and
 - ii. Wage cost associated with the Mayor's Task Force for Jobs Programme.
- Other Direct Expenditure is up on budget due to:
 - i. Repair work on Waiau Hall, Kowai Buildings and Scargill Pavilion;
 - ii. Bridge repair work carried out; and
 - iii. external costs relating to the Mayor's Task Force for Jobs.

Financial Commentary – 2020/2021 actual compared with 2019/2020 actual

This year's operating surplus of \$52,278 was \$372,282 favourable than the operating deficit recorded for the 2019/20 year of \$320,004. The key variances from last year are:

- Other Income is up on last year due to:
 - i. higher level of grants recognised for Waiau Hall, Kowai Building and Scargill Pavilion and
 - ii. the \$500,000 from the Mayors Task Force for Jobs Programme.
 - iii. This is offset by a lower level of NZTA subsidies received due to lower level of bridging expenditure incurred.
- Water Recovery Capital expenditure is lower than last year as the level of required work.

Internal Borrowing

- At the start of the financial year, the level of internal debt from the Earthquake was \$3,946,767.
- Operating surpluses or deficits recorded in the individual costs centres relating to Recovery, COVID-19 and the Mayor's Taskforce for Jobs as well as direct transfers made from other activities to complement the funding received to carry out repair work resulting from the Earthquakes has meant that there was a \$470,909 decrease in the debt, resulting in a balance of \$3,475,858 remaining as at 30 June 2021.
- The amount of Internal Interest charged to the Earthquake Recovery for the year was \$118,341.

Group activity - Earthquake recovery

	2020/2021 Actual	2020/2021 Budget	2019/2020 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	452,971	453,932	367,235
Other Income	2,276,749	30,000	1,792,756
Total Operating Revenue	2,729,720	483,932	2,159,992
OPERATING EXPENDITURE			
Employment Costs	229,286	2,703	224,490
Other Direct Expenditure	2,324,795	12,500	2,086,216
Internal Interest Paid	118,341	158,372	169,290
Council Overheads	5,020	5,020	0
Total Operating Expenditure	2,677,442	178,594	2,479,996
Operating Surplus (Deficit)	52,278	305,338	(320,004)
CAPITAL EXPENDITURE			
Roading - Recovery	0	0	0
Roadside Construction - Recovery	0	0	0
Sewerage - Recovery	0	0	81,798
Water Supplies - Recovery	0	0	165,930
Council Assets - Recovery	24,142	0	0
Total Capital Expenditure	24,142	0	247,727

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Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group		Council		
		Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
Revenue						
Rates, excluding targeted water supply rates	3(i)	20,696	19,791	20,696	20,518	19,791
Targeted rates for water supply	3(i)	946	744	946	790	744
Subsidies and grants	3(ii)	13,109	6,780	13,109	4,451	6,780
Development and financial contributions		991	402	991	629	402
Fees and charges, excluding those for water supplies	3(iii)	17,710	14,299	17,710	11,848	14,299
Fees and charges for water supplies	3(iii)	430	425	430	167	425
Interest revenue	3(iv)	48	38	48	0	38
Other revenue	3(v)	10,318	2,522	10,318	1,526	2,522
		64,248	45,001	64,248	39,929	45,001
Less Expenditure						
Employee benefits	4	14,798	14,520	14,798	13,752	14,520
Other expenses	6	21,055	19,470	21,055	17,342	19,470
Finance expenses	5	49	1,444	49	1,268	1,444
Depreciation, amortisation and loss on disposal	17	10,895	10,644	10,895	10,204	10,644
Total operating expenditure		46,797	46,079	46,797	42,565	46,079
Operating surplus/(deficit) before tax		17,451	(1,078)	17,451	(2,636)	(1,078)
Share of associates surplus/(deficit)		1	3	0	0	0
Net surplus/(deficit) before tax		17,452	(1,075)	17,451	(2,636)	(1,078)
Tax expense	7	0	0	0	0	0
Net surplus/(deficit) after tax		17,452	(1,075)	17,451	(2,636)	(1,078)
Add other comprehensive revenue and expense						
Gains/(losses) on asset revaluation	15 & 28	11,672	6,352	11,672	0	6,352
Gains/(losses) in fair value of shares		(81)	(55)	(81)	0	(55)
Impairment to property plant and equipment	15 & 29	2,320	2,804	2,320	0	2,804
		13,911	9,101	13,911	0	9,101
Total comprehensive revenue and expense		31,363	8,026	31,362	(2,636)	8,023

Statement of financial position

AS AT 30 JUNE 2021

	Notes	Group		Council		
		Actual	Actual	Actual	Budget	Actual
		2021	2020	2021	2021	2020
		\$000's	\$000's	\$000's	\$000's	\$000's
Assets						
Current assets						
Cash and cash equivalents	8	6,951	4,979	6,951	455	4,979
Trade and other receivables	9	4,121	2,709	4,121	5,605	2,709
Inventories	10	119	133	119	148	133
Non-current assets held for sale	11	0	0	0	924	0
Derivative financial instruments	12	0	0	0	0	0
Total current assets		11,191	7,820	11,191	7,133	7,820
Non-current assets						
Property, plant and equipment						
- Operational	15	56,075	57,177	56,075	51,474	57,177
- Restricted	15	46,060	45,609	46,060	43,856	45,609
- Infrastructure	15	397,135	367,850	397,135	368,044	367,850
Intangible assets	16	649	610	649	255	610
Forestry assets	18	460	333	460	415	333
Other financial assets	13	990	1,044	990	1,170	1,044
Investments in associates	14	265	264	0	0	0
Derivative financial instruments	12	0	0	0	0	0
Total non-current assets		501,634	472,886	501,369	465,214	472,623
Total assets		512,825	480,707	512,560	472,347	480,443
Liabilities						
Current liabilities						
Payables and deferred revenue	19	9,960	9,053	9,960	7,672	9,053
Landfill aftercare provision	22	8	8	8	0	8
Employee entitlements	21	1,442	1,453	1,442	1,538	1,453
Current portion of term debt	20	12,000	11,000	12,000	0	11,000
Derivative financial instruments	12	442	465	442	0	465
Total current liabilities		23,852	21,978	23,852	9,210	21,978
Non-current liabilities						
Term debt	20	26,000	29,000	26,000	43,000	29,000
Payables and deferred revenue	19	0	0	0	0	0
Landfill aftercare provision	22	98	96	98	0	96
Employee entitlements	21	88	107	88	0	107
Derivative financial instruments	12	704	1,478	704	2,991	1,478
Total non-current liabilities		26,889	30,681	26,889	45,991	30,681
Total liabilities		50,742	52,658	50,742	55,201	52,658
Net assets		462,083	428,048	461,819	417,146	427,785
Equity						
Asset revaluation reserve	24	287,819	273,826	287,819	265,094	273,826
AFS investments revaluation reserve	24	287	368	287	0	368
Special fund reserves	24	4,573	3,698	4,573	0	3,698
Rate reserve funds	24	(41,160)	(44,916)	(41,160)	(35,556)	(44,916)
Retained earnings	24	210,565	195,072	210,300	187,608	194,808
Total equity		462,083	428,048	461,819	417,146	427,785

The accompanying notes form part of the financial statements starting page 35

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Group		Actual 2021 \$000's	Council Budget 2021 \$000's	Actual 2020 \$000's
		Actual 2021 \$000's	Actual 2020 \$000's			
Equity at start of year		428,046	419,995	427,785	419,781	419,736
Add total comprehensive revenue and expense for year		31,363	8,026	31,362	(2,636)	8,023
Found assets	15	2,672	25	2,672	0	25
Equity at end of year	24	<u>462,081</u>	<u>428,046</u>	<u>461,818</u>	<u>417,145</u>	<u>427,785</u>

The accompanying notes form part of the financial statements starting page 35

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

Notes	Group		Council		
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
Cash flows from operating activities					
Revenue	53,682	45,408	53,682	39,088	45,408
Agency receipts	3,592	3,411	3,592	2,243	3,411
Interest received	48	38	48	0	38
Dividends received	265	215	265	150	215
Payments to suppliers and employees	(34,579)	(32,530)	(34,579)	(31,094)	(32,530)
Interest and other costs of finance paid	(861)	(1,193)	(861)	(1,268)	(1,193)
Agency payments	(3,592)	(3,411)	(3,592)	(2,243)	(3,411)
Net GST movement	(360)	1,020	(360)	0	1,020
Net cash from operating activities	18,195	12,958	18,195	6,877	12,958
Cash flows from investing activities					
Payment on loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	1,232	991	1,232	0	991
Proceeds on sale of investments	0	64	0	0	64
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	0	0	0	0	0
Payment for plant, property & equipment	(15,455)	(18,208)	(15,455)	(8,353)	(18,208)
Net cash from investing activities	(14,223)	(17,153)	(14,223)	(8,353)	(17,153)
Cash flows from financing activities					
Proceeds from the issue of debt securities	0	5,500	0	1,500	5,500
Repayment of loans	(2,000)	0	(2,000)	0	0
Net cash from financing activities	(2,000)	5,500	(2,000)	1,500	5,500
Increase/(decrease) in cash & cash equivalents	1,972	1,305	1,972	24	1,305
Cash and cash equivalents as 1 July	4,979	3,674	4,979	431	3,674
Cash and cash equivalents as 30 June	6,951	4,979	6,951	455	4,979

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

The accompanying notes form part of the financial statements starting page 35

Statement of cash flows - continued

FOR THE YEAR ENDED 30 JUNE 2021

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net surplus/(deficit) after tax	17,452	(1,075)	17,451	(1,078)
Non cash items				
Impairment of property intended for sale				
Vested and found assets	(8,545)	(1,079)	(8,545)	(1,079)
Movement in derivatives	0	0	0	0
(Gain)/loss on fair value of forestry	(127)	82	(127)	82
Movement in landfill aftercare liability	0	0	0	0
Movement in non current employee entitlements	(19)	17	(19)	17
Depreciation and amortisation	10,895	10,640	10,895	10,640
	2,204	9,660	2,204	9,660
Items classified as investing or financing				
(Gain)/loss on sale of assets	0	0	0	0
(Gain)/loss on fair value of financial assets	(797)	305	(797)	305
	(797)	305	(797)	305
Movements in working capital				
(Increase)/decrease in inventory	14	15	14	15
(Increase)/decrease in receivables	(1,412)	2,896	(1,412)	2,896
Increase/(decrease) in payables	980	1,132	980	1,132
Increase/(decrease) in current employee entitlements	0	0	0	0
Increase/(decrease) in income in advance	0	0	0	0
	(418)	4,043	(418)	4,043
Other movements				
Share of associates (surplus)/deficit	(2)	(2)	0	0
Other movements	(245)	28	(245)	28
	(247)	26	(245)	28
Net cash flow from operating activities (as per Statement of Cash Flows)	18,194	12,959	18,195	12,958

The accompanying notes form part of the financial statements starting page 35

Notes to the financial statements

For the year ended 30 June 2021

1. Statement of accounting policies	16. Intangible assets
2. Summary revenue and expenditure for group activities	17. Depreciation and amortisation expense by group of activity
3. Revenue	18. Forestry assets
4. Personnel costs	19. Payables and deferred revenue
5. Finance cost	20. Borrowings and other financial liabilities
6. Other expenses	21. Employee entitlements
7. Tax	22. Provisions
8. Cash and cash equivalents	23. Contingencies
9. Receivables	24. Equity
10. Inventory	25. Related party transactions
11. Non-current assets held for sale	26. Events after balance date
12. Derivative financial instruments	27. Financial instruments
13. Other financial assets	28. Explanations of major variances against budget
14. Investments in associate	29. Impairment of assets due to earthquake damage
15. Property, plant and equipment	30. COVID-19

Note 1 - Statement of accounting policies

REPORTING ENTITY

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

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

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

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

The financial statements of the Council and group are for the year ended 30 June 2021. The financial statements were authorised for issue by the Council on 16 December 2021.

BASIS OF PREPARATION

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

Statement of compliance

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

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

Presentation currency and rounding

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

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

Other changes in accounting policies

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

Standards issued and not yet effective, and not early adopted

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

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Council has not yet determined how application of PBE FRS 48 will affect its statement of service performance.

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to early adopt the amendment.

Financial instruments

In January 2017, the XRB issued PBE IPSAS 41 *Financial Instruments*. PBE IPSAS 41 replaces PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IPSAS 41 are:

New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.

Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Consolidation

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2020/2021 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

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

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

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

Critical judgements in applying accounting policies

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

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

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

Accounting policy

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities

	Council		
	Actual 2021 \$000's	Budget 2021 \$000's	Actual 2020 \$000's
Activities revenue			
Water Supplies	10,647	7,186	7,070
Sewerage	5,225	2,074	3,301
Roads and Footpaths	13,998	8,437	8,091
Stormwater and Drainage	2,081	844	1,135
Public Services	7,747	6,212	6,779
Regulatory Services	3,937	3,406	3,210
Hanmer Springs Thermal Pools and Spa	16,860	10,781	12,419
Governance & Corporate Services	7,913	8,139	8,945
Earthquake Recovery	2,730	484	2,160
Total activity income	71,139	47,565	53,110
Less internal income	7,136	7,635	7,922
Total activities revenue	64,003	39,929	45,188
Gains/(losses) on forestry revaluation	127	0	(283)
Gains/(losses) on NZ emissions units	118	0	96
Total revenue	64,248	39,929	45,001
Less activities expenditure			
Water Supplies	7,041	7,288	7,862
Sewerage	1,621	1,649	1,948
Roads and Footpaths	9,644	9,469	9,220
Stormwater and Drainage	534	662	400
Public Services	9,443	9,273	8,928
Regulatory Services	3,164	3,477	2,956
Hanmer Springs Thermal Pools and Spa	11,894	9,283	11,451
Governance & Corporate Services	7,915	8,921	8,756
Earthquake Recovery	2,677	179	2,480
Total activities expenditure	53,934	50,201	54,001
Less internal expenditure	7,136	7,635	7,922
Total expenditure	46,797	42,565	46,079

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

Note 3 - Revenue

Accounting policy

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

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

Insurance proceeds

The Council recognises insurance proceeds when they become receivable.

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 local facilities. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

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

Provision of commercially based services

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

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

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

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

Donated and bequeathed financial assets

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Critical judgements in applying accounting policies

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

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

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

(i) Breakdown of rates and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Rates revenue				
District wide rates	9,651	9,166	9,651	9,166
Targeted rates				
- Other water rates	5,835	5,584	5,835	5,584
- Refuse	407	387	407	387
- Stormwater/drainage	596	536	596	536
- Tourism	253	246	253	246
- Pool inspections	44	43	44	43
- Medical centres	263	261	263	261
- Amberley special projects	185	184	185	184
- Amenities	1,486	1,424	1,486	1,424
- Sewerage	1,846	1,844	1,846	1,844
Rate penalties	156	140	156	140
Rate remissions	(25)	(24)	(25)	(24)
	20,696	19,791	20,696	19,791
Metered water supply	946	744	946	744
Total rates	21,642	20,535	21,642	20,535

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which other local authorities rate. The annual rates income of the Council for the year ended 30 June 2021 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

(ii) Breakdown of subsidies and grants

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
New Zealand Transport Agency roading subsidies	4,735	4,754	4,735	4,754
Ministry of Health drinking water related subsidies	0	0	0	0
Provincial Growth Fund grants	400	360	400	360
Energy Efficiency and Conservation Authority grant	0	23	0	23
Three Waters Reform funding	4,056	0	4,056	0
Other grants	3,918	1,643	3,918	1,643
Total subsidies and grants	13,109	6,780	13,109	6,780

(iii) Breakdown of fees and charges

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Building and resource consent charges	1,177	1,134	1,177	1,134
Other regulatory revenue	587	672	587	672
Solid waste charges	993	872	993	872
Hanmer Springs Thermal Pools and Spa receipts	13,963	10,812	13,963	10,812
Other fees and charges	989	809	989	809
	17,710	14,299	17,710	14,299
Fees and charges for water supplies	430	425	430	425
Total fees and charges	18,141	14,724	18,141	14,724

(iv) Breakdown of interest revenue

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Interest revenue				
Short term deposits and call accounts	48	38	48	38
Total interest revenue	48	38	48	38

(v) Breakdown of other revenue

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Forestry asset revaluation gains/(losses)	127	(283)	127	(283)
NZ Emissions Units revaluation gains/(losses)	118	96	118	96
Property, plant and equipment gains/(losses) on disposal	132	(3)	132	(3)
Vested asset revenue	8,545	1,051	8,545	1,051
Dividends	265	215	265	215
Donations	130	22	130	22
Petrol tax	88	93	88	93
Insurance proceeds	424	520	424	520
Forestry proceeds	(11)	200	(11)	200
Rental income	499	612	499	612
Total other revenue	10,318	2,522	10,318	2,522

The level of vested asset revenue recognises improvements carried out by Waka Kotahi NZ Transport Agency on Route 70 (Inland Road). Further disclosure on this is provided in Note 29 - Impact of earthquake on page 84.

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 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Not later than one year	182	273	182	273
Later than one year and not later than five years	182	332	182	332
Later than five years	10	607	10	607
	374	1,213	374	1,213

No contingent rents have been recognised during the period.

Note 4 - Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes:

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

Breakdown of personnel costs and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Salary and wages	14,399	14,104	14,399	14,104
Employer contribution to super	428	387	428	387
Increase/(decrease) in employee benefit liabilities	(29)	29	(29)	29
Total personnel costs	14,798	14,520	14,798	14,520

Chief Executive Officer remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$329,211 (2020: \$270,346).

Elected representatives

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

	Group		Council	
	Actual 2021 \$	Actual 2020 \$	Actual 2021 \$	Actual 2020 \$
Nicky Anderson	28,842	32,427	28,842	32,427
Ross Barnes	34,605	21,520	34,605	21,520
Marie Black	105,367	86,927	105,367	86,927
Robbie Bruerton	24,955	16,254	24,955	16,254
Winton Dalley	0	31,602	0	31,602
Vincent Daly	45,970	38,403	45,970	38,403
Richard Davison	0	12,749	0	12,749
Jason Fletcher	0	33,889	0	33,889
Fiona Harris	24,955	27,060	24,955	27,060
Mary Holloway	27,179	0	27,179	0
Julia McLean	0	12,151	0	12,151
Lynda Murchison	20,909	16,376	20,909	16,376
Geoff Shier	27,716	24,614	27,716	24,614
Michael Ward	30,717	25,157	30,717	25,157
Pauline White	24,955	16,216	24,955	16,216
	396,168	395,346	396,168	395,346

Council employee remuneration by band

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

	Actual 2021 #		Actual 2020 #
< \$60,000	159	< \$60,000	128
\$60,000 - \$79,999	38	\$60,000 - \$79,999	37
\$80,000 - \$99,999	26	\$80,000 - \$99,999	26
\$100,000 - \$119,999	16	\$100,000 - \$119,999	10
\$120,000 - \$179,999	6	\$120,000 - \$179,999	6
\$180,000 - \$299,999	3	\$180,000 - \$279,999	4
	248		211

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2021, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 125 (2020: 113) full-time employees, with a further 123 (2020: 98) part-time staff representing 76.46 (2020: 55.67) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

For the year ended 30 June 2021, the Council made no (2020: 1) severance payments to employees totalling \$Nil (2020: \$55,377).

Note 5 - Finance costs

Accounting policy

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

Breakdown of finance costs

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Interest expense:				
- Interest on borrowings	846	1,140	846	1,140
- Other interest costs	0	0	0	0
Interest derivatives:				
- Change in fair value of interest rate swaps	(797)	304	(797)	304
Net finance costs	49	1,444	49	1,444

Note 6 - Other expenses

Accounting policy

Grant expenditure

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

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

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

Operating leases

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

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

Breakdown of other expenses and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Fees paid to principal auditor				
- audit fees for 2020/21 financial statement audit	129	0	129	0
- audit fees for 2019/20 financial statement audit	10	119	10	119
- audit fees for 2018/19 financial statement audit	0	8	0	8
- audit fees for Long Term Plan	77	0	77	0
- audit fees for debenture trust deed audit	4	4	4	4
- disbursements charged	7	2	7	2
Impairment of receivables	0	0	0	0
Expenses from other activities	20,828	19,337	20,828	19,337
Total other expenses	21,055	19,470	21,055	19,470

Operating leases as lessee

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Not later than one year	17	0	17	0
Later than one year and not later than five years	19	0	19	0
Later than five years	0	0	0	0
	36	0	36	0

Restrictions

2021 Nil (2020: There were no restrictions placed on the Council and group by any leasing arrangements).

Canterbury Museum Trust Board

The Canterbury Museum Trust raises levies on Local Authorities for the Canterbury Museum operations and developments. For the year ending 30 June 2021, Council paid \$83,700 (2020: \$77,970) for operations to the Canterbury Museum Trust.

Note 7 - Tax

Accounting policy

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

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

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

Council does not have any deferred tax.

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

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

Breakdown of taxes and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Components of tax expense				
Current tax expense	0	0	0	0
Adjustment to current tax in prior years	0	0	0	0
Deferred tax expense	0	0	0	0
	0	0	0	0
Relationship between tax expense and accounting profit				
Surplus/(deficit) before tax	17,452	(1,075)	17,451	(1,078)
Tax at 28%	4,887	(301)	4,886	(302)
Non-taxable income	(4,887)	301	(4,886)	302
Non-taxable expenditure	0	0	0	0
Deferred tax expense	0	0	0	0
Prior year adjustments	0	0	0	0
	0	0	0	0
Imputation credit account				
Credits available for future use	241	252	64	46
	241	252	64	46

Note 8 - Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Cash at bank or in hand	6,951	4,979	6,951	4,979
Short term deposits with maturities of less than 3 months	0	0	0	0
	6,951	4,979	6,951	4,979

Note 9 - Trade and other receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of receivables and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Rates receivables	857	697	857	697
Other receivables	2,553	1,734	2,553	1,734
Goods and services tax (GST) receivable	755	330	755	330
Receivables prior to impairment	4,165	2,762	4,165	2,762
Less provision for uncollectability	(44)	(53)	(44)	(53)
Total receivables	4,121	2,709	4,121	2,709

Fair value

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

Assessment for uncollectability

The Council does not provide for any uncollectability 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 four months after the due date for payment. If payment has not been made within three 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 plan 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 2021 and 2020 is detailed below:

	2021			2020		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	3,128	0	3,128	1,699	0	1,699
Past due 1-60 days	240	0	240	243	0	243
Past due 61-120 days	3	0	3	31	0	31
Past due >120 days	793	(44)	749	788	(53)	735
Total	4,165	(44)	4,121	2,762	(53)	2,709
Group						
Not past due	3,128	0	3,128	1,699	0	1,699
Past due 1-60 days	240	0	240	243	0	243
Past due 61-120 days	3	0	3	31	0	31
Past due >120 days	793	(44)	749	788	(53)	735
Total	4,165	(44)	4,121	2,762	(53)	2,709

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

The provision for uncollectability has been calculated based on a review of specific overdue receivables. No assessment has been made for a collective provision for uncollectability.

Movements in the provision for uncollectability of receivables are as follows:

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Balance at 1 July	(53)	(20)	(53)	(20)
Additional provisions made during the year	(12)	(46)	(12)	(46)
Provisions reversed during the year	21	13	21	13
Receivables written-off during the year	0	0	0	0
Balance at 30 June	(44)	(53)	(44)	(53)

The Council and group holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

Note 10 - Inventory

Accounting policy

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

Breakdown of inventory and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2019 \$000's
Inventory	119	133	119	133
Total inventory	119	133	119	133

No inventory is pledged as security for liabilities (2020: \$nil). However, some inventory is subject to retention of title clauses.

Note 11 - Non-current assets held for sale

Accounting policy

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

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

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

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

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Assets classified as held for sale	0	0	0	0
Total non-current assets held for sale	0	0	0	0

Note 12 - Derivative financial instruments

Accounting policy

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

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

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

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

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

Hedge accounting

The Council and group designates certain derivatives as either:

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

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

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

Breakdown of derivative financial instruments and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Current asset portion				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total current asset portion</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Non-current asset portion				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total non-current asset portion</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total derivative financial instrument assets	0	0	0	0
Current liability portion				
Interest rate swaps - cash flow hedges	442	465	442	465
<i>Total current liability portion</i>	<i>442</i>	<i>465</i>	<i>442</i>	<i>465</i>
Non-current liability portion				
Interest rate swaps - cash flow hedges	704	1,478	704	1,478
<i>Total non-current liability portion</i>	<i>704</i>	<i>1,478</i>	<i>704</i>	<i>1,478</i>
Total derivative financial instrument liabilities	1,145	1,942	1,145	1,942

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$22.5 million (2020: \$18.5 million) and a further amount in interest rate caps of \$3.0 million (2020: \$6.0 million).

At 30 June 2021, the fixed interest rates of cash flows hedge interest rate swaps varied from 1.44% to 4.99% (2020: 2.83% to 4.99%) and the interest rates for the interest rate cap was set at 3.10% (2020: 2.95% and 3.10%).

Gains and losses recognised in the hedging reserve in equity (see Note 27) on interest rate swap contracts as at 30 June 2021 will be released to the surplus or deficit as interest is paid on the underlying debt.

The Council and group currently have no fair value hedges.

Fair Value

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

Note 13 - Other financial assets

Accounting policy

Financial assets (other than shares in subsidiaries) 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.

Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

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

After initial recognition, term deposits, loans to subsidiaries and associates, and community loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. 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 indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Listed bonds (held-to-maturity)

After initial recognition, listed bonds (designated as held to maturity) are measured at amortised cost using the effective interest method.

At year-end, they are assessed for indicators of impairment. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares and listed bonds 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. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment.

For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

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

Shares in 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.

Breakdown of other financial assets and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Current portion				
Environment Canterbury - Waiau River Loan - current portion	5	5	5	5
<i>Total current portion</i>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Civic Assurance shares	13	13	13	13
Transwaste Canterbury shares	465	546	465	546
Total investments in CCOs and similar entities	<u>478</u>	<u>559</u>	<u>478</u>	<u>559</u>
<i>Other investments</i>				
Environment Canterbury - Waiau River Loan - non-current portion	0	0	0	0
Local Government Funding Agency Borrower Notes	507	480	507	480
Total other investments	<u>507</u>	<u>480</u>	<u>507</u>	<u>480</u>
<i>Total non-current portion</i>	<u>985</u>	<u>1,039</u>	<u>985</u>	<u>1,039</u>
Total other financial assets	<u>990</u>	<u>1,044</u>	<u>990</u>	<u>1,044</u>

Fair value

Community loans

The fair value of the Environment Canterbury loan is \$5,000 (2020: \$5,000). Fair value has been determined by reference to the original agreement.

Unlisted shares

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

Community loans

The face value of the Environment Canterbury loan is \$5,000 (2020: \$5,000).

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
At 1 July	5	12	5	12
Loan repaid during the year	0	7	0	7
At 30 June	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

Note 14 - Investments in associate

Accounting policy

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

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

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

Breakdown of investment in associate and further information

	Group	
	Actual 2021 \$000's	Actual 2020 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	264	261
Share of total recognised revenues and expenses	1	3
Balance at 30 June	265	264
Summarised financial information of Enterprise North Canterbury		
Assets	1,072	831
Liabilities	543	304
Revenues	1,100	1,043
Surplus/(deficit)	2	6
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2021 (2020: Nil).

Note 15 - Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

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

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

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

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

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

Additions

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

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

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

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

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

Disposals

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

Depreciation

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

Buildings - wooden (excluding properties intended for sale)	50 years	2%
Buildings - concrete (excluding properties intended for sale)	100 years	1%
Furniture and fittings: administration	5 years	20%
Furniture and fittings: pensioner flats	10 years	10%
Library books	3 – 8 years	12.5 – 33.33%
Computer hardware	3 – 4 years	25 – 33.33%
Motor vehicles	5 years	20%
Thermal pools - plant	5 years	20%
Thermal pools – development expenditure	20 – 100 years	1% - 5%
Plant and machinery (excluding HDC's infrastructural assets)	10 years	10%
Small plant and machines	3 - 10 years	10 - 33.33%
Car parks	20 – 25 years	4 – 5%
Landscaping	10 – 50 years	2 – 10%
<i>Roads, Streets and Bridges</i>		
- Land under roads	Not depreciated	0%
- Pavement formation	Not depreciated	0%
- Pavement layers (sealed)	100 years	1%
- Pavement layers (unsealed)	Not depreciated	0%
- Pavement surface (sealed)	Average 16 years	6.25%
- Pavement surface (unsealed)	12 years	8.33%
- Culverts	25 – 50 years	2 – 4%
- Kerb and channel	50 – 80 years	1.25 – 2%
- Footpaths	20 – 75 years	1.33 – 5%
- Bridges – timber	70 years	1.43%
- Bridges – concrete and other	100 years	1%

- Retaining walls	50 years	2%
- Traffic signs	12 years	8.33%
- Street lighting	15 – 25 years	4 – 6.67%
<i>Sewerage</i>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.50%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
<i>Water</i>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	50 – 80 years	1.25 – 2%
- Reservoir and tanks	80 years	1.25%
- Pumps and controls	10 – 25 years	4 – 10%
- Pump stations/intakes	20 – 60 years	1.67 – 5%
- Treatment plant	10 – 80 years	1.25 – 10%
<i>Drainage</i>		
- Points	80 years	1.25%
- Lines	50 - 80 years	1.25 – 2%

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

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Revaluation

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

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

Operational land and buildings

Land and buildings were valued by QV Limited (Registered Valuers) as at 30 June 2020. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2020. 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.

There are some siteworks categorised in Operational Land and Buildings so not all assets within these categories have been revalued.

The basis of valuation undertaken by QV Limited is fair value with reference to highest and best use. QV Limited had reported in their report "due to a lack of current market evidence, there is significant valuation uncertainty. As New Zealand has moved down the Covid-19 Alert Levels more sales evidence has become available however evidence remains limited. As this is a relatively recent event and due to the comparatively low levels of property sales turning over compared to normal, it has made the drawing of market movement conclusions challenging. As more market evidence becomes available, the changes in the market due to the Covid-19 influence will become more apparent. Given the information we have available to date and the ongoing uncertainty, we have adopted our Fair Value assessments towards the lower end of the market value ranges as indicated by comparable sales evidence. We consider this position to be appropriate in light of the current climate."

Restricted assets

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

Infrastructural asset classes: sewerage, water, drainage, and roads

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

Roading assets have been valued at depreciated replacement cost as at 30 June 2019. The valuation was prepared by Kevin Dunn of Beca Limited and reviewed by Tony Garchow of Beca Limited.

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 15 - Property, plant and equipment

Core infrastructure asset disclosures

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

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2021				
Water supply - treatment plants and facilities	6,344	211	0	14,886
Water supply - other assets	63,796	5,080	551	110,926
Sewerage - treatment plants and facilities	6,528	2,430	0	8,757
Sewerage - other assets	25,146	387	927	39,551
Stormwater and drainage	11,552	2,442	1,245	13,978
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	268,017	5,287	4,897	391,361
2020				
Water supply - treatment plants and facilities	4,493	31	0	12,269
Water supply - other assets	54,261	3,872	116	92,561
Sewerage - treatment plants and facilities	2,866	1,076	0	4,707
Sewerage - other assets	21,707	2,095	182	32,769
Stormwater and drainage	8,413	313	505	11,095
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	260,528	4,614	0	392,463

Work in progress

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

	Council and group	
	2021	2020
Water infrastructure	3,617,389	2,091,946
Sewer infrastructure	1,330,342	4,015,379
Stormwater infrastructure	811,324	570,208
Roading infrastructure	0	0
Council land - operational	0	987,667
Council land - restricted	0	26,472
Council buildings - operational	114,129	23,223
Council buildings - restricted	840,225	186,922
	6,713,410	7,901,817

Found Assets

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

	Council and group	
	2021	2020
Water infrastructure	850,442	25,811
Sewer infrastructure	137,424	0
Stormwater infrastructure	1,683,970	0
	2,671,835	25,811

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

Restrictions on plant, property and equipment

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

Capital commitments

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Water infrastructure	1,067	28	1,067	28
Sewer infrastructure	656	796	656	796
Stormwater infrastructure	120	0	120	0
Roading infrastructure	0	307	0	307
Other capital commitments	1,534	188	1,534	188
Total capital commitments	3,377	1,319	3,377	1,319

The Council has allowed in its Long Term Plan to undertake direct roading expenditure to the value of \$10.4 million over the next twelve months (1 July 2021 to 30 June 2022). Of this amount \$6.4 million was classified as capital expenditure.

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.

	Cost/Revaluation 1 July	Accumulated Depreciation 1 July	Carrying Amount 1 July	Current Year Additions	Current Year Disposals	Revaluation Surplus	Reclassification	Impairment	Current Year Depreciation	Accumulated Depreciation on Assets Sold or Reclassified	Cost/Revaluation 30 June	Accumulated Depreciation and Impairment 30 June	Carrying Amount 30 June
Operational Assets													
Freehold Land	10,038	0	10,038	188	(130)	844	0	0	0	0	10,940	0	10,940
Council Buildings	15,525	656	14,869	188	(228)	1,596	0	0	165	(7)	16,278	0	16,278
Council Plant & Equipment	6,612	4,981	1,631	739	(62)	0	0	0	607	(62)	7,289	5,536	1,753
Library Books	1,542	1,350	192	48	0	0	0	0	57	0	1,590	1,407	183
Thermal Reserve Buildings & Pools	18,026	1,549	16,477	2,182	0	1,054	(443)	0	388	0	18,913	1,407	18,913
Thermal Reserve Plant & Equipment	14,146	6,084	8,061	1,699	(284)	0	443	0	843	(33)	16,004	6,884	9,109
2020 Total	65,889	14,630	51,260	5,054	(704)	3,495	(103)	0	2,030	(103)	71,014	13,837	57,177
Freehold Land	10,940	0	10,940	56	(839)	370	0	0	0	0	10,158	0	10,158
Council Buildings	16,278	0	16,278	391	(97)	0	0	0	181	(1)	16,943	180	16,763
Council Plant & Equipment	7,289	5,536	1,753	357	(357)	0	0	0	679	0	7,646	6,215	1,431
Library Books	1,590	1,407	183	60	0	0	0	0	57	0	1,650	1,484	186
Thermal Reserve Buildings & Pools	18,913	0	18,913	181	0	0	0	0	381	0	19,073	381	18,692
Thermal Reserve Plant & Equipment	16,004	6,884	9,109	705	(50)	0	0	0	989	(40)	16,656	7,813	8,845
2021 Total	71,014	13,837	57,177	1,730	(986)	370	0	0	2,257	(41)	72,128	16,053	56,075
Restricted Assets													
Freehold Land	28,612	0	28,612	35	0	2,209	0	0	0	0	30,856	0	30,856
Council Buildings	13,571	446	13,125	773	0	1,291	0	0	437	0	14,753	0	14,753
2020 Total	42,183	446	41,738	808	0	3,500	0	0	437	0	45,609	0	45,609
Freehold Land	30,856	0	30,856	77	(91)	89	0	0	0	0	30,843	0	30,843
Council Buildings	14,753	0	14,753	734	(10)	89	0	103	452	(0)	15,669	452	15,217
2021 Total	45,609	0	45,609	812	(101)	89	0	103	452	(0)	46,512	452	46,060
Infrastructural Assets													
Freehold Land	4,064	0	4,064	0	0	(643)	0	0	0	0	3,421	0	3,421
Roading Land	12,160	0	12,160	0	0	0	0	0	0	0	12,160	0	12,160
Water	57,167	1,532	55,634	4,009	(357)	0	0	1,048	1,580	0	61,866	3,112	58,754
Sewerage	21,433	535	20,898	3,411	0	0	0	0	562	0	25,670	1,097	24,573
Roading	260,338	0	260,338	4,674	0	0	0	930	5,414	0	265,942	5,414	260,528
Drainage	7,906	132	7,774	818	(28)	0	0	0	151	0	8,696	283	8,413
2020 Total	363,069	2,199	360,869	12,911	(385)	(643)	0	2,804	7,707	0	377,756	9,906	367,850
Freehold Land	3,421	0	3,421	61	0	0	0	0	0	0	3,482	0	3,482
Roading Land	12,160	0	12,160	109	0	0	0	0	0	0	12,269	0	12,269
Water	61,866	3,112	58,754	5,798	(88)	7,315	0	35	1,674	0	70,140	0	70,140
Sewerage	25,670	1,097	24,573	3,685	(18)	3,881	0	147	594	0	31,675	0	31,675
Roading	265,942	5,414	260,528	11,001	0	0	0	2,035	5,548	0	278,979	10,962	268,017
Drainage	6,896	283	6,613	3,296	(39)	17	0	0	137	0	11,552	0	11,552
2021 Total	377,756	9,906	367,850	23,953	(145)	11,213	0	2,217	7,952	(103)	408,097	10,962	397,135
Total 2020	471,141	17,275	453,867	18,773	(1,089)	6,352	0	2,804	10,174	(103)	494,378	23,743	470,635
Total 2021	494,378	23,743	470,635	26,434	(1,232)	11,672	0	2,330	10,661	(41)	526,736	27,466	499,270

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

Note 16 - Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of the relevant overheads.

Carbon credits

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

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

Amortisation

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

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

Impairment of intangible assets

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

Breakdown of intangible assets and further information

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Software:				
Cost				
Balance at 1 July	1,016	884	1,016	884
Additions	2	132	2	132
Disposals	0	0	0	0
Balance at 30 June	1,017	1,016	1,017	1,016
Aerial photography:				
Cost				
Balance at 1 July	283	268	283	268
Additions	15	15	15	15
Disposals	0	0	0	0
Balance at 30 June	298	283	298	283
Accumulated amortisation and impairment				
Balance at 1 July	1,029	944	1,029	944
Amortisation charge for software and aerial photography	95	85	95	85
Disposals	0	0	0	0
Balance at 30 June	1,124	1,029	1,124	1,029
Carrying amount at 30 June	191	270	191	270
New Zealand Emission Units:				
Cost				
Balance at 1 July	340	244	340	244
Additions	0	0	0	0
Disposals	0	0	0	0
Add increase in value	118	96	118	96
Carrying amount at 30 June	458	340	458	340
Total intangible assets	649	610	649	610

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities (2020: Nil)

Note 17 - Depreciation and amortisation expenses by group activity

	Council	
	Actual	Actual
	2021	2020
	\$000's	\$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	1,674	1,580
Sewerage	594	562
Roads and Footpaths	5,548	5,414
Stormwater and Drainage	137	151
Public Services	834	765
Regulatory Services	0	0
Hanmer Springs Thermal Pools and Spa	1,340	1,201
Governance & Corporate Services	621	585
Total depreciation and amortisation expense	10,747	10,259
<i>Add loss on disposal of assets</i>		
Water Supplies	91	357
Sewerage	18	0
Stormwater and Drainage	39	28
Public Services	0	0
Governance & Corporate Services	0	0
Total depreciation, amortisation and loss in disposal	10,895	10,644

Note 18 - Forestry assets

Accounting policy

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

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

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

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Balance at 1 July	333	415	333	415
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	127	(82)	127	(82)
Reclassified as assets held for sale	0	0	0	0
Decreases due to harvest	0	0	0	0
Balance at 30 June	460	333	460	333

The Council owns 75.1 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 1 to 37 years (2020: 75.1 hectares).

Valuation assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2021.

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

- a pre-tax discount rate of 8.25% (2020: 8.50%) 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 2021, the Council was allocated 10,560 NZUs. The value of these have been recognised as intangible assets in note 16 (2020: 10,560 NZUs).

Note 19 - Payables and deferred revenue

Accounting policy

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

Breakdown of payables and other information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Current portion				
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	5,959	4,317	5,959	4,317
Development and financial contribution in advance	103	340	103	340
Other deferred revenue	1,255	1,341	1,255	1,341
<i>Total</i>	<u>7,318</u>	<u>5,998</u>	<u>7,318</u>	<u>5,998</u>
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	0	14	0	14
Wage subsidy payable	984	984	984	984
Other grants received subject to substantive conditions not yet met	1,658	2,056	1,658	2,056
<i>Total</i>	<u>2,643</u>	<u>3,055</u>	<u>2,643</u>	<u>3,055</u>
Total payables and deferred revenue - current portion	<u>9,960</u>	<u>9,053</u>	<u>9,960</u>	<u>9,053</u>
Non-current portion				
<i>Payables and deferred revenue under non-exchange contracts</i>				
Other grants received subject to substantive conditions not yet met	0	0	0	0
Total payables and deferred revenue - non-current portion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Other grants include:

- A total of \$428,372 (2020: \$826,875) of grants received from various sources (Rata Foundation, Te Puni Kokiri, Tindall Foundation, ChristchurchNZ and the Ministry of Business Innovation and Employment) have been received for various projects. These projects are expected to be completed and the conditions of the grant to be met in the 2021/2022 year. This is recognised as the current liability portion.
- a grant from the Ministry of Culture and Heritage of \$1.5 million was received by Council in May 2010 towards urgent maintenance and earthquake strengthening of the Nurses Block, which is one of the key buildings vested to Council from the former Queen Mary Hospital site. Council had utilised \$270,905 on urgent maintenance work leaving \$1,229,095 remaining to complete further work. This balance will be recognised as income when the earthquake strengthening work has been carried out. As no formal agreement has been reached to defer the work further, this has been reclassified as a current liability.

Note 20 - Borrowings

Accounting policy

Borrowings are initially measured at fair value of net transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Secured loans				
Current	12,000	11,000	12,000	11,000
Non-current	26,000	29,000	26,000	29,000
Balance	38,000	40,000	38,000	40,000

As at 30 June 2021, the Council has \$7.0 million (2020 \$5.0 million) of its \$45.0 million (2020: \$45.0 million) debt facilities available. The total amount of the borrowings approximates its fair value.

Interest terms for secured loans

Of the Council's borrowing, \$35.0 million (2020: \$40.0 million) was on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. In addition, the remaining \$3.0 million (2020: \$Nil) of the Council's borrowing was on a fixed rate. As well as the fixed rate loan, the Council uses interest rate swaps and interest rate caps to provide for a fixed rate portion of the borrowings of 46.05% (2020: 61.25%)

The effective fixed rates for the portion included in interest rate swaps and interest rate caps range from 1.44% to 4.99% (2020: 2.83% to 4.99%) plus a margin for credit risk.

Security

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

As at 30 June 2021, Council had issued \$30.0 million of Security Stock to the Local Government Funding Agency for term debt (2020: \$30.0 million).

Council had also issued Security Stock with the Local Government Funding Agency in relation to short term debt which amounted to \$8.0 million as at 30 June 2021 (2020: \$8.0 million). Council has also issued \$31.0 million of Security Stock to Trading Banks (2020: \$31.0 million).

Internal borrowings

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

Note 21 - Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Critical accounting estimates and assumptions

Estimating long service leave obligations

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

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

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

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

A weighted average discount rate of 0.25% (2020: 0.25%) and an inflation factor of 3.30% (2020: 1.50%) were used.

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Current portion				
Accrued pay	270	448	270	448
Annual leave	1,063	948	1,063	948
Sick leave	43	25	43	25
Long service leave	67	32	67	32
	1,442	1,453	1,442	1,453
Non-current portion				
Long service leave	88	107	88	107
	88	107	88	107
	1,530	1,559	1,530	1,559

Note 22 - Provisions

Accounting policy

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

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

As operator of the Waikari Landfill, the Council has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises. The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements, and known improvements in technology, where there is sufficient evidence that these events will occur. The provision includes all other costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained.

Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

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

- The annual aftercare costs relating to closed landfills have been estimated at \$8,000 per annum until 2032.
- An annual inflation factor of 3.3% (2020: 1.5%) has been applied in estimating the future cash outflows.
- Discount rate of 0.25% (2020: 0.25%) has been used to discount the estimated future cash outflows.

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

Breakdown of provisions and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Balance at 1 July	104	99	104	99
Additional provisions	0	0	0	0
Adjustment to provisions	2	5	2	5
Amount of provision used	0	0	0	0
Balance at 30 June	106	104	106	104
Disclosed as:				
Current	8	8	8	8
Non-current	98	96	98	96
	106	104	106	104

Note 23 - Contingencies

Contingent liabilities

Local Government Funding Agency

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

As at 30 June 2021, the Council is one of the participating authorities of the LGFA.

In that regard, it has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2021, the LGFA had borrowings totalling \$13.610 billion (2020: \$11.907 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 call has been made by the Board of New Zealand Mutual Liability RiskPool for the 2021/2022 year (2020: \$Nil). There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

The Council has assessed that the potential liability to Council arising 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.

Contingent assets

As at 30 June 2021, the Council had no outstanding contingent assets. (2020: \$Nil).

Note 24 - Equity

Accounting policy

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

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

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned.

Reserves may be legally restricted or created by the Council. Restricted reserves include those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

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

Asset revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

Breakdown of equity and further information

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Asset revaluation reserve				
Balance at 1 July	273,826	264,670	273,826	264,670
Revaluation increments/(decrements)	11,672	6,352	11,672	6,352
Adjustment to opening balance	0	0	0	0
Impairment of assets	2,320	2,804	2,320	2,804
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	287,819	273,826	287,819	273,826
Available for sale reserve				
Balance at 1 July	368	423	368	423
Valuation gain/(loss) recognised	(81)	(55)	(81)	(55)
Balance at 30 June	287	368	287	368
Special fund reserves				
Balance at 1 July	3,698	3,297	3,698	3,297
Adjustment to the opening balance	0	(25)	0	(25)
Adjusted balance at 1 July	3,698	3,272	3,698	3,272
Surplus/(deficit) for year	917	545	917	545
Transfers in/(out)	(42)	(119)	(42)	(119)
Balance at 30 June	4,573	3,698	4,573	3,698
Rate reserve funds				
Balance at 1 July	(44,916)	(37,887)	(44,916)	(37,887)
Adjustment to the opening balance	252	(85)	252	(85)
Surplus/(deficit) for year	21,270	4,257	21,270	4,257
Transfers in/(out)	(17,766)	(11,200)	(17,766)	(11,200)
Balance at 30 June	(41,160)	(44,916)	(41,160)	(44,916)

Retained earnings

Balance at 1 July	195,072	189,493	194,808	189,232
Adjustment to the opening balance	(252)	111	(252)	111
Surplus/(deficit) after tax	17,452	(1,075)	17,451	(1,078)
Plant, property and equipment disposed	0	0	0	0
Found assets	2,672	26	2,672	26
Net internal borrowing appropriations	(3,504)	6,943	(3,504)	6,943
Net special fund appropriations	(875)	(426)	(875)	(426)
Balance at 30 June	210,565	195,072	210,300	194,808

Summary of equity accounts

Asset revaluation reserve	287,819	273,826	287,819	273,826
Available-for-sale revaluation reserve	287	368	287	368
Special fund reserves	4,573	3,698	4,573	3,698
Rate reserve funds	(41,160)	(44,916)	(41,160)	(44,916)
Retained earnings	210,565	195,072	210,300	194,808
	462,083	428,048	461,819	427,785

Capital management

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

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

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

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

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

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

Special Fund Reserves as at 30 June 2021

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2020	Appropriations 2020-2021 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2021
Urban Water Development Contributions Fund	Water Supplies	To provide funds for growth related urban water projects	427,207	136,731	0	563,937
Rural Water Development Contributions Fund	Water Supplies	To provide funds for growth related rural water projects	149,874	807	0	150,681
Sewer Development Contributions Fund	Sewerage	To provide funds for growth related sewer projects	618,129	275,966	0	894,095
Amberley Beach Reserve Fund	Reserves	To fund projects for Amberley Beach	102,849	(2,449)	20,000	120,400
Amberley Township Reserves Development Fund	Reserves	To fund projects for Leithfield Beach	(68,066)	10,829	0	(57,237)
Amberley Walking & Cycling Routes Development Fund	Reserves	To provide funds for growth related projects for township reserves in Amberley	477,537	117,468	(17,951)	595,005
Amberley Ward Reserves Development Fund	Reserves	To provide funds for growth related projects for walking and cycling routes in the Amberley Ward	148,681	36,951	0	167,681
Amberley RSA Fund	Reserves	To provide funds for growth related projects for ward reserves in Amberley	118,975	128,274	0	247,249
Amberley Reserve Pavilion Development Fund	Reserves	To hold funds on behalf of the Amberley RSA	2,993	452	0	3,444
Amberley Stormwater Development Reserve	Property	To provide funds for growth related projects for the Amberley Reserve Pavilion	(2,621)	9,081	(6,460)	0
Amberley Contestable Fund	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	77,435	59,915	0	137,350
Amuri Ward Land Subdivision Reserve	Reserves	To provide funds for reserve projects in the Amberley Ward	44,164	(5,925)	0	38,238
Amuri Community Centre	Reserves	To fund projects for the Amuri Ward	4	0	(4)	(0)
Amuri Sports Facilities Fund	Reserves	To fund projects for the Culverden Community Centre	54,076	291	0	54,367
Amuri Contestable Fund	Reserves	To fund projects for sports facilities in the Amuri Ward	59,081	(22,718)	(33,392)	2,972
Waiau Community Pool Fund	Reserves	To provide funds for reserve projects in the Amuri Ward	48,420	(7,904)	(20,000)	20,516
Waiau River Protection Fund	Reserves	To provide funds for on-going operations of the Swimming Pool for the Waiau Community	138,215	(8,761)	0	129,454
Cheviot Ward Land Subdivision Reserve	Reserves	To provide funds for the River Protection work of the Waiau Township	0	10,088	15,000	25,088
Cheviot RSA Fund	Reserves	To fund projects for Cheviot Ward	6,573	35	(6,608)	0
Cheviot Contestable Fund	Reserves	To hold funds on behalf of the Cheviot RSA	4,668	37	0	4,705
Glenmark Ward Land Subdivision Reserve	Reserves	To provide funds for reserve projects in the Cheviot Ward	57,774	0	(25,000)	32,774
Glenmark Domain Pavilion Fund	Reserves	To fund projects for Glenmark Ward	50	0	(50)	(0)
Kale Valley Landfill Community Trust Fund	Reserves	To fund projects for the Waipara Pavilion	0	0	0	0
Omihi Reserve Development	Reserves	To hold funds for projects in the Waipara area	0	0	0	0
Glenmark Contestable Fund	Reserves	To provide funds for growth related projects for the Omihi Reserve	134	302	(436)	0
Hammer Springs Domain Development Reserve	Reserves	To provide funds for reserve projects in the Glenmark Ward	22,144	(14,104)	0	8,040
Hammer Springs Domain Pavilion Fund	Reserves	To provide funds for growth related projects for the Domain in Hammer Springs	82,574	37,093	0	119,667
Hammer Springs Hall Development Reserve	Property	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	33,841	182	0	34,023
Hammer Springs Township Development Reserve	Reserves	To provide funds for growth related projects for the Hammer Springs Hall	(9,467)	12,184	0	2,716
Hammer Springs Contical Hill	Reserves	To provide funds for growth related projects for the Town Centre in Hammer Springs	(349,976)	51,589	0	(298,388)
Hammer Springs Contestable Fund	Reserves	To provide funds for growth related projects for Contical Walkway area in Hammer Springs	16,905	8,315	0	25,220
Hammer Springs Medical Centre Development Contributions Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	38,931	0	0	38,931
Hammer Springs Stormwater Development Contributions Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	209,246	(24,854)	32,595	216,987
Hurunui Ward Land Subdivision Reserve	Reserves	To provide funds for growth related projects for the Medical Centre in Hammer Springs	43,745	19,707	0	63,452
Hurunui Contestable Fund	Reserves	To provide funds for growth related projects for Hammer Springs Stormwater	33,446	11,886	0	45,332
Waiou Gorge Ferry Bridge Preservation	Reserves	To fund projects for the Hurunui Ward	6,706	36	0	6,742
Hammer Springs Tourism Promotion	Reserves	To provide funds for reserve projects in the Hurunui Ward	10,967	(6,374)	0	4,592
District Library Development Reserve	Reserves	To provide funds for the maintenance of the Waiou Ferry Bridge	69,401	4,561	0	73,962
Mayor's Task Force for Jobs	Reserves	To fund marketing projects for the Hammer Springs Ward	94,640	(30,773)	0	23,867
Chamberlain Bros Trust	Reserves	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	914,657	91,175	0	1,005,831
Graves Maintenance Trust	Reserves	To provide funds for growth related projects for the District Library	0	1,024	0	10,587
Culverden Domain Gates	Reserves	To provide a holding account for unused funding for the MTFJ programme	16,634	(522)	0	15,088
Bush Legacy Trust	Reserves	To provide funds for projects on Chamberlain Park in Amberley	2,541	14	0	16,111
Hawarden Memorial Park	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	741	4	0	2,555
Bridson Trust	Reserves	To provide funds for the replacement of the gates leading into the Culverden Domain	226	1	0	745
Forrester Trust	Reserves	To fund projects for maintenance of gravestones in the Council's Cemeteries	5,515	1,581	0	228
Hammer Heritage Forest Trust	Reserves	To provide funds for maintenance of the Council's Cemeteries	1,345	7	0	7,096
Adverse Events Reserve	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,434	8	0	1,352
		To provide funds for the activities of the Hammer Heritage Forest Trust	3,065	17	0	1,442
		To provide funds for adverse events	13,114	0	0	3,081
			3,698,095	917,315	(42,306)	4,573,104

Special Fund Reserves as at 30 June 2020	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2019	Appropriations 2019-2020 (Surplus/Deficit)	Transfers In/(Out)	Closing Balance 30 June 2020
				\$	\$	\$	\$
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	355,570	71,637	0	427,207
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	134,557	15,317	0	149,874
Water Development Contributions Fund	Sewerage	Sewerage	To provide funds for growth related sewer projects	484,733	133,396	0	618,129
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	139,833	4,967	(41,951)	102,849
Leithfield Beach Fund	Reserves	Community Services and Facilities	To fund projects for Leithfield Beach	(76,673)	8,607	0	(68,066)
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	443,191	34,346	0	477,537
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	166,594	11,910	(29,823)	148,681
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	332,434	45,091	(258,550)	118,975
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	2,264	729	0	2,993
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(4,993)	2,372	0	(2,621)
Amberley Stormwater Development Reserve	Reserves	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	65,095	12,340	0	77,435
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	53,238	(9,075)	0	44,164
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	4	4	0	4
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	52,221	1,855	0	54,076
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	50,175	8,906	0	59,081
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	40,436	7,984	0	48,420
Waiau Community Pool Fund	Reserves	Community Services and Facilities	To provide funds for the rebuild of the Swimming Pool for the Waiau Community	142,378	(4,164)	0	138,215
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	6,348	225	0	6,573
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	4,508	160	0	4,668
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	8,333	8,333	0	16,666
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	41	9	0	50
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	0	0	0	0
Kale Valley Landfill Community Trust Fund	Reserves	Community Services and Facilities	To hold funds for projects in the Waipara area	0	0	0	0
Omih Reserve Development	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omih Reserve	129	5	0	134
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	30,446	(8,301)	0	22,144
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	54,137	28,437	0	82,574
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	19,580	14,261	0	33,841
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(17,789)	8,322	0	(9,467)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(374,197)	24,221	0	(349,976)
Hammer Springs Contical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Contical Walkway area in Hammer Springs	12,027	4,878	0	16,905
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	30,597	8,333	0	38,931
Hammer Springs Staff House Reserve Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	0	(1,746)	210,992	209,246
Hammer Springs Medical Centre Development Contributions	Property	Community Services and Facilities	To provide funds for growth related projects for the Medical Centre in Hammer Springs	29,124	14,621	0	43,745
Hammer Springs Stormwater Development Contributions	Property	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	24,735	8,711	0	33,446
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	6,479	227	0	6,706
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	8,633	2,333	0	10,967
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	61,677	7,724	0	69,401
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	53,851	789	0	54,640
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To fund projects for the maintenance of the former Queen Mary Hospital Site	838,799	75,857	0	914,657
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	8,235	1,339	0	9,573
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	16,767	(133)	0	16,634
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,454	87	0	2,541
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	716	25	0	741
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	219	8	0	226
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	5,326	189	0	5,515
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,299	46	0	1,345
Forrester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,385	49	0	1,434
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	To provide funds for the activities of the Hammer Heritage Forest Trust	2,960	105	0	3,065
Adverse Events Reserve	Reserves	Community Services and Facilities	To provide funds for adverse events	13,114	0	0	13,114
				3,272,095	545,333	(119,332)	3,698,095

Rate Reserve Funds as at 30 June 2021		Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2020	Appropriations 2020-2021 Surplus/(Deficit)	Transfers In/(Out)	Closing Balance 30 June 2021
					\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water	(10,880,143)	2,442,537	(2,199,279)	(10,636,884)	
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	26,883	(623)	0	26,260	
Three Waters Stimulus Package	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	0	4,055,593	(4,055,593)	0	
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for sewer	(8,498,293)	2,744,672	(2,431,599)	(8,185,220)	
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	26,532	1,146,227	(1,149,043)	23,716	
Amberley Beach Freshshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley Beach Freshshore Protection	60,861	22,324	0	83,185	
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,797,914)	231,869	(109,808)	(1,675,854)	
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	46,338	(1,423)	0	44,916	
Molunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Molunau Beach Stormwater	4,233	838	0	5,071	
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(37,163)	4,460	(269,700)	(369,703)	
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(114,010)	114,177	0	(269,533)	
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Waikari stormwater	(24,350)	(1,886)	0	(26,236)	
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Waikari stormwater	40,640	9,179	0	49,819	
			To stage Road Funding over the life of the Long Term Plan	0	0	0	0	
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	Correction to Opening Balance	(372,323)	9,880,510	(11,091,901)	(1,683,715)	
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	7,777	(3,147)	0	4,629	
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(124,309)	(24,204)	0	(148,514)	
			To fund roadside construction projects for Amberley Ward	25,900	0	0	25,900	
			Correction to Opening Balance	29,823	41	(7,025)	48,738	
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward	(35,855)	36,317	(462)	0	
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	74,236	400	(407,990)	33,846	
Cheriot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheriot Ward	116,156	626	0	116,781	
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township	(14,071)	5	15,000	934	
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	89,605	483	0	90,088	
Hammer Springs Subdivision Expenditure	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	22,001	10,568	0	32,569	
Hurunu Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hurunu Ward	66,852	360	0	67,212	
District Library - Amberley Ward	Community Services	Community Services	To fund portion of District Library construction costs	414	0	(414)	(0)	
Amberley Ward Pool Fund	Community Services	Community Services	To fund portion of the proposed Amberley Pool	556,978	167,169	(299,573)	424,574	
Canterbury Museum Capital Levy Fund	Community Services	Community Services	To fund levy required for the Capital Development work of the Canterbury Museum	0	0	0	0	
			Correction to Opening Balance	253,693	(83,700)	0	169,993	
Amberley Amenities	Community Services	Community Services	To fund capital projects for Amberley Ward Amenities	(1,187,788)	168,810	(109,237)	(1,128,214)	
Amuri Amenities	Community Services	Community Services	To fund capital projects for Amuri Ward Amenities	90,107	(3,308)	(22,000)	64,799	
Cheriot Amenities	Community Services	Community Services	To fund capital projects for Cheriot Ward Amenities	76,525	(29,572)	(20,672)	26,281	
Northern Glenmark Amenities	Community Services	Community Services	To fund capital projects for Northern Glenmark Amenities	63,757	0	0	63,757	
			Correction to Opening Balance	(156)	(12,365)	25	51,260	
Waipara Amenities	Community Services	Community Services	To fund capital projects for Waipara Amenities	57,796	10,151	(3,353)	64,594	
Omiri Amenities	Community Services	Community Services	To fund capital projects for Omiri Amenities	47,378	(15,770)	446	32,054	
Hammer Springs Amenities	Community Services	Community Services	To fund capital projects for Hammer Springs Ward Amenities	(937,648)	0	0	(937,648)	
			Correction to Opening Balance	(4,424)	46,426	0	(895,646)	
Hurunu Amenities	Community Services	Community Services	To fund capital projects for Hurunu Ward Amenities	46,035	1,206	0	47,241	
Amuri Medical General	Property	Property	To fund capital projects for medical centres in the Amuri Ward	(174,705)	101,407	(74,577)	(147,874)	
Cheriot Medical General	Property	Property	To fund capital projects for medical centres in the Cheriot Ward	(243,480)	43,181	(7,058)	(207,356)	
Hammer Springs Medical General	Property	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(285,216)	22,860	(3,522)	(265,877)	
Waikari Medical House	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(310,476)	41,564	0	(268,912)	
Walker Medical Centre	Property	Property	To fund capital projects for medical centres in the Hurunu Ward	(88,718)	9,365	(11,606)	(90,959)	
Social Housing Fund	Property	Property	To fund capital projects for Social Housing throughout the District	0	0	0	0	
			Correction to Opening Balance	4,572	25,731	(85,997)	(55,695)	
Earthquake Prone Buildings Fund	Property	Property	To fund assessment and improvements to Council owned buildings to meet NBS requirements	0	0	0	0	
			Correction to Opening Balance	340,504	53,858	(148,140)	246,223	
Refuse Collection	Waste Minimisation	Waste Minimisation	To fund previous deficits recorded for Refuse Collection	(1,676,653)	15,946	0	(1,660,707)	
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Internal debt relating to key expansion projects for the HSTP&S	(16,085,387)	0	3,926,015	(12,159,372)	
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	To fund the District's Debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(3,946,767)	37,190	433,719	(3,472,858)	
Total Rate Reserve Funds				(44,684,254)	21,270,043	(17,766,144)	(41,160,354)	

Rate Reserve Funds as at 30 June 2020

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2019 \$	Appropriations 2019-2020 Surplus/ (Deficit) \$	Capital Expenditure \$	Closing Balance 30 June 2020 \$
District Wide Water	Water Supplies	To fund capital projects relating to water	(8,102,997)	1,030,621	(3,807,967)	(10,880,143)
Balmoral Water	Water Supplies	To fund capital projects for Balmoral water	18,889	27,184	(19,190)	26,883
District Wide Sewer	Sewerage	To fund capital projects for sewer	(6,839,048)	1,781,095	(3,340,341)	(8,498,293)
District Urban Stormwater	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	54,348	573,237	(801,053)	26,532
Amberley Beach Foreshore Protection	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	37,758	23,103	0	60,861
Amberley Stormwater	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,946,064)	157,775	(9,625)	(1,797,914)
Cheviot Stormwater	Stormwater and Drainage	To fund capital projects for Cheviot stormwater	37,665	8,673	0	46,338
Jed River Clearance	Stormwater and Drainage	To fund capital projects for Jed River Clearance	3,433	800	0	4,233
Mounau Beach Stormwater	Stormwater and Drainage	To fund capital projects for Jed River Clearance	(44,312)	7,149	0	(37,163)
Hammer Springs Stormwater	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(133)	93,175	(207,052)	(114,010)
Hawarden Stormwater	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(42,877)	18,526	0	(24,350)
Waikari Stormwater	Stormwater and Drainage	To fund capital projects for Waikari stormwater	30,156	10,484	0	40,640
Woodbank Road Sealing - Stage 1	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	7,511	286	0	7,777
District Footpath Maintenance	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(251,574)	127,265	0	(124,309)
Amberley Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	97,496	3,286	(74,882)	25,900
Amberley Special Projects	Roads and Footpaths	To fund special roading projects in the Amberley Ward	(70,239)	34,384	0	(35,855)
Amuri Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	100,932	2,806	(29,501)	74,236
Cheviot Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	112,232	3,924	0	116,156
Waipara Township Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Waipara township	26,097	927	(41,095)	(14,071)
Hammer Springs Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	86,532	3,074	0	89,605
Hammer Springs Subdivision Expenditure	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	11,210	10,791	0	22,001
Hurunui Ward Roadside Construction	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	64,559	2,283	0	66,852
District Library - Amberley Ward	Public Services	To fund portion of District Library construction costs	400	14	0	414
Amberley Ward Pool Fund	Community Services	To fund portion of the proposed Amberley Pool	452,101	145,987	(41,110)	556,978
Amberley Amenities	Community Services	To fund capital projects for Amberley Ward Amenities	(1,466,554)	475,497	(96,730)	(1,187,788)
Amuri Amenities	Community Services	To fund capital projects for Amuri Ward Amenities	214,112	(29,475)	(94,530)	90,107
Cheviot Amenities	Community Services	To fund capital projects for Cheviot Ward Amenities	70,499	6,026	0	76,525
Northern Glenmark Amenities	Community Services	To fund capital projects for Northern Glenmark Amenities	153,157	(76,658)	(12,743)	63,757
Waipara Amenities	Community Services	To fund capital projects for Waipara Amenities	72,941	10,165	(25,309)	57,796
Omihia Amenities	Community Services	To fund capital projects for Omihia Amenities	39,879	7,500	0	47,378
Hammer Springs Amenities	Community Services	To fund capital projects for Hammer Springs Ward Amenities	(955,444)	17,796	0	(937,648)
Hurunui Amenities	Community Services	To fund capital projects for Hurunui Ward Amenities	39,988	6,046	0	46,035
Amuri Medical General	Property	To fund capital projects for medical centres in the Amuri Ward	(285,544)	110,839	0	(174,705)
Cheviot Medical General	Property	To fund capital projects for medical centres in the Cheviot Ward	(663,440)	(13,178)	333,138	(243,480)
Hammer Springs Medical General	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(291,233)	11,613	(5,596)	(285,216)
Hammer Springs Medical House	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(334,146)	30,447	(6,777)	(310,476)
Waikari Medical Centre	Property	To fund capital projects for medical centres in the Hurunui Ward	(87,261)	10,148	(11,606)	(88,718)
Waikari Collection	Regulatory Services	To fund previous deficits recorded for Waikari Collection	(1,619,580)	(57,073)	0	(1,676,653)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Internal debt relating to key expansion projects for the HSTP&S	(13,325,387)	0	(2,760,000)	(16,085,387)
Earthquake Recovery Debt	Earthquake Recovery	To fund the District's Debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(3,379,036)	(320,004)	(247,727)	(3,946,767)
Total Rate Reserve Funds			(37,972,774)	4,256,527	(11,199,695)	(44,915,942)

Note 25 - Related party disclosures

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

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

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

Key management personnel compensation

	Actual 2021 \$000's	Actual 2020 \$000's
<i>Councillors</i>		
Remuneration	396	395
Full-time equivalent members	11	11
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,135	1,176
Full-time equivalent members	5	5
Total key management personnel remuneration	1,531	1,572
Total full-time equivalent members	16	16

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

Enterprise North Canterbury

During the financial year, the Council paid \$51,250 (2020: \$51,250) to Enterprise North Canterbury as a grant for its general purposes.

During the financial year, the Council paid a further \$587 for additional services (2020: \$175).

As at 30 June 2021, there was no outstanding balance owing to Enterprise North Canterbury (2020: \$Nil).

Note 26 - Events after balance date

COVID-19 - Delta Variant

New Zealand returned to Alert Level 4 on 17 August 2021 with a number of community cases from the "Delta" variant of COVID -19 introduced from New South Wales. The area south of Auckland moved to Alert Level 3 on 31 August 2021 and then to Alert Level 2 on 7 September 2021. The valuations prepared as at 30 June 2021 contained references to valuation uncertainty in light of COVID -19 generally and there remains significant pressure on the robustness of assumptions contained in the valuations.

Whilst in Alert Levels 3 and 4, the Hanmer Springs Thermal Pools and Spa did not trade. Due to delays in completing scheduled maintenance work due to Alert Level 3 and 4, the facility did not reopen to the public until 13 September 2021. Alert Level 2 does place restrictions on numbers in the facility at any one time. With the loss of four weeks of trading and restrictions placed at Alert Level 2, the revenue flow from the Hanmer Springs Thermal Pools and is expected to be lower than the level budgeted for the 2021/2022 year.

Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

Following the Government announcement on the 27 October 2021 on 3 waters reform, there is increased certainty with the proposal to transfer the three-water delivery and infrastructure from the 67 councils to four Water Service Entities (WSEs). In June 2021, the Government proposed regional boundaries for each entity A, B, C and D, which would manage water assets for the country. Council would belong to WSE "D", along with 19 other Councils. Based upon the current proposals, the WSE would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest. At the date of this annual report being approved for issue there is due to this announcement, increased certainty that should the legalisation be enacted, Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

(2020: No significant post balance date events).

Note 27 - Financial instruments

27A - Financial instrument categories

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Financial assets				
<i>Available for sale investments</i>				
Unlisted shares	0	0	0	0
Available for sale investments	0	0	0	0
<i>Loans and receivables</i>				
Cash and cash equivalents	6,951	4,979	6,951	4,979
Debtors and other receivables	4,121	2,709	4,121	2,709
Non interest bearing loans	5	5	5	5
Total loans and receivables	11,077	7,692	11,077	7,692
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	0	0	0	0
Total fair value through surplus or deficit	0	0	0	0
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares	985	1,039	985	1,039
Total fair value through other comprehensive revenue and expense	985	1,039	985	1,039
Financial liabilities				
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	1,145	1,942	1,145	1,942
Total fair value through surplus or deficit	1,145	1,942	1,145	1,942
<i>Financial liabilities at amortised cost</i>				
Borrowings				
- secured loans	38,000	40,000	38,000	40,000
Creditors and deferred revenue	5,959	4,317	5,959	4,317
Total financial liabilities at amortised cost	43,959	44,317	43,959	44,317

27B - Fair value hierarchy disclosures

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

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

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

	Total \$000's	Quoted Market Price \$000's	Observable Inputs \$000's	Significant
				non-observable inputs \$000's
Council and Group 2021				
<i>Financial assets</i>				
Unlisted shares	985	0	0	985
Interest rate swaps	0	0	0	0
<i>Financial liabilities</i>				
Interest rate swaps	1,145	0	1,145	0
Council and Group 2020				
<i>Financial assets</i>				
Unlisted shares	1,039	0	0	1,039
Interest rate swaps	0	0	0	0
<i>Financial liabilities</i>				
Interest rate swaps	1,942	0	1,942	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 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Balance as at 1 July	1,039	1,158	1,039	1,158
Gains/(losses) recognised in in other comprehensive revenue and expense	(81)	(55)	(81)	(55)
Purchases	0	0	0	0
Sales	27	(64)	27	(64)
Balance at 30 June	985	1,039	985	1,039

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

27C - Financial instrument risks

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

Market risk*Fair value interest rate risk*

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

The Council's policy is to maintain between 55% and 95% of its borrowings in fixed rate instruments. The Council is subject to fair value interest rate risk on its deposits but the risk is minimised as the deposits are for a maturity period of less than one year.

Cash flow interest rate risk

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

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

Credit risk

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

Maximum exposure to credit risk

The Council's maximum exposure to credit risk for each class of financial instrument is as follows:

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Cash and cash equivalents	6,951	4,979	6,951	4,979
Debtors and other receivables	4,121	2,709	4,121	2,709
Non interest bearing loans	5	5	5	5
Total credit risk	11,077	7,692	11,077	7,692

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

Credit quality of financial assets

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

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

	Group		Council	
	Actual 2021 \$000's	Actual 2020 \$000's	Actual 2021 \$000's	Actual 2020 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA-	6,951	4,979	6,951	4,979
Total cash and cash equivalents	6,951	4,979	6,951	4,979
Counterparties without credit ratings:				
Non interest bearing loans				
Existing counterparty with no defaults in the past	5	5	5	5
Total Non interest bearing loans	5	5	5	5

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

Liquidity risk

Management of liquidity risk

Liquidity risk is the 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 part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

As at 30 June 2021, the Council has a credit facility of \$45.0 million (2020: \$45.0 million) against which it had drawn \$38.0 million (2020: \$40.0 million).

Two tranches of Local Government Funding Agency borrowings totalling \$4.0 million matures on 15 March 2022 and the Short Term Debt with the Local Government Funding Agency of \$8.0 million matures on 18 October 2021.

Contractual maturity analysis of financial liabilities excluding derivatives

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

The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Liability Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2021					
Creditors and deferred revenue	5,959	5,959	5,959	0	0
Secured loans	38,000	38,000	12,000	21,000	5,000
Council and Group 2020					
Creditors and deferred revenue	4,317	4,317	4,317	0	0
Secured loans	40,000	40,000	13,000	16,000	11,000

Contractual maturity analysis of derivative financial instrument liabilities

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

	Liability Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2021					
Net settled derivative liabilities	1,145	1,145	92	734	319
Council and Group 2020					
Net settled derivative liabilities	1,942	1,942	465	1,252	226

Contractual maturity analysis on financial assets

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

	Asset Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2021					
Cash and cash equivalents	6,951	6,951	6,951	0	0
Debtors and other receivables	4,121	4,121	4,121	0	0
Non interest bearing loans	5	5	5	0	0
Net settled derivative assets	0	0	0	0	0
Council and Group 2020					
Cash and cash equivalents	4,979	4,979	4,979	0	0
Debtors and other receivables	2,709	2,709	2,709	0	0
Non interest bearing loans	5	5	5	0	0
Net settled derivative assets	0	0	0	0	0

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	2021 \$000		2020 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(13)	69	(5)	49
Interest rate swaps	0	0	0	0
Financial liabilities				
Secured loans	(341)	380	(366)	400
Interest rate swaps	(737)	693	(574)	539
Total sensitivity	(1,091)	1,143	(945)	987

Explanation of interest rate sensitivity

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

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

Note 28 - Explanations of major variances against budget

Explanations for major variations from the Council's budget figures in the 2020/2021 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Revenue:

Subsidies and grants are \$8.7 million greater than budget. This includes a total of \$4.1 million of Three Waters Reform Funding that has been recognised in the 2020/21 year. Council also received funding from the Tourism Infrastructure Fund for installing new public toilets as well as the completion of the Wastewater Disposal Plant in Hanmer Springs. In addition, Council received \$500,000 from the Mayor's Task Force for Jobs Programme during the year. Fees and Charges are \$6.1 million greater than budget. The majority of this relates to the increased revenue gained from the Hanmer Springs Thermal Pools and Spa than was budgeted for as the forecast effects of the downturn resulting in the COVID-19 did not materialise for the 2020/21 year.

Other Revenue is \$8.8 million greater than budget. This includes \$8.5 million recognised as Vested Asset Revenue, which included \$4.8 million relating to assets that were constructed by Waka Kotahi NZ Transport Agency on the Inland Road, which was passed over to Council when the control of the road returned to Council in December 2020.

Expenditure:

Employment benefits were \$1.0 million greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa ahead of budget which was required as the facility was fully operational during the period.

Other expenses are ahead of budget by \$3.7 million. This relates to the additional costs associated with the Hanmer Springs Thermal Pools and Spa being at full capacity during the period. In addition, other expenses for the Earthquake Recovery Activity is up on budget due to repair work carried out on the Waiau Hall, Kowai Buildings and Scargill Pavilion.

Finance costs are down on budget by \$1.2 million due to the short term interest rates falling and the assessment of the fair value of the Council's derivatives.

Other comprehensive revenue:

The Council Three Waters Assets were revalued resulted in a gain of revaluation of \$11.6 million, which was not budgeted for.

In addition, the Council reversed the remaining portion of the impairment it recorded against its assets after the November 2016 Earthquakes.

Statement of financial position

Fixed assets:

Property plant and equipment was \$35.8 million higher than the level budgeted for. Additional capital expenditure was incurred due to additional funding available through the Three Waters Reform Funding, Tourism Infrastructure Funding and funding from the Provincial Growth Fund. The Council undertook a revaluation of the Three Waters result in an \$11.6 million increase in the value as well as reversed the remaining level of impairment it had recorded against its assets after the November 2016 Earthquakes.

Debt:

Council has budgeted that total debt as at 30 June 2021 would be \$43 million. Due to other funding avenues available, the total debt at the end of the year was only \$38 million with the cash balance being \$6.5 million greater than budgeted.

Note 29 - Impact of earthquake

The event

The District suffered a 7.8 magnitude earthquake on 14 November 2016 which resulted in damage to the Council's infrastructural assets and some buildings

Assets affected

Water schemes: A number of water schemes sustained damage:

- Waiau Township Water Scheme
- Waiau Rural Water Scheme - which supplies stock water to a large number of farms on the north side of the Waiau River.
- Hurunui 1 Rural Water Scheme (includes Motunau Beach, Scargill, Greta Valley, Omihi, Glenmark, Blythe and Nape Nape).
- Cheviot Rural Water Scheme (includes Cheviot, Gore Bay, Hurunui Mouth, Parnassus, Domett, Manuka Bay, Kaiwara and Blythe).

Local roads: The district's total local roading network comprises 601 km of sealed roads and 853 km of unsealed roads. Approximately 10% of these roads were affected by the earthquake. Major rural feeder roads such as the Leslie Hills Road, the Leader Road, and the Conway Flat Road were badly damaged.

Local bridges: There are 278 bridges within the local roading network. 48% of those bridges suffered some damage during the earthquakes, although only the Cloudy Range Bridge received major damage. This bridge remains restricted to light vehicles only. Restrictions also apply to the use of Ferniehurst and Ngaroma bridges.

Nationally strategic routes: The Council-owned Inland Road (formerly SH70) was closed initially but re-opened when Waka Kotahi NZ Transport Agency completed access to Kaikoura. Once reopened (with some restrictions) the highway provided the only road access to Kaikoura.

Assessment of Impairment

The estimates used in determining impairment as at 30 June 2021 are derived from a variety of sources:

- in determining the impairment to buildings, there were three buildings that were substantially damaged and their fair value was reduced to zero. One of those buildings has been repaired and the impairment reversed.
- repair work on local roads (excluding the bridging network) has been completed as at 30 June 2018, therefore no further impairment assessment for local roads has been made.
- in determining the impairment of the bridging network that was affected, the estimated cost of reinstatement has been sourced from the approved Waka Kotahi NZ Transport Agency budget for the 2019/2020 year. Some of that work was completed with the remainder being carried forward into the 2020/2021 year. As at 30 June 2021, there was still \$1,102,957 of the budget remaining, of which 85% had been assessed as relating to the value of the bridges. Subsequent to 30 June 2021, Waka Kotahi NZ Transport Agency has reviewed the remaining balance and concluded that all work had been completed. As a result, the remaining impairment for bridges has now been reversed.
- the control of Route 70 (Inland Road) has been transferred back to Council. The recognition process is described below.
- in determining the impairment to the above ground water and sewer assets, the claim made with the Council's material damage insurers has been used.
- in determining the impairment to the below ground water and sewer assets, the estimated length of reticulation that is still to be repaired has been used.
- Land and buildings were revalued in 2020, so those impaired assets have been revalued as part of that process.

The impairment to the infrastructural assets has been offset against asset revaluation reserves.

Council will continue to review the damage caused by the earthquake and reassess its impairment assumptions when better information is received, particularly on its under ground assets, which by its very nature, is difficult to accurately assess.

	Impairment against Asset Revaluation		Impairment against Asset Revaluation	
	Reserve 2021 \$000's	Total Impairment 2021 \$000's	Reserve 2020 \$000's	Total Impairment 2020 \$000's
Restricted assets				
<i>Restricted buildings</i>				
Opening balance	317	317	317	317
Movements	(103)	(103)	0	0
Closing balance	213	213	317	317
Total restricted assets	213	213	317	317
Infrastructural assets				
<i>Roading - bridges</i>				
Opening balance	2,035	2,035	2,965	2,965
Movements	(2,035)	(2,035)	(930)	(930)
Closing balance	0	0	2,035	2,035
<i>Water</i>				
Opening balance	35	35	1,083	1,083
Movements	(35)	(35)	(1,048)	(1,048)
Closing balance	0	0	35	35
<i>Sewer</i>				
Opening balance	147	147	973	973
Movements	(147)	(147)	(826)	(826)
Closing balance	0	0	147	147
Total infrastructural assets	0	0	2,217	2,217
	213	213	2,534	2,534

Total assets				
Opening balance	2,534	2,534	5,338	5,338
Movements	(2,320)	(2,320)	(2,804)	(2,804)
Closing balance	<u>213</u>	<u>213</u>	<u>2,534</u>	<u>2,534</u>

Insurance

Soon after the earthquake, the Local Authority Protection Programme (LAPP), which provides a level of insurance cover for the Council's underground infrastructure, made an advance payment of \$500,000 in anticipation of a claim being made. This amount has been included as revenue in the 2016/2017 year. In April 2019, Council settled its claim with LAPP for a further pay-out of \$267,156, which has been recognised as revenue in the 2018/2019 year.

Council has arrived at a settlement with its insurers for the above ground assets for the Three Waters of \$1,019,000 which has been recognised as revenue in the 2017/2018 year.

In addition, Council, has finalised the claim with Central Government for its 60% of the repairs to the underground Three Waters Assets .

In the period since the Earthquake, the following has been recognised as revenue against the cost of repairs and reinstatement: 2017/2018 \$245,358; 2018/2019 \$185,029; 2019/2020 \$386,394; and 2020/2021 \$423,570.

Treatment of revenue and expenditure

All expenditure incurred to date relating to the response, recovery and repairs to the infrastructural and community assets and any revenue received to offset those costs have been disclosed in the Group Activity - Earthquake Recovery table in the Council Activities section of the Annual Report.

Recognition of work carried out on Route 70 (Inland Road)

Soon after the earthquake, the control of Route 70 (Inland Road) was assumed by Waka Kotahi NZ Transport Agency. The Council policy was to only recognise the improvements to the road carried out by Waka Kotahi NZ Transport Agency upon the control of the road returning to Council. The road was formally transferred back to Council in December 2020.

To identify the fair value of those improvements made to the Inland Road, Council and Waka Kotahi NZ Transport Agency contracted Beca Limited to carry out a valuation of the road. Beca have described the methodology for carrying out the valuation as follows:

- HDC assets are stored in the RAMM asset database. In August and September 2021 Beca completed an asset inventory update along the Kaikoura Inland Route. Site visits were carried out to capture assets missing from the database. Most of the assets which were added to the database by Beca had been recently constructed by NCTIR following the Kaikoura Earthquake.
- The valuation was carried out using the RAMM Asset Valuation Module (AVM) – except for bridges and major culverts.
- Bridges and major culvert asset information is stored in the Online Bridge Information System (OBIS). Current valuations (carried out by WSP in April 2021) were available in the OBIS system, which was supplied by Council to Beca.
- The following step by step process was applied to each asset component (excluding bridges and major culverts):
 - Waka Kotahi NZ Transport Agency's infrastructure cost indices were applied to the standard replacement cost unit rates for each asset type. The indices used were the Reseal Index, Structures Index, Network Outcomes Index, and Construction Index.
 - For assets in RAMM, replacement costs, depreciated replacement costs, and annual depreciations have been calculated using the RAMM Asset Valuation Module (AVM).
 - For bridges and major culverts, replacement costs, depreciated replacement costs, and annual depreciations were provided by Council.
 - Unit Replacement rates in AVM were updated from the 2019 rates according to the Waka Kotahi NZ Transport Agency's infrastructure cost indices. The indexes used were June 2019 to December 2020

The Council had determined that if the construction or installation date was after 14 November 2016, it related to assets that Waka Kotahi NZ Transport had repaired or reinstated as part of the Agency Agreement. The fair value of the identified assets are as follows:

- Pavement surfaces	2,041,918
- Pavement basecourse	69,146
- Drainage	343,876
- Bridges and major culverts (including the Wandle Bridge)	1,013,868
- Retaining walls	1,012,910
- Traffic signs	3,339
- Railings	330,722
	<u>4,815,779</u>

These have been recognised as Vested Assets at the time of transfer back to Council in December 2020.

In the valuer's report, an assessment of the impact of Covid-19 has been made. The valuation has been provided as at 31 December 2020 and the valuer recognises that there is a level of uncertainty created by the impact of Covid-19. The valuer expects that the impact of Covid-19 will be minimal on the value of horizontal infrastructure assets. The valuers have therefore concluded that the level of risk when assessing the valuation of roading assets is low.

Note 30 - COVID-19

After the 2019/2020 year being headlined by the COVID-19 pandemic and New Zealand's elimination strategy, the country moved to Alert Level 1 on 8 June 2020.

Community cases in Auckland resulted Auckland returning to Alert Level 3 and the rest of the country to Alert Level 2 on 14 August 2020. All regions except Auckland returned to Alert Level 1 on 21 September 2020 with Auckland returning to Alert Level 1 on 7 October 2020. Further community cases resulted in the country returning to Alert Level 2 for three days from 14 February 2021 and a further week from 28 February 2021. After cases in Wellington in late June 2021, the country concluded the financial year at Alert Level 1.

The key effect of various periods of Alert Level 2 for the Hurunui District has been the restrictions placed on the Hanmer Springs Thermal Pools and Spa. This has fortunately not severely impacted on revenue for the 2020/2021 year, however the continual closure of the border does impact on the international market.

As was disclosed in the 2019/2020 Annual Report, based on severely reduced revenues for the period from March to June 2020, the Hanmer Springs Thermal Pools and Spa applied and received a total of \$984,450 from the Wage Subsidy scheme. It was concluded that this amount be recognised as a current liability while the Council continued to seek clarification on the eligibility of the application.

Despite the efforts of the Council to seek clarification from the Ministry, none had been received and the \$985,450 remains as a current liability as at 30 June 2021.

Other legislative disclosures

Disclosure index

1. Funding impact statement for whole of Council

2. Funding impact statement for groups of activities

3. Rating base information

4. Insurance on assets

5. Māori decision making

7 - Funding impact statement for whole of Council

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021 (whole of Council)

	2020 Long Term Plan \$000's	2020 Actual \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	8,963	8,963	9,615	9,787
Targeted rates	11,438	11,711	11,692	12,011
Subsidies and grants for operating purposes	2,126	3,333	2,053	4,504
Fees and charges for water supply	18,759	16,169	12,632	20,762
Interest and dividends from investments	153	253	150	313
Local authorities fuel tax, fines, infringements, and other receipts	153	95	156	144
Total operating funding (A)	41,593	40,525	36,299	47,521
Applications of operating funding				
Payments to staff and suppliers	32,898	33,990	31,094	35,853
Finance costs	1,806	1,444	1,268	49
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	34,703	35,434	32,361	35,902
Surplus/(deficit) of operating funding (A-B)	6,890	5,090	3,938	11,619
Sources of capital funding				
Subsidies and grants for capital expenditure	2,534	3,207	2,309	6,895
Development and financial contributions	1,294	405	1,321	1,042
Assets vested in Council	0	1,051	0	8,545
Increase/(decrease) in debt	4,858	5,500	555	(2,000)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	8,687	10,163	4,185	14,482
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	935	552	966	2,723
- To improve the level of service	7,839	10,950	1,591	5,815
- To replace existing assets	5,905	6,336	6,487	17,033
Increase/(decrease) in reserves	897	(2,586)	(922)	530
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	15,576	15,253	8,123	26,101
Surplus/(deficit) of operating funding (C-D)	(6,889)	(5,090)	(3,938)	(11,619)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(deficit) after tax	896	(1,078)	(2,636)	17,451
Add depreciation	9,821	10,259	10,204	10,747
Add loss on disposal	0	385	0	149
Less gains on forestry revaluation	0	283	0	(127)
Less gains in value of NZUs	0	(96)	0	(118)
Less development and financial contributions	(1,294)	(405)	(1,321)	(1,042)
Less subsidies and grants for capital expenditure	(2,534)	(3,207)	(2,309)	(6,895)
Less vested asset income	0	(1,051)	0	(8,545)
Surplus/(deficit) of operating funding (A-B)	6,889	5,090	3,938	11,619

2 - Funding impact statement for group activities

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for water supplies

	2020 Long Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	6,339	6,630	6,781
Subsidies and grants for operating purposes	0	0	0
Fees and charges	928	167	385
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	7,266	6,797	7,166
Applications of operating funding			
Payments to staff and suppliers	4,345	3,885	3,653
Finance costs	594	424	352
Internal charges and overheads applied	1,215	1,267	1,267
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,155	5,576	5,272
Surplus/(deficit) of operating funding (A-B)	1,111	1,220	1,894
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	2,792
Development and financial contributions	382	390	134
Assets vested in Council	0	0	551
Increase/(decrease) in internal debt	1,568	565	(243)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,950	955	3,235
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	308	315	551
- To improve the level of service	1,614	899	1,251
- To replace existing assets	1,139	961	4,040
Increase/(decrease) in reserves	0	0	(713)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3,061	2,175	5,129
Surplus/(deficit) of operating funding (C-D)	(1,111)	(1,220)	(1,894)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(177)	(101)	3,607
Add depreciation	1,670	1,711	1,674
Add loss on disposal	0	0	91
Less development and financial contributions	(382)	(390)	(134)
Less subsidies and grants for capital expenditure	0	0	(2,792)
Less vested asset income	0	0	(551)
Surplus/(deficit) of operating funding (A-B)	1,111	1,220	1,894

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for sewer

	2020 Long Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	1,848	1,830	1,846
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	10
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	1,848	1,830	1,856
Applications of operating funding			
Payments to staff and suppliers	527	515	539
Finance costs	514	318	278
Internal charges and overheads applied	180	188	188
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,221	1,021	1,006
Surplus/(deficit) of operating funding (A-B)	626	809	850
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	2,167
Development and financial contributions	239	244	272
Assets vested in Council	0	0	927
Increase/(decrease) in internal debt	(330)	(722)	(331)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(91)	(478)	3,035
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	135	138	927
- To improve the level of service	190	63	1,361
- To replace existing assets	211	131	1,458
Increase/(decrease) in reserves	0	0	139
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	536	331	3,885
Surplus/(deficit) of operating funding (C-D)	(627)	(809)	(850)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	239	426	3,604
Add depreciation	627	627	594
Add Loss on Disposal	0	0	18
Less development and financial contributions	(239)	(244)	(272)
Less subsidies and grants for capital expenditure	0	0	(2,167)
Less vested asset income	0	0	(927)
Surplus/(deficit) of operating funding (A-B)	627	809	850

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for stormwater and drainage

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	602	684	678
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	602	684	678
Applications of operating funding			
Payments to staff and suppliers	247	356	252
Finance costs	139	105	63
Internal charges and overheads applied	16	41	41
Other operating funding applications	0	0	0
Total applications of operating funding (B)	402	502	356
Surplus/(deficit) of operating funding (A-B)	200	183	322
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	86
Development and financial contributions	155	159	70
Assets vested in Council	0	0	1,245
Increase/(decrease) in internal debt	30	144	(36)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	185	303	1,365
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	135	138	1,245
- To improve the level of service	250	348	380
- To replace existing assets	0	0	1,674
Increase/(decrease) in reserves	0	0	(1,612)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	385	485	1,686
Surplus/(deficit) of operating funding (C-D)	(200)	(183)	(322)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	235	182	1,547
Add depreciation	120	159	137
Add loss on disposal	0	0	39
Less development and financial contributions	(155)	(159)	(70)
Less subsidies and grants for capital expenditure	0	0	(86)
Less vested asset income	0	0	(1,245)
Surplus/(deficit) of operating funding (A-B)	200	183	322

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for roads and footpaths

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,950	3,519	3,402
Targeted rates	0	0	117
Subsidies and grants for operating purposes	2,126	2,053	2,611
Fees and charges	0	49	0
Internal charges and overheads recovered	8	4	0
Local authorities fuel tax, fines, infringements, and other receipts	153	156	144
Total operating funding (A)	6,237	5,783	6,273
Applications of operating funding			
Payments to staff and suppliers	3,522	3,376	3,434
Finance costs	80	8	3
Internal charges and overheads applied	648	657	657
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,250	4,041	4,094
Surplus/(deficit) of operating funding (A-B)	1,987	1,742	2,178
Sources of capital funding			
Subsidies and grants for capital expenditure	2,534	2,309	1,850
Development and financial contributions	337	345	51
Assets vested in Council	0	0	5,823
Increase/(decrease) in internal debt	506	556	1,208
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,377	3,210	8,932
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	348	355	0
- To improve the level of service	1,462	0	1,660
- To replace existing assets	3,555	4,598	9,450
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	5,364	4,952	11,110
Surplus/(deficit) of operating funding (C-D)	(1,987)	(1,742)	(2,178)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(570)	(1,032)	4,354
Add depreciation	5,428	5,428	5,548
Less development and financial contributions	(337)	(345)	(51)
Less subsidies and grants for capital expenditure	(2,534)	(2,309)	(1,850)
Less vested asset income	0	0	(5,823)
Surplus/(deficit) of operating funding (A-B)	1,987	1,742	2,178

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for public services

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,580	1,475	1,449
Targeted rates	2,605	2,505	2,546
Subsidies and grants for operating purposes	0	0	40
Fees and charges	2,056	2,008	3,176
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	6,241	5,988	7,211
Applications of operating funding			
Payments to staff and suppliers	6,728	6,730	6,755
Finance costs	173	170	146
Internal charges and overheads applied	1,618	1,685	1,685
Other operating funding applications	0	0	0
Total applications of operating funding (B)	8,520	8,586	8,586
Surplus/(deficit) of operating funding (A-B)	(2,278)	(2,598)	(1,376)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	181	184	514
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	966	(94)	(86)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,147	89	428
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	10	21	0
- To improve the level of service	1,547	98	805
- To replace existing assets	199	227	(357)
Increase/(decrease) in reserves	(2,888)	(2,854)	(1,396)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(1,132)	(2,508)	(948)
Surplus/(deficit) of operating funding (C-D)	2,278	2,598	1,376
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(2,584)	(3,061)	(1,695)
Add depreciation	486	647	834
Add loss on disposal	0	0	0
Less development and financial contributions	(181)	(184)	(514)
Surplus/(deficit) of operating funding (A-B)	(2,278)	(2,598)	(1,376)

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for regulatory

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,371	1,689	1,689
Targeted rates	45	44	44
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,785	1,674	2,205
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	3,200	3,406	3,937
Applications of operating funding			
Payments to staff and suppliers	2,400	2,657	2,345
Finance costs	0	0	0
Internal charges and overheads applied	790	820	820
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,190	3,476	3,164
Surplus/(deficit) of operating funding (A-B)	10	(70)	773
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	10	(70)	773
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	10	(70)	773
Surplus/(deficit) of operating funding (C-D)	(10)	70	(773)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	9	(71)	773
Add depreciation	1	1	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	10	(70)	773

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for Hanmer Springs Thermal Pools and Spa

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,190	2,465	2,465
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	13,460	8,317	14,395
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	14,650	10,781	16,860
Applications of operating funding			
Payments to staff and suppliers	9,354	7,235	9,785
Finance costs	697	809	572
Internal charges and overheads applied	190	197	197
Other operating funding applications	0	0	0
Total applications of operating funding (B)	10,241	8,241	10,554
Surplus/(deficit) of operating funding (A-B)	4,409	2,541	6,306
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	3,015	470	(3,926)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,015	470	(3,926)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	2,709	0	309
- To replace existing assets	307	470	545
Increase/(decrease) in reserves	4,409	2,541	1,526
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	7,424	3,011	2,380
Surplus/(deficit) of operating funding (C-D)	(4,409)	(2,541)	(6,306)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	3,480	1,498	4,966
Add depreciation	929	1,042	1,340
Surplus/(deficit) of operating funding (A-B)	4,409	2,541	6,306

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for governance and corporate services

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	422	13	330
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	684	537	167
Internal charges and overheads recovered	5,273	5,555	5,535
Interest and dividends from investments	0	0	313
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	6,379	6,106	6,345
Applications of operating funding			
Payments to staff and suppliers	7,580	7,592	6,535
Finance costs	(2,376)	(1,987)	(1,483)
Internal charges and overheads applied	616	695	675
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,819	6,300	5,726
Surplus/(deficit) of operating funding (A-B)	560	(194)	619
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(632)	(59)	1,442
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(632)	(59)	1,442
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	68	184	25
- To replace existing assets	494	101	223
Increase/(decrease) in reserves	(634)	(539)	1,814
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(72)	(253)	2,061
Surplus/(deficit) of operating funding (C-D)	(560)	194	(619)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	0	(782)	(2)
Add depreciation	560	588	621
Add loss on disposal	0	0	0
Surplus/(deficit) of operating funding (A-B)	560	(194)	619

2 - Funding impact statement for group activities cont.

Hurunui District Council Funding Impact Statement for the year ended 30 June 2021
for earthquake recovery

	2020 Long-Term Plan \$000's	2021 Annual Plan \$000's	2021 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	451	454	453
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	1,853
Fees and charges	0	30	424
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	451	484	2,730
Applications of operating funding			
Payments to staff and suppliers	0	15	2,554
Finance costs	186	158	118
Internal charges and overheads applied	0	5	5
Other operating funding applications	0	0	0
Total applications of operating funding (B)	186	179	2,677
Surplus/(deficit) of operating funding (A-B)	265	305	52
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(265)	(305)	(28)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(265)	(305)	(28)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	24
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	0	24
Surplus/(deficit) of operating funding (C-D)	(265)	(305)	(52)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	265	305	52
Less subsidies and grants for capital expenditure	0	0	0
Surplus/(deficit) of operating funding (A-B)	265	305	52

3 - Rating base information

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

	30 June 2020
Number of rating units within the district	9,308
Total Capital Value of rating units within the district	\$7,906,011,910
Total Land Value of rating units within the district	\$5,171,913,070

4 - Insurance of assets

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

	2021 \$000's	2020 \$000's
The total value of all Council assets covered by insurance contracts	68,326	67,338
The maximum amount to which insured assets are insured	117,878	103,732
The total value of all Council assets covered by financial risk-sharing arrangements	97,131	75,979
Maximum amount available to the Council under financial risk-sharing arrangements	127,470	133,255
Total value of assets that are self-insured	278,440	272,689
Value of funds maintained for self-insurance	0	0

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

5 - Māori decision-making

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

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

Policies

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

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

Committees

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

Working Together

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

- Encouraging resource consent applicants to include cultural impact assessments in their assessment of environmental effects where relevant.
- Ensuring infrastructure projects consider the values, issues, objectives and policies of Ngāti Kuri and Ngāi Tūāhuriri through reference to their respective environmental management plans
- Providing runanga with a copy of the weekly report of new resource consents applications.
- Consulting runanga on notified consents, or Statutory Acknowledgment Areas, or quarrying and mining activities.
- Runanga are consulted on any governance matters that shape the district including; long term and annual plans and representation reviews.
- Mahahaanui Kuarataiao are engaged on behalf of the runanga to provide comments on district plan changes and relevant resource consents.
- Meetings between Council officers and Mahaanui Kurataiao.
- Hui at Takahanga marae with Council and Ngāti kuri representatives.

Benchmarks

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2021

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—

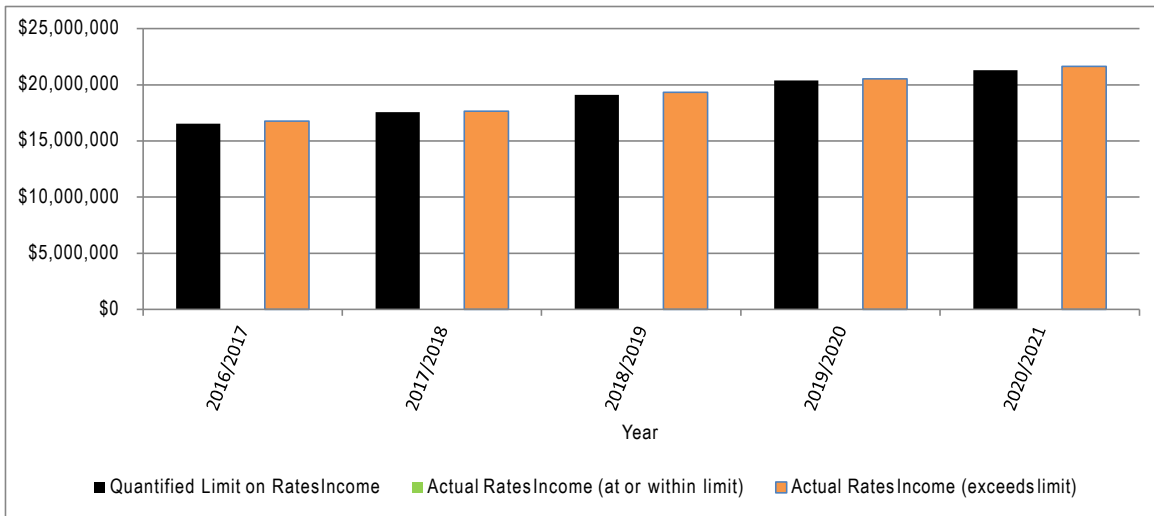
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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:

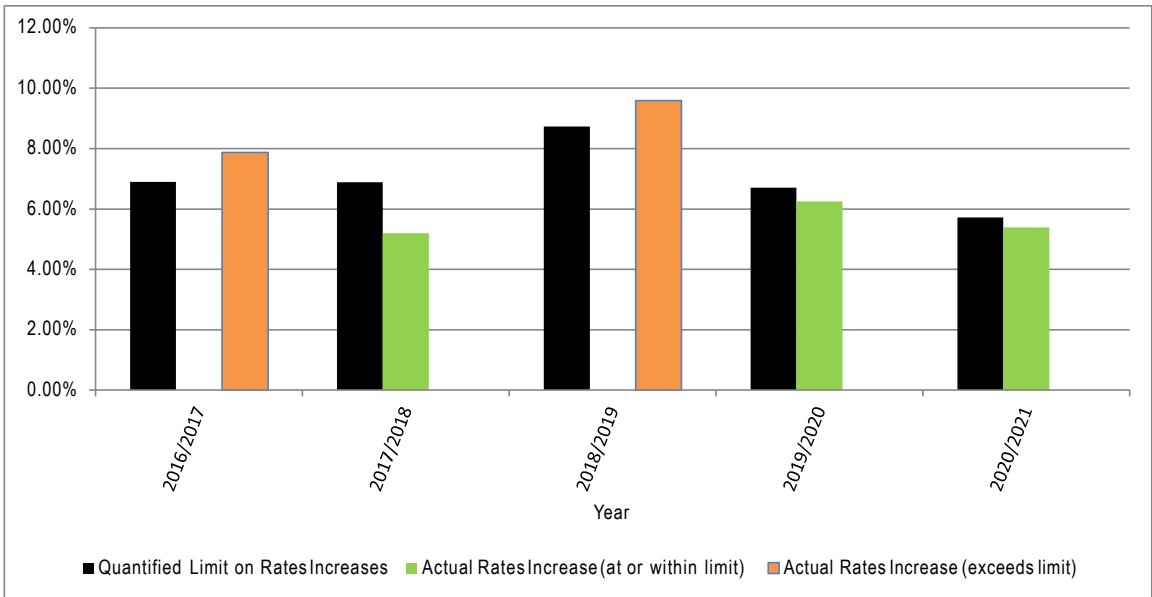
- 2016/2017 - 6.00% growth adjusted increase from prior year = \$16,454,642
- 2017/2018 - 6.00% growth adjusted increase from prior year = \$17,582,862
- 2018/2019 - 8.00% growth adjusted increase from prior year = \$19,116,191
- 2019/2020 - 6.00% growth adjusted increase from prior year = \$20,400,799
- 2020/2021 - 5.00% growth adjusted increase from prior year = \$21,307,533



Note: The actual rates for 2020/2021 has exceeded the limit due to growth in the rating base being higher than was predicted in the Annual Plan.

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limits were: 2016/2017 6.90% (6.00% growth adjusted); 2017/2018 6.89% (6.00% growth adjusted); 2018/2019 8.73% (8.00% growth adjusted); 2019/2020 6.71% (6.00% growth adjusted) and 2020/2021 5.72% (0.72% growth adjusted).



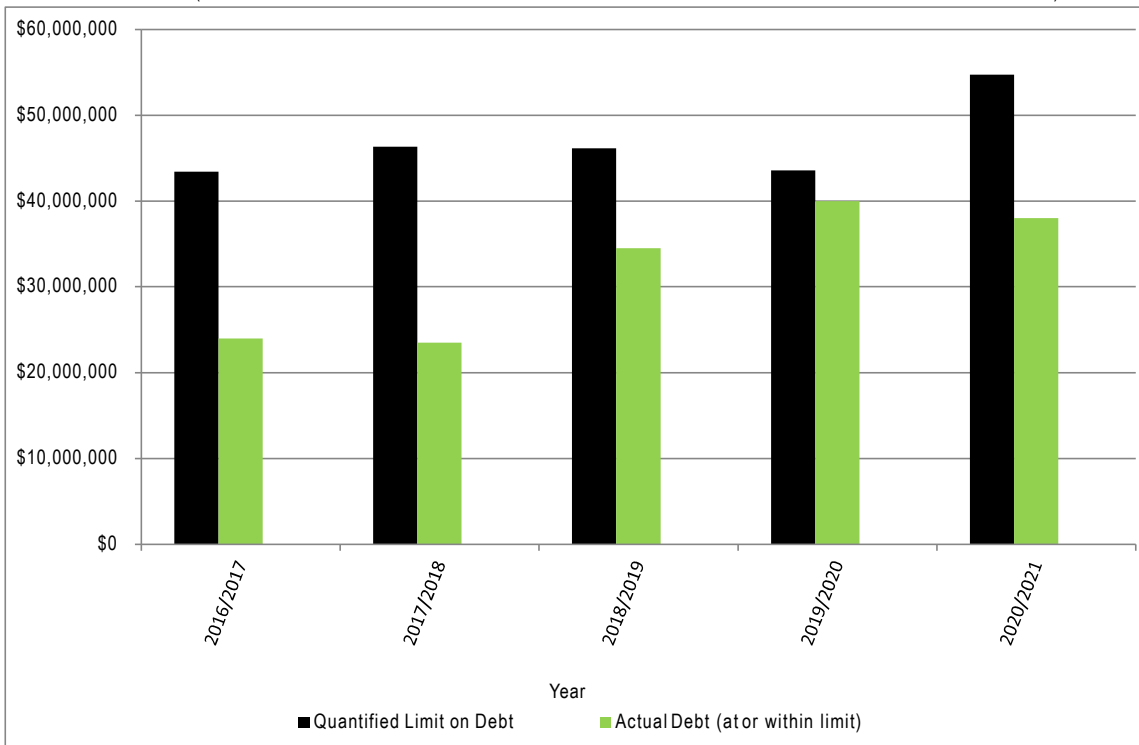
The following graphs compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

There are 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 2020/2021 is \$54.2m)
- Total debt is no more than 10% of Total Equity (Limit for 2020/2021 is \$44.6m)
- Interest expense is no more than 6.25% of Total Income (Limit for 2020/2021 is \$3.39m)
- Interest expense is no more than 12.5% of Total Rates (Limits for 2020/2021 is \$2.70m)

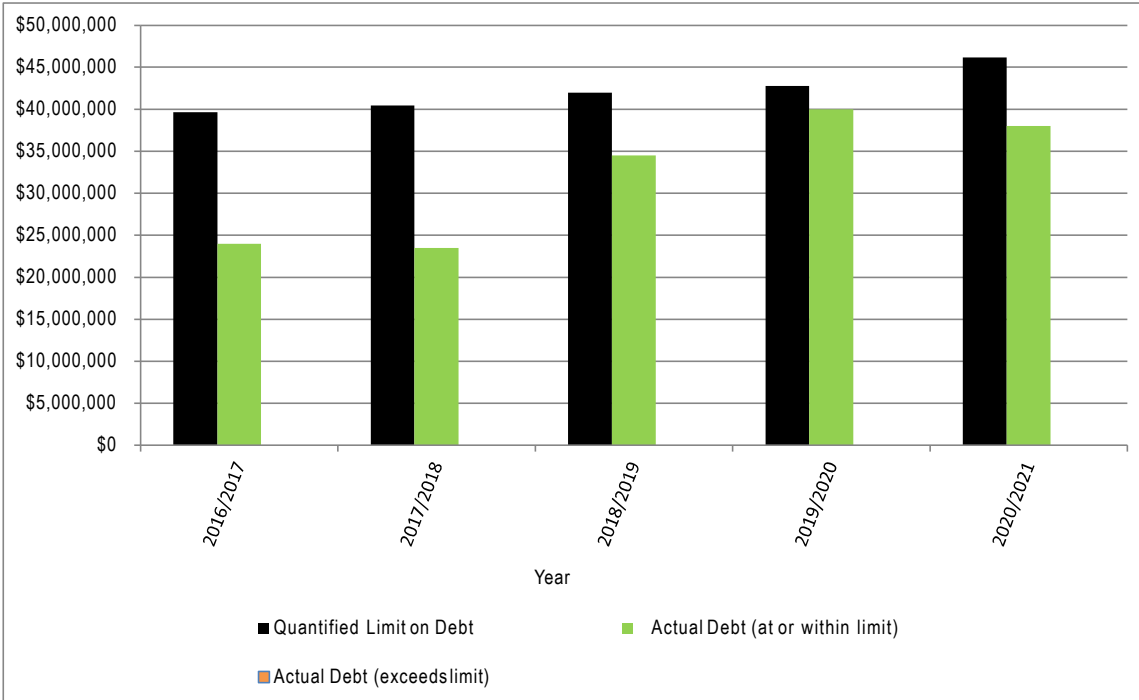
Total Debt is no more than 100% of Total Income

(Limits were: 2016/2017 \$43.4m; 2017/2018 \$46.3m; 2018/2019 \$47.3m; 2019/2020 \$44.3m; and 2020/2021 \$54.8m)



Total Debt is no more than 10% of Total Equity

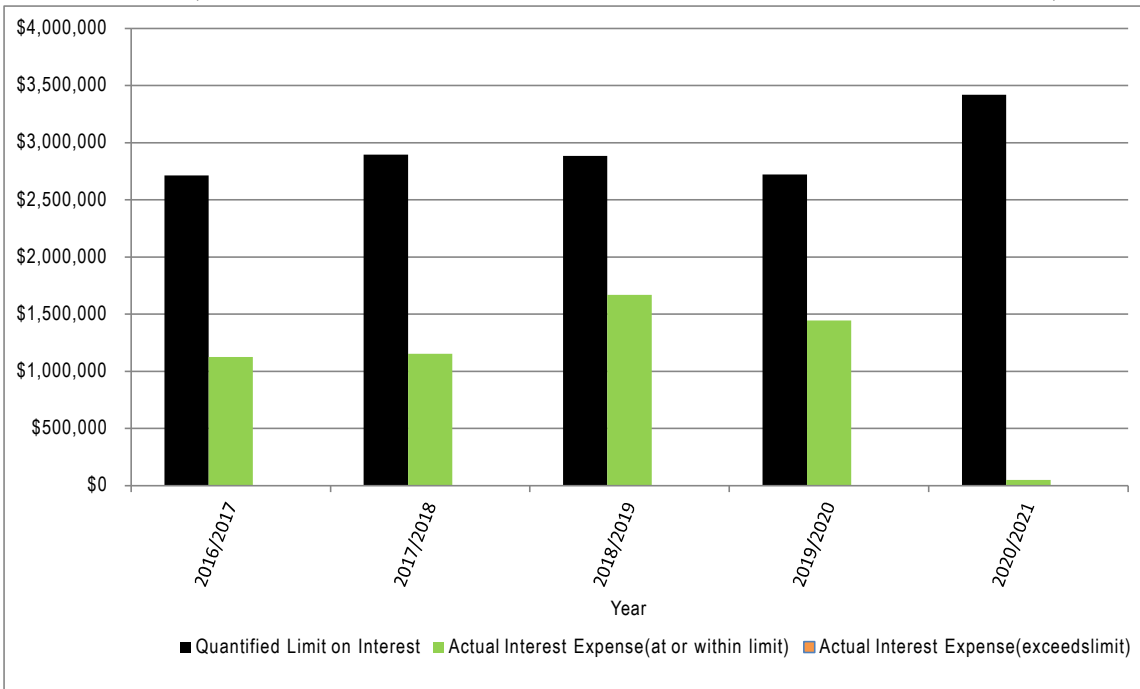
(Limits were: 2016/2017 \$39.6m; 2017/2018 \$40.5m; 2018/2019 \$41.9m; 2019/20 \$42.8m; and 2020/2021 \$46.1m)



Debt affordability benchmarks (Continued)

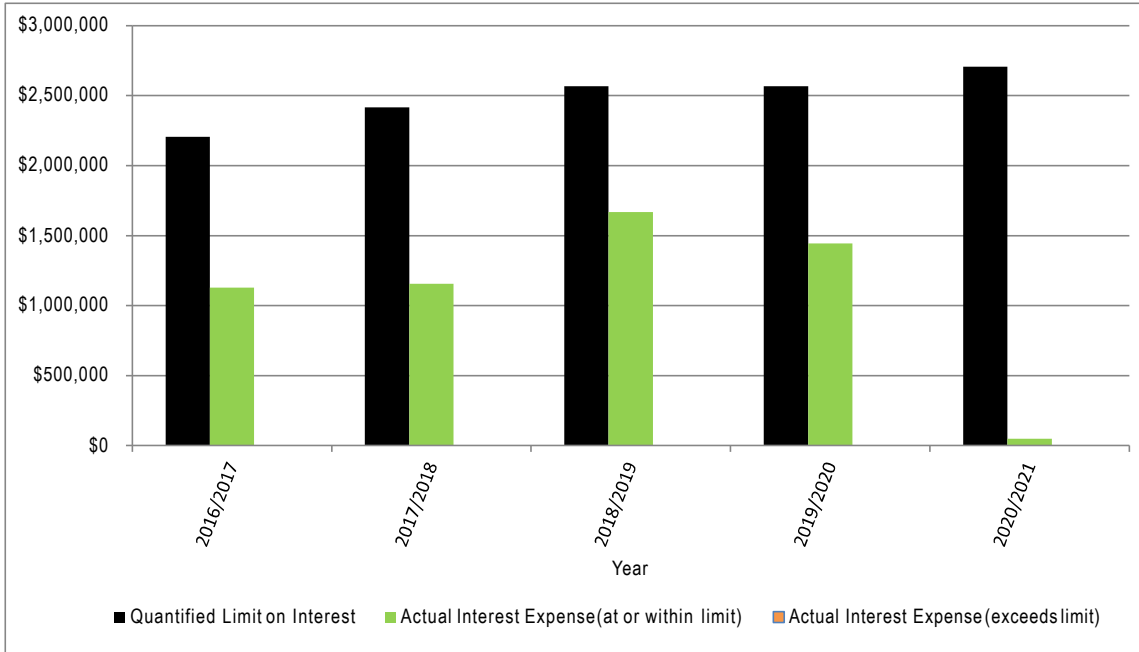
Interest expense is no more than 6.25% of Total Income

(Limits were: 2016/2017 \$2.71m; 2017/2018 \$2.89m; 2018/2019 \$2.88m; 2019/2020 \$2.77m; and 2020/2021 \$3.42m)



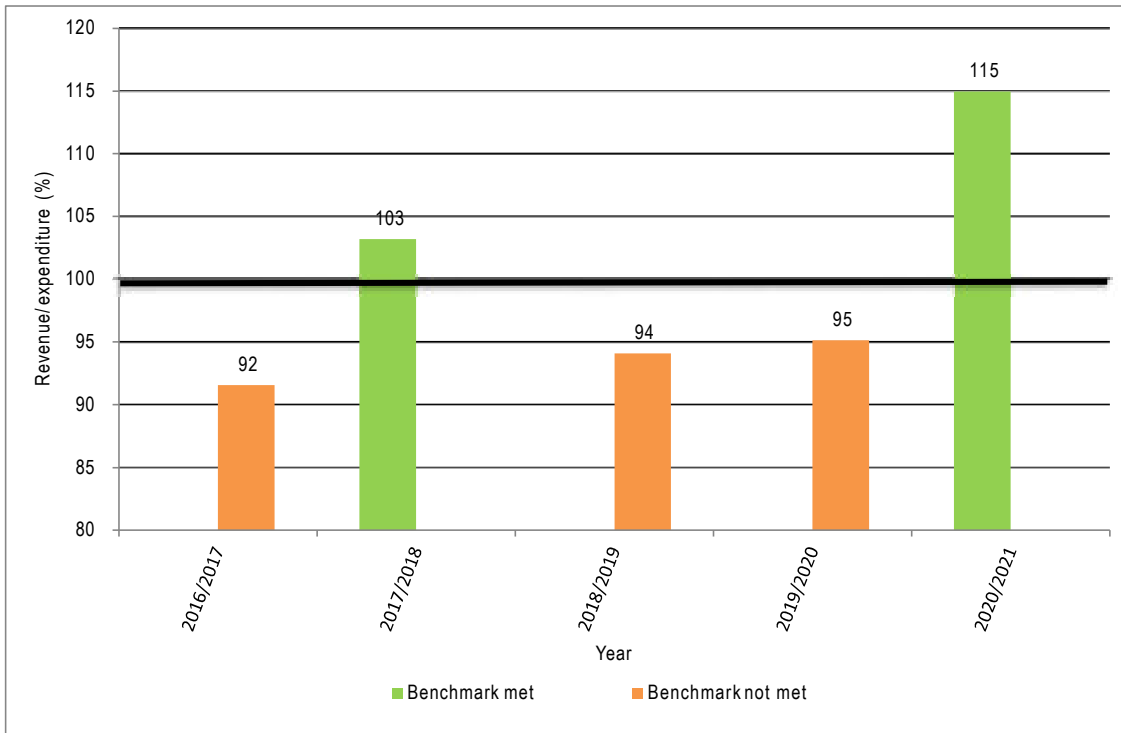
Interest expense is no more than 12.5% of Total Rates

(Limits were: 2016/2017 \$2.09m; 2017/2018 \$2.20m; 2018/2019 \$2.42m; 2019/2020 \$2.57m; and 2020/2021 \$2.71m)



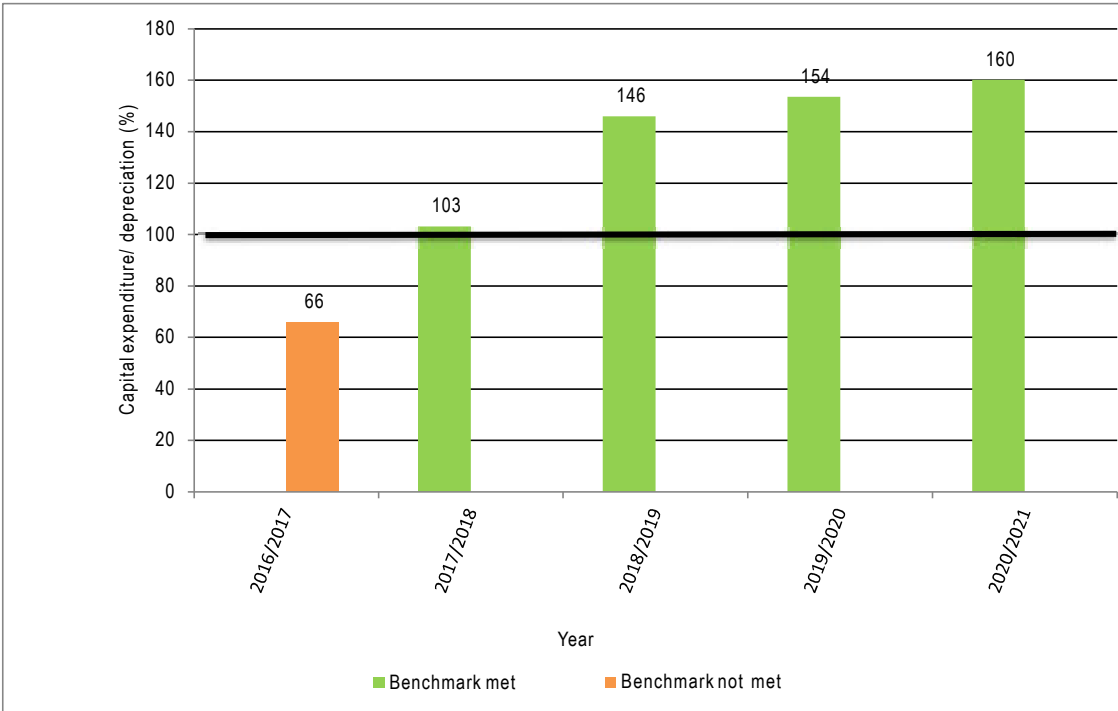
Balanced budget benchmark

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.



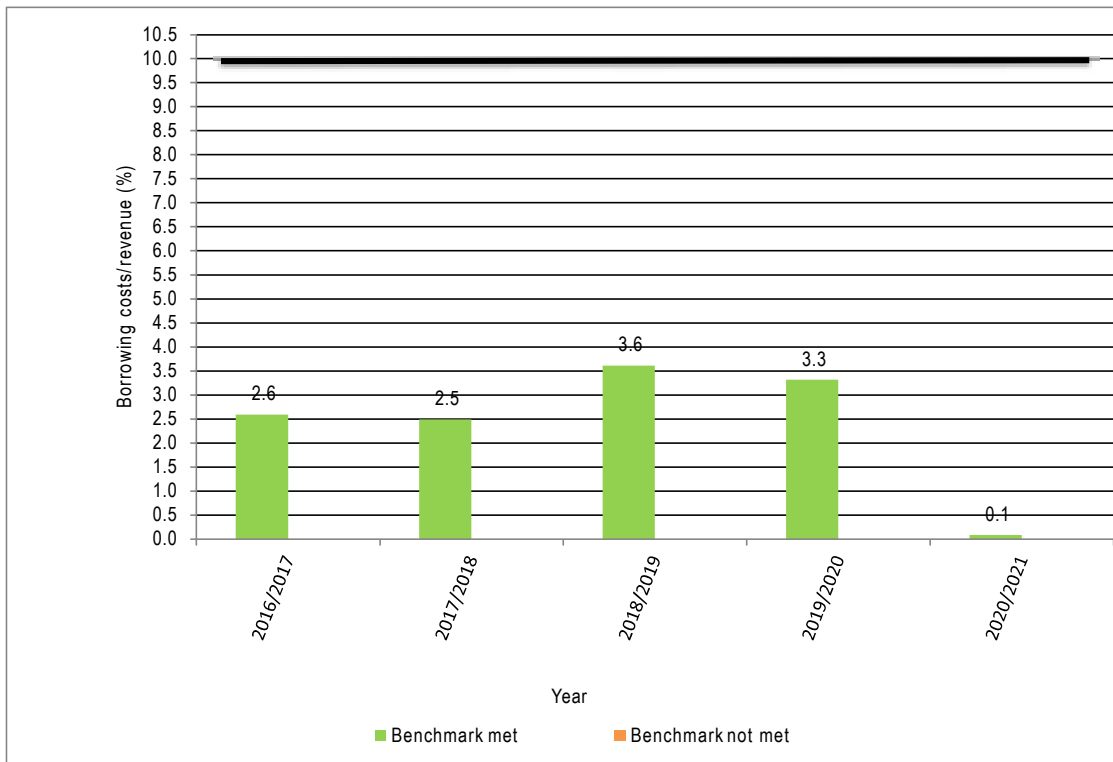
Essential services benchmark

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.



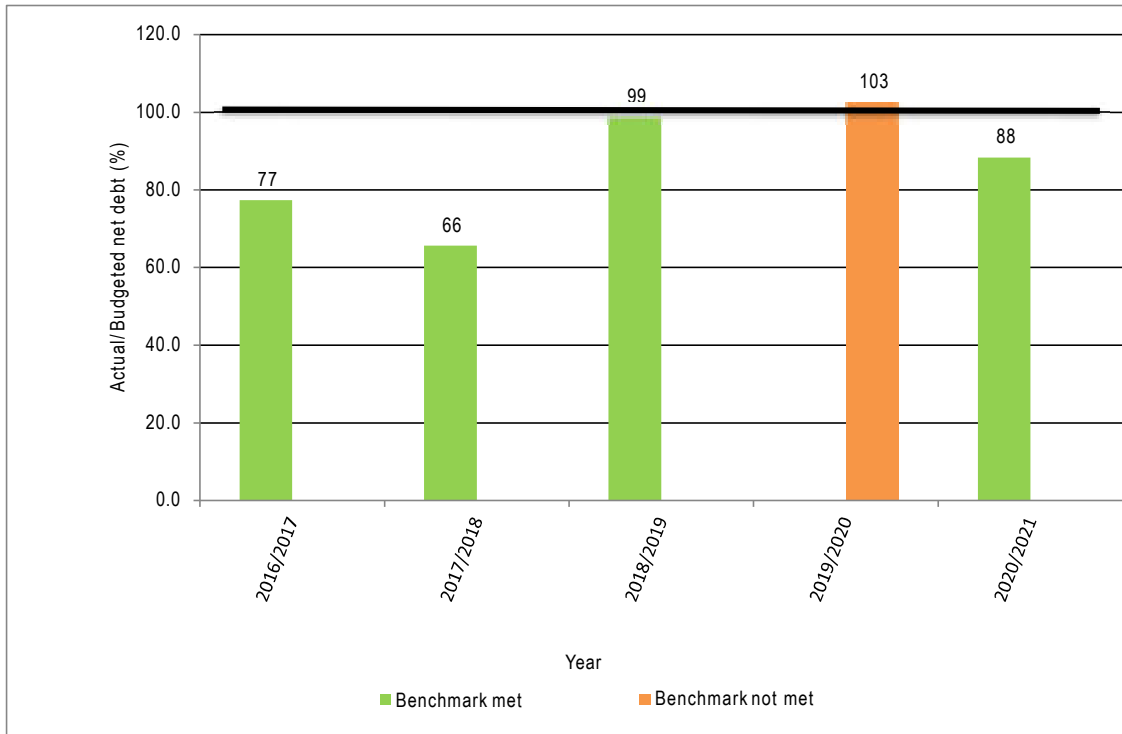
Debt servicing benchmark

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.



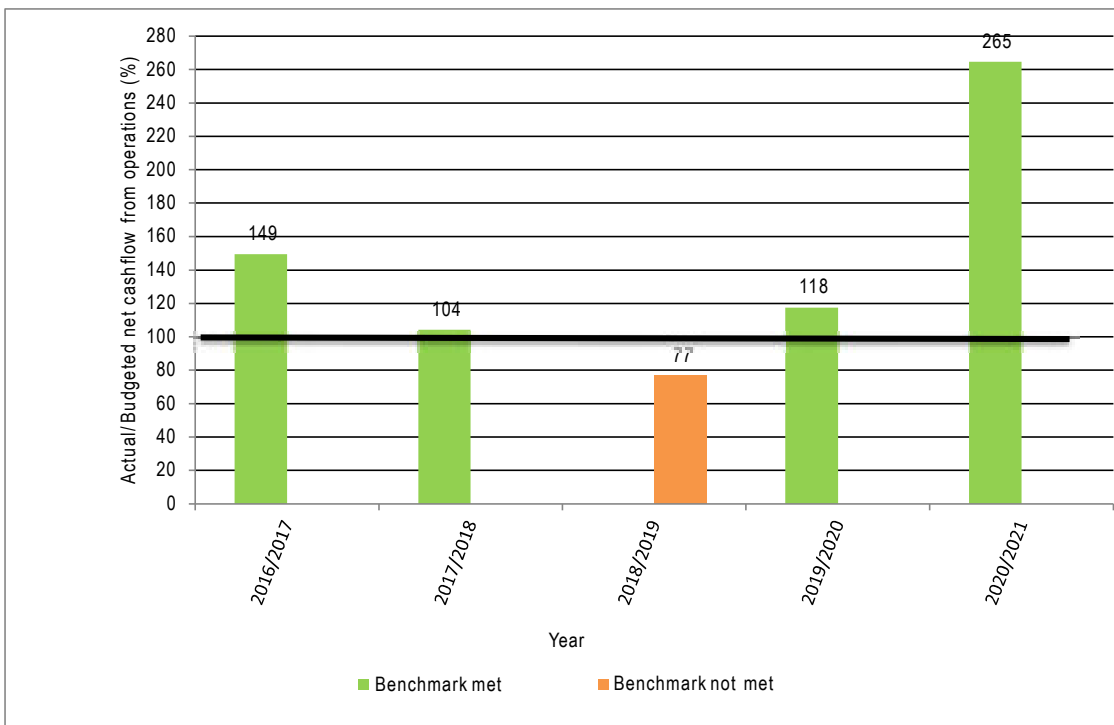
Debt control benchmark

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	110
Transwaste Canterbury Limited	116

Enterprise North Canterbury

Background

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

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

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

Summary of 2020/2021 Objectives and Achievements

Objective 1: Supporting existing businesses to grow and prosper

1.1 *Provide an increased business support programme to existing businesses due to COVID19 response and recovery*

Respond – support businesses survival

a. Deliver the Regional Business Partner Contract

Targets: Undertake at least 48 Capability Assessments for NZTE and issue \$80,000 NZTE Vouchers while achieving a minimum of 60% net promoter score through NZTE annual customer survey, Refer a minimum of 24 businesses to Business Mentors NZ, Refer at least 2 businesses to Callaghan Innovation

- ENC carried out 297 full capability assessments (102 last year). 184 of these were registered in the RBP system and 223 were Covid related.
- 88 training vouchers (110 last year) were issued to 73 businesses (88 last year) in the amount of \$88,593 (\$96,980 last year).
- ENC received their Annual Performance Review for 2019/20 from NZTE and received a net promoter score of +88% (+69% last year).
- 9 businesses referred to Business Mentors NZ (32 last year). Less this year due to the free COVID-19 one on one coaching taken up.
- 431 business engagements occurred (223 last year) 3 referrals to Callaghan R&D funding (3 last year).

a. Provide additional support to businesses who are negatively impacted by COVID-19

Targets: Secure additional funding from Government agencies to provide an increased business support required due to the impact of COVID-19

- ENC secured an additional \$535,557 in funding that went directly to North Canterbury Businesses via ENC's business support team. This included:
 - \$441,687 of 100% Covid-19 funding (\$207,037 last year) to 256 businesses (213 last year) to assist with a variety of professional services and conducted 223 (303 last year) business interviews of Covid affected businesses (some vouchers were issued to those interviewed the previous year).
 - \$93,870 of 100% tourism funding to 48 businesses to assist additional coaching for tourism businesses in our districts. Many of these businesses also received Covid-19 funding.
- ENC engaged with 259 businesses regarding coping with COVID-19 (657 last year) (68 in Hurunui, 178 in Waimakariri, 23 in Kaikōura).
- ENC's CE was part of Waimakariri and Hurunui's economic recovery groups, made up of local business leaders who met on a number of occasions.

a. Provide Training of local business owners and managers

2020/21 Target: Run at least 10 business training sessions or webinars with 80% of participants finding the overall standard to be very good or excellent; When allowed, commence networking opportunities for businesses to connect

- ENC ran 36 half day workshops (23 last year), 12 courses (8 last year), with a total of 139 attendees (94 last year). This is higher due to hosting the two Business Start Up Boost workshops and Digiboost workshop at ENC. We achieved a 100% satisfaction rating from workshop attendees (100% last year).
- ENC ran two networking functions with a total of 160 attending (290 last year) with an average of 80 businesses attending (94 last year). These events were fully sponsored by the River Queen owners (50 ENC sponsors and key stakeholders by invitation only), Hurunui Tourism & Waipara Hills Winery (110).

a. Support new and expanding businesses

2020/21 Target: Provide business support to 50 start up businesses and 50 existing businesses to grow/expand; retain financial commitments from existing business service partners

- 922 people viewed the Business Start-up resources page on the ENC website (a 68% increase on last year's 547 pageviews)
- ENC welcomed and promoted 89 new businesses (74 last year) to the district through social media and our newsletter.
- ENC retained 10 business partners and secured 3 new service partners during this period: EBI and Attraction Studios and Ara.
- We ran five free Talk with the Expert free sessions at the ENC Business Centre with some of our business partners during this reporting period with 21 businesses attending.

a. Communicate with businesses so they are well informed about services and support available to them and maintain and grow ENC's website and social media

2020/21 Targets: produce at least 10 electronic newsletters and increase website visitors and Facebook connections increase by 10%

- 9 ENC newsletters were produced throughout the year (18 last year because of COVID communications). In addition to the usual exclusion of January this year we missed an April and November newsletter due to lack of content. The mailing list in June comprised 2,439 recipients compared to 2,230 for June 2020 (an increase of 10%).
- ENC produced 27 business relevant news articles for our website (43 last year).
- ENC Website Statistics were up this year compared to last year:
 - Visits were up 2.38% to 46,496 from 45,415
 - Page views were up 4.63% to 95,123 from 90,918
- ENC Social Media Channels had a good increase:
 - Facebook Page likes: 2,033, up from 1,860 (9.3% increase)
 - Facebook Page followers: 2,084 up from 1,888 (10.3% increase).
 - LinkedIn Page: followers 184 up from 151 (21.85% increase)

Recover, Retain and Create Jobs

a. Deliver the contract for services with MSD

2020/21 Targets: Businesses looking to make staff redundant will be identified; high growth businesses will be identified, a quick matching system will be developed, minimising applications for benefit, success stories of note will be recorded and provided to MSD (with the employers permission)

A twelve-month contract was signed on the 27th of May 2020 with MSD who agreed to partner with ENC and have their senior work broker, Michelle Becks, based at ENC to 'support and save local jobs' where possible. Both organisations were very pleased with the results. A full report was provided to MSD. Due to the country coming out of lockdown early and trading at Level 1 for most of this period, Michelle only stayed on-site at ENC in this partnership role for six months. Connections made during her time at ENC included:

- General vacancies – 81 opportunities

- Placements made – 49 (plus 15 Apprenticeship Boost)
- Individual Job Seekers – 22 Connected to services for training and employment.
- Employer queries - The partnership with ENC resulted in increased MSD visibility throughout the Business community and as a result have been connected with over 60 new businesses that MSD had yet to engage with. Enquiries were primarily around funding for apprenticeships, existing and new.
- As a result of the ENC Business Survey 27 businesses were identified as needing support for recruitment and contact was made via email to the respondents outlining MSD products and services, including recruitment.
- Redundancy Seminars (Community) – 7 held and 2 redundancy seminars held with two large businesses (inhouse)

1.2 Celebrate and recognise business leaders in the region

Launch the 2021 Business Awards

2020/21 Target: Secure at least seven category sponsors and MainPower as major sponsor; Launch the 2021 North Canterbury Business Awards; Secure enough entries to run the awards

- ENC secured eight category sponsors (up from seven last year) and MainPower once again as Supreme Sponsor for the 2021 North Canterbury Business Awards.
- The Awards launch was held on the 28th April, 2021 with 87 attending
- We received 87 entries with 62 going through to be judged by the three independent Judges (Steve Wilkinson, Brian Davey and Debs Taylor-Hayhurst).
- The Awards Gala Ceremony and Dinner is due to take place in a new venue, MainPower Stadium, Rangiora on the 24th of September 2021, COVID-19 allowing.

1.3 Assist Council with the wellbeing and viability of Hurunui towns.

Work with Council on a programme of initiatives agreed and implemented

2020/21 Targets: Business initiatives are created following engagement; ENC assists and supports town initiatives as agreed

- At their November Board meeting, the ENC Board approved that up to \$5,000 from their current year's projected surplus, to be used to investigate the concept of a green energy based processing and production ecosystem for North Canterbury.
- A workshop was hosted by Mayor Marie Black at Hurunui Council Chambers and facilitated by Gil Cox and Susan Goodfellow (Leftfield Consulting) with MainPower and 8 local businesses attending. A financial commitment to fund a Strawman Report to develop the concept was sought. MainPower committed \$5k, Amuri Irrigation Group \$2k, TransWaste \$3k and 5 other businesses committed \$1k each plus ENC's contribution, totalled \$20k.
- Left Field Consulting (LFC) completed the consultation and Strawman Report and was presented to stakeholders on the 5th of May. Marie Black, the Mayor, and ENC's CE wrote a cover letter of support for potential funders.

1.4 Manage the ENC Business Centre

2020/21 Targets: Achieve sponsorship of \$67,500 and achieve at least \$7,500 business centre hire

- ENC remains grateful for the generous support of MainPower, our Corporate Sponsor (\$30,000); BDO, Spark Business Canterbury and Meridian our three Silver Sponsors (\$13,500); and 9 Bronze Sponsors (10 last year) being Hellers, PLC Group, Hazeldine Construction; Hire Access (now Sky Tech NZ), Ray White Morris & Co, Misco Joinery, Ravenswood, The Learning Staircase and The Mark (\$24,000) a total sponsorship of \$67,500.
- ENC achieved \$17,077 in venue hire made up of \$12,567 external business hire and equivalent of \$4,510 for ENC training workshop use (\$10,900 last year hire made up of \$7,285 external hire and \$3,615 for ENC training workshop hire)
- ENC hosted two Business Centre sponsor functions

Objective 2 Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

2.1 Develop a North Canterbury Cycle Trail

Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara and staff prepare and submit applications in conjunction with Councils; staff prepare and submit applications in conjunction with Councils

2020/21 Targets: Success in finding suitable funder

- ENC were unsuccessful in their bid for funding with the Crown Infrastructure Fund.
- ENC reconvened a meeting with the North Canterbury Cycle Trail Steering Committee on the 8th of March 2021 to review the lack of progress with funders. The Committee agreed to peer review the original costings of the trail, apply for staged funding vs full amount, draw up a 'sell document' to provide to prospective funders (yet to be completed) and apply to RATA when complete.
- It was also agreed by the Committee to rename the Cycle Trail from Wheels to Waipara to Pegasus Bay Cycle Trail.

2.2 Stimulate the North Canterbury Food and Beverage sector to achieve greater collaboration

Initiate branding/positioning which will be used for a new website, FB and Instagram platforms

2020/21 Targets: NC Food and Beverage Brand created; NC Food and Beverage Website, Facebook, Instagram platforms set up to increase awareness and sales of NCF&B;

This project is made possible through MBIE funding, ENC administration and overhead support, membership fees, foundation sponsors (Sidekick Rangiora and Meridian Energy) and supporting sponsors (Croft Print, Leading Labels, Infinity IP).

- In this period ENC developed a powerful brand and assets:
 - Website
 - Brochure
 - Posters
 - Pull-up banner
 - Point-of-Sale (POS) signage – includes, shelf talkers, shelf surrounds and flanners
 - A gift box for North Canterbury products
 - Food grade stickers for products
 - Tote bags
 - We also commenced the process for IP trademark protection.
- In February we launched the new website directory that now gets an average of over 1200 unique visitor sessions per month.
- We use Facebook predominantly for digital marketing and grown our following to 3,578 since we started (in 14 months to 30 June 2021 and have 759 Instagram followers.

Build networks and relationships

2020/21 Targets: ENC builds networks and relationships with producers and manufacturers; Referrals and connections tracked

We have built a community consisting of 64 food and beverage businesses, which is on track to meet the goal of 80 businesses by the end of the two year period. We would like to establish stronger networks and relationships with contacts within the hospitality sector.

- Many of our producers now incorporate the provenance logo on their packaging.
- We hosted a planning session with our members on the 14th of April, facilitated by Phillip Roth (BDO). This has set a compass point for the next 12 months and a marketing strategy was developed as a result
- The North Canterbury Food and Beverage Story was signed off by Matapopore on behalf of Te Rūnanga o Ngāi Tahu and Ngāi Tuhauriri.
- In the 12 months we have created 49 connections resulting in direct sales; 17 producer collaborations and engaged with 241 businesses since commencement of this project

Further investigation into distribution and supply chain (produce/value/add/ manufacturing)

- In December, ENC created a Xmas Hamper showcasing 8 producer products under the brand MADE NORTH CANTERBURY. 100 hampers were sold with profits going back into the project.
- Through our relationships and connections, we have created sales and promotional opportunities for our producers. This includes a North Canterbury wine display at Frances Nation and exclusive North Canterbury wine lists at Mona Vale and Story Restaurant. We have established a relationship with Oooby (online retailer) who have listed more North Canterbury producers as well as showcasing our provenance mark on their website. We have also set up a partnership with product with Foraged and Curated a giftbox company who have agreed to do a North Canterbury specific giftbox showcasing local product
- We have established an ongoing partnership with Foodstuffs South Island which has allowed us to host in-store promotions as well as having branded signage approved for year-round use. We have hosted 3x one-week long promotions at New World Supermarkets throughout Canterbury. These have helped with brand awareness and creating sales for our local producers. The promotions include tastings and demonstrations. We have two more lined up for this year – one at Ilam New World in September and the other at Ravenswood New World in October.
- A handful of cafés and bakeries across North Canterbury have set up a MADE NORTH CANTERBURY retail area selling North Canterbury goods.

Market our region at various events and trade shows (when and where appropriate)

2020/21 Opportunities identified to attend and profile NCF&B at event and trade shows:

- MADE NORTH CANTERBURY TASTE TENT at the North Canterbury Wine and Food Festival in March 2022.
- MADE NORTH CANTERBURY CHEF'S TOUR. We have bookmarked a Summer Tour for the end of January.
- The design and planning for a new event in February 2022 the MADE NORTH CANTERBURY TASTE TRAIL has taken place this period, using a professional event organiser.

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

Transwaste Canterbury Limited

Background

Transwaste Canterbury Limited operates a regional land-fill at Kate Valley and associated transport services in a joint venture with Canterbury Waste Services. Hurunui District Council is one of the councils in the Canterbury region which between them own 50% of the shares in Transwaste Canterbury Limited. Hurunui's share of the Company amounts to 1.2%. An additional landfill was reopened after the Canterbury earthquakes and is still operating and run by Transwaste Canterbury Ltd.

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

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

Summary of 2020/2021 Objectives and Achievements

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

- a) To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.
 - Total Revenue (inclusive of waste levy) of \$52,378,000 (target of \$42,073,000).
 - EBIT of \$19,706,000 (target of \$13,748,000).
 - Dividends of \$12,1000 (target of \$10,300,000), plus a BRRP dividend of \$10,000,000 (target of \$11,697,000).
- b) To effectively manage the closure and related activities of the consented Burwood Resource Recovery Park (BRRP), following its closure in December 2019, through to handing the site back to Christchurch City Council.
 - Total Revenue of \$1,902,000 (target of \$1,574,000).
 - EBIT loss of \$461,000 (target EBIT of \$133,000).
 - Dividends of \$12,1000 (target of \$10,300,000), plus a BRRP dividend of \$10,000,000 (target of \$11,697,000)

Objective - Healthy Environment: 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

- a) No proven breaches of Resource Management Act consents.
 - Achieved. There are no known breaches and no notifications received from Environment Canterbury.
- a) Review and update the strategic plan for Tiromoana Bush.
 - The current year plan has been completed in accordance with the adopted 5 year plan to 2022.

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

- a) Maintain large mammal pests (pigs and deer) to low levels in Tiromoana Bush
 - On track to achieve – deer and pig activity has been significantly reduced. Pig cull completed in June 2021 – 43 pigs and 1 deer.
- a) Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimal impact on native biodiversity in Tiromoana Bush.
 - On track to achieve – regular monthly trapping and monitoring being undertaken.
- b) Maximise capture and destruction of landfill gas from Kate Valley landfill.
 - Achieved for the year ended 31 December 2020.
- c) Identify and agree GHG emissions that are required to be reported on, and develop appropriate measures.

- In progress.
- d) Mitigation processes developed and in use to reduce GHG emissions.
 - In progress.
- e) Determine target KPIs for reduction of GHG emissions.
 - On schedule for 1 July 2021 commencement date.
- f) To ensure the beneficial use of landfill gas to obtain the best economic value.
 - In progress. Dependent on transmission line upgrades.

Objective - Legislative Compliance: To be a good Corporate Citizen by acting lawfully

- a) To ensure compliance with all relevant legislation and statutory requirements.
 - Achieved. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley. No non-compliances noted.
 - Achieved. No notices of noncompliance received.

Objective - Corporate Citizenship: To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues

- a) Finance the Kate Valley landfill trust fund (from the Disposal Charge) for the purpose of benefiting the local community immediately affected by the landfill operation.
 - Achieved. The company has made contributions to the trust for the 2020/21 year totalling \$86,304.
- a) Develop and maintain education material with regard to waste management and the environment.
 - Achieved. Revision of material is currently under development.
- b) Plan for sites aftercare and closure – financially and revenue streams.
 - Achieved. Methodologies comply with the applicable reporting standards.

Objective - Service Quality: Meet the present and future needs of the people of Canterbury with high standards of value, quality and service, and establish effective relations with customers.

- a) Timely, high quality and reliable waste transport services.
 - Achieved.
- a) Reliability of access to the Kate Valley landfill.
 - Achieved - no disruption to receipt of waste occurred, despite the landfill being closed due to high wind on 12 days for 50.5 hours in total.
- b) Successful closure of the BRRP facility in accordance with agreements reached with Christchurch City Council (CCC).
 - A Closure achieved and site handed back to Christchurch City Council.

Objective - Good Employer: Be a good employer, through either direct employment or by way of management contracts with the Waste Management NZ Ltd divisions, Canterbury Waste Services (CWS – Kate Valley operations) and Canterbury Materials Recovery Facilities (CMRF – BRRP operations).

- a) Ensure CWS/CMRF have objectives and policies that detail the relationship with employees, their remuneration, safety and other issues such as equal opportunity in employment.
 - Achieved. Turnover of permanent employees at Kate Valley was 2 at landfill and 2 in transport (1 of which was retirement) out of 45 FTEs, resulting in 8.9% annual turnover.
 - Turnover of permanent employees of CMRF staff (excluding planned disestablishment relating to closure) was 0 FTEs, resulting in 0% annual turnover.
- a) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.
 - Achieved. Kate Valley staff have undertaken 10.1 hours per FTE.

- Not achieved during run down of activities for CMRF. Staff have undertaken 4 hours per FTE.

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

- a) Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group.
 - Achieved. Four Community Liaison Group meetings held in the period.
 - Community Liaison Group meetings held when required – none were requested during the period.
- a) Consult with interest groups including Tangata Whenua on an as-required basis and discuss all issues likely to affect them.
 - Achieved. At least five interactions with Kate Valley neighbours and community.

Objective - Health and Safety: Strive for zero injury accidents in all operations the Company and its main contractors, CWS and CMRF, will be responsible for, whilst maintaining a high level of service and production

- a) Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.
 - Achieved – nil LTIs in all operations. Actual TRIFR for the 12 months ended 30 June 2021 is zero.
- a) Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).
 - Achieved. Good patronage on both walkways, particularly Tiromoana Bush.
- b) No traffic incidents where CWS drivers at fault.
 - Not achieved. There was one recorded traffic incident where a CWS driver was found to be partially at fault.

Appendices

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Water supply performance measures

Safety – supply safe drinking water

Performance measure Description	Performance target issue	Performance target outcomes
<p>The extent to which the local authority's drinking water supply complies with:</p> <ul style="list-style-type: none"> part 4 of the drinking-water standards (bacteria compliance criteria). <p>Meet bacterial compliance under the DWSNZ. Less than 1 e-coli per 100ml of drinking water tested.</p>	Bacteria compliance	No failed water tests
Measurement method	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	
End of year performance	<p>2021 <u>Target achieved</u> - Routine testing of all Council's water supplies is done on a scheduled basis throughout the year. During the period 1 July 2020 to 30 June 2021, 2321 samples were taken. 100% of samples met the compliance criteria (no E.coli present). These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor</p> <p>2020 <u>Target achieved</u> – no E.coli failures</p>	

Performance measure Description	Performance target issue	Performance target outcomes
<p>The extent to which the local authority's drinking water supply complies with:</p> <ul style="list-style-type: none"> part 5 of the drinking-water standards (protozoal compliance criteria) <p>Meet protozoal compliance under the DWSNZ. Accredited treatment system in place to meet log-credit rating of receiving environment providing the drinking water.</p>	Protozoa compliance	No failed water tests
Measurement method	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.	
End of year performance	<p>2021 <u>Target not achieved</u> - HDC is on track to achieve protozoa compliance by 2024 for minor water supplies, 2025 for small water supplies and 2026 for neighbourhood water supplies. The process for assigning protozoa target reduction levels, as required by the Drinking Water Standards for New Zealand has been completed for all treatment plants. Protozoa compliance was achieved in 2020-21 for 5 of 20 treatment plants. The treatment plants that achieved protozoa compliance were Amberley (Kowai), Amberley (Racecourse), Leithfield Beach, Culverden and Waiiau Town. The treatment plants that did not achieve protozoa compliance are scheduled for treatment plant upgrade work in the Long Term plan. The treatment upgrade to achieve protozoa compliance has been brought forward for HDC's largest supply (Ashley) as a result of COVID-19 stimulus funding. These results are provisional, pending the assessment of compliance by the independent Drinking-Water Assessor</p> <p>2020 <u>Target not achieved</u> - 5 of 20 plants achieved protozoa compliance</p>	

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

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from metered town supplies (on demand water)	To lose no more than 20% volume of water
Measurement method	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.	
End of year performance	<p>2021 Target achieved – 4 out of 7 township water supplies had information to support this. Culverden, Hawarden-Waikari, Waiau Township and Waipara had 476,116.6 cubic meters pass through all their water meters, while 527,533 cubic meters was pumped by the various water intakes. This equates to a loss of 51,416.46 cubic meters over the 4 township supplies and a percentage loss of 9.7%.</p> <p>Disclosure: meter inaccuracies, meter reader error, unauthorised connections can affect the final water loss calculation. The water loss calculation was performed by subtracting the water intake meter flow total from the delivery meter cumulative totals.</p> <p>2020 Target achieved – Estimated water loss was 17.4% over 5 township water supplies.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from rural supplies (restricted water)	To lose no more than 20% volume of water
Measurement method	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).	
End of year performance	<p>2021 Target not achieved - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p> <p>Out of the 10 rural water intakes looked at, only 1 pumped more water than the units sold (3 last year) – Lower Waitohi. In total 217,665.2 cubic meters of water was pumped with 214,339.7 cubic meters of water sold on this scheme. This equates to a loss of 3325.53 cubic metres and a percentage loss of 1.55%. Rural pipe replacement program is a likely contributing factor in the water loss reduction, 58 km of small rural pipe was replaced during the reporting year.</p> <p>This calculation is performed by subtracting the total units sold in each scheme from the total volume pumped by the water intake.</p> <p>2020 Target not achieved - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p>	

Response time – to respond quickly to water supply call outs

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Urgent call-outs for fault responsiveness	To respond within 4 hours
Measurement method	The CSR system will be used to measure the time from when the customer’s call was first received and when an officer arrives at the site to investigate the 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.	
End of year performance	2021 Target achieved - 2 Urgent requests for service were received during the reporting period. The median response time was 0.1 hours. This is a great outcome and shows good reliability of the on-demand water network. 2020 Target achieved - the median response time was 1.7 hours.	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Non-urgent callouts for fault responsiveness	To respond with 3 days (72 hours)
Measurement method	The CSR system will be used to measure the time from when the customer’s call was first received and when an officer arrives at the site to investigate the 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.	
End of year performance	2021 Target achieved - The median time to respond to non-urgent call-outs was 18 Hours. 1,284 Non – Urgent complaints were investigated during the reporting period. 2020 Target achieved – 20.5 Hours	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Urgent call-outs for fault resolution	To fix within 16 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer has resolved the complaint. The median time over an annual period will be used as the result for all determined urgent callouts.	
End of year performance	2021 Target achieved - The median resolution time for the 2 Urgent requests received during the reporting period is 0.1 hours. This is because 1 fault required a valve to be turned on and the other required resetting a pump, with technicians being on-site these issues were resolved quickly. 2020 Target achieved - resolution time was 2.9 hours.	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Non-urgent callouts for fault resolution	To fix within one week (168 hours)
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer 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.	
End of year performance	2021 Target achieved - The median time to resolve a non-urgent customer request has improved to 24.5 hours. 2020 Target achieved – 25 hours	

Customer satisfaction – reduce the number of water related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water clarity.	Drinking water clarity	No complaints
Measurement method	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.	
End of year performance	2021 Target not achieved - 8 requests for service were received relating to clarity. After investigation 50% of the reports were related to aeration or no discoloration found. 2020 Target not achieved – 5 complaints were received	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water taste.	Drinking water taste	No complaints
Measurement method	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.	
End of year performance	2021 Target not achieved - 17 customer service requests were received relating to drinking water taste. The majority of these were related to the taste of chlorine in the water. 2020 Target not achieved – 23 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water odour.	Drinking water odour	No complaints
Measurement method	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.	
End of year performance	2021 Target not achieved - 2 customer service requests were received relating to odour. These were related to the smell of chlorine in the water. 2020 Target not achieved – 11 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water pressure or flow.	Drinking water pressure or flow	No complaints
Measurement method	The measure is the annual total number of complaints logged into the CRS system relating to pressure or flow in the drinking water that requires investigation for cause and resolution.	
End of year performance	2021 Target not achieved - 86 customer service requests received for pressure or flow related problems. The sharp increase in complaints received in this category is due to reporting category interpretation changes recommended by the Department of Internal Affairs. 2020 Target not achieved – 14 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about continuity of supply.	Continuity of drinking water supply	No complaints
Measurement method	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.	
End of year performance	<p>2021 Target not achieved - Pursuant to the Department of Internal Affairs interpretation of the mandatory performance measures, the Council had received 279 customer service requests where a report of 'no water' was received irrespective if customers had water in their tank or not. Blocked restrictors, pipe breaks and air locking issues have been the main causes. Continuous improvement in routine maintenance, asset renewal and improved monitoring have been significant factors in the decrease in unplanned water outages.</p> <p>2020 Target not achieved – 473 complaints were received</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about the local authority's response to any of the issues expressed per 1,000 connections to the local authority's networked reticulation system.	Issues in drinking water (re customer complaints above) expressed per 1000 connections to the network	No complaints
Measurement method	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.	
End of year performance	<p>2021 Target not achieved - 392 customer complaints were received during the year. Of the 8,190 connections, 47.9 customers per 1,000 connections lodged a complaint. This is a decrease in complaints from last year.</p> <p>2020 Target not achieved – 525 complaints (equating to 69.3 customers per 1,000 connections) were received.</p>	

Demand management – have enough water to supply our customers

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's daily consumption of drinking water across all on-demand drinking water schemes provided by the service provider.	The average consumption of drinking water per day per resident within the territorial authority district.	To supply up to 285 litres per person per day
Measurement method	The 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.	
End of year performance	<p>2021 Target not achieved - An average of 288 litres per person per day have been consumed.</p> <p>2020 Target not achieved – 339 litres per person per day.</p>	

Sewerage performance measures

System and adequacy - sewerage systems should operate as they should

Performance measure Description	Performance target issue	Performance target outcomes
Measuring the number of sewage overflows to the environment resulting from system inadequacy under 'normal' operating circumstances.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	No sewerage overflows
Measurement method	Measured as the total number of 'dry weather' sewerage overflow incidents (CSR system and officer observations) divided by the total number of wastewater rated properties connected to the various networks divided by 1,000	
Current performance	2021 <u>Target not achieved</u> - 11 overflows have been experienced or 2.8 overflows per 1000 connections. There were 3950 connections. 2020: <u>Target not achieved</u> – 0.6 overflows per 1000 connections	

Discharge compliance - comply with all sewerage discharge consents issued by Environment Canterbury (Ecan)

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	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.	
Current performance	2021 <u>Target achieved</u> - 0 abatement notices. 2020 <u>Target achieved</u> - 0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	As logged from consent monitoring reports from ECan. Infringement notices and fines can be issued for failure to comply with an abatement notice.	
Current performance	2021 <u>Target achieved</u> - 0 infringement notices. 2020 <u>Target achieved</u> - 0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	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.	
Current performance	2021 <u>Target achieved</u> - 0 enforcement notices. 2020 <u>Target achieved</u> - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	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).	
Current performance	2021 <u>Target achieved</u> - 0 convictions. 2020: <u>Target achieved</u> - 0 convictions.	

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

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site. 	Call-out attendance time period	To respond within 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when 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.	
Current performance	2021 <u>Target achieved</u> - The median response time for blockages and mechanical and electrical faults was 2 hrs (13 total requests for service). 11 dry weather and 2 wet weather. 2020 <u>Target achieved</u> – Median response time was 2 hours.	

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	Call-out resolution time period	To fix within 12 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the 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.	
Current performance	<p>2021 Target achieved - The median fault resolution time was 11.7 hours. The increase in resolution time is due to complexity of the work and travel distance. 69% of the service requests in this reporting category were in Hanmer Springs.</p> <p>2020 Target achieved – Median fault resolution time was 5.7 hours.</p>	

Customer satisfaction – reduce the number of sewerage related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewage odour	The number of complaints about sewerage odour	No complaints
Measurement method	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.	
Current performance	<p>2021 Target not achieved - 3 complaints were received relating to odour.</p> <p>2020 Target not achieved – 5 complaints</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system faults.	The number complaints about sewerage system faults	No complaints
Measurement method	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.	
Current performance	<p>2021 Target almost achieved - 2 Service request were received.</p> <p>2020 Target almost achieved – 1 service request received.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system blockages	The number of complaints about sewerage system blockages	No complaints
Measurement method	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.	
Current performance	2021 Target not achieved - 11 service requests were received in relation to system blockages. 2020 Target not achieved – 21 complaints received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.	The total number of complaints pertaining to the above issues per 1,000 connections	No complaints
Measurement method	Measure of total number of customer complaints relating to sewage service provided expressed per 1000 connections (wastewater rated properties) to the sewerage network for odour, mechanical/electrical faults and blockages.	
Current performance	2021 Target not achieved - 16 service requests have been received relating to odour, mechanical/electrical faults and blockages this equates to 4.1 complaints per 1,000 connections. There are 3950 connections 2020 Target not achieved – 27 complaints received.	

Stormwater and drainage performance measures

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

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of flooding events that occurs through a financial year, with a flooding event being an overflow from a service provider maintained stormwater system that enters a habitable floor.	The number of flooding events that occur in a territorial authority district.	No flooding events
Measurement method	Reported flooded habitable floors will be recorded in the CSR system for end of year reporting.	
End of year performance	2021 Target achieved - 0 flooding events affecting habitable floors. 2020 Target achieved – 0 flooding events	

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of habitable floors that are affected through each flood event, per 1000 properties paying targeted rates for the maintenance of this stormwater system.	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	No homes flooded
Measurement method	Known and reported flooded habitable floors will be captured on the CSR system for end of year reporting.	
End of year performance	2021 Target achieved - 0 habitable floors affected per flooding event. 2020 Target achieved – 0 habitable floors affected per flooding event	

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

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	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.	
End of year performance	2021 Target achieved - 0 abatement notices. 2020 Target achieved – 0 abatement notices	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	As logged from consent monitoring reports from ECan. Infringement notices and fines can be issued for failure to comply with an abatement notice.	
End of year performance	2021 Target achieved - 0 infringement notices. 2020 Target achieved - 0 infringement notices	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	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.	
End of year performance	2021 Target achieved - 0 enforcement notices. 2020 Target achieved - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	The measure will be a tally of all successful prosecutions against the Council for resource consent noncompliance. Environment Canterbury undertakes prosecutions where there has been a significant contravention of the Resource Management Act.	
End of year performance	2021 Target achieved - 0 convictions. 2020 Target achieved - 0 convictions.	

Response time - to respond quickly to flooded homes

Performance measure Description	Performance target issue	Performance target outcomes
Measured median response time period taken by service provider official to attend to a floor-flood event complaint from a customer.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	To respond in less than 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when a service provider attended a to a floor-flood event complaint. The median time taken will be used as the end of year result.	
End of year performance	2021 <u>Target achieved</u> - 0 floor-flood complaints. 2020 <u>Target achieved</u> - 0 floor-flood complaints	

Customer satisfaction - have stormwater drainage systems which work well

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the total number of complaints received for poor performance of all service provider maintained stormwater systems (over the financial year), per 1,000 properties paying targeted rates for maintenance of all service provider maintained stormwater systems across the district.	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	No complaints
Measurement method	The CSR system will be used to tally all poor performance complaints about stormwater systems logged in the CSR system annually.	
End of year performance	2021 <u>Target not achieved</u> – 10.9 complaints per 1,000 properties paying targeted rates for maintenance were received. The majority of complaints surface flooding (non-habitable) during heavy rain events. 2020 <u>Target not achieved</u> – 7.1 complaints per 1,000 properties paying targeted rate	

Roads and footpaths performance measures

Road Safety - have roads which are safe to drive on

Performance measure Description	Performance target issue	Performance target outcomes
Measure of fatalities and serious injuries on local roads assessed by NZ Police as being attributable to poor or negligent road maintenance outcomes.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	No fatalities and serious injury crashes on local (HDC) roads
Measurement method	Measured by statistics provided by NZTA (Crash Accident Statistics data) for Hurunui's local roads, linked to NZ Police reports of 'findings of investigation - most likely cause of accident'.	
End of year performance	<p>2021 Target achieved - There have been 7 crashes. Six resulting in serious injury and one fatality. No crashes were attributed to poor or negligent road maintenance outcomes.</p> <p>The change from last year has been that serious injury crashes have decreased by 2 while the number of fatal crashes has increased by 1. This is a net decrease of 1 serious/fatal crashes compared to the prior year.</p> <p>2020 Target not achieved – 8 crashes resulting in serious injuries (no fatalities)</p>	

Road Condition - have sealed roads in good condition

Performance measure Description	Performance target issue	Performance target outcomes
Smooth Travel Exposure (STE). The proportion of vehicle kilometres travelled (VKT) in a year that occurs on 'smooth' sealed roads, this indicates the ride quality experienced by the motorist.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	100% smooth travel rating
Measurement method	Captured from NZTA's 'Smooth travel exposure' data. The last roughness survey was carried out in 2019/2020. The next survey is expected to be carried out in 2021/22. The Council is not expecting this to have changed significantly since the last survey was conducted due to annual maintenance plan.	
End of year performance	<p>2021 Target not achieved – The Smooth Travel Exposure for Hurunui's rural roads was 97% and 94% for urban roads. The last road roughness survey was carried out in 2019/2020</p> <p>2020 Target not achieved – The Smooth Travel Exposure for Hurunui's rural roads was 97% and 94% for urban roads</p>	

Road Maintenance - maintain our roads to be in good condition

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the percentage of sealed roads resealed each financial year.	The percentage of the sealed local road network that is resurfaced.	To reseat more than 5% of our local roads every year
Measurement method	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.	
End of year performance	<p>2021 Target not achieved - 3% of the local roads network was resealed, 5% was not achieved due to funding constraints and other network priorities.</p> <p>2020 Target not achieved – 3.76% of sealed network was resealed, 5% was not achieved due to lack of funding</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of potholes or corrugations that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	The number of potholes or corrugations	No large potholes or corrugations (defined as being bigger than 70mm deep and 300mm in diameter).
Measurement method	Monthly audit of contractor's performance.	
End of year performance	2021 Target not achieved – 42 large potholes for the year identified during audits. There was one instance of corrugations that exceeded 70mm in depth, crest to trough. 2020 Target not achieved – 21 large potholes for the year was identified	

Condition of footpaths - have footpaths in good condition

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	The percentage of footpaths that are within the service standard in our annual maintenance plan	No tripping hazards greater than 20mm high
Measurement method	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).	
End of year performance	2021 Target not achieved – 6 of the 8 trip hazards were greater than 20mm high. The 20% Footpath audit has been delayed while fibre has been installed throughout the district. Once complete a full network audit will occur 2020 Target achieved – 100% achieved no tripping hazards. All of footpath network had been audited.	

Response to Service Requests - to respond to customer service requests about road issues

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long-term plan.	The percentage of customer requests relating to roads and footpaths which are responded to within one week	To respond to 100% of customers within one week
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when a response occurred.	
End of year performance	2021 Target not achieved – of the 1,010 service requests received, 99.8% were responded to within 1 week. 2 requests did not meet the 7 working days target. 1 was 9 days to respond to a Sealed Road - Potholes/Edgebreak query and the other was a general enquiry relating to bridge painting 2020 Target not achieved – 96.4% of customer requests were responded to within one week	

Public services performance measures

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

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – library	To improve our customer satisfaction
Measurement method	Annual resident satisfaction survey.	
End of year performance	2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021. 2020 <u>Target not achieved</u> - 75% satisfied down from 82% from previous year	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – waste minimisation	To improve our customer satisfaction
Measurement method	Annual resident satisfaction survey.	
End of year performance	2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021. 2020 <u>Target not achieved</u> – 79% satisfied with household waste collection compared to 82% in 2018 & 68% satisfied with household recycling collection compared to 72% in 2018	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – property (halls and public toilets)	To improve our customer satisfaction
Measurement method	Annual resident satisfaction survey.	
End of year performance	2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021. 2020 <u>Target not achieved</u> - satisfaction with the standard of local halls was 60% down 4% from 2018. And satisfaction with public toilets remained at 78%	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – reserves and cemeteries	To improve our customer satisfaction
Measurement method	Annual resident satisfaction survey.	
End of year performance	2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021. 2020 <u>Target achieved</u> – Satisfaction with the maintenance of parks and reserves was 86%, up 1% from 2018 and satisfaction with the standard of cemeteries was 59%, up 3% from 2018	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – civil defence	To improve our customer satisfaction
Measurement method	Annual resident satisfaction survey.	
End of year performance	2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021. 2020 <u>Target not achieved</u> – Satisfaction with the Council’s civil defence preparedness was 57%, down 1% from 2018	

Have libraries that are relevant and used by the public

Performance measure Description	Performance target issue	Performance target outcomes
Measure the usage of the library service by our residents as a percentage of the District's population.	Membership numbers	That at least 50% of the District's population use Hurunui libraries
Measurement method	Library management system (Kotui).	
End of year performance	<p>2021 Target achieved – 82.8% of the district's population are members. 35.8% of the district's population are active members - this only includes issues and does not include users of the physical space for classes, public computers wifi etc</p> <p>2020 Target achieved - 78.9% of the district's population are members. 36% of the district's population are active members</p>	

Renovate and upgrade the Amberley swimming pool

Performance measure Description	Performance target issue	Performance target outcomes
Completion of the renovated swimming pool in Amberley	The date the renovated swimming pool is completed	To have the pool ready to use by 2020/21
Measurement method	The day the pool is open to the public	
End of year performance	<p>2021 Target not achieved The upgrade works to the Amberley pool are planned for the 2021/22 financial year.</p> <p>2020 Target date yet to be reached – construction of the pool is timed for 2021/22</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Completion of the renovated swimming pool in Amberley	The cost of the renovation	To renovate the pool within budget.
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 Target yet to be reached - The upgrade works to the Amberley pool are planned for the 2021/22 financial year.</p> <p>2020 Target yet to be reached - construction of the pool is timed for 2021/22</p>	

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

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	The weight of waste to landfill	Reduce waste each year
Measurement method	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.	
End of year performance	<p>2021 Target not Achieved - The tonnage of waste to landfill in 2020/21 was 3742.96 tonnes.</p> <p>This is an <u>increase</u> of 546.6 tonnes compared to last year. Transfer stations have experienced a marked increase in waste being received. A particular increase in house renovation waste has been noted. This is attributed to the hot housing market and a lack of overseas travel options making home renovations more popular.</p> <p>2020 Target not achieved – 3,196.36 tonnes of waste to landfill was 160.26 tonnes lower than 2019.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	The weight of recyclable materials	Increase recycling each year
Measurement method	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.	
End of year performance	<p>2021 Target Achieved - The tonnage of recycling in 2020/21 was 1595.11 tonnes. This is from kerbside collections, transfer stations, and recycling bins.</p> <p>This is an <u>increase</u> of 64.5 tonnes compared to the previous year. This is still 124 tonnes lower than the 2018/19 year. Changes to the types of plastic accepted for recycling could be contributing to this reduction. Options for recycling different types of material are likely to be needed to increase the proportion of recycling versus waste to landfill.</p> <p>2020 Target not achieved – 1,530.6 tonnes of recycling received; this was 188.68 tonnes lower than the previous year</p>	

Regulatory performance measures

Process consent applications - process all consent applications quickly

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Building consent processing time	To issue consents within 20 working days
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 Target not achieved - 99.13% of consents issued within 20 working days. Average 9 working days. 574 consents in total, 4 went over time due to administration/human errors. 16% more consents were approved than the previous period.</p> <p>2020 Target not achieved – 98.58% of consents were processed within the 20 working days</p>	

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Resources consents (non-notified)	To issue consents within 20 working days
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 Target not achieved - Of the 147 non-notified resource consents processed, 2 went over 20 days by 1 day. This was a bundled consent for a subdivision and land use.</p> <p>2020 Target achieved 100% of the 105 resource consents were granted within the 20-working day requirement</p>	

Compliance inspections – prevent drownings in swimming pools

Performance measure Description	Performance target issue	Performance target outcomes
Inspect swimming pools for compliance with safety standards.	Swimming pools for compliance with NZ safety standards	To inspect 30% of all known swimming pools every year
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 Target not achieved – 29.7% (93 of 313) known pools were inspected between October and December 2020.</p> <ul style="list-style-type: none"> A good level of compliance was noted this year. All outstanding compliance issues were resolved by the end of January 2021. While this is slightly lower than the 30% target it should be noted that all known pools in the district are scheduled to be inspected once every three years. This is done by inspecting approximately one-third of pools each year. The number of known pools fluctuates as new pools are installed, old pools are removed, and spa pools meet the standards to be exempt from the fencing requirements. <p>2020 Target achieved – 38.7% of known swimming pools were inspected</p>	

Compliance inspections – reduce and manage health risks to the public

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Licensed food premises for compliance with NZ legislation	To inspect all licensed food premises every year
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 73 Verification audits were carried out at food businesses during this financial year. This represents all verifications that fell due.</p> <ul style="list-style-type: none"> A further five verifications would have been due but were not required because the businesses ceased operating. Four of those businesses surrendered their food registrations. Note that inspection of all food businesses annually is not a requirement of the Food Act 2014. The Act requires that verification audits are carried out at a frequency of between 3 and 18 months. The frequency is determined by criteria which included the compliance history of the business and the level of risk of the specific types of food preparation carried out at each premises. This is no longer a fit-for-purpose measure. The Food Act 2014 has come into force and all food businesses have transitioned to it. The new Act has different requirements for premises visits and the monitoring of food safety – it does not require annual inspections of all food premises. Under the new Act a business is audited according to its risk rating and food safety performance. Instead of inspections the Council is required to carry out 'verifications', which is a check of a business's operations against its food safety plan. The frequency of these verifications is set by legislation and is adjusted according to how the business performs in the verifications. The frequency can range from once every 3 months to once every 18 months. All verification audits that were due were completed. Data is held by MPI in their system – Titiro <p>2020 <u>This is no longer a fit-for-purpose measure</u></p>	

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	On licence liquor premises for compliance with NZ legislation	To inspect all on licence liquor premises every year
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2021 <u>Target not achieved</u> - 92% of On Licence premises were monitored (50 out of 54).</p> <ul style="list-style-type: none"> There were 56 premises holding On Licences in the District in 2020/21, however <u>two</u> of these did not reopen following the March 2020 COVID-19 lockdown. These were not counted in the statistics. A good level of compliance with the Sale and Supply of Alcohol Act 2012 was noted. Less monitoring than previous years was carried out. This is because the Licensing Inspectors were involved in two significant hearings for alcohol applications, and the availability of our co-regulator agencies (Ministry of Health & Police) was reduced by their COVID-19 commitments. <p>2020 <u>Target not achieved</u> 96% (50 out of 52) On licence premises were inspected</p>	

Animal complaints - stop animals causing danger or public nuisance

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to complaints about aggressive dogs	To respond within 24 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the Animal Contractor responded.	
End of year performance	<p>2021 Target not achieved - 87% of incidents recorded as dog bites or aggressive dog behaviour were attended within 24 hours. (48 of 55 incidents).</p> <ul style="list-style-type: none"> • 32 of the incidents were reports of dogs attacking dogs, stock or people. All of these were responded to within 24 hours. • 23 of the incidents were reports of aggressive dog behaviour, where an attack has not occurred. The seven complaints that were not responded to within 24 hours were all in this category. • A number of these complaints related to ongoing situations where there was not an immediate danger to the public and it was appropriate to follow up as routine work. • One complaint was not responded to within 24 hours due to insufficient information being provided to enable the location and dog to be identified. The complainant was unable to be reached for further information. Once more details had been obtained action was taken within 24 hours. <p>2020 Target not achieved – 90% reports were responded within 24 hours</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to wandering stock	To respond within 24 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the Animal Contractor responded.	
End of year performance	<p>2021 Target not achieved - 82% (32 of 39) of wandering stock complaints attended to within 24 hours. This result is a 1% improvement over the previous year, although overall there was a lower number of wandering stock reports</p> <p>Of the seven complaints recorded as not attended within 24 hours:</p> <ul style="list-style-type: none"> • Two were not attended because no staff or contractor was available at the time. • Two were assessed as not needing an immediate response because the reports were made after the incident had happened. These were followed up as routine work. • In two incidents no incident sheet was received from the attending officer, so the time of attendance is not known. • One report about stock wandering in a Council reserve was followed up as routine work because the stock was not considered to pose an immediate danger or nuisance. <p>2020 Target not achieved – 81% (56 of 69 requests) incidents of wondering stock were responded to within 24 hours</p>	

Hanmer Springs Thermal Pools & Spa performance measures

Visitors - increase usage of the thermal pool and spa complex

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer satisfaction	To maintain or improve customer satisfaction from the previous year
Measurement method	Annual customer satisfaction survey.	
End of year performance	<p>2021 Target not achieved - Data collected for the year showed a net promoter score 52 for the Pools and 64 for the Spa. This is down on last year's score of 55 for the Pools and 81 for the Spa. The drop is attributable to the success experienced in the 2019/20 year as a result of the completion of the Summer '19 project. This project was in operation for a significant period before the 2020 Alert Level 4 lockdown period.</p> <p>2020 Target not achieved - the final net promoter score for the year was 55 for the Pools and 81 for the Spa, which was 9 points lower than the score from the previous year for the Pools with the Spa remaining constant.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer numbers	To increase customer numbers from the previous year
Measurement method	The total number of customers as per the HSTPS electronic records.	
End of year performance	<p>2021 Target achieved - Total visitor for the financial year totalled 541,276, which was 31% greater than the customer numbers of 413,067 recorded for the previous year - a year heavily impacted by COVID-19.</p> <p>2020 Target not achieved - As the 2019/20 year was significantly affected by the impact of COVID-19, the customer numbers of 413,067 was a significant drop from the previous year.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of results compared to the Council approved business plan.	Profit	To make the profit which is forecast for each year
Measurement method	As recorded in financial reports for the Business Unit.	
End of year performance	<p>2021 Target achieved - A surplus after depreciation and interest of \$2,702,885 was achieved against budgeted deficit of \$745,294 - it should be noted that the budget was determined with the background of uncertainty created by the COVID-19 pandemic.</p> <p>2020 Target not achieved - A surplus after depreciation and interest of \$656,397 was achieved against budget of \$1,679,938. That result was heavily impacted by COVID-19.</p>	

Appendix two - Auditors report

Independent Auditor's Report

To the readers of Hurunui District Council's annual report for the year ended 30 June 2021

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

We are also required to report on:

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

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

We completed our work on 16 December 2021. This is the date at which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 29 to 85:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2021; and
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 87, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the performance information on pages 120 to 141:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 12 to 28, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 88 to 96, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 102 to 107, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of matter – The Government's three waters reform programme announcement

Without modifying our opinion, we draw attention to note 26 on page 77, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 6 to 11, 97 to 99 and 110 to 117, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed an assurance engagement over the District Council's Long-Term Plan 2021-2031 and a limited assurance engagement in respect of the District Council's debenture trust deed. These engagements are compatible with those independence requirements. Other than the audit, our report on the disclosure requirements and this engagement, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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