



Annual Report

2023/24



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Introduction

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Introduction from the Mayor and Chief Executive Officer

When we came to our community 10 years ago with the Long Term Plan 2015-25, we highlighted the challenges ahead of us, particularly around water and sewer upgrades.

We anticipated having to spend more than \$100 million for essential capital projects over the 10 years ahead to 2025, which had the potential for us to exceed our debt limit.

The 2023/2024 year has marked the completion of the majority of these capital projects and significant progress on the remainder. This includes the merging of three drinking water schemes into the Waikari Basin Water Scheme, the near completion of the district's biggest drinking water scheme yet: Hurunui No 1, the Kowai Amberley waterpipe upgrade, and the Cheviot township drinking water upgrade.

Completing these projects not only ensures we meet legislative guidelines around Drinking Water Standards — for us, it means we are dedicated to delivering an effective and efficient water service network.

Council is dedicated to meeting drinking water standards and honouring its 10-year strategic goal to achieve this. This has brought us close to our debt ceiling, leaving little headroom for other capital projects.

Despite this challenge, water services remains a strategic focus, reflecting the progressive culture of Hurunui District Council. Investment in our infrastructure is core to our vision and we know the dividends will be significant as we have infrastructure that stands us in good stead for years to come.

Another strategic focus is roading. As a Council we are dedicated to delivering safe and dependable transport and access options.

Quality core service delivery means robust infrastructure for drinking water, wastewater and stormwater; safe roads, and well-maintained amenities, including libraries and green spaces. We also have a duty of care to ensure Hurunui is a welcoming district with opportunities and support for all our residents, including newcomers and visitors, the elderly, families, businesses and our schools.

Every service we deliver, every action we take, and all our decisions reflect Council's Strategy, with its mission to act boldly and innovatively to enable the district's communities to achieve their social, economic, cultural and environmental goals, supported by sustainable, resilient infrastructure.

Financial performance for the year

Council recorded a total operating deficit of \$108,000, with the key components summarised below:

Revenue:

Total revenue for the year was \$67.4 million, which was \$5.8 million greater than the budget. The key variances from budget were:

- Subsidies and grants were well ahead of budget, with roading subsidies being \$1.6 million greater than budgeted due the level of emergency reinstatement expenditure incurred during the year and also additional funding received for various community projects that were not allowed for in the budget.
- Significant development in the district's South Ward has meant that both development contributions and the level of assets vested in Council from developers have been well up on the level budgeted for.

Expenditure:

Total expenditure was \$67.6 million, which was \$7.1 million greater than budget. The key variances from budget were:

- Employment costs were \$1.4 million greater than budget. The key increases were relating the Hanmer Springs Thermal Pools and Spa (funded as part of the overall operations of the operations), and the increased employment costs associated with the additional community programmes.
- Operating costs were \$5.4 million ahead of budget. A significant portion of the increase was in the roading area, a result of repair work from various flooding events over the past 18 months.

Other comprehensive revenue:

- Council revalued its Three Waters network at

the end of June 2024 which resulted in a \$40.1 million increase.

Financial position at the end of the year

Fixed assets:

Total Council assets sat at \$769 million as at 30 June 2024, some \$60 million greater than last year. This reflects a combination of the increase of capital expenditure carried out over the financial year and the increase in the value of three waters assets.

Debt:

Council budgeted that total debt as at 30 June 2024 would be \$71.5 million. Due to timing of capital expenditure, the balance of debt at the end of June 2024 was \$67 million.

The past 12 months have delivered their fair share of challenges to our rural district, such as our primary producers weathering low commodity prices and severe drought. We are a resilient community and through our strong community partnerships are able to deliver a range of programmes and projects. What can never be overlooked or over-estimated is the value of our volunteers who donate their time, expertise and goods throughout the district. Whether volunteering on our reserves, driving our community cars, working in our libraries and service centres, or helping out in Civil Defence emergencies, volunteers add significant value to the culture and diversity of our district, creating a place where sustainability, vibrancy and prosperity can flourish.

Thank you to everyone who supports us in our quest to create a district we can all be proud of.



A handwritten signature in black ink that reads "Marie H. Black." The signature is written in a cursive, flowing style.

Mayor Marie Black
MAYOR OF HURUNUI.

A handwritten signature in black ink that reads "Hamish Dobbie". The signature is written in a stylized, blocky cursive font.

CEO Hamish Dobbie

Statement of compliance and responsibility

Compliance

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

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

Breach of Statutory Deadline

Section 98 of the Local Government Act 2002 requires that Council adopts its annual report within four months after the end of the financial year. Section 47 of the Water Services Acts Repeal Act 2024 provided for an extension to the statutory deadline for the 2023/2024 financial year to no later than 31 December 2024. Council was not able to comply with this requirement for the year ended 30 June 2024 and this annual report was not adopted until 25 February 2025.


Responsibility

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

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

In the opinion of the Council and management of Hurunui District Council, the Annual Report for the year ended 30 June 2024 (including financial statement and service performance reporting) fairly reflects the financial position and operations of Hurunui District Council.

Dated 25 February 2025.



Mayor
Marie Black



Chief Executive Officer
Hamish Dobbie



Chief Financial Officer
Jason Beck

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

Council Activities (how we contribute)

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

Council activities and statement of service performance

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Water supply

Overview

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

Aim

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

Community outcomes that water supplies contribute to

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

Community wellbeings that water supplies contribute to

- Economic
- Social

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating deficit of \$2,628,370 was recorded against a budgeted operating deficit of \$2,917,461. The key variances from budget are:

- Vested asset income was \$583,472 greater than budget due to a higher level of subdivision activity recognised in the Amberley township.
- Employment costs were \$118,644 greater than budget due to a higher number of hours from staff applied directly to Water Supplies.
- Other Direct Expenditure was \$544,636 greater than budget due to maintenance costs and insurance both being greater than allowed for in the budget.
- Depreciation is \$462,166 lower than budget due to various capital projects not being fully commissioned prior to the end of the financial year.
- Capital Expenditure is \$4,013,382 greater than budgeted due to key works being undertaken in the 2023/24 year with funds carried over from the 2022/23 year and the increase in the level of assets vested in Council during the year.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating deficit of \$2,628,370 was \$1,478,193 lower than the operating deficit recorded for the 2022/2023 year of \$1,150,177. The key variances from last year are:

- Rates are \$452,641 greater than last year due to the increase to the rates per unit and connection allowed for in the 2023/24 Annual Plan.
- Other Income is \$155,937 lower than last year due to the Stimulus Funding of \$75,000 received last year and Transition Funding being \$71,165 lower than was received last year.
- Vested asset income was \$298,824 greater than last year due to a higher level of subdivision activity recognised in the Amberley township.
- Other Direct Expenditure was \$817,405 greater than last year due to maintenance costs, electricity costs and insurance all being greater than was incurred last year.
- Internal Interest was \$995,171 greater than last year due to the increased external interest rates passed on from the Council and the underlying internal debt being higher due to the higher level of Capital Expenditure incurred during the year.
- Depreciation is \$267,220 greater than last year due to the increased level of capital expenditure undertaken on Water Supplies over the past two years.
- Capital Expenditure is \$892,113 greater than incurred last year due to the differing projects undertaken and the level of assets vested in Council being greater than last year.

Internal Borrowing

- After accounting for an adjustment, the opening balance of internal borrowing for Water Supplies was \$28,343,829.
- A cash deficit was recorded for Water Supplies totalling \$446,501, which, along with a further \$14,455,853 of Capital Expenditure (excluding found assets) incurred, resulted in the balance of the internal borrowings for Water Supplies sitting at \$43,246,183 as at the end of the year – an overall increase in borrowings of \$14,902,354.
- The amount of Internal Interest charged to the Water Supplies for the year was \$2,070,028, with those that held funds (rather than being in debt)

receiving an amount of internal interest totalling \$75,577.

Group Activity - Water

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	7,623,818	7,698,470	7,171,177
Other Income	415,174	375,109	571,112
Internal Interest Received	75,577	2,870	44,580
Vested Assets	781,699	198,227	482,876
Development Contributions	408,983	452,161	342,953
Total Operating Revenue	9,305,251	8,726,838	8,612,698
OPERATING EXPENDITURE			
Employment Costs	2,042,137	1,923,494	2,010,118
Other Direct Expenditure	4,080,408	3,535,772	3,263,003
Internal Interest Paid	2,070,028	1,981,890	1,074,858
Council Overheads	1,007,340	1,007,339	937,004
Depreciation	2,733,638	3,195,804	2,466,418
Loss on Disposal of Assets	70	0	11,475
Total Operating Expenditure	11,933,622	11,644,299	9,762,875
Operating Surplus (Deficit)	(2,628,370)	(2,917,461)	(1,150,177)
CAPITAL EXPENDITURE			
District Wide Water	3,861,567	10,922,966	5,719,270
Water - Stimulus Package	(25,484)	0	35,343
National Transition Unit	0	0	3,728
Amberley	2,503,348	0	2,932,742
Ashley Rural	475,537	452,524	459,507
Amuri Plains	70,511	0	508,362
Cheviot	2,356,556	0	241,048
Waipara	169,222	0	55,057
Hanmer Springs	(51,499)	31,146	96,591
Hawarden - Waikari	204,183	10,573	3,538,721
Hurunui Rural	5,673,428	0	776,138
3 Waters Plant	193,223	0	171,971
Total Capital Expenditure	15,430,591	11,417,209	14,538,479

Water supply performance measures

Safety – supply safe drinking water

The national compliance standard for drinking water changed since the 2021-31 Long-term Plan was adopted. Since 14 November 2022, the Drinking Water Quality Assurance Rules (DWQAR) have been in force, so those rules are applicable for the 2023-24 financial year. For the comparative figures for the 2022-23 financial year, the report reflects performance against two separate sets of standards – the DWQAR and the Drinking Water Standards for New Zealand (DWSNZ) for the period from 1 July 2022 to 14 November 2022. There are significant differences in the two standards that made this year’s compliance assessment complex and also resulted in a substantial change with respect to the number of water supplies that were capable of achieving compliance. The national water regulator, Taumata Arowai, requires compliance to be reported as days or months of the year compliant out of the total days or months in the compliance period.

Performance measure Description	Performance target issue	Performance target outcomes
Meet bacterial compliance under the DWSNZ. Less than 1 e-coli per 100ml of drinking water tested.	Bacteria compliance	LTP target: No failed tests* Department of Internal Affairs (DIA) target: 100% bacterial compliance
Measurement method	Water Outlook records, Laserfiche records and Laboratory records, 3 rd party independent review report (Matt Molloy Consulting Ltd)	
End of year performance	<p>2024 (under DWQAR) – LTP target*: Target achieved. No samples contained E.Coli. DIA target: Target not achieved. An independent expert was engaged by the Council to review the results of compliance testing for the 2023-24 period and the results appear on the following pages.</p> <p>2023 (Post Nov 2022, under DWQAR) – LTP target*: Target not achieved - 1 E.Coli was detected in a single Cheviot WTP sample. DIA target: Target not achieved. An independent expert was engaged by the Council to review the results of compliance testing for 2023 and the results appear in the table on pages 17 and 18.</p> <p>2023 (Pre Nov 2022, under DWSNZ) – LTP target: Target achieved, no samples contained E.coli. DIA target: Target achieved, 20 of 20 treatment plants complied.</p>	

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: 11 of the 20 water supplies are compliant* (2023: 8 of 20 supplies) DIA target: 100% of water supplies are compliant
Measurement method	Water Outlook records, Laserfiche records and Laboratory records.	
End of year performance	<p>2024 (under DWQAR) – LTP target* and DIA target: Targets not achieved. HDC is on track to achieve protozoa compliance by December 2024 for all water supplies. An independent expert was engaged by the Council to review the results of compliance testing for the 2023-24 period and the results appears on the following pages.</p> <p>2023 (Post Nov 2022, under DWQAR) – LTP target* and DIA target: Targets not achieved. HDC is on track to achieve protozoa compliance by December 2024 for all water supplies. An independent expert was engaged by the Council to review the results of compliance testing for 2023 and the results appear in the tables on pages 17 and 18.</p> <p>2023 (Pre Nov 2022, under DWSNZ) – LTP target: Target not achieved. DIA target: Target not achieved.</p>	

	Protozoa compliance was achieved against the DWSNZ for 5 of 20 treatment plants. The treatment plants that achieved protozoa compliance were Amberley (Kowai), Amberley (Racecourse), Amberley (Leithfield Beach), Culverden and Ashley Rural.
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* These performance measures were set before the introduction of the new rules by Taumata Arowai (effective from 14 November 2022). Therefore, we are reporting our performance against two different requirements. Compliance against both requirements was independently assessed and verified by Matt Molloy Consulting Ltd, an independent drinking water compliance specialist.

Note: from 1 July 2022 – 13 November 2022 we measured compliance against Parts 4 and 5 of the Drinking Water Standards 2005, (revised 2018) with a target of no failed tests for bacteria compliance (which was achieved) and 8 of the 20 water supplies compliant for protozoa compliance (which was not achieved). From 14 November 2022 – 30 June 2023 we measured compliance against DWQAR.

Table of the results for the period for 2023-24 and 2022-23 (14 November 2022 to 30 June 2023):

Water Supply	Treatment Plants	Treatment Plant 2023-24		Treatment Plant 2022-23*	
		Bacterial	Protozoa	Bacterial	Protozoa
Amberley (AMB001)	Amberley – Racecourse Road (TP02280)	336/336 d	336/336 d	228/229 d	221/229 d
	Amberley – Leithfield Beach (TP01082)	336/336 d	336/336 d	228/229 d	223/229 d
	Amberley – Kowai (TP02294)	0/266 d	0/266 d	0/132 d	0/132 d
Amuri (AMU001)	Amuri (TP01076)	353/366 d	353/366 d	0/229 d	0/229 d
Ashley Rural (ASH002)	Ashley Rural (TP00191)	366/366 d	366/366 d	229/229 d	229/229 d
Balmoral (BAL003)	Balmoral (TP01077)	0/12 m	0/12 m	0/8 m	0/8 m
Blythe (BLY001)	Blythe (TP00970)	0/12 m	0/12 m	0/8 m	0/8 m
Cheviot (CHE001)	Cheviot (TP00198)	0/366 d	0/366 d	0/229 d	0/229 d
Culverden (CUL001)	Culverden (TP01080)	14/92 d		23/229 d	0/229 d
		9/12 m	9/12 m		
Hanmer Springs (HAN001)	Hanmer Springs (TP00197)	366/366 d	366/366 d	229/229 d	227/229 d
Hawarden (HAW001)	Hawarden/Waikari (TP00195) -Bakers Ford	*	*	0/38 d	0/38 d
	Hawarden/Waikari (TP100255)-Waikari Basin	366/366 d	366/366 d	207/207 d	207/207 d
Hurunui #1/Motonau (MOT016)	Hurunui #1 (TP00196)	364/366 d	0/366 d	227/229 d	0/229 d
Kaiwara (KAI039)	Kaiwara (TP00971)	0/12 m	0/12 m	0/8 m	0/8 m
Lower Waitohi (LOW001)	Lower Waitohi (TP01084)	96/366 d	0/366 d	72/229 d	0/229 d
Parnassus (PAR009)	Parnassus (TP01083)	0/12 m	0/12 m	0/8 m	0/8 m
Peaks (PEA001)	Peaks (TP01084)	*	*	0/8 m	0/8 m
Upper Waitohi (WAI067)	Upper Waitohi (TP01084)	*	*	132/229 d	0/229 d
Waiau Rural (WAI067)	Waiau Rural (TP01085)	363/366 d	0/366 d	229/229 d	0/229 d
Waiau Town (WAI026)	Waiau Town (TP00433)	5/12 m	8/12 m	0/8 m	0/8 m
Waipara (WAI068)	Waipara (TP01086)	213/213 d	213/213 d	0/8 m	0/8 m

d = days compliant with DWQAR requirements out of number of days operating
m = months compliant with DWQAR requirements out of number of months operating
* = now Waikari Basin

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

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

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

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

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

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

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

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

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

✓ = compliant with DWSNZ requirements for the full period

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

Table of the results for the period for 2023-24 and 2022-23 (14 November 2022 to 30 June 2023):

Water Supply	Distribution Zones	Zone 2023-24		Zone 2022-23 14 Nov 22 – 30 Jun 23	
		Micro-biological	Residual Disinfectant	Micro-biological	Residual Disinfectant
Amberley (AMB001)	Amberley Town (AMB001AT)	12/12 m	8/12 m	8/8 m	227/229 d
	Amberley Rural (AMB001BE)	12/12 m	7/12 m	8/8 m	226/229 d
	Leithfield (AMB001LE)	12/12 m	6/12 m	8/8 m	229/229 d
Amuri (AMU001)	Amuri-Rotherham (AMU001RO)	12/12 m	9/12 m	8/8 m	3/8 m
Ashley Rural (ASH002)	Ashley Rural (ASH002AS)	12/12 m	6/12 m	8/8 m	225/229 d
Balmoral (BAL003)	Balmoral (BAL003BA)	12/12 m	7/12 m	8/8 m	0/8 m
Blythe (BLY001)	Blythe (BLY001BL)	12/12 m	11/12 m	8/8 m	0/8 m
Cheviot (CHE001)	Cheviot (CHE001CT)	12/12 m	7/12 m	8/8 m	220/229 d
Culverden (CUL001)	Culverden (CUL001CU)	12/12 m	12/12 m	8/8 m	0/8 m
Hanmer Springs (HAN001)	Hanmer Town (HAN001HA)	12/12 m	5/12 m	8/8 m	194/229 d
Hurunui #1/Motonau (MOT016)	Hurunui #1/Motonau (MOT016MO)	12/12 m	10/12 m	8/8 m	228/229 d
Kaiwara (KAI039)	Kaiwara (KAI039KA)	12/12 m	12/12 m	8/8 m	0/8 m
Lower Waitohi (LOW001)	Lower Waitohi (LOW001LW)	12/12 m	12/12 m	8/8 m	0/8 m
Parnassus (PAR009)	Parnassus (PAR009PA)	12/12 m	12/12 m	8/8 m	0/8 m
Peaks (PAR009)	Peaks (PEA001PE)	*	*	7/7 m	0/8 m
Upper Waitohi (WAI066)	Upper Waitohi Pre-Masons Plat (WAI066MF)	*	*	8/8 m	195/229
	Upper Waitohi Post-Masons Plat (WAI066UP)	*	*	8/8 m	90/229
Waiau Rural (WAI067)	Waiau Rural (WAI067WA)	12/12 m	12/12 m	8/8 m	0/8 m
Waiau Town (WAI026)	Waiau Town (WAI026WT)	12/12 m	12/12 m	8/8 m	0/8 m
Waikari Basin (HAW001)	Hawarden-Waikari (HAW001HW)	12/12 m	4/12 m	8/8 m	196/229 d
	Waikari Basin Rural (HAW001WR)	12/12m	5/12m	8/8 m	1/1 m
Waipara (WAI068)	Waipara (WAI068WA)	12/12m	12/12m	8/8 m	0/8 m

d = days compliant with DWQAR requirements out of number of days operating
m = months compliant with DWQAR requirements out of number of months operating
* = now Waikari Basin

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

Water Supply	Distribution Zones	Zone
		Micro-biological
Amberley (AMB001)	Amberley Town (AMB001AT)	✓
	Amberley Rural (AMB001BE)	✓
	Leithfield (AMB001LE)	✓
Amuri (AMU001)	Amuri-Rotherham (AMU001RO)	✓
Ashley Rural (ASH002)	Ashley Rural (ASH002AS)	✓
Balmoral (BAL003)	Balmoral (BAL003BA)	✓
Blythe (BLY001)	Blythe (BLY001BL)	✓
Cheviot (CHE001)	Cheviot (CHE001CT)	✓
Culverden (CUL001)	Culverden (CUL001CU)	✓
Hanmer Springs (HAN001)	Hanmer Town (HAN001HA)	✓
Hawarden (HAW001)	Hawarden-Waikari (HAW001HW)	✓
Hurunui #1/Motonau (MOT016)	Hurunui #1/Motonau (MOT016MO)	✓
Kaiwara (KAI039)	Kaiwara (KAI039KA)	✓
Lower Waitohi (LOW001)	Lower Waitohi (LOW001LW)	✓
Parnassus (PAR009)	Parnassus (PAR009PA)	✓
Peaks (PAR009)	Peaks (PEA001PE)	✓
Upper Waitohi (WAI066)	Upper Waitohi Pre-Masons Plat (WAI066MF)	✓
	Upper Waitohi Post-Masons Plat (WAI066UP)	✓
Waiau Rural (WAI067)	Waiau Rural (WAI067WA)	✓
Waiau Town (WAI026)	Waiau Town (WAI026WT)	✓
Waipara (WAI068)	Waipara (WAI068WA)	✓

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>2024 Target achieved - The real losses were 15.1%. Information from all metered (on-demand) water supplies was used to determine real water losses across the Hurunui District using a 'top-down' approach (water balance) for identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network.</p> <p>2023 Target achieved - The real losses were 18.1%. Information from all metered (on-demand) water supplies was used to determine real water losses across the Hurunui District using a 'top-down' approach (water balance) for identifying where water supplied into a water supply distribution network is utilised and is typically used to establish the level of water loss occurring in a water supply network.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
The percentage of real water loss from the local authority's networked reticulation system. Real water loss is losses through leaks, meter inaccuracies or water theft, but excludes 'unauthorised consumption'.	Water loss from rural supplies (restricted water)	To lose no more than 20% volume of water
Measurement method	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>2024 Target not achieved - The real losses were 22.1%. Information from restricted water supplies was used to determine real water losses across the Hurunui District</p> <p>2023 Not measured - 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 3 hours (2023: 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>2024 Target achieved - The median response time was 1.37 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 134 urgent restricted and on-demand requests were responded to.</p> <p>2023 Target achieved - The median response time was 1.00 hour. Council reviewed the reporting category to include restricted supply as part of urgent classification. 95 urgent restricted and on-demand requests were responded to.</p>	

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 6 hours (2023: 8 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>2024 Target achieved - The median resolution time is 3.22 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 134 urgent restricted and on-demand requests were responded to.</p> <p>2023 Target achieved - The median resolution time is 2.33 hours. Council reviewed the reporting category to include restricted supply as part of urgent classification. 95 urgent restricted and on-demand requests were responded to.</p>	

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	2024 Target achieved - The median time to respond to non-urgent call-outs was 0.87 day (20.9 hours). 2023 Target achieved – The median time to respond to non-urgent call-outs was 0.94 days (22.63 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	2024 Target achieved - The median time to resolve a non-urgent customer request was 1.08 days (25.92 hours). 2023 Target achieved – The median time to resolve a non-urgent customer request was 1.05 days (25.35 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 15 complaints per annum (2023: 20 complaints)
Measurement method	The measure is total number of requests for service logged into the CSR system relating to clarity issues.	
End of year performance	2024 Target achieved – 7 complaints were received relating to clarity. 2023 Target achieved - 17 complaints were received relating to clarity.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water taste.	Drinking water taste	No more than 20 complaints per annum
Measurement method	The measure is total number of requests for service logged into the CSR system relating to taste concerns	
End of year performance	2024 Target achieved - 7 complaints were received relating to drinking water taste. 2023 Target achieved - 5 complaints were received relating to drinking water taste.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water odour.	Drinking water odour	No more than 9 complaints per annum
Measurement method	The measure is the total number of requests for service logged into the CSR system relating to odour concerns	
End of year performance	2024 Target achieved - 1 complaint was received relating to odour. 2023 Target achieved - 1 complaint was received relating to odour.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about drinking water pressure or flow.	Drinking water pressure or flow	No more than 380 complaints per annum (2023: 450 complaints)
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	2024 Target not achieved - 413 complaints received for pressure or flow related problems. 2023 Target achieved - 255 complaints received for pressure or flow related problems.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about continuity of supply.	Continuity of drinking water supply	No more than 200 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	2024 Target achieved – 134 complaints were received. 2023 Target achieved – 95 complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the local authority about the local authority's response to any of the issues expressed per 1,000 connections to the local authority's networked reticulation system.	Issues in drinking water (re customer complaints above) expressed per 1000 connections to the network	No more than 50 customer complaints per 1,000 connections.
Measurement method	The measure is the total number of requests for service logged in to the CSR system relating to clarity, taste, odour, pressure/flow and continuity of water supply is added together during the year and divided by the total number of water rated properties, divided by 1000 and rounded to the nearest whole number.	
End of year performance	<p>2024 <u>Target not achieved</u> – 69.97 customer complaints per 1,000 connections were received during the year – 562 customer complaint for 8,032 connections.</p> <p>2023 <u>Target achieved</u> – 46.04 customer complaints per 1,000 connections were received during the year - 373 customer complaint for 8,101 connections.</p>	

Demand management – have enough water to supply our customers

Performance measure Description	Performance target issue	Performance target outcomes
Understanding the customer's daily consumption of drinking water across all on-demand drinking water schemes provided by the service provider.	The average consumption of drinking water per day per resident within the territorial authority district.	To supply up to 285 litres per person per day
Measurement method	The amount of drinking water supplied in the year in Amberley, Leithfield Beach, 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	<p>2024 <u>Target achieved</u> - An average of 254.88 litres per person per day have been consumed.</p> <p>2023 <u>Target not achieved</u> - An average of 303.63 litres per person per day have been consumed.</p>	

Sewerage

Overview

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

Aim

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

Community outcomes that sewerage contributes to

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

Community wellbeings that sewerage contributes to

- Economic
- Social

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating surplus of \$533,720 was recorded against a budgeted operating deficit of \$135,944. The key variances from budget are:

- Vested asset income was \$528,996 greater than budget due to a higher level of subdivision activity recognised in the Amberley township.
- Development Contributions are \$177,949 greater than budget due to a key development occurring in Amberley that was not anticipated

when the budgets were prepared.

- Other Direct Expenditure is \$328,832 greater than budget due to maintenance costs and insurance both being greater than allowed for in the budget.
- Depreciation is \$185,206 lower than budget due to various capital projects not being fully commissioned prior to the end of the financial year.
- Capital Expenditure is \$1,362,371 lower than budget due to the completion of capital work for Amberley will occur in the 2024/25 year.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$533,720 was \$296,889 lower than the operating surplus recorded for the 2022/2023 year of \$830,609. The key variances from last year are:

- Vested asset income was \$124,747 lower than last year due to the slightly higher level of sewer work being carried out by developers in the 2022/23 year.
- Development Contributions are \$127,411 greater than last year due to a key development occurring in Amberley during the year.
- Other Direct Expenditure is \$267,562 greater than last year due to maintenance costs and Insurance both being greater than incurred last year.
- Capital Expenditure is \$99,204 greater than last year due to the commencement of the key project in Amberley that was allowed for in 2022/23.

Internal Borrowing

- After allowing for an adjustment at the start of the financial year, the level of internal borrowing for Sewerage was \$9,091,634.
- Cash operating surpluses of \$1,017,178 were recorded to offset the borrowings with a further \$2,144,301 of Capital Expenditure (excluding found assets). This has resulted in the balance of the internal borrowings for Sewerage sitting at \$10,218,757 as at the end of the year – an overall increase of \$1,127,123.
- The amount of Internal Interest charged to Sewerage for the year was \$574,129 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$72,589.

Group Activity - Sewerage

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,950,282	1,939,076	1,875,518
Other Income	21,566	0	60,109
Internal Interest Received	72,589	0	42,143
Vested Assets	839,525	310,529	964,272
Development Contributions	413,476	235,527	286,064
Total Operating Revenue	3,297,437	2,485,132	3,228,107
OPERATING EXPENDITURE			
Employment Costs	182,721	244,483	190,993
Other Direct Expenditure	849,268	520,436	581,706
Internal Interest Paid	574,129	513,655	477,016
Council Overheads	191,820	191,820	178,458
Depreciation	965,476	1,150,683	932,191
Loss on Disposal of Assets	303	0	37,132
Total Operating Expenditure	2,763,717	2,621,076	2,397,497
Operating Surplus (Deficit)	533,720	(135,944)	830,609
CAPITAL EXPENDITURE			
District Wide Sewerage	1,411,301	794,229	1,587,476
Wastewater - Stimulus Package	0	0	6,590
Amberley	986,285	2,869,324	416,716
Cheviot	0	0	243,954
Greta Valley	0	2,643	0
Motunau Beach	0	2,643	0
Hanmer Springs	0	0	1,175
Hawarden	0	83,573	19,292
Waikari	3,029	10,573	26,208
Total Capital Expenditure	2,400,614	3,762,985	2,301,411

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	2024 Target achieved – 1.89 overflows per 1,000 connections have been experienced (8 overflows for 4,213 connections). 2023 Target achieved – 1.17 overflows per 1,000 connections have been experienced (5 overflows for 4,269 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	2024 Target achieved - 0 abatement notices. 2023 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	2024 Target achieved - 0 infringement notices. 2023 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	2024 Target achieved - 0 enforcement notices. 2023 Target achieved - 0 enforcement notices.	

Performance measure Description	Performance target issue	Performance target outcomes
Compliance with the territorial authority's resource consents for discharge from its 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	2024 Target achieved - 0 convictions. 2023 Target achieved - 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	2024 Target achieved - The median response time for blockages and mechanical and electrical faults was 0.38 hours (8 total requests for service). 2023 Target achieved - The median response time for blockages and mechanical and electrical faults was 0.38 hours (8 total requests for service).	

Performance measure Description	Performance target issue	Performance target outcomes
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: <ul style="list-style-type: none"> resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	Call-out resolution time period	To fix within 8 hours (2023: 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	2024 Target achieved - The median fault resolution time was 4.38 hours (8 total service requests). 2023 Target achieved - The median fault resolution time was 4.88 hours (8 total service requests)	

Customer satisfaction – reduce the number of sewerage related complaints

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about 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	2024 Target achieved - 3 complaints were received relating to odour. 2023 Target achieved - No complaints were received relating to odour.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system faults.	The number complaints about sewerage system faults	No more than 3 complaints per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to mechanical or electrical faults.	
Current performance	2024 Target achieved - No system fault complaints were received. 2023 Target not achieved - 4 system fault complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about sewerage system blockages	The number of complaints about sewerage system blockages	No more than 19 complaints received per annum (2023: 20 complaints)
Measurement method	The CSR system will be used to measure the total number of requests for service relating to system blockages.	
Current performance	2024 Target achieved - 12 complaints were received in relation to system blockages. 2023 Target achieved - 10 complaints were received in relation to system blockages.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of poor response complaints received by the territorial authority about sewerage.	The number poor response complaints about sewerage	No poor response complaints received.
Measurement method	The CSR system will be used to measure the total number of events relating to poor response.	
Current performance	2024 <u>Target achieved</u> – no poor response complaints were received. 2023 <u>Target achieved</u> – no poor response complaints were received.	

Performance measure Description	Performance target issue	Performance target outcomes
The total number of complaints received by the territorial authority about the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.	The total number of complaints pertaining to the above issues per 1,000 connections	No more than 7 complaints per 1,000 connections received.
Measurement method	The CSR system will be used to measure the total number of requests for service divided by the total number of wastewater rated properties divided by 1000.	
Current performance	2024 <u>Target not achieved</u> – 9.49 complaints per 1,000 connections were received – 40 complaints for 4,213 connections. 2023 <u>Target achieved</u> – 3.3 complaints per 1,000 connections were received - 14 complaints for 4,269 connections.	

Stormwater and drainage

Overview

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

Aim

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

Community outcomes that stormwater and drainage contribute to

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

Community wellbeings that stormwater and drainage contribute to

- Economic
- Social

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating surplus of \$2,467,622 was recorded against a budgeted operating surplus of \$488,510. The key variances from budget are:

- Vested asset income was \$1,838,378 greater than budget due to a higher level of subdivision activity recognised in the Amberley township.
- Capital Expenditure is \$3,579,576 greater than budget due to the purchase of land north or Amberley to support the stormwater system and the level of assets vested in Council during the year. This is offset by works in Hanmer Springs being deferred.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$2,467,622 was \$2,065,612 greater than the operating surplus recorded for the 2022/2023 year of \$402,009. The key variances from last year are:

- Vested asset income was \$2,075,013 greater than last year due to a higher level of subdivision activity recognised in the Amberley township during the 2023/24 year.
- Capital Expenditure is \$4,416,713 greater than last year due to the purchase of land north or Amberley to support the stormwater system and the level of assets vested in Council during the year.

Internal Borrowing

- After allowing for an adjustment, the level of internal borrowing at the start of the financial year was \$1,564,161.
- Cash operating surpluses of \$2,528,857 and with a further \$4,477,823 of Capital Expenditure (excluding Found Assets) and other direct transfers incurred has resulted in the balance of the internal borrowings for Stormwater sitting at \$3,513,127 as at the end of the year – an overall decrease in borrowing of \$1,948,966.
- The amount of Internal Interest charged to Stormwater for the year was \$134,134 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$33,673.

Group Activity - Stormwater and drainage

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	825,220	820,784	760,667
Other Income	36,178	0	0
Internal Interest Received	33,673	3,380	19,850
Vested Assets	2,148,907	310,529	73,895
Development Contributions	139,682	45,507	88,155
Total Operating Revenue	3,183,659	1,180,200	942,567
OPERATING EXPENDITURE			
Employment Costs	79,618	128,072	37,726
Other Direct Expenditure	246,068	226,879	174,568
Internal Interest Paid	134,134	95,822	110,361
Council Overheads	35,507	35,507	33,070
Depreciation	220,712	205,410	184,831
Loss on Disposal of Assets	0	0	0
Total Operating Expenditure	716,038	691,690	540,558
Operating Surplus (Deficit)	2,467,622	488,510	402,009
CAPITAL EXPENDITURE			
District Wide Stormwater	184,001	421,259	58,513
Amberley Stormwater	4,403,502	100,444	186,366
Motunau Beach Stormwater	0	50,000	0
Hanmer Springs Stormwater	107,054	543,278	1,857
Waikari Stormwater	0	0	31,647
Total Capital Expenditure	4,694,557	1,114,981	278,383

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	2024 <u>Target achieved</u> – No flooding events 2023 <u>Target not achieved</u> - 1 flooding event affecting habitable floors was recorded - A tree collapsed and blocked a culvert entrance causing stormwater to overflow and subsequently enter a washroom of a property.	

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	2024 <u>Target achieved</u> - 0 habitable floors affected per flooding event. 2023 <u>Target not achieved</u> - 1 habitable floors affected by 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	2024 <u>Target achieved</u> - 0 abatement notices. 2023 <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	2024 <u>Target achieved</u> - 0 infringement notices. 2023 <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	2024 <u>Target achieved</u> - 0 enforcement notices. 2023 <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	2024 <u>Target achieved</u> - 0 convictions. 2023 <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	2024 <u>Target achieved</u> – No service requests were received. 2023 <u>Target achieved</u> - the one service request was responded to in 1.62 hours.	

Customer satisfaction - have stormwater drainage systems which work well

Performance measure Description	Performance target issue	Performance target outcomes
Measured as the total number of complaints received for poor performance of all service provider maintained stormwater systems (over the financial year), per 1,000 properties paying targeted rates for maintenance of all service provider maintained stormwater systems across the district.	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	No more than 7 complaints per 1,000 connections per annum
Measurement method	The CSR system will be used to measure the total number of requests for service relating to lack of maintenance or poor performance of the maintained stormwater system divided by the number of connected properties divided by 1000.	
End of year performance	<p>2024 <u>Target achieved</u> – 4.50 complaints per 1,000 properties paying targeted rates for maintenance were received (22 complaints for 4,885 properties paying targeted rates).</p> <p>2023 <u>Target not achieved</u> – 9.71 complaints per 1,000 properties paying targeted rates for maintenance were received (46 complaints for 4,736 properties paying targeted rates).</p>	

Roads and Footpaths

Overview

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

Aim

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

Community outcomes that roads and footpaths contribute to

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

Community wellbeings that roads and footpaths contribute to

- Economic
- Social

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating deficit of \$2,686,665 was recorded against a budgeted operating deficit of \$1,363,606. The key variances from budget are:

- Other income was \$1,553,655 greater than budget due to the higher level of emergency reinstatement work carried out, which has resulted in the greater level of subsidies being received during the year.
- Vested asset income was \$439,076 greater than budget due to a higher level of subdivision activity recognised in the Amberley township.
- Other Direct Expenditure is \$2,372,925 higher than budget due to the higher level of emergency reinstatement work carried out

during the year.

- Depreciation was \$953,790 greater than budget due to the effects of the increase in the last Rooding valuation, which was not reflected in the budget.
- Capital Expenditure is \$1,916,141 lower than budget due a lower level of subsidised roading capital works undertaken during the year and various projects for footpath work being deferred.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating deficit of \$2,686,665 was \$1,097,351 greater than the operating deficit recorded for the 2022/2023 year of \$3,784,016.

The key variances from last year are:

- Rates are \$1,091,373 higher than last year due to the anticipated increase in the cost structure that was allowed for in the 2023/24 Annual Plan.
- Other income was \$2,013,201 greater than last year due to the higher level of emergency reinstatement work carried out, which has resulted in the greater level of subsidies being received during the year.
- Vested asset income was \$130,093 lower than last year due to a specific level of assets vested in Council during the 2022/23 year.
- Other Direct Expenditure is \$1,621,568 higher than last year due to the higher level of emergency reinstatement work carried out during the year.
- Depreciation was \$202,610 greater than last year due to the effects of capital expenditure over the past two years.
- Capital Expenditure is \$738,675 lower than last year due a lower level of subsidised roading capital works undertaken during the year.

Internal Borrowing

- At the start of the financial year, the level of internal debt for Rooding and Footpaths was \$1,804,775.
- Cash operating deficits and direct transfers of \$7,233,633 were recorded and, with a further \$5,562,208 of Capital Expenditure incurred, has resulted in the balance of \$133,349 of debt for roads and footpaths as at the end of the year – an overall decrease in debt of \$1,671,426.
- The amount of Internal Interest charged to

Roading for the year was \$42,598 with those that held funds (rather than being in debt) receiving an amount of internal interest totalling \$10,064.

Group Activity - Roads and footpaths

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	7,815,864	7,814,482	6,724,491
Other Income	6,648,893	5,095,238	4,635,692
Internal Interest Received	10,064	9,864	9,664
Vested Assets	1,215,399	776,323	1,345,492
Total Operating Revenue	15,690,220	13,695,907	12,715,339
OPERATING EXPENDITURE			
Employment Costs	54,625	80,715	49,226
Other Direct Expenditure	8,068,180	5,695,255	6,446,611
Internal Interest Paid	42,598	25,850	14,623
Council Overheads	291,184	291,185	271,206
Depreciation	9,920,298	8,966,508	9,717,688
Total Operating Expenditure	18,376,884	15,059,513	16,499,354
Operating Surplus (Deficit)	(2,686,665)	(1,363,606)	(3,784,016)
CAPITAL EXPENDITURE			
Roading	5,118,105	6,541,023	5,703,459
Roadside Construction	444,103	937,326	597,423
Total Capital Expenditure	5,562,208	7,478,349	6,300,882

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>2024 Target achieved - CAS shows 5 serious and no Fatal crashes in the Hurunui District for the 2023-24 financial year. None of the reported crashes were attributed to poor or negligent road maintenance outcomes and a decrease in the number fatal and serious crashes compared to prior year.</p> <p>2023 Target achieved - CAS shows 4 serious and no Fatal crashes in the Hurunui District for the 2022-23 financial year. None of the reported crashes were attributed to poor or negligent road maintenance outcomes and a decrease in the number fatal and serious crashes compared to prior year.</p>	

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 92% smooth travel rating (2023: 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>2024 Target achieved – A Road Roughness Survey was not undertaken during the reporting year in anticipation of NZTA’s Consistent Condition Data Collection project. Data will now be collected on a national basis and funded from the National Land Transport Fund. It is anticipated that data will be collected in the Hurunui District during December 2024 and January 2025. More information is available at https://www.nzta.govt.nz/planning-and-investment/planning/road-efficiency-group/consistent-condition-data-collection. Smooth Travel Exposure for 2024 calculated using traffic count data collected during the reporting year has been calculated at 92% for Hurunui’s urban roads and 97% for rural roads.</p> <p>2023 Target achieved – Road Roughness Surveys are conducted biennially due to the expense of undertaking the task. The last survey was undertaken in 2022. Therefore, in 2023, Smooth Travel Exposure has been calculated using traffic count data collected during the reporting year. Smooth Travel Exposure for 2023 has been calculated at 91% for Hurunui’s urban roads and 98% for rural roads.</p>	

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 reseal more than 5% of our local roads every year
Measurement method	RAMM provides reseal data through the Pavement & Surfacing module	
End of year performance	<p>2024 <u>Target not achieved</u> – 4.99% (31.1km was resealed of the 623.3km of sealed roads in the network). The 5% target was not met due to funding restraints.</p> <p>2023 <u>Target not achieved</u> – 4.49% (28.2km was resealed of the 628km of sealed roads in the network). The 5% target was not met due to the new maintenance contract rates dictating the total % able to be completed, coupled with weather delays.</p>	

Performance measure description	Performance target issue	Performance target outcomes
The percentage of potholes or corrugations that occurs on unsealed roads that indicates the ride quality experienced by the motorist.	There are no more than 5 potholes >200mm in diameter or deeper than 40mm in any 100m length of road and there are no potholes, short rutted or scoured sections of road exceeding 70mm in depth or larger than 400mm in diameter	No more than 30 per annum
Measurement method	Data from Monthly audit	
End of year performance	<p>2024 <u>Target achieved</u> – 1 large pothole was identified during audits for the year.</p> <p>2023 <u>Target achieved</u> – No large potholes for the year were identified during audits.</p>	

Condition of footpaths - have footpaths in good condition

Performance measure description	Performance target issue	Performance target outcomes
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority’s relevant document (such as its annual plan, activity management plan, asset management plan, annual works 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	<p>2024 <u>Target achieved</u> – 1 customer service requests was received where the trip hazard was greater than 25mm.</p> <p>2023 <u>Target achieved</u> – 6 customer service requests were received where the trip hazard was greater than 25mm.</p>	

Response to Service Requests

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault responsiveness from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 2 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2024 <u>Target achieved</u> – Median response time was 0.2 hours. 2023 <u>Target achieved</u> – Median response time was 0.86 hours.	

Performance measure description	Performance target issue	Performance target outcomes
Urgent fault resolution from Contractor	Urgent is defined as time critical situation or incident on a local road that could either cause harm or has harmed life.	Median response time within 16 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2024 <u>Target achieved</u> – Median response time was 1.4 hours. 2023 <u>Target not achieved</u> – Median response time was 55.05 hours. Result for 2023 was higher due to instances of flooding and street lighting which takes longer to resolve.	

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	2024 <u>Target achieved</u> – Median response time was 1.4 hours. 2023 <u>Target achieved</u> – Median response time was 43.52 hours.	

Performance measure description	Performance target issue	Performance target outcomes
Non-urgent fault resolution	Nonurgent is defined as a fault or defect on a local road that is not a time critical situation or incident.	100% of the service requests closed
Measurement method	The CSR system will be used to measure the percentage of resolved nonurgent faults	
End of year performance	2024 <u>Target not achieved</u> – 97% closed within the financial year (900 closed requests of 930). 2023 <u>Target not achieved</u> – 93% closed within the financial year (105 closed request of 119).	

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 wellbeings that roads and footpaths contribute to

- Social
- Environmental

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating surplus of \$27,858 was recorded against a budgeted operating surplus of \$714,947. The key variances from budget are:

- Other Income is \$750,000 lower than budget due to the application of Better Off Funding, which was originally tagged to the purchase of land to assist proactive relocation but not received as the land was not purchased.
- Capital expenditure is \$750,000 lower than budget due to the Council not progressing with the purchase of the land to assist the proactive relocation.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$27,858 was \$20,209 greater than the operating surplus recorded for the 2022/2023 year of \$7,648. 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 \$113,705.
- Cash operating surpluses of \$27,858, a direct transfer of \$20,000 and no further Capital Expenditure have resulted in the balance of the funds on hand for Coastal Hazards sitting at \$161,563 as at the end of the year – an overall increase in funds on hand of \$47,858.
- 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 \$4,450.

Group Activity - Coastal hazards

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	23,848	23,844	22,616
Other Income	0	750,000	0
Internal Interest Received	4,450	4,367	2,804
Total Operating Revenue	28,298	778,211	25,420
OPERATING EXPENDITURE			
Other Direct Expenditure	440	63,264	17,772
Total Operating Expenditure	440	63,264	17,772
Operating Surplus (Deficit)	27,858	714,947	7,648
CAPITAL EXPENDITURE			
Amberley Beach Foreshore Protection	0	750,000	0
Total Capital Expenditure	0	750,000	0

Public services

Overview

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

Aim

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

Community outcomes that public services contribute to

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

Community wellbeings that public services contribute to

- Economic
- Social
- Cultural
- Environmental

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

Overall, an operating surplus of \$999,366 was recorded against a budgeted operating surplus of \$432,857. The key variances from budget are:

- Other income is \$1,303,922 greater than budget due to various unbudgeted grants that Council has received during the year. The user fees derived from the transfer stations and the waste levies received were also greater than allowed for in the budget.
- Development contributions are \$507,091 greater than budget due to significant development occurring in Amberley during the year.
- Other Direct Expenditure is \$1,087,074 greater than budget due to operating costs associated with the unbudgeted grants being received and the costs associated with the transfer stations being higher than budgeted.
- Depreciation is \$131,178 greater than budget due to the revaluation of Council buildings carried out in the 2022/23 year which was not budgeted for.
- Property Capital Expenditure is \$739,842 lower than budget due to upgrade work on the Soldiers' Block in Hanmer Springs not progressing as quickly as originally budgeted. This is offset by the unbudgeted purchase of the Queen Mary South land.
- Reserves Capital Expenditure is \$650,929 lower than budget because projects for Amberley and Hanmer Springs (both significantly funded by Development Contributions) had been deferred.
- Waste Minimisation Capital Expenditure is \$998,184 lower than budget because upgrade work for the transfer stations at Amberley and Cheviot has been deferred.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$999,366 was \$2,047,850 greater than the operating deficit recorded for the 2022/2023 year of \$1,048,484. The key variances from last year are:

- Rates are \$562,671 greater than last year due to rates set in the Annual Plan for Amenities, District Reserves and Public Toilets being increased to reflect the increased cost structure for these activities.
- Other Income is \$1,802,491 greater than last year due to Tourism Infrastructure Funding receiving camping ground upgrades. Council also received funding from the from Waikari Health Care to offset the debt on the Medical Centre. Council also applied a portion of the Better Off

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Funding towards the purchase of the Queen Mary South Block and the redevelopment of the Soldiers' Block.

- Development Contributions are \$360,658 greater than last year due to significant development occurring in Amberley during the year.
- Employment Costs are \$151,181 greater than last year due to increased staff time being applied to Property and Reserves.
- Other Direct Expenditure is \$328,964 greater than last year due to the increased cost structure incurred for Amenities, District Reserves and Public Toilets.
- Council Overheads are \$120,965 greater than last year but allowed for in the 2023/24 Annual Plan.
- Property Capital Expenditure is \$1,774,575 greater than last year due to the purchase of the Queen Mary South land.
- Reserves Capital Expenditure is \$155,473 lower than last year due to work carried out on the Conical Hill walkway in Hanmer Springs during the 2022/23 year.
- Waste Minimisation Capital Expenditure is

\$336,032 lower than last year due to work carried out on the transfer station in Hanmer Springs in 2022/23 that was not required during the 2023/24 year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Public Services was \$5,172,967.
- Operating cash surpluses recorded by the individual Public Services funded by Targeted Rate totalled \$142,311 and further \$330,079 of Capital Expenditure and other transfers incurred has resulted in the balance of the internal borrowings for Public Services sitting at \$5,360,734 at the end of the year – an overall increase in internal debt of \$187,767.
- The amount of Internal Interest charged to the Public Services for the year was \$365,346 and those activities that held funds (rather than being in debt) received an amount of internal interest totalling \$202,623.

Group Activity - Public services

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	7,526,834	7,536,884	6,964,163
Other Income	5,301,492	3,997,570	3,499,001
Internal Interest Received	202,623	188,435	133,524
Development Contributions	841,036	333,945	480,379
Total Operating Revenue	13,871,985	12,056,834	11,077,066
OPERATING EXPENDITURE			
Employment Costs	2,575,927	2,561,777	2,424,745
Other Direct Expenditure	7,170,833	6,083,759	6,841,870
Internal Interest Paid	365,346	349,085	301,326
Council Overheads	1,763,251	1,763,272	1,642,286
Depreciation	997,263	866,084	915,322
Total Operating Expenditure	12,872,619	11,623,977	12,125,550
Operating Surplus (Deficit)	999,366	432,857	(1,048,484)
CAPITAL EXPENDITURE			
Community Services	0	0	10,715
Property	2,715,039	3,454,880	940,463
Reserves	372,987	1,023,916	528,460
Emergency Services	3,646	10,573	13,435
Library	99,394	151,876	77,660
Waste Minimisation	106,695	1,104,879	442,727
Total Capital Expenditure	3,297,760	5,746,124	2,013,460

Public services performance measures

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

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – reserves and cemeteries	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2024 <u>Target not achieved</u> – Satisfaction with Reserves has remained unchanged at 82% from 2022 and satisfaction with Cemeteries has decreased from 51% to 43%.</p> <p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – property (halls and public toilets)	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2024 <u>Target achieved</u> – Satisfaction with Halls has increased from 60% to 61% and satisfaction with Public Toilets has increased from 77% to 79%.</p> <p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – library	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>2024 <u>Target achieved</u> – Satisfaction with Libraries has remained unchanged at 76% from 2022.</p> <p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents’ satisfaction with our public services.	Customer satisfaction – waste minimisation - waste collection	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	<p>202 <u>Target not achieved</u> – Satisfaction with Waste Collection had decreased from 77% to 72%.</p> <p>2023 <u>Not Measured</u> - Resident satisfaction survey was not carried out in 2023.</p>	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – waste minimisation – recycling collection	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	2024 Target not achieved – Satisfaction with Recycling Collection had decreased from 70% to 64%. 2023 Not Measured - Resident satisfaction survey was not carried out in 2023.	

Performance measure Description	Performance target issue	Performance target outcomes
Measure of our residents' satisfaction with our public services.	Customer satisfaction – emergency services - civil defence	To maintain or improve our customer satisfaction from the 2022 Biennial Resident Satisfaction Survey.
Measurement method	Result from the Biennial Resident Satisfaction Survey.	
End of year performance	2024 Target not achieved – Satisfaction with Civil Defence has decreased from 57% to 53%. 2023 Not Measured - Resident satisfaction survey was not carried out in 2023.	

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	2024 Target not achieved – 33% of the district's population are active members. 2023 Target not achieved – 35.4% of the district's population are active members	

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	2024 Target not achieved – The tonnage of waste to landfill was 3,742 tonnes. 2023 Target not achieved - The tonnage of waste to landfill was 3,708 tonnes.	

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	2024 Target achieved – The contamination rate for recycling sent to EcoSort was 0.6%. 2023 Target achieved – The contamination rate for recycling sent to EcoSort was 1.4%. No recycling was rejected.	

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	2024 Target not achieved – Percentage of overall waste that was recycling was 42%. 2023 Target not achieved – Percentage of overall waste that was recycling was 29.66%.	

Regulatory services

Overview

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

Aim

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

Community outcomes that regulatory services contribute to

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

Community wellbeings that regulatory services contribute to

- Economic
- Social
- Environmental

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating deficit of \$563,434 was recorded against a budgeted operating deficit of \$42,189. The key variances from budget are:

- Other Income is \$395,030 lower than budget due to lower level of building activity, which has resulted in the lower level of building control income received during the year.
- Employment Costs are \$115,711 lower than budget due to a lower level of staff time applied to Policy Development during the year.
- Other Direct Expenditure is \$241,919 greater than budget due to the cost incurred by Council

relating to the Appeal to the Fly Ride project in Hanmer Springs.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating deficit of \$563,434 was \$109,497 lower than the operating deficit recorded for the 2022/2023 year of \$453,938. The key variances from last year are:

- Rates are \$280,259 greater than last year due to the increase to costs as was allowed for in the Annual Plan.
- Other Income is \$414,314 lower than last year due to the lower level of building activity expedience compared to the 2022/23 year.
- Other Direct Expenditure is \$119,012 lower than last year due to the lower requirement for building control contractors because of the lower level of activity.

Internal Borrowing

This activity does not hold internal borrowings.

Group Activity - Regulatory services

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,889,999	1,890,001	1,609,740
Other Income	1,805,942	2,200,972	2,220,256
Total Operating Revenue	3,695,941	4,090,973	3,829,996
OPERATING EXPENDITURE			
Employment Costs	2,260,713	2,376,424	2,229,184
Other Direct Expenditure	1,081,632	839,713	1,200,644
Council Overheads	917,031	917,026	854,106
Total Operating Expenditure	4,259,375	4,133,162	4,283,934
Operating Surplus (Deficit)	(563,434)	(42,189)	(453,938)
CAPITAL EXPENDITURE			
Total Capital Expenditure	0	0	0

Regulatory performance measures

Process consent applications - process all consent applications quickly

Performance measure Description	Performance target issue	Performance target outcomes
All consent applications are processed within the statutory timeframes.	Building consent processing time	To issue all building consents within 20 working days (excluding Request for Information (RFI) waiting time).
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2024 <u>Target not achieved</u> – 88% of consents were processed within the 20 working day period.</p> <p>2023 <u>Target not achieved</u> - 88% of consents issued within 20 working days. The increase in performance has been attributable to the increased availability of contractors to assist in the processing function.</p>	

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>2024 <u>Target achieved</u> - 100% of consents were issued within 20 working days.</p> <p>2023 <u>Target not achieved</u> – 99.4% of consents were issued within 20 working days.</p>	

Compliance inspections – reduce and manage health risks to the public

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	Licensed food premises for compliance with NZ legislation	To inspect all licensed food premises every year
Measurement method	MPI Monthly Dashboard Report	
End of year performance	<p>2024 <u>Target not achieved</u> – 69 of the 70 Verification audits were carried out at food businesses during this financial year.</p> <p>2023 <u>Target achieved</u> – 84 Verification audits were carried out at food businesses during this financial year. This represents all verifications that fell due.</p> <p><i>Note that inspection of all food businesses annually is not a requirement of the Food Act 2014. The Act requires that verification audits are carried out at a frequency of between 3 and 18 months. The frequency is determined by criteria which included the compliance history of the business and the level of risk of the specific types of food preparation carried out at each premises.</i></p>	

Performance measure Description	Performance target issue	Performance target outcomes
Inspect food and liquor outlets so they do not pose risks to the public.	On licence liquor premises for compliance with NZ legislation	To inspect 75% of On, Off, Club Licence premises every year
Measurement method	Council's data base (Magiq)	
End of year performance	<p>2024 <u>Target not achieved</u> - 59% (70 out of 118) On, Off, Club Licenced premises were inspected</p> <p>2023 <u>Target not achieved</u> - 62% of On, Off, Club Licenced premises were inspected (74 out of 119).</p>	

Animal complaints - stop animals causing danger or public nuisance

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to dog attacks	To respond to all dogs attacks within 24 hours
Measurement method	MagiQ CSR data and contractor incident sheets	
End of year performance	2024 Target not achieved - 88% of reported dog attack incidents were attended within 24 hours (22 of 25 incidents). 2023 Target not achieved - 90% of reported dog attack incidents were attended within 24 hours (19 of 21 incidents).	

Performance measure Description	Performance target issue	Performance target outcomes
Respond to complaints about animals causing danger or nuisance.	The time it takes to respond to wandering stock	To respond to all reports of wandering stock within 24 hours
Measurement method	MagiQ Data via either a MagiQ Performance or Power BI report	
End of year performance	2024 Target not achieved – 91% (29 of 32 reports) incidents of wandering stock were responded to within 24 hours. 2023 Target not achieved - 91% (30 of 33 reports) of wandering stock complaints attended to within 24 hours.	

Hanmer Springs Thermal Pools and Spa

Overview

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

Aim

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

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

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

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

- Economic
- Cultural

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating surplus of \$1,261,370 was recorded against a budgeted operating surplus of \$3,315,596. Excluding internal charges and transfers to offset reserve costs, the surplus recorded by the Hanmer Springs Thermal Pools and Spa facility was \$2,590,463, which was lower than the budget of \$4,546,093. The budget did include significant grant funding for the proposed Fly Ride, which was placed on hold and, as a result, the Capital Expenditure was \$1,540,932 lower than allowed for in the budget.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$1,261,370 was \$70,080 lower than the operating surplus recorded for the 2023/2023 year of \$1,331,450. Excluding internal charges and transfers to offset reserve

costs, the surplus derived from the facility of \$2,590,463 was \$173,762 greater than last year's surplus of \$2,416,701. Capital Expenditure was \$1,904,707 greater than last year due to the upgrading of the Body Slides during the year.

Internal Borrowing

- At the start of the financial year, the level of internal borrowing for Hanmer Springs Thermal Pools and Spa was \$14,009,372.
- In order to meet Capital Expenditure requirements and to pay the budgeted "dividend" of \$2,400,00, the facility was able to repay \$700,000 of debt resulting in the balance sitting at \$15,709,372 as at 30 June 2024.
- The amount of Internal Interest charged to the Hanmer Springs Thermal Pools and Spa activity for the year was \$1,095,693.

Group Activity - Hanmer Springs Thermal Pools & Spa

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Other Income	15,777,078	15,375,343	14,423,920
Total Operating Revenue	15,777,078	15,375,343	14,423,920
OPERATING EXPENDITURE			
Employment Costs	6,734,489	5,212,056	6,018,161
Other Direct Expenditure	4,928,926	4,212,356	4,582,361
Internal Interest Paid	1,095,693	986,037	871,214
Council Overheads	224,388	224,383	208,987
Depreciation	1,532,212	1,424,915	1,411,746
Total Operating Expenditure	14,515,707	12,059,747	13,092,470
Operating Surplus (Deficit)	1,261,370	3,315,596	1,331,450
CAPITAL EXPENDITURE			
HSTP&S	3,327,554	4,868,486	1,422,846
Total Capital Expenditure	3,327,554	4,868,486	1,422,846

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>2024 Target achieved – Total visitors for the financial year totalled 468,028, which was 0.94% higher than the customer numbers recorded last year.</p> <p>2023 Target achieved – Total visitors for the financial year totalled 463,643, which was 13.5% higher than the customer numbers recorded last year.</p>	

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>2024 Target achieved - Data collected for the year showed a net promoter score (NPS) 57 for the Pools and 56 for the Spa. It should be noted that any NPS over 50 is considered excellent.</p> <p>2023 Target not achieved - Data collected for the year showed a net promoter score (NPS) 51 for the Pools and 55 for the Spa. When compared to last year’s net promoter score, there has been a reduction for the Pools from 61 recorded last year and a reduction in the score for the Spa, which recorded 60 last year. It should be noted that any NPS over 50 is considered excellent.</p>	

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>2024 Target not achieved – A surplus after depreciation and interest of \$1,494,770 was achieved against budgeted surplus of \$3,560,056. The target was not achieved primarily due to not receiving the budgeted grant funding relating to the Fly Ride Project of \$1.62 million.</p> <p>2023 Target not achieved – A surplus after depreciation and interest of \$1,681,221 was achieved against budgeted surplus of \$1,699,144. The target was not achieved due to the increase in interest rates charged on the internal debt between Council and the Hanmer Springs Thermal Pools and Spa.</p>	

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 wellbeings that governance and corporate services contribute to

- Economic

Financial Commentary – 2023/2024 actual compared with 2022/2023 budget

Overall, an operating surplus of \$128,371 recorded against a budgeted surplus of \$362,348 for the year. The key variances from budget are:

- Rates are \$285,709 greater than budget due to the greater level of general rates and rate penalties received that was budgeted for.
- Other Income is \$773,751 lower than budget due to central government funding to assist in providing community loans being received before the 2023/24 financial year.
- Internal Interest received is \$309,656 greater than budget due to the higher internal interest rates charged, which was in line with the increase to external interest rates.
- Internal Interest Paid is \$191,337 greater than budget due to the increased internal interest rates paid to activities that hold funds.
- Depreciation is \$264,305 lower than budget due to the depreciation for three waters plant being accounted for in the Water activity.
- Treasury Capital Expenditure was \$420,000 lower than budget due to the budget allowing for the loan to the Hurunui Community Development Trust, which was completed before

the 2023/24 financial year.

- Corporate Services Capital Expenditure was \$198,550 lower than budget due to the lower level of replacement to vehicles required during the year.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$128,371 was \$1,193,203 lower than the operating surplus recorded for the 2022/2023 year of \$1,321,574. The key variances from last year are:

- Rates were \$156,437 greater than budget due to the higher level of general rates and rate penalties received during the year.
- Other Income is \$1,348,207 lower than last year due to the budgeted Better Off Funding being received in the previous year, and the change in the fair value of derivatives was much higher in 2022/23.
- Internal Interest received is \$1,386,353 greater than last year due to the increase internal interest rates and the increased level of internal debt.
- Council Overheads were \$359,015 greater than last year due to reflect the higher costs budgeted for in the Annual Plan.
- Employment Costs were \$201,495 greater than last year due to an increase in wage rates to reflect the movements in inflation.
- Other Direct Expenditure was \$1,399,395 greater than last year due to the increase to interest costs resulting from increased external debt and increased external interest rates.
- Internal Interest Paid is \$122,563 greater than last year due to the increased internal interest rates paid to activities that hold funds.

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 \$4,391,714.

The total internal interest paid to those activities that held funds was \$400,254.

Group Activity - Governance and corporate

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	1,052,053	766,343	895,615
Other Income	1,456,325	2,230,077	2,804,533
Internal Interest Received	4,391,714	4,082,058	3,005,361
Council Overheads (Income)	5,211,917	5,211,930	4,852,903
Total Operating Revenue	12,112,010	12,290,408	11,558,412
OPERATING EXPENDITURE			
Employment Costs	4,695,759	4,707,947	4,494,264
Other Direct Expenditure	5,727,848	5,587,113	4,328,454
Internal Interest Paid	400,254	208,917	277,692
Council Overheads	776,704	776,704	723,413
Depreciation	383,073	647,378	413,016
Total Operating Expenditure	11,983,639	11,928,060	10,236,838
Operating Surplus (Deficit)	128,371	362,348	1,321,574
CAPITAL EXPENDITURE			
Governance	0	0	13,472
Treasury	0	420,000	0
Corporate Services	304,261	502,811	342,950
Total Capital Expenditure	304,261	922,811	356,421

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 wellbeings that regulatory services contribute to

- Economic
- Social

Financial Commentary – 2023/2024 actual compared with 2023/2024 budget

Overall, an operating surplus of \$325,706 was recorded against a budgeted surplus of \$303,678 for the year. There are no significant variances from the budget for 2023/24.

Financial Commentary – 2023/2024 actual compared with 2022/2023 actual

This year's operating surplus of \$325,706 was \$64,335 greater than the operating surplus recorded for the 2022/23 year of \$261,370. There are no significant variances from the last year.

Internal Borrowing

- The level of internal debt from Earthquake recovery at the start of the year was \$2,326,377.
- Operating surpluses or deficits recorded in the individual costs centres relating to Recovery, as well as direct transfers made from other activities to complement the funding received to carry out repair work resulting from the earthquakes, has meant that there was a \$324,196 decrease in the debt, resulting in a balance of \$2,002,181 remaining as at 30 June 2024.
- The amount of Internal Interest charged to Earthquake Recovery for the year was \$108,509.

Group Activity - Earthquake recovery

	2023/2024 Actual	2023/2024 Budget	2022/2023 Actual
<u>Operating Statement</u>			
OPERATING REVENUE			
Rates	418,328	416,391	393,676
Other Income	38,737	37,440	43,076
Total Operating Revenue	457,065	453,831	436,751
OPERATING EXPENDITURE			
Employment Costs	8,545	5,707	5,222
Other Direct Expenditure	9,614	10,033	34,950
Internal Interest Paid	108,509	129,719	130,836
Council Overheads	4,692	4,695	4,372
Total Operating Expenditure	131,360	150,153	175,381
Operating Surplus (Deficit)	325,706	303,678	261,370
CAPITAL EXPENDITURE			
Council Assets - Recovery	1,509	0	3,761
Total Capital Expenditure	1,509	0	3,761

Statement of service performance and policies, critical judgement and assumptions

The service performance reporting has been disclosed as part of the Groups of Activities included in this Annual Report on Pages 13 to 58.

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

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

Service performance reporting judgements

PBE FRS 48 requires the disclosure of judgements used in the selection, measurement and aggregation of service performance information in Council's Annual Report 2023/24.

In the preparation of the performance framework in the Long Term Plan 2021-2031 and the Annual Plan 2023/24, Council has made the following judgments in the selection of our service performance measures:

- We have reflected on the extent to which the levels of service we planned to provide to the community were best captured by performance measures.
- We have retained the levels of service and performance measures consulted on with our community during the preparation of the Long Term Plan 2021-2031, and these were carried through into the Annual Plan 2023/24. The measures are those that Council needs to report against in this Annual Report 2023/24.
- We have analysed the levels of service and performance measures and, where appropriate, we have made changes to them for the Long Term Plan 2024-2034 after consultation with our community.
- Every two years, we have surveyed our community on how we are going against some of the performance measures through our ratepayers' and residents' survey, and have

considered the views and feedback expressed by our residents.

- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in Council's Long Term Plan.

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

Changes to performance framework from the 2022/23 year

There are no changes to the performance framework from the previous year. There has been changes to the performance target outcomes as provided for in the Long Term Plan 2021-31. These are:

Water:

- Protozoa Compliance – Target for 2024 is 11 out of 20 water supplies compliant (2023: 8 of 20 supplies).
- Urgent fault responsiveness – Target for 2024 is to respond within 3 hours (2023: 4 hours).
- Urgent fault resolution – Target for 2024 is to fix within 6 hours (2023: 8 hours).
- Drinking water clarity – Target for 2024 is no more than 15 complaints (2023: 20 complaints).
- Drinking water pressure or flow – Target for 2024 is no more than 380 complaints (2023: 450 complaints).

Wastewater:

- Call-out resolution time period – Target to fix within 8 hours (2023: 12 hours).
- The number of complaints about sewerage system blockages – Target for 2024 is no more than 19 complaints (2023: 20 complaints).

Roading and Footpaths:

- Smooth travel exposure – Target for 2024 is greater than 92% smooth travel rating (2023: greater than 90%) .

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

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

Measures to demonstrate statutory compliance

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

Other judgements

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

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

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

Setting funding levels for services

As part of setting funding levels, Council has considered the impact on services and their related

performance measures. Despite funding pressures across Council, we determined through the Annual Plan 2023/24 process that the levels of service will remain at current levels and, as such, they did not need to be adjusted for funding reasons.

Material judgements

Material judgements have been applied as follows:

Surveys

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

- These surveys are carried out independently by external parties.
- They have also been designed to measure changes in perception of service delivery over time.
- As there is a significant cost of this process, Council has determined that the survey shall only be carried out every two years with the last survey relating to the 2023/24 year, with no measure recorded for the 2022/23 year as a comparative. (This does not include the survey performance measure relating to the Hanmer Springs Thermal Pools and Spa, which is carried out annually.)

Customer Service Requests

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

External implications for statements about performance

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

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Statement of comprehensive revenue and expense

	Notes	Group			Council	
		Actual	Actual	Actual	Budget	Actual
		2024	2023	2024	2024	2023
		\$000's	\$000's	\$000's	\$000's	\$000's
Revenue						
Rates, excluding targeted water supply rates	3(i)	28,257	25,589	28,257	27,836	25,589
Targeted rates for water supply	3(i)	870	829	870	1,071	829
Subsidies and grants	3(ii)	9,090	6,552	9,090	4,829	6,552
Development and financial contributions		1,803	1,198	1,803	1,067	1,198
Fees and charges, excluding those for water suppl	3(iii)	20,607	19,836	20,607	24,196	19,836
Fees and charges for water supplies	3(iii)	191	199	191	93	199
Interest revenue	3(iv)	170	134	170	0	134
Other revenue	3(v)	6,455	4,065	6,455	2,540	4,065
		67,443	58,401	67,443	61,631	58,401
Less Expenditure						
Employee benefits	4	18,635	17,460	18,635	17,241	17,460
Other expenses	6	29,063	25,813	29,063	23,631	25,813
Finance expenses	5	3,100	1,659	3,100	3,144	1,659
Depreciation, amortisation and loss on disposal	17	16,753	16,090	16,753	16,457	16,090
Total operating expenditure		67,551	61,021	67,551	60,472	61,021
Operating surplus/(deficit) before tax		(108)	(2,621)	(108)	1,159	(2,621)
Share of associates surplus/(deficit)	14	1	17	0	0	0
Net surplus/(deficit) before tax		(107)	(2,603)	(108)	1,159	(2,621)
Tax expense	7	0	0	0	0	0
Net surplus/(deficit) after tax		(107)	(2,603)	(108)	1,159	(2,621)
Add other comprehensive revenue and expense						
Gains/(losses) on asset revaluation	15 & 24	40,108	26,309	40,108	0	26,309
Gains/(losses) in fair value of shares		28	(35)	28	0	(35)
Impairment to property plant and equipment	15 & 24	0	0	0	0	0
		40,136	26,274	40,136	0	26,274
Total comprehensive revenue and expense		40,029	23,670	40,028	1,159	23,653

The accompanying notes form part of the financial statements

Statement of financial position

	Notes	Group			Council	
		Actual	Actual	Actual	Budget	Actual
		2024	2023	2024	2024	2023
		\$000's	\$000's	\$000's	\$000's	\$000's
Assets						
Current assets						
Cash and cash equivalents	8	2,069	1,201	2,069	495	1,201
Trade and other receivables	9	5,299	4,358	5,299	4,034	4,358
Inventories	10	122	155	122	130	155
Non-current assets held for sale	11	0	0	0	0	0
Other financial assets	13	2	3	2	5	3
Derivative financial instruments	12	22	16	22	0	16
Total current assets		7,514	5,734	7,514	4,665	5,734
Non-current assets						
Property, plant and equipment						
- Operational	15	67,104	64,304	67,104	55,431	64,304
- Restricted	15	63,083	61,256	63,083	57,391	61,256
- Infrastructure	15	627,336	573,873	627,336	582,965	573,873
Intangible assets	16	806	617	806	555	617
Forestry assets	18	253	326	253	295	326
Other financial assets	13	1,985	1,452	1,985	2,111	1,452
Investments in associates	14	283	282	0	0	0
Derivative financial instruments	12	715	992	715	0	992
Total non-current assets		761,566	703,102	761,282	698,747	702,819
Total assets		769,080	708,835	768,796	703,412	708,553
Liabilities						
Current liabilities						
Payables and deferred revenue	19	11,709	12,269	11,709	9,394	12,269
Landfill aftercare provision	22	348	123	348	0	123
Employee entitlements	21	1,732	1,750	1,732	1,650	1,750
Current portion of term debt	20	17,000	13,500	17,000	0	13,500
Derivative financial instruments	12	0	0	0	0	0
Total current liabilities		30,789	27,642	30,789	11,044	27,642
Non-current liabilities						
Term debt	20	50,000	34,000	50,000	71,500	34,000
Payables and deferred revenue	19	0	0	0	0	0
Landfill aftercare provision	22	50	172	50	0	172
Employee entitlements	21	89	88	89	0	88
Derivative financial instruments	12	0	0	0	249	0
Total non-current liabilities		50,140	34,260	50,140	71,749	34,260
Total liabilities		80,928	61,903	80,928	82,793	61,903
Net assets		688,151	646,933	687,868	620,619	646,650
Equity						
Asset revaluation reserve	24	508,275	468,166	508,275	254,075	468,166
AFS investments revaluation reserve	24	266	238	266	0	238
Special fund reserves	24	10,136	8,004	10,136	0	8,004
Rate reserve funds	24	(80,923)	(63,051)	(80,923)	(75,313)	(63,051)
Retained earnings	24	250,398	233,576	250,114	441,857	233,293
Total equity		688,152	646,933	687,868	620,619	646,650

The accompanying notes form part of the financial statements

Statement of changes in equity

	Notes	Group			Council	
		Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Budget 2024 \$000's	Actual 2023 \$000's
Equity at start of year		646,933	623,107	646,650	619,461	622,842
Add total comprehensive revenue and expense for year		40,029	23,670	40,028	1,159	23,653
Adjustment to opening balance due to reclassification of Property, Plant and Equipment		(266)	0	(266)	0	0
Found assets	15	1,455	155	1,455	0	155
Equity at end of year	24	688,151	646,933	687,868	620,619	646,650

The accompanying notes form part of the financial statements

Statement of cash flows

Notes	Group			Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Budget 2024 \$000's	Actual 2023 \$000's
Cash flows from operating activities					
Revenue	60,059	55,408	60,059	59,855	55,408
Agency receipts	4,628	4,320	4,628	2,243	4,320
Interest received	374	85	374	0	85
Dividends received	145	220	145	180	220
Payments to suppliers and employees	(47,967)	(40,997)	(47,967)	(40,872)	(40,997)
Interest and other costs of finance paid	(2,899)	(1,399)	(2,899)	(3,144)	(1,399)
Agency payments	(4,630)	(4,320)	(4,630)	(2,243)	(4,320)
Net GST movement	825	(336)	825	0	(336)
Net cash from operating activities	10,535	12,981	10,535	16,020	12,981
Cash flows from investing activities					
Payment on loan	6	0	6	0	0
Proceeds from the sale of plant, property & equipment	456	331	456	0	331
Proceeds on sale of investments	0	0	0	0	0
Insurance recoveries	0	0	0	0	0
Payment for purchase of investments	(511)	(478)	(511)	(420)	(478)
Payment for plant, property & equipment	(29,118)	(24,177)	(29,118)	(34,072)	(24,177)
Net cash from investing activities	(29,167)	(24,324)	(29,167)	(34,492)	(24,324)
Cash flows from financing activities					
Proceeds from the issue of debt securities	19,500	9,500	19,500	18,500	9,500
Repayment of loans	0	0	0	0	0
Net cash from financing activities	19,500	9,500	19,500	18,500	9,500
Increase/(decrease) in cash & cash equivalents	868	(1,843)	868	28	(1,843)
Cash and cash equivalents as 1 July	1,201	3,044	1,201	467	3,044
Cash and cash equivalents as 30 June	2,069	1,201	2,069	495	1,201

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Reconciliation of surplus for the period to net cash flows from operating activities				
Net surplus/(deficit) after tax	(107)	(2,603)	(108)	(2,621)
Non cash items				
Impairment of property intended for sale	0	0	0	0
Vested and found assets	(4,986)	(2,867)	(4,986)	(2,867)
Movement in derivatives	0	0	0	0
(Gain)/loss on fair value of forestry	73	(31)	73	(31)
Movement in landfill aftercare liability	0	0	0	0
Movement in non current employee entitlements	1	(6)	1	(6)
Depreciation and amortisation	16,753	16,090	16,753	16,090
	11,841	13,186	11,841	13,186
Items classified as investing or financing				
(Gain)/loss on sale of assets	0	0	0	0
(Gain)/loss on fair value of financial assets	271	(351)	271	(351)
	271	(351)	271	(351)
Movements in working capital				
(Increase)/decrease in inventory	33	(25)	33	(25)
(Increase)/decrease in receivables	(943)	(324)	(943)	(324)
Increase/(decrease) in payables	(202)	2,938	(202)	2,938
Increase/(decrease) in current employee entitlements	0	0	0	0
Increase/(decrease) in income in advance	0	0	0	0
	(1,112)	2,589	(1,112)	2,589
Other movements				
Share of associates (surplus)/deficit	(1)	(17)	0	0
Other movements	(357)	178	(357)	178
	(358)	161	(357)	178
Net cash flow from operating activities (as per Statement of Cash Flows)	10,535	12,981	10,535	12,981

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
13. Other financial assets
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
26. Events after balance date
27. Financial Instruments
28. Explanations of major variances against budget
29. Water Services Reform Programme
30. Statutory deadline

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 2024. The financial statements were authorised for issue by the Council on 17 December 2024.

BASIS OF PREPARATION

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

Statement of compliance

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

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

Presentation currency and rounding

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

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

Other changes in accounting policies

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Consolidation

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the Council in its 2023/2024 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Critical accounting estimates and assumptions

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

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

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

Critical judgements in applying accounting policies

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

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

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

Accounting policy

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

Breakdown of summary revenue and expenditure for group of activities

	Actual 2024 \$000's	Council Budget 2024 \$000's	Actual 2023 \$000's
Activities revenue			
Water Supplies	9,305	8,727	8,613
Sewerage	3,297	2,485	3,228
Roads and Footpaths	15,690	13,696	12,715
Stormwater and Drainage	3,184	1,180	943
Coastal Hazards	28	778	25
Public Services	13,872	12,057	11,077
Regulatory Services	3,696	4,091	3,830
Hanmer Springs Thermal Pools and Spa	15,777	15,375	14,424
Governance & Corporate Services	12,112	12,290	11,558
Earthquake Recovery	457	454	437
Total activity income	77,419	71,134	66,850
Less internal income	10,003	9,503	8,111
Total activities revenue	67,416	61,631	58,739
Gains/(losses) on forestry revaluation	(73)	0	31
Gains/(losses) on NZ emissions units	99	0	(370)
Total revenue	67,443	61,631	58,401
Less activities expenditure			
Water Supplies	11,934	11,644	9,763
Sewerage	2,764	2,621	2,397
Roads and Footpaths	18,377	15,060	16,499
Stormwater and Drainage	716	692	541
Coastal Hazards	0	63	18
Public Services	12,873	11,624	12,126
Regulatory Services	4,259	4,133	4,284
Hanmer Springs Thermal Pools and Spa	14,516	12,060	13,092
Governance & Corporate Services	11,984	11,928	10,237
Earthquake Recovery	131	150	175
Total activities expenditure	77,553	69,975	69,132
Less internal expenditure	10,003	9,503	8,111
Total expenditure	67,551	60,472	61,021

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Rates revenue				
District wide rates	15,852	13,864	15,852	13,864
Targeted rates				
- Other water rates	6,692	6,282	6,692	6,282
- Refuse	400	397	400	397
- Stormwater/drainage	739	688	739	688
- Tourism	272	261	272	261
- Pool inspections	0	0	0	0
- Medical centres	182	268	182	268
- Amberley special projects	168	157	168	157
- Amenities	1,808	1,615	1,808	1,615
- Sewerage	1,950	1,876	1,950	1,876
Rate penalties	222	208	222	208
Rate remissions	(29)	(27)	(29)	(27)
	28,257	25,589	28,257	25,589
Metered water supply	870	829	870	829
Total rates	29,126	26,418	29,126	26,418

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 2024 for the purposes of the LGFA Guarantee and Indemnity Deed is shown above.

(ii) Breakdown of subsidies and grants

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
New Zealand Transport Agency roading subsidies	6,569	4,560	6,569	4,560
Three Waters Reform funding	0	75	0	75
Other grants	2,521	1,917	2,521	1,917
Total subsidies and grants	9,090	6,552	9,090	6,552

(iii) Breakdown of fees and charges

	Group		Council	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
	\$000's	\$000's	\$000's	\$000's
Building and resource consent charges	986	1,286	986	1,286
Other regulatory revenue	480	557	480	557
Solid waste charges	1,352	1,213	1,352	1,213
Hanmer Springs Thermal Pools and Spa receipts	15,624	14,404	15,624	14,404
Other fees and charges	2,165	2,377	2,165	2,377
	20,607	19,836	20,607	19,836
Fees and charges for water supplies	191	199	191	199
Total fees and charges	20,798	20,035	20,798	20,035

(iv) Breakdown of interest revenue

	Group		Council	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
	\$000's	\$000's	\$000's	\$000's
Interest revenue				
Short term deposits and call accounts	170	134	170	134
Total interest revenue	170	134	170	134

(v) Breakdown of other revenue

	Group		Council	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023
	\$000's	\$000's	\$000's	\$000's
Forestry asset revaluation gains/(losses)	(73)	31	(73)	31
NZ Emissions Units revaluation gains/(losses)	99	(370)	99	(370)
Property, plant and equipment gains/(losses) on disposal	185	187	185	187
Change in fair value of interest rate swaps	(270)	384	(270)	384
Vested asset revenue	4,986	2,867	4,986	2,867
Dividends	145	220	145	220
Donations	368	75	368	75
Petrol tax	79	69	79	69
Insurance proceeds	17	0	17	0
Forestry proceeds	0	19	0	19
Rental income	920	582	920	582
Total other revenue	6,455	4,065	6,455	4,065

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 2024	Actual 2023	Actual 2024	Actual 2023
	\$000's	\$000's	\$000's	\$000's
Not later than one year	181	186	181	186
Later than one year and not later than five years	119	187	119	187
Later than five years	0	1	0	1
	300	374	300	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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Gross payroll expense	19,148	17,927	19,148	17,927
Less: Capitalised payroll costs	913	1,114	913	1,114
Net employee benefits expense	18,235	16,812	18,235	16,812
Employer contribution to super	417	536	417	536
Increase/(decrease) in employee benefit liabilities	(17)	111	(17)	111
Total personnel costs	18,635	17,460	18,635	17,460

Chief Executive Officer remuneration

The total remuneration (including any non-financial benefits) paid or payable for the year to the Chief Executive Officer was \$338,749 (2023: \$300,314).

Elected representatives

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

	Group		Council	
	Actual 2024 \$	Actual 2023 \$	Actual 2024 \$	Actual 2023 \$
Nicky Anderson	0	8,393	0	8,393
Karen Armstrong	32,212	31,179	32,212	31,179
Ross Barnes	44,856	38,068	44,856	38,068
Marie Black	111,044	108,152	111,044	108,152
Robbie Bruerton	29,229	28,148	29,229	28,148
Vincent Daly	45,436	46,648	45,436	46,648
Tom Davies	37,596	26,624	37,596	26,624
Fiona Harris	34,774	31,580	34,774	31,580
David Hislop	29,229	19,794	29,229	19,794
Mary Holloway	0	8,694	0	8,694
Garry Jackson	29,229	19,931	29,229	19,931
Vanessa McPherson	29,229	19,454	29,229	19,454
Geoff Shier	0	9,427	0	9,427
Michael Ward	0	8,694	0	8,694
Pauline White	34,774	31,580	34,774	31,580
	457,609	436,366	457,609	436,366

Council employee remuneration by band

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

	Actual 2024 #		Actual 2023 #
< \$60,000	112	< \$60,000	134
\$60,000 - \$79,999	80	\$60,000 - \$79,999	55
\$80,000 - \$99,999	45	\$80,000 - \$99,999	33
\$100,000 - \$119,999	10	\$100,000 - \$119,999	15
\$120,000 - \$139,999	10	\$120,000 - \$139,999	10
\$140,000 - \$159,999	7	\$140,000 - \$219,999	7
\$160,000 - \$259,999	4	\$220,000 - \$299,999	2
\$260,000 - \$339,999	1		256
	269		

Total remuneration includes non-financial benefits provided to employees.

As at 30 June 2024, the Council (including the Hanmer Springs Thermal Pools and Spa) employed 157 (2023: 148) full-time employees, with a further 111 (2023: 108) part-time staff representing 65.00 (2023: 66.41) 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 2024, the Council made one severance payment (2023: one) to employees totalling \$25,646 (2023: \$25,000).

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Interest expense:				
- Interest on borrowings	3,100	1,659	3,100	1,659
- Other interest costs	0	0	0	0
Net finance costs	3,100	1,659	3,100	1,659

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Fees paid to principal auditor				
- audit fees for 2023/24 financial statement audit	210	0	210	0
- audit fees for 2022/23 financial statement audit	0	185	0	185
- audit fees for 2021/22 financial statement audit	0	20	0	20
- audit fees for Long Term Plan	94	0	94	0
- audit fees for debenture trust deed audit	6	5	6	5
- disbursements charged	2	1	2	1
Impairment of receivables	0	0	0	0
Expenses from other activities	28,750	25,602	28,750	25,602
Total other expenses	29,063	25,813	29,063	25,813

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Not later than one year	0	4	0	4
Later than one year and not later than five years	0	0	0	0
Later than five years	0	0	0	0
	0	4	0	4

Restrictions

2024 Nil (2023: 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 2024, Council paid \$90,867 (2023: \$85,473) for operations and \$208,045 (2023: Nil) for capital 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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$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	(107)	(2,603)	(108)	(2,621)
Tax at 28%	(30)	(729)	(30)	(734)
Non-taxable income	30	729	30	734
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	250	245	0	69
	250	245	0	69

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Cash at bank or in hand	2,069	1,201	2,069	1,201
Short term deposits with maturities of less than 3 months	0	0	0	0
	2,069	1,201	2,069	1,201

NOTE 9 - Trade and other receivables

Accounting policy

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

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

Rates are "written-off":

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

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

Breakdown of receivables and further information

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Rates receivables	1,045	1,369	1,045	1,369
Other receivables	4,183	1,604	4,183	1,604
Goods and services tax (GST) receivable	110	1,426	110	1,426
Receivables prior to impairment	5,338	4,399	5,338	4,399
Less allowance for credit losses	(39)	(41)	(39)	(41)
Total receivables	5,299	4,358	5,299	4,358

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 2024 and 1 July 2023 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 2023 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:

	2024			2023		
	Gross \$000's	Impairment \$000's	Net \$000's	Gross \$000's	Impairment \$000's	Net \$000's
Council						
Not past due	3,763	0	3,763	2,489	0	2,489
Past due 1-60 days	405	0	405	490	0	490
Past due 61-120 days	5	0	5	16	0	16
Past due >120 days	1,165	(39)	1,126	1,404	(41)	1,363
Total	5,338	(39)	5,299	4,399	(41)	4,358
Group						
Not past due	3,763	0	3,763	2,489	0	2,489
Past due 1-60 days	405	0	405	490	0	490
Past due 61-120 days	5	0	5	16	0	16
Past due >120 days	1,165	(39)	1,126	1,404	(41)	1,363
Total	5,338	(39)	5,299	4,399	(41)	4,358

Movements in the allowance for credit losses as follows:

	Group		Council	
	Actual	Actual	Actual	Actual
	2024	2023	2024	2023
	\$000's	\$000's	\$000's	\$000's
Opening balance for credit losses at 1 July	(41)	(54)	(41)	(54)
Additional provisions made during the year	(1)	(17)	(1)	(17)
Provisions reversed during the year	3	29	3	29
Receivables written-off during the year	0	0	0	0
Balance at 30 June	(39)	(41)	(39)	(41)

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Inventory	122	155	122	155
Total inventory	122	155	122	155

No inventory is pledged as security for liabilities (2023: \$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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Current asset portion				
Interest rate swaps - cash flow hedges	22	16	22	16
<i>Total current asset portion</i>	<u>22</u>	<u>16</u>	<u>22</u>	<u>16</u>
Non-current asset portion				
Interest rate swaps - cash flow hedges	715	992	715	992
<i>Total non-current asset portion</i>	<u>715</u>	<u>992</u>	<u>715</u>	<u>992</u>
Total derivative financial instrument assets	<u>737</u>	<u>1,008</u>	<u>737</u>	<u>1,008</u>
Current liability portion				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total current liability portion</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Non-current liability portion				
Interest rate swaps - cash flow hedges	0	0	0	0
<i>Total non-current liability portion</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total derivative financial instrument liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$25.5 million (2023: \$27.5 million).

At 30 June 2024, the fixed interest rates of cash flows hedge interest rate swaps varied from 1.44% to 4.81% (2023: 1.44% to 4.99%).

Gains and losses recognised in the hedging reserve in equity (see Note 27) on interest rate swap contracts as at 30 June 2024 will be released to the surplus or deficit as interest is paid on the underlying debt.

The Council and group currently have no fair value hedges.

Fair Value

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

NOTE 13 - Other financial assets

Accounting policy

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

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

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

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

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

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

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

Initial recognition of concessionary loans

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

Subsequent measurement of financial assets at amortised cost

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

Subsequent measurement of financial assets at FVTOCRE

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

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

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

Subsequent measurement of financial assets at FVTSD

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

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

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

Expected credit loss allowance (ECL)

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

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

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

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

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

Shares in subsidiaries (at cost)

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

Breakdown of other financial assets and further information

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Current portion				
Hanmer Springs Bowling Club	2	3	2	3
<i>Total current portion</i>	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>
Non-current portion				
<i>Investments in CCOs and similar entities</i>				
Civic Assurance shares	13	13	13	13
Transwaste Canterbury shares	445	417	445	417
Total investments in CCOs and similar entities	458	430	458	430
<i>Other investments</i>				
Hanmer Springs Bowling Club	23	39	23	39
Hurunui Community Development Trust	196	186	196	186
Local Government Funding Agency Borrower Notes	1,308	797	1,308	797
Total other investments	1,527	1,022	1,527	1,022
<i>Total non-current portion</i>	<u>1,985</u>	<u>1,452</u>	<u>1,985</u>	<u>1,452</u>
Total other financial assets	<u>1,987</u>	<u>1,455</u>	<u>1,987</u>	<u>1,455</u>

Fair value

Community loans

The fair value of the Hanmer Springs Bowling Club loan is \$25,404 (2023: \$42,749). The Hanmer Springs Bowling Club pays interest at market rates and as such, fair value has been determined at face value of the loan as at 30 June 2024.

The fair value of the Hurunui Community Development Trust loan is \$196,116 (2023: \$185,892). The loan is interest free and as such, the fair value is determined using discounted cash flows at 5.50%.

Unlisted shares

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

Community loans

The face value of the Hanmer Springs Bowling Club loan is \$25,404 (2023: \$42,749).

The face value of the Hurunui Community Development Trust loan is \$415,000 (2023: \$415,000).

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

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

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
At 1 July	229	0	229	0
New loans drawn	0	460	0	460
Fair value adjustment on initial recognition	10	(229)	10	(229)
Loan repaid during the year	(17)	(2)	(17)	(2)
Expected credit loss allowance recognised during the year	0	0	0	0
At 30 June	<u>222</u>	<u>229</u>	<u>222</u>	<u>229</u>

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

NOTE 14 - Investments in associates

Accounting policy

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

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

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

Breakdown of investment in associate and further information

	Group	
	Actual 2024 \$000's	Actual 2023 \$000's
Movements in the carrying amount of investment in Enterprise North Canterbury		
Balance at 1 July	282	265
Share of total recognised revenues and expenses for this year	1	17
Balance at 30 June	283	282
Summarised financial information of Enterprise North Canterbury		
Assets	852	1,205
Liabilities	285	640
Revenues	1,551	1,342
Surplus/(deficit)	2	46
Group's interest	50%	50%

Enterprise North Canterbury recorded no contingent assets or contingent liabilities as at 30 June 2024 (2023: 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 – 10 years	10 – 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 year	6.25%
- Pavement surface (unsealed)	12 years	8.33%
- Culverts	25 – 50 years	2 – 4%
- Kerb and channel	50 – 80 years	1.25 – 2%
- Footpaths	20 – 75 years	1.33 – 5%
- Bridges – timber	70 years	1.43%
- Bridges – concrete and other	100 years	1%

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

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

Impairment of property, plant, and equipment

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

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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

Critical accounting estimates and assumptions

Estimating the fair value of land, buildings, and infrastructure

Revaluation

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

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

Operational land and buildings

Land and buildings were valued by QV Limited (Registered Valuers) as at 30 June 2023.

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

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

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

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

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

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

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

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

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

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

Restricted assets

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

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

The most recent valuation of three water assets (sewerage, water and stormwater) was performed internally by the Council's Technical Officer - Utilities, D Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. The sewer ponds in Amberley and Hanmer Springs have been valued at cost less accumulated depreciation. The valuation is effective as at 30 June 2024.

Roading assets were valued at depreciated replacement cost as at 30 June 2022. The valuation was prepared by Stephen Lee and Jako Abrie of Beca Limited. The valuation was reviewed by Kevin Dunn of Beca Limited and approved by Marvin Clough of Beca Limited. In 2023 Council revised the values to reflect fair value at 30 June 2023. That fair value assessment was based on industry movements in roading costs, which we obtained from Waka Kotahi NZ Transport Agency's June 2023 Indices for: Maintenance; Reseals; Networks Outcomes; Structures; Construction; Professional Services and Bitumen Price.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 15 - Property, plant and equipment

Core infrastructure asset disclosures

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

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
	\$000	\$000	\$000	\$000
2024				
Water supply - treatment plants and facilities	15,453	2,062	0	30,111
Water supply - other assets	111,668	12,394	782	161,333
Sewerage - treatment plants and facilities	9,993	0	0	13,793
Sewerage - other assets	38,000	1,561	840	58,155
Stormwater and drainage	18,500	2,546	2,149	20,767
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	417,352	4,347	1,215	751,419
2023				
Water supply - treatment plants and facilities	16,372	8,072	0	25,656
Water supply - other assets	70,467	5,808	483	121,995
Sewerage - treatment plants and facilities	11,588	210	0	9,372
Sewerage - other assets	25,053	1,127	964	43,023
Stormwater and drainage	12,317	204	74	15,086
Flood protection and control works	0	0	0	0
Roads and footpaths (excluding land)	421,710	4,949	1,345	745,303

Work in progress

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

	Council and group	
	2024	2023
Water infrastructure	16,406,145	13,699,545
Sewer infrastructure	1,940,111	1,488,598
Stormwater infrastructure	2,990,023	824,187
Roading infrastructure	0	0
Council land - operational	0	0
Council land - restricted	0	0
Council buildings - operational	0	0
Council buildings - restricted	1,828,741	1,112,890
	23,165,021	17,125,221

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	
	2024	2023
Water infrastructure	974,738	73,528
Sewer infrastructure	256,313	73,665
Stormwater infrastructure	223,977	8,086
	1,455,028	155,278

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.

Hurunui District Council

Capital commitments

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Water infrastructure	1,366	3,369	1,366	3,369
Sewer infrastructure	284	0	284	0
Stormwater infrastructure	0	0	0	0
Roading infrastructure	16	0	16	0
Other capital commitments	2,648	97	2,648	97
Total capital commitments	4,313	3,466	4,313	3,466

The Council has allowed in its Long Term Plan to undertake direct roading expenditure to the value of \$15.4 million over the next twelve months (1 July 2024 to 30 June 2025). Of this amount \$8.5 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	9,539	0	9,539	0	(84)	2,447	0	0	0	0	11,901	0	11,901
Council Buildings	17,329	366	16,963	523	(470)	2,095	0	0	268	0	19,314	0	19,314
Council Plant & Equipment	7,884	6,729	1,155	775					641	(355)	8,189	7,016	1,174
Library Books	1,702	1,522	180	57					56		1,759	1,578	181
Thermal Reserve Buildings & Pools	19,220	764	18,456	875	0	4,634	0	0	393	0	23,520	393	23,520
Thermal Reserve Plant & Equipment	17,456	8,821	8,634	598					1,018	(95)	18,054	9,840	8,214
2023 Total	73,129	18,202	54,927	2,779	(554)	9,175	0	0	2,377	(95)	82,738	18,433	64,304
Freehold Land	11,901	0	11,901	4	0	0	180	0	0	0	12,085	0	12,085
Council Buildings	19,314	0	19,314	786	(270)	0	428	0	298	(270)	20,100	298	19,802
Council Plant & Equipment	8,189	7,016	1,174	546					648		8,892	7,393	1,499
Library Books	1,759	1,578	181	63					57		1,823	1,635	188
Thermal Reserve Buildings & Pools	23,520	0	23,520	2,442	0	0	0	0	494	0	25,963	494	25,469
Thermal Reserve Plant & Equipment	18,054	9,840	8,214	885	0	0	0	0	1,038	0	19,939	10,878	8,061
2024 Total	82,738	18,433	64,304	4,727	(270)	0	607	0	2,535	(270)	87,901	20,698	67,103
Restricted Assets													
Freehold Land	30,885	0	30,885	31	(25)	9,385	0	0	448	0	40,277	0	40,277
Council Buildings	18,200	923	17,277	1,232	(25)	2,918	0	0	448	0	20,979	0	20,979
2023 Total	49,085	923	48,162	1,263	(25)	12,303	0	0	448	0	61,256	0	61,256
Freehold Land	40,277	0	40,277	1,737	0	0	0	0	495	0	42,014	0	42,014
Council Buildings	20,979	0	20,979	586	0	0	0	0	495	0	21,565	495	21,070
2024 Total	61,256	0	61,256	2,323	0	0	0	0	495	0	63,578	495	63,083
Infrastructural Assets													
Freehold Land	3,482	0	3,482	63	0	642	(98)	0	0	0	4,187	0	4,187
Roading Land	12,269	0	12,269	7	0	0	0	0	0	0	12,178	0	12,178
Water	76,837	2,052	74,785	14,363	(30)	0	0	0	2,309	0	91,200	4,361	86,839
Sewerage	36,205	903	35,302	2,301	(30)	0	0	0	932	0	38,476	1,835	36,641
Roading	430,847	0	430,847	6,304	0	4,189	98	0	9,718	0	421,710	0	421,710
Drainage	12,408	184	12,224	278	0	0	0	0	185	0	12,686	369	12,317
2023 Total	562,048	3,139	558,909	23,306	(30)	4,831	0	0	13,183	0	580,438	6,585	573,873
Freehold Land	4,187	0	4,187	4	0	0	0	0	0	0	4,191	0	4,191
Roading Land	12,178	0	12,178	0	0	0	0	0	0	0	12,178	0	12,178
Water	91,200	4,361	86,839	15,237	(14)	28,075	(465)	0	2,565	(14)	127,122	0	127,122
Sewerage	38,476	1,835	36,641	2,401	(0)	10,065	(148)	0	965	0	47,993	965	47,993
Roading	421,710	0	421,710	5,562	0	0	0	0	9,920	0	427,272	9,920	417,352
Drainage	12,686	369	12,317	4,695	0	1,968	(259)	0	221	0	18,500	221	18,500
2024 Total	580,438	6,565	573,873	27,899	(15)	40,108	(873)	0	13,672	(14)	637,256	9,920	627,336
Total 2023	684,263	22,265	661,998	27,348	(609)	26,309	(266)	0	15,968	(95)	724,431	24,998	699,433
Total 2024	724,431	24,998	699,433	34,549	(285)	40,108	(266)	0	16,701	(285)	788,636	31,113	757,523

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

NOTE 16 - Intangible assets

Accounting policy

Software acquisition and development

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

Carbon credits

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

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

Amortisation

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

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

Impairment of intangible assets

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

Breakdown of intangible assets and further information

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Software:				
Cost				
Balance at 1 July	1,086	1,047	1,086	1,047
Additions	134	39	134	39
Disposals	0	0	0	0
Balance at 30 June	1,220	1,086	1,220	1,086
Aerial photography:				
Cost				
Balance at 1 July	396	313	396	313
Additions	16	83	16	83
Disposals	0	0	0	0
Balance at 30 June	412	396	412	396
Accumulated amortisation and impairment				
Balance at 1 July	1,298	1,225	1,298	1,225
Amortisation charge for software and aerial photography	60	73	60	73
Disposals	0	0	0	0
Balance at 30 June	1,358	1,298	1,358	1,298
Carrying amount at 30 June	274	184	274	184
New Zealand Emission Units:				
Cost				
Balance at 1 July	433	802	433	802
Additions	0	0	0	0
Disposals	0	0	0	0
Add increase/(decrease) in value	99	(370)	99	(370)
Carrying amount at 30 June	532	433	532	433
Total intangible assets	806	617	806	617

Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities (2023: Nil)

NOTE 17 - Depreciation and amortisation expenses by group activity

	Council	
	Actual 2024 \$000's	Actual 2023 \$000's
Directly attributable depreciation and amortisation expense by group of activity		
Water Supplies	2,734	2,466
Sewerage	965	932
Roads and Footpaths	9,920	9,718
Stormwater and Drainage	221	185
Coastal Hazards	0	0
Public Services	997	915
Regulatory Services	0	0
Hanmer Springs Thermal Pools and Spa	1,532	1,412
Governance & Corporate Services	383	413
Total depreciation and amortisation expense	16,753	16,041
<i>Add loss on disposal of assets</i>		
Water Supplies	0	11
Sewerage	0	37
Stormwater and Drainage	0	0
Public Services	0	0
Governance & Corporate Services	0	0
Total depreciation, amortisation and loss in disposal	16,753	16,090

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Balance at 1 July	326	295	326	295
Increase due to purchases	0	0	0	0
Gains/(losses) arising from changes attributable to physical changes	2	0	2	0
Gains/(losses) arising from changes attributable to price changes	(75)	31	(75)	31
Reclassified as assets held for sale	0	0	0	0
Decreases due to harvest	0	0	0	0
Balance at 30 June	253	326	253	326

The Council owns 70.1 hectares of predominantly radiata pine forestry, which are at varying stages of maturity ranging from 3 to 39 years (2023: 73.6 hectares). The forest estate has been remapped using 2022 aerial imagery sourced from LINZ. The total forest area reduced by 3.5ha

Valuation assumptions

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2024.

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

- a pre-tax discount rate of 8.00% (2023: 8.00%) 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 2024, the Council was allocated 10,560 NZUs. The value of these have been recognised as intangible assets in Note 16 (2023: 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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Current portion				
<i>Payables and deferred revenue under exchange contracts</i>				
Trade payables and accrued expenses	7,970	8,446	7,970	8,446
Development and financial contribution in advance	554	436	554	436
Other deferred revenue	1,620	1,775	1,620	1,775
<i>Total</i>	<u>10,144</u>	<u>10,657</u>	<u>10,144</u>	<u>10,657</u>
<i>Payables and deferred revenue under non-exchange contracts</i>				
Income tax payable	0	0	0	0
Other taxes payable	0	0	0	0
Other grants received subject to substantive conditions not yet met	1,564	1,612	1,564	1,612
<i>Total</i>	<u>1,564</u>	<u>1,612</u>	<u>1,564</u>	<u>1,612</u>
Total payables and deferred revenue - current portion	<u>11,709</u>	<u>12,269</u>	<u>11,709</u>	<u>12,269</u>
Non-current portion				
<i>Payables and deferred revenue under non-exchange contracts</i>				
Other grants received subject to substantive conditions not yet met	0	0	0	0
Total payables and deferred revenue - non-current portion	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

Other grants include:

- A total of \$335,118 (2023: \$383,235) 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 2024/2025 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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Secured loans				
Current	17,000	13,500	17,000	13,500
Non-current	50,000	34,000	50,000	34,000
Balance	67,000	47,500	67,000	47,500

As at 30 June 2024, the Council has \$7.0 million (2023 \$5.5 million) of its \$74.1 million (2023: \$53.1 million) debt facilities available. The total amount of the borrowings approximates its fair value.

Interest terms for secured loans

Of the Council's borrowing, \$53.1 million (2023: \$42.5 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 \$14.0 million (2023: \$5.0 million) of the Council's borrowing was on a fixed rate. As well as the fixed rate loans, the Council uses interest rate swaps to provide for a fixed rate portion of the borrowings of 44.03% (2023: 43.15%)

The effective fixed rates for the portion included in interest rate swaps and interest rate caps range from 1.44% to 4.81% (2023: 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 2024, Council had issued \$57.0 million of Security Stock to the Local Government Funding Agency for term debt (2023: \$38.0 million). Council had also issued Security Stock with the Local Government Funding Agency in relation to short term debt which amounted to \$10.0 million as at 30 June 2024 (2023: \$8.0 million). Council has also issued \$31.0 million of Security Stock to Trading Banks (2023: \$31.0 million).

Internal borrowings

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

NOTE 21 - Employee entitlements

Accounting policy

Short-term employee entitlements

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

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

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

Long-term employee entitlements

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

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

Presentation of employee entitlements

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

Critical accounting estimates and assumptions

Estimating long service leave obligations

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

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

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

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

A weighted average discount rate of 5.50% (2023: 5.50%) and an inflation factor of 3.30% (2023: 6.00%) were used.

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Current portion				
Accrued pay	308	390	308	390
Annual leave	1,294	1,217	1,294	1,217
Sick leave	55	56	55	56
Long service leave	76	87	76	87
	1,732	1,750	1,732	1,750
Non-current portion				
Long service leave	89	88	89	88
	89	88	89	88
	1,821	1,838	1,821	1,838

NOTE 22 - Provisions

Accounting policy

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

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

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

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

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

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

- The annual aftercare costs relating to closed landfills have been estimated at \$8,000 per annum until 2032.
- Additional provisions of \$119,000 for 2024/2025 have been made for remediation of the Waikari Landfill.
- An annual inflation factor of 3.30% (2023: 6.00%) has been applied in estimating the future cash outflows.
- Discount rate of 5.50% (2023: 5.50%) 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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Balance at 1 July	295	107	295	107
Additional provisions	119	221	119	221
Adjustment to provisions	(15)	(33)	(15)	(33)
Amount of provision used	0	0	0	0
Balance at 30 June	399	295	399	295
Disclosed as:				
Current	348	123	348	123
Non-current	50	172	50	172
	399	295	399	295

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 2024, the Council is one of the participating authorities of the LGFA as a guarantor.

The Council is not a shareholder in the LGFA, however, the total uncalled capital of the shareholders amounts to \$20.0 million, which 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 2024, the LGFA had borrowings totalling \$23.03 billion (2023: \$17.68 billion).

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

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

RiskPool

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

Impairment of buildings

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

Contingent assets

As at 30 June 2024, the Council had no outstanding contingent assets. (2023: \$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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Asset revaluation reserve				
Balance at 1 July	468,166	441,857	468,166	441,857
Revaluation increments/(decrements)	40,108	26,309	40,108	26,309
Adjustment to opening balance	0	0	0	0
Impairment of assets	0	0	0	0
Plant, property and equipment disposed	0	0	0	0
Balance at 30 June	508,275	468,166	508,275	468,166
Available for sale reserve				
Balance at 1 July	238	273	238	273
Valuation gain/(loss) recognised	28	(35)	28	(35)
Balance at 30 June	266	238	266	238,135
Special fund reserves				
Balance at 1 July	8,004	6,554	8,004	6,554
Adjustment to the opening balance	0	20	0	20
Adjusted balance at 1 July	8,004	6,574	8,004	6,574
Surplus/(deficit) for year	2,259	1,538	2,259	1,538
Transfers in/(out)	(127)	(109)	(127)	(109)
Balance at 30 June	10,136	8,004	10,136	8,004
Rate reserve funds				
Balance at 1 July	(63,051)	(49,100)	(63,051)	(49,100)
Adjustment to the opening balance	851	61	851	61
Surplus/(deficit) for year	12,124	9,242	12,124	9,242
Transfers in/(out)	(30,847)	(23,255)	(30,847)	(23,255)
Balance at 30 June	(80,923)	(63,051)	(80,923)	(63,051)

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Retained earnings				
Balance at 1 July	233,576	223,522	233,293	223,257
Adjustment to the opening balance of rate reserve funds	(851)	(81)	(851)	(81)
Adjustment to the opening balance due to reclassification of Property, Plant & Equipment	(266)	0	(266)	0
Surplus/(deficit) after tax	(107)	(2,603)	(108)	(2,621)
Plant, property and equipment disposed	0	0	0	0
Found assets	1,455	155	1,455	155
Net internal borrowing appropriations	18,724	14,013	18,724	14,013
Net special fund appropriations	(2,132)	(1,429)	(2,132)	(1,429)
Balance at 30 June	250,398	233,576	250,114	233,293
Summary of equity accounts				
Asset revaluation reserve	508,275	468,166	508,275	468,166
Available-for-sale revaluation reserve	266	238	266	238
Special fund reserves	10,136	8,004	10,136	8,004
Rate reserve funds	(80,923)	(63,051)	(80,923)	(63,051)
Retained earnings	250,398	233,576	250,114	233,293
	688,152	646,933	687,868	646,650

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 2024

Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2023	Appropriations 2023-2024 Transfers In/(Out)	Closing Balance 30 June 2024
			\$	\$	\$
Urban Water Development Contributions Fund	Water Supplies	To provide funds for growth related urban water projects	955,933	262,480	1,218,413
Rural Water Development Contributions Fund	Water Supplies	To provide funds for growth related rural water projects	746,245	217,760	963,505
Sewer Development Contributions Fund	Sewerage	To provide funds for growth related sewer projects	1,680,801	486,065	2,166,866
Amberley Beach Reserve Fund	Reserves	To fund projects for Amberley Beach	164,244	5,770	170,014
Lethfield Beach Fund	Reserves	To fund projects for Lethfield Beach	11,189	11,189	(24,218)
Amberley Township Reserves Development Fund	Reserves	To provide funds for growth related projects for township reserves in Amberley	1,034,900	266,243	1,301,144
Amberley Walking & Cycling Routes Development Fund	Reserves	To provide funds for growth related projects for walking and cycling routes in the Amberley Ward	322,377	92,207	363,664
Amberley Ward Reserves Development Fund	Reserves	To provide funds for growth related projects for ward reserves in Amberley	687,643	392,941	1,016,643
Amberley RSA Fund	Reserves	To hold funds on behalf of the Amberley RSA	72	(72)	0
Amberley Reserve Pavilion Development Fund	Property	To provide funds for growth related projects for the Amberley Reserve Pavilion	6,225	323	6,548
Amberley Stormwater Development Reserve	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	380,657	140,124	520,781
Amberley Contestable Fund	Reserves	To provide funds for reserve projects in the Amberley Ward	22,743	(1,315)	21,428
Amuri Ward Land Subdivision Reserve	Reserves	To fund projects for the Amuri Ward	(0)	0	(0)
Amuri Community Centre	Community Services and Facilities	To fund projects for the Culverden Community Centre	56,152	75,112	131,264
Amuri Sports Facilities Fund	Reserves	To fund projects for sports facilities in the Amuri Ward	17,388	7,745	25,133
Amuri Contestable Fund	Reserves	To provide funds for reserve projects in the Amuri Ward	17,787	3,084	20,870
Waiau Community Pool Fund	Reserves	To provide funds for on-going operations of the Swimming Pool for the Waiau Community	152,630	23,089	175,719
Waiau River Protection Fund	Reserves	To provide funds for the River Protection work of the Waiau Township	33,979	11,940	45,920
Cheviot Ward Land Subdivision Reserve	Reserves	To fund projects for Cheviot Ward	0	0	0
Cheviot RSA Fund	Reserves	To hold funds on behalf of the Cheviot RSA	5,395	177	5,573
Cheviot Contestable Fund	Reserves	To provide funds for reserve projects in the Cheviot Ward	41,108	6,000	47,108
Glenmark Ward Land Subdivision Reserve	Reserves	To fund projects for Glenmark Ward	(0)	0	(0)
Waipara Pavilion Fund	Reserves	To fund projects for the Waipara Pavilion	0	0	0
Kate Valley Landfill Community Trust Fund	Reserves	To hold funds for projects in the Waipara area	0	0	0
Omihiri Reserve Development	Reserves	To provide funds for growth related projects for the Omihiri Reserve	0	0	0
Glenmark Contestable Fund	Reserves	To provide funds for reserve projects in the Glenmark Ward	22,705	(2,810)	19,895
Hammer Springs Domain Development Reserve	Reserves	To provide funds for growth related projects for the Domain in Hammer Springs	125,440	44,975	167,409
Hammer Springs Domain Pavilion Fund	Reserves	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	34,114	(8,222)	25,892
Hammer Springs Hall Development Reserve	Property	To provide funds for growth related projects for the Hammer Springs Hall	0	0	0
Hammer Springs Township Development Reserve	Property	To provide funds for growth related projects for the Town Centre in Hammer Springs	(303,073)	13,958	(289,115)
Hammer Springs Conical Hill	Reserves	To provide funds for growth related projects for the Conical Walkway area in Hammer Springs	6,742	4,276	11,018
Hammer Springs Contestable Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	55,597	5,700	61,297
Hammer Springs Staff House Reserve Fund	Reserves	To provide funds for reserve projects in the Hammer Springs Ward	155,349	1,188	156,537
Hammer Springs Medical Centre Development Contributions Fund	Property	To provide funds for growth related projects for the Medical Centre in Hammer Springs	8,051	0	7,737
Hammer Springs Stormwater Development Contributions Fund	Stormwater and Drainage	To provide funds for growth related projects for Hammer Springs Stormwater	69,266	8,051	77,317
Hammer Springs Weather Contingency Fund	Reserves	To provide funds to assist in repair work following a significant weather event in Hammer Springs	60,155	19,352	79,506
Hammer Springs Track Network Group	Reserves	To provide funds to assist in projects carried out by the Hammer Springs Track Network Group	25,945	1,154	27,099
Hurunui Ward Land Subdivision Reserve	Reserves	To fund projects for the Hurunui Ward	24,732	1,662	26,395
Hurunui Contestable Fund	Reserves	To fund projects for the Hurunui Ward	6,963	245	7,208
Waiau Gorge Ferry Bridge Preservation	Reserves	To provide funds for reserve projects in the Hurunui Ward	7,113	5,439	12,552
Waiau Gorge Ferry Bridge Preservation	Reserves	To provide funds for the maintenance of the Waiau Ferry Bridge	87,120	10,079	97,199
Hammer Springs Tourism Promotion	Reserves	To fund marketing projects for the Hammer Springs Ward	29,186	5,703	34,889
Queen Mary Development Reserve	Reserves	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	1,227,684	147,750	1,375,434
District Library Development Contributions Fund	Community Services	To provide funds for growth related projects for the District Library	13,152	(0)	13,152
Mayor's Task Force for Jobs	Community Services	To provide a holding account for unused funding for the MTF programme	14,228	(0)	14,228
Chamberlain Bros Trust	Reserves	To provide funds for projects on Chamberlain Park in Amberley	15,276	(126)	15,150
Graves Maintenance Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,659	87	2,747
Culverden Domain Gates	Reserves	To provide funds for the replacement of the gates leading into the Culverden Domain	768	25	794
Busch Legacy Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	436	14	450
Hawarden Memorial Park	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	8,159	234	8,393
Bridson Trust	Reserves	To fund projects on the Hawarden Reserve	1,395	160	1,555
Forrester Trust	Reserves	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,487	49	1,536
Hammer Heritage Forest Trust	Reserves	To provide funds for the activities of the Hammer Heritage Forest Trust	3,178	104	3,282
Hammer Springs Community Restoration Fund	Reserves	To hold funds for Restoration Projects in Hammer Springs	493	7	500
Waikari Ngahai Club	Reserves	To hold funds for the Waikari Ngahai Club	3,886	14	3,899
Adverse Events Reserve	Reserves	To provide funds for adverse events	13,114	0	13,114
			8,003,680	2,259,432	10,136,103
				(127,009)	

Special Fund Reserves as at 30 June 2023

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2022	Appropriations 2022-2023 Surplus/ (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2023
Urban Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related urban water projects	790,726	165,207	0	955,933
Rural Water Development Contributions Fund	Water Supplies	Water Supplies	To provide funds for growth related rural water projects	526,576	219,669	0	746,245
Sewer Development Contributions Fund	Sewerage	Sewerage	To provide funds for growth related sewer projects	1,352,594	328,207	0	1,680,801
Amberley Beach Reserve Fund	Reserves	Community Services and Facilities	To fund projects for Amberley Beach Correction to Opening Balance	20,000	3,209	20,000	164,244
Leihfield Beach Fund	Reserves	Community Services and Facilities	To fund projects for Leihfield Beach	(46,163)	10,755	0	(35,407)
Amberley Township Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for township reserves in Amberley	850,515	184,385	0	1,034,900
Amberley Walking & Cycling Routes Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	261,236	61,141	0	322,377
Amberley Ward Reserves Development Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for ward reserves in Amberley	516,865	191,750	(21,431)	687,184
Amberley RSA Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Amberley RSA	523	(451)	0	72
Amberley Reserve Pavilion Development Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Amberley Reserve Pavilion	6,062	163	0	6,225
Amberley Stormwater Development Reserve	Reserves	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	283,121	97,535	0	380,657
Amberley Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amberley Ward	26,958	68,509	(72,725)	22,743
Amuri Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for the Amuri Ward	0	0	0	(0)
Amuri Community Centre	Reserves	Community Services and Facilities	To fund projects for the Culverden Community Centre	54,701	1,451	0	56,152
Amuri Sports Facilities Fund	Reserves	Community Services and Facilities	To fund projects for sports facilities in the Amuri Ward	10,013	7,375	0	17,388
Amuri Contestable Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Amuri Ward	22,093	(4,307)	0	17,787
Waiau Community Pool Fund	Reserves	Community Services and Facilities	To provide funds for on-going operations of the Swimming Pool for the Waiau Community	119,151	33,479	0	152,630
Cheviot Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To provide funds for the River Protection work of the Waiau Township	35,263	(1,284)	0	33,979
Cheviot RSA Fund	Reserves	Community Services and Facilities	To fund projects for Cheviot Ward	0	0	0	0
Cheviot Contestable Fund	Reserves	Community Services and Facilities	To hold funds on behalf of the Cheviot RSA	4,735	661	0	5,395
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Cheviot Ward	32,774	8,333	0	41,108
Glenmark Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To fund projects for Glenmark Ward	(0)	0	0	(0)
Kate Valley Landfill Community Trust Fund	Reserves	Community Services and Facilities	To fund projects for the Waipara Pavilion	0	0	0	0
Omihiri Reserve Development	Reserves	Community Services and Facilities	To hold funds for projects in the Waipara area	0	0	0	0
Glenmark Contestable Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Omihiri Reserve	0	0	0	0
Hammer Springs Domain Development Reserve	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Glenmark Ward	16,373	6,332	0	22,705
Hammer Springs Domain Pavilion Fund	Property	Community Services and Facilities	To provide funds for growth related projects for the Domain in Hammer Springs	127,288	7,254	(9,101)	125,440
Hammer Springs Hall Development Reserve	Property	Community Services and Facilities	To provide funds for future upgrade of the Domain Pavilion in Hammer Springs	33,234	881	0	34,114
Hammer Springs Township Development Reserve	Property	Community Services and Facilities	To provide funds for growth related projects for the Hammer Springs Hall	0	0	0	0
Hammer Springs Contingency Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	(293,578)	(9,495)	0	(303,073)
Hammer Springs Contingency Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for the Town Centre in Hammer Springs	21,199	1,443	(15,900)	6,742
Hammer Springs Staff House Reserve Fund	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	47,264	8,333	0	55,597
Hammer Springs Medical Centre Development Contributions Fund	Property	Community Services and Facilities	To provide funds for reserve projects in the Hammer Springs Ward	213,504	2,872	(61,027)	155,349
Hammer Springs Stormwater Development Contributions Fund	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for the Medical Centre in Hammer Springs	68,065	3,211	0	69,266
Hammer Springs Weather Contingency Fund	Reserves	Community Services and Facilities	To provide funds for growth related projects for Hammer Springs Stormwater	58,603	1,552	0	60,155
Hammer Springs Track Network Group	Reserves	Community Services and Facilities	To provide funds to assist in repair work following a significant weather event in Hammer Springs	0	10,816	15,129	25,945
Hurunui Ward Land Subdivision Reserve	Reserves	Community Services and Facilities	To provide funds to assist in projects carried out by the Hammer Springs Track Network Group	0	(10,883)	35,615	24,732
Hurunui Contestable Fund	Reserves	Community Services and Facilities	To fund projects for the Hurunui Ward	6,783	180	0	6,963
Waiau Gorge Ferry Bridge Preservation	Reserves	Community Services and Facilities	To provide funds for reserve projects in the Hurunui Ward	5,795	1,318	0	7,113
Hammer Springs Tourism Promotion	Reserves	Community Services and Facilities	To provide funds for the maintenance of the Waiau Ferry Bridge	79,226	7,894	0	87,120
Queen Mary Development Reserve	Reserves	Community Services and Facilities	To fund marketing projects for the Hammer Springs Ward	24,670	4,516	0	29,186
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	1,114,027	113,657	0	1,227,684
Mayor's Task Force for Jobs	Community Services	Community Services and Facilities	To provide funds for growth related projects for the District Library	13,152	0	0	13,152
Graves Maintenance Trust	Reserves	Community Services and Facilities	To provide a holding account for unused funding for the MTF programme	1,937	12,292	0	14,228
Culverden Domain Gates	Reserves	Community Services and Facilities	To provide funds for projects on Chamberlain Park in Amberley	15,601	(325)	0	15,276
Busch Legacy Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,595	65	0	2,659
Hawarden Memorial Park	Reserves	Community Services and Facilities	To provide funds for the replacement of the gates leading into the Culverden Domain	750	19	0	768
Bridson Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	8,134	11	0	8,145
Forrester Trust	Reserves	Community Services and Facilities	To fund projects on the Hawarden Reserve	425	25	0	450
Hammer Heritage Forest Trust	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,461	34	0	1,495
Hammer Springs Community Restoration Fund	Reserves	Community Services and Facilities	To provide funds for maintenance of gravestones in the Council's Cemeteries	3,100	78	0	3,178
Walkari Netball Club	Reserves	Community Services and Facilities	To provide funds for the activities of the Hammer Heritage Forest Trust	0	493	0	493
Adverse Events Reserve	Reserves	Community Services and Facilities	To hold funds for Restoration Projects in Hammer Springs	3,792	94	0	3,886
			To hold funds for the Walkari Netball Club	13,114	0	0	13,114
			To provide funds for adverse events				
				6,574,629	1,538,491	(109,440)	8,003,680

Rate Reserve Funds as at 30 June 2024

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2023	Appropriations 2023-2024 (Deficit)	Transfers In/(Out)	Closing Balance 30 June 2024
				\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water connection to Opening Balance	(27,503,333)	(512,593)	(14,732,811)	(42,288,343)
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	465,395	39,379	0	154,619
Three Waters Stimulus Package	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	115,240	(25,484)	470,181	0
Three Waters Earthquake Recovery Debt	Water Supplies	Water Supplies	Debt from Three Waters Activities resulting from November 2016 Honunui-Kaikoura Earthquake	(345,815)	41,830	0	(303,985)
Three Waters Plant Account	Water Supplies	Water Supplies	To provide for vehicles and plant to support the three waters activity	(630,619)	10,367	(193,223)	(813,475)
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for sewer	(9,239,674)	1,017,178	(2,144,301)	(10,218,757)
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	148,040	2,220,303	(2,104,172)	504,864
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	Correction to Opening Balance	238,044	133,649	(2,259,354)	(3,956,062)
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Cheviot stormwater	(1,830,356)	4,151	(7,243)	43,957
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	6,913	1,075	0	7,988
Motunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Motunau Beach Stormwater	(24,363)	334	0	(24,030)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hawarden stormwater	(183,366)	145,435	(107,054)	(444,985)
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Waikari stormwater	(3,365)	15,269	0	11,903
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Woodbank Road	34,596	8,642	0	43,238
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To stage Road Fundings over the life of the Long Term Plan	(1,459,074)	7,111,479	(5,118,105)	534,300
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	0	0	0	0
Amberley Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	(499,047)	42,421	(444,103)	(900,729)
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward	50,738	24,408	0	75,146
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	0	0	0	0
Cheviot Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	13,984	14,904	0	28,888
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Waipara Township	120,689	4,242	0	124,881
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	7,896	3,990	0	11,826
Hammer Springs Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hammer Township	(109,803)	29,792	0	(80,011)
Hammer Springs Subdivision Expenditure	Roads and Footpaths	Roads and Footpaths	Township	0	0	0	0
Hurunui Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	69,892	2,458	0	72,350
Amberley Beach Foreshore Protection	Coastal Hazards	Coastal Hazards	To fund capital projects for Amberley Beach Foreshore Protection	113,705	27,858	20,000	161,563
District Library - Amberley Ward	Community Services	Community Services	To fund portion of District Library construction costs	(0)	0	0	(0)
Amberley Ward Pool Fund	Community Services	Community Services	To fund levy required for the proposed Amberley Pool	(898,836)	114,897	(10,076)	(794,014)
Canterbury Museum Capital Levy Fund	Community Services	Community Services	To fund levy required for the Capital Development work of the Canterbury Museum	237,485	(175,281)	0	62,204
Amberley Amenities	Community Services	Community Services	To fund capital projects for Amberley Ward Amenities	(1,192,651)	(70,116)	(92,022)	(1,354,821)
Amuri Amenities	Community Services	Community Services	To fund capital projects for Amuri Ward Amenities	(48,178)	70,558	0	22,380
Cheviot Amenities	Community Services	Community Services	To fund capital projects for Cheviot Ward Amenities	6,814	(22,382)	7,243	(8,326)
Northern Glenmark Amenities	Community Services	Community Services	To fund capital projects for Northern Glenmark Amenities	29,004	6,976	(2,870)	33,111
Waipara Amenities	Community Services	Community Services	To fund capital projects for Waipara Amenities	64,773	(10,390)	(4,875)	49,508
Omihiri Amenities	Community Services	Community Services	To fund capital projects for Omihiri Amenities	30,209	2,305	5,316	37,830
Hurunui Springs Amenities	Community Services	Community Services	To fund capital projects for Hurunui Springs Ward Amenities	(1,078,382)	90,391	(9,920)	(997,910)
Hurunui Amenities	Community Services	Community Services	To fund capital projects for Hurunui Ward Amenities	26,212	(47,717)	10,000	(11,505)
Amuri Medical General	Property	Property	To fund capital projects for medical centres in the Amuri Ward	31,506	38,172	0	69,678
Cheviot Medical General	Property	Property	To fund capital projects for medical centres in the Cheviot Ward	(127,560)	38,279	0	(89,281)
Hammer Springs Medical General	Property	Property	To fund capital projects for medical centres in the Hammer Springs Ward	(254,511)	11,010	(10,135)	(253,636)
Hammer Springs Medical House	Property	Property	To fund purchase of doctor's residence in the Hammer Springs Ward	(185,863)	39,739	(29,965)	(176,089)
Waikari Medical Centre	Property	Property	To fund capital projects for medical centres in the Hurunui Ward	(97,489)	103,144	0	5,655
Social Housing Fund	Property	Property	To fund capital projects for Social Housing throughout the District	(279,544)	(25,180)	(192,775)	(497,499)
Earthquake Prone Buildings Fund	Property	Property	To fund assessment and improvements to Council owned buildings to meet NBS requirements	356,300	97,755	0	454,055
Queen Mary South	Property	Property	To fund the development of the Queen Mary South land in Hammer Springs	0	738,748	(1,650,000)	(911,252)
Soldiers' Block Redevelopment	Property	Property	To fund the redevelopment of the Soldiers' Block in Hammer Springs	0	555,760	(545,432)	10,328
Soldiers' Block Redevelopment	Property	Property	To fund the redevelopment of the Soldiers' Block in Hammer Springs	0	555,760	(545,432)	10,328
Refuse Collection	Waste Minimisation	Regulatory Services	To fund previous deficits recorded for Refuse Collection	(14,009,372)	(119,849)	0	(1,912,076)
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	0	0	(1,700,000)	(1,700,000)
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	(14,009,372)	0	0	(15,709,372)
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	To fund the District's debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(2,326,377)	325,706	(1,509)	(2,002,181)
Earthquake Recovery Debt	Earthquake Recovery	Earthquake Recovery	To fund the District's debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(62,199,411)	12,123,951	(90,847,204)	(80,923,064)

Rate Reserve Funds as at 30 June 2023

	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Opening Balance 1 July 2022	Appropriations 2022-2023 Surplus/ (Deficit)	Capital Expenditure	Closing Balance 30 June 2023
				\$	\$	\$	\$
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to water	(14,006,263)			
Balmoral Water	Water Supplies	Water Supplies	Correction to Opening Balance	43,175	713,664	(14,263,909)	(27,503,333)
Three Waters Stimulus Package	Water Supplies	Water Supplies	To fund capital projects for Balmoral water	73,153	42,087	0	115,240
Three Waters Earthquake Recovery Debt	Water Supplies	Water Supplies	To provide a holding account for funding relating to the Three Waters Stimulus Package	(473,656)	74,620	(45,661)	(444,697)
Three Waters Earthquake Recovery Debt	Water Supplies	Water Supplies	Debt from Three Waters Activities resulting from November 2016 Hurunui-Kaikoura Earthquake	0	0	0	0
Three Waters Plant Account	Water Supplies	Water Supplies	Sequence	(886,193)	40,378	0	(345,815)
District Wide Sewer	Sewerage	Sewerage	Correction to Opening Balance	(479,349)	20,701	(171,971)	(630,619)
District Urban Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for sewer	(8,940,950)	1,475,850	(2,221,156)	(9,239,674)
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund compliance projects for Urban Stormwater	40,864	167,857	(132,408)	150,690
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	Correction to Opening Balance	(1,890,908)	164,838	(104,386)	(1,830,356)
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Amberley stormwater	46,144	8,148	(7,243)	47,048
Mokunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Cheviot stormwater	5,921	992	0	6,913
Hammer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	(27,070)	2,707	0	(24,363)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Motunau Beach Stormwater	(304,760)	123,251	(1,857)	(183,366)
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Hammer Springs Stormwater	(14,878)	11,513	0	(3,365)
District Wide Roading	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Hawarden stormwater	57,794	8,449	(31,647)	34,596
Woodbank Road Sealing - Stage 1	Roads and Footpaths	Roads and Footpaths	To fund capital projects for Waikari stormwater	(1,596,515)	5,840,900	(5,703,459)	(1,459,074)
District Footpath Maintenance	Roads and Footpaths	Roads and Footpaths	To stage Road Funding over the life of the Long Term Plan	4,673	0	0	0
Amberley Special Projects	Roads and Footpaths	Roads and Footpaths	Correction to Opening Balance	(4,673)	0	0	0
Amuri Ward Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund maintenance work on footpaths throughout the District	(187,229)	3,239	(314,957)	(499,047)
Waipara Township Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amberley Ward	78,966	23,438	(51,666)	50,738
Hammer Springs Roadside Construction	Roads and Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward	0	0	0	0
Hammer Springs Subdivision Expenditure	Roads and Footpaths	Roads and Footpaths	To fund roadside construction projects for Amuri Ward	117,519	14,115	(131)	13,984
Amberley Beach Foreshore Protection	Coastal Hazards	Roads and Footpaths	To fund roadside construction projects for Cheviot Ward	3,120	3,120	0	120,639
District Library - Amberley Ward	Community Services	Roads and Footpaths	To fund roadside construction projects for Waipara Township	4,146	3,750	0	7,896
Amberley Ward Pool Fund	Community Services	Roads and Footpaths	To fund roadside construction projects for Hammer Springs Ward	35,377	30,945	(176,124)	(109,803)
Canterbury Museum Capital Levy Fund	Community Services	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hamner	42,819	11,725	(6,544)	89,802
Amberley Amenities	Community Services	Roads and Footpaths	To fund roadside construction projects for Hurunui Ward	67,452	2,440	0	69,892
Cheviot Amenities	Community Services	Public Services	To fund capital projects for Amberley Beach Foreshore Protection	106,057	7,648	0	113,705
Northern Glenmark Amenities	Community Services	Public Services	To fund portion of District Library construction costs	(831,132)	0	0	(831,132)
Waipara Amenities	Community Services	Public Services	Correction to Opening Balance	(3,862)	30,963	(94,804)	(98,836)
Omihiri Amenities	Community Services	Public Services	To fund levy required for the Capital Development work of the Canterbury Museum	202,260	35,225	0	237,485
Hamner Springs Amenities	Community Services	Public Services	To fund capital projects for Amberley Ward Amenities	(1,114,369)	0	0	(1,114,369)
Hurunui Amenities	Community Services	Public Services	Correction to Opening Balance	(20,000)	30,664	(88,975)	(1,192,681)
Hammer Springs Medical General	Property	Public Services	To fund capital projects for Amuri Ward Amenities	(29,346)	(5,695)	(13,138)	(48,178)
Hammer Springs Medical House	Property	Public Services	To fund capital projects for Cheviot Ward Amenities	25,188	(25,617)	7,243	6,814
Walker Medical Centre	Property	Public Services	To fund capital projects for Northern Glenmark Amenities	41,099	(12,095)	0	29,004
Social Housing Fund	Property	Public Services	To fund capital projects for Waipara Amenities	73,459	7,766	(16,452)	64,773
Earthquake Prone Buildings Fund	Property	Public Services	To fund capital projects for Omihiri Amenities	37,833	(7,624)	0	30,209
Refuse Collection	Waste Minimisation	Public Services	To fund capital projects for Hammer Springs Ward Amenities	(893,653)	77,446	(267,380)	(1,078,382)
Hammer Springs Thermal Pools & Spa	Hammer Springs Thermal Pools & Spa	Public Services	Correction to Opening Balance	5,206	0	0	5,206
Hammer Springs Thermal Reserve Internal Loan	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for Hurunui Ward Amenities	38,248	(12,036)	0	26,212
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for medical centres in the Amuri Ward	(63,675)	95,181	0	31,506
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for medical centres in the Cheviot Ward	(165,960)	38,483	(84)	(127,560)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for medical centres in the Hamner Springs Ward	(266,947)	12,436	0	(254,511)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund purchase of doctor's residence in the Hamner Springs Ward	(225,814)	39,951	0	(185,863)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund purchase of doctor's residence in the Hurunui Ward	(82,812)	4,321	(18,998)	(97,489)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for Social Housing throughout the District	(197,720)	5,538	(87,362)	(279,544)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund capital projects for Social Housing throughout the District	382,179	(25,879)	0	356,300
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund assessment and improvements to Council owned buildings to meet NBS requirements	(1,687,671)	(104,596)	0	(1,792,267)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	Internal debt relating to key expansion projects for the HSTP&S	(14,609,372)	0	600,000	(14,009,372)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	To fund the District's Debt resulting from the repairs from November 2016 Hurunui-Kaikoura Earthquakes	(2,970,180)	261,370	(3,761)	(2,326,377)
Earthquake Recovery Debt	Hammer Springs Thermal Pools & Spa	Public Services	Correction to Opening Balance	386,193	0	0	386,193
Total Rate Reserve Funds				(49,038,274)	9,242,216	(23,254,831)	(63,050,890)

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 2024 \$000's	Actual 2023 \$000's
<i>Councillors</i>		
Remuneration	458	436
Full-time equivalent members	11	11
<i>Senior Management Team, including the Chief Executive Officer</i>		
Remuneration	1,241	1,140
Full-time equivalent members	5	5
Total key management personnel remuneration	1,699	1,576
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 \$56,250 (2023: \$51,250) to Enterprise North Canterbury as a grant for its general purposes.

During the financial year, the Council paid a further \$2,225 for additional services (2023: \$270).

As at 30 June 2024, there was no outstanding balance owing to Enterprise North Canterbury (2023: \$Nil).

Broomfield School

During the financial year, Cr Pauline White was a teacher at Broomfield School. Broomfield School received two grants as part of the Council's allocation of Creative Communities funding - one for \$1,740.00 and one for \$730.00 (plus GST) (2023: one for \$1,492.17 and one for \$1,513.40). The school also received an annual grant of \$1,500 as the community's contribution to the School's swimming pool (2023: \$1,500).

NOTE 26 - Events after balance date

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

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

(2023: Affordable Waters Reforms and Claverley Road repairs).

NOTE 27 - Financial instruments

27A - Financial instrument categories

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Financial assets				
<i>Mandatorily measured at FVTOCRE</i>				
Unlisted shares	1,766	1,227	1,766	1,227
Total at FVTOCRE	1,766	1,227	1,766	1,227
<i>Amortised costs</i>				
Cash and cash equivalents	2,069	1,201	2,069	1,201
Debtors and other receivables	5,299	4,358	5,299	4,358
Interest bearing loans	25	43	25	43
Non interest bearing loans	196	186	196	186
Total at amortised cost	7,589	5,788	7,589	5,788
<i>Mandatorily measured at FVTSD</i>				
Interest rate swaps	737	1,008	737	1,008
Total at FVTSD	737	1,008	737	1,008
Financial liabilities				
<i>Mandatorily measured at FVTSD</i>				
Interest rate swaps	0	0	0	0
Total at FVTSD	0	0	0	0
<i>Amortised costs</i>				
Borrowings				
- secured loans	67,000	47,500	67,000	47,500
Creditors and deferred revenue	11,709	12,269	11,709	12,269
Total at amortised cost	78,709	59,769	78,709	59,769

27B - Fair value hierarchy disclosures

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

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

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

	Total \$000's	Quoted Market Price \$000's	Significant	
			Observable Inputs \$000's	non-observable inputs \$000's
Council and Group 2024				
<i>Financial assets</i>				
Unlisted shares	1,766	0	0	1,766
Interest rate swaps	737	0	737	0
<i>Financial liabilities</i>				
Interest rate swaps	0	0	0	0
Council and Group 2023				
<i>Financial assets</i>				
Unlisted shares	1,227	0	0	1,227
Interest rate swaps	1,008	0	1,008	0
<i>Financial liabilities</i>				
Interest rate swaps	0	0	0	0

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Balance as at 1 July	1,227	1,008	1,227	1,008
Gains/(losses) recognised in in other comprehensive revenue and expense	28	(35)	28	(35)
Purchases	0	0	0	0
Sales	511	254	511	254
Balance at 30 June	1,766	1,227	1,766	1,227

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

27C - Financial instrument risks

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

Market risk

Fair value interest rate risk

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

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

Cash flow interest rate risk

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

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

Credit risk

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

Maximum exposure to credit risk

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

	Group		Council	
	Actual 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Cash and cash equivalents	2,069	1,201	2,069	1,201
Debtors and other receivables	5,299	4,358	5,299	4,358
Interest bearing loans	25	43	25	43
Non interest bearing loans	196	186	196	186
Total credit risk	7,589	5,788	7,589	5,788

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 2024 \$000's	Actual 2023 \$000's	Actual 2024 \$000's	Actual 2023 \$000's
Counterparties with credit ratings:				
Cash and cash equivalents				
AA-	2,069	1,201	2,069	1,201
Total cash and cash equivalents	2,069	1,201	2,069	1,201
Counterparties without credit ratings:				
Interest bearing loans				
Existing counterparty with no defaults in the past	25	43	25	43
Total Non interest bearing loans	25	43	25	43
Non interest bearing loans				
Existing counterparty with no defaults in the past	196	186	196	186
Total Non interest bearing loans	196	186	196	186

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 2024, the Council has a credit facility of \$74.0 million (2023: \$53.0 million) against which it had drawn \$67.0 million (2023: \$47.5 million). Two tranches of Local Government Funding Agency borrowings, totalling \$5.0 million, mature on 15 April 2025 and another tranche of \$2.0 million matures on 20 April 2025. The Short Term Debt with the Local Government Funding Agency of \$10.0 million matures on 27 July 2024.

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 2024					
Creditors and deferred revenue	11,709	11,709	11,709	0	0
Secured loans	67,000	67,000	17,000	50,000	0
Council and Group 2023					
Creditors and deferred revenue	12,269	12,269	12,269	0	0
Secured loans	47,500	47,500	13,500	28,000	6,000

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 2024					
Net settled derivative liabilities	0	0	0	0	0
Council and Group 2023					
Net settled derivative liabilities	0	0	0	0	0

Contractual maturity analysis on financial assets

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

	Asset Carrying Amount \$000's	Total Cash Flows \$000's	Less than 1 year \$000's	1-5 years \$000's	More than 5 years \$000's
Council and Group 2024					
Cash and cash equivalents	2,069	2,069	2,069	0	0
Debtors and other receivables	5,299	5,299	5,299	0	0
Interest bearing loans	25	25	2	11	12
Non interest bearing loans	445	445	0	0	445
Net settled derivative assets	737	737	22	699	16
Council and Group 2023					
Cash and cash equivalents	1,201	1,201	1,201	0	0
Debtors and other receivables	4,358	4,358	4,358	0	0
Interest bearing loans	43	43	3	16	24
Non interest bearing loans	417	417	0	0	417
Net settled derivative assets	1,008	1,008	16	980	11

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	2024 \$000		2023 \$000	
	-100bps	+100bps	-100bps	+100bps
Financial assets				
Cash and cash equivalents	(12)	21	(8)	12
Interest rate swaps	(561)	542	(669)	643
Financial liabilities				
Secured loans	(666)	670	(471)	475
Interest rate swaps	0	0	0	0
Total sensitivity	(1,240)	1,233	(1,149)	1,130

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 2023/2024 Annual Plan are as follows:

Statement of comprehensive revenue and expense

Revenue:

Overall, Revenue exceeds budget by \$5.8 million.

Rates were \$0.22 million greater than budget due to there being a more rateable units than was anticipated.

Roading Subsidies were \$1.63 million higher than budget due to the additional subsidies received for Emergency Reinstatement work carried out during the year.

Vested Asset Income was \$3.38 million higher than the level allowed for in the 2023/24 Annual Plan due to the increased development experienced in Amberley. This was also reflected in the Development Contributions being \$0.74 million higher than budgeted.

Expenditure:

Employment benefits were \$1.39 million greater than budget. This is primarily the additional wage cost associated with the Hanmer Springs Thermal Pools and Spa compared to the budget.

Other expenses are ahead of budget by \$5.43 million. This primarily relates to the additional emergency reinstatement costs in Roothing which was required as a result of the various flooding and storm events occurring during the year.

Other comprehensive revenue:

The revaluation of three waters assets has resulted in a gain on asset revaluation of \$40.11 million, which was not budgeted for.

Statement of financial position

Fixed assets:

Property plant and equipment was \$61.74 million higher than the level budgeted for. The key reason for this has been the revaluation of the three waters assets for the 2023/24 but also due to the effects of the revaluation of land and buildings from the 2022/23 year that was not allowed for when the 2022/23 Annual Plan was prepared.

Debt:

Council had budgeted that the total debt as at 30 June 2024 would be \$71.5 million. The debt at the end of the year was only \$67.0 million. The key difference being timing of the payments for significant levels of capital expenditure.

NOTE 29 - Water services reform programme

The Government is implementing a water services reform programme to address New Zealand's water infrastructure challenges – the Local Water Done Well programme.

The first part of the programme was to repeal previous water services legislation (the Water Services Entities Act 2022, Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023) that would have transferred responsibility for the provision of water services from local government to ten newly established publicly owned water service entities.

The Government is introducing new legislation that recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. The Local Government (Water Services Preliminary Arrangements) Act 2024 was enacted on 2 September 2024 and establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. The Act includes a requirement for councils to develop Water Service Delivery Plans by 3 September 2025. The Water Service Delivery Plans will outline future water services delivery arrangements, and for council to commit to an implementation plan. The Hurunui District Council has commenced work in its Water Services Delivery Plan in accordance with the Act and will undertake consultation before the Plan is adopted.

The Government has indicated that it will introduce a Bill in December 2024 that will establish the enduring settings for the new water services system.

The reforms to date have had no effect on the 2024 financial statements or performance information and there is nothing to indicate the need to review the carrying amount of assets and liabilities in the 2024 annual report as any future change is uncertain.

NOTE 30 - Statutory deadline

Section 98 of the Local Government Act 2002 requires that Council adopts its annual report within four months after the end of the financial year. Section 47 of the Water Services Acts Repeal Act 2024 provided for an extension to the statutory deadline for the 2023/2024 financial year to no later than 31 December 2024.

Council was not able to comply with this requirement for the year ended 30 June 2024 and this annual report was not adopted until 25 February 2025.

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1 - Funding impact statement for whole of Council

	2023 Annual Plan \$000's	2023 Actual \$000's	2024 Annual Plan \$000's	2024 Actual \$000's
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	13,687	13,881	15,519	15,855
Targeted rates	12,654	12,744	13,388	13,493
Subsidies and grants for operating purposes	1,616	4,270	1,804	6,113
Fees and charges for water supply	19,960	21,032	24,185	23,527
Interest and dividends from investments	180	353	180	315
Local authorities fuel tax, fines, infringements, and other receipts	154	76	908	80
Total operating funding (A)	48,252	52,356	55,984	59,383
Applications of operating funding				
Payments to staff and suppliers	38,870	43,273	40,872	47,697
Finance costs	1,425	1,659	3,144	3,100
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	40,295	44,932	44,015	50,798
Surplus/(deficit) of operating funding (A-B)	7,956	7,424	11,969	8,585
Sources of capital funding				
Subsidies and grants for capital expenditure	2,919	1,935	2,984	1,515
Development and financial contributions	2,575	1,198	2,663	1,803
Assets vested in Council	0	2,867	0	4,986
Increase/(decrease) in debt	13,910	9,492	20,359	19,472
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources of capital funding (C)	19,404	15,491	26,006	27,776
Applications of capital funding				
Capital expenditure:				
- To meet additional demand	4,760	3,152	4,580	9,864
- To improve the level of service	9,879	5,578	16,156	18,030
- To replace existing assets	13,012	18,486	15,351	7,125
Increase/(decrease) in reserves	(291)	(4,300)	1,887	1,342
Increase/(decrease) in investments	0	0	0	0
Total applications of capital funding (D)	27,360	22,916	37,974	36,361
Surplus/(deficit) of operating funding (C-D)	(7,956)	(7,424)	(11,969)	(8,585)
Funding balance ((A-B)+(C-D))	0	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement				
Surplus/(deficit) after tax	1,830	(2,621)	1,159	(108)
Add depreciation	11,620	16,041	16,457	16,753
Add loss on disposal	0	49	0	0
Less gains on asset revaluation	0	0	0	0
Less change in fair value of derivatives	0	(384)	0	270
Less gains on forestry revaluation	0	(31)	0	73
Less gains in value of NZUs	0	370	0	(99)
Less development and financial contributions	(2,575)	(1,198)	(2,663)	(1,803)
Less subsidies and grants for capital expenditure	(2,919)	(1,935)	(2,984)	(1,515)
Less vested asset income	0	(2,867)	0	(4,986)
Surplus/(deficit) of operating funding (A-B)	7,956	7,424	11,969	8,585

2 - Funding impact statement for water supply

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	7,336	7,699	7,624
Subsidies and grants for operating purposes	0	0	149
Fees and charges	93	95	266
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	7,428	7,794	8,039
Applications of operating funding			
Payments to staff and suppliers	4,672	4,839	6,123
Finance costs	501	819	1,994
Internal charges and overheads applied	1,387	1,432	1,007
Other operating funding applications	0	0	0
Total applications of operating funding (B)	6,560	7,090	9,124
Surplus/(deficit) of operating funding (A-B)	868	704	(1,085)
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	627	650	409
Assets vested in Council	0	0	782
Increase/(decrease) in internal debt	9,328	7,130	14,830
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	9,955	7,780	16,021
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	348	357	3,846
- To improve the level of service	5,726	5,954	10,217
- To replace existing assets	4,749	2,173	1,368
Increase/(decrease) in reserves	0	0	(495)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	10,823	8,484	14,936
Surplus/(deficit) of operating funding (C-D)	(868)	(704)	1,085
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(456)	(848)	(2,628)
Add depreciation	1,951	2,202	2,734
Add loss on disposal	0	0	0
Less development and financial contributions	(627)	(650)	(409)
Less subsidies and grants for capital expenditure	0	0	0
Less vested asset income	0	0	(782)
Surplus/(deficit) of operating funding (A-B)	868	704	(1,085)

2 - Funding impact statement for sewer

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	1,828	1,862	1,950
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	22
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	1,828	1,862	1,972
Applications of operating funding			
Payments to staff and suppliers	609	624	1,032
Finance costs	263	261	502
Internal charges and overheads applied	206	212	192
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,077	1,098	1,725
Surplus/(deficit) of operating funding (A-B)	751	764	246
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	523	546	413
Assets vested in Council	0	0	840
Increase/(decrease) in internal debt	(54)	2,440	1,131
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	469	2,986	2,384
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	303	311	990
- To improve the level of service	67	132	994
- To replace existing assets	851	3,307	417
Increase/(decrease) in reserves	0	0	230
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	1,220	3,750	2,630
Surplus/(deficit) of operating funding (C-D)	(751)	(764)	(246)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	524	547	534
Add depreciation	751	763	965
Add Loss on Disposal	0	0	0
Less development and financial contributions	(523)	(546)	(413)
Less subsidies and grants for capital expenditure	0	0	0
Less vested asset income	0	0	(840)
Surplus/(deficit) of operating funding (A-B)	751	764	246

2 - Funding impact statement for stormwater & drainage

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	758	819	825
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	36
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	758	819	861
Applications of operating funding			
Payments to staff and suppliers	270	278	326
Finance costs	82	113	100
Internal charges and overheads applied	45	47	36
Other operating funding applications	0	0	0
Total applications of operating funding (B)	397	438	462
Surplus/(deficit) of operating funding (A-B)	360	381	400
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	345	356	140
Assets vested in Council	0	0	2,149
Increase/(decrease) in internal debt	915	44	1,963
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,260	400	4,252
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	303	311	2,163
- To improve the level of service	1,317	470	2,353
- To replace existing assets	0	0	179
Increase/(decrease) in reserves	0	0	(43)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	1,620	781	4,651
Surplus/(deficit) of operating funding (C-D)	(360)	(381)	(400)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	526	532	2,468
Add depreciation	180	205	221
Add loss on disposal	0	0	0
Less development and financial contributions	(345)	(356)	(140)
Less subsidies and grants for capital expenditure	0	0	0
Less vested asset income	0	0	(2,149)
Surplus/(deficit) of operating funding (A-B)	360	381	400

2 - Funding impact statement for roads & footpaths

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,810	5,392	7,656
Targeted rates	67	69	160
Subsidies and grants for operating purposes	2,134	2,161	5,212
Fees and charges	(33)	(31)	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	154	158	80
Total operating funding (A)	7,133	7,749	13,108
Applications of operating funding			
Payments to staff and suppliers	4,115	4,172	8,123
Finance costs	14	32	33
Internal charges and overheads applied	282	291	291
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,410	4,495	8,447
Surplus/(deficit) of operating funding (A-B)	2,722	3,254	4,661
Sources of capital funding			
Subsidies and grants for capital expenditure	2,523	2,539	1,357
Development and financial contributions	756	776	0
Assets vested in Council	0	0	1,215
Increase/(decrease) in internal debt	298	(418)	(1,671)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	3,577	2,898	901
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	767	787	1,215
- To improve the level of service	1,457	1,252	761
- To replace existing assets	4,076	4,113	3,586
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6,300	6,152	5,562
Surplus/(deficit) of operating funding (C-D)	(2,722)	(3,254)	(4,661)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	306	862	(2,687)
Add depreciation	5,696	5,708	9,920
Less development and financial contributions	(756)	(776)	0
Less subsidies and grants for capital expenditure	(2,523)	(2,539)	(1,357)
Less vested asset income	0	0	(1,215)
Surplus/(deficit) of operating funding (A-B)	2,722	3,254	4,661

2 - Funding impact statement for coastal hazards

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	23	24	24
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	23	24	24
Applications of operating funding			
Payments to staff and suppliers	0	63	0
Finance costs	0	0	(4)
Internal charges and overheads applied	0	0	0
Other operating funding applications	0	0	0
Total applications of operating funding (B)	0	63	(4)
Surplus/(deficit) of operating funding (A-B)	23	(39)	28
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	(23)	39	(28)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(23)	39	(28)
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)	(23)	39	(28)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	0	0	28
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	28

2 - Funding impact statement for public services

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,389	4,876	4,617
Targeted rates	2,607	2,652	2,910
Subsidies and grants for operating purposes	0	0	666
Fees and charges	2,289	2,438	4,479
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	9,285	9,966	12,672
Applications of operating funding			
Payments to staff and suppliers	7,740	7,760	9,747
Finance costs	174	173	163
Internal charges and overheads applied	1,846	1,905	1,763
Other operating funding applications	0	0	0
Total applications of operating funding (B)	9,760	9,838	11,673
Surplus/(deficit) of operating funding (A-B)	(476)	128	999
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	156
Development and financial contributions	324	334	841
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	1,391	520	908
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	1,714	853	1,905
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	1,122	11	1,650
- To improve the level of service	855	1,704	796
- To replace existing assets	398	361	852
Increase/(decrease) in reserves	(1,136)	(1,094)	(393)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	1,239	982	2,904
Surplus/(deficit) of operating funding (C-D)	476	(128)	(999)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(971)	(404)	999
Add depreciation	819	866	997
Add loss on disposal	0	0	0
Less development and financial contributions	(324)	(334)	(841)
Surplus/(deficit) of operating funding (A-B)	(476)	128	999

2 - Funding impact statement for regulatory services

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,709	1,757	1,890
Targeted rates	51	51	0
Subsidies and grants for operating purposes	0	0	49
Fees and charges	1,960	2,010	1,757
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	3,721	3,818	3,696
Applications of operating funding			
Payments to staff and suppliers	2,803	2,903	3,342
Finance costs	0	0	0
Internal charges and overheads applied	898	927	917
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,701	3,830	4,259
Surplus/(deficit) of operating funding (A-B)	19	(12)	(563)
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	4	0	0
Increase/(decrease) in reserves	16	(12)	(563)
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	19	(12)	(563)
Surplus/(deficit) of operating funding (C-D)	(19)	12	563
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	19	(12)	(563)
Add depreciation	0	0	0
Less development and financial contributions	0	0	0
Surplus/(deficit) of operating funding (A-B)	19	(12)	(563)

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

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	(0)	0
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	13,581	14,225	15,777
Internal charges and overheads recovered	0	0	0
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	13,581	14,225	15,777
Applications of operating funding			
Payments to staff and suppliers	9,537	9,806	11,663
Finance costs	623	657	1,096
Internal charges and overheads applied	216	223	224
Other operating funding applications	0	0	0
Total applications of operating funding (B)	10,375	10,686	12,983
Surplus/(deficit) of operating funding (A-B)	3,206	3,539	2,794
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	2,850	2,700	1,700
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	2,850	2,700	1,700
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	2,500	2,200	2,744
- To replace existing assets	350	500	584
Increase/(decrease) in reserves	3,206	3,539	1,166
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	6,056	6,239	4,494
Surplus/(deficit) of operating funding (C-D)	(3,206)	(3,539)	(2,794)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	1,916	2,189	1,261
Add depreciation	1,290	1,350	1,532
Surplus/(deficit) of operating funding (A-B)	3,206	3,539	2,794

2 - Funding impact statement for governance & corporate

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	880	836	1,274
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,854	1,902	1,189
Internal charges and overheads recovered	5,646	5,828	5,212
Interest and dividends from investments	0	0	315
Local authorities fuel tax, fines, infringements, and other receipts	0	0	0
Total operating funding (A)	8,379	8,566	7,990
Applications of operating funding			
Payments to staff and suppliers	8,715	9,252	7,323
Finance costs	(1,764)	(2,149)	(891)
Internal charges and overheads applied	761	786	777
Other operating funding applications	0	0	0
Total applications of operating funding (B)	7,712	7,888	7,209
Surplus/(deficit) of operating funding (A-B)	667	678	782
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(1,729)	(2,486)	780
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(1,729)	(2,486)	780
Applications of capital funding			
Capital expenditure:			
- To meet additional demand	0	0	0
- To improve the level of service	243	233	166
- To replace existing assets	1,281	329	139
Increase/(decrease) in reserves	(2,585)	(2,370)	1,257
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	(1,062)	(1,808)	1,562
Surplus/(deficit) of operating funding (C-D)	(667)	(678)	(782)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	(58)	(58)	128
Add depreciation	725	736	383
Less change in fair value of derivatives	0	0	270
Surplus/(deficit) of operating funding (A-B)	667	678	782

2 - Funding impact statement for earthquake recovery

	2023 Long Term Plan \$000's	2024 Long Term Plan \$000's	2024 Actual \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	451	454	418
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	37
Fees and charges	38	39	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)	489	493	456
Applications of operating funding			
Payments to staff and suppliers	12	13	18
Finance costs	108	95	109
Internal charges and overheads applied	5	6	5
Other operating funding applications	0	0	0
Total applications of operating funding (B)	126	114	131
Surplus/(deficit) of operating funding (A-B)	364	380	324
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	2
Development and financial contributions	0	0	0
Assets vested in Council	0	0	0
Increase/(decrease) in internal debt	(364)	(380)	(324)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Total sources of capital funding (C)	(364)	(380)	(323)
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	2
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) in investments	0	0	0
Total applications of capital funding (D)	0	0	2
Surplus/(deficit) of operating funding (C-D)	(364)	(380)	(324)
Funding balance ((A-B)+(C-D))	0	0	0
Reconciliations between Financial Summary and Funding Impact Statement			
Surplus/(deficit) for activity	364	380	326
Less subsidies and grants for capital expenditure	0	0	(2)
Surplus/(deficit) of operating funding (A-B)	364	380	324

3 - Rating-based information

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

	30 June 2023
Number of rating units within the district	9,904
Total Capital Value of rating units within the district	\$9,219,271,650
Total Land Value of rating units within the district	\$6,089,124,989

4 - Insurance of assets

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

	2024	2023
	\$000's	\$000's
The total value of all Council assets covered by insurance contracts	96,741	95,322
The maximum amount to which insured assets are insured	124,087	132,609
The total value of all Council assets covered by financial risk-sharing arrangements	168,934	106,579
Maximum amount available to the Council under financial risk-sharing arrangements	229,475	187,921
Total value of assets that are self-insured	429,530	434,967
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

Hurunui District Council

Local Government (Financial Reporting and Prudence) Regulations 2014

Annual report disclosure statement for the year ended 30 June 2024

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

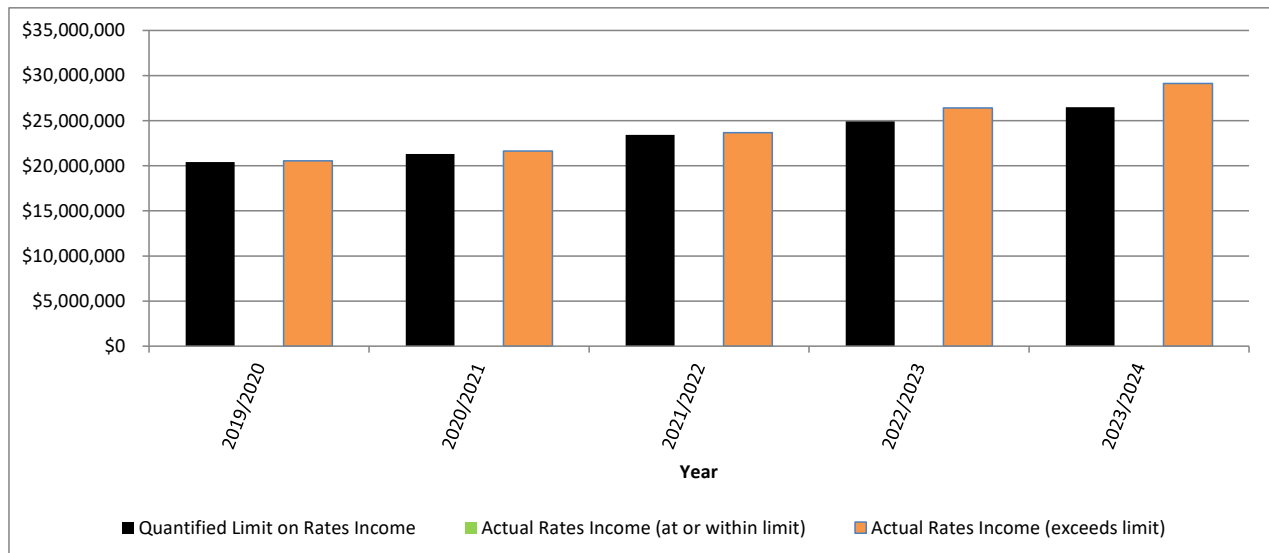
The council meets the rates affordability benchmark if—

- 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:

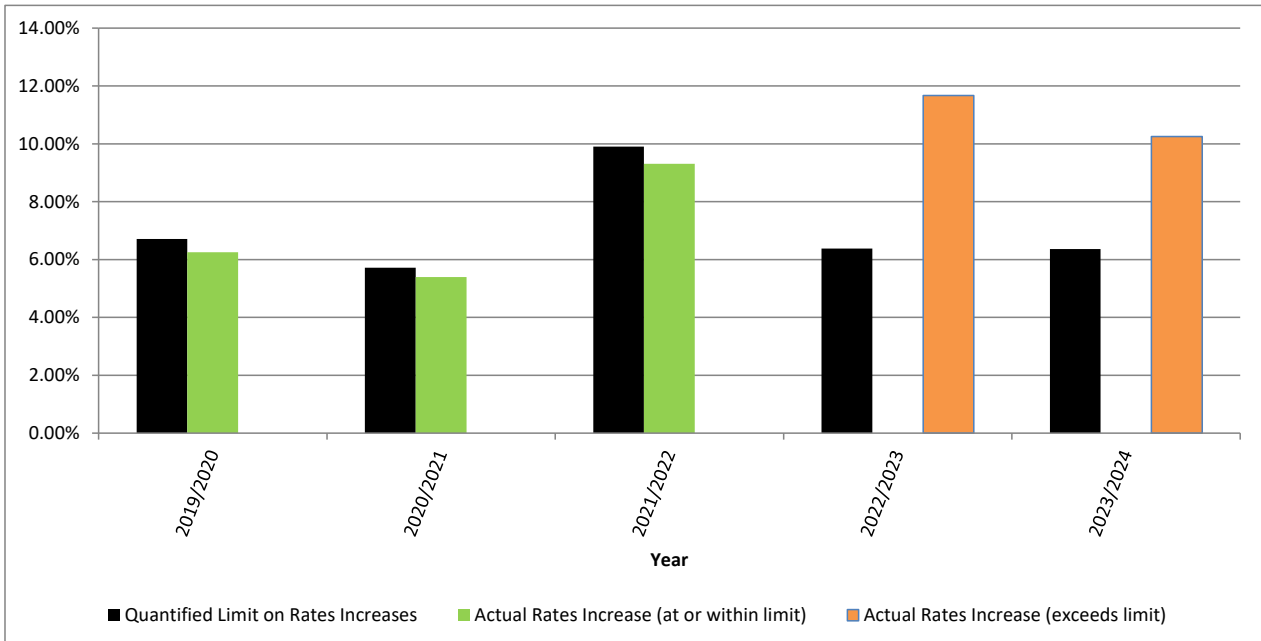
- 2019/2020 - 6.00% growth adjusted increase from prior year = \$20,400,799
- 2020/2021 - 5.00% growth adjusted increase from prior year = \$21,307,533
- 2021/2022 - 8.50% growth adjusted increase from prior year = \$23,418,602
- 2022/2023 - 5.00% growth adjusted increase from prior year = \$24,912,709
- 2023/2024 - 5.00% growth adjusted increase from prior year = \$26,497,157



Note: Increased costs for roading in the 2022/2023 and 2023/2024 years resulted in Roading rates exceeding that set in the Long Term Plan. The measure for 2022/2023 has been adjusted to reflect the quantified limit on rates income as per the Long Term Plan 2021-2031.

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: 2019/2020 6.71% (6.00% growth adjusted); 2020/2021 5.72% (5.00% growth adjusted); 2021/2022 9.90% (8.50% growth adjusted); 2022/2023 6.38% (5.38% growth adjusted) and 2023/2024 6.36% (5.40% growth adjusted).



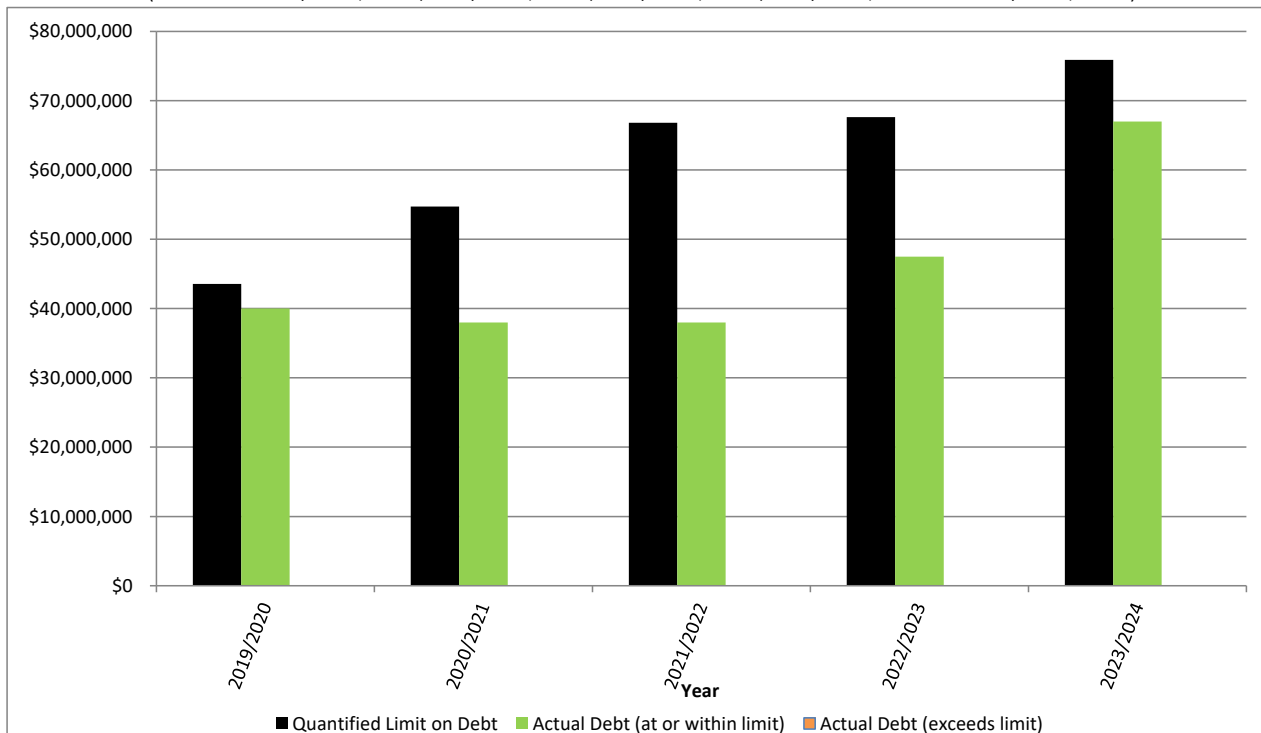
Note: The measure for 2022/2023 has been adjusted to reflect the quantified limit on rates increases as per the Long Term Plan 2021-2031.

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 2023/2024 is \$76.40m)
- Interest expense is no more than 6.25% of Total Income (Limit for 2023/2024 is \$3.82m)
- Interest expense is no more than 12.5% of Total Rates (Limits for 2023/2024 is \$3.69m)

Total Debt is no more than 125% of Total Income

(Limits were: 2019/2020 \$44.3m; 2020/2021 \$54.8m; 2021/2022 \$66.8m; 2022/2023 \$67.6m and 2023/2024 \$75.9m)

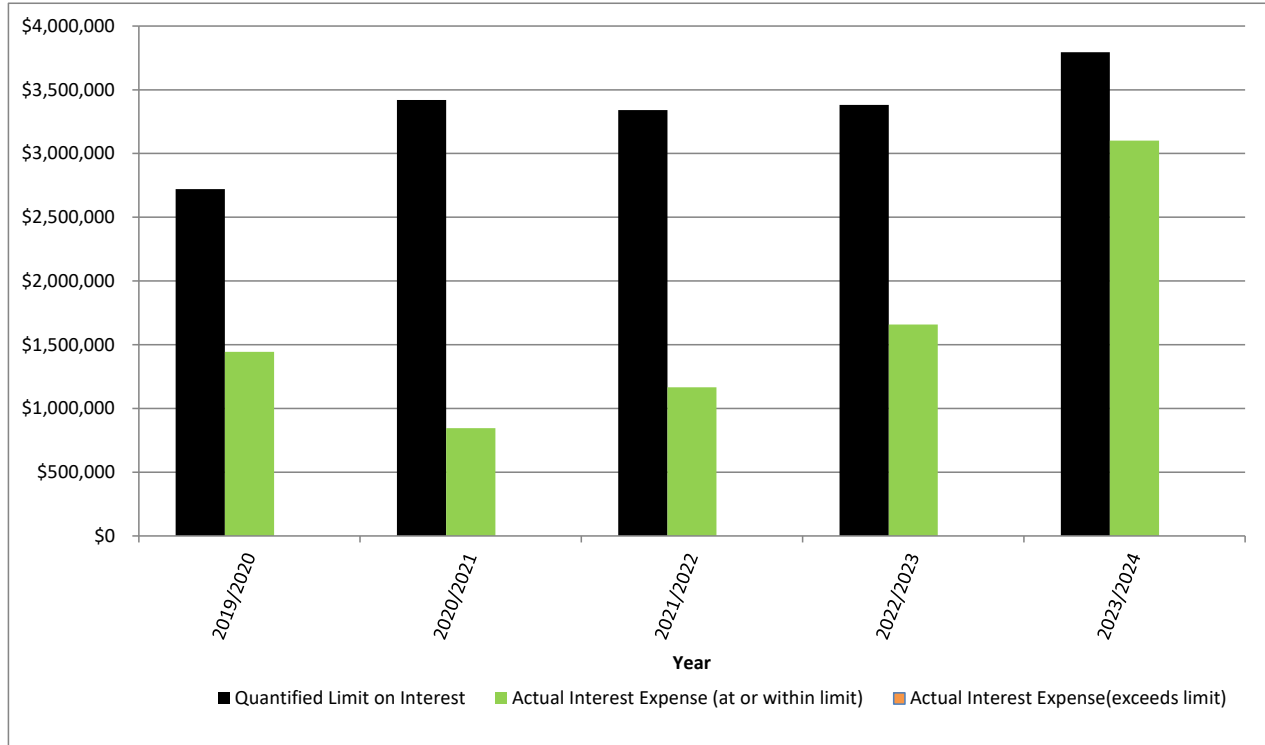


Note: the measure was amended in 2021/2022 from total debt is no more than 100% of total income to total debt is no more than 125% of total income.

Debt affordability benchmarks (Continued)

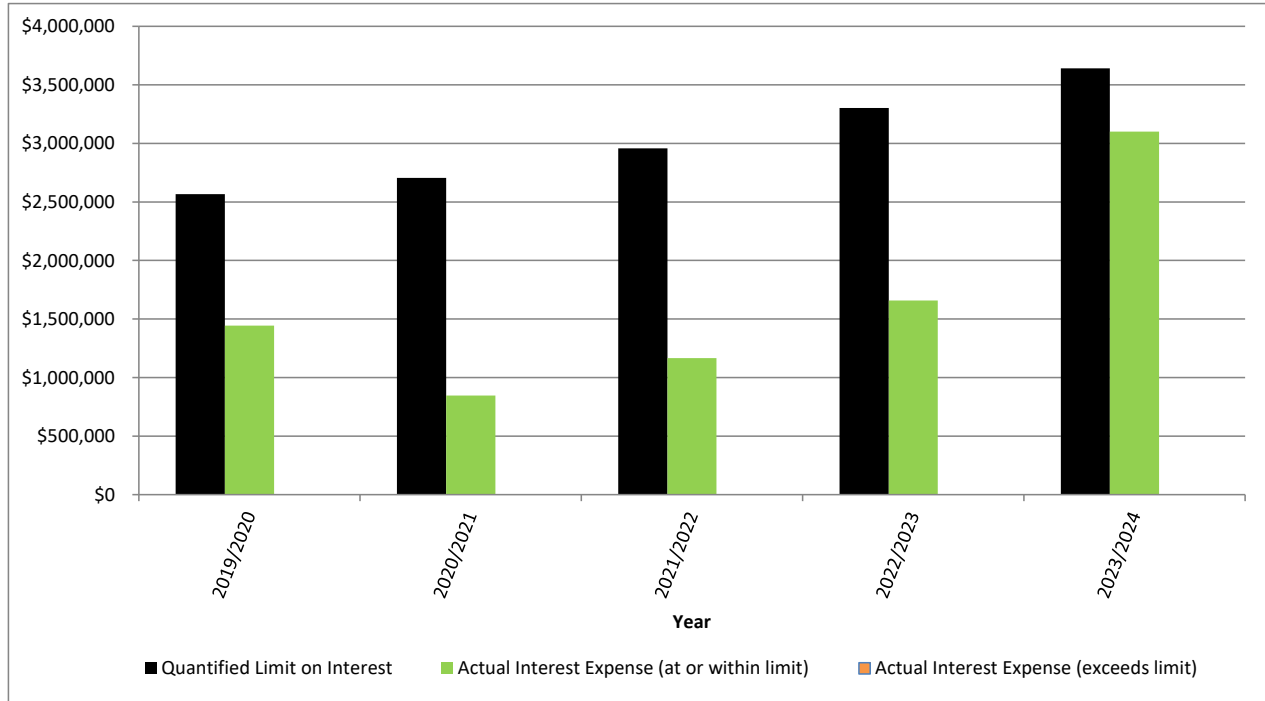
Interest expense is no more than 6.25% of Total Income

(Limits were: 2019/2020 \$2.77m; 2020/2021 \$3.42m; 2021/2022 \$3.34m; 2022/2023 \$3.38m and 2023/2024 \$3.79m)



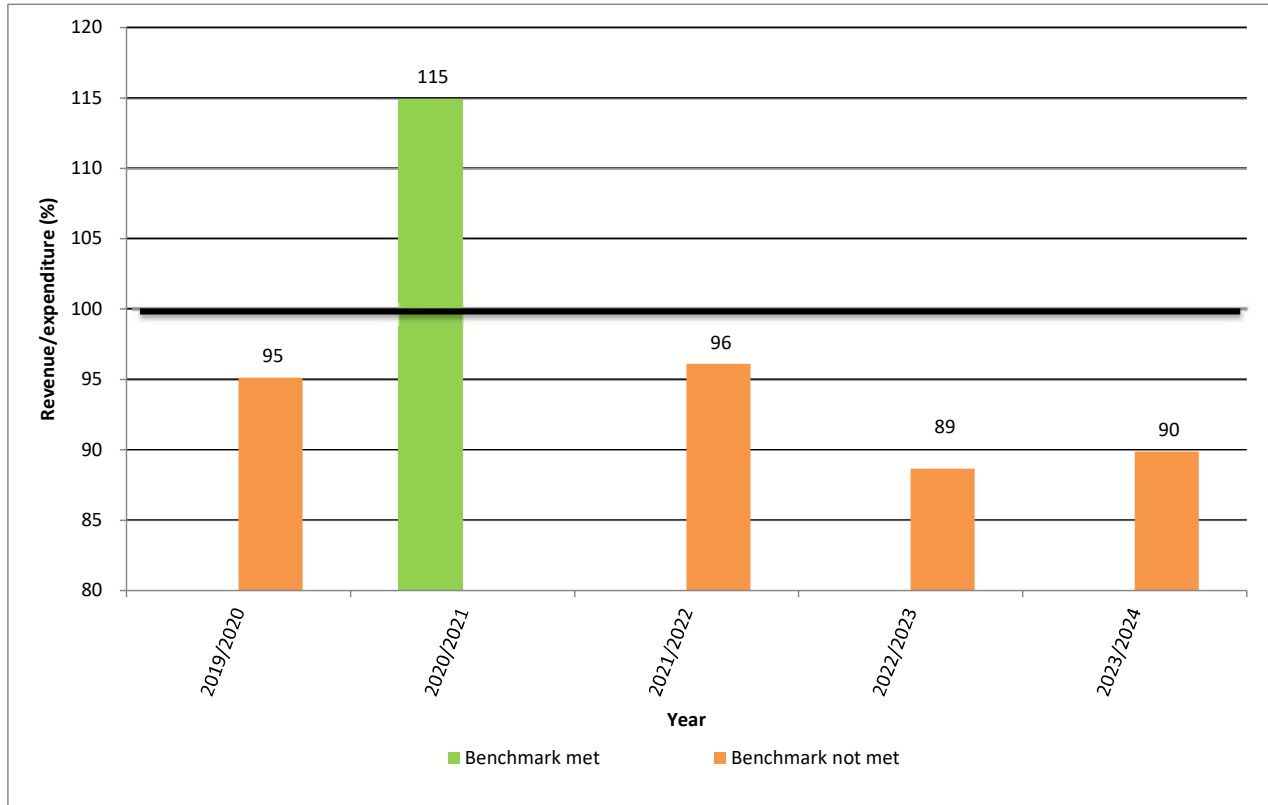
Interest expense is no more than 12.5% of Total Rates

(Limits were: 2019/2020 \$2.57m; 2020/2021 \$2.71m; 2021/2022 \$2.96m; 2022/2023 \$3.30m and 2023/2024 \$3.64m)



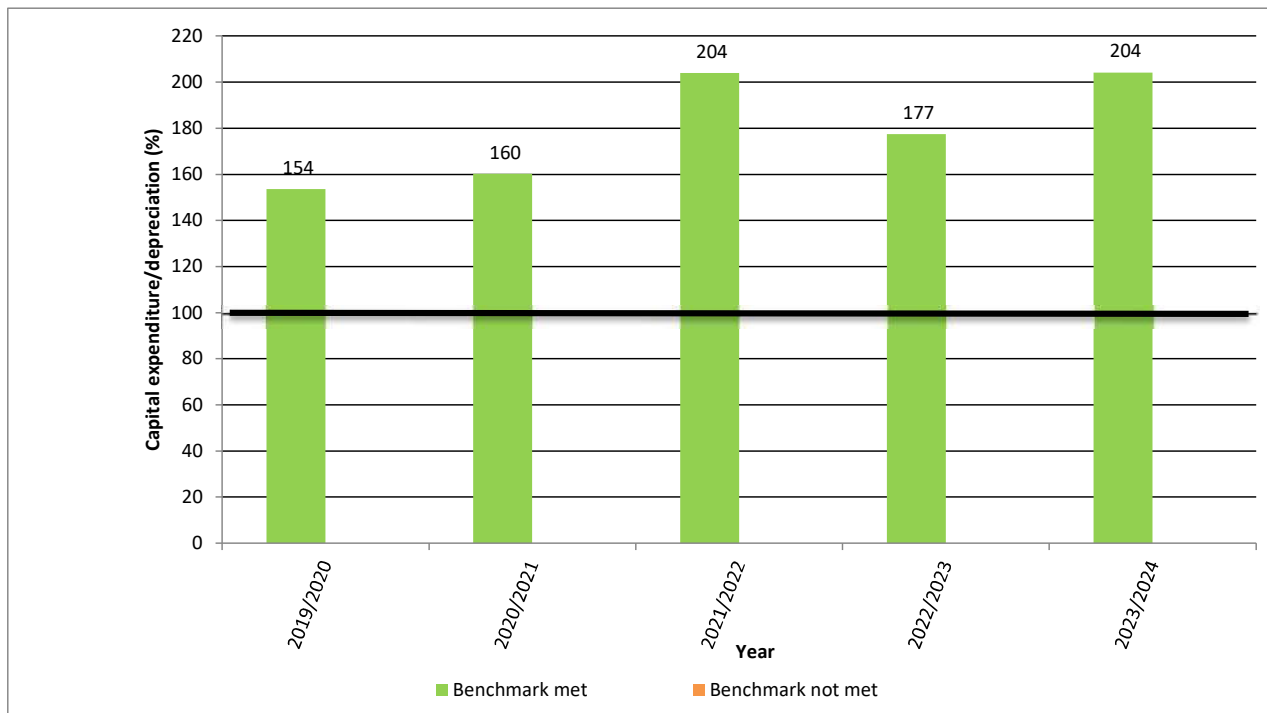
Balanced budget benchmark

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

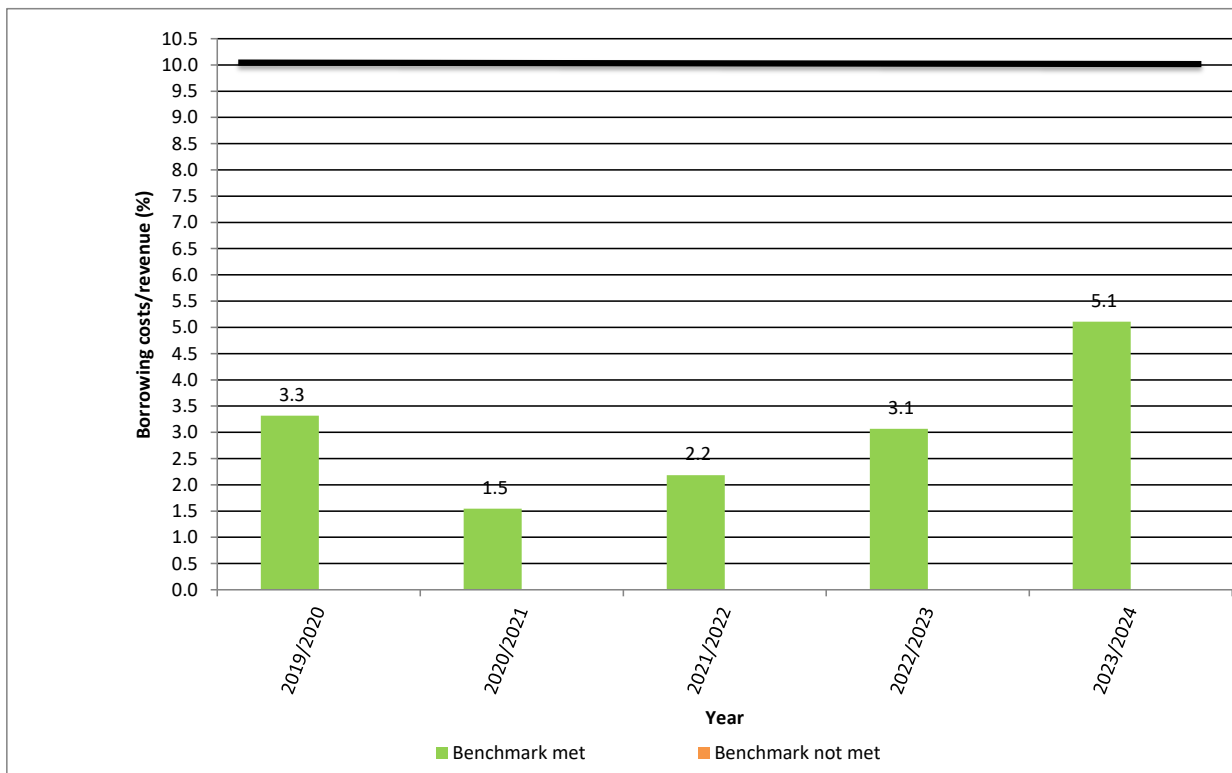
The following graph displays the council’s capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Hurunui District Council

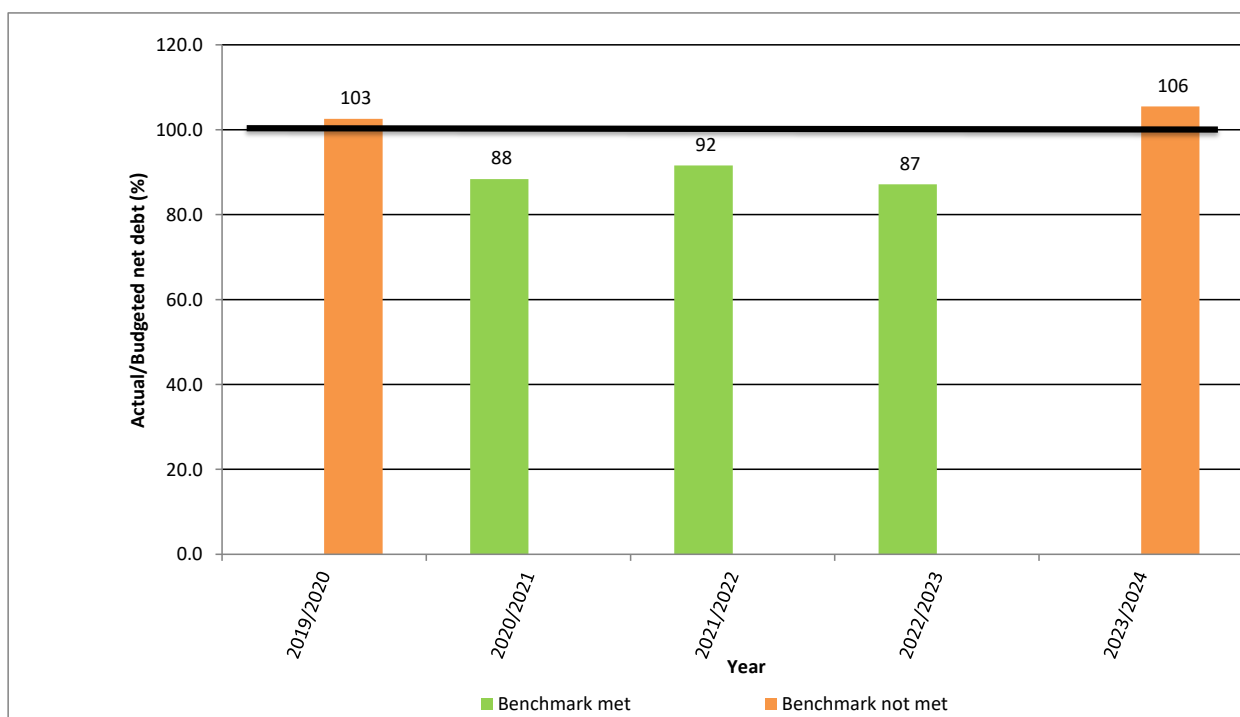
Debt servicing benchmark

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

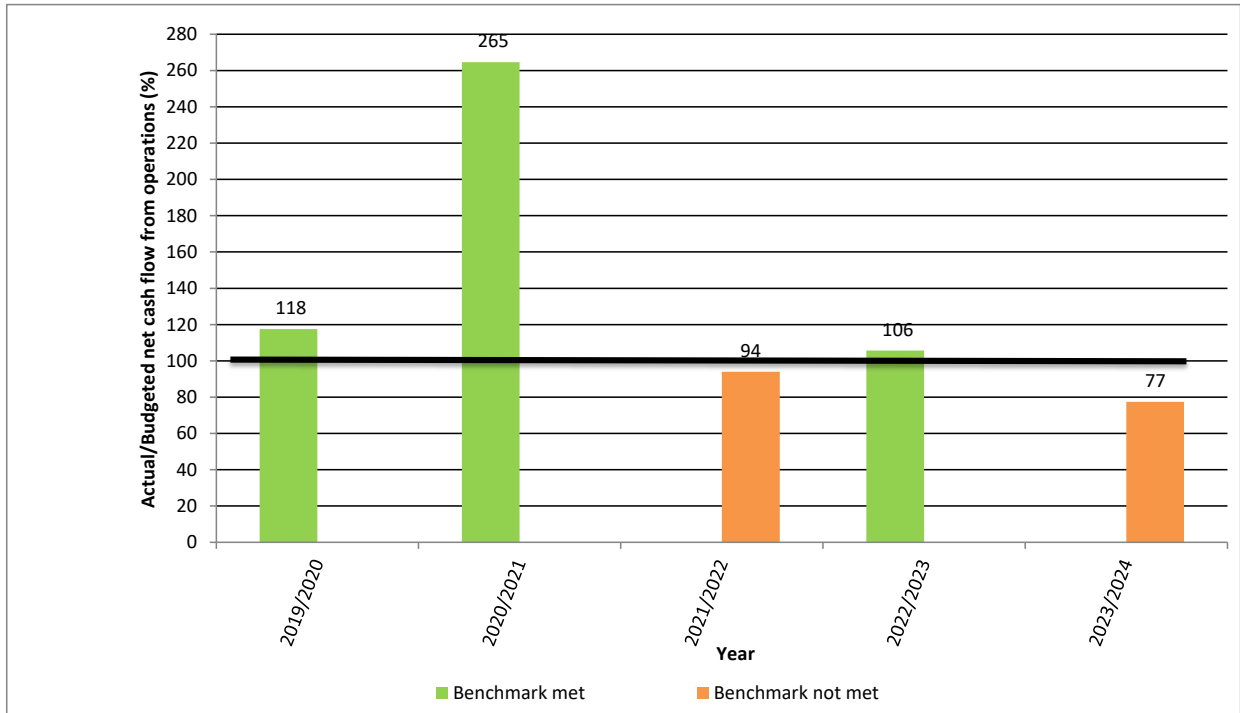
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Note: The measure for 2022/2023 has been adjusted from 88 to 87 to reflect the budgeted debt as per the Long Term Plan 2021-2031.

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.



Note: The measure for 2022/2023 has been adjusted from 110 to 106 to reflect the budgeted cashflow from operations as per the Long Term Plan 2021-2031

Council-controlled organisations

Enterprise North Canterbury	142
Transwaste Canterbury Limited	145

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 2023/2024 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	65 Capability assessments completed (<i>achieved</i>)
	Issue a minimum of \$80,000 NZTE Vouchers	NZTE only allocated \$60,000 of vouchers this year compared to \$80,000 last year. ENC issues \$68,469 vouchers. (<i>not achieved</i>)
	A minimum of 24 businesses referred to Business Mentors NZ	16 businesses referred to BMNZ (<i>not achieved</i>)
	Attract Talent to the Region	Four businesses pay to be profiled on the website. Twenty businesses pay to be part of the campaign “Move on Up” Measure the number of local employers and recruiter who use website and toolkit to attract

Support new and expanding businesses	employees to the region to work and live. Provide business support to 50 new startup businesses and 50 existing businesses to grow/expand Track number of declining business and what additional support was provided	59 startup businesses supported. 51 expanding businesses supported 33 mature businesses supported (<i>achieved</i>) 13 declining businesses supported and support options tracked (<i>achieved</i>)
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Objective 1.2 Celebrate and Recognise Business Leaders in the region:

Performance Measure	Target	Results
Organise and Host the 2023 Business Awards Gala Dinner and Ceremony	Achieve at least 3 entries for all categories Business Awards Gala event hosted Sell 90% of available tickets to Gala Dinner and Ceremony	55 businesses over 9 categories (average of 6). Minimum entries in any category was 4. (<i>achieved</i>) <i>Achieved</i> Gala held at MainPower Stadium which had 2,000 seats available. However, we had 371 people attend (up from 370 from the event held in 2018 at the Ohoka Hall) (<i>not achieved</i>)

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

Performance Measure	Target	Results
Programme of initiatives agreed and implemented	ENC assists and supports initiatives as agreed	No new initiatives were identified this year (<i>not achieved</i>)

Objective 1.4 To develop a new 10 year strategy commencing 2023:

Performance Measure	Target	Results
New Strategic Plan developed by September 2023.	Adopt Strategic Plan by July 2024 taking into account submissions made to Council's LTP process	ENC Strategic Plan 2023-33 adopted at Board meeting in November 2023 and received by both Council in December 2023 (<i>achieved</i>)

Objective 1.5 Support the implementation of the Waimakariri Economic Development
Not relevant for Hurunui District.

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
Complete planning of cycle trail improvements from Kaiapoi to Waikuku and work commenced	Planning completed and Funder satisfied with final report	Project completed, final report submitted to Department for Internal Affairs (DIA) and funded satisfied. Signed off on 27 May 2024 (<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	Provide two networking functions for members each year	One Flavours of Business networking function held 28 May 2024 (<i>not achieved</i>)
	Undertake market research in 4 supermarkets with at least 100 people surveyed on brand awareness	Market research at 3 supermarkets (<i>not achieved</i>) 276 surveys completed (<i>achieved</i>)
	Run The North Course annually and increase participation by 10%	There was a higher participation rate from customers from 206 to 546 (166% increase) (<i>achieved</i>)

Objective 2.3

Collaborate with Te Ngāi Tūāhuriri Rūnanga and Ngāti Kuri:

Performance Measure	Target	Results
Activate relationships with the business entities through various projects involving ENC and both Councils	Meet annually with the commercial arm of both Runanga in conjunction with the two Councils	No meetings were held throughout the year (<i>not achieved</i>)

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

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

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

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

Objective:

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches notified during the year or advised by ECan.	There were no breaches notified by Ecan.

Objective:

Environment: Support New Zealand's "Predator Free by 2050" goal.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Limit large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting - evident in <5% of vegetation monitoring plots.	Achieved – maintained active pest control resulting in minimal damage.
(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.	Achieved – trapping continued at similar levels to prior years. Report received in the year indicated significant growth of both bellbird and grey warbler.

Objective:

Environment: Maintain and/or reduce net Green House Emissions intensity, to use the gas captured in a socially and economically sustainable way and the generate carbon offsets via commercial and indigenous forestry.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Measure the company's carbon footprint.	Carbon footprint is measured and independently certified.	Achieved – 2023 certified; 2024 to be certified.
(b) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 95% of landfill gas produced by Kate Valley landfill as measured by the methodology applicable for the ETS reporting period.	Achieved for the year ended 31 December 2023. The next measurement date is 31 December 2024.
(c) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	Achieved – average rose from 5.0 to 5.1
(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 2023 to 2025.	Not yet achieved – sufficient generation capacity is available on site to support the target, however achieving the target remains dependent on transmission line improvements, which is under continuing investigation.
(e) Measure NZU credits on exotic forestry	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	Achieved – registrations completed and related units allocated.
(f) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	On track - registrations and measurements completed to most recent Commitment Period of 31 December 2022.
(g) Report annually carbon emissions attributable to the waste received from each Territorial Local Authority area, both before and after carbon reduction initiatives	Development and distribution of carbon emissions reporting to Territorial Local Authorities	Not achieved – report developed, to be distributed in FY25.

Objective:

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Finance the Kate Valley Landfill Community Trust (from the Disposal Charge) for the purpose of benefiting the local community.	Annual payment to Kate Valley Landfill Community Trust, to be determined on an annual basis.	Achieved. The company has made contributions to the trust for the 2023/24 year totalling \$91,681.
(b) Develop and maintain education material with regard to waste management and the environment.	Material is being used by schools.	Not achieved – material available, but low level of engagement.
(c) Plan for sites aftercare and closure – financially and revenue streams.	Adequate provisioning, which stands up to audit scrutiny, in financial statements for aftercare and closure costs.	Achieved. Methodologies comply with the applicable reporting standards.

Objective:

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

Desired Outcomes	Performance Measures and Target	Achievement
(a) Timely, high quality and reliable waste transport services.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste’s failure to supply containers.	Achieved – no impacts.
(b) Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved – more than 99% availability for normal access hours despite the landfill being closed due to high wind on 2 days, with 8 hours closure 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 lost time injuries (LTIs) in all operations. Actual TRIFR for the 12 months ended 30 June 2024 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.
(c) No traffic incidents where CWS drivers at fault.	No at-fault incidents.	Not achieved. One minor event where TCL (Waste Management) has accepted being at fault as a result of a minor collision. Fully investigated and appropriate action taken.

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 was 9 across the team out of 49 FTEs, resulting in 18% 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 14 hours per FTE.

Objective:

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

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

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.
	Nil known legislative and regulatory non-compliance.	Achieved.

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 \$72,025,000	Achieved. \$73,886,000. Overall tonnes of waste to landfill was 2.0% above budget.

Desired Outcomes	Performance Measures and Target	Achievement
	<p>EBIT of \$20,256,000</p> <p>Dividends relating to Kate Valley of \$11,650,000</p>	<p>Achieved. \$842,000 (4%) above budget at \$21,098,000, through a combination of increased tonnes of waste to landfill compared to budget and cost savings.</p> <p>Achieved. Dividends totalling \$12,050,000 were paid during the year for the Kate Valley operations.</p>

Independent Auditor's Report

Independent Auditor's Report

To the readers of Hurunui District Council's annual report for the year ended 30 June 2024

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

We are also required to report on:

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

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

We completed our work on 25 February 2025. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service performance

In our opinion:

- the financial statements on pages 61 to 116:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2024; and
 - the results of the operations and cash flows for the year ended on that date; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 118, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s annual plan;
- the statement about capital expenditure for each group of activities on pages 119 to 128, 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 119 to 128, 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.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the “Basis for our opinion on the audited information” section of our report, the statement of service performance on pages 13 to 60:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, 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.

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 133 to 139, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below. 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.

Basis for our opinion on the audited information

Statement of service provision: Our work was limited in relation to the performance measure: The average quality of ride on the sealed local road network, measured by smooth travel exposure

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the average quality of ride on a sealed local road network, measured by smooth travel exposure. This performance measure is important because road smoothness is indicative of the quality of service provided to the community.

Reported performance of this performance measure is based on surveys of road roughness and estimated traffic volumes.

We were unable to obtain assurance over the reliability of estimated traffic volumes used in the calculation of this performance measure. This is because these estimates are not sufficiently up to date, with the majority not updated within the last two financial years.

In addition, the District Council has not undertaken a road roughness survey within the last two financial years.

Therefore, the District Council does not have sufficient up-to-date data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the accuracy of reported results for this performance measure.

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 12, 117, 129 to 132, and 140 to 150, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

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



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