



HURUNUI
District Council





ANNUAL REPORT

2014-2015

PDF Readers

If you are reading this using a PDF reader, be aware that this PDF file is interactive.

- The contents page on the right (and at the beginning of each section) is a list of clickable hyperlinks to the actual document content.
- Clicking on the  icon at the bottom of each page will return you to this contents page.
- Clicking on the  icon within any section will take you to the contents for that section.

In order to access the other features of your PDF reader, you can exit the full screen mode by pressing the “Esc” button on your keyboard.

Contents

Introduction	1
Foreword	2
Introduction from the Mayor and Chief Executive Officer	3
Purpose of the Council	6
The planning cycle	7
Shared services and partnerships	8
Māori decision making	10
Statement of compliance and responsibility	11
Groups of Council Activities	13
Introduction	14
Overall comparison with the 2014/15 Annual Plan	14
Water supply	16
Sewerage	18
Roads and footpaths	20
Stormwater and drainage	23
Community services and facilities	25
Community services	27
Property	28
Reserves	29
Environment and safety	31
Emergency services	33
Resource management	34
Compliance and regulatory functions	37
Waste minimisation	40
District promotion	43
Hanmer Springs Thermal Pools and Spa	45
Governance	47
Financial Statements	49
Statement of comprehensive revenue and expense	50
Statement of financial position	51
Statement of changes in equity	52
Statement of cash flows	53
Notes to the financial statements	54
Funding impact statements	99
Benchmarking	109
The benchmarks	110
Council Controlled Organisations	117
Enterprise North Canterbury	118
Transwaste Canterbury Limited	120
Independent Auditor's Report	121
Appendices	127
Council committee structure	128
Organisational structure	129

Introduction

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

Foreword

This Annual Report provides information about our performance during the 2014/15 financial year.

The report outlines how the Council has performed both overall and in respect of 9 groups of activities, including roads and footpaths, water supply, sewerage, and the Hanmer Springs Thermal Pools and Spa (see the contents page for a complete list of the activities).

While a large part of this report is financial information, we also provide information about the performance measures originally identified in the 2012/22 Hurunui Community Long Term Plan. In this report we summarise our position against each of the measures and show whether they have been “Met”, “Mostly Met”, or “Not Met”. A measure that was ‘Mostly Met’ is one which falls short of being met by such a narrow margin that it would be unreasonable to call it ‘not met’.

Introduction from the Mayor and Chief Executive Officer

This Annual Report summarises our performance for the financial year from 1 July 2014 to 30 June 2015 which was third year of our 10 year Long Term Plan 2012 – 2022.

Financial Performance

We are committed to managing Council funds and your rates responsibly and affordability is a primary focus when it comes to deciding what we do and don't do. This report details our financial performance, but to summarise, here are some brief facts about how we have done in the past year.

The Council's comprehensive revenue and expenses income in the 2014/15 year totalled \$10.7 million. This is the result of a net deficit after tax of \$444,000, plus a gain on the value of the Council's Water, Sewer and Stormwater assets of \$11 million and a gain in the fair value of the Council's equity shares of \$151,000.

Our operating revenue was \$37.47 million which was \$4.76 million greater than what we predicted in the 2014/15 Annual Plan. The key variances were due to the significant amount of development in the District during the year that resulted in \$905,000 of assets vested in Council and \$956,000 of Development Contributions received. In addition, the Council harvested a total of \$1.51 million of trees during the year and the on-going costs relating to emergency reinstatement of roading assets has resulted in the roading subsidies Council receives from the New Zealand Transport Agency amounted to \$4.80 million which was \$1.31 million higher than was budgeted for.

Operating expenditure was \$37.91 million which was \$4.74 million greater than predicted in the annual plan. The key variances were:

- Depreciation costs being \$1.77 million greater than budgeted, the majority of which was due revaluation processes that set a new level for the on-going depreciation costs and also due to a total of \$220,000 being recorded as a loss on the disposal of water and stormwater assets.
- The cost of harvesting the trees was \$892,000 which was not budgeted for.
- The on-going nature of the emergency reinstatement work on the Council's roading network resulted a further \$941,000 being spent this year.
- The Council used interest rates swaps to provide a level of certainty to the rates of interest it pays on its term debt. Under accounting standards, the interest rate swap portfolio is required by be revalued every

year. As the market interest rates at the end of June had dropped to very low levels, the value of the Council's interest rate swap portfolio has reduced and as a result, the Council has recognised a loss on the fair value of the interest rate swaps of \$811,000.

Capital Expenditure was \$13.08 million, which was \$2.3 million up on the level budgeted for. The key variances being: the level of utilities and roading assets being vested in Council during the year was \$905,000, which is well up on the \$234,000 budgeted for; work was carried out ahead of budget for the Leithfield Beach to Mays Road Watermain upgrade for the Ashley Water Supply; unbudgeted work was carried out on the water treatment for Waiau Township, which is primarily funded by a subsidy from the Ministry of Health; and the completion of the Changing Rooms upgrade at the Hanmer Springs Thermal Pools and Spa, which was budgeted for in previous years. During the year, Council also added a further \$1.12 million in water, sewer and stormwater assets that have not previously been recorded in the Council's asset management system.

The Council now owns \$392 million of assets on behalf of our residents and ratepayers. At 30 June 2015, Council's debt was \$17.2 million. We have debt because of two main reasons:

1. We borrowed in recent years to fund capital improvements at the Hanmer Springs Thermal Pools and Spa complex which is owned by the Council. It is important to make sure the complex is refreshed and is in top condition to continue to attract visitors from around New Zealand and other countries, and continue to generate a revenue stream for the benefit of the district. The complex generated a surplus before depreciation and interest of \$3.05 million in 2014/15.
2. We took on debt to build core infrastructure and much of this now needs to meet higher standards mandated by the Regional Council and Central Government regulations (for example; drinking water; building standards).

Service Performance

Since 2007, we have undertaken a resident satisfaction survey each year. The most recent survey was undertaken in February 2015 and pleasingly, it shows that most people are reasonably satisfied with the Council's performance overall.

This year's survey showed that:

- 72% of residents were satisfied (or highly satisfied) over all with the Council
- 72% had confidence that Council makes decisions in the best interests of the district
- 82% had trust in Council staff to do a good job
- 79% had trust in Council to manage its debt level

Most of our services such as libraries, public toilets, cemeteries, community halls, etc, have consistently received high satisfaction. Roading on the other hand is the Council's largest spending area and the most visible asset we have, but overall, results tend not to be as high. This is an area where we will continue to work on improving our overall performance.

Key issues

Last year during our preparation of the Annual Plan 2014/15, we consulted on a number of issues before confirming our way forward. The remainder of this introduction provides an overview of those issues and the result.

Sewer

Residual sediment removal from our sewerage systems is a routine but irregular and costly maintenance operation. The disposal of treated wastewater directly into waterways has been common practice, but this approach is no longer considered sustainable or environmentally acceptable.

The Hanmer Springs wastewater treatment plant needed sediment removal and an alternative disposal system rather than continue to discharge treated water into the Chatterton River. The work was estimated to cost \$1.7 million and was scheduled to be done in 2014/15 but the cost to do this work is now estimated at \$3.8 million. The cost is substantial for the Hanmer Springs ward ratepayers. It was decided to stall the work to ensure that the right solution is found to meet current and future needs.

Water

After several years of significant investment into upgrading the standard of our drinking water supplies, there remained some large projects concerning those connected to the Amberley and Ashley water schemes. Major upgrades have been done to improve the water supply from both of these water schemes.

Stormwater

The planned continuation of remedial work on the Outfall Drain in Leithfield Beach was started during the year but was not completed due to unforeseen complications. This is expected to be completed within the 2015/16 year.

Waste & recycling

We made some changes to our waste and recycling service and introduced new collection bags. We also reduced the annual waste minimisation rate for each property (in urban are) from \$260 to \$200. From July 2014, we only collected waste and recycling in the official council bags. The intent was to minimise the amount going to landfill and encourage recycling by charging substantially less for recycling bags (50 cents each) and more for rubbish bags (\$2.50 each). Unfortunately the amount of waste has continued to rise. One of the reasons is the increase in population, particularly in the Amberley ward, and another is the new (improved) transfer station, also in Amberley. The transfer station has attracted commercial waste which we had not received before.

Hanmer Springs Thermal Pools and Spa

The public changing rooms at the Hanmer Springs Thermal Pools and Spa complex were upgraded during the year. This has made a vast improvement in an area that had let the complex down in the past. The thermal pools complex is important to the Hurunui district because of the profits it makes each year, which offset the general rates up to almost \$3 million each year. It is important that we continue to ensure this award winning complex is always in top condition and continues to attract domestic and international visitors.

Canterbury Museum

As a contributing authority under the Canterbury Museum Trust Board Act 1993, we pay an annual contribution toward the Canterbury Museum. The levies charged to each contributing council are based on population and location. For 2014/2015, the operating levy charged to Hurunui was \$66,515. The Museum has also signalled its intention to undertake a significant \$155 million redevelopment and had proposed a further capital levy to be charged of \$58,775. Council had allowed for the capital levy as part of the 2014/2015 Annual Plan and had set a new rate to cover the levy. The timing of the project is still to be determined.

District Plan Review

Our review of the District Plan has been a major project and after several years, we have notified the Plan. We have done a substantial amount of work on the District Plan over the past year and although it has been notified, it will still be some months before it is finalised given the complexities of this task, but we are satisfied with the progress we have made. The District Plan is a key planning and strategy document for us and the community and it was vital that it reflected community desires, environmental responsibility as well as encouraging development and growth.



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

Winton Dalley
Mayor

Conclusion

We will continue to strive to deliver the most appropriate and affordable services to our district. During the past year, we reviewed our long term plan for the 2015 to 2025 period. Going forward, there are new challenges and projects to manage while containing our overall debt.



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

Hamish Dobbie
Chief Executive Officer

Purpose of the Council

The Local Government Act 2002 defines the purpose of local government as:

- (1) The purpose of local government is—
 - (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
 - (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- (2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—
 - (a) efficient; and
 - (b) effective; and
 - (c) appropriate to present and anticipated future circumstances.

In addition to this legislative purpose, the council has adopted the following vision statement and core principles.

The Council's vision:

Community partnership in growth and well-being

The Council's core principles:

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

The planning cycle

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

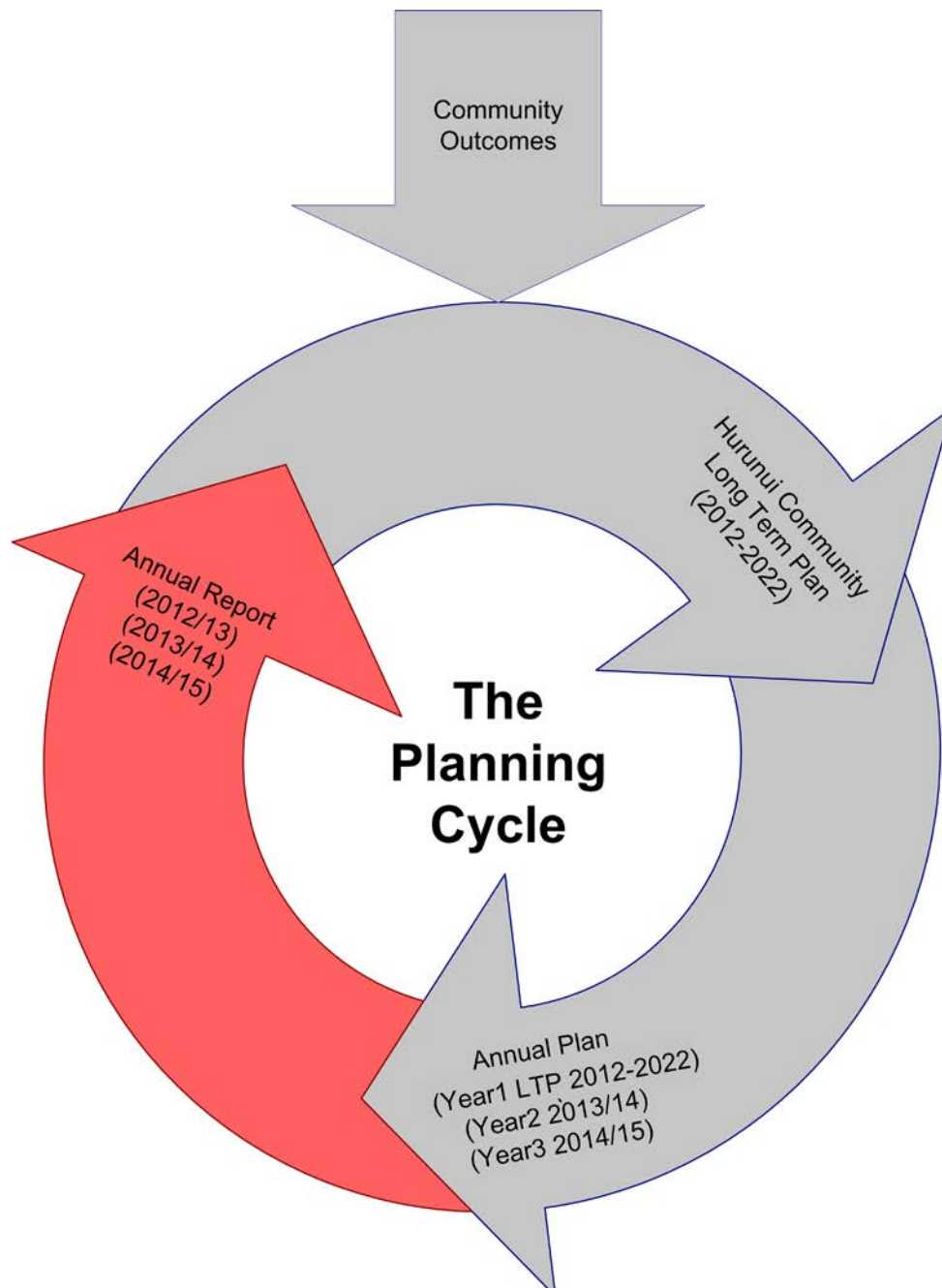
The planning cycle starts with the development of a “Long Term Plan”. In the Long Term Plan, we set out what we expect to be doing for the next ten years and how we expect to pay for it. Although the Long Term Plan covers 10 years, it is reviewed and revised every three years to ensure that it is updated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

The Long Term Plan becomes the basis for the Annual Plan produced every financial year (1 July - 30 June). Except that in the year that the Long Term Plan is produced, the Long Term Plan becomes the Annual Plan for that year. The Annual Plan details what we expect to

achieve during the twelve months of the plan, what it will cost and where the funding will come from.

Both the Long Term Plan and the Annual Plan are produced first in draft form. The public are then invited to make formal submissions about the draft plan which are then considered by Council prior to the production of the final plan document.

The final part of the planning cycle is the Annual Report (this document). The Annual Report looks back on the activities of the past year and assesses how they compare against the Plan for that year.



Shared services and partnerships

Introduction

Wherever possible the Council looks for the most cost effective way to deliver services without compromising service standards. One way of achieving this is by sharing services with other bodies and engaging in partnerships for service delivery. Some areas where we work in this way are:

School and Community Libraries

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

Mainpower Hurunui Natural Environment Fund

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

Canterbury Museum

Hurunui, Waimakariri and Selwyn District Councils along with Christchurch City Council are the contributing authorities who fund the costs relating to the Canterbury Museum. For the 2014/15 year, Hurunui's share of the operating levy was 0.85%. As a result, out of the total operating levies charged of \$7,847,592 the charge to the Hurunui District Council was \$66,515.

Rural Fire Control

To assist our rural fire forces, we bring in teams from neighbouring authorities in the event of a major fire, and reciprocate where required. We have also been actively involved for some years with all the territorial authorities in Canterbury to evaluate a possible enlarged rural fire district for the whole of Canterbury, and at present we are evaluating the feasibility of an enlarged district from Selwyn in the south to Hurunui.

Building

We have been working closely with our neighbouring Councils to share our building officers and resources to manage this area more efficiently. Skilled building officers are in high demand and expected to be for some years in the aftermath of the 2010/11 Canterbury Earthquakes.

We currently have shared service agreements with Waimakariri District Council, Kaikoura District Council, Selwyn District Council, Timaru District Council and Christchurch City Council. In 2015 we developed a partnership with the Kaikoura District where we are providing Technical Leadership to their BCA along with on-going inspections and consent processing.

Economic Development

Our Council and Waimakariri District Council jointly support and fund Enterprise North Canterbury (ENC) to help boost economic development in North Canterbury. We contributed \$51,565 for the 2014/15 year. ENC work with businesses in both districts, providing business support, development and training, and special projects with an economic focus.

Roads

We have a number of shared service agreements for our roads. They include:

- Okuku Pass Road - shared maintenance agreement with Waimakariri District Council (WDC) through Sicon, their road maintenance contractor.
- Shared maintenance agreement with WDC to all shared local boundary roads. Sicon undertakes the maintenance of all the shared sealed roads and Downer (our road maintenance contractor) undertakes the maintenance of all the shared unsealed roads).
- Street lighting contract with Mainpower as a shared service contract between us, WDC and NZ Transport Agency for economy of scale.
- Network Assessment Contract with BECA as a shared service contract with us and WDC for economy of scale.

Kate Valley Landfill

The Kate Valley Landfill is situated within the Hurunui District but is a joint venture between Waste Management (NZ) Limited and five local authorities in Canterbury, including our Council. The councils collective share is 50% with 1.2% of that belonging to

the Hurunui District Council. The company name is Transwaste Canterbury Ltd.

Water

Because of our historical and on-going knowledge and experience of operating and maintaining the Ashley Rural water scheme, we continue to provide stock and drinking water to a large part of the Waimakariri District, including the townships of Sefton and Ashley. Approximately 1,430 Waimakariri residents pay the water proportion of rates directly to our Council for 2521 units of water.

Rates Department

We collect rates on behalf of the Canterbury Regional Council and in return, they pay us a fee and a portion of the rating valuation cost. This income is used to offset the cost of running our rates department.

Information Technology

We work in collaboration with others through the Canterbury IT Managers Forum (projects and procurement), the Canterbury Local Authorities GIS group (all of Canterbury GIS viewer) and Canterbury GIS Consortium (aerial imagery procurement).

In January 2014, the Council entered into an agreement to provide full information technology services to Kaikoura District Council.

Māori decision making

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

Policies

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

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

Committees

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

Working Together

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

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

- Meetings between the Council and Ngāi Tahu.
- Providing runanga with a copy of the weekly report of new resource consents applications.
- Consulting runanga on notified consents, or Statutory Acknowledgment Areas, or quarrying and mining activities.
- Runanga are consulted on any governance matters that shape the district including; long term and annual plans, representation reviews, district plan changes and relevant resource consents.
- Joint policy/planning meetings with Council and Ngāi Tahu planning staff.

Statement of compliance and responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of Hurunui District Council, the Annual Report for the year ended 30 June 2015 fairly reflects the financial position and operations of Hurunui District Council.

Dated 2 November 2015.



Mayor
Winton Dalley



Chief Executive Officer
Hamish Dobbie



Manager Support Services
Jason Beck

Groups of Council Activities

Introduction	14
Overall comparison with the 2014/15 Annual Plan	14
Water supply	16
Sewerage	18
Roads and footpaths	20
Stormwater and drainage	23
Community services and facilities	25
Community services	27
Property	28
Reserves	29
Environment and safety	31
Emergency services	33
Resource management	34
Compliance and regulatory functions	37
Waste minimisation	40
District promotion	43
Hanmer Springs Thermal Pools and Spa	45
Governance	47

Introduction

This section of the Annual Report covers the services (or activities) that Council provides - what we actually *do*.

Services are assigned to activity groups as shown on the preceding index page. Seven services are in groups of their own only having the one activity; Water supply, Sewerage, Roads and footpaths, Stormwater and drainage, District promotion, Hanmer Springs Thermal Pools and Spa, and Governance. Two groups, 'Community services and facilities', and 'Environment and safety' each have a number of separate activities.

For each group of activities the following information is provided:

- A summary for the group of activities on the overall performance of the group.
- The community outcomes to which the group of activities primarily contributes. Each community outcome is aligned to our services which contribute towards their achievement. How well we are doing with each of our service performance measures will give a good indication of how we are doing overall in achieving the community outcomes. See the end of the year results alongside the performance measures in each section of the report.
- Performance measures and results for each of the services within the group of activities.
- An explanation for any significant variations or deviations from the intended levels of service or acquisitions or replacement of assets as set out in the Hurunui Community Long Term Plan - 2012-2022.
- Financial summaries for each group of activities and the individual services within the groups. The summaries compare the actual and the budgeted revenue, expenditure and capital as projected in the Annual Plan.

Overall comparison with the 2014/15 Annual Plan

Performance:

There was no major variance from the strategic directions outlined in Year 3 of the 2012/2022 Long Term Plan. The Council recorded a Net deficit after Tax of \$444,000 whereas the Council budgeted to record a deficit after tax for the 2014/2015 year \$465,000. In addition, the Council recorded a gain on the value of its assets of \$11,010,000 and recognised a \$151,000 increase in its equity shares which brought the total comprehensive income for the Council for the year to \$10,717,000.

Revenue:

Operating Revenue for the year was \$37,465,000 which was \$4,762,000 greater than predicted in the Annual Plan. The key variances being:

- Rates received were \$537,000 greater than allowed for in the Annual Plan. This was due to there being a greater number of properties being rated for than was anticipated when the budgets were prepared.
- Subsidies and Grants were \$1,333,000 higher than budgeted for as a result of the increased level of New Zealand Transport Agency subsidies received from the significant amount of emergency reinstatement work that continued into the 2014/2015 after the storm events of July 2013.
- Other revenue was boosted by Forestry Proceeds of \$1.5 million, well up on the \$146,000 budget for. This was the result of the wind event from October 2013 which necessitated the harvesting of the Ashworth Forestry Block ahead of schedule. The harvest of the block had meant that the end of year valuation of the Council forest estate has reduced by \$398,000.
- Vested Assets were well up on budget for the year. \$665,000 of roading assets, \$85,000 of water assets, \$93,000 of sewer assets and \$61,000 of stormwater and drainage assets were recognised as being vested in Council during the year.

Operating Expenditure:

Operating Expenditure was \$37,909,000 for the year, \$4,741,000 greater than was predicted in the Annual Plan, the key variances being:

- Costs associated with forestry were \$875,000 greater than budget. This represents the unbudgeted costs associated with harvesting the forestry blocks ahead of schedule.
- The costs associated with the Emergency Reinstatement work on the Council's Roding

Network were \$819,000, which was not specifically budgeted for.

- The costs associated with desludging the sewer ponds in Hawarden and Waikari amounted to \$115,000, which was not budgeted for in the 2014/2015 Annual Plan but funds were available from budgets carried forward from prior years.
- Council undertook the renourishment of Amberley Beach at a cost of \$116,000. This project was not specifically budgeted for in the 2014/2015 Annual Plan but funds were available for the project from a targeted rate that the ratepayers of Amberley Beach have been paying for some years.
- The assessment of the Council's interest rate swap portfolio resulted in an \$810,000 decrease to the fair value, which has been recognised as an expense for the 2014/2015 year.

Capital Expenditure

Total Capital Expenditure for the year was \$13.08 million as opposed to the budget of \$10.6 million. The key reasons for this result are:

- Water Supplies – the Council had spent a total of \$3,064,000 on Water Capital Works compared with the budget of \$2,164,000. The key variances from budget being the decision to bring forward the key Leithfield Beach to Mays Road Watermain Upgrade for the Ashley Rural Supply and to undertake a water treatment upgrade for Waiau Township which has qualified for an 85% subsidy from the Ministry of Health. The level of capital expenditure was also bolstered by the recognition of \$85,000 in assets vested in Council, whereas the budget allowed for only \$35,000. In addition, a further \$118,000 of found water assets have been added to capital expenditure during the year.
- Sewerage - the Council had spent a total of \$398,000 on Sewer Capital Works compared with the budget of \$1,803,000. The key variance is the decision to defer the budgeted \$1.6 million disposal project for Hanmer Springs. This project has been re-assessed and re-budgeted as part of the 2015-2025 Long Term Plan.
- Stormwater - the Council had spent a total of \$1,258,000 on Stormwater Capital Works compared with the budget of \$80,000. The major reason being the fact that \$61,000 was recognised as assets vested in Council. In the Annual Plan, no allowance had been made for vested assets for Stormwater. In

addition, a further \$988,000 of found stormwater assets have been added to capital expenditure during the year. These assets were installed by Council in previous years but were insufficiently recorded in the Council's asset management systems at the time.

- Roads and Footpaths – the Council has spent \$5.44 million on Capital Expenditure for Roading during the year. The key projects for the year were Unsealed Road Metalling, Sealed Road Resurfacing and Area Wide Pavement Rehabilitation. In addition, total of \$306,000 was spent on various Footpath projects during the year. The amount of capital expenditure is bolstered by \$665,000 of assets being vested in Council during the year.
- Community Services and Facilities – the Council spent \$287,000 on Capital Expenditure for Community Services and Facilities during the year. This was \$61,000 greater than was budgeted for.
- Environment and Safety – the Council spent \$343,000 on Capital Expenditure for Environment and Safety during the year. This was \$63,000 greater than was budgeted for. The major reason was that there was the fact that Council had purchased four rural fire appliances during the year and a further \$89,000 was spent completing the Transfer Station in Amberley.
- Hanmer Springs Thermal Pools and Spa – the Council spent \$2,061,000 on Capital Expenditure for the Hanmer Springs Thermal Pools and Spa during the year. This was \$417,000 greater than was budgeted for. The key reason is the work carried out on the Changing Room Upgrade, the budget for which was carried forward from 2013/2014.

Water supply

Water Supply covers one activity:

1. Water Supply - township supply and rural water schemes.

Our aim

To provide a sustainable supply of water that meets the needs of present and future domestic and agricultural / horticultural consumers and complies with the New Zealand Drinking Water Standards.

Achievement of levels of service

This activity has performance measures to describe the service targets we are aiming for. These are set out in the following pages with a commentary on how we had performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating deficit of \$429,749 was recorded against a budgeted operating deficit of \$72,743. The key variances from budget have been:

- Rates – this is higher than budget due to the increased level of connections to the supplies than was anticipated when the budgets for the Annual Plan were prepared.
- Other Income – Connection fees for the Ashley Rural, Cheviot and Hurunui Rural Water supplies are ahead of budget for the year due to the greater level of development and requirement for water.
- Vested Asset Income – A total of \$85,482 was recognised as assets vested in Council. The budget allowed for only \$35,127.
- Development Contributions – The total development contributions recognised during the year was \$103,073
- Depreciation – the cost of Depreciation as \$1,428,700. This was \$469,283 higher than the budget due to the budget bet set prior to the last revaluation process was undertaken for utilities.
- Loss on Disposal of Assets – Council identified a series of line and points that have since been replaced and now no longer provide any service for the relevant water supplies. The total of these assets amounts to \$202,669.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating deficit of \$429,749 was \$233,519 lower than the operating surplus recorded for the 2013/2014 year of \$663,268.

- Rates – as flagged in the 2013/2014 Annual Plan, rates have increased for all supplies resulting in an increase of \$292,807 from last year.
- Other Income – the level of development has increased in the 2014/2015 year and the number of new connections, particularly on the Ashley Scheme has meant that income has increased by \$95,189 from the previous year.

Significant Capital Expenditure

Overall, \$3,063,883 was recognised as Capital Expenditure for the 2014/2015. This was \$899,769 greater than was budgeted for.

- District Wide Water – The capital expenditure recognised has been the level of assets that have been vested in Council of \$85,482, which was well up on the budget of \$35,127. In addition, a further \$118,477 of found water assets have been added to capital expenditure during the year.
- Amberley Water – \$852,397 was recognised for Capital for the year, which was \$160,066 lower than the Annual Plan budget. The key item of expenditure was in relation to the water treatment for the town's supply.
- Ashley Rural Water - \$900,792 was recognised for Capital for the year, which was \$336,102 greater than the Annual Plan budget. The key item of expenditure was the new watermain from Leithfield Beach to Mays Road.
- Waiau Township Water – Council has secured a subsidy from the Ministry of health to upgrade the water supply for Waiau Township. To date \$437,482 has been spent on the project which was approved after the confirmation of the Annual Plan.
- Hanmer Springs – \$160,951 was recognised for Capital for the year, which was \$136,065 lower than the Annual Plan budget. The key item of expenditure was the purchase of land required for the treatment of the water supply. This amount was allowed for in the previous year and was carried forward to the 2014/2015 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Water Supplies was \$3,857,688.
- Operating surpluses recorded by the individual Water Supplies totalling \$1,024,385 were used to offset the borrowings, with a further \$2,859,925 of Capital Expenditure incurred resulting in the balance of the internal borrowings for Water supplies sitting at \$5,693,228 as at the end of the year – an overall increase of \$1,835,540.

- The amount of Internal Interest charged to the Water Supplies for the year was \$305,138, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$10,564.

Goal	How we will achieve the goal	Performance measures
Supply water to meet consumer needs.	Provide a continuous 'on-demand' supply of potable water to urban areas and a 'restricted' supply of water to rural areas.	Major faults to water supply pipelines greater than 250mm diameter that affect customers are repaired within 24 hours.
End of year result - Met		
Only one major fault (break) on a pipeline with a diameter greater than 250mm was reported during the year. This fault was repaired within 24 hours. This is an improvement on last year when 2 major faults occurred (both also fixed within 24 hours).		

Group Activity - Water Supplies

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	4,905,454	4,778,401	4,612,647
Other Income	286,176	61,637	190,987
Internal Interest Received	10,564	9,200	11,418
Vested Assets	85,482	35,127	95,798
Development Contributions	103,073	215,437	154,355
Total Operating Revenue	5,390,749	5,099,802	5,065,206
OPERATING EXPENDITURE			
Employment Costs	745,681	701,330	687,536
Other Direct Expenditure	2,197,882	2,228,478	2,222,968
Internal Interest Paid	305,138	342,854	279,440
Council Overheads	940,428	940,466	936,996
Depreciation	1,428,700	959,417	1,411,820
Loss on Disposal of Assets	202,669	0	189,713
Total Operating Expenditure	5,820,499	5,172,545	5,728,474
Operating Surplus (Deficit)	(\$429,749)	(\$72,743)	(\$663,268)
CAPITAL EXPENDITURE			
District Wide Water	203,959	35,127	95,798
Interim Treatment for Water	0	0	42,951
Amberley	852,397	1,012,463	282,202
Leithfield Beach	26,434	3,000	22,659
Ashley Rural	900,792	564,690	392,682
Culverden	(305)	7,517	14,960
Waiau Town	437,482	2,837	70,128
Amuri Plains	3,534	5,000	24,838
Balmoral	122,644	94,722	2,325
Waiau Rural	47,025	70,181	19,739
Cheviot	87,844	113,340	6,456
Waipara	0	3,000	37,824
Hanmer Springs	160,951	24,886	12,846
Hawarden - Waikari	66,497	68,637	167
Hurunui Rural	154,629	158,714	86,815
Total Capital Expenditure	\$3,063,883	\$2,164,114	\$1,112,393

Sewerage

Sewerage covers one activity:

1. Sewerage.

Our aim

To provide proficient, cost effective, sewage disposal schemes relevant to the needs of the community.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating deficit of \$301,171 was recorded against a budgeted operating deficit of \$451,405. The key variances from budget have been:

- Rates – this is higher than budget due to the increased level of connections to the schemes than was anticipated when the budgets for the Annual Plan were prepared.
- Vested Asset Income – Due to the level of development for the year, the total amount of assets vested in Council was \$93,099, whereas the budget was only \$35,127.
- Development Contributions – Due to the development in the Amberley Township, the level of Development Contributions has exceeded budget by \$206,795.
- Other Direct Expenditure – Direct expenditure is greater than budget by \$127,192 due to the costs relating to the desludging of the Waikari and Hawarden sewer ponds. This cost was allowed for in the previous year's budgets and carried for into the 2014/2015 year.
- Depreciation – the cost of Depreciation as \$449,489. This was \$81,014 higher than the budget due to the budget bet set prior to the last revaluation process was undertaken for utilities.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating deficit of \$301,171 was \$131,106 lower than the operating surplus recorded for the 2013/2014 year of \$432,277.

- Rates – as flagged in the 2012/2022 Long Term Plan, rates have increased by \$191,052 from last year to service an increased level of internal debt.
- Vested Asset Income – the level of assets vested in the Council for the 2014/2015 year was \$93,099,

which was lower than the amount recognised in the 2013/2014 year of \$222,891.

- Development Contributions – The development in the Amberley Township has meant that the level of contributions received for the 2014/2015 was \$161,955 greater than the number recognised in the prior year.
- Other Direct Expenditure – The direct costs for sewerage are up on the level incurred in the 2013/2014 due to the costs of desludging the Waikari and Hawarden Ponds.

Significant Capital Expenditure

Overall, \$398,231 was recognised as Capital Expenditure for the 2014/2015. This was \$1,404,329 lower than was budgeted for.

- District Wide Sewer – the amount of assets vested in Council was \$93,099, whereas the budget allowed for was only \$35,127
- Amberley Sewer – \$197,349 was incurred for the year, whereas the Annual Plan budget was only \$24,000. Key Pipe Upgrade works were carried out during the year which was projects that were carried forward from previous years.
- Hanmer Springs Sewer - Council had allowed a budget of \$1,673,000 to renew the resource consent for the disposal of sewage for the township. Currently the treated sewage is disposed to water but the preferred method of disposal is to land. The project has been deferred and re-assessed as part of the 2015/2025 Long Term Plan.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$5,028,675.
- Overall operating deficits of \$76,563 were recorded and further Capital Expenditure of \$294,272 was incurred during the year. This has resulted in the balance of the internal borrowings for Sewerage sitting at \$5,399,790 as at the end of the year – an overall increase of \$370,816.
- The amount of Internal Interest charged to the Water Supplies for the year was \$371,747, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$4,312.

Goal	How we will achieve the goal	Performance measures
Protect public health through ensuring good sanitary standards.	Maintain sewage disposal and treatment facilities in most urban areas.	All major and significant non-compliances for our sewage disposal resource consents reduce until we have 0% non-compliance. (Target for this year = 0%).
End of year result - Met		
<p>The Council has 13 resource consents in place relating to sewerage, and of these, there are 131 separate conditions. The Canterbury Regional Council monitors the consent conditions and reported one significant non-compliance at the Cheviot wastewater treatment site in the early part of the year. This finding has since been identified as an error due to the consent condition being incorrectly described. The condition related to testing the storage pond which has been agreed that appropriate testing has been done.</p> <p>Therefore, we have achieved our target of meeting all major and significant sewage disposal resource consents. This is an improved result to last year when 2 significant non-compliances were reported.</p>		

Goal	How we will achieve the goal	Performance measures
Protect public health through ensuring good sanitary standards.	Maintain sewage disposal and treatment facilities in most urban areas.	All sewer breaks are repaired within 12 hours of notification.
End of year result - Met		
<p>Of the 5 sewer breaks which occurred over the year, all were repaired within 12 hours of the council being notified. Four were fully repaired within the 12 hours of notification. The fifth break had a temporary repair completed within 12 hours of notification to ensure there were no environmental consequences. A permanent repair was then completed within 3 days of the break being known which was a good result given the nature of the break.</p> <p>The council proactively monitors the sewer network to check for deterioration and blockages to lessen the opportunity for sewer breaks but unfortunately, unable to prevent them all. There were no breaks in the previous year.</p>		

Group Activity - Sewerage

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	911,519	854,238	720,467
Other Income	2,277	340	690
Internal Interest Received	4,312	2,885	7,417
Vested Assets	93,099	35,127	222,891
Development Contributions	246,855	40,060	84,900
Total Operating Revenue	1,258,062	932,650	1,036,364
OPERATING EXPENDITURE			
Employment Costs	39,787	55,023	27,093
Other Direct Expenditure	560,419	433,227	447,604
Internal Interest Paid	371,747	389,885	354,302
Council Overheads	137,436	137,445	139,272
Depreciation	449,489	368,475	447,351
Loss on Disposal of Assets	355	0	53,019
Total Operating Expenditure	1,559,233	1,384,055	1,468,641
Operating Surplus (Deficit)	(\$301,171)	(\$451,405)	(\$432,277)
CAPITAL EXPENDITURE			
District Wide Sewer	103,959	35,127	222,891
Amberley	197,349	24,000	266,584
Culverden	0	0	0
Cheviot	5,125	59,494	71,217
Greta Valley	0	0	8,033
Motunau Beach	0	0	10,928
Waipara	0	0	0
Hanmer Springs	73,696	1,673,000	3,211
Hawarden	8,103	10,939	621
Waikari	10,000	0	0
Total Capital Expenditure	\$398,231	\$1,802,560	\$583,485

Roads and footpaths

Roads and footpaths covers one activity:

1. Roads and footpaths

Our aim

To provide a transport network that is safe and accessible for all people throughout the District.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating surplus of \$724,845 was recorded against a budgeted operating surplus of \$795,373. The key variances from budget have been:

- NZTA Subsidies – the total subsidies recognised in 2014/2015 was \$4,808,527, which was \$1,314,958 greater than was budgeted for. The increase is due to the higher emergency reinstatement work carried out during the year.
- Vested Assets Income – The total amount of assets vested in Council during the year amounted to \$665,428. The budget had allowed for only \$163,928.
- Other Direct Expenditure – The amount of other direct expenditure exceeds the budget by \$940,545. This was primarily due to the unbudgeted emergency reinstatement work incurred during the year.
- Depreciation – the amount of depreciation charged has increased by \$982,310 on the level budgeted for. This was due to a reassessment of the level of depreciation as a result of the revaluation of the Council's Roothing Assets that was carried out for the 2012/2013 year.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating surplus of \$724,845 was \$1,147,313 greater than the operating surplus recorded for the 2012/2013 year of \$422,468.

- Rates – there has been an increase of \$203,617 in rates. This was flagged in the Annual Plan as being required to continue to meet the required levels of service despite the lower level of funding available for the three year period of 2012 to 2015.
- NZTA Subsidies – The level of costs that Council had incurred in the 2013/2014 year for emergency reinstatement work was far greater than the

2014/2015 year and as a result, the amount Council had received in NZTA subsidies has reduced this year.

- Vested Assets Income – The total amount of assets vested in Council during the year amounted to \$665,428. The amount recognised in 2013/2014 was only \$549,488.
- Operating Expenditure – The level of costs that Council had incurred in the 2013/2014 year for emergency reinstatement work was far greater than the 2014/2015 year.
- Depreciation – The increased level of depreciation incurred in the 2014/2015 year of \$101,889 over the amount from 2013/2014 was due to the increase amount of Capital Expenditure incurred during the year.

Significant Capital Expenditure

Overall, \$5,440,497 was recognised as Capital Expenditure for the 2014/2015. This was \$1,451,300 greater than was budgeted for.

- Subsidised Roothing – The Council spent a total of \$4.78 million on Capital Expenditure for Roothing during the year. These projects are partially funded by the New Zealand Transport Agency. The key projects for the year were Unsealed Road Metalling, Sealed Road Resurfacing and Area Wide Pavement Rehabilitation.
- In addition, a total of \$665,428 of Roothing Assets were vested in Council during the year, this includes: \$180,791 in Pavement Formation, Base, Sub-base and Surfacing; \$33,165 in Footpaths; \$406,641 in Swales, Kerb and Channelling.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Roothing was \$24,033, which related to Stage 1 of Woodbank Road Sealing project.
- A further item of internal debt was added in respect to the Amberley Special Projects Fund, which was created to fund township linkages in Amberley. A total of \$201,840 has been incurred on these linkages during the year. Along with this item and a \$3,163 reduction in the Woodbank Road debt due to repayments being made, has meant that the closing balance of internal borrowings from Roads and Footpaths was \$222,710.
- The interest charged for the year was \$1,660.

Goal	How we will achieve the goal	Performance measures
Maintain the District's roads to a standard appropriate to their use.	Contract out road maintenance and monitor performance accordingly.	Hurunui roads will compare favourably with the national rural road average using the measures shown below: <ul style="list-style-type: none"> • The smoothness (smooth travel exposure) of our roads • The roughness of our roads • The strength (pavement integrity index) of our roads.
End of year result - Mostly met		
<p>The council's roads are measured through the Road Condition Ratings Report released each December for the previous year. The 2014/15 year results will not be available until December 2015, therefore all of the following results relate to the 2013/14 year (being the most recent available).</p> <p>The Condition Index (CI) for Hurunui's rural road average is 97.93% (the same as in 2012/13) compared to the national average for rural roads of 97.9% (down from 98.2% in 2012/13). A higher value is better as this measures the structural quality of the road. This rating is the result of a range of road measures to give a quality rating. The higher the rating, the higher the quality.</p> <p>The Smooth Travel Exposure (STE) for Hurunui's rural roads is 96.54% (down from 99% in 2012/13). The national average for rural roads is 96.5% (up from 95.9% in 2012/13). A higher value is better.</p> <p>The percentage of 'rough' rural roads in the Hurunui is 3.7% (the same as in 2012/13). The national average for rural roads is 9.53% (the same as in 2012/2013). A lower value is better in this case as the higher the rating, the rougher the road..</p> <p>The Pavement Integrity Index (PII) for Hurunui's rural roads is 94.66% (the same as in 2012/13). The national average for rural roads is 94.5% (down from 95% in 2012/13). A higher value is better.</p> <p>Overall, Hurunui roads have either been close to or better than the national average. Given the cost and challenges district councils have been facing regarding funding issues, it is pleasing to see that the roads have not shown deterioration.</p> <p>Source: www.nzta.govt.nz. (Search Planning and Investment Outcomes, then click Transport data, then Transport networks, then Condition).</p>		

Goal	How we will achieve the goal	Performance measures
Ensure that all bridges are safe and well maintained.	Contract out bridge maintenance and monitor performance accordingly.	Replace priority bridge structures according to the bridge replacement programme.
End of year result - Met		
<p>This year was the final year of a three year contract to maintain and repair council owned bridges. 13 bridges have had remedial work undertaken during the 3 year period. Routine maintenance was satisfactorily carried out throughout the financial year as per contractual obligations and specifications. The list of routine bridge maintenance work is regularly updated, as the low to medium priority maintenance works is completed.</p> <p>The list is revised and audited every three years by OPUS International Consultants as part of our General Bridge Inspection Contract and Programme. OPUS also assess the network's general bridge condition and provide a high-level structural integrity report.</p> <p>The 3 year Bridge Renewal and Repair Works contract was agreed to at the tendered cost of \$727,919 for the 2012-2015 period. The final total cost for the works was \$748,318 (being a small increase of 2.7%). This was due to minor variations on several of the bridges and the inclusion of additional work (deck plank replacement on H74 Mid Waipara Bridge) that wasn't included in the original contract.</p> <p>The next General Bridge Inspection Contract and Programme is scheduled for award and completion later in 2015/2016.</p>		

Group Activity - Roads and Footpaths

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,844,376	3,822,135	3,640,759
NZTA Subsidies	4,808,527	3,493,569	5,058,788
Other Income	163,252	161,931	135,471
Vested Assets	665,428	163,928	549,488
Total Operating Revenue	9,481,583	7,641,563	9,384,505
OPERATING EXPENDITURE			
Employment Costs	461	0	541
Other Direct Expenditure	3,972,625	3,032,080	5,190,196
Internal Interest Paid	1,660	4,545	3,298
Council Overheads	608,351	618,235	541,188
Depreciation	4,173,640	3,191,330	4,071,751
Total Operating Expenditure	8,756,738	6,846,190	9,806,974
Operating Surplus (Deficit)	\$724,845	\$795,373	(\$422,468)
CAPITAL EXPENDITURE			
Subsidised Roothing	4,783,844	3,678,931	3,018,851
Special Purpose Roothing	350,715	17,181	282,804
Unsubsidised Roothing	0	0	0
Road Safety Programme	0	0	0
Amberley Ward Roadside Construction	39,828	40,000	12,574
Amberley Ward Special Projects	51,840	90,000	150,000
Amuri Ward Roadside Construction	98,728	20,000	0
Cheviot Ward Roadside Construction	30,700	39,369	0
Glenmark Ward Roadside Construction	0	0	0
Hanmer Springs Ward Roadside Construction	45,591	80,535	89,585
Hurunui Ward Roadside Construction	39,251	23,181	26,000
Total Capital Expenditure	\$5,440,497	\$3,989,197	\$3,579,814

Stormwater and drainage

Stormwater and drainage covers one activity:

1. Stormwater and drainage

Our aim

To prevent or minimise adverse effects of surface flooding and stormwater discharge.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating deficit of \$1,747 was recorded against a budgeted operating surplus of \$126,774. The key variances from budget have been:

- Vested Assets Income – The level of vested assets that were recognised in the 2014/2015 year was \$60,998, however no budget was allowed for any vested stormwater assets.
- Other Direct Expenditure – The Council incurred further consultants cost relating to the development of the global stormwater consent for Amberley. In addition, the Amberley Beach Community undertook the renourishment work which was not budgeted for. This work was funded by a fund that the Beach ratepayer had been contributing to for the last seven years.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating deficit of \$1,747 was \$269,785 greater than the operating surplus recorded for the 2013/2014 year of \$268,038.

- Vested Assets Income – The level of vested assets that were recognised in the 2014/2015 year was \$60,998, which was \$80,588 lower than the amount of vested assets recognised in 2013/2014 of \$141,586.
- Other Direct Expenditure – The Amberley Beach Community undertook the renourishment work which was funded by a fund that the Beach ratepayer had been contributing to for the last seven years. This expense had not been incurred previously.

Significant Capital Expenditure

Overall, \$1,258,488 was recognised as Capital Expenditure for the 2014/2015. This was \$1,178,488 greater than was budgeted for.

- Vested Assets Income – The level of vested assets that were recognised in the 2014/2015 year was \$60,998, however no budget was allowed for any vested stormwater assets. In addition, a further \$988,363 of found stormwater assets have been added to capital expenditure during the year.
- Amberley Stormwater – \$203,736 was recognised on work in Amberley for 2014/2015. This was \$168,736 greater than was budgeted for however, the funds to carry out that work were carried forward from unspent budgets from previous years.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Stormwater was \$1,137,935.
- Overall operating deficits of \$21,409 and further Capital expenditure of \$209,127 incurred has resulted resulting in the balance of the internal borrowings for Stormwater sitting at \$1,368,472 as at the end of the year – an overall increase in borrowing of \$230,537.
- The amount of Internal Interest charged to Stormwater for the year was \$97,625, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$6,245.

Goal	How we will achieve the goal	Performance measures
Minimise the risk of flooding.	Maintain all drainage systems in accordance with resource consent conditions.	That Council maintained drains and waterways have no blockages that cause over-topping during 20% Annual Exceedance Probability (AEP) rainfall events (once in 5 years).
End of year result - Met		
No blockages occurred that caused over-topping of maintained drains during the year. Maintenance and improvement works are planned to eliminate or mitigate any blockages that may cause any potential over-topping issues. This will reduce any risks for future property flooding.		

Group Activity - Stormwater

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	426,529	395,206	424,096
Other Income	0	0	0
Internal Interest Received	6,245	758	4,734
Vested Assets	60,998	0	141,586
Development Contributions	75,008	18,303	31,519
Total Operating Revenue	568,779	414,267	601,935
OPERATING EXPENDITURE			
Employment Costs	97,889	90,083	39,504
Other Direct Expenditure	250,568	30,531	102,480
Internal Interest Paid	97,625	100,364	100,842
Council Overheads	11,520	11,521	13,380
Depreciation	95,699	54,994	74,393
Loss on Disposal of Assets	17,226	0	3,298
Total Operating Expenditure	570,526	287,493	333,897
Operating Surplus (Deficit)	(\$1,747)	\$126,774	\$268,038
CAPITAL EXPENDITURE			
District Wide Stormwater	1,049,360	0	141,586
Amberley Beach Foreshore Protection	0	0	0
Amberley Stormwater	203,736	35,000	10,780
Jed River Clearance	0	0	0
Hanmer Springs Stormwater	5,392	45,000	0
Total Capital Expenditure	\$1,258,488	\$80,000	\$152,366

Community services and facilities

Community services and facilities covers three activities:

1. Community Services (library - youth programme - grants and service awards)
2. Property (housing - public toilets - council offices - medical centres - halls - swimming pools - township maintenance)
3. Reserves (parks - reserves - cemeteries)

Our aim

To provide services that will support the community to lead healthy and fulfilled lives and meet and extend their recreational, cultural, educational and development and information needs.

Achievement of levels of service

Each of the activities has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating deficit of \$1,338,146 was recorded against a budgeted operating deficit of \$2,032,022. The key variances from budget have been:

- Rates – this is higher than budget due to the increased number of ratepayers than was anticipated when the budgets for the Annual Plan were prepared.
- Other Income – the level of Other Income is up on budget by \$266,085 due to a \$65,000 pay-out from EQC towards repairs to the Council's Pensioner Housing Units and also higher receipts from the camp at Amberley Beach and higher receipts for the Waikari Reserve.
- Development Contributions – The increased level of development in Amberley has meant that the various contributions relating to Amberley Reserves and the Library are well up on budget for the year.
- Employment Costs – the amount of employment costs allocated to Community Services and Facilities was lower than was budgeted for the year, particularly for general Hanmer Springs Amenities and District Reserves.
- Rates – the level of rates struck for Community Services and Facilities is \$104,449 greater than was received in the 2013/2014 year. This was flagged in the Annual Plan to allow for the Capital Levy that was to be charged for the Canterbury Museum.
- Other Income – the level of Other Income is up from last year due to the EQC pay-out for the Pensioner Housing Units and also a greater amount of funding received this year towards the Youth Programme..
- Development Contributions – The increased level of development in Amberley has meant that the various contributions relating to Amberley Reserves and the Library are well up on amount received last year.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating deficit of \$1,338,146 was \$572,941 greater than the operating deficit recorded for the 2013/2014 year of \$1,911,087.

Significant Capital Expenditure

Overall, \$287,191 was recognised as Capital Expenditure for the 2014/2015. This was \$61,178 greater than the level budgeted for.

- Library – \$54,309 was spent on Library books for the year.
- Amberley Reserves – Council had made a deposit of \$40,000 on the purchase of a new Eastern Reserve for Amberley.
- Hanmer Springs Reserve – Council spent \$30,176 on carrying our feasibility options for the future upgrade of the Hanmer Springs Domain.
- Self-Funded Reserves – The Cheviot Reserve Committee purchased a new tractor for use in the reserves.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Community Services and Facilities was \$3,375,198.
- Operating surpluses recorded by the individual Community Services and Facilities totalling \$975,249 were used to offset the borrowings, with a further \$334,472 of Capital Expenditure incurred resulting in the balance of the internal borrowings for Community Services and Facilities sitting at \$2,734,421 at the end of the year – an overall decrease of \$640,777.
- The amount of Internal Interest charged to the Community Services and Facilities for the year was \$324,417 and for those activities that held funds (rather than being in debt) receiving an amount of internal interest totalling \$79,401.

Group Activity - Community Services and Facilities

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	1,776,894	1,688,257	1,672,445
Other Income	982,972	716,887	815,638
Internal Interest Received	79,401	57,908	63,828
Development Contributions	530,671	244,364	200,911
Total Operating Revenue	3,369,938	2,707,416	2,752,822
OPERATING EXPENDITURE			
Employment Costs	735,894	856,201	716,922
Other Direct Expenditure	2,084,869	2,053,849	2,053,019
Internal Interest Paid	324,417	315,809	299,245
Council Overheads	1,026,132	1,026,122	1,019,400
Depreciation	536,772	487,456	575,324
Total Operating Expenditure	4,708,084	4,739,438	4,663,910
Operating Surplus (Deficit)	(\$1,338,146)	(\$2,032,022)	(\$1,911,087)
CAPITAL EXPENDITURE			
Community Services	79,304	67,500	58,290
Property	49,791	17,738	528,390
Reserves	158,096	140,775	50,672
Total Capital Expenditure	\$287,191	\$226,013	\$637,352

Community services

Goal	How we will achieve the goal	Performance measures
Provide community services that are valued by people in the District.	Run a youth programme that meets the needs of our local youth.	Youth events attendances reach no less than the minimum desired.
End of year result - Mostly met		
At the end of the year the Hurunui Youth Programme had completed all of the activities that had been scheduled. There were a total of 31 (39 last year) registered events (those where we recorded names) and another 17 non-registered held (15 last year). Of the 31 registered events, one of these did not achieve the minimum desired numbers set (compared to 5 last year). The programme is continually evolving and developing and incorporates many other activities in addition to events. The primary focus is about leadership and the associated Youth Council to develop and inspire our younger members of the community. The shift to leadership has been gradual from what originally began as a programme of 'things to do'. What has become important is that youth are involved in developing the programme and planning events. They are significantly more likely to succeed with youth being involved at the beginning. Most youth in the district are involved in the programme.		

Goal	How we will achieve the goal	Performance measures
Provide community services that are valued by people in the District.	Reward and recognise outstanding contribution from people in the District.	Awards and funds are disbursed according to the criteria annually.
End of year result - Met		
Each year the Council distributes funds and awards for outstanding service or contribution to the district. Two rounds of the Creative Communities NZ Grants scheme resulted in \$10,146 being distributed to 6 successful applicants (5 applicants received a similar amount last year). 16 applications were received for the secondary school achiever awards (which is less than the 20 received the previous year). The \$10,000 fund was distributed between the top 6 students (6 last year). 5 community service awards were distributed throughout the district to recognise voluntary effort. Recipients are not rewarded financially, but it is a focus on recognition. Each year the Council normally presents 5 or 6 awards depending on the nominations received. 6 applications were received for the Hurunui Heritage Fund (compared with 2 last year) for projects that improve the preservation and understanding of the district's heritage. All of the \$5,000 available was awarded to 2 successful applicants. Two applications for the Council and MainPower's joint Hurunui Natural Environment Fund were received (4 last year). A total of \$10,000 is available for works on public or private land that benefits existing indigenous values or reinstates indigenous vegetation. Of the total fund of \$10,000, only \$6,000 was distributed to the two applicants. The balance of the fund (\$4,000) is to be carried over to next year. The SportsNZ rural travel fund of \$5,000 was distributed to 10 applicants (9 last year).		

Activity - Community Services

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	956,567	879,971	789,861
Other Income	135,721	91,340	96,071
Internal Interest Received	13,612	1,412	8,854
Development Contributions	65,196	29,112	27,511
Total Operating Revenue	1,171,095	1,001,835	922,297
OPERATING EXPENDITURE			
Employment Costs	532,352	548,890	457,345
Other Direct Expenditure	359,249	408,307	416,212
Internal Interest Paid	144,305	127,005	124,929
Council Overheads	527,664	527,673	518,460
Depreciation	138,694	110,291	177,924
Total Operating Expenditure	1,702,265	1,722,166	1,694,870
Operating Surplus (Deficit)	(\$531,169)	(\$720,332)	(\$772,573)
CAPITAL EXPENDITURE			
Library	54,309	67,500	58,290
Community Programmes	0	0	0
Grants	0	0	0
Amenities	24,995	0	0
Total Capital Expenditure	\$79,304	\$67,500	\$58,290

Property

Goal	How we will achieve the goal	Performance measures
To maintain townships so they are neat and tidy.	Investigate complaints about the standard of any Council owned facilities.	That no customer service requests for council property remain unresolved at the end of the year.
End of year result - Mostly Met		
<p>98 customer service requests were received relating to Council owned property during the year. The majority were not complaints as such, but our system does not distinguish between 'complaints' and 'requests for service'. Most of the service requests were followed up within 48 hours but 28 were not closed at the end of the financial year. Of the 28, 14 had been resolved but had not been closed from the customer service request system. Of the remaining 14, 8 were received too close to the end of the financial year to resolve in time, but they were still followed up quickly. Others could not be resolved as the request involved matters beyond Officers control, such as waiting for a tradesperson, approval being needed from committees to proceed with the work.</p> <p>Last year, 34 customer service requests were received relating to property. The increase this year could be due to a number of unknown reasons but could be due to a greater focus on ensuring all customer requests are actually recorded into the system. The Council's customer service request system is to record all customer requests, queries and complaints so they can be assigned to an appropriate officer as they are received. The speed of the action is determined by the nature of the complaint with issues of public safety taking top priority.</p>		

Activity - Property

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	580,687	568,668	603,512
Other Income	503,458	411,521	426,548
Internal Interest Received	0	0	54
Development Contributions	35,825	65,489	73,771
Total Operating Revenue	1,119,970	1,045,678	1,103,885
OPERATING EXPENDITURE			
Employment Costs	120,249	138,571	127,295
Other Direct Expenditure	868,221	819,509	865,629
Internal Interest Paid	180,099	188,683	173,843
Council Overheads	112,200	112,194	117,600
Depreciation	314,644	309,635	321,220
Total Operating Expenditure	1,595,413	1,568,592	1,605,588
Operating Surplus (Deficit)	(\$475,443)	(\$522,914)	(\$501,703)
CAPITAL EXPENDITURE			
Rental Property	0	0	3,685
Public Toilets	17,979	7,000	0
Medical Centres	6,572	0	500,000
Halls	5,681	0	17,367
Pools	0	0	0
Township Maintenance	19,559	10,738	7,338
Total Capital Expenditure	\$49,791	\$17,738	\$528,390

Reserves

Goal	How we will achieve the goal	Performance measures
To provide parks and reserves for people to enjoy.	Involve local communities in the planning and development of their reserves.	Reserve and / or Ward Committees spend their annual budgets on projects identified for that year.
End of year result - Met		
<p>The council has distributed an annual reserve fund to the district's ward and reserve committees to encourage community involvement in the planning and development of local reserves. The fund was first introduced in 2007 with the intention that the fund would be used to complete projects. The annual fund has varied during the years and initially it was also intended that the fund be spent in the year it was allocated. Since 2007, a total of \$723,000 has been distributed to the committees. Council policy now allows committees to carry over funds so that funds can build up over a period of time for large projects rather than only enabling low cost improvements. As a result, the funds are now kept in a 'special reserve' for each of the wards until they are spent.</p> <p>At the end of June 2015, the total spend has been \$464,776 with \$258,224 unspent. See table.</p>		

Year	Annual Reserve fund allocation
2007-2008	\$180,000
2008-2009	\$0
2009-2010	\$75,000
2010-2011	\$50,000
2011-2012	\$100,000
2012-2013	\$100,000
2013-2014	\$100,000
2014-2015	\$60,000

Ward	Balance of unspent reserve fund
Amberley	\$41,839.04
Amuri*	\$47,690.89
Cheviot	\$52,260.35
Glenmark	\$71,189.16
Hanmer Springs	\$29,018.70
Hurunui*	\$16,225.81

* Amuri – Hurunui is one ward but treated as two for the fund distribution.

Activity - Reserves

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	239,640	239,618	279,072
Other Income	343,793	214,025	293,019
Internal Interest Received	65,789	56,496	54,920
Development Contributions	429,650	149,763	99,630
Total Operating Revenue	1,078,873	659,902	726,641
OPERATING EXPENDITURE			
Employment Costs	83,293	168,740	132,281
Other Direct Expenditure	857,398	826,034	771,177
Internal Interest Paid	13	121	473
Council Overheads	386,268	386,255	383,340
Depreciation	83,434	67,530	76,180
Total Operating Expenditure	1,410,405	1,448,680	1,363,451
Operating Surplus (Deficit)	(\$331,532)	(\$788,778)	(\$636,809)
CAPITAL EXPENDITURE			
District Reserves	4,500	40,000	7,533
Cemeteries	1,585	5,369	0
Amberley Reserves	70,337	24,332	15,149
Amuri Reserves	5,880	1,074	0
Cheviot Reserves	0	0	0
Glenmark Reserves	8,500	0	12,234
Hanmer Springs Reserves	34,427	70,000	15,755
Hurunui Reserves	0	0	0
Self Funded Reserves	32,868	0	0
Trust Funds	0	0	0
Total Capital Expenditure	\$158,096	\$140,775	\$50,672

Environment and safety

Environment and safety covers four activities:

1. Emergency Services (civil defence - rural fire)
2. Resource management (administering the District Plan, resource consents, township planning, policy and by-law development)
3. Compliance and regulatory functions (building controls, public health and liquor licensing, animal control)
4. Waste minimisation (refuse, recycling, transfer stations, litter-bin collection)

Our aim

To protect people, animals and the environment from natural disaster, disease and hazards).

Achievement of levels of service

Each of the activities has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating surplus of \$50,969 was recorded against a budgeted operating deficit of \$87,578. The key variances from budget have been:

- Other Income – other income for Environment and Safety is up on budget due to: subsidies and donations of \$71,246 were received for purchases of Rural Fire Equipment, which was not budgeted for and also Solid Waste Charges were \$273,771 greater than budget due to higher gate charges and the sale of refuse and recycling bags.
- Employment Costs – to ensure that Council could meet the required statutory timeframes for Resource and Building Consents, there was the requirement to increase the staff level for the year.
- Other Direct Expenditure – other direct expenditure is up on budget by \$195,208. This is due to the costs associated with Solid Waste being higher than budgeted due to increased volume of waste resulting in both increased income but increased costs in disposing of it as well as making provision for new refuse and recycling bags.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating surplus of \$50,969 was \$580,235 greater than the operating deficit recorded for the 2013/2014 year of \$529,266.

- Rates – the rates charged for the 2014/2015 year were lower than the level struck for the previous year due to the Council reducing to cost of refuse collection charges as was outlined in the Annual Plan.
- Other Income – Other income is up on the previous year by \$325,587, which is due to: Solid Waste Charges increasing by \$317,802 from last year. This is due to the restructure of the Solid Waste Department with Council now running all of the Transfer Stations in the District.
- Employment Costs – there was an increase from 2013/2014 in the employment costs due to: the higher staff numbers required in the building control department; increased staffing requirements in relation to the sale of alcohol legislation and more staff involved with Solid Waste.
- Other Direct Expenditure – the total cost is \$443,517 lower than that incurred last year: Council has on-charged the majority of the costs it incurred in respect to the Ashley Forest Fire of 2013 and costs relating to the District Plan Review have been significantly lower than from the previous year.

Significant Capital Expenditure

Overall, \$342,578 was recognised as Capital Expenditure for the 2014/2015. This was \$63,436 greater than was budgeted for.

- Civil Defence and Rural Fire – A total of \$214,595 was spent of the \$216,317 budget. Council purchased four rural fire appliances during the year.
- Waste Minimisation – a further \$88,943 was spent during the year in relation to the completion of the Transfer Station in Amberley.

Internal Borrowing

- At the start of the financial year, the level of internal debt for Environment and Safety was \$139,035. This was in respect to the Targeted Rate Funded Rural Fire Control and Household Refuse Collection.
- Operating deficits recorded by the individual Environment and Safety cost centres totalled \$141,782 and resulted overall borrowings for Environment and Safety at the end of the year of \$280,817 – an overall increase in internal borrowings of \$141,782.
- The amount of Internal Interest charged to the Environment and Safety cost centres for the year was \$21,129 with those cost centres that held funds (rather than being in debt) receiving an amount of internal interest totalling \$2,802.

Group Activity - Environment and Safety

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	3,296,978	3,222,700	3,419,346
Other Income	2,051,130	1,863,781	1,725,543
Internal Interest Received	2,802	3,107	4,315
Total Operating Revenue	5,350,910	5,089,588	5,149,203
OPERATING EXPENDITURE			
Employment Costs	1,746,068	1,730,616	1,625,615
Other Direct Expenditure	2,654,415	2,459,207	3,097,932
Internal Interest Paid	21,129	2,337	11,321
Council Overheads	682,512	682,516	743,412
Depreciation	195,817	127,334	200,189
Total Operating Expenditure	5,299,941	5,002,010	5,678,469
Operating Surplus (Deficit)	\$50,969	\$87,578	(\$529,266)
CAPITAL EXPENDITURE			
Emergency Services	214,595	216,317	101,892
Resource Management & Planning	0	0	(12,206)
Compliance and Regulatory Functions	39,040	62,825	8,558
Waste Minimisation	88,943	0	1,154,658
Total Capital Expenditure	\$342,578	\$279,142	\$1,252,902

Emergency services

Goal	How we will achieve the goal	Performance measures
To be prepared for emergency situations which have adverse implications for the District.	Ensure there are sufficient resources.	Educate the public on how to prepare themselves for an emergency.
End of year result - Met		
Public education is a continuous activity throughout the year. A number of initiatives are undertaken continuously through Facebook, council's website, the distribution of weather warnings, participation in the annual 'Shake Out' exercise, sector post and volunteer fire crew training sessions, interactive stands and displays at each A&P show in the Hurunui district, and participation in community events. All of these activities are to encourage people to actively plan for an emergency.		

Goal	How we will achieve the goal	Performance measures
To be prepared for emergency situations which have adverse implications for the District.	Ensure there are sufficient resources.	Staff and volunteers are trained to deal with an emergency.
End of year result - Met		
Civil defence volunteers regularly train across the district, the frequency differing depending on the group they are aligned to. This can be monthly, quarterly or annual training. Some are more experienced than others who require more support to gain confidence and skills. There are 9 sector posts in the district with a total of around 70 volunteers. Rural fire volunteers continue to train on a monthly or fortnightly basis. A number of courses including basic rural fire, working with aircraft, fire environment and pumping have been held over the past year to further build our rural fire volunteers' skills and capacity. There are 6 volunteer rural fire force parties in the district with a combined total of around 90 volunteers. Within the Council, some staff have attended training: welfare forums, information system sessions, public information, controller development. The Emergency Management Officer completed Coordinated Incident Management Level four training and attended a National Principal Rural Fire Officer workshop.		

Activity - Emergency Services

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	463,272	448,312	444,635
Other Income	71,246	13,000	25,817
Internal Interest Received	0	0	0
Total Operating Revenue	534,518	461,312	470,452
OPERATING EXPENDITURE			
Employment Costs	130,348	125,345	163,619
Other Direct Expenditure	100,444	161,422	388,016
Internal Interest Paid	21,129	2,337	11,321
Council Overheads	95,616	95,620	102,144
Depreciation	90,970	62,500	91,814
Total Operating Expenditure	438,507	447,224	756,914
Operating Surplus (Deficit)	\$96,011	\$14,088	(\$286,462)
CAPITAL EXPENDITURE			
Civil Defence	7,547	0	35,634
Rural Fire	207,048	216,317	66,258
Total Capital Expenditure	\$214,595	\$216,317	\$101,892

Resource management

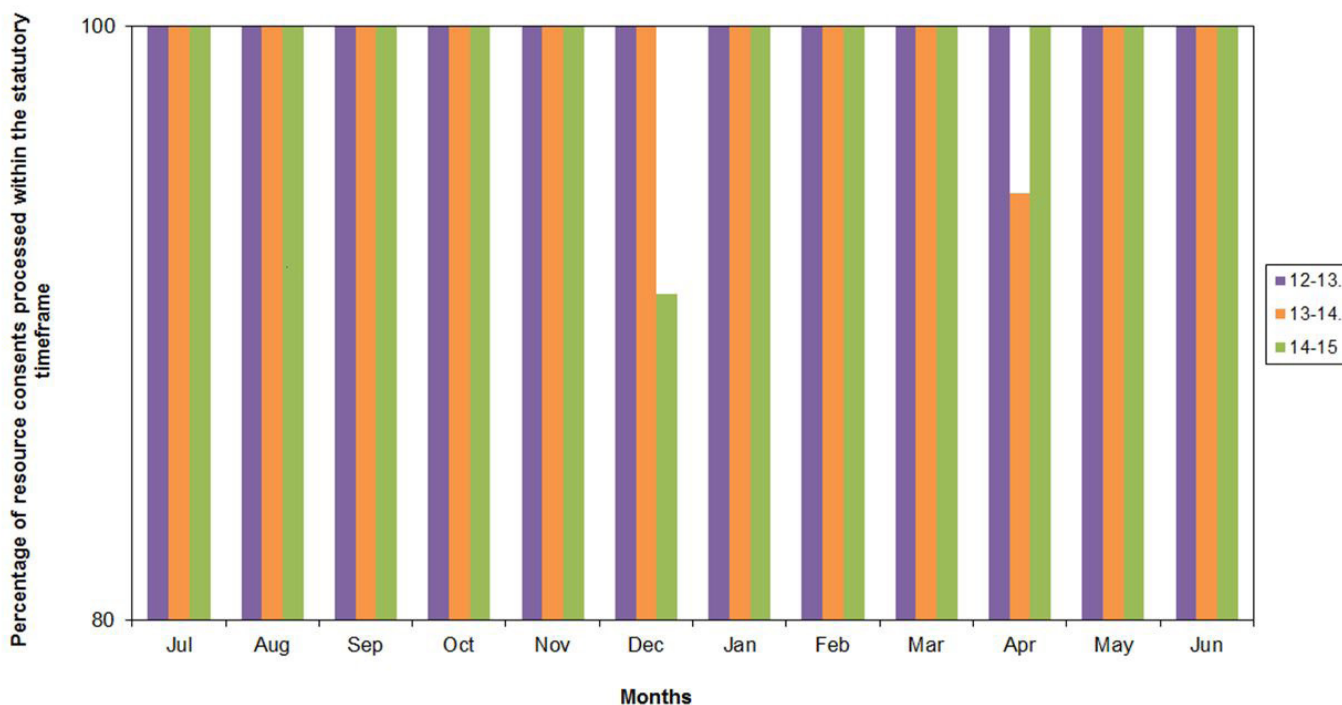
Goal	How we will achieve the goal	Performance measures
To manage our natural resources as safely as possible and ensure they are protected for the future.	Have good rules, standards and processes in place.	95%* of all resource consents will be processed within 20 working days.
End of year result - Met		
A total of 144 resource consents were processed during the year, (a reduction from the 169 processed last year). 142 (98%) were processed within 20 days with 2 processed outside the timeframe. This is similar to last year when 1 consent was processed outside the 20 days. The council is now aiming for all consents to be processed as soon as possible and well within the statutory 20 working days.		

Goal	How we will achieve the goal	Performance measures
To manage our natural resources as safely as possible and ensure they are protected for the future.	Protect the unique biodiversity values of the District.	Work with land owners and communities to encourage restoring indigenous plants and animals.
End of year result - Not met		
Council will reconsider its direction and ended the temporary biodiversity advisor role in October 2014. A biodiversity working group was established as part of the District Plan review to determine the way forward, but this has not yet been developed. Little work has been done with landowners and communities regarding biodiversity initiatives in the past year.		

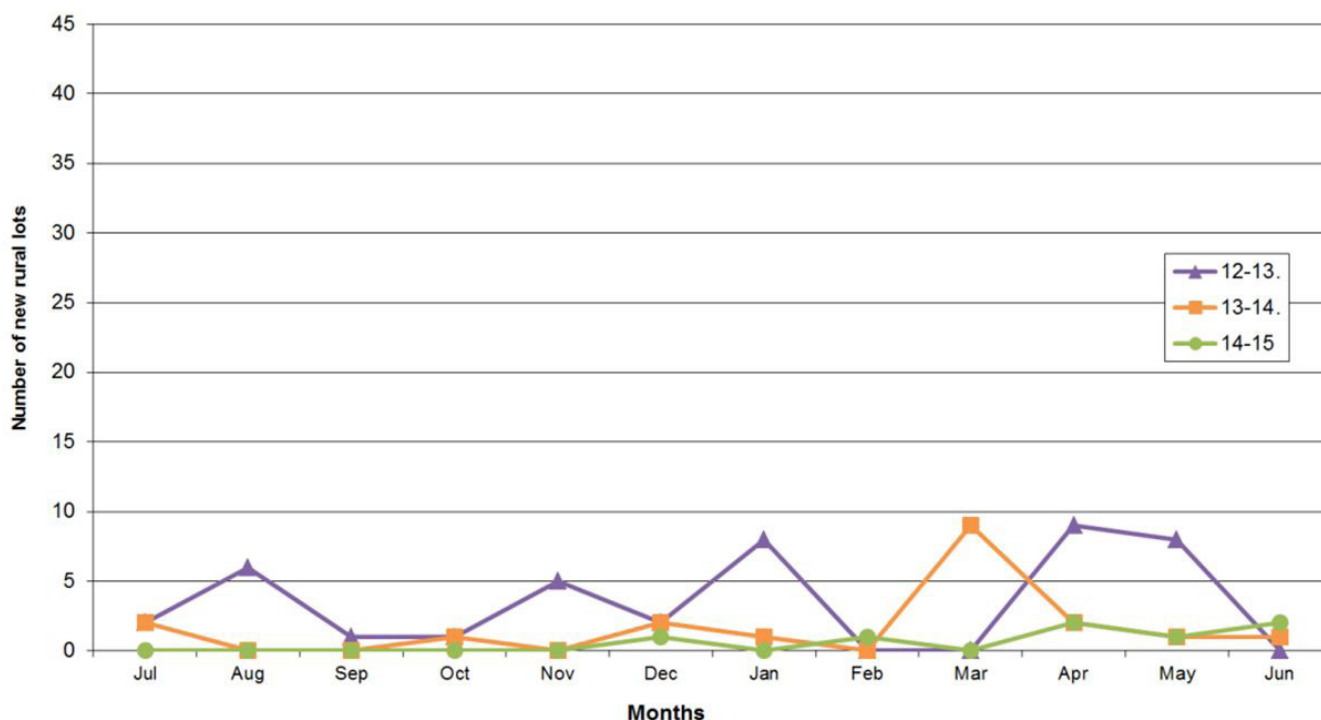
Activity - Resource Management

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,031,069	1,017,124	848,169
Other Income	376,276	486,726	405,098
Total Operating Revenue	1,407,344	1,503,850	1,253,267
OPERATING EXPENDITURE			
Employment Costs	649,052	680,454	609,094
Other Direct Expenditure	269,033	445,891	512,926
Council Overheads	271,008	271,005	276,384
Depreciation	6,337	11,500	6,876
Total Operating Expenditure	1,195,431	1,408,850	1,405,281
Operating Surplus (Deficit)	\$211,913	\$95,000	(\$152,014)
CAPITAL EXPENDITURE			
Resource Management	0	0	(12,206)
Subdivision Inspection	0	0	0
Total Capital Expenditure	\$0	\$0	(\$12,206)

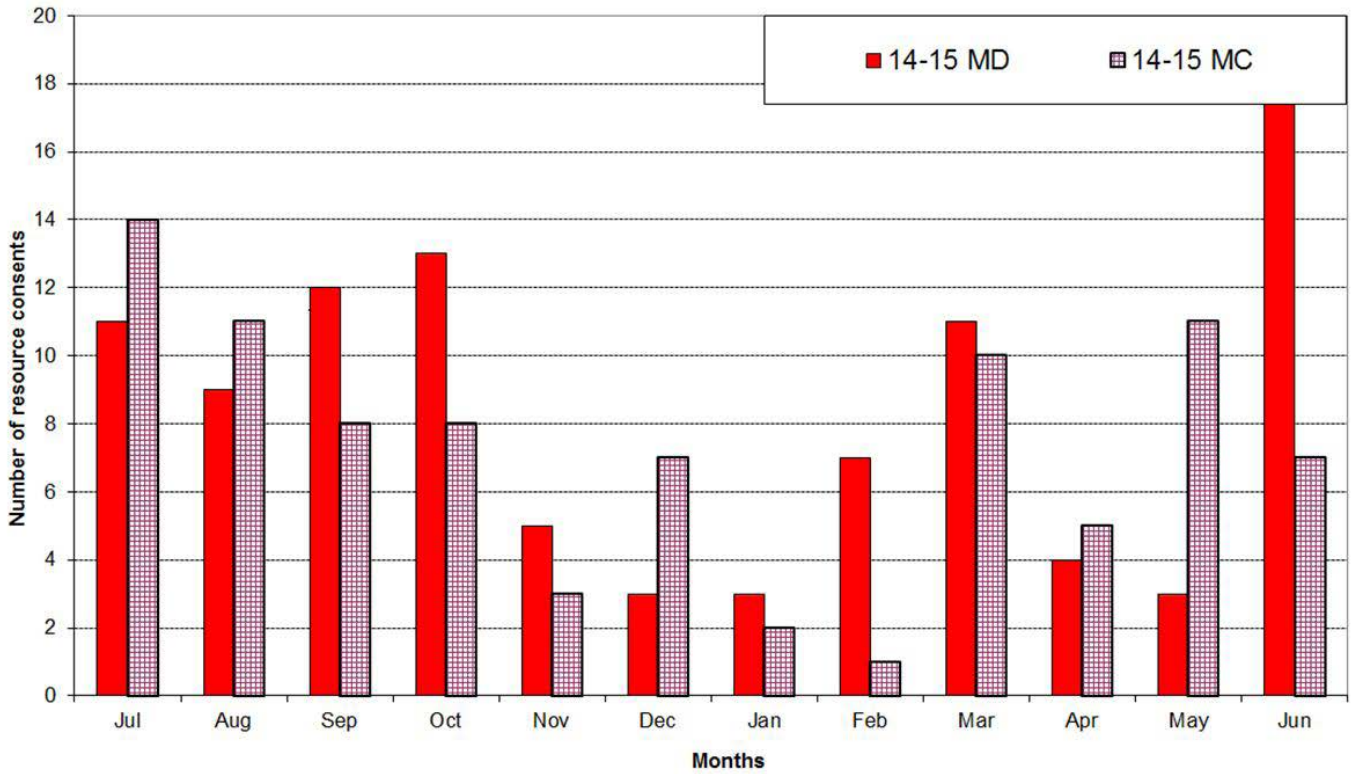
**Percentage of non-notified Resource Consents processed within the 20 working day statutory timeframe
Comparison between financial years**



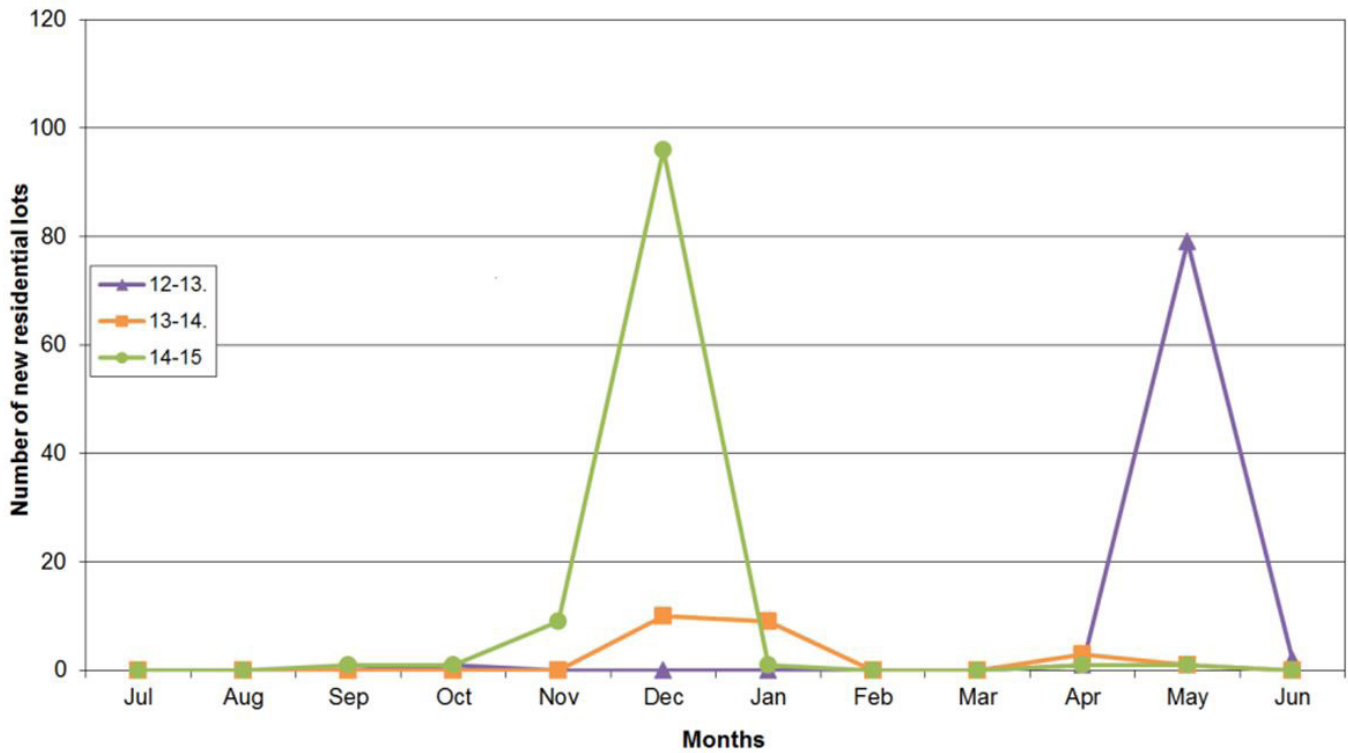
**Number of rural lots created by subdivision consents
Comparison between financial years**



Number of resource consents due for monitoring verses number of resource consents monitored for the financial year July 13 - June 14



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



Compliance and regulatory functions

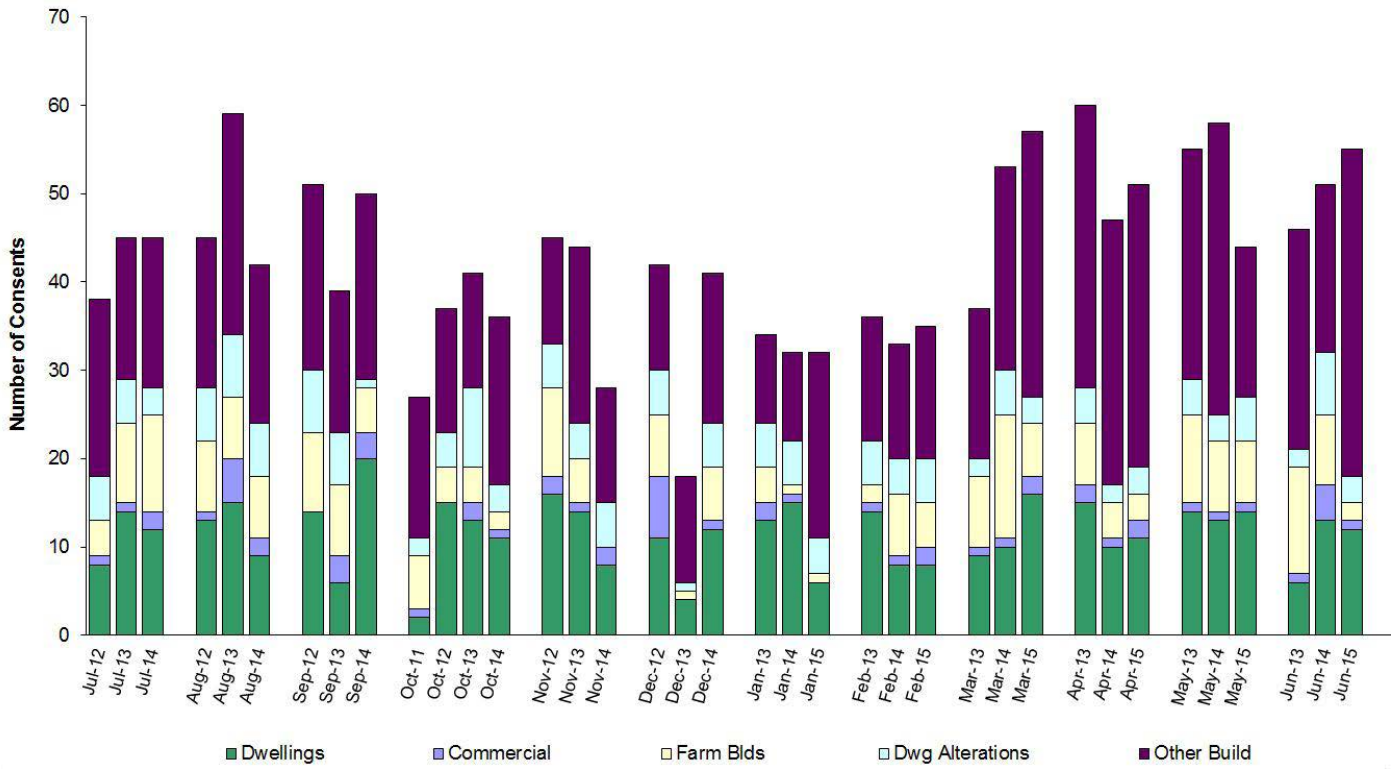
Goal	How we will achieve the goal	Performance measures
Buildings are safe for the public.	Inspect buildings in accord with NZ building standards.	By 2014/15 all earthquake prone buildings have been inspected.
End of year result - Not met		
Council decided not to proceed with earthquake prone work until the legislation governing this area has been confirmed. This is a budget conscious decision to ensure funds are not wasted through inspecting buildings that may not require inspection. The law governing this is expected in the latter part of 2015. The only buildings that have been assessed are council owned buildings but this occurred in past years before the legislation was set to change.		

Goal	How we will achieve the goal	Performance measures
Buildings are safe for the public.	Inspect buildings in accord with NZ building standards.	80% of building consents are processed within 20 working days.
End of year result - Met		
491 building consents were issued during the year with an average processing time of 10 days. 100% were issued under 20 working days. This is an improvement on last year when 96% were processed within the 20 days, but there more consents issued last year with a total of 513 in 2013/14. In the past two years, the council has exceeded its expectations, hence the low performance measure of only 80%. More improvement initiatives are being undertaken to further reduce the average consenting times, such as electronic processing.		

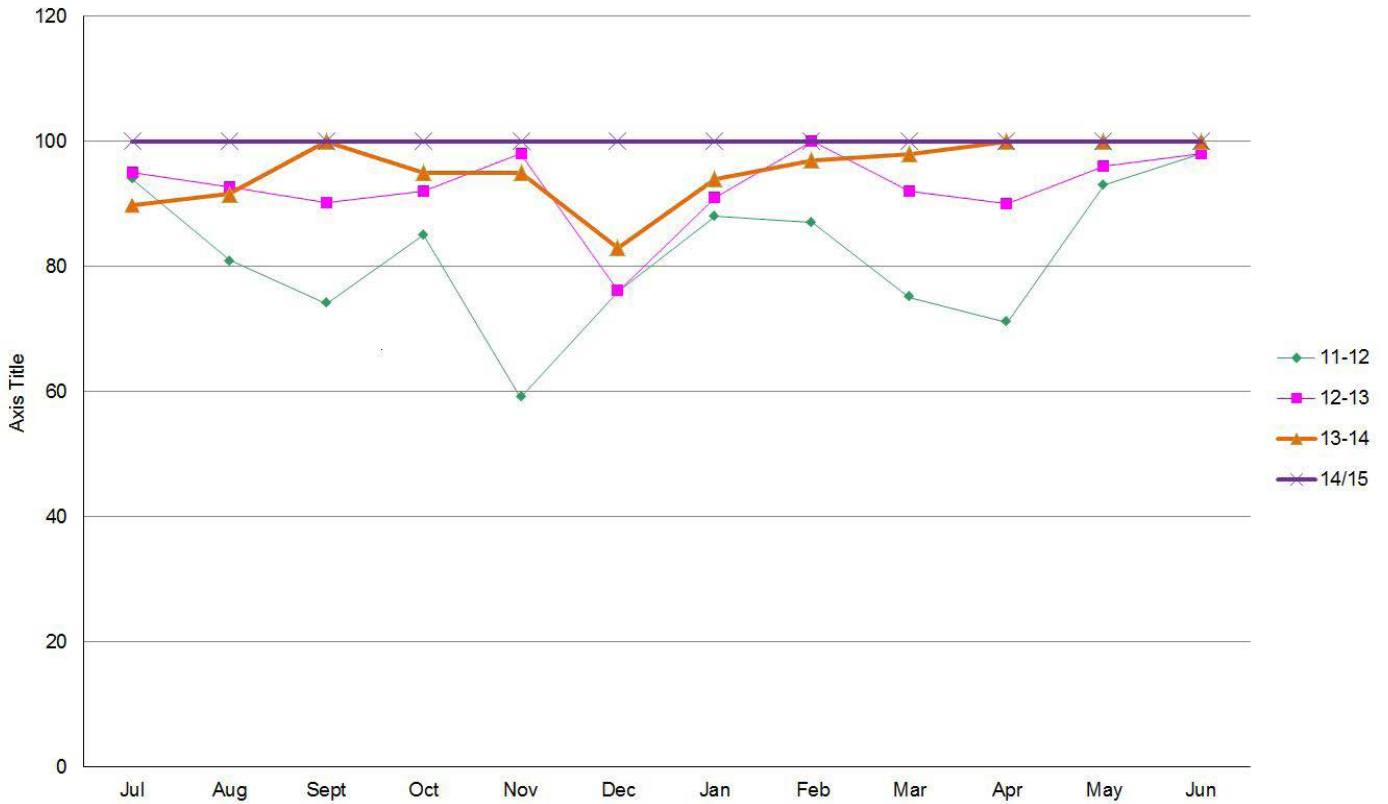
Goal	How we will achieve the goal	Performance measures
Food and liquor premises are compliant with standards.	Inspect food and liquor outlets to make sure they do not pose any risk to the public.	100% of licensed food and on licence liquor premises are inspected annually.
End of year result - Met		
100% (159) of licensed food premises and 100% (47) of on-licensed alcohol premises were inspected during the year. This is a better result than the previous year when 93% (155) of licensed food premises and 96% (47) of on-licensed alcohol premises were inspected. As a result of the inspections, some minor food related issues were identified and resolved, with one identified as having on-going food safety management related issues. New food and alcohol legislation has occurred over the past year with changes requiring Food Control Plans to be in place by March 2017. Of the 94 premises that will require Food Control Plans, 22 premises currently have approved plans. Due to changes in the Sale and Supply of Alcohol Act 2012 an additional 33 special licences for off-site sales were required for the Culverden Fete and Waipara Wine and Food Festival. During the year an exercise was conducted to test that no premises were selling alcohol to those under the legal age limit. No sales were made at the 26 premises visited. This was an improvement on last year when 7 underage sales were made.		

Goal	How we will achieve the goal	Performance measures	
Dogs and stock do not cause a nuisance.	Investigate complaints about animals causing danger or nuisance.	All serious dog complaints are followed up within 24 hours.	
End of year result - Met			
Council's dog registration data base has 5,494 dogs on record, an increase from the 5,399 in 2014. All 35 serious dog complaints were investigated within 24 hours. A total of 487 complaints were made about dogs during the year. The nature of the complaints compared with previous years is shown below.			
	2015	2014	2013
Aggressive behaviour	35	34	43
Stock worrying	11	7	17
Barking	114	69	75
Lost/Found/Roaming	278	246	256
Welfare	18	16	19

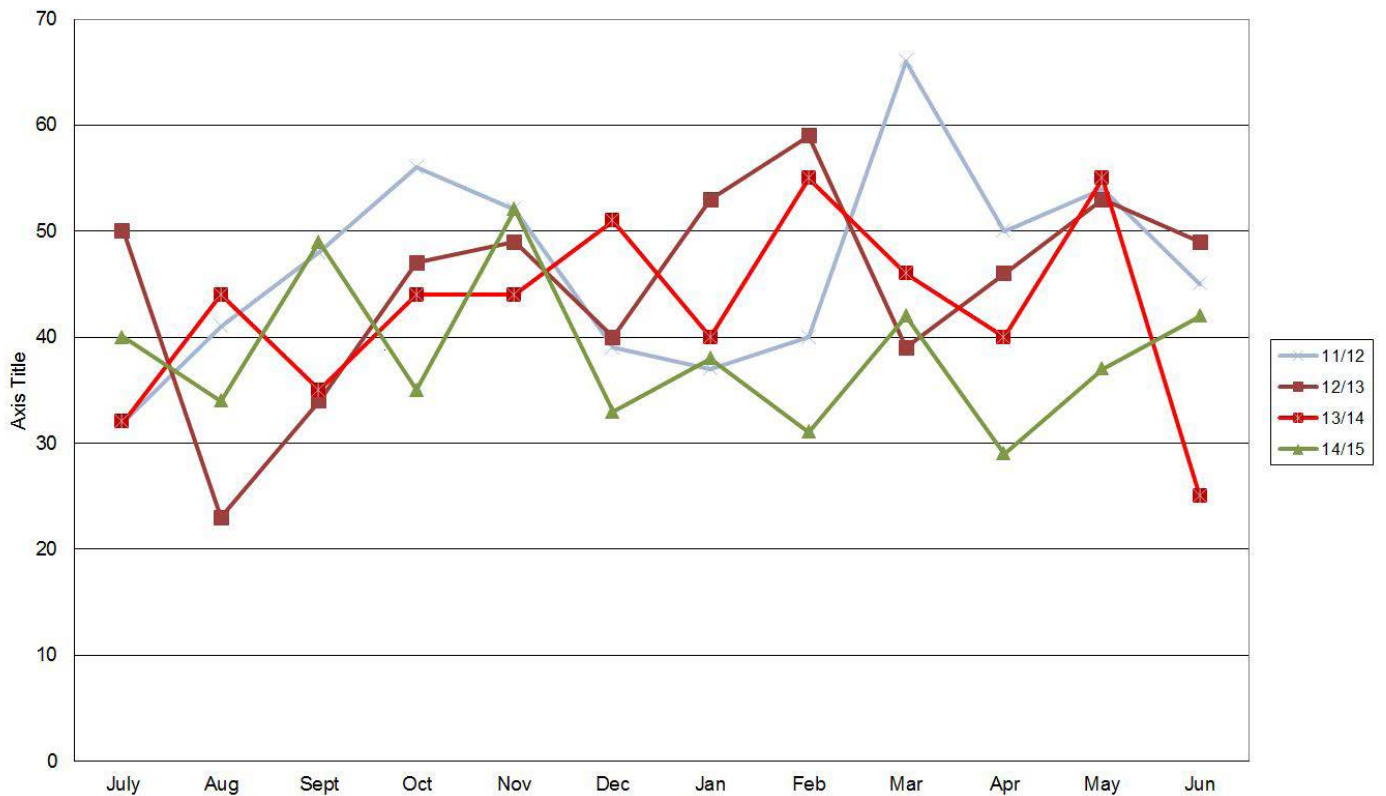
Building Consents issued by category for whole District



Percentage of Consents issued within the 20 day statutory time frame



Number of LIMs issued



Activity - Compliance & Regulatory Functions

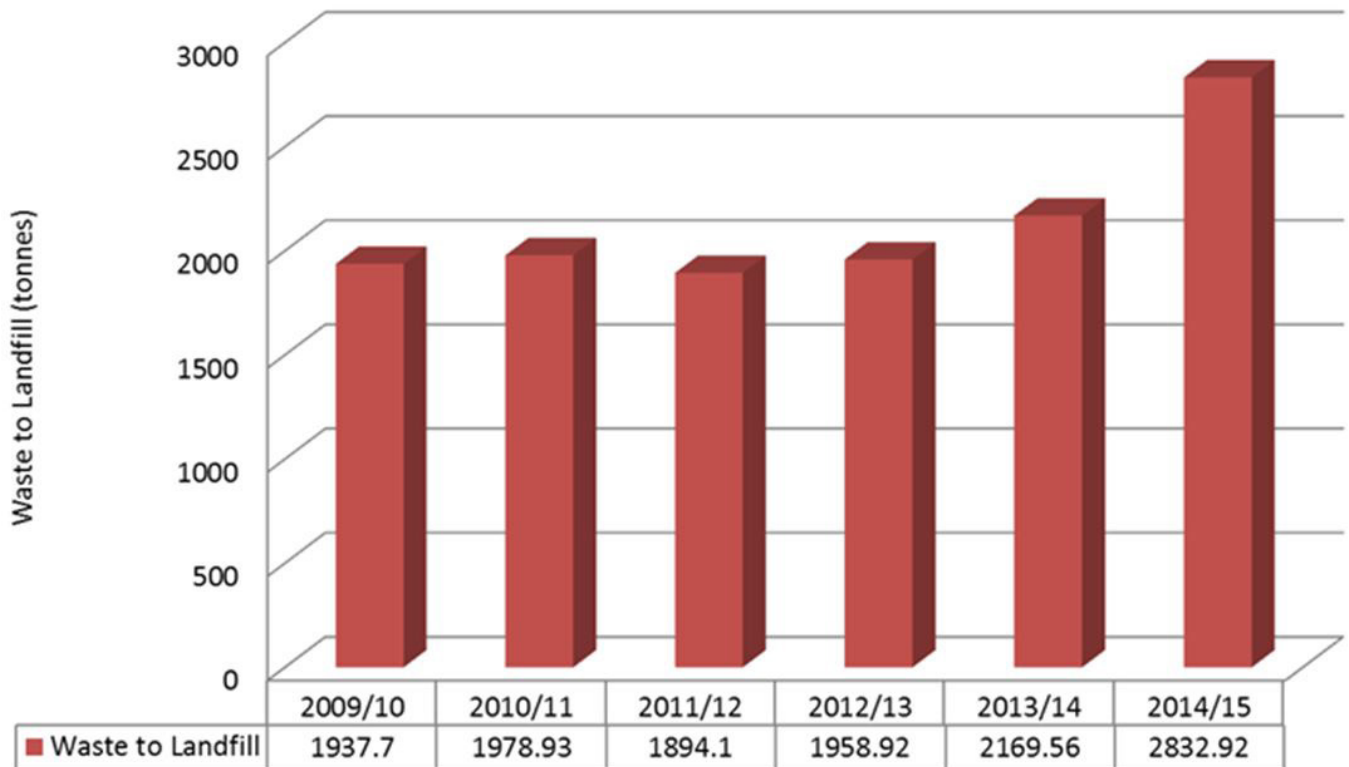
	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	210,993	206,933	397,016
Other Income	1,032,444	1,065,555	1,040,158
Total Operating Revenue	1,243,437	1,272,488	1,437,175
OPERATING EXPENDITURE			
Employment Costs	852,431	792,030	755,214
Other Direct Expenditure	363,273	255,378	394,438
Council Overheads	223,260	223,256	240,132
Depreciation	25,906	23,333	12,301
Total Operating Expenditure	1,464,870	1,293,997	1,402,084
Operating Surplus (Deficit)	(\$221,433)	(\$21,509)	\$35,090
CAPITAL EXPENDITURE			
Building Control	39,040	36,845	8,558
Public Health	0	25,980	0
Liquor Licensing	0	0	0
Animal Control	0	0	0
Total Capital Expenditure	\$39,040	\$62,825	\$8,558

Waste minimisation

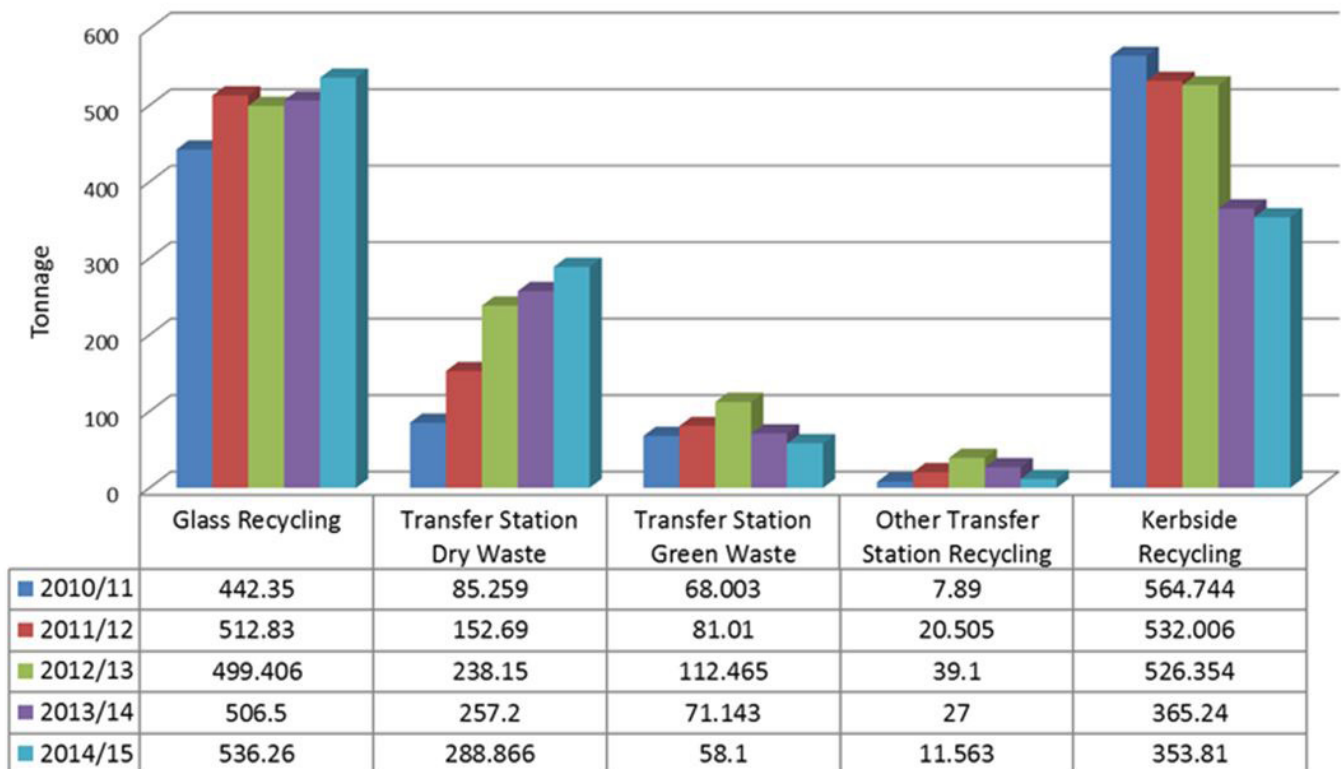
Goal	How we will achieve the goal	Performance measures
To continue to work to reduce the quantities of residual waste from the district, disposed of to landfill.	Encourage the community to recycle and reduce their residual waste.	Residual waste to landfill reduces each year.
End of year result - Not met		
<p>Despite our best efforts to reduce the amount of residual waste sent to landfill each year, we have not been able to achieve that this year. A major factor is the growing Amberley population and with the popularity of holiday accommodation in Hanmer Springs which has contributed to see waste increasing.</p> <p>Compared to last year (when 2169.56 tonnes of waste was disposed of to landfill), this year 2832.92 tonnes was sent to Kate Valley. This increase is partly due to the new Amberley transfer station which opened in June 2014. It has been well received including new waste from commercial contractors and skip providers. Previously, such waste was not accepted. The Council will continue to be pro-active encourage and educate people to recycle and reduce waste.</p>		

Goal	How we will achieve the goal	Performance measures
To continue to work to reduce the quantities of residual waste from the district, disposed of to landfill.	Encourage the community to recycle and reduce their residual waste.	Recycling levels increase each year.
End of year result - Mostly met		
<p>The Council continues to be committed to increasing recycling. Compared to the same period last year, recycling has increased by 21.52 tonnes (1227.08 tonnes to 1248.6 tonnes).</p> <ul style="list-style-type: none"> The volume of glass recycled in comparison to previous years has risen; 536 tonnes during the year compared with 506 tonnes in 2013/14 and 499 tonnes in 2012/13. The volume of recyclables (plastic, paper, cardboard and metal) coming into our transfer stations is increasing; 288.866 tonnes during the year compared with 256.168 tonnes in 2013/14. There has been a decrease in green waste coming into the transfer stations, suggesting people are burning or composting; 58 tonnes during the year compared with 71 in 2013/14 and 112 in 2012/13. Kerbside volumes have been decreasing since 2010. It is difficult to establish the reasons for this, but this year 353.81 tonnes were collected compared to 365 tonnes in 2013/14; 526 in 2012/13 and 532 in 2011/12. Until February 2014, when we changed recycling contractors, the way the collection volumes were measured had been rudimentary. Measurements are now accurate, being weighbridge verified. <p>There are a number of contributing factors for the increase in recycling; these being</p> <ol style="list-style-type: none"> The growth in housing and population in Amberley and visitors numbers to Hanmer Springs. The provision of a new Amberley transfer station, with out of hours recycling facilities. The introduction of a user pays refuse collection service and uniform refuse bags in July 2014. 		

Hurunui - Waste to Landfill



Breakdown of Hurunui's Recycling



Activity - Waste Minimisation

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,591,645	1,550,331	1,729,526
Other Income	571,165	298,500	254,469
Internal Interest Received	2,802	3,107	4,315
Total Operating Revenue	2,165,612	1,851,938	1,988,310
OPERATING EXPENDITURE			
Employment Costs	114,236	132,787	97,688
Other Direct Expenditure	1,921,665	1,596,515	1,802,552
Internal Interest Paid	0	0	0
Council Overheads	92,628	92,635	124,752
Depreciation	72,604	30,000	89,197
Total Operating Expenditure	2,201,133	1,851,937	2,114,190
Operating Surplus (Deficit)	(\$35,522)	\$1	(\$125,879)
CAPITAL EXPENDITURE			
Transfer Stations	88,943	0	1,154,658
Litter Bin Collection	0	0	0
Household Refuse Collection	0	0	0
Total Capital Expenditure	\$88,943	\$0	\$1,154,658

District promotion

District promotion covers one activity:

1. District promotion

Our aim

To retain businesses and support their growth and prosperity, to attract investment, new businesses, tourists and visitors, and promote the Hurunui District to improve the local economy and well-being of the local community.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating deficit of \$27,386 was recorded against a budgeted operating deficit of \$48,672. The key variances from budget have been:

- Other Income – various third party contributions were received during the year that was not budgeted for.
- Other Direct Expenditure – the third party contributions have been made for specific additional projects undertaken by the Hurunui Tourism Board. In addition, the Hurunui Tourism Board utilised unspent funds from prior years to carry out a range of other projects.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating deficit of \$27,386 was \$44,196 less than the operating deficit recorded for the 2012/2013 year of \$71,582.

Significant Capital Expenditure

Although it was not specifically budgeted for, the Council spent \$35,371 on updating its Visitor Information Boards throughout the District.

Internal Borrowing

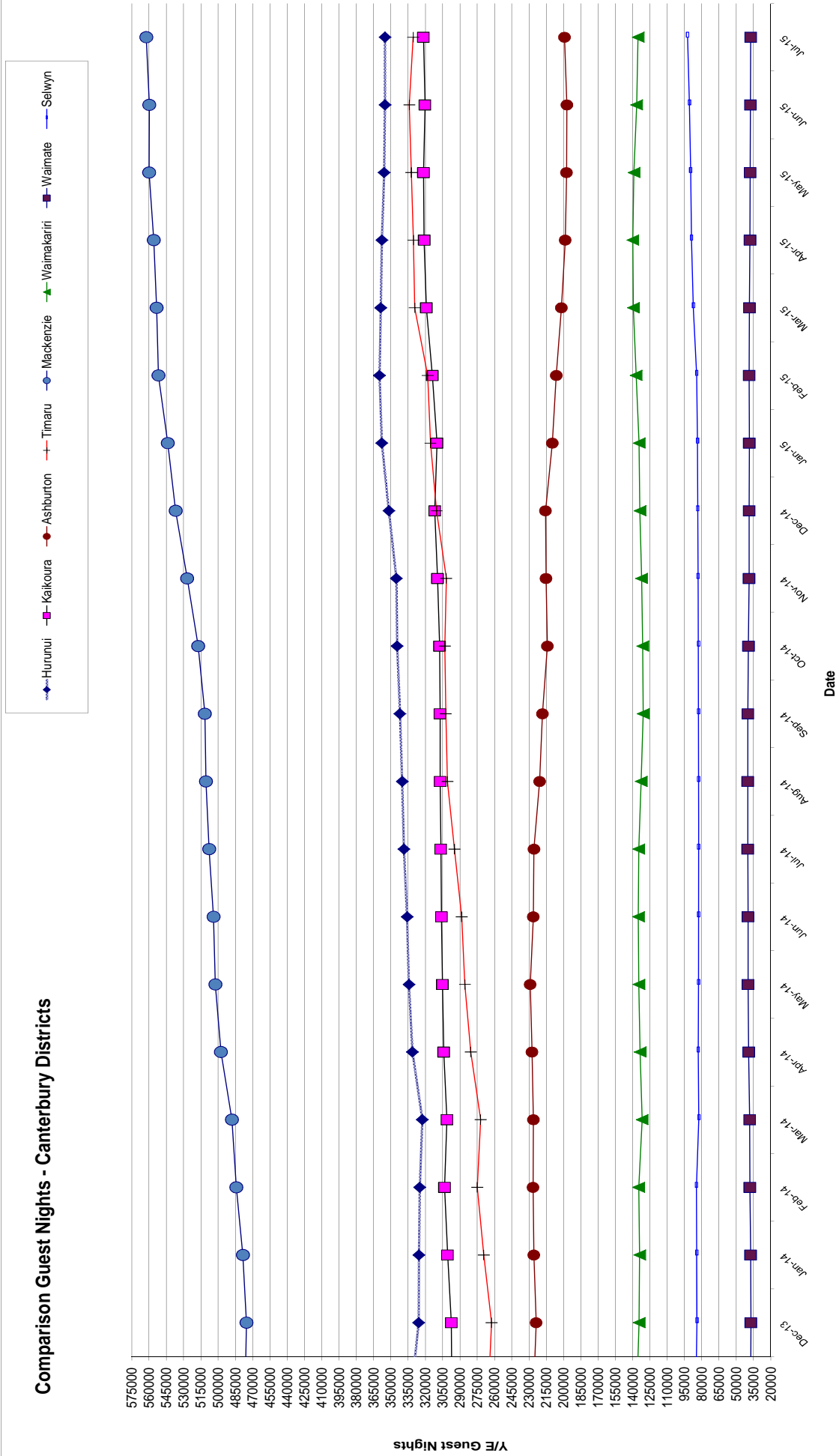
This activity does not hold internal borrowings.

Goal	How we will achieve the goal	Performance measures
To increase our visitors and population.	Promote the District through advertising and marketing and encourage people to come.	Number of visitor numbers who stay overnight will not be less than the NZ average.
End of year result - Met		
The number of visitors who stayed overnight (expressed as guest nights) during the year to April 2015 totalled 357,848 which was an 8% growth (April 2014 totalled 335,884 0.8% growth). This exceeded the total New Zealand guest nights which was a 5.4% growth (35,324,374).		

Group Activity - District Promotion

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Rates	293,971	296,512	297,081
Other Income	70,384	5,000	60,708
Internal Interest Received	0	0	0
Development Contributions	0	0	0
Council Overheads (Income)	0	0	0
Total Operating Revenue	364,355	301,512	357,790
OPERATING EXPENDITURE			
Employment Costs	54,734	57,055	51,345
Other Direct Expenditure	326,497	283,404	367,927
Internal Interest Paid	0	0	0
Council Overheads	3,156	3,154	3,528
Depreciation	7,354	6,571	6,571
Total Operating Expenditure	391,741	350,184	429,372
Operating Surplus (Deficit)	(\$27,386)	(\$48,672)	(\$71,582)
CAPITAL EXPENDITURE			
Tourism	35,371	0	0
Economic Development	0	0	0
Total Capital Expenditure	\$35,371	\$0	\$0

Comparison Guest Nights - Canterbury Districts



Hanmer Springs Thermal Pools and Spa

Hanmer Springs Thermal Pools and Spa covers one activity:

1. Hanmer Springs Thermal Pools and Spa (Pools, Spa, i-SITE, cafe)

Our aim

To be a nationally and internationally recognised quality visitor destination.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating surplus of \$1,459,945 was recorded against a budgeted operating surplus of \$1,075,558. The key variances from budget have been:

- Other Income – income from the Hanmer Springs Thermal Pools and Spa finished the year \$102,848 lower than the amount budgeted for.
- Employment Costs and Other Direct Expenditure – overall, Employment and Other Direct expenditure was \$123,281 lower than was budgeted for.
- Internal Interest – The internal debt was adjusted to move in line with the actual capital expenditure and as a result the interest charge for the year was \$200,303 lower than was allowed for in the budget.
- Depreciation – as there were delays in the completion of the Changing Rooms upgrade, the level of depreciation charge on the new assets were lower than was allowed for in the budget.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating surplus of \$1,459,945 was \$211,797 higher than the operating surplus recorded for the 2013/2014 year of \$1,248,148. The key variance from last year was:

- Other Income – due to a combination of higher patronage and a price increase during the year, the overall income from the activity increased by \$235,129 from 2013/2014.
- Employment Costs and Other Direct Expenditure – overall, direct expenditure increased by \$188,331.
- Internal Interest – The internal debt was adjusted to move in line with the actual capital expenditure and as a result the interest charge for the year was \$153,324 lower than was charged in 2013/2014.

Significant Capital Expenditure

Overall, \$2,060,944 was recognised as Capital Expenditure for the 2014/2015. This was \$416,664 greater than was budgeted for, although there were funds carried forward from the previous year. The key project undertaken was the completion of the changing rooms upgrade at a cost of \$1.5 million. This project had been budgeted as part of the 2012/2022 Long Term Plan and was completed prior to the key summer trading period.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$10,698,003.
- An adjustment of \$1,782,277 was made by Council to reflect the actual capital expenditure incurred in the previous year. During the 2014/2015 a further \$1,722,122 was withdrawn from the debt to fund the work on the changing rooms, café and Main Street Spa, resulting in the internal debt ended the year at \$10,637,848, at \$61,055 decrease in debt from the previous year.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$782,751.

Goal	How we will achieve the goal	Performance measures
Manage and operate the thermal reserve complex to attract local, national and international visitors.	Advertise, market and promote the complex.	Customer numbers are maintained or increased according to the annual projections of 3% growth in customer numbers.
End of year result - Not met		
Customer numbers totalled 516,000 during the year, a reduction of 8,000 from the previous year (524,000). The reduction was a result of less discounting as the 'super-sale' customers reduced from 27,000 to 14,000. This was a strategic decision to increase our yield per customer.		

Goal	How we will achieve the goal	Performance measures
Manage the thermal reserve complex profitably.	Operate the complex to an approved business plan.	The thermal complex achieves an annual surplus in line with the annual budget.
End of year result - Met		
The profit from the thermal complex exceeded the budget by almost \$200,000. The profit totalled \$2,504,000 when \$2,311,000 was the aim. This was the desired outcome and the reduction of the super-sale (see above) contributed to the higher profit margin.		

Goal	How we will achieve the goal	Performance measures
Maintain the complex so that it is in good condition for future generations.	Protect the thermal water to ensure an ongoing supply.	Bore water consumption levels are within the consent limits at no more than 47.5 litres per second.
End of year result - Met		
The bore water consumption levels were well within the consent limits at 13.3 litres per second on average over the year. This was a further improvement on last years levels at 16.11 litres per second.		

Group Activity - Hanmer Springs Thermal Pools & Spa

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
Operating Statement			
OPERATING REVENUE			
Other Income	10,201,913	10,304,761	9,966,784
Total Operating Revenue	10,201,913	10,304,761	9,966,784
OPERATING EXPENDITURE			
Employment Costs	3,910,279	3,912,091	3,704,932
Other Direct Expenditure	3,111,153	3,232,622	3,128,169
Internal Interest Paid	782,751	983,054	936,075
Council Overheads	138,132	138,137	135,720
Depreciation	799,654	963,298	813,739
Total Operating Expenditure	8,741,968	9,229,202	8,718,636
Operating Surplus (Deficit)	\$1,459,945	\$1,075,558	\$1,248,148
CAPITAL EXPENDITURE			
Hanmer Springs Thermal Pools & Spa	2,060,944	1,644,280	813,632
Total Capital Expenditure	\$2,060,944	\$1,644,280	\$813,632

Governance

Governance covers one activity:

1. Governance

Our aim

To provide support and leadership to the Hurunui community and to ensure that the interests of residents and communities are advanced by the Council taking a role as 'advocate' on their behalf.

Achievement of levels of service

This activity has performance measures to describe the service targets we were aiming for. These are set out in the following pages with a commentary on how we have performed at the end of the year (end of year results).

Financial Commentary – 2014/2015 Actual compared with 2014/2015 Budget

Overall, an operating surplus of \$99,180 was recorded against a breakeven budget for the year. The key variances from budget have been:

- Other Direct Expenditure – the actual costs incurred for travelling expenses for the Councillors and the final cost of the audit of the Long Term Plan was lower than was budgeted for.

Financial Commentary – 2014/2015 Actual compared with 2013/2014 Actual

This year's operating surplus of \$99,180 was \$40,239 greater than the operating surplus recorded for the 2013/2014 year of \$58,941. The key variances from last year were:

- Other Direct Expenditure – Direct expenditure includes \$68,483 in audit fees for the Long Term Plan that was not incurred in the previous year.
- Council Overheads - This was reallocated as part of the Annual Plan process and a reduction of \$61,986 was recorded from last year.

Significant Capital Expenditure

No capital expenditure was incurred this year.

Internal Borrowing

This activity does not hold internal borrowings.

Group Activity - Governance

	2014/2015 Actual	2014/2015 Budget	2013/2014 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,027,167	1,019,556	1,018,852
Other Income	21,233	21,000	21,328
Internal Interest Received	0	0	0
Total Operating Revenue	1,048,400	1,040,556	1,040,180
OPERATING EXPENDITURE			
Employment Costs	456,056	490,966	479,109
Other Direct Expenditure	238,662	291,263	186,672
Council Overheads	248,868	248,862	310,764
Depreciation	5,634	9,464	4,695
Total Operating Expenditure	949,220	1,040,555	981,240
Operating Surplus (Deficit)	\$99,180	\$1	\$58,941
CAPITAL EXPENDITURE			
Council	0	0	5,360
Total Capital Expenditure	\$0	\$0	\$5,360

Financial Statements

Statement of comprehensive revenue and expense	50
Statement of financial position	51
Statement of changes in equity	52
Statement of cash flows	53
Notes to the financial statements	54
Funding impact statements	99

Statement of comprehensive revenue and expense

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Group		Council		
		Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Budget 2015 \$000's	Actual 2014 \$000's
Revenue						
Rates, excluding targeted water supply rates	3	14,919	14,381	14,919	14,404	14,381
Targeted rates for water supply	3	496	499	496	474	499
Subsidies and grants	4	4,869	5,153	4,869	3,536	5,153
Development and financial contributions		956	472	956	518	472
Fees and charges, excluding those for water supplies	5	12,806	12,173	12,806	12,734	12,173
Fees and charges for water supplies	5	336	160	336	0	160
Interest revenue	6	65	60	65	77	60
Other revenue	7	3,019	3,938	3,019	960	3,938
		37,465	36,836	37,465	32,703	36,836
Less Expenditure						
Employee Benefits	8	10,546	9,933	10,546	10,422	9,933
Other Expenses	9	17,436	20,041	17,436	15,262	20,041
Finance Expenses	6	1,688	508	1,688	1,016	508
Depreciation, Amortisation and Loss on Disposal	20	8,240	8,213	8,240	6,468	8,213
Total Operating Expenditure		37,909	38,694	37,909	33,168	38,694
Operating Surplus/(Deficit) before tax		(444)	(1,858)	(444)	(465)	(1,858)
Share of associates surplus/(deficit)		(4)	(3)	0	0	0
Net Surplus/(Deficit) before tax		(448)	(1,861)	(444)	(465)	(1,858)
Tax Expense	10	0	0	0	0	0
Net Surplus/(Deficit) after tax		(448)	(1,861)	(444)	(465)	(1,858)
Add Other Comprehensive Revenue and Expense						
Gains/(Losses) on Asset Revaluation		11,010	4,163	11,010	5,886	4,163
Gains/(Losses) in Fair Value of Shares		151	121	151	0	121
		11,161	4,283	11,161	5,886	4,283
Total Comprehensive Revenue and Expense		10,713	2,422	10,717	5,421	2,425

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

Statement of financial position

AS AT 30 JUNE 2015

	Notes	Group			Council	
		Actual	Actual	Actual	Budget	Actual
		2015	2014	2015	2015	2014
		\$000's	\$000's	\$000's	\$000's	\$000's
Assets						
Current Assets						
Cash and cash equivalents	11	1,774	4,075	1,774	279	4,075
Trade and other receivables	12	3,149	3,442	3,149	2,436	3,442
Inventories	15	157	143	157	165	143
Non-current assets held for sale	16	305	305	305	324	305
Derivative financial instruments	13	0	0	0	0	0
Total current assets		5,384	7,964	5,384	3,204	7,964
Non-current assets						
Property, plant and equipment						
- Operational	18	46,380	45,219	46,380	43,662	45,219
- Restricted	18	37,315	37,322	37,315	40,870	37,322
- Infrastructure	18	301,147	286,513	301,147	299,250	286,513
Intangible assets	19	254	140	254	65	140
Forestry assets	21	552	950	552	1,005	950
Other financial assets	14	825	617	825	375	617
Investments in associates	17	207	211	0	0	0
Derivative financial instruments	13	35	137	35	0	137
Total non-current assets		386,716	371,109	386,509	385,227	370,898
Total assets		392,100	379,074	391,893	388,431	378,863
Liabilities						
Current liabilities						
Payables and deferred revenue	22	6,332	6,739	6,332	4,884	6,739
Landfill aftercare provision	25	8	8	8	0	8
Employee entitlements	24	987	1,122	987	1,557	1,122
Current portion of term debt	23	0	2,000	0	0	2,000
Derivative financial instruments	13	13	1	13	0	1
Total current liabilities		7,340	9,869	7,340	6,441	9,869
Non-current liabilities						
Term debt	23	17,200	14,200	17,200	18,000	14,200
Landfill aftercare provision	25	98	116	98	407	116
Employee entitlements	24	93	47	93	0	47
Derivative financial instruments	13	808	111	808	0	111
Total non-current liabilities		18,199	14,475	18,199	18,407	14,475
Total liabilities		25,539	24,344	25,539	24,848	24,344
Net assets		366,561	354,730	366,354	363,583	354,519
Equity						
Asset revaluation reserve	26	210,485	199,695	210,485	185,218	199,695
AFS investments revaluation reserve	26	408	257	408	0	257
Special fund reserves	26	1,598	785	1,598	0	785
Rate reserve funds	26	(26,338)	(24,261)	(26,338)	(19,264)	(24,261)
Retained earnings	26	180,408	178,254	180,201	197,629	178,043
Total Equity		366,561	354,730	366,354	363,583	354,519

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

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2015

Notes	Group			Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Budget 2015 \$000's	Actual 2014 \$000's
Equity at Start of Year	354,730	353,538	354,519	358,162	353,324
Adjustments on transition to new PBE accounting standards	0	(1,230)	0	0	(1,230)
Adjusted Equity at Start of Year	354,730	352,308	354,519	358,162	352,094
Add Total Comprehensive Revenue and Expense for Year	10,713	2,422	10,717	5,421	2,425
Found Assets	1,119	0	1,119	0	0
Equity at End of Year	366,561	354,730	366,354	363,583	354,519

The adjustment on transition to new PBE accounting standards has been made to reflect the change in accounting treatment of the grant Council received from the Ministry of Culture and Heritage in May 2010 of \$1.5 million. This grant was provided with conditions to undertake urgent maintenance and earthquake strengthening work on the Nurses Block situated on the former Queen Mary Hospital site. Of the original grant, Council holds \$1,229,905 to complete those works. This funding is now recognised as revenue received in advance. See note 22 for further details.

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

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2015

Notes	Group			Council	
	Actual	Actual	Actual	Budget	Actual
	2015	2014	2015	2015	2014
	\$000's	\$000's	\$000's	\$000's	\$000's
Cash flows from operating activities					
Revenue	36,740	36,569	36,740	32,439	36,569
Agency receipts	3,218	3,006	3,218	2,243	3,006
Interest received	65	60	65	0	60
Dividends received	163	128	163	77	128
Payments to suppliers and employees	(29,453)	(29,925)	(29,453)	(25,512)	(29,925)
Interest and other costs of finance paid	(781)	(832)	(781)	(1,016)	(832)
Agency payments	(3,218)	(3,006)	(3,218)	(2,243)	(3,006)
Net GST Movement	256	(178)	256	0	(178)
Net cash from operating activities	6,990	5,822	6,990	5,988	5,822
27					
Cash flows from investing activities					
Payment on Loan	0	0	0	0	0
Proceeds from the sale of plant, property & equipment	71	0	71	0	0
Proceeds on sale of investments	0	101	0	0	101
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	(57)	(121)	(57)	0	(121)
Payment for plant, property & equipment	(10,305)	(7,363)	(10,305)	(10,335)	(7,363)
Net cash from investing activities	(10,291)	(7,383)	(10,291)	(10,335)	(7,383)
Cash flows from financing activities					
Proceeds from the issue of debt securities	4,000	3,850	4,000	3,500	3,850
Repayment of loans	(3,000)	0	(3,000)	0	0
Net cash from financing activities	1,000	3,850	1,000	3,500	3,850
Increase/(decrease) in cash & cash equivalents	(2,301)	2,289	(2,301)	(847)	2,289
Cash and cash equivalents as 1 July	4,075	1,786	4,075	1,126	1,786
Cash and cash equivalents as 30 June	1,774	4,075	1,774	279	4,075

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 policies and notes form part of the financial statements.

Notes to the financial statements

Note 1. Statement of Accounting Policies for the year ended 30 June 2015

Reporting Entity

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

The group consists of the ultimate parent Hurunui District Council and its subsidiary Hurunui Holdings Limited (HHL) (100% owned), associate Enterprise North Canterbury (50% equity share) and Canterbury Economic Development Company Limited (10%) and Transwaste Canterbury Limited (1.2%). The Council's subsidiaries and associates are incorporated and domiciled in New Zealand.

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

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

The financial statements of the Council and group are for the year ended 30 June 2015. The financial statements were authorised for issue by the Council on 2 November 2015.

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 Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

These financial statements comply with PBE Standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising

on transition to the new PBE accounting standards are explained in note 38.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not for profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects there will be minimal or no change in applying these updated accounting standards.

Summary of Significant Accounting Policies

Basis of Consolidation

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

Subsidiaries

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

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the

Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

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

Associates

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

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

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

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

Revenue

Revenue is measured at the fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Development contributions

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

New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

Entrance fees are fees charged to users of the Council's facilities, such as local swimming pools and Hanmer Springs Thermal pools and Spa. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

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

Infringement fees and fine

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

Vested or donated physical assets

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

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets from property developments, the fair value is based on construction price information provided by the property developer or the Council's standard unit costs are used.

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

Interest revenue

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

Dividend revenue

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

Borrowing costs

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

Grant expenditure

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Income tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at

the time of the transaction, affects neither accounting profit nor taxable profit.

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

Leases

Operational leases

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

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

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

Derivative financial instruments

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

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

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

Other financial assets

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

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

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

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

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

Financial assets at fair value through surplus or deficit

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

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

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

Loans and receivables

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

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

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held-to-maturity investments

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

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

Fair value through other comprehensive revenue and expense

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

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

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

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

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Inventories

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

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

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

Property, plant & equipment

Property, plant and equipment consists of:

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

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

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

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

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

Additions

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

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

Disposals

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

Subsequent Costs

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

Revaluation

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

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

Operational Land and Buildings

Land and Buildings were valued by QV Limited (Registered Valuers) as at 30 June 2014. The basis of

valuation is fair value with reference to highest and best use, as at 30 June 2014. They are stated at valuation less accumulated depreciation and accumulated impairment.

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

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

Restricted Assets

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

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

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

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

Roading assets have been valued at depreciated replacement cost as at 30 June 2013. The valuation was performed internally by HDC's Roothing Engineer – Asset Management, J Whyte and peer reviewed by George JasonSmith, BE(NSW), MIPENZ(Civil), CPEng, Principal Asset Management Consultants for AECOM New Zealand

Limited. Additions and disposals after the date of valuation will be recorded at cost.

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

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

Depreciation

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

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

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as shown in the table on the following page.

Intangible assets

Software acquisition and development

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

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Group are recognised

	Useful Life	Depreciation Rate
Buildings - wooden (excluding properties intended for sale)	50 years	2%
Buildings - concrete (excluding properties intended for sale)	100 years	1%
Furniture and fittings: administration	5 years	20%
Furniture and fittings: pensioner flats	10 years	10%
Library books	3 – 8 years	12.5 – 33.33%
Computer hardware	3 – 4 years	25 – 33.33%
Motor vehicles	5 years	20%
Thermal pools - plant	5 years	20%
Thermal pools – development expenditure	20 – 100 years	1% - 5%
Plant and machinery (excluding HDC's infrastructural assets)	10 years	10%
Small plant and machines	3 - 10 years	10 - 33.33%
Car parks	20 – 25 years	4 – 5%
Landscaping	10 – 50 years	2 – 10%
Roads, Streets and Bridges		
- Land under roads	Not depreciated	0%
- Pavement formation	Not depreciated	0%
- Pavement layers (sealed)	100 years	1%
- Pavement layers (unsealed)	Not depreciated	0%
- Pavement surface (sealed)	Average 16 years	6.25%
- Pavement surface (unsealed)	12 years	8.33%
- Culverts	25 – 50 years	2 – 4%
- Kerb and channel	50 – 80 years	1.25 – 2%
- Footpaths	20 – 75 years	1.33 – 5%
- Bridges – timber	70 years	1.43%
- Bridges – concrete and other	100 years	1%
- Retaining walls	50 years	2%
- Traffic signs	12 years	8.33%
- Street lighting	15 – 25 years	4 – 6.67%
Sewerage		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.5%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
Water		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	50 – 80 years	1.25 – 2%
- Reservoir and tanks	80 years	1.25%
- Pumps and controls	10 – 25 years	4 – 10%
- Pump stations/intakes	20 – 60 years	1.67 – 5%
- Treatment plant	10 – 80 years	1.25 – 10%
Drainage	3 - 10 years	10 - 33.33%
- Points	80 years	1.25%
- Lines	50 - 80 years	1.25 – 2%

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

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

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

Impairment of property, plant, and equipment and intangible assets

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

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

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

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

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

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

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

Forestry assets

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

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

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

Creditors and other payables

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

Borrowings

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

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

Employee Entitlements

Short-term employee entitlements

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Provisions

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

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

As operator of the Waikari Landfill, the Council has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements, and known improvements in technology, where there is sufficient evidence that these events will occur. The provision includes all other costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Equity

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

- retained earnings;
- restricted reserves;
- asset revaluation reserve;
- fair value through other comprehensive revenue and expense reserve; and

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

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

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

Asset revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

Goods and Services Tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

The budget figures are those approved by the Council in its 2014/2015 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Cost Allocation

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

‘Direct’ costs are those costs directly attributable to a significant activity.

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

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Infrastructural assets

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

Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying the accounting policies for the period ended 30 June 2015. Judgments have been made over useful lives of property, plant and equipment and intangible assets, landfill aftercare provision, probability of reaching vesting date for long service liability, sick leave provisions, valuations of infrastructural assets and the long term effects on the Council’s assets as a result of the Canterbury earthquakes. Therefore, actual results may differ from these estimates.

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

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

Page		Council		
		Actual 2015 \$000's	Budget 2015 \$000's	Actual 2014 \$000's
	Activities Revenue			
17	Water Supplies	5,391	5,100	5,065
19	Sewerage	1,258	933	1,036
22	Roads and Footpaths	9,482	7,642	9,385
24	Stormwater and Drainage	569	414	602
26	Community Services and Facilities	3,370	2,707	2,735
32	Environment and Safety	5,351	5,090	5,149
43	District Promotion	364	302	358
46	Hanmer Springs Thermal Pools and Spa	10,202	10,305	9,967
47	Governance	1,048	1,041	1,040
	Corporate Services	7,741	6,453	10,276
	Total activity income	44,776	39,985	45,613
	Less internal income	6,941	7,152	7,014
	Total Activities Revenue	37,835	32,833	38,599
	Gains/(Losses) on Forestry Revaluation	(398)	(112)	(1,788)
	Gains/(Losses) on NZ Emissions Units	28	0	25
	Total Revenue	37,465	32,721	36,836
	Less Activities Expenditure			
17	Water Supplies	5,820	5,173	5,728
19	Sewerage	1,559	1,384	1,469
22	Roads and Footpaths	8,757	6,846	9,807
24	Stormwater and Drainage	571	287	334
26	Community Services and Facilities	4,708	4,739	4,646
32	Environment and Safety	5,300	5,002	5,678
43	District Promotion	392	350	429
46	Hanmer Springs Thermal Pools and Spa	8,742	9,229	8,719
47	Governance	949	1,041	981
	Corporate Services	8,052	6,286	7,916
	Total activity expenditure	44,850	40,338	45,708
	Less internal expenditure	6,941	7,152	7,014
	Total Expenditure	37,909	33,186	38,694
	Net Surplus/(Deficit) before tax	(444)	(465)	(1,858)
	Tax Expense	0	0	0
	Net Surplus/(Deficit) after tax	(444)	(465)	(1,858)
	Add Other Comprehensive Income (not recognised in Activities Revenue or Expenditure)			
	Gains/(Losses) on Asset Revaluation	11,010	5,886	4,163
	Gains/(Losses) in Fair Value of Shares	151	0	121
	Total Comprehensive Revenue and Expense	10,717	5,421	2,425

Note 3: Rates

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Rates revenue				
District wide rates	6,094	6,012	6,094	6,012
Targeted rates				
- Other Water rates	4,409	4,114	4,409	4,114
- Refuse	699	870	699	870
- Stormwater/Drainage	318	318	318	318
- Road Sealing	0	(5)	0	(5)
- Rural Fire	308	291	308	291
- Tourism	206	202	206	202
- Pool Inspections	35	36	35	36
- Medical Centres	249	249	249	249
- Amberley Library Rate	0	43	0	43
- Amenities	1,585	1,450	1,585	1,450
- Sewerage	912	720	912	720
Rate penalties	122	98	122	98
Rate remissions	(20)	(18)	(20)	(18)
	14,919	14,381	14,919	14,381
Metered Water Supply	496	499	496	499
Total rates	15,415	14,880	15,415	14,880

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which other local authorities rate. The annual rates income of the Council for the year ended 30 June 2015 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

Note 4: Subsidies and grants

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
New Zealand Transport Agency roading subsidies	4,802	5,059	4,802	5,059
Ministry of Health drinking water related subsidies	0	59	0	59
Other Grants	67	35	67	35
Total subsidies and grants	4,869	5,153	4,869	5,153

New Zealand Transport Agency roading subsidies

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

Note 5: Fees and charges

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Building and resource consent charges	952	959	952	959
Other regulatory revenue	456	486	456	486
Solid waste charges	480	182	480	182
Hanmer Springs Thermal Pools and Spa receipts	10,249	9,967	10,249	9,967
Other fees and charges	668	579	668	579
	12,806	12,173	12,806	12,173
Fees and charges for water supplies	336	160	336	160
Total fees and charges	13,142	12,333	13,142	12,333

Note 6: Interest revenue and finance costs

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Interest revenue				
Short term deposits and call accounts	65	60	65	60
Total interest revenue	65	60	65	60
Finance costs				
Interest on borrowings	877	794	877	794
Change in fair value of interest rate swaps	811	(286)	811	(286)
Total finance costs	1,688	508	1,688	508
Net finance costs	(1,623)	(448)	(1,623)	(448)

Note 7: Other revenue

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Gains/(losses) on Forestry Valuation	(398)	(1,788)	(398)	(1,788)
Gains/(losses) on NZ Emissions Units	28	25	28	25
Gains/(losses) on Sale of Assets	25	31	25	31
Vested Asset Revenue	905	1,010	905	1,010
Dividends	163	128	163	128
Donations	52	15	52	15
Petrol Tax	164	130	164	130
Insurance Proceeds	15	17	15	17
Forestry Proceeds	1,511	3,829	1,511	3,829
Rental Income	552	541	552	541
Total fees and charges	3,019	3,938	3,019	3,938

Note 8: Employee benefit expense

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Salary and wages	10,370	9,577	10,370	9,577
Employer contribution to super	264	277	264	277
Increase/(decrease) in employee benefit liabilities (Note 24)	(89)	79	(89)	79
Total employee benefit expenses	10,546	9,933	10,546	9,933

Note 9: Other expenses

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Fees paid to principal auditor				
- audit fees for financial statement audit	105	104	105	104
- audit fees for Long Term Plan	67	0	67	0
- audit fees for additional work	26	65	26	65
- disbursements charged	5	3	5	3
Expenses from other activities	17,233	19,869	17,233	19,869
Total other expenses	17,436	20,041	17,436	20,041

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

Note 10: Tax

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$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	(448)	(1,861)	(444)	(1,858)
Tax at 28%	(126)	(521)	(124)	(520)
Non-taxable income	126	521	124	520
	0	0	0	0
Imputation credit account				
Credits available for future use	295	295	0	0
	295	295	0	0

Note 11: Cash and cash equivalents

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Cash at bank or in hand	1,774	4,075	1,774	4,075
	1,774	4,075	1,774	4,075

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

Note 12: Trade and other receivables

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Rates receivables	319	366	319	366
Other receivables	2,791	2,822	2,791	2,822
Goods and services tax (GST) receivable	166	314	166	314
Receivables prior to impairment	3,276	3,502	3,276	3,502
Less provision for impairment	(127)	(60)	(127)	(60)
Total Receivables	3,149	3,442	3,149	3,442

Total receivables comprise:

Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements fees and charges that are partly subsidised by rates	2,796	3,030	2,796	3,030
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	353	412	353	412

Fair value

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

Impairment

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

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

The ageing profile of receivables as at 30 June 2015 and 2014 is detailed below:

	2015			2014		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	2,660	0	2,660	2,779	0	2,779
Past due 1-60 days	226	0	226	238	0	238
Past due 61-120 days	184	0	184	132	0	132
Past due >120 days	206	(127)	79	353	(60)	293
Total	3,276	(127)	3,149	3,502	(60)	3,442
Group						
Not past due	2,660	0	2,660	2,779	0	2,779
Past due 1-60 days	226	0	226	238	0	238
Past due 61-120 days	184	0	184	132	0	132
Past due >120 days	206	(127)	79	353	(60)	293
Total	3,276	(127)	3,149	3,502	(60)	3,442

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

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

Note 13: Derivative financial instruments

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Current liability portion				
Interest rate swaps	13	1	13	1
Current asset portion				
Interest rate swaps	0	0	0	0
Non-current liability portion				
Interest rate swaps	808	111	808	111
Non-current asset portion				
Interest rate swaps	(35)	(137)	(35)	(137)
Total derivative financial instruments liability	786	(25)	786	(25)

Fair Value*Interest rate swaps*

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

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$15.0 million (2014: \$17.0 million). At 30 June 2015, the fixed interest rates of cash flows hedge interest rate swaps varied from 3.77% to 5.30% (2014: 3.95% to 5.30%)

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

Note 14: Other financial assets

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Environment Canterbury - Waiiau River Loan	33	40	33	40
Shares carrying amount				
- Local Government Funding Agency Borrower Notes	192	128	192	128
- Civic Assurance	17	16	17	16
- Transwaste Canterbury	583	433	583	433
Fair value amount	825	617	825	617

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

Changes in the fair value of unlisted shares are recognised through comprehensive revenue and expense using the available for sale approach. The fair value movement recognised in comprehensive revenue and expense for the period was a gain of \$151,139 (2014: Gain of \$121,592). There were no impairments or realised gains or losses recognised in the statement of comprehensive revenue and expense for the period (2014: Nil).

Note 15: Inventory

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Inventory	157	143	157	143
	157	143	157	143

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

Note 16: Non-current assets held for sale

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Land classified as held for sale	305	305	305	305
	305	305	305	305

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

Note 17: Investments in associates

	Group	
	Actual 2015 \$000's	Actual 2014 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	211	214
Share of total recognised revenues and expenses	(4)	(3)
Balance at 30 June	207	211
Summarised financial information of Enterprise North Canterbury		
Assets	577	649
Liabilities	163	228
Revenues	915	906
Surplus/(deficit)	(8)	(6)
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2015 (2014: Nil).

Note 18a: Property, plant and equipment

	Cost/ Revaluation 1 July	Accumulated Depreciation 1 July	Carrying Amount 1 July	Current Year Additions	Current Year Disposals	Revaluation Surplus	Reclassification	Impairment	Current Year Depreciation	Accumulated Depreciation on Assets Sold or Reclassified	Cost/ Revaluation 30 June	Accumulated Depreciation and Impairment 30 June	Carrying Amount 30 June
Operational Assets													
Freehold Land	8,509	0	8,509	184	0	1,369	0	0	0	0	10,062	0	10,062
Council Buildings	10,507	324	10,183	1,520	0	770	0	0	258	0	12,797	582	12,215
Council Plant & Equipment	6,016	3,760	2,256	715	(765)	0	0	0	537	(711)	5,966	3,686	2,380
Library Books	1,202	992	210	55	0	0	0	0	61	0	1,257	1,053	204
Thermal Reserve Buildings & Pools	13,416	535	12,881	199	0	278	0	0	270	0	13,088	0	13,088
Thermal Reserve Plant & Equipment	12,984	5,785	7,199	614	(3,109)	0	0	0	527	(3,093)	10,489	3,219	7,270
2014 Total	52,634	11,396	41,238	3,287	(3,874)	2,417	0	0	1,653	(3,804)	53,659	8,440	45,219
Freehold Land	10,062	0	10,062	0	0	0	0	0	0	0	10,062	0	10,062
Council Buildings	12,797	582	12,215	114	0	0	0	0	275	0	12,912	857	12,055
Council Plant & Equipment	5,966	3,586	2,380	568	(106)	0	0	0	467	(60)	6,428	3,993	2,435
Library Books	1,257	1,053	204	54	0	0	0	0	48	0	1,311	1,101	210
Thermal Reserve Buildings & Pools	13,088	0	13,088	1,519	0	0	0	0	270	0	14,607	270	14,337
Thermal Reserve Plant & Equipment	10,489	3,219	7,270	541	0	0	0	0	529	0	11,030	3,748	7,282
2015 Total	53,659	8,440	45,219	2,798	(106)	0	0	0	1,591	(60)	56,351	9,971	46,380
Restricted Assets													
Freehold Land	23,298	12	23,286	0	0	1,523	0	0	6	0	24,821	18	24,803
Council Buildings	13,075	420	12,655	56	0	46	0	0	238	0	13,177	658	12,519
2014 Total	36,373	432	35,941	56	0	1,569	0	0	244	0	37,998	676	37,322
Freehold Land	24,821	18	24,803	40	0	0	0	0	0	0	24,861	18	24,843
Council Buildings	13,177	658	12,519	182	0	0	0	0	229	0	13,359	887	12,472
2015 Total	37,998	676	37,322	222	0	0	0	0	229	0	38,220	905	37,315
Infrastructural Assets													
Freehold Land	2,303	0	2,303	0	0	176	0	0	0	0	2,479	0	2,479
Roading Land	12,106	0	12,106	5	0	0	0	0	0	0	12,111	0	12,111
Water	44,365	1,376	42,989	1,112	(190)	0	0	0	1,412	0	45,287	2,788	42,499
Sewerage	17,382	436	16,946	583	(53)	0	0	0	447	0	17,912	883	17,029
Roading	209,367	0	209,367	3,575	0	0	0	0	4,072	0	212,942	4,072	208,870
Drainage	3,522	73	3,449	152	(3)	0	0	0	74	0	3,671	147	3,524
2014 Total	289,045	1,885	287,160	5,427	(246)	176	0	0	6,005	0	294,402	7,890	286,512
Freehold Land	2,479	0	2,479	144	0	0	0	0	0	0	2,623	0	2,623
Roading Land	12,111	0	12,111	7	0	0	0	0	0	0	12,118	0	12,118
Water	45,287	2,788	42,499	2,920	(203)	7,337	0	0	1,429	0	51,125	0	51,125
Sewerage	17,912	883	17,029	398	(0)	2,640	0	0	449	0	19,617	0	19,617
Roading	212,942	4,072	208,870	5,265	0	0	0	0	4,174	0	218,207	8,246	209,961
Drainage	3,671	147	3,524	1,258	(17)	1,033	0	0	96	0	5,703	0	5,703
2015 Total	294,402	7,890	286,512	9,992	(220)	11,010	0	0	6,148	0	309,393	8,246	301,147
Total 2014	378,052	13,713	364,339	8,770	(4,120)	4,162	0	0	7,902	(3,804)	386,059	17,006	369,053
Total 2015	385,055	17,006	368,053	13,012	(526)	11,010	0	0	7,957	(60)	403,963	19,121	384,842

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

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

Freehold Land, Buildings and Pools Carried at Fair Value

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

Land under road

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

Roading assets

Roading assets have been valued at depreciated replacement costs as at 30 June 2013. The valuation was performed internally by the Council's Roothing Engineer - Asset Management, John Whyte, and peer reviewed by George JasonSmith, BE(NSW), MIPENZ(Civil), CPEng, Principal Asset Management Consultant for AECOM New Zealand Limited.

Water and sewer assets

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

Drainage and stormwater assets

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

Work in Progress

The total amount of property, plant and equipment in the course of construction as at 30 June 2015 was as follows:

	2015	2014
Water Infrastructure	1,535,657	1,247,500
Sewer Infrastructure	406,637	655,489
Stormwater Infrastructure	151,026	123,974
Roothing Infrastructure	16,978	380,591
Council Land - Restricted	40,000	0
Council Buildings - Operational	0	0
Council Buildings - Restricted	102,699	59,382
	<u>\$2,252,997</u>	<u>\$2,466,936</u>

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

Found Assets

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

	2015	2014
Water Infrastructure	118,477	0
Sewer Infrastructure	10,859	0
Stormwater Infrastructure	988,363	0
	<u>\$1,117,699</u>	<u>\$0</u>

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

Restrictions on plant, property and equipment

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

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

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

	Closing Book Value (\$000's)	Acquisitions made during 2014/2015	
		Constructed by Council (\$000's)	Vested in Council (\$000's)
Water Supply - Treatment Plants and facilities	4,868	163	-
Water Supply - Other Assets	46,257	2,672	85
	<u>51,125</u>	<u>2,835</u>	<u>85</u>
Sewerage - Treatment Plants and facilities	4,684	-	-
Sewerage - Other Assets	14,933	305	93
	<u>19,617</u>	<u>305</u>	<u>93</u>
Stormwater and Drainage	5,703	1,197	61
Flood Protection and Control Works	-	-	-
Roads and Footpaths (excluding land)	209,961	4,600	665

All assets are valued on a deemed cost valuation basis.

Note 19: Intangible assets

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Software:				
Cost				
Balance at 1 July	577	546	577	546
Additions	84	31	84	31
Disposals	0	0	0	0
Balance at 30 June	661	577	661	577
Aerial Photography:				
Cost				
Balance at 1 July	112	112	112	112
Additions	55	0	55	0
Disposals	0	0	0	0
Balance at 30 June	167	112	167	112
Accumulated amortisation and impairment				
Balance at 1 July	593	530	593	530
Amortisation charge for Software and Aerial Photography	53	63	53	63
Disposals	0	0	0	0
Balance at 30 June	646	593	646	593
Carrying amount at 30 June	183	96	183	96
New Zealand Emission Units:				
Cost				
Balance at 1 July	44	19	44	19
Add Additions	0	0	0	0
Less Disposals	0	0	0	0
Add increase in value	28	25	28	25
Carrying amount at 30 June	72	44	72	44
Total Intangible Assets	254	140	254	140

Note 20: Depreciation and amortisation expenses by group of activity

	Council	
	Actual 2015 \$000's	Actual 2014 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	1,429	1,412
Sewerage	449	447
Roads and Footpaths	4,174	4,072
Stormwater and Drainage	96	74
Community Services and Facilities	537	575
Environment and Safety	196	200
District Promotion	7	7
Hanmer Springs Thermal Pools and Spa	800	814
Governance	6	5
Directly attributable depreciation and amortisation expense by group of activity	7,693	7,606
Depreciation and amortisation expense not directly attributable to group of activities	327	361
Total depreciation and amortisation expense	8,020	7,967
Add loss on disposal of assets		
Water Supplies	203	190
Sewerage	0	53
Stormwater and Drainage	17	3
Total depreciation, amortisation and loss in disposal	8,240	8,213

Note 21: Forestry assets

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Balance at 1 July	950	2,738	950	2,738
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	90	(360)	90	(360)
Decreases due to sales	0	0	0	0
Decreases due to harvest	(488)	(1,428)	(488)	(1,428)
Balance at 30 June	552	950	552	950

The Council owns 234.8 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 2 to 34 years.

Valuation Assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2015. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8.5% (2014: 8.5%) has been used in discounting the present value of expected cash flows;
- the value of the underlying land has not been included in the valuation;
- the valuation assumes that the current tree crop will be grown for one rotation only, and that no new planting will be undertaken or charged against the existing crop.
- time conventions used in the valuation are that the valuation year commences at 1st July and ends 30th June the next calendar year. This convention applies to all costs, prices, yields and age of trees although it may need to be adjusted for any significant price movements during the valuation year.
- the valuation uses current and actual prevailing industry costs. The costs have been expressed in real terms, and no adjustment has been made for any possible changes in prices relative to cost.

Financial risk management strategies

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

Emissions Trading Scheme

As Council holds greater than 50 hectares of pre-1990 forests, it has registered under the New Zealand Emissions Units Register. As at 30 June 2015, the Council was allocated 10,560 NZUs. The value of these have been recognised as Intangible Assets in note 19.

Note 22: Payables and deferred revenue

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	3,396	3,825	3,396	3,825
Development and financial contribution in advance	299	401	299	401
Other deferred revenue	1,139	1,282	1,139	1,282
<i>Total</i>	4,834	5,508	4,834	5,508
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	7	1	7	1
Grants payable	0	0	0	0
Other grants received subject to substantive conditions not yet met	1,491	1,230	1,491	1,230
<i>Total</i>	1,498	1,231	1,498	1,231
Total payables and deferred revenue	6,332	6,739	6,332	6,739

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

Other grants include:

- a grant from the Ministry of Health of \$260,700 (2014: \$Nil) for the purpose of upgrading the water treatment infrastructure for Waiau Township.
- a grant from the Ministry of Culture and Heritage of \$1.5 million was received by Council in May 2010 towards urgent maintenance and earthquake strengthening of the Nurses Block, which was one of the key buildings vested to Council from the former Queen Mary Hospital site. Council had utilised \$270,905 on urgent maintenance work leaving \$1,229,905 remaining to complete further work. This balance will be recognised as income when the earthquake strengthening work has been carried out.

Note 23: Borrowings

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Secured Loans				
Current	0	2,000	0	2,000
Non-current	17,200	14,200	17,200	14,200
Balance	17,200	16,200	17,200	16,200

As at 30 June 2015, the Council had debt facilities totalling \$21.0 million (2014: \$19.0 million)

The Council's borrowing of \$17.2 million (2014: \$16.2 million) on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. The Council uses interest rate swaps to provide for a fixed rate portion of the borrowings of 87.20%. The effective fixed rates for this portion range from 3.77% to 5.30% plus a margin for credit risk.

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

The total amount of the borrowings approximates its fair value.

Note 24: Employee entitlements

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Current portion				
Accrued pay	206	391	206	391
Annual leave	703	667	703	667
Sick leave	33	28	33	28
Long service leave	44	35	44	35
	987	1,122	987	1,122
Non-current portion				
Long service leave	93	47	93	47
	93	47	93	47
	1,080	1,169	1,080	1,169

Note 25: Landfill aftercare provision

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Balance at 1 July	124	128	124	128
Additional provisions	0	0	0	0
Adjustment to provisions	0	4	0	4
Amount of provision used	(18)	(8)	(18)	(8)
Balance at 30 June	106	124	106	124
Disclosed as:				
Current	8	8	8	8
Non-current	98	116	98	116
	106	124	106	124

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

Note 26: Equity

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Asset revaluation reserve				
Balance at 1 July	199,695	195,532	199,695	195,532
Revaluation increments/(decrements)	11,010	4,163	11,010	4,163
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	(220)	0	(220)	0
Balance at 30 June	210,485	199,695	210,485	199,695
The asset revaluation reserve arises on the revaluation of land and buildings, and infrastructural assets. Where a revalued land, building or infrastructural assets is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.				
Available for sale reserve				
Balance at 1 July	257	136	257	136
Valuation gain/(loss) recognised	151	121	151	121
Balance at 30 June	408	257	408	257
The available-for-sale revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in profit or loss.				
Special fund reserves				
Balance at 1 July	785	1,975	785	1,975
PBE Transition adjustment	0	(1,230)	0	(1,230)
Adjusted Balance at 1 July	785	745	785	745
Transfers in	971	266	971	266
Transfers out	(159)	(226)	(159)	(226)
Balance at 30 June	1,598	785	1,598	785
Rate Reserve Funds				
Balance at 1 July (Transferred from Retained Earnings)	(24,261)	(23,428)	(24,261)	(23,428)
Surplus/(deficit) for year	1,613	1,388	1,613	1,388
Transfers in/(out)	(3,689)	(2,222)	(3,689)	(2,222)
Balance at 30 June	(26,338)	(24,261)	(26,338)	(24,261)
Retained earnings				
Balance at 1 July	178,254	179,322	178,043	179,108
Surplus/(deficit) after tax	(448)	(1,861)	(444)	(1,858)
Plant, property and equipment disposed	220	0	220	0
Found assets	1,118	0	1,118	0
Net internal borrowing appropriations	2,076	833	2,076	833
Net special fund appropriations	(812)	(40)	(812)	(40)
Balance at 30 June	180,408	178,254	180,201	178,043
Summary of equity accounts				
Asset revaluation reserve	210,485	199,695	210,485	199,695
Available-for-sale revaluation reserve	408	257	408	257
Special fund reserves	1,598	785	1,598	785
Rate reserve funds	(26,338)	(24,261)	(26,338)	(24,261)
Retained earnings	180,408	178,254	180,201	178,043
	366,561	354,730	366,354	354,519

Note 27: Statement of cash flow reconciliation

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net Surplus/(Deficit) after tax	(448)	(1,861)	(444)	(1,858)
Non Cash Items				
Vested assets	(905)	(1,010)	(905)	(1,010)
Gain/Loss on Fair Value of Forestry	398	1,788	398	1,788
Movement in Non Current Employee Entitlements	46	11	46	11
Depreciation and amortisation	8,240	7,963	8,240	7,963
	7,779	8,752	7,779	8,752
Items classified as investing or financing				
(Gain)/loss on Sale of Assets	(25)	215	(25)	215
(Gain)/loss on fair value of NZ Emmissions Units	(28)	(25)	(28)	(25)
(Gain)/loss on fair value of financial assets	812	(286)	812	(286)
	759	(96)	759	(96)
Movements in working capital				
(Increase)/decrease in Inventory	(15)	12	(15)	12
(Increase)/decrease in Receivables	293	(1,152)	293	(1,152)
Increase/(decrease) in Payables	(1,381)	164	(1,381)	164
	(1,103)	(976)	(1,103)	(976)
Other Movements				
Insurance recoveries related to capital item	0	0	0	0
Share of associates (surplus)/deficit	4	3	0	0
	4	3	0	0
Net Cash Flow from Operating Activities (as per Statement of Cash Flows)	6,991	5,822	6,991	5,822

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

	Group		Council	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000's	\$000's	\$000's	\$000's
Property, plant and equipment	234	750	234	750
	234	750	234	750

The Council has allowed in its Long Term Plan to undertake direct roading expenditure to the value of \$20 million over the next three years. The primary Roothing Maintenance and Operational Contract expired in June 2015. Council had let a new contract June 2015 to take 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). The other lesser roading contracts are let and completed in the same financial year. These contracts are for roading renewals and maintenance and will give rise to capital expenditure in these years.

Operating leases as lessee

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

Operating leases as lessor

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

	Group		Council	
	Actual	Actual	Actual	Actual
	2015	2014	2015	2014
	\$000's	\$000's	\$000's	\$000's
Not later than one year	73	133	73	133
Later than one year and not later than five years	236	177	236	177
Later than five years	193	4	193	4
	502	314	502	314

No contingent rents have been recognised during the period.

Note 29: Contingencies

Contingent Assets

The Council has a level of damage to various buildings resulting from the Canterbury Earthquakes. The assessment of the insurance claims for the Council's non-residential buildings that have yet to be settled has been estimated at \$497,200. Council had a low level of damage to its residential buildings as well. Being residential buildings, the repair process is organised by EQC and a full assessment of the damage and the possible payout should the Council undertake the repair work itself has yet to be received. (2014: \$497,000).

Contingent Liabilities

Local Government Funding Agency

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

Together with the other local authorities (both shareholders and guarantors), the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2015, the LGFA had borrowings totalling \$4.998 billion (2014 \$3.73 billion)

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

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

RiskPool

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the Fund year. The Council has been asked to make calls in the past for Fund years as a result of deficits incurred due to the "leaky building" issue. No calls have been made by the Board of New Zealand Mutual Liability RiskPool for the 2014/2015 year (2014: Nil). There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

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

Impairment of Buildings

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

Note 30: Related party disclosures

The parent entity in the consolidated entity is the Council.

Equity interests in subsidiaries

The Council holds interests in the following entities:

- Hurunui Holdings Limited 100% (2014: 100%)
- Enterprise North Canterbury 50% (2014: 50%)
- Canterbury Economic Development Company Limited 10% (2014: 10%)
- Transwaste Canterbury Limited 1.2% (2014: 1.2%)

Transactions involving the parent entity

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

During the year, the Council disposed of solid waste at the Kate Valley Landfill. The Landfill is owned and operated by Transwaste Canterbury Limited which Hurunui District Council owns 1.2% of the shares and Councillor RW Davison is a director. The services cost \$358,591 (2014: \$301,949). As at 30 June 2015, Council owed Transwaste Canterbury Limited \$28,427 (2014: \$26,445).

During the year, the Council leased the medical centre in Rotherham to the Amuri Health Care Limited, of which Councillor RW Davison is a director. The revenue for the year was \$16,148 (2014: \$13,328). As at 30 June 2015, the amount owing to Council was \$16,664 (2014: \$14,831).

Cr JM Fletcher is a director of Hanmer Holiday Homes 2004 Limited. The company supplied various services, mainly collection of glass in the solid waste activity, to the value of \$3,063 (2014: \$1,919). As at 30 June 2015, Council owed the company \$127 (2014: \$266). The company also received services from Council for advertising through the district promotion activity to the value of \$Nil (2014: \$4,780). As at 30 June 2015, the company had no outstanding balance with Council (2014: Nil).

GD Abbot, the General Manager of the Hanmer Springs Thermal Pools and Spa, is a director of Christchurch and Canterbury Marketing Limited. The company provides tourism services to which the Council makes contributions to the value of \$12,750 (2014: \$11,987). As at 30 June 2015, the company had no outstanding balance with Council (2014: Nil).

Other than the above, no Councillors or senior management have entered into related party transactions with the Group. No amounts were provided for doubtful debts relating to debts due from related parties as at 30 June 2015 (2014: Nil).

Hurunui Holdings Limited

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

Enterprise North Canterbury

During the financial year, the Council paid \$51,565 (2014: \$51,565) to Enterprise North Canterbury as a grant for it general purposes. During the financial year, the Council paid a further \$2,255 for additional services (2014: \$1,575). As at 30 June 2015, there was no outstanding balance owing to Enterprise North Canterbury (2014: \$690).

Canterbury Economic Development Company Limited

During the financial year, the Council had no transactions with Canterbury Economic Development Company Limited (2014: Nil)

Key management personnel compensation

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

	Council	
	Actual 2015 \$000's	Actual 2014 \$000's
<i>Councillors</i>		
Remuneration	287	281
Full-time equivalent members	10	13
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,163	1,177
Full-time equivalent members	6.75	7
Total key management personnel remuneration	1,450	1,458
Total full-time equivalent members	16.75	20

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

Note 31: Remuneration

Chief Executive Officer

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$214,249 (2014: \$233,086). In 2014, the amount includes payments to a previous Chief Executive Officer who completed his employment with the Council on 31 August 2013.

Elected representatives

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

	Council	
	Actual 2015 \$	Actual 2014 \$
Marie Black	31,734	29,450
Russell Black	0	5,191
Gary Cooper	20,710	19,958
Julie Coster	19,662	13,108
Winton Dalley	70,994	69,848
Vincent Daly	25,888	23,125
Richard Davison	30,042	27,073
Jason Fletcher	22,898	18,020
Jim Harre	23,831	21,574
Fiona Harris	19,662	13,108
Ross Little	0	8,161
Michael Malthus	0	14,163
Judith McKendry	21,502	18,299
	286,923	281,077

Council Employees

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

	Council	
	Actual 2015 #	Actual 2014 #
< \$60,000	133	127
\$60,000 - \$79,999	29	27
\$80,000 - \$99,999	16	15
\$100,000 - \$139,999	0	6
\$140,000 - \$259,999	0	6
\$140,000 - \$259,999	11	0
	189	181

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2015, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 102 (2014: 92) full-time employees, with a further 87 (2014: 89) part-time staff representing 49.9 (2014: 53.7) full-time equivalent employees.

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

Note 32: Severance payments

Schedule 10(19) of the Local Government Act 2002 requires any severance including the tax liability to be disclosed. For the year ended 30 June 2015, no severance payments were made (2014: Nil).

Note 33: Events after balance date

There have been no events subsequent to 30 June 2015 which would affect the readers' assessment of the financial performance and position of the Hurunui District Council.

Note 34: Financial instruments

34A - Financial instrument categories

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

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Financial assets				
<i>Loans and Receivables</i>				
Cash and cash equivalents	1,774	4,075	1,774	4,075
Debtors and other receivables	3,149	3,442	3,149	3,442
Non interest bearing loans	33	40	33	40
<i>Total loans and receivables</i>	4,956	7,557	4,956	7,557
<i>Fair value through other comprehensive revenue and expense</i>				
Unlisted shares	792	577	792	577
<i>Total fair value through other comprehensive revenue and expense</i>	792	577	792	577
Financial liabilities				
<i>Fair value through surplus or deficit</i>				
Interest rate swaps	786	(25)	786	(25)
<i>Total fair value through surplus or deficit</i>	786	(25)	786	(25)
<i>Financial liabilities at amortised cost</i>				
Borrowings				
- secured loans	17,200	16,200	17,200	16,200
Creditors and deferred revenue	3,396	3,825	3,396	3,825
<i>Total financial liabilities at amortised cost</i>	20,596	20,025	20,596	20,025

34B - Fair value hierarchy disclosures

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

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

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

	Total \$000's	Quoted Market Price \$000's	Observable Inputs \$000's	Significant non-observable inputs \$000's
Council and Group 2015				
<i>Financial assets</i>				
Unlisted shares	792	0	0	792
<i>Financial liabilities</i>				
Interest rate swaps	786	0	786	0
Council and Group 2014				
<i>Financial assets</i>				
Unlisted shares	577	0	0	577
<i>Financial liabilities</i>				
Interest rate swaps	(25)	0	(25)	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 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Balance as at 1 July	577	328	577	328
Gains/losses recognised in in other comprehensive revenue and expense	151	121	151	121
Purchases	64	128	64	128
Balance at 30 June	792	577	792	577

34C - Financial instrument risks

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

Market Risk

Currency risk

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

Fair value interest rate risk

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

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

Cash flow interest rate risk

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

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

Credit risk

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

Maximum exposure to credit risk

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

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Cash and cash equivalents	1,774	4,075	1,774	4,075
Debtors and other receivables	3,149	3,442	3,149	3,442
Non interest bearing loans	33	40	33	40
Total credit risk	4,956	7,557	4,956	7,557

34D: Credit quality of financial assets

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

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

	Group		Council	
	Actual 2015 \$000's	Actual 2014 \$000's	Actual 2015 \$000's	Actual 2014 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA-	1,774	4,075	1,774	4,075
Total cash and cash equivalents	1,774	4,075	1,774	4,075
Counterparties without credit ratings:				
Non interest bearing loans				
Existing counterparty with no defaults in the past	33	40	33	40
Total Non interest bearing loans	33	40	33	40

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

34E: Liquidity risk

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

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

As at 30 June 2015, the Council has a credit facility of \$21 million (2014: \$19 million) against which it had drawn \$17.2 million (2014: \$16.2 million). No borrowings are due for maturity within the next 12 months.

Contractual maturity analysis of financial liabilities (excluding derivatives)

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

	Liability Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2015					
Creditors and deferred revenue	3,396	3,396	3,396	0	0
Secured loans	20,333	20,333	756	13,055	6,521
Council and Group 2014					
Creditors and deferred revenue	3,825	3,825	3,825	0	0
Secured loans	18,675	18,675	2,529	11,636	4,510

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 2015					
Net settled derivative liabilities	821	821	13	419	389
Council and Group 2014					
Net settled derivative liabilities	77	77	1	76	0

Contractual maturity analysis on financial assets

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

	Asset Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2015					
Cash and cash equivalents	1,774	1,774	1,774	0	0
Debtors and other receivables	3,149	3,149	3,149	0	0
Non interest bearing loans	33	33	7	26	0
Net settled derivative assets	35	35	0	0	35
Council and Group 2014					
Cash and cash equivalents	4,075	4,075	4,075	0	0
Debtors and other receivables	3,442	3,442	3,442	0	0
Non interest bearing loans	40	40	7	28	5
Net settled derivative assets	102	102	0	0	102

34F: Sensitivity analysis for interest rate risk

The table below illustrates the potential effect on the surplus or deficit for reasonably possible market movements, with all other variables held constant, based on the Council's and Group's financial instrument exposures at balance date.

Council and Group	2015 \$000		2014 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(17)	17	(41)	41
Interest rate swaps	0	0	0	1
Financial liabilities				
Secured loans	172	(172)	162	(162)
Interest rate swaps	(892)	831	(613)	626
Total sensitivity	(737)	676	(492)	506

Explanation of interest rate sensitivity

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

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

Note 35: Capital management

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

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

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

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

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

Special Fund Reserves as at 30 June 2015

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2014	Appropriations 2014-2015 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2015
				\$	\$	\$	\$
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	68,953	2,433	0	71,386
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley Ward	203,755	133,449	0	337,204
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley Ward	81,781	44,610	(11,826)	114,565
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve RSA	330,012	147,093	(36,000)	441,105
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	491	142	0	633
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(33,881)	13,710	0	(20,171)
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Community Services and Facilities	To provide funds for growth related projects for Amberley Sewer Pipes	(52,284)	121,697	(11,895)	(42,482)
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	87,079	122,315	0	209,394
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide funds for growth related projects for Amberley Water	98,140	91,753	0	189,893
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	(58,905)	62,383	0	3,478
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	51,236	(5,000)	0	46,236
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	19,514	688	0	20,203
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	43,872	1,548	0	45,420
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	30,202	8,133	0	38,335
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	29,358	7,201	0	36,559
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	5,333	188	0	5,521
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	3,944	(937)	0	3,007
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	40,418	3,510	0	43,927
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	33,392	83	0	33,475
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	25,319	25,319	0	50,638
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omihiri Reserve	(917)	4,555	0	3,638
Omihiri Reserve Development	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	52,856	10,000	0	62,856
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	22,355	6,796	0	29,151
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	47,210	0	0	47,210
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(27,783)	1,611	0	(26,173)
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(800,290)	(45,257)	0	(845,546)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(800,290)	(45,257)	0	(845,546)
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	25,831	(5,487)	0	20,344
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	14,935	10,000	0	24,935
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	4,775	168	0	4,943
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	19,892	(6,000)	0	13,892
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	23,481	7,323	0	30,805
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	53,391	6,214	0	59,605
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	358,945	132,291	0	491,236
Queen Mary Nurses Block Grant Fund	Reserves	Community Services and Facilities	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	0	0	0	0
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	(33,281)	65,628	0	32,346
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	17,242	(15)	0	17,227
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,067	73	0	2,139
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	600	21	0	621
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	183	6	0	189
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	4,482	158	0	4,640
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,087	38	0	1,126
Forrester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,165	41	0	1,206
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	0	0	0	0
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	13,114	0	0	13,114
				786,102	968,484	(159,721)	1,594,864

Special Fund Reserves as at 30 June 2014

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2013	Appropriations 2013-2014 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2014
				\$	\$	\$	\$
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	51,688	(4,186)	21,452	68,953
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	192,829	10,926	0	203,755
			To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward				
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	Ward	6,696	6,695	0	81,781
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	75,066	36,658	0	330,012
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	294,353	426	0	491
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	65	1,367	0	(33,881)
Amberley Sewer Pipes Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pipes	(35,248)	11,193	(238,874)	(52,284)
Amberley Sewer Pond Upgrade Development Reserve	Sewerage	Sewerage	To provide funds for growth related projects for Amberley Sewer Pond	70,791	16,288	0	87,079
Amberley Water Development Reserve	Water Supplies	Water Supplies	To provide funds for growth related projects for Amberley Water	112,564	9,945	(24,369)	98,140
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	(61,036)	2,133	0	(58,905)
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	42,667	8,568	0	51,236
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	18,845	669	0	19,514
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	42,368	1,504	0	43,872
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	22,288	7,913	0	30,202
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	20,557	8,800	0	29,358
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	5,150	183	0	5,333
Cheviot RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	3,919	25	0	3,944
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	24,387	16,031	0	40,418
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	2,273	81	0	2,354
Waipara Pavilion Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	8,360	8,365	16,667	33,392
Omihiri Reserve Development	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omihiri Reserve	(2,953)	2,046	0	(917)
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	36,189	16,667	0	52,856
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	3	22,351	0	22,355
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs		0	47,210	47,210
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	(36,415)	8,631	0	(27,783)
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(783,069)	(17,221)	0	(800,290)
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	19,728	6,103	0	25,831
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	47,210	14,935	(47,210)	14,935
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	4,611	164	0	4,775
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	33,627	(12,714)	(1,021)	19,892
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	18,610	4,871	0	23,481
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	48,224	5,167	0	53,391
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	310,939	48,007	0	358,945
Queen Mary Nurses Block Govt Grant Fund	Reserves	Community Services and Facilities	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	1,229,095	0	(1,229,095)	0
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	(57,897)	24,616	0	(33,281)
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	17,342	(100)	0	17,242
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,996	71	0	2,067
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	579	21	0	600
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	177	6	0	183
Hawarden Memorial Park	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	4,328	154	0	4,482
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,050	37	0	1,087
Forrester Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,125	40	0	1,165
Hurunui Gateway Promotions Association	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	0	0	0	0
Adverse Events Rescue	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	13,114	0	0	13,114
				1,974,905	266,437	(1,455,240)	786,102

Rate Reserve Funds as at 30 June 2015

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2014	Appropriations 2014-2015 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2015
				\$	\$	\$	\$
Interim treatment for Drinking Water	Water Supplies	Water Supplies	To fund capital projects relating to interim treatment of water	(395,291)	96,838	0	(298,453)
Full Treatment	Water Supplies	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	Water Supplies	To fund capital projects for Amberley water	(692,027)	(9,304)	(852,397)	(1,553,728)
Leithfield Beach Water	Water Supplies	Water Supplies	To fund capital projects for Leithfield Beach water	(70,672)	8,552	(26,434)	(88,554)
Ashley Rural Water	Water Supplies	Water Supplies	To fund capital projects for Ashley Rural water	(356,915)	531,562	(900,792)	(726,145)
Culverden Water	Water Supplies	Water Supplies	To fund capital projects for Culverden water	(70,491)	(12,848)	305	(83,034)
Waiau Township Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Township water	(188,358)	(44,756)	(437,482)	(670,597)
Anurui Plains Water	Water Supplies	Water Supplies	To fund capital projects for Anurui Plains water	(89,844)	(6,344)	(3,534)	(101,723)
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	109,274	(29,429)	(122,644)	(42,799)
Waiau Rural Water	Water Supplies	Water Supplies	To fund capital projects for Waiau Rural water	(239,445)	29,094	(47,025)	(257,376)
Cheviot Water	Water Supplies	Water Supplies	To fund capital projects for Cheviot water	(1,386,070)	62,307	(87,844)	(1,411,608)
Waipara Township Water	Water Supplies	Water Supplies	To fund capital projects for Waipara Township water	42,053	6,367	0	48,420
Hammer Springs Water	Water Supplies	Water Supplies	To fund capital projects for Hammer Springs water	(70,312)	172,472	(160,951)	(58,791)
Hawarden - Waikari Water	Water Supplies	Water Supplies	To fund capital projects for Hawarden-Waikari water	51,212	62,827	(66,497)	47,541
Hurunui Rural Water	Water Supplies	Water Supplies	To fund capital projects for Hurunui Rural water	(600,801)	159,048	(154,629)	(496,382)
Amberley Sewer	Sewerage	Water Supplies	To fund capital projects for Amberley sewer	(2,956,348)	34,772	(197,349)	(3,118,925)
Culverden Sewer	Sewerage	Sewerage	To fund capital projects for Culverden sewer	(2,803)	(207)	0	(3,010)
Cheviot Sewer	Sewerage	Sewerage	To fund capital projects for Cheviot sewer	(88,546)	(13,612)	(5,125)	(107,284)
Greta Valley Sewer	Sewerage	Sewerage	To fund capital projects for Greta Valley sewer	(22,367)	3,846	0	(18,521)
Motunau Beach Sewer	Sewerage	Sewerage	To fund capital projects for Motunau Beach sewer	7,865	10,000	0	17,865
Waipara Sewer	Sewerage	Sewerage	To fund capital projects for Waipara sewer	(19,034)	(1,403)	0	(20,436)
Hammer Springs Sewer	Sewerage	Sewerage	To fund capital projects for Hammer Springs sewer	(1,743,415)	(22,349)	(73,696)	(1,839,460)
Hawarden Sewer	Sewerage	Sewerage	To fund capital projects for Hawarden sewer	5,887	(43,069)	(8,103)	(45,285)
Waikari Sewer	Sewerage	Sewerage	To fund capital projects for Waikari sewer	(210,212)	(44,523)	(10,000)	(264,735)
Amberley Beach Foreshore Protection	Sewerage	Sewerage	To fund capital projects for Amberley Beach Foreshore Protection	144,176	(92,468)	0	51,709
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,292,402)	32,130	(203,736)	(1,464,007)
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	3,591	946	0	4,538
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	6,689	37,982	(5,392)	39,280
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(24,033)	3,163	0	(20,870)
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward	0	(150,000)	(51,840)	(201,840)
Hammer Springs Subdivision Expenditure	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	0	0	0	0
District Library - Amberley Ward	Community Services and Facilities	Community Services and Facilities	To fund portion of District Library construction costs	16,865	593	0	17,458
Amberley Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	(1,487,621)	298,199	(81,898)	(1,271,320)
Anurui Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Anurui Ward Amenities	192,955	147,543	(110,289)	230,209
Cheviot Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	82,773	58,819	(30,700)	110,892
Glenmark Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	(3,824)	27,750	0	23,926
Hammer Springs Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Hammer Springs Ward Amenities	(507,233)	254,033	(105,013)	(358,213)
Hurunui Amenities	Community Services and Facilities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	17,412	56,219	0	73,631
Anurui Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Anurui Ward	(633,763)	56,801	(6,572)	(583,534)
Cheviot Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Cheviot Ward	(142,997)	38,406	0	(104,591)
Hammer Springs Medical General	Property	Community Services and Facilities	To fund capital projects for medical centres in the Hammer Springs Ward	(326,366)	15,229	0	(311,139)
Hammer Springs Medical House	Property	Community Services and Facilities	To fund purchase of doctor's residence in the Hammer Springs Ward	(467,637)	19,086	0	(448,551)
Waikari Medical Centre	Property	Community Services and Facilities	To fund capital projects for medical centres in the Hurunui Ward	(115,761)	2,571	0	(113,190)
Rural Fire Control	Emergency Services	Environmental and Safety	To fund previous deficits recorded for Rural Fire Control	(273,549)	91,948	0	(181,601)
Refuse Collection	Waste Minimisation	Environmental and Safety	To fund previous deficits recorded for Refuse Collection	134,514	(233,730)	0	(99,216)
Hammer Springs Thermal Pools	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(10,698,003)	0	60,155	(10,637,848)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa		(24,260,867)	1,613,062	(3,689,481)	(26,337,286)
Total Rate Reserve Funds							

Rate Reserve Funds as at 30 June 2014

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2013 \$	Appropriations 2013-2014 Surplus/(Deficit) \$	Capital Expenditure \$	Closing Balance 30 June 2014 \$
Interim treatment for Drinking Water	Water Supplies	To fund capital projects relating to interim treatment of water	(433,666)	81,326	(42,951)	(395,291)
Full Treatment	Water Supplies	To fund capital projects relating to full treatment of water	0	0	0	0
Amberley Water	Water Supplies	To fund capital projects for Amberley water	(463,744)	53,919	(282,202)	(692,027)
Leitfield Beach Water	Water Supplies	To fund capital projects for Leitfield Beach water	(57,270)	9,256	(22,659)	(70,672)
Ashley Rural Water	Water Supplies	To fund capital projects for Ashley Rural water	(359,960)	395,727	(392,682)	(356,915)
Culverden Water	Water Supplies	To fund capital projects for Culverden water	(1,890)	(1,890)	(14,960)	(70,491)
Waiau Township Water	Water Supplies	To fund capital projects for Waiau Township water	(157,467)	39,237	(70,128)	(188,358)
Amuri Plains Water	Water Supplies	To fund capital projects for Amuri Plains water	(46,102)	(18,904)	(24,838)	(89,844)
Balmoral Water	Water Supplies	To fund capital projects for Balmoral water	107,402	4,197	(2,325)	109,274
Waiau Rural Water	Water Supplies	To fund capital projects for Waiau Rural water	(233,221)	13,516	(19,739)	(239,445)
Cheviot Water	Water Supplies	To fund capital projects for Cheviot water	(1,363,249)	(16,365)	(6,456)	(1,386,070)
Waipara Township Water	Water Supplies	To fund capital projects for Waipara Township water	80,917	(1,039)	(37,824)	42,053
Hammer Springs Water	Water Supplies	To fund capital projects for Hammer Springs water	(229,397)	171,931	(12,846)	(70,312)
Hawarden - Waikari Water	Water Supplies	To fund capital projects for Hawarden-Waikari water	10,727	40,652	(167)	51,212
Hurunui Rural Water	Water Supplies	To fund capital projects for Hurunui Rural water	(499,315)	85,330	(86,815)	(500,801)
Amberley Sewer	Sewerage	To fund capital projects for Amberley sewer	(2,756,460)	66,696	(266,584)	(2,956,348)
Culverden Sewer	Sewerage	To fund capital projects for Culverden sewer	(2,607)	(195)	0	(2,803)
Cheviot Sewer	Sewerage	To fund capital projects for Cheviot sewer	(48,847)	31,517	(71,217)	(88,548)
Greta Valley Sewer	Sewerage	To fund capital projects for Greta Valley sewer	(17,483)	3,149	(8,033)	(22,367)
Motunau Beach Sewer	Sewerage	To fund capital projects for Motunau Beach sewer	8,573	10,221	(10,928)	7,865
Waipara Sewer	Sewerage	To fund capital projects for Waipara sewer	(1,328)	0	0	(1,328)
Hammer Springs Sewer	Sewerage	To fund capital projects for Hammer Springs sewer	(1,649,159)	(91,045)	(3,211)	(1,743,415)
Hawarden Sewer	Sewerage	To fund capital projects for Hawarden sewer	(7,523)	14,031	(621)	5,887
Waikari Sewer	Sewerage	To fund capital projects for Waikari sewer	(233,764)	23,551	0	(210,212)
Amberley Beach Foreshore Protection	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection	120,652	23,525	0	144,176
Amberley Stormwater	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,333,256)	51,634	(10,780)	(1,292,402)
Jed River Clearance	Stormwater and Drainage	To fund capital projects for Jed River Clearance	2,673	919	0	3,591
Hammer Springs Stormwater	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(53,434)	60,133	0	6,699
Woodbank Road Sealing - Stage 1	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs	(20,768)	(3,265)	0	(24,033)
District Library - Amberley Ward	Community Services and Facilities	To fund portion of District Library construction costs	(25,060)	42,525	0	16,865
Amberley Amenities	Community Services and Facilities	To fund capital projects for Amberley Ward Amenities	(1,291,756)	(13,353)	(182,512)	(1,487,621)
Amuri Amenities	Community Services and Facilities	To fund capital projects for Amuri Ward Amenities	56,298	136,657	0	192,955
Cheviot Amenities	Community Services and Facilities	To fund capital projects for Cheviot Ward Amenities	36,330	46,443	0	82,773
Glenmark Amenities	Community Services and Facilities	To fund capital projects for Glenmark Ward Amenities	(10,900)	14,535	(7,459)	(3,824)
Hammer Springs Amenities	Community Services and Facilities	To fund capital projects for Hammer Springs Ward Amenities	(571,839)	182,404	(117,798)	(507,233)
Hurunui Amenities	Community Services and Facilities	To fund capital projects for Hurunui Ward Amenities	23,920	19,492	(26,000)	17,412
Amuri Medical General	Property	To fund capital projects for medical centres in the Amuri Ward	(700,225)	66,462	0	(633,763)
Cheviot Medical General	Property	To fund capital projects for medical centres in the Cheviot Ward	(170,357)	27,360	0	(142,997)
Hammer Springs Medical General	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(350,507)	24,139	0	(326,368)
Hammer Springs Medical House	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	0	32,363	(500,000)	(467,637)
Waikari Medical Centre	Property	To fund capital projects for medical centres in the Hurunui Ward	(108,435)	(7,326)	0	(115,761)
Rural Fire Control	Emergency Services	To fund previous deficits recorded for Rural Fire Control	2,005	(276,554)	0	(274,549)
Refuse Collection	Environmental and Safety	To fund previous deficits recorded for Refuse Collection	88,700	45,814	0	134,514
Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Interest-only internal debt relating to key expansion projects for the HSTP&S	(10,698,003)	0	0	(10,698,003)
Total Rate Reserve Funds			(23,427,523)	1,386,394	(2,221,735)	(24,262,867)

Note 36: Rating Base Information

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

(a) Number of rating units within the district:	8,016
(b) Total Capital Value of rating units within the district:	\$ 5,731,219,650
(c) Total Land Value of rating units within the district:	\$ 3,719,578,400

Note 37: Insurance of Assets

Section 31A of the Local Government Act 2002, requires Councils to disclose information about insurance on its assets as at 30 June 2015. The relevant information is as follows:

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

Buildings

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

Carrying Value of Buildings with insurance cover:	\$	38,863,819
Maximum amount insured for Buildings with full insurance cover:	\$	61,353,355
Maximum amount insured for Buildings with limited insurance cover:	\$	24,880,000

Vehicles

All Council vehicles have full insurance coverage.

Carrying Value of Vehicles with insurance cover:	\$	1,277,969
Maximum amount insured for Vehicles with full insurance cover:	\$	1,826,177

Forestry

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

Carrying Value of Forestry Assets:	\$	552,227
Maximum amount insured for Forestry Assets:	\$	460,302

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

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

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

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

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

Note 38: Adjustments to the comparative year financial statements

The Council and group has adjusted its comparative financial statements for the year ended 30 June 2014 due to reclassification adjustments, transition to the new PBE accounting standards, and the correction of a prior period error.

The adjustment are shown in the table below:

	Notes	Before adjustments \$'000	Reclassification adjustments \$'000	Actual 2014 PBE transition adjustments \$'000	Correction of error \$'000	After adjustments \$'000
COUNCIL						
Revenue						
Total rates revenue, excluding targeted water supply rates	a	14,399	(14,399)	0	0	0
Fees, charges, and targeted rates for water supply	c	659	(659)	0	0	0
Investment income	d	188	(188)	0	0	0
Hanmer Springs Thermal Pools and Spa	e	9,967	(9,967)	0	0	0
Vested asset income	f	1,010	(1,010)	0	0	0
Other income	g	6,770	(6,770)	0	0	0
Gains/(Losses) on forestry revaluation	h	(1,788)	1,788	0	0	0
Gains/(Losses) on NZ Emissions Units	i	25	(25)	0	0	0
Rates, excluding targeted water supply rates	a,b	0	14,381	0	0	14,381
Targeted rates for water supply	c	0	499			499
Fees and charges, excluding those for water supplies	e	0	12,173	0	0	12,173
Fees and charges for water supplies	c	0	160			160
Interest revenue	d	0	60	0	0	60
Other revenue	d,e,f,g,h	0	3,938	0	0	3,938
Expenditure						
Other Expenses	b	20,059	(18)	0	0	20,041
Current Liabilities						
Payable and deferred revenue	i	0	5,509	1,230	0	6,739
Trade and other payables	i	3,826	(3,826)	0	0	0
Income in advance	i	1,683	(1,683)	0	0	0
Equity						
Special Funds	j	2,015	0	(1,230)	0	785

Explanatory Notes*Reclassification adjustments*

- For the Council and group, total rates, excluding targeted water supply rates for water supply have been reclassified.
- Rate remissions of \$18,000 was previously included as Direct Expenditure. This has now been classified as rates as per Note 3.
- Fees, charges, and targeted rates for water supply have been reclassified. The amount of \$659,000 has been split between Targeted rates for water supply of \$499,000 and other Fees and charges for water supplies of \$160,000
- Investment Income of \$188,000 has been reclassified as interest revenue of \$60,000 as per Note 6 and dividends of \$128,000, which is now classified as other revenue as per Note 7.
- Hanmer Springs Thermal Pools and Spa receipts of \$9,967,000 has been reclassified as fees and charges as per Note 5.
- Vested asset income has been reclassified as other revenue as per Note 7.
- Gains/(Losses) on forestry revaluation has been reclassified as other revenue as per Note 7.
- Gains/(Losses) on NZ Emissions Units has been reclassified as other revenue as per Note 7.
- Trade and payables and income in advance have combined to be presented as payables and deferred revenue.

Adjustments on transition to new PBE accounting standards

- The adjustment on transition to new PBE accounting standards has been made to reflect the change in accounting treatment of the grant Council received from the Ministry of Culture and Heritage in May 2010 of \$1.5 million. This grant was provided with conditions to undertake urgent maintenance and earthquake strengthening work on the Nurses Block situated on the former Queen Mary Hospital site. Of the original grant, Council holds \$1,229,905 to complete those works.

Prior period error correction

No changes.

		Before adjustments \$000	Reclassification adjustments \$000	Actual 2014 PBE transition adjustments \$000	Correction of error \$000	After adjustments \$000
	Notes					
GROUP						
Revenue						
Total rates revenue, excluding targeted water supply rates	a	14,399	(14,399)	0	0	0
Fees, charges, and targeted rates for water supply	c	659	(659)	0	0	0
Investment income	d	188	(188)	0	0	0
Hanmer Springs Thermal Pools and Spa	e	9,967	(9,967)	0	0	0
Vested asset income	f	1,010	(1,010)	0	0	0
Other income	g	6,770	(6,770)	0	0	0
Gains/(Losses) on forestry revaluation	h	(1,788)	1,788	0	0	0
Gains/(Losses) on NZ Emissions Units	i	25	(25)	0	0	0
Rates, excluding targeted water supply rates	a,b	0	14,381	0	0	14,381
Targeted rates for water supply	c	0	499	0	0	499
Fees and charges, excluding those for water supplies	e	0	12,173	0	0	12,173
Fees and charges for water supplies	c	0	160	0	0	160
Interest revenue	d	0	60	0	0	60
Other revenue	d,e,f,g,h	0	3,938	0	0	3,938
Expenditure						
Other Expenses	b	20,059	(18)	0	0	20,041
Current Liabilities						
Payable and deferred revenue	i	0	5,509	1,230	0	6,739
Trade and other payables	i	3,826	(3,826)	0	0	0
Income in advance	i	1,683	(1,683)	0	0	0
Equity						
Special Funds	j	2,015	0	(1,230)	0	785

Explanatory Notes
Reclassification adjustments

- a. For the Council and group, total rates, excluding targeted water supply rates for water supply have been reclassified.
- b. Rate remissions of \$18,000 was previously included as Direct Expenditure. This has now been classified as rates as per Note 3.
- c. Fees, charges, and targeted rates for water supply have been reclassified. The amount of \$659,000 has been split between Targeted rates for water supply of \$499,000 and other Fees and charges for water supplies of \$160,000
- d. Investment Income of \$188,000 has been reclassified as interest revenue of \$60,000 as per Note 6 and dividends of \$128,000, which is now classified as other revenue as per Note 7.
- e. Hanmer Springs Thermal Pools and Spa receipts of \$9,967,000 has been reclassified as fees and charges as per Note 5.
- f. Vested asset income has been reclassified as other revenue as per Note 7.
- g. Gains/(Losses) on forestry revaluation has been reclassified as other revenue as per Note 7.
- h. Gains/(Losses) on NZ Emissions Units has been reclassified as other revenue as per Note 7.
- i. Trade and payables and income in advance have combined to be presented as payables and deferred revenue.

Adjustments on transition to new PBE accounting standards

- j. The adjustment on transition to new PBE accounting standards has been made to reflect the change in accounting treatment of the grant Council received from the Ministry of Culture and Heritage in May 2010 of \$1.5 million. This grant was provided with conditions to undertake urgent maintenance and earthquake strengthening work on the Nurses Block situated on the former Queen Mary Hospital site. Of the original grant, Council holds \$1,229,905 to complete those works.

Prior period error correction

No changes.

Funding impact statements

FOR THE YEAR ENDED 30 JUNE 2015

	2014 Annual Plan \$000's	2014 Annual Report \$000's	2015 Annual Plan \$000's	2015 Annual Report \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,982	6,144	5,629	6,196
Targeted rates	8,022	8,247	7,627	9,218
Subsidies and grants for operating purposes	1,613	3,267	1,563	2,466
Fees and charges for water supply	471	631	444	286
Interest and dividends from investments	74	137	72	228
Local authorities fuel tax, fines, infringements, and other receipts	12,801	16,861	12,031	15,170
Total operating funding (A)	28,963	35,287	27,366	33,564
Applications of operating funding				
Payments to staff and suppliers	25,326	30,499	23,526	29,669
Finance costs	1,223	0	969	0
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	26,549	30,499	24,495	29,669
Surplus/(deficit) of operating funding (A-B)	2,414	4,787	2,871	3,895
Sources of capital funding				
Subsidies and grants for capital expenditure	1,775	1,851	1,821	2,410
Development and financial contributions	617	472	608	956
Assets vested in Council	0	1,010	0	905
Increase/(decrease) in debt	1,771	3,850	4,265	1,000
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	4,163	7,183	6,694	5,271
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	390	1,444	848	2,363
- To improve the level of service	1,720	2,916	4,909	4,761
- To replace existing assets	5,109	4,318	5,007	5,956
Increase/(decrease) in reserves	(642)	3,291	(1,199)	(3,913)
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	6,577	11,969	9,565	9,166
Surplus/(deficit) of operating funding (C-D)	(2,414)	(4,786)	(2,871)	(3,895)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(Deficit) after tax	(1,479)	(1,858)	(227)	(444)
Add Depreciation	6,298	8,214	5,804	8,240
Add Loss on Disposal	0	0	0	0
Less change in fair value of derivatives	0	0	0	0
Less gains on forestry revaluation	(13)	1,788	(277)	398
Less gains on asset sales	0	0	0	0
Less gains in value of NZUs	0	(25)	0	(28)
Less Development and Financial Contributions	(617)	(472)	(608)	(956)
Less Subsidies and Grants for Capital Expenditure	(1,775)	(1,851)	(1,821)	(2,410)
Less Vested Asset income	0	(1,010)	0	(905)
Surplus/(deficit) of operating funding (A-B)	2,414	4,786	2,871	3,895

WATER SUPPLIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	3,986	4,208	4,905
Subsidies and grants for operating purposes	0	0	0
Fees and charges	471	500	286
Internal charges and overheads recovered	6	7	0
Local authorities fuel tax, fines, infringements, and other receipts	111	115	0
Total operating funding (A)	4,574	4,830	5,192
Applications of operating funding			
Payments to staff and suppliers	2,471	2,546	2,944
Finance costs	386	372	295
Internal charges and overheads applied	938	969	940
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,795	3,887	4,179
Surplus/(deficit) of operating funding (A-B)	779	943	1,013
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	135	140	103
Assets vested in Council	0	0	85
Increase/(decrease) in internal debt	(210)	(189)	1,836
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(75)	(49)	2,024
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	44	46	217
- To improve the level of service	82	24	1,975
- To replace existing assets	578	824	872
Increase/(decrease) in reserves	0	0	(27)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	704	894	3,037
Surplus/(deficit) of operating funding (C-D)	(779)	(943)	(1,013)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(52)	123	(430)
Add Depreciation	966	960	1,631
Less Development and Financial Contributions	(135)	(140)	(103)
Less Subsidies and Grants for Capital Expenditure	0	0	0
Less Vested Asset income	0	0	(85)
Surplus/(deficit) of operating funding (A-B)	779	943	1,013

SEWERAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	684	758	912
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	2
Total operating funding (A)	684	758	914
Applications of operating funding			
Payments to staff and suppliers	304	308	600
Finance costs	360	374	367
Internal charges and overheads applied	138	144	137
Other operating funding applications	0	0	0
Total applications of operating funding (B)	802	826	1,105
Surplus/(deficit) of operating funding (A-B)	(118)	(68)	(191)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	73	75	247
Assets vested in Council	0	0	93
Increase/(decrease) in internal debt	196	1,544	483
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	269	1,619	823
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	34	35	296
- To improve the level of service	94	1,385	0
- To replace existing assets	23	131	102
Increase/(decrease) in reserves	0	0	234
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	151	1,551	632
Surplus/(deficit) of operating funding (C-D)	118	68	191
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(418)	(360)	(301)
Add Depreciation	373	368	451
Less Development and Financial Contributions	(73)	(76)	(247)
Less Vested Asset income	0	0	(93)
Surplus/(deficit) of operating funding (A-B)	(118)	(68)	(191)

STORMWATER AND DRAINAGE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	103	106	108
Targeted rates	286	281	318
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)	389	387	427
Applications of operating funding			
Payments to staff and suppliers	138	127	348
Finance costs	118	113	91
Internal charges and overheads applied	13	14	12
Other operating funding applications	0	0	0
Total applications of operating funding (B)	269	254	451
Surplus/(deficit) of operating funding (A-B)	120	133	(25)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	19	18	75
Assets vested in Council	0	0	61
Increase/(decrease) in internal debt	(77)	(151)	231
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(58)	(133)	367
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	1,049
- To improve the level of service	62	0	209
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	(917)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	62	0	342
Surplus/(deficit) of operating funding (C-D)	(120)	(133)	25
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	90	102	(2)
Add Depreciation	48	49	113
Less Development and Financial Contributions	(18)	(18)	(75)
Less Vested Asset income	0	0	(61)
Surplus/(deficit) of operating funding (A-B)	120	133	(25)

ROADS AND FOOTPATHS - GROUP ACTIVITY FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,448	3,582	3,604
Targeted rates	183	183	241
Subsidies and grants for operating purposes	1,612	1,661	2,399
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	152	157	163
Total operating funding (A)	5,395	5,583	6,406
Applications of operating funding			
Payments to staff and suppliers	2,924	3,035	3,973
Finance costs	2	2	2
Internal charges and overheads applied	618	639	608
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,544	3,676	4,583
Surplus/(deficit) of operating funding (A-B)	1,851	1,907	1,823
Sources of capital funding			
Subsidies and grants for capital expenditure	1,774	1,833	2,410
Development and financial contributions	159	164	0
Assets vested in Council	0	0	665
Increase/(decrease) in internal debt	(3)	(3)	55
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,930	1,994	3,131
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	159	164	717
- To improve the level of service	73	75	662
- To replace existing assets	3,549	3,662	4,062
Increase/(decrease) in reserves	0	0	(487)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	3,781	3,901	4,954
Surplus/(deficit) of operating funding (C-D)	(1,851)	(1,907)	(1,823)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	602	713	725
Add Depreciation	3,182	3,191	4,174
Less Development and Financial Contributions	(159)	(164)	0
Less Subsidies and Grants for Capital Expenditure	(1,774)	(1,833)	(2,410)
Less Vested Asset income	0	0	(665)
Surplus/(deficit) of operating funding (A-B)	1,851	1,907	1,823

COMMUNITY SERVICES AND FACILITIES - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	135	193	183
Targeted rates	1,487	1,512	1,593
Subsidies and grants for operating purposes	0	0	67
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	701	724	916
Total operating funding (A)	2,323	2,429	2,760
Applications of operating funding			
Payments to staff and suppliers	2,798	2,899	2,821
Finance costs	257	241	245
Internal charges and overheads applied	1,020	1,053	1,026
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,075	4,193	4,092
Surplus/(deficit) of operating funding (A-B)	(1,752)	(1,764)	(1,332)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	248	256	531
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(130)	34	(359)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	118	290	171
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	151	27	83
- To improve the level of service	216	302	53
- To replace existing assets	70	123	151
Increase/(decrease) in reserves	(2,071)	(1,926)	(1,448)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(1,634)	(1,474)	(1,161)
Surplus/(deficit) of operating funding (C-D)	1,752	1,764	1,332
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(1,905)	(1,968)	(1,338)
Add Depreciation	401	460	537
Less Development and Financial Contributions	(248)	(256)	(531)
Surplus/(deficit) of operating funding (A-B)	(1,752)	(1,764)	(1,332)

ENVIRONMENT AND SAFETY - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,248	2,325	2,254
Targeted rates	1,064	1,100	1,043
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	1,330	1,371	2,051
Total operating funding (A)	4,642	4,796	5,348
Applications of operating funding			
Payments to staff and suppliers	3,800	3,934	4,400
Finance costs	8	10	18
Internal charges and overheads applied	743	776	682
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,551	4,720	5,101
Surplus/(deficit) of operating funding (A-B)	91	76	247
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	19	14	282
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	19	14	282
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	26	0	89
- To replace existing assets	171	113	254
Increase/(decrease) in reserves	(87)	(23)	186
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	110	90	529
Surplus/(deficit) of operating funding (C-D)	(91)	(76)	(247)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(20)	(37)	51
Add Depreciation	111	113	196
Surplus/(deficit) of operating funding (A-B)	91	76	247

DISTRICT PROMOTION - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	93	96	88
Targeted rates	297	309	206
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	5	5	70
Total operating funding (A)	395	410	364
Applications of operating funding			
Payments to staff and suppliers	435	451	381
Finance costs	0	0	0
Internal charges and overheads applied	3	4	3
Other operating funding applications	0	0	0
Total applications of operating funding (B)	438	455	384
Surplus/(deficit) of operating funding (A-B)	(43)	(45)	(20)
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	35
Increase/(decrease) in reserves	(43)	(45)	(55)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(43)	(45)	(20)
Surplus/(deficit) of operating funding (C-D)	43	45	20
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	(47)	(49)	(27)
Add Depreciation	4	4	7
Surplus/(deficit) of operating funding (A-B)	(104)	(45)	(20)

HANMER SPRINGS THERMAL POOLS AND SPA - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	10,004	10,305	10,202
Total operating funding (A)	10,004	10,305	10,202
Applications of operating funding			
Payments to staff and suppliers	6,950	7,161	7,021
Finance costs	1,027	1,074	783
Internal charges and overheads applied	134	137	138
Other operating funding applications	0	0	0
Total applications of operating funding (B)	8,111	8,372	7,942
Surplus/(deficit) of operating funding (A-B)	1,893	1,933	2,260
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	1,039	537	(60)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,039	537	(60)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	1,351	537	1,773
- To replace existing assets	104	107	288
Increase/(decrease) in reserves	1,477	1,826	138
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,932	2,470	2,199
Surplus/(deficit) of operating funding (C-D)	(1,893)	(1,933)	(2,260)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	1,012	1,021	1,460
Add Depreciation	881	912	800
Surplus/(deficit) of operating funding (A-B)	(1,182)	1,933	2,260

GOVERNANCE - GROUP ACTIVITY FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	2014 Long-Term Plan \$000's	2015 Long-Term Plan \$000's	2015 Annual Report \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,052	1,158	1,027
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	17	17	21
Total operating funding (A)	1,069	1,175	1,048
Applications of operating funding			
Payments to staff and suppliers	723	788	695
Finance costs	0	0	0
Internal charges and overheads applied	337	378	249
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,060	1,166	944
Surplus/(deficit) of operating funding (A-B)	9	9	105
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	36	0	0
Increase/(decrease) in reserves	(27)	9	105
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	9	9	105
Surplus/(deficit) of operating funding (C-D)	(9)	(9)	(105)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(Deficit) for Activity	0	0	99
Add Depreciation	9	9	6
Surplus/(deficit) of operating funding (A-B)	9	9	105

Benchmarking

The benchmarks 110

The benchmarks

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2015

What is the purpose of this statement?

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

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

Rates affordability benchmark

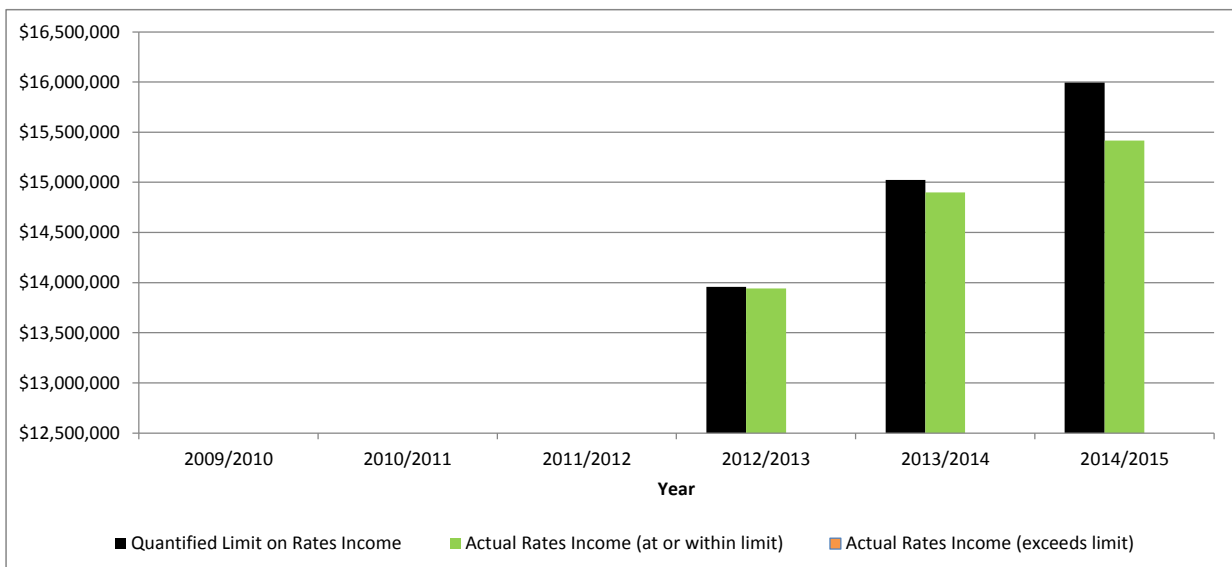
The council meets the rates affordability benchmark if—

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

Rates (income) affordability

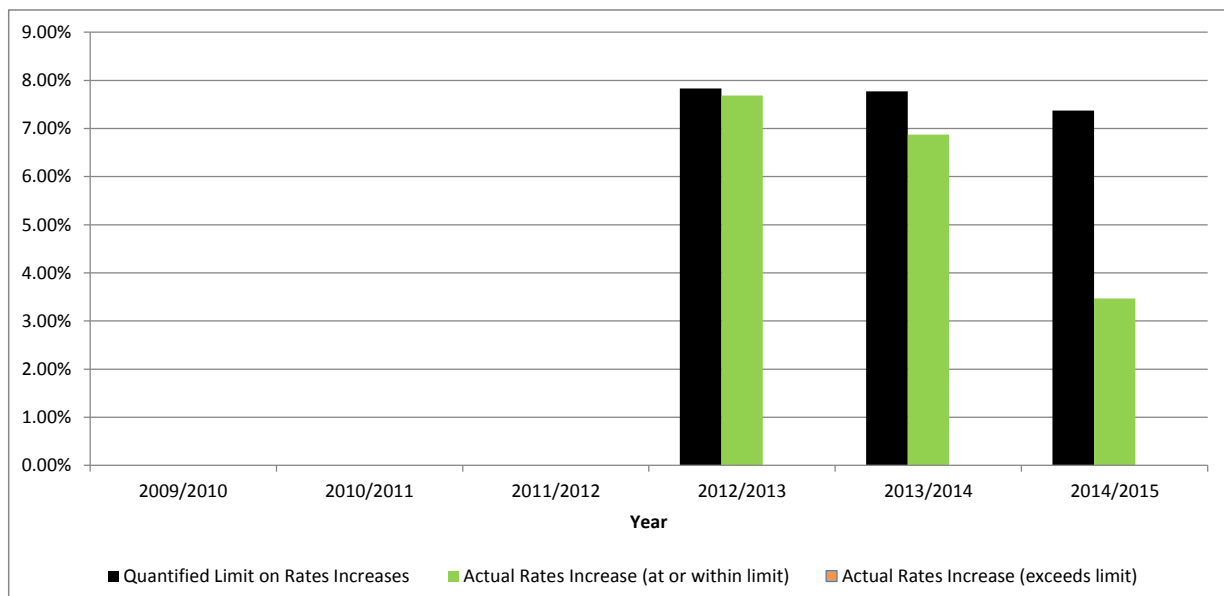
The following graph compares the council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the council’s long-term plan. The quantified limit was set out as follows:

- 2012/2013 7.83% increase from prior year (\$12,945,000 + 7.83%) = \$13,959,000
- 2013/2014 7.77% increase from prior year (\$13,940,000 + 7.77%) = \$15,023,000
- 2014/2015 7.37% increase from prior year (\$14,898,000 + 7.37%) = \$15,995,982



Rates (increases) affordability

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



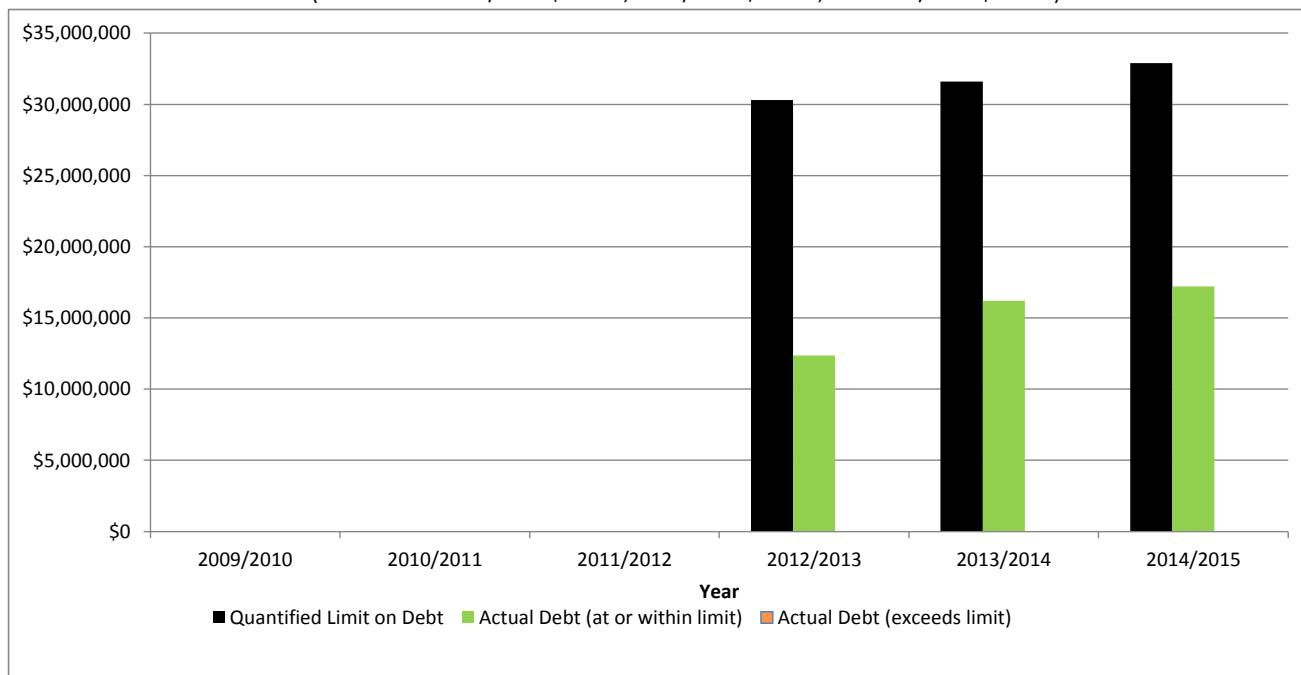
Debt affordability benchmarks

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

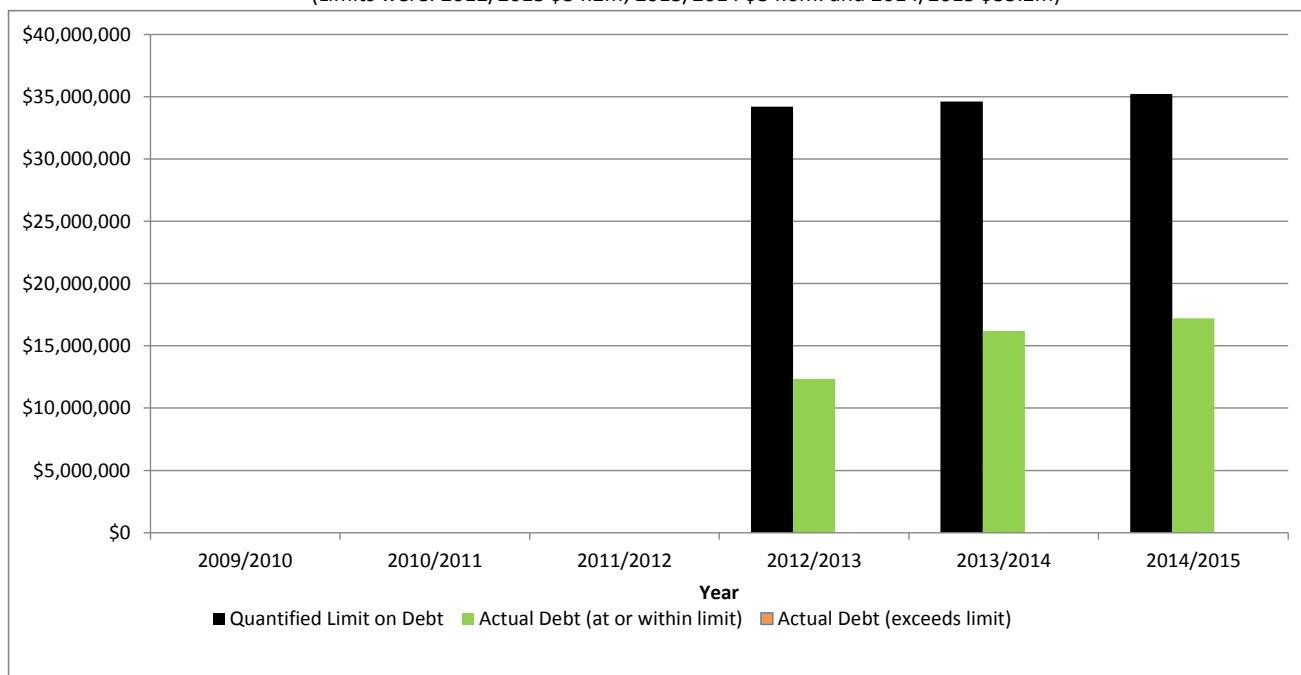
The following graphs compares the council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council’s long-term plan. There are four factors in the Council’s Financial Strategy to help determine limits on debt:

- Total Debt is no more than 100% of Total Income (Limits were: 2012/2013 \$30.3m; 2013/2014 \$31.6m; and 2014/2015 \$32.9m)
- Total Debt is no more than 10% of Total Equity (Limits were: 2012/2013 \$34.2m; 2013/2014 \$34.6m; and 2014/2015 \$35.2m)
- Interest expense is no more than 5% of Total Income (Limits were: 2012/2013 \$1.52m; 2013/2014 \$1.58m; and 2014/2015 \$1.65m)
- Interest expense is no more than 10% of Total Rates (Limits were: 2012/2013 \$1.36m; 2013/2014 \$1.45m; and 2014/2015 \$1.53m)

Total Debt is no more than 100% of Total Income
(Limits were: 2012/2013 \$30.3m; 2013/2014 \$31.6m; and 2014/2015 \$32.9m)



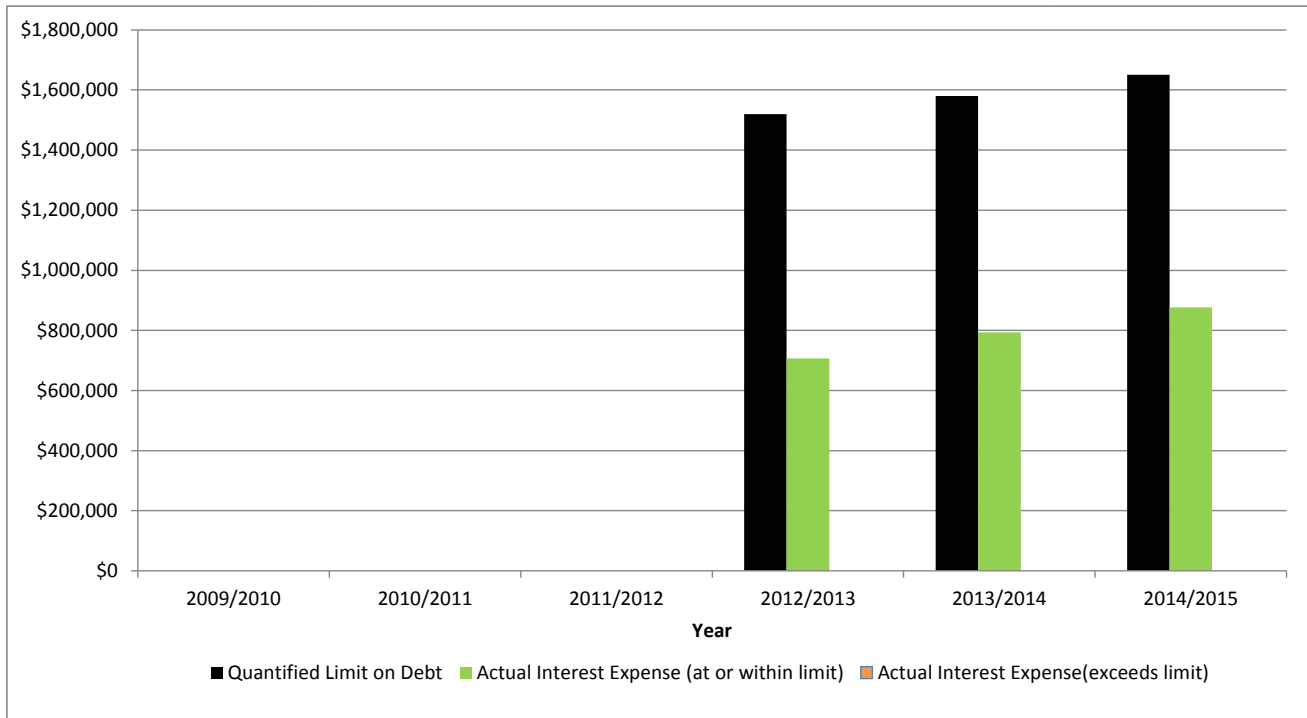
Total Debt is no more than 10% of Total Equity
(Limits were: 2012/2013 \$34.2m; 2013/2014 \$34.6m; and 2014/2015 \$35.2m)



Debt affordability benchmarks (Continued)

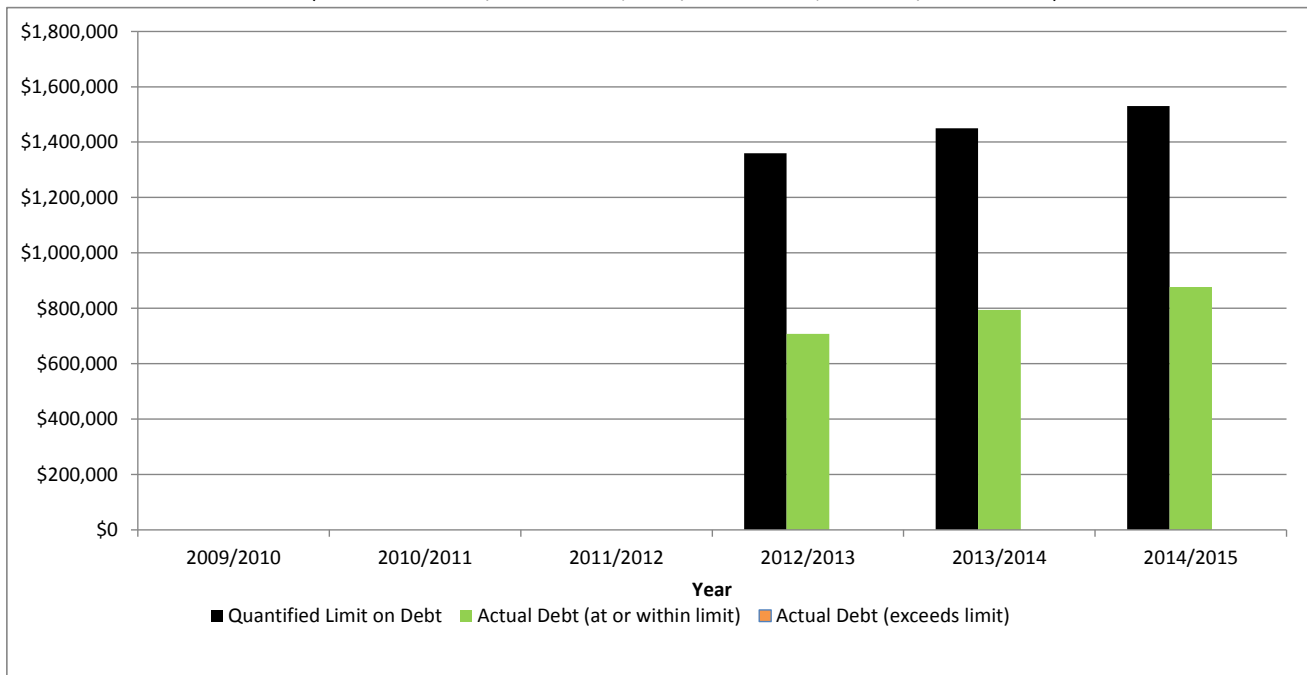
Interest expense is no more than 5% of Total Income

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



Interest expense is no more than 10% of Total Rates

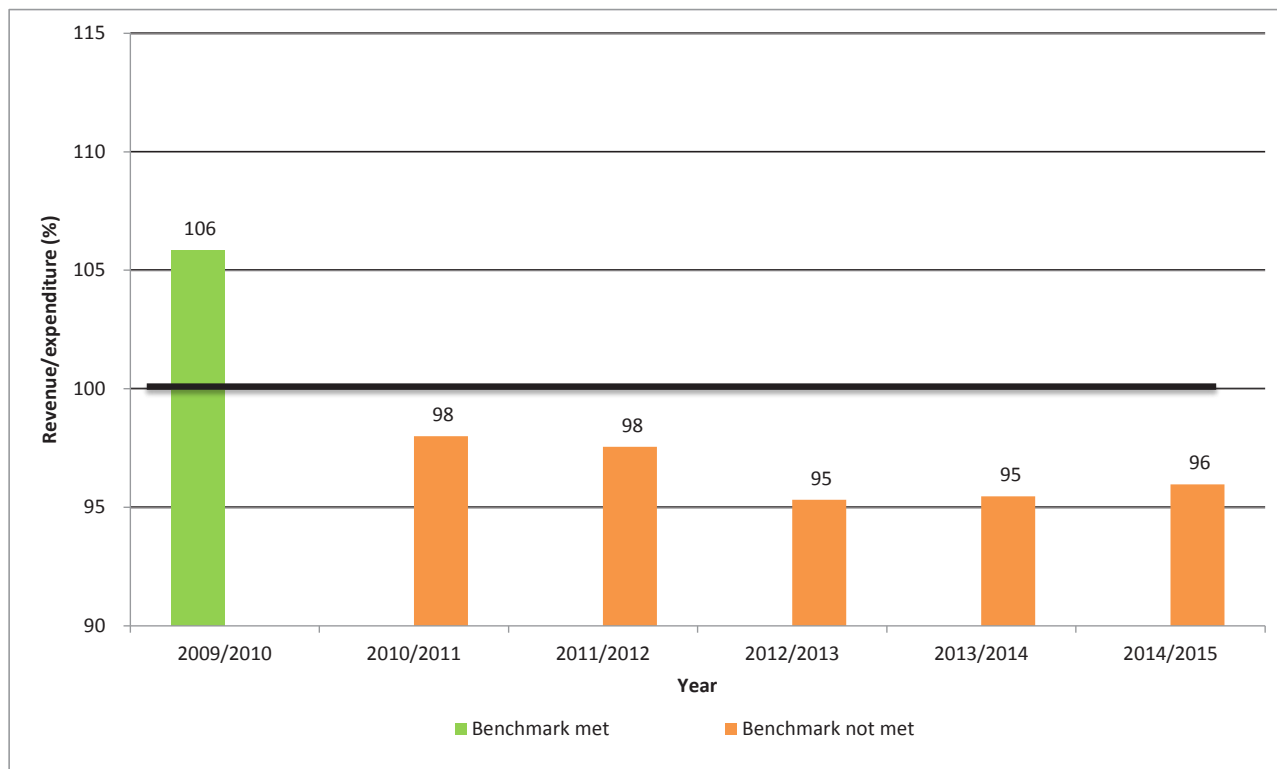
(Limits were: 2012/2013 \$1.36m; 2013/2014 \$1.45m; and 2014/2015 \$1.53m)



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).

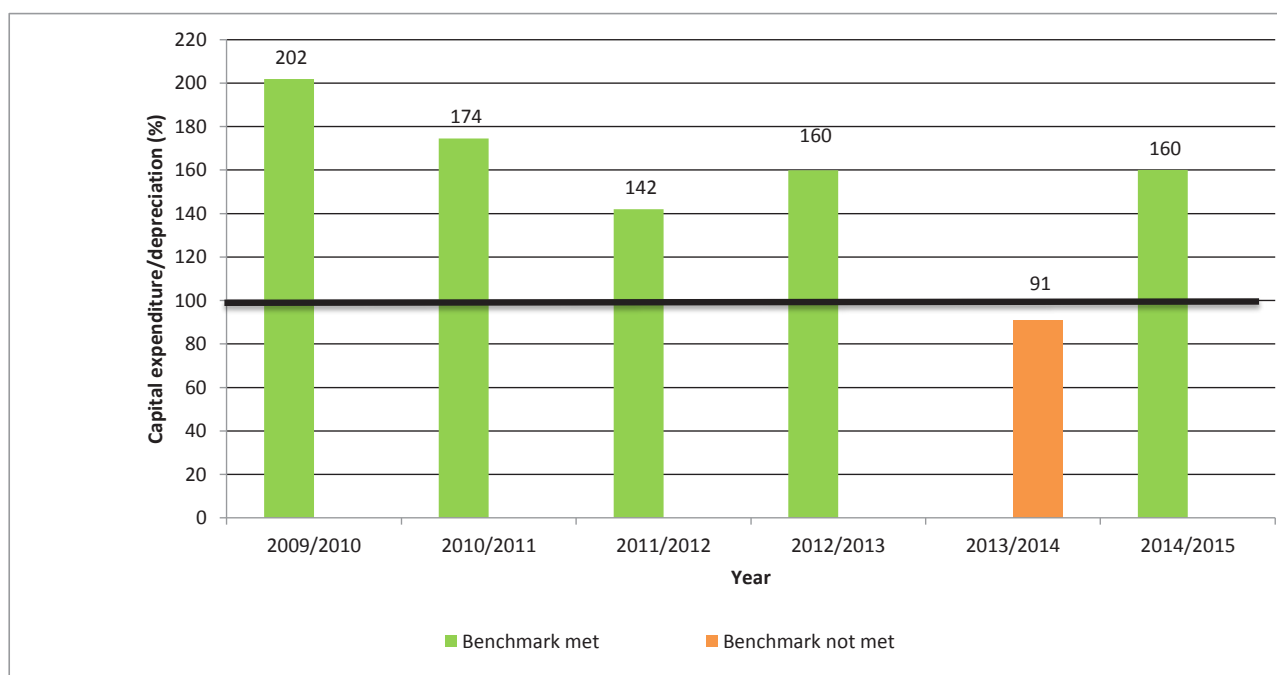
The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

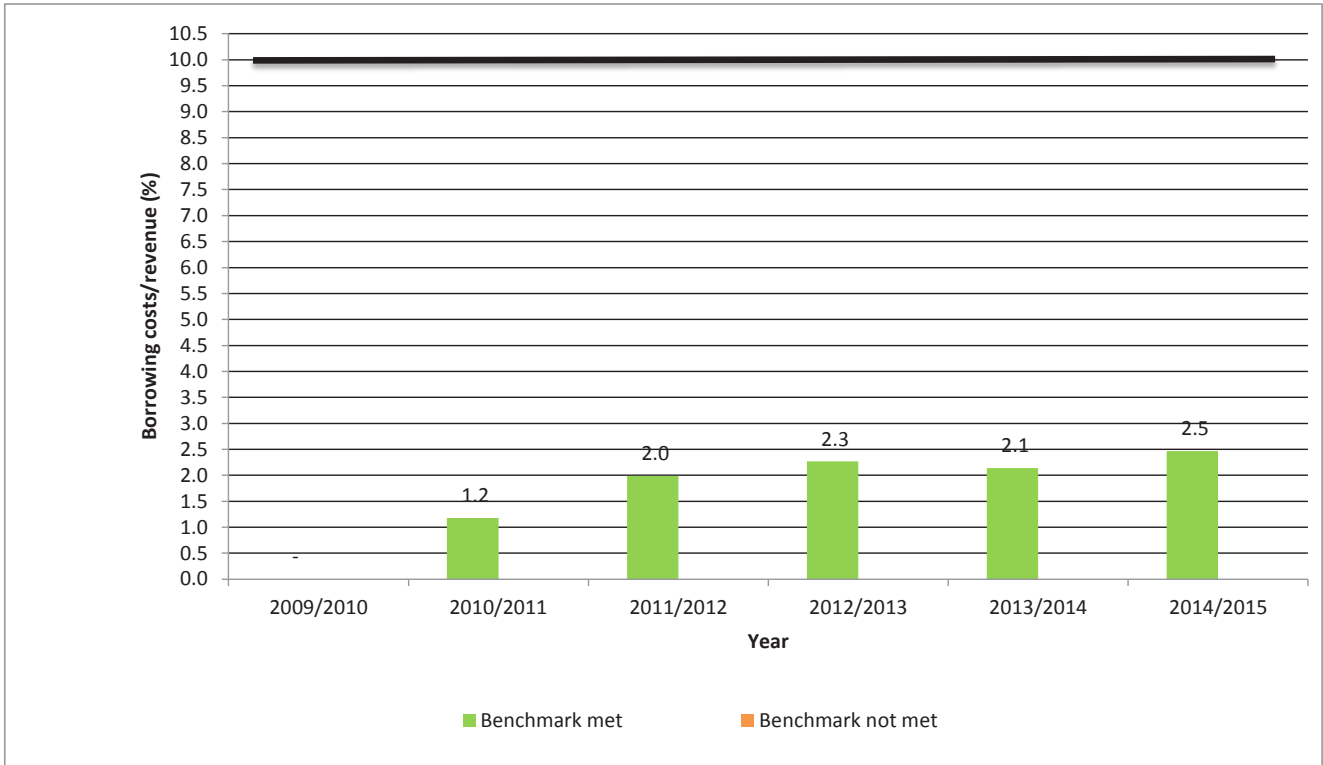
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services.

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



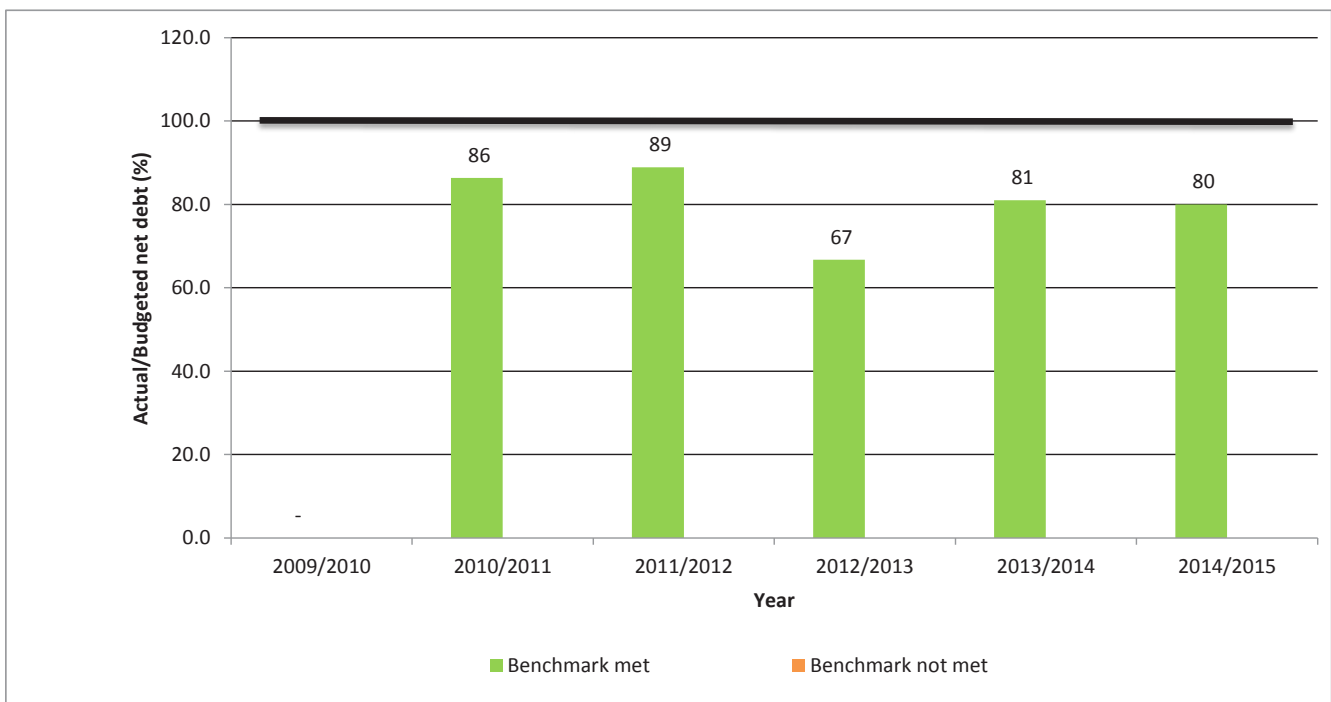
Debt servicing benchmark

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.



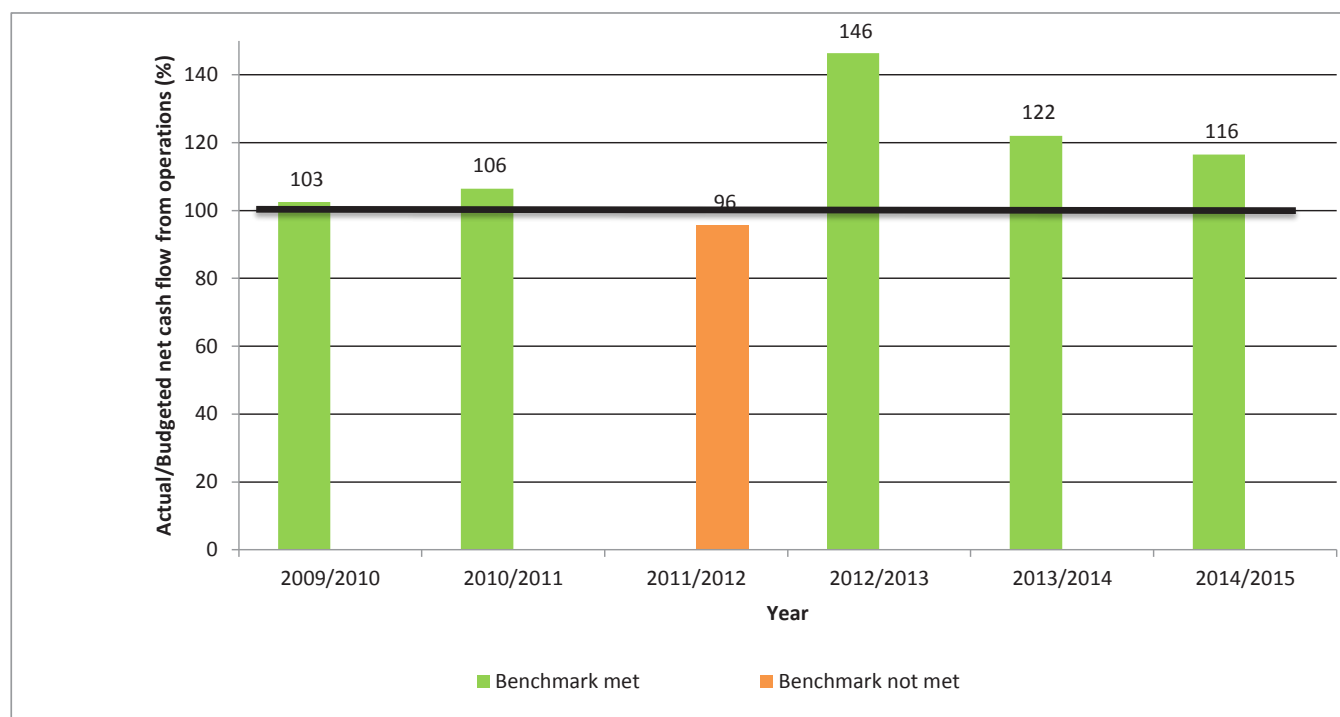
Debt control benchmark

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	118
Transwaste Canterbury Limited	120

Enterprise North Canterbury

Background

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

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

Council's objectives for investment in Enterprise North Canterbury

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

2014/2015 Objectives

1 Large Businesses and New Projects

- 1.1 ENC will support agricultural sector organisations seeking to introduce their development programmes in North Canterbury
- 1.2 ENC will promote the development of "business to business" networks within the region

2 Infrastructure

- 2.1 ENC will engage with broadband providers and business interests to accelerate the introduction of faster broadband services

3 Retain and support existing SME businesses

- 3.1 ENC will support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities
- 3.2 ENC will celebrate and recognise business leaders and business successes
- 3.3 Sector groupings will be established as and when the need is apparent.
- 3.4 Undertaken research to identify gaps, opportunities and track business issues and trends.
- 3.5 ENC will assist Hurunui town development as and when invited.

2014/2015 Achievements

1. Large Businesses and New Projects

- 1.1 ENC Rural Engagement Objective: ENC is committed to creating new initiatives that stimulate and accelerate economic growth for the North Canterbury rural sector. Three key areas of focus:

- Key Relationship Management
- Engagement
- Finding the gap

- 1.2 Networking functions: Four networking functions were held during the year with a total of 312 attendees (317 last year).

2. Infrastructure

- 2.1 Acceleration of broadband provision:

- ENC hosted a Connectivity Symposium with nine Broadband Internet Service Providers (ISP) on the 6th of November with 27 attendees. Enable and Vodafone gave an update on the rollout of programmes in North Canterbury.
- ENC was instrumental in bringing together four parties to fund the installation of fibre to parts of Southbrook
- ENC worked with WDC to facilitate voice over fibre services to a retirement village in Kaiapoi
- ENC paid for the installation of Free WiFi and signage to the main street of Culverden. Amuri.net has agreed to fund ongoing data costs.
- ENC worked with clusters of residents and businesses to find solutions and the appropriate ISP able to provide greater/easier access to broadband in their area. This included Hanmer Springs, Ohoka/Clarkville; Balcairn; Waikuku; Pegasus town; Rangiora Hospital; Continental
- ENC undertook a survey of 354 residents and businesses in North Canterbury on their speeds/ accessibility and reliability of their broadband services as evidence capturing for the ROI submission to MBIE for Rural Broadband Initiative 2
- ENC continued to be the rural representative on the Canterbury Leaders Digital Forum to work collaboratively, lobby and capitalise on Government's broadband initiatives.

3. Retain and support existing SME businesses

- 3.1 ENC has a pivotal role in the enhancement of business capability through training, coaching and mentoring of the SME sector through:
 - Regional Business Partner Programme (RBP)

- Business Training Workshops and Coaching
- Referrals to Business Mentors NZ.
- Referrals to other organisations
- Referred businesses to a wide variety of training options.
- Communications with businesses and ENC stakeholders
- ENC social media channels

3.2 The celebration of business achievements within the region is an important stimulus for entrepreneurs. The Business Awards Gala Evening and Awards Ceremony was held in August 2014 at the Waipara Hills Winery under Continental Marquee with 347 guest attending to celebrate 47 entries in seven categories.

3.3 Establish sector groupings:

- ENC engaged with a number of industry groupings this year including Hanmer Business Association, Saffron Growers, Amuri Dairy farmers around Immigration; and Kaikoura tourism operators with regard to their training needs
- ENC worked closely with WINZ, Immigration NZ, recruitment and human resources companies and CECC Settlement Support Services
- ENC hosted Immigration NZ at a networking function to profile their services
- ENC engaged a new presenter to deliver new HR workshops
- A training needs survey was established to ascertain the development needs of the business community. This has been instrumental in setting the timing and content of 2015 workshops. Hanmer and Kaikoura had a notably high number of responders to the survey.

3.4 Research:

- ENC undertook two Business Confidence surveys in November 2014 and May 2015 to provide a snapshot of business confidence and labour market needs. The results are distributed widely and used by other organisations to assist in their planning
- A “Work Local” campaign was initiated in response to the Business Confidence Survey in May. Pak’n’Save Rangiora approached ENC with a media release announcing that it would be hiring 200+ employees upon opening. ENC coordinated and distributed a combined media release to highlight the importance of working locally, as well as making the employment announcement. A

billboard was produced and installed on Lineside Road. There was a significant increase in jobs viewed on ENC’s website as a result.

3.5 ENC continue to assist the Culverden and Amuri Basin business communities.

- ENC staff presented on the findings of the needs of the businesses in Culverden
- ENC raised \$20,000 from MSD to establish a worker in the Amuri Basin to address the needs of employees and the wider community who are experiencing social isolation. We have gained a commitment from local businesses to contribute further funds and we will continue to pursue contributions to ensure the long term success of this project.
- The first stage of this project started on May 1st and will progress to 30 June 2016
- ENC ran four training workshops in Culverden this year

Transwaste Canterbury Limited

Background

Transwaste Canterbury Limited operates a regional landfill at Kate Valley and associated transport services in a joint venture with Canterbury Waste Services.

Hurunui District Council is one of the councils in the Canterbury region which between them own 50% of the shares in Transwaste Canterbury Limited. Hurunui's share of the Company amounts to 1.2%.

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

Council's objectives for investment in Transwaste Canterbury Economic Limited

The Hurunui District Council's key objective for investment in Transwaste Canterbury Limited has been to receive an economic return for its investment. Council continues to receive dividends from the Company.

Key performance measures

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

1. Shareholder Interest: To operate a successful business, providing a fair rate of return to its shareholders.
2. Healthy Environment: To ensure that the group, as a minimum, meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources.
3. Corporate Citizen: To be a responsible Corporate Citizen by acting lawfully, fairly and honestly and to be sensitive to local issues.
4. Service Quality: Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.
5. Good Employer: Be a Good Employer, through either direct employment or by way of management contracts with Canterbury Waste Services (CWS) and Canterbury Material Recovery Facilities (CMRF). To ensure that CWC and CMRF adhere to the performance targets set out under this clause. 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.
6. Consultation and Community Relations: Establish and maintain good relations with the local host

community of the Kate Valley landfill and Burwood areas and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them.

Results for 2014/2015

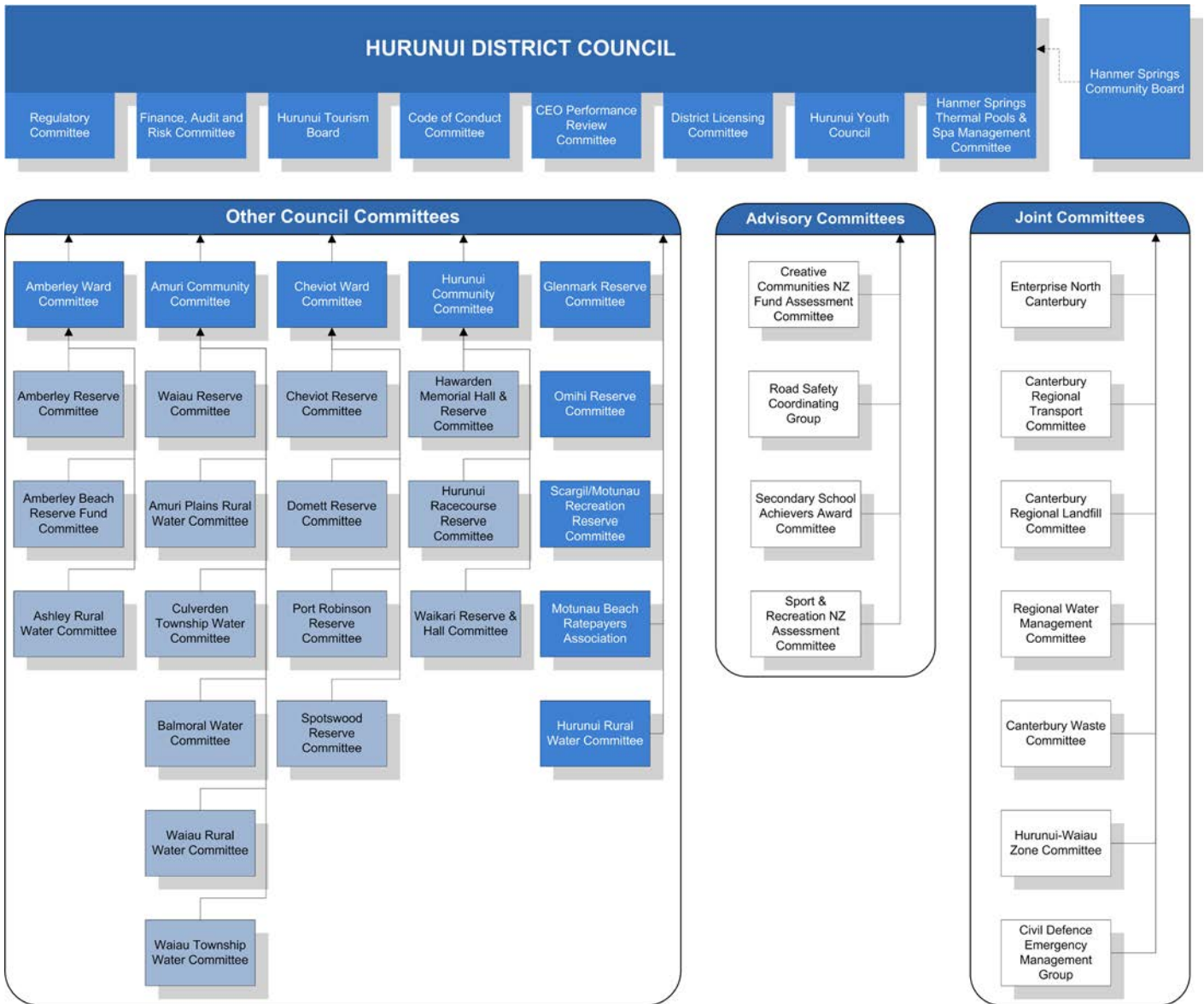
1. All of the five performance targets were met.
2. One of the four performance targets were met. The three that were not met were: two non-compliances with consent requirements were noted; financial bond for the landfill was increased to \$13 million rather than \$12 million; and only 3,515 plants of native species being planted rather than the targeted 4,000.
3. Two of the three performance targets were met, with the one not achieved being the Kate Valley landfill Annual Review was not prepared for 2013/14..
4. All three performance targets were met.
5. All seven performance targets were met.
6. Five of the six performance targets were met, with the one not being in respect to receiving 62 odour related complaints were received, although none of these have been substantiated by Environment Canterbury.

Independent Auditor's Report

Appendices

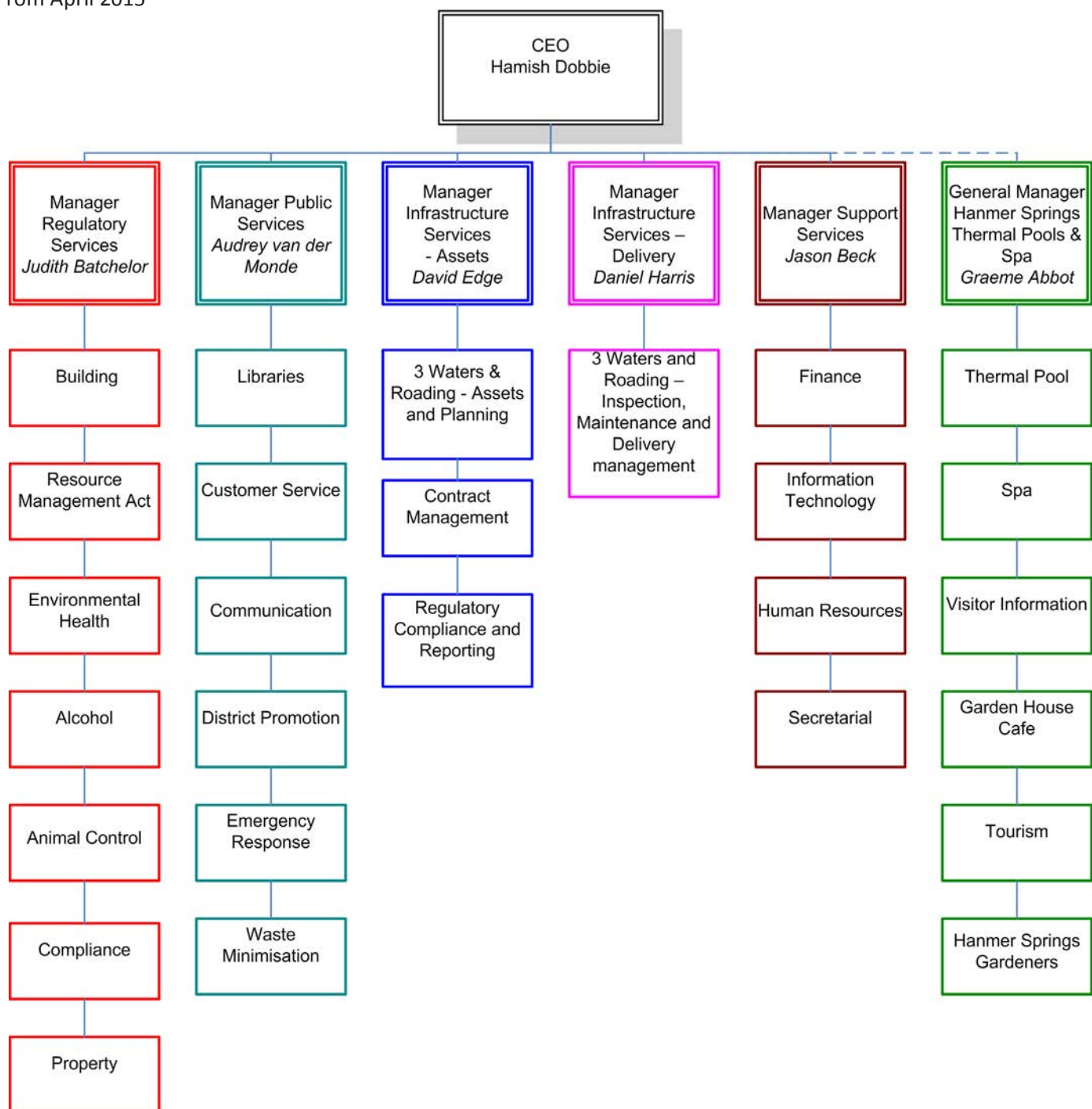
Council committee structure	128
Organisational structure	129

Council committee structure



Organisational structure

From April 2015





Address: **66 Carters Road
PO Box 13
Amberley 7441**

Phone: **03 314 8816**

Fax: **03 314 9181**

Email: **info@hurunui.govt.nz**

Web: **hurunui.govt.nz**

