

Ashburton District Council

Annual Report 1 July 14 - 30 June 15



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From the Mayor and Chief Executive

The 2014/15 year was one that 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.

We trust that many of you are now regularly enjoying the benefits of our new facilities which will, over the years become iconic Mid Canterbury destinations for residents and tourists alike.

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 helping achieve what we did in this past year – from our financial results to making sure they deliver quality services to our residents. Their unwavering commitment to our goals 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 – both of which cater for a broad range of community and interest groups, including the first international sports event with the NZ vs Japan Women's Basketball series. Council's investment in these community facilities is improving residents' quality of life, helping attract new people and tourists to the district, and will also help ensure it meets the district's needs for generations to come.

Our commercial property sales throughout the district have also continued to progress well in the past year. A number of sites have been sold recently with local, national and international businesses investing in the local economy and adding to the district's economic and social fabric.

The Ashburton Museum is now fully owned and operated by Council, becoming a community services unit within our Service Delivery Group.

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.

Our move to bring contract management functions back in-house in the past year proved to be the right decision and has helped us make significant progress on, or complete, a number of priority projects in the 2014/15 period.

Some of these key projects include the Right Pipe Wastewater Project, Methven Sewer Main Renewals, Mill Creek Bank stabilisation, and extending our solid waste collection services to smaller communities. Following a special consultative procedure, we also confirmed that a new wheelie bin collection service will commence on 1 July 2017.

This period also saw work start on two major projects designed to improve core infrastructure – a \$1.9 million sewer replacement in Ashburton and sewer repair trials in Tinwald.

Keeping our roads in good condition helps to support local industries and offers our residents and visitors safe and easy travel around the district. Through our Roding Reference Groups, we have enabled elected community members to assist roading officers in prioritising key roading projects and provide advocacy for the community on what's important to them.

Once again roading was a big focus for us in 2014/15. Key aspects of this work included the resurfacing of 94 kilometres of the district's sealed roads and completing the upgrade of a section of one of our most popular thoroughfares, Thompson's Track.

Business and service improvements

We made a number of business improvements in the 2014/15 year which resulted in some pleasing efficiency gains. Electronically processing more of our Council services has been an integral part of becoming more efficient. We will continue to look at introducing more online services in the next year to help make things quicker and easier for our residents.

Examples of services we started processing online in this period include resource and building consents. As a result, we achieved a higher number of consents for both than in 2013/14. We also issued a total of \$165 million worth of building consents in the past year.

Other examples include managing building and swimming pool fence inspections using tablets, and our residents now also have the option to receive their rates invoices by email, rather than post. We have already seen a steady uptake since this rates service began.

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 NZ.

Council's project and record management systems have been improved, with the adoption of the new Project Management Manual to assist our major projects implementation plans.

It has also been a busy year for our Ashburton Public Library where further online services have been introduced, including the new Kotui catalogue system which is used by many other New Zealand libraries. In the year to June 2015 the library processed 283,891 issues (including books, ebooks, magazines, and audiobooks). Likewise, our library members can now manage their borrowing using a mobile app called Bookmyne which can be used to search, place books on hold, and to renew books.

Planning for our future

Equally important for the 2014/15 year was the adoption of a new Ashburton District Long Term Plan for the next ten years. Your feedback on our proposals in the associated consultation document was that you want Council to continue its focus on delivering quality core services.

After lobbying the Government for additional funding for our roading network in the 2013/14 period, we were heartened to learn this year that our concerns had been heard and to some extent addressed. New Zealand Transport Agency are increasing our Funding Assistance Rates for road maintenance and renewal work from 46% to 49% for 2015/16, which means that we can do slightly more than originally 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 only a small minority saying they were unhappy with the overall performance of Council. However, people said 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 and the review of our rubbish and recycling collection system.

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.

This past year has also seen Council move into the social media arena with our Council Facebook page now well established. Our Facebook page was designed as a complementary addition to our other communications channels such as District Diary, the Community Noticeboard, our website, Customer Contact Centre and email address and weekly newspaper column. We now have 1200 Likes on our Facebook page and the number is growing on a daily basis, indicating it has been a welcome means to stay informed about Council business and for individuals, groups and organisations to be able to 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 for the coming year.

Financial Performance

Council's operating result for the year resulted in a surplus of \$9.5 million before taxation and other comprehensive income. Total revenue was \$6.5 million above budget with vested assets, development contributions, subsidies and grants, and property sales all bringing significantly more income than was budgeted. The other revenue gain of \$1.4 million was largely as a result of the revaluation of investment property. Council's financial position remains strong, with total Council only net assets of \$668 million.

Council's financial performance for 2014/15 has seen us comfortably meet the goals of our financial strategy, which focuses on prudence, stability, service and catering for the future. Council has met all ten 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.



Angus McKay
Mayor



Andrew Dalziel
Chief Executive

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 in the preparation of this Annual Report.

Responsibility

The Council and management of the Ashburton District Council accept responsibility for the preparation of the Annual Report and the judgements used in it.

The Council and management of the Ashburton District Council accept responsibility for 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 Report for the year ended 30 June 2015 fairly reflect the financial position, operations, cashflow, and non-financial performance of the Ashburton District Council.



Angus McKay
Mayor



Andrew Dalziel
Chief Executive

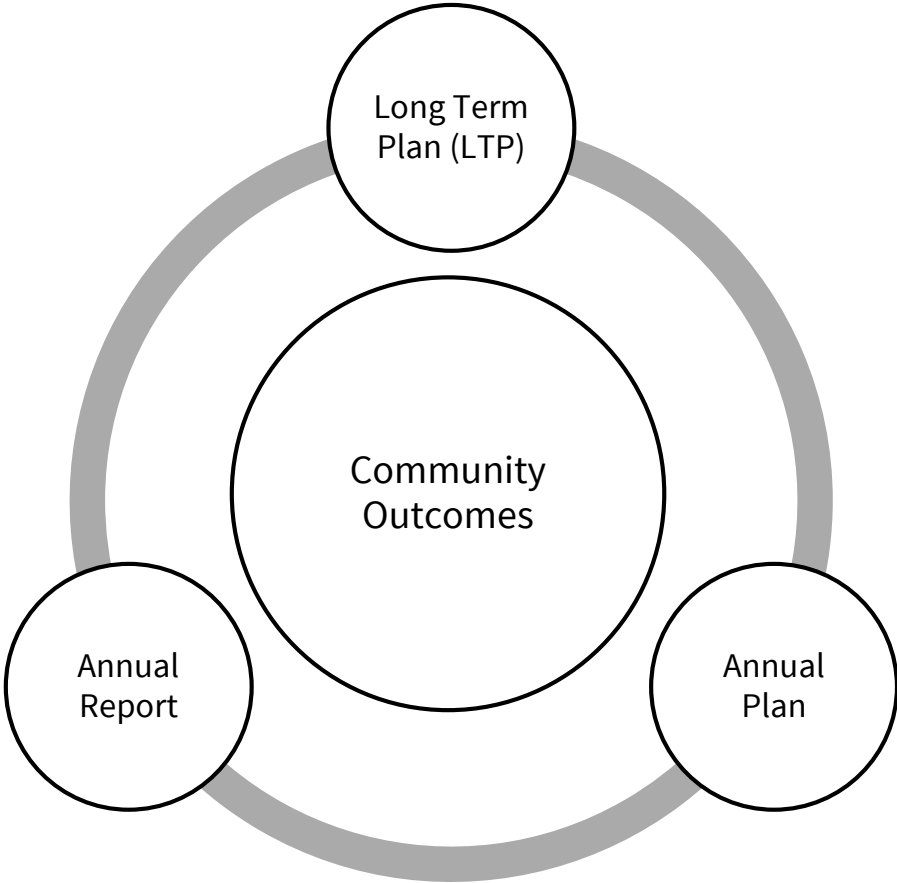
29 October 2015

Council's Planning Process

Council's planning and reporting centres on three key documents.

- 1. The **Long Term Plan (LTP)** is our long-term strategic planning document. Updated every three years, the LTP forecasts Council's budgets and project priorities for the coming ten years.
- 2. The **Annual Plan** is developed each year to update the LTP budget and work programme and to invite community feedback and suggestions.
- 3. The **Annual Report** reports on how Council performed against our targeted budget and work programme, highlighting any variations.

Community Outcomes are Council's high level strategic goals for the Ashburton District. These outcomes underpin the development of all Council plans, strategies and projects.



Long Term Plan

The Long Term Plan (LTP) has Council's community outcomes as its strategic foundation – long term goals to work towards. The LTP outlines what Council proposes to do over the coming ten years, with the first three years in detail and the following seven years based on the best information available at the time.

This Annual Report details Council's performance against plans and performance measures identified in the previous LTP 2012-22.

In 2015, Council adopted its Long Term Plan for the years 2015-25. The community has their say on the draft LTP, through an extensive consultation process. Council received 356 submissions to the Long Term Plan 2015-25.

The LTP is reviewed every three years. The next LTP will be developed in 2017/18, for the years 2018-28.

The Ashburton District Long Term Plan 2015-25 can be viewed on the Council website ashburtondc.govt.nz or a copy can be obtained from the Council offices on Baring Square West, Ashburton.

Annual Plan

In years when Council does not produce a Long Term Plan, our Annual Plan details the work programme and expenditure for the coming year. The Annual Plan provides up-to-date budgets and information on specific areas of work that we will undertake for the next financial year.

Monitoring Performance

As part of the LTP process, Council sets levels of service for each activity, along with performance measures and targets. Performance measures enable Council and the community to assess whether these levels of service are being delivered to the community. Targets for each performance measure show the level of achievement Council is aiming for each year.

Annual Report

Each year, Council publishes an Annual Report. This reports on the achievement of targets set in the LTP or Annual Plan for:

- Forecast income and expenditure
- Planned work programmes
- Levels of service provided to the community

This Annual Report details performance achieved against the targets and work programmes detailed in Year Three of the Long Term Plan 2012-22.

Council also tracks financial and non-financial performance during the year through the Triannual Performance Report, published three times each year.

Measuring our Performance

Financial Performance

The Annual Report includes key financial information to demonstrate Council performance against financial plans and targets detailed in the Long Term Plan 2012-22.

Activity Group Financial Summaries

These statements show, by groups of activities, the detailed breakdown of income and expenditure contained in the statement of comprehensive revenue and expenses. The statements also show the budget set in the Annual Plan 2014/15 and the actual performance achieved by Council in the 2014/15 financial year.

Council Only versus Group Reporting

Council owns 100% of Ashburton Contracting Limited (a council controlled trading organisation) and Experience Mid Canterbury (a council controlled organisation) and has two in-substance subsidiaries, the Ashburton Community Water Trust and the Ashburton Stadium Complex Trust. On statements which include the 'Council Only' column, the figures in this column do not include the operations of the subsidiaries. The consolidated column includes the operations of the subsidiaries after eliminating transactions between Council and the subsidiaries.

Statement of Accounting Policies

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

Consolidated Statement of Comprehensive Revenue and Expenses

This statement shows a summary of total revenue received and expenditure incurred during the 2014/15 financial year.

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

Consolidated Statement of Changes in Net Assets/Equity

This statement 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 2015). It shows total assets and liabilities as at that date.

Consolidated Statement of Cash Flows

This statement details the cash flows in and out of Council over the year. 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.

Non-Financial Performance

Council uses a number of non-financial performance measures and targets to track its delivery of services to the community. These are detailed in the Long Term Plan 2012-22 and carry through over the three-year life of the Long Term Plan. Here is a summary of some key tools we use:

Annual Residents' Survey

Each year Council commissions a survey of residents seeking feedback from the community on their views of the quality of Council activities, services and performance. In 2015, Council selected a new provider, Research First to carry out this survey.

The 2015 survey was conducted by telephone from 14 May to 29 May. 383 residents over the age of 18 were sampled using a randomised selection method. The sample provided results that were representative of the views of a geographically dispersed population.

The maximum margin of error for the survey is 5%; which means that if the same study was repeated using an entirely different randomly selected sample, the answers would replicate those obtained in the original survey very closely. The confidence level is 95%.

For questions with a response rate significantly lower than 383 respondents the margin of error will increase and care should be taken in interpreting the results of these questions. The relevant results of this survey have been included in this report as part of our performance targets.

Data Analysis Scale: In 2015, the survey changed from a three point scale (very satisfied, fairly satisfied, not very satisfied) to a five-point scale (very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied, very dissatisfied). The option of a mid-point response is aligned to best practice and allows for a more precise measure of community attitudes. Providing residents with the opportunity to select a neutral position (neither satisfied nor dissatisfied) means a smaller proportion of residents expressing either satisfaction or dissatisfaction with Council services than in previous years (because previously those who would have preferred to report a mid-point score could only choose mild satisfaction or dissatisfaction scores).

The level of respondents choosing the neutral options (the most significant being over 40% for three of the measures) has affected the reported satisfaction levels, meaning that Council is reporting the achievement of three out of thirty performance measures overall. What the results show is there are a number of residents who have a fairly neutral stance to Council activities or services, but there are relatively minor changes in the levels of dissatisfaction aside from measures associated with Council's involvement with the new Art Gallery and Heritage Centre. Council's reporting of satisfaction measure performance has excluded all neutrals in this Annual Report.

As all the performance targets were set on the previous years' methodology, which only gave an option for a positive or negative response (meaning no neutrals were allowed), care should be taken when comparing the results with the previous years. Comparisons to previous years' performance or conclusions that Council has dropped its performance cannot be made based on these results. Nevertheless, Council is taking the results seriously and will seek to understand over the course of the next year if there is any real change in satisfaction levels or if it is primarily an impact of the change in methodology.

Customer Request Management System

Council uses an electronic customer management database for inputting and tracking incoming service requests and consent applications. This system is used for reporting on service response times for performance measures which focus on this aspect of Council's service.

Financial Strategy

Council adopted its financial strategy in the Long Term Plan 2012-22. The financial strategy provides the overall strategic direction for Council’s financial goals, and includes limits on rates levels, rate rises and borrowing. This strategy promotes financial stability for Council and affordability and value for money for the community.

Financial Goals

1. To ensure the Council remains financially stable while giving focus to financing key Council priorities
2. To promote the prudent use of ratepayer’s money together with other funding available to deliver agreed levels of service, cater for growth and maintain a sound asset management approach
3. To ensure Council rates and fees are kept to a level commensurate with its level of service obligations
4. To provide financial parameters within which Council’s work programmes are to be achieved

Rates Limits

Council has set limits for its annual rate requirement and for the annual change in rates.

Council needs to spend money on significantly different goods and services than a domestic household. Therefore, we use the Local Government Price Index (LGPI) to compare spending with inflation, rather than the domestic Consumer Price Index (CPI).

Limit	Performance	
Total rates are to be no greater than 1% of the total capital value of the district	Total rates \$28,977,000 Capital value of district: \$12,995,156,759	✓
	Result: 0.2%	
The total rates increase for the 2014/15 year is to be no greater than 5% plus LGPI each year	Total increase: 7.2% Less LGPI: 3.5%	✓
	Result: 3.7%	

External Debt Limits

Council has set limits for its external debt based on the cost of servicing its debt (interest payments) as a proportion of both total revenue and rates revenue.

Limit	Performance	
Interest payments to service external debt are less than 10% of total Council revenue (excluding vested assets, infrastructure revaluations and other gains)	Interest payments: \$2,709,000 Total Council revenue: \$61,280,000	✓
	Result: 4.4%	
Interest payments to service external debt are less than 25% of total rates for the year.	Interest payments: \$2,709,000 Total rates:\$28,977,000	✓
	Result: 9.3%	

Five Year Financial Summary

(Council Only)

	2011	2012	2013	2014	2015
	\$000	\$000	\$000	\$000	\$000
Revenue					
Rates	23,016	24,021	25,565	26,709	28,977
Finance income	934	845	835	903	739
Other revenue	22,234	24,503	25,301	34,276	30,119
Other gains	1,801	2,467	3,030	4,964	1,445
Total income	47,985	51,836	54,731	66,852	61,280
Operating expenses					
Personnel costs	7,862	8,202	8,544	9,180	10,704
Depreciation and amortisation	10,093	10,919	11,271	11,348	13,088
Finance costs	2,235	2,261	2,275	2,234	2,709
Other expenses	22,096	21,931	20,700	22,095	22,165
Other Losses	5,000	4,762	2,229	3,492	3,064
Total operating expenditure	47,286	48,075	45,019	48,349	51,730
Operating surplus /(deficit)	699	3,761	9,712	18,503	9,550
Income tax expense	-	-	-	(95)	144
Other comprehensive income	41,308	7,528	24,720	21,939	1,047
Total comprehensive revenue and expenses	42,007	11,289	34,432	40,347	10,741
Working capital	7,988	(5,861)	22,625	10,787	(1,526)
Public debt	38,544	38,676	37,626	42,622	47,487
Total assets	615,207	629,009	662,356	710,107	724,643
Total equity	570,697	581,986	616,418	656,692	667,666
<u>Other financial statistics</u>					
Proportion of rates to total income	48%	47%	47%	40%	47%
Average rates per rateable property (GST Excl)	\$1,535	\$1,530	\$1,675	\$1,745	\$1,885
Public debt (as a percentage of total assets)	6.27%	6.15%	5.68%	6.00%	6.55%
Public debt per rateable property	\$2,571	\$2,446	\$2,466	\$2,772	\$3,084

Ashburton District Profile

General	2013	2014	2015
Population	32,300 ¹	32,800 ²	33,200 ³
District Area (square kms)	6,175	6,175	6,175

Open Space	2013	2014	2015
Total area of parks (ha)	442	442	442
Area of sports fields	110	110	110
Neighbourhood playgrounds	17	17	18

Infrastructure	2013	2014	2015
Total roads (centreline kms)	2,656	2,610	2,611
Length of sealed roads (kms)	1,490	1,493	1,498
Length of unsealed roads (kms)	1,166	1,117	1,113
Number of bridges	143	142	142
Length of footpaths (kms)	224	212	220
Number of Council water supplies	14	14	12
Length of water pipes (kms)	391	395	388 ⁴
Length of wastewater pipes (kms)	168	171	172
Length of stormwater pipes (kms)	28	30	31
Length of stockwater races (kms)	2,672	2,582	2,381

Rating Information	2013	2014	2015
Rating system	Capital value	Capital value	Capital value
Rateable properties	15,261	15,375	15,397
Total rateable value	\$12,860,979,100	\$12,976,369,100	\$12,995,156,759
Average rateable value	\$842,735	\$843,991	\$844,006
Date of district valuation	July 2012	July 2012	July 2012
Rates revenue	\$25,565,000	\$26,826,000	\$28,977,000
Total revenue	\$54,731,000	\$66,896,000	\$61,280,000

All figures are as at 30 June 2015.

¹ Statistics New Zealand subnational population estimates as at 30 June 2013. For more information see www.stats.govt.nz

² Statistics New Zealand subnational population estimates as at 30 June 2014. For more information see www.stats.govt.nz

³ Statistics New Zealand subnational population estimates as at 30 June 2015. For more information see www.stats.govt.nz

⁴ The reduction in water pipeline length is the result of a significant data audit exercise, which identified some corrections in Council's asset management information.

Cost of Compliance

A significant amount of Council's costs are attributable to compliance with legislation and consent conditions. The following is an example of some of these costs incurred during the 2014/15 financial year.

Costs in preparation of the Council's Annual Report

Audit Fees	\$110,000
Annual asset valuation fees	\$ 23,469

Cost of the annual residents survey undertaken as part of the Annual Report \$12,200

Valuer General Fees

The Valuer General undertakes standard setting and auditing of Council's rating valuations. This fee was \$11,970 for the year ended 30 June 2015.

Building Consent Authority

Council is accredited as a Building Consent Authority. Council is required to be audited as part of maintaining this accreditation. This year the audit work cost \$3,357.

National Dog Database

Council is required to contribute to a national dog database. This is an annual fee which cost \$3,636 in 2014/15

Remuneration Authority

The Remuneration Authority is charged with determining the level of remuneration paid to elected members of the Council. This cost of the Authority is apportioned to each Local Authority. For the 2014/15 year, the cost to Council was \$2,953.

Compliance with Canterbury Regional Council Resource Consents

Council has a number of resource consents with the Canterbury Regional Council. Application and monitoring costs of \$40,277 were incurred during the year. Council also incurs significant internal resourcing costs in ensuring compliance with these consent conditions.

National Monitoring System

The Ministry for the Environment now requires additional information and reporting on consent monitoring and district plan activities. This has required modification of Council's reporting systems at an estimated cost of \$24,500.

Community Outcomes

Community outcomes are what Council aims to achieve for the community. Community outcomes guide the levels of service provided by Council, and assist in prioritising and decision making. They also help the community to understand Council's direction, decisions and actions. Council reviewed its community outcomes as part of the preparation of the Long Term Plan 2015 - 25. For further information about the community outcomes, please refer to the Long Term Plan 2015 - 25.

Ashburton District: The district of choice for lifestyle and opportunity

Outcome 1: A thriving and diverse local economy

Strategic objectives:

- Our district's infrastructure and services meet our current and foreseeable future needs.
- Our district is a desirable place to live, visit and do business.
- Council's investments provide a return to the community and contribute to economic development.
- Our water resources are developed and managed in ways that support our environment, economy and lifestyle now and into the future.

Outcome 2: Sustainable natural and built environments

Strategic objectives:

- People can access and experience our natural environments.
- We understand the need to protect our natural environment and act to do so.
- We have safe and attractive built environments that meet our community's needs.
- Our community has access to information and services that promote environmental responsibility and sustainability.

Outcome 3: An enjoyable place to live

Strategic objectives:

- Our community has access to a range of cultural and heritage facilities and activities.
- Our district has sport and recreation facilities that meet the district's needs.
- Our district offers opportunities for all people to develop their skills and enrich their knowledge

Outcome 4: A safe and healthy community

Strategic objectives:

- We have access to a range of health and social support services.
- Environmental threats to our community's health are minimised.
- We are well-prepared to respond to emergency situations.

Outcome 5: An involved community with quality leadership

Strategic objectives:

- Our community is well-informed through open and effective communication.
- We work together with government, community organisations and the private sector to promote our community interests.
- Our residents are proud of, and participate in, their local community.
- Iwi and Maori have opportunities to contribute to local decision-making.

Working with Maori

Ngai Tahu occupies all but the northernmost part of the South Island, which includes the Ashburton District in its entirety. Te Rūnanga o Arowhenua, based at Arowhenua Marae outside Temuka, have mana whenua (customary rights/authority) in Ashburton District.

The rūnanga has developed its own strategic plan to guide future development. Council will contribute, where appropriate, to the achievement of the rūnanga's strategic goals.

Arowhenua's strategic vision is:

Arowhenua
Nurturing our people through generations
Guardians of the environments we live in
Progressing our future locally and globally.

Arowhenua is a valued contributor to community planning processes within Ashburton District. Council has a strong relationship with the rūnanga and formally visits the marae each year to discuss issues of mutual importance.

The rūnanga has a focus on issues of kaitiakitanga (guardianship/stewardship), particularly within the context of the Resource Management Act 1991. Council works closely with Arowhenua on this, as well as on other issues of mutual importance. Te Rūnanga o Arowhenua's agency, Arowhenua Whanau Services, delivers health and social services in the South Canterbury District Health Board area.

Arowhenua and Council have considered developing a formal Memorandum of Understanding to provide a structured framework for our work together. However, both organisations feel the relationship we have is strong enough to make this process unnecessary.

Council continues to be committed to building a strong relationship with Te Rūnanga o Arowhenua and working with the rūnanga in good faith.

Hakatere Marae Komiti

On issues regarding social wellbeing in the district, Te Rūnanga o Arowhenua have requested that Council work with the Hakatere Marae Komiti, a mataa waka (from many canoes) organisation based at Hakatere Marae north of Ashburton town. Council consults with the Hakatere Marae Komiti and works with the komiti on many local initiatives. Council is committed to continuing to develop its relationship with the Hakatere Marae Komiti.

Council Activities

Transportation

Drinking Water

Wastewater

Stormwater

Refuse and Recycling

Recreation and Leisure

Community Facilities and Support

Economic Development

Parks and Open Spaces

Democracy and Governance

Regulatory Services

Miscellaneous

Transportation

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community
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Activities

Roads	Footpaths
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What we do

Ashburton District has one of the largest road networks in New Zealand, covering 2,611 kilometres. Approximately 1,498 kilometres of the network is sealed and 1,113 kilometres of unsealed. Our road network continues to increase as new subdivisions develop in the district.

Our road network has been designed to minimise vehicle kilometres travelled on unsealed roads, with a sealed road within reasonable proximity of all properties.

Council owns and maintains a footpath network of over 220 kilometres in towns and villages throughout the district.

Managing our transportation network includes providing and maintaining:

- Roads
- Footpaths
- Drainage
- Bridges and culverts
- Street lights
- Road signs and markings
- On-street car parking
- Gravel extraction sites
- Clean fill disposal sites
- Road safety programmes

Keeping our roads and footpaths in good condition helps to support local industries and offers our residents and visitors safe and easy travel around Ashburton District.

Council works closely with NZTA, who has responsibility for the State Highways in our district.

What we did in 2014/15

Annual Works Programme

Unsealed roads

Over the year Council applied road metal (43,000m³) to 142 kilometres of unsealed roads at a total cost of \$964,183. Of this amount, \$153,386 strengthened existing roads and \$777,853 funded the application of maintenance metal. The remainder funded general pothole repairs.

A further \$302,282 was spent grading unsealed roads, with a focus on providing roadside swale drainage and soak-holes as required.

Sealed road resurfacing

During 2014/15 Council resurfaced 94 lane kilometres at a cost of \$2,113,713.

Sealed road rehabilitation

During 2014/15 Council rehabilitated 17 lane kilometres of sealed rural and 1 lane kilometre of sealed urban roads at a total cost of \$1,975,581. In addition to this subsidised work, Council spent \$1,035,959 of unsubsidised budget rehabilitating 5.3 kilometres of Thompsons Track.

Footpath resurfacing

2,331m (6,643m² or 1.2% of total area) of footpath was resurfaced in 2014/15, at a cost of \$600,497.

Key Projects

Walnut Ave Intersection

This project has been led by NZTA. Preliminary design work has been undertaken and land required for works has been designated. Construction is not envisaged until 2018/19 to 2020/21.

Tinwald Traffic Management

NZTA and Council are partnering to identify solutions to traffic issues in Tinwald, holding several workshops in 2014/15. We are currently at stage four of a seven-stage process to identify, plan, design and execute solutions. Some physical works are hoped to commence in the 2015/16 financial year, with further work to be instigated during 2017/18.

Ashburton Second Urban River Bridge

Land designation for the Ashburton Second Urban River Bridge is complete. This completes all current work on this project until the design and construction phases commence in eight to ten years' time.

Our Service - Performance Results

The standard of Council's roads meets the needs of residents

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with the standard and safety of all Council's roads (Annual Survey of Residents)	57%	80%	31% ¹	×
Residents are satisfied with the standard and safety of Council's unsealed roads (Annual Survey of Residents)	48%	63%	26% ²	×
Resident requests that require action from the maintenance contractor are met promptly	64%	85%	96% ³	✓

Our roads are accessible for heavy vehicles

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The number of weight and speed restricted bridges in Ashburton District reduces	3 bridges replaced	1 bridge is replaced	0 ⁴	×

We promote safe use of our roads

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Road safety education projects are delivered to the community	8 projects	4	4	✓

¹ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys. The target has been revised in 2015/16.

² Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

³ Full staffing has resulted in better contract administration and the ability to immediately address concerns.

⁴ 1 bridge has been tendered and at year end new deck beams had been constructed. These will be installed during July 2015. The other programmed bridge replacement has been deferred in favour of a monitoring programme as it is in a better condition than previously indicated.

Our roads are safe, smooth and reliable

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Number of fatal crashes due to road factors	0	0	0	✓
Annual capital renewal projects programme completed or underway by 30 June	100%	100%	100%	✓
Vehicle kilometres travelled on sealed roads classified as smooth ⁵	93%	95% in Ashburton District overall	94%	×
	80%	80% in urban areas	83%	✓
	99%	95% in rural areas	99%	✓

We have quality, smooth footpaths

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Area of total footpath resurfaced each year	2.1%	4% of total footpath area	1.2% ⁶	×
Residents are satisfied with footpaths in Ashburton District <small>(Annual Survey of Residents)</small>	72%	85%	45% ⁷	×

⁵ This target has been adjusted in 2013/14 to 95% in urban areas and 75% in rural areas, to better reflect attainable and desirable levels of smoothness in different parts of the district.

⁶ After inspection of footpaths and exclusion of the Ashburton CBD (as Council is awaiting completion of earthquake demolition and associated rebuild), only necessary footpaths were considered for resurfacing.

⁷ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	7,281	7,244	6,826
Subsidies and grants	4,806	4,844	4,921
Development and/or financial contributions	26	52	13
Vested assets	1,268	555	3,197
Other revenue	609	510	566
Total revenue	13,990	13,205	15,523
Operating expenditure			
Roading	11,570	9,995	10,051
Footpaths	1,365	1,260	1,231
Total expenditure	12,935	11,255	11,282
Net operating surplus/(deficit)	1,055	1,950	4,241
Funded by:			
General rates	383	380	267
Transfers (to)/from reserves	(1,438)	(2,330)	(4,508)
Total funding applied	(1,055)	(1,950)	(4,241)
Total expenditure includes:			
Depreciation	7,089	6,739	6,173
Internal operating expenditure	69	69	102

Significant variances

Operating revenue was \$785,000 above budget

Vested Asset income was \$713,000 above budget

When subdivisions are completed the subdivision works are vested in council (the value of the assets vesting are shown as income received and as a capital expense) as part of the developer completing all necessary subdivision requirements in order for titles to be issued. Council had budgeted for one subdivision vesting in 2014/2015 but 3 subdivisions were vested during 2014/15.

Operating expenditure was \$1,680,000 above budget

There are a number of variances contributing to this including:

- Maintenance contracts were \$118,000 above budget
- Depreciation expense was \$364,000 above budget; the budget was based on the 30 June 2012 valuation and the actual figures are based on the 30 June 2014 valuation.
- The revaluation of roading and footpath assets resulted in a write down in the value of these assets of \$604,000
- Operations recovery charges were \$662,000 above budget. Actual recovery charges were not split between operational and capital, all charges were costed as operational.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Roading	8,288	8,294	10,401
Footpaths	684	515	486
Total capital expenditure	8,972	8,809	10,887
Loan repayments	114	117	114
Capital to be funded	9,086	8,926	11,001
Funded by:			
Depreciation funding	7,692	6,739	6,550
Loans raised	-	-	-
Transfers (to)/from reserves	1,394	2,187	4,451
Total funding applied	9,086	8,926	11,001
Split of capital expenditure:			
Capital - due to growth	1,268	1,950	3,197
Capital - increase in level of service	1,536	420	1,278
Capital - renewals	6,168	6,439	6,412
Total capital expenditure	8,972	8,809	10,887

Significant variances

Vested Asset expenditure was \$713,000 above budget

When subdivisions are completed the subdivision works are vested in council (the value of the assets vesting are shown as income received and as a capital expense) as part of the developer completing all necessary subdivision requirements in order for titles to be issued. Council had budgeted for one subdivision vesting in 2014/2015 but three subdivisions were vested during 2014/15.

For roading, vested assets were budgeted at \$491,000 however \$1,105,000 was received. For footpaths, vested assets were budgeted at \$64,000 however \$164,000 of vested assets was received.

Capital Recovery charges were \$420,000 below budget

The budget allocated a portion of recovery charges to capital. Actual charges were all coded to operational charges.

Drinking Water

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community
Activity		
Drinking Water		

What we do

Council owns and operates 12¹ community drinking water supplies across the Ashburton District, servicing approximately 10,345 homes and businesses. Community water supplies are located in Ashburton, Methven, Rakaia, Hinds, Lake Hood, Mt Somers, Methven/Springfield, Fairton, Chertsey, Upper Hakatere, Mayfield, Dromore, Montalto and Winchmore.

Council operates and maintains water supplies, carries out regular water quality testing, repairs faults and upgrades and extends schemes as required.

What we did in 2014/15

Key Projects

Water supply upgrades

The upgrade of the Methven Springfield drinking water supply was placed on hold, pending receipt of guidance from the Ministry of Health on compliance requirements for rural agricultural water supplies. This project will be completed in conjunction with a similar project on the Montalto water supply.

Water main renewals

Council successfully completed watermain renewals in Eton Street, Ashburton and Lampard Street, Methven. The total cost of this work was \$690,000, which is less than the original budget of \$723,000.

Fish screen replacements

The replacement of the fish screen on the Montalto water supply has been reprogrammed for 2015/16.

Winchmore Water Scheme

A binding referendum of residents served by the scheme was held in August 2014. In accordance with the results of that process, the Winchmore water supply was formally closed on 14 November 2014. Council is currently working through a process to dispose of the remaining scheme assets.

¹ As at 30 June 2015, Council operated 13 community drinking water schemes. This reduced to 12 on 2 July 2015 with the merger of the Lake Hood and Ashburton schemes.

Our Service - Performance Results

Drinking water from Council schemes is safe to drink

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Incidents of E.Coli contamination in Council drinking water supplies	No incidents	0 incidents	2 ² ×

Council water schemes are reliable

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
The number of watermain leaks per 100km of watermain per year	42.60 leaks per 100km	50 or less	35.7 ³ ✓

Water supplies are adequate for customers' needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Percentage of customers on Ashburton, Methven and Rakaia schemes that are satisfied with the quality of their drinking water <small>(Annual Survey of Residents)</small>	80%	85%	58% ⁴ ×
Percentage of customers on other Council schemes that are satisfied with the quality of their drinking water <small>(Annual Survey of Residents)</small>	84%	75%	84% ✓

Water resources are used efficiently and sustainably

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Compliance with water abstraction thresholds on resource consents	Achieved	100%	100% ✓
Reduction in water consumption per connection per year	5.99%	1% decrease	5.6% increase ⁵ ×

² Two incidents were recorded on the Montalto water scheme, issues have since been addressed.

³ 141 water main leaks were repaired in 2014/15 (395 Km of pipelines).

⁴ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

⁵ The results are partly due to the extremely dry summer leading to demand being significantly higher than the previous year, and partly due to 2013/14 being a relatively low -demand year.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	3,839	3,842	3,871
Subsidies and grants	-	-	61
Development and/or financial contributions	398	100	210
Vested assets	178	798	387
Other revenue	552	312	471
Total revenue	4,967	5,052	5,000
Operating expenditure			
Drinking water	5,878	4,193	4,917
Total expenditure	5,878	4,193	4,917
Net operating surplus/(deficit)	(911)	859	83
Funded by:			
General rates	-	-	28
Transfers (to)/from reserves	911	(859)	(111)
Total funding applied	911	(859)	(83)
Total expenditure includes:			
Depreciation	1,422	1,376	1,363
Internal operating expenditure	561	524	622

Significant variances

Operating revenue was \$85,000 below budget

Development Contributions/ financial contributions was \$298,000 above budget

Due to the increase in building consents and the types of building consents, Councils development contributions for drinking water were \$267,000 above budget. Council also received other unbudgeted contributions of \$31,000.

Vested assets income was \$620,000 below budget

Council budgeted for \$798,000 of water vested assets and although three subdivisions vested in Council during the year only \$178,000 of water assets were vested.

Operating expenditure was \$1,685,000 above budget

The Winchmore water supply was written off due to residents' taking ownership of the scheme. This has resulted in an unbudgeted loss on the book value of water assets of \$1,255,000.

Other variances included:

- Maintenance and electricity costs were \$107,000 higher than the budget of \$1,176,000.
- Depreciation costs were \$46,000 higher than the budget of \$1,375,000.

- Operations recovery charges were \$122,000 higher than budget due to work on asset management plans for the 2015-2025 LTP.
- The Barrhill Chertsey water scheme 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.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 (\$000)	Budget 2015 (\$000)	Actual 2014 (\$000)
Capital expenditure			
Drinking water	1,261	2,079	1,699
Total capital expenditure	1,261	2,079	1,699
Loan repayments	486	388	380
Advances	-	-	193
Capital to be funded	1,747	2,467	2,272
Funded by:			
Depreciation funding	2,676	1,376	1,704
Loans raised	-	405	229
Transfers (to)/from reserves	(929)	686	339
Total funding applied	1,747	2,467	2,272
Split of capital expenditure:			
Capital - due to growth	178	424	387
Capital - increase in level of service	265	809	439
Capital - renewals	818	846	873
Total capital expenditure	1,261	2,079	1,699

Significant variances

Capital Expenditure was \$818,000 below budget

Vested asset expenditure was \$620,000 below budget

Council budgeted for \$798,000 of vested assets but only received \$178,000 of vested assets.

Capital expenditure

The Methven Springfield water upgrade budgeted at \$392,000 was delayed awaiting information from the Ministry of Health on compliance requirements for rural agricultural water supplies. This work has been carried over to the 2015/16 year.

The connection of the Lake Hood water supply to the Ashburton water supply resulted in unbudgeted expenditure of \$135,000.

Wastewater

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community
Activity		
Wastewater		

What we do

Council owns and operates three community wastewater schemes, servicing approximately 9,354 homes and businesses in Ashburton, Methven and Rakaia. The remaining households in the district dispose of their wastewater by other means, typically through single property septic tank systems.

Council ensures the safety and effectiveness of wastewater schemes through:

- Managing day to day operations, repairs and maintenance
- Ensuring the wastewater system is safe and meets community health needs
- Monitoring effluent discharge quality
- Upgrading and extending schemes where required

Council operates wastewater schemes to help protect the health and safety of the community and environment.

What we did in 2014/15

Key Projects

Ashburton Relief Sewer upgrade

This project has been placed on hold while additional investigations are completed on the Ashburton River wastewater siphon. Additional information which became available during the detailed design for the nearby Ashburton Borough Catchment sewermain project has made it necessary to understand the impact of both pipeline projects on the river siphon. The Ashburton Relief Sewer project has been reprogrammed into 2015/16 and 2016/17.

Methven sewer main renewals

All programmed work was completed in 2014/15. The total cost of the work was \$72,000 from an original budget of \$180,000. This variance reflects a change in construction methodology which resulted in significant cost savings to Council.

Ashburton Borough Catchment sewer main renewal

This project commenced later in the year than originally programmed, after different pipe materials were selected and an extended tendering process undertaken. The pipeline is now under construction.

Ashburton wastewater inflow reduction

Council commenced the Right Pipe project in Oct 2014. Inspection of properties in Tinwald has been completed. As the number of properties needing to readjust gully traps is higher than expected, the project will continue in 2015/16.

Our Service - Performance Results

Wastewater schemes are managed without risk to public health

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Number of wastewater overflows onto private property per 1000 properties	2.3	≤1	0.3 ¹ ✓

Wastewater schemes are appropriate for customers' needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Customers are satisfied with the quality of wastewater services provided by Council (Annual Survey of Residents)	96%	85%	64% ² ×

Wastewater schemes are reliable

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Number of blockages per 100 kilometres of sewer mains per year	32.8	40 or less	26.9 ³ ✓

The environment is not adversely affected by wastewater disposal

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Council complies with the discharge conditions of wastewater resource consents	0 significant non-compliances	0 significant non-compliances	0 significant non-compliances ✓

¹ Three overflows onto private property were reported (10,097 properties) in 2014/15.

² Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

³ 46 mains blockages were cleared by Council's contractor, ACL (172km of pipeline) in 2014/15.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	4,146	4,110	3,865
Development and/or financial contributions	1,021	212	345
Vested assets	507	820	966
Other revenue	909	489	637
Total revenue	6,583	5,631	5,813
Operating expenditure			
Wastewater	4,243	4,394	4,526
Total expenditure	4,243	4,394	4,526
Net operating surplus/(deficit)	2,340	1,237	1,287
Funded by:			
General rates	-	-	-
Transfers (to)/from reserves	(2,340)	(1,237)	(1,287)
Total funding applied	(2,340)	(1,237)	(1,287)
Total expenditure includes:			
Depreciation	1,454	1,441	1,428
Internal operating expenditure	230	230	263

Significant variances

Operating revenue was \$952,000 above budget

Development and/or financial contributions was \$809,000 above budget

Development contributions were budgeted at \$212,000 but actual was \$1,021,000. This included \$526,000 of development contributions charged to the EA Networks Centre building costs.

Vested Assets were \$313,000 below budget

Council budgeted for \$820,000 of wastewater vested assets and although three subdivisions were vested in Council during the year, only \$507,000 of wastewater assets were vested.

Other revenue was \$420,000 above budget

Silage sales from Ocean Farm was budgeted at \$270,000 but due to good growing conditions \$482,000 of sales was achieved.

Interest income for the Ashburton wastewater separate reserve account was above budget by \$132,000 due to the delay in capital expenditure for the Ashburton Relief Sewer.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Wastewater	2,334	6,062	1,864
Total capital expenditure	2,334	6,062	1,864
Loan repayments	310	310	310
Capital to be funded	2,644	6,372	2,174
Funded by:			
Depreciation funding	1,500	1,441	1,509
Loans raised	-	3,040	-
Transfers (to)/from reserves	1,144	1,891	665
Total funding applied	2,644	6,372	2,174
Split of capital expenditure:			
Capital - due to growth	507	820	966
Capital - increase in level of service	284	3,040	297
Capital - renewals	1,543	2,202	601
Total capital expenditure	2,334	6,062	1,864

Significant variances

Capital Expenditure was \$3,728,000 below budget

Vested Assets were \$313,000 below budget

Council budgeted for \$820,000 of wastewater vested assets and although three subdivisions were vested in Council during the year, only \$507,000 of wastewater assets were vested.

Ashburton Relief Sewer expenditure was \$2,935,000 below budget

Council budgeted for \$3,040,000 to be spent on the Ashburton Relief Sewer project. Actual expenditure was \$105,000.

Cyclic renewal programmed work in Ashburton was also delayed due to the Ashburton Relief Sewer project. This resulted in under expenditure of \$423,000.

Stormwater

Community Outcomes

A thriving and diverse local economy	Sustainable natural and built environments	A safe and healthy community
Activity		
Stormwater		

What we do

Council provides urban stormwater collection and disposal networks in the district including:

- An extensive piped system in Ashburton
- A limited piped network in Methven
- Two piped drains in Rakaia

Providing a stormwater collection and disposal network protects properties and the environment from the effects of flooding and ensures that roads and footpaths remain accessible.

What we did in 2014/15

Key Projects

Mill Creek bank stabilisation

All programmed works for Mill Creek were successfully completed. An additional section between the Hanrahan Street and Allens Road culverts was also completed within the contract period.

The total cost of work is \$1.15M from an original budget of \$1.6M which was spread over several financial years. This variance reflects a positive tendering result and the postponement of a small section of works. Additional sections are now programmed for completion to coincide with new subdivision developments in Allenton. These are likely to absorb the remaining budget in 2015/6.

Our Service - Performance Results

Stormwater networks are adequate for customers' needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Percentage of customers that are satisfied with the stormwater service <small>(Annual Survey of Residents)</small>	76%	85%	37% ¹ ×

¹ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Urban private property is protected from the adverse effects of stormwater flooding

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The number of incidents of private property damage caused by Council stormwater system failure	No incidents	0	0	✓

The environment is not adversely affected by stormwater disposal

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Council complies with the discharge conditions of stormwater resource consents	Achieved	Achieved	Achieved	✓

Financial Summary

Operating Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	736	721	797
Vested assets	575	784	1,137
Other revenue	48	30	44
Total revenue	1,359	1,535	1,978
Operating expenditure			
Stormwater	704	842	909
Total expenditure	704	842	909
Net operating surplus/(deficit)	655	693	1,069
Funded by:			
General rates	81	80	89
Transfers (to)/from reserves	(736)	(773)	(1,158)
Total funding applied	(655)	(693)	(1,069)
Total expenditure includes:			
Depreciation	304	321	289
Internal operating expenditure	96	97	121

Significant variances

Operating Revenue was \$176,000 below budget.

Council budgeted for \$784,000 of vested assets but only received \$575,000 from the three subdivisions that vested with Council during the year.

Operating Expenditure was \$138,000 below budget.

Council budgeted to undertake \$65,000 of investigations but these were not done resulting in an underspend of \$62,000.

Other variances included:

- Maintenance costs were \$14,000 below the budget of \$108,000.
- Depreciation costs were \$16,000 below the budget of \$321,000.
- Interest costs were \$37,000 below the budget of \$73,000.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Stormwater	1,733	2,274	1,273
Total capital expenditure	1,733	2,274	1,273
Loan repayments	80	80	96
Capital to be funded	1,813	2,354	1,369
Funded by:			
Depreciation funding	304	321	289
Loans raised	940	1,256	-
Transfers (to)/from reserves	569	777	1,080
Total funding applied	1,813	2,354	1,369
Split of capital expenditure:			
Capital - due to growth	575	784	1,137
Capital - increase in level of service	1,158	1,490	136
Capital - renewals	-	-	-
Total capital expenditure	1,733	2,274	1,273

Significant variances

Capital Expenditure variance \$541,000

Council budgeted for \$784,000 of vested assets but only received \$575,000 from the three subdivisions that vested with Council during the year. Hence the capital expenditure of these assets is \$209,000 below budget.

Capital expenditure on Mill Creek was \$1,145,000 against a budget of \$1,490,000. This budget included a carryover of \$469,000 from the 2013/14 year. Further work has been carried over to the 2015/16 year.

Refuse and Recycling

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community	Sustainable natural and built environments
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Activities

Solid Waste Management	Kerbside Collection
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What we do

Council provides rubbish collection and management services which includes:

- Kerbside collection of rubbish and recycling
- Resource recovery parks to process rubbish and recyclable materials
- Community recycling drop off facilities

These services keep residents and our environments safe from the effects of harmful waste. Council promotes sustainability in the community by encouraging recycling and waste minimisation and has developed a strategy for waste management and minimisation.

The district's residual rubbish is transported to the Canterbury regional landfill at Kate Valley in the Hurunui District for disposal.

What we did in 2014/15

Key Projects

Reviewing our collection services

Council considered options for changes to refuse and recycling collection in 2014/15. Any change in this service will have a significant impact across the community and a potentially significant impact on rates. In recognition of this, Council sought community input to a special consultative process in August and September 2014.

A Council panel heard submissions and deliberated on the outcome of the consultation process on 7 October 2014, resolving the following:

That this hearing of the Rubbish and Recycling review supports Option 2 of the suggested programme but not be introduced until 1 July 2017.

On 30 October 2014 Council resolved that a new wheelie bin collection service would be established on 1 July 2017. Existing refuse and recycling contracts have thus been extended to 30 June 2017.

Ashburton Resource Recovery Park

The relocation of the weighbridge and stormwater attenuation work at ARRP are in the final stages of design and costing. This project is expected to be tendered in September 2015, with physical

works to be completed during the 2015/2016 earthworks season. This is behind the original timeline, as the consultation process with the operating contractors and working through consenting implications took longer than originally forecast.

Extending collection services to smaller communities

Residents of Fairton and Chertsey were surveyed in November 2014 regarding a possible extension of Council’s kerbside collection service.

Results from the survey indicated that the majority of respondents in Fairton and Chertsey wished to have a kerbside service extended to their area. An option for the service was thus proposed for these two communities, included in the Long Term Plan (LTP) 2015-25 consultation document.

However, feedback received throughout the LTP consultation showed that respondents from Fairton opposed the introduction of kerbside collection. As a result, Council has deferred the introduction of this service in Fairton and extended kerbside collection to Chertsey residents.

Our Service - Performance Results

Protect the community and environment from effects of harmful waste and promote waste minimisation

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Reduce the volume of waste per rateable property being disposed of to landfill	Increase of 12.4%	Decrease of 2%	Increase of 11.16% ¹	×
Increase the percentage of recyclable or reusable material diverted from the waste stream	Increase of 4.8%	Increase of 1%	Decrease of 5.12% ²	×
Compliance with resource consent conditions relating to closed landfills and resource recovery park operations	No significant non-compliances are reported by Environment Canterbury	0	0	✓

¹ There has been a significant increase in of volumes commercial waste, which has contributed to much higher overall waste volumes. The current rate of economic activity is significantly higher than the growth in rateable properties this year.

² The decrease in diversion results also reflects a significant increase in commercial waste volumes at Ashburton Resource Recovery Park this year. Kerbside diversion has increased from the previous year.

Kerbside collection meets customers' needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents receiving kerbside refuse collection are satisfied with the service (Annual Survey of Residents)	76%	85%	52% ³ ×
Residents receiving kerbside recycling collection are satisfied with the service (Annual Survey of Residents)	76%	85%	58% ⁴ ×

³ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

⁴ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	759	755	477
Other revenue	3,147	2,623	2,853
Total revenue	3,906	3,378	3,330
Operating expenditure			
Refuse and recycling	4,682	4,254	4,180
Total expenditure	4,682	4,254	4,180
Net operating surplus/(deficit)	(776)	(876)	(850)
Funded by:			
General rates	888	881	967
Transfers (to)/from reserves	(112)	(5)	(117)
Total funding applied	776	876	850
Total expenditure includes:			
Depreciation	118	110	106
Internal operating expenditure	394	398	397

Significant variances

Operating Revenue was \$528,000 above budget

Other Revenue was \$524,000 above budget

Refuse and recycling fees and charges were \$406,000 greater than the budget of \$1,323,000. Tonnage through the recovery parks was 17,329 tonnes compared with a budgeted tonnage of 16,733. In addition sales of refuse bags was \$63,000 above the budget of \$587,000.

Operating Expenditure was 428,000 above budget

Although there is increased revenue due to higher tonnage, there are additional costs of disposing of the higher tonnage. This has led to an increase in refuse disposal costs of \$455,000 over the budget of \$2,200,000.

**Capital and Reserves Funding Statement
For the year ended 30 June 2015**

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Refuse and recycling	64	81	157
Total capital expenditure	64	81	157
Loan repayments	-	6	-
Capital to be funded	64	87	157
Funded by:			
Depreciation funding	124	110	117
Loans raised	-	-	-
Transfers (to)/from reserves	(60)	(23)	40
Total funding applied	64	87	157
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	43	66	107
Capital - renewals	21	15	50
Total capital expenditure	64	81	157

Significant variances

There are no significant capital expenditure variances.

Recreation and Leisure

Community Outcomes

An enjoyable place to live

A safe and healthy community

Activities

Arts, Culture and Heritage

Library

Recreation Facilities and Services

What we do

Council provides or supports a number of recreation and leisure facilities and service providers in our community. Facilities provided or funded by Council include:

- Ashburton Community Pool
- Ashburton Museum
- Ashburton Art Gallery
- Ashburton Trust Event Centre
- Ashburton District Library

What we did in 2014/15

Key Projects

Ashburton Art Gallery and Heritage Centre

Council has built a new Art Gallery and Heritage Centre (AGHC) on West Street Ashburton, which opened in February 2015. The new facility is home to the Ashburton Art Gallery, the Ashburton Museum and the Ashburton Family History Group. The AGHC also houses Council archives, along with a large and growing community archive collection.

EA Networks Centre

The EA Networks Centre was officially opened by Deputy Prime Minister, Bill English on May 9, 2015. This state-of-the-art, 8000m² building will meet the sporting and recreational needs of the local community and greater Canterbury for years to come.

EA Networks Centre hydroslide consultation

In November 2014, the community was surveyed about potential hydroslide options for the new EA Networks Centre. Nearly 1,600 completed surveys were returned to Council. After analysing survey results, Council proposed the installation of two hydroslides in the LTP consultation document. These would have been built in 2016/17, costing ratepayers approximately \$1.3 million, if the same amount had also been raised through community fundraising.

As a result of majority feedback against this proposal, Council chose not to budget for a hydroslide. The project will be considered again in 2017/18.

Ashburton Public Library – computer system replacement

A new library computer system, Kotui, went live on 16 April 2015. The new system is a shared library management service owned by the National Library, which will enable greater regional cooperation and resource sharing.

Our Service - Performance Results

We have social and cultural facilities available in the district that meet the needs of residents

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Ashburton Museum is well patronised by residents and visitors	6,949	13,000 visits	6,085 ¹	×
Ashburton Art Gallery is well patronised by residents and visitors	9,667	13,000 visits	3,020 ²	×
Residents are satisfied with the level of Council's involvement in the Arts, Culture and Heritage activity	64%	85%	39% ³	×

(Annual Survey of Residents)

Our social, cultural and heritage facilities provide a variety of interesting attractions for residents and visitors

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The Ashburton Museum provides special interest exhibitions in addition to its main exhibits	10 special interest exhibitions	4 special interest exhibitions	2 ⁴	×
The Ashburton Art Gallery provides a variety of exhibitions each year	7 local art exhibitions	5 local art exhibitions	2 ⁵	×
	6 national art exhibitions	5 national art exhibitions	2 ⁶	×
The Ashburton Trust Event Centre attracts a wide variety of users and performances each year	125 community events	110 community events	145 community events ⁷	✓
	110 conferences /meetings	50 conferences /meetings	88 conferences /meetings ⁸	✓
	18 national touring shows	35 national touring shows	29 national touring shows ⁹	×
	17 events produced by ATEC	10 events produced by ATEC	9 events produced by ATEC ¹⁰	×

Library resources are current and relevant for the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
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^{1,4} The Ashburton Museum was closed for part of the financial year, for relocation to the newly opened Ashburton Art Gallery and Heritage Centre. Visitor numbers are for the period 14 February 2015 to 30 June 2015.

^{2,5,6} The Ashburton Art Gallery was closed for part of the financial year, for relocation to the newly opened Ashburton Art Gallery and Heritage Centre. Exhibitions numbers are for the period 23 May 2015 to 30 June 2015.

³ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

⁷ There has been a continuation in growth of community groups using ATEC.

⁸ There has been a gradual increase in corporate bookings.

⁹ Nationally there have been fewer touring performances in regional venues.

¹⁰ The Top of the South Consortium has now finished its contract with Creative NZ.

Number of free internet sessions used per year	50,321	40,000	51,083 ¹¹	✓
Number of books purchased per year	4,918 books	4,500 books	4,505	✓

The library service meets the needs of residents

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents use the district library service (Annual Survey of Residents)	61%	70%	65% ¹²	×
Number of items in the library system per resident	3.17 items	3.0 items	3.27	✓
Residents are satisfied with Council's library service (Annual Survey of Residents)	98%	90%	80% ¹³	×

Sport and recreation facilities and services meet our community's needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The Ashburton Community Pool is well patronised by residents and visitors	88,159 visits	85,000 visits	103,269 visits ¹⁴	✓
Percentage of residents that use or visit Council-provided sports fields and playgrounds each year (Annual Survey of Residents)	84%	85%	78%	×
Residents are satisfied with Council-provided sports fields and playgrounds (Annual Survey of Residents)	98%	90%	85% ¹⁵	×

¹¹ Results reflect the growing demand for free internet sessions in the District.

¹² There has been an increase in resident satisfaction over the previous year. The target has been adjusted for the 2015/16 year to better reflect historical performance.

^{13,15} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

¹⁴ This figure reflects 62,547 visits to the Ashburton Community Pool between 01/07/14 – 28/02/15 and 40,722 visits to the EA Networks Centre pool and gym facilities between 10/05/15 and 30/06/15. No visitor data was captured at the Ashburton Community Pool between 01/03/15 and 9/05/15.

A clean and safe swimming pool is available to the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The Ashburton Community Pool complies with NZ Pool Water Standards	100% of monthly lab tests comply	100%	100%	✓

Sport and recreation service providers work together to support recreation in the district

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Council hosts meetings of the Active Ashburton working group	3 meetings	4 meetings	Not measured ¹⁶	N/A

¹⁶ The Active Ashburton working group was disestablished in 2014.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	30	29	29
Subsidies and grants	1,744	-	904
Vested assets	178	-	-
Other gains	15	-	347
Other revenue	958	294	152
Total revenue	2,925	323	1,432
Operating expenditure			
Library	1,218	1,202	1,105
Art, culture and heritage	1,540	1,541	1,006
Recreation facilities and services	3,531	2,242	1,559
Total expenditure	6,289	4,985	3,670
Net operating surplus/(deficit)	(3,364)	(4,662)	(2,238)
Funded by:			
General rates	4,692	4,656	3,288
Transfers (to)/from reserves	(1,328)	6	(1,050)
Total funding applied	3,364	4,662	2,238
Total expenditure includes:			
Depreciation	306	124	121
Internal operating expenditure	1,092	578	365

Significant Variances

Operating Revenue was \$2,656,000 above budget

Subsidies and Grants were \$1,798,000 against a budget of \$0

The Council received \$200,000 from the Ministry for Culture and Heritage towards fit out for the new museum. Council did not budget to receive any further fundraising income from the Ashburton Stadium Complex Trust towards the EA Networks Centre. Actual fundraising income received was \$1,506,000.

Vested assets were \$178,000 against a budget of \$0

The Ashburton Stadium Complex Trust vested in Council a timing system for the swimming pool. There were no vested asset budgeted for the 2014/15 year.

Other revenue was \$664,000 above budget.

\$86,000 of fund raising money was received towards the new Ashburton Art Gallery and Heritage Centre fit out costs. This had not been budgeted for.

The EA Networks Centre Stadium and pool opened in May 2015. The budget for 2014/15 had not included any operating revenue or expenditure for the 2014/15 year. \$564,000 of income was received during the year.

Operating Expenditure was \$1,271,000 above budget

Recreation facilities and services operating expenditure was \$1,256,000 above budget.

Council took over the operation of the Ashburton Community Pool on 1 October 2014, the full cost of operating this facility was not budgeted resulting in over expenditure of \$595,000.

Other unbudgeted costs for the EA Networks Centre include depreciation of \$175,000 for the building and equipment and electricity of \$226,000.

In addition, Council employed key management staff for the EA Networks Centre several months prior to opening which was not budgeted and all positions were filled by April 2015 which were also not budgeted.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Library	117	122	122
Art, culture and heritage	490	-	320
Recreation facilities and services	18,437	18,162	13,686
Total capital expenditure	19,044	18,284	14,128
Loan repayments	326	45	28
Capital to be funded	19,370	18,329	14,156
Funded by:			
Depreciation funding	306	124	121
Loans raised	16,455	18,001	14,342
Transfers (to)/from reserves	2,609	204	(307)
Total funding applied	19,370	18,329	14,156
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	19,044	18,284	14,128
Capital - renewals	-	-	-
Total capital expenditure	19,044	18,284	14,128

Significant Variances

Capital Expenditure was \$760,000 above budget

Arts Culture and Heritage capital expenditure was \$490,000 against a budget of \$0.

This expenditure was additional capital expenditure incurred to finish the fit out of the new Ashburton Art Gallery and Heritage Centre. A committee was set up to identify the required capital expenditure that was needed over and above the construction costs of the new building. This was funded from Council funds and fund raising undertaken by that committee.

Recreation facilities and Services capital expenditure was \$275,000 above the budget.

This was due to a number of additional capital additions for the EA Networks Centre, approved by Council during the year as well as a timing difference in the actual expenditure versus budget as this project was over two years.

Community Facilities and Support

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community	Sustainable natural and built environments	An involved community with quality leadership
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Activities

Elderly Persons Housing	Community Safety and Wellbeing	Community Grants and Events	Memorial Halls
	Public Conveniences	Emergency Management	

What we do

Council provides a number of community facilities and support services, including:

- Civil defence and rural fire services
- Public conveniences
- Elderly persons housing
- Community grant funding

Council’s approach to ensuring our community has access to appropriate social services is primarily via funding and advocacy. Council provides funding to local projects and organisations, including:

- Safer Ashburton District
- Base youth café
- HYPE youth health centre
- Neighbourhood Support
- Ashburton Town Centre Ambassadors
- Community House Mid Canterbury
- Annual contestable grant schemes for community projects, school holiday programmes, heritage buildings and biodiversity protection

What we did in 2014/15

In 2014/15 Council worked with partner agencies to host an Ashburton District Social Wellbeing event.

Key Projects

Rural fire digital radio system

Council budgeted approximately \$85,000 to upgrade to digital rural fire radios in 2014/15, following notice that the New Zealand Fire Service planned to decommission its existing analogue system. The New Zealand Fire Service has since placed this project on hold after experiencing unforeseen issues in its implementation. Council has been advised that the project is not likely to proceed in the near future.

Council grant schemes

Council offers contestable grants for community projects, holiday programmes, heritage and biodiversity initiatives. This year, Council granted \$52,015 to various community groups and projects, \$5,000 to school holiday programmes, \$17,292 for heritage projects and \$19,746 for biodiversity initiatives.

Council also administers grant funding on behalf of other organizations. In 2014/15 this comprised \$28,000 for Creative Communities local arts project funding and \$13,000 for the Sport NZ Rural Travel Fund.

Social services funding

Council provides funding support to a number of social sector organisations. In 2014/15 these organisations were:

Organisation	Funding
Ashburton Art Gallery	\$233,350
Ashburton Trust Event Centre	\$263,743
Sport Mid Canterbury	\$52,000
Safer Ashburton District	\$146,000
Town Centre Ambassadors	\$24,000
Neighbourhood Support	\$15,000
Community House Mid Canterbury	\$30,000
HYPE youth health centre	\$7,560
BASE youth café	\$13,000
Experience Mid Canterbury Events Funding	\$1,500

Mid Canterbury Newcomers Network

Council has provided staff input and support to the ongoing operation of the Mid Canterbury Newcomers Network. This community initiative supports newcomers to settle in to the district.

Multicultural Bite

Council continues to support Multicultural Bite, an annual community event that celebrates the rich diversity of cultures living in our district. \$5,000 of grant funding was provided towards the event in 2014.

Our Service - Performance Results

Rental accommodation is well maintained and meets the needs of residents (Elderly Persons Housing)

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Tenants are satisfied with the overall service provided by Council	95%	90%	95%	✓
Tenants are satisfied with the overall standard of accommodation provided by Council	95%	90%	95%	✓

Council provides an efficient and responsive service to Elderly Persons Housing tenants

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Customer service requests are completed within 10 working days	Not measured	100%	100%	✓

We work with organisations to contribute to the health, safety and social wellbeing of local residents

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with the level of Council's involvement in social services (Annual Survey of Residents)	89%	85%	46% ¹	×
Organisations come together regularly to promote social wellbeing	No forums hosted	1 event hosted	1 event hosted	✓
Residents are satisfied with Council's role in the provision of community events (Annual Survey of Residents)	88%	85%	57% ²	×

Council and partner agencies work together to provide a coordinated response to emergencies

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Council participates in annual Canterbury CDEM group exercise	Council participated in one exercise	Council participated in one exercise	Council participated twice ³	✓

^{1,2} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

³ Key Council staff attended group exercises at Selwyn District Council and Waimakariri District Council.

The community has access to information about local hazards and how to prepare for them

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Civil Defence and/or Rural Fire presentations are delivered to community groups and schools	7 presentations	5 presentations	5 presentations ✓

Rural fires are responded to promptly

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Registered volunteer fire force callouts are dispatched within 10 minutes of the alert time	93.4% within 10 minutes	90%	91% ✓

Our civil defence and rural fire services meet the community's needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents are satisfied with the civil defence services provided by Council (Annual Survey of Residents)	96%	85%	72% ⁴ ×
Residents are satisfied with the rural fire services provided by Council (Annual Survey of Residents)	99%	85%	74% ⁵ ×

Council's provision of public conveniences meets community expectations

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents are satisfied with Council's public conveniences (Annual Survey of Residents)	83%	85%	59% ⁶ ×

Council provides a responsive customer service (Public Conveniences)

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Customer service requests are responded to within 10 working days	100%	85%	100% ✓

^{4,5,6} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Financial Summary

Operating Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	440	431	394
Subsidies and grants	106	68	64
Development and/or financial contributions	392	-	382
Vested assets	-	-	2,431
Other revenue	723	639	612
Total revenue	1,661	1,138	3,883
Operating expenditure			
Elderly person housing	441	473	411
Community safety and well-being	834	311	324
Community grants and events	117	110	131
Emergency management	623	564	563
Public conveniences	421	401	383
Halls	552	378	432
Total expenditure	2,988	2,237	2,244
Net operating surplus/(deficit)	(1,327)	(1,099)	1,639
Funded by:			
General rates	1,039	1,050	988
Transfers (to)/from reserves	288	49	(2,627)
Total funding applied	1,327	1,099	(1,639)
Total expenditure includes:			
Depreciation	433	294	286
Internal operating expenditure	59	107	53

Significant Variances

Operating revenue was \$523,000 above budget

Development and/or financial contributions were \$392,000 above budget

Development and/or financial contributions received were \$392,000 against a budget of \$Nil. When the 2014/2015 annual plan was prepared it mistakenly did not include the intended budget of \$289,000. The amended increase of \$192,000 is due to a higher number of new building consents issued and associated contributions during the 2014/15 year.

Operating Expenditure was \$785,000 above budget

Community Safety and Wellbeing expenditure was \$523,000 above budget.

Council made a \$500,000 grant to Community House Ashburton towards the cost of purchasing the ex Work and Income New Zealand offices in Ashburton.

Halls expenditure was \$174,000 above budget

This was the first full year that Mt Hutt Memorial Hall's operations have included the operations of the NZ Alpine and Agriculture Encounter. This resulted in increased operating expenditure over budget of \$74,000 and as a result of all remaining assets of the Encounter vesting in 2013/14, depreciation exceeded budget by \$147,000.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Elderly person housing	12	12	12
Emergency management	24	100	4
Public conveniences	-	90	1
Halls	4	-	2,431
Total capital expenditure	40	202	2,448
Loan repayments	-	-	-
Capital to be funded	40	202	2,448
Funded by:			
Depreciation funding	433	294	286
Loans raised	-	-	-
Transfers (to)/from reserves	(393)	(92)	2,162
Total funding applied	40	202	2,448
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	32	190	2,436
Capital - renewals	8	12	12
Total capital expenditure	40	202	2,448

Significant Variances

Capital Expenditure was \$162,000 below budget

Emergency Management was \$76,000 below budget

Council budgeted \$85,000 for the purchase of digital radios in rural fire. This has not been spent as the New Zealand Fire Service has put this project on hold.

Public Conveniences was \$90,000 below budget

The new Hinds public conveniences budgeted at \$90,000 were not started and have been carried over to the 2015/16 financial year.

Economic Development

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	Sustainable natural and built environments
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Activities

Business and Economic Development	District Promotion	District Water Management	Commercial Property
	Forestry	Stockwater	

What we do

Council supports the economic development of the district through funding of Council agencies and encouraging sustainable use of our natural resources. Contributing to economic development helps Council to improve the overall quality of life and wellbeing of our community, now and for the future.

Stockwater

Council provides a stockwater network to some rural properties. The network has enabled agricultural development in the district and continues to be important for promoting agricultural production in the district.

Canterbury Water Management Strategy

Management of our precious water resources is a key economic issue for Ashburton District. Council is actively involved in initiatives that link with the Canterbury Water Management Strategy and Ashburton Zone Committee Implementation Plan. Council also supports the protection and restoration of biodiversity in the district, funding projects and work programmes.

Council funded agencies

- Grow Mid Canterbury is Ashburton District's economic development agency, working with local businesses on employment and business initiatives.
- Experience Mid Canterbury is Ashburton District Council's tourism council-controlled organisation, promoting our district to New Zealand and the world as a visitor destination.

What we did in 2014/15

Key Projects

Managing our water for the future

Council has been considering options for the future supply of stockwater in Ashburton District. After formally receiving a detailed water investigations report in July 2014, discussions were held with local irrigation companies, regarding the potential viability of supplying stockwater through commercial schemes. Following an interim report on these discussions, considered by Council in March 2015, the Service Delivery Committee has resolved to engage with stockwater customers individually, to better understand their current and future requirements.

Economic development support to external agencies

Council provided \$247,930 of funding to Grow Mid Canterbury in 2014/15.

Property developments

Council progressed property developments in 2014/15, including the completion of the EA Networks Centre, Art Gallery and Heritage Centre and Alford Forest Rural Fire Shed. Two larger lots within the Ashburton Business Estate were subdivided into eight smaller lots, following a number of enquiries for land parcels between 2,000m² and 4,000m².

ACL South Street depot

Council decided to defer this project until 2015/16, due to resource and contractor availability.

Geoff Geering Drive subdivision

Development of stage two of the Geoff Geering Drive residential subdivision was reprioritised and deferred until 2015/16. Geoff Geering Drive Stage Two, when developed, will provide for up to another 29 sections varying in size from approximately 500m² to 850m². Sales of these lots will take place concurrently with the formation of the road and other amenities.

New dog pound

Ashburton District's new dog pound was officially opened in February 2015. The facility cost \$520,000 and with 14 internal kennels and 8 adjoining runs has the capacity to hold up to 22 dogs. There is also a medical room, quarantine facilities and separate exercise areas.

Our Service - Performance Results

Quality business support and advice is available to local businesses

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Grow Mid Canterbury clients consider the agency delivers a quality service to the district	83%	85%	83% ×
Grow Mid Canterbury clients consider the service has added value to their business	66%	85%	66% ×

Local tourism operators are supported to grow successful businesses

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Experience Mid Canterbury clients consider the service has added value to their business	52%	80%	52% ×

The district is well-promoted as a great year-round destination

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Ashburton District's visitor industry performs better than regional and national averages	Not achieved Ashburton District: 0.7% Canterbury: 5.6% New Zealand: 5.4%	Guest nights stayed in Ashburton District increase at a faster rate than the Canterbury region and New Zealand overall	Not achieved Ashburton District: -12.9% Canterbury: 5.4% New Zealand: 5.3%	×
Residents are satisfied with Council's tourism promotion activities (Annual Survey of Residents)	90%	90%	49% ¹	×

To progress the objectives of the Canterbury Water Management Strategy

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Progress on implementing the actions of the Ashburton Water Management Zone Implementation Programme	Three reports	Two reports	Three reports	✓

Stockwater supplied from the Council network is free of pollution

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Average response times to reports of pollution in races	Not measured	1 hour or less	Achieved. There were no reports of pollution in races in 2014/15.	✓

Stockwater service is adequate for customers' needs

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Percentage of customers that are satisfied with the quality of the stockwater service (Annual Survey of Residents)	57%	70%	50% ²	×
Main races are inspected at least once per year	100%	100%	100%	✓

^{1,2} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	1,177	1,171	1,181
Subsidies and grants	1,561	-	-
Other gains	1,386	1,223	4,158
Other revenue	5,894	7,591	9,127
Total revenue	10,018	9,985	14,466
Operating expenditure			
Business and economic development	268	268	270
District promotion	439	457	387
District water management	172	222	233
Commercial property	3,418	3,786	3,331
Forestry	902	1,034	3,293
Stockwater	1,730	866	1,298
Total expenditure	6,929	6,633	8,812
Net operating surplus/(deficit)	3,089	3,352	5,654
Funded by:			
Transfer to general rate reserve	(656)	(668)	(576)
Transfers (to)/from reserves	(2,433)	(2,684)	(5,005)
Total funding applied	(3,089)	(3,352)	(5,581)
Total expenditure includes:			
Depreciation	409	500	161
Internal operating expenditure	581	691	603

Significant Variances

Operating Revenue was \$36,000 below budget

Subsidies and Grants was \$1,561,000 above budget

Council received \$1,561,000 from the Regional Museum Policy Grant (Lotteries Board Commission) towards the capital costs for the construction of the Ashburton Art Gallery and Museum building completed in 2014/15. This had not been budgeted for.

Other Gains was \$163,000 above budget

The budget of \$1,223,000 relates to the fair value gain on investment property and forestry. The actual fair value gain on investment property was \$926,000 and the forestry made a fair value loss. In addition, the Council sold investment property which resulted in a gain on sale of \$460,000. Council does not budget for gain on sales of investment property.

Other Revenue was \$1,766,000 below budget

Council budgeted for \$1,598,000 of income from the harvesting of forestry from its Riverbank View joint venture. Harvesting was delayed after talks with the other joint venture partner. Council undertook some harvesting from its own forestry blocks totalling \$253,000.

Operating Expenditure was \$296,000 above budget

Commercial property was \$368,000 below budget

Interest costs were \$333,000 below budget as the borrowings for the EA Networks Stadium were taken up later than budgeted.

Stockwater was \$692,000 above budget

There has been an unbudgeted loss on disposal of stockwater assets totalling \$692,000.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Commercial property	1,230	1,556	6,218
Stockwater	22	254	111
Total capital expenditure	1,252	1,810	6,329
Loan repayments	3,345	1,575	1,009
Capital to be funded	4,597	3,385	7,338
Funded by:			
Depreciation funding	409	500	161
Loans raised	-	200	3,630
Transfers (to)/from reserves	4,188	2,685	3,547
Total funding applied	4,597	3,385	7,338
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	1,248	1,744	6,320
Capital - renewals	4	66	9
Total capital expenditure	1,252	1,810	6,329

Significant Variances

Capital Expenditure was \$558,000 below budget

Commercial Property capital expenditure was \$326,000 below budget

Stage two of the Geoff Geering Drive residential subdivision budgeted at \$800,000 did not proceed and has been rebudgeted for the 2015/16 year.

The new depot at the Ashburton Contracting Limited was budgeted at \$260,000. This has been delayed and has been rebudgeted for the 2015/16 year.

The budget included a \$450,000 provision for the building of a new dog pound. \$371,000 of capital costs have been recognised in the Environmental Services activity.

The final costs of completing the new Ashburton Art Gallery and Heritage Centre were \$236,000. These had not been budgeted for in the 2014/15 year.

Council also purchased further property for the proposed second bridge development at an unbudgeted cost of \$960,000.

Stockwater capital expenditure was \$232,000 below budget

Capital investigations were budgeted at \$200,000 but only \$22,000 was spent. This budget is no longer required.

Parks and Open Space

Community Outcomes

An enjoyable place to live	A thriving and diverse local economy	A safe and healthy community	Sustainable natural and built environments
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Activities

Parks and Recreation	Cemeteries	Reserves and Campgrounds	Reserve Boards
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What we do

Council provides a number of parks, reserves and open spaces throughout the district, including:

- Ashburton Domain
- Sports fields
- Children’s playgrounds
- Rural reserves
- Small urban parks
- Gardens on roads and in roundabouts

These spaces provide a place for our community to meet, be active and enjoy our environment. Parks and open spaces are important for our community’s wellbeing and make our environment an attractive and welcoming place for residents and visitors.

What we did in 2014/15

Key Projects

Playground equipment

Council purchased \$102,165 of new playground equipment 2014/15, which included \$37,004 for the establishment of a children’s playground at Lake Hood.

Methven Cemetery interment beam

A new interment beam was laid in the Catholic section of the Methven Cemetery in 2014/15, at a cost of \$4,280.

Ashburton Domain 150th anniversary

The Ashburton Domain 150th Anniversary was a successful five week programme run in 2014. The community participated in a number of popular events, including a sculpture symposium and ‘Family Day’ in the Domain.

Our Service - Performance Results

Ashburton Domain gardens, playgrounds and sports fields are well maintained

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with the facilities provided at the Ashburton Domain (Annual Survey of Residents)	99%	90%	96% ¹	✓

Quality public flowerbeds and displays are provided for the enjoyment of our residents and visitors

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with the district's public flowerbeds and displays (Annual Survey of Residents)	99%	85%	92% ²	✓

Our community participates in caring for and engaging with the district's environment

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Volunteer hours worked per year	Not measured	1,000 hours	1,000+ hours	✓

Maintain the quality of the district's sports grounds and playgrounds

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with Council provided sports grounds and playgrounds (Annual Survey of Residents)	98%	85%	85% ³	✓
Playground equipment meets Council safety standards	100%	100% of fortnightly inspections completed	Target not met ⁴	×

^{1,2,3} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

⁴ Fortnightly inspections are considered too frequent for a number of Council playgrounds. This target will be reviewed in the coming year.

Provide for the current and future burial and remembrance needs of our communities

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
The annual cemetery capital works programme is completed	Not Completed	100%	100% completed	✓
Residents are satisfied with the district's cemeteries (Annual Survey of Residents)	97%	90%	77% ⁵	×

Cemetery operations are carried out in a timely and accurate manner

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Requests for service are completed within 10 days	100%	100% of service requests completed within 10 days	100%	✓

Facilities are provided that meet the needs of the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Residents are satisfied with the standard of camping areas in the district (Annual Survey of Residents)	98%	90%	59% ⁶	×
Service requests are completed within 10 working days	Not measured	100%	100%	✓

^{5,6} Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys. .

Financial Summary

Operating Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	886	900	876
Subsidies	23	-	23
Development and/or financial contributions	489	176	258
Vested assets	1,481	-	1,103
Other revenue	1,121	965	1,133
Total revenue	4,000	2,041	3,393
Operating expenditure			
Parks and recreation	2,165	1,979	2,278
Cemeteries	249	276	334
Reserves and camp grounds	701	665	732
Reserve boards	528	356	469
Total expenditure	3,643	3,276	3,813
Net operating surplus/(deficit)	357	(1,235)	(420)
Funded by:			
General rates	1,442	1,463	1,338
Transfers (to)/from reserves	(1,799)	(228)	(918)
Total funding applied	(357)	1,235	420
Total expenditure includes:			
Depreciation	470	411	415
Internal operating expenditure	74	57	65

Significant Variances

Operating Revenue was \$1,959,000 above budget

Development contribution / financial contribution income was \$313,000 higher than budget.

There were a number of large developments during the year that were required to pay reserve contributions as part of obtaining their resource consents. These were in excess of the budgeted volume.

Vested Asset income was \$1,481,000 against a budget of \$0

When subdivisions are completed the subdivision works are vested in Council (the value of the asset vesting) is shown as income received and as a capital expense) as part of the developer completing all the necessary subdivision requirements in order for titles to be issued. Council did not budget for any parks and open space assets vesting in 2014/15. However there were three vested subdivisions in 2014/15 which resulted in a total of \$1,481,000 of parks and open spaces land being vested in Council

Operating expenditure was \$401,000 above budget

Parks and Recreation expenditure was \$220,000 above budget

Seasonal weather conditions have contributed to increased maintenance of parks and open spaces, therefore the costs were greater than expected.

Reserve Boards expenditure was \$172,000 above budget

The Mt Somers reserve board undertook forestry harvesting incurring \$86,000 of costs that had not been included in the budget for 2014/15. The board also incurred additional maintenance expenditure of \$25,000 against a budget of \$6,000.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Parks and recreation	971	217	470
Cemeteries	29	49	19
Reserves and camp grounds	1,697	155	1,284
Reserve boards	315	100	187
Total capital expenditure	3,012	521	1,960
Loan repayments	39	39	39
Capital to be funded	3,051	560	1,999
Funded by:			
Depreciation funding	470	411	433
Loans raised	-	-	-
Transfers (to)/from reserves	2,581	149	1,566
Total funding applied	3,051	560	1,999
Split of capital expenditure:			
Capital - due to growth	1,481	165	1,103
Capital - increase in level of service	1,528	287	807
Capital - renewals	3	69	50
Total capital expenditure	3,012	521	1,960

Significant Variances

Capital Expenditure was \$2,491,000 above budget

Parks and Recreation was \$754,000 above budget

Council extended the piping project down Harrison Street to the Ashburton Domain. This work was to transport water to the Domain's ponds. The cost of this project was \$616,000 which was not budgeted for in the parks and recreation area.

Reserves and Camp Grounds were \$1,542,000 above budget

Council received vested assets of \$1,481,000 from the vesting of three subdivision assets during the year. These had not been budgeted for.

Reserve Boards were \$215,000 above budget

The Tinwald Reserve board continued to redevelop the Tinwald Camping Ground site with capital expenditure of \$273,000 against a budget of \$100,000. This work had also been budgeted in previous years.

Democracy and Governance

Community Outcome

An involved community with quality leadership

Activities

Council

Methven Community Board

Youth Council

What we do

Council's democracy activity supports Council's decision-making processes. Activities in this area include:

- Consulting with the community
- Council meetings
- Strategic planning and reporting
- Developing and implementing policies
- Managing elections
- Ashburton District Youth Council

Council encourages our community to participate and share their views. This enables us to represent community interests in Council decisions and actions.

What we did in 2014/15

Key Projects

Regional collaboration

Council continued to work with other local authorities on regional and national initiatives. In 2014/15 this included the Canterbury Mayoral Forum, Canterbury CEO Forum and the Canterbury Regional Strategy and Policy Forum. We worked collaboratively on several key projects, including the Significance and Engagement Policy and rural broadband initiative. Working collaboratively with other Councils has strengthened our relationships across the region, and helped us to find improvements and efficiencies.

Online services

Our online services were extended in 2014/15. Ratepayers can now pay their rates online, via Council's website.

Long Term Plan 2015-25 and Annual Report 2013/14

Council adopted its Long Term Plan (LTP) 2015 - 25 on 30 June 2015, receiving 356 written submissions as feedback to our proposals. Audit New Zealand confirmed that the plan provides a reasonable basis for long-term, integrated decision-making and coordination of Council's resources and accountability of Council to the community.

We adopted our Annual Report for the 2013/14 year on 30 October 2014. Audit NZ confirmed that this report fairly reflects Council's financial position and levels of service achieved for the period.

The LTP 2015 - 25 and Annual Report 2013/14 are available on Council's website ashburtondc.govt.nz or at Council offices.

Policy review

A full review of Council's general policies continued this year, with a number of policies amended, added or replaced. Policies for the LTP 2015 - 25 were the key focus this year, which included the Significance and Engagement Policy, Treasury Management Policy, Revenue and Financing Policy, Development and Financial Contributions Policy and Asset Management Policy.

Annual Residents' Survey

Council surveys residents each year, seeking feedback from our community about the services we provide. Council changed our service provider for this survey to Research First in 2014/15. Survey results can be found on the Council website ashburtondc.govt.nz

Our Service - Performance Results

Council communicates openly and effectively with the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents are satisfied with the quality of information provided by Council (Annual Survey of Residents)	86%	85%	Not measured ¹ ↯
Residents are satisfied with the level of information provided by Council (Annual Survey of Residents)	78%	82%	72% ² ×

Council provides opportunities for community involvement in decision making processes

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents are satisfied with the community consultation undertaken by Council (Annual Survey of Residents)	53%	74%	34% ³ ×
Council representatives meet annually with Te Runanga o Arowhenua	1 Meeting	1 meeting	1 meeting ✓

¹ This question is no longer asked in the Annual Residents Survey. Council changed service providers for this survey in 2015, and updated all questions to align with the 2015 – 25 LTP performance framework. As this measure is not included in that framework, this was excluded for the 2015 survey.

² Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys. The target has been revised as part of the Long Term Plan 2015-25 process.

³ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Effective governance, advocacy and decision making by elected members

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Residents are satisfied with the performance of the Mayor and Councillors (Annual Survey of Residents)	43%	74%	41% ⁴ ×
Residents are satisfied with the advocacy role provided by Council (Annual Survey of Residents)	68%	85%	34% ⁵ ×

⁴ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

⁵ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys. The target has been revised as part of the Long Term Plan 2015-25 process.

Financial Summary

Operating Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Targeted rates	68	67	67
Other revenue	124	117	112
Total revenue	192	184	179
Operating expenditure			
Council	1,612	1,595	1,694
Methven community board	60	69	57
Youth council	18	19	16
Total expenditure	1,690	1,683	1,767
Net operating surplus/(deficit)	(1,498)	(1,499)	(1,588)
Funded by:			
General rates	1,510	1,499	1,651
Transfers (to)/from reserves	(12)	-	(63)
Total funding applied	1,498	1,499	1,588
Total expenditure includes:			
Depreciation	-	-	-
Internal operating expenditure	1	-	-

Significant Variances

There are no significant variances

Capital and Reserves Funding Statement
For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Democracy	-	-	-
Total capital expenditure	-	-	-
Loan repayments	-	-	-
Capital to be funded	-	-	-
Funded by:			
Depreciation funding	-	-	-
Loans raised	-	-	-
Transfers (to)/from reserves	-	-	-
Total funding applied	-	-	-
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	-	-	-
Capital - renewals	-	-	-
Total capital expenditure	-	-	-

Regulatory Services

Community Outcomes

A thriving and diverse local economy	An enjoyable place to live	A safe and healthy community	Sustainable natural and built environments	An involved community with quality leadership
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Activities

District Planning	Environmental Health	Liquor Licensing	Animal Control	Building Regulation	Land Information
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What we do

Council is responsible for a number of planning and regulatory functions for the district, including:

- District planning
- Monitoring premises for safe food practices
- Checking water quality
- Licensing the sale of alcohol
- Regulating the control of animals
- Regulating for safe buildings
- Enforcing parking regulations and bylaws
- Providing accurate land information

These functions aim to keep the community safe and healthy by minimising hazards, and promoting responsible behaviour. Our planning function also protects the environment, promoting sustainable land development.

What we did in 2014/15

Key Projects

New dog pound

Ashburton District's new Dog Pound was officially opened in February 2015. The facility cost \$520,000 and with 14 internal kennels and 8 adjoining runs has the capacity to hold a maximum of 22 dogs. There is also a medical room, quarantine facilities and separate exercise areas.

Ashburton District Plan review

The Ashburton District Plan became operative on 25 August 2014. This is the first "second generation" Plan to become operative in the South Island. Work is now progressing on proposed Plan Change 1, to clarify wording and correct anomalies identified since the Plan became operative.

Online building services save time

20% of building consent applications were lodged online in 2014/15. A major internal process review has delivered considerable savings in the staff time spent on administration. Code of Compliance Certificates demonstrate this saving, with compliance improving from 74% to 99%, and the average number of days to issue certificates dropping from 53 to 4. The review has also improved processing times for consents, with 96.6% issued within the statutory timeframe.

Local Alcohol Policy

Our provisional Local Alcohol Policy reflects our district's alcohol management needs. Council adopted its provisional LAP on 26 February 2015 and publicly notified it on 3 March 2015. Three appeals were received against the Council's provisional Local Alcohol Policy via the Alcohol Regulatory and Licensing Authority. Council will consider these appeals in 2015/16.

Local Approved Products Policy

Council adopted a Local Approved Products Policy, as provided for under the Psychoactive Substances Act 2013, on 18 September 2014. The Psychoactive Substances Regulatory Authority will use this policy to make decisions on applications for licences to sell legal highs.

Our Service - Performance Results

We provide an efficient and responsive consent processing service

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Resource consents are issued within required timeframes	98.2%	100%	99% ×
Subdivision plan approval (RMA Section 223) certificates are issued within 5 working days	90%	100%	99% ×
Subdivision consent compliance (RMA Section 224) certificates are issued within 15 working days	69%	100%	64% ¹ ×

We provide quality and timely district planning, processes, advice and information

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Complaints regarding resource consents are responded to within 10 working days	100%	100%	80% ² ×
Residents are satisfied with the standard of Council's district planning activities <small>(Annual Survey of Residents)</small>	77%	85%	34% ³ ×

¹ Performance measurement for this target has been problematic. The issuing of 224 certificates is often dependent on applicants complying with network operator standards with respect to infrastructure provision in subdivisions. The Council is one operator but also includes EA Networks, Telecom and others. This performance measure has been reviewed and has been removed for future years.

² Lower than expected performance for this measure has been addressed through the development of more robust processes and alerts for complaint responses and reporting.

³ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Food service and premises are safe and healthy for the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Registered food premises are inspected each year	100%	100%	100% ✓

We respond efficiently to nuisance and noise complaints

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Noise complaints are responded to within 2 hours	100%	100%	100% ✓

Licenses are well informed of local and legislative requirements regarding the sale of alcohol

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Council's licensee newsletter is distributed to licensees	4 newsletters distributed	4 newsletters	4 newsletters distributed ✓

We maintain an accurate district record of dogs and their owners

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Known dogs are registered or otherwise accounted for	98%	98% of known dogs	97.3% ×

We provide an efficient and responsive animal control service

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance
Required response times for animal control incidents are met:			
• Urgent incidents are responded to within one hour	100%	95%	54% ⁴ ×
• Non-urgent complaints are responded to within two hours	Not measured	95%	88% ⁵ ×
• Routine complaints are responded to within three days	Not measured	95%	59% ⁶ ×
Residents are satisfied with Council's animal control services (Annual Survey of Residents)	84%	85%	55% ⁷ ×

^{4,5,6} Council's animal control contractor has not fully completed data entries for response times after attending an incident, preventing Council from accurately reporting on overall response times. This will be remedied in the coming year.

⁷ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

We provide quality building regulation services

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Council maintains its Building Consent Authority accreditation	Achieved	Accreditation renewed in 2014	Accreditation renewed	✓
Buildings with compliance schedules are audited each year	10%	10%	10%	✓

We provide accurate information and advice to the community

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Public information sheets are reviewed annually	100%	100%	100%	✓

We provide an efficient and responsive building service

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Building consents are processed and decision made within 20 working days	97%	100%	96.5%	×
Project information memoranda (PIMs) are issued within 20 working days	100%	100%	100%	✓
Complaints are responded to within 48 hours	100%	100%	100%	✓

We provide a prompt and efficient land memoranda service

Performance Measure	2013/14 Result	2014/15 Target	2014/15 Performance	
Land information memoranda are processed within 10 working days	100%	100%	100%	✓
Average processing time of land information memoranda	4.5 days (yearly average)	No more than 10 days in any one month	100%	✓
Residents are satisfied with land information services provided by Council (Annual Survey of Residents)	84%	85%	47% ⁸	×

⁸ Survey results are lower than the target as they do not account for neutral responses, which means they are now not comparable to previous years' surveys.

Financial Summary

Operating Statement

For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Other revenue	4,256	4,031	3,920
Total revenue	4,256	4,031	3,920
Operating expenditure			
Environmental health	532	482	435
Liquor licensing	156	209	153
Animal control	298	357	322
Building regulation	2,344	2,072	2,016
Water monitoring	245	241	266
Parking	343	344	289
District planning	966	1,009	962
Land information	71	71	79
Total expenditure	4,955	4,785	4,522
Net operating surplus/(deficit)	(699)	(754)	(602)
Funded by:			
General rates	1,249	1,239	1,366
Transfers (to)/from reserves	(550)	(485)	(764)
Total funding applied	699	754	602
Total expenditure includes:			
Depreciation	32	8	14
Internal operating expenditure	157	175	133

Significant Variances

Operating revenue was \$225,000 above budget

Council's building consents revenue, and associated levies exceeded the total budget of \$1,960,000 by \$270,000. The number and value of building consents exceeded expectations. There were some minor under recoveries in other areas.

Operating Expenditure was \$170,000 above budget

The only significant variance was in the Building area where increased building consent income resulted in increased statutory levies which are collected and then paid over to government agencies. The amount paid over was \$102,000 over the budget of \$333,000.

In addition, extra costs of \$137,000 were incurred to employ contractors to meet specific building consent requirements and due to increased demand.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Animal control	371	-	210
Parking	16	-	88
Total capital expenditure	387	-	298
Loan repayments	176	176	225
Capital to be funded	563	176	523
Funded by:			
Depreciation funding	32	8	14
Loans raised	-	-	83
Transfers (to)/from reserves	531	168	426
Total funding applied	563	176	523
Split of capital expenditure:			
Capital - due to growth	-	-	-
Capital - increase in level of service	387	-	298
Capital - renewals	-	-	-
Total capital expenditure	387	-	298

Significant Variances

Capital Expenditure was \$387,000

Council completed its new Range Street dog pound in 2014/15 with expenditure of \$371,000 in 2014/15 with a total cost of \$581,000 for the project. These costs were budgeted in the Commercial Property activity.

Miscellaneous Services

Financial Summary

Operating Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Operating revenue			
Other gains	44	-	459
Other revenue	1,645	1,653	2,041
Total revenue	1,689	1,653	2,500
Operating expenditure			
Non-allocated expenses	524	319	551
Total expenditure	524	319	551
Net operating surplus/(deficit)	1,165	1,334	1,949
Funded by:			
General rates	(1,175)	(1,050)	(1,222)
Transfers (to)/from reserves	10	(284)	(727)
Total funding applied	(1,165)	(1,334)	(1,949)
Total expenditure includes:			
Depreciation	-	-	-
Internal operating expenditure	405	26	25

Note: The 2014 actuals have been restated to reflect rates remissions of \$117,000 as a deduction from general rates rather than non-allocated expenditure.

Significant Variances

Operating Revenue

There are no significant operating revenue variances.

Operating Expenditure is 331,000 above budget

There are number of variance contributing to this.

- Council has written off the remaining book value of its asset management software (\$63,000) as a result of purchasing an alternative product.
- A loss on the revaluation of Council interest rate swaps of \$44,000 which was unbudgeted
- Council has recognised \$41,000 of the share of the trading loss of Eastfield Investment.

Capital and Reserves Funding Statement For the year ended 30 June 2015

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Capital expenditure			
Miscellaneous	786	1,089	1,027
Total capital expenditure	786	1,089	1,027
Loan repayments	-	-	-
Advances	-	-	380
Capital to be funded	786	1,089	1,407
Funded by:			
Depreciation funding	-	-	-
Loans raised	-	-	-
Transfers (to)/from reserves	786	1,089	1,334
Total funding applied	786	1,089	1,334
Split of capital expenditure:			
Capital - due to growth	169	600	-
Capital - increase in level of service	379	329	914
Capital - renewals	238	160	40
Total capital expenditure	786	1,089	954

Significant Variances

Capital Expenditure is \$372,000 below budget

This related to a number of Information Systems projects that were either delayed or were not completed in 2014/15. These were:

- Council's electronic and document records system, and its digitisation project were expected to commence in 2014/15. Both of these projects were delayed and as a result the 2014/15 budgets for these projects (\$150,000 and \$116,000 respectively) were not spent.
- Council's desktop computer replacement project was not completed with only \$40,000 of the budgeted \$100,000 spent.

Council has agreed to carry these funds over to the 2015/16 year.

Financial Statements

Annual Report Disclosure Statement

Statement of Accounting Policies

Statement of Comprehensive Revenue and Expense

Statement of Changes in Net Assets / Equity

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Funding Impact Statements

Annual Report Disclosure Statement

Statement Purpose

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

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

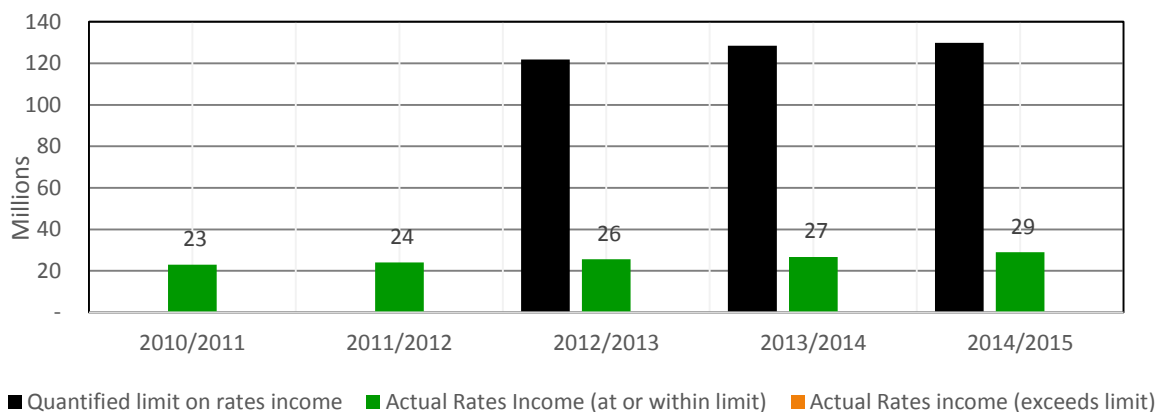
Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

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

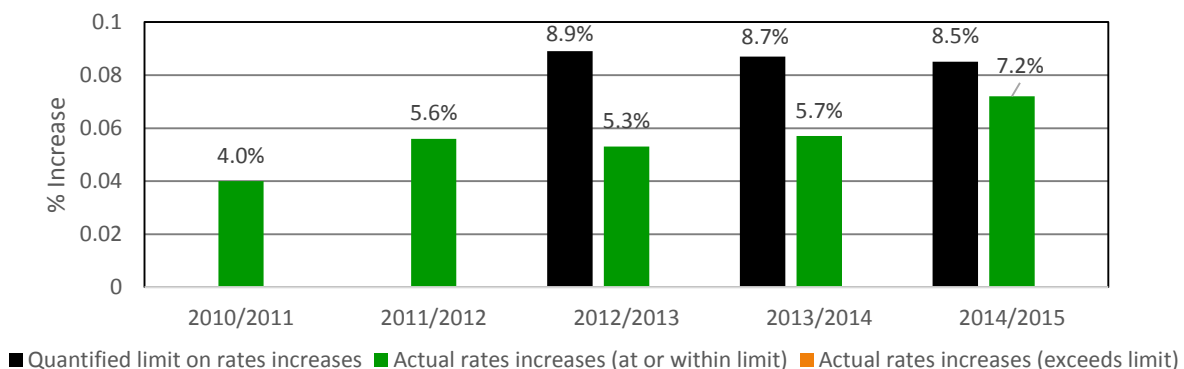
Rates (Income) Affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is actual rates income (excluding GST) will not be greater than 1% of the total capital value of the district.



Rates (Increase) Affordability

The following graph compares the Council’s actual rates increase with a quantified limit on rates included in the financial strategy included in the Council’s long-term plan. The quantified limit is no greater than 5% plus LGPI.

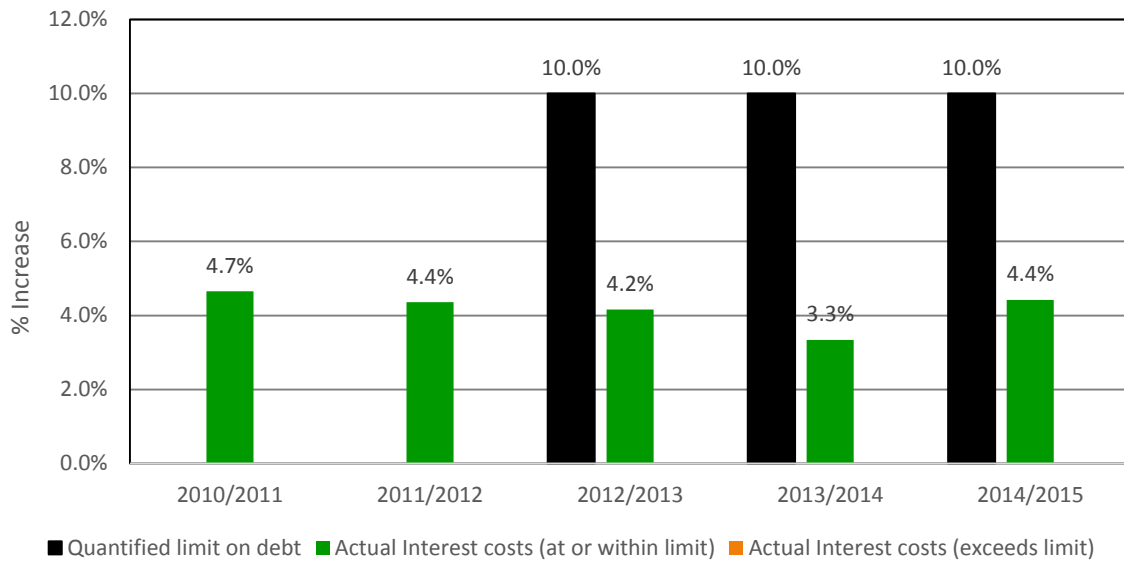


Debt Affordability Benchmark

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

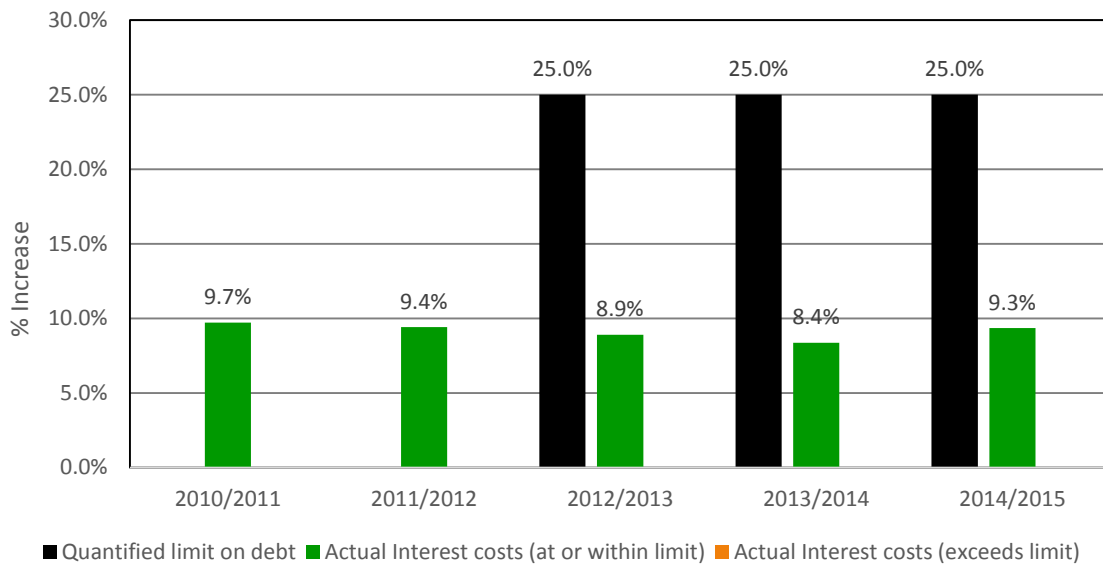
Net Interest as a Percentage of Income

The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is interest payments to service external debt are less than 10% of the total revenue for the year.



Net Interest as a Percentage of Rates Income

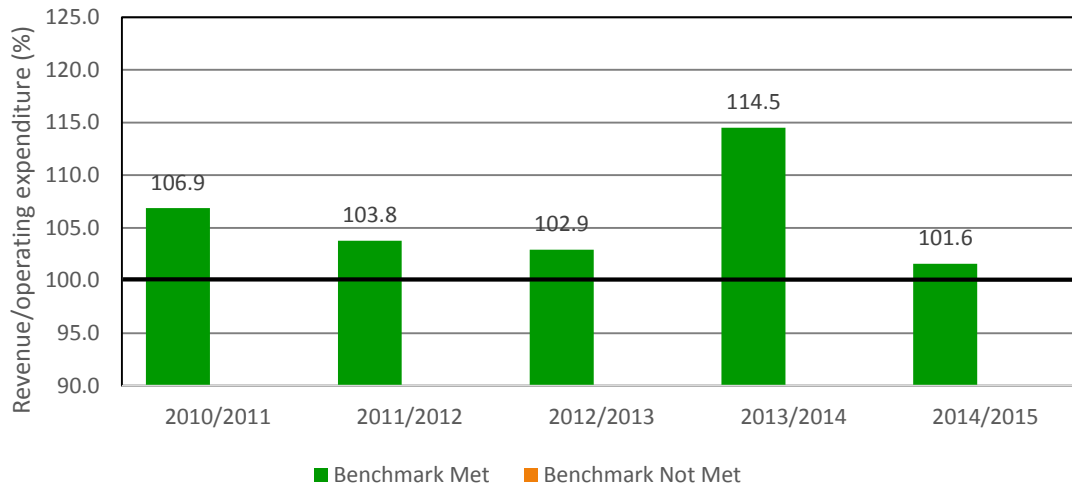
The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council’s long-term plan. The quantified limit is interest payments to service external debt are less than 25% of the total rates income for the year.



Balanced Budget Benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, gains on derivative financial instruments, revaluation of property, plant or equipment and vested assets) as a proportion of operating expenditure (excluding losses on derivative financial instruments and revaluation of property, plant or equipment).

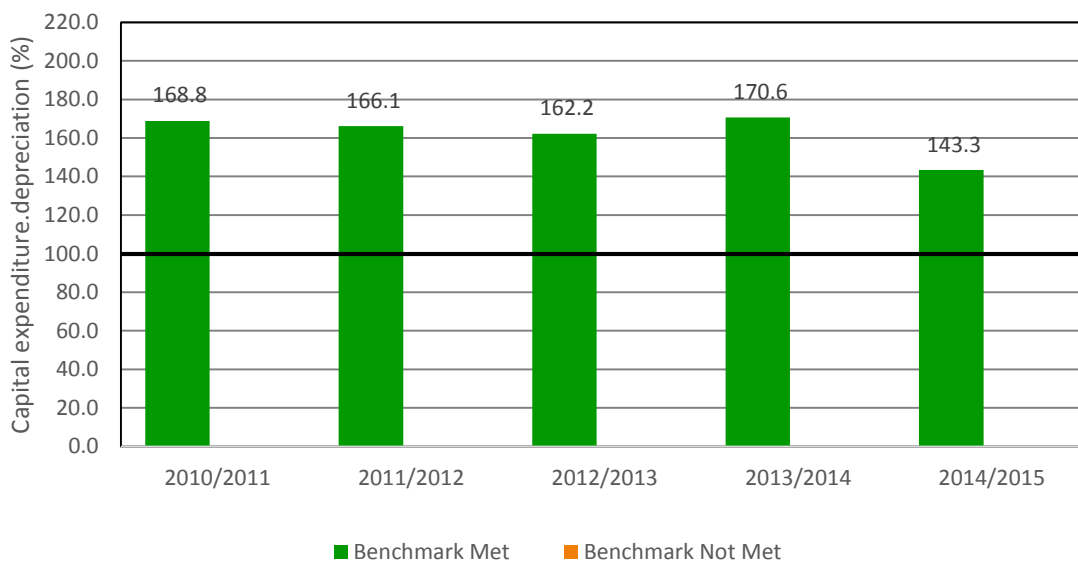
The Council meets this benchmark if its revenue equals or is greater than its operating expenditure.



Essential Services Benchmark

The following graphs display the Council’s capital expenditure on infrastructure as a proportion of depreciation on infrastructure.

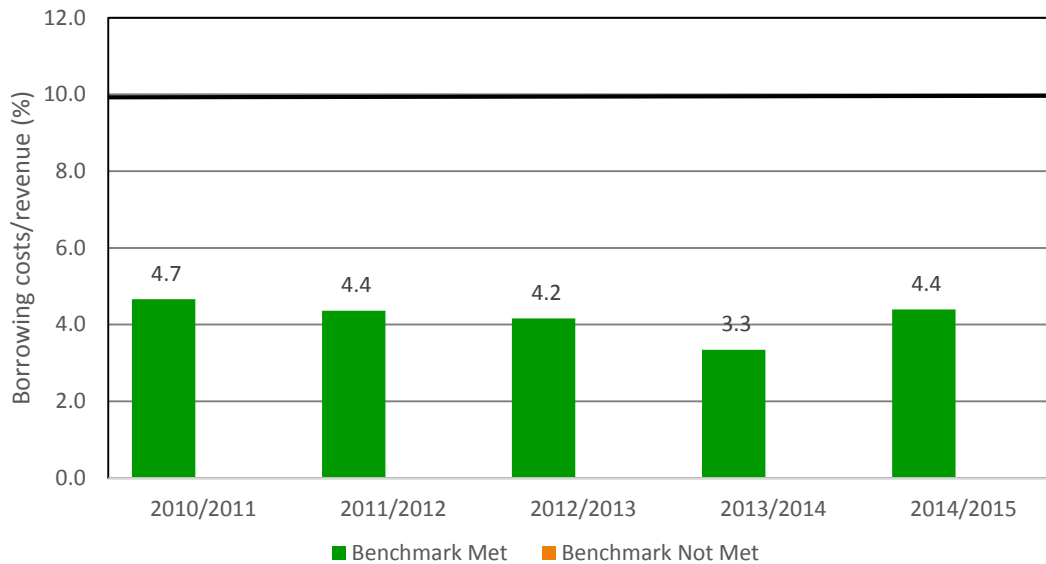
The Council meets this benchmark if its capital expenditure on infrastructure equals or is greater than the depreciation



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant or equipment).

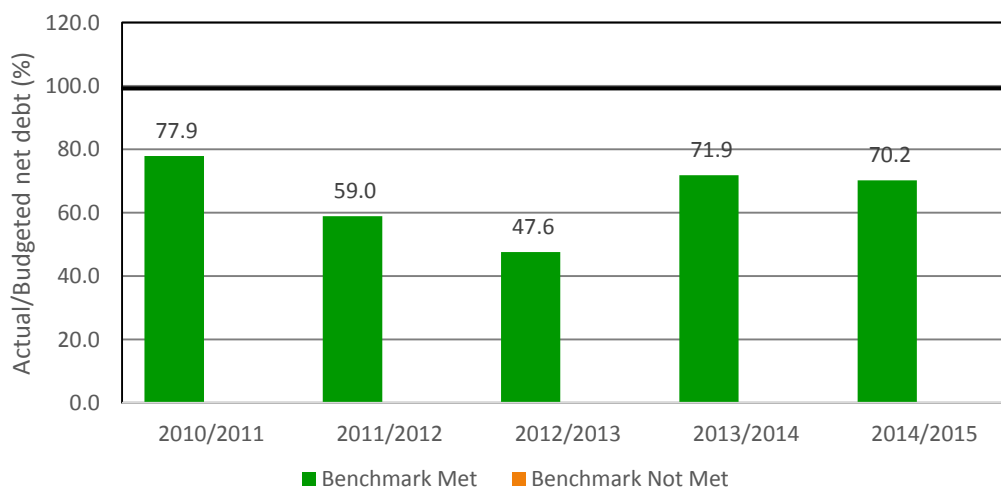
Because Statistics New Zealand projects the Council's population will not grow as fast as the national population growth rate, it means the debt servicing benchmark is met if the Council's borrowing costs for the year are less than or equal to 10% of its revenue.



Debt Control Benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

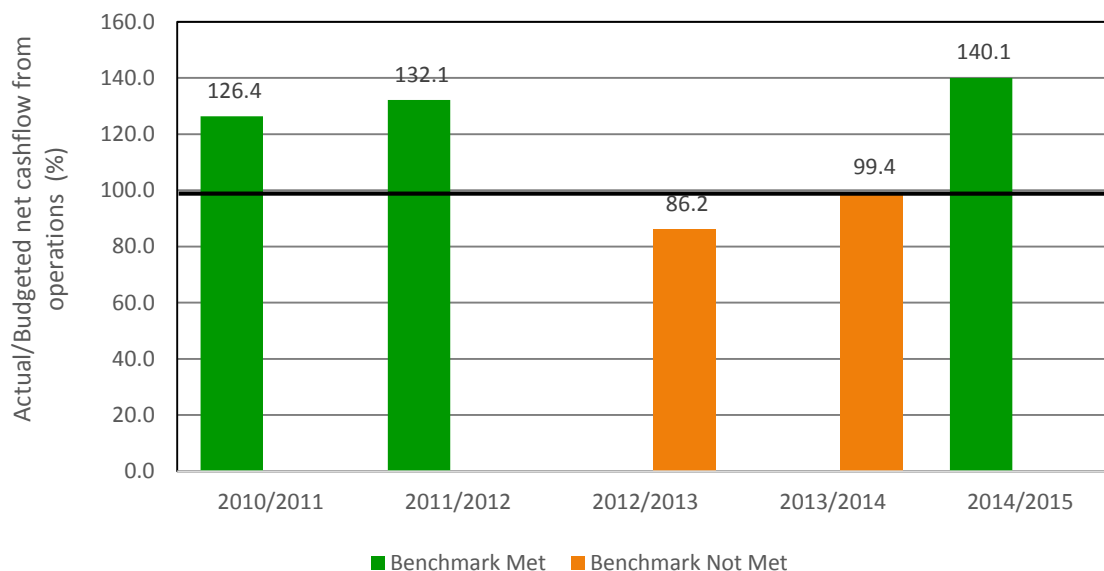
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

The graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flows from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Rating Base Information

The number of rating units within the district at the end of the preceding financial year: 15,375

The total capital value of rating units within the district at the end of the preceding financial year: \$12,976,369,100

The total land value of rating units at the end of the preceding financial year: \$8,743,440,050.

Insurance of Assets

The total value of all assets that are covered by insurance contracts: \$251.8 million

The maximum amount to which assets are insured: \$265.4 million

The maximum amount to which assets are covered by financial risk sharing arrangements: \$114 million

The total value of the Council's self-insurance fund: \$2.6 million

The total value of all assets covered by insurance contracts is \$251.8 million. \$190.3 million of these assets are infrastructure assets which are covered to \$114 million through financial risk sharing arrangements.

The Council's underground infrastructure insurance policy provides cover up to a maximum of \$190 million, with 40% or \$76 million provided by the policy and \$114 million provided by Central Government under the Central Government Disaster Recovery Plan.

Council also has one self-insurance fund as follows:

- Disaster insurance reserve as at 30 June 2015 \$2.6 million.

Statement of Accounting Policies

Reporting Entity

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

The group consists of the Ashburton District Council and its wholly owned subsidiaries Ashburton Contracting Limited (Council controlled trading organisation) and Experience Mid Canterbury (Council controlled organisation) and its in-substance subsidiaries the Ashburton Community Water Trust and the Ashburton Stadium Complex Trust. Its 20% equity share of its associate Rangitata Diversion Race Management Limited and its 33% equity share of its associate Eastfield Investments Limited are equity accounted. All Ashburton District Council subsidiaries and associates are incorporated and domiciled in New Zealand.

The primary objective of the Council and group is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly the Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of the Council and group are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 29 October 2015.

Basis of Preparation

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

Statement of Compliance

The Council and group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

Presentational Currency and Rounding

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 rounded to the nearest thousand dollars (\$'000).

Transition to PBE Accounting Standards

These financial statements are the first financial statements prepared in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 51.

Basis of Consolidation

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

Subsidiaries

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

Council's subsidiaries are accounted for by applying the purchase method, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intra group balances, transactions, income and expenses are eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the surplus or deficit 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.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Associates

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

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

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

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

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

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.

Council's subsidiary Ashburton Contracting Limited (ACL) has entered into an unincorporated joint venture known as the Lake Hood Extension Project. ACL's share is 37.59% (2014: 37.59%) and is accounted for using the equity method.

Revenue Recognition

Revenue is measured at fair value.

Revenue is comprised of exchange and non-exchange transactions. Exchange transaction revenue arises when one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange.

Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes rates, grants and subsidies and fees and user charges derived from activities that are partially funded by rates. Revenue relating to non-exchange transactions is recognised as conditions, if any exist, are satisfied.

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 recognised at the start of the financial year to which the rates resolution relates.

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 surplus/deficit 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. New Zealand Transport

Agency 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 and conditions are satisfied.

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.

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 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.

Construction Contracts

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 constructed contracts is recognised immediately as an expense in the surplus/deficit.

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.

Borrowing Costs

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 surplus/deficit.

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.

All borrowing costs are recognised in the surplus/deficit in the period in which they are incurred.

Grant Expenditure

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

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

Foreign Currency Transactions

Foreign currency transactions (including those for which forward foreign exchange transactions are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities dominated in foreign currencies are recognised in the surplus or deficit.

Taxation

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

Taxable surplus differs from net surplus as reported in the Statement of Comprehensive Revenue and Expense 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 for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all 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 surplus will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited in the surplus or deficit, 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 the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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 obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the surplus/deficit. 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 lease. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight line basis.

Cash and Cash Equivalents

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

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

Accounts Receivable and Loans

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. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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 surplus/deficit 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.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current

market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest rate method.

The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

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 surplus/deficit. 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. 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 policies on the use of financial derivatives consistent with the Council's risk management strategy.

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.

Impairment of property, plant and equipment and intangible assets

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an assets carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

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

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

Value in use for cash generating assets

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

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

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.

Non-Current Assets Held for Resale

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

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, will 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.

Property, Plant and Equipment

Property, plant and equipment consist of:

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

Operational Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

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. 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 surplus/deficit. Any subsequent increase on revaluation that offsets a previous decrease in value is recognised first in the Other Comprehensive Revenue 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.

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.

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.

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

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

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

Buildings

Council buildings are recorded at cost less accumulated 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 an independent registered valuer and are stated at fair value.

Infrastructure Assets

These are the fixed utility systems that provide a continuing service to the community and are not generally regarded as tradable. 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.

Roading, Footpaths, Wastewater, Stormwater, Stockwater (excluding races), Water Supply, Parks and Solid Waste Assets existing as at 30 June 2015 were revalued on a depreciated replacement cost basis by Council staff and peer reviewed by Opus, independent registered valuers.

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 was 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. Land under roads has not been subsequently revalued and is now carried at deemed cost.

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% S.L. – 13.0% S.L.	
Light plant and machinery	6.67% S.L – 25.0% S.L	
Office equipment	10.0% S.L – 36.0% S.L.	
Fixtures and fittings	10.0% S.L.	
Motor vehicles	7.0% S.L. – 13.0% S.L.	
Computer equipment	25.0% S.L. – 33.0% S.L.	
Library books	6.67% S.L.	(Adult nonfiction)
	10.0% S.L.	(All other books)

The depreciation rates of 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.

Rooding	• 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	
Domains and 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)

The residual value and useful life of an asset us reviewed, and adjusted as applicable, at each financial year end.

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 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 PBE IPSAS 31.

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 surplus/deficit 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.

Forestry Carbon Credits

Carbon credits are initially recognised at cost, or fair value if the cost is at a nominal amount. After initial recognition, all carbon credits are assessed annually for impairment.

Biological Assets – Forestry

Forests were valued as at 30 June 2015 by Council's District Forester in accordance with PBE IPSAS 27. 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 surplus/deficit.

Investment Properties

Investment properties are properties which are held to either 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 surplus/deficit.

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 surplus/deficit.

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 which 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 Telfer Young, registered valuers, as at 30 June 2015.

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 surplus or deficit for the period.

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.

Trade Payables

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

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

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

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 surplus or deficit when they are due.

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 26.

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.

Provisions

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

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

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 and Reserves

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 specific 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 Council.

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.

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 and or Long Term Plan process. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the account policies adopted by the Council for the preparation of the financial statements.

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 cost of internal service 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.

Critical judgements in accounting estimates and assumptions in applying accounting policies

The General Accepted 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.

The preparation of financial statements in conformity with IPSAS 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 experiences 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.

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 road pavement component depth, useful and remaining 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.

Classification of Property

The Council owns a number of properties held to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Statement of Cash Flows

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.

Summary Cost of Services

The Summary Cost of Services as provided in the Statement of Service Performance report is 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.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

	Note	Council 2015 Actual \$000	Council 2015 Budget \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Revenue						
Rates, other than metered water supply	2	28,977	28,800	26,709	28,977	26,709
Fees, charges and targeted rates for water supply	3	6,693	5,087	5,528	6,693	5,528
Development and financial contributions		2,326	540	1,208	2,326	1,208
Subsidies and grants	4	8,240	4,912	5,973	7,705	5,973
Finance income	5	739	1,312	903	728	990
Other revenue	6	12,860	12,860	21,567	42,137	45,345
Other gains	7	1,445	1,223	4,964	1,529	4,964
Total revenue	1	61,280	54,734	66,852	90,095	90,717
Expenditure						
Personnel costs	8	10,704	9,809	9,180	20,751	17,413
Depreciation and amortisation	9	13,088	12,236	11,348	14,484	12,673
Finance costs	5	2,709	3,976	2,234	3,017	2,569
Other expenses	10	22,165	19,404	22,095	38,759	34,131
Other losses	7	3,064	-	3,492	3,077	3,528
Total expenses	1	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	11	(144)	479	95	387	668
Surplus/(deficit) after taxation		9,694	8,830	18,408	9,812	19,736
Share of joint venture surplus/(deficit)	46	-	-	-	11	410
Surplus after tax and joint venture		9,694	8,830	18,408	9,823	20,146
Other comprehensive revenue						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Financial assets at fair value	30	(15)	-	105	(15)	105
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(loss) on infrastructure revaluation	23,30	1,062	16,693	21,834	1,062	21,834
Gain on land and buildings revaluation	23,30	-	-	-	12	224
Deferred tax on revaluation of buildings	11	-	-	-	(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

Explanations of major variances against budget are provided in note 50.

Statement of Changes in Net Assets/Equity

For the year ended 30 June 2015

	Note	Council 2015 Actual \$000	Council 2015 Budget \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$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

Statement of Financial Position

As at 30 June 2015

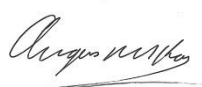
	Note	Council 2015 Actual \$000	Council 2015 Budget \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Current assets						
Cash and cash equivalents	12	6,708	4,121	6,515	5,810	8,032
Receivables	13	4,691	6,835	6,557	7,666	8,706
Other financial assets	16	2,000	5,951	7,000	2,000	7,000
Local Authority stocks and bonds	14	4,323	5,826	5,338	4,323	5,338
Inventories	15	61	62	62	2,124	1,626
Income tax receivable	11	-	-	-	4	-
Property inventory	18	581	450	489	581	489
Property intended for sale	19	278	-	-	278	-
Total current assets		18,642	23,245	25,961	22,786	31,191
Non current assets						
Receivables	13	19	5	1,560	19	560
Other financial assets	16	775	696	775	776	776
Investment in council controlled organisations	16	4,595	4,500	4,595	-	-
Investment in associate	17	1,530	30	30	1,727	35
Property inventory	18	3,292	3,699	3,793	3,292	3,793
Investment properties	20	35,110	35,739	36,564	35,110	36,564
Forestry assets	21	4,530	7,674	4,884	4,530	4,884
Intangible assets	22	723	603	752	1,343	1,431
Property, plant and equipment	23	654,002	659,582	613,143	665,391	623,701
Work in progress	23	1,425	-	18,283	1,433	18,364
Share of joint venture	45	-	-	-	5,955	5,944
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

Statement of Financial Position continued

	Note	Council 2015 Actual \$000	Council 2015 Budget \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Current liabilities						
Payables and deferred revenue	24	7,687	6,230	9,071	9,061	10,484
Employee benefit liabilities	25	1,099	941	932	2,065	1,755
Landfill aftercare liability	26	15	15	15	15	15
Borrowings	27	11,310	2,116	5,135	12,065	5,786
Tax payable	11	-	-	20	90	183
Derivative financial instruments	28	57	-	-	57	-
Total current liabilities		20,168	9,302	15,173	23,353	18,223
Non current liabilities						
Employee benefit liabilities	25	419	363	376	452	406
Landfill aftercare liability	26	89	108	98	89	98
Deferred taxation liability	11	(144)	-	-	106	312
Derivative financial instruments	28	268	655	281	268	281
Borrowings	27	36,177	59,731	37,487	38,859	39,566
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
Equity						
Ratepayers equity	29	442,075	449,371	433,435	452,565	443,796
Other reserves	30	225,591	216,243	223,490	226,670	224,561
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

The financial statements were approved and authorised by the Council for issue on 29 October 2015.

Signed for and behalf of the Council:



Angus McKay



Andrew Dalziel

Statement of Cash Flows

For the year ended 30 June 2015

	2015	2015	2014	2015	2014
	Actual	Budget	Actual	Actual	Actual
	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities					
Receipts from customers	55,165	48,567	50,724	83,737	76,307
Interest received	794	1,312	855	783	942
Dividends received	1,083	675	936	408	320
Payments to suppliers and employees	(30,392)	(28,724)	(30,756)	(57,569)	(50,974)
Interest paid	(2,815)	(3,976)	(2,312)	(3,120)	(2,653)
Net GST (paid)/received	522	-	(441)	677	(636)
Income tax	(20)	(479)	(75)	(694)	(370)
Net cash flow from operating activities	31 24,337	17,375	18,931	24,222	22,936
Cash flows from investing activities					
Sale of property, plant and equipment	319	50	1,318	459	1,383
Sale/maturing of shares and investments	6,781	-	1,431	6,781	1,926
Advances repayments	1,000	-	50	-	200
Purchase of property, plant and equipment	(37,018)	(38,254)	(30,169)	(39,147)	(32,629)
Purchase of intangible assets	(226)	-	(145)	(244)	(168)
Purchase of shares and investments	-	-	(1,239)	-	(1,144)
Advances	-	-	(193)	-	(193)
Net cash flow from investing activities	(29,144)	(38,204)	(28,947)	(32,151)	(30,625)
Cash flows from financing activities					
Loans raised	5,000	12,902	5,115	6,400	5,771
Loan repayments	-	(1,606)	-	(693)	(1,159)
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

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.

Notes to the Financial Statements

1. Cost of service statements summary

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000
Revenue			
General rates	9,453	9,530	8,184
Targeted rates	19,362	19,270	18,383
Subsidies and grants	8,240	4,912	5,973
Development and/or financial contributions	2,326	540	1,208
Vested assets	4,187	2,957	9,221
Other gains	1,445	1,223	4,964
Other revenue	19,986	19,254	21,668
Revenue per cost of service statements	64,999	57,686	69,601
Internal revenue and interest	(3,719)	(2,952)	(2,749)
Revenue per statement of comprehensive revenue and expense	61,280	54,734	66,852
Expenditure			
Transportation	12,935	11,255	11,282
Drinking water	5,878	4,193	4,917
Wastewater	4,243	4,394	4,526
Stormwater	704	842	909
Refuse and recycling	4,682	4,254	4,180
Recreation and leisure	6,289	4,985	3,670
Community facilities and support	2,988	2,237	2,244
Economic development	6,929	6,633	8,812
Parks and open space	3,643	3,276	3,813
Democracy and governance	1,690	1,683	1,767
Regulatory services	4,955	4,785	4,522
Miscellaneous	524	319	551
Expenditure per cost of service statements	55,460	48,856	51,193
Internal expenditure and interest	(3,719)	(2,952)	(2,749)
Income tax	(11)	(479)	(95)
Expenditure per statement of comprehensive revenue and expense	51,730	45,425	48,349
Surplus/(deficit) before tax per statement of comprehensive revenue and expense	9,550	9,309	18,503

Note: The actual income figures net off the rate transfer to reserves of \$656,000 in Economic Development and \$1,175,000 in Miscellaneous. These are also netted off in the budget figures. The rates revenue shown in the cost of service statements is the rate requirement for that activity. The actual rates levied and struck are less the contribution from the surplus generated by the Economic Development and Miscellaneous activities.

2. Rates revenue

	Council 2015 Actual \$000	Council 2015 Budget \$000	Council 2014 Actual \$000
General rate / UAGC	9,579	9,530	8,301
Targeted rates attributable to activities:			
Transportation	7,281	7,244	6,826
Drinking water, excluding water supply rates	3,839	3,842	3,871
Wastewater	4,146	4,110	3,865
Stormwater	736	721	797
Refuse and recycling	759	755	477
Recreation and leisure	30	29	29
Community facilities	440	431	394
Economic development	1,177	1,171	1,181
Parks and open spaces	886	900	876
Democracy	68	67	67
Regulatory services	-	-	-
Miscellaneous	-	-	-
	28,941	28,800	26,684
Rates penalties	162	181	142
Rates remissions	(126)	(120)	(117)
	28,977	28,861	26,709

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

	2015 Council Actual \$000	2015 Council Budget \$000	2014 Council Actual \$000
Rates, other than metered water supply	28,977	28,861	26,709
Targeted water supply rates	259	168	224
Total revenue from rates	29,236	29,029	26,933

3. Fees and charges

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Building and resource consent charges	2,611	2,349	2,611	2,349
Water meter charges	259	224	259	224
Landfill charges	1,729	1,540	1,729	1,540
Swimming pool revenue	548	-	548	-
Parking fees	158	146	158	146
Other fees and charges	1,388	1,269	1,388	1,269
Total fees and charges	6,693	5,528	6,693	5,528

4. Subsidies and grant revenue

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
NZ Transport Agency roading subsidies	4,806	4,922	4,806	4,922
Ministry of Health drinking water related subsidies	-	61	-	61
NZ Rural Fire subsidy	106	59	106	59
Lotteries NZ	675	650	675	650
EA Networks Stadium sponsorship grants	1,506	254	971	254
Ministry for Culture & Heritage regional museums policy grant	1,000	-	1,000	-
Other grant revenue	147	27	147	27
Total subsidies and grant revenue	8,240	5,973	7,705	5,973

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2014 nil).

5. Finance income and finance costs

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Finance income				
Interest income:				
- term deposits	357	495	409	582
- other trade receivables	65	76	2	76
- stocks and bonds	317	332	317	332
Total finance income	739	903	728	990

Finance costs

Interest expense:				
- borrowings	2,525	1,962	2,833	2,297
- interest rate swaps	184	272	184	272
Total finance costs	2,709	2,234	3,017	2,569

Allocation of finance costs:

Potable water supplies	82	86	82	86
Wastewater	759	813	759	813
Stormwater	36	38	36	38
Commercial property	490	558	490	558
Recreation facilities	991	284	991	284
Arts and culture	133	138	133	138
Environmental services	11	11	11	11
Other operations	207	306	515	641
Total finance costs	2,709	2,234	3,017	2,569

6. Other revenue

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Forestry sales	284	1,883	284	1,883
Investment property rental income	1,439	1,442	1,291	1,442
Fines and parking infringements	347	391	347	391
Plant and equipment insurance recoveries	4	19	4	19
Petrol tax	303	300	303	300
Construction revenue	-	-	11,584	3,529
Rendering of services	-	-	18,049	20,167
Vested assets	4,187	9,221	4,187	9,221
NZU carbon credits	69	73	69	73
Land sales	2,285	4,476	2,285	4,476
Dividend income	1,083	936	408	320
Sales, services and other income	2,859	2,826	3,326	3,524
Total other revenue	12,860	21,567	42,137	45,345

7. Other gains and other losses

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Other gains				
Gain on changes in fair value of interest rate swap (Note 28)	-	373	-	373
Gain on changes in fair value of investment properties (Note 20)	926	3,434	926	3,434
Gain on disposal of investment properties	276	260	276	260
Gain on disposal of property, plant and equipment	228	550	312	550
Gain on fair value of Museum/Art Gallery naming sponsorship	15	-	15	-
Gain on fair value of EA Networks naming sponsorship	-	347	-	347
Total other gains	1,445	4,964	1,529	4,964
Other losses				
Loss on changes in fair value of interest rate swap (Note 28)	43	-	43	-
Loss on changes in fair value of forestry (Note 21)	354	2,392	354	2,392
Loss on disposal of property, plant and equipment	2,667	1,100	2,680	1,136
Total other losses	3,064	3,492	3,077	3,528

8. Personnel costs

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Salaries and wages	10,493	9,188	20,534	17,411
Increase/(decrease) in employee entitlements	211	(8)	217	2
Total personnel costs	10,704	9,180	20,751	17,413

9. Depreciation and amortisation

Depreciation and amortisation expense by significant activity:

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Roading	6,258	5,329	6,258	5,329
Footpaths	831	845	831	845
Wastewater	1,454	1,428	1,454	1,428
Stormwater	305	289	305	289
Water supplies	1,413	1,363	1,413	1,363
Stockwater	42	34	42	34
Solid waste	112	106	112	106
Emergency management	9	10	9	10
Commercial properties	366	127	366	127
Parks and recreation	296	252	296	252
Reserves and camping areas	80	79	80	79
Cemeteries	14	4	14	4
Recreation facilities	182	-	182	-
Library	124	121	124	121
Elderly persons housing	76	76	76	76
Public conveniences	62	62	62	62
Reserve boards and halls	372	218	372	218
Environmental services	32	14	32	14
Plant and miscellaneous operations	1,060	991	2,456	2,316
Total depreciation	13,088	11,348	14,484	12,673

Depreciation and amortisation expense by asset classification:

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Buildings	1,046	604	1,059	630
Plant and machinery	553	423	1,769	1,561
Equipment, furniture and fittings	374	323	446	409
Library books	117	107	117	107
Water supplies				
- treatment plants and facilities	464	467	464	467
- reticulation and other assets	949	895	949	895
Stockwater	42	34	42	34
Wastewater				
- treatment plants and facilities	676	667	676	667
- reticulation and other assets	778	761	778	761
Stormwater	305	290	305	290
Roading and footpaths	7,089	6,174	7,089	6,174
Parks, cemeteries and domains	322	274	322	274
Landfills and solid waste collection	112	100	112	100
Total property plant and equipment	12,827	11,119	14,128	12,369
Intangible assets	261	229	342	304
Total depreciation	13,088	11,348	14,470	12,673

10. Other expenses

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Directors fees	-	-	146	152
Fees to principal auditor:				
Audit fees for financial statements	110	108	183	178
Audit fees for the Long Term Plan	81	-	81	-
Discretionary grants/contributions	2,030	1,790	1,636	1,790
Rental and operating lease costs	93	48	195	48
Bad debts written off	-	-	2	193
Impairment of property, plant and equipment	-	-	46	188
ACC levy	79	67	79	208
Electricity	1,186	1,128	1,252	1,189
Maintenance contracts	10,368	10,195	10,368	10,195
Other operating expenses	8,218	8,759	24,771	19,990
Total other expenses	22,165	22,095	38,759	34,131

The Council made discretionary grants and contributions to the following organisations during the year:

Organisation	\$	Organisation	\$
Alzheimers Canterbury	720	Hakaterere Hutholders Society	3,780
Arthritis Foundation of New Zealand Inc	428	Heritage Grant AB & SA Wright	5,100
Ashburton Art Gallery & Museum Board Inc	233,350	Heritage Grant Chris Redmond	7,000
Ashburton Budgetary Advisory Service	4,500	Heritage Grant Colin Fleming	2,000
Ashburton Christian Ministers Association	5,000	Heritage Grant Mid Canterbury Farmers Charitable Trust	1,300
Ashburton College	500	Hinds Play Centre	600
Ashburton Community Water Trust	3,819	Methven Public Library	5,500
Ashburton District Neighbourhood Support	15,000	Methven Swimming Pool Assn Inc	14,350
Ashburton Gymnastics Club Inc	4,468	Methven United Club	5,000
Ashburton Horticultural Society Inc	591	Mid Canterbury Childrens Events & Activities Trust	2,492
Ashburton Motor Cycle Park Inc	5,000	Mid Canterbury Cricket Association	2,398
Ashburton Multi Cultural Trust	5,000	Mt Hutt College	500
Ashburton Performing Arts Theatre Trust	263,743	Mt Somers Old Post Office Library	2,500
Ashburton Safer Community Council	170,000	Pendarves Hall Society	250
Ashburton Toy Library	726	Presbyterian Support	1,000
Ashburton Youth Café Charitable Trust	19,000	Rakaia Library	2,500
Ashburton Youth Health Trust	7,560	Rokeby Hall Society Inc	5,000
Experience Mid Canterbury	386,632	Royal NZ Plunket Car Seat Service	2,500
Community House Mid Canterbury	531,892	Sport Canterbury	52,000
Fairton Hall Society	2,160	Tinwald Pony Club	1,100
Grow Mid Canterbury	247,930	Upper Rangitata Gorge Landcare Group Inc	5,000
			<u>2,029,889</u>

11. Taxation

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Components of tax expense recognised in statement of comprehensive revenue and expense:				
Current Taxation	-	95	594	603
Overprovision of prior year tax	-	-	5	(44)
Deferred tax prior year adjustment	-	-	-	-
Deferred taxation	(144)	-	(212)	109
Income tax expense	(144)	95	387	668

Components of deferred tax recognised directly in equity:

Revaluation of property plant and equipment	-	-	(4)	(4)
Income tax expense	-	-	(4)	(4)

Relationship between tax expense and accounting profit:

Surplus/(deficit) before tax	9,550	18,430	10,199	20,331
Tax at 28%	2,674	5,160	2,856	5,693
<i>Add/(less) tax effect of:</i>				
(Non Taxable Income)/Non Deductible Expenditure	(2,396)	(4,701)	(2,457)	(5,025)
Imputation credit adjustment	(422)	(364)	-	-
Tax loss not recognised	-	-	-	-
Temporary differences not previously recognised	-	-	(18)	-
	(144)	95	381	668

Imputation credit account:

Balance at the start of the year	-	-	2,692	2,422
Income tax payments/(refunds)	-	-	673	347
Imputation credits accrued on balance of current year tax not yet paid	-	-	90	163
Reversal of prior year estimate	-	-	(163)	-
Credits attached to dividends paid	-	-	(263)	(240)
Balance at the end of the year	-	-	3,029	2,692

Movement in tax (refund)/payable:

Balance at start of year	20	-	183	(7)
Taxation (paid)/refunded	(31)	(75)	(697)	(369)
Provided for this year	-	95	588	603
Overprovision prior year	-	-	5	(44)
Balance at the end of the year	(11)	20	79	183

Council deferred taxation

Deferred taxation assets and liabilities

	Assets	Liabilities	Net
	2015	2015	2015
	\$000	\$000	\$000
Tax losses	144	-	144
Balance at end of year	144	-	144

	Assets	Liabilities	Net
	2014	2014	2014
	\$000	\$000	\$000
Tax losses	-	-	-
Balance at end of year	-	-	-

Movement in temporary differences

	Balance	Charge to	Charge to	Balance
	01-Jul-14	surplus/ (deficit)	other comp. rev & exp *	30-Jun-15
	\$000	\$000	\$000	\$000
Tax losses	-	144	-	144
	-	144	-	144

	Balance	Charge to	Charge to	Balance
	01-Jul-13	surplus/ (deficit)	other comp. rev & exp *	30-Jun-14
	\$000	\$000	\$000	\$000
Tax losses	-	-	-	-
	-	-	-	-

* Charge to other comprehensive revenue and expense

Group deferred taxation

Deferred taxation assets and liabilities

	Assets	Liabilities	Net
	2015	2015	2015
	\$000	\$000	\$000
Property, plant and equipment	-	(376)	(376)
Employee benefits	179	-	179
Retentions	-	(155)	(155)
Capitalised interest	-	(53)	(53)
Provisions	69	-	69
Intangible Assets	-	(24)	(24)
Work in Progress	110	-	110
Tax losses	144	-	144
Balance at end of year	502	(608)	(106)

	Assets	Liabilities	Net
	2014	2014	2014
	\$000	\$000	\$000
Property, plant and equipment	-	(389)	(389)
Employee benefits	159	-	159
Retentions	-	(134)	(134)
Capitalised interest	-	(29)	(29)
Provisions	67	-	67
Intangible Assets	-	(31)	(31)
Work in Progress	45	-	45
Balance at end of year	271	(583)	(312)

Movement in temporary differences

	Balance 01-Jul-14	Charge to surplus/ (deficit)	Charge to other comp. rev & exp *	Balance 30-Jun-15
	\$000	\$000	\$000	\$000
Property, plant and equipment	(389)	17	(4)	(376)
Employee benefits	159	20	-	179
Retentions	(134)	(21)	-	(155)
Capitalised interest	(29)	(24)	-	(53)
Provisions	67	2	-	69
Intangible assets	(31)	7	-	(24)
Work in progress	45	65	-	110
Tax losses	-	144	-	144
	(312)	210	(4)	(106)

	Balance 01-Jul-13	Charge to surplus/ (deficit)	Charge to other comp. rev & exp *	Balance 30-Jun-14
	\$000	\$000	\$000	\$000
Property, plant and equipment	(362)	(23)	(4)	(389)
Employee benefits	143	16	-	159
Retentions	(128)	(6)	-	(134)
Capitalised interest	(14)	(15)	-	(29)
Provisions	126	(59)	-	67
Intangible assets	(36)	5	-	(31)
Work in progress	71	(26)	-	45
Tax losses	-	-	-	-
	(200)	(108)	(4)	(312)

* Charge to other comprehensive revenue and expense

12. Cash and cash equivalents

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Cash floats	2	2	3	2
Bank current account	2,345	2,394	3,255	5,622
Short term deposits	4,361	4,119	4,361	4,119
Bank overdraft	-	-	(1,809)	(1,711)
	6,708	6,515	5,810	8,032

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.

The effective interest rate on call deposits for the Group ranges from 2.5% to 3.3% (2014 2.6% to 3.0%). Ashburton Contracting Limited has overdraft facilities with the ANZ Bank of New Zealand Ltd of \$3,575,000 (2014 \$3,575,000). The effective interest rate on overdraft facilities ranges from 6.69% to 6.74% (2014 6.04% to 6.47%).

13. Trade and other receivables

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Rates receivable	563	535	563	535
Other receivables ⁽²⁾	3,414	4,091	5,695	6,314
Related party receivables	16	1,723	-	-
Loan / Mortgages	380	1,380	380	380
Eastfield Investments Advance ⁽¹⁾	168	-	168	-
Community loans	19	215	19	215
Prepayments	173	189	265	285
ACL contract work in progress ⁽³⁾	-	-	503	1,237
ACL retentions receivable	-	-	326	514
	<u>4,733</u>	<u>8,133</u>	<u>7,919</u>	<u>9,480</u>
Provision for impairment/ doubtful debts	(23)	(16)	(234)	(214)
Total trade and other receivables	<u>4,710</u>	<u>8,117</u>	<u>7,685</u>	<u>9,266</u>
Loan / Mortgages	-	1,380	-	380
Community loans	19	180	19	180
Non current portion	19	1,560	19	560
Current portion	<u>4,691</u>	<u>6,557</u>	<u>7,666</u>	<u>8,706</u>
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts from rates grants, infringements and any fees and charges that are subsidised by rates	3,198	3,486	2,995	3,372
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,512	4,631	4,690	5,894

- (1) Eastfield Investments Advance is the Council's current account of \$168,471 in its associate entity, Eastfield Investments Joint Venture. The current account balance is being utilised by the Joint Venture to fund the Council's share of operating expenses. The current account was established when the entity was formed (refer Note 17).
- (2) Other receivables in 2014 has been reduced by \$114,000 to offset the ACL GST Payable against the Group's GST Receivable.
- (3) ACL contract work in progress has been reclassified from Inventories note 15, this has resulted in a \$1,237,000 increase in the 2014 receivables balance.

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 due 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:

	Council 2015 Actual \$000	Council 2014 Actual \$000
< 12 months	513	483
> 12 months	50	52
Carrying amount	<u>563</u>	<u>535</u>

As of 30 June 2015 and 30 June 2014 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.

	2015			2014		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	1,703	-	1,703	4,093	-	4,093
Past due 1-60 days	1,952	-	1,952	1,739	-	1,739
Past due 61-120 days	270	-	270	195	-	195
Past due > 120 days	1,291	(23)	1,268	2,106	(16)	2,090
	<u>5,216</u>	<u>(23)</u>	<u>5,193</u>	<u>8,133</u>	<u>(16)</u>	<u>8,117</u>
Group						
Not past due	4,232	-	4,232	6,654	-	6,654
Past due 1-60 days	2,041	-	2,041	165	-	165
Past due 61-120 days	440	-	440	223	-	223
Past due > 120 days	1,689	(234)	1,455	1,201	(214)	987
	<u>8,402</u>	<u>(234)</u>	<u>8,168</u>	<u>8,243</u>	<u>(214)</u>	<u>8,029</u>

Provision for impairment/doubtful debts

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write-offs.

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Individual impairment	23	16	222	203
Collective impairment	-	-	12	11
Total provision for impairment	23	16	234	214

Movements in the provision for impairment of receivables and community loans are as follows:

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Opening balance	16	45	214	489
Additional provisions made	7	-	35	27
Provisions reversed during the year	-	-	(13)	(71)
Receivables written off	-	(29)	(2)	(231)
Closing balance	23	16	234	214

14. Stocks and bonds

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
<i>Financial assets available for sale</i>				
Bonds	4,323	5,338	4,323	5,338
	4,323	5,338	4,323	5,338

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 financial statements at fair value using market value supplied by Bancorp Treasury Services Limited.

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 surplus or deficit for the period.

Maturity analysis and effective interest rates

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

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Maturing within 1 year	256	1,026	256	1,026
- Weighted average interest rate	7.0%	7.8%	7.0%	7.8%
Maturing between 1 and 5 years	4,067	4,312	4,067	4,312
- Weighted average interest rate	5.7%	5.6%	5.7%	5.6%
Maturing after 5 years	-	-	-	-
- Weighted average interest rate	-	-	-	-
	<u>4,323</u>	<u>5,338</u>	<u>4,323</u>	<u>5,338</u>

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

15. Inventories

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Commercial inventory				
- Metal and asphalt	-	-	1,296	918
- Cement			286	219
- Services, plumbing and civil	-	-	274	233
- Rubbish bags/bins	30	33	30	33
- Retail stock	9	-	40	28
Held for distribution inventory				
- Workshop, fuel and parks raw materials	22	29	198	195
	<u>61</u>	<u>62</u>	<u>2,124</u>	<u>1,626</u>

Note: ACL contract work in progress has been reclassified as a Receivable in note 13, this has resulted in a \$1,237,000 decrease in the 2014 balance.

No inventories are pledged as security for liabilities however some may be subject to retention of title clauses.

16. Other financial assets

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Current portion				
Term deposits greater than 90 days	2,000	7,000	2,000	7,000
Total current portion	2,000	7,000	2,000	7,000
Non current portion				
<i>Investment in CCOs and similar entities</i>				
Experience Mid Canterbury	95	95	-	-
Ashburton Contracting Ltd	4,500	4,500	-	-
	4,595	4,595	-	-
<i>Investment in other entities</i>				
NZ Local Government Insurance Corp	53	53	53	53
Local Government Funding Agency	240	240	240	240
Transwaste Canterbury Ltd	480	480	480	480
Electricity Ashburton Limited	1	1	2	2
Ashburton Trading Society Ltd	1	1	1	1
	775	775	776	776
Total non-current portion	5,370	5,370	776	776
Total other financial assets	7,370	12,370	2,776	7,776

The Council's shareholding in other companies is as follows:

- NZ Local Government Insurance Corp. Limited
0.5% shareholding – 56,016 shares
The current net asset backing is \$1.20 per share (2014 \$1.12)
- Transwaste Canterbury Limited
3.0% shareholding – 600,000 shares (shares paid up to \$0.80 per share)
The current net asset backing is \$2.43 per share (2014 \$1.80)
- Electricity Ashburton
Along with approximately 12,500 customers, the ADC, Ashburton Contracting limited and several of the Reserve Boards and Memorial Halls have been allocated 100 voting rebate shares in Electricity Ashburton which is registered as a cooperative company under the Co-operative Companies Act 1996. These shares are non-tradable. In total the Group has been allocated 2,300 shares valued at \$1 each.
- Unlisted shares – valuation
The investment by the Council in Ashburton Contracting Limited and the other companies listed above, are carried at cost in the Council's statement of financial position. These shares are unlisted and, accordingly, there are 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 shares in other companies are classified as available for sale assets.

17. Investment in associates

	2015 Actual \$000	2014 Actual \$000
Council investment in Associates:		
Eastfield Investments Limited/Joint Venture	1,500	-
Rangitata Diversion Race Management Limited	30	30
	1,530	30

Council passed a resolution on 3rd April 2014 to become a participant in an unincorporated joint venture called Eastfield Investments Joint Venture. The purpose of the joint venture is to undertake redevelopment of the Ashburton CBD on land bounded by Burnett Street, Cass Street and Tancred Street. This area had seen a number of buildings demolished as a result of earthquake damage and the landowners (including the Council) believed there would be real economic and environmental benefits in undertaking the redevelopment in a coordinated approach that would rejuvenate the central CBD.

Eastfield Investments Limited was incorporated to act as custodian of the land and buildings of the JV participants. The company is jointly owned by the participants in the same shareholding as the JV. On 1 July 2014 Council sold to Eastfield Investments Limited land and buildings for the sum of \$1,710,000 and took up a 32.97% shareholding in the Company/JV and a current account balance of \$210,000 owed by the joint venture. No cash was exchanged between the parties.

During the year the Council's share of expenses was funded from its current account which had a balance of \$168,471 at 30 June 2015.

Summarised financial information of Eastfield Investments Limited/Joint Venture presented on a gross basis:

Assets	4,903	-
Liabilities	245	-
Revenue	137	-
Surplus/(deficit)	(89)	-
Group's interest	33%	0%
Council's share of associate surplus/(deficit):	(29)	-

Summarised financial information of Rangitata Diversion Race Management Limited presented on a gross basis:

Assets	10,704	8,048
Liabilities	9,373	7,822
Revenue	3,927	2,905
Surplus/(deficit)	1,105	7
Group's interest	20%	20%
Council's share of associate surplus/(deficit):	221	1

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.

Eastfield Investments Limited/Joint Venture and Rangitata Diversion Race Management Limited are unlisted companies.

18. Property inventory

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Land and development	3,873	4,282	3,873	4,282
	<u>3,873</u>	<u>4,282</u>	<u>3,873</u>	<u>4,282</u>

This is shown in the Statement of Financial Position as:

Current portion	581	489	581	489
Non current portion	3,292	3,793	3,292	3,793
	<u>3,873</u>	<u>4,282</u>	<u>3,873</u>	<u>4,282</u>

Property inventory held for sale is the Ashburton Business Estate, Geoff Geering Drive (previously known as Albert Street) and Lake Hood properties.

19. Property intended for sale

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Forestry land	113	-	113	-
Investment property	165	-	165	-
	<u>278</u>	<u>-</u>	<u>278</u>	<u>-</u>

20. Investment property

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Opening balance	36,564	33,685	36,564	33,685
Additions from acquisitions	-	16	-	16
Disposals	(2,215)	(571)	(2,215)	(571)
Transfers to properties held for sale	(165)	-	(165)	-
Fair value gains/(losses) on valuation	926	3,434	926	3,434
Closing balance	<u>35,110</u>	<u>36,564</u>	<u>35,110</u>	<u>36,564</u>

The Council's investment properties are valued annually and recorded at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation was performed by Telfer Young dated 30 June 2015. The value for 2015 is \$35,275,000 (2014 \$36,563,000).

Information about the revenue and expenses in relation to investment property is detailed below:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Rental revenue	1,439	1,442	1,291	1,442
Direct operating expenses from investment property generating revenue	127	262	127	262

21. Forestry

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Opening balance	4,884	7,276	4,884	7,276
Fair value gains/(losses)				
- due to harvest	(712)	(2,040)	(712)	(2,040)
- due to unit rate changes and growth	358	(352)	358	(352)
Closing balance	4,530	4,884	4,530	4,884

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 hectares. This is a jointly controlled operations venture between the Council, which incurred the planting costs and is liable for the on-going 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 Policies with a pre-tax discount rate of 8%.

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

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 processes. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

22. Intangible assets

	Council Carbon Credits \$000	Council Computer Software \$000	Council Total \$000	Group Computer Software \$000	Group Resource Consents \$000	Group Total \$000
Opening balance 1/07/14	233	519	752	135	544	1,431
Additions	74	226	300	22	-	322
Disposals	(4)	(132)	(136)	-	-	(136)
Current year amortisation	-	(261)	(261)	(50)	(31)	(342)
Reverse amortisation on disposal	-	68	68	-	-	68
Closing balance 30/06/15	303	420	723	107	513	1,343
Cost	303	2,255	2,558	367	680	3,605
Accumulated amortisation	-	(1,835)	(1,835)	(260)	(167)	(2,262)
Carrying value at 30 June 2015	303	420	723	107	513	1,343
Opening balance 1/07/13	160	603	763	158	574	1,495
Additions	83	145	228	22	-	250
Disposals	(10)	-	(10)	(20)	-	(30)
Current year amortisation	-	(229)	(229)	(45)	(30)	(304)
Reverse amortisation on disposal	-	-	-	20	-	20
Closing balance 30/06/14	233	519	752	135	544	1,431
Cost	233	2,161	2,394	345	680	3,419
Accumulated amortisation	-	(1,642)	(1,642)	(210)	(136)	(1,988)
Carrying value at 30 June 2014	233	519	752	135	544	1,431

The amortisation charge has been recognised in expenses (see note 9).

Forestry Carbon Credits

Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its forestry operations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

23. Property, plant and equipment

Council 2015

	Cost/ fair value 1/07/14 \$000	Accumulated depreciation & impairment 1/07/14 \$000	Carrying value 1/07/14 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	* Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/15 \$000	Accumulated depreciation & impairment 30/06/15 \$000	Carrying value 30/06/15 \$000
Operational assets														
Freehold land	16,233	-	16,233	2,708	(21)	(113)	-	-	-	-	-	18,807	-	18,807
Buildings	30,731	(7,148)	23,583	34,533	-	-	-	(1,032)	-	-	-	65,264	(8,180)	57,084
Plant and machinery	5,268	(3,169)	2,099	1,200	(292)	-	238	(553)	-	-	-	6,176	(3,484)	2,692
Equipment, furniture and fittings	4,484	(2,700)	1,784	839	(4)	-	4	(374)	-	-	-	5,319	(3,070)	2,249
Library books	2,865	(2,533)	332	113	-	-	-	(117)	-	-	-	2,978	(2,650)	328
Total operational assets	59,581	(15,550)	44,031	39,393	(317)	(113)	242	(2,076)	-	-	-	98,544	(17,384)	81,160
Infrastructural assets														
Roading and footpaths	369,936	-	369,936	9,483	(604)	-	-	(7,089)	-	(11,308)	7,089	367,507	-	367,507
Water supplies														
- treatment plants and facilities	11,314	-	11,314	-	(95)	-	-	(464)	-	102	464	11,321	-	11,321
- reticulation and other assets	48,263	-	48,263	1,687	(1,167)	-	-	(949)	-	2,104	949	50,887	-	50,887
Wastewater schemes														
- treatment plants and facilities	22,496	-	22,496	314	-	-	-	(676)	-	(468)	676	22,342	-	22,342
- reticulation and other assets	35,528	-	35,528	1,696	(45)	-	-	(778)	-	(80)	778	37,099	-	37,099
Stormwater	21,790	-	21,790	2,237	-	-	-	(305)	-	577	305	24,604	-	24,604
Stockwater	32,033	-	32,033	-	(692)	-	-	(42)	-	(420)	42	30,921	-	30,921
Solid waste	2,180	-	2,180	45	(6)	-	-	(112)	-	(31)	112	2,188	-	2,188
Parks, cemeteries and domains	9,858	(169)	9,689	566	-	-	-	(322)	-	(121)	292	10,303	(199)	10,104
Total infrastructural assets	553,398	(169)	553,229	16,028	(2,609)	-	-	(10,737)	-	(9,645)	10,707	557,172	(199)	556,973
Restricted assets														
Land	15,384	-	15,384	-	-	-	-	-	-	-	-	15,384	-	15,384
Buildings	580	(81)	499	-	-	-	-	(14)	-	-	-	580	(95)	485
Total restricted assets	15,964	(81)	15,883	-	-	-	-	(14)	-	-	-	15,964	(95)	15,869
Total	628,943	(15,800)	613,143	55,421	(2,926)	(113)	242	(12,827)	-	(9,645)	10,707	671,680	(17,678)	654,002

* Accumulated Depreciation

Group 2015

	Cost/ fair value 1/07/14 \$000	Accumulated depreciation & impairment 1/07/14 \$000	Carrying value 1/07/14 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	* Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/15 \$000	Accumulated depreciation & impairment 30/06/15 \$000	Carrying value 30/06/15 \$000
Operational assets														
Freehold land	16,943	3	16,946	2,708	(21)	(113)	-	-	-	-	-	19,517	3	19,520
Buildings	31,782	(7,184)	24,598	34,606	-	-	-	(1,059)	-	(3)	15	66,385	(8,228)	58,157
Plant and machinery	22,791	(12,040)	10,751	3,346	(784)	-	658	(1,769)	(46)	-	-	25,353	(13,197)	12,156
Equipment, furniture and fittings	4,987	(3,025)	1,962	871	(9)	-	10	(446)	-	-	-	5,849	(3,461)	2,388
Library books	2,865	(2,533)	332	113	-	-	-	(117)	-	-	-	2,978	(2,650)	328
Total operational assets	79,368	(24,779)	54,589	41,644	(814)	(113)	668	(3,391)	(46)	(3)	15	120,082	(27,533)	92,549
Infrastructural assets														
Roading and footpaths	369,936	-	369,936	9,483	(604)	-	-	(7,089)	-	(11,308)	7,089	367,507	-	367,507
Water supplies														
- treatment plants and facilities	11,314	-	11,314	-	(95)	-	-	(464)	-	102	464	11,321	-	11,321
- reticulation and other assets	48,263	-	48,263	1,687	(1,167)	-	-	(949)	-	2,104	949	50,887	-	50,887
Wastewater schemes														
- treatment plants and facilities	22,496	-	22,496	314	-	-	-	(676)	-	(468)	676	22,342	-	22,342
- reticulation and other assets	35,528	-	35,528	1,696	(45)	-	-	(778)	-	(80)	778	37,099	-	37,099
Stormwater	21,790	-	21,790	2,237	-	-	-	(305)	-	577	305	24,604	-	24,604
Stockwater	32,033	-	32,033	-	(692)	-	-	(42)	-	420	42	30,921	-	30,921
Solid waste	2,180	-	2,180	45	(6)	-	-	(112)	-	(31)	112	2,188	-	2,188
Parks, cemeteries and domains	9,858	(169)	9,689	566	-	-	-	(322)	-	(121)	292	10,303	(199)	10,104
Total infrastructural assets	553,398	(169)	553,229	16,028	(2,609)	-	-	(10,737)	-	(9,645)	10,707	557,172	(199)	556,973
Restricted assets														
Land	15,384	-	15,384	-	-	-	-	-	-	-	-	15,384	-	15,384
Buildings	580	(81)	499	-	-	-	-	(14)	-	-	-	580	(95)	485
Total restricted assets	15,964	(81)	15,883	-	-	-	-	(14)	-	-	-	15,964	(95)	15,869
Total	648,730	(25,029)	623,701	57,672	(3,423)	(113)	668	(14,142)	(46)	(9,648)	10,722	693,218	(27,827)	665,391

* Accumulated Depreciation

Council 2014

	Cost/ fair value 1/07/13 \$000	Accumulated depreciation & impairment 1/07/13 \$000	Carrying value 1/07/13 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	* Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/14 \$000	Accumulated depreciation & impairment 30/06/14 \$000	Carrying value 30/06/14 \$000
Operational assets														
Freehold land	15,402	-	15,402	839	(8)	-	-	-	-	-	-	16,233	-	16,233
Buildings	18,648	(6,558)	12,090	12,083	-	-	-	(590)	-	-	-	30,731	(7,148)	23,583
Plant and machinery	5,239	(3,430)	1,809	879	(850)	-	684	(423)	-	-	-	5,268	(3,169)	2,099
Equipment, furniture and fittings	3,153	(2,377)	776	1,331	-	-	-	(323)	-	-	-	4,484	(2,700)	1,784
Library books	2,745	(2,426)	319	120	-	-	-	(107)	-	-	-	2,865	(2,533)	332
Total operational assets	45,187	(14,791)	30,396	15,252	(858)	-	684	(1,443)	-	-	-	59,581	(15,550)	44,031
Infrastructural assets														
Roading and footpaths	350,336	-	350,336	10,383	(376)	-	-	(6,174)	-	9,593	6,174	369,936	-	369,936
Water supplies														
- treatment plants and facilities	11,083	-	11,083	410	(1)	-	-	(467)	-	(178)	467	11,314	-	11,314
- reticulation and other assets	45,981	-	45,981	806	(340)	-	-	(895)	-	1,816	895	48,263	-	48,263
Wastewater schemes														
- treatment plants and facilities	22,357	-	22,357	214	-	-	-	(667)	-	(75)	667	22,496	-	22,496
- reticulation and other assets	34,502	-	34,502	1,541	(80)	-	-	(761)	-	(435)	761	35,528	-	35,528
Stormwater	20,486	-	20,486	1,137	-	-	-	(290)	-	167	290	21,790	-	21,790
Stockwater	31,113	-	31,113	57	(95)	-	-	(34)	-	958	34	32,033	-	32,033
Solid waste	2,068	-	2,068	161	(11)	-	-	(100)	-	(38)	100	2,180	-	2,180
Parks, cemeteries and domains	8,890	(144)	8,746	597	(18)	-	-	(274)	-	389	249	9,858	(169)	9,689
Total infrastructural assets	526,816	(144)	526,672	15,306	(921)	-	-	(9,662)	-	12,197	9,637	553,398	(169)	553,229
Restricted assets														
Land	14,504	-	14,504	880	-	-	-	-	-	-	-	15,384	-	15,384
Buildings	580	(67)	513	-	-	-	-	(14)	-	-	-	580	(81)	499
Total restricted assets	15,084	(67)	15,017	880	-	-	-	(14)	-	-	-	15,964	(81)	15,883
Total	587,087	(15,002)	572,085	31,438	(1,779)	-	684	(11,119)	-	12,197	9,637	628,943	(15,800)	613,143

* Accumulated Depreciation

Group 2014

	Cost/ fair value 1/07/13 \$000	Accumulated depreciation & impairment 1/07/13 \$000	Carrying value 1/07/13 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	* Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/14 \$000	Accumulated depreciation & impairment 30/06/14 \$000	Carrying value 30/06/14 \$000
Operational assets														
Freehold land	16,112	3	16,115	839	(8)	-	-	-	-	-	-	16,943	3	16,946
Buildings	19,474	(6,582)	12,892	12,098	-	-	-	(616)	-	210	14	31,782	(7,184)	24,598
Plant and machinery	21,081	(11,379)	9,702	3,032	(1,322)	-	1,088	(1,561)	(188)	-	-	22,791	(12,040)	10,751
Equipment, furniture and fittings	3,597	(2,685)	912	1,460	(70)	-	69	(409)	-	-	-	4,987	(3,025)	1,962
Library books	2,745	(2,426)	319	120	-	-	-	(107)	-	-	-	2,865	(2,533)	332
Total operational assets	63,009	(23,069)	39,940	17,549	(1,400)	-	1,157	(2,693)	(188)	210	14	79,368	(24,779)	54,589
Infrastructural assets														
Roading and footpaths	350,336	-	350,336	10,383	(376)	-	-	(6,174)	-	9,593	6,174	369,936	-	369,936
Water supplies														
- treatment plants and facilities	11,083	-	11,083	410	(1)	-	-	(467)	-	(178)	467	11,314	-	11,314
- reticulation and other assets	45,981	-	45,981	806	(340)	-	-	(895)	-	1,816	895	48,263	-	48,263
Wastewater schemes														
- treatment plants and facilities	22,357	-	22,357	214	0	-	-	(667)	-	(75)	667	22,496	-	22,496
- reticulation and other assets	34,502	-	34,502	1,541	(80)	-	-	(761)	-	(435)	761	35,528	-	35,528
Stormwater	20,486	-	20,486	1,137	-	-	-	(290)	-	167	290	21,790	-	21,790
Stockwater	31,113	-	31,113	57	(95)	-	-	(34)	-	958	34	32,033	-	32,033
Solid waste	2,068	-	2,068	161	(11)	-	-	(100)	-	(38)	100	2,180	-	2,180
Parks, cemeteries and domains	8,890	(144)	8,746	597	(18)	-	-	(274)	-	389	249	9,858	(169)	9,689
Total infrastructural assets	526,816	(144)	526,672	15,306	(921)	-	-	(9,662)	-	12,197	9,637	553,398	(169)	553,229
Restricted assets														
Land	14,504	-	14,504	880	-	-	-	-	-	-	-	15,384	-	15,384
Buildings	580	(67)	513	-	-	-	-	(14)	-	-	-	580	(81)	499
Total restricted assets	15,084	(67)	15,017	880	-	-	-	(14)	-	-	-	15,964	(81)	15,883
Total	604,909	(23,280)	581,629	33,735	(2,321)	0	1,157	(12,369)	(188)	12,407	9,651	648,730	(25,029)	623,701

* Accumulated Depreciation

Restrictions

Land and buildings in the “Restricted Assets” category are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land and buildings under a bequest or donation that restricts the purpose for which the assets can be used).

Core infrastructure asset disclosures

The Local Government (Financial Reporting and Prudence) Regulations 2014 requires Council to disclose additional information for core infrastructure assets. These are defined in the regulations as roading and footpaths, water supplies, wastewater schemes, stormwater and flood protection. The council does not own any flood protection infrastructure.

Core asset capital expenditure

Constructed assets refer to capital additions that have been engaged and constructed by the Council as part of the management of the network. Transferred or vested assets are assets where the construction has been engaged by a third party and when complete the ownership has been transferred to the Council, for example infrastructure assets resulting from a subdivision. This table does not include incomplete assets which remain as work in progress in the statement of financial position.

	2015 Constructed assets \$000	2015 Transferred/ vested assets \$000	2015 Total additions \$000	2014 Constructed assets \$000	2014 Transferred/ vested assets \$000	2014 Total additions \$000
Roading and footpaths	8,215	1,268	9,483	7,186	3,197	10,383
Water supplies						-
- treatment plants and facilities	-	-	-	410	-	410
- reticulation and other assets	1,509	178	1,687	417	389	806
	<u>1,509</u>	<u>178</u>	<u>1,687</u>	<u>827</u>	<u>389</u>	<u>1,216</u>
Wastewater schemes						-
- treatment plants and facilities	314	-	314	214	-	214
- reticulation and other assets	1,128	568	1,696	575	966	1,541
	<u>1,442</u>	<u>568</u>	<u>2,010</u>	<u>789</u>	<u>966</u>	<u>1,755</u>
Stormwater	1,662	575	2,237	-	1,137	1,137
Total core asset additions	<u>12,828</u>	<u>2,589</u>	<u>15,417</u>	<u>8,802</u>	<u>5,689</u>	<u>14,491</u>

Core asset replacement cost

Council's core infrastructure assets are revalued annually using depreciated replacement cost (DRC). DRC is referred to as the carrying value of these assets in the financial statements. DRC is the replacement cost of the asset less accumulated depreciation based on the assets age, this results in a current value given a definable remaining useful life. The following table details the carrying value and associated replacement cost for each core infrastructure category.

	Replacement Cost 30-Jun-15 \$000	Carrying Value 30-Jun-15 \$000	Replacement Cost 30-Jun-14 \$000	Carrying Value 30-Jun-14 \$000
Roading and footpaths	499,248	367,507	495,402	369,936
Water supplies				
- treatment plants and facilities	15,589	11,321	14,986	11,314
- reticulation and other assets	79,296	50,887	76,067	48,263
	94,885	62,208	91,053	59,577
Wastewater schemes				
- treatment plants and facilities	28,472	22,342	27,942	22,496
- reticulation and other assets	70,519	37,099	67,110	35,528
	98,991	59,441	95,052	58,024
Stormwater	33,515	24,604	30,046	21,790
	726,639	513,760	711,553	509,327

Work in progress by class of asset

Property, plant and equipment under construction by class of asset is detailed below:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Land	-	600	-	600
Buildings	2	15,712	2	15,712
Plant and machinery	-	-	8	81
Equipment, furniture and fittings	6	68	6	68
Roading and footpaths	406	682	406	682
Water supplies	179	605	179	605
Wastewater schemes	771	443	771	443
Stormwater	-	148	-	148
Stockwater	22	-	22	-
Solid waste	32	16	32	16
Parks, cemeteries and domains	7	9	7	9
Total work in progress	1,425	18,283	1,433	18,364

24. Trade and other payables

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Payables and deferred revenue under exchange transactions:				
Trade payables	4,245	5,646	6,421	7,768
Accruals and other expenses	397	319	238	233
Amounts due to related parties	823	758	155	131
Revenue in advance	586	873	583	873
Fair value of EA Networks Centre naming rights	571	619	571	619
Fair value of Museum/Art Gallery naming rights	52	-	52	-
Retentions / bonds awaiting contract work	613	485	674	519
	<u>7,287</u>	<u>8,700</u>	<u>8,694</u>	<u>10,143</u>
Payables and deferred revenue under non-exchange transactions:				
GST/FBT payable ⁽¹⁾	4	2	4	2
Rates/water meter charges received in advance	292	295	292	295
Environment Canterbury rates outstanding from ADC ratepayers	63	38	63	38
Amounts due to related parties	33	30	-	-
Grant revenue received in advance	8	6	8	6
	<u>400</u>	<u>371</u>	<u>367</u>	<u>341</u>
Total payables and deferred revenue	<u>7,687</u>	<u>9,071</u>	<u>9,061</u>	<u>10,484</u>

(1) GST/FBT payable in 2014 has been reduced by \$114,000 to offset the Group GST Receivable in note 13.

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

25. Employee benefit liabilities

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Accrued pay	217	182	538	465
Annual and long service leave	898	745	1,558	1,295
Retirement gratuities	398	376	398	376
Sick Leave	5	5	23	25
	<u>1,518</u>	<u>1,308</u>	<u>2,517</u>	<u>2,161</u>
This is shown in the Statement of Financial Position as:				
Current	1,099	932	2,065	1,755
Non current	419	376	452	406
	<u>1,518</u>	<u>1,308</u>	<u>2,517</u>	<u>2,161</u>

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

26. 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.

Costs to be incurred for the district's landfills have been estimated by Council as follows:

	2015	2014
	\$000	\$000
Ashburton	5	5
Hinds	2	2
Rakaia	3	3
Methven	3	3
Mayfield	2	2
	<u>15</u>	<u>15</u>

Maintenance and monitoring costs have been calculated using a net present value calculation of 6.0% (2014 6.0%). The aftercare liability balance is:

	Council	Council	Group	Group
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Opening balance	113	123	113	123
Provision used during the year	(3)	(14)	(3)	(14)
Additional provision made during the year	(6)	4	(6)	4
Revised estimated monitoring costs	-	-	-	-
Closing balance	<u>104</u>	<u>113</u>	<u>104</u>	<u>113</u>

This is shown in the Statement of Financial Position as:

	Council	Council	Group	Group
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Current	15	15	15	15
Non current	89	98	89	98
	<u>104</u>	<u>113</u>	<u>104</u>	<u>113</u>

27. Borrowings

	Council	Council	Group	Group
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Opening balance	42,622	37,626	45,352	40,243
Loans raised during the year	5,000	5,115	6,400	5,771
Loans repaid during the year	(135)	(119)	(828)	(662)
Closing balance	<u>47,487</u>	<u>42,622</u>	<u>50,924</u>	<u>45,352</u>

This is shown in the Statement of Financial Position as:

	Council	Council	Group	Group
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Current	11,310	5,135	12,065	5,786
Non current	36,177	37,487	38,859	39,566
	<u>47,487</u>	<u>42,622</u>	<u>50,924</u>	<u>45,352</u>

Loans taken out by the Council are secured over rates of the Council. These are issued at fixed and floating interest rates. ACL loans are secured over certain plant items specified in the loan agreements.

The borrowing balance above includes a drawdown of \$11.175 million of a \$15 million Westpac Bank Limited loan facility (2014 \$11.175 million of a \$15 million facility). The Westpac loan facility maturity date is 31 March 2016.

Maturity analysis and effective interest rates

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

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Within one year (current)	11,310	5,135	12,065	5,786
- weighted average effective interest rates	4.6%	6.8%	4.7%	6.7%
1 to 2 years	8,635	11,310	10,018	12,230
- weighted average effective interest rates	5.2%	4.7%	5.4%	4.8%
2 to 3 years	5,135	8,635	6,342	9,737
- weighted average effective interest rates	4.1%	5.2%	4.5%	5.4%
3 to 4 years	7,135	135	7,215	192
- weighted average effective interest rates	4.6%	5.3%	4.6%	5.8%
4 to 5 years	135	2,135	147	2,135
- weighted average effective interest rates	6.0%	5.8%	6.0%	5.8%
Greater than 5 years	15,137	15,272	15,137	15,272
- weighted average effective interest rates	6.0%	6.0%	6.0%	6.0%
	47,487	42,622	50,924	45,352

Fair value of non-current borrowings

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

	2015 Book value \$000	2015 Fair value \$000	2014 Book value \$000	2014 Fair value \$000
Secured loans - Council	47,487	47,487	42,622	42,622
Secured loans - ACL	3,437	3,437	2,730	2,730
	50,924	50,924	45,352	45,352

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 Plan. There were no significant variations or material departures from Council's Liability Management Policy. External debt limits per Council's Long Term Plan (financial strategy) are:

	Target Council	2015 Council	2014 Council
Interest payments as a percentage of council revenue	< 10%	4.4%	2.9%
Interest payments as a percentage of total rates	< 25%	9.2%	7.3%

Internal borrowing

	Balance 01/07/2014 \$000	Borrowed \$000	Repaid \$000	Balance 30/06/2015 \$000
Cemeteries	55	-	4	51
Commercial Property	11,749	-	3,337	8,412
Employment Business	467	-	16	451
Environmental services	1,793	-	176	1,617
Footpaths	1,102	-	45	1,057
Parks	485	-	35	450
Roading	188	-	68	120
Stormwater	1,923	940	80	2,783
Drinking water	8,421	-	486	7,935
Wastewater	1,322	5,000	310	6,012
Arts and Culture	320	-	45	275
Recreation Facilities	9,808	3,237	-	13,045
Miscellaneous	75	6	-	81
	37,708	9,183	4,602	42,289

Total interest of \$1,860,000 was charged on internal loans during the year (2014 \$1,655,000). Internal borrowing and internal interest are eliminated on consolidation of the activities in the Council's financial statements.

Internal borrowing continued

	Balance 01/07/2013 \$000	Borrowed \$000	Repaid \$000	Balance 30/06/2014 \$000
Cemeteries	59	-	4	55
Commercial Property	9,120	3,630	1,001	11,749
Employment Business	475	-	8	467
Environmental services	1,935	83	225	1,793
Footpaths	1,148	-	46	1,102
Parks	521	-	36	485
Roading	256	-	68	188
Stormwater	2,019	-	96	1,923
Drinking water	8,573	229	381	8,421
Wastewater	1,632	-	310	1,322
Arts and Culture	-	320	-	320
Recreation Facilities	1,771	8,065	28	9,808
Miscellaneous	76	-	1	75
	27,585	12,327	2,204	37,708

The 2014 Annual Report reported Recreation Facilities has having an opening balance of nil at 1/7/2013. The opening balance has been amended to increase Recreation Facilities and decrease Miscellaneous by \$1,771,000.

28. Derivative financial instruments

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

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Notional principal amount	21,000	16,000	21,000	16,000
	<u>21,000</u>	<u>16,000</u>	<u>21,000</u>	<u>16,000</u>

The non-current liability portion of the financial derivative in relation to these borrowings using the floating-to-fixed interest rate swaps is:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Interest rate swaps	325	281	325	281
	<u>325</u>	<u>281</u>	<u>325</u>	<u>281</u>

29. Ratepayers equity

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Balance at 1 July	433,435	419,205	443,796	427,828
Surplus/(deficit) after taxation	9,694	18,408	9,823	20,146
Appropriations to/from reserves	(1,054)	(4,178)	(1,054)	(4,178)
Balance at 30 June	<u>442,075</u>	<u>433,435</u>	<u>452,565</u>	<u>443,796</u>

30. Other reserves

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Revaluation reserves				
Infrastructural assets				
Balance at 1 July	177,900	156,066	177,900	156,066
Revaluations	1,062	21,834	1,062	21,834
Balance at 30 June	178,962	177,900	178,962	177,900
Property, plant and equipment				
Balance at 1 July	-	-	1,071	851
Revaluations	-	-	12	224
Disposals	-	-	-	-
Deferred taxation adjustment	-	-	(4)	(4)
Balance at 30 June	-	-	1,079	1,071
Total revaluation reserves	178,962	177,900	180,041	178,971
Separate reserves and special funds (refer details below)				
Balance at 1 July	45,804	41,626	45,804	41,626
Plus special funds/separate reserves movements				
Operating income	24,837	27,951	24,837	27,951
Operating expenditure	(16,132)	(17,758)	(16,132)	(17,758)
	8,704	10,193	8,704	10,193
Capital income	3,263	5,024	3,263	5,024
Capital expenditure	(9,928)	(11,212)	(9,928)	(11,212)
	(6,664)	(6,188)	(6,664)	(6,188)
Transfers in	5,750	4,724	5,750	4,724
Transfers out	(6,736)	(4,551)	(6,736)	(4,551)
	(986)	173	(986)	173
Total net movement	1,054	4,178	1,054	4,178
Balance at 30 June	46,858	45,804	46,858	45,804
Fair value through other comprehensive income reserve				
Balance at 1 July	(214)	(319)	(214)	(319)
Net revaluation gains/(losses)	(15)	105	(15)	105
Balance at 30 June	(229)	(214)	(229)	(214)
Total other reserves	225,591	223,490	226,670	224,561

Separate reserves and special funds summary

	Separate Reserves \$000	Special Funds \$000	Sinking Funds \$000	Trust Funds \$000	Total \$000
Balance at 1 July 2014	38,074	7,655	55	20	45,804
Operating income	24,569	267	-	1	24,837
Operating expenditure	(16,132)	-	-	-	(16,132)
Capital income	3,263	-	-	-	3,263
Capital expenditure	(9,928)	-	-	-	(9,928)
Transfers in	4,312	1,438	-	-	5,750
Transfers out	(4,543)	(2,138)	(55)	-	(6,736)
Balance at 30 June 2015	39,615	7,222	-	21	46,858
Balance at 1 July 2013	33,876	7,676	55	19	41,626
Operating income	27,758	192	-	1	27,951
Operating expenditure	(17,758)	-	-	-	(17,758)
Capital income	5,024	-	-	-	5,024
Capital expenditure	(11,212)	-	-	-	(11,212)
Transfers in	2,506	2,218	-	-	4,724
Transfers out	(2,120)	(2,431)	-	-	(4,551)
Balance at 30 June 2014	38,074	7,655	55	20	45,804

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.

For detailed information about the purpose of each separate reserve and special fund and deposits/withdrawals of each fund refer to note 48.

31. Reconciliation of surplus/deficit with net cash flow from operating activities

	2015	2014	2015	2014
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Operating surplus/(deficit) after taxation	9,694	18,408	9,823	20,146
<i>Add/(less) non-cash items:</i>				
Vested assets	(4,187)	(9,221)	(4,187)	(9,221)
Depreciation and amortisation	13,096	11,348	14,484	12,673
Impairment of property, plant and equipment	-	-	(46)	(188)
Deferred tax	(144)	-	(206)	112
NZ carbon credits recognised	(70)	(73)	(70)	(73)
(Gain)/loss in fair value of forestry assets	354	2,393	354	2,393
(Gain)/loss in fair value of investment property	(926)	(3,434)	(926)	(3,434)
(Gain)/loss in fair value of EA Networks naming sponsorship	-	(347)	-	(347)
(Gain)/loss in fair value of Museum/Art Gallery naming sponsorship	(14)	-	(14)	-
Increase/(decrease) in long term staff provisions	43	13	46	10
Increase/(decrease) in landfill provision	(9)	(10)	(9)	(10)
Unwind discount on borrowing	(135)	(119)	(135)	(119)
Council's share of Eastfield Investments JV offset against advance	42	-	42	-
Capitalised interest on advances/investments	-	(7)	-	(7)
Share of joint venture (surplus)/deficit	-	-	11	410
<i>Add/(less) items classified as investing or financing activities:</i>				
(Gains)/losses on property, plant and equipment disposals	2,439	550	2,368	586
(Gains)/losses on investment property disposals	(276)	(260)	(276)	(260)
<i>Add/less movements in working capital items:</i>				
(Increase)/decrease in inventories	412	791	(89)	265
(Increase)/decrease in trade & other receivables	2,561	(1,500)	1,202	(703)
Increase/(decrease) in trade & other payables	1,266	762	1,589	680
Increase/(decrease) in current staff provisions	167	(9)	310	234
Increase/(decrease) in financial derivatives	44	(374)	44	(374)
Increase/(decrease) in taxation payable	(20)	20	(93)	163
Net cash inflow from operating activities	24,337	18,931	24,222	22,936

32. Commitments and operating leases

Operating and capital commitments represent expenditure contracted for at balance date but not yet incurred.

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Operating				
Roading	1,526	1,755	1,526	1,755
Footpaths	130	188	130	188
Wastewater/stormwater/water maintenance	1,574	61	1,574	61
Solid waste management	8,638	8,444	8,638	8,444
Public Conveniences	48	87	48	87
Parks	-	20	-	20
Parking	12	31	12	31
Property	71	-	71	-
Total operating commitments	11,999	10,586	11,999	10,586
Less than one year	6,222	5,788	6,222	5,788
Between one and two years	2,020	1,607	2,020	1,607
Between two and five years	3,756	3,191	3,756	3,191
Greater than five years	1	-	1	-
	11,999	10,586	11,999	10,586
Capital				
Roading	617	792	617	792
Footpaths	37	43	37	43
Wastewater/stormwater/water maintenance	2,073	615	2,073	615
Stockwater	-	-	-	-
Other operations	-	-	-	702
Commercial property	-	17,422	-	17,422
Total capital commitments	2,727	18,872	2,727	19,574

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 shown below.

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Non cancellable operating leases as lessor:				
Less than one year	809	802	824	802
Between one and five years	2,394	2,041	2,408	2,041
Later than five years	4,628	3,068	4,628	3,068
	7,831	5,911	7,860	5,911

33. Contingent liabilities

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
Contingent liability	-	-	-	-
Performance bonds	-	-	294	294
Guarantees	-	-	2,021	-
Total contingent liabilities	-	-	2,315	294

Ashburton Contracting Limited has jointly and severally guaranteed 40% (2014 40%) of the Bank of New Zealand advances to the Lake Hood Extension Project joint venture. At balance date funds drawn totalled \$5,052,929 (2014 \$1,174,063).

Total contingent liability for the Lake Hood Extension project is therefore \$2,021,000 (2014 \$470,000).

Ashburton Contracting Limited also holds forward exchange contracts at 30 June 2015 to purchase USD123,444 (2014 USD181,737) which were marked to market to the equivalent of \$161,154 (2014 \$216,410).

New Zealand Local Government Funding Agency (NZLGFA)

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

Ashburton District Council, a local authority guarantor of the NZLGFA, and is one of the 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. At 30 June 2015, the Council has borrowed \$15 million from the NZLGFA (2014 \$15 million). Together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings.

As at 30 June 2015, NZLGFA had borrowings totalling \$4,999 million (2014 \$4,250 million).

Public Benefit Entity International Public Sector Accounting Standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

34. Financial instruments

Financial instrument categories

The accounting policies for financial instruments have been applied to the line items below:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	6,708	6,515	7,619	9,743
Trade and other receivables	4,518	7,713	7,401	7,643
Other financial assets:				
- term deposits	2,000	7,000	2,000	7,000
- community loans	19	215	19	215
	<u>13,245</u>	<u>21,443</u>	<u>17,039</u>	<u>24,601</u>
 <i>Fair value through other comprehensive income</i>				
Local authority stocks and bonds	4,323	5,338	4,323	5,338
	<u>4,323</u>	<u>5,338</u>	<u>4,323</u>	<u>5,338</u>
 Financial liabilities:				
<i>Fair value through surplus or deficit</i>				
Derivative financial instrument liabilities				
- interest rate swaps	325	281	325	281
	<u>325</u>	<u>281</u>	<u>325</u>	<u>281</u>
 <i>Financial liabilities at amortised cost</i>				
Creditors and other payables	7,687	9,071	9,061	10,598
Borrowing:				
- bank overdraft	-	-	1,809	1,711
- secured loans	47,487	42,622	50,924	45,352
	<u>55,174</u>	<u>51,693</u>	<u>61,794</u>	<u>57,661</u>

Fair value hierarchy disclosures

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

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

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the statement of financial position. There were no transfers between the different levels of the fair value hierarchy.

	Total	Quoted market price	Observable inputs	Significant non- observable inputs
	\$000	\$000	\$000	\$000
2015 Council and Group				
<i>Financial assets</i>				
Local authority stocks	-	-	-	-
Bonds	4,323	4,323	-	-
<i>Financial liabilities</i>				
Interest rate swaps	325	-	325	-
2014 Council and Group				
<i>Financial assets</i>				
Local authority stocks	-	-	-	-
Bonds	5,338	5,338	-	-
<i>Financial liabilities</i>				
Interest rate swaps	281	-	281	-

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. Council is risk averse and seeks to minimise exposure from its treasury activities. Council 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

- 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 Council to fair value interest rate risk. Council'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 Council has borrowed at variable interest rates. In addition, investments at fixed interest rates expose the Council 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 Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating-to-fixed interest swaps. Such interest rate swaps have the economic effect of converting borrowings

at floating rates into fixed rates. The effect of this is when floating interest rates increase over that of the fixed rate entered into; Council pays the lower rate, i.e. the swap rate. If floating market interest rates decrease and are below the level of the fixed rate Council will be locked in to the higher fixed rate i.e. the swap rate. Under the interest rate swaps, Council agrees with Westpac 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 2015 are:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Notional principal amount	21,000	16,000	21,000	16,000
	<u>21,000</u>	<u>16,000</u>	<u>21,000</u>	<u>16,000</u>

Credit risk

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

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

Investments in other Local Authorities are secured by charged 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.

The Council is exposed to credit risk as a guarantor of all of the NZLGFA's borrowings. Information about this exposure is explained in note 33.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
Cash and cash equivalents	6,708	6,515	7,619	9,743
Trade and other receivables	4,518	7,713	7,401	7,643
Community loans	19	215	19	215
Term deposits greater than 90 days	2,000	7,000	2,000	7,000
Local authority stocks and bonds	4,323	5,338	4,323	5,338
	<u>17,568</u>	<u>26,781</u>	<u>21,362</u>	<u>29,939</u>

Credit quality of financial assets

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

	Council 2015 \$000	Council 2014 \$000	Group 2015 \$000	Group 2014 \$000
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Counterparties with credit ratings:

Cash at bank and term deposits

AA-	8,708	13,515	9,619	16,743
	<u>8,708</u>	<u>13,515</u>	<u>9,619</u>	<u>16,743</u>

Local authority stocks and bonds

AA	-	516	-	516
AA-	540	1,447	540	1,447
A+	535	1,026	535	1,026
A	-	-	-	-
A-	999	1,596	999	1,596
BB+	718		718	
BBB+	927		927	
BBB-	-	753	-	753
A3 (Short-term rating)	604	-	604	-
	<u>4,323</u>	<u>5,338</u>	<u>4,323</u>	<u>5,338</u>

Counterparties without credit ratings:

Community loans	19	215	19	215
	<u>19</u>	<u>215</u>	<u>19</u>	<u>215</u>

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

Liquidity risk

Management of 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 our 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.

The Council is exposed to liquidity risk as a guarantor of all NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 33.

Contractual maturity analysis on financial liabilities

The table below analyses ADC's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and exclude interest.

	Note	Liability carrying amount \$000	Contractual cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
2015 Council							
Trade and other payables	24	7,687	7,687	7,687	-	-	-
Bank overdraft	12	-	-	-	-	-	-
Borrowings	27	47,487	47,487	11,310	8,635	12,405	15,137
Interest rate swaps	28	325	325	57	-	183	85
		<u>55,499</u>	<u>55,499</u>	<u>19,054</u>	<u>8,635</u>	<u>12,588</u>	<u>15,222</u>
2015 Group							
Trade and other payables	24	9,061	9,061	9,061	-	-	-
Bank overdraft	12	0	0	0	-	-	-
Borrowings	27	50,924	50,924	12,065	10,018	13,704	15,137
Interest rate swaps	28	325	325	57	-	183	85
		<u>60,310</u>	<u>60,310</u>	<u>21,183</u>	<u>10,018</u>	<u>13,887</u>	<u>15,222</u>
2014 Council							
Trade and other payables	24	9,071	9,071	9,071	-	-	-
Bank overdraft	12	-	-	-	-	-	-
Borrowings	27	42,622	42,622	5,135	11,310	10,905	15,272
Interest rate swaps	28	281	281	-	-	281	-
		<u>51,974</u>	<u>51,974</u>	<u>14,206</u>	<u>11,310</u>	<u>11,186</u>	<u>15,272</u>
2014 Group							
Trade and other payables	24	10,598	10,598	10,598	-	-	-
Bank overdraft	12	(1,711)	(1,711)	(1,711)	-	-	-
Borrowings	27	45,352	45,352	5,786	12,230	12,064	15,272
Interest rate swaps	28	281	281	-	-	281	-
		<u>54,520</u>	<u>54,520</u>	<u>14,673</u>	<u>12,230</u>	<u>12,345</u>	<u>15,272</u>

Contractual maturity analysis on financial assets

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

	Note	Asset carrying amount (\$000)	Contractual cashflows (\$000)	Less than 1 year (\$000)	1-2 years (\$000)	2-5 years (\$000)	More than 5 years (\$000)
2015 Council							
Cash and cash equivalents	12	6,708	6,708	6,708	-	-	-
Term deposits greater than 90 days	16	2,000	2,000	2,000	-	-	-
Trade and other receivables	13	4,518	4,518	4,518	-	-	-
Local authority stocks & bonds	14	4,323	4,323	256	742	3,325	-
Community loans	13	19	19	-	19	-	-
		17,568	17,568	13,482	761	3,325	-
2015 Group							
Cash and cash equivalents	12	7,619	7,619	7,619	-	-	-
Term deposits greater than 90 days	16	2,000	2,000	2,000	-	-	-
Trade and other receivables	13	7,401	7,401	7,401	-	-	-
Local authority stocks & bonds	14	4,323	4,323	256	742	3,325	-
Community loans	13	19	19	-	19	-	-
		21,362	21,362	17,276	761	3,325	-
2014 Council							
Cash and cash equivalents	12	6,515	6,515	6,515	-	-	-
Term deposits greater than 90 days	16	7,000	7,000	7,000	-	-	-
Trade and other receivables	13	7,713	7,713	6,333	1,380	-	-
Local authority stocks & bonds	14	5,338	5,338	1,026	259	4,053	-
Community loans	13	215	215	35	180	-	-
		26,781	26,781	20,909	1,819	4,053	-
2014 Group							
Cash and cash equivalents	12	9,743	9,743	9,743	-	-	-
Term deposits greater than 90 days	16	7,000	7,000	7,000	-	-	-
Trade and other receivables	13	7,643	7,643	6,263	1,380	-	-
Local authority stocks & bonds	14	5,338	5,338	1,026	259	4,053	-
Community loans	13	215	215	35	180	-	-
		29,939	29,939	24,067	1,819	4,053	-

Sensitivity analysis for interest rate risk

As at 30 June 2015 it was estimated that a general increase of one percentage point in interest rates would increase the surplus by \$799,000 for the Council and Group (2014 \$527,000 for the Council and Group). 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 2015 it was estimated that a general increase of one percentage point in interest rates would reduce equity by \$33,000 (2014 \$91,000) 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.

35. Construction contracts

	Council 2015 Actual \$000	Council 2014 Actual \$000	Group 2015 Actual \$000	Group 2014 Actual \$000
For construction contracts in progress at 30 June:				
Contract costs incurred	-	-	11,062	2,591
Recognised profits/losses	-	-	523	631
	-	-	11,585	3,222
Progress billings	-	-	10,670	2,751
Gross amounts due from customers (included in Receivables note 13)	-	-	915	471
Retentions included in progress billings	-	-	204	146

36. Related parties

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable the Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related party transactions required to be disclosed

Sponsorship transactions with Ashburton Stadium Complex Trust are considered to be not at arm's length as Council cannot confirm the commercial value of the exchange.

	2015 Actual \$000	2014 Actual \$000
Ashburton Contracting Limited (ACL)		
Sponsorship provided by ACL to Ashburton Stadium Complex Trust	25	25
Amount owed by ACL to Ashburton Stadium Complex Trust	29	29
Ashburton Stadium Complex Trust (ASCT)		
ADC Administration Grant to ASCT	33	26
Sponsorship income from ASCT to ADC	1,448	254
Amount owed by ASCT to ADC	204	1,895
Amount owed by ADC to ASCT	33	30
Experience Mid Canterbury (EMC)		
Grant from ADC	387	300
Ashburton Community Water Trust (ACWT)		
ADC Administration Grant to ACWT	4	7
Grow Mid Canterbury		
Annual grant from ADC	246	244

Key management personnel compensation

	2015 Council Actual \$000	2014 Council Actual \$000
Councillors		
- remuneration	395	365
- full-time equivalent members	13	17
Senior management including the Chief Executive		
- remuneration	1,010	1,126
- full-time equivalent members	5	5
Total key management remuneration	1,405	1,491

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of councillors. Local government elections in October 2013 has resulted in a change of four elected members.

37. Remuneration

Total staff numbers by remuneration band

	2015 Council Actual \$000	2014 Council Actual \$000
< \$60,000	163	96
\$60,000 - \$80,000	36	33
\$80,000 - \$100,000	15	10
\$100,000 - \$120,000	13	8
\$120,000 - \$220,000	6	-
\$120,000 - \$280,000	-	7
\$220,000 - \$280,000	2	-
Total employees	235	154

Total remuneration includes non-financial benefits paid to employees. At balance date the Council employed 149 full-time employees (2014 115). The balance of staff represents 86 full-time equivalent employees (2014 15). A full-time employee is determined on the basis of a 40 hour working week.

Elected representatives (Mayor and Councillors)

	2015 Council Actual \$000	2014 Council Actual \$000
Mayor		
A McKay	95	89
Councillors		
R Beavan	24	15
N A Brown	28	27
K Cutforth	24	22
R Ellis	23	15
D Favel	23	20
D McLeod	24	20
D N Nelson	29	27
M Nordqvist	23	21
P W Reveley	23	15
A Totty	29	24
A Urquhart	23	15
S Wilson	28	25
I J Burgess	-	6
R J Kilworth	-	9
L J Leadley	-	9
J Sparks	-	6

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:

	2015 Council Actual \$000	2014 Council Actual \$000
Previous Chief Executive Officer:		
Salary	-	122
Vehicle (market value)	-	2
Current Chief Executive Officer:		
Salary, Superannuation & Allowances	268	222
Vehicle (market value)	12	-

38. Severance payments

Section 33 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.

For the year ended 30 June 2015, Council made no severance payments (2014 Nil).

39. 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

1. Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
2. Conduct its affairs in accordance with sound business practice.

Board of Directors

Mr JB Tavendale (Chairman)
Mr D Prendergast
Mr MW Frost
Mr PJ Dunstan

General Manager

Mr KG 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 2014/15 Statement of Corporate Intent, were as follows:

1. The Company budgeted for a profit before tax of \$2,044,000 and actual profit before tax for this period was \$1,925,095.
2. The Company achieved an annual rate of return based on average equity of 14% (target ratio to be no less than 14%).
3. The ratio of shareholders' funds to total assets as at 30 June 2015 was 63% (target ratio to be no less than 50%).
4. The Company received an unqualified Audit Report of its Financial Statements for the year ended 30 June 2015.
5. 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.
6. There were no breaches of the Resource Management Act during the year.
7. ACC Worksafe Safety Management Programme Certification maintained.
8. The Company achieved a reduction of year on year Lost Time Injury Rate of 1.5 (target ratio to be no greater than 3.5).
9. 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. Target dividend was \$529,000. \$250,000 was paid with \$648,000 yet to be paid.

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	39,211	30,943
Operating and other expenses	37,297	29,300
Operating surplus before taxation	1,914	1,643
Share of joint venture Surplus/(deficit)	11	410
Taxation expense	(525)	(573)
Net surplus/(deficit)	1,400	1,480
Other comprehensive revenue	8	220
Total comprehensive revenue and expense	1,408	1,700

40. Ashburton Community Water Trust

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

Objectives of the Trust

1. To coordinate a community approach to water
2. The education of the community in relation to water issues
3. To encourage and support the further development of the region's water resources for the benefit of the Ashburton District community
4. 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
5. The provision of grants and/or loans to enable feasibility studies to be undertaken in respect of water issues
6. Funding and supporting research into water issues including the enhancement of the Ashburton River and resolution of other local environment issues
7. The acquisition of such equipment as might be necessary to further the objects of the Trust

Performance measures

The Council has resolved not to require six monthly reports due to the low level of activity currently being undertaken by the Trust.

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	4	7
Operating and other expenses	25	28
Operating surplus before taxation	(21)	(21)
Taxation expense	-	-
Net surplus/(deficit)	(21)	(21)

41. The Ashburton Stadium Complex Trust

Ashburton District Council has an interest in the Ashburton Stadium Complex Trust which was formed 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 comprehensive revenue and expense for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	445	440
Operating and other expenses	38	47
Operating surplus before taxation	407	393
Taxation expense	-	-
Net surplus/(deficit)	407	393

The Trust's revenue includes donations for timing equipment which was purchased and subsequently vested in Council.

Note: The 2014 figures have been amended to reflect the audited financial statements of the Trust.

42. Experience Mid Canterbury

In 2013 Council took the decision to create a Council Controlled Organisation (CCO) called Experience Mid Canterbury to deliver promotion and marketing activities on behalf of Council. The CCO came into being on 1 July 2013.

Statement of comprehensive revenue and expense for the year ended 30 June 2014

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	816	614
Operating and other expenses	865	637
Operating surplus/(deficit) before taxation	(49)	(23)
Taxation expense	-	6
Net surplus/(deficit)	(49)	(29)

Note: The 2014 figures have been amended to reflect the audited financial statements of the CCO.

43. Local Government Insurance Corporation Limited

Ashburton District Council has a minority shareholding of 56,016 shares out of 11,030,364 shares. The other shares are held by other New Zealand Territorial and Regional Councils.

44. Transwaste Canterbury Limited

Ashburton District Council has a minority shareholding of 600,000 shares out of 20,000,000. The other shares are held by Waste Management NZ Limited, Christchurch City Council and Waimakariri, Selwyn and Hurunui District Councils.

45. Joint Venture – Lake Hood Extension Project

During the 2008 financial year Ashburton Contracting Limited entered into an agreement for a 35% participation 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. The participants completed the purchase of land for the project and have obtained the necessary resource consents for the project.

Following various changes in shareholder participation the Company is currently a 37.59% participant in the joint venture.

Summarised financial information of joint venture

	2015 Actual \$000	2014 Actual \$000
Assets	22,536	18,217
Liabilities	(6,693)	(2,405)
Equity	15,843	15,812
Company's interest at 37.59% (2014 37.59%)	5,955	5,944
Revenue	1,457	4,391
Surplus/(deficit)	31	1,010
Company's interest at 37.59%	11	410

The results of the Joint Venture have been included in the financial statements using the equity method. The surplus for the year includes an increase in the valuation of investment property of \$74,000 (2014 \$6,000). This valuation was performed by a registered valuer at 30 June 2015.

Contingent liabilities related to the Joint Venture are shown in note 33.

46. Canterbury Economic Development Company Limited

The councils in the Canterbury region have established a council controlled organisation (CCO) to provide regional governance functions required by the Ministry of Economic Development with respect to regional economic development funding initiatives. This organisation is responsible for applying for central government funding and overseeing the use and disbursement of funding received. All councils in the Canterbury region own an equal share of the organisation. Ashburton District and Selwyn District have nominated two directors between them, one being the Ashburton District Mayor.

47. Subsequent Events

There are no events in relation to the Council or its subsidiaries that materially affect the financial statements.

48. Separate reserves and special funds

The purpose of individual separate reserves and special funds are provided below. The balances and movements are summarised in note 30.

Separate reserves

Drinking water reserves

Each drinking water scheme retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the scheme. Each individual reserve balance is only available for use by that scheme. All drinking water reserves are part of the drinking water activity.

Supply	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton	1,070	3,364	(3,093)	1,341
Methven	(137)	446	(464)	(154)
Rakaia	289	211	(197)	303
Fairton	16	62	(50)	28
Hakaterere	(9)	67	(49)	8
Hinds	21	100	(90)	31
Mayfield	75	97	(100)	72
Chertsey	30	52	(44)	38
Methven/Springfield	1	109	(111)	(1)
Montalto	14	121	(73)	62
Mt Somers	17	99	(104)	12
Dromore	35	68	(77)	25
Winchmore	44	29	(66)	8
Lake Hood	101	94	(200)	(5)
Barrhill	(111)	46	(10)	(75)
	1,454	4,966	(4,728)	1,692

Supply	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton	1,121	3,237	(3,288)	1,070
Methven	(144)	520	(513)	(137)
Rakaia	221	217	(149)	289
Fairton	111	71	(167)	16
Hakatere	(24)	74	(60)	(9)
Hinds	20	98	(97)	21
Mayfield	63	103	(91)	75
Chertsey	36	58	(64)	30
Methven/Springfield	(7)	98	(91)	1
Montalto	65	122	(173)	14
Mt Somers	15	359	(357)	17
Dromore	33	71	(70)	35
Winchmore	33	50	(39)	44
Lake Hood	61	102	(62)	101
Barrhill	22	81	(214)	(111)
	1,626	5,262	(5,434)	1,454

Wastewater reserves

Each waste water scheme retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the scheme. Each individual reserve balance is only available for use by that scheme.

All wastewater reserves are part of the wastewater activity.

Scheme	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton	3,337	6,295	(5,158)	4,474
Methven	287	299	(232)	355
Rakaia	354	303	(287)	370
	3,978	6,897	(5,677)	5,199

Scheme	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton	2,719	5,254	(4,636)	3,337
Methven	279	291	(283)	287
Rakaia	261	321	(228)	354
	3,259	5,866	(5,147)	3,978

Footpath reserves

Each footpath area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rating area. Each individual reserve balance is only available for use by that rating area.

All footpath reserves are part of the transportation activity.

Rating area	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton	427	1,120	(868)	679
Methven	(11)	198	(152)	35
Rakaia	(117)	129	(49)	(37)
Rural	(81)	95	(58)	(45)
	218	1,542	(1,128)	632

Rating area	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton	271	791	(635)	427
Methven	(16)	172	(166)	(11)
Rakaia	(179)	105	(44)	(117)
Rural	(115)	86	(53)	(81)
	(39)	1,154	(898)	218

Stormwater reserves

Each stormwater area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rating area. Each individual reserve balance is only available for use by that rating area.

All stormwater reserves are part of stormwater activity.

Rating area	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton	287	2,312	(2,156)	444
Methven	60	58	(47)	71
Rakaia	85	15	(6)	94
Hinds	14	2	(2)	14
Rural	7	0	-	8
	454	2,388	(2,212)	630

Rating area	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton	178	2,004	(1,894)	287
Methven	63	57	(60)	60
Rakaia	77	15	(7)	85
Hinds	14	2	(2)	14
Rural	7	0	0	7
	339	2,078	(1,963)	454

Refuse collection reserves

Each refuse collection area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rating area. Each individual reserve balance is only available for use by that rating area.

All refuse collection reserves are part of the refuse and recycling activity.

Rating area	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton	292	1,103	(976)	419
Methven	(32)	187	(138)	17
Rakaia	(25)	101	(79)	(2)
Hinds	2	18	(10)	10
Mt Somers	(17)	-	-	(17)
Mayfield	(12)	8	(4)	(8)
	208	1,418	(1,208)	418

Rating area	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton	316	848	(872)	292
Methven	(32)	144	(143)	(32)
Rakaia	(32)	87	(80)	(25)
Hinds	-	14	(12)	2
Mt Somers	(17)	9	(9)	(17)
Mayfield	(6)	6	(12)	(12)
	229	1,108	(1,128)	208

Memorial hall reserves

Each memorial hall retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each hall. Each individual reserve balance is only available for use by that memorial hall.

All memorial hall reserves are part of the community facilities activity.

Location	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Laghmor/Westerfield	29	2	(0)	31
Mayfield	27	4	(8)	23
Mt Hutt	(17)	56	(79)	(40)
Rakaia	2	4	(4)	2
Tinwald	(10)	9	(11)	(11)
	31	75	(102)	4

Location	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Laghmor/Westerfield	28	2	(0)	29
Mayfield	27	4	(4)	27
Mt Hutt	(47)	2,490	(2,461)	(17)
Rakaia	-	12	(9)	2
Tinwald	(4)	8	(13)	(10)
	4	2,515	(2,488)	31

Reserve board reserves

Each reserve board retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each reserve board. Each individual reserve balance is only available for use by that reserve board.

All reserve board reserves are part of the community facilities activity.

Location	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Alford Forest	2	1	(1)	2
Chertsey	8	1	(0)	9
Dorie	1	1	(1)	2
Ealing	13	2	-	15
Ashburton Forks	5	7	(1)	11
Highbank	16	1	(0)	17
Hinds	8	42	(54)	(4)
Lynnford	(1)	0	(0)	(1)
Maronon	2	1	(0)	3
Mayfield	(7)	1	(5)	(10)
Methven	2	9	(6)	5
Mt Somers	50	114	(155)	8
Pendarves	(0)	0	(0)	(0)
Rakaia	134	27	(21)	140
Ruapuna	6	14	(13)	8
Seafiel	4	0	(0)	4
Tinwald	213	431	(485)	159
	458	653	(743)	368

Location	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Alford Forest	2	1	(1)	2
Chertsey	7	1	(0)	8
Dorie	1	1	(1)	1
Ealing	11	2	0	13
Ashburton Forks	4	2	(0)	5
Highbank	15	1	(0)	16
Hinds	6	3	(1)	8
Lynnford	(1)	0	(0)	(1)
Maronon	1	1	(0)	2
Mayfield	(6)	8	(9)	(7)
Methven	6	10	(14)	2
Mt Somers	25	138	(113)	50
Pendarves	-	0	(1)	(0)
Rakaia	136	24	(26)	134
Ruapuna	1	13	(7)	6
Seafield	4	0	(0)	4
Tinwald	270	326	(383)	213
	482	533	(557)	458

Parks and beautification reserves

Each beautification area (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rating area. Each individual reserve balance is only available for use by that rating area.

All parks and beautification reserves are part of the parks and open spaces activity.

Beautification area	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Ashburton domain and gardens	(383)	1,278	(1,310)	(415)
Baring Square East	113	61	(74)	101
Baring Square West	36	38	(24)	51
Ashburton town centre	374	600	(539)	435
Methven	73	138	(147)	64
Rakaia	(44)	104	(134)	(73)
Urban	(68)	333	(318)	(53)
Rural	92	56	(51)	97
State Highway 1	78	64	(53)	89
Neighbourhood grounds	(121)	250	(274)	(145)
Ashburton domain sportgrounds	(136)	116	(137)	(157)
Other sports fields	49	104	(145)	8
Ashburton Business Estate	(0)	111	(155)	(45)
	64	3,254	(3,360)	(42)

Beautification area	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Ashburton domain and gardens	(275)	652	(759)	(383)
Baring Square East	92	62	(41)	113
Baring Square West	28	32	(24)	36
Ashburton town centre	317	364	(307)	374
Methven	87	146	(160)	73
Rakaia	(27)	94	(111)	(44)
Urban	(4)	530	(594)	(68)
Rural	99	36	(43)	92
State Highway 1	83	58	(63)	78
Neighbourhood grounds	(97)	170	(194)	(121)
Ashburton domain sportgrounds	(130)	169	(174)	(136)
Other sports fields	109	95	(155)	49
Ashburton Business Estate	(29)	151	(122)	(0)
	253	2,557	(2,746)	64

Other separate reserves

Separate reserves also include the following:

- Stockwater reserve – Stockwater (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the targeted rating areas. The reserve balance is only available for use by the stockwater rating areas. The stockwater reserve is part of the economic development activity.
- Forestry reserve – the net surplus from the Council’s forestry operations are held in this reserve. Each year a transfer from this reserve is made to offset the general rate and uniform annual general charge. The forestry reserve is part of the economic development activity.
- Dividend account – the proceeds from the sale of the Council’s Lyttelton Port Company Ltd shareholding some years ago. The balance is not restricted in its use and can be used for purposes approved by Council. The dividend account is part of the miscellaneous activity.
- Property reserves – there are two property reserves, one that holds the proceeds of any property sales (and which property purchases are funded) and a reserve from which income and expenditure from the Council’s airport operation are retained. Both property reserves are part of the economic development activity.
- Youth council reserve – the council provides funds to support the activities of the youth council. These funds are retained in a separate reserve, the balance of which is only available for this activity. The youth council reserve is part of the democracy and governance activity.
- Library reserve – the net annual surplus or deficit (including capital income and expenditure) of the district’s libraries are retained in this reserve. The balance is only available for the library activity. The library reserve is part of the community recreation and leisure activity.
- Rural fire reserve – The rural fire activity (for which targeted rates are levied) retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of each targeted rating area. The balance is only available for use by that activity. The rural fire reserve is part of the community facilities and support activity.

- Parking reserve – Council’s parking enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates of the lifetime of the activity. The balance is only available for use by that activity. The parking reserve is part of the regulatory services activity.
- Festive lighting reserve – this reserve is funded from rates and contributions. The reserve retains its own surplus or deficit (including capital income and expenditure) which accumulates of the lifetime of the activity. The balance is only available for use by that activity. The festive lighting reserve is part of the parks and open spaces activity.
- Animal control reserve – Council’s animal control enforcement activity retains its own surplus or deficit (including capital income and expenditure) which accumulates of the lifetime of the activity. The balance is only available for use by that activity. The animal control reserve is part of the regulatory services activity.
- Elderly person housing reserve – Council provides elderly persons units for rent. The activity is required to be self-funding with no rate input. The annual surplus or deficit (including capital income and expenditure) is retained in this reserve. The balance can only be used for this activity. The elderly person housing reserve is part of the community facilities and support activity.
- Road safety reserve – Council undertake road safety that is funded by rates and the NZTA subsidy. The reserve retains the activity’s surplus/deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity. The road safety reserve is part of the transportation activity.
- Arts and culture reserve – the arts and culture activity retains the activity’s surplus/deficit (including capital income and expenditure) which accumulates over the lifetime of the activity. The balance is only available for use by that activity. The arts and culture reserve is part of the community recreation and leisure activity.

	Balance 01/07/2014	Deposits to funds	Withdrawals from funds	Balance 30/06/2015
	\$000	\$000	\$000	\$000
Stockwater	(496)	1,086	(1,018)	(428)
Forestry	1,596	(316)	(548)	732
Dividend account	12,084	421	(539)	11,966
Property	15,511	5,738	(5,043)	16,206
Airport	(1)	1	-	0
Youth council	18	23	(18)	24
Library	189	-	(189)	-
Rural fire	72	642	(630)	84
Parking	1,713	570	(329)	1,955
Festive lighting	53	12	(12)	53
Animal control	102	344	(669)	(223)
Elderly persons housing	449	501	(377)	573
Road safety	(8)	8	0	-
Arts and culture	(72)	1,917	(2,074)	(230)
	31,209	10,947	(11,446)	30,710

	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Stockwater	(397)	1,060	(1,159)	(496)
Forestry	1,204	1,323	(931)	1,596
Dividend account	12,094	190	(200)	12,084
Property	12,812	6,796	(4,097)	15,511
Airport	(160)	190	(30)	(1)
Youth council	15	20	(16)	18
Library	154	1,068	(1,033)	189
Rural fire	109	530	(568)	72
Parking	1,477	602	(366)	1,713
Festive lighting	60	11	(18)	53
Animal control	284	349	(532)	102
Elderly persons housing	308	487	(347)	449
Road safety	(83)	181	(106)	(8)
Arts and culture	(154)	1,408	(1,326)	(72)
	27,723	14,215	(10,729)	31,209

Special funds

Special funds have been set up for specific purposes. Their use is restricted to the purpose for which they were set up. They retain their surplus or deficit but are used to meet the costs that comply with their purpose. Many of these funds were inherited from Ashburton County and Ashburton Borough Councils' at the time of amalgamation in 1989.

These funds are included in the miscellaneous activity.

Special funds include the following reserves:

- Roading bridges reserve – to fund the costs associated with maintaining or upgrading Council bridges.
- Road and Sealing reserves – to meet the costs of maintaining roads in the District. The sealing special fund was closed on 30 June 2014.
- Ashburton stormwater reserve – to assist with the funding urban stormwater in Ashburton. This fund was closed on 30 June 2014.
- Arts Centre improvement reserve – to assist in the provision of art gallery services. This special fund was amalgamated with the Arts and Culture separate reserve.
- Historical acquisition reserve – to assist the museum in purchasing items or improving its service.
- Town centre beautification reserve – to meet development costs incurred in the upgrade of the Ashburton town centre.
- Access Trust reserve – this fund was set up with money received from government employment assistance in past years and is used to fund projects that are similar in purpose to those Access programmes of the past.
- Purchase and improvement reserve – this reserves if funded form financial contributions levied on subdivisions under the Resource Management Act. Its use is governed by the Act.
- Land subdivision and Land purchase and improvement reserves – this fund is used to purchase land for reserve purposes.

- Plant renewal reserve – purchases of new vehicles and equipment are made from this reserve. It is funded through depreciation charges on those items.
- Civic amenities reserve – this is an old Ashburton Borough reserve created to fund amenities that provided civic facilities in the Ashburton urban area. This fund was closed on 30 June 2014.
- Other asset reserves – this reserve is to fund asset purchases, however the type of asset was not specified. This fund was closed on 30 June 2014.
- Disaster insurance reserve – Council retains a cash reserve as part of its insurance provisions. This reserve along with its normal insurances and LAPP insurance should ensure that the Government meets its contribution towards any major disaster. This fund meets the annual cost of Council’s membership of LAPP.
- Capital services reserve – community development contributions are reflected in this account and are applied when required for the purpose the contribution was initially taken.
- Town clock maintenance reserve – to assist with the maintenance of the Ashburton town clock in Baring Square East. This fund was closed on 30 June 2014.
- Contingency reserve – a fund set up to meet unforeseen expenditure of any nature.

	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
Roading bridges	173	5	-	178
Roads	401	8	(267)	142
Arts centre improvement	68	-	(68)	(0)
Historical acquisition	14	0	-	15
Town centre beautification	238	7	-	245
Access Trust	35	1	-	36
Reserve contributions	2,908	571	(899)	2,581
Heritage grant funding	58	2	-	59
Plant renewal	921	586	(452)	1,055
Disaster insurance	2,548	123	(60)	2,611
Capital services	275	400	(392)	283
Contingency	16	0	-	17
	<u>7,655</u>	<u>1,705</u>	<u>(2,138)</u>	<u>7,222</u>

	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
Roading bridges	171	2	-	173
Roads	303	98	-	401
Sealing ¹	88	1	(89)	-
Ashburton stormwater ¹	1	-	(1)	-
Arts centre improvement ²	66	2	-	68
Historical acquisition	14	0	-	14
Town centre beautification	232	6	-	238
Access Trust	34	1	-	35
Reserve contributions	3,060	719	(870)	2,908
Heritage grant funding	42	16	(0)	58
Plant renewal	401	1,104	(584)	921
Civic amenities ¹	14	-	(14)	-
Other assets ¹	428	6	(434)	-
Disaster insurance	2,585	67	(104)	2,548
Capital services	206	388	(319)	275
Town clock maintenance ¹	15	-	(15)	-
Contingency	16	0	-	16
	7,676	2,410	(2,431)	7,655

¹ This special fund was closed on 30 June 2014 by Council resolution.

² The Arts Centre Improvement special fund has been amalgamated with the Arts & Culture separate reserve.

Sinking and trust funds

Council took up a loan to buy shares in Ashburton Contracting Limited when the company was first established. Each year a principal repayment is made to the sinking fund reserve and held here until the term of the loan matures and a principal payment can be made.

The trust fund is for a bequest to Council to maintain the John Grigg statue in Baring Square West and educational grants.

	Balance 01/07/2014 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2015 \$000
ACL sinking fund	55	-	(55)	-
John Grigg statue trust fund	20	1	-	21
	75	1	(55)	21

	Balance 01/07/2013 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2014 \$000
ACL sinking fund	55	-	-	55
John Grigg statue trust fund	19	1	-	20
	74	1	-	75

49. Capital expenditure and statement of acquisitions and replacements

	Council	Council	Group	Group
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Roading	8,288	10,401	8,288	10,401
Footpaths	684	486	684	486
Drinking water	1,261	1,699	1,261	1,699
Wastewater	2,334	1,864	2,334	1,864
Stormwater	1,733	1,273	1,733	1,273
Solid waste	64	157	64	157
Library	117	122	117	122
Arts and culture	490	320	490	320
Recreation facilities and services	18,437	13,686	18,437	13,686
Elderly housing	12	12	12	12
Emergency management	24	4	24	4
Public conveniences	-	1	-	1
Halls	4	2,431	4	2,431
Commercial property	1,230	6,218	1,230	6,218
Stockwater	22	111	22	111
Parks and recreation	971	470	971	470
Cemeteries	29	19	29	19
Reserves and camping grounds	1,697	1,284	1,697	1,284
Reserve boards	315	187	315	187
Environmental services	388	298	388	298
Other operations	717	954	717	3,414
	<u>38,818</u>	<u>41,997</u>	<u>38,818</u>	<u>44,457</u>

Note: This table includes capital expenditure which is not complete. Incomplete capital work is included as work in progress in the Statement of Financial Position.

Statement of acquisitions and replacements

Council is required to disclose any significant acquisitions or replacement of assets undertaken during the 2014/15 year. For this disclosure Council deems acquisitions or replacements of assets greater than \$500,000 to be significant.

Project	Reason for undertaking the project	Budget 2014/15 \$000	Actual 2014/15 \$000	Status	Variance to budget
Thompsons Track	To rehabilitate and strengthen the roading surface	\$1,000	\$1,036	Complete	
Ashburton watermain renewal	To undertake watermain renewal work on Eton Street	\$635	\$579	Complete	
Ashburton relief sewer upgrade	To continue the upgrade of the Ashburton sewer network	\$3,040	\$47	Budget revised	The upgrade is expected to be completed in 2016. The budget was revised to \$3.7 million in the 2015-2025 LTP.
Ashburton catchment Trunk main sewer renewal	To renew aged piping within the network	\$1,947	\$467	In progress	Carried over to 2015-2016. Will be completed January 2016.
Ashburton Mill Creek bank stabilisation	To continue the stabilisation of Mill Creek	\$1,490	\$1,145	Ongoing	Due to high water flows during the winter months work was delayed. Carried over to 2015-2016 and will be completed in December 2015.
EA Networks Centre	To provide a stadium and pool complex for the community	\$18,162	\$18,437	Complete	
Geoff Geering Drive Subdivision	To undertake stage 2 of the residential subdivision	\$800	\$0	Ongoing	Carried over to 2015-2016.
Purchase of residential properties	Purchased properties relating to the Ashburton 2 nd bridge project	\$0	\$960	Complete	
Ashburton Domain pond intake pipeworks	Upgrade of old pond intake channels to underground piping.	\$0	\$616	Complete	Initially budgeted 3-4 years prior but undertaken with Mill Creek project.

50. Explanations of variances against budget

Explanations for major variations from the Council's budget figures in its 2014/15 Annual Plan are as follows:

Revenue variances

Total revenue is \$6,546,000 above budget

The detailed reason for the variance is outlined in the individual activity statements, but are summarised as follows:

Income from fees and charges is \$1,606,000 above budget

There are a number of activities that have contributed to the variance.

- DBH and BRANZ building levies were \$147,000 above budget, and building consents \$123,000 above budget. The number of building consents and the value of these consents were above expected levels.
- 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 in preparation for the opening of the EA Networks Centre. As a result of this \$548,000 of swimming fees was received. There was no budget provision for this early integration.
- 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

The number of building consents lodged during 2014/15 was up on what was budgeted which lead to an increase in development contributions received (development contributions are applied on building consent applications).

- Community development contributions were up \$111,000 on budget.
- Water development contributions were up \$267,000 on budget.
- Wastewater development contributions were up \$809,000 on budget, of which \$526,000 was from the EA Networks Centre alone.

Financial contributions from subdivision activity was \$313,000 above budget.

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 Network Centre. Actual fundraising income received 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

Increased internal borrowing of funds during the year led to external investments being less than budget and a corresponding decrease in external interest received.

Expenditure Variances

Total expenses is \$6,305,000 above budget

The detailed reason for the variance is outlined in the individual activity statements, but are summarised as follows:

Expenditure on personnel costs is \$895,000 above budget

There are a number of activities that have contributed to the variance. The two major reasons for the costs being greater were:

- The Ashburton Community Pool became an activity of Council from 1 October 2014 in preparation for the opening of the EA Networks Centre. No budget provision was made for this transfer.
- The Ashburton Museum became an activity of Council from 1 July 2014. The budget was prepared on the basis that this activity was still external and personnel costs were paid via a grant.

Expenditure on depreciation and amortisation is \$852,000 above budget

There are a number of activities that have contributed to the variance. The significant variances are:

- There was no budget provision in the current year for building and plant depreciation costs for the EA Network Centre. Actual costs amounted to \$175,000.
- The Methven Heritage Centre building and exhibition was vested in Council on 31 March 2014. There was no budget provision made for depreciation costs for this activity. Actual costs amounted to \$147,000.
- Infrastructural depreciation costs were \$453,000 over budget. The actual depreciation is based on the 2014 asset valuation but the budget was based on an earlier valuation.

Expenditure on finance costs is \$1,267,000 below budget

Loans for the EA Networks Centre were budgeted as external loans but some of these were financed by internal loans during 2014/15. This resulted in a reduction of external interest costs of \$508,000.

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.

Loans for the Ashburton Art Gallery and Heritage Centre were budgeted as external loans but were financed by internal loans. This resulted in a reduction of external interest costs of \$256,000.

Loans for the Ashburton Business Estate subdivision development were originally budgeted to be external loans. Development was actually financed via reserve funds and internal loans. This resulted in a reduction of external interest costs of \$159,000.

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 due to increased tonnage of materials processed through the resource recovery parks.

Water supplies expenditure was \$127,000 over budget due to increased maintenance and electricity costs.

Transport expenditure was \$129,000 over budget due to increased maintenance costs.

Council took over the operation of the Ashburton Community Pool on 1 October 2014, the full cost of operating those facilities was not budgeted. Over expenditure of \$298,000 occurred within “other expenses”. In addition, the EA Networks Centre incurred \$266,000 of unbudgeted electricity costs.

Due to higher levels of building consents Environmental Services contractor and DBH and BRANZ levies costs were \$216,000 above budget.

Parks and Reserve maintenance costs were \$170,000 above budget.

Council has incurred additional consultancy expenditure that was unbudgeted of \$349,000; this includes activity management plan consultancy of \$103,000, Art Gallery and Heritage Centre project review of \$62,000, Curries Pit landfill capping of \$20,000 and Rangitata Diversion Race bridge ownership consultancy of \$32,000.

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 is \$3,064,000 above budget

Unbudgeted asset write downs included in the following:

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

More detailed revenue and expenditure variance explanations are included in the relevant groups of activities statements.

51. Adjustments to the comparative year financial statements

The 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. The adjustments are shown in the table below.

		Actual 2014			
		Before	Reclassification	PBE Transition	
		Adjustments	Adjustments	Adjustments	
		\$000	\$000	\$000	
				After	
				Adjustments	
				\$000	
Council					
Revenue					
Rates, other than metered water supply	(a)	26,826	(117)	-	26,709
Other revenue	(d)	21,494	-	73	21,567
Expenditure					
Other expenses	(a)	22,212	(117)	-	22,095
Non current assets					
Intangible assets	(d)	519	-	233	752
Equity					
Ratepayers equity	(d)	433,202	-	233	433,435

		Actual 2014			
		Before	Reclassification	PBE Transition	
		Adjustments	Adjustments	Adjustments	
		\$000	\$000	\$000	
				After	
				Adjustments	
				\$000	
Group					
Revenue					
Rates, other than metered water supply	(a)	26,826	(117)	-	26,709
Other revenue	(d)	45,272	-	73	45,345
Expenditure					
Other expenses	(a)	34,248	(117)	-	34,131
Current assets					
Receivables	(b), (c)	7,583	1,123	-	8,706
Inventories	(c)	2,863	(1,237)	-	1,626
Non current assets					
Intangible assets	(d)	1,198	-	233	1,431
Current liabilities					
Payables and deferred revenue	(b)	10,598	(114)	-	10,484
Equity					
Ratepayers equity	(d)	443,563	-	233	443,796

Explanatory notes

Reclassification adjustments

- a) For the Council and group, rates remissions of \$117,000 has been reclassified from other expenses and offset against rates other than metered water supply. Rates remissions are now required to be included within the rates line under the Local Government (Financial Reporting and Prudence) Regulations 2014.
- b) For the group \$114,000 of GST payable was reclassified from payables and deferred revenue to receivables. This was done because the group has a net GST receivable.
- c) For the group \$1,237,000 of inventories has been reclassified to receivables, as this was ACL contract work in progress and is more appropriately classified as a receivable.

Adjustments of transition to new PBE accounting standards

- d) For the Council and group other revenue has been increased by \$73,000 on transition to the new PBE accounting standards due to an increase in the gain on sale of carbon credits. The Council received carbon credits for no consideration when these were allocated by the government under the Emissions Trading Scheme. The Council had accounted for these carbon credits as nil under NZ IFRS (PBE). Under the new PBE accounting standards, carbon credits received for no consideration are required to be accounted for at their fair value at initial recognition. The carbon credits have been recognised at 1 July 2013 as deemed cost. The fair value of the carbon credits at 1 July 2013 was \$160,000. No carbon credits were sold during the 30 June 2014 financial year.

Funding Impact Statements

1. Council Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2014 Annual Report \$000	2014 Annual Plan \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC*, rates penalties	9,453	9,711	8,184	8,272
Targeted rates (other than water supply)	19,362	19,270	18,383	18,335
Subsidies and grants for operating purposes	1,894	1,802	1,735	1,863
Fees, charges and targeted rates for water supply	6,692	5,087	5,523	4,821
Interest and dividends from investments	1,822	1,987	1,839	1,590
Local authorities fuel tax, fines, infringement fees and other receipts	7,652	9,042	11,557	9,083
Total sources of operating funding	46,875	46,899	47,221	43,964
Applications of operating funding				
Payments to staff and suppliers	34,047	30,109	32,346	29,805
Finance costs	2,428	3,976	1,988	3,110
Other operating funding applications	167	495	260	182
Total applications of operating funding	36,642	34,580	34,594	33,097
Surplus/(deficit) of operating funding	10,233	12,319	12,627	10,867
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	6,448	3,115	4,238	3,308
Development and/or financial contributions	2,326	540	1,208	3,475
Increase/(decrease) in debt	12,519	20,166	16,083	17,247
Gross proceeds from sale of assets	2,842	-	2,600	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	24,135	23,821	24,129	24,030
Applications of capital funding				
Capital expenditure				
- to meet additional demand	169	2,160	-	3,882
- to improve the level of service	25,726	26,285	24,802	24,124
- to replace existing assets	8,803	9,809	8,047	8,916
Increase/(decrease) in reserves	(330)	(2,114)	3,334	(2,025)
Increase/(decrease) in investments	-	-	573	-
Total applications of capital funding	34,368	36,140	36,756	34,897
Surplus/(deficit) of capital funding	(10,233)	(12,319)	(12,627)	(10,867)
Funding Balance	-	-	-	-

Reconciliation of Council Funding Impact Statement to Statement of Comprehensive Revenue and Expense

	Actual 2015 \$000	Budget 2015 \$000	Actual 2014 \$000	Budget 2014 \$000
Total sources of operating funding	46,875	46,899	47,221	43,964
<i>plus capital funding sources treated as income</i>				
Subsidies and grants for capital expenditure	6,448	3,115	4,238	3,308
Development and/or financial contributions	2,326	540	1,208	3,475
<i>plus income not treated as funding sources</i>				
Vested assets	4,186	2,957	9,221	1,746
Other gains	1,445	1,223	4,964	1,451
Revenue per statement of comprehensive revenue and expenses	61,280	54,734	66,852	53,944
Total applications of operating funding	36,642	34,580	34,594	33,097
<i>plus expenditure not treated as funding applications</i>				
Depreciation	12,036	11,324	10,357	10,788
Other losses	3,063	-	3,493	-
less income tax in activity funding applications	(11)	(479)	(95)	(170)
Expenditure per statement of comprehensive revenue and expenses	51,730	45,425	48,349	43,715
Surplus/(deficit) before tax per statement of comprehensive revenue and expenses	9,550	9,309	18,503	10,229

The depreciation in the Council Funding Impact Statement does not include depreciation incurred in internal activities of Council (overhead departments). Costs of these overhead departments are allocated across all activities of Council but are not specifically identified by their components, such as depreciation costs. The Statement of Comprehensive Revenue and Expense does include all depreciation, including overhead departments.

2. Group of Activities Funding Impact Statements

Transportation Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	383	380	256	283
Targeted rates (other than water supply)	7,281	7,244	6,759	6,588
Subsidies and grants for operating purposes	1,765	1,729	1,168	1,235
Fees, charges and targeted rates for water supply	29	8	8	8
Internal charges and overheads recovered	52	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	528	501	508	606
Total sources of operating funding	10,038	9,862	8,699	8,720
Applications of operating funding				
Payments to staff and suppliers	5,174	4,446	4,843	4,686
Finance costs	-	-	7	8
Internal charges and overheads applied	69	69	72	79
Other operating funding applications	-	-	-	-
Total applications of operating funding	5,243	4,515	4,922	4,773
Surplus/(deficit) of operating funding	4,795	5,347	3,777	3,947
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	3,041	3,115	3,946	3,646
Development and/or financial contributions	26	52	57	55
Increase/(decrease) in debt	(114)	(117)	(117)	(114)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	2,953	3,050	3,886	3,587
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	1,395	202	231
- to improve the level of service	1,536	420	642	728
- to replace existing assets	6,168	6,439	6,847	6,594
Increase/(decrease) in reserves	44	143	(28)	(19)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	7,748	8,397	7,663	7,534
Surplus/(deficit) of capital funding	(4,795)	(5,347)	(3,777)	(3,947)
Funding Balance	-	-	-	-

Drinking Water Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	-	-	-	-
Targeted rates (other than water supply)	3,839	3,842	4,216	4,075
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	396	190	189	183
Internal charges and overheads recovered	100	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	56	121	123	119
Total sources of operating funding	4,391	4,153	4,528	4,377
Applications of operating funding				
Payments to staff and suppliers	2,556	2,185	2,523	2,429
Finance costs	83	107	273	262
Internal charges and overheads applied	561	524	393	409
Other operating funding applications	1	-	-	-
Total applications of operating funding	3,201	2,816	3,189	3,100
Surplus/(deficit) of operating funding	1,190	1,337	1,339	1,277
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	398	100	81	79
Increase/(decrease) in debt	(486)	17	7	(195)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(88)	117	88	(116)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	265	435	448	157
- to replace existing assets	818	846	872	1,011
Increase/(decrease) in reserves	19	173	107	(7)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	1,102	1,454	1,427	1,161
Surplus/(deficit) of capital funding	(1,190)	(1,337)	(1,339)	(1,277)
Funding Balance	-	-	-	-

Wastewater Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	-	-	-	-
Targeted rates (other than water supply)	4,146	4,110	4,267	4,026
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	65	43	50	48
Internal charges and overheads recovered	248	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	596	447	334	302
Total sources of operating funding	5,055	4,600	4,651	4,376
Applications of operating funding				
Payments to staff and suppliers	1,755	1,707	1,957	1,862
Finance costs	759	1,017	945	891
Internal charges and overheads applied	230	230	65	80
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,744	2,954	2,967	2,833
Surplus/(deficit) of operating funding	2,311	1,646	1,684	1,543
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	1,021	212	192	186
Increase/(decrease) in debt	(310)	2,730	328	891
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	711	2,942	520	1,077
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	447
- to improve the level of service	284	3,040	-	1,504
- to replace existing assets	1,543	2,202	2,276	766
Increase/(decrease) in reserves	1,195	(654)	(72)	(97)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	3,022	4,588	2,204	2,620
Surplus/(deficit) of capital funding	(2,311)	(1,646)	(1,684)	(1,543)
Funding Balance	-	-	-	-

Stormwater Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	81	80	83	76
Targeted rates (other than water supply)	736	721	750	682
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	1	2	2	2
Internal charges and overheads recovered	38	6	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	9	22	58	45
Total sources of operating funding	865	831	893	805
Applications of operating funding				
Payments to staff and suppliers	268	351	320	306
Finance costs	36	73	98	68
Internal charges and overheads applied	96	97	101	104
Other operating funding applications	-	-	-	-
Total applications of operating funding	400	521	519	478
Surplus/(deficit) of operating funding	465	310	374	327
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	-	-	-	-
Increase/(decrease) in debt	860	1,176	426	430
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	860	1,176	426	430
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,158	1,490	535	518
- to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	167	(4)	265	239
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	1,325	1,486	800	757
Surplus/(deficit) of capital funding	(465)	(310)	(374)	(327)
Funding Balance	-	-	-	-

Refuse and Recycling Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	888	881	1,023	956
Targeted rates (other than water supply)	759	755	595	527
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	1,840	1,419	1,362	1,299
Internal charges and overheads recovered	474	396	426	402
Local authorities fuel tax, fines, infringement fees and other receipts	833	809	637	618
Total sources of operating funding	4,794	4,260	4,043	3,802
Applications of operating funding				
Payments to staff and suppliers	4,163	3,747	3,544	3,318
Finance costs	1	-	20	21
Internal charges and overheads applied	394	398	426	402
Other operating funding applications	-	-	-	-
Total applications of operating funding	4,558	4,145	3,990	3,741
Surplus/(deficit) of operating funding	236	115	53	61
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	-	-	109	105
Increase/(decrease) in debt	-	(6)	(14)	(14)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	(6)	95	91
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	4	4
- to improve the level of service	43	66	54	57
- to replace existing assets	21	15	14	17
Increase/(decrease) in reserves	172	28	76	74
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	236	109	148	152
Surplus/(deficit) of capital funding	(236)	(115)	(53)	(61)
Funding Balance	-	-	-	-

Community Recreation and Leisure Funding Impact Statement

For the year ended 30 June 2015

	Annual Report \$000	Annual Plan \$000	LTP Year 3 \$000	LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	4,692	4,656	4,810	4,082
Targeted rates (other than water supply)	30	29	29	29
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	593	16	23	23
Internal charges and overheads recovered	209	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	54	278	1,135	68
Total sources of operating funding	5,578	4,979	5,997	4,202
Applications of operating funding				
Payments to staff and suppliers	3,761	2,616	3,332	2,234
Finance costs	1,126	1,667	1,578	1,190
Internal charges and overheads applied	1,092	578	623	603
Other operating funding applications	4	-	-	-
Total applications of operating funding	5,983	4,861	5,533	4,027
Surplus/(deficit) of operating funding	(405)	118	464	175
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	1,846	-	-	2,500
Development and/or financial contributions	-	-	416	-
Increase/(decrease) in debt	16,129	17,956	1,386	11,254
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	17,975	17,956	1,802	13,754
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	492	2,824
- to improve the level of service	18,866	18,284	1,966	11,296
- to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	(1,296)	(210)	(192)	(191)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	17,570	18,074	2,266	13,929
Surplus/(deficit) of capital funding	405	(118)	(464)	(175)
Funding Balance	-	-	-	-

Community Facilities and Support Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	1,039	1,050	986	965
Targeted rates (other than water supply)	440	431	385	401
Subsidies and grants for operating purposes	106	68	48	108
Fees, charges and targeted rates for water supply	18	2	2	2
Internal charges and overheads recovered	91	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	615	638	594	575
Total sources of operating funding	2,309	2,189	2,015	2,051
Applications of operating funding				
Payments to staff and suppliers	2,497	1,837	1,677	1,625
Finance costs	-	-	-	-
Internal charges and overheads applied	59	107	73	72
Other operating funding applications	-	-	-	-
Total applications of operating funding	2,556	1,944	1,750	1,697
Surplus/(deficit) of operating funding	(247)	245	265	354
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	392	-	290	280
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	392	-	290	280
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	32	190	11	97
- to replace existing assets	8	12	43	47
Increase/(decrease) in reserves	105	43	501	490
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	145	245	555	634
Surplus/(deficit) of capital funding	247	(245)	(265)	(354)
Funding Balance	-	-	-	-

Economic Development Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	(656)	(668)	(316)	(662)
Targeted rates (other than water supply)	1,177	1,171	1,215	1,172
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-
Internal charges and overheads recovered	1,602	637	694	673
Local authorities fuel tax, fines, infringement fees and other receipts	4,292	6,954	2,889	2,476
Total sources of operating funding	6,415	8,094	4,482	3,659
Applications of operating funding				
Payments to staff and suppliers	4,688	4,046	3,740	3,582
Finance costs	205	917	857	936
Internal charges and overheads applied	581	691	372	373
Other operating funding applications	1	479	233	170
Total applications of operating funding	5,475	6,133	5,202	5,061
Surplus/(deficit) of operating funding	940	1,961	(720)	(1,402)
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	1,561	-	-	-
Development and/or financial contributions	-	-	-	-
Increase/(decrease) in debt	(3,345)	(1,375)	(2,857)	(737)
Gross proceeds from sale of assets	2,746	-	3,806	3,699
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	962	(1,375)	949	2,962
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,248	1,744	11	2,074
- to replace existing assets	4	66	63	30
Increase/(decrease) in reserves	650	(1,224)	155	(544)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	1,902	586	229	1,560
Surplus/(deficit) of capital funding	(940)	(1,961)	720	1,402
Funding Balance	-	-	-	-

Parks and Open Spaces Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC* and rates penalties	1,442	1,463	1,448	1,391
Targeted rates (other than water supply)	886	900	917	887
Subsidies and grants for operating purposes	23	4	4	4
Fees, charges and targeted rates for water supply	492	410	399	387
Internal charges and overheads recovered	209	310	83	81
Local authorities fuel tax, fines, infringement fees and other receipts	420	241	348	339
Total sources of operating funding	3,472	3,328	3,199	3,089
Applications of operating funding				
Payments to staff and suppliers	3,097	2,807	2,862	2,760
Finance costs	1	1	4	4
Internal charges and overheads applied	74	57	62	63
Other operating funding applications	1	-	-	-
Total applications of operating funding	3,173	2,865	2,928	2,827
Surplus/(deficit) of operating funding	299	463	271	262
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	489	176	305	295
Increase/(decrease) in debt	(39)	(39)	(39)	(39)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	450	137	266	256
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	165	-	-
- to improve the level of service	1,528	287	164	344
- to replace existing assets	3	69	70	161
Increase/(decrease) in reserves	(782)	79	303	13
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	749	600	537	518
Surplus/(deficit) of capital funding	(299)	(463)	(271)	(262)
Funding Balance	-	-	-	-

Democracy Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC*, rates penalties	1,510	1,499	1,658	1,605
Targeted rates (other than water supply)	68	67	67	63
Subsidies and grants for operating purposes	-	1	1	1
Fees, charges and targeted rates for water supply	-	-	-	-
Internal charges and overheads recovered	97	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	27	116	19	59
Total sources of operating funding	1,702	1,683	1,745	1,728
Applications of operating funding				
Payments to staff and suppliers	1,689	1,683	1,745	1,728
Finance costs	-	-	-	-
Internal charges and overheads applied	1	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	1,690	1,683	1,745	1,728
Surplus/(deficit) of operating funding	12	-	-	-
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	12	-	-	-
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	12	-	-	-
Surplus/(deficit) of capital funding	(12)	-	-	-
Funding Balance	-	-	-	-

Regulatory Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC*, rates penalties	1,249	1,239	1,286	1,275
Targeted rates (other than water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	3,258	2,997	2,794	2,707
Internal charges and overheads recovered	498	327	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	500	707	838	810
Total sources of operating funding	5,505	5,270	4,918	4,792
Applications of operating funding				
Payments to staff and suppliers	4,738	4,565	4,350	4,217
Finance costs	12	21	39	44
Internal charges and overheads applied	157	175	96	105
Other operating funding applications	16	16	21	20
Total applications of operating funding	4,923	4,777	4,506	4,386
Surplus/(deficit) of operating funding	582	493	412	406
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	-	-	-	-
Increase/(decrease) in debt	(176)	(176)	(225)	(225)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	(176)	(176)	(225)	(225)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	387	-	-	-
- to replace existing assets	-	-	-	-
Increase/(decrease) in reserves	19	317	187	181
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	406	317	187	181
Surplus/(deficit) of capital funding	(582)	(493)	(412)	(406)
Funding Balance	-	-	-	-

Miscellaneous Funding Impact Statement

For the year ended 30 June 2015

	2015 Annual Report \$000	2015 Annual Plan \$000	2015 LTP Year 3 \$000	2014 LTP Year 2 \$000
Operating Funding				
Sources of operating funding				
General rates, UAGC*, rates penalties	(1,175)	(869)	(1,407)	(1,398)
Targeted rates (other than water supply)	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-
Internal charges and overheads recovered	2,702	1,250	1,080	1,134
Local authorities fuel tax, fines, infringement fees and other receipts	1,921	222	990	944
Total sources of operating funding	3,448	603	663	680
Applications of operating funding				
Payments to staff and suppliers	38	146	202	195
Finance costs	205	173	293	295
Internal charges and overheads applied	3,006	-	-	-
Other operating funding applications	144	-	-	-
Total applications of operating funding	3,393	319	495	490
Surplus/(deficit) of operating funding	55	284	168	190
* Uniform Annual General Charges				
Capital Funding				
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and/or financial contributions	-	-	-	-
Increase/(decrease) in debt	-	-	(3,030)	(30)
Gross proceeds from sale of assets	96	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	96	-	(3,030)	(30)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	169	600	-	-
- to improve the level of service	379	329	139	306
- to replace existing assets	238	160	831	783
Increase/(decrease) in reserves	(635)	(805)	(3,832)	(929)
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	151	284	(2,862)	160
Surplus/(deficit) of capital funding	(55)	(284)	(168)	(190)
Funding Balance	-	-	-	-

Independent Auditor's Report

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

The Auditor-General is the auditor of Ashburton District Council (the District Council) and group. The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2015 on pages 102 and 103;
 - the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ending 30 June 2015 on pages 101, 102, and 104; and
 - the statement of accounting policies and notes to the financial statements that include other explanatory information about the financial statements on pages 84 to 100, and 105 to 174;
- the statement of service provision (referred to as Council Activities) for each group of activities carried out by the District Council on pages 15 to 77;
- the funding impact statements in relation to each group of activities of the District Council on pages 177 to 188;
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 15 to 77;
- the funding impact statement of the District Council on page 175; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 79 to 83.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 134;
 - council-controlled organisations on page 152 to 156;
 - reserve funds on page 157 to 167;

- each group of activities carried out by the District Council on pages 15 to 77;
- remuneration paid to the elected members and certain employees of the District Council on page 150 and 151;
- employee staffing levels and remuneration on page 150;
- severance payments on page 151;
- rating base units on page 83; and
- insurance of assets on page 83.
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 14; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 4.

Opinion

Audited information

In our opinion:

- The financial statements of the District Council and group on pages 84 to 174:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2015;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand.
- The funding impact statement of the District Council on page 175, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 15 to 77, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The Council Activities of the District Council on pages 15 to 77:
 - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan;
 - the reasons for any significant variances between the actual service and the expected service; and
- complies with generally accepted accounting practice in New Zealand.
- The funding impact statements in relation to each group of activities of the District Council on pages 177 to 188, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- The disclosures on pages 79 to 83 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

Compliance with the other requirements of schedule 10

The District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 29 October 2015. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Council Activities. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported Council Activities within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and Council Activities that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the District Council and group's financial position, financial performance and cash flows; and
 - present fairly its service performance, including achievements compared to forecast;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;

- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, the audit of the District Council's 2015-25 Long Term Plan and an independent assurance review of the District Council's Debenture Trust Deed, 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

