

ANNUAL REPORT

2021/22



PREPARED BY HURUNUI
DISTRICT COUNCIL

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INTRODUCTION

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Introduction from the Mayor and Chief Executive Officer

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

The 2021/2022 year for the Hurunui District has been governed by the uncertainty of the ongoing effects of the global pandemic, with significant influence over the economy, service delivery and a limited number of tourists visiting and enjoying the District. This has been particularly noticeable with visitors to the Hanmer Springs Thermal Pools and Spa. However, overall indicators point to our District recovering better than most with the continued ongoing focus towards domestic visitors. The lack of staff across many sectors has continued to bite and it is anticipated that a vibrant District will return within a reasonable time period, now international borders have opened.

On a positive note we have seen some vibrant growth across the District, particularly in the southern part of the District, and we predict that we are viewed as a desirable place for businesses to invest and families to settle.

The 2021/2022 year saw major capital upgrades across a range of Council facilities and assets so that improved services can continue to be delivered into the future. There was an emphasis on upgrading and improving the Three Waters Network. As well utilising the Three Waters Stimulus funding provided by central government, the Council continued the process of upgrading its water supplies to meet drinking water standards – a project Council has been developing since the 2015-2025 Long Term Plan.

While parts of the District have emerged from the pandemic in a strong position, the tourism industry still suffered from the various restrictions in place and Council has felt that keenly from the challenging year faced by the Hanmer Springs Thermal Pools and Spa. The Council is not immune to other global challenges emerging from the

pandemic specifically the level of inflation in the economy and the increased interest rates.

Financial performance for the year

The Council recorded a total operating surplus of \$5.5 million, with the key components summarised below:

Revenue:

Total revenue for the year was \$61.1 million, which was \$7.7 million greater than the budget. The key variances from budget were:

- Subsidies and Grants were \$2.0 million greater than budgeted due to additional roading subsidies received and recognising the wage subsidies received by the Hanmer Springs Thermal Pools and Spa during the period of lockdown.
- Significant development in the Amberley area has meant that both development contributions and the level of assets vested in Council from developers have been well up on the level budgeted for.

Expenditure:

Total expenditure was \$55.6 million, which was \$6.7 million greater than budget. The key variances from budget were:

- Employment costs were \$1.5 million greater than budget, which reflects the increased level of work carried out in the three waters area and also the realignment of wages in the Hanmer Springs Thermal Pools and Spa after the disruption caused by Covid-19.
- Operating costs were \$2.6 million ahead of budget with a significant portion of the increase being in the roading area resulting from repair work, from various flooding events, during the past 18 months.

Other comprehensive revenue:

- The Council revalued its roading network at the end of June 2022 and this resulted in a 58% increase in the value of the assets. This reflects the inflationary pressures that Council is under in the roading area which necessitated the 10.5% increase in the rates for the 2022/2023 year.

Financial position at the end of the year*Fixed assets:*

Property plant and equipment was \$158 million higher than the level budgeted for, with the key reason being the \$154 million increase to the value of roading.

Debt:

Council has budgeted that total debt as at 30 June 2022 would be \$41.5 million. Due to other funding avenues available, the total debt at the end of the year was only \$38 million with the cash balance being \$2.8 million greater than budgeted.



Mayor
Marie Black

Three Waters Reform

The Three Waters Reform programme has moved to a new stage with legislation being introduced to Parliament. The legislation, as it stands, will mean that the responsibility for the service delivery and infrastructure for three waters for the Hurunui District will be transferred on 1 July 2024 to a water service entity who will be responsible for the majority of the South Island.



Hamish Dobbie
Chief Executive Officer

Conclusion

The prediction is that the future will continue to be challenging for all in Local Government, therefore it is critical that we are united to collectively ensure we have a District that is prosperous and welcoming. No doubt the major decisions of Three Waters, the RMA, along with the Future for Local Government, may significantly change the context of how the Hurunui District Council will function. However, we are committed to educate, inform and lead with you on these key issues.

People have chosen and will continue to choose the Hurunui District as their favoured place to live, work and play. In supporting these choices, we are very aware of the responsibility to supply features that meet your desired needs. It is the aim of this Council to work with you and continue to deliver to meet your expectations.

Statement of compliance and responsibility

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of Hurunui District Council, the Annual Report for the year ended 30 June 2022 fairly reflects the financial position and operations of Hurunui District Council.

Dated 29 November 2022



Mayor
Marie Black



Chief Executive Officer
Hamish Dobbie



Chief Financial Officer
Jason Beck

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

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

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Water Supply

Overview

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

Aim

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

Community outcomes that water supplies contribute to

1. A place with essential infrastructure:

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

Community well-beings that water supplies contribute to

- Economic
- Social

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

Overall, an operating surplus of \$501,903 was recorded against a budgeted operating deficit of \$1,748,775. The key variances from budget are:

- Development Contributions were \$178,916 greater than budget due to three significant developments carried out in Amberley.
- Employment Costs were \$183,942 greater than budget due to various work carried, particularly water modelling, funded by the Three Waters Stimulus Funding.
- Depreciation was \$273,498 greater than budget due to the increase resulting from the 2021 valuation that was not budgeted for.
- Loss on Disposal of Assets was \$956,688 greater than budget due to the range of assets that had been replaced during the year could not be accurately budgeted for.
- Capital expenditure is up on budget by

\$231,299, which was mainly due to the level of found assets recognised during the year.

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

This year's operating surplus of \$501,903 was \$3,104,932 lower than the operating deficit recorded for the 2020/2021 year of \$3,606,835. The key variances from last year are:

- Rates were \$228,764 higher than last year due to the increases that had been consulted on in the Long Term Plan.
- Other Income was \$738,028 lower than last year due to the balance of Three Waters Stimulus Funding received in the 2021 year.
- Vested Assets Income was \$350,585 lower than last year due to a higher level of new assets being vested by developers in the 2020/2021 financial year.
- Development Contributions were \$461,968 higher than last year due to three significant developments carried out in Amberley.
- Employment Costs were \$523,199 higher than last year due to a higher level of wages allocated to Water during the year than last year and also there was no Wage Allocation to Three Water Stimulus Projects last year.
- Other Direct Expenditure was \$736,868 higher than last year due to increasing costs on Materials and Chlorination Plant Maintenance, which was allowed for in the 2021/2022 budget.
- Council Overheads were \$101,352 higher than last year due to a higher level of corporate resources needed to be applied to Water Supplies for the year.
- Depreciation was \$390,310 higher than last year due to the valuation of three waters carried out for the 2020/2021 Annual Report.
- Loss on disposal on assets was \$865,343 higher than last year due to the recognition of those assets that have been replaced during the 2021/2022 financial year.
- Capital expenditure was \$1,812,221 greater than last year due to significant costs for treatment of Amberley and Hawarden-Waikari supplies carried out in 2022.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Water Supplies was \$10,610,624
- Cash surpluses recorded in Water Supplies totalling \$3,536,974 were used to offset the borrowings, with a further \$7,333,115 of Capital Expenditure (excluding found assets) incurred resulting in the balance of the internal borrowings for Water Supplies sitting at \$14,406,765 as at the end of the year – an overall increase in borrowings of

\$3,796,141.

- The amount of Internal Interest charged to Water Supplies for the year was \$448,227, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$6,682.

Note:

Water Supplies are subject to the Three Waters Reform programme outlined in Note 31.

Group activity - Water supply

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	7,009,735	6,979,538	6,780,971
Other Income	2,439,857	2,355,000	3,177,885
Internal Interest Received	6,682	140	3,479
Vested Assets	200,214	188,000	550,799
Development Contributions	596,211	417,295	134,243
Total Operating Revenue	10,252,699	9,939,973	10,647,378
OPERATING EXPENDITURE			
Employment Costs	1,532,998	1,349,056	1,009,799
Other Direct Expenditure	3,380,093	3,314,512	2,643,225
Internal Interest Paid	448,227	368,337	355,043
Council Overheads	1,368,742	1,368,742	1,267,390
Depreciation	2,064,049	1,790,551	1,673,739
Loss on Disposal of Assets	956,688	0	91,345
Total Operating Expenditure	9,750,797	8,191,198	7,040,543
Operating Surplus (Deficit)	501,903	1,748,775	3,606,835
CAPITAL EXPENDITURE			
District Wide Water	3,193,442	2,198,283	1,798,593
Water - Stimulus Package	2,011,151	2,200,000	2,792,467
Amberley	1,254,971	1,181,394	5,144
Ashley Rural	411,535	325,000	950,677
Culverden	0	0	0
Waiau Town	0	0	0
Amuri Plains	0	0	1,906
Balmoral	15,233	0	0
Waiau Rural	0	0	0
Cheviot	36,985	0	146,770
Waipara	0	150,000	0
Hanmer Springs	58,152	90,000	23,819
Hawarden - Waikari	611,720	1,227,455	7,936
Hurunui Rural	61,220	50,978	114,877
Total Capital Expenditure	7,654,409	7,423,110	5,842,188

Sewerage

Overview

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

Aim

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

Community outcomes that sewerage contributes to

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

Community well-beings that sewerage contributes to

- Economic
- Social

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

Overall, an operating surplus of \$3,588,641 was recorded against a budgeted operating surplus of \$1,328,956. The key variances from budget are:

- Vested Asset Income was \$3,048,825 greater than budget due to a significant level of sewer

lines and points being recognised in the Amberley area for the 2021/2022 year.

- Development Contributions were \$240,446 greater than budget due to three significant developments carried out in Amberley during the year.
- Other Direct Expenditure was \$219,102 greater than budget due to an increase in the Sewerage Stimulus operational projects undertaken during the year.
- Depreciation was \$211,017 greater than budget due to the increase resulting from the 2021 valuation that was not budgeted for.
- Loss on Disposal of Assets was \$442,978 greater than budget due to the range of assets that had been replaced during the year could not be accurately budgeted for.
- Capital expenditure is up on budget by \$2,344,028 due to the level of sewer assets vested in Council during the year.

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

This year's operating surplus of \$3,588,641 was \$15,501 lower than the operating surplus recorded for the 2020/2021 year of \$3,604,142. The key variances from last year are:

- Other Income was \$895,901 lower than last year due to Council receiving a grant from the Tourism Infrastructure Fund towards the Hanmer Springs Sewer Disposal Project in the 2020/2021 year.
- Vested Asset Income was \$2,259,737 greater than last year due to a significant level of sewer lines and points being recognised in the Amberley area for the 2021/2022 year.
- Development Contributions were \$179,305 greater than last year due to three significant developments carried out in Amberley during the year.
- Employment Costs were \$120,965 greater than last year due to operating projects carried out this year using Stimulus funding.
- Other Direct Expenditure was \$610,714 greater than last year due to operating projects carried out this year using Stimulus funding.
- Capital expenditure is up on last year by \$1,226,244, again due to the level of sewer assets vested in Council during the year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Sewerage was \$8,167,234
- Cash operating surpluses of \$3,452,008 were recorded to offset the borrowings with a further \$4,225,724 of Capital Expenditure (excluding found assets). This has resulted in the balance of the internal borrowings for Sewerage sitting at \$8,940,950 as at the end of the year – an overall decrease of \$773,716.
- The amount of Internal Interest charged to Sewerage for the year was \$284,345, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$6,945.

Note:

Sewerage is subject to the Three Waters Reform programme outlined in Note 31.

Group activity - Sewerage

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,773,815	1,736,181	1,846,083
Other Income	1,280,603	1,345,000	2,176,504
Internal Interest Received	6,945	0	3,717
Vested Assets	3,186,673	137,848	926,936
Development Contributions	451,554	211,108	272,249
Total Operating Revenue	6,699,589	3,430,137	5,225,490
OPERATING EXPENDITURE			
Employment Costs	206,911	111,924	85,946
Other Direct Expenditure	1,064,140	845,038	453,426
Internal Interest Paid	284,345	242,663	282,165
Council Overheads	202,864	202,864	187,866
Depreciation	909,710	698,693	593,957
Loss on Disposal of Assets	442,978	0	17,987
Total Operating Expenditure	3,110,949	2,101,181	1,621,347
Operating Surplus (Deficit)	3,588,641	1,328,956	3,604,142
CAPITAL EXPENDITURE			
District Wide Sewerage	3,616,861	678,700	1,178,274
Wastewater - Stimulus Package	587,845	980,000	1,177,462
Amberley	276,988	480,000	2,796
Cheviot	52,932	100,000	31,087
Greta Valley	0	2,500	0
Motunau Beach	0	2,500	0
Hanmer Springs	438,103	350,000	1,328,243
Hawarden	0	5,000	(4,331)
Waikari	0	30,000	32,954
Total Capital Expenditure	4,972,728	2,628,700	3,746,484

Stormwater and Drainage

Overview

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

Aim

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

Community outcomes that stormwater and drainage contribute to

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

Community well-beings that stormwater and drainage contribute to

- Economic
- Social

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

Overall, an operating surplus of \$269,335 was recorded against a budgeted operating surplus of \$614,115. The key variances from budget are:

- Vested Asset Income was \$216,950 lower than budget due to the actual assets vested from developers being largely water and sewer assets for the year.
- Development Contributions were \$117,331 greater than budget due to three significant developments carried out in Amberley.
- Other Direct Expenditure was \$170,593 greater than budget due to recognising various projects

as operational rather than as capital projects.

- Capital expenditure was \$301,545 lower than budget due to various projects not progressing during the year.

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

This year's operating surplus of \$269,335 was \$1,260,915 lower than the operating surplus recorded for the 2020/2021 year of \$1,530,250. The key variances from last year are:

- Vested Asset Income was \$1,168,025 lower than last year due to actual assets vested from developers being largely water and sewer assets for the year.
- Other Direct Expenditure was \$185,355 higher than last year due to recognising various projects as operational rather than as capital projects.
- Capital expenditure was \$2,392,029 lower than last year due to a lower level of stormwater assets being vested in Council during the year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Stormwater was \$1,841,617.
- Cash operating surpluses of \$241,315 and with a further \$486,493 of Capital Expenditure (excluding Found Assets) incurred has resulted in the balance of the internal borrowings for Stormwater sitting at \$2,086,795 as at the end of the year – an overall increase in borrowing of \$245,178.
- The amount of Internal Interest charged to Stormwater for the year was \$72,336, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$3,074.

Note:

Stormwater and drainage are subject to the Three Waters Reform programme outlined in Note 31.

Group activity - Stormwater and Drainage

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	696,624	701,958	655,873
Other Income	127,575	115,000	85,664
Internal Interest Received	3,074	332	1,457
Vested Assets	76,750	293,700	1,244,775
Development Contributions	158,112	40,781	70,474
Total Operating Revenue	1,062,135	1,151,770	2,058,243
OPERATING EXPENDITURE			
Employment Costs	93,490	86,672	89,534
Other Direct Expenditure	347,760	177,167	162,405
Internal Interest Paid	72,336	67,958	64,921
Council Overheads	44,642	44,640	41,289
Depreciation	184,412	161,218	130,647
Loss on Disposal of Assets	50,159	0	39,196
Total Operating Expenditure	792,800	537,656	527,993
Operating Surplus (Deficit)	269,335	614,115	1,530,250
CAPITAL EXPENDITURE			
District Wide Stormwater	512,499	358,700	2,833,012
Stormwater - Stimulus Package	29,442	115,000	85,664
Amberley Stormwater	359,286	702,000	109,808
Cheviot Stormwater	0	0	0
Jed River Clearance	0	0	0
Motunau Beach Stormwater	0	0	0
Hanmer Springs Stormwater	4,441	32,000	269,700
Hawarden Stormwater	0	0	0
Waikari Stormwater	486	0	0
Total Capital Expenditure	906,155	1,207,700	3,298,184

Roads and Footpaths

Overview

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

Aim

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

Community outcomes that roads and footpaths contribute to

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

Community well-beings that roads and footpaths contribute to

- Economic
- Social

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

Overall, an operating deficit of \$2,016,411 was recorded against a budgeted operating deficit of \$141,504. The key variances from budget are:

- Other Income was \$845,463 greater than budget due to a higher level of subsidies being received for the year, as a result of the additional emergency reinstatement costs.

- Vested Asset Income was \$481,300 lower than budget due to the timing of the roading assets from subdivisions being transferred to Council.
- Other Direct Expenditure was \$1,967,633 greater than budget due to emergency reinstatement costs incurred during the year relating to Cyclone Dovi and floods from May and December 2021, which was not budgeted for.
- Depreciation was \$248,366 greater than budget as the budget did not incorporate the additional depreciation on the Inland Road, which was transferred back to Council in December 2021.
- Capital expenditure is \$1,969,892 lower than budget due to the lower level of vested assets and footpath works undertaken during the year.

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

This year's operating deficit of \$2,016,411 was \$6,370,710 lower than the operating surplus recorded for the 2020/2021 year of \$4,354,299. The key variances from last year are:

- Rates were \$580,586 higher than last year. This was allowed for in the Long Term Plan as was required to repay a level of debt from the Roothing activity.
- Other Income was \$896,093 higher than last year due to a higher level of subsidies being received for the year, as a result of the additional emergency reinstatement costs.
- Vested Asset Income was \$5,570,018 lower than last year due to the effect of the Inland Road being transferred back to Council in December 2020.
- Other Direct Expenditure was \$2,496,336 higher than last year due to emergency reinstatement costs incurred during the year relating to Cyclone Dovi and floods from May and December 2021.
- Council Overheads were \$379,124 lower than last year due to a change in the charging structure from the Roothing Business Unit.
- Depreciation was \$109,069 higher than last year due to the effect of the depreciation on the Inland Road, which Council assumed

ownership of in December 2020.

- Capital expenditure is \$6,662,199 lower than last year due to the Inland Road being vested in Council during the 2021 year.

Internal Borrowing

- At the start of the financial year, the level of internal debt for Roothing and Footpaths was \$709,108.
- Cash operating deficits and direct transfers of \$3,466,524 were recorded and with a further \$4,194,980 of Capital Expenditure incurred has resulted in the balance of \$1,437,564 of debt for roads and footpaths as at the end of the year – an overall increase in debt of \$728,456.
- The amount of Internal Interest charged to Roothing for the year was \$6,423 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$2,034.

Group activity - Roads and Footpaths

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	4,099,064	4,097,941	3,518,478
Other Income	5,551,077	4,705,614	4,654,984
Internal Interest Received	2,034	1,789	2,055
Vested Assets	252,950	734,250	5,822,968
Total Operating Revenue	9,905,126	9,539,594	13,998,484
OPERATING EXPENDITURE			
Employment Costs	43,892	21,878	(5,645)
Other Direct Expenditure	5,936,462	3,968,829	3,440,126
Internal Interest Paid	6,423	3,998	4,890
Council Overheads	278,031	278,031	657,155
Depreciation	5,656,728	5,408,362	5,547,659
Total Operating Expenditure	11,921,536	9,681,098	9,644,185
Operating Surplus (Deficit)	(2,016,411)	(141,504)	4,354,299
CAPITAL EXPENDITURE			
Roothing	4,151,836	5,630,582	11,076,901
Roadside Construction	296,094	787,240	33,229
Total Capital Expenditure	4,447,930	6,417,822	11,110,129

Coastal Hazards

Overview

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

Aim

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

Community outcomes that roads and footpaths contribute to

1. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed.
2. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights

Community well-beings that roads and footpaths contribute to

- Social
- Environmental

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

Overall, an operating surplus of \$22,872 was recorded against a budgeted operating deficit of \$8,317. There are no significant variances from budget.

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

This year's operating surplus of \$22,872 was \$6,572 higher than the operating surplus recorded for the 2020/2021 year of \$16,300. There are no significant variances from last year.

Internal Borrowing

- At the start of the financial year, the level of funds on hand for Coastal Hazards was \$83,185.
- Cash operating surpluses of \$22,872 and with no further Capital Expenditure has resulted in the balance of the funds on hand for Coastal Hazards sitting at \$106,057 as at the end of the year – an overall increase in funds on hand of \$22,872.
- There was no Internal Interest charged to Coastal Hazards for the year, with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$568.

Group activity - Coastal Hazards

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	22,303	22,614	21,953
Internal Interest Received	568	94	372
Total Operating Revenue	22,872	22,707	22,324
OPERATING EXPENDITURE			
Employment Costs	0	0	0
Other Direct Expenditure	0	25,000	0
Depreciation	0	6,024	6,024
Total Operating Expenditure	0	31,024	6,024
Operating Surplus (Deficit)	22,872	(8,317)	16,300
CAPITAL EXPENDITURE			
Amberley Beach Foreshore Protection	0	0	0
Total Capital Expenditure	0	0	0

Public Services

Overview

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

Aim

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

Community outcomes that public services contribute to

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

Community well-beings that public services contribute to

- Economic
- Social
- Cultural
- Environmental

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

Overall, an operating surplus of \$674,270 was recorded against a budgeted operating deficit of \$885,826. The key variances from budget are:

- Other Income was \$1,591,975 greater than budget due to additional funding received for the Tourism Board, funding from the Tourism Infrastructure Fund for the construction of new Public Toilets and grants and donation received for the Amberley Swimming Pool.
- Development Contributions were \$399,317 greater than budget due to three significant developments carried out in Amberley.
- Other Direct Expenditure was \$472,625 greater than budget due to spending on Tourism products during the year that was funded by the additional funding that was not budgeted for.
- Capital expenditure is down on budget by \$175,560 with a number of projects in Hanmer Springs being deferred to the 2022/2023 year.

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

This year's operating surplus of \$674,270 was \$2,322,185 higher than the operating deficit recorded for the 2020/2021 year of \$1,647,915. The key variances from last year are:

- Rates were \$2,625,791 higher than last year due to a restructure to the funding from the Hanmer Springs Thermal Pools and Spa.
- Other Income was \$594,515 higher than last year due to the additional funding received for the Tourism Board.
- Development Contributions were \$236,128 higher than last year due to three significant developments carried out in Amberley.
- Employment Costs were \$636,290 higher than last year due to the allocation of staff time being structured differently from 2020/2021 which was allowed for in the Long Term Plan.
- Other Direct Expenditure were \$354,918 higher than last year due to the additional costs recognised for Tourism that was funded for.

- Council Overheads were \$136,775 higher than last year due which was allowed for in the Long Term Plan.
 - Capital expenditure is up on last year by \$2,611,507 due to the completion of the Amberley Swimming Pool as well as the construction of new public toilets during the 2022 year.
- Internal Borrowing**
- At the start of the financial year, the level of internal borrowing for Public Services was \$3,559,044.
 - Operating surpluses recorded by the individual Public Services funded by Targeted Rate totalled \$1,040,355 and further \$2,240,736 of Capital Expenditure and other transfers incurred has resulted in the balance of the internal borrowings for Public Services sitting at \$4,759,425 at the end of the year – an overall increase in internal debt of \$1,200,381.
 - The amount of Internal Interest charged to the Public Services for the year was \$187,688 and for those activities that held funds (rather than being in debt) receiving an amount of internal interest totalling \$23,681.

Group activity - Public Services

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	6,857,086	6,818,970	4,231,295
Other Income	3,810,344	2,218,369	3,215,829
Internal Interest Received	23,681	19,955	22,463
Development Contributions	750,484	351,167	514,356
Total Operating Revenue	11,441,596	9,408,462	7,983,943
OPERATING EXPENDITURE			
Employment Costs	2,104,832	2,179,371	1,468,542
Other Direct Expenditure	5,830,456	5,357,831	5,475,538
Internal Interest Paid	187,688	171,614	168,935
Council Overheads	1,821,666	1,821,666	1,684,891
Depreciation	822,684	763,805	833,952
Total Operating Expenditure	10,767,326	10,294,288	9,631,858
Operating Surplus (Deficit)	674,270	(885,826)	(1,647,915)
CAPITAL EXPENDITURE			
Community Services	16,365	0	6,701
Property	2,465,929	1,955,205	93,714
Reserves	121,220	579,000	135,416
Emergency Services	0	10,000	0
Library	118,009	176,000	77,861
Waste Minimisation	338,122	515,000	134,446
Total Capital Expenditure	3,059,645	3,235,205	448,138

Regulatory Services

Overview

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

Aim

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

Community outcomes that regulatory services contribute to

1. A desirable and safe place to live:

- We have attractive well designed townships
- Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
- Risks to public health are identified and appropriately managed.

2. A place that demonstrates environmental responsibility:

- We protect our environment while preserving people's property rights
- We minimise solid waste to the fullest extent, and manage the rest in a sustainable way.

Community well-beings that regulatory services contribute to

- Economic
- Social
- Environmental

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

Overall, an operating surplus of \$243,014 was recorded against a budgeted operating deficit of \$17,714. The key variances from budget are:

- Other income was \$349,852 greater than budgeted due to both Resource Consent and Building Consent fees being significantly up on budget due to the increased level of activity.
- Employment Costs were \$107,691 greater than budget due to increased staffing required to service the increased activity.

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

This year's operating surplus of \$243,014 was \$529,886 lower than the operating surplus recorded for the 2020/2021 year of \$772,900. The key variances from last year are:

- Employment Cost were \$358,545 higher than last year due to increased staff levels required to meet the increased activity.
- Other Direct Expenditure was \$136,038 higher than last year due to additional costs incurred this year on the Coastal Conversations project.

Internal Borrowing

This activity does not hold internal borrowings.

Group activity - Regulatory Services

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,712,034	1,716,759	1,732,520
Other Income	2,256,494	1,906,642	2,204,769
Total Operating Revenue	3,968,528	3,623,401	3,937,289
OPERATING EXPENDITURE			
Employment Costs	2,045,910	1,938,219	1,687,365
Other Direct Expenditure	793,329	816,619	657,291
Council Overheads	886,276	886,277	819,733
Total Operating Expenditure	3,725,514	3,641,115	3,164,389
Operating Surplus (Deficit)	243,014	(17,714)	772,900
CAPITAL EXPENDITURE			
Resource Management & Planning	0	0	0
Functions	0	15,000	0
Total Capital Expenditure	0	15,000	0

Hanmer Springs Thermal Pools and Spa

Overview

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

Aim

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

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

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

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

- Economic
- Cultural

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

Overall, an operating deficit of \$107,128 was recorded against a budgeted operating surplus of

\$1,616,161. Excluding internal charges and transfers to offset reserve costs, the surplus recorded by the Hanmer Springs Thermal Pools and Spa facility was \$677,431 which was lower than the budget of \$1,853,810.

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

This year's operating deficit of \$107,128 was \$5,073,135 lower than the operating surplus recorded for the 2020/2021 year of \$4,966,007. Excluding internal charges and transfers to offset reserve costs, the surplus derived from the facility of \$677,431 was \$2,597,106 lower than last year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$12,159,372
- In order to meet Capital Expenditure requirements and to pay the budgeted "dividend" of \$2 million the facility was required to borrow a further \$2,450,000 of debt resulting in the balance sitting at \$14,609,372 as at 30 June 2022.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$563,830.

Group activity - Hanmer Springs Thermal Pools and Spa

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	0	0	2,464,752
Other Income	12,029,711	12,937,644	14,395,144
Total Operating Revenue	12,029,711	12,937,644	16,859,896
OPERATING EXPENDITURE			
Employment Costs	5,852,047	4,852,809	5,329,813
Other Direct Expenditure	4,116,308	4,397,940	4,455,387
Internal Interest Paid	563,830	636,409	571,651
Council Overheads	213,021	213,021	197,027
Depreciation	1,391,634	1,221,303	1,340,010
Total Operating Expenditure	12,136,839	11,321,483	11,893,889
Operating Surplus (Deficit)	(107,128)	1,616,161	4,966,007
CAPITAL EXPENDITURE			
HSTP&S	1,044,502	1,400,000	854,065
Total Capital Expenditure	1,044,502	1,400,000	854,065

Governance and Corporate

Overview

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

Aim

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

Community outcomes that regulatory services contribute to

1. A place with a thriving local economy:

- We are seen as a good place to do business, to live and to visit

Community well-beings that governance and corporate services contribute to

- Economic

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

Overall, an operating surplus of \$1,693,179 was recorded against a budgeted deficit of \$57,652 for the year. The key variances from budget are:

- Rates were \$145,387 greater than budget due to the recognition of Rates Penalties, which was budgeted for as other income.
- Other Income was \$1,529,634 greater than budget due to the recognition of the change in the value of the Council's interest rate hedging portfolio less the recognition of Rates Penalties and income from Land Information Memorandums being accounted for in the Regulatory Services activity.
- Depreciation was \$89,279 lower than budget as there was lower than anticipated purchase of vehicles during the year.
- Capital expenditure is down on budget by \$478,184 mainly due to vehicle purchases and

some information services projects not progressing as budgeted.

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

This year's operating surplus of \$1,693,179 was \$1,742,483 higher than the operating deficit recorded for the 2020/2021 year of \$49,304. The key variances from last year are:

- Rates are \$1,102,997 higher than last year due to a restructure to the funding from the Hanmer Springs Thermal Pools and Spa, which was budgeted for.
- Other income was \$2,699,311 higher than last year due to the change in the charging structure from the Roding Business Unit and recognition of the change in the value of the Council's interest rate hedging portfolio.
- Internal Interest Received was \$111,721 higher than last year due to the increased external interest rates being reflected in the internal interest rates.
- Employment costs were \$336,958 higher than last year due to the change in the allocation of staff costs, which was allowed for in the Long Term Plan.
- Other Direct Expenditure was \$1,781,123 higher than last year due to an increase in external interest paid and the reclassification of changes in the valuation of the Council's interest rate hedging portfolio to revenue in 2022.
- Capital expenditure is up on last year by \$309,815 which was mainly due to vehicle replacement allowed for in 2022 that were removed from the budget for the 2021 year.

Internal Borrowing

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

The total internal interest received from those activities with debt was \$1,679,711.

The total internal interest paid to those activities that held funds was \$49,167.

Group activity - Governance and Corporate

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,040,432	895,045	(62,565)
Other Income	3,335,685	1,806,051	636,374
Internal Interest Received	1,679,711	1,610,315	1,567,990
Council Overheads (Income)	5,571,802	5,571,802	5,534,886
Total Operating Revenue	11,627,630	9,883,213	7,676,686
OPERATING EXPENDITURE			
Employment Costs	5,239,861	5,230,972	4,902,903
Other Direct Expenditure	3,273,208	3,226,088	1,492,085
Internal Interest Paid	49,167	22,311	35,586
Council Overheads	751,133	751,134	674,515
Depreciation	621,081	710,360	620,901
Total Operating Expenditure	9,934,451	9,940,865	7,725,990
Operating Surplus (Deficit)	1,693,179	(57,652)	(49,304)
CAPITAL EXPENDITURE			
Governance	0	0	1,090
Corporate Services	557,316	1,035,500	246,410
Total Capital Expenditure	557,316	1,035,500	247,501

Earthquake Recovery

Overview

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

Aim

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

Community outcomes that regulatory services contribute to

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

Community well-beings that regulatory services contribute to

- Economic
- Social

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

Overall, an operating surplus of \$462,386 was recorded against a budgeted surplus of \$348,075 for the year. The key variances from budget are:

- Other Income is \$487,294 greater than budget due to the receipt of the Mayor's Task Force for

Jobs funding and additional grant funding received for development of Community Assets recognised during the year.

- Employment costs were \$166,471 greater than budget and Other Direct Expenditure was \$216,371 greater than budget due to the additional wage and other costs associated with the Mayor's Task Force for Jobs programme.

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

This year's operating surplus of \$462,386 was \$410,108 higher than the operating surplus recorded for the 2020/2021 year of \$52,278. The key variances from last year are:

- Other Income was \$1,502,015 lower than last year due to the significant amount of grants recognised in the 2020/2021 financial year relating to earthquake related expenditure.
- Other Direct Expenditure was \$1,892,436 lower than last year due to the level of earthquake related expenditure incurred in the 2020/2021 year.

Internal Borrowing

- At the start of the financial year, the level of internal debt from the Earthquake was \$3,388,650
- Operating surpluses or deficits recorded in the individual costs centres relating to Recovery, COVID-19 and the Mayor's Taskforce for Jobs as well as direct transfers made from other activities to complement the funding received to carry out repair work resulting from the Earthquakes has meant that there was a \$418,470 decrease in the debt, resulting in a balance of \$2,970,180 remaining as at 30 June 2022.
- The amount of Internal Interest charged to Earthquake Recovery for the year was \$110,680.

Group activity - Earthquake recovery

	2021/2022 Actual	2021/2022 Budget	2020/2021 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	448,668	447,466	452,971
Other Income	774,734	287,440	2,276,749
Total Operating Revenue	1,223,402	734,906	2,729,720
OPERATING EXPENDITURE			
Employment Costs	212,551	46,080	229,286
Other Direct Expenditure	432,359	215,988	2,324,795
Internal Interest Paid	110,680	119,335	118,341
Council Overheads	5,427	5,427	5,020
Total Operating Expenditure	761,016	386,831	2,677,442
Operating Surplus (Deficit)	462,386	348,075	52,278
CAPITAL EXPENDITURE			
Community Assets - Recovery	4,608	0	0
Council Assets - Recovery	52,461	3,000	24,142
Total Capital Expenditure	57,068	3,000	24,142

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Statement of comprehensive revenue and expense

For the year ended 30 June 2022

Notes	Group			Council		
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Budget 2022 \$000's	Actual 2021 \$000's	
Revenue						
Rates, excluding targeted water supply rates	3(i)	22,725	20,696	22,725	22,455	20,696
Targeted rates for water supply	3(i)	932	946	932	961	946
Subsidies and grants	3(ii)	12,506	13,109	12,506	10,492	13,109
Development and financial contributions		1,955	991	1,955	1,020	991
Fees and charges, excluding those for water supplies	3(iii)	15,729	17,710	15,729	16,251	17,710
Fees and charges for water supplies	3(iii)	453	430	453	90	430
Interest revenue	3(iv)	22	48	22	0	48
Other revenue	3(v)	6,794	11,114	6,794	2,198	11,114
		61,117	65,045	61,117	53,467	65,045
Less Expenditure						
Employee benefits	4	17,332	14,798	17,332	15,817	14,798
Other expenses	6	24,007	21,055	24,007	21,371	21,055
Finance expenses	5	1,167	846	1,167	974	846
Depreciation, amortisation and loss on disposal	17	13,100	10,895	13,100	10,760	10,895
Total operating expenditure		55,607	47,594	55,607	48,922	47,594
Operating surplus/(deficit) before tax		5,510	17,451	5,510	4,545	17,451
Share of associates surplus/(deficit)		1	1	0	0	0
Net surplus/(deficit) before tax		5,511	17,452	5,510	4,545	17,451
Tax expense	7	0	0	0	0	0
Net surplus/(deficit) after tax		5,511	17,452	5,510	4,545	17,451
Add other comprehensive revenue and expense						
Gains/(losses) on asset revaluation	15 & 28	154,039	11,672	154,039	13,443	11,672
Gains/(losses) in fair value of shares		(14)	(81)	(14)	0	(81)
Impairment to property plant and equipment	15 & 29	0	2,320	0	0	2,320
		154,025	13,911	154,025	13,443	13,911
Total comprehensive revenue and expense		159,536	31,363	159,536	17,988	31,362

The accompanying notes form part of the financial statements

Statement of financial position

As at 30 June 2022

	Notes	Group			Council	
		Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Budget 2022 \$000's	Actual 2021 \$000's
Assets						
Current assets						
Cash and cash equivalents	8	3,044	6,951	3,044	233	6,951
Trade and other receivables	9	4,034	4,121	4,034	2,814	4,121
Inventories	10	130	119	130	139	119
Non-current assets held for sale	11	0	0	0	0	0
Derivative financial instruments	12	5	0	5	0	0
Total current assets		7,214	11,191	7,214	3,185	11,191
Non-current assets						
Property, plant and equipment						
- Operational	15	54,927	56,075	54,927	57,457	56,075
- Restricted	15	48,162	46,060	48,162	48,874	46,060
- Infrastructure	15	558,909	397,135	558,909	397,269	397,135
Intangible assets	16	937	649	937	369	649
Forestry assets	18	295	460	295	333	460
Other financial assets	13	1,008	990	1,008	1,044	990
Investments in associates	14	265	265	0	0	0
Derivative financial instruments	12	683	0	683	0	0
Total non-current assets		665,186	501,634	664,921	505,347	501,369
Total assets		672,400	512,825	672,135	508,532	512,560
Liabilities						
Current liabilities						
Payables and deferred revenue	19	9,394	9,960	9,394	9,406	9,960
Landfill aftercare provision	22	8	8	8	0	8
Employee entitlements	21	1,633	1,442	1,633	2,000	1,442
Current portion of term debt	20	14,000	12,000	14,000	0	12,000
Derivative financial instruments	12	9	442	9	0	442
Total current liabilities		25,044	23,852	25,044	11,406	23,852
Non-current liabilities						
Term debt	20	24,000	26,000	24,000	41,500	26,000
Payables and deferred revenue	19	0	0	0	0	0
Landfill aftercare provision	22	98	98	98	0	98
Employee entitlements	21	94	88	94	0	88
Derivative financial instruments	12	56	704	56	1,681	704
Total non-current liabilities		24,249	26,889	24,249	43,181	26,889
Total liabilities		49,293	50,742	49,293	54,586	50,742
Net assets		623,107	462,083	622,842	453,946	461,819
Equity						
Asset revaluation reserve	24	441,857	287,819	441,857	291,078	287,819
AFS investments revaluation reserve	24	273	287	273	0	287
Special fund reserves	24	6,554	4,573	6,554	0	4,573
Rate reserve funds	24	(49,100)	(41,160)	(49,100)	(44,006)	(41,160)
Retained earnings	24	223,522	210,565	223,257	206,874	210,300
Total equity		623,107	462,083	622,842	453,946	461,819

The accompanying notes form part of the financial statements

Statement of changes in equity

For the year ended 30 June 2022

	Notes	Group			Council	
		Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Budget 2022 \$000's	Actual 2021 \$000's
Equity at start of year		462,081	428,046	461,818	435,957	427,785
Add total comprehensive revenue and expense for year		159,536	31,363	159,536	17,988	31,362
Found assets	15	1,488	2,672	1,488	0	2,672
Equity at end of year	24	<u>623,105</u>	<u>462,081</u>	<u>622,842</u>	<u>453,946</u>	<u>461,818</u>

The accompanying notes form part of the financial statements

Statement of cash flows

For the year ended 30 June 2022

Notes	Group		Council		
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Budget 2022 \$000's	Actual 2021 \$000's
Cash flows from operating activities					
Revenue	55,847	53,682	55,847	51,907	53,682
Agency receipts	4,128	3,592	4,128	2,243	3,592
Interest received	22	48	22	0	48
Dividends received	197	265	197	150	265
Payments to suppliers and employees	(41,788)	(34,579)	(41,788)	(36,961)	(34,579)
Interest and other costs of finance paid	(1,086)	(861)	(1,086)	(974)	(861)
Agency payments	(4,128)	(3,592)	(4,128)	(2,243)	(3,592)
Net GST movement	79	(360)	79	0	(360)
Net cash from operating activities	13,271	18,195	13,271	14,122	18,195
Cash flows from investing activities					
Payment on loan	5	0	5	0	0
Proceeds from the sale of plant, property & equipment	793	1,232	793	0	1,232
Proceeds on sale of investments	0	0	0	0	0
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	0	0	0	0	0
Payment for plant, property & equipment	(17,976)	(15,455)	(17,976)	(22,012)	(15,455)
Net cash from investing activities	(17,178)	(14,223)	(17,178)	(22,012)	(14,223)
Cash flows from financing activities					
Proceeds from the issue of debt securities	0	0	0	1,500	0
Repayment of loans	0	(2,000)	0	0	(2,000)
Net cash from financing activities	0	(2,000)	0	1,500	(2,000)
Increase/(decrease) in cash & cash equivalents	(3,907)	1,972	(3,907)	(6,390)	1,972
Cash and cash equivalents as 1 July	6,951	4,979	6,951	6,623	4,979
Cash and cash equivalents as 30 June	3,044	6,951	3,044	233	6,951

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

The accompanying notes form part of the financial statements

Statement of cash flows - continued

For the year ended 30 June 2022

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net surplus/(deficit) after tax	5,511	17,452	5,510	17,451
Non cash items				
Impairment of property intended for sale				
Vested and found assets	(3,717)	(8,545)	(3,717)	(8,545)
Movement in derivatives	0	0	0	0
(Gain)/loss on fair value of forestry	166	(127)	166	(127)
Movement in landfill aftercare liability	0	0	0	0
Movement in non current employee entitlements	6	(19)	6	(19)
Depreciation and amortisation	13,100	10,895	13,100	10,895
	9,555	2,204	9,555	2,204
Items classified as investing or financing				
(Gain)/loss on sale of assets	0	0	0	0
(Gain)/loss on fair value of financial assets	(1,769)	(797)	(1,769)	(797)
	(1,769)	(797)	(1,769)	(797)
Movements in working capital				
(Increase)/decrease in inventory	(11)	14	(11)	14
(Increase)/decrease in receivables	50	(1,412)	50	(1,412)
Increase/(decrease) in payables	115	980	115	980
Increase/(decrease) in current employee entitlements	0	0	0	0
Increase/(decrease) in income in advance	0	0	0	0
	154	(418)	154	(418)
Other movements				
Share of associates (surplus)/deficit	0	(2)	0	0
Other movements	(179)	(245)	(179)	(245)
	(179)	(247)	(179)	(245)
Net cash flow from operating activities (as per Statement of Cash Flows)	13,272	18,194	13,271	18,195

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

Note 1 - Statement of accounting policies

REPORTING ENTITY

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

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

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

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

The financial statements of the Council and group are for the year ended 30 June 2022. The financial statements were authorised for issue by the Council on 29 November 2022.

BASIS OF PREPARATION

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

Statement of compliance

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

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

Presentation currency and rounding

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

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

Other changes in accounting policies

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

Standards issued and not yet effective, and not early adopted

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

PBE IPSAS 41 Financial Instruments (transitioning from PBE IFRS 9)

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Council's initial assessment is there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Council has early adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks

Information about the transition to PBE IPSAS 41 is disclosed in Note 27A.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Consolidation

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2021/2022 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

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

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

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

Critical judgements in applying accounting policies

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

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

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

Accounting policy

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

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

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

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

Breakdown of summary revenue and expenditure for group of activities

	Actual 2022 \$000's	Council Budget 2022 \$000's	Actual 2021 \$000's
Activities revenue			
Water Supplies	10,253	9,940	10,647
Sewerage	6,700	3,430	5,225
Roads and Footpaths	9,905	9,540	13,998
Stormwater and Drainage	1,062	1,152	2,081
Coastal Hazards	23	23	0
Public Services	11,442	9,408	7,747
Regulatory Services	3,969	3,623	3,937
Hanmer Springs Thermal Pools and Spa	12,030	12,938	16,860
Governance & Corporate Services	11,628	9,883	7,913
Earthquake Recovery	1,223	735	2,730
Total activity income	68,233	60,672	71,139
Less internal income	7,294	7,204	7,136
Total activities revenue	60,939	53,467	64,003
Gains/(losses) on forestry revaluation	(165)	0	127
Gains/(losses) on NZ emissions units	344	0	118
Total revenue	61,117	53,467	64,248
Less activities expenditure			
Water Supplies	9,751	8,191	7,041
Sewerage	3,111	2,101	1,621
Roads and Footpaths	11,922	9,681	9,644
Stormwater and Drainage	793	538	534
Coastal Hazards	0	31	0
Public Services	10,767	10,294	9,443
Regulatory Services	3,726	3,641	3,164
Hanmer Springs Thermal Pools and Spa	12,137	11,321	11,894
Governance & Corporate Services	9,934	9,941	7,915
Earthquake Recovery	761	387	2,677
Total activities expenditure	62,901	56,127	53,934
Less internal expenditure	7,294	7,204	7,136
Total expenditure	55,607	48,922	46,797

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

Note 3 - Revenue

Accounting policy

Revenue is measured at fair value.

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

Rates revenue

The following policies for rates have been applied:

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

Development and financial contributions

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

Insurance proceeds

The Council recognises insurance proceeds when they become receivable.

Waka Kotahi New Zealand Transport Agency roading subsidies

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

Other grants received

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

Building and resource consent revenue

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

Entrance fees

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

Landfill fees

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

Provision of commercially based services

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

Sales of goods

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

Infringement fees and fines

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

Vested or donated physical assets

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

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

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

Donated and bequeathed financial assets

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

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Critical judgements in applying accounting policies*Accounting for donated or vested land and buildings with use or return conditions*

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

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

(i) Breakdown of rates and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Rates revenue				
District wide rates	11,419	9,651	11,419	9,651
Targeted rates				
- Other water rates	6,078	5,835	6,078	5,835
- Refuse	393	407	393	407
- Stormwater/drainage	636	596	636	596
- Tourism	260	253	260	253
- Pool inspections	48	44	48	44
- Medical centres	266	263	266	263
- Amberley special projects	151	185	151	185
- Amenities	1,552	1,486	1,552	1,486
- Sewerage	1,774	1,846	1,774	1,846
Rate penalties	171	156	171	156
Rate remissions	(22)	(25)	(22)	(25)
	22,725	20,696	22,725	20,696
Metered water supply	932	946	932	946
Total rates	23,657	21,642	23,657	21,642

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which other local authorities rate. The annual rates income of the Council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

(ii) Breakdown of subsidies and grants

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
New Zealand Transport Agency roading subsidies	5,461	4,735	5,461	4,735
Provincial Growth Fund grants	0	400	0	400
COVID-19 related wage subsidies	1,278	0	1,278	0
Three Waters Reform funding	3,369	4,056	3,369	4,056
Other grants	2,399	3,918	2,399	3,918
Total subsidies and grants	12,506	13,109	12,506	13,109

(iii) Breakdown of fees and charges

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Building and resource consent charges	1,361	1,177	1,361	1,177
Other regulatory revenue	555	587	555	587
Solid waste charges	1,077	993	1,077	993
Hanmer Springs Thermal Pools and Spa receipts	10,688	13,963	10,688	13,963
Other fees and charges	2,048	989	2,048	989
	15,729	17,710	15,729	17,710
Fees and charges for water supplies	453	430	453	430
Total fees and charges	16,182	18,141	16,182	18,141

(iv) Breakdown of interest revenue

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Interest revenue				
Short term deposits and call accounts	22	48	22	48
Total interest revenue	22	48	22	48

(v) Breakdown of other revenue

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Forestry asset revaluation gains/(losses)	(165)	127	(165)	127
NZ Emissions Units revaluation gains/(losses)	344	118	344	118
Property, plant and equipment gains/(losses) on disposal	49	132	49	132
Change in fair value of interest rate swaps	1,769	797	1,769	797
Vested asset revenue	3,717	8,545	3,717	8,545
Dividends	197	265	197	265
Donations	127	130	127	130
Petrol tax	78	88	78	88
Insurance proceeds	72	424	72	424
Forestry proceeds	65	(11)	65	(11)
Rental income	542	499	542	499
Total other revenue	6,794	11,114	6,794	11,114

The level of vested asset revenue in 2021 recognises improvements carried out by Waka Kotahi NZ Transport Agency on Route 70 (Inland Road). Further disclosure on this is provided in Note 29 - Impact of earthquake.

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 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Not later than one year	94	182	94	182
Later than one year and not later than five years	105	182	105	182
Later than five years	1	10	1	10
	200	374	200	374

No contingent rents have been recognised during the period.

Note 4 - Personnel costs

Accounting policy

Superannuation schemes

Defined contribution schemes:

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

Breakdown of personnel costs and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Salary and wages	16,642	14,399	16,642	14,399
Employer contribution to super	494	428	494	428
Increase/(decrease) in employee benefit liabilities	197	(29)	197	(29)
Total personnel costs	17,332	14,798	17,332	14,798

Chief Executive Officer remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$300,909 (2021: \$329,211).

Elected representatives

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

	Group		Council	
	Actual 2022 \$	Actual 2021 \$	Actual 2022 \$	Actual 2021 \$
Nicky Anderson	32,575	28,842	32,575	28,842
Karen Armstrong	27,755	0	27,755	0
Ross Barnes	28,341	34,605	28,341	34,605
Marie Black	99,688	105,367	99,688	105,367
Robbie Bruerton	25,785	24,955	25,785	24,955
Vincent Daly	41,633	45,970	41,633	45,970
Fiona Harris	25,785	24,955	25,785	24,955
Mary Holloway	26,840	27,179	26,840	27,179
Lynda Murchison	0	20,909	0	20,909
Geoff Shier	29,435	27,716	29,435	27,716
Michael Ward	30,187	30,717	30,187	30,717
Pauline White	26,368	24,955	26,368	24,955
	394,392	396,168	394,392	396,168

Council employee remuneration by band

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

	Actual 2022 #		Actual 2021 #
< \$60,000	153	< \$60,000	159
\$60,000 - \$79,999	52	\$60,000 - \$79,999	38
\$80,000 - \$99,999	26	\$80,000 - \$99,999	26
\$100,000 - \$119,999	17	\$100,000 - \$119,999	16
\$120,000 - \$139,999	8	\$120,000 - \$179,999	6
\$140,000 - \$239,999	6	\$180,000 - \$299,999	3
\$240,000 - \$299,999	1		
	263		248

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2022, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 135 (2021: 125) full-time employees, with a further 128 (2021: 123) part-time staff representing 76.73 (2021: 76.46) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

Severance payments

For the year ended 30 June 2022, the Council made no (2021: none) severance payments to employees totalling \$Nil (2021: \$Nil).

Note 5 - Finance costs

Accounting policy

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

Breakdown of finance costs

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Interest expense:				
- Interest on borrowings	1,167	846	1,167	846
- Other interest costs	0	0	0	0
Net finance costs	1,167	846	1,167	846

Note 6 - Other expenses

Accounting policy

Grant expenditure

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

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

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

Operating leases

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

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

Breakdown of other expenses and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Fees paid to principal auditor				
- audit fees for 2021/22 financial statement audit	141	0	141	0
- audit fees for 2020/21 financial statement audit	7	129	7	129
- audit fees for 2019/20 financial statement audit	0	10	0	10
- audit fees for Long Term Plan	8	77	8	77
- audit fees for debenture trust deed audit	5	4	5	4
- disbursements charged	5	7	5	7
Impairment of receivables	0	0	0	0
Expenses from other activities	23,841	20,828	23,841	20,828
Total other expenses	24,007	21,055	24,007	21,055

Operating leases as lessee

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Not later than one year	15	17	15	17
Later than one year and not later than five years	4	19	4	19
Later than five years	0	0	0	0
	19	36	19	36

Restrictions

2022 Nil (2021: There were no restrictions placed on the Council and group by any leasing arrangements).

Canterbury Museum Trust Board

The Canterbury Museum Trust raises levies on Local Authorities for the Canterbury Museum operations and developments. For the year ending 30 June 2022, Council paid \$83,958 (2021: \$83,700) for operations to the Canterbury Museum Trust.

Note 7 - Tax

Accounting policy

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

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

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

Council does not have any deferred tax.

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

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

Breakdown of taxes and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$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	5,511	17,452	5,510	17,451
Tax at 28%	1,543	4,887	1,543	4,886
Non-taxable income	(1,543)	(4,887)	(1,543)	(4,886)
Non-taxable expenditure	0	0	0	0
Deferred tax expense	0	0	0	0
Prior year adjustments	0	0	0	0
	0	0	0	0
Imputation credit account				
Credits available for future use	240	241	67	64
	240	241	67	64

Note 8 - Cash and cash equivalents

Accounting policy

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

Breakdown of cash and cash equivalents and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Cash at bank or in hand	3,044	6,951	3,044	6,951
Short term deposits with maturities of less than 3 months	0	0	0	0
	3,044	6,951	3,044	6,951

Note 9 - Trade and other receivables

Accounting policy

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

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

Rates are "written-off":

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

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

Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Breakdown of receivables and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Rates receivables	1,097	857	1,097	857
Other receivables	2,454	2,553	2,454	2,553
Goods and services tax (GST) receivable	538	755	538	755
Receivables prior to impairment	4,088	4,165	4,088	4,165
Less allowance for credit losses	(54)	(44)	(54)	(44)
Total receivables	4,034	4,121	4,034	4,121

Rates receivable

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

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

Other receivables

The ECL rates for other receivables at 30 June 2022 and 1 July 2021 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2021 in the estimation techniques or significant assumptions in measuring the loss allowance.

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

	2022			2021		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	2,560	0	2,560	3,128	0	3,128
Past due 1-60 days	337	0	337	240	0	240
Past due 61-120 days	52	0	52	3	0	3
Past due >120 days	1,139	(54)	1,085	793	(44)	749
Total	4,088	(54)	4,034	4,165	(44)	4,121
Group						
Not past due	2,560	0	2,560	3,128	0	3,128
Past due 1-60 days	337	0	337	240	0	240
Past due 61-120 days	52	0	52	3	0	3
Past due >120 days	1,139	(54)	1,085	793	(44)	749
Total	4,088	(54)	4,034	4,165	(44)	4,121

Movements in the allowance for credit losses as follows:

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Balance at 1 July measured under PBE IPSAS 29	(44)	(53)	(44)	(53)
ECL adjustment due to adoption of PBE IPSAS 41*	0	0	0	0
Opening balance for credit losses at 1 July	(44)	(53)	(44)	(53)
Additional provisions made during the year	(24)	(12)	(24)	(12)
Provisions reversed during the year	14	21	14	21
Receivables written-off during the year	0	0	0	0
Balance at 30 June	(54)	(44)	(54)	(44)

*remeasurements as a result of the Council's adoption of PBE IPSAS 41 have been recognised directly in accumulated funds
- for more details refer to Note 27A.

Note 10 - Inventory

Accounting policy

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

Breakdown of inventory and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Inventory	130	119	130	119
Total inventory	130	119	130	119

No inventory is pledged as security for liabilities (2021: \$Nil). However, some inventory is subject to retention of title clauses.

Note 11 - Non-current assets held for sale

Accounting policy

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

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

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

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

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Assets classified as held for sale	0	0	0	0
Total non-current assets held for sale	0	0	0	0

Note 12 - Derivative financial instruments

Accounting policy

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

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

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

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

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

Hedge accounting

The Council and group designates certain derivatives as either:

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

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

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

Breakdown of derivative financial instruments and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Current asset portion				
Interest rate swaps - cash flow hedges	5	0	5	0
<i>Total current asset portion</i>	<u>5</u>	<u>0</u>	<u>5</u>	<u>0</u>
Non-current asset portion				
Interest rate swaps - cash flow hedges	683	0	683	0
<i>Total non-current asset portion</i>	<u>683</u>	<u>0</u>	<u>683</u>	<u>0</u>
Total derivative financial instrument assets	<u>688</u>	<u>0</u>	<u>688</u>	<u>0</u>
Current liability portion				
Interest rate swaps - cash flow hedges	9	442	9	442
<i>Total current liability portion</i>	<u>9</u>	<u>442</u>	<u>9</u>	<u>442</u>
Non-current liability portion				
Interest rate swaps - cash flow hedges	56	704	56	704
<i>Total non-current liability portion</i>	<u>56</u>	<u>704</u>	<u>56</u>	<u>704</u>
Total derivative financial instrument liabilities	<u>65</u>	<u>1,145</u>	<u>65</u>	<u>1,145</u>

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$19.0 million (2021: \$22.5 million) and there were no interest rate caps in 2022 (2021: \$3.0 million).

At 30 June 2022, the fixed interest rates of cash flows hedge interest rate swaps varied from 1.44% to 4.99% (2021: 1.44% to 4.99%) and there are no interest rate caps in 2022 (2021: interest rate of 3.10%).

Gains and losses recognised in the hedging reserve in equity (see Note 27) on interest rate swap contracts as at 30 June 2022 will be released to the surplus or deficit as interest is paid on the underlying debt.

The Council and group currently have no fair value hedges.

Fair Value

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

Note 13 - Other financial assets

Accounting policy

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

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

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

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

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

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

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

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

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

Subsequent measurement of financial assets at FVTSD

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

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

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

Expected credit loss allowance (ECL)

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

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

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

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

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

Shares in subsidiaries (at cost)

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

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included term deposits, related party loans, and community loans);
- held-to-maturity investments at amortised cost (included listed bonds); and
- fair value through other comprehensive revenue and expense (included shares and listed bonds).

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

Breakdown of other financial assets and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Current portion				
Environment Canterbury - Waiau River Loan - current portion	0	5	0	5
<i>Total current portion</i>	<u>0</u>	<u>5</u>	<u>0</u>	<u>5</u>
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Civic Assurance shares	14	13	14	13
Transwaste Canterbury shares	451	465	451	465
Total investments in CCOs and similar entities	<u>465</u>	<u>478</u>	<u>465</u>	<u>478</u>
<i>Other investments</i>				
Environment Canterbury - Waiau River Loan - non-current portion	0	0	0	0
Local Government Funding Agency Borrower Notes	543	507	543	507
Total other investments	<u>543</u>	<u>507</u>	<u>543</u>	<u>507</u>
<i>Total non-current portion</i>	<u>1,008</u>	<u>985</u>	<u>1,008</u>	<u>985</u>
Total other financial assets	<u>1,008</u>	<u>990</u>	<u>1,008</u>	<u>990</u>

Fair value*Community loans*

The fair value of the Environment Canterbury loan is nil as it was repaid in 2022 (2021: \$5,000). Fair value has been determined by reference to the original agreement.

Unlisted shares

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

Community loans

The face value of the Environment Canterbury loan is nil as it was repaid in 2022 (2021: \$5,000).

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
At 1 July	5	5	5	5
Loan repaid during the year	5	0	5	0
At 30 June	<u>0</u>	<u>5</u>	<u>0</u>	<u>5</u>

Note 14 - Investments in associate

Accounting policy

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

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

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

Breakdown of investment in associate and further information

	Group	
	Actual 2022 \$000's	Actual 2021 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	265	264
Share of total recognised revenues and expenses	1	1
Balance at 30 June	265	265
Summarised financial information of Enterprise North Canterbury		
Assets	1,286	1,072
Liabilities	756	543
Revenues	1,125	1,100
Surplus/(deficit)	0	2
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2022 (2021: Nil).

Note 15 - Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

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

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

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

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

Revaluation

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

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

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

Additions

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

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

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

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

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

Disposals

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

Depreciation

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

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

- Retaining walls	50 years	2%
- Traffic signs	12 years	8.33%
- Street lighting	15 – 25 years	4 – 6.67%
<i>Sewerage</i>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.50%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
<i>Water</i>		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	50 – 80 years	1.25 – 2%
- Reservoir and tanks	80 years	1.25%
- Pumps and controls	10 – 25 years	4 – 10%
- Pump stations/intakes	20 – 60 years	1.67 – 5%
- Treatment plant	10 – 80 years	1.25 – 10%
<i>Drainage</i>		
- Points	3 - 10 years	10 - 33.33%
- Lines	80 years	1.25%
	50 - 80 years	1.25 – 2%

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

Impairment of property, plant, and equipment

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

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Revaluation

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

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

Operational land and buildings

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

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

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

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

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

Restricted assets

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

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

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

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

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

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

- *Optimisation* - Optimisation allows for obsolete, redundant and over designed assets to be valued accordingly using an optimisation factor where replacement costs are adjusted using this factor to allow for replacement of over designed and obsolete assets in the three waters networks. Existing assets are fully utilised and as such the unit rate factor (URF) equals 1 for the assets.
In rural areas, Ashley Rural Water Supply in particular, the original network linked large farm blocks across paddocks. As these blocks have been sub-divided into lifestyle blocks, Council has taken the opportunity to replace the existing pipes across private property with sub-mains in the road reserve thus reducing the amount of public infrastructure on private land. Note that in such a scenario, the existing pipe is abandoned on-site and disposed from the asset database.
- *Replacement Costs* - Replacement cost (RC) is unit rate x quantity and, to account for optimisation, optimised replacement cost (ORC) is unit rate x quantity x unit rate factor. The unit rate includes over Council overheads.
Replacements costs have been determined using known asset costs from capital projects completed by the Capital Works Team and from costs provided by developers for vested assets installed during sub divisions.
- *Residual Value* - Residual Value is the salvageable value of an asset at the end of its base life. Assetfinda sets residual value as 0 (unless instructed otherwise). As infrastructure assets are usually disposed of without sale, they are considered to be of little value at the end of their base life. Accordingly, residual values are set at zero for this valuation.
- *Remaining Useful Lives* - During the valuation process Assetfinda allows the user to adjust the remaining life of an asset based on their condition or performance. The valuation of the asset is completed on the remaining useful life.
Remaining Useful Life (RUL) is the amount of time remaining in years until the asset reaches the end of its base life. In Assetfinda, RUL is assessed on base life less age with condition and performance also taken into account. If an asset has exceeded its base life but remains in use, Assetfinda assigns the asset with an adjusted remaining life of 2.5% of its base life.
A minimum of a one year life has been assigned to all assets in service that have exceeded their base lives. This minimum allows recognition of economically assets for replacement planning purposes and avoids less than one year RULs artificially inflating depreciated replacement cost.
- *Depreciated Replacement Cost* - Assets are straight line depreciated to full depreciation using the depreciated replacement cost (DRC) method at the end of their base lives where the asset no longer depreciates. As the starting points are ORCs, the DRC method produces Optimised Depreciated Replacement Costs (ODRC).
ODRC is assessed using the DRC method at any given point within the assets total useful life (TUL). TUL is age + remaining useful life. The formula used to calculate ODRC is $ORC \times RUL/TUL$.

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

Note 15 - Property, plant and equipment

Core infrastructure asset disclosures

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

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2022				
Water supply - treatment plants and facilities	8,981	2,696	0	17,581
Water supply - other assets	65,804	4,758	200	115,885
Sewerage - treatment plants and facilities	6,528	405	0	9,162
Sewerage - other assets	28,773	1,381	3,187	44,119
Stormwater and drainage	12,224	829	77	14,884
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	420,847	4,195	253	739,906
2021				
Water supply - treatment plants and facilities	6,344	211	0	14,886
Water supply - other assets	63,796	5,080	551	110,926
Sewerage - treatment plants and facilities	6,528	2,430	0	8,757
Sewerage - other assets	25,146	387	927	39,551
Stormwater and drainage	11,552	2,442	1,245	13,978
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	268,017	5,287	4,897	391,361

Work in progress

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

	Council and group	
	2022	2021
Water infrastructure	10,408,530	3,617,389
Sewer infrastructure	1,218,350	1,330,342
Stormwater infrastructure	2,015,224	811,324
Roading infrastructure	0	0
Council land - operational	0	0
Council land - restricted	0	0
Council buildings - operational	53,676	114,129
Council buildings - restricted	2,469,607	840,225
	16,165,388	6,713,410

Found Assets

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

	Council and group	
	2022	2021
Water infrastructure	938,581	850,442
Sewer infrastructure	159,160	137,424
Stormwater infrastructure	390,220	1,683,970
	1,487,960	2,671,835

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

Restrictions on plant, property and equipment

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

Capital commitments

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Water infrastructure	345	1,067	345	1,067
Sewer infrastructure	97	656	97	656
Stormwater infrastructure	0	120	0	120
Roading infrastructure	318	0	318	0
Other capital commitments	104	1,534	104	1,534
Total capital commitments	864	3,377	864	3,377

The Council has allowed in its Annual Plan to undertake direct roading expenditure to the value of \$12.1 million over the next twelve months (1 July 2022 to 30 June 2023). Of this amount \$7.1 million was classified as capital expenditure.

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

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

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

	Cost/ Revaluation 1 July	Accumulated Depreciation 1 July	Carrying Amount 1 July	Current Year Additions	Current Year Disposals	Revaluation Surplus	Reclassification	Impairment	Current Year Depreciation	Accumulated Depreciation on Assets Sold or Reclassified	Cost/ Revaluation 30 June	Accumulated Depreciation and Impairment 30 June	Carrying Amount 30 June
Operational Assets													
Freehold Land	10,940	0	10,940	56	(839)	0	0	0	0	0	10,158	0	10,158
Council Buildings	16,278	0	16,278	381	(97)	370	0	0	181	(1)	16,943	180	16,763
Council Plant & Equipment	7,289	5,536	1,753	357	0	0	0	0	679	0	7,646	6,215	1,431
Library Books	1,590	1,407	183	60	0	0	0	0	57	0	1,650	1,464	186
Thermal Reserve Buildings & Pools	18,913	0	18,913	161	(50)	0	0	0	381	(40)	19,073	381	18,692
Thermal Reserve Plant & Equipment	16,004	6,894	9,109	705	(986)	370	0	0	959	(41)	16,658	7,813	8,845
2021 Total	71,014	13,837	57,177	1,730	(986)	370	0	0	2,257	(41)	72,128	16,053	56,075
Freehold Land	10,158	0	10,158	(8)	(611)	0	0	0	0	0	9,539	0	9,539
Council Buildings	16,943	180	16,763	387	0	0	0	0	186	(125)	17,329	386	16,943
Council Plant & Equipment	7,646	6,215	1,431	689	(461)	0	0	0	639	0	7,884	6,729	1,155
Library Books	1,650	1,464	186	52	0	0	0	0	58	0	1,702	1,522	180
Thermal Reserve Buildings & Pools	19,073	381	18,692	147	0	0	0	0	383	0	19,220	764	18,456
Thermal Reserve Plant & Equipment	16,658	7,813	8,845	798	0	0	0	0	1,008	(125)	17,456	8,821	8,634
2022 Total	72,128	16,053	56,075	2,073	(1,072)	0	0	0	2,275	(125)	73,129	18,202	54,927
Restricted Assets													
Freehold Land	30,856	0	30,856	77	(91)	0	0	0	452	(0)	30,843	0	30,843
Council Buildings	14,753	0	14,753	734	(10)	88	0	103	15,669	(0)	15,669	462	15,217
2021 Total	45,609	0	45,609	812	(101)	88	0	103	452	(0)	46,512	462	46,050
Freehold Land	30,843	0	30,843	43	0	0	0	0	0	0	30,885	0	30,885
Council Buildings	15,659	452	15,217	2,531	0	0	0	0	471	0	18,200	923	17,277
2021 Total	46,512	452	46,060	2,574	0	0	0	0	471	0	49,085	923	48,162
Infrastructural Assets													
Freehold Land	3,421	0	3,421	61	0	0	0	0	0	0	3,482	0	3,482
Roading Land	12,160	0	12,160	109	0	0	0	0	0	0	12,269	0	12,269
Water	61,866	3,112	58,754	5,798	(88)	7,315	0	35	1,674	0	70,140	0	70,140
Sewerage	25,670	1,097	24,573	3,685	(18)	3,881	0	147	594	0	31,675	0	31,675
Roading	265,942	5,414	260,528	11,001	0	0	0	2,035	5,548	0	278,979	10,962	268,017
Drainage	8,696	283	8,413	3,298	(39)	17	0	0	137	0	11,552	0	11,552
2021 Total	377,756	9,906	367,850	23,953	(145)	11,213	0	2,217	7,952	0	408,097	10,962	397,135
Freehold Land	3,482	0	3,482	0	0	0	0	0	0	0	3,482	0	3,482
Roading Land	12,269	0	12,269	0	0	0	0	0	0	0	12,269	0	12,269
Water	70,140	0	70,140	7,654	(957)	0	0	0	2,084	(12)	76,837	2,062	74,775
Sewerage	31,675	0	31,675	4,973	(442)	0	0	0	910	(7)	36,205	903	35,302
Roading	278,979	10,962	268,017	4,448	0	154,039	0	0	5,657	0	420,847	0	420,847
Drainage	11,552	0	11,552	906	(51)	0	0	0	184	(1)	12,408	184	12,224
2022 Total	408,097	10,962	397,135	17,981	(1,450)	154,039	0	0	8,815	(19)	562,048	3,139	558,909
2021 Total	494,378	23,743	470,635	26,494	(1,232)	11,672	0	2,320	10,661	(41)	526,736	27,466	499,270
Total 2021	526,736	27,466	499,270	22,028	(2,522)	154,039	0	0	11,551	(144)	664,263	22,265	661,998

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

Note 16 - Intangible assets

Accounting policy

Software acquisition and development

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

Carbon credits

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

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

Amortisation

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

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

Impairment of intangible assets

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

Breakdown of intangible assets and further information

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Software:				
Cost				
Balance at 1 July	1,017	1,016	1,017	1,016
Additions	30	2	30	2
Disposals	0	0	0	0
Balance at 30 June	1,047	1,017	1,047	1,017
Aerial photography:				
Cost				
Balance at 1 July	298	283	298	283
Additions	15	15	15	15
Disposals	0	0	0	0
Balance at 30 June	313	298	313	298
Accumulated amortisation and impairment				
Balance at 1 July	1,124	1,029	1,124	1,029
Amortisation charge for software and aerial photography	101	95	101	95
Disposals	0	0	0	0
Balance at 30 June	1,225	1,124	1,225	1,124
Carrying amount at 30 June	135	191	135	191
New Zealand Emission Units:				
Cost				
Balance at 1 July	458	340	458	340
Additions	0	0	0	0
Disposals	0	0	0	0
Add increase in value	344	118	344	118
Carrying amount at 30 June	802	458	802	458
Total intangible assets	937	649	937	649

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities (2021: Nil)

Note 17 - Depreciation and amortisation expenses by group activity

	Council	
	Actual 2022 \$000's	Actual 2021 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	2,064	1,674
Sewerage	910	594
Roads and Footpaths	5,657	5,548
Stormwater and Drainage	184	137
Coastal Hazards	0	0
Public Services	823	834
Regulatory Services	0	0
Hanmer Springs Thermal Pools and Spa	1,392	1,340
Governance & Corporate Services	621	621
Total depreciation and amortisation expense	11,650	10,747
<i>Add loss on disposal of assets</i>		
Water Supplies	957	91
Sewerage	443	18
Stormwater and Drainage	50	39
Public Services	0	0
Governance & Corporate Services	0	0
Total depreciation, amortisation and loss in disposal	13,100	10,895

Note 18 - Forestry assets

Accounting policy

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

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

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

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Balance at 1 July	460	333	460	333
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	(51)	127	(51)	127
Reclassified as assets held for sale	0	0	0	0
Decreases due to harvest	(114)	0	(114)	0
Balance at 30 June	295	460	295	460

The Council owns 73.6 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 2 to 38 years (2021: 75.1 hectares).

Valuation assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2022.

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

- a pre-tax discount rate of 8.25% (2021: 8.25%) has been used in discounting the present value of expected cash flows;
- the value of the underlying land has not been included in the valuation;
- the valuation assumes that the current tree crop will be grown for one rotation only, and that no new planting will be undertaken or charged against the existing crop.
- time conventions used in the valuation are that the valuation year commences at 1st July and ends 30th June the next calendar year. This convention applies to all costs, prices, yields and age of trees although it may need to be adjusted for any significant price movements during the valuation year.
- the valuation uses current and actual prevailing industry costs. The costs have been expressed in real terms, and no adjustment has been made for any possible changes in prices relative to cost.

Financial risk management strategies

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

Emissions Trading Scheme

As Council holds greater than 50 hectares of pre-1990 forests, it has registered under the New Zealand Emissions Units Register. As at 30 June 2022, the Council was allocated 10,560 NZUs. The value of these have been recognised as intangible assets in note 16 (2021: 10,560 NZUs).

Note 19 - Payables and deferred revenue

Accounting policy

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

Breakdown of payables and other information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Current portion				
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	5,601	5,959	5,601	5,959
Development and financial contribution in advance	312	103	312	103
Other deferred revenue	1,544	1,255	1,544	1,255
Total	7,457	7,318	7,457	7,318
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	0	0	0	0
Wage subsidy payable	0	984	0	984
Other grants received subject to substantive conditions not yet met	1,938	1,658	1,938	1,658
Total	1,938	2,643	1,938	2,643
Total payables and deferred revenue - current portion	9,394	9,960	9,394	9,960
Non-current portion				
<i>Payables and deferred revenue under non-exchange contracts</i>				
Other grants received subject to substantive conditions not yet met	0	0	0	0
Total payables and deferred revenue - non-current portion	0	0	0	0

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

The Council has elected to recognise the wage subsidy as revenue in 2022. This is because it believes an outflow is not probable and therefore the criteria for it to continue to be a liability is not met.

Other grants include:

- A total of \$693,994 (2021: \$428,372) of grants received from various sources (including Rata Foundation, Lottery Grants Board, MBIE) have been received for various projects. These projects are expected to be completed and the conditions of the grant to be met in the 2022/2023 year. This is recognised as the current liability portion.
- a grant from the Ministry of Culture and Heritage of \$1.5 million was received by Council in May 2010 towards urgent maintenance and earthquake strengthening of the Nurses Block, which is one of the key buildings vested to Council from the former Queen Mary Hospital site. Council had utilised \$270,905 on urgent maintenance work leaving \$1,229,095 remaining to complete further work. This balance will be recognised as income when the earthquake strengthening work has been carried out. As no formal agreement has been reached to defer the work further, this has been reclassified as a current liability.

Note 20 - Borrowings

Accounting policy

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

Breakdown of borrowings

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Secured loans				
Current	14,000	12,000	14,000	12,000
Non-current	24,000	26,000	24,000	26,000
Balance	38,000	38,000	38,000	38,000

As at 30 June 2022, the Council has \$7.0 million (2021: \$7.0 million) of its \$45.0 million (2021: \$45.0 million) debt facilities available. The total amount of the borrowings approximates its fair value.

Interest terms for secured loans

Of the Council's borrowing, \$35.0 million (2021: \$35.0 million) was on a floating rate reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. In addition, the remaining \$3.0 million (2021: \$3.0million) of the Council's borrowing was on a fixed rate. As well as the fixed rate loan, the Council uses interest rate swaps and interest rate caps to provide for a fixed rate portion of the borrowings of 39.47% (2021: 46.05%)
The effective fixed rates for the portion included in interest rate swaps and interest rate caps range from 1.44% to 4.99% (2021: 1.44% to 4.99%) plus a margin for credit risk.

Security

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

As at 30 June 2022, Council had issued \$30.0 million of Security Stock to the Local Government Funding Agency for term debt (2021: \$30.0 million). Council had also issued Security Stock with the Local Government Funding Agency in relation to short term debt which amounted to \$8.0 million as at 30 June 2022 (2021: \$8.0 million). Council has also issued \$31.0 million of Security Stock to Trading Banks (2021: \$31.0 million).

Internal borrowings

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

Note 21 - Employee entitlements

Accounting policy

Short-term employee entitlements

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Critical accounting estimates and assumptions

Estimating long service leave obligations

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

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

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

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

A weighted average discount rate of 2.00% (2021: 0.25%) and an inflation factor of 7.30% (2021: 3.30%) were used.

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Current portion				
Accrued pay	290	270	290	270
Annual leave	1,237	1,063	1,237	1,063
Sick leave	42	43	42	43
Long service leave	64	67	64	67
	1,633	1,442	1,633	1,442
Non-current portion				
Long service leave	94	88	94	88
	94	88	94	88
	1,727	1,530	1,727	1,530

Note 22 - Provisions

Accounting policy

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

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

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

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

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

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

- The annual aftercare costs relating to closed landfills have been estimated at \$8,000 per annum until 2032.
- An annual inflation factor of 7.3% (2021: 3.3%) has been applied in estimating the future cash outflows.
- Discount rate of 2.00% (2021: 0.25%) has been used to discount the estimated future cash outflows.

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

Breakdown of provisions and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Balance at 1 July	106	104	106	104
Additional provisions	0	0	0	0
Adjustment to provisions	1	2	1	2
Amount of provision used	0	0	0	0
Balance at 30 June	107	106	107	106
Disclosed as:				
Current	8	8	8	8
Non-current	98	98	98	98
	107	106	107	106

Note 23 - Contingencies

Contingent liabilities

Local Government Funding Agency

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

As at 30 June 2022, the Council is one of the participating authorities of the LGFA.

In that regard, it has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2022, the LGFA had borrowings totalling \$15.789 billion (2021: \$13.610 billion).

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

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

RiskPool

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the Fund year. The Council has been asked to make calls in the past for Fund years as a result of deficits incurred due to the "leaky building" issue. No call has been made by the Board of New Zealand Mutual Liability RiskPool for the 2021/2022 year (2021: \$Nil). There may be further calls on any shortfalls on the mutual pool's funds in the future, but the full extent of these calls have yet to be ascertained.

The Council has assessed that the potential liability to Council arising from these claims is minimal.

Impairment of buildings

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

Contingent assets

As at 30 June 2022, the Council had no outstanding contingent assets. (2021: \$Nil).

Note 24 - Equity

Accounting policy

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

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

Restricted reserves

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

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

Asset revaluation reserve

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

Fair value through other comprehensive revenue and expense reserve

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

Breakdown of equity and further information

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Asset revaluation reserve				
Balance at 1 July	287,819	273,826	287,819	273,826
Revaluation increments/(decrements)	154,039	11,672	154,039	11,672
Adjustment to opening balance	0	0	0	0
Impairment of assets	0	2,320	0	2,320
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	441,857	287,819	441,857	287,819
Available for sale reserve				
Balance at 1 July	287	368	287	368
Valuation gain/(loss) recognised	(14)	(81)	(14)	(81)
Balance at 30 June	273	287	273	287
Special fund reserves				
Balance at 1 July	4,573	3,698	4,573	3,698
Adjustment to the opening balance	(10)	0	(10)	0
Adjusted balance at 1 July	4,563	3,698	4,563	3,698
Surplus/(deficit) for year	1,994	917	1,994	917
Transfers in/(out)	(3)	(42)	(3)	(42)
Balance at 30 June	6,554	4,573	6,554	4,573
Rate reserve funds				
Balance at 1 July	(41,160)	(44,916)	(41,160)	(44,916)
Adjustment to the opening balance	813	252	813	252
Surplus/(deficit) for year	12,410	21,270	12,410	21,270
Transfers in/(out)	(21,162)	(17,766)	(21,162)	(17,766)
Balance at 30 June	(49,100)	(41,160)	(49,100)	(41,160)

Retained earnings

Balance at 1 July	210,565	195,072	210,300	194,808
Adjustment to the opening balance	(803)	(252)	(803)	(252)
Surplus/(deficit) after tax	5,511	17,452	5,510	17,451
Plant, property and equipment disposed	0	0	0	0
Found assets	1,488	2,672	1,488	2,672
Net internal borrowing appropriations	8,752	(3,504)	8,752	(3,504)
Net special fund appropriations	(1,991)	(875)	(1,991)	(875)
Balance at 30 June	223,522	210,565	223,257	210,300

Summary of equity accounts

Asset revaluation reserve	441,857	287,819	441,857	287,819
Available-for-sale revaluation reserve	273	287	273	287
Special fund reserves	6,554	4,573	6,554	4,573
Rate reserve funds	(49,100)	(41,160)	(49,100)	(41,160)
Retained earnings	223,522	210,565	223,257	210,300
	623,107	462,083	622,842	461,819

Capital management

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

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

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

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

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

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

Special Fund Reserves as at 30 June 2022

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2021	Appropriations 2021-2022 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2022
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	563,937	226,788	0	790,726
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	160,681	375,894	0	526,576
Sewer Development Contributions Fund	Sewerage	Sewerage	To provide funds for growth related sewer projects	884,095	458,498	0	1,342,594
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach	120,400	634	0	121,035
Leitfield Beach Fund	Reserves	Community Services and Facilities	To fund projects for Leitfield Beach	(57,237)	11,075	0	(46,163)
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	595,005	255,510	0	850,515
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	167,681	93,555	0	261,236
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	247,249	269,616	0	516,865
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	3,444	(2,921)	0	523
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	0	6,062	0	6,062
Amberley Stormwater Development Reserve	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	137,360	145,771	0	283,121
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	38,238	0	0	38,238
Amuri Community Centre	Reserves	Community Services and Facilities	Correction to Opening Balance	(9,679)	(1,601)	0	26,958
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	54,367	334	0	54,701
Amuri Contestable Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	2,972	7,041	0	10,013
Waiau Community Pool Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	20,516	3,014	(1,436)	22,093
Waiau River Protection Fund	Reserves	Community Services and Facilities	To provide funds for on-going operations of the Swimming Pool for the Waiau Community	129,454	(10,303)	0	119,151
Cheviot RSA Fund	Reserves	Community Services and Facilities	To provide funds for the River Protection work of the Waiau Township	25,088	10,175	0	35,263
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	4,705	30	0	4,735
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	32,774	0	0	32,774
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	8,040	8,333	0	16,373
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	119,667	7,620	0	127,288
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	34,023	(4,950)	4,161	33,234
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	2,716	1,444	(4,161)	0
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(298,388)	4,810	0	(293,578)
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	25,220	(4,022)	0	21,199
Hammer Springs Staff House Reserve Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	38,931	8,333	0	47,264
Hammer Springs Medical Centre Development Contributions	Property	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	216,987	(2,208)	(1,275)	213,504
Hammer Springs Stormwater Development Contributions	Property	Community Services and Facilities	To provide funds for growth related projects for the Medical Centre in Hammer Springs	63,482	2,603	0	66,085
Hurunui Ward Land Subdivision Reserve	Reserves	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	45,332	13,271	0	58,603
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	6,742	41	0	6,783
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	4,592	1,203	0	5,795
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	73,962	5,263	0	79,226
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	23,867	804	0	24,670
District Library Development Contributions Fund	Community Services	Community Services and Facilities	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	1,005,831	108,196	0	1,114,027
Mayor's Task Force for Jobs	Earthquake Recovery	Community Services and Facilities	To provide funds for growth related projects for the District Library	10,597	2,554	0	13,152
Chamberlain Bros Trust	Reserves	Community Services and Facilities	To provide a holding account for unused funding for the MTFJ programme	15,088	(13,151)	0	1,937
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	16,111	(611)	0	15,600
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,595	40	0	2,635
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	745	5	0	750
Howden Memorial Park	Reserves	Community Services and Facilities	To fund projects for maintenance of gravestones in the Council's Cemeteries	228	197	0	425
Forrester Trust	Reserves	Community Services and Facilities	To fund projects on the Howden Reserve	7,096	1,038	0	8,134
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,361	9	0	1,370
Waikari Nekei Club	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,442	9	0	1,451
Adverse Events Reserve	Reserves	Community Services and Facilities	To provide funds for the activities of the Hammer Heritage Forest Trust	3,081	19	0	3,100
			To hold funds for the Waikari Nekei Club	13,114	3,792	0	16,906
			To provide funds for adverse events	0	0	0	0
				4,563,425	1,983,916	(2,711)	6,544,629

Special Fund Reserves as at 30 June 2021		Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2020	Appropriations 2020-2021 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2021
					\$	\$	\$	\$
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	427,207	136,731	0	563,937
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	149,874	807	0	150,681
Sewer Development Contributions Fund	Sewerage	Sewerage	Sewerage	To provide funds for growth related sewer projects	618,129	275,966	0	894,095
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for Amberley Beach	102,849	(2,448)	20,000	120,400
Leithfield Beach Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for Leithfield Beach	(68,066)	10,829	0	(57,237)
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	477,537	117,468	0	595,005
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	148,681	36,951	(17,951)	167,681
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	118,975	128,274	0	247,249
Amberley RSA Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	2,993	452	0	3,444
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	(2,621)	9,081	(6,460)	0
Amberley Stormwater Development Reserve	Reserves	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	77,435	59,915	0	137,350
Amberley Contestable Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	44,164	(5,925)	0	38,238
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for the Amuri Ward	4	0	(4)	(0)
Amuri Community Centre	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for the Culverden Community Centre	54,076	291	0	54,367
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	59,081	(22,718)	(33,392)	2,972
Amuri Contestable Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	48,420	(7,904)	(20,000)	20,516
Amuri Community Pool Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for the rebuild of the Swimming Pool for the Waiau Community	138,215	(8,761)	0	129,454
Waiau River Protection Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for the River Protection work of the Waiau Township	0	10,088	15,000	25,088
Cheviot RSA Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for Cheviot Ward	6,573	35	0	6,608
Cheviot Contestable Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	4,668	37	0	4,705
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	57,774	0	(25,000)	32,774
Hammer Springs Domain Pavilion Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for reserve projects for the Omihiri Reserve	50	0	(50)	(0)
Hammer Springs Hall Development Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Glenmark Ward	134	302	(436)	0
Hammer Springs Conical Hill	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	22,144	(14,104)	0	8,040
Hammer Springs Contestable Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	82,574	37,093	0	119,667
Hammer Springs Medical Centre Development Contributions Fund	Property	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	33,841	182	0	34,023
Hammer Springs Stormwater Development Contributions Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(9,467)	12,184	0	2,716
Huruni Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for Conical Walkway area in Hammer Springs	(349,976)	51,589	0	(298,388)
Hammer Springs Staff House Reserve Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	16,905	8,315	0	25,220
Hammer Springs Medical Centre Development Contributions Fund	Property	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	38,931	0	0	38,931
Huruni Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the Medical Centre in Hammer Springs	209,246	(24,654)	32,595	216,987
Hammer Springs Stormwater Development Contributions Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for Hammer Springs Stormwater	43,745	19,707	0	63,452
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects for the Hurunui Ward	33,446	11,886	0	45,332
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	6,706	36	0	6,742
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	10,967	(6,374)	0	4,592
Queen Mary Development Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	69,401	4,561	0	73,962
District Library Development Contributions Fund	Reserves	Community Services and Facilities	Community Services and Facilities	To fund funds for growth related projects for development of the former Queen Mary Hospital Site	54,640	(30,773)	0	23,867
Mayo's Task Force for Jobs	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for growth related projects for the District Library	914,657	91,175	0	1,005,831
Chamberlain Bros Trust	Reserves	Community Services and Facilities	Community Services and Facilities	To provide a holding account for unused funding for the MTF programme	9,573	1,024	0	10,597
Graves Maintenance Trust	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	0	15,088	0	15,088
Busch Legacy Trust	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	16,634	(622)	0	16,111
Hawarden Memorial Park	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	2,541	14	0	2,555
Forrester Trust	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	741	4	0	745
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	Community Services and Facilities	To fund projects on the Hawarden Reserve	226	1	0	228
Adverse Events Reserve	Reserves	Community Services and Facilities	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	5,515	1,581	0	7,096
				To provide funds for maintenance of gravestones in the Council's Cemeteries	1,345	7	0	1,352
				To provide funds for the activities of the Hammer Heritage Forest Trust	1,434	8	0	1,442
					3,065	17	0	3,081
					13,114	0	0	13,114
					3,988,095	917,315	(42,306)	4,573,104

Rate Reserve Funds as at 30 June 2022	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2021	Appropriations 2021-2022 (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2022
				\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water	(10,636,884)	1,335,289	(4,704,677)	(14,006,263)
Bainora Water	Water Supplies	Water Supplies	To fund capital projects for Bainora water	26,280	46,893	0	73,153
Three Waters Stimulus Package	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	0	2,194,783	(2,628,438)	(473,655)
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for sewer	(8,165,220)	17,987	0	(8,147,233)
			Correction to Opening Balance		3,452,008	(4,225,724)	(8,940,950)
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	23,716	100,232	(122,280)	40,864
			Correction to Opening Balance	39,196	144,332	(359,286)	(1,890,809)
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	(1,675,854)	1,228	0	(1,674,626)
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Cheviot stormwater	44,916	850	0	45,766
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	5,071	5,652	0	10,723
Motunui Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Motunui Beach Stormwater	(32,703)	(30,786)	(4,441)	(67,930)
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(269,533)	11,367	0	(258,166)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(26,246)	49,819	(486)	23,357
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Waikari stormwater	49,819	8,460	0	58,279
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To stage Road Funding over the life of the Long Term Plan	(1,583,715)	3,501,367	(4,147,164)	(1,596,515)
			Correction to Opening Balance	632,996	43	0	633,039
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	4,629	45,994	(84,809)	(75,186)
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(148,514)	31,693	(1,466)	(168,287)
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	48,738	14,213	(48,058)	14,893
Amun Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amun Ward	33,846	738	0	34,584
Cheviot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	116,781	3,212	0	120,000
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township	934	32,379	(87,090)	(53,777)
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	30,088	10,251	0	40,339
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	32,569	428	(188)	32,809
Hurunui Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	67,212	678,846	(1,934,552)	(1,298,494)
Amberley Beach Foreshore Protection	Coastal Hazards	Coastal Hazards	To fund capital projects for Amberley Beach Foreshore Protection	83,185	32,268	0	115,453
Amberley Ward Pool Fund	Community Services	Community Services	To fund portion of the proposed Amberley Pool	424,574	47,786	(33,941)	438,419
Canterbury Museum Capital Levy Fund	Community Services	Community Services	To fund levy required for the Capital Development work of the Canterbury Museum	69,993	0	0	69,993
Amun Amenities	Community Services	Community Services	To fund capital projects for Amun Ward Amenities	(1,238,214)	64,789	(79,628)	(1,253,053)
Cheviot Amenities	Community Services	Community Services	To fund capital projects for Cheviot Ward Amenities	26,281	(1,095)	0	25,186
Northern Glenmark Amenities	Community Services	Community Services	To fund capital projects for Northern Glenmark Amenities	51,280	8,865	0	60,145
Waipara Amenities	Community Services	Community Services	To fund capital projects for Waipara Amenities	64,594	5,779	0	70,373
Omihiri Amenities	Community Services	Community Services	To fund capital projects for Omihiri Amenities	32,054	41,705	(74,889)	(1,017)
Hammer Springs Amenities	Community Services	Community Services	To fund capital projects for Hammer Springs Ward Amenities	(895,646)	18,995	0	(876,651)
			Correction to Opening Balance	35,177	99,492	(15,293)	119,376
Hurunui Amenities	Community Services	Community Services	To fund capital projects for Hurunui Ward Amenities	47,241	43,963	(2,586)	88,618
Amun Medical General	Property	Property	To fund capital projects for medical centres in the Amun Ward	(147,874)	25,960	(27,050)	(148,964)
Cheviot Medical General	Property	Property	To fund capital projects for medical centres in the Cheviot Ward	(207,356)	43,098	0	(164,258)
Hammer Springs Medical General	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(266,877)	8,147	0	(258,730)
Waikari Medical Centre	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(268,912)	(69,229)	0	(338,141)
Waikari Medical Centre	Property	Property	To fund capital projects for medical centres in the Hurunui Ward	(90,959)	135,957	(72,197)	(27,199)
Social Housing Fund	Property	Property	To fund capital projects for Social Housing throughout the District	(55,695)	0	0	(55,695)
Earthquake Prone Buildings Fund	Property	Property	To fund assessment and improvements to Council owned buildings to meet NBS requirements	(246,223)	0	0	(246,223)
Refuse Collection	Regulatory Services	Regulatory Services	To fund previous deficits recorded for Refuse Collection	(1,660,707)	0	0	(1,660,707)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Internal debt relating to key expansion projects for the HSTP&S	(12,159,372)	0	(2,450,000)	(14,609,372)
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	To fund the District's Debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(3,475,858)	87,208	0	(3,388,650)
			Correction to Opening Balance		475,537	(57,068)	(2,970,180)
Total Rate Reserve Funds				(40,347,911)	12,409,972	(21,161,511)	(49,099,450)

Rate Reserve Funds as at 30 June 2021		Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2020	Appropriations 2020-2021 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2021
					\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water		(10,880,143)	2,442,537	(2,189,279)	(10,636,884)
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water		26,880	(623)	0	26,257
Three Waters Stimulus Package	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package		0	4,055,593	(4,055,593)	0
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for sewer		(8,496,293)	2,744,672	(2,431,598)	(8,185,220)
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater		26,592	1,146,227	(1,149,043)	23,776
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley Beach Foreshore Protection		60,861	22,324	0	83,185
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater		(1,797,914)	231,869	(109,806)	(1,675,854)
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Cheviot stormwater		46,338	0	0	44,916
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance		4,233	838	0	5,071
Motunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Motunau Beach Stormwater		(37,163)	4,460	0	(32,703)
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater		(114,010)	114,177	(269,700)	(269,533)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater		(24,350)	(1,896)	0	(26,246)
Walkara Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Walkara stormwater		40,640	9,179	0	49,819
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To stage Road Funding over the life of the Long Term Plan		0	0	0	0
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	Connection to Opening Balance		(37,323)	9,860,510	(11,091,901)	(1,583,715)
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hammer Springs		7,777	(3,147)	0	4,629
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District		(124,309)	(24,204)	0	(148,514)
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward		25,900	0	0	25,900
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	Connection to Opening Balance		28,823	41	(7,025)	48,738
Cheviot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward		(35,855)	36,317	(462)	0
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward		74,236	400	(40,790)	33,846
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward		116,756	626	0	116,761
Hurunu Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township		(14,071)	5	15,000	934
Hurunu Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward		89,005	483	0	90,088
District Library - Amberley Ward	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township		22,001	10,568	0	32,569
Amberley Ward Pool Fund	Community Services	Public Services	To fund roadside construction projects for Hurunu Ward		66,852	360	0	67,212
Canterbury Museum Capital Levy Fund	Community Services	Public Services	To fund portion of District Library construction costs		414	0	(414)	(0)
Amberley Amenities	Community Services	Public Services	To fund levy required for the Capital Development work of the Canterbury Museum		556,978	167,169	(289,573)	424,574
Amuri Amenities	Community Services	Public Services	Connection to Opening Balance		253,683	(83,700)	0	169,983
Northern Glenmark Amenities	Community Services	Public Services	To fund capital projects for Amberley Ward Amenities		(1,187,788)	168,810	(109,237)	(1,128,214)
Waipara Amenities	Community Services	Public Services	To fund capital projects for Amuri Ward Amenities		90,107	(3,308)	(22,000)	64,799
Omihiri Amenities	Community Services	Public Services	To fund capital projects for Cheviot Ward Amenities		76,525	(29,572)	(20,672)	26,281
Hammer Springs Amenities	Community Services	Public Services	To fund capital projects for Northern Glenmark Amenities		63,757	(156)	25	51,260
Hurunui Amenities	Community Services	Public Services	Connection to Opening Balance		(1,560)	(12,365)	0	(13,925)
Amuri Medical General	Property	Public Services	To fund capital projects for Waipara Amenities		57,796	10,151	(3,353)	64,594
Cheviot Medical General	Property	Public Services	To fund capital projects for Omihiri Amenities		47,378	(15,770)	446	32,054
Hammer Springs Medical General	Property	Public Services	To fund capital projects for Hammer Springs Ward Amenities		(937,648)	0	0	(937,648)
Hammer Springs Medical House	Property	Public Services	Connection to Opening Balance		(4,424)	46,426	0	(895,646)
Walkara Medical Centre	Property	Public Services	To fund capital projects for Hurunu Ward Amenities		46,055	1,206	0	47,241
Social Housing Fund	Property	Public Services	To fund capital projects for medical centres in the Amuri Ward		(174,705)	101,407	(74,577)	(147,874)
Earthquake Prone Buildings Fund	Property	Public Services	To fund capital projects for medical centres in the Cheviot Ward		(243,480)	43,181	(7,058)	(207,356)
Refuse Collection	Waste Minimisation	Regulatory Services	To fund capital projects for medical centres in the Hammer Springs Ward		(285,216)	22,860	(3,522)	(265,877)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	To fund purchase of doctor's residence in the Hammer Springs Ward		(310,476)	41,564	0	(268,912)
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	To fund capital projects for medical centres in the Hurunu Ward		(88,718)	9,365	(11,606)	(90,959)
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	To fund capital projects for Social Housing throughout the District		0	0	0	0
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	Connection to Opening Balance		4,572	25,731	(65,997)	(56,695)
Internal Debt	Internal Debt	Internal Debt	To fund assessment and improvements to Council owned buildings to meet NBS requirements		0	0	0	0
Internal Debt	Internal Debt	Internal Debt	Connection to Opening Balance		340,504	53,858	(148,140)	246,223
Internal Debt	Internal Debt	Internal Debt	To fund previous deficits recorded for Refuse Collection		(1,676,653)	15,946	0	(1,660,707)
Internal Debt	Internal Debt	Internal Debt	Internal debt relating to key expansion projects for the HSTPKS		(16,085,387)	0	3,926,015	(12,159,372)
Internal Debt	Internal Debt	Internal Debt	To fund the District's debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes		(3,947,677)	37,190	(433,719)	(3,475,858)
Total Rate Reserve Funds					(44,664,254)	21,270,043	(17,766,144)	(41,160,354)

Note 25 - Related party disclosures

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

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

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

Key management personnel compensation

	Actual 2022 \$000's	Actual 2021 \$000's
<i>Councillors</i>		
Remuneration	394	396
Full-time equivalent members	11	11
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,160	1,135
Full-time equivalent members	5	5
Total key management personnel remuneration	1,554	1,531
Total full-time equivalent members	16	16

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

Enterprise North Canterbury

During the financial year, the Council paid \$51,250 (2021: \$51,250) to Enterprise North Canterbury as a grant for its general purposes.

During the financial year, the Council paid a further \$2,345 for additional services (2021: \$587).

As at 30 June 2022, there was no outstanding balance owing to Enterprise North Canterbury (2021: \$Nil).

Note 26 - Events after balance date

Other than the separate disclosure provided for COVID-19 in Note 30 and the Three Waters Reform Programme in Note 31, there have been no events subsequent to balance date that would affect the readers understanding of the annual report.

(2021: COVID-19 - Delta Variant and Three Waters Reform).

Note 27 - Financial instruments

27A - Financial instruments - Early adoption of PBE IPSAS 41

The Council and group have elected to early adopt PBE IPSAS 41.

In accordance with the transitional provisions in PBE IPSAS 41, the Council and group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2021 (the date of initial application).

The accounting policies for the year ended 30 June 2022 have been updated to comply with PBE IPSAS 41. The main changes to the Council and group's accounting policies are:

- Note 9 – Trade and other receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- Note 13 – Other financial assets – This policy has been updated to reflect:
 - the new classification categories;
 - the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
 - the removal of impairment loss considerations for equity investments at FVTOCRE.

The derivatives accounting policies in Note 12 – Derivative financial instruments remain unchanged as Council has not elected to apply the hedging requirements of PBE IPSAS 41.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below:

Council	Measurement classification		30 June 2021	1 July 2021	Adoption
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 \$000's	PBE IPSAS 29 \$000's	Adjustment \$000's
Financial assets					
Unlisted shares	FVTOCRE	FVTOCRE	985	985	0
Interest rate swaps	FVTSD	FVTSD	0	0	0
Cash and cash equivalents	Loans and receivables	Amortised Cost	6,951	6,951	0
Debtors and other receivables	Loans and receivables	Amortised Cost	4,121	4,121	0
Non interest bearing loans	Loans and receivables	Amortised Cost	5	5	0

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

Group	Measurement classification		30 June 2021	1 July 2021	Adoption
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 \$000's	PBE IPSAS 29 \$000's	Adjustment \$000's
Financial assets					
Unlisted shares	FVTOCRE	FVTOCRE	985	985	0
Interest rate swaps	FVTSD	FVTSD	0	0	0
Cash and cash equivalents	Loans and receivables	Amortised Cost	6,951	6,951	0
Debtors and other receivables	Loans and receivables	Amortised Cost	4,121	4,121	0
Non interest bearing loans	Loans and receivables	Amortised Cost	5	5	0

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's listed bond portfolio which are held to collect and sell in accordance with the Council's Treasury Management Policy to meet capital requirements.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

27B - Financial instrument categories

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Financial assets				
<i>Mandatorily measured at FVTOCRE</i>				
Unlisted shares	1,008	985	1,008	985
Total at FVTOCRE	1,008	985	1,008	985
<i>Amortised costs (2021: Loans and receivables)</i>				
Cash and cash equivalents	3,044	6,951	3,044	6,951
Debtors and other receivables	4,034	4,121	4,034	4,121
Non interest bearing loans	0	5	0	5
Total at amortised cost	7,079	11,077	7,079	11,077
<i>Mandatorily measured at FVTSD (2021: Available for Sale)</i>				
Interest rate swaps	688	0	688	0
Total at FVTSD	688	0	688	0
Financial liabilities				
<i>Mandatorily measured at FVTSD (2021: Available for Sale)</i>				
Interest rate swaps	65	1,145	65	1,145
Total at FVTSD	65	1,145	65	1,145
<i>Amortised costs (2021: Loans and receivables)</i>				
Borrowings				
- secured loans	38,000	38,000	38,000	38,000
Creditors and deferred revenue	5,601	5,959	5,601	5,959
Total at amortised cost	43,601	43,959	43,601	43,959

27C - Fair value hierarchy disclosures

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

- Level 1 - Quoted market price - financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - Valuation technique using observable inputs - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 - Valuation techniques with significant non-observable inputs - financial instruments valued using models where one or more significant inputs are not observable.

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

	Total \$000's	Quoted Market Price \$000's	Significant	
			Observable Inputs \$000's	non-observable inputs \$000's
Council and Group 2022				
<i>Financial assets</i>				
Unlisted shares	1,008	0	0	1,008
Interest rate swaps	688	0	688	0
<i>Financial liabilities</i>				
Interest rate swaps	65	0	65	0
Council and Group 2021				
<i>Financial assets</i>				
Unlisted shares	985	0	0	985
Interest rate swaps	0	0	0	0
<i>Financial liabilities</i>				
Interest rate swaps	1,145	0	1,145	0

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 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Balance as at 1 July	985	1,039	985	1,039
Gains/(losses) recognised in in other comprehensive revenue and expense	(14)	(81)	(14)	(81)
Purchases	0	0	0	0
Sales	36	27	36	27
Balance at 30 June	1,008	985	1,008	985

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

27D - Financial instrument risks

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

Market risk*Fair value interest rate risk*

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

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

Cash flow interest rate risk

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

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

Credit risk

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

Maximum exposure to credit risk

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Cash and cash equivalents	3,044	6,951	3,044	6,951
Debtors and other receivables	4,034	4,121	4,034	4,121
Non interest bearing loans	0	5	0	5
Total credit risk	7,079	11,077	7,079	11,077

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

Credit quality of financial assets

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

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

	Group		Council	
	Actual 2022 \$000's	Actual 2021 \$000's	Actual 2022 \$000's	Actual 2021 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA-	3,044	6,951	3,044	6,951
Total cash and cash equivalents	3,044	6,951	3,044	6,951
Counterparties without credit ratings:				
Non interest bearing loans				
Existing counterparty with no defaults in the past	0	5	0	5
Total Non interest bearing loans	0	5	0	5

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

Liquidity risk*Management of liquidity risk*

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

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

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

As at 30 June 2022, the Council has a credit facility of \$45.0 million (2021: \$45.0 million) against which it had drawn \$38.0 million (2021: \$38.0 million).

Three tranches of Local Government Funding Agency borrowings totalling \$6.0 million matures on 15 April 2023 and the Short Term Debt with the Local Government Funding Agency of \$8.0 million matures on 13 July 2022.

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 2022					
Creditors and deferred revenue	5,601	5,601	5,601	0	0
Secured loans	38,000	38,000	14,000	18,000	6,000
Council and Group 2021					
Creditors and deferred revenue	5,959	5,959	5,959	0	0
Secured loans	38,000	38,000	12,000	21,000	5,000

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 2022					
Net settled derivative liabilities	65	65	9	56	0
Council and Group 2021					
Net settled derivative liabilities	1,145	1,145	92	734	319

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 2022					
Cash and cash equivalents	3,044	3,044	3,044	0	0
Debtors and other receivables	4,034	4,034	4,034	0	0
Non interest bearing loans	0	0	0	0	0
Net settled derivative assets	688	688	5	322	361
Council and Group 2021					
Cash and cash equivalents	6,951	6,951	6,951	0	0
Debtors and other receivables	4,121	4,121	4,121	0	0
Non interest bearing loans	5	5	5	0	0
Net settled derivative assets	0	0	0	0	0

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	2022 \$000		2021 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(19)	30	(13)	69
Interest rate swaps	(436)	410	0	0
Financial liabilities				
Secured loans	(376)	380	(341)	380
Interest rate swaps	(58)	56	(737)	693
Total sensitivity	(889)	877	(1,091)	1,143

Explanation of interest rate sensitivity

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

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

Note 28 - Explanations of major variances against budget

Explanations for major variations from the Council's budget figures in the 2021/2022 Long Term Plan are as follows:

Statement of comprehensive revenue and expense

Revenue:

Subsidies and grants are \$2.0 million greater than budget. This includes recognising \$1.3 million in Wage Subsidies that the Hanmer Springs Thermal Pools and Spa has applied for and received for the original period of Covid-19 Alert Level 4 Lockdown in the 2019/20 year and also for the second period of lockdown in August 2021. Council had also received an additional \$988,000 from subsidies from Waka Kotahi NZ Transport Agency resulting from an increased level of emergency reinstatement work carried out during the year.

Development Contributions are \$522,000 greater than the budget, which is due to three significant developments being made in Amberley.

Other Revenue was \$4.3 million greater than budget. This is mainly due to the level of Vested Assets Income being recognised for the year being \$2.4 million greater than was budgeted for and also the assessment of the fair value of the Council's derivatives being an increase of \$1.8 million.

Expenditure:

Employment benefits were \$1.5 million greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa ahead of budget which reflected the requirement to be fully operational for the majority of the year. The employment benefits costs for Council was ahead of budget due to additional staffing levels in the Regulatory area required to meet increasing activity and also additional wage costs associated with the Mayor's Task Force for Jobs programme.

Other expenses are ahead of budget by \$2.6 million. This primarily relates to the additional emergency reinstatement costs in Roding which was required as a result of the various flooding and storm events occurring during the year.

Depreciation cost was ahead of budget \$2.3 million. This is primarily due to additional depreciation costs for Water, Sewer and Stormwater resulting from the revaluation of those assets from the 2021 Annual Report. Also included in the cost is the loss on disposal recognised for three waters.

Other comprehensive revenue:

The Council's Roding assets were revalued as at 30 June 2022. This resulted in a gain on revaluation of \$154 million, which was not budgeted for.

Statement of financial position

Fixed assets:

Property plant and equipment was \$158 million higher than the level budgeted for. The key reason for this has been the revaluation of the Roding Assets, which resulted in a \$154 million increase.

Debt:

Council had budgeted that the total debt as at 30 June 2022 would be \$41.5 million. The debt at the end of the year was only \$38 million with cash flow requirements during the year being managed through cash and cash equivalents which reduced from \$6.9 million to \$3.0 million during the year.

Note 29 - Impact of earthquake

The event

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

Assets affected

Water schemes: A number of water schemes sustained damage:

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

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

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

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

Assessment of Impairment

The estimates used in determining impairment as at 30 June 2022 are derived from a variety of sources:

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

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

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

	Impairment against Asset Revaluation Reserve 2022 \$000's	Total Impairment 2022 \$000's	Impairment against Asset Revaluation Reserve 2021 \$000's	Total Impairment 2021 \$000's
Restricted assets				
<i>Restricted buildings</i>				
Opening balance	213	213	317	317
Movements	0	0	(103)	(103)
Closing balance	<u>213</u>	<u>213</u>	<u>213</u>	<u>213</u>
Total restricted assets	213	213	213	213
Infrastructural assets				
<i>Roading - bridges</i>				
Opening balance	0	0	2,035	2,035
Movements	0	0	(2,035)	(2,035)
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Water</i>				
Opening balance	0	0	35	35
Movements	0	0	(35)	(35)
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Sewer</i>				
Opening balance	0	0	147	147
Movements	0	0	(147)	(147)
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total infrastructural assets	0	0	0	0
	<u>213</u>	<u>213</u>	<u>213</u>	<u>213</u>
Total assets				
Opening balance	213	213	2,534	2,534
Movements	0	0	(2,320)	(2,320)
Closing balance	<u>213</u>	<u>213</u>	<u>213</u>	<u>213</u>

Insurance

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

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

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

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

Treatment of revenue and expenditure

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

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

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

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

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

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

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

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

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

Note 30 - COVID-19

COVID-19 has remained as a key issue facing the Hurunui District Council since the first case was reported in February 2020.

While the initial effects were experienced in the first period of Alert Level 4 lockdown in March and April of 2020, the 2020/21 financial year provided a period of low levels of restrictions imposed on Council and, in particular, the operations of the Hanmer Springs Thermal Pools and Spa (HSTP&S), although the continual closure of the border has affected the international market that the HSTP&S has attracted in the past.

In August 2021, the country went into a further period of Alert Level 4 lockdown, which necessitated the closure of the HSTP&S. The remainder of the 2021/22 financial year did impose restrictions on the operations of the HSTP&S which has adversely affected the profitability of the activity. This is further discussed in the Council Activities disclosure of this Annual Report.

As has been disclosed in previous Annual Reports, the HSTP&S had received assistance from the Wage Subsidy scheme during the periods of Alert Level 4 lockdown. \$986,022 was received in the 2019/20 year, which was recognised as a liability as at 30 June 2020 and 30 June 2021 while Council sought clarification on the eligibility of the application. During the 2021/22 year, further subsidies totalling \$291,570 has been received. Council has determined that the applications for subsidy were made appropriately and as a result, has recognised a total of \$1,277,592 as revenue in the 2021/22 Annual Report.

Note 31 - Three Waters Reform Programme

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. The Bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

OTHER LEGISLATIVE DISCLOSURES

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1 - Funding impact statement for whole of Council

For the year ended 30 June 2022

	2021 Annual Plan \$000's	2021 Actual \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	9,615	9,787	11,290	11,494
Targeted rates	11,692	12,011	12,126	12,337
Subsidies and grants for operating purposes	2,053	4,504	2,112	4,367
Fees and charges for water supply	12,632	20,762	22,631	19,714
Interest and dividends from investments	150	313	150	219
Local authorities fuel tax, fines, infringements, and other receipts	156	144	265	79
Total operating funding (A)	36,299	47,521	48,574	48,209
Applications of operating funding				
Payments to staff and suppliers	31,094	35,853	37,188	41,340
Finance costs	1,268	49	974	1,167
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	32,361	35,902	38,162	42,507
Surplus/(deficit) of operating funding (A-B)	3,938	11,619	10,412	5,703
Sources of capital funding				
Subsidies and grants for capital expenditure	2,309	6,895	2,519	5,275
Development and financial contributions	1,321	1,042	2,374	1,969
Assets vested in Council	0	8,545	0	3,717
Increase/(decrease) in debt	555	(2,000)	2,116	(23)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	4,185	14,482	7,009	10,938
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	966	2,723	1,770	4,052
- To improve the level of service	1,591	5,815	10,205	5,965
- To replace existing assets	6,487	17,033	11,391	12,682
Increase/(decrease) in reserves	(922)	530	(5,945)	(6,059)
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	8,123	26,101	17,421	16,641
Surplus/(deficit) of operating funding (C-D)	(3,938)	(11,619)	(10,412)	(5,703)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(deficit) after tax	(2,636)	17,451	17,988	5,510
Add depreciation	10,204	10,747	10,760	11,650
Add loss on disposal	0	149	0	1,450
Less gains on asset revaluation	0	0	(13,443)	0
Less change in fair value of derivatives	0	0	0	(1,769)
Less gains on forestry revaluation	0	(127)	0	165
Less gains in value of NZUs	0	(118)	0	(344)
Less development and financial contributions	(1,321)	(1,042)	(2,374)	(1,969)
Less subsidies and grants for capital expenditure	(2,309)	(6,895)	(2,519)	(5,275)
Less vested asset income	0	(8,545)	0	(3,717)
Surplus/(deficit) of operating funding (A-B)	3,938	11,619	10,412	5,703

2 - Funding impact statement for water supply

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	6,638	6,980	7,010
Subsidies and grants for operating purposes	0	0	0
Fees and charges	167	2,355	403
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	6,805	9,335	7,413
Applications of operating funding			
Payments to staff and suppliers	3,631	4,664	4,913
Finance costs	687	368	442
Internal charges and overheads applied	1,245	1,369	1,369
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,563	6,401	6,723
Surplus/(deficit) of operating funding (A-B)	1,242	2,934	690
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	2,036
Development and financial contributions	390	605	596
Assets vested in Council	0	0	200
Increase/(decrease) in internal debt	543	3,884	3,796
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	933	4,489	6,629
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	315	338	473
- To improve the level of service	1,125	3,764	2,572
- To replace existing assets	735	3,321	4,609
Increase/(decrease) in reserves	0	0	(336)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	2,175	7,423	7,319
Surplus/(deficit) of operating funding (C-D)	(1,242)	(2,934)	(690)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(79)	1,749	502
Add depreciation	1,711	1,791	2,064
Add loss on disposal	0	0	957
Less development and financial contributions	(390)	(605)	(596)
Less subsidies and grants for capital expenditure	0	0	(2,036)
Less vested asset income	0	0	(200)
Surplus/(deficit) of operating funding (A-B)	1,242	2,934	690

2 - Funding impact statement for sewer

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	1,850	1,736	1,774
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	1,345	30
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	1,850	3,081	1,804
Applications of operating funding			
Payments to staff and suppliers	543	957	1,271
Finance costs	495	243	277
Internal charges and overheads applied	185	203	203
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,223	1,402	1,751
Surplus/(deficit) of operating funding (A-B)	627	1,679	53
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	1,250
Development and financial contributions	244	349	452
Assets vested in Council	0	0	3,187
Increase/(decrease) in internal debt	(557)	601	331
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(313)	950	5,219
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	138	294	3,249
- To improve the level of service	66	65	52
- To replace existing assets	111	2,270	1,671
Increase/(decrease) in reserves	0	0	299
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	314	2,629	5,272
Surplus/(deficit) of operating funding (C-D)	(627)	(1,679)	(53)
Funding balance ((A-B)+(C-D))	0	0	(0)
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	244	1,329	3,589
Add depreciation	627	699	910
Add Loss on Disposal	0	0	443
Less development and financial contributions	(244)	(349)	(452)
Less subsidies and grants for capital expenditure	0	0	(1,250)
Less vested asset income	0	0	(3,187)
Surplus/(deficit) of operating funding (A-B)	627	1,679	53

2 - Funding impact statement for stormwater and drainage

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	705	702	697
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	45
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	115	0
Total operating funding (A)	705	817	742
Applications of operating funding			
Payments to staff and suppliers	354	264	441
Finance costs	142	68	69
Internal charges and overheads applied	16	45	45
Other operating funding applications	0	0	0
Total applications of operating funding (B)	512	376	555
Surplus/(deficit) of operating funding (A-B)	193	441	186
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	83
Development and financial contributions	159	334	158
Assets vested in Council	0	0	77
Increase/(decrease) in internal debt	224	432	171
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	383	767	489
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	138	294	77
- To improve the level of service	439	914	8
- To replace existing assets	0	0	822
Increase/(decrease) in reserves	0	0	(231)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	576	1,208	675
Surplus/(deficit) of operating funding (C-D)	(193)	(441)	(186)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	228	614	269
Add depreciation	124	161	184
Add loss on disposal	0	0	50
Less development and financial contributions	(159)	(334)	(158)
Less subsidies and grants for capital expenditure	0	0	(83)
Less vested asset income	0	0	(77)
Surplus/(deficit) of operating funding (A-B)	193	441	186

2 - Funding impact statement for road and footpaths

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	3,660	4,033	3,942
Targeted rates	0	65	157
Subsidies and grants for operating purposes	2,132	2,112	3,558
Fees and charges	0	(75)	0
Internal charges and overheads recovered	4	2	0
Local authorities fuel tax, fines, infringements, and other receipts	156	150	79
Total operating funding (A)	5,952	6,286	7,736
Applications of operating funding			
Payments to staff and suppliers	3,518	3,991	5,980
Finance costs	78	4	4
Internal charges and overheads applied	654	278	278
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,250	4,273	6,263
Surplus/(deficit) of operating funding (A-B)	1,702	2,014	1,474
Sources of capital funding			
Subsidies and grants for capital expenditure	2,365	2,519	1,901
Development and financial contributions	345	734	13
Assets vested in Council	0	0	253
Increase/(decrease) in internal debt	557	1,151	808
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,267	4,404	2,974
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	355	744	253
- To improve the level of service	1,228	1,897	215
- To replace existing assets	3,387	3,776	3,980
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	4,969	6,418	4,448
Surplus/(deficit) of operating funding (C-D)	(1,702)	(2,014)	(1,474)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(1,014)	(142)	(2,016)
Add depreciation	5,427	5,408	5,657
Less development and financial contributions	(345)	(734)	(13)
Less subsidies and grants for capital expenditure	(2,365)	(2,519)	(1,901)
Less vested asset income	0	0	(253)
Surplus/(deficit) of operating funding (A-B)	1,702	2,014	1,474

2 - Funding impact statement for coastal hazards

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	0	23	22
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)	0	23	22
Applications of operating funding			
Payments to staff and suppliers	0	25	0
Finance costs	0	(0)	(1)
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	0	25	(1)
Surplus/(deficit) of operating funding (A-B)	0	(2)	23
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	2	(23)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	0	2	(23)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	0
- To replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	0	0
Surplus/(deficit) of operating funding (C-D)	0	2	(23)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	0	0	23
Add depreciation	0	0	0
Add loss on disposal	0	0	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	0	0	23

2 - Funding impact statement for public services

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,611	4,249	4,227
Targeted rates	2,675	2,570	2,630
Subsidies and grants for operating purposes	0	0	38
Fees and charges	2,015	2,219	3,772
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	6,301	9,038	10,667
Applications of operating funding			
Payments to staff and suppliers	6,852	7,537	7,935
Finance costs	225	152	164
Internal charges and overheads applied	1,658	1,822	1,822
Other operating funding applications	0	0	0
Total applications of operating funding (B)	8,734	9,511	9,921
Surplus/(deficit) of operating funding (A-B)	(2,433)	(473)	746
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	184	351	750
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(455)	2,231	1,153
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(271)	2,582	1,903
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	21	100	0
- To improve the level of service	98	2,438	2,474
- To replace existing assets	127	697	586
Increase/(decrease) in reserves	(2,951)	(1,126)	(410)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(2,704)	2,109	2,650
Surplus/(deficit) of operating funding (C-D)	2,433	473	(746)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(2,766)	(886)	674
Add depreciation	516	764	823
Add loss on disposal	0	0	0
Less development and financial contributions	(184)	(351)	(750)
Surplus/(deficit) of operating funding (A-B)	(2,433)	(473)	746

2 - Funding impact statement for regulatory services

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,559	1,666	1,664
Targeted rates	45	51	48
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,658	1,907	2,256
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	3,263	3,623	3,969
Applications of operating funding			
Payments to staff and suppliers	2,474	2,755	2,839
Finance costs	0	0	0
Internal charges and overheads applied	809	886	886
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,282	3,641	3,726
Surplus/(deficit) of operating funding (A-B)	(19)	(18)	243
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	15	0
Increase/(decrease) in reserves	(19)	(33)	243
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(19)	(18)	243
Surplus/(deficit) of operating funding (C-D)	19	18	(243)
Funding balance ((A-B)+(C-D))	0	0	(0)
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(20)	(18)	243
Add depreciation	1	0	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	(19)	(18)	243

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

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,931	0	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	14,350	12,938	12,030
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	16,281	12,938	12,030
Applications of operating funding			
Payments to staff and suppliers	9,725	9,251	9,968
Finance costs	758	636	564
Internal charges and overheads applied	194	213	213
Other operating funding applications	0	0	0
Total applications of operating funding (B)	10,677	10,100	10,745
Surplus/(deficit) of operating funding (A-B)	5,604	2,837	1,285
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	3,603	1,400	2,450
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,603	1,400	2,450
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	3,133	950	577
- To replace existing assets	470	450	467
Increase/(decrease) in reserves	5,604	2,837	2,690
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	9,207	4,237	3,735
Surplus/(deficit) of operating funding (C-D)	(5,604)	(2,837)	(1,285)
Funding balance ((A-B)+(C-D))	0	0	(0)
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	4,588	1,616	(107)
Add depreciation	1,016	1,221	1,392
Surplus/(deficit) of operating funding (A-B)	5,604	2,837	1,285

2 - Funding impact statement for governance and corporate

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	440	895	1,211
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	699	1,806	1,177
Internal charges and overheads recovered	5,391	5,572	5,572
Interest and dividends from investments	0	0	219
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	6,529	8,273	8,179
Applications of operating funding			
Payments to staff and suppliers	7,881	8,457	7,346
Finance costs	(2,550)	(1,588)	(464)
Internal charges and overheads applied	631	751	751
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,962	7,620	7,634
Surplus/(deficit) of operating funding (A-B)	567	653	546
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	(59)	(7,241)	(8,303)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(59)	(7,241)	(8,303)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	113	177	15
- To replace existing assets	332	859	542
Increase/(decrease) in reserves	63	(7,624)	(8,315)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	508	(6,588)	(7,757)
Surplus/(deficit) of operating funding (C-D)	(567)	(653)	(546)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	0	(58)	1,693
Add depreciation	567	710	621
Less change in fair value of derivatives	0	0	(1,769)
Surplus/(deficit) of operating funding (A-B)	567	653	546

2 - Funding impact statement for earthquake recovery

For the year ended 30 June 2022

	2021 Long Term Plan \$000's	2022 Long Term Plan \$000's	2022 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	454	447	449
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	770
Fees and charges	0	287	0
Internal charges and overheads recovered	0	0	0
Interest and dividends from investments	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	454	735	1,219
Applications of operating funding			
Payments to staff and suppliers	0	262	645
Finance costs	170	119	111
Internal charges and overheads applied	0	5	5
Other operating funding applications	0	0	0
Total applications of operating funding (B)	170	387	761
Surplus/(deficit) of operating funding (A-B)	284	348	458
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	5
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(284)	(345)	(405)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(284)	(345)	(401)
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	0	0	52
- To replace existing assets	0	3	5
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	3	57
Surplus/(deficit) of operating funding (C-D)	(284)	(348)	(458)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	284	348	462
Less subsidies and grants for capital expenditure	0	0	(5)
Surplus/(deficit) of operating funding (A-B)	284	348	458

3 - Rating base information

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

	30 June 2021
Number of rating units within the district	9,674
Total Capital Value of rating units within the district	\$8,947,186,721
Total Land Value of rating units within the district	\$5,911,307,493

4 - Insurance of assets

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

	2022 \$000's	2021 \$000's
The total value of all Council assets covered by insurance contracts	78,154	68,326
The maximum amount to which insured assets are insured	123,827	117,878
The total value of all Council assets covered by financial risk-sharing arrangements	96,388	97,131
Maximum amount available to the Council under financial risk-sharing arrangements	162,091	127,470
Total value of assets that are self-insured	433,116	278,440
Value of funds maintained for self-insurance	0	0

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

5 - Māori decision-making

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

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

Policies

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

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

Working Together

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

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

BENCHMARKS

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2022

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—

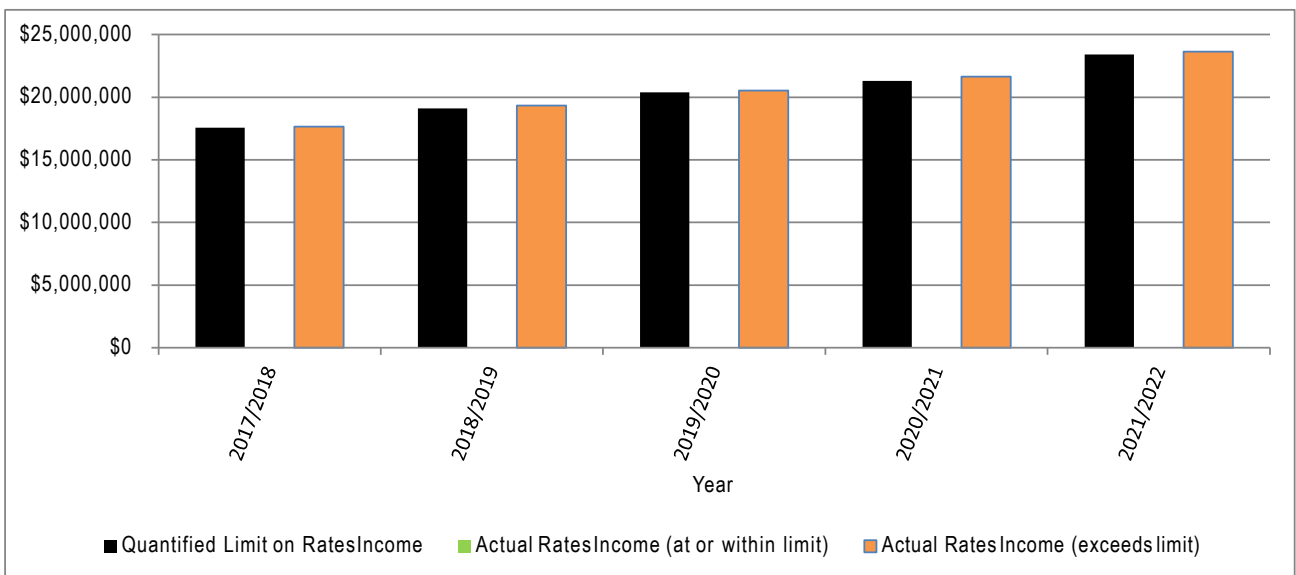
- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

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:

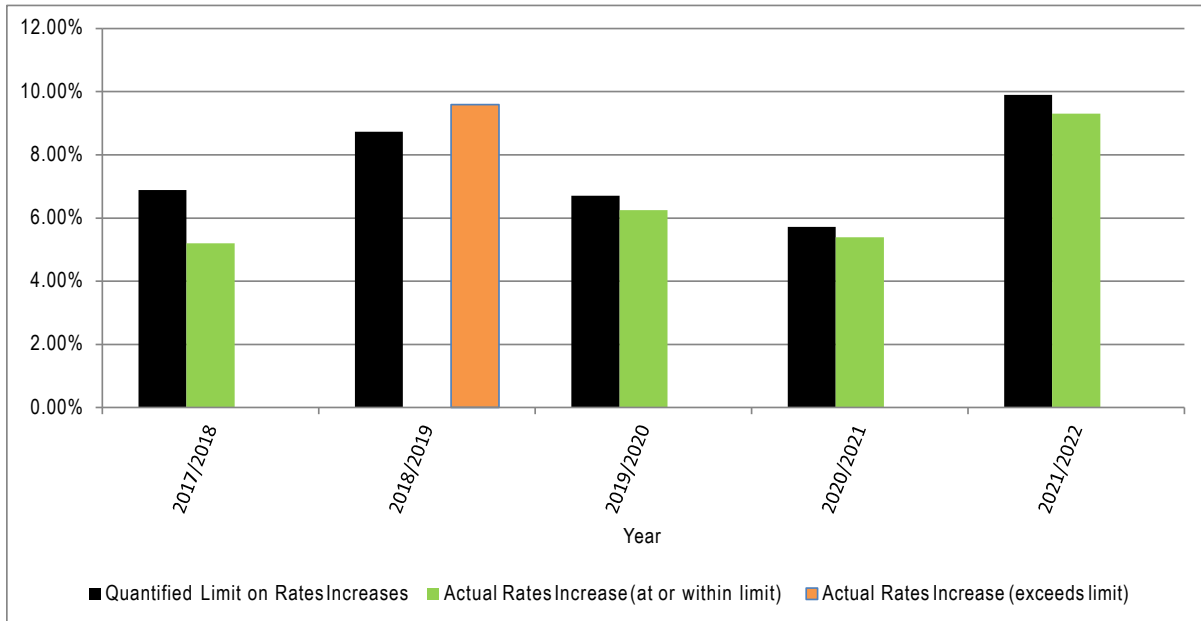
- 2017/2018 - 6.00% growth adjusted increase from prior year = \$17,582,862
- 2018/2019 - 8.00% growth adjusted increase from prior year = \$19,116,191
- 2019/2020 - 6.00% growth adjusted increase from prior year = \$20,400,799
- 2020/2021 - 5.00% growth adjusted increase from prior year = \$21,307,533
- 2021/2022 - 8.50% growth adjusted increase from prior year = \$23,418,602



Note: The actual rates for 2021/2022 has exceeded the limit due to growth in the rating base being higher than was predicted in the Long Term Plan.

Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limits were: 2017/2018 6.89% (6.00% growth adjusted); 2018/2019 8.73% (8.00% growth adjusted); 2019/2020 6.71% (6.00% growth adjusted), 2020/2021 5.72% (5.00% growth adjusted) and 2021/2022 9.90% (8.50% growth adjusted).



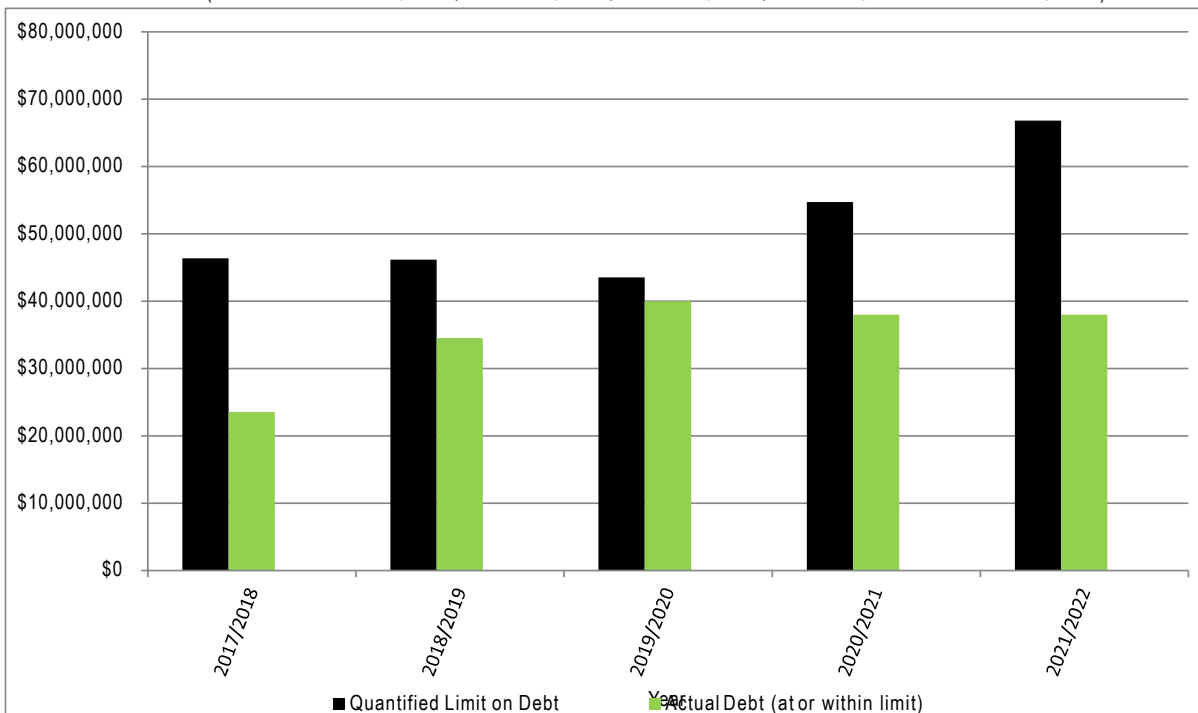
The following graphs compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan.

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

- Total debt is no more than 125% of Total Income (Limit for 2021/2022 is \$66.8m)
- Interest expense is no more than 6.25% of Total Income (Limit for 2021/2022 is \$3.34m)
- Interest expense is no more than 12.5% of Total Rates (Limits for 2021/2022 is \$2.96m)

Total Debt is no more than 125% of Total Income

(Limits were: 2017/2018 \$46.3m; 2018/2019 \$47.3m; 2019/2020 \$44.3m; 2020/2021 \$54.8m and 2021/2022 \$66.8m)

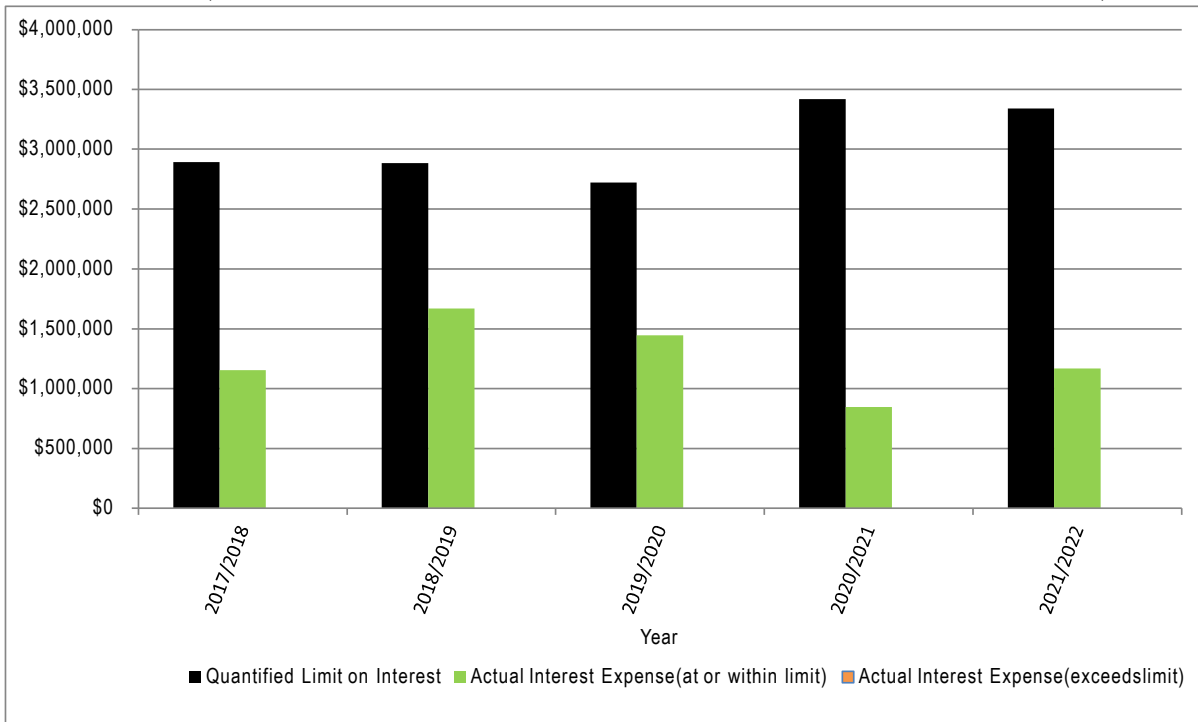


Note: the measure was amended in 2021/2022 from total debt is no more than 100% of total income to total debt is no more than 125% of total income.

Debt affordability benchmarks (Continued)

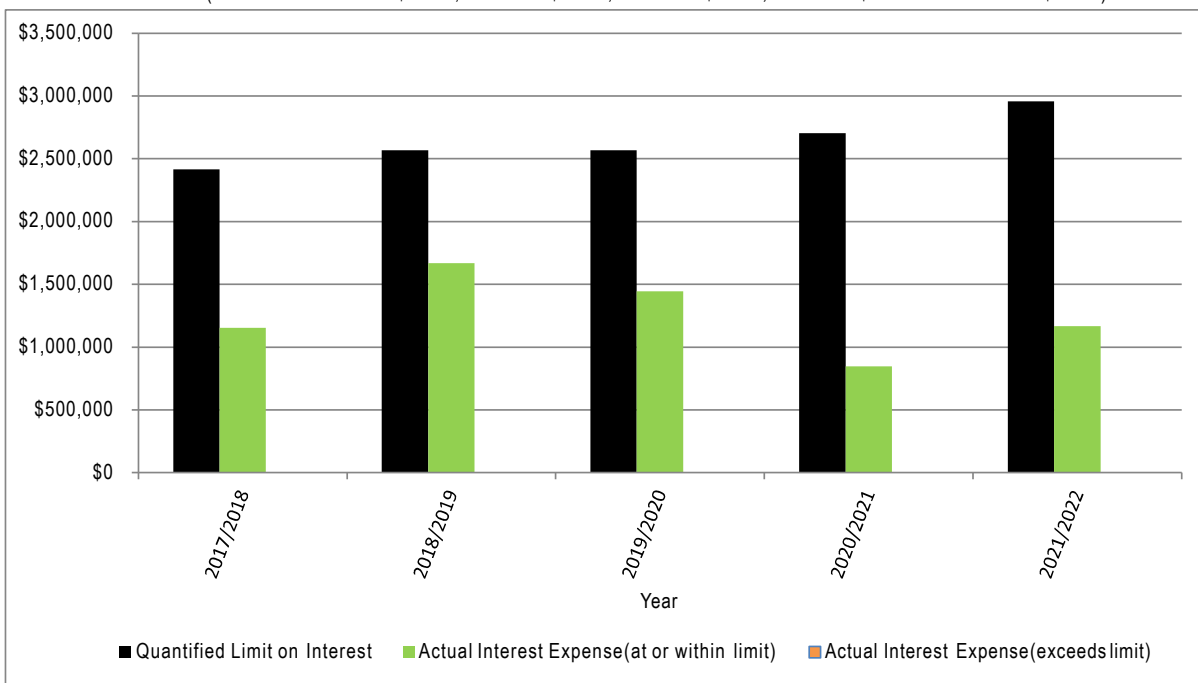
Interest expense is no more than 6.25% of Total Income

(Limits were: 2017/2018 \$2.89m; 2018/2019 \$2.88m; 2019/2020 \$2.77m; 2020/2021 \$3.42m and 2021/2022 \$3.34m)



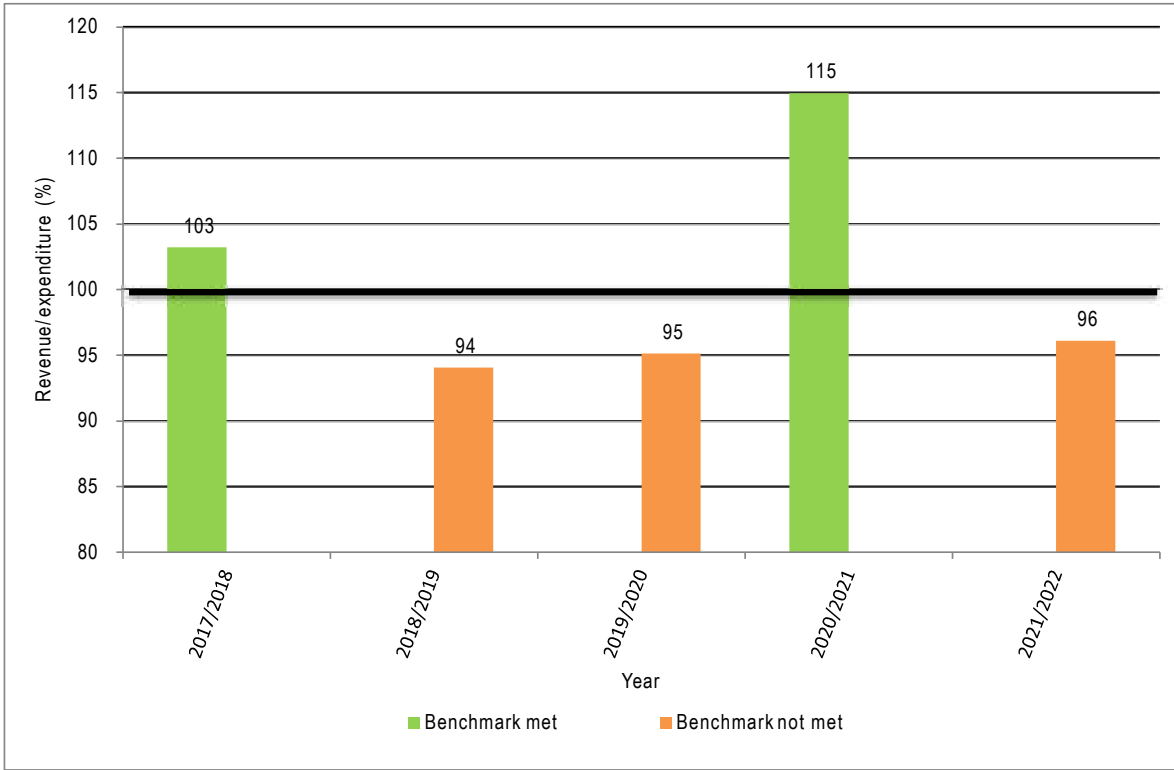
Interest expense is no more than 12.5% of Total Rates

(Limits were: 2017/2018 \$2.20m; 2018/2019 \$2.42m; 2019/2020 \$2.57m; 2020/2021 \$2.71m and 2021/2022 \$2.96m)



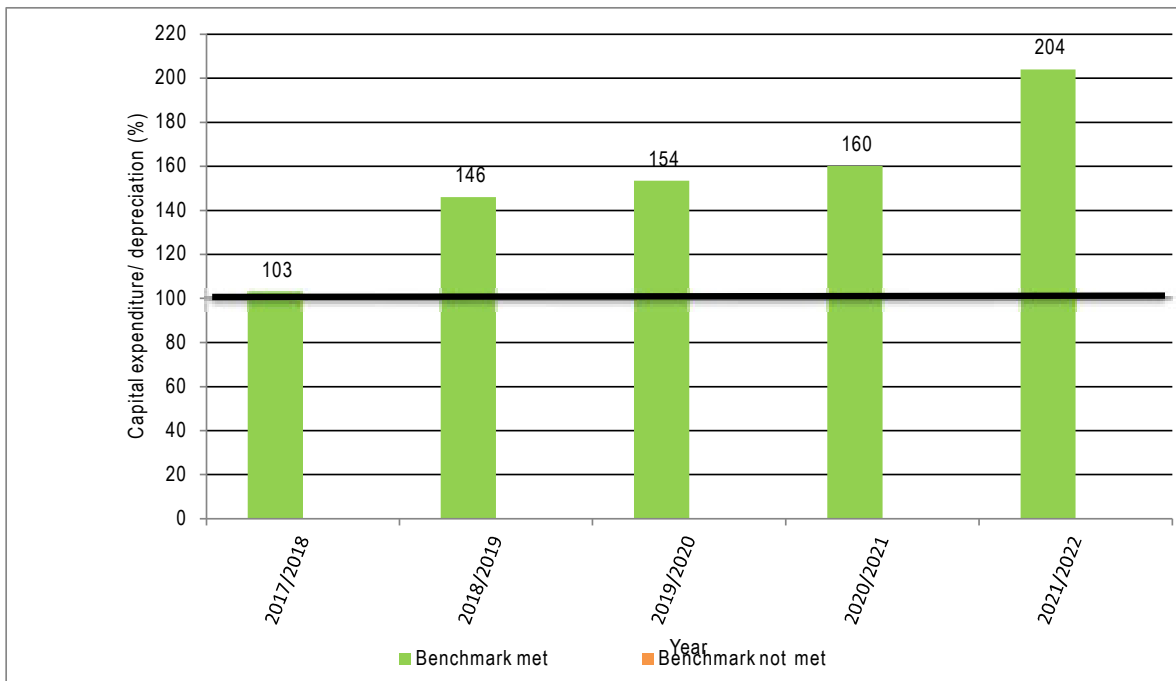
Balanced budget benchmark

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.



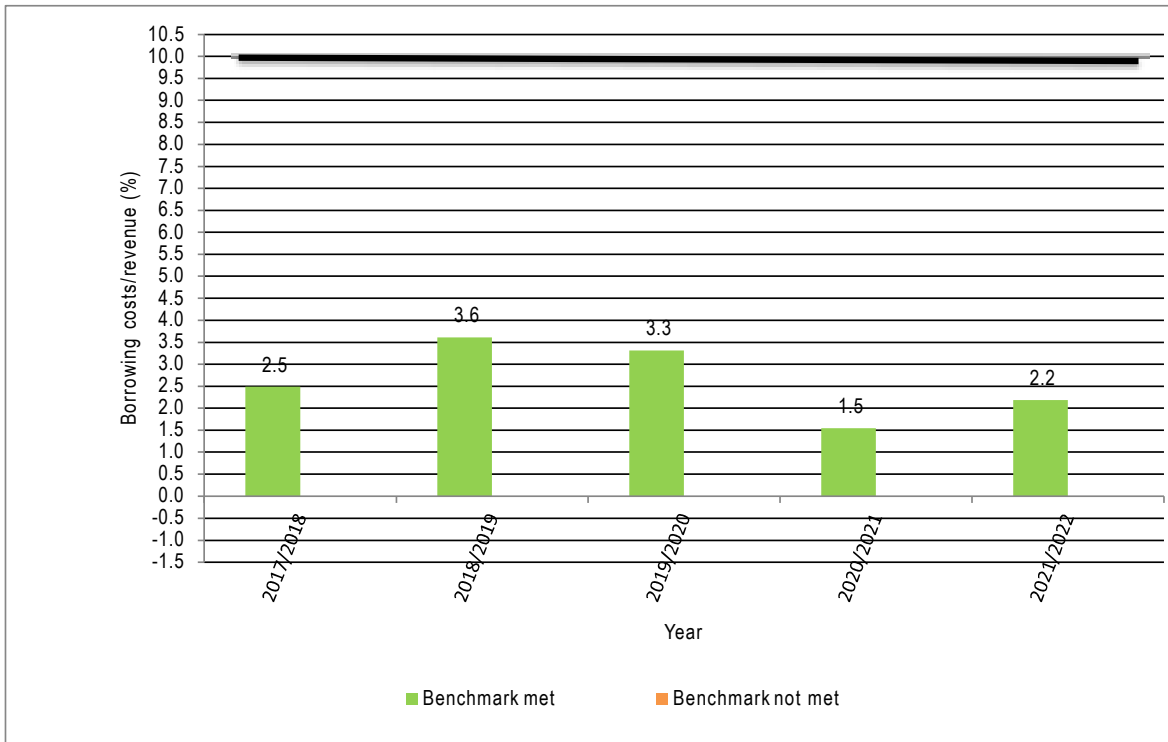
Essential services benchmark

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.



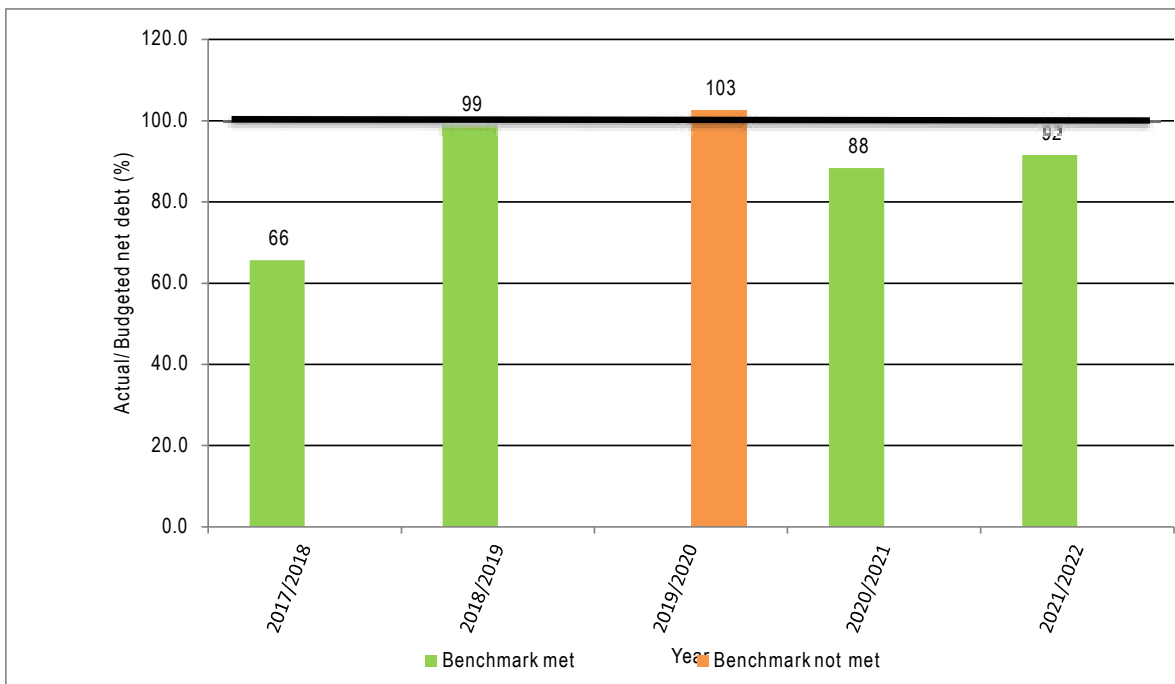
Debt servicing benchmark

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.



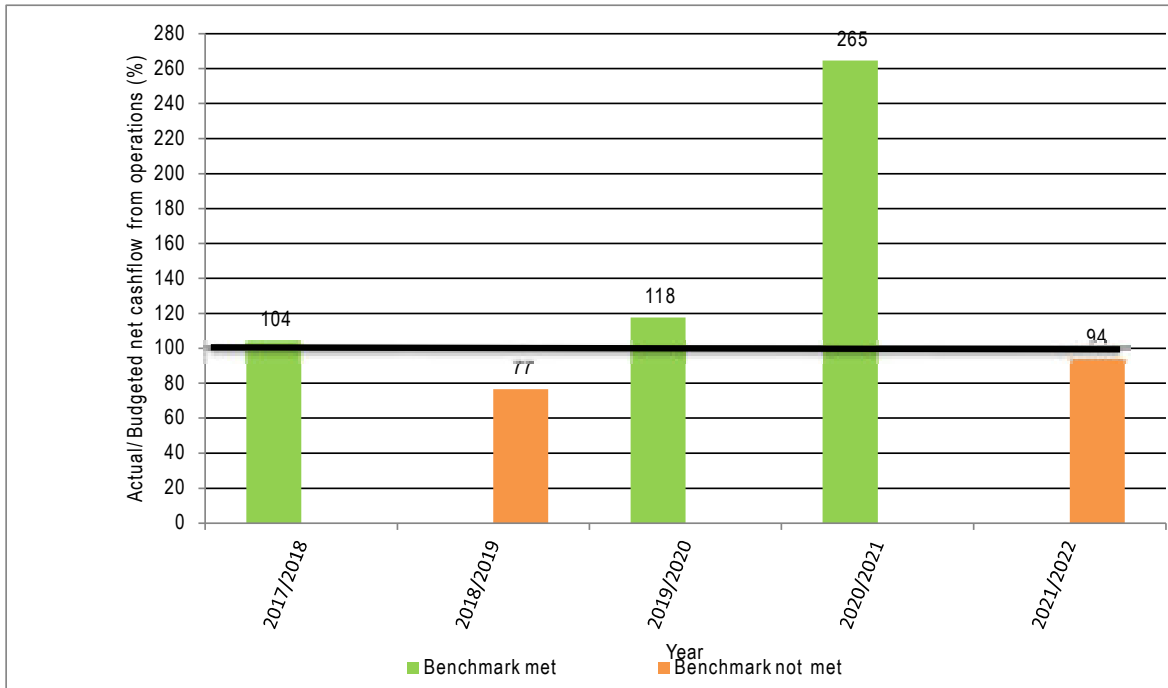
Debt control benchmark

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	121

Enterprise North Canterbury

Background

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

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

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

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

Summary of 2021/2022 Objectives and Achievements

Strategy Objective 1: Supporting existing businesses to grow and prosper

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

Performance Measure	Target	Results
Deliver the Regional Business Partner Programme for NZTE	Undertake 48 Capability Assessments and issue a minimum of \$80,000 NZTE Vouchers	86 Assessment completed (<i>achieved</i>) \$82,546 vouchers issues (<i>achieved</i>)
Provide training of local business owners and managers	A minimum of 24 businesses referred to Business Mentors NZ	27 businesses referred to BMNZ (<i>achieved</i>)
Support new and expanding businesses	Run a minimum of 20 half day business training workshops with 80% satisfaction rate	6 half day workshops held (<i>partially achieved</i>) 100% satisfaction rate (<i>achieved</i>)
	Provide business support 50 new start-up businesses and 50 existing businesses to grow/expand	72 new businesses supported (<i>achieved</i>) 64 existing/expanding businesses supported (<i>achieved</i>)
Maintain and grow ENC's website and social media	Grow social media channels and website visitors by 10%	Facebook likes increased 13.67% on last year from 2033 to 2311(<i>achieved</i>) Website visits decreased 5.9% on last year from 46496 to 43751 (<i>not achieved</i>)

Objective 1.2 Celebrate and Recognise Business Leaders in the region:

Performance Measure	Target	Results
Organise the 2021 Business Awards Gala Dinner and Ceremony	Business Awards Gala event a success	62 entries accepted and independently judged. The Gala awards dinner was cancelled due to Covid restrictions. An online awards ceremony for the 11 categories was held over 3 days (15-17 November 2021). 89% of participants reported an overall positive experience. <i>(Partially achieved)</i>

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

Performance Measure	Target	Results
Programme of initiatives agreed and implemented	ENC assists and supports initiatives as agreed	ENC assisted Leftfield Consulting with the creation of a \$60k 'skinny business plan' for a green powered industrial hub in Waipara (Hurunui Hub). ENC were the fund holder for this project \$49,000 and were successful in their application to EECA for \$11,000 <i>(achieved)</i>

Strategic Objective 2: Attract and inspire businesses, Mana Whenua (Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri) and Government to Invest in our region**Objective 2.1 Develop a North Canterbury Cycle Trail:**

Performance Measure	Target	Results
Continue to seek and apply for funds for the development of a North Canterbury Cycle Trail from Christchurch to Waipara	Staff prepare and submit applications in conjunction with the Councils	An application to DIA Community Facilities Fund for track upgrades in Waimakariri District was successful \$296,000 granted <i>(achieved)</i>

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

Performance Measure	Target	Results
Local food and beverage producers and manufacturers are provided opportunities to collaborate and connect	<ul style="list-style-type: none"> ENC builds networks and relationships with and facilitates collaborations among producers and manufacturers 	<p>A total of 65 members including 48 producers and 17 supporters</p> <p>44 direct collaborations made</p>

	<ul style="list-style-type: none"> • Grow MADE NORTH CANTERBURY Website, Facebook and Instagram platforms by 10% that promote detail of business and product, increasing awareness and sales of NCF&B • Create, stimulate new marketing and promotional initiatives and resources for NCF&B businesses • Opportunities identified to attend and profile MADE NORTH CANTERBURY members at event and trade shows • Track referrals, engagements and type of support given 	<p>Website: 9,178 users (9,150 Of these were ‘new users’ to the site) Facebook: 3,691 followers, up from 2,552 and 44.63% on last year (<i>achieved</i>) Instagram: 1,002 followers, up from 520 and 92.69% on last year (<i>achieved</i>)</p> <p>We facilitated four grocery displays over the year at Preston’s, Durham Street, Ravenswood and Rangiora New Worlds. Assisted Canterbury Nuts to coordinate MADE NORTH CANTERBURY Goodie Boxes for Christmas. Promotional features were included in the May issue of Avenues, F+B Tech Magazine, NC Locals Magazine, ODT Rural Life Section and The Herald Country Section.</p> <p>Three planned events including the NC Wine Collective, the new Taste Trail and NC Wine and Food Festival were cancelled due to COVID-19</p> <p>A total of 458 business engagements were recorded across this time period, comprising:</p> <ul style="list-style-type: none"> • 187 marketing support • 85 referrals/collaborations/connections that led to sales • 146 business support, one-on-one or membership support • 25 event planning support • 15 other
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Objective 2.3

Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri:

Performance Measure	Target	Results
Build relationships with mana whenua	<ul style="list-style-type: none"> • Identify common strategic goals • Identify and promote investment opportunities that benefit the North Canterbury community 	Through the ‘Hurunui Hub’ process ENC worked with Ngai Tahu property to assess viability of project

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

Transwaste Canterbury Limited

Background

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

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

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

Summary of 2021/2022 Objectives and Achievements

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches notified during the year or advised by ECan.	Achieved. There are no known breaches and no notifications received from Environment Canterbury.
(b) Review and update the strategic plan for Tiromoana Bush.	Strategic plan reviewed, updated with Board signoff and actioned.	The current year plan has been completed in accordance with the adopted 5 year plan to 2022.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Maintain large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting - evident in <5% of vegetation monitoring plots.	On track to achieve – deer and pig activity is very low. Most recent cull included 2 pigs on 8 June 2022 –

Desired Outcomes	Performance Measures and Target	Achievement
(b) Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimal impact on native biodiversity in Tiromoana Bush.	The abundance of bird life (as indicated by remeasuring of the bird monitoring transects) is greater than the 2005-2009 baseline for bellbird and grey warbler.	annual totals were 5 deer and 23 pigs. On track to achieve – ongoing monthly trapping and monitoring being undertaken.
(c) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 90% of landfill gas produced by Kate Valley landfill (measured in accordance with the regulations to the Climate Change Response Act 2002).	Achieved for the year ended 31 December 2021.
(d) To ensure the beneficial use of landfill gas to obtain the best economic value.	To increase the MWh of electricity exported from Kate Valley landfill by 50% over the three year Sol period 2022 to 2024.	In progress. Remains dependent on transmission line improvements, which is under discussion.
(e) Measure the company's carbon footprint.	Carbon footprint is measured and independently certified.	Project with Toitu Envirocare to measure and certify carbon footprint completed and audited.
(f) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	On track, based on reduced emission standard of replacement trucks (2 more new trucks this year).
(g) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Number of ETS units received under ETS schemes available.	Project commenced to measure and register planting in ETS.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Finance the Kate Valley Landfill Community Trust	Annual payment to Kate Valley Landfill Community	Achieved.

Desired Outcomes	Performance Measures and Target	Achievement
(from the Disposal Charge) for the purpose of benefiting the local community immediately affected by the landfill operation.	Trust, to be determined on an annual basis.	The company has made contributions to the trust for the 2021/22 year totalling \$88,792.
(b) Develop and maintain education material with regard to waste management and the environment.	Material used by schools.	Achieved. Programme has continued with Core Education. Successful completion of 2021 workplan with further interaction to take place in Q4 of 2022.
(c) Plan for sites aftercare and closure – financially and revenue streams.	Adequate provisioning, which stands up to audit scrutiny, in financial statements for aftercare and closure costs.	Achieved. Methodologies comply with the applicable reporting standards.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Timely, high quality and reliable waste transport services.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers.	No impacts – fully achieved.
(b) Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Fully achieved - no disruption to receipt of waste occurred, despite the landfill being closed due to high wind on 4 days for 20 hours in total.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.	Maintain or improve current total recordable injury frequency rate (TRIFR) for the last 12 months.	Achieved – nil LTIs in all operations. Actual TRIFR for the 12 months ended 30 June 2022 is zero.
(b) Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).	Annual operational plans objectives met, with no serious avoidable injuries.	Achieved. Good patronage on both walkways.
(c) No traffic incidents where CWS drivers at fault.	No at-fault incidents.	Not achieved – one incident where a CWS trailer caused minor damage to a third-party vehicle.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensure CWS has objectives and policies that detail the relationship with employees, their remuneration, safety and other issues such as equal opportunity in employment.	No more than 15% annually of CWS landfill and transport staff annual FTE turnover.	Not achieved. Turnover of permanent employees at Kate Valley was 6 at landfill and 3 in transport out of 45 FTEs, resulting in 20% annual turnover.
(b) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.	10 hours per FTE annually for CWS staff training.	Achieved. Kate Valley staff have undertaken 10 hours per FTE.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group.	At least two Kate Valley Community Liaison group meetings held per year.	Achieved. Four Community Liaison Group meetings held in the period.
(b) Engage with other interest groups including Tangata Whenua and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Interaction with interest groups is on track.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) To ensure compliance with all relevant legislation and statutory requirements.	Annual reporting to Board on areas of compliance and non-compliance.	Achieved. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley. No non-compliances noted.
	Nil known legislative and regulatory non-compliance.	Achieved. No notices of non-compliance received.

Objective

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.	Total Revenue (inclusive of waste levy) of \$54,553,000	\$58,493,000. Overall tonnes of waste to landfill was 10% above budget.
	EBIT of \$18,685,000	\$1,947,000 above budget at \$20,632,000 (before \$1,300,000 dividends received from its subsidiary, BRRP), as a result of the

Desired Outcomes	Performance Measures and Target	Achievement
	Dividends relating to Kate Valley of \$13,700,000	increased tonnes of waste to landfill compared to budget. Dividends totalling \$15,100,000 were paid during the year for the Kate Valley operations, plus project dividends relating to BRRP activities of \$1,300,000. .

APPENDICES

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Water supply performance measures

Safety – supply safe drinking water

Performance measure Description	Performance target issue	Performance target outcomes
Meet bacterial compliance under the DWSNZ. Less than 1 e-coli per 100ml of drinking water tested.	Bacteria compliance	LTP target: No failed tests Department of Internal Affairs (DIA) target: 100% bacterial compliance
Measurement method	Water Outlook records, Laserfiche records and Laboratory records.	
End of year performance	<p>2022 <u>Target achieved against both LTP and DIA targets</u> - Routine testing of all Council's water supplies is done on a scheduled basis throughout the year. During the period 1 July 2021 to 30 June 2022, 2,229 samples were taken. 100% of samples met the compliance criteria (no E.coli present).</p> <p>2021 <u>Target achieved against both LTP and DIA targets</u> – no E.coli failures</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Meet protozoal compliance under the DWSNZ. Accredited treatment system in place to meet log-credit rating of receiving environment providing the drinking water.	Protozoa compliance	LTP target: 6 of the 20 water supplies are compliant DIA target: 100% of water supplies are compliant
Measurement method	Water Outlook records, Laserfiche records and Laboratory records.	
End of year performance	<p>2022 <u>Target not achieved against both LTP and DIA targets</u> - HDC is on track to achieve protozoa compliance by 2024 for all water supplies. Protozoa compliance was achieved in 2021-22 for 5 of 20 treatment plants. The treatment plants that achieved protozoa compliance were Amberley (Kowai), Amberley (Racecourse), Leithfield Beach, Culverden, Waiau Town. Infrastructure installation at the Ashley Water Treatment plant to achieve protozoa compliance with the Drinking Water Assurance Rules 2022 has been completed, compliance will be demonstrated in the next reporting period. The treatment plants that did not achieve protozoa compliance are scheduled for treatment plant upgrade work in the Long Term plan.</p> <p>2021 <u>Target not achieved against both LTP and DIA targets</u> - 5 of 20 plants achieved protozoa compliance</p>	

Notes: The 15 water supplies that are not compliant are as follows:

Ashley Rural – The treatment plant was upgraded during the compliance period to include a validated UV unit. The previous UV unit was unvalidated and therefore incapable of achieving protozoa compliance.

Amuri and Hawarden-Waikari – These treatment plants have unvalidated UV units and are therefore incapable of achieving protozoa compliance.

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

Hanmer Springs – The treatment plant has a validated UV unit. During the compliance period there were occasions when turbidity exceeded the compliance threshold that was set under the DWSNZ2018 for optimum UV performance (i.e '2NTU for the duration of any 3-minute period').

In previous financial years performance related data was audited by external Drinking Water Assessors. As a result of changes to the regulatory framework the Drinking Water Assessor role no longer exists, this has placed more emphasis on self-reporting and demonstrating compliance through our own systems and monitoring processes.

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

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from metered town supplies (on demand water)	To lose no more than 20% volume of water
Measurement method	From meter reading and SCADA or relevant monitoring system will be used to determine the water volume pumped in an on-demand and combined water system	
End of year performance	<p>2022 Target achieved - The real losses were 13.2%. Information from all metered(on-demand) water supplies was used to determine real water losses across the Hurunui District using a 'top-down' approach (water balance) for identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network.</p> <p>2021 Target achieved – 4 out of 7 township water supplies had information to support this. Culverden, Hawarden-Waikari, Waiau Township and Waipara had 476,116.6 cubic meters pass through all their water meters, while 527,533 cubic meters was pumped by the various water intakes. This equates to a loss of 51,416.46 cubic meters over the 4 township supplies and a percentage loss of 9.7%. <i>Disclosure: meter inaccuracies, meter reader error, unauthorised connections can affect the final water loss calculation. The water loss calculation was performed by subtracting the water intake meter flow total from the delivery meter cumulative totals.</i></p>	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from rural supplies (restricted water)	Unmeasured for 2021/22
Measurement method	The metering and SCADA or relevant monitoring system will be used to determine the water volume pumped in a restricted scheme and the volume of water sold plus the total volume of monitoring water subtracted.	
End of year performance	<p>2022 Not applicable - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p> <p>2021 Not applicable - Cannot be measured as we are unable to measure real water losses from unmetered on-demand supplies or restricted supplies.</p>	

Response time – to respond quickly to water supply call outs

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Urgent fault responsiveness	To respond within 4 hours
Measurement method	The Customer Service Request (CSR) system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate the request for service.	
End of year performance	<p>2022 Target achieved - The median response time was 1.5 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 143 urgent restricted and on-demand requests were responded to.</p> <p>2021 Target achieved - the median response time was 0.1 hours - 2 urgent requests for service were received during the reporting period.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Urgent fault resolution	To fix within 16 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the water supply is restored.	
End of year performance	<p>2022 Target achieved - The median resolution time is 1.97 hours. Council reviewed the reporting category to include restricted supply as part of Urgent classification. 143 Urgent restricted and on-demand requests were responded to.</p> <p>2021 Target achieved - The median resolution time was 0.1 hours for the 2 Urgent requests received during the reporting period. This is because 1 fault required a valve to be turned on and the other required resetting a pump, with technicians being on-site these issues were resolved quickly.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site 	Non-urgent fault responsiveness	To respond with 4 days (96 hours)
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate the request for service.	
End of year performance	2022 Target achieved - The median time to respond to non-urgent call-outs was 17.78 hours. 2021 Target achieved – 0.75 days (18 hours)	

Performance measure Description	Performance target issue	Performance target outcomes
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: <ul style="list-style-type: none"> resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. 	Non-urgent fault resolution	To fix within 10 days (240 hours)
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when a request for service is resolved.	
End of year performance	2022 Target achieved - The median time to resolve a non-urgent customer request was 20.64 hours. 2021 Target achieved – 1.02 days (24.5 hours)	

Customer satisfaction – reduce the number of water related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water clarity.	Drinking water clarity	No more than 23 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to clarity issues.	
End of year performance	2022 Target achieved - 18 complaints were received relating to clarity. 2021 Target not achieved – 8 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water taste.	Drinking water taste	No more than 20 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to taste concerns	
End of year performance	2022 Target achieved - 7 complaints were received relating to drinking water taste. 2021 Target not achieved – 17 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water odour.	Drinking water odour	No more than 9 complaints per annum
Measurement method	The measure is the total number of requests for service logged into the CSR system relating to odour concerns	
End of year performance	2022 Target achieved - 1 complaint was received relating to odour. 2021 Target not achieved – 2 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water pressure or flow.	Drinking water pressure or flow	No more than 550 complaints per annum
Measurement method	The measure is the total number of requests for service logged into the CSR system relating to pressure or flow in the drinking water that requires investigation for cause and resolution.	
End of year performance	2022 Target achieved - 216 complaints received for pressure or flow related problems. 2021 Target not achieved – 86 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about continuity of supply.	Continuity of drinking water supply	No more than 240 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to continuity of water supply.	
End of year performance	2022 Target achieved – 143 complaints were received 2021 Target not achieved – 279 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about the local authority's response to any of the issues expressed per 1,000 connections to the local authority's networked reticulation system.	Issues in drinking water (re customer complaints above) expressed per 1000 connections to the network	No more than 50 customer complaints per 1,000 connections.
Measurement method	The measure is the total number of requests for service logged in to the CSR system relating to clarity, taste, odour, pressure/flow and continuity of water supply is added together during the year and divided by the total number of water rated properties, divided by 1000 and rounded to the nearest whole number.	
End of year performance	2022 Target achieved – 46.4 customer complaints per 1,000 connections were received during the year - 385 customer complaint for 8,298 connections. 2021 Target not achieved – 47.9 customer complaints per 1,000 connections were received - 392 customer complaints for 8,190 connections (Target for 2020/21 was no customer complaints).	

Demand management – have enough water to supply our customers

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's daily consumption of drinking water across all on-demand drinking water schemes provided by the service provider.	The average consumption of drinking water per day per resident within the territorial authority district.	To supply up to 285 litres per person per day
Measurement method	The amount of drinking water supplied in the year in Amberley, Leithfield Beach, Waiau, Culverden and Waipara water schemes, divided by the average household population (census data), divided by 365 days and expressed as litres per person per day.	
End of year performance	2022 Target not achieved - An average of 332 litres per person per day have been consumed. 2021 Target not achieved – 288 litres per person per day.	

Sewerage performance measures

System and adequacy – sewerage systems to operate as they should

Performance measure Description	Performance target issue	Performance target outcomes
Measuring the number of sewage overflows to the environment resulting from system inadequacy under 'normal' operating circumstances.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	No more than 2 dry weather sewerage overflows per 1,000 connections
Measurement method	The CSR system will be used to measure the total number of 'dry weather' sewerage overflows divided by the total number of wastewater rated properties divided by 1000.	
Current performance	2022 Target achieved – 1.42 overflows per 1,000 connections have been experienced. (6 overflows for 4,214 connections). 2021 Target not achieved – 2.8 overflows per 1000 connections (11 overflows for 3,950 connections)	

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

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2022 Target achieved - 0 abatement notices. 2021 Target achieved - 0 abatement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2022 Target achieved - 0 infringement notices. 2021 Target achieved - 0 infringement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2022 <u>Target achieved</u> - 0 enforcement notices. 2021 <u>Target achieved</u> - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	Consent monitoring reports from ECAN will be used.	
Current performance	2022 <u>Target achieved</u> - 0 convictions. 2021 <u>Target achieved</u> - 0 convictions.	

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

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site. 	Call-out attendance time period	To respond within 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate the request for service.	
Current performance	2022 <u>Target achieved</u> The median response time for blockages and mechanical and electrical faults was 1.58 hours (6 total requests for service). The improvement is mainly due to less faults occurring in Hanmer Springs area. 2021 <u>Target achieved</u> – The median response time for blockages and mechanical and electrical faults was 2 hours (13 total requests for service). 11 dry weather and 2 wet weather.	

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	Call-out resolution time period	To fix within 12 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when the service has been restored.	
Current performance	2022 Target achieved - The median fault resolution time was 4.68 hours (6 total service requests). Improvement is as a result of a less complicated faults and less faults occurring in Hanmer Springs area. 2021 Target achieved – Median fault resolution time was 11.7 hours.	

Customer satisfaction – reduce the number of sewerage related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewage odour	The number of complaints about sewerage odour	No more than 3 complaints per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to sewage odour.	
Current performance	2022 Target achieved - 1 complaint was received relating to odour. 2021 Target not achieved – 3 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system faults.	The number complaints about sewerage system faults	No more than 3 complaints per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to mechanical or electrical faults.	
Current performance	2022 Target not achieved - 4 system fault complaints were received. 2021 Target almost achieved – 2 system fault complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system blockages	The number of complaints about sewerage system blockages	No more than 18 complaints received per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to system blockages.	
Current performance	2022 Target achieved - 16 complaints were received in relation to system blockages. 2021 Target not achieved – 11 complaints were received (Target for 2020/21 was no complaints).	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of poor response complaints received by the territorial authority about sewerage.	The number poor response complaints about sewerage	No poor response complaints received.
Measurement method	The CSR system will be used to measure the total number of events relating to poor response.	
Current performance	2022 Target achieved – no poor response complaints were received. 2021 Not measured	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.	The total number of complaints pertaining to the above issues per 1,000 connections	No more than 7 complaints per 1,000 connections received.
Measurement method	The CSR system will be used to measure the total number of requests for service divided by the total number of wastewater rated properties divided by 1000.	
Current performance	2022 Target achieved – 5.2 complaints per 1,000 connections were received - 22 complaints for 4,214 connections. 2021 Target not achieved – 4.1 complaints per 1,000 connections received - 16 complaints received for 3,950 connections (Target for 2020/21 was no complaints).	

Stormwater and drainage performance measures

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

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of flooding events that occurs through a financial year, with a flooding event being an overflow from a service provider maintained stormwater system that enters a habitable floor.	The number of flooding events that occur in a territorial authority district.	No flooding events
Measurement method	The CSR system will be used to measure the total number of habitable floors flooded	
End of year performance	2022 <u>Target achieved</u> - 0 flooding events affecting habitable floors. 2021 <u>Target achieved</u> – 0 flooding events	

Performance measure Description	Performance target issue	Performance target outcomes
Measure the number of habitable floors that are affected through each flood event, per 1000 properties paying targeted rates for the maintenance of this stormwater system.	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)	No habitable floors flooded
Measurement method	The CSR system will be used to measure the total number of requests for service relating to flooding of habitable floors and divided by the total number of connected properties divided by 1000	
End of year performance	2022 <u>Target achieved</u> - 0 habitable floors affected per flooding event. 2021 <u>Target achieved</u> – 0 habitable floors affected per flooding event	

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

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of abatement notices received by the territorial authority in relation those resource consents.	The number of abatement notices	No abatement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2022 <u>Target achieved</u> - 0 abatement notices. 2021 <u>Target achieved</u> - 0 abatement notices	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of infringement notices received by the territorial authority in relation those resource consents.	The number of infringement notices	No infringement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2022 <u>Target achieved</u> - 0 infringement notices. 2021 <u>Target achieved</u> - 0 infringement notices	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of enforcement orders received by the territorial authority in relation those resource consents.	The number of enforcement notices	No enforcement notices
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2022 <u>Target achieved</u> - 0 enforcement notices. 2021 <u>Target achieved</u> - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its stormwater system measured by the number of convictions received by the territorial authority in relation those resource consents.	The number of convictions	No convictions
Measurement method	Consent monitoring reports from ECAN will be used.	
End of year performance	2022 <u>Target achieved</u> - 0 convictions. 2021 <u>Target achieved</u> - 0 convictions.	

Response time - to respond quickly to flooded homes

Performance measure Description	Performance target issue	Performance target outcomes
Measured median response time period taken by service provider official to attend to a floor-flood event complaint from a customer.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	To respond in less than 2 hours
Measurement method	The CSR system will be used to measure the time from when the customer's call was first received and when an officer arrives at the site to investigate.	
End of year performance	2022 <u>Target achieved</u> - 0 floor-flood complaints. 2021 <u>Target achieved</u> - 0 floor-flood complaints	

Customer satisfaction - have stormwater drainage systems which work well

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the total number of complaints received for poor performance of all service provider maintained stormwater systems (over the financial year), per 1,000 properties paying targeted rates for maintenance of all service provider maintained stormwater systems across the district.	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	No more than 7 complaints per 1,000 connections per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to lack of maintenance or poor performance of the maintained stormwater system divided by the number of connected properties divided by 1000.	
End of year performance	2022 <u>Target achieved</u> – 4.39 complaints per 1,000 properties paying targeted rates for maintenance were received, reduction in complaints is as a result of improved maintenance and inspections. 2021 <u>Target not achieved</u> – 10.9 complaints per 1,000 properties paying targeted rate were received.	

Roads and footpaths performance measures

Road Safety - have roads which are safe to drive on

Performance measure description	Performance target issue	Performance target outcomes
Measure of fatalities and serious injuries on local roads assessed by NZ Police as being attributable to poor or negligent road maintenance outcomes.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	No fatalities and serious injury crashes on local (HDC) roads
Measurement method	Measured by statistics provided by NZTA (Crash Accident Statistics data) for Hurunui's local roads, linked to NZ Police reports of 'findings of investigation - most likely cause of accident'.	
End of year performance	<p>2022 Target not achieved - CAS shows 6 serious and 1 Fatal crash in the Hurunui District for the 2021/22 financial yer. None of the reported crashes were attributed to poor or negligent road maintenance outcomes. There is no change in fatal and serious injuries figures compared to prior year.</p> <p>2021 Target achieved – There have been 7 crashes. Six resulting in serious injury and one fatality. No crashes were attributed to poor or negligent road maintenance outcomes.</p>	

Road Condition - have sealed roads in good condition

Performance measure description	Performance target issue	Performance target outcomes
Smooth Travel Exposure (STE). The proportion of vehicle kilometres travelled (VKT) in a year that occurs on 'smooth' sealed roads, this indicates the ride quality experienced by the motorist.	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Greater than 90% smooth travel rating
Measurement method	ONRC Performance Measures Reporting Tool. The calculation determines smoothness using the Vehicle per Day bands currently implemented in RAMM, together with their NAASRA thresholds.	
End of year performance	<p>2022 Target achieved – The Smooth Travel Exposure for Hurunui's rural Roads were – Primary Collector – 90.7%; Secondary Collector – 96.4%; Access – 92.8%; and Low Volume – 92.1%.</p> <p>2021 Target not achieved – The Smooth Travel Exposure for Hurunui's rural roads was 97% and 94% for urban roads (Target for 2020/21 was 100% smooth travel rating).</p>	

Road Maintenance - maintain our roads to be in good condition

Performance measure description	Performance target issue	Performance target outcomes
Measured as the percentage of sealed roads resealed each financial year.	The percentage of the sealed local road network that is resurfaced.	To reseat more than 5% of our local roads every year
Measurement method	RAMM provides reseat data through the Pavement & Surfacing module	
End of year performance	<p>2022 Target not achieved – 3.88% of the local roads network was resealed, (157,220m²/4,052,112m² completed). Approx 94% of programmed m2 were completed, with 3 sites held over due to Covid resourcing and weather delays. Note that the financial allocation would only allow for 4% of network to be sealed, so unable achieve target any way.</p> <p>2021 Target not achieved – 3% of sealed network was resealed, 5% was not achieved due to lack of funding</p>	

Performance measure description	Performance target issue	Performance target outcomes
The percentage of potholes or corrugations that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	There are no more than 5 potholes >200mm in diameter or deeper than 40mm in any 100m length of road and there are no potholes, short rutted or scoured sections of road exceeding 70mm in depth or larger than 400mm in diameter	No more than 30 per annum
Measurement method	Data from Monthly audit	
End of year performance	2022 Target achieved – 5 large potholes for the year identified during audits. There was one instance of corrugations that exceeded 70mm in depth, crest to trough. 2021 Target not achieved – 42 large potholes for the year were identified.	

Condition of footpaths - have footpaths in good condition

Performance measure description	Performance target issue	Performance target outcomes
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	The number of customer service requests received where the trip hazard is >25mm in height	No more than 10 customer service requests received per annum where the trip hazard was greater than 25mm.
Measurement method	The CSR system will be used to measure the number of footpath related service requests relating to hazards exceeding the criteria	
End of year performance	2021 Target achieved – 8 customer service requests were received where the trip hazard was greater than 25mm. 2021 Target not achieved – 6 of the 8 trip hazards were greater than 20mm high.	

Response to Service Requests

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault responsiveness from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 2 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2022 <u>Target achieved</u> – Median response time was 0.65 hours 2021 <u>Not measured</u>	

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault resolution from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 16 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2022 <u>Target achieved</u> – Median response time was 0.65 hours 2021 <u>Not measured</u>	

Performance measure description	Performance target issue	Performance target outcomes
Non-urgent fault responsiveness	Nonurgent is defined as a fault or defect on a local road that is not a time critical situation or incident.	Median response time within 72 hours
Measurement method	The CSR system will be used to measure the number of median business days to respond to nonurgent faults	
End of year performance	2022 <u>Target achieved</u> – Median response time was 38.7 hours 2021 <u>Not measured</u>	

Performance measure description	Performance target issue	Performance target outcomes
Non-urgent fault resolution	Nonurgent is defined as a fault or defect on a local road that is not a time critical situation or incident.	100% of the service requests closed
Measurement method	The CSR system will be used to measure the percentage of resolved nonurgent faults	
End of year performance	2022 <u>Target not achieved</u> – 99.9% closed within the financial year. 2021 <u>Not measured</u>	

Public services performance measures

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

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – reserves and cemeteries	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 <u>Target not achieved</u> – Satisfaction with Reserves has decreased from 86% to 82% and satisfaction with Cemeteries has decreased from 59% to 51%.</p> <p>2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – property (halls and public toilets)	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 <u>Target not achieved</u> – Satisfaction with Halls had remained at 60%, however, satisfaction with Public Toilets has decreased from 78% to 77%.</p> <p>2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – library	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 <u>Target achieved</u> – Satisfaction with Libraries had increased from 75% to 76%.</p> <p>2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – waste minimisation - waste collection	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 <u>Target not achieved</u> – Satisfaction with Waste Collection had decreased from 79% to 77%. The main reason given for dissatisfaction was a desire to see wheelie bins used for kerbside collections.</p> <p>2021 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2021.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – waste minimisation – recycling collection	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 Target achieved – Satisfaction with Recycling Collection had increased from 68% to 70%. Of those who were dissatisfied the main themes for dissatisfaction were a desire for wheelie bins to be used for kerbside collections and for a greater range of recycling to be collected, e.g. green waste, glass, soft plastics.</p> <p>2021 Not Measured - Resident satisfaction survey was not carried out in 2021.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – emergency services - civil defence	To maintain or improve our customer satisfaction from the 2020 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2022 Target achieved – Satisfaction with Civil Defence has remained at 57%.</p> <p>2021 Not Measured - Resident satisfaction survey was not carried out in 2021.</p>	

Have libraries that are relevant and used by the public

Performance measure Description	Performance target issue	Performance target outcomes
Measure the usage of the library service by our residents as a percentage of the District's population.	Membership numbers	That at least 70% of the District's population are active members.
Measurement method	The percentage of active members of the library service as provided in the data from the Kotui Library Management System. Active membership is defined as a member having used their library card in the last 2 years.	
End of year performance	<p>2022 Target not achieved – 36.2% of the district's population are active members.</p> <p>2021 Target not achieved – 35.8% of the district's population are active members</p>	

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

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	The weight of waste to landfill	No more than 3,200 tonnes of waste to landfill per annum.
Measurement method	Weighbridge data from Kate Valley. Reported to HDC monthly	
End of year performance	<p>2022 <u>Target not achieved</u> - The tonnage of waste to landfill was 3793 tonnes. This is greater than the target by 593 tonnes, which is believed to be due to increased building, renovation and consumer activity during COVID border closures.</p> <p>2021 <u>Target not achieved</u> – The tonnage of waste to landfill was 3742.96 tonnes.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Recycling contamination	No more than 5% of recycling sent to EcoSort is dirty or not an acceptable product.
Measurement method	Data provided by EcoSort to HDC Waste Staff monthly	
End of year performance	<p>2022 <u>Target achieved</u> – The contamination rate for recycling sent to EcoSort was 1.39%. No recycling was rejected.</p> <p>2021 <u>Not measured</u></p>	

Performance measure Description	Performance target issue	Performance target outcomes
Residents are recycling more and reducing their residual waste.	Recycling to waste ratio	More than 48% of waste is recycling.
Measurement method	Weight data reported to HDC monthly by EcoSort (recycling), Transwaste (landfill), and other companies receiving recycling material.	
End of year performance	<p>2022 <u>Target achieved</u> – Percentage of overall waste that was recycling was 51%.</p> <p>2021 <u>Not measured</u></p>	

Regulatory performance measures

Process consent applications - process all consent applications quickly

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Building consent processing time	To issue all building consents within 20 working days (excluding Request for Information (RFI) waiting time).
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2022 <u>Target not achieved</u> - 63% of consents issued within 20 working days period. A large increase in dwellings, the loss of some technical staff and on-call processing contractors have meant that timeframes have not been met.</p> <p>2021 <u>Target not achieved</u> – 99.13% of consents were processed within the 20 working days</p>	

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Resources consents (non-notified)	To issue all resource consents within 20 working days
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2022 <u>Target not achieved</u> – 98% of consents were issued within 20 working days. 1 consent went over 20 working days. This was due to further information being received when the processing officer was on leave.</p> <p>2021 <u>Target not achieved</u> 98.64% of the 147 resource consents were issued within the 20-working day requirement</p>	

Compliance inspections – reduce and manage health risks to the public

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Licensed food premises for compliance with NZ legislation	To inspect all licensed food premises every year
Measurement method	MPI Monthly Dashboard Report	
End of year performance	<p>2022 <u>Target achieved</u> – 79 Verification audits were carried out at food businesses during this financial year. This represents all verifications that fell due - <i>Note that inspection of all food businesses annually is not a requirement of the Food Act 2014. The Act requires that verification audits are carried out at a frequency of between 3 and 18 months. The frequency is determined by criteria which included the compliance history of the business and the level of risk of the specific types of food preparation carried out at each premises.</i></p> <p>2021 <u>Target achieved</u> - 73 Verification audits were carried out at food businesses during the 2020/21 financial year which represented all verifications that fell due.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	On licence liquor premises for compliance with NZ legislation	To inspect 75% of On, Off, Club Licence premises every year
Measurement method	Council's data base (Magiq)	
End of year performance	2022 Target not achieved - 71% of On, Off, Club Licenced premises were inspected (82 out of 116). 2021 Target not achieved 92% (50 out of 54) On, Off, Club Licenced premises were inspected - <i>Note the target for the 2021 year was 100%.</i>	

Animal complaints - stop animals causing danger or public nuisance

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to dog attacks	To respond to all dogs attacks within 24 hours
Measurement method	MagiQ CSR data and contractor incident sheets	
End of year performance	2022 Target not achieved - 93% of reported dog attack incidents were attended within 24 hours. (23 of 25 incidents). 2021 Target not achieved - 87% of dog attacks were responded within 24 hours	

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to wandering stock	To respond to all reports of wandering stock within 24 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2022 Target not achieved - 92% (24 of 26 reports) of wandering stock complaints attended to within 24 hours. 2021 Target not achieved - 82% (32 of 39 requests) incidents of wandering stock were responded to within 24 hours	

Hanmer Springs Thermal Pools & Spa performance measures

Visitors - increase usage of the thermal pool and spa complex

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer numbers	To increase customer numbers from the previous year
Measurement method	The total number of customers as per the HSTPS electronic records.	
End of year performance	<p>2022 Target not achieved – Total visitors for the financial year totalled 408,532, which was 24.5% lower than the customer numbers recorded last year. The decrease in the customer numbers reflects COVID-19 restrictions in place for the majority of the 2021/22 year.</p> <p>2021 Target achieved – Total visitors for the financial year totalled 541,276, which was 31% greater than the customer numbers of 413,067 recorded for the previous year – a year heavily impacted by COVID-19.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of the numbers of customers to the thermal pools and spa, and their satisfaction ratings.	Customer satisfaction	To maintain or improve customer satisfaction from the previous year
Measurement method	Annual customer satisfaction survey.	
End of year performance	<p>2022 Target not achieved - Data collected for the year showed a net promoter score 61 for the Pools and 60 for the Spa. When compared to last year's net promoter score, there has been an improvement for the Pools from 52 recorded last year but a reduction in the score for the Spa, which recorded 64 last year.</p> <p>2021 Target not achieved - Data collected for the year showed a net promoter score 52 for the Pools and 64 for the Spa. This is down on last year's score of 55 for the Pools and 81 for the Spa. The drop is attributable to the success experienced in the 2019/20 year as a result of the completion of the Summer '19 project. This project was in operation for a significant period before the 2020 Alert Level 4 lockdown period.</p>	

Profitability – achieve our business plan

Performance measure Description	Performance target issue	Performance target outcomes
Measurement of results compared to the Council approved business plan.	Profit	To make the profit which is forecast for each year
Measurement method	As recorded in financial reports for the Business Unit.	
End of year performance	<p>2022 Target not achieved – A surplus after depreciation and interest of \$108,408 was achieved against budgeted surplus of \$1,836,701. This result was affected by COVID-19 restrictions in place for the majority of the 2021/22 year.</p> <p>2021 Target achieved - A surplus after depreciation and interest of \$2,702,885 was achieved against budgeted deficit of \$745,294 – it should be noted that the budget was determined with the background of uncertainty created by the COVID-19 pandemic.</p>	

Independent Auditor's Report

To the readers of Hurunui District Council's annual report for the year ended 30 June 2022

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

We are also required to report on:

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

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

We completed our work on 29 November 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 34 to 93:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 95, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;

- the statement of service provision referred to as the performance measures on pages 118 to 149:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand.
- the statement about capital expenditure for each group of activities on pages 13 to 32, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s long-term plan; and
- the funding impact statement for each group of activities on pages 96 to 105, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 110 to 115, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

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

Emphasis of matter – the Government’s three waters reform programme

Without modifying our opinion, we draw attention to note 31 on page 93, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once

legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 6 to 11 and 106 to 108 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out a limited assurance engagement in respect of the District Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the District Council.



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