

# **ASHBURTON DISTRICT COUNCIL**



***Annual Report  
1 July 2007 - 30 June 2008***

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**Cover Photo**

Mount Sunday and the Rangitata Gorge  
Ashburton District  
Image Courtesy of Ashburton District Tourism

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## Mayor and Chief Executive's Report

Welcome to the 19<sup>th</sup> Annual Report of the Ashburton District Council. This report includes a summary of activities undertaken by Council as well as financial information. The report was adopted on 30 October 2008 with an unqualified audit opinion.

The Council's financial performance continues to be sound with a turnover of \$39.861 million (Group \$55.026 million) and an operating surplus of \$5.366 million (Group \$6.427 million), total assets of \$543 million and debt of \$15.119 million. While debt has increased this year as a result of investment in infrastructural assets, at 2.78% of total assets, this is still well within Council's treasury management guidelines. Average rates per property of \$1247 (excluding GST), while increasing due to the additional services, are still considered very competitive New Zealand wide.

There were a number of major milestones achieved in this period. The Ashburton wastewater treatment and disposal facility was opened in April. The development was the result of significant community input and is sustainable for both environmental and growth factors. The reuse of this resource demonstrates how our community truly understands the value of water.

May 2008 saw another milestone with the opening of the new Events Centre. With the foundation support of the Council, the project once again demonstrates what we can achieve as a community. We did not receive the expected level of support from Central Government. It was essential that the project be completed meaning that Council and our ratepayers have had to fill that gap.

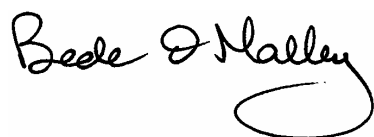
Other major projects to progress during the year include –

- Proposed new Art Gallery and Museum. Council undertook community consultation resulting in widespread support. The necessary resource consents will be applied for this calendar year.
- Rezoning for the Ashburton Business Estate was completed with no appeals. Plans are well advanced for construction to commence in the 2008/ 09 financial year. Relocation of rail from the centre of town is a significant factor in this development and the Transportation Study.
- The review of the District Plan has begun with work being undertaken related to town centre urban design, small villages plan, and significant natural areas.

As mentioned above, our district knows and understands the value of water. The Council has continued to support the development of the Canterbury Strategic Water Study, and locally supported the continuing education on water use and options for water development. The renewal of our stockwater consents has also been initiated.

October 2007 also saw the triennial local government elections. The required review of our electoral boundaries resulted in a change to our ward boundaries and an additional member being elected from the Ashburton urban ward, with a resultant reduction of one member from the rural wards. Three Councillors made the decision to retire, resulting in three new Councillors being elected. It is important to acknowledge the work of our elected representatives and also the contribution made by the retiring Councillors over many years – Councillors Derek Glass, Darryl Nelson and Michael Urquhart.

The annual survey undertaken in June this year showed that 92% of our community believe our district is a good place to live. This reflects well on all of us, but requires an ongoing need for all in our community to get involved and contribute. Once again we acknowledge the work of Councillors and staff, and all those in the many community and business organisations that contribute to this success.



M B O'MALLEY  
Mayor



B LESTER  
Chief Executive

## Council Five Year Performance Summary (Council Only)

	2004	2005	2006	NZ IFRS		
	\$'000	\$'000	\$'000	2006 \$'000	2007 \$'000	2008 \$'000
Rates	10,836	12,018	13,567	13,648	15,704	18,468
Other Gains				8,865	6,680	5,938
Other revenue	11,511	14,373	22,121	14,742	17,536	15,455
<b>Total income</b>	<b>22,347</b>	<b>26,391</b>	<b>35,688</b>	<b>37,255</b>	<b>39,920</b>	<b>39,861</b>
Operating expenses	15,299	15,682	17,898			
Employee benefits				4,851	5,425	6,066
Finance costs				371	272	932
Other expenses				11,807	13,468	16,304
Depreciation and amortisation	6,309	6,480	7,746	7,738	8,432	8,755
Other Losses					1,231	2,438
<b>Total operating expenditure</b>	<b>21,608</b>	<b>22,162</b>	<b>25,644</b>	<b>24,767</b>	<b>28,828</b>	<b>34,495</b>
Operating surplus	739	4,229	10,044	12,488	11,092	5,366
Gain/(Loss) on revaluation	0	2,176	(390)	0	0	0
<b>Surplus / (deficit)</b>	<b>739</b>	<b>6,405</b>	<b>9,654</b>	<b>12,488</b>	<b>11,092</b>	<b>5,366</b>
Working capital	18,998	17,238	21,360	20,826	12,489	13,447
Public debt	5,111	5,084	3,977	3,977	2,138	15,119
Total assets	424,354	455,469	467,260	467,427	510,634	543,124
Total equity	413,988	444,966	457,633	457,682	501,468	521,325
<u>Other financial statistics</u>						
Proportion of rates to total income	48%	46%	38%	37%	41%	46%
Average rates per rateable property (GST Excl)	\$766	\$845	\$908	\$908	\$1,042	\$1,247
Public debt (as a percentage of total assets)	1.20%	1.12%	0.85%	0.85%	0.42%	2.78%
Public debt per rateable property	\$362	\$357	\$267	267	\$142	\$1,021

**Important Note: The 2004-2005 figures are not comparable with 2006, 2007, and 2008 financial information which were prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS).**

## **About the Annual Report**

Council's Annual Report forms a key part of the overall planning and reporting framework within which Councils operate. The documents that form that framework are outlined here:

### **The Ashburton District Community Plan 2006-2016**

In 2006 Ashburton District Council adopted its second Community Plan for the years 2006 through to 2016.

The Community Plan has as its strategic base, the Ashburton District's community outcomes - long-term goals the community has identified it wants to work towards for the future. Council facilitated a process to identify community outcomes during 2005 with local communities contributing to ensure outcome statements reflect our aspirations as a District. Community outcomes belong to the community and Council is only one community organisation, albeit a key one, capable of contributing to achieving the community's goals.

The Community Plan details the facilities and services Council will provide, how much these will cost and how they are to be funded. For each activity, the Plan provides a rationale for why Council intends carrying out this activity, the goals of carrying out the activity, service targets and performance measures, what Council currently does, current and future trends and issues which might impact on the activity, and activity management details. The Plan also contains policies Council uses to guide decision-making processes. Council makes the Community Plan available to the community for consultation prior to its adoption.

The first three years of the Community Plan are in detail with the following seven years based on current proposals. The Plan must be reviewed at least every three years, with the next Community Plan required to be prepared in 2009, covering the years through to 2019.

The Ashburton District Community Plan 2006-2016 can be viewed on the Council web-site [www.ashburtondc.govt.nz](http://www.ashburtondc.govt.nz) and copies are available from the Council offices in Baring Square, Ashburton.

### **The Annual Plan**

In years when Council does not produce a Community Plan it must produce an Annual Plan. This document details its budget and work programme for the coming year. The Annual Plan is based on year two or three of the Community Plan (depending on the year) and provides up-to-date budget and work programme forecasts and highlights any significant variances from what was proposed in the Community Plan.

### **The Annual Report**

Each year Council must produce an Annual Report. This details Council's performance in achieving the targets set in the Annual or Community Plan. The Annual Report includes a statement of Council's financial position, and is assessed independently by Council's auditors to ensure transparency and material accuracy.

This Annual Report measures Council's achievements against the performance targets detailed in the Ashburton District Community Plan 2006/2016.

The Annual Report also includes the following financial performance information:

#### **Statements of Service Performance**

These statements show in further detail, by groups of activities, the breakdown of the income and expenditure contained in the Statement of Financial Performance.

They also show the performance targets set in the 2006/2016 Community Plan and the actual performance achieved by Council in the 2007/2008 financial year.

### **Council Only versus Group**

The Council owns 100% of Ashburton Contracting Limited (a Council Controlled Trading Organisation) and has two in-substance subsidiaries, the Ashburton Community Water Trust, and the Ashburton Stadium Complex Trust. The 'Council Only' column does not include the operations of either the company or the trusts. The consolidated column includes the operations of Ashburton Contracting Limited, the Ashburton Community Water Trust, and the Ashburton Stadium Complex Trust after eliminating transactions between Council, the Company and the Trusts.

### **Statement of Accounting Policies**

This statement outlines the basis and assumptions on which this Annual Report has been prepared.

### **Consolidated Statement of Financial Performance**

This statement shows a summary of the total revenue and expenditure received and incurred during the 2007/2008 financial year. Income is shown as coming from general rates, separate rates, from the significant activities of Council and other income. Total operating expenditure incurred by Council is shown and is also broken down into the significant activities of Council in note 3.

Revenue and expenditure items are explained in more detail in the cost of service statements.

### **Consolidated Statement of Movements in Equity**

This shows how total equity [the net worth of Council] has changed from the start of the year to the end of the year.

### **Consolidated Statement of Financial Position**

This statement is Council's balance sheet and shows the financial position of Council at the end of the financial year (30 June 2008). It shows the total assets and liabilities of Council as at that date.

### **Consolidated Statement of Cash Flows**

This statement shows the actual flows of cash Council has received and expended. The increase or decrease in cash is agreed to the final cash balance in the Statement of Financial Position.

### **Notes to the Financial Statements**

Notes to the financial statements provide further information and explanations where required.

## Statement of Compliance and Responsibility

### Compliance

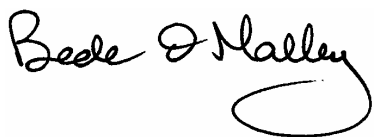
The Council and management of Ashburton District Council confirm that all statutory requirements of section 98 of the Local Government Act 2002 have been complied with as required by section 98(3) of the Local Government Act 2002.

### Responsibility

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

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

In the opinion of the Council and management of the Ashburton District Council, the annual Financial Statements for the year ended 30 June 2008 fairly reflect the financial position and operations of the Ashburton District Council.



**Mayor: Bede O'Malley**



**Chief Executive: Brian Lester**

**Date: 30 October 2008**

## Ashburton District Profile

Ashburton District covers the central part of the South Island. The area is bounded in the east by the Pacific Ocean, the west by the Southern Alps and has as its northern and southern boundaries the Rakaia and Rangitata Rivers respectively. The district covers around 6,175 square kilometres and has a total population of approximately 28,600.

The District encapsulates all the natural features of the Canterbury region and all the ecosystems that make this part of New Zealand unique. This ranges from a wild coastal fringe through to the fertile Canterbury Plains, the foothills of the Southern Alps and on to the rugged high-country and the Southern Alps mountain range. Significant landscape values abound from the Southern Alps to the sea.

Some of these ecosystems have, however, declined in both quality and quantity over the years as the area has developed. It is one of Council's and the community's key challenges in the future to ensure this decline is minimised and that economic development continues in ways that minimise any negative impact on the natural environment, and enhance and protect the natural ecology.

### Our People

The resident population of Ashburton District was 27,372 at the 2006 census. Demographic breakdown statistics for the 2006 census showed that within Ashburton District:

- Our median age is significantly higher, at 38.8 years, than the national average of 35.9 years.
- 16.3% of our residents are aged 65 or over, compared to the national average of 12.3%.
- 82.2% of our community belong to the European ethnic group, whereas nationally 67.6% of people belong to this group.
- 6.1% of our community belong to the Maori ethnic group, and nationally this is 14.6%.  
(Note: some respondents identify with dual or multiple ethnicities).

The District's population has grown 7.6% in the five years from 2001 to 2006, driven by strong local economic growth, which looks likely to continue, reversing trends from the 1980s and 90s of low or no population growth.

### Our Towns

**Ashburton:** the major town of the District (population approximately 16,000) straddles the Ashburton River (Hakatere), and is the commercial and services hub of the District.

**Methven:** at the base of the foothills of the Southern Alps, is the rural service centre for the western parts of the District and also services the Mount Hutt ski field. Methven has a population of around 1,400 for much of the year, but this swells to over 4,000 during the ski season.

**Rakaia:** (population 1,100) is situated on the southern bank of the Rakaia River and is renowned for salmon fishing and for the fertile, productive land bordering the river.

**Mt Somers,** adjacent to Ashburton Gorge, is the gateway to the high country of the district. **Hinds, Chertsey, and Mayfield,** are vital service centres for their respective surrounding rural areas.

## Community Outcomes, Objectives and Priorities

The Ashburton District community outcomes are statements of what our community wants for its future and have been identified through consultation with the community. Our community outcomes provide Council with strategic signposts that guide Council decisions and activities.

***Outcome 1: A thriving and diverse local economy that provides the foundation for a quality lifestyle.***

**Strategic Objectives:**

- a. A growing population enjoying a high quality of life.
- b. A prosperous and diverse local economy, and a skilled workforce.
- c. A community with access to quality infrastructure (roading, water, footpaths, wastewater and stormwater) that is efficient and reliable. **(Priority)**
- d. We recognise the importance of access to sustainable water sources for our economy and work together to make a water storage facility a reality. **(Priority)**

***Outcome 2: Natural and developed environments are sustained for the enjoyment of current and future generations.***

**Strategic Objectives:**

- a. Water, land, and air are managed sustainably. **(Priority)**
- b. Towns and rural areas are developed in a way which enhances the local environment and meets the needs of the community. **(Priority)**
- c. Our community understands the need to protect our natural environment and acts to do so.

***Outcome 3: A community with a strong sense of identity and heritage, which welcomes new residents and encourages diversity.***

**Strategic Objectives:**

- a. A community that attracts and retains new residents.
- b. A district that has a strong sense of community and people who participate in community life. **(Priority)**
- c. A community that values and encourages diversity.
- d. A community which recognises and preserves the cultural and social heritage of our District.

***Outcome 4: A community with access to quality education and life long learning.***

**Strategic Objectives:**

- a. People of all ages have access to opportunities to develop their skills and enrich their knowledge.
- b. Education providers have the resources they require to meet community needs.
- c. Employers and education providers work together to develop training programs that meet the needs of the local economy. **(Priority)**

***Outcome 5: Healthy, active people enjoying a good quality of life in a caring and safe community.***

**Strategic Objectives:**

- a. Healthy, active people with good access to health services. **(Priority)**
- b. A range of agencies work together to create a safe environment.
- c. Good systems are in place to plan for, and respond to, emergencies.
- d. Young people are supported to lead healthy and safe lives and are active participants in community life.
- e. A caring community that supports the elderly and helps others in need.

***Outcome 6: A community with access to a variety of cultural, recreational and heritage experiences and facilities that enrich our quality of life.***

**Strategic Objectives:**

- a. Cultural, recreational and heritage experiences and facilities are accessible to the community and are actively used.
- b. Cultural, recreational and heritage facilities are maintained and developed to meet community needs. **(Priority)**

***Outcome 7: A community that contributes to improving our quality of life through democratic participation.***

**Strategic Objectives:**

- a. The community is provided with opportunities to participate in local decision making.
- b. There is active participation in elections and consultation processes.
- c. Advocacy by community leaders for identified local concerns and issues at a local, regional and national level. **(Priority)**

## **Monitoring Progress to Achieving Community Outcomes**

Ashburton District Council is in the process of finalising a set of indicators to measure progress towards achieving community outcomes. A set of indicators and a base-line community outcomes report will be completed in the 2008/2009 year. The monitoring report will include information relating to Council activities as well as information from central government agencies and community organisations that will contribute to providing information to monitor progress.

## **Performance Measurement – Annual Residents Survey**

Each year Council commissions National Research Bureau Limited (NRB) to undertake an annual public survey seeking the views of Ashburton District residents on the performance of the Council and on the level of Council services provided. The relevant results of this survey have been included in this report as part of our performance targets. 402 residents (220 from the Ashburton urban ward, and 170 from the two rural wards) were surveyed with the margin of error 6.9%. The “don’t know” responses have been excluded from the tabulation of results for performance measures included in this report.

## **Performance Measurement – Council Surveys**

Council undertakes its own surveys for measuring performance and gathering information from service users of Ashburton District Tourism, Enterprise Ashburton and Council’s Elderly Persons Housing. These surveys are undertaken annually, normally in June or July. The low number of respondents mean the results need to be viewed with some caution but Council is comfortable they provide an adequate guide on the performance of these agencies.

## **Maori Contribution to Decision-making Processes**

Council has an obligation to take into account the principles of the Treaty of Waitangi and to recognise and provide for the special relationship with Maori.

**Te Runanga o Arowhenua** have mana whenua in Ashburton District and Council and others must consult with the runanga regarding issues which may impact on the quality of waterways and land and matters of cultural significance.

In order to maintain a strong and effective relationship with Te Runanga o Arowhenua, Council ensures appropriate issues are made available for consultation and feedback and meets on a regular basis to discuss matters of mutual interest and concern. The runanga is also encouraged to provide information and feedback on social and economic issues affecting the District.

The review of the Ashburton District Plan will provide opportunities for Council and Te Runanga o Arowhenua to evaluate the effectiveness of commitments made by Council in that document to work closely with the runanga.

**Hakatere Marae Komiti** is the main representative organisation for maata waka Maori in the District (Maori from other parts of New Zealand). Council liaises with the Komiti to ensure information and feedback on social issues within the District is received. Council is committed to continuing to develop its relationship with the Hakatere Marae Komiti.

## **Statements of Service Performance (Year ended 30 June 2008)**

### **Essential Services**

- Roading
- Footpaths
- Drinking Water
- Wastewater
- Stormwater
- Stockwater
- Solid Waste Management
- Emergency Management

### **Community Facilities and Services**

- Library
- Elderly Persons Housing
- Public Conveniences
- Reserve Boards and Halls
- Community Development and Wellbeing
- Democracy

### **Economic Development**

- Employment and Economic Development
- District Promotion and Visitor Industry
- Water Resources and District Water Management
- Commercial Properties
- Forestry

### **Parks and Open Spaces**

- Parks and Recreation
- Reserves and Camping Grounds
- Cemeteries

### **Environmental Services**

- District Planning
- Land Information
- Public Health
- Liquor and Gambling Venue Licensing
- Animal Control
- Building Regulation
- Parking

### **Miscellaneous**

## Essential Services

The following activities comprise Council's "Essential Services" activity group:

- **Roading**
- **Drinking Water**
- **Stormwater**
- **Solid Waste Management**
- **Footpaths**
- **Wastewater**
- **Stockwater**
- **Emergency Management**

## Community Outcomes This Activity Group Contributes to Achieving

**Outcome 1: A thriving and diverse local economy that provides the foundation for a quality lifestyle.**

### Objective

*A community with access to quality infrastructure (roading, water, footpaths, wastewater and stormwater) that is efficient and reliable. (Priority)*

*We recognise the importance of access to sustainable water sources and work together to make a water storage facility a reality. (Priority)*

### Activity Group Contribution

- Provide efficient and reliable infrastructure.
- Maintain and develop infrastructure. This has been identified as a priority by the community and the Council also sees this as a priority.
- Provide efficient and effective water and stockwater supply networks.
- Ensure sustainable water sources are identified and utilised.
- Provide environmentally and economically sustainable treatment and disposal of wastewater.

**Outcome 2: Natural and developed environments are sustained for the enjoyment of current and future generations.**

### Objective

*Water, land, and air are managed sustainably. (Priority)*

*Towns and rural areas are developed in a way which enhances the local environment and meets the needs of the community. (Priority)*

*Our community understands the need to protect our natural environment and acts to do so.*

### Activity Group Contribution

- Provide efficient and reliable infrastructure that enhances environmental sustainability.
- Provide efficient and reliable infrastructure that enhances sustainable development.
- Develop and implement policies and actions which promote the protection of our environment.
- Provide quality information to our community that enables decisions and actions to be taken which contribute to protecting our natural environment.

**Outcome 5: Healthy, active people enjoying a good quality of life in a caring and safe community.**

### Objective

*Healthy, active people with good access to health services. (Priority)*

*A range of agencies work together to create a safe environment.*

*Good systems are in place to plan for, and respond to, emergencies.*

### Activity Group Contribution

- Provide efficient and reliable infrastructure to ensure basic health needs are provided, including the taking of all necessary steps to retain the Ashburton Hospital.
- Provide efficient and reliable infrastructure to ensure basic health needs are provided.
- Provide efficient and reliable emergency management services which minimise loss and promote continuity.

## Roading

### What We Do:

The District has one of the largest local roading networks in the country with over 2,600 kilometres of roads in total. Of this, approximately 1,400 kilometres is sealed and the remaining 1,200 unsealed. The general condition of the existing roading network is good, with regular upgrading and maintenance programmes for the network in place. Council contracts out the physical work associated with maintaining local roads. Land Transport New Zealand (LTNZ) provides subsidy funding for road safety work.

(Note: LTNZ has ceased to exist as an organisation and has been superseded by the New Zealand Transport Agency (NZTA) from July 2008. Reference is made in this document to LTNZ as it applies to the 2007/08 year. In future Council documents all references will be to NZTA).

### Why We Do It:

Council is required, under a number of statutes, to provide a safe and efficient roading network for users. Council sees the roading network as underpinning the local economy by linking residents to businesses and services, and contributing to the community's social wellbeing through connecting people to other residents and social activities.

### 2007/08 Key Issues:

- **Wetter winter conditions:** Much wetter winter conditions in May and June 2008 resulted in higher maintenance costs to maintain roads at acceptable service levels.
- **Road resealing budget:** The 2007/2008 seal programme was 9.1% over budgeted estimate, arising from the effect of rising oil prices on the cost of bitumen. This extra cost required other planned renewal work to be reduced to maintain costs within approved budgets.
- **Seal Extension Programme:** Projects planned for seal extension in 2007/08 could not proceed as economic assessments provided too few benefits to achieve LTNZ subsidy funding. An alternative project was approved which did meet the criteria for LTNZ subsidy funding.
- **New road works:** Planned new road work in Ashburton did not proceed due to the economic assessment not meeting LTNZ criteria.
- **New road maintenance and operation contract:** A new road maintenance and operation contract for district roads commenced from July 2007. The new contract offered significant cost savings over the 2006/07 contract.

### Community Plan Performance Measures - Roading

Service Targets	Performance Measures	Performance Results										
All sealed roads in the District will provide a safe and smooth ride.	Average roughness, and maximum roughness, on sealed roads to be at or lower than target values in Land Transport NZ maintenance guidelines for urban and rural roads.	<p>Average and maximum roughness R targets for district roads compared to Land Transport NZ maintenance guidelines are as follows:</p> <table> <tr> <td>Length of sealed roads (lane-km)</td> <td>2,872</td> </tr> <tr> <td>Length of road over target R</td> <td>103</td> </tr> <tr> <td>% of road over target R</td> <td>3.6 %</td> </tr> <tr> <td>Length of road over maximum R</td> <td>65</td> </tr> <tr> <td>% of road over maximum R</td> <td>2.3 %</td> </tr> </table>	Length of sealed roads (lane-km)	2,872	Length of road over target R	103	% of road over target R	3.6 %	Length of road over maximum R	65	% of road over maximum R	2.3 %
Length of sealed roads (lane-km)	2,872											
Length of road over target R	103											
% of road over target R	3.6 %											
Length of road over maximum R	65											
% of road over maximum R	2.3 %											
	Annual roughness inspection carried out on sealed road network with 50% of network (urban and rural) measured annually.	Approximately half the roading network (sealed) is roughness rated annually (north or south of the Ashburton River). In 2007/08 the area south of the Ashburton River was rated.										
Consultation is carried out in compliance with legislative requirements.	All consultation is carried out in accordance with the Local Government Act 2002 and the Land Transport Management Act 2003.	All consultation carried out for roading planning and construction projects in 2007/2008 met legislative requirements.										

# Essential Services

Council customer response times for requests for service are met.	At least 85% of customer service requests (CSRs) are completed within the specified response times as set out in service-provider contracts or internal Council policy.	Number of CSR's = 838 Number completed on time = 695 (85.0%) Number completed by year end = 818 (97.6%) Number of roading related CSR's received in 2007/08 was 13.3% lower than 2006/07.
Residents are satisfied with the Council's roads.	At least 80% of residents are satisfied with the cleanliness, standard and safety of the District's roads (as monitored through the Council's Annual Community Survey).	78% (2006/ 07 - 78%) of residents were satisfied with the cleanliness, standard and safety of the District's roads provided by Council (2008 NRB Annual Community Survey).
The annual road programme is completed to contract standards and within budget.	The annual road programme is completed to contract standards and within budget.	<p>The following projects planned to be completed in 2007/08 were not carried out:</p> <ol style="list-style-type: none"> <li>1. Seal extension - Cairnbrae Rd (Methven Chertsey Rd to Pole Rd) and on Wakanui School Rd. Project not carried out due to the benefit/ cost ratio (BCR) of these projects being too low to achieve LTNZ subsidy. An alternative project on Blands Rd did achieve the necessary BCR level and was approved by Council and completed in 2007/08.</li> <li>2. Construction of new road - Dobson St West. This project did not achieve the necessary BCR level to achieve Land Transport Subsidy approval, so the project did not proceed. The design will be reviewed and the work reassessed in 2008/ 09.</li> <li>3. Intersection upgrade - Grahams Rd/Stranges Rd, part of the minor improvements budget, could not proceed due to planning issues and land purchase problems. It is expected that these issues will be resolved in 2008/09 and the project will then proceed.</li> </ol> <p>Total budget for 2007/ 08 was \$15,232,523. Total expenditure (operating and capital) was \$16,594,431. This included unbudgeted vested assets of \$629,874, additional depreciation and write offs of \$1,021,860.</p>
Carry out road safety education and associated projects to an approved standard.	The road safety coordinator has carried out road safety education and projects to a standard approved by Land Transport NZ and the Road Safety Committee.	All road safety education projects were completed to standard, on time, and within budget.
LTNZ funding is received and used in accordance with LTNZ requirements.	LTNZ funding is received and used in accordance with LTNZ requirements.	Total LTNZ funding received was \$4,141,266 in 2007/ 08. All subsidy received was used in accordance with the LTNZ requirements.
To maintain the integrity, safety and serviceability of sealed roads by resealing roads on an average 12 year cycle.	8.5% of sealed roads (122 km) are resealed annually.	122.8 km of roads were resealed in 2007/08.
To provide a higher level of service to selected unsealed roads by completing seal extensions on 69 kilometres of roads previously rehabilitated (with funding assistance from Land Transport NZ). This will provide safer roads less likely to deteriorate from heavy traffic movements or weather.	30 kilometres of seal extension completed between 2006/2007 and 2008/09, with the balance being completed between 2009/2010 and 2015/2016.	<p>Seal extensions completed in 2007/ 08:</p> <ul style="list-style-type: none"> <li>• Blands Rd</li> <li>• Rural intersection seal extension</li> <li>• Rural amenity seal extension</li> </ul> <p>Total length of 4.71 kilometres.</p> <p>Projects on Cairnbrae Rd (4.47km) and Wakanui School Rd (1.47 km) were not able to proceed as the BCR was too low to achieve LTNZ subsidy funding.</p>

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To complete 56 kilometres of seal widening on existing sealed roads to cater for higher traffic counts and heavy commercial vehicles on roads providing access to existing and proposed industrial areas, and on principal rural roads. This will improve the level of safety on the selected roads by providing a greater seal width for a wide range of road users.

Length of roads widened in 2006/ 07 to be 0.75 kilometres, and in 2007/08 to 2015/ 16 to be an average of 6.2 km per annum.

Three planned seal widening projects for 2007/ 08 received approval for subsidy from LTNZ. Work commenced in 2007/ 08, but due to very wet conditions, completion of these works was delayed until 2008/ 09.

Length of road widened in 2007/ 08 = 0 km.

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To maintain the integrity of the roading network by replacing all weight restricted bridges (with bridges that do not have weight restrictions) over the next 10 years.

At least 1 weight-restricted bridge is replaced annually.

A new bridge without weight restrictions was constructed on Smythes Rd over an irrigation race. Work was completed on time and within budget.

A second proposed bridge replacement on Wheatstone Rd was not required.

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## Variations from the Ashburton District Community Plan 2006–2016

- **Carry-over of minor projects:** The reconstruction of the Stranges Rd/Grahams Rd intersection was delayed due to planning issues and land purchase problems arising from the planning issues. Approval to enter land for reconstruction was not received by 30 June 2008.
- **Construction of new road (Dobson St).** This work did not proceed due to benefit cost ratio being too low to achieve LTNZ subsidy funding assistance.

## Footpaths

### What We Do:

Council provides and maintains footpaths in all towns and villages in the District, 212 kilometres in total. Footpaths provide a safe pedestrian transport network that links the community in towns and villages. Footpaths in all new developments are required to be provided by the developer to Council specifications and are then vested in Council.

### Why We Do It:

Like roads, footpaths connect people to businesses, services and social activities. Footpaths also support the community's health and wellbeing by providing a walking network throughout towns and villages.

### Community Plan Performance Measures – Footpaths

Service Targets	Performance Measures	Performance Results								
Consultation is carried out in compliance with legislative requirements.	All community consultation is carried out in accordance with the Local Government Act 2002 (LGA).	All community consultation for roading planning and construction projects in 2007/ 08 was carried out in accordance with the LGA.								
Council customer response times for requests for service are met.	At least 85% of Customer Service Requests (CSRs) are completed within the specified response times as set out in service-provider contracts or internal Council policy.	<table border="0"> <tr> <td>Number of CSRs</td> <td>187</td> </tr> <tr> <td>Completed on time</td> <td>142 (77.6%)</td> </tr> <tr> <td>Completed by year end</td> <td>183 (97.9%)</td> </tr> </table>	Number of CSRs	187	Completed on time	142 (77.6%)	Completed by year end	183 (97.9%)		
Number of CSRs	187									
Completed on time	142 (77.6%)									
Completed by year end	183 (97.9%)									
To resurface existing footpaths over the next 10 years in Ashburton at a rate of 7.0 km per annum using asphalt to provide a smooth waterproof surface without ponding from rain events.	Ashburton - 7km of footpath resurfaced annually.	Total length of footpaths resurfaced in Ashburton was 6.33 km. All work completed on time and within budget.								
To complete resurfacing of all footpaths in Methven, Rakaia and rural townships within next 10 years using asphalt to provide a smooth waterproof surface without ponding from rain events.	Methven, Rakaia and rural townships - a minimum of 500 metres of footpath in is resurfaced annually.	<table border="0"> <tr> <td>• Resurfacing in Methven</td> <td>360 m</td> </tr> <tr> <td>• Resurfacing in Rakaia</td> <td>210 m</td> </tr> <tr> <td>• Resurfacing in rural towns</td> <td>379 m</td> </tr> <tr> <td><b>Total</b></td> <td><b>949 m</b></td> </tr> </table> <p>All work completed on time and within budget.</p>	• Resurfacing in Methven	360 m	• Resurfacing in Rakaia	210 m	• Resurfacing in rural towns	379 m	<b>Total</b>	<b>949 m</b>
• Resurfacing in Methven	360 m									
• Resurfacing in Rakaia	210 m									
• Resurfacing in rural towns	379 m									
<b>Total</b>	<b>949 m</b>									
To provide safer and improved all -weather access for pedestrians by installing new footpaths over the next 10 years as follows: <ul style="list-style-type: none"> <li>• Ashburton 3.98 km of new footpaths (increase in network length 2.3%)</li> <li>• Methven: 3.73 km of new footpaths (increase in network length 25.1%)</li> <li>• Rakaia: 1.73 km of new footpaths (increase in network length 20.8%)</li> <li>• Rural : 2.56 km of new footpaths (increase in network length 29.6%).</li> </ul>	<u>Annual Targets:</u> <ul style="list-style-type: none"> <li>• Ashburton - at least 200 metres of new footpath constructed.</li> <li>• Methven - at least 200 metres of new footpath constructed.</li> <li>• Rakaia - at least 100 metres of new footpath constructed.</li> <li>• Rural - at least 150 metres of new footpath constructed.</li> </ul>	<u>2007/ 08 Performance</u> <ul style="list-style-type: none"> <li>• Ashburton - 54 metres of new footpath constructed.</li> <li>• Methven – 527 metres of footpath constructed.</li> <li>• Rakaia - 260 metres of new footpath completed.</li> <li>• Rural - 131 metres of new footpath completed.</li> </ul>								

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/2008 year.

## Drinking Water

### What We Do:

Council provides 14 public drinking water supplies within the District, with over 80% of households connected to a Council water supply. Council has numerous regulatory requirements to meet regarding the safety and standard of potable water supplies, and carries out regular testing to ensure that water provided is safe to drink.

There are programmes in place to progressively upgrade District water supplies through improving the availability, reliability, capacity and quality of drinking water. It is also necessary, given the hot dry summers characteristic of the District, to promote water conservation and impose restrictions at times when high demand impacts on levels of service.

### Why We Do It:

Territorial authorities have numerous responsibilities relating to the supply of water, including a duty under the Health Act 1956 to improve, promote, and protect public health within their Districts. In the provision of drinking water Councils have an obligation to identify where service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others. Council views the provision of reliable and safe drinking water as a major contribution to the district's economy and to resident wellbeing.

### Community Plan Performance Measures - Drinking Water

Service Targets	Performance Measures	Performance Results
Council response times for this activity are met.	<u>Target Response Times</u> <ul style="list-style-type: none"> <li>95% of Emergency incidents are responded to within 1 hour.</li> <li>95% of major leaks are responded to within 4 hours.</li> <li>100% of approved new connections are processed within 5 days.</li> <li>100% of written complaints are responded to within 10 working days.</li> </ul>	<u>2007/ 08 Performance</u> <ul style="list-style-type: none"> <li>317 emergency incidents responded to - 100% responded to within 1 hour.</li> <li>256 major leaks responded to - 100% responded to within 4 hours.</li> <li>116 applications for new connections received - 100% processed within 5 days.</li> <li>No written complaints were received during the year for this activity.</li> </ul>
The annual work and maintenance programme is completed to contract standards and to budget.	The annual drinking water work programme is completed to contract standards and within budget.	<p>The annual drinking water work programme for 2007/ 08 was not all completed.</p> <p>Projects that were completed were completed to contract standards and within budget. The total budget for completed projects was \$2,009,777. Actual expenditure for completed projects was \$1,691,866.</p> <p>Projects that were not completed were:</p> <ul style="list-style-type: none"> <li>Ashburton – Tinwald Borefield Extension: Bore drilled did not yield sufficient water to be used. Project has been delayed while new site is identified. Project carried over to the 2008/ 09 year.</li> <li>Ashburton – Ring Main to Industrial Estate: project delayed to coordinate work with road extension project in the same location. Project carried over to the 2008/ 09 year.</li> <li>Rakaia, Fairton, Mayfield and Mt Somers water supply upgrades were delayed to enable Council to apply for funding through the Ministry of Health's Capital Assistance Programme (CAP). All applications have been successful and the projects carried over to 2008/09</li> </ul>

# Essential Services

		<ul style="list-style-type: none"> <li>• Ashburton – Havelock Street Water Main Replacement: project was deferred until 2008/09 due to budgetary constraints.</li> <li>• Methven – Main Street Water Main Replacement: A portion of this project was deferred until the 2008/09 due to budgetary constraints.</li> </ul>
Compliance with resource consent conditions.	100% of resource consent requirements are complied with.	No Compliance Monitoring Reports from Environment Canterbury regarding the water supplies were received.
Standard domestic connections shall meet a flow rate of 25 litres/minute and pressure of at least 250kPa.	80% of all standard domestic connections on Council-operated supplies meet service minimum flow and pressure rates.	18 requests received relating to low pressure on standard domestic connections. Based on the number of requests for pressure, 99.9% of standard domestic connections meet flow and pressure rates.
Improve cost efficiency of water connection servicing.	A reducing trend in total cost of service per connection.	<p>Cost of service per connection for 2007/08 was \$280 (2006/07 \$253).</p> <p>The increased cost per connection reflects increased operating cost as a result of investment Council is making to meet legislative compliance.</p>
Council targets for unaccounted for water are achieved by 2008.	Targets relating to unaccounted for water for separate schemes are achieved by 2008.	<p>Unaccounted for water is generally measured in litres per connection per hour (l/c/hr) and is an indicator of leakage on the scheme. The 2006-2016 LTCCP contained a table with varying targets for the schemes to achieve.</p> <p>The following schemes achieved the identified target:</p> <p>Mt Somers 20 (Target 40)            Fairton 20 (Target 20)            Hakatere 5 (Target 15)            Mayfield 18 (Target 40)            Lake Hood 0 (Target 15)</p> <p>The following schemes did not achieve the target of 15 l/c/hr, though they all showed improvement from 2006/07 figures:</p> <p>Ashburton 29 (last year 34)            Methven 19 (last year 25)            Rakaia 20 (last year 28)</p> <p>Hinds 28 - did not achieve its target of 20 l/c/hr but significant work on leak detection was undertaken in January 2008.</p>
Reduction in consumption through improved demand management.	Reducing trend in water production per connection.	2007/ 08 annual water production per connection - 516 m3 (2006/ 07 – 536m3).
There is minimal disruption to the availability of this service.	<p>99.8% availability of service.</p> <p>95% of all recorded disruptions to service are less than 4 hours and 100% are less than 8 hours.</p>	<p>Availability of service over all water supplies – 99.9%.</p> <p>99.7% of all recorded disruptions to service were less than 4 hours and 100% were less than 8 hours.</p>

## Variations from Ashburton District Community Plan 2006-2016

- **Ashburton – Tinwald Borefield:** Bore drilled at George Glassey Park did not yield sufficient water. New bore will be drilled 2008/09. Project rescheduled and budgeted for 2008/09 year. Original budget - \$1,125,720. Total expenditure to 30 June 2008 - \$111,362.
- **Rakaia – Water Supply Upgrade:** Project delayed to enable Council to apply for funding from Ministry of Health Capital Assistance Programme (CAP). The application was successful but delays have occurred in securing consent to take water. Project is carried over to the 2008/09 year. Original budget - \$577,774. Total expenditure to 30 June 2008 - \$50,342.
- **Fairton, Mayfield and Mt Somers – Water Supply Upgrades:** Projects delayed to enable applications for CAP funding. These applications have been successful. The Fairton water supply was the subject of an application of \$149,983 and has been approved in the amount of \$198,831. The Mayfield water supply was the subject of an application of \$102,342 and has been approved in the amount of \$82,187. The Mt Somers water supply was the subject of an application of \$155,435 and has been approved in the amount of \$185,083. The projects have been rescheduled and budgeted for the 2008/09 year.

## Wastewater

### What We Do:

Council provides and maintains wastewater schemes in Ashburton, Methven and Rakaia, and undertakes this activity as part of its responsibility to promote and protect public health under the Health Act of 1956. There are approximately 7,200 properties connected to sewerage schemes, with around a further 3,100 households disposing of their wastewater by other means.

### Why We Do It:

Territorial authorities have numerous responsibilities relating to the supply of wastewater services and have a duty under the Health Act to improve, promote, and protect public health within their Districts. Council sees the provision of safe and sanitary wastewater disposal systems as being essential for the health of the community and the protection of the local environment.

### 2007/08 Key Issues:

- **Ashburton wastewater project** - Council undertook a major upgrade of the Ashburton wastewater scheme to improve the way that sewerage is disposed of and treated and also to provide additional scheme capacity. The physical works contracts have been completed and the facilities are presently in the commissioning phase.

### Community Plan Performance Measures - Wastewater

Service Targets	Performance Measures	Performance Results
Council response times are met for this activity.	<u>Target Response Times</u> <ul style="list-style-type: none"> <li>• 95% of emergency incidents are responded to within 1 hour.</li> <li>• 95% of blockages are responded to within 4 hours.</li> <li>• 100% of approved new connections are connected within 5 days.</li> <li>• 100% of written complaints are responded to within 10 working days.</li> </ul>	<u>2007/ 08 Performance</u> <ul style="list-style-type: none"> <li>• 66 emergency incidents were received - 100% responded to within 1 hour.</li> <li>• 84 reports of blockages were received - 100% responded to within 4 hours.</li> <li>• 98 applications for new connections received – 100% processed within 5 days.</li> <li>• No written complaints were received during the year for this activity.</li> </ul>
Compliance with resource consents.	100% of resource consent requirements are complied with.	<p>Ashburton Treatment Plant received one fully compliant grade and one minor non-compliance grade during 2007/ 08, relating to reporting only.</p> <p>Methven Treatment Plant received 1 minor non-compliance grade and one fully compliant grade during 2007/ 08. The Non-compliant grade related to the infiltration basin operation and reporting. Improvement work on the infiltration basins is being undertaken in 2008/09 which is expected to rectify the issues raised.</p> <p>Rakaia Treatment Plant received two fully compliant grades and two minor non-compliance grades during 2007/ 08. The non-compliant grades relate to sludge disposal, and reporting. Improvements to the sludge disposal system are being investigated and are to be implemented during 2008/09.</p>

# Essential Services

<p>Complete works and maintenance programme to contract standards and within budget.</p>	<p>The annual wastewater work programme is completed to contract standards and within budget.</p>	<p>The annual wastewater work programme for 2007/ 08 was not all completed.</p> <p>Projects that were completed were completed to contract standards but not all within budget. Total budget for completed projects was \$7,126,123. Actual expenditure for completed projects was \$7,912,120. The main project to exceed budget was the completion of the Ashburton wastewater treatment and disposal upgrade. Details of the over-expenditure are provided below this table.</p> <p>Projects that were not completed were:</p> <ul style="list-style-type: none"> <li>• Ashburton – Havelock Street Sewer Main Replacement: Project delayed due to difficulties obtaining competitive prices during initial tendering. Work on this project was completed on 7 July 2008.</li> <li>• Ashburton – South Street Sewer Main Replacement: \$107,813: Project deferred until 2008/09 as approved by Council 28/2/08.</li> <li>• Ashburton – Short Street Sewer Main Replacement: \$104,249: Project deferred until 2008/09 as approved by Council 28/2/08.</li> <li>• Methven – Dolma Street Sewer Main Replacement: \$160,739: Project delayed due to difficulties obtaining competitive prices during initial tendering. Work on this project was completed on 18 July 2008.</li> <li>• Rakaia – Plantation Improvements: \$8,927: Further work required regarding design of improvements to sludge irrigation system. Project carried over to 2008/ 09.</li> </ul>
<p>Wastewater services meet user expectations.</p>	<p>At least 80% of wastewater users are satisfied with this service (as monitored by the Council's Annual Community Survey).</p>	<p>99% (2006/ 07 - 94%) of residents connected to a wastewater scheme said they were satisfied with the service provided by Council. (2008 NRB Annual Community Survey)</p>
<p>There is minimal disruption to the availability of this service.</p>	<p>99.8% availability of service. 95 % of all recorded disruptions to service are less than four hours and 100% less than eight hours.</p>	<p>Wastewater services were 100% available, excluding reduced levels of service associated with minor localised blockages.</p>
<p>Complete the new Ashburton wastewater treatment facilities by June 2007.</p>	<p>The new Ashburton wastewater facilities are substantially complete and operational by June 30 2007.</p>	<p>The new Ashburton wastewater facilities are substantially complete and became operational in early May 2008.</p>

## Variations from Ashburton District Community Plan 2006-2016

- **Ashburton – Treatment and Disposal Upgrade Cost Over-run:**

This project was budgeted at \$6,829,434. It was completed by 30 June 2008 at a cost of \$7,613,372, an over-expenditure of \$783,938. The over-expenditure was due to additional costs not foreseen at the time of project budgeting. These relate to the following additional requirements:

- \$598,000 to seal the wetland area with clay material.
- \$75,000 for realignment of the overflow swale.
- \$61,000 for design change to communication system due to unavailability of broadband.
- \$36,000 for installation of pressure reducing valves on irrigation network.
- \$18,000 for design change to aeration pond and pump station to avoid groundwater issues (part of a variation approved in 2006/07).

The above over-expenditure was partially offset by a favourable variance from the 2006/07 Ashburton Cyclic Renewal programme as approved by Council on 27 September 2007.

## Stormwater

### What We Do:

There are four stormwater networks within the District – a major network within the Ashburton urban area and three limited networks at Methven, Rakaia and Hinds. Although Council is not required by legislation to provide stormwater systems, there is a need for stormwater to be disposed of in a way that does not adversely affect the local environment or community.

### Why We Do It:

The management of land drainage is primarily a regional authority role; however, territorial authorities in rural areas have assumed greater responsibility for stormwater drainage infrastructure in urban areas as they are a logical provider of these services in conjunction with other infrastructural services such as water and wastewater. The provision of stormwater network supports economic activity.

### 2007/ 08 Key Issues:

- **Natural Resources Regional Plan** - The Canterbury Regional Council has notified its draft Plan. This document has significant implications for infrastructure management in the district, particularly in the area of stormwater treatment and disposal.

### Community Plan Performance Measures - Stormwater

Service Targets	Performance Measures	Performance Results
Stormwater works and maintenance programs are completed to contract standards and within budget.	Stormwater programme is completed to contract standards and within annual budgets.	The annual stormwater work programme for 2007/ 08 was not completed.  No planned projects were completed. Projects that were not completed are: <ul style="list-style-type: none"> <li>• Ashburton – Trevors Road Gross Pollutant Trap - \$207,529: Project has been carried over to the 2008/ 09 year. The supply and installation of the new Gross Pollutant Trap was completed on 21 July 2008.</li> <li>• Ashburton – Chalmers Avenue Stormwater Drain Replacement - \$404,836: This project delayed due to difficulties obtaining competitive prices during initial tendering. It was necessary to re-tender the work later in the year. Project was carried over to 2008/09, and was completed in September 2008.</li> </ul>
Compliance with resource consent conditions.	100% of resource consent requirements are complied with.	Reporting against this target is based on compliance monitoring reports prepared by Environment Canterbury. No non-compliance reports were received during the 2007/ 08 year regarding stormwater.
Council response times for this activity are met.	<u>Target Response Times</u> <ul style="list-style-type: none"> <li>• 95% of Emergency incidents are responded to within 1 hour.</li> <li>• 95% of blockages are responded to within 4 hours.</li> <li>• 100% of approved new connections are processed within 5 days.</li> <li>• 100% of written complaints are responded to within 10 working days.</li> </ul>	<u>2007/ 08 Performance</u> <ul style="list-style-type: none"> <li>• 4 emergency incidents were responded to - 100% within 1 hour.</li> <li>• 4 reports of blockages were responded to - 100% within 4 hours.</li> <li>• 81 applications for new connections received – 100% processed within 5 days.</li> <li>• 100% of written complaints responded to within 10 working days.</li> </ul>

# Essential Services

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The Council's stormwater activities meets agreed resident expectations.	75% of residents are satisfied with this service (as monitored by the Council's Annual Community Survey).	73% (2006/ 07 - 76%) of residents were satisfied with the service provided by Council (2008 NRB Annual Community Survey)
Council's piped stormwater network will have sufficient capacity to meet 20% probability rainfall events without flooding (a one in every five-year rainfall event).	No recorded instances of flooding (related to pipe capacity) during 20% probability rainfall events.	There were no recorded instances of flooding relating to pipe capacity during 2007/08.

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## **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Stockwater

### What We Do:

Council has provided a stockwater service for over 120 years. The current open race network is approximately 3,400 kilometres long, servicing approximately 2,000 properties.

The network is divided into 4 separate schemes: Methven/Lauriston, Winchmore/Rakaia, Montalto/Hinds and Mt Somers/Willowby. The operation and maintenance of stockwater systems is carried out by council's stockwater rangers.

### Why We Do It:

Water is an essential of life and the stockwater network provides economic, social and ecological benefits to the rural community of the District by enabling them to access clean, safe stock water at a reasonable cost and with a moderate to high degree of security of supply. The stockwater network has played a significant role in enabling Ashburton District to become a successful pastoral farming area, for farm production to increase and animal health and welfare to be maximised.

### 2007/ 08 Key Issues:

- **Resource consents** – Consent hearings were held recently (8 August – 12 August 2008) to consider Councils stockwater consent application. A decision from the commissioner is due in October 2008.
- **Water race closures** - Council continues to progress the closure of races where they are no longer required, or where a satisfactory level of service cannot be maintained, or a cost effective alternative to the race system exists.

### Community Plan Performance Measures - Stockwater

Service Targets	Performance Measure	Performance Results
Compliance with resource consents.	100% compliance with resource consent requirements.	No non-compliance reports were received in the 2007/ 08 year regarding the stockwater network.
Users are satisfied with the management of the stock water network.	80% of users are satisfied with the management of rural stockwater (as monitored by the Council's Annual Community Survey).	67% (2006/ 07 - 72%) of users of Council stockwater services were satisfied with the management of rural stockwater by Council (2008 NRB Annual Community Survey)
Progressively close inefficient/ unused races.	100kms of the stockwater race network are closed annually until all inefficient/ unused races are identified and closed.	75.7km of stockwater races were closed in the 2007/ 08 year in accordance with the Council's stockwater race closure policy.
Response times for this activity set out in Council policy or service provider contracts are met.	<u>Target Response Times</u> <ul style="list-style-type: none"> <li>• 100% of emergency incidents are responded to within 1 hour.</li> <li>• 100% of blockages are responded to within 4 hours.</li> <li>• 100% of written complaints are responded to within 10 working days.</li> </ul>	<u>2007/ 08 Performance</u> <ul style="list-style-type: none"> <li>• 74 emergency incidents were reported – 100% acknowledged within 1 hour.</li> <li>• 37 blockages were reported – 100% were responded to within 4 hours.</li> <li>• 100% of written complaints were responded to within 10 working days.</li> </ul>

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Solid Waste Management

### What We Do:

Council provides recycling and residual waste disposal facilities at the Ashburton and Rakaia resource recovery parks and kerb side solid waste and recyclable materials collection services in the major towns and villages of the District.

Residual waste from the resource recovery parks is transported to the Canterbury regional landfill at Kate Valley, while other waste is recycled and reused locally. Council contracts out collection and disposal services and the operation of the Resource Recovery parks.

### Why We Do It:

Council has a duty under the Local Government Act 2002 to promote effective and efficient waste management within their districts, and a responsibility under the Health Act 1956 to improve, promote, and protect public health within their districts. Safe and environmentally responsible disposal of waste is important for the community's wellbeing and the protection of the local environment.

### **Community Plan Performance Measures - Solid Waste Management**

Service Targets	Performance Measures	Performance Results															
Increase the proportion of material diverted from the waste stream by 10% or more by 2010-11.	There is an average annual increase of 2% or more by weight in the percentage of recyclable and reusable material diverted from the waste stream relative to the amount of material received at Council's waste disposal and recycling centres.	<table border="1"> <thead> <tr> <th>Tonnes</th> <th>07/08</th> <th>06/07</th> </tr> </thead> <tbody> <tr> <td>• Total waste received</td> <td>13,817</td> <td>13,211</td> </tr> <tr> <td>• Total waste removed from waste stream</td> <td>5,761</td> <td>5,321</td> </tr> <tr> <td>• Percent diverted</td> <td>42%</td> <td>41%</td> </tr> <tr> <td colspan="3">Annual increase in percentage diverted = 1%.</td> </tr> </tbody> </table>	Tonnes	07/08	06/07	• Total waste received	13,817	13,211	• Total waste removed from waste stream	5,761	5,321	• Percent diverted	42%	41%	Annual increase in percentage diverted = 1%.		
Tonnes	07/08	06/07															
• Total waste received	13,817	13,211															
• Total waste removed from waste stream	5,761	5,321															
• Percent diverted	42%	41%															
Annual increase in percentage diverted = 1%.																	
Residents who received kerbside collection and recycling services are satisfied with this service.	At least 90% of residents receiving kerbside refuse and recycling collection services are satisfied with the services provided (as monitored by the Council's Annual Community Survey).	% of residents satisfied with the service provided by Council. Refuse collection 87% (2006/ 07 - 92%) Recycling collection 86% (2006/ 07 - 88%)															
Compliance with resource consents.	100% compliance with resource consent requirements.	Environment Canterbury monitored 6 of Council's landfills/resource recovery parks consents.  There were 2 significant non-compliances. One relates to a management plan for the discharge of stormwater from Ashburton Resource Recovery Park. The other relates to the closed landfill at Methven which requires structural and operational improvements. Progress on both matters is well underway and completion is planned for end of October 2008.															
Complete the solid waste works and maintenance programme to contract standards and within budget.	The annual solid waste programme is completed to contract standards and within budget.	The annual solid waste programme was completed to contract standards. The operation and maintenance programme exceeded budget by \$212,369, due to costs being higher than budgeted, unbudgeted costs to clear fire damage at ARRP, and a lower than forecasted Transwaste dividend.  The capital works programme was completed except for bank stabilisation work not done.															
Provide access to waste management services that meets the needs of the community in terms of facilities and access.	At least 80% of residents are satisfied with the recycling and residual waste disposal facilities in the district (as monitored through the Council's Annual Community Survey).	90% (2006/ 07 - 89%) of residents were satisfied with the recycling and residual waste disposal facilities provided by Council (2008 NRB Annual Community Survey).															

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Emergency Management

### What We Do:

Council has an operational Fire Plan in place and provides funding, equipment, resources and training to Volunteer Fire Fighters and Rural Fire Brigades. The New Zealand Fire Service provides urban fire protection for Ashburton, Methven and Rakaia townships.

Council undertakes planning for civil defence, and provides public education on civil defence issues. Council also coordinates volunteer recruitment and training, and provides emergency equipment and resources.

### Why We Do It:

Under the Forest and Rural Fires Act 1977, Council is the Rural Fire Authority for the rural parts of the District, excluding state and conservation land.

Under the Civil Defence and Emergency Management Act 2002 Council has a statutory responsibility to ensure local arrangements are in place to plan for and coordinate a response to emergency events. Council's Rural Fire and Civil Defence activities are important for the protection of the lives and property of local residents.

### 2007/ 08 Key Issues:

- **Rural Fire Protection:** The District's rural fire units made a total of 184 responses to 133 incidents (some incidents required more than one unit response).
- **Day Time Fire Response:** The nature of modern work means it can be difficult to find sufficient volunteers who work locally to respond to fire callouts during the working day. This particularly applies to the rural villages like Mt. Somers and Mayfield where most residents work in the major towns or at remote locations. Council is investigating options to remedy this issue.

### ***Community Plan Performance Measures - Emergency Management***

Service Targets	Performance Measures	Performance Results
Maintain current information on local emergency management arrangements as part of the Regional Civil Defence Emergency Management Group.	Information reviewed and updated biannually.	ADC Local Arrangements approved by CDEM Group Coordinating Executive Group on 26 November 2007.
All sector manager positions are filled.	All sector manager positions are filled and any vacancies are filled within six months.	13 sector warden positions are filled. 1 is currently vacant due to inability to identify a suitable person at Lauriston.
All volunteers are trained in emergency management.	All new volunteers undertake CIMS training within one year.	No new volunteers have been waiting for CIMS training for over one year.
District Fire Plan complies with National Rural Fire Authority requirements.	The District Fire Plan is approved biannually by the National Rural Fire Authority.	The District Fire Plan is now required to be approved by Council. The "Readiness" and "Response" sections are reviewed biennially and were approved by the Operations Committee on 6 December 2007. The "Reduction" and "Recovery" sections are reviewed every five years and are next scheduled for the 2010/ 11 year.
Respond to Rural Fire Force callouts promptly.	90% of Registered Volunteer Rural Fire Force callouts are despatched within 10 minutes of the alarm being raised.	91% (2006 90%) of callouts were despatched within 10 minutes of the alarm being raised in the 2007/ 08 year (NZ Fire Service Report).

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Essential Services

## Essential Services: 2008 Cost of Service Statement

Actual 2007 \$'000	Essential Services	Budget 2008 \$'000	Actual 2008 \$'000
	<b>Revenue</b>		
1,305	General Rate	1,493	1,524
32	UAGC	33	33
10,785	Targeted Rate	12,505	12,573
353	Interest	618	634
0	Dividend	139	38
2,488	Vested Assets	700	647
4,137	Subsidies	4,405	4,228
2,936	Other Revenue	2,662	2,814
348	Internal Revenue	164	259
<b>22,384</b>	<b>Total Income</b>	<b>22,719</b>	<b>22,750</b>
	<b>Expenditure</b>		
9,099	Roading	8,487	9,459
903	Footpaths	904	1,018
3,118	Drinking Water	2,768	3,192
1,517	Wastewater	2,761	2,738
465	Stormwater	425	443
871	Stockwater	861	981
2,798	Solid Waste Management	2,855	3,132
406	Emergency Management	335	371
<b>19,177</b>	<b>Total Expenditure</b>	<b>19,396</b>	<b>21,334</b>
<b>3,207</b>	<b>Net Surplus (Deficit)</b>	<b>3,323</b>	<b>1,416</b>
	<b>Capital Expenditure</b>		
13,182	New Capital	12,482	11,852
7,916	Renewals	7,342	7,000
1,799	Loan Repayment	553	555
<b>22,896</b>	<b>Capital to be Funded</b>	<b>20,377</b>	<b>19,407</b>
	<b>Funded By:-</b>		
3,207	Net Surplus (Deficit)	3,323	1,416
7,217	Depreciation funded	7,586	7,581
2,315	Loans Raised	10,357	13,000
0	Capital Income	0	0
1,759	Transfer from Reserves	206	640
210	Transfers to Reserves	(147)	(45)
(2,488)	Vested Assets - non cash item	(700)	(647)
10,676	Decrease (Increase) in Separate Reserve	(248)	(2,538)
<b>22,896</b>	<b>Total Source of Funds</b>	<b>20,377</b>	<b>19,407</b>
	<b>Total Expenditure includes:</b>		
936	Internal operating expenditure	1,186	1,568

## Explanation of Significant Cost of Service Variances

### Income Variances

There are no significant income variances

### Expenditure variances

**Roading** expenditure is \$972,000 higher than budget. Reasons include:

- Depreciation was \$202,000 higher than budget
- An unbudgeted loss on disposal of \$407,000
- An additional \$357,000 of maintenance costs incurred

**Drinking water** expenditure is \$424,000 higher than budget. Reasons include:

- An unbudgeted loss on disposal of \$177,000
- Additional operating costs of \$328,000. Reasons for this include:
  - An additional \$72,000 of electricity costs as a result of the installation of new bores.
  - Additional maintenance costs of \$135,000

**Stockwater** expenditure was \$120,000 above budget. Reasons include:

- An unbudgeted loss on disposal of \$193,000
- Depreciation was budgeted at \$112,000; actual depreciation was only \$27,000.

**Solid Waste** expenditure was \$277,000 above budget: Reasons include:

- Costs of disposing of residual waste to Kate Valley exceeded budget by \$70,000 due to increased volume, and an additional \$56,000 in overhead costs incurred in the Ashburton Resource Recovery Park operations.
- Ashburton Refuse collection costs exceeded budget by \$66,000 largely as a result of cost escalation clauses.

# Community Facilities & Services

## Community Facilities and Services

The following activities comprise Council's "Community Facilities & Services" activity group:

- Library
- Public Conveniences
- Community Development and Wellbeing
- Elderly Persons Housing
- Reserve Boards and Halls
- Democracy

## Community Outcomes This Activity Group Contributes to Achieving

### **Outcome 3: A community with a strong sense of identity and heritage, which welcomes new residents and encourages diversity.**

#### **Objectives**

*A community that attracts and retains new residents.*

*A district that has a strong sense of identity and people who participate in community life. (Priority)*

*A community that values and encourages diversity.*

*A community which recognises and preserves the cultural and social heritage of our District.*

#### **Activity Group Contributions**

- Provide a range of community events, facilities and funding which make the District a more attractive and interesting place to live.
- Fund key community facilities and events, such as the Art Gallery and Museum.
- Provide community archives at the District Library and Museum.
- Support and advocate for community organisations.

### **Outcome 4: A community with access to quality education and life-long learning.**

#### **Objectives**

*People of all ages have access to opportunities to develop their skills and enrich their knowledge.*

#### **Activity Group Contributions**

- Provide educational resources through the District Library.
- Support and advocate for community organisations.

### **Outcome 5: Healthy, active people enjoying a good quality of life in a caring and safe community.**

#### **Objectives**

*Healthy, active people with good access to health services. (Priority)*

*A range of agencies work together to create a safe environment.*

*Young people are supported to lead healthy and safe lives and are active participants in community life.*

*A caring community that supports the elderly and helps others in need.*

#### **Activity Group Contributions**

- Fund community facilities and events.
- Support the Ashburton Safer Community Council and Sport Mid-Canterbury.
- Fund social services, school holiday grants and youth events.
- Provide a Youth Council.
- Provide elderly persons housing.

### **Outcome 6: A community with access to a variety of cultural, recreational and heritage experiences and facilities that enrich our quality of life.**

#### **Objectives**

*Cultural, recreational and heritage experiences are accessible to the community and actively used.*

*Cultural, recreational and heritage facilities are maintained and developed to meet the community needs. (Priority)*

#### **Activity Group Contributions**

- Fund key community facilities and events, such as the Art Gallery and Museum.
- Provide the various social and cultural experiences available through the District Library.
- Support for the Ashburton Stadium Complex Trust

# Community Facilities & Services

## Library

### What We Do:

The library provides a range of services including research and lending services, newspapers, access to electronic databases, and historical records and is an important community and education resource. The library supports cultural, social and economic development and supports informed participation in society through education and by providing consultation information.

### Why We Do It:

Council believes it has a role to play providing educational, informational and recreational library resources and the assistance of trained staff. Council considers the library service to be essential to the quality of life of residents of the District.

### Community Plan Performance Measures - Library

Service Target	Performance Measures	Performance Results
A library service which is accessible to residents and is utilised.	70% of residents are users of the District library service in the last year (as monitored through the Council's Annual Community Survey).	67% (70% 2006/ 07) of residents were users of the District library service in 2007/ 08 (2008 NRB Annual Community Survey).
	Issues per head of population of at least 15 per annum.	2007/ 08 issues per head – 11.05 (2006/ 07 - 11.5) -based on population of 27,372.
A customer focussed library service that meets the needs of residents.	At least 85% of all residents and 90% of users are satisfied with the Council's library services.	98% (2006/ 07 - 97%) of all residents were satisfied with Council's library services.
		97% (2006/ 07 - 97%) of library users were satisfied with Council's library services. (Both 2008 NRB Annual Community Survey)
A wide range of materials is available for borrowing.	Number of items per resident in the library system is 3.3 or greater.	Number of items per resident at 30 June 2008 was 3.47 (based on population of 27,372).
	Purchase no fewer than 4,500 titles within the annual budget.	4,705 titles (books) were purchased in the 2007/ 08 year.
Heritage collections are preserved for the benefit of present and future citizens.	2 years of retrospective newspapers microfilmed annually.	No retrospective microfilming carried out, as National Library has undertaken to do this.

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Community Facilities & Services

## Elderly Persons Housing

### What We Do:

Council provides affordable rental accommodation throughout the District for elderly people on low incomes and with limited assets. Most units are located in Ashburton (104 units), with some also in Rakaia (2 units) and Methven (6 units).

### Why We Do It:

Council's Elderly Persons Housing activity contributes to the wellbeing of the community by assisting elderly people to stay within the local community through providing elderly people with safe, affordable accommodation that is suitable for their needs. The activity is undertaken at no cost to ratepayers, as this activity is self funding.

### **Community Plan Performance Measures - Elderly Persons Housing**

Service Target	Performance Measure	Performance Results
Council response times for this activity are met.	At least 85% of customer service requests are completed within the specified response times as set out in service-provider contracts or internal Council policy.	604 customer service requests were received in the 2007/ 08 year. 100% were responded to within 24 hours. Completion of work may have take longer depending on the nature of the request.
Housing units are provided to a satisfactory standard that is acceptable to tenants.	To provide accommodation to a minimum of level 3 in accordance with the Council's Elderly Persons Housing activity management plan.  At least 85% of tenants responding to a satisfaction survey are satisfied with the service and accommodation provided.	All 112 units meet the Level 3 standard of Council's Elderly Persons Housing activity management plan as a minimum.  84% (2006/ 07 - 90%) of tenants are satisfied with the service provided by Council. (Annual Survey of Elderly Persons Housing tenants).  88% (2006/ 07 - 89%) of tenants are satisfied with the accommodation provided by Council (2007 Annual Survey of Elderly Persons Housing tenants).
Average annual rental occupancy is 95% or more.	Average annual rental occupancy rate for Elderly Persons Housing.	2007/ 08 average occupancy rate - 97%.
Rentals are reviewed annually.	All rentals are reviewed annually.	All rentals were reviewed in September 2007, with no change in the rental.
The annual elderly persons housing activity programme is completed within budget.	The annual elderly persons housing work programme is completed within budget.	The 2007/ 08 maintenance programme was completed within budget.

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Community Facilities & Services

## Public Conveniences

### What We Do:

Council owns and manages 28 public toilet blocks throughout the District. Council ensures public conveniences in the District are clean and are appropriately maintained.

### Why We Do It:

The provision of public conveniences is important for the local visitor and tourism industry and for the health and convenience of local residents. As public toilets are frequently used by shoppers, this activity also supports local economic activity.

### **Community Plan Performance Measures- Public Conveniences**

<b>Service Target</b>	<b>Performance Measure</b>	<b>Performance Results</b>
The Council's public toilets activity meets community expectations.	At least 80% or more of residents are satisfied with the Council's public conveniences (as monitored by the Council's annual community survey).	82% (2006/ 07 - 89%) of residents are satisfied with Council's public convenience services (2008 NRB Annual Community Survey).
Council response times for customer service requests are met.	At least 85% of customer service requests are completed within the specified response times as set out in service-provider contracts or internal Council policy.	86.7% of customer service requests were attended to within 24 hours.

### **Variations from Ashburton District Community Plan 2006-2016**

- **Tinwald Domain toilets upgrade:** This project has been carried over to the 2008/09 year.

## Recreation Reserve Boards and Halls

### What We Do:

There are seventeen domains and five memorial halls located throughout the District that are vested in Council. Reserve and Hall Boards operate these facilities. Council administers the accounts of a number of the recreation reserve boards and memorial halls in the District, and their accounting is included as part of Council's operations.

Reserve and hall boards assets are insured by Council at indemnity value with the Boards having the discretion to meet the extra premium required to insure for replacement value. Council will consider replacement on a case by case basis.

### Why We Do It:

Council regards these assets as community assets that contribute to wellbeing and amenity value of residents, particularly in the rural areas of the District.

### **Community Plan Performance Measures- Recreation Reserve Boards & Halls**

As Council has only limited involvement in the upkeep of reserves and halls it is not considered necessary to develop performance measures for this activity.

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/08 year.

# Community Facilities & Services

## Community Development and Wellbeing

### What We Do:

**Community Events, Facilities and Funding:** Council is the primary funder of the Ashburton Community Pool and provides funds for community projects through grants such as the Major Community Projects Fund.

Council funds the Concert in the Park and the New Year's Eve Street Party as annual events for local residents and provides funding towards events through Community Events Funding Grants, administered by Ashburton District Tourism.

**Arts, Culture and Heritage:** Council supports the Ashburton Art Gallery and Museum through operational funding and provision of the former County Council building for their use. The District contains many buildings, features and trees which have historical, cultural, spiritual, scientific or other special significance to various individuals and groups in the community. Council has a register of classified historic places and sets aside funds to assist with the maintenance and alteration of historic places.

**Social Services:** Council provides funding, resources and expertise to the Ashburton Safer Community Council and appoints two members to the Safer Community Council board, including the chairperson. Council is represented on the Ashburton District Health Committee, which has been instrumental in retaining major health services in the District. Other social initiatives include grants for the rental costs of the Ashburton Resource Centre, assistance with the Healthy Homes project, Neighbourhood Watch, rental costs for the Ashburton Youth Health Centre, school holiday programmes and the Mayors taskforce for jobs.

### Why We Do It:

Under the Local Government Act 2002, one of the purposes of local authorities is to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The Community Development and Wellbeing activity seeks to further all of these objectives, but particularly to enhance the social and cultural wellbeing of residents through improving quality of life and the range and quality of services and facilities available locally.

Council has a role in identifying and monitoring social issues within the District. This role has become more complex in recent years with continuing devolution of responsibility from central to local government in this area, and increasing community expectation that Council take an active role. Council's current approach is based on providing advocacy on behalf of the community and co-ordination to facilitate appropriate responses to identified social issues.

### 2007/ 08 Key Issues:

- **District Indoor Sports Stadium complex:** Council remains supportive of the proposal for a District Indoor Sports Stadium complex to be constructed in Ashburton. The Ashburton Stadium Trust has continued to advance this project in the 2007/ 08 year. Any decision regarding Council involvement beyond its current commitment will be made through the 2009-2019 Community Plan and/ or will involve extensive community consultation to gauge community support for the project.

# Community Facilities & Services

- **Art Gallery and Museum:** Council has amended the Ashburton District Community Plan 2006-2016 to change the Art Gallery / Museum project from a signalled building upgrade to a new project which includes the sale of the existing facility and the building of a new Art Gallery / Museum facility on West Street, Ashburton. This project is currently in the planning and consent stage and a timeframe for the construction of the facility will be developed following this.

## **Community Plan Performance Measures - Community Development and Wellbeing**

<b>Service Target</b>	<b>Performance Measure</b>	<b>Performance Results</b>
Community Development services meet residents expectations.	At least 80% of residents are satisfied with the Council's performance in: <ul style="list-style-type: none"> <li>• social services</li> <li>• arts, culture and heritage and</li> <li>• community events, facilities and funding</li> </ul> (All from the Annual Residents Survey)	90% (2006/ 07 - 92%) of residents are satisfied with Council's performance in social services. (2008 NRB Annual Community Survey)  92% (2006/ 07 - 93%) of residents are satisfied with Council's performance in arts, culture & heritage. (2008 NRB Annual Community Survey)  94% (2006/ 07 - 86%) of residents are satisfied with Council's performance in community events, facilities and funding. (2008 NRB Annual Community Survey)
Support for social service initiatives is consistent with community expectations.	Community support for Council involvement in various social service initiatives is surveyed at least once every three years.	Council included questions regarding community support for Council involvement in a number of actual and potential social service initiatives in the 2008 NRB Annual Residents Survey.
Heritage sites and buildings are identified and protected.	The District Plan register of heritage sites and buildings is updated as part of the review of the District Plan.	The review of the District Plan is currently underway and will be completed in 2009/ 10.
Council funded facilities are actively used by the Community.	<ul style="list-style-type: none"> <li>• Ashburton Museum has at least 10,000 visits annually.</li> <li>• Ashburton Art Gallery has at least 10,000 visits annually.</li> <li>• Ashburton Community Pool has at least 70,000 admissions annually.</li> </ul>	Ashburton Museum had 8,308 visits in the 2007/ 08 year (2006/ 07 - 8,386) (Ashburton Museum report to Council).  Ashburton Art Gallery had 10,177 visits in the year (2006/ 07 - 11,454) (Ashburton Art Gallery report to Council).  Ashburton Community Pool had 79,329 admissions in the 2007/ 08 year (2006/ 07 - 86,280) (Ashburton Community Pool report to Council).
Grant funding for this activity is administered in accordance with Council Policy.	All grant funding for this activity is allocated and administered in accordance with Council policy.	All grant funding for the 2007/ 08 year was allocated and administered in accordance with Council policy.

## **Variations from Ashburton District Community Plan 2006-2016**

- **Art Gallery / Museum:** Council has amended the Ashburton District Community Plan 2006-2016 to change the Art Gallery / Museum project from a building signalled upgrade to a new project which includes the sale of the existing facility and the building of a new Art Gallery / Museum on a different site.

# Community Facilities & Services

## Democracy

### What We Do:

This activity includes electoral functions, ensuring essential services are provided and meeting legislative requirements. The Mayor and Councillors are elected by the community to carry out this purpose and other legislative responsibilities of local government. The process Council is required to carry out to identify community outcomes also provides guidance regarding the community's long term goals and priorities.

Council advocates for the District at a local, regional and national level. The interests of young people are represented through the Youth Council.

### Why We Do It:

The Local Government Act 2002 states that the purpose of local government is:

- To enable democratic local decision-making and action by, and on behalf of, communities; and
- To promote the social, economic, environmental, and cultural well-being in the Ashburton District's communities, in the present and for the future.

Council undertakes various functions within this activity to promote local participation and wellbeing.

### 2007/ 08 Key Issues:

- **Electoral Review:** Council undertook a review of its electoral arrangements as required under the Local Government Act 2002. This review resulted in new electoral boundaries for the two rural wards and a shift in the allocation of representation with one council seat moving the rural wards to the Ashburton urban ward. Further information on the electoral review and current wards is available from the Ashburton District Council offices.
- **Triennial elections:** Local government elections were held in October 2007. Three sitting councillors did not seek re-election and all other sitting councillors were returned.

### **Community Plan Performance Measures – Democracy**

Service Targets	Performance Measure	Performance Results
Corporate planning documents are issued within statutory timeframes and meet audit requirements.	The Community Plan, Annual Plan and Annual Report are produced within statutory timeframes. Community Plan and Annual Report are audited without qualification.	The Ashburton District Council Annual Report 2006/ 07 was adopted in June 2008, outside the statutory timeframe of the end of October 2007.  The Annual Report was audited without qualification.  The Annual Plan 2008/ 09 was adopted in June 2008, within the statutory timeframe.
Progress toward achieving community outcomes is effectively monitored and reported to the community.	Progress toward achieving community outcomes is reported to the community at least every three years.	A community outcomes monitoring report must be completed by the end of the 2008/ 09 year. This report is currently being developed.
Official meetings are conducted in compliance with the Local Government Official Information and Meetings Act 1987.	All official meetings of elected representatives are conducted in compliance with the provisions of the Local Government Official Information and Meetings Act 1987.	All official meetings of elected representatives were conducted in compliance with the provisions of the Local Government Official Information and Meetings Act 1987.

# Community Facilities & Services

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Residents are satisfied with the standard of Council's communication.	At least 85% of residents are satisfied with the Council's communication (as measured by Council's Annual Residents Survey).	84% (2006/ 07 - 92%) of residents were satisfied with Council's communication (2008 NRB Annual Community Survey).
Residents are satisfied with the performance of the Mayor and Councillors.	At least 80% of residents are satisfied with the performance of the Mayor and Councillors (as measured by Council's Annual Residents Survey).	71% (2006/ 07 - 77%) of residents were satisfied with the performance of the Mayor and Councillors (2008 NRB Annual Community Survey).
Residents are satisfied with the advocacy role of the Mayor and Councillors.	At least 85% of residents are satisfied with the advocacy of the Mayor and Councillors (as measured by Council's Annual Residents Survey).	86% (2006/ 07 - 85%) of residents were satisfied with the advocacy of the Mayor and Councillors (2008 NRB Annual Community Survey).

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## Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Community Facilities & Services

## Community Facilities and Services: 2008 Cost of Service Statement

Actual 2007 \$'000	Community Facilities and Services	Budget 2008 \$'000	Actual 2008 \$'000
<b>Revenue</b>			
1,197	General Rate	1,431	1,425
1,006	UAGC	1,136	1,133
706	Targeted Rate	756	767
93	Interest	143	214
395	Rental	0	379
900	Other Revenue	814	695
44	Internal Revenue	0	0
<b>4,341</b>	<b>Total Income</b>	<b>4,280</b>	<b>4,613</b>
<b>Expenditure</b>			
911	Library	967	966
376	Elderly Persons Housing	392	396
263	Public Conveniences	248	314
310	Reserve Boards & Halls	264	444
251	Arts, Culture & Heritage	286	295
515	Community Events & Facilities	2,370	1,989
70	Social Services	106	149
1,252	Democracy	1,224	1,370
<b>3,948</b>	<b>Total Expenditure</b>	<b>5,857</b>	<b>5,923</b>
<b>393</b>	<b>Net Surplus (Deficit)</b>	<b>(1,577)</b>	<b>(1,310)</b>
<b>Capital Expenditure</b>			
386	New Capital	482	256
0	Renewals	4	1
18	Loan Repayment	19	20
<b>404</b>	<b>Capital to be Funded</b>	<b>505</b>	<b>277</b>
<b>Funded By:-</b>			
393	Net Surplus (Deficit)	(1,577)	(1,310)
401	Depreciation funded	223	306
0	Loans Raised	47	0
0	Capital Income	0	0
39	Transfer from Reserves	2,036	1,131
0	Transfers to Reserves	(155)	(273)
(429)	Decrease (Increase) in Separate Reserve	(69)	423
<b>404</b>	<b>Total Source of Funds</b>	<b>505</b>	<b>277</b>
<b>Total Expenditure includes:</b>			
167	Internal operating expenditure	197	194

# Community Facilities & Services

## Explanation of Significant Cost of Service Variances

### Income Variances

The budget for other revenue of \$814,000 included rental income which has now been disclosed separately. Therefore the actual variance of other revenue if rental is included is \$260,000 above budget. Reasons include:

- **Reserve Boards and Halls** income was budgeted at \$212,000 but actual income was \$403,000. This included \$60,000 of unbudgeted income to the Rakaia Reserve Board, and \$28,000 additional income to the Tinwald Reserve Board
- **Development Contributions** of \$150,000 were budgeted within community events, actual contributions received in this activity were \$228,000

### Expenditure Variances

**Reserve Boards and Halls** expenditure was \$180,000 over budget. Reasons include:

- Rakaia Reserve Board expenditure was \$68,000 higher than budget
- Tinwald Reserve Board expenditure \$36,000 higher than budget
- Mt. Somers Reserve Board expenditure \$18,000 higher than budget.

**Community Events and Facilities** expenditure was \$381,000 under budget. Reasons include:

- The budget included a grant to towards the Ashburton Stadium of \$1,718,000. This project is still ongoing and only \$109,000 has been incurred in the 2007/08 year.
- A grant of \$1,013,000 was made to the Ashburton Events Centre. This had been budgeted for in previous years.
- A grant of \$250,000 was made to the Methven Snow and Grain centre (part of a planned total \$750,000 Council contribution)

**Democracy** costs were \$146,000 higher than budget. This was due to higher overhead costs (incurred in the internal service departments of Council) being allocated to the democracy activity.

# Economic Development

## Economic Development

The following activities comprise the “Economic Development” activity group:

- Employment and Economic Development
- Commercial Properties
- Forestry
- District Promotion and Visitor Industry
- District Water Management

## Community Outcomes This Activity Group Contributes to Achieving

**Outcome 1: A thriving and diverse local economy that provides the foundation for a quality lifestyle.**

### Objectives

*A growing population enjoying a high quality of life.*

*A prosperous and diverse local economy, and a skilled workforce.*

*We recognise the importance of access to sustainable water sources for our economy and work together to make a water storage facility a reality. (Priority)*

### Activity Group Contribution

- Provide funding and assistance to Enterprise Ashburton and Ashburton District Tourism to promote the district as a place to work, live and invest and to encourage new and existing businesses to thrive in the District.
- Own and manage a commercial property portfolio and a plantation forestry operation in the best interests of the residents of the District.
- Provide support and advocacy for community organisations which promote the skills of our residents.
- Provide funding and assistance to the Ashburton Community Water Trust to identify and develop sustainable water source options.

**Outcome 2: Natural and developed environments are sustained for the enjoyment of current and future generations.**

### Objective

*Water, land, and air are managed sustainably. (Priority)*

*Our community understands the need to protect our natural environment and acts to do so.*

### Activity Group Contribution

- Provide funding and assistance to the Ashburton Community Water Trust to identify and develop sustainable water source options.
- Own and manage a plantation forestry operation utilising sustainable management practices.

**Outcome 3: A community with a strong sense of identity and heritage, which welcomes new residents and encourages diversity.**

### Objectives

*A community that attracts and retains new residents.*

### Activity Group Contribution

- Provide funding and assistance to Enterprise Ashburton and Ashburton District Tourism to promote the district as a place to work, live and invest and to encourage new and existing businesses to thrive in the District.

**Outcome 4: A community with access to quality education and life-long learning.**

### Objectives

*People of all ages have access to opportunities to develop their skills and enrich their knowledge.*

### Activity Group Contribution

- Provide support and advocacy for community organisations which promote the skills of our residents.

# Economic Development

## Employment and Economic Development

### What We Do:

Council funds Enterprise Ashburton to undertake activities which promote economic development. Enterprise Ashburton's role is to encourage economic growth by promoting business and employment on behalf of the Council and the community. The agency is governed by an independent Board comprised of representatives of the District's commercial sector and Council.

Council also directly undertakes a number of activities which promote development and support business activity including district planning and activities within its commercial property function.

### Why We Do It:

Economic growth and an increasing population in recent years has enabled the range of services and facilities available to residents to expand and improve. Future development will allow new facilities to be developed and help ensure existing facilities and services are maintained.

Council sees its role to encourage new industries and businesses to the District and to encourage development through provision of infrastructure within a stable regulatory environment conducive to economic development.

### **Community Plan Performance Measures - Employment & Business Development**

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
Quality economic development services are delivered which add value to new and existing businesses.	90% of service users consider that Enterprise Ashburton delivers a quality service to the district.	100% (2006/ 07 - 98%) of service users consider Enterprise Ashburton delivers a quality service to the district (Council's 2007 annual survey of Enterprise Ashburton clients).
	90% of service users of Enterprise Ashburton's services consider that the service has added value to their business.	96% (2006/ 07 - 92%) of service users consider the service has added value to their business (Council's 2007 survey of Enterprise Ashburton clients).
Economic development services meet Community expectations.	90% of residents are satisfied with the Council's economic development activities as measured through the Council's annual community survey.	92% (2006/ 07 - 93%) of residents are satisfied with the Council's economic development activities (2008 NRB Annual Community Survey).
Deliver specified economic development services.	A report is presented to Council by Enterprise Ashburton twice annually outlining the services provided by Enterprise Ashburton and achievement of agreed objectives which is acceptable to the Council.	Enterprise Ashburton has reported to Council twice in the 2007/ 08 year and has achieved objectives acceptable to Council.
Assist new businesses to investigate establishing and develop.	Enterprise Ashburton assists 50 new businesses to establish annually.	40 new businesses attending courses 218 existing businesses attending courses 62 businesses referred to consultants 57 new business enquiries 3 business relocations assisted

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Economic Development

## District Promotion and Visitor Industry

### What We Do:

Council provides funding to Ashburton District Tourism to undertake tourism promotion activities and provides funding to the Ashburton and Methven visitor information centres.

### Why We Do It:

Tourism provides economic benefits to the local community through job creation and increased prosperity. Major tourism attractions in the District include skiing at Mt Hutt and Mt Potts, fishing on the Rakaia and Rangitata Rivers and local events.

### 2007/ 08 Key Issues:

- Events Promotion: Ashburton District Tourism has secured co-funding with the Ashburton Licensing Trust for an “event development executive” position to promote the District as a conference and events venue. The position is based with Ashburton District Tourism.
- I-site Visitor Centres: The total number of visits to the Ashburton and Methven I-sites for 2007/ 08 was 112,993. (129,933 in 2006/ 07, 120,599 in 2005/ 06).

### **Community Plan Performance Measures - District Promotion & Visitor Industry**

Service Targets	Performance Measure	Performance Results
Promote the district to visitors.	Ashburton District Tourism attends at least 2 trade/ travel forums to promote the district.  Numbers of “guest nights” stayed in the district shows a progressive improvement over time.	Trade/ Travel Forums attended in 2007/ 08: Trenz, Meetings, Function Expo.  Number of “guest nights” stayed in the District - 2007/ 08 – 203,331 2006/ 07 – 181,737 2005/ 06 - 172,043 2004/ 05 - 174,988 Statistics NZ Commercial Accommodation Monitor
Develop and maintain a current Tourism strategic plan for district, in consultation with the local tourism industry.	The current Tourism Strategic Plan is reviewed on a 3 yearly basis with input from the local tourism industry.	The Ashburton Tourism Strategic Plan will be completed in the 2008 calendar year.
Deliver specified tourism promotion services.	A report is presented to Council by Ashburton District Tourism twice annually outlining the services provided by Ashburton District Tourism and the achievement of agreed objectives which is acceptable to Council.	Ashburton District Tourism has reported to Council twice in 2007/ 08 and achieved agreed objectives acceptable to Council.
Deliver a quality service which assists local tourism operators.	At least 90% of clients are satisfied with Ashburton District Tourism’s overall performance (as monitored through an independent annual client survey).  At least 85% of clients consider the services provided by Ashburton District Tourism add some or considerable value to their operation (as monitored through an independent annual client survey).	87% of clients (100% 2006/ 07) were satisfied with Ashburton District Tourism’s overall performance (Council’s 2008 annual survey of Ashburton District Tourism clients).  83% (80% 2006/ 07) of clients considered the service provided by Ashburton District Tourism has added value to their business (Council’s 2008 annual survey of Ashburton District Tourism clients).
Tourism promotion activities meet community expectations.	At least 80% of residents are satisfied with the Council’s Tourism promotion activities (as monitored through the Council’s Annual Community Survey).	94% (93% 2006/ 07) of residents were satisfied with Council’s tourism promotion activities. (2008 NRB Annual Community Survey)

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## District Water Management

### What We Do:

Council provides funding to identify and research sustainable use of water resources and to educate the community on these issues. Much of this work has been undertaken by the Ashburton Community Water Trust. Council also seeks to promote sustainable use and efficiency in its management of Council water supplies. This is covered in the Drinking Water activity.

### Why We Do It:

Council recognises the effective and sustainable management of the District's water resources is perhaps the single biggest challenge and opportunity facing our community. Water contributes significantly to the economic growth and overall wellbeing of our community. The District requires water for drinking, commercial and industrial use, stockwater, irrigation, recreation and the natural environment.

### 2007/ 08 Key Issues:

- **Canterbury Strategic Water Study** - The Council supports the development of the Canterbury Strategic Water Study. Work is continuing on Stage IV of the Study, which involves engaging the community, providing information and education around water issues and seeking community input on the key water issues for Canterbury. The Canterbury Strategic Water Study is a non-statutory process, supported by all Canterbury local authorities.
- **Natural Resources Regional Plan** - Submissions continue to be made on various parts of Canterbury Regional Council's proposed "Natural Resources Regional Plan".

### ***Community Plan Performance Measures - District Water Management***

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
The Council's District Water Management activity meets resident's expectations.	At least 80% of residents are satisfied with the Council's District Water Management activity.	68% (2006/ 07 - 74%) of residents were satisfied with Council's District Water Management activity (2008 NRB Annual Community Survey).
Monitor expenditure of District Water grant funding.	Six monthly reports are provided to Council by the Ashburton Community Water Trust, which are satisfactory to Council.	The Ashburton Community Water Trust reported to Council twice in 2007/ 08.

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Commercial Property

### What We Do:

Council owns and manages a sizeable commercial and strategic property portfolio. This portfolio is held as an investment, with the income from the rental and sale of property being used to offset the level of rates required by Council. Some properties held by Council which are of a strategic nature and are long term assets to the community.

### Why We Do It:

Council's property investments assist economic growth through enhancing the stock of properties for use in the District, and can also contribute more widely to community wellbeing as properties are used by education, arts and health service providers.

### **Community Plan Performance Measures - Commercial Property**

Service Targets	Performance Measures	Performance Results
Council meets all resource consent and legislative requirements in its Commercial Property Activity.	All resource consents and legislative requirements met.	There are 9 Council-owned buildings with Warrant of Fitness requirements. 100% of requirements were met in 2007/ 08.  There were 4 resource consents required in 2007/ 08. 100% were obtained.
Achieve an annual rental occupancy rate of 95% or more.	The average annual rental occupancy rate on residential freehold, commercial and industrial properties is 95% or greater.	2007/ 08 average annual occupancy rate - 100%.
Review leases and/ or rentals regularly to reflect market rates.	All leases and / or rentals reviewed in accordance with lease documents and rentals set at the market rate applying at the time of renewal / review.	50 rent reviews or renewals (100% of the required) were initiated in 2007/ 08. 33 were completed with 17 remaining in arbitration at 30 June 2008.
All commercial leases are entered into or renewed at a rate determined by Council's Property Subcommittee from time to time.	Council's Property Department and Property Subcommittee report annually against this target in the Council's Annual Report.	33 reviews and new leases were set at market rates, with a further 17 being initiated but waiting for arbitration.
Council response times for customer service requests are met.	At least 95% of customer service requests are completed within the specified response times as set out in service-provider contracts or internal Council policy.	There were 114 customer service requests received in the 2007/ 08 year. 100% of service requests were attended to within 24 hours. Some repairs take longer than this time to complete depending on the nature of the request.

### **Variations from Ashburton District Community Plan 2006-2016**

- **North East Ashburton Business Park:** Council is developing a business park on land to the north-east of Ashburton. A change to the District Plan to rezone the land has been completed. Planning for the development of the land is currently underway and will enable necessary consents to be applied for. Capital works associated with this project will proceed once the development is consented.
- **Albert Street residential subdivision:** Council is developing a residential subdivision on land it owns in Albert Street, Ashburton. Stage 2 of this development was scheduled to be implemented in 2006/ 07 but has been rescheduled for 2008/ 09.
- **Art Gallery and Museum Facility:** Council amended its' Ashburton District Community Plan 2006-2016 to enable it to sell the current Art Gallery and Museum building in Baring Square, Ashburton and to construct a new facility on west Street Ashburton. This project is currently in the planning stages and will proceed if and when the necessary consents are obtained.

## Forestry

### What We Do:

Council's plantations total approximately 1,685 hectares (2006/ 07 - 1,750) and vary in size from 200 hectares to areas of less than one hectare.

### Why We Do It:

Forestry is part of the Council's balanced portfolio of investments and provides a revenue stream which is used to off-set rates. This investment also provides employment opportunities, animal shelter and soil protection.

### 2007/ 08 Key Issues:

- Plantation estate is declining as some plantations are not replanted.
- The value of the forest estate has declined in the 2007/ 08 year. This is the result of increased harvesting costs and lower log prices.
- Harvesting costs and other costs have increased primarily as a result of rising fuel prices.
- Contribution to general rates from the forestry account for the year was \$100,000.

### Community Plan Performance Measures – Forestry

Service Targets	Performance Measures	Performance Results
Council's Forestry activity contributes an adequate net return on investment.	The net return from harvesting operations is within 15% of budgeted annual return.	2007/ 08 budgeted harvesting net return is \$324,910 2007/08 actual net harvesting return is \$427,716 (+32%).  <b>Favourable variation to target.</b> See bullet point two below for explanation.
	Operational expenditure is within 10% of budget forecasts.	2007/ 08 budgeted operational expenditure (excluding harvesting and administration costs) \$251,920 2007/ 08 actual operational expenditure - \$181,589 (-28%).  <b>Favourable variation to target.</b> See bullet point three below for explanation.
Council's Forestry activity is managed to ensure it forms a sustainable long term investment.	The physical harvest does not exceed budget forecasts by more than 10%. Any additional cutting areas exceeding 10% of the forecast cut are to be approved by Council.	2007/ 08 budgeted physical harvest – 24,400 units 2007/ 08 actual physical harvest 19,473 units (-20%), as approved by Council.  <b>Favourable variation to target.</b> See bullet point three below for explanation.
	Average age at cutting is at least 28 years.	2007/ 08 average age at cutting 30.0 years.

### Variations from Ashburton District Community Plan 2006-2016

- Volume of the forestry harvest is below forecast levels. This is due to a change in the plantations that were harvested. The harvesting crew employed to complete work for the Council was deployed on for other work with at least 7300 units harvested for farmers, reserve boards and other Councils.
- The value harvested was higher than expected because a Douglas fir plantation was cut, this was not originally budgeted. The total net value of this plantation was \$120,000.
- Reduced operational expenditure (excluding harvesting costs) is due to a reduced establishment programme resulting from some harvested plantations not being replanted.

# Economic Development

## Economic Development: 2008 Cost of Service Statement

Actual 2007 \$'000	Economic Development	Budget 2008 \$'000	Actual 2008 \$'000
<b>Revenue</b>			
0	General Rate	0	0
0	UAGC	0	0
114	Targeted Rate	131	131
112	Interest	160	78
1,146	Rental	1,458	1,441
472	Gain on Sale	12,073	0
720	Other Revenue	366	531
250	Internal Revenue	216	215
<b>2,814</b>	<b>Total Income</b>	<b>14,404</b>	<b>2,396</b>
<b>Expenditure</b>			
132	Employment & Economic Development	201	228
274	District Promotion & Visitor Industry	317	318
355	District Water Management	318	298
680	Commercial Properties	1,724	648
435	Forestry	436	411
<b>1,876</b>	<b>Total Expenditure</b>	<b>2,996</b>	<b>1,903</b>
5,112	Fair value gain / (loss) revaluations - investment property	921	5,927
428	Fair value gain / (loss) revaluations - forestry	0	(1,582)
<b>6,478</b>	<b>Net Surplus (Deficit)</b>	<b>12,329</b>	<b>4,838</b>
<b>Capital Expenditure</b>			
2,342	New Capital	21,102	1,031
0	Renewals	5	0
0	Loan Repayment	3	0
<b>2,342</b>	<b>Capital to be Funded</b>	<b>21,110</b>	<b>1,031</b>
<b>Funded By:-</b>			
6,478	Net Surplus (Deficit)	12,329	4,838
83	Depreciation Funded	68	94
0	Loans Raised	17,361	0
0	Capital Income	18,550	0
15	Transfers from Reserves	344	147
(631)	Transfer to Rate Reserve	(574)	(573)
0	Transfer to Reserves	(15,038)	(115)
0	Gain on sale - non cash item	(12,073)	0
(3,603)	Decrease (Increase) in Separate Reserve	143	(3,360)
<b>2,342</b>	<b>Total Source of Funds</b>	<b>21,110</b>	<b>1,031</b>
<b>Total Expenditure includes:</b>			
22	Internal operating expenditure	22	22

# Economic Development

## Explanation of Significant Cost of Service Variances

### Income Variances

**Gain on Sale** had been budgeted at \$12,073,000. This was based on planned land sales at Riverside industrial development, North East industrial development and the Albert St residential development. These developments did not reach the stage where land could be sold and therefore there was no gain on sale.

**Other Income** was \$165,000 greater than budgeted. Reasons include:

- Forestry sales were \$133,000 greater than budgeted.

### Expenditure Variances

**Commercial Property** expenditure was \$1,076,000 less than budget. This variance was due to the delay in the North East Industrial development which meant that interest budgeted at \$1,080,000 was not incurred.

### Capital Expenditure and Income

As a result of the North East Industrial development delay, loans budgeted at \$15,000,000 were not raised and only \$569,000 of capital expenditure incurred against a budget of \$18 million. Capital sales budgeted at \$18,550,000 were not made.

The Albert Street subdivision capital expenditure was \$171,000 against a budget of \$400,000.

The Art Gallery & Museum project, with a capital budget of \$2,400,000, has been delayed, with only \$27,000 incurred in 2007/08.

# Parks and Open Spaces

## Parks and Open Spaces

The following activities comprise the “Parks and Open Spaces” activity group:

- Parks and Recreation
- Cemeteries
- Reserves and Camping Grounds

## Community Outcomes This Activity Group Contributes to Achieving

**Outcome 1: A thriving and diverse local economy that provides the foundation for a quality lifestyle.**

### Objectives

*A growing population enjoying a high quality of life.*

### Activity Group Contribution

- Provide parks, recreational facilities and reserves and camping grounds which help promote the district as a place to work, live and invest.

**Outcome 2: Natural and developed environments are sustained for the enjoyment of current and future generations.**

### Objective

*Water, land, and air are managed sustainably. (Priority)*

### Activity Group Contribution

- Provide parks, recreational facilities and reserves and camping grounds which are environmentally sustainable and are available for the enjoyment of current and future generations.

**Outcome 3: A community with a strong sense of identity and heritage, which welcomes new residents and encourages diversity.**

### Objectives

*A community that attracts and retains new residents.*

### Activity Group Contribution

- Provide parks, recreational facilities and reserves and camping grounds which help promote the district as a place to work, live and invest.

**Outcome 5: Healthy, active people enjoying a good quality of life in a caring and safe community.**

### Objectives

*Healthy, active people with good access to health services. (Priority)*

*Young people are supported to lead healthy and safe lives and are active participants in community life.*

### Activity Group Contribution

- Provide parks, recreational facilities and reserves and camping grounds which help promote an active and healthy lifestyle.

**Outcome 6: A community with access to a variety of cultural, recreational and heritage experiences and facilities that enrich our quality of life.**

### Objectives

*Cultural, recreational and heritage experiences and facilities are accessible to the community and actively used.*

*Cultural, recreational and heritage facilities are maintained and developed to meet community needs. (Priority)*

### Activity Group Contribution

- Provide parks, recreational facilities and reserves and camping grounds which help promote cultural, recreational and heritage experiences.
- Provide appropriate cemeteries which enable the residents to reflect on and celebrate the lives of residents past.

# Parks and Open Spaces

## Parks and Recreation

### What We Do:

Council provides and maintains a total of 86 parks, gardens, reserves and sports grounds throughout the District.

### Why We Do It:

Parks are provided for the enjoyment and wellbeing of local residents and to provide a healthy environment for the District. Parks enhance the quality of life of local residents and are an important part of the District's image.

### Community Plan Performance Measures - Parks and Recreation

Service Targets	Performance Measures	Performance Results
Response times for customer service requests for this activity are met.	At least 85% of customer service requests (CSRs) are completed within response times set out in service provider contracts or internal Council policy.	Number of CSRs = 53 Number completed on time = 27 (51%) Number completed = 53 (100.0%)
Parks, Reserves, and Gardens meet resident's expectations.	At least 90% of residents are satisfied with the overall standard of the District's parks, reserves and gardens (As monitored by the Council's Annual Community Survey).	98% (2006/ 07 - 98%) of residents were satisfied with the overall standard of the District's parks, reserves, and gardens (2008 NRB Annual Community Survey).
Rural parks and reserves meet resident's expectations.	At least 80% of residents are satisfied with the rural parks and reserves (as monitored by the Council's Annual Community Survey).	95% (2006/ 07 - 96%) of residents said they were satisfied with rural parks and reserves (2008 NRB Annual Community Survey).
Parks, reserves and gardens are actively used by the community.	At least 90% of residents have used or visited parks, reserves or gardens in the District (as monitored by the Council's Annual Community Survey).	88% (2006/ 07 - 88%) of residents said they have used or visited parks, reserves or gardens in the District (2008 NRB Annual Community Survey).
Compliance with resource consents.	100% of resource consent requirements for this activity are complied with.	All resource consent conditions have been complied with.
The activity works and maintenance programmes are completed within budget and to contract standards.	The annual Parks and Recreation maintenance and works programme is completed to contract standards and within budget.	The operation and maintenance programme was completed. Total costs were \$64,000 over budget of \$1,406,000.  The capital works programme was not completed – budgeted \$235,000 and spent \$119,000 (See below).

### Variations from Ashburton District Community Plan 2006-2016

- **Capital Projects:** Playground equipment for the Ashburton Domain playground has been unable to be supplied prior to the end of the 2007/ 08 year. The funding for this project has been carried over to the 2008/ 09 year and the project will be completed as soon as possible.
- **Ashburton Town Centre Upgrade:** This project has been deferred while work is undertaken on the Ashburton town centre urban design project – see the District Planning activity in this report. This project will be rescheduled as part of the 2009-2019 Ashburton District Community Plan.

## Cemeteries

### What We Do:

Council manages and operates 11 cemeteries within the District, and is progressively improving the design and accessibility of these facilities.

### Why We Do It:

Council is required to provide for the burial needs of the community under the Burial and Cremations Act 1964. Cemeteries are part of the community's heritage and it is important that the Council maintains an active role in preserving and enhancing the cemetery network to meet the District's current and future needs.

Graves, tombs, urupa, church yards, and cemeteries or private burial grounds which have been associated with human activity for more than 100 years are archaeological sites in terms of the Historic Places Act 1980.

### **Community Plan Performance Measures - Cemeteries**

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
Cemeteries meet community expectations.	At least 80% of residents are satisfied with the District's cemeteries (as monitored by the Council's Annual Community Survey).	98% (2006/ 07 - 100%) of residents were satisfied with the District's cemeteries (2008 NRB Annual Community Survey).
Recognise and protect heritage values through compliance with heritage and archaeological requirements.	All work undertaken by the Council in cemeteries complies with Historic Places Act and District Plan provisions and the requirements of the Council's Cemetery Activity Management Plan.	All work carried out in 2007/ 08 complied with Historic Places Act and District Plan provisions and the requirements of the Council's Cemetery Activity Management Plan.
Council timeframes and procedures for processing interment applications are met.	At least 85% of service requests are dealt with in accordance with Council policy and processed within timeframes set out in Council Policy.	Number of service requests 0 Number completed on time 0 (100%) Total completed by year end 0 (100%)
Compliance with resource consents.	100% compliance with resource consent conditions.	All resource consent conditions were complied with during 2007/ 08.
Cemetery maintenance work programmes are completed within budget and to contract standards.	The annual cemeteries activity programme is completed to contract standards and within budget.	Operation and Maintenance programme was completed to required standards. The total cost was \$321,954, which was \$8,132 under budget.  All capital projects planned for 2007/08 were completed within budget.

### **Variations from Ashburton District Community Plan 2006-2016**

**Ashburton cemetery extension:** This project has been deferred and rescheduled for the 2008/ 09 year to allow further planning to be undertaken regarding the long-term development of the cemetery site.

# Parks and Open Spaces

## Reserves and Camping Grounds

### What We Do:

Council owns, operates and maintains reserves and camping areas throughout the District. These include reserves and residential/camping sites at Rangitata, Lake Camp, Lake Clearwater and Hakatere. Council leases the Rakaia Gorge camping/picnic area to the Rakaia Gorge Society, who are responsible for running this facility.

### Why We Do It:

Reserves and camping areas contribute to the District's tourism sector, enhance the local environment and provide the community with recreational open spaces.

### **Community Plan Performance Measures - Reserves and Camping Grounds**

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
Customer service requests completed within specified response times.	At least 90% of Customer service requests are completed within the specified response times as set out in service-provider contracts or internal Council policy.	100% of customer service requests were attended to within 24 hours. Completion of the work may take longer depending on the nature of the request.
Manage reserves and campgrounds in accordance with resource consent and legislative requirements.	No breaches of resource consent or legislative requirements are identified.	There were no breaches of resource consents or legislative requirements in the 2007/ 08 year.
Provide reserves and camping areas to a standard that meets community expectations.	At least 80% of residents of the District are satisfied with the standard of reserves and camping areas in the District (as measured through the Council's Annual Community Survey).	96% (2006/ 07 - 95%) of residents were satisfied with the standard of reserves and camping areas in the District (2008 NRB Annual Community Survey).
Review leases and rentals regularly to ensure they reflect market rates.	100% of leases and/ or rentals reviewed in accordance with lease documents and rentals set at the market rate applying at the time of renewal/ review.	100% of leases were reviewed in 2007/ 08. 30 new licenses were issued with a reviewed license fee.

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Parks and Open Spaces

## Parks and Open Spaces: 2008 Cost of Service Statement

Actual 2007 \$'000	Parks & Open Spaces	Budget 2008 \$'000	Actual 2008 \$'000
<b>Revenue</b>			
876	General Rate	1,014	1,014
0	UAGC	0	0
521	Targeted Rate	612	612
68	Interest	107	137
0	Vested Assets	0	0
67	Gain on Sale	0	0
865	Other Revenue	667	975
69	Internal Revenue	38	48
<b>2,466</b>	<b>Total Income</b>	<b>2,438</b>	<b>2,786</b>
<b>Expenditure</b>			
1,421	Parks and Recreation	1,342	1,406
380	Reserves and Camping Grounds	376	411
281	Cemeteries	330	322
<b>2,082</b>	<b>Total Expenditure</b>	<b>2,048</b>	<b>2,139</b>
<b>384</b>	<b>Net Surplus (Deficit)</b>	<b>390</b>	<b>647</b>
<b>Capital Expenditure</b>			
147	New Capital	286	133
75	Renewals	91	1
22	Loan Repayment	36	36
<b>244</b>	<b>Capital to be Funded</b>	<b>413</b>	<b>170</b>
<b>Funded By:-</b>			
384	Net Surplus (Deficit)	390	647
199	Depreciation funded	213	210
55	Sales	0	0
0	Loans raised	0	0
0	Capital Income	0	0
0	Transfer from Reserves	185	0
433	Transfers to Reserves	(372)	(2)
(827)	Decrease (Increase) in Separate Reserve	(3)	(685)
<b>244</b>	<b>Total Source of Funds</b>	<b>413</b>	<b>170</b>
<b>Total expenditure includes:</b>			
77	Internal Operating expenses	76	80

### Explanation of Significant Cost of Service Variances

#### Income Variances

**Other revenue** was \$308,000 greater than budgeted. Reasons include:

- Reserve contributions being \$190,000 greater than the \$350,000 budgeted to be received

#### Capital Expenditure variances

**Capital expenditure** – New Capital was \$153,000 less than budget and cyclic renewal was \$91,000 less than budget. Reasons include:

- Ashburton cemetery beam capital work budgeted at \$107,000 did not proceed
- The cyclic renewal work on the Ashburton town centre budgeted at \$55,000 did not proceed

## Environmental Services

The following activities comprise the “Environmental Services” activity group:

- **District Planning**
- **Liquor and Gambling Venue Licensing**
- **Building Regulation**
- **Parking**
- **Public Health**
- **Animal Control**
- **Land Information**

## Community Outcomes This Activity Group Contributes to Achieving

### **Outcome 1: A thriving and diverse local economy that provides the foundation for a quality lifestyle.**

#### **Objectives**

*A growing population enjoying a high quality of life.*

*A community with access to quality infrastructure that is efficient and reliable. (Priority)*

#### **Activity Group Contribution**

- Provide district and development planning and regulatory services which promote the quality of life of residents.
- Provide district and development planning and regulatory services which ensure appropriate infrastructure is accessible to residents.

### **Outcome 2: Natural and developed environments are sustained for the enjoyment of current and future generations.**

#### **Objective**

*Water, land, and air are managed sustainably. (Priority)*

*Towns and rural areas are developed in a way which enhances the local environment and meets the needs of the community. (Priority)*

*Our community understands the need to protect our natural environment and acts to do so.*

#### **Activity Group Contribution**

- Provide district and development planning and regulatory services which protect the environment, are sustainable and promote the quality of life of current and future generations.

### **Outcome 3: A community with a strong sense of identity and heritage, which welcomes new residents and encourages diversity.**

#### **Objectives**

*A community which recognises and preserves the cultural and social heritage of our district.*

#### **Activity Group Contribution**

- Provide district and development planning which recognises and protects the cultural and social heritage of our district.

### **Outcome 5: Healthy, active people enjoying a good quality of life in a caring and safe community.**

#### **Objectives**

*Healthy, active people with good access to health services. (Priority)*

*Good systems are in place to plan for, and respond to, emergencies.*

#### **Activity Group Contribution**

- Provide district and development planning and regulatory services which promote the quality of life of residents.
- Provide district and development planning and regulatory services which appropriately manage foreseeable risks to the community.

### **Outcome 6: A community with access to a variety of cultural, recreational and heritage experiences and facilities that enrich our quality of life.**

#### **Objectives**

*Cultural, recreational and heritage experiences and facilities are accessible to the community and actively used.*

*Cultural, recreational and heritage facilities are maintained and developed to meet the community needs. (Priority)*

#### **Activity Group Contribution**

- Provide district and development planning which recognises and protects the cultural and social heritage of our district.

## District Planning

### What We Do:

The District Plan is the Council's principal environmental planning document, setting out the methods and processes Council will use to manage the District's natural and built environment. Council looks to plan for future growth. In planning for growth, balance needs to be achieved between protection of existing environments and heritage features of the District, and the economic and social needs and expectations of the community. Council began a review of its District Plan in the 2007/08 year.

### Why We Do It:

Councils have responsibilities under the Resource Management Act 1991 to undertake integrated environmental planning to control any actual or potential effects of the use, development, or protection of land, including avoidance of the effects of natural hazards. This is achieved primarily through the District Plan, which has environmental objectives, policy and rules to achieve Council's responsibilities under this Act.

### 2007/ 08 Key Issues:

**The Small Villages Development Plans** for Barrhill, Hinds, Mayfield and Mt Somers were adopted by the Council on 26 June 2008 and are now policy documents for those villages. These plans will now inform the District Plan Review process.

**The Ashburton Town Centre;** This urban design project is intended to identify appropriate planning and design directions for the Ashburton Town Centre, including key facilities, passive outdoor areas and traffic patterns. A draft plan has been developed for community consultation in the 2008/ 09 year.

**Racecourse Road Structure Plan;** This plan has been advanced to a concept stage to provide subdivision options that integrate the development of residential land, in different ownership, in Racecourse Road, Ashburton. Private developers have now advanced the development concept, with Council no longer involved in a facilitation role as a result.

**Significant Natural Areas;** The Environment Court has directed Council to review all SNAs that were subject to an appeal on the District Plan. Consultation with land owners and site assessments using an Ecologist has been progressed carefully throughout the year as conditions and farming activity permitted on the sites. This process will result in all of the sites being reviewed and Council then progressing either a Plan Change or incorporating the outcome into the District Plan Review.

### Community Plan Performance Measures - District Planning

Service Targets	Performance Measure	Performance Results
Resource Consents are issued within statutory timeframes in accordance with Resource Management Act.	100% of resource consents are issued within statutory timeframes.	There were 335 (2006/ 07 - 227) resource consent applications processed to decisions during the 2007/ 08 year. 272 were processed to decisions within the statutory timeframe – 81% (2006/ 07 - 89%).
Environmental planning and resource consents activities meet community expectations.	100% of residents are satisfied with Council's environmental planning and resource consent activities (as monitored through Council's Annual Community Survey).	80% (2006/ 07 - 81%) of residents were satisfied with Council's environmental planning and resource consent activities. (2008 NRB Annual Community Survey).
Prioritise and implement Development Plan projects.	Annual District Development Plan implementation work programme presented to Environmental Services Committee and identified actions achieved within agreed timeframes.	District Development Plan projects have been presented to the Environmental Services Committee and will be worked through over the coming two year period.

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Land Information

### What We Do:

Council maintains and provides information on property records held by Council. This information is available to the public through a Land Information Memorandum (LIM). Additional information, relating to rates, building consents, resource consents and licences applicable to the property, is included on a LIM. In order to be able to provide this service it is essential Council ensures accurate storage and retrieval of the information held.

### Why We Do It:

District councils have a responsibility under the Local Government Official Information and Meetings Act 1987, to provide relevant property information upon request.

Land information provided by Council assists landowners and potential landowners to make informed decisions regarding property.

### ***Community Plan Performance Measures - Land Information***

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
To process land information memoranda within statutory timeframes.	100% of land information memoranda (LIMs) are processed within 10 working days.	601 LIM's were issued in 2007/ 08 (772 in 2006/ 07).  540 (90%) of LIM's were completed in 10 days or less (98% 2006/ 07).
Residents are satisfied with the standard of Council's land information activity.	90% resident satisfaction with this activity (as measured through the Council's annual community survey).	89% (2006/ 07 - 88%) of residents were satisfied with Council's land information activity (2008 NRB Annual Community Survey).
Quality of information.	An audit of the accuracy and completeness of 20 LIMs is carried out at least once every 3 years by an independent authority.	An audit of the accuracy and completeness of LIMs will be undertaken in the 2008/ 09 year.

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Building Regulation

### What We Do:

The Building Regulation activity includes building inspection, enforcement of the building code and the issuing of building consents and code of compliance certificates. The introduction of the Building Act 2004 has increased Council's responsibilities relating to building control and the time required to process building consent applications.

### Why We Do It:

Council is responsible for administering the Building Act 2004 and the NZ Building Code, to regulate building work so that people can use buildings safely and without endangering their health and to ensure buildings are designed and constructed in ways that promote sustainable development. This activity supports local economic activity and also protects the safety of local residents.

### 2007/ 08 Key Issues

- **Building Consent Volumes and Values:** Total number of building consents issued in 2007/08 was 1350, including 253 new houses, and 49 dairy sheds. The total value of consents was \$138,972,114.25 (an increase of \$24,365,636.79 over the 2006/07 year).
- **Building Consent Processing Times:** 70.82% of building consent applications were processed within the statutory 20 day timeframe, significantly higher than last year (58%). Additional staff have been recruited in the past year to reflect the increased volume of work and the additional inspection and reporting requirements of the Building Act 2004 and new building regulations.
- **Building Consent inspections:** The number of inspections increased by 167 over the previous year, with 4,567 inspections being carried out.
- **Large Projects:** The 2007/08 year included building consent processes being carried out for several large projects within the District, including The new Somerset Building, the completion of the Ashburton Trust Event Centre, extension to Bakka Bulb shed, Ski Time Villas (9 units), and additional classrooms at Mt Hutt College.

### Community Plan Performance Measures - Building Regulation

Service Targets	Performance Measures	Performance Results
To receive and issue building consents and project information memoranda within statutory time frames to achieve compliance with the Building Act 2004.	To process 100% of building consents within the statutory timeframe.	1,350 Building consents were issued in 2007/08 (2006/ 07 - 1330)  956 (71%) of building consents were processed within the statutory 20 working day timeframe (2006/ 07 - 58%).
Audit building warrant of fitness for compliance with the Building Act 2004.	Audit 10% of building warrant of fitness certifications issued each year for compliance with the Act.	There are 385 Building Warrant of fitness' listed in the District. 65 were audited during 2007/08 year – 16%.
Respond to all written enquiries or complaints within 10 working days.	All written enquiries and complaints responded to within 10 working days.	100% of written enquiries and complaints were responded to within 10 working days.
Deliver a quality service which meets community expectations.	90% of residents are satisfied with building regulation services provided (as monitored through the Council's Annual Community Survey).	80% (2006/ 07 - 73%) of residents said they were satisfied with Council's building regulation service. (2008 NRB Annual Community Survey)

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Public Health

### What We Do:

Council has a statutory requirement to undertake certain public health roles and to promote public health. This includes activities such as licensing food premises, investigating and reporting on notifiable diseases, dealing with health nuisances, plus water quality monitoring and landfill testing. Inspections are conducted progressively throughout the year so as to maintain an ongoing “presence” in the community. Council has also developed bylaws specific to the requirements of the District in the areas of public health and regulation.

### Why We Do It:

Council is responsible for administering the Health Act 1956 and associated regulations and bylaws. This legislation is aimed at protection of the health and safety of the people of the Ashburton District. Council's aim is to create a trading and operating environment where there are no incentives to operate to a lower standard and the community's health is protected.

### 2007/ 08 Key Issues:

- **Bylaw Review:** A full review of Bylaws has been completed and the bylaws are now fully operative with Council adopting the reviewed Bylaws on 26 June 2008.

### Community Plan Performance Measures - Public Health

Service Targets	Performance Measure	Performance Results
Register and inspect food premises.	100% of registered premises inspected as at 30 June each year.	100% (2006/ 07 - 83%) of registered food premises were inspected in 2007/ 08. 187 premises (178 Inspected, 4 closed and 5 exempted).
Offensive trades, camping grounds, hairdressers, funeral directors and mortuaries are registered.	All such applications are processed within 5 working days.	100% (2006/ 07 - 100%) of complete applications were processed within 5 working days in 2008/ 09. 1 new Hairdressers and 1 new offensive trade was registered.
Mobile shops, hawkers, and itinerant traders are licensed.	All such licenses are processed within 5 working days.	100% (2006/ 07 - 100%) of complete applications were processed within 5 working days in 2008/ 09. 37 Mobile Shop licences 2 Hawker Licenses were issued during the reporting period.
Inspect and report on notifiable diseases, as required under the Notifiable Infectious Disease Regulations 1966.	To investigate any suspected cases of notifiable diseases within 4 days and report to the Medical Officer of Health within 5 days thereafter.	There were 2 suspected outbreaks of notifiable diseases reported in 2007/ 08. 100% (2006/ 07 - 100%) were investigated within 4 days and report to the Medical Officer of Health within 5 days.
Investigate and report on Health nuisance as defined under the Health Act 1956, Resource Management Act 1991 and Ashburton District Council bylaws.	All written complaints are responded to within 10 working days, and further action taken if necessary.	100% (2006/ 07 - 100%) of written complaints received in 2008/ 09 were responded to within 10 working days, and further action taken if necessary. 410 Noise Complaints were investigated. 73 Noise Directions were issued (under RMA) and 1 Noise Abatement Notice was issued
Monitor water quality for compliance with standards.	Monitoring of Council water supplies is carried out in accordance with internal service agreement.	Monitoring of Council water supplies was carried out in accordance with service agreements in 2007/ 08.
Overall service.	At least 85% of residents are satisfied with the Council's conduct of this activity (as monitored by the Council's Annual Community Survey).	85% (2006/ 07 - 86%) of residents were satisfied with Council's public health activity. (2008 NRB Annual Community Survey)

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Liquor and Gambling Venue Licensing

### What We Do:

The Liquor Licensing Authority delegates authority to the Ashburton District Licensing Agency (DLA) to administer the Sale of Liquor Act 1989 within the District. The DLA has adopted a policy to guide decision-making and to enable community input into how the Sale of Liquor Act is administered, and to ensure control is exercised over the sale and supply of liquor with an aim to contribute to reducing liquor abuse. Inspections are conducted to maintain an ongoing “presence” in the community and monitor compliance with the law. Council also liaises closely with the Police, licensees and other relevant agencies.

Under the Gambling Act 2003 Council has a consenting function in respect of Class 4 gambling venues which covers pokie machines and stand-alone TAB venues. Council is required to review its Gambling Venue Policy at least every three years, and this process was undertaken in the 2006/ 07 year.

### Why We Do It:

Council has statutory responsibilities to carry out liquor licensing and gambling consenting functions. Council’s aim is to create a trading and operating environment where required standards are maintained across the whole industry sector, there are no incentives to operate to a lower standard, and community well-being is promoted.

### **Community Plan Performance Measures – Liquor & Gambling Licensing**

Service Targets	Performance Measures	Performance Results
Process Liquor and Gambling Venue licenses and consents efficiently and in compliance with statutory requirements.	100% of complete liquor license applications are processed within 20 working days of receipt.	26 On Licenses – New and Renewal 16 Off Licenses – New and Renewal 8 Club Licenses – New and Renewal 112 Special Licenses 6 Temporary Authorities Council’s current reporting does not identify why a license application is prevented from being completed.
	100% of complete General and Club Manager’s Certificate applications are processed within 20 working days.	157 General Managers Certificates – New and Renewal 21 Club Managers – New and Renewal Council’s current reporting does not identify why a license application is prevented from being completed.
Monitor existing premises to ensure compliance with statutory requirements, terms of consent and maximise public safety.	100% of all operational Clubs, On and Off license premises receive contact at least once per year.	100% of all licensed premises (currently 96 licensed premises in the District) received contact during the 2007/ 08 year. Premises identified as having “issues” have received extra visits.
	100% of premises previously licensed are either re-licensed in compliance with relevant legislation or otherwise accounted for.	100% (2006/ 07 - 100%) of premises previously licensed were either re-licensed or otherwise accounted for in the 2007/ 08 (Annual reconciliation undertaken with the Liquor Licensing Authority).
Liquor and Gambling Venue licensing meets the expectations of the community.	90% of residents are satisfied with the Council’s liquor and gambling venue activity (as monitored by the Council’s annual community survey).	90% (2006/ 07 - 93%) of residents said they were satisfied with Council’s liquor licensing activity. (2008 NRB Annual Community Survey)

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Animal Control

### What We Do:

Council is responsible for processing dog registrations, for maintaining a dog register and also monitors and enforces relevant bylaws such as those regulating the keeping of stock in rural areas and the grazing and herding of stock on rural roads. Council's statutory responsibilities relating to animal control have increased significantly with the introduction of the Dog Control Amendment Act 2003, requiring Council to provide linked information to the national dog data base.

### Why We Do It:

Territorial authorities have numerous responsibilities relating to the control of animals. These responsibilities derive from the Dog Control Act and the Stock Impounding Act 1955, as well as local bylaws. Animal control protects the community from problems associated with poorly controlled animals, while allowing owners to keep animals within specified guidelines.

### **Community Plan Performance Measures - Animal Control**

<b>Service Targets</b>	<b>Performance Measures</b>	<b>Performance Results</b>
Maintain current dog register.	100% of known dogs are registered or otherwise accounted for.	2007/ 08 there were 6,121 dogs registered in the district (2006/ 07, 6117)  98.2% of dogs on file were registered.  Investigation of unregistered dogs is ongoing. Infringement notices have been issued where required and other dogs have been found to have either left the district or have died.
Response times to animal control related incidents are met.	Response times set out in service provider contracts are met.	Council is currently unable to report on this measure and is working with its contractor to enable this to be recorded in future years.
Meet community expectations regarding animal control.	At least 80% of residents are satisfied with the Council's animal control activities (as monitored through the Council's Annual Community survey).	82% (2006/ 07 - 78%) of residents said they were satisfied with Council's animal control activities. (2008 NRB Annual Community Survey)

### **Variations from Ashburton District Community Plan 2006-2016**

There were no significant variations from the Community Plan in the 2007/ 08 year.

## Parking

### What We Do:

Council provides on and off street parking in shopping areas around the District to enable commercial and business areas to function effectively and to provide both local residents and tourists with convenient access to shops and businesses and therefore support local economic activity.

### Why We Do It:

Parking enforcement is carried out under the Ashburton District Council "Parking" bylaw 1999, the Land Transport Act 1962, the Traffic regulations 1976 and the Road User Rules 2004. Council, as the owner of the roading network, is the logical provider of this activity. The Parking activity also enforces litter control under the Litter Act 1979.

### 2007/ 08 Key Issues:

**Ashburton CBD Parking:** Council is evaluating options with respect to future parking in the West Street car park. This process involves a community working group assisting Council to identify options.

### Community Plan Performance Measures - Parking

Service Targets	Performance Measures	Performance Results
Public parking facilities are provided that meet the needs of the community and enable reasonable access to business districts.	At least 80% of residents are satisfied with parking services (as indicated by Council's annual residents' survey).	87% (2006/ 07 - 89%) of residents said they were satisfied with Council's parking services. (2008 NRB Annual Community Survey)
Provide adequate metered/ time limited parking spaces in high usage areas.	Provide a minimum of 500 timed spaces and 320 metered spaces throughout the District.	Timed parking spaces: 861 – Ashburton 61 – Methven 71 – Rakaia 325 – Off-street, Ashburton 1,318 - Total  Metered parking spaces: 242 – Ashburton
Parking facilities are provided at no cost to ratepayers.	Costs are managed within budget, and at no cost to ratepayers.	2007/ 08 costs were managed within budget. There was no rate funding required for the Parking activity in the 2007/ 08 year.
Actively enforce parking time limits and meter system to ensure all users have fair, equitable access to parking.	All stationary vehicle offence infringement notices issued meet the statutory processing requirements to enable prosecution proceedings to be commenced if required.	8,124 (9,302 – 2006/ 07) parking infringements were issue during the year.  7,858 – 97% (2006/ 07 - 97%) followed the statutory due process to enable prosecution proceedings to be commenced if required.

### Variations from Ashburton District Community Plan 2006-2016

There were no significant variations from the Community Plan in the 2007/ 08 year.

# Environmental Services

## Environmental Services: 2008 Cost of Service Statement

Actual 2007 \$'000	Environmental Services	Budget 2008 \$'000	Actual 2008 \$'000
	<b>Revenue</b>		
356	General Rate	284	288
167	UAGC	181	181
0	Targeted Rate	0	0
57	Interest	70	89
1,943	Other Revenue	2,005	2,106
161	Internal Revenue	161	179
<b>2,684</b>	<b>Total Income</b>	<b>2,701</b>	<b>2,843</b>
	<b>Expenditure</b>		
2,354	Environmental Services	2,632	2,962
235	Parking	265	228
<b>2,589</b>	<b>Total Expenditure</b>	<b>2,897</b>	<b>3,190</b>
<b>95</b>	<b>Net Surplus (Deficit)</b>	<b>(196)</b>	<b>(347)</b>
	<b>Capital Expenditure</b>		
258	New Capital	53	20
0	Renewals	0	0
0	Loan Repayment	19	0
<b>258</b>	<b>Capital to be Funded</b>	<b>72</b>	<b>20</b>
	<b>Funded By:-</b>		
<b>95</b>	Net Surplus (Deficit)	<b>(196)</b>	<b>(347)</b>
107	Depreciation funded	24	4
0	Loans Raised	295	0
0	Transfers from Reserves	0	0
15	Transfers to Reserves	0	0
41	Decrease (Increase) in Separate Reserve	(51)	363
<b>258</b>	<b>Total Source of Funds</b>	<b>72</b>	<b>20</b>
	<b>Total Expenditure includes:</b>		
15	Internal operating expenditure	25	16

### Explanation of Significant Cost of Service Variances

#### Income Variances

**Other revenue** was \$101,000 greater than budgeted. Reasons include:

- Building levies (BIA and BRANZ) were \$115,000 above budget

#### Expenditure Variances

Environmental expenditure was \$330,000 greater than budget. Reasons include:

- The BIA and BRANZ levies are on paid to those authorities. The income variance is therefore also reflected in the expenditure

## Miscellaneous: 2008 Cost of Service Statement

Miscellaneous Operations covers all capital expenditure made by overhead departments of the Ashburton District Council, the interest and dividend income from Council's shareholdings.

Actual 2007 \$'000	Miscellaneous	Budget 2008 \$'000	Actual 2008 \$'000
	<b>Revenue</b>		
0	General Rate	0	0
730	Interest	1,041	1,043
666	Dividend	463	686
599	Gain on sale	0	7
35	Other Revenue	0	0
346	Internal Revenue	0	0
<b>2,376</b>	<b>Total Income</b>	<b>1,504</b>	<b>1,736</b>
	<b>Expenditure</b>		
165	Interest	163	175
208	Operating Costs	55	134
<b>373</b>	<b>Total Expenditure</b>	<b>218</b>	<b>309</b>
<b>2,003</b>	<b>Net Surplus (Deficit)</b>	<b>1,286</b>	<b>1,427</b>
	<b>Capital Expenditure</b>		
383	New Capital	1,410	585
51	Renewals	250	229
0	Loan Repayment	30	2
<b>434</b>	<b>Capital to be Funded</b>	<b>1,690</b>	<b>816</b>
	<b>Funded By:-</b>		
2,003	Net Surplus (Deficit)	1,286	1,427
0	Depreciation funded	544	560
0	Loans Raised	181	0
25	Capital Income	40	0
1,313	Transfer from Reserves	1,399	908
4,360	Transfers to Reserves	(599)	(1,957)
(837)	Transfers to Rate Reserves	(867)	(732)
(6,430)	Decrease (Increase) in Separate Reserve	(294)	610
<b>434</b>	<b>Total Source of Funds</b>	<b>1,690</b>	<b>816</b>
	<b>Total Expenditure includes:</b>		
0	Internal operating expenditure	5	5

## Explanation of Significant Cost of Service Variances

### Income Variances

Dividend income was up as a result of an increased dividend from Ashburton Contracting Limited (ACL). Total ACL dividends were budgeted at \$460,000, but \$640,000 was received.

### Capital Expenditure

Included in the capital expenditure budget was \$845,000 for the upgrade of the Council's administration building. This project has been delayed and only \$53,000 of preliminary costs have been spent to date.

# Financial Statements

## STATEMENT OF ACCOUNTING POLICIES FOR YEAR ENDED 30 JUNE 2008

### 1. Reporting Entity

The Ashburton District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and qualifies as a 'public benefit entity' (PBE) under the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The group consists of the Ashburton District Council and its wholly owned subsidiary Ashburton Contracting Limited (Council controlled trading organisation) and its in-substance subsidiaries the Ashburton Community Water Trust and the Ashburton Stadium Complex Trust.

The Council and group financial statements have been prepared in accordance with the requirements of section 98 of the Local Government Act 2002 which includes the requirement to comply with generally accepted accounting practice.

### 2. Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis modified by the valuation of certain assets have been followed.

### 3. Summary of Accounting Policies

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with NZ IFRS and other applicable financial reporting standards as appropriate for PBEs. The principal accounting policies adopted are set out below.

The functional currency of Ashburton District Council is New Zealand dollars and accordingly the financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

#### Infrastructure Assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuations over the Group's infrastructure assets. These include estimates of useful lives, estimates of condition of assets (especially underground assets), and assumptions as to the continuation of existing demand patterns and the lack of any major natural weather event that could give rise to significant asset damage and impairment. Assumptions as to actual physical condition of the asset is minimised by physical inspections and condition modelling.

## **4. Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Council and entities controlled by the Council (its subsidiaries) made up to 30 June each year.

All business combinations are accounted for by applying the purchase method.

Control is achieved where the Council has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess (deficiency) of the cost of acquisition over (below) the fair values of the identifiable net assets acquired is recognised as Goodwill (Discount on Acquisition). NZ IFRS 3 - Business Combinations, requires that, after reassessment, any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination should be recognised immediately in profit or loss. NZ IFRS 3 prohibits the recognition of Discount on Acquisition in the Statement of Financial Position.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated Statement of Financial Performance from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All significant intra-group transactions and balances between group entities are eliminated on consolidation.

## **5. Joint Ventures**

A joint venture is a contractual arrangement whereby the Council and other parties undertake an economic activity that is subject to joint control.

The Council has a 60% interest in the Riverbank View forestry joint venture. This is a jointly controlled operation between the Council, which incurred the planting costs and is liable for the ongoing silviculture costs, and a land owner who provided the land and who meets the land costs such as rates and fencing. The net sale proceeds will be split 60% Council and 40% landowner. The Council's interest in the joint venture is accounted for using the proportionate method of consolidation.

## **6. Budget Figures**

The budget figures are those approved by Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

## 7. Goods and Service Tax (GST)

These financial statements have been prepared exclusive of GST, except for receivables and payables, which are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

## 8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Council is not liable as a separate entity to income tax on any of its activities.

Taxable profit differs from net profit as reported in the Statement of Financial Performance because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. The amount of any deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the Statement of Financial Position date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised.

Deferred tax is charged or credited in the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by

# Financial Statements

the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 9. Revenue Recognition

Sales of goods are recognised when the significant risks and rewards of ownership of the assets have been transferred to the buyer which is usually when the goods are delivered and title has passed. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods or services.

Rates revenue is recognised by the Group as income on a straight line basis over the rating period.

Water billing is recognised based on the volumes delivered.

Dividends are recognised, net of imputation credits, as revenue when the shareholders' rights to receive payment have been established.

Levies are recognised as income when assessments are issued.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Lease incentives granted are recognised as part of the total rental income. Rental income from investment and other property is recognised in the Statement of Financial Performance on a straight-line basis over the term of the lease.

Government grants are recognised as revenue to the extent of eligibility for grants established by the grantor agency, or when the appropriate claims have been lodged. LTNZ roading subsidies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests and assets vested in the group, with or without restrictions are recognised as revenue when control over the assets is obtained.

Development contributions and financial contributions are recognised as revenue when Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

### **Ashburton Contracting Limited**

Ashburton Contracting Limited recognises contract revenue and contract costs as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of the total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses.

An expected loss on construction contracts is recognised immediately as an expense in the Statement of Financial Performance.

# Financial Statements

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

## 10. Equity

Equity is the community's interest in the Council and group and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that the Council and group make of its accumulated surpluses.

The components of equity are:

- Ratepayers Equity
- Accumulated Operating Reserve
- Revaluation Reserves
- Special Funds & Reserves

## 11. Special Funds and Reserves

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 Council.

Restricted reserves and special funds are those reserves and funds subject to specific terms 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.

Council-created reserves are reserves established 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.

## 12. Accounts Receivable

Accounts receivable include rates and water charges and are recorded at their amortised cost using the effective interest rate method which approximates their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. As there are statutory remedies to recover unpaid rates, penalties and water meter charges, no provision has been made for doubtful debts in respect of rates receivables.

Trade receivables are stated at their amortised cost using the effective interest rate method which approximates their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are initially measured at fair value, including transaction costs. At subsequent reporting dates, they are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in the Statement of Financial Performance when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

## 13. Inventories

Council inventories, are valued at the lower of cost and current replacement cost, less any provision against damaged or old items, with the exception of property inventory which are recorded at the lower of cost and net realisable value.

Ashburton Contracting Limited determines cost on a first in first out basis which is valued at lower of cost and net realisable value.

Property is classified as inventory when it is held for sale in the ordinary course of business, or that is in the process of construction or development for such a sale.

## 14. Stocks and Bonds

Stocks and bonds are classified as available-for-sale financial assets. Although they include terms greater than one year, they are readily tradable and are not intended to be held necessarily to maturity. They are revalued each year in the Council's parent financial statements at fair value using market values supplied by an independent advisor. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

## 15. Investments

The Council's investments in its subsidiaries are carried at cost less any allowance for impairment loss in the Council's own "parent entity" financial statements.

## 16. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for Infrastructure Assets and Land and Buildings.

Infrastructure Assets are stated at their revalued amounts. The revalued amounts are their fair values at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. 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.

Additions between valuations are recorded at cost, except for vested assets (see 'Vested Assets'). Certain infrastructure assets and land have been vested in the Council as part of the sub-divisional consent process.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

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 Statement of Financial Performance. Any subsequent increase on revaluation that offsets a previous decrease in value is recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset. On disposal, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to Ratepayer's Equity.

# Financial Statements

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

Work in progress has been stated at the lower of cost and net realisable value. Cost comprises direct material and direct labour together with production overheads.

Council land is recorded at cost and there is currently no intention to revalue these assets.

The directors of Ashburton Contracting Limited resolved to change their policy for recording land from cost to fair value as at 30 June 2006. Land is now valued annually by independent registered valuers. Cunneen McLeod Ltd, independent registered valuers, valued the land as at 30 June 2008.

Property held for service delivery objectives rather than to earn rental or for capital appreciation is included within property plant and equipment. Examples of this are property held for strategic purposes and property held to provide a social service, including those which generate cash inflows where the rental revenue is incidental to the purpose of holding the property, i.e. Council's elderly housing units.

## ***Buildings***

Council buildings are recorded at cost less accumulate depreciation and any accumulated impairment losses and there is currently no intention to revalue these assets.

The directors of Ashburton Contracting Limited resolved to change their policy for recording buildings from cost to fair value as at 30 June 2006. Buildings are now valued annually by independent registered valuers, Cunneen McLeod Ltd, independent registered valuers valued the buildings as at 30 June 2008.

## ***Vested Assets***

Vested assets are recognised at the cost to the developer, except for land, which is valued at fair value, at the time of transfer to the Council. This is then treated as the cost of the land to Council. These assets, other than land, are also subject to depreciation and subsequent revaluation. The vested reserve land has been initially recognised at the most recent appropriate certified government valuation.

## **17. Biological Assets - Forestry**

Forests were valued as at 30 June 2008 by the Council's District Forester in accordance with NZ IAS-41 Agriculture. All forests have been valued at 'fair value' less estimated point of sale costs which exclude transportation costs required to get the logs to market. Fair value valuations are based on: plantation age, species, silviculture, type, site productivity rotation length, expected yields at maturity, expected royalties and discount rate.

Using this information – which is collected from a variety of sources, (including Council's own records and data prepared by the Ministry of Agriculture and Forestry) valuations are calculated for each plantation.

Council has a policy to revalue its forests annually. These have been peer reviewed by Guild Forestry (Guild Family Enterprises Ltd), NZ Institute of Forestry registered consultant. Any increase or decrease in the valuation is reflected in the Statement of Financial Performance.

## 18. Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value at balance date. An external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. No deduction is taken for disposal costs.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

The valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit worthiness; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and where appropriate, counter notices have been validly served within the appropriate time.

Any gain or loss arising from a change in fair value is recognised in the Statement of Financial Performance.

Rental income from investment property is accounted for as described in the Revenue Recognition accounting policy.

When an item of property, plant and equipment which is revalued, is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to rate-payers equity. Any loss arising in this manner is recognised immediately in the Statement of Financial Performance.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Council holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease income is accounted for as described in the Revenue Recognition accounting policy.

The investment properties were valued by Quotable Value NZ Limited, Registered Valuers as at 30 June 2008.

## 19. Infrastructure Assets

These are the fixed utility systems that provide a continuing service to the community and are not generally regarded as tradeable. They include roads and bridges, water and sewerage services, stormwater systems and parks and reserves. These infrastructural assets are revalued annually, except for land under roads which have not been revalued.

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Roading Footpaths, Wastewater, Stormwater, Stockwater (excluding races), Water Supply Parks, and Solid Waste assets existing as at 30 June 2008 were revalued by Maunsell Limited, independent registered valuers, on a depreciated replacement cost basis.

The assets were valued using depreciated replacement cost. This required determination of quantities of assets optimised to relate to those required for current service delivery, foreseeable demand, unit rates that reflect replacement with modern engineering equivalent assets, recent contract rates for work in the district, effective lives that take account of local influences and depreciation that defines current value given a definable remaining life.

- Land under roads were valued by Quotable Value NZ Limited, independent registered valuers, as at 30 June 2002 and were based on sales of comparable properties. The values relate to an average “unimproved value” calculation in the rural areas of the district, and in the urban areas it is land with no roads, sewers or water supply.

## 20. Intangible Assets

- **Computer software** - acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to ten years). Subsequent expenditure on capitalised computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Costs incurred in acquiring operating system computer software essential to the operation of an item of Property, Plant and Equipment are included with the item of Property, Plant and Equipment and are not classified as an Intangible Asset. This is consistent with NZ IAS 38 – Intangible Assets.

- **Other intangible assets** - An internally-generated intangible asset arising from the Council’s development of its research findings is recognised only if all of the following conditions are met:
  - an asset is created that can be identified such as new processes;
  - it is probable that the asset created will generate future economic benefits; and
  - the development cost of the asset can be measured reliably.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation and impairment losses and are amortised on a straight line basis over their useful lives.

- **Subsequent expenditure** - Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.
- **Amortisation** - Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and other intangible assets with an indefinite useful life are systematically tested for impairment at each balance date.

## 21. Depreciation

Land, paintings and works of art are not depreciated.

Depreciation has been provided on a straight line basis on all other property, plant and equipment at rates which will write off the cost (or valuation) 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 – major	2.0% S.L.	
Buildings – minor	4.0% S.L.	
Heavy plant and machinery	5.0% – 13% S.L.	
Light plant and machinery	6.67% – 25% S.L.	
Office equipment	10%-36% S.L.	
Fixtures and fittings	10% S.L.	
Motor vehicles	7.0% – 13% S.L.	
Computer equipment	25.0% – 33% S.L.	
Library books	6.67% S.L.	(adult non fiction)
	10% S.L.	(all other books)

The depreciation rates of the other classes of assets are:

**Infrastructural Assets:** Infrastructural assets are depreciated on a straight line basis at rates that will write off their cost, less any estimated residual value, over their expected useful life.

Roading	- bridges	80 – 150 years	
	- culverts	80 years	
	- pavement surface	8 – 50 years	
	- pavement formation	N/A	(not depreciated)
	- pavement layers	60 – 80 years	
	- footpaths	25 – 90 years	
	- street lights	25 – 50 years	
	- kerb and channel	80 years	
	- traffic signals	12 – 55 years	
	- berms	80 years	
	- signs	13 years	
	- road markings	12 years	
	- barriers and rails	25 years	
Water Reticulation	- pipes	60 – 80 years	
	- valves, hydrants	25 years	
	- pump stations	10 – 80 years	
	- tanks	25 – 60 years	
Stockwater	- races	N/A	(not depreciated)
	- structures	60 years	
Sewerage Reticulation	- pipes	60 – 100 years	
	- laterals	100 years	
	- manholes	60 years	
	- treatment plant	10 – 100 years	
Stormwater Systems	- pipes	60 – 80 years	
	- manholes	60 years	
	- structures	20 – 50 years	
Solid Waste	- litter bins	10 years	

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Domains & Cemeteries	- playground equipment	10 – 50 years	
	- furniture	10 – 30 years	
	- structures	10 – 200 years	
	- fences	10 – 30 years	
	- signs and lighting	10 – 25 years	
	- irrigation	8 – 25 years	
	- roading	20 – 80 years	
	- trees and gardens	N/A	(not depreciated)

## 22. Non-Current Assets Held for Resale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale, continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

## 23. Impairment

At each balance date, the Council and group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, and for all indefinite life intangibles, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The Council and Group measures the value in use of assets whose future economic benefits are not directly related to their ability to generate net cash inflows held, at depreciated replacement cost. Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of the cash generating unit to which the asset belongs. This does not apply to assets whose future economic benefits are not directly related to their ability to generate net cash inflows. Recoverable amount is the greater of fair value less costs to sell, and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

# Financial Statements

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

For non-revalued assets, impairment losses are recognised as an expense immediately.

For revalued assets, other than investment property, the impairment loss is treated as a revaluation decrease to the extent it reverses previous accumulated revaluation increments for that asset class.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. An impairment loss recognised for Goodwill is not reversed in a subsequent period.

## 24. Employee Entitlements

Provision is made for annual leave, long service leave, sick leave and retiring gratuities. The retiring gratuity liability and long service leave are assessed on an actuarial basis using future rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (e.g., annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance date, to the extent that the Group anticipate it will be used by staff to cover those future absences.

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the financial performance statement when they are due.

## 25. Landfill Post-closure Costs

The Council has a legal obligation to provide ongoing maintenance and monitoring services at its closed landfill sites.

To provide for the estimated costs of aftercare, an estimate is done of future annual costs and is then subject to a net present value calculation. Details of these costs are shown in Note 16. 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.

## 26. Borrowings

Interest-bearing bank loans and overdrafts and other term borrowings, are initially recorded at fair value which is usually the proceeds received, net of direct issue costs. Subsequently, they are measured at amortised cost using the effective interest rate method. Changes in the current amount are recognised in the Statement of Financial Performance.

Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

# Financial Statements

All borrowing costs are recognised in the Statement of Financial Performance in the period in which they are incurred.

## 27. Trade Payables

Trade payables are stated at their amortised cost which approximates their nominal value given their short term nature.

## 28. Leases

- **Finance Leases**

Leases which effectively transfer to the lessee substantially all of the risks and benefits incident to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the Statement of Financial Position. Lease payments are apportioned between finance charges and the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Financial Performance. The leased assets are depreciated over the period the Council is expected to benefit from their use.

The Council and Group currently have no finance leases on their books.

- **Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses on a straight line basis over the term of the lease. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight line basis.

## 29. Financial Instruments

The Council and Group is party to financial instruments as part of its everyday operations. These financial instruments include bank accounts, Local Authority stocks and bonds, trade and other receivables, bank overdraft facility, trade and other payables and borrowing. All of these are recognised in the Consolidated Statement of Financial Position, other than Ashburton Contracting Limited's performance bonds which are included in the consolidated column in Note 33 for Contingent Liabilities.

Revenue and Expenditure in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position at their fair value when the Council becomes a party to the contractual provisions of the instrument.

The Council and Group's activities expose it primarily to the financial risks of changes in interest rates.

The Council and Group uses derivative financial instruments, primarily interest rate swaps, to reduce its risks associated with interest rate movements. The significant interest rate risk arises from bank loans. The Council and Group's policy is to convert a proportion of its fixed rate debt to floating rates.

The use of financial derivatives is governed by the Council and Group's policies approved by either the Council or the board of directors, which provide written principles on the use of financial derivatives consistent with the Council's risk management strategy.

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The Council and Group do not use derivative financial instruments for speculative purposes. Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

- **Interest Rate Risk** - The Council and Group has various financial instruments with off-balance-sheet risk. Their primary purpose is to reduce exposure to fluctuations in interest rates. The financial instruments are subject to the risk that market values may change subsequent to their acquisition. Interest rate swaps have been employed to minimise interest rate exposure. For interest rate swap agreements, any differential to be paid or received is accrued as interest rates change and is recognised as a component of operating revenue or expense over the life of the agreement.
- **Credit Risk** - Contracts have been entered into with various counter parties have such credit ratings and are in accordance with dollar limits as set forth by the Council and Group.
- **Collateral** - The Council and Group does not generally require collateral or other security to support service or sales contracts. While the Council and Group may be subject to credit losses up to the notional value of the service or goods supplied in the event of non-performance by counterparties, it does not expect such losses to occur.
- **Concentrations of credit risk** - Financial instruments which potentially subject the Council and Group to concentrations of credit risk principally consist of cash, accounts receivable and short term investments. The Council and Group place their cash and short term investments with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers included in the Council and Group's customer base.

## 30. Statement of Cash Flows

*Cash and cash equivalents* comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and with original maturities of three months or less, in which the Council and group invests as part of its day-to-day cash management.

*Operating activities* include cash received from all income sources of the group and record the cash payments made for the supply of goods and services. Agency transactions are not recognised as receipts and payments in the Statement of Cash Flows given that they are not payments and receipts of the Council and Group.

*Investing activities* are those activities relating to the acquisition and disposal of non-current assets.

*Financing activities* comprise activities that change the equity and debt capital structure of the Council and Group.

## 31. Summary Cost of Services

The Summary Cost of Services as provided in the Statement of Service performance report the net cost of service for significant activities of the Council, and are represented by the costs of providing the service less all directly related revenue that can be allocated to these activities.

## 32. Overhead Allocation

The Council has derived the net cost of service for each significant activity of the Council using the cost allocation system outlined below. This involves the costs of internal service

# Financial Statements

type activities being allocated to the external service type activities. External activities are those which provide a service to the public and internal activities are those which provide support to the external activities.

- **Cost Allocation Policy** - Direct Costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.
- **Criteria for Direct and Indirect Costs** - 'Direct' costs are those costs directly attributable to a significant activity. 'Indirect costs' are those costs, which cannot be identified in an economically feasible manner with a specific significant activity.
- **Cost Drivers for Allocation of Indirect Costs** - The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.
- **Internal Charges** - are eliminated at the Council level.

### 33. Changes in Accounting Policy

There have been no changes to Accounting Policies during the 2007/08 year.

The following standards have been issued but are not yet effective in the preparation of these accounts:

- NZIAS 1 (amendments)– Presentation of Financial Statements –Disclosures
- NZIFRS 3 (revised) and NZ IAS 27 (amendments) – Business Combinations and Consolidations
- NZIAS 23 – Borrowing Costs
- NZIFRIC 12 – Service Concession Arrangements

Council has not yet assessed the impact of these standards, amendments and revisions on its financial statements.

# Financial Statements

## Consolidated Statement of Financial Performance

### Year ended 30 June 2008

<i>2007</i> <i>Council</i> <i>Actual</i> <i>\$'000</i>	<i>2007</i> <i>Group</i> <i>Actual</i> <i>\$'000</i>		<i>2008</i> <i>Council</i> <i>Budget</i> <i>\$'000</i>	<i>2008</i> <i>Council</i> <i>Actual</i> <i>\$'000</i>	<i>2008</i> <i>Group</i> <i>Actual</i> <i>\$'000</i>
<b>Income</b>					
15,704	15,704	Rates revenue [Note 4]	18,136	18,468	18,468
17,536	28,200	Other revenue [Note 5]	14,888	15,455	29,006
6,680	6,760	Other gains [Note 6]	12,992	5,938	5,970
<b>39,920</b>	<b>50,664</b>	<b>Total Income</b>	<b>46,016</b>	<b>39,861</b>	<b>53,444</b>
<b>Expenditure</b>					
5,425	9,686	Employee benefit expenses [Note 7]	5,434	6,066	10,933
8,298	8,962	Depreciation and amortisation [Note 10]	8,781	8,755	9,495
13,602	17,995	Other expenses [Note 9]	15,401	16,304	22,100
272	366	Finance costs [Note 8]	2,286	932	1,088
1,231	1,256	Other Losses [Note 6]		2,438	2,527
<b>28,828</b>	<b>38,265</b>	<b>Total operating expenditure</b>	<b>31,902</b>	<b>34,495</b>	<b>46,143</b>
<b>Operating Surplus (Deficit) before Taxation</b>					
11,092	12,399		14,114	5,366	7,301
0	618	Income tax expense [Note 11]	0	0	802
<b>11,092</b>	<b>11,781</b>	<b>Surplus / (Deficit) after Taxation</b>	<b>14,114</b>	<b>5,366</b>	<b>6,499</b>
0	0	Joint Venture Costs [Note 44]	0	0	72
<b>Attributable to:</b>					
<b>11,092</b>	<b>11,781</b>	Ashburton District Council	<b>14,114</b>	<b>5,366</b>	<b>6,427</b>

Note: The 2007 comparative figures showed gains/ losses netted off, but these have now been disclosed separately (see Note 6).

These financial statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements

## Consolidated Statement of Movements in Equity

### Year ended 30 June 2008

<i>2007</i> <i>Council</i> <i>Actual</i> <i>\$'000</i>	<i>2007</i> <i>Group</i> <i>Actual</i> <i>\$'000</i>		<i>2008</i> <i>Council</i> <i>Budget</i> <i>\$'000</i>	<i>2008</i> <i>Council</i> <i>Actual</i> <i>\$'000</i>	<i>2008</i> <i>Group</i> <i>Actual</i> <i>\$'000</i>
457,682	462,756	Equity at the start of the Period	472,717	501,468	507,243
11,092	11,781	Net Surplus / (Deficit)	14,114	5,366	6,427
32,694	32,706	Net Increase in Revaluation Reserves [Note 1]	13,521	14,491	14,525
<b>43,786</b>	<b>44,487</b>	<b>Total recognised revenues and expenditure for the period</b>	<b>27,635</b>	<b>19,857</b>	<b>20,952</b>
<b>501,468</b>	<b>507,243</b>	<b>Equity at the end of the Period [Note 1]</b>	<b>500,352</b>	<b>521,325</b>	<b>528,195</b>

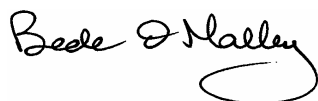
These financial statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements

# Financial Statements

## Consolidated Statement of Financial Position as at 30 June 2008

2007 Council Actual \$'000	2007 Group Actual \$'000		2008 Council Budget \$'000	2008 Council Actual \$'000	2008 Group Actual \$'000
501,468	507,243	<b>Equity [Note 1]</b>	500,352	521,325	528,195
		<b>Current Liabilities</b>			
5,830	6,753	Trade and other payables [Note 17]	4,600	5,404	5,832
-	24	Tax Payables [Note 11]	-	-	-
15	15	Current landfill closure liability [Note 16]	15	15	15
-	42	Provision for advance [Note 18]	-	-	-
695	989	Employee benefit liabilities [Note 19]	520	721	1,099
19	178	Borrowings [Note 13]	3,500	2,111	2,574
<b>6,559</b>	<b>8,001</b>	<b>Total current liabilities</b>	<b>8,635</b>	<b>8,251</b>	<b>9,520</b>
		<b>Non Current Liabilities</b>			
2,119	2,477	Borrowings [Note 13]	27,818	13,008	13,706
61	61	Financial derivative [Note 14]	-	28	28
160	160	Landfill aftercare liability [Note 16]	174	158	158
267	300	Employee benefits liabilities [Note 19]	280	354	390
-	-	Share of Joint Venture [Note 44]	-	-	72
-	68	Deferred taxation liability [Note 11]	-	-	136
<b>2,607</b>	<b>3,066</b>	<b>Total non current liabilities</b>	<b>28,272</b>	<b>13,548</b>	<b>14,490</b>
<b>510,634</b>	<b>518,310</b>	<b>Total equity and liabilities</b>	<b>537,259</b>	<b>543,124</b>	<b>552,205</b>
		<b>Current Assets</b>			
2,069	1,922	Cash and cash equivalents [Note 24]	2,710	4,938	5,593
3,506	5,608	Trade and other receivables [Note 25]	3,482	3,756	5,605
73	1483	Inventories [Note 26]	68	41	1,857
12,644	12,644	Local Authority stocks & bonds [Note 27]	24,329	11,757	11,757
-	391	Advance [Note 28]	-	-	347
-	-	Taxation refund due [Note 11]	-	-	95
756	756	Property intended for sale [Note 30]	-	830	830
		Property Inventory [Note 45]	3,445	376	376
<b>19,048</b>	<b>22,804</b>	<b>Total current assets</b>	<b>34,033</b>	<b>21,698</b>	<b>26,460</b>
		<b>Non Current Assets</b>			
1,239	1,239	Trade and other receivables [Note 25]	1,290	1,311	1,311
0	36	Non Current Portion - pre paid Lease	-	-	-
26,663	32,447	Operational assets [Note 21]	28,786	26,704	32,908
398,739	398,739	Infrastructural assets [Note 21]	414,487	432,885	432,885
806	810	Intangible assets - software [Note 20]	755	803	830
6,814	6,814	Biological assets - forestry [Note 22]	8,088	5,232	5,232
39,421	39,811	Investment properties [Note 23]	37,642	45,348	45,764
3,041	543	Other financial assets [Note 29]	3,040	3,041	542
-	-	Non-current assets held for sale	9,138	-	-
14,863	15,067	Capital work in progress	-	6,102	6,273
<b>491,586</b>	<b>495,506</b>	<b>Total non current assets</b>	<b>503,226</b>	<b>521,426</b>	<b>525,745</b>
<b>510,634</b>	<b>518,310</b>	<b>Total assets</b>	<b>537,259</b>	<b>543,124</b>	<b>552,205</b>

The financial statements were approved and authorised by the Council for issue on 30<sup>th</sup> October 2008. Signed for and behalf of the Council



Mayor: Bede O'Malley



Chief Executive: Brian Lester

*These financial statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.*

# Financial Statements

## Consolidated Statement of Cash Flows for the year ended 30 June 2008

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Council</i>	<i>Group</i>
<i>Actual</i>	<i>Actual</i>		<i>Budget</i>	<i>Actual</i>	<i>Actual</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
		<u>Cash Flows from Operating Activities</u>			
		<b><i>Cash was provided from:</i></b>			
26,323	37,123	Receipts from Customers	30,515	31,103	45,081
1,682	1,737	Interest	1,208	1,125	1,193
666	75	Dividends Received	602	724	84
<b>28,671</b>	<b>38,935</b>		<b>32,325</b>	<b>32,952</b>	<b>46,358</b>
		<b><i>Cash was applied to:</i></b>			
15,879	24,308	Payments to Suppliers and Employees	20,835	22,420	34,094
295	389	Interest	2,286	496	647
(108)	(125)	Net GST Paid	0	(105)	(185)
0	486	Income Tax	0	0	846
<b>16,066</b>	<b>25,058</b>		<b>23,121</b>	<b>22,811</b>	<b>35,402</b>
		<b>Net Cash Inflow from Operating Activities</b>			
<b>12,605</b>	<b>13,877</b>	<b>[Note 31]</b>	<b>9,204</b>	<b>10,141</b>	<b>10,956</b>
		<u>Cash Flows from Investing Activities</u>			
		<b><i>Cash was provided from:</i></b>			
1,014	1,286	Sale of Property Plant and Equipment	18,590	42	780
9,003	9,003	Sale of Shares/Investments	0	4,189	4,189
51	51	Advances repaid		33	603
<b>10,068</b>	<b>10,340</b>		<b>18,590</b>	<b>4,264</b>	<b>5,572</b>
		<b><i>Cash was applied to:</i></b>			
21,460	22,638	Purchase of property plant and equipment	43,510	21,203	22,796
15	15	Purchase of intangible assets	0	114	139
0	344	Purchase of Shares/Investments	8,342	3,200	3,200
0	0	Advances	0		347
<b>21,475</b>	<b>22,997</b>		<b>51,852</b>	<b>24,517</b>	<b>26,482</b>
<b>(11,407)</b>	<b>(12,657)</b>	<b>Net Cash Inflow from Investing Activities</b>	<b>(33,262)</b>	<b>(20,253)</b>	<b>(20,910)</b>
		<u>Cash Flows from Financing Activities</u>			
		<b><i>Cash was provided from:</i></b>			
0	0	Loans Raised	24,058	13,000	13,931
		<b><i>Cash was applied to:</i></b>			
1,839	2,131	Loan Repayments	0	19	306
<b>(1,839)</b>	<b>(2,131)</b>	<b>Net Cash Inflow from Financing Activities</b>	<b>24,058</b>	<b>12,981</b>	<b>13,625</b>
(641)	(911)	Net Increase/(Decrease) in Cash Held	0	2,869	3,671
2,710	2,833	Add Total Opening Cash Resources	5,529	2,069	1,922
<b>2,069</b>	<b>1,922</b>	<b>Total Closing Cash Resources [Note 24]</b>	<b>5,529</b>	<b>4,938</b>	<b>5,593</b>

The GST (net) component of operating activities reflects 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.

*These financial statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.*

# Financial Statements

## Notes to the Financial Statements for the year ended 30 June 2008

### 1. Equity

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
		This is made up of the following equity accounts:		
		<b>Revaluation Reserves</b>		
		<b>Stocks and Bonds</b>		
(84)	(84)	Opening Balance	(283)	(283)
(199)	(199)	Revaluations	141	141
<b>(283)</b>	<b>(283)</b>	<b>Closing Balance</b>	<b>(142)</b>	<b>(142)</b>
		<b>Infrastructural Assets</b>		
40,633	40,633	Opening Balance	73,526	73,526
32,893	32,893	Revaluations	14,350	14,350
<b>73,526</b>	<b>73,526</b>	<b>Closing Balance</b>	<b>87,876</b>	<b>87,876</b>
		<b>Property Plant and Equipment</b>		
0	710	Opening Balance	0	722
0	12	Revaluations	0	32
0	0	Deferred Taxation adjustment	0	2
<b>0</b>	<b>722</b>	<b>Closing Balance</b>	<b>0</b>	<b>756</b>
<b>73,243</b>	<b>73,965</b>	<b>Closing Balance</b>	<b>87,734</b>	<b>88,490</b>
		<b>Ratepayers Equity</b>		
388,027	388,027	Opening Balance	390,515	390,515
2,488	2,488	Assets Vested in Council	647	647
	0	Transfer (to)/from Accum Op Res Revaluation (gain)/loss		
<b>390,515</b>	<b>390,515</b>	<b>Closing Balance</b>	<b>391,162</b>	<b>391,162</b>
		<b>Accumulated Operating Reserve</b>		
5,024	9,388	Opening Balance	20,481	25,534
11,092	11,781	Net Surplus (Deficit) after Taxation	5,366	6,427
6,853	6,853	Appropriations to / from Reserves	(4,341)	(4,341)
		Appropriation from Reserves	0	0
(2,488)	(2,488)	Transfer to Ratepayers Equity (Vested Assets)	(647)	(647)
<b>20,481</b>	<b>25,534</b>	<b>Closing Balance</b>	<b>20,859</b>	<b>26,973</b>
		<b>Special Funds and Reserves</b>		
<b>24,082</b>	<b>24,082</b>	Opening Balance	<b>17,229</b>	<b>17,229</b>
		<u>Plus Special Funds and Reserves movements [Note 2]</u>		
17,063	17,063	Operating Income	15,967	15,967
(9,780)	(9,780)	Operating Expenditure	(11,268)	(11,268)
<b>7,283</b>	<b>7,283</b>		<b>4,699</b>	<b>4,699</b>
3,013	3,013	Capital Income	13,000	13,000
(16,951)	(16,951)	Capital Expenditure	(13,512)	(13,512)
<b>(13,938)</b>	<b>(13,938)</b>		<b>(512)</b>	<b>(512)</b>
1,901	1,901	Transfers In	1,840	1,840
(2,099)	(2,099)	Transfers Out	(1,686)	(1,686)
<b>(198)</b>	<b>(198)</b>		<b>154</b>	<b>154</b>
(6,853)	(6,853)	Net Movements in Special Funds and Reserves	4,341	4,341
<b>17,229</b>	<b>17,229</b>	<b>Closing Balance</b>	<b>21,570</b>	<b>21,570</b>
<b>501,468</b>	<b>507,243</b>	<b>Total Equity</b>	<b>521,325</b>	<b>528,195</b>

# Financial Statements

## 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 the 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 Community Plan (LTCCP) and its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also 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 of funding are set out in the funding and financial policies in the Council's LTCCP.

ADC has the following Council created reserves (see Note 2):

- Reserves for different areas of benefit
  - Separate reserves
  - Sinking fund reserves
  - Special fund reserves
- Trust fund reserves

Reserves for different areas of benefit 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.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

## 2. Separate Reserves

	1-Jul-07						30-Jun-08	
Reserves	Opening Balance	Operating Incomes	Operating Expenditures	Capital Incomes	Capital Expenditure	Transfer In	Transfer out	Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Separate Reserves	9,286	15,725	(11,268)	13,000	(13,512)	826	(1,168)	12,889
Special Funds	7,870	241	-	0	0	1,014	(518)	8,607
Sinking Funds	54	0						54
Trust Funds	19	1						20
	<b>17,229</b>	<b>15,967</b>	<b>(11,268)</b>	<b>13,000</b>	<b>(13,512)</b>	<b>1,840</b>	<b>(1,686)</b>	<b>21,570</b>

Trust fund reserves represent funds held by Council on behalf of others. These funds are only available to be used for the purposes set out in the Trust documents.

# Financial Statements

## 3. Summary Cost of Services

<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council Only</b>		<b>Council Only</b>	<b>Council Only</b>
<b>Actual</b>		<b>Budget</b>	<b>Actual</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
22,384	Essential Services	22,719	22,750
4,341	Community Facilities & Services	4,280	4,613
7,723	Economic Development [ See Note 1 below]	14,533	7,750
2,466	Parks & Open Spaces	2,438	2,786
2,684	Environmental Services	2,701	2,843
1,539	Miscellaneous Operations [See Note 1 below]	637	1,004
<b>41,137</b>	<b>Total activity income</b>	<b>47,308</b>	<b>41,746</b>
<b>(1,217)</b>	<b>Less internal income</b>	<b>(1,510)</b>	<b>(1,885)</b>
<b>39,920</b>	<b>Total income</b>	<b>45,798</b>	<b>39,861</b>
<b>Expenditure</b>			
19,177	Essential Services	19,396	21,334
3,948	Community Facilities & Services	5,857	5,923
1,876	Economic Development	2,996	3,485
2,082	Parks & Open Spaces	2,048	2,139
2,589	Environmental Services	2,897	3,190
373	Miscellaneous Operations	218	309
<b>30,045</b>		<b>33,412</b>	<b>36,380</b>
<b>(1,217)</b>	<b>Less internal expenditure</b>	<b>(1,510)</b>	<b>(1,885)</b>
<b>28,828</b>	<b>Total operating expenditure</b>	<b>31,902</b>	<b>34,495</b>
<b>11,092</b>	<b>Net Surplus (Deficit)</b>	<b>13,896</b>	<b>5,366</b>
<b>Capital Expenditure</b>			
16,698	New Capital	35,815	13,876
8,042	Renewals	7,692	7,231
1,839	Loan Repayment	660	612
<b>26,578</b>	<b>Capital to be Funded</b>	<b>44,167</b>	<b>21,719</b>
<b>Funded By:-</b>			
11,092	Net Surplus (Deficit)	14,114	5,366
9,963	Depreciation funded	8,658	8,195
2,475	Loans Raised	28,241	13,000
(4,032)	Capital Income	17,669	0
1,759	Transfer from Reserves	4,170	2,827
3,550	Transfers to Other Reserves	(15,390)	(2,393)
0	Vested Assets - Non Cash Item	(700)	(647)
0	Gain on sale - non cash item	(12,073)	0
1,771	Decrease (Increase) in Separate Reserve	(522)	(4,629)
<b>26,578</b>	<b>Total Source of Funds</b>	<b>44,167</b>	<b>21,719</b>

Note 1: These Actual Income figures net off the rate transfer to reserves of \$573,000 in Economic Development and \$732,000 in Miscellaneous. Budget income figures net off the rate transfer of \$574,000 in Economic Development and \$867,000 in Miscellaneous.

Each significant activity is stated gross of internal costs and revenues, and includes targeted rates attributable to activities (refer to Note 4). In order to fairly reflect the total external operations for the Council in the Statement of Financial Performance, these transactions are eliminated as shown.

## 4. Rates Revenue

<u>2007</u> <i>Council</i> <i>Actual</i> \$'000		<u>2008</u> <i>Council</i> <i>Budget</i> \$'000	<u>2008</u> <i>Council</i> <i>Actual</i> \$'000
2,267	<b>General Rate</b>	2,781	2909
1,205	<b>Uniform annual general charge</b>	1,350	1351
	<b>Targeted rates attributable to:</b>		
4,061	Roads	4,472	4,487
752	Footpaths	739	738
2,414	Water	2,908	2,951
2,010	Sewerage	2,733	2,736
362	Storm water	377	377
647	Stock water	748	746
353	Solid waste	341	347
186	Emergency management	188	188
114	Economic development	131	131
521	Parks and open spaces	612	658
706	Community	756	722
106	Rates penalties	0	127
<b>15,704</b>	<b>Total revenue from rates</b>	<b>18,136</b>	<b>18,468</b>

Rates Penalties of \$92,000 were budgeted as other income in the 2007/08 annual plan, but are now shown as rate revenue.

### Rates Remissions

Rates revenue is shown net of rates remissions. ADC's rates remission policy allows ADC to remit rates on:

- Community, sporting and other organisations
- Land protected for natural, historic or cultural conservation
- Excess water rates due to a leak fault in internal reticulation
- Uniform annual general charges and targeted rates on separately inhabited rating units occupied by a dependant member of the family of the owner of the rating unit (e.g. granny flat).

<u>2007</u> <i>Council</i> <i>Actual</i> \$'000		<u>2008</u> <i>Council</i> <i>Budget</i> \$'000	<u>2008</u> <i>Council</i> <i>Actual</i> \$'000
62	Rates remissions	55	67
<b>62</b>		<b>55</b>	<b>67</b>

In accordance with the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, and solid waste. Non-rateable land does not constitute a remission under ADC's rates remissions policy.

# Financial Statements

## 5. Other Revenue

<i>2007 Council Actual \$'000</i>	<i>2007 Group Actual \$'000</i>		<i>2008 Council Actual \$'000</i>	<i>2008 Group Actual \$'000</i>
3,980	3,980	Land Transport NZ government grants	4,152	4,152
625	625	Forestry sales	492	492
1,142	1,158	Rental income from investment properties	1,440	1,461
1,807	1,807	Fees, fines and parking infringements	1,716	1,716
322	322	Petrol tax	257	257
2,488	2,488	Vested Assets	647	647
1,414	1,469	Interest income for financial assets not at fair value through profit and loss	1,190	1,277
0	0	Fair value adjustment to interest rate swap financial derivative	34	34
666	75	Dividend income	724	84
928	928	Development contributions	736	736
4,164	15,348	Sales, services and Other income	4,067	18,150
<b>17,536</b>	<b>28,200</b>	<b>Total other income</b>	<b>15,455</b>	<b>29,006</b>

During the year the infrastructural assets from two subdivisions were vested in Council. There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## 6. Other Gains / (Losses)

<i>2007 Council Actual \$'000</i>	<i>2007 Group Actual \$'000</i>		<i>2008 Council Actual \$'000</i>	<i>2008 Group Actual \$'000</i>
<b>Other Gains</b>				
5,112	5,192	Gain on changes in fair value of investment properties (Note 23)	5,927	5,953
123	123	Gain on disposal of investment properties	0	0
575	575	Gain on disposal of Lyttleton Port shares	0	0
442	442	Gain on disposal of property plant and equipment	11	17
428	428	Gain on changes in fair value of forestry (Note 22)	0	0
<b>6,680</b>	<b>6,760</b>	<b>Total Gains</b>	<b>5,938</b>	<b>5,970</b>
<b>Other Losses</b>				
0	0	Loss on changes in fair value of forestry (Note 22)	1,582	1,582
1,231	1,256	Loss on disposal of property plant and equipment	816	905
0	0	Loss on disposal of investments	40	40
<b>1,231</b>	<b>1,256</b>	<b>Total Losses</b>	<b>2,438</b>	<b>2,527</b>

# Financial Statements

## 7. Employee Benefit Expenses

<i>2007 Actual Council \$'000</i>	<i>2007 Actual Group \$'000</i>		<i>2008 Actual Council \$'000</i>	<i>2008 Actual Group \$'000</i>
5,274	9,509	Salaries and wages	5,924	10,770
42	65	Employer contributions to defined contribution plans	29	48
109	112	Increase / (decrease) in employee benefit liabilities	113	115
<b>5,425</b>	<b>9,686</b>	<b>Total employee benefit expenses</b>	<b>6,066</b>	<b>10,933</b>

## 8. Finance Costs

<i>2007 Actual Council \$'000</i>	<i>2007 Actual Group \$'000</i>		<i>2008 Actual Council \$'000</i>	<i>2008 Actual Group \$'000</i>
216	310	Interest on borrowings	886	1,042
41	41	Interest rate swaps	46	46
15	15	Fair value adjustment to interest rate swap financial derivative	0	0
<b>272</b>	<b>366</b>		<b>932</b>	<b>1,088</b>

Allocation of interest expenditure:

<i>2007 Council \$'000</i>	<i>2007 Group \$'000</i>		<i>2008 Council \$'000</i>	<i>2008 Group \$'000</i>
20	20	Roading	0	0
15	15	Footpaths	0	0
48	48	Wastewater	754	754
5	5	Stormwater	0	0
1	1	Township Beautification and Sports Grounds	0	0
4	4	Elderly Persons Housing	3	3
179	273	Other Operations	175	331
<b>272</b>	<b>366</b>		<b>932</b>	<b>1,088</b>

# Financial Statements

## 9. Other Expenses

<i>2007 Council Actual \$'000</i>	<i>2007 Group Actual \$'000</i>		<i>2008 Council Actual \$'000</i>	<i>2008 Group Actual \$'000</i>
0	84	Directors fees	0	86
		<i>Fees to principal auditor:</i>		
95	121	Audit fees for financial statement audit	93	129
17	24	Audit fees for NZ IFRS transition	5	5
0	0	Audit fees for assurance and related services	0	0
7	7	Audit Fees - LTCCP	7	7
421	421	General contributions	1,827	1,827
18	18	Discretionary grants / donations	110	110
30	129	Rental and operating lease costs	34	211
0	18	Bad debts written off	4	23
0	43	Impairment of property plant and equipment	0	0
134	136	Impairment of intangible assets	0	2
0	0	Impairment of infrastructure assets	0	0
20	20	ACC levy	48	118
12,860	16,974	Other operating expenses	14,176	19,582
<b>13,602</b>	<b>17,995</b>	<b>Total other expenses</b>	<b>16,304</b>	<b>22,100</b>

The general contributions were made up as follows:

	<u>\$</u>		<u>\$</u>
Rakaia Anglican Parish- Dorie District	2,000	Royal New Zealand Plunket Society Methven Sub Branch	4,000
Hampstead Tennis Club (Mid Canterbury)	30,000	Methven Croquet Club	1,000
Ashburton College	200	Ashburton YATA Group	3,000
Mt Hutt College	200	Methven Heritage Association	250,000
Rakaia Pony Club	3,000	Fat and Thin Production Ltd	50,000
Ashburton Art Gallery	3,000	Methven Swimming Pool Association	10,000
Ashburton Aviation Museum	83,700	Ashburton Learning Centre	2,200
Tinwald War Memorial Hall Society	1,000	Wakanui Hall Society	3,000
Rakaia Memorial Community Centre	3,000	Hinds Bowling Club	2,000
Methven Public Library	4,000	Methven District Tramping Club Inc	1,000
Ashburton Resource Centre	1,000	Ashburton Stadium Complex Trust	70,222
Ashburton Community Pool	286,250	Ashburton Events Centre	1,013,400
			<b>1,827,172</b>

## 10. Depreciation and Amortisation

### By Significant Cost Centre Activity

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
5,212	5,212	Roading	5,497	5,497
361	361	Footpaths	400	400
548	548	Wastewater	606	606
151	151	Stormwater	161	161
675	675	Potable Water Supplies	782	782
109	109	Stockwater	25	25
84	84	Waste Management	87	87
25	25	Emergency Management	23	23
0	0	Forestry	0	0
77	77	Commercial Properties	94	94
149	149	Parks and Recreation	163	163
40	40	Reserves and Camping Areas	44	44
3	3	Cemeteries	4	4
116	116	Library	126	126
80	80	Elderly Persons Housing	80	80
10	10	Public Conveniences	10	10
77	77	Recreation Reserve Boards & Halls	87	87
26	26	Environmental Services	4	4
555	1,219	Plant and Miscellaneous Operations	562	1,302
<b>8,298</b>	<b>8,962</b>	<b>Total depreciation and amortisation expense</b>	<b>8,755</b>	<b>9,495</b>

### By Asset Classification

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
342	346	Buildings	394	398
241	866	Plant and Machinery	233	935
61	61	Fixtures and Fittings	30	30
25	58	Office equipment	14	46
108	108	Computer Equipment	122	122
105	105	Library Books	112	112
675	675	High Pressure Water Supply	780	780
109	109	Stockwater	25	25
548	548	Wastewater	605	605
151	151	Stormwater	160	160
5,569	5,569	Roading and Footpaths	5,896	5,896
154	154	Domains and Cemeteries	173	173
76	76	Landfills & Solid Waste Management and Collection	79	79
<b>8,164</b>	<b>8,826</b>	<b>Property plant and equipment</b>	<b>8,623</b>	<b>9,361</b>
134	136	Intangible assets	132	134
<b>8,298</b>	<b>8,962</b>	<b>Total depreciation and amortisation expense</b>	<b>8,755</b>	<b>9,495</b>

# Financial Statements

## 11. Taxation

2007 Council \$'000	2007 Group \$'000	Components of tax expense recognised in the income statement	2008 Council \$'000	2008 Group \$'000
0	602	Current Taxation	0	732
0	0	Adjustments to current tax in prior years	0	0
0	0	Impact of change in taxation rate	0	(11)
0	16	Deferred Taxation	0	81
<b>0</b>	<b>618</b>	<b>Income tax expense</b>	<b>0</b>	<b>802</b>

2007 Council \$'000	2007 Group \$'000	Relationship between tax expense and accounting profit	2008 Council \$'000	2008 Group \$'000
11,092	12,399	Surplus / (Deficit) before tax	5,366	7,301
3,660	4,092	Tax at 33%	1,771	2,409
		<i>Add / (Less) Tax Effect of:</i>		
(3,381)	(3,195)	Expenditure	(1,477)	(1,303)
0	0	Impact of change in tax rates	0	(10)
(291)	(291)	Imputation Credit Adjustment	(338)	(338)
12	12	Tax Loss not Recognised	44	44
<b>0</b>	<b>618</b>		<b>0</b>	<b>802</b>

2007 Council \$'000	2007 Group \$'000	Imputation credit account	2008 Council \$'000	2008 Group \$'000
0	1,659	Balance at the start of the year	0	1,859
0	491	Income tax payments / (refunds)	0	846
0	(291)	Credits attached to dividends paid	0	(315)
<b>0</b>	<b>1,859</b>	<b>Balance at the end of the year</b>	<b>0</b>	<b>2,390</b>

2007 Council \$'000	2007 Group \$'000	Movement in tax (refund) / payable	2008 Council \$'000	2008 Group \$'000
	(92)	Balance at start of year	0	19
	(491)	Taxation (paid) refunded	0	(846)
	607	Provided for this year	0	732
<b>0</b>	<b>24</b>	<b>Balance at the end of the year</b>	<b>0</b>	<b>(95)</b>

# Financial Statements

## Group Deferred Taxation:

<b>Deferred taxation assets and liabilities</b>	<b>Assets 30-Jun-08 \$'000</b>	<b>Liabilities 30-Jun-08 \$'000</b>	<b>Net 30-Jun-08 \$'000</b>
Property, plant and equipment		(106)	(106)
Investment property		(30)	(30)
Employee benefits	87		87
Retentions		(88)	(88)
Provisions	1		1
<b>Balance at end of year</b>	<b>88</b>	<b>(224)</b>	<b>(136)</b>

<b>Deferred taxation assets and liabilities</b>	<b>Assets 30-Jun-07 \$'000</b>	<b>Liabilities 30-Jun-07 \$'000</b>	<b>Net 30-Jun-07 \$'000</b>
Property, plant and equipment	0	(86)	(86)
Investment property	0	(24)	(24)
Employee benefits	83		83
Retentions		(62)	(62)
Provisions	21	0	21
<b>Balance at end of year</b>	<b>104</b>	<b>(172)</b>	<b>(68)</b>

<b>Movement in temporary differences for</b>	<b>Balance 1-Jul-07 \$'000</b>	<b>Recognised in income \$'000</b>	<b>Recognised in equity \$'000</b>	<b>Balance 30-Jun-08 \$'000</b>
Property, plant and equipment	(86)	(22)	2	(106)
Investment property	(24)	(6)		(30)
Employee benefits	83	4		87
Retentions	(62)	(26)		(88)
Provisions	21	(20)		1
<b>Balance at end of year</b>	<b>(68)</b>	<b>(70)</b>	<b>2</b>	<b>(136)</b>

<b>Deferred taxation assets and liabilities</b>	<b>Balance 1-Jul-06 \$'000</b>	<b>Recognised in income \$'000</b>	<b>Recognised in equity \$'000</b>	<b>Balance 30-Jun-07 \$'000</b>
Property, plant and equipment	(65)	(21)	0	(86)
Investment property	2	(26)	0	(24)
Employee benefits	63	20	0	83
Retentions	(80)	18	0	(62)
Provisions	28	(7)	0	21
<b>Balance at end of year</b>	<b>(52)</b>	<b>(16)</b>	<b>0</b>	<b>(68)</b>

Tax losses of \$330,940 (2007 \$132,115) with a tax benefit of \$99,282 (2007 \$43,598) have not been recognised by Ashburton District Council but are available.

The Council's subsidiary, Ashburton Contracting Limited, has imputation credits of \$2,390,000 (2007 \$1,859,000) which can be used to impute dividend payments to the Council.

The Council (parent) does not have a deferred tax balance.

# Financial Statements

## 12. Capital Expenditure and Statement of Acquisitions and Replacements

### Capital Expenditure

<i>2007 Council Actual \$'000</i>	<i>2007 Group Actual \$'000</i>		<i>2008 Council Actual \$'000</i>	<i>2008 Group Actual \$'000</i>
7,613	7,613	Roading	6,776	6,776
854	854	Footpaths	693	693
9,777	9,777	Wastewater	8,599	8,599
570	570	Stormwater	306	306
2,184	2,184	Potable Water Supplies	2,370	2,370
33	33	Stockwater	12	12
52	52	Solid Waste Management	86	86
15	15	Emergency Management	10	10
107	107	Library	106	106
26	26	Public Conveniences	3	3
247	247	Reserve Boards & Halls	146	146
2	2	Arts, Culture and Heritage	2	2
0	0	District Promotion	2	2
4	4	Democracy	0	0
2,342	2,342	Commercial Properties	1,028	1,028
0	0	Forestry	1	1
65	65	Parks and Recreation	120	120
149	149	Reserves and Camping Areas	0	0
8	8	Cemeteries	14	14
258	258	Environmental Services	20	20
434	1,403	Other Operations	814	2,740
<b>24,740</b>	<b>25,709</b>		<b>21,108</b>	<b>23,034</b>

### Statement of Acquisitions and Replacements

Council is required to disclose any significant acquisitions or replacements of assets undertaken during the 2007/08 year. For this disclosure Council deems acquisitions or replacements of assets greater than \$500,000 to be significant.

Project	Budget Expenditure 2007/08	Why was the project undertaken	Actual Expenditure 2007/08	Project Status	Variance to LTCCP
Ashburton Wastewater Upgrade	\$6.8 m	To improve wastewater treatment and to dispose effluent to land.	\$7.614 m	Completed	Project as per LTCCP although running behind timetable Completed during 2007/08
Ashburton Water Supply Racecourse Road Scheme Extension	\$1.4 m	To provide a reticulated supply to an area identified as high growth	\$1.039 m	Completed	
Ashburton Water Supply Upgrade	\$0.914 m	Continue upgrade of Ashburton water supply	\$0.11 m	Ongoing	Original bore drilled unsatisfactory New bore sites being investigated
Industrial Land Development	\$18 m	To develop a North East Business area to address a shortage of industrial land	\$0.581 m	Ongoing	Project delayed, major capital works commencing 2008/09
Civic Building Upgrade	\$0.830 m	To upgrade and enlarge the current Council administration building	\$0.53 m	Ongoing	Project delayed Space requirement being reassessed
	\$2.4 m	To build new Art Gallery /Museum facilities	\$0.027 m		Project delayed, physical works to commence 2008/09

# Financial Statements

## 13. Borrowings

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
3,977	4,788	Opening secured loans as at 1 July	2,138	2,655
0	0	Loans raised during the year	13,000	13,931
(1,839)	(2,133)	Loans repaid during the year	(19)	(306)
<b>2,138</b>	<b>2,655</b>	<b>Total secured loans 30 June</b>	<b>15,119</b>	<b>16,280</b>

This is shown in the Consolidated Statement of Financial Position as

19	178	Current	2,111	2,574
2,119	2,477	Non Current	13,008	13,706
<b>2,138</b>	<b>2,655</b>		<b>15,119</b>	<b>16,280</b>

Loans taken out by the Council are secured over assets and rates of the Council. These are issued at fixed rates of interest.

ACL loans are secured over certain plant items specified in the loan agreements.

### Maturity Analysis and Effective Interest Rates

The following is a maturity analysis of the Council and Group's borrowings. There are no early repayment options.

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
19	178	Within one year (Current)	2,111	2,574
3.5%	7.5%	<i>weighted average effective interest rate</i>	6.5%	7.0%
2,111	2,283	One to two years	13,006	13,513
6.5%	6.6%	<i>weighted average effective interest rate</i>	8.8%	8.8%
6	192	Two to three years	1	192
3.5%	7.8%	<i>weighted average effective interest rate</i>	3.5%	9.1%
1	1	Three to four years	1	1
3.5%	3.5%	<i>weighted average effective interest rate</i>	3.5%	3.5%
1	1	Four to five years	0	0
3.5%	3.5%	<i>weighted average effective interest rate</i>		
<b>2,138</b>	<b>2,655</b>		<b>15,119</b>	<b>16,280</b>

### Fair Value of Non-current Borrowings

The carrying amounts and the fair values of non-current borrowings are as follows:

	<i>Carrying Amount</i>		<i>Fair Value</i>	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Non Current</b>				
Secured loans Council	2,119	13,008	2,119	13,008
Secured loans ACL	358	698	358	698
<b>Total</b>	<b>2,477</b>	<b>13,706</b>	<b>2,477</b>	<b>13,706</b>

# Financial Statements

## Liability Management Policy

Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management Policy. These policies have been adopted as part of the ADC's long term community plan.

There were no significant variations or material departures from Council's Liability Management Policy.

Long term debt limits as set out in borrowing management policy were adhered to as follows:

Measure	Maximum	2007	2008
Total (Long term) debt per capita	\$ 1,500	\$ 77	\$ 532
Total (Long term) debt per rateable assessment	\$ 2,500	\$ 142	\$ 1,021
	Minimum		
Times Interest Earned	2.5	52.4	7.1
Equity to total long term debt ratio	11:01	216:01	35:01

Total (Long term) debt includes current and non current debt.

## 14. Derivative Financial Instruments

The notional principal amounts outstanding of borrowings using fixed-to-floating interest rate swaps at 30 June 2008 are:

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
2,090	2,090	Notional principal amount	2,090	2,090
<b>2,090</b>	<b>2,090</b>		<b>2,090</b>	<b>2,090</b>

The non current liability portion of the financial derivative relating to these borrowings using fixed-to-floating interest rate swaps for the year ended 30 June 2008 is:

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
(61)	(61)	Interest Rate Swaps	28	28
<b>(61)</b>	<b>(61)</b>		<b>28</b>	<b>28</b>

## 15. Loans Not Raised at 30 June 2008

A number of projects completed or partially completed during the 2008 year were to be loan funded. These loans totalling \$3,381,000 have been raised externally subsequent to 30 June 2008.

# Financial Statements

## 16. Landfill Aftercare Liability

The Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites in the district after closure, in some cases 35 years after closure.

Closure dates and costs to be incurred for the district's landfills have been estimated by Council Engineers as follows:

<i>2007</i>	<i>2007</i>			<i>2008</i>	<i>2008</i>
<i>Estimated Closing Cost</i>	<i>Estimated Annual Monitoring Costs</i>	<i>Landfill</i>	<i>Estimated Closure Date</i>	<i>Estimated Closing Cost</i>	<i>Estimated Annual Monitoring Costs</i>
<i>\$'000</i>	<i>\$'000</i>			<i>\$'000</i>	<i>\$'000</i>
0		6 Ashburton	Closed	0	5
0		2 Hinds	Closed	0	2
0		4 Rakaia	Closed	0	3
0		3 Methven	Closed	0	3
0		2 Mayfield	Closed	0	2

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
<b>Movement in Landfill Provision</b>				
189	189	Balance at beginning of year	175	175
(7)	(7)	Provision used during the year	(22)	(22)
0	0	Additional provisions made during the year	20	20
(7)	(7)	Revised estimated monitoring costs		
<b>175</b>	<b>175</b>		<b>173</b>	<b>173</b>

This is shown in the Consolidated Statement of Financial Position as:

15	15	Current Provision	15	15
160	160	Non Current Provision	158	158
<b>175</b>	<b>175</b>		<b>173</b>	<b>173</b>

Closure and monitoring costs of \$173,000 (2007 \$175,000) have been calculated using a net present value calculation of 6.95% (2007 6.95%).

## 17. Trade and Other Payables

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
4,331	5,648	Trade payables	3,043	4,418
180	225	Accruals and other expenses	497	497
516	0	Amounts due to related parties	980	0
31	70	Revenue in advance	298	331
772	810	Retentions / bonds awaiting contract work	586	586
<b>5,830</b>	<b>6,753</b>	<b>Total trade and other payables</b>	<b>5,404</b>	<b>5,832</b>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 18. Provision for Advance

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
0	85	Balance at the start of the year	0	42
0	0	Addition to provision	0	0
0	(43)	Release of unused provision	0	(42)
<b>0</b>	<b>42</b>	<b>Balance at 30 June</b>	<b>0</b>	<b>0</b>

The Groups advance related to ACL. The advance was secured over all the present and after acquired property of the debtor with interest charged at 10%, and the other advance is secured over the inventory sold to the debtor under a general property security agreement. Interest was charged at 11.5%.

## 19. Employee Benefit Liabilities

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
163	163	Accrued pay	178	178
477	804	Annual and long service leave	558	952
317	317	Retirement gratuities	334	350
5	5	Sick Leave	5	9
<b>962</b>	<b>1,289</b>	<b>Total employee benefit liabilities</b>	<b>1,075</b>	<b>1,489</b>
		<b>Comprising</b>		
695	989	Current	721	1,099
267	300	Non-current	354	390
<b>962</b>	<b>1,289</b>	<b>Total employee benefit liabilities</b>	<b>1,075</b>	<b>1,489</b>

Employee benefit liabilities are incurred to cover statutory and other obligations and include annual leave, long service leave, sick leave and retirement gratuities.

## 20. Intangible Assets – Computer Software

<i>2007</i>	<i>2007</i>		<i>2008</i>	<i>2008</i>
<i>Council</i>	<i>Group</i>		<i>Council</i>	<i>Group</i>
<i>\$'000</i>	<i>\$'000</i>		<i>\$'000</i>	<i>\$'000</i>
		<b>Gross carrying amount:</b>		
1,176	1,194	Balance at 1 July	1,261	1,284
138	143	Additions	129	154
(53)	(53)	Disposals	0	0
<b>1,261</b>	<b>1,284</b>	<b>Balance at 30 June</b>	<b>1,390</b>	<b>1,438</b>
		<b>Accumulated amortisation</b>		
(321)	(338)	Balance at 1 July	(455)	(474)
0	-	Disposals	0	
(134)	(136)	Amortisation expense and impairment	(132)	(134)
<b>(455)</b>	<b>(474)</b>	<b>Balance at 30 June</b>	<b>(587)</b>	<b>(608)</b>
<b>806</b>	<b>810</b>	<b>Net book value as at 30 June</b>	<b>803</b>	<b>830</b>

The amortisation charge has been recognised in expenses [see Note 10].

# Financial Statements

## 21. Council Property, Plant and Equipment

	Operational Assets			A. Infra-structural assets at	B. Infra-structural assets at	Total
	Freehold land at cost and fair value	Buildings at cost	Plant & equipment at cost	fair value	fair value	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount:</b>						
Balance at 1 July 2006	13,585	12,965	7,246	361,113	6,812	401,721
Additions	1,535	755	515	12,731	363	15,899
Disposals	(28)	(28)	(227)	(2,016)	-	(2,299)
Classified as held for sale	(375)	-	-	-	-	(375)
Net revaluation increments/(decrements)	-	-	-	20,197	-	20,197
Other	-	-	-	-	-	-
Balance at 30 June 2007	14,717	13,692	7,534	392,025	7,175	435,143
Additions	-	602	914	28,006	335	29,857
Disposals	-	-	(98)	(799)	-	(897)
Classified as held for sale	(76)	(390)	-	-	-	(466)
Net revaluation increments/(decrements)	-	-	-	5,814	370	6,184
Other	-	-	(72)	-	-	(72)
Balance at 30 June 2008	14,641	13,904	8,278	425,046	7,880	469,749
<b>Accumulated depreciation, and impairment:</b>						
Balance at 1 July 2006	-	(3,437)	(5,176)	(6,504)	(231)	(15,348)
Disposals	-	10	205	860	-	1,075
Net adjustments from revaluation increments/(decrements)	-	-	-	12,696	-	12,696
Classified as held for sale	-	-	-	-	-	-
Impairment losses charged to profit	-	-	-	-	-	-
Reversal of impairment losses charged to profit	-	-	-	-	-	-
Depreciation expense	-	(377)	(505)	(7,052)	(230)	(8,164)
Other	-	-	-	-	-	-
Balance at 30 June 2007	-	(3,804)	(5,476)	-	(461)	(9,741)
Disposals	-	-	50	-	-	50
Net adjustments from revaluation increments/(decrements)	-	-	-	7,466	672	8,138
Classified as held for sale	-	16	-	-	-	16
Impairment losses charged to profit	-	-	-	-	-	-
Reversal of impairment losses charged to profit	-	-	-	-	-	-
Depreciation expense	-	(394)	(511)	(7,466)	(252)	(8,623)
Other	-	-	-	-	-	-
Balance at 30 June 2008	-	(4,182)	(5,937)	-	(41)	(10,160)
<b>Net book value as at 30 June 2007</b>	<b>14,717</b>	<b>9,888</b>	<b>2,058</b>	<b>392,025</b>	<b>6,714</b>	<b>425,402</b>
<b>Net book value as at 30 June 2008</b>	<b>14,641</b>	<b>9,722</b>	<b>2,341</b>	<b>425,046</b>	<b>7,839</b>	<b>459,589</b>

A: These assets include roading, wastewater, water, stormwater and stockwater.

B: These assets include parks and solid waste.

# Financial Statements

## Group Property, Plant and Equipment

	Operational Assets			A. Infra-	B. Infra-	Total
	Freehold land at cost and fair value \$'000	Buildings at cost \$'000	Plant & equipment at cost \$'000	structural assets at fair value \$'000	structural assets at fair value \$'000	
<b>Gross carrying amount:</b>						
Balance at 1 July 2006	14,324	13,098	17,311	361,113	6,812	412,658
Additions	1,535	757	1,507	12,731	363	16,893
Disposals	(28)	(28)	(906)	(2,016)	-	(2,978)
Classified as held for sale	(375)	-	-	-	-	(375)
Net revaluation increments/(decrements)	-	8	-	20,197	-	20,205
Other	-	-	-	-	-	-
Balance at 30 June 2007	15,456	13,835	17,912	392,025	7,175	446,403
Additions	-	602	2,841	28,006	335	31,784
Disposals	-	-	(1,326)	(799)	-	(2,125)
Classified as held for sale	(76)	(390)	-	-	-	(466)
Net revaluation increments/(decrements)	(17)	45	-	5,814	370	6,212
Other	-	-	(72)	-	-	(72)
Balance at 30 June 2008	15,363	14,092	19,355	425,046	7,880	481,736
<b>Accumulated depreciation, and impairment:</b>						
Balance at 1 July 2006	-	(3,437)	(10,333)	(6,504)	(231)	(20,505)
Disposals	-	10	587	860	-	1,457
Net adjustments from revaluation increments/(decrements)	-	4	-	12,696	-	12,700
Classified as held for sale	-	-	-	-	-	-
Impairment losses charged to profit	-	-	(43)	-	-	(43)
Reversal of impairment losses charged to profit	-	-	-	-	-	-
Depreciation expense	-	(381)	(1,163)	(7,052)	(230)	(8,826)
Other	-	-	-	-	-	-
Balance at 30 June 2007	-	(3,804)	(10,952)	-	(461)	(15,217)
Disposals	-	-	477	-	-	477
Net adjustments from revaluation increments/(decrements)	-	4	-	7,466	672	8,142
Classified as held for sale	-	16	-	-	-	16
Impairment losses charged to profit	-	-	-	-	-	-
Reversal of impairment losses charged to profit	-	-	-	-	-	-
Depreciation expense	-	(398)	(1,245)	(7,466)	(252)	(9,361)
Other	-	-	-	-	-	-
Balance at 30 June 2008	-	(4,182)	(11,720)	-	(41)	(15,943)
<b>Net book value as at 30 June 2007</b>	<b>15,456</b>	<b>10,031</b>	<b>6,960</b>	<b>392,025</b>	<b>6,714</b>	<b>431,186</b>
<b>Net book value as at 30 June 2008</b>	<b>15,363</b>	<b>9,910</b>	<b>7,635</b>	<b>425,046</b>	<b>7,839</b>	<b>465,793</b>

ACL land and buildings were revalued as at 30 June 2008 to fair value, in order to more accurately reflect the current value of land and buildings. This value was \$910,000 as at 30 June 2008 (\$882,000 2007).

A: These assets include roading, wastewater, water, stormwater and stockwater.

B: These assets include parks and solid waste.

## Security

ANZ National Bank Limited has a registered first ranking security over the assets of ACL.

## 22. Biological Assets - Forestry

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<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
6,386	6,386	Balance 1 July	6,814	6,814
0	0	Increases due to purchases	0	0
		Gains/(losses) arising from changes in fair value less estimated point of sale costs	(1,582)	(1,582)
<b>428</b>	<b>428</b>			
<b>6,814</b>	<b>6,814</b>	<b>Balance 30 June</b>	<b>5,232</b>	<b>5,232</b>

The Council owns 1,750 hectares of forest predominantly planted in radiata pines ranging in age from 27 years to 34 years.

The Council also has a 60% interest in the Riverbank View forestry joint venture; 140.0 hectares. This is a jointly controlled operations venture between the Council, which incurred the planting costs and is liable for the ongoing silviculture costs, and a landowner who provided the land and who meets the land costs such as rates and fencing. The net sale proceeds will be split 60% Council and 40% landowner. The Council's interest in the joint venture is accounted for using the proportionate method of consolidation.

Forestry is revalued each year by the Council's qualified Forester. The valuation has been performed as per accounting policy 17 with a discount rate 8%.

### **Financial risk management strategies**

The Council is exposed to financial risks arising from changes in timber prices. The Council is a long term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## **23. Investment Property**

<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
34,736	35,046	Balance 1 July	39,421	39,811
0	0	Additions from acquisitions	0	0
(427)	(427)	Investment property disposed of and/or transferred to Land	0	0
5,112	5,192	Fair value gains / (losses) on valuations	5,927	5,953
<b>39,421</b>	<b>39,811</b>	<b>Balance 30 June</b>	<b>45,348</b>	<b>45,764</b>

The Council's investment properties are valued annually and are recorded at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by Quotable Value New Zealand dated 30 June 2008. The value for 2008 is \$45,348,600 (2007 \$39,421,600).

Ashburton Contracting Limited investment property is also recorded at fair value as determined by Carter Valuations Limited dated 30 June 2008. Fair value was determined having regard to recent market transactions for similar properties in the same location as Ashburton Contracting Limited investment property. This value for 2008 is \$416,000 (2007 \$390,000).

## **24. Cash and Cash Equivalents**

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<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
2	3	Cash Floats	2	3
2,066	2,288	Bank Current Account	2,192	2,595
0	(806)	Bank Overdraft	0	(254)
1	437	On Call Bank Account	2,744	3,249
<b>2,069</b>	<b>1,922</b>	<b>Total Cash and Cash Equivalents</b>	<b>4,938</b>	<b>5,593</b>

The carrying value of short term deposits with maturity dates of three months or less approximates their fair value.

There is currently no cash and cash equivalents that have been earmarked by trust deed or Council resolution for any specified purpose use.

Ashburton Contracting Limited has overdraft facilities with the ANZ National Bank Ltd of \$2,200,000 (2007 \$2,200,000). The effective interest rate on overdraft facilities ranges from 9.43% to 13.85 % (2006 8.99% to 13.20%).

Cash and bank overdrafts include the following for the purposes of the cash flow statement.

For the purposes of allocating to a financial asset category, cash and cash equivalents are classified as loans and receivables.

## 25. Trade and Other Receivables

<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
309	309	Rates receivable	414	414
3,225	4,878	Other receivables	3,372	4,843
17	0	Related party receivables	9	0
1,256	1,256	Community Loans	1,321	1,321
69	344	Prepayments	82	141
0	211	Retentions	0	330
<b>4,876</b>	<b>6,998</b>		<b>5,198</b>	<b>7,049</b>
(131)	(151)	Provision for Impairment / Doubtful Debts	(131)	(133)
<b>4,745</b>	<b>6,847</b>		<b>5,067</b>	<b>6,916</b>
		<u>Less non-current portion:</u>		
0	0	Loans to related parties	0	0
1,239	1,239	Community Loans	1,311	1,311
<b>1,239</b>	<b>1,239</b>	<b>Total non-current portion</b>	<b>1,311</b>	<b>1,311</b>
<b>3,506</b>	<b>5,608</b>	<b>Total current portion</b>	<b>3,756</b>	<b>5,605</b>

There are currently no loans to related parties.

The fair value of community loans is \$1,321,000 (2007 \$1,256,336). Fair value has been determined using cash flows discounted at a rate based on the loan recipient's financial risk factors of 7.69% (2007 7.69%).

The face value for community loans is \$1,329,400 (2007 \$1,267,301).

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The advance to the Ashburton Aquatic Park Charitable Trust is unsecured and is for a period of 15 years from September 2001. Interest incurred on this advance to 30 October 2003 was capitalised. The average interest rate for the year was 8.9% (2007 7.62%). The interest for the period March / April 2007 – March / April 2008 was capitalised at the request of the Trust. The carrying value of trade and other receivables (excluding loans to related parties and community loans) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

The Council does not provide for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the date for payment. If payment has not been made within 3 months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The age of rates receivable overdue, whose payment terms have been renegotiated, but not impaired are as follows:

	2007	2008
	<i>Council</i>	
	\$'000	\$'000
< 12 months	31	261
> 12 months	278	36
Carrying amount	309	297

As of 30 June 2008 and 30 June 2007, all overdue receivables, except for rates receivable, have been assessed for impairment (doubtful debts) and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council losses in previous periods and review of specific debtors. Movements in the provision for impairment of receivables and community loans are as follows:

	2007	2008	2007	2008
	<i>Council</i>		<i>Group</i>	
	\$'000	\$'000	\$'000	\$'000
At 1 July	131	131	131	131
Additional provisions made during the year	0	0	20	2
Receivables written off during period	0	0	0	0
At 30 June	131	131	151	133

For the purposes of allocating to a financial asset category, trade and other receivables are classified as loans and receivables.

## 26. Inventories

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
0	539	Metal	0	1,129
0	167	Services	0	168
44	44	Rubbish Bags/Bins	18	18
29	733	Other Raw Materials	23	542
<b>73</b>	<b>1,483</b>		<b>41</b>	<b>1,857</b>

No inventories are pledged as security for liabilities nor are any inventories subject to retention of title clauses.

## 27. Local Authority Stocks and Bonds

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
		<b>Current portion</b>		
		<i>Financial Assets Available for Sale</i>		
7,472	7,472	Bonds	6,557	6,557
5,168	5,168	Local Authority Stock	5,196	5,196
4	4	Other Investments	4	4
<b>12,644</b>	<b>12,644</b>		<b>11,757</b>	<b>11,757</b>

Stocks and bonds are classified as available-for-sale financial assets. Although they include terms greater than one year, they are readily tradable and are not intended to be held necessarily to maturity. They are revalued each year in the Council's parent financial statements at fair value using market values supplied by First NZ Capital. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

### *Maturity analysis and effective interest rates*

The maturity dates for Local Authority stocks and bonds are as follows:

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
1,778	1,778	Bonds maturing within 1 year:	3,523	3,523
7.41%	7.41%	<i>Weighted average Interest Rate:</i>	7.4%	7.40%
5,227	5,227	Bonds maturing after 1 year but less than 5 years:	2,572	2,572
6.79%	6.79%	<i>Weighted average Interest Rate:</i>	8.3%	8.30%
467	467	Bonds maturing after 5 years:	462	462
7.48%	7.48%	<i>Weighted average Interest Rate:</i>	7.6%	7.60%
<b>7,472</b>	<b>7,472</b>	<b>Total Bonds</b>	<b>6,557</b>	<b>6,557</b>
		Local Authority Stock maturing within 1 year:	2,185	2,185
1,012	1,012	<i>Weighted average Interest Rate:</i>	7.3%	7.30%
6.57%	6.57%	Local Authority Stock maturing after 1 year but less than 5 years:	3,011	3,011
4,156	4,156	<i>Weighted average Interest Rate:</i>	7.9%	7.90%
7.39%	7.39%	<b>Total Local Authority Stock</b>	<b>5,196</b>	<b>5,196</b>
<b>5,168</b>	<b>5,168</b>			

For the purposes of allocating to a financial asset category, local authority stocks and bonds are classified as available for sale assets.

## 28. Advances

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
0	391	Advances	0	347
<b>0</b>	<b>391</b>		<b>0</b>	<b>347</b>
0	391	Total current portion	0	347
0	0	Total non-current portion	0	0
<b>0</b>	<b>391</b>		<b>0</b>	<b>347</b>

The advance of Ashburton Contracting Limited is secured over all the present and after acquired property of the debtor. Interest is charged at 10% p.a.

## 29. Other Financial Assets

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
		<i>Unlisted shares:</i>		
2,500	0	Ashburton Contracting Ltd	2,500	0
28	28	NZ Local Government	28	28
30	30	RDR Management	30	30
480	480	Transwaste Canterbury Ltd - Canterbury landfill	480	480
1	1	Barrhill Chertsey Irrigation	1	1
1	2	Electricity Ashburton Limited	1	2
1	1	Ashburton Trading Society Ltd	1	1
<b>3,041</b>	<b>542</b>		<b>3,041</b>	<b>542</b>

### Shares in Subsidiary Companies consist of:

#### **Ashburton Contracting Limited**

100.0% shareholding – 2,500,000 shares

The current net asset backing is \$3.68 per share (2007 \$3.28)

### Shares in Other Companies consist of:

#### **N.Z. Local Government Insurance Corp. Limited**

0.4% shareholding – 28,008 shares

The current net asset backing is \$3.00 per share (2007 \$2.82)

#### **R.D.R Management Limited**

20% shareholding - 30,000 Ordinary C shares and 50,000 Deferred D shares

The current net asset backing is \$1.26 per share

#### **Transwaste Canterbury Limited**

3.0% shareholding – 600,000 shares

(Shares paid up to \$0.80 per share)

The current net asset backing is \$0.88 per share (2007 \$1.11)

#### **Electricity Ashburton**

Along with approximately 12,500 customers, the ADC, Ashburton Contracting Limited and several of the Reserves Boards and Memorial Halls have each been allocated 100 voting rebate shares in Electricity Ashburton which is registered as a co-operative company under the Co-operative Companies Act 1996. These shares are non tradeable. In total the group has been allocated 1,400 shares valued at \$1 each.

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## **Unlisted shares – valuation**

The investment by the Council in Ashburton Contracting Ltd and the other companies listed above, are carried at cost in the Council's statement of financial position. These shares are unlisted and, accordingly, and there is no published price quotations to determine the fair value of these investments. In addition the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. As a result Council is reporting these at cost.

For the purposes of allocating to a financial asset category, other financial assets are classified as available for sale assets.

## **30. Property Intended for Sale**

<b>2007</b>	<b>2007</b>		<b>2008</b>	<b>2008</b>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
		<i>Property intended for sale</i>		
756	756	Land and Buildings	830	830
<b>756</b>	<b>756</b>	Total property intended for sale	<b>830</b>	<b>830</b>

The Council has approved the sale of land and buildings at Scales Farm, Seafield Road Taits Road and Rakaia. The completion date of these sales is expected to be by the end of 2009.

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## 31. Reconciliation of Operating Surplus / (Deficit) with Net Cash Inflow from Operating Activities

2007 Council \$'000	2007 Group \$'000		2008 Council \$'000	2008 Group \$'000
11,092	11,781	<b>Operating Surplus (Deficit) after taxation</b>	<b>5,366</b>	<b>6,427</b>
		<b>Add (Less) Non-cash items</b>		
(2,488)	(2,488)	Vested assets	(647)	(647)
8,298	8,962	Depreciation	8,623	9,361
134	136	Amortisation of intangibles	132	134
0	16	Deferred tax	0	70
(428)	(428)	(Gain)/loss in fair value of forestry assets	1,582	1,582
(5,112)	(5,192)	(Gain)/loss in fair value of investment properties	(5,927)	(5,953)
(34)	(29)	Increase/(decrease) in long term staff provisions	87	87
0	0	Increase/(Decrease) in landfill provision	(2)	(2)
		Capitalised interest on advances	(98)	(98)
		Share of Joint Venture (Surplus) / deficit	0	72
0	0	Provision for advance	0	42
		<b>Add / (less) items classified as investing of financing activities:Non-cash items</b>		
789	814	(Gains) / losses on disposal property, plant and equipment	805	868
(123)	(123)	(Gains) / losses in fair value of investment property on disposal property, plant and equipment	0	0
(575)	(575)	(Gain) Loss on sale of shares / Investments	40	40
0	0	Interest Income	0	(65)
		<b>Add / less movements in working capital items</b>		
(5)	(485)	Decrease (Increase) in inventories	32	(238)
(25)	(460)	Decrease (Increase) in trade and other receivables	(411)	(712)
938	1,724	(Decrease) Increase in trade and other payables	566	106
144	224	(Decrease) Increase in current staff provisions	26	29
0	0	(Decrease) Increase in financial derivatives	(33)	(33)
0	0	Increase (Decrease) in taxation receivable	0	(114)
<b>12,605</b>	<b>13,877</b>	<b>Net cash inflow (outflow) from operating activities</b>	<b>10,141</b>	<b>10,956</b>

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## 32. Capital Commitments and Operating Leases

Council had the following capital and operating expenditure commitments as at 30 June 2008:

<b>2007 Group \$'000</b>		<b>2008 Council \$'000</b>	<b>2008 Group \$'000</b>
	<b>Operating</b>		
4,846	Roading	2,867	2,867
5	Footpaths	209	209
0	Wastewater, Stormwater and Water Maintenance	0	0
0	Stockwater	0	0
7,818	Solid Waste Management	5,022	5,022
5	Other Operations	184	184
<b>12,674</b>	<b>Total Operating Commitments (including operating leases)</b>	<b>8,282</b>	<b>8,282</b>
54	Less than one year	3,405	3,405
955	Between one and two years	2,564	2,564
5,301	Between two and five years	2,313	2,313
6,364	Greater than five years	0	0
<b>12,674</b>		<b>8,282</b>	<b>8,282</b>
	<b>Capital</b>		
2,942	Roading	1,781	1,781
0	Footpaths	162	162
45	Stormwater	431	431
21	Water Supplies	0	0
6,441	Wastewater Upgrade	494	494
0	Solid Waste	0	0
0	Other Operations	0	110
78	Commercial Property	1,569	1,569
<b>9,527</b>	<b>Total Capital Commitments</b>	<b>4,437</b>	<b>4,547</b>
<b>22,201</b>	<b>Total Commitments</b>	<b>12,719</b>	<b>12,829</b>

### Operating Leases as Lessor

Both the Council and Ashburton Contracting Limited lease out investment property under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate lease payments to be collected under non-cancellable operating leases are as follows:

<b>2007 Group \$'000</b>		<b>2008 Council \$'000</b>	<b>2008 Group \$'000</b>
	<b>Non-cancellable operating leases as lessor:</b>		
871	Less than one year	1,025	899
2,261	Between one and five years	3,242	2,833
2,094	Later than five years	2,893	2,721
<b>5,226</b>		<b>7,160</b>	<b>6,453</b>

## 33. Contingent Assets and Liabilities

### Contingent Liabilities

<i>2007</i> <i>Council</i> \$'000	<i>2007</i> <i>Group</i> \$'000		<i>2008</i> <i>Council</i> \$'000	<i>2008</i> <i>Group</i> \$'000
0	25	Performance Bonds	0	25
0	0	Claims	65	65
1,000	1,000	Guarantees	2,427	2,791
<b>1,000</b>	<b>1,025</b>	<b>Total contingent liabilities</b>	<b>2,492</b>	<b>2,881</b>

Ashburton Contracting Limited has arranged with the ANZ National Bank Limited for the issue of performance related bonds in favour of the Ashburton Aquatic Park Charitable Trust.

The Group does not have any contingent assets.

Council has guaranteed a loan taken out by the Ashburton Performing Arts Theatre Trust

## 34. Financial Instrument Risks

The Group has exposure to market credit, and liquidity risks that arise in the normal course of the Group's business.

The Council has a series of policies to manage the risks associated with financial instruments. ADC is risk averse and seeks to minimise exposure from its treasury activities. ADC has established Council approved Treasury Liability and Investment Management policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market Risk

- **Interest Rates** - The interest rates on ADC's investments are disclosed in Note 27 and on ADC's borrowings in Note 13.
- **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. Borrowing issued at fixed rates exposes the ADC to fair value interest rate risk. ADC's Liability Management policy outlines the level of borrowings that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where ADC has borrowed at variable interest rates. In addition, investments at fixed interest rates expose the ADC to fair value interest rate risk.
- **Cash Flow Interest Rate Risk**  
Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose ADC to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using fixed-to-floating interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at fixed rates and swaps them into floating rates. The effect of this is that when floating interest rates increase over that of the fixed rate entered into,

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the ADC pays the higher rate. But when market interest rates decrease below the fixed rate entered into the ADC will reduce their interest rate expense. Under the interest rate swaps, ADC agrees with ANZ Investment Bank to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The notional principal amounts outstanding of borrowings using fixed-to-floating interest rate swaps at 30 June 2008 are:

<u>2007</u>	<u>2007</u>		<u>2008</u>	<u>2008</u>
<b>Council</b>	<b>Group</b>		<b>Council</b>	<b>Group</b>
<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
2,090	2,090	Notional principal amount	2,090	2,090
<b>2,090</b>	<b>2,090</b>		<b>2,090</b>	<b>2,090</b>

## Quantitative Disclosures

Interest Rate risk repricing analysis.

Interest rates on fixed rate financial instrument reprice in the following periods –

### 2008

	Note	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
Fixed rate instruments							
Borrowings	13	(14,190)	-	-	(13,384)	(804)	(2)
Cash and cash equivalents	24	5,593	5,593	-	-	-	-
Local authorities stocks & bonds	27	11,757	3,843	2,218	645	4,580	471
Community loans	25	1,321	-	1,321	-	-	-
<b>Total fixed rate instruments</b>		<b>4,481</b>	<b>9,436</b>	<b>3,539</b>	<b>(12,739)</b>	<b>3,776</b>	<b>469</b>
Variable rate instruments and related derivatives							
Borrowings	13	(2,090)	(2,090)	-	-	-	-
Effect of interest rate swaps		2,090	2,090	-	-	-	-
<b>Total variable rate instruments and related derivatives</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Council</b>							
Fixed rate instruments							
Borrowings	13	(13,029)	-	-	(13,026)	(3)	-
Cash and cash equivalents	24	4,938	4,938	-	-	-	-
Local authority stocks & bonds	27	11,757	3,843	2,218	645	4,580	471
Community loans	25	1,321	-	1,321	-	-	-
<b>Total fixed rate instruments</b>		<b>4,987</b>	<b>8,781</b>	<b>3,539</b>	<b>(12,381)</b>	<b>4,577</b>	<b>471</b>
Variable rate instruments and related derivatives							
Borrowings	13	(2,090)	(2,090)	-	-	-	-
Effect of interest rate swaps		2,090	2,090	-	-	-	-
<b>Total variable rate instruments and related derivatives</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Financial Statements

2007

	Note	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
Fixed rate instruments							
Borrowings	13	(565)	-	-	-	(565)	-
Cash and cash equivalents	24	1,922	1,922	-	-	-	-
Local authorities stocks & bonds	27	12,644	1,490	1,355	6,361	2,962	476
Community loans	25	1,239	-	1,239	-	-	-
<b>Total fixed rate instruments</b>		<b>15,240</b>	<b>3,412</b>	<b>2,594</b>	<b>6,361</b>	<b>2,397</b>	<b>476</b>
Variable rate instruments and related derivatives							
Borrowings	13	(2,090)	-	-	(2,090)	-	-
Effect of interest rate swaps		2,090	-	-	2,090	-	-
<b>Total variable rate instruments and related derivatives</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Council</b>							
Fixed rate instruments							
Borrowings	13	(48)	-	-	-	(48)	-
Cash and cash equivalents	24	2,069	2,069	-	-	-	-
Local authority stocks & bonds	27	12,644	1,490	1,355	6,361	2,962	476
Community loans	25	1,239	-	1,239	-	-	-
<b>Total fixed rate instruments</b>		<b>15,904</b>	<b>3,559</b>	<b>2,594</b>	<b>6,361</b>	<b>2,914</b>	<b>476</b>
Variable rate instruments and related derivatives							
Borrowings	13	(2,090)	-	-	(2,090)	-	-
Effect of interest rate swaps		2,090	-	-	2,090	-	-
<b>Total variable rate instruments and related derivatives</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sensitivity Analysis

As at 30 June 2008 it was estimated that a general increase of one percentage point in interest rates would increase profit by \$56,000 (2007: \$19,000) for the Group and would increase profit by \$49,000 (2007: \$21,000) for the Council. This calculation is based on financial instruments that are subject to variable interest rates but excludes fixed rate financial instruments and financial instruments that are subject to variable interest but where the interest rate risk is managed through interest rate swaps.

In addition to the above, at 30 June 2008 it was estimated that a general increase of one percentage point in interest rates would reduce equity by \$208,000 (2007: \$160,000) for the Group and the Council by adjustments made to the fair value of local authority stocks and bonds that are carried at fair value.

## Credit Risk

Credit risk is the risk that a third party will default on its obligations to the ADC, causing ADC to incur a loss. ADC has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and ADC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

ADC invests funds only in deposits with registered banks and local authority stocks and its Investment policy limits the amount of credit exposure to any one institution or organisation.

# Financial Statements

Investments in other Local Authorities are secured by charges over rates. Other than local authorities, the group only invests funds with those entities, which have a Standard and Poor's credit rating of at least A- for both short term and long term investments. Accordingly, the group does not require any collateral or security to support these financial instruments.

The carrying amount of the Group's financial assets (Cash and cash equivalents, trade and other receivables, local authority stocks and bonds, advances and other financial assets) represents the Group's maximum exposure to credit risk.

## Quantitative Disclosures

The status of trade receivables at the reporting date is as follows:

<b>Group</b>	<b>Gross receivable</b>	<b>Impairment</b>	<b>Gross receivable</b>	<b>Impairment</b>
	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>Trade receivables</b>				
Not past due	5,958		6,002	
Past due 0-30 days	343		410	
Past due 30-60 days	420		312	
Past due 60-120+ days	328	(133)	274	(151)
	<b>7,049</b>	<b>(133)</b>	<b>6,998</b>	<b>(151)</b>

<b>Council</b>	<b>Gross receivable</b>	<b>Impairment</b>	<b>Gross receivable</b>	<b>Impairment</b>
	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>Trade receivables</b>				
Not past due	4,497		4297	
Past due 0-30 days	88		63	
Past due 30-60 days	310		266	
Past due 60-120+ days	303	(131)	250	(131)
	<b>5,198</b>	<b>(131)</b>	<b>4,876</b>	<b>(131)</b>

## Liquidity Risk

Liquidity risk is the risk that ADC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liability risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. ADC aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, ADC maintains a target level of investments that must mature within the next 12 months.

ADC manages its borrowing in accordance with its funding and financial policies, which includes a Treasury Liability and Investment Management policy. These policies have been adopted as part of the ADC's Long Term Community Plan.

# Financial Statements

## Quantitative Disclosures

The following tables set out the contractual cashflows for all financial liabilities and for derivatives that are settled on a gross cashflow basis.

### 2008

	Note	Balance Sheet \$'000	Contractual cashflows \$'000	0-6 months	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000
<b>Group</b>							
Non-derivative financial liabilities							
Borrowings	13	(16,280)	(16,280)	(2,332)	(242)	(13,512)	(194)
Interest on borrowings		-	(2,188)	(693)	(625)	(861)	(9)
Trade and other payables	17	(5,832)	(5,832)	(5,832)	-	-	-
		<b>(22,112)</b>	<b>(24,300)</b>	<b>(8,857)</b>	<b>(867)</b>	<b>(14,373)</b>	<b>(203)</b>
<b>Council</b>							
Non-derivative financial liabilities							
Borrowings	13	(15,119)	(15,119)	(2,101)	(10)	(13,005)	(3)
Interest on borrowings		-	(2,011)	(640)	(573)	(798)	-
Trade and other payables	17	(5,404)	(5,404)	(5,404)	-	-	-
		<b>(20,523)</b>	<b>(22,534)</b>	<b>(8,145)</b>	<b>(583)</b>	<b>(13,803)</b>	<b>(3)</b>

### 2007

	Note	Balance Sheet \$'000	Contractual cashflows \$'000	0-6 months	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000
<b>Group</b>							
Non-derivative financial liabilities							
Borrowings	13	(2,655)	(2,655)	(91)	(92)	(2,283)	(189)
Interest on borrowings		(288)	(288)	(87)	(87)	(96)	(18)
Trade and other payables	17	(6,753)	(6,753)	(6,753)	-	-	-
		<b>(9,696)</b>	<b>(9,696)</b>	<b>(6,931)</b>	<b>(179)</b>	<b>(2,379)</b>	<b>(207)</b>
<b>Council</b>							
Non-derivative financial liabilities							
Borrowings	13	(2,138)	(2,138)	(12)	(12)	(2,111)	(3)
Interest on borrowings		-	(204)	(68)	(68)	(68)	-
Trade and other payables	17	(5,830)	(5,830)	(5,830)	-	-	-
		<b>(7,968)</b>	<b>(8,172)</b>	<b>(5,910)</b>	<b>(80)</b>	<b>(2,179)</b>	<b>(3)</b>

## Credit Facilities

ACL has formal overdraft facilities with the ANZ National Bank Limited of \$2,200,000 (2007 \$2,200,000). There are no restrictions on the use of this facility. The Council has no formal overdraft facilities.

# Financial Statements

## 35. Related Parties

The Ashburton District Council is the ultimate parent of the group and controls three entities, being Ashburton Contracting Limited, the Ashburton Stadium Complex Trust and the Ashburton Community Water Trust. Each of these entities are deemed to be a related party; however all transactions between the entity and Ashburton District Council have been completed on an arms length basis.

*The following transactions were carried out with related parties:*

	<b>2007</b>	<b>2008</b>
	<b>Group</b>	<b>Group</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental paid by ACL to the ADC	134	120
Dividends paid by ACL to the ADC	591	640
Services provided by ACL to the ADC	7,515	6,645
Accounts payable by ACL to the ADC	17	9
Accounts receivable from the ADC to ACL	516	898
	10	49
Services/goods provided to RJ West (ACL Director)		
Services/goods provided to RA Bonifant (ACL Director)	3	10
	0	0
Accounts receivable from RJ West (ACL Director)		
Services/goods provided to KG Casey (ACL General Manager)	2	1
Accounts receivable from KG Casey (ACL General Manager)	0	0
	2	0
Accounts receivable from RA Bonifant (ACL Director)		
Services/goods provided to Ashburton Engineering Ltd (AEL - MJ Boon ACL's financial controller is a director of AEL)	32	32
Accounts payable to AEL	3	4
ACL Key Management Personnel		
Services/goods provided	17	1
Accounts receivable from	5	0
<b>Ashburton Community Water Trust</b>		
ADC grants to the Community Water Trust	355	288
<b>Ashburton Stadium Complex Trust</b>		
ADC Grants to Ashburton Stadium Complex Trust	70	103
<b>Transwaste Canterbury Limited</b>		
Services provided by Transwaste	970	1,071
Transport equalisation payment to ADC	171	0
Dividends paid by Transwaste to the ADC	72	42
<b>Gluyas Ford Limited</b>		
Services provided by Gluyas	3	0
Services provided to Gluyas	1	0

# Financial Statements

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly. These are identified as the Mayor, Councillors, Chief Executive Officer and the Senior Management Team. During the year they, as part of a normal customer relationship, were involved in minor transactions with the Ashburton District Council (such as payment of rates, building and resource consents etc). Apart from these minor transactions, there were no related party transactions with these key management personnel (2007 \$nil).

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2007 \$nil).

## 36. Remuneration

### Chief Executive Officer

The Chief Executive of the Ashburton District Council appointed under section 42 of the Local Government Act 2002 received a salary package that has been broken down under his contract received the following benefits:

<b>2007</b>		<b>2008</b>
<b>Council</b>		<b>Council</b>
<b>\$'000</b>		<b>\$'000</b>
189	Salary	190
0	Telephone Rental	1
11	Vehicle (market value plus FBT)	14
<b>200</b>		<b>205</b>

### Senior Management (excludes the CEO)

<b>2007</b>		<b>2008</b>
<b>Council</b>		<b>Council</b>
<b>\$</b>		<b>\$</b>
454	Short term employee benefits	585
32	Superannuation	25
<b>486</b>		<b>610</b>

# Financial Statements

## Elected Representatives (Mayor and Councillors)

<u>2007</u> <i>Council</i> <u>\$'000</u>		<u>2008</u> <i>Council</i> <u>\$'000</u>
	<b>Mayor</b>	
68	M B O'Malley	68
	<b>Councillors</b>	
25	L J Leadley	23
26	R J Kilworth	25
16	D Glass	5
24	B A Tasker	24
16	R Beavan	17
15	D N Nelson	5
16	K W P Lowe	15
23	K L Holmes	22
15	N A Brown	15
16	I J Burgess	15
16	P W Reveley	15
16	M J Urquhart	5
0	J Sparks	11
0	J Kingsbury	11
0	J Everest	11
<b>292</b>	<b>Total</b>	<b>287</b>

**Total Key Management Costs 2007/ 08 \$1,102,000 (2006/07 \$977,895)**

### 37. Severance Payments

Section 19 of Schedule 10 of the Local Government Act 2002 requires the disclosure of the number of employees who received severance payments and the amount of each severance payment made as defined under that legislation.

<u>2007</u> <i>Council</i> <u>\$'000</u>		<u>2008</u> <i>Council</i> <u>\$'000</u>
0	Severance Payments	33
<b>0</b>		<b>33</b>

For the year ended 30 June 2008 Council made 1 severance payment (2007 Nil)

### 38. Ashburton Contracting Limited

#### Nature and Scope of Activities

Ashburton Contracting Limited is 100% owned by Ashburton District Council and took over the works and services operations previously performed by the Council's Works Business Unit. The company carries out construction and maintenance of drainage and water services, roads and footpaths, drives, buildings including plumbing, carpentry and painting work, and environmental services including refuse collection, landfill and recycling operations etc. The company also operates a mechanical workshop and a light engineering workshop and supplies goods, materials, services and equipment for sale or hire.

#### Objectives of the Company

- a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
- b) be a good employer; and

# Financial Statements

- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operations and by endeavouring to accommodate or encourage these when able to do so; and
- d) conduct its affairs in accordance with sound business practice.

## The Board Members of Ashburton Contracting Limited are:

Mr Roger Bonifant (Chairman)  
Mr Roger West  
Mr Murray Frost  
Mr Phillip Dunstan

## The General Manager is:

Mr Gary Casey

## Contact:

Ashburton Contracting Limited  
South Street  
P.O. Box 264  
Ashburton  
Phone (03) 308-4039, Fax (03) 308-0288  
www.ashcon.co.nz

## Performance Measures

The Company's actual performance compared to targets as specified in the 2007/2008 Statement of Corporate Intent, were as follows:

1. The Company budgeted for profit after tax of \$870,000 and actual profit after tax for this period was \$1,596,177.
2. The Company achieved an annual rate of return based on average equity of 18%.
3. The Company attained the Document Review Certificate (in accordance with Transit New Zealand requirements) effective 1 July 1996 and attained full certification for its roading division in terms of ISO 9001 effective 1 July 1997. The Company has maintained the standards required within the Certification throughout the year.
4. Employment Records; to capture information to measure and evaluate employee's performances and Company training programmes have been maintained.
5. There were no breaches of the Resource Management Act during the year.
6. The Company received an unqualified Audit Report of its Financial Statements for the year ended 30 June 2008.
7. The ratio of shareholders funds to total assets at 30 June 2007 was 74% (target ratio to be no less than 50%).
8. The Directors expect to approve a final dividend, which with the interim already paid, is at least 50% of the tax paid surplus, in accordance with the Statement of Intent.

## Statement of Financial Performance for the year ended 30 June 2008

### Ashburton Contracting Limited

<i>2007</i>		<i>2008</i>
<i>Actual</i>		<i>Actual</i>
<i>\$'000</i>		<i>\$'000</i>
18,987	Operating revenue	20,984
17,116	Operating and other expenses	18,514
<b>1,871</b>	<b>Operating surplus before taxation</b>	<b>2,470</b>
	Share of joint venture deficit	72
618	Taxation expense	802
<b>1,253</b>	<b>Net Surplus (Deficit)</b>	<b>1,596</b>

## 39. Ashburton Community Water Trust

Council has an interest in the Ashburton Community Water Trust. The Trust was incorporated on 13 April 2000. This Trust is treated as an in-substance subsidiary and consolidated in the Council's financial statements.

### Objectives of the Trust

- a) To co-ordinate a community approach to water.
- b) The education of the community in relation to water issues.
- c) To encourage and support the further development of the region's water resources for the benefit of the Ashburton District Community.
- d) The provision of encouragement (whether monetary or otherwise) as the trustees may deem appropriate to assist with the implementation of any developments for the better use of water in the Ashburton district.
- e) The provision of grants and/or loans to enable feasibility studies to be undertaken in respect of water issues.
- f) Funding and supporting research into water issues including the enhancement of the Ashburton River and resolution of other local environment issues.
- g) The acquisition of such equipment as might be necessary to further the objects of the Trust.

### Performance Measures

Six monthly reports were presented to the Council that were satisfactory to the Council.

#### Statement of Financial Performance for the year ended 30 June 2008 Ashburton Community Water Trust

<i>2007</i> <i>Actual</i> <i>\$'000</i>		<i>2008</i> <i>Actual</i> <i>\$'000</i>
357	Operating revenue	289
398	Operating and other expenses	288
<b>(41)</b>	<b>Operating surplus (deficit) before taxation</b>	<b>1</b>
0	Taxation expense	0
<b>(41)</b>	<b>Net Surplus (Deficit)</b>	<b>1</b>

## 40. The Ashburton Stadium Complex Trust

Ashburton District Council has an interest in The Ashburton Stadium Complex Trust which was formed subsequent to balance date on 4 August 2005. The Trust has been treated as an in-substance subsidiary and consolidated in the Council's financial statements from the 2006 financial year.

#### Statement of Financial Performance for the year ended 30 June 2008 The Ashburton Stadium Complex Trust

<i>2007</i> <i>Actual</i> <i>\$'000</i>		<i>2008</i> <i>Actual</i> <i>\$'000</i>
73	Operating revenue	111
4	Operating and other expenses	8
<b>69</b>	<b>Operating surplus (deficit) before taxation</b>	<b>103</b>
0	Taxation expense	0
<b>69</b>	<b>Net Surplus (Deficit)</b>	<b>103</b>

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## 41. Local Government Insurance Corporation Limited

Ashburton District Council has a minority shareholding of 28,008 shares out of 6,390,790 shares. The other shares are held by other New Zealand Territorial and Regional Councils.

## 42. Transwaste Canterbury

### Performance Measures

Transwaste operated their landfill during the year with no breaches of the Resource Management Act 1991.

## 43. Rangitata Diversion Race Management Limited

Ashburton District Council owns 30,000 Ordinary C shares of \$1 and 50,000 Deferred D shares of \$1 out of 200,000 total shares in Rangitata Diversion Race Management Limited.

## 44. Joint Venture

During the year Ashburton Contracting Limited entered into an agreement for a 35% share in an unincorporated Joint Venture known as the Lake Hood Extension Project. The objective of the joint venture is to further develop Lake Hood and an adjacent site by the creation of an enlarged lake and provision of residential and rural lifestyle blocks. At the balance date the partners have signed a sale and purchase agreement to acquire land for the project and are in the process of developing the necessary resource consents required.

### Summarised Financial Information of Joint Venture

<u>2007</u> <u>Council</u> <u>\$'000</u>		<u>2008</u> <u>Council</u> <u>\$'000</u>
0	Assets	1,015
0	Liabilities	(1,220)
0	Revenues	0
<u>0</u>	Surplus / (Deficit)	<u>(205)</u>
<u>0</u>	Company's interest at 35%	<u>(72)</u>

The results of the Joint Venture have been included in the Financial Statements using the equity method.

## 45. Property Inventory

<u>2007</u> <u>Council</u> <u>\$'000</u>	<u>2007</u> <u>Group</u> <u>\$'000</u>		<u>2008</u> <u>Council</u> <u>\$'000</u>	<u>2008</u> <u>Group</u> <u>\$'000</u>
		<i>Property Inventory</i>		
<u>0</u>	<u>0</u>	Land	<u>376</u>	<u>376</u>
<u>0</u>	<u>0</u>	Total property inventory value	<u>376</u>	<u>376</u>

Property Inventory held for sale is Council's Albert Street subdivision.

## 46. Subsequent Events

There are no events in relation to the Council or its subsidiaries that materially affect the financial statements other than Ashburton Contracting Limited as part of its commitment to the community of Ashburton, made a donation of \$400,000 on 4<sup>th</sup> July 2008 to the Ashburton Performing Arts Theatre Trust, a registered Charity under the Charities Act 2005. (Council and Group 2007 Two claims for damage relating to building certification work totalling \$100,000 (net of insurance)).

**AUDIT REPORT**

**TO THE READERS OF  
ASHBURTON DISTRICT COUNCIL AND GROUP'S  
FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of Ashburton District Council (the District Council) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2008, including the financial statements.

**Unqualified Opinion**

In our opinion:

- The financial statements of the District Council and group on pages 10 to 114:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council and group's financial position as at 30 June 2008; and
    - the results of operations and cash flows for the year ended on that date.
- The service provision information of the District Council and group on pages 10 to 60 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 30 October 2008, and is the date at which our opinion is expressed.

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

**Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

# Audit Report

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

## **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2008. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

## **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the District Council or any of its subsidiaries.



S M Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## **Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance**

This audit report relates to the financial statements and statement of service performance of Ashburton District Council and Group for the year ended 30 June 2008 included on the Ashburton District Council's website. The Council is responsible for the maintenance and integrity of the Ashburton District Council's website. We have not been engaged to report on the integrity of the Ashburton District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 30 October 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.