

ANNUAL REPORT SUMMARY 2014/15



Ashburton
DISTRICT COUNCIL

From the Mayor and Chief Executive

The 2014/15 year saw some exciting new Council-owned community facilities come to fruition, the development of a new Ashburton District Long Term Plan, as well as getting on with a very busy programme of upgrades to our core infrastructure and services.

So much of what we do as a Council is a reflection of the skills, expertise and experience of our staff. We thank them for their unwavering commitment to our goals which is helping make Ashburton the district of choice for lifestyle and opportunity.

Celebrating new facilities

Council is thrilled that two first-class facilities opened earlier this year – the Ashburton Art Gallery and Heritage Centre and the EA Networks Centre. Council's investment in these community facilities is improving residents' quality of life and helping attract new people and tourists to the district.

Two other important facilities completed in this period were the new Alford Forest Rural Fire Shed and the Ashburton Dog Pound.

Core Infrastructure

We are committed to providing quality core infrastructure and services to help make Ashburton District a better place to live and do business. This year we adopted our first 30 Year Infrastructure Strategy which sets out our long-term vision for the management of our water supply, sewerage, stormwater, stockwater, roading and waste management services.

In the 2014/15 period we made significant progress on, or completed a number of priority projects including the Right Pipe Wastewater Project, Methven Sewer Main Renewals, Mill Creek Bank stabilisation, and extending our solid waste collection services.

Once again roading was a big focus for us in 2014/15. Key aspects of this work included the resurfacing of 94 lane kilometres of the district's sealed roads and completing the upgrade of a section of Thompsons Track.

Business and service improvements

We made a number of business improvements in the 2014/15 year by starting to electronically process more of our Council services and therefore become more efficient.

Examples include processing resource and building consents online that has resulted in a higher number of consents for both than in 2013/14.

Our website improvements have seen Ashburton District Council's website move from 40th to 6th place in LGNZ's website rankings for the 78 territorial authorities throughout New Zealand.

Planning for our future

Equally important for the 2014/15 year was the adoption of a new Ashburton District Long Term Plan. Your feedback on our proposals was that you want Council's focus to be on delivering quality core services.

After lobbying the Government for additional funding for our roading network in the 2013/14 period, the New Zealand Transport Agency has increased our Funding Assistance Rates

from 46% to 49% for 2015/16 which means we can do slightly more than budgeted for in the coming year.

The results of the latest Annual Residents' Survey showed that most of our residents are pleased with the way we do business, with a small minority saying they were unhappy with the overall performance of Council. However, people also indicated we can improve in areas such as communication and engagement.

Communication and engagement

Listening and engaging with you about Council matters that affect you is an important part of our business and we encourage you to get involved in our decision-making process and tell us what you think.

We thank you for your involvement in our public consultations over the past year - we had record numbers of submissions for the Ashburton District Long Term Plan 2015-25.

Based on the submissions received, we have enhanced our capacity within our community relations teams, as well as changing some of our customer service processes. We expect these changes will help us further develop our relationships with a range of local community, business and citizens groups.

Council now has a well-established Facebook page that was designed as a complementary addition to our other communications channels. Our 1200+ page Likes indicates it has been a welcome means for people to stay informed about Council business and communicate with us.

The next two topics we will be seeking your feedback on are the 2015 Annual Plan and the proposed options for the Council Civic Building and Library facility. We hope that you will put your thoughts forward on our proposed work programmes.

Financial Performance

Council's financial performance for 2014/15 has seen us comfortably meet the goals of our financial strategy meeting all 10 of the financial performance benchmarks. Our external borrowing and level of rates continue to be well within the limits set by the strategy.

Overall, Council has achieved its project and financial goals for the last financial year, and looks forward to another successful year.



A handwritten signature in black ink that reads "Angus McKay".

Angus McKay
Mayor



A handwritten signature in black ink that reads "A Dalziel".












Andrew Dalziel
Chief Executive

Ashburton District 2015

District		Infrastructure		Community Facilities	
Population	33,200	Roads	2,611 km total 1,498 km sealed 1,113 km unsealed	Parks	442 ha
Area	6,175km	Footpaths	220 km	Sportsfields	110 ha
Boundaries	Pacific Ocean Southern Alps Rakaia River Rangitata River	Bridges	142	Neighbourhood Playgrounds	18
Rateable properties	15,397	Drinking Water	12 water supplies 388 km of pipes	Cemeteries	11 open for burial (3 urban, 8 rural)
Council	Mayor 12 Councillors 1 Community Board (Methven)	Wastewater	172 km of pipes	Public Library	1
		Stormwater	31 km of pipes	Elderly Persons Housing Units	112
		Stockwater	2,381 km of water races		

2014/15 Service performance

The following presents an overview of Council's achievement of performance targets detailed in the Long Term Plan 2012-22. This is a summary of results, and is presented at the activity group level. For detailed performance results, please refer to the full Annual Report 2014/15.

	TRANSPORTATION 6 of 12 achieved 6 of 12 not achieved		COMMUNITY FACILITIES & SUPPORT 8 of 13 achieved 5 of 13 not achieved
	DRINKING WATER 3 of 6 achieved 3 of 6 not achieved		ECONOMIC DEVELOPMENT 3 of 9 achieved 6 of 9 not achieved
	WASTEWATER 3 of 4 achieved 1 of 4 not achieved		PARKS & OPEN SPACE 7 of 10 achieved 3 of 10 not achieved
	STORMWATER 2 of 3 achieved 1 of 3 not achieved		DEMOCRACY & GOVERNANCE* 1 of 6 achieved 4 of 6 not achieved
	REFUSE & RECYCLING 1 of 5 achieved 4 of 5 not achieved		REGULATORY SERVICES 10 of 22 achieved 12 of 22 not achieved
	RECREATION & LEISURE* 7 of 20 achieved 12 of 20 not achieved	COUNCIL TOTAL 51 of 110 achieved 57 of 110 not achieved 2 of 110 not measured	

*One Recreation and Leisure measure was not measured because the Active Ashburton working group was disbanded in 2014/15

*One Democracy and Governance measure regarding resident satisfaction with the quality of Council information was not measured in 2014/15

Improving Council services and facilities

Regulatory and building teams improve service.

- Online consent applications and a major internal process review have sped up processing times in the building team, with 97% of building consents and 99% of Code of Compliance Certificates now issued within the statutory timeframe.
- The new Ashburton Dog Pound opened in February 2015, providing space for more wandering and impounded dogs.
- The Ashburton District Plan became operative in 2014, making it the first 'second-generation' District Plan adopted in the South Island.



Rates payments move online

- Council has made it easier to pay rates in 2014/15. Ratepayers can now pay online and elect to receive their rates invoices via email.

New library computer system

- An upgraded computer system, Kotui, at the Ashburton Public Library has improved the library service and made regional collaboration easier.



Community

Listening to our community

Your views are an important part of Council's decision-making process. In 2014/15 we asked for your feedback on a number of projects and plans, including: Long Term Plan 2015 - 25, rubbish and recycling collection options, Fairton and Chertsey kerbside collection, and hydroslide options for the EA Networks Centre.

Council provides support for a range of community groups and events every year.

- Ashburton hosted another successful Multi Cultural Bite Festival on Waitangi Day 2015. Council provided grant funding of \$5,000 towards the event and staff assistance to support the celebration of our district's flourishing diversity.
- Council supports the following community agencies and facilities to deliver important services to our community: Safer Ashburton District, Grow Mid Canterbury, Sport Canterbury, Community House Mid Canterbury, Neighbourhood Support, Ashburton Trust Event Centre, Ashburton Community Pool, BASE Youth Cafe, and HYPE Youth Health Centre.
- Council granted \$52,000 toward community projects in 2014/15.
- \$5,000 was granted to support school holiday programmes.

Two exciting new facilities

- **EA Networks Centre** opened on 9 May 2015 and is transforming sport and swimming opportunities in our district. Over 40,000 visits to the swimming and gym facilities alone were recorded by 30 June 2015.
- **Ashburton Art Gallery and Heritage Centre (AAG&HC)** opened to the public in February 2015. The new facility is home to the Ashburton Art Gallery, the Ashburton Museum, and the Ashburton Family History Group. The AAG&HC also houses Council archives, along with a large and growing community archive collection.

Core infrastructure

Ashburton District has one of the largest roading networks in New Zealand. Maintaining our roads is a big job. Work last year included:

- Metalling 142 kilometres of unsealed roads
- Resurfacing 94 lane kilometres of roads
- Rehabilitating 17 lane kilometres of sealed rural roads
- Rehabilitating 5.3 kilometres of Thompsons Track
- Resurfacing 2.3km of footpaths
- Partnering with NZTA to identify options for improving traffic issues in Tinwald
- Completion of the land designation for the Ashburton Second Urban River Bridge.

Council provides drinking water through 12 water supply schemes. These schemes service over 85% of our community with safe and high-quality drinking water every day.

- Watermain renewals were completed in Eton Street, Ashburton and Lampard Street, Methven
- The Winchmore water supply was formally closed following a binding referendum of residents.

Wastewater services in Ashburton, Methven and Rakaia are provided for over 9,000 properties.

- Council launched the Right Pipe project which will reduce wastewater inflow in Ashburton
- Methven sewer main renewals were completed on time and below budget
- 64% of residents connected to Council wastewater supplies are satisfied with the service they receive.

Council's refuse and recycling services include kerbside collection, two Resource Recovery Parks and eight satellite recycling facilities.

- Council decided to establish a new wheelie bin collection service in 2017
- Chertsey now receives a kerbside collection service following resident consultation in 2014.



Council provides urban stormwater collection and disposal networks throughout the district.

- A large section of the Mill Creek bank stabilisation project was completed in 2014/15, on time and below budget. This distinctive urban stream runs extensively through the Ashburton urban area.

Open spaces

Council provides 442ha of open spaces across the district, including parks, sportsfields and children's playgrounds.

- The Ashburton Domain celebrated its 150th Anniversary in 2014. Council commemorated the anniversary with a five week programme, including a number of community events
- A new children's playground was installed at Lake Hood, the first for this community.

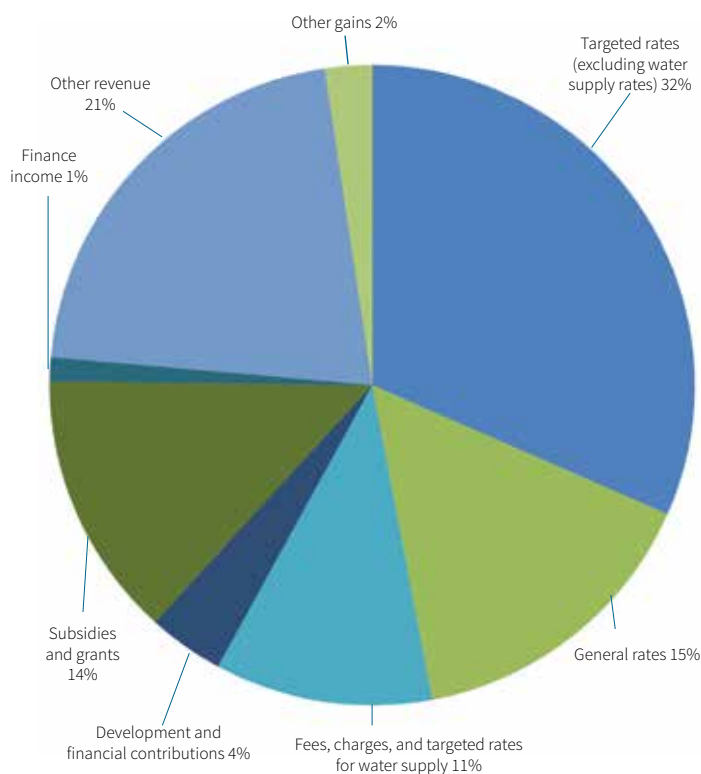
2014/15 Financial performance

Council has produced an operating surplus of \$9.69 million after taxation for the year before other comprehensive income.

Other comprehensive revenue of \$1.05 million was mostly due to the value of Council's infrastructure assets. Total assets now stand at \$724.6 million as at 30 June 2015.

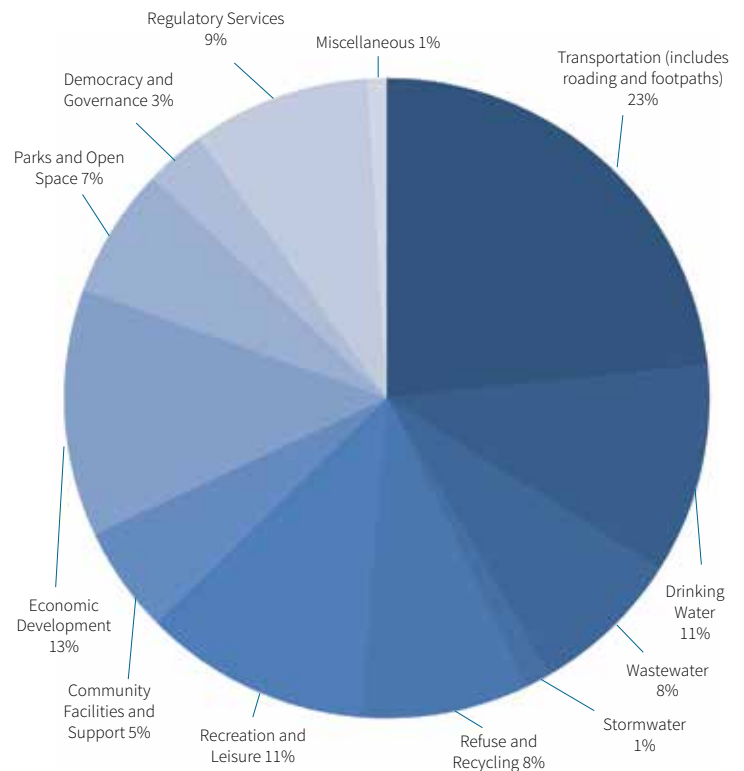
Revenue summary

The chart below shows Council's sources of revenue for the 2014/15 year. Council's revenue from rates in 2014/15 was \$28.98 million.



Expenditure breakdown

The following chart shows how Council expenditure was spread among Council's activities and services. Total expenditure for the 2014/15 year totaled \$55.46 million.



The information included in this summary has been extracted from the full financial information in the audited Annual Report 2014/15. The full Annual Report 2014/15 was authorised by the Mayor Angus McKay and the Chief Executive Andrew Dalziel on 29 October 2015.

The financial statements on which the summary has been based were prepared in accordance with NZGAAP (New Zealand Generally Accepted Accounting Practice) for public benefits and Tier 1 PBE (Public Benefit Entity) IPSAS (International Public Sector Accounting Standards). The full and summary annual reports were audited with both receiving an unqualified opinion.

The summary financial statements do not include all disclosures provided in full financial statements and cannot be expected to provide a complete understanding as provided by the full financial statements in the Annual Report 2014/15. A full copy of this report is available at ashburtondc.govt.nz or from Council offices.

The summary financial statements are for the Ashburton District Council and group. The group consists of 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, Experience Mid Canterbury and the Ashburton Stadium Complex Trust.

The summary accounts comply with the standard PBE FRS43, Summary Financial Statements. All figures are in \$NZ and are rounded to the nearest thousand dollars (\$000).

Council and group has adjusted its comparative year financial statements for the year ended 30 June 2014 due to reclassification adjustments and transition to the new PBE accounting standards. Reclassification adjustments are for rates remission, GST payables and inventories. Adjustments of transition to new PBE accounting standards are gain on sale of carbon credits.

Financial statements 2014/15

Statement of comprehensive revenue and expense

	2015 Council Actual	2015 Council Budget	2014 Council Actual	2015 Group Actual	2014 Group Actual
	\$000	\$000	\$000	\$000	\$000
Total revenue	61,280	54,734	66,852	90,717	90,095
Expenditure					
Personnel Costs	10,704	9,809	9,180	20,751	17,413
Depreciation and amortisation	13,088	12,236	11,348	14,484	12,673
Finance costs	2,709	3,976	2,234	3,017	2,569
Other expenses	22,165	19,404	22,095	38,759	34,131
Other losses	3,064	-	3,492	3,077	3,528
Total expenses	51,730	45,425	48,349	80,088	70,314
Share of associate's surplus/ (deficit)	-	-	-	192	1
Surplus/(deficit) before taxation	9,550	9,309	18,503	10,199	20,404
Income tax expense	(144)	479	95	387	668
Surplus/(deficit) after taxation	9,694	8,830	18,408	9,812	19,736
Joint venture costs	-	-	-	11	410
Surplus after tax and joint venture	9,694	8,830	18,408	9,823	20,146
Other comprehensive revenue					
Financial assets at fair value	(15)	-	105	(15)	105
Gain/(loss) on infrastructure revaluation	1,062	16,693	21,834	1,062	21,834
Gain on land and buildings revaluation	-	-	-	12	224
Deferred tax on revaluation of buildings	-	-	-	(4)	(4)
Total other comprehensive revenue	1,047	16,693	21,939	1,055	22,159
Total comprehensive revenue and expense	10,741	25,523	40,347	10,878	42,305

Summary of revenue variances

- Total revenue is \$6,546,000 above budget.
- Income from fees and charges is \$1,606,000 above budget.
 - DBH and BRANZ building levies were \$147,000 above budget, and building consents \$123,000 above budget.
 - Fees and charges from Council's resource recovery parks were \$406,000 above budget, due to increased tonnage.
 - The Ashburton Community Pool became an activity of Council from 1 October 2014 prior to the opening of the EA Networks Centre and \$548,000 of swimming fees were subsequently received.
 - Fees charged by the Tinwald camping ground were \$76,000 above budget, reflecting the constant high occupancy of this facility.

- Service connection fees were \$139,000 above budget, due to a number of large businesses connecting to water supply services.
- Income from development and financial contributions is \$1,786,000 above budget due to increases in building consents.
- Income from subsidies and grants is \$3,328,000 above budget
 - Council did not budget to receive any further fundraising income from the Ashburton Stadium Complex Trust (ASCT) towards the EA Networks Centre. Actual fundraising income was \$1,506,000.
 - Council received \$1,761,000 from the Lotteries Commission (\$675,000) and the Ministry for Culture and Heritage (\$1,086,000) for the Ashburton Art Gallery & Heritage Centre building construction and fitout.
- Income from finance income is \$573,000 below budget.

Summary of expenditure variances

- Total expenses is \$6,305,000 above budget.
- Expenditure on personnel costs is \$895,000 above budget due to the Ashburton Community Pool and Ashburton Museum becoming Council activities.
- Expenditure on depreciation and amortisation is \$852,000 above budget due to building and plant depreciation costs for the EA Network Centre, the Methven Heritage Centre being vested in Council, and infrastructural depreciation being based on revised 2014 valuations.
- Expenditure on finance costs is \$1,267,000 below budget.
 - Loans for the EA Networks Centre, the Ashburton Business Estate and the Ashburton Art Gallery and Heritage Centre were budgeted as external loans but some of these were financed by internal loans or reserve funds during 2014/15.
 - The Ashburton Wastewater Relief Sewer project was delayed during 2014/2015 resulting in less loan funding being required. This resulted in a reduction of external interest costs of \$258,000.
- Expenditure on other expenses is \$2,761,000 above budget.
 - An unbudgeted discretionary grant of \$500,000 was made towards the purchase of Community House within Community Facilities and Support.
 - Refuse and recycling costs were \$455,000 above budget.
 - Water supplies expenditure was \$127,000 above budget.
 - Transport expenditure was \$129,000 above budget.
 - Operation costs for the Ashburton Community Pool was unbudgeted and cost \$298,000.
 - EA Networks Centre incurred \$266,000 of unbudgeted electricity costs.
 - Environmental Services contractor and DBH and BRANZ levies costs were \$216,000 above budget.
 - Parks and Reserve maintenance costs were \$170,000 above budget.

Financial statements 2014/15

- Council has incurred additional consultancy expenditure that was unbudgeted of \$349,000.
- The Barrhill Chertsey water supply receivable of \$193,000 was inadvertently recorded as an advance and also a deficit reserve. The advance has been written off and the balance is now correctly recorded as a deficit reserve.
- **Expenditure on other losses in \$3,064,000 above budget.**
Unbudgeted asset write downs included the following:

Transportation	\$603,000
Drinking Water	\$1,255,000
Stockwater	\$692,000
Forestry	\$354,000

For detailed financial variance information please refer to the Annual Report 2014/15.

Statement of financial position

The Statement of Financial Position shows the assets, liabilities and equity of Council as at 30 June 2015.

	2015 Council Actual	2015 Council Budget	2014 Council Actual	2015 Group Actual	2014 Group Actual
	\$000	\$000	\$000	\$000	\$000
Total current assets	18,642	23,245	25,961	22,786	31,191
Total non current assets	706,001	712,528	684,379	719,576	696,052
Total assets	724,643	735,773	710,340	742,362	727,243
Total current liabilities	20,168	9,302	15,173	23,353	18,223
Total non current liabilities	36,809	60,857	38,242	39,774	40,663
Total liabilities	56,977	70,159	53,415	63,127	58,886
Total equity	667,666	665,614	656,925	679,235	668,357
Total liabilities and equity	724,643	735,773	710,340	742,362	727,243

Statement of cash flows

The Statement of Cash Flows shows how Council generated and used cash. The overall net increase or decrease represents the change in cash and cash equivalents arising from operating, investing and financing activities.

	2015 Council Actual	2015 Council Budget	2014 Council Actual	2015 Group Actual	2014 Group Actual
	\$000	\$000	\$000	\$000	\$000
Net cash flow from operating activities	24,337	17,375	18,931	24,222	22,936
Net cash flow from investing activities	(29,144)	(38,204)	(28,947)	(32,151)	(30,625)
Net cash flow from financing activities	5,000	11,296	5,115	5,707	4,612
Net increase/ (decrease) in cash held	193	(9,533)	(4,901)	(2,222)	(3,077)
Add opening cash resources	6,515	13,654	11,416	8,032	11,109
Total closing cash resources	6,708	4,121	6,515	5,810	8,032

Statement of changes in net assets / equity

	2015 Council Actual	2015 Council Budget	2014 Council Actual	2015 Group Actual	2014 Group Actual
	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	656,925	640,091	616,578	668,357	626,052
Total comprehensive income	10,741	25,523	40,347	10,878	42,305
Balance at 30 June	667,666	665,614	656,925	679,235	668,357

Audit opinion

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of
**Ashburton District Council and group's
summary annual report
for the year ended 30 June 2015**

The summary annual report was derived from the annual report of Ashburton District Council (the District Council) and group for the year ended 30 June 2015. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 3 to 8:

- the summary statement of financial position as at 30 June 2015;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2015;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as 2014/15 Service Performance) of the District Council and group.

We expressed an unmodified audit opinion on the District Council and group's full audited statements in our report dated 29 October 2015.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 29 October 2015 on the full audited statements.


The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council and group.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

In addition to reporting on the summary annual report, we have reported on the full annual report and the Long-Term Plan, and carried out an independent assurance review of the District Council's Debenture Trust Deed, which is compatible with those independence requirements. Other than this reporting and these assignments, we have no relationship with or interests in the District Council or any of its subsidiaries.


Andy Burns,
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand
24 November 2015


Ashburton
DISTRICT COUNCIL