



# ASHBURTON DISTRICT COUNCIL Annual Report

2020/21

*Please note the draft annual report is attached to the Council agenda in sections. Once adopted, the document will display all pages, including photos.*

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# Message from the Mayor & Chief Executive

## KIA ORA KOTOU, WELCOME TO THE ANNUAL REPORT FOR 2020/21

This year has had its challenges. The Mayor declared a State of Local Emergency (a first ever for our district) for 12 days from 30 May 2021, in response to the significant floods across our district. In addition to this, we spent 21 days in Covid-19 lockdowns, with no international tourists allowed into the country since March 2020.

But through all this, we have been proud to see how the community has worked together, volunteering their time to support each other.

In addition to these events, the Government's Three Waters Reform has been at the forefront of our minds. This programme has the ability to be the greatest change in local government service delivery for many decades. Both the Council and community has expressed concern at the shape of these reforms, but with the Minister of Local Government's announcement in October 2021 that the reforms will be mandated, it has been most frustrating to see that the previously offered choice to communities has been taken away. We will be looking for every opportunity to have our say through the process of enacting the legislation in early 2022.

This year we also adopted our new long-term plan, covering our work programme and budgets for the next ten years. This generated much discussion in the community, receiving 1121 responses to our pre-engagement survey, and 431 submissions on the draft document.

Alongside all of this, our work delivering our services to the community has continued. Our major projects progressed, with construction underway on the new Library and Civic Centre building, the Ashburton CBD revitalisation, and this year saw the successful completion of the Ashburton River wastewater pipe crossing and pump station.

Council's operating result for the year resulted in a surplus of \$21.7 million before taxation and other comprehensive income. Total revenue was \$16 million above a budget of \$88 million. \$8 million of this was due to unbudgeted grants we received throughout the year, and another \$6.5 million due to revaluations of investment property, forestry property and swaps.

Our financial performance in 2021/22 has seen us meet the goals of our financial strategy which focuses on prudence, stability, service and planning for the future. Council has also met nine of the ten goals of the government's mandatory financial affordability performance benchmarks.

Finally, we would like to thank the hard-work, skills and efforts of many, including elected members, staff and volunteers this year. We look forward to working together in 2021/22 and beyond, to continue to make Ashburton the district of choice for lifestyle and opportunity – *Hakaterete rohe ka whiria mo te ahua noho, me te hapori.*

## NGA MIHI NUI



Neil Brown  
Mayor



Hamish Riach  
Chief Executive

# Statement of compliance and responsibility

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## Compliance

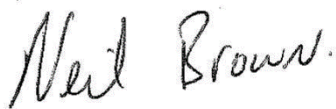
Council and management of Ashburton District Council confirm that all statutory requirements of Section 98 of the Local Government Act 2002 have been complied with in the preparation of this Annual Report.

## Responsibility

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

Council and the management of 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 Council and management of Ashburton District Council, the Annual Report for the year ended 30 June 2021 fairly reflects the financial position, operations, cash flow, and non-financial performance of Ashburton District Council.



Neil Brown

Mayor



Hamish Riach

Chief Executive

15 December 2021



# Our planning process



Our planning process centres on three key documents.

- 1) The **Long-Term Plan**, prepared every three years, is a long-term strategic planning document that forecasts our budgets and project priorities over the coming ten years.
- 2) The **Annual Plan** is produced in years when we do not prepare a Long-Term Plan. The Annual Plan updates the work programme and budget in detail for the year it covers.
- 3) The **Annual Report** is prepared every year to report on how we performed against our targeted budget and work programme for the year and to report any variations.

## Long-Term Plan 2018-28

In 2018, we adopted our sixth Long-Term Plan covering the years 2018-2028.

The Long-Term Plan (LTP) has our community outcomes as its strategic foundation – long-term goals that we are working towards on behalf of the community. The LTP lays out what we plan to do over the coming ten years and how this will be funded, with the first three years in detail and the following seven years based on the best information available at the time.

The community had their say on the development of the LTP through the SOLGM award-winning Our Place

engagement campaign and the formal consultation process on the draft LTP. Over 2,300 people engaged in the Our Place campaign with the feedback we received from the community helping us to prioritise the key projects for the future of our district in the draft LTP.

We received 204 submissions to the draft LTP, with 29 submitters coming to speak to us in person. The feedback provided by the community on the proposals and budgets resulted in some changes being made in the final LTP.

The LTP must be reviewed at least every three years, with the next version undertaken during this 2020/21 year, covering the years 2021/22-2030/31.

Our Long-Term Plan 2018-28 can be viewed on our website, [ashburtondc.govt.nz](http://ashburtondc.govt.nz) or a copy obtained from our offices.

## Annual Plan

In years when we do not produce a Long-Term Plan, an Annual Plan is prepared to detail the work programme and expenditure for the coming year. The Annual Plan provides up-to-date budgets and information on specific areas of work we plan to undertake for the next financial year.

## Monitoring performance

As part of the Long-Term Plan process, we set levels of service for each activity, along with performance measures and targets. Performance measures enable us 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 we are aiming for each year.

## Annual Report

Each year, we publish an Annual Report. This reports on the achievement of targets set in the Long-Term Plan 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 2018-28.

We also track financial and non-financial performance during the year through six-monthly performance reporting to Council.

# Measuring our performance

## Financial performance

The Annual Report includes key financial information to demonstrate our performance against financial plans and targets detailed in the Long-Term Plan 2018-28.

### Activity group funding impact 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 Long-Term Plan 2018-28 and the actual performance achieved in the 2020/21 financial year. Significant variances (greater than \$500,000) between budget and actual are explained.

### Council only versus group reporting

The group consists of the Council and its wholly owned subsidiaries, Ashburton Contracting Limited (a Council Controlled Trading Organisation (CCTO)) and Experience Mid Canterbury (a Council Controlled Organisation (CCO)) and its in-substance subsidiary, the Ashburton Community Water Trust. On statements which include the 'Council Only' column, the figures in this column do not include the operations of the subsidiary. The consolidated column includes the operations of the subsidiary. The consolidated column includes the operations of the subsidiary after eliminating transactions between Council and the subsidiary.

### 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 the total revenue received and expenditure incurred during the 2020/21 financial year.

### Consolidated Statement of Financial Position

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 2021). 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

We use a number of non-financial performance measures and targets to track delivery of services to the community. These are detailed in the Long-Term Plan 2018-28 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 we commission a survey of residents seeking feedback from the community on their views of the quality of our activities, services, and performance. Key Research undertook this survey for us.

The survey was conducted by randomly selecting 4000 names from the electoral roll and posting an invitation to an online survey. Residents who had not responded a week later were sent a paper copy of the survey. Data was collected in four waves: 14 September – 14 October 2020, 7 – 13 December 2020, 6 March – 5 April 2021, and 5 – 30 June 2021.

Eight hundred and forty seven residents over the age of 18 years completed the survey. The sample results were weighted to be representative of Ashburton residents based on age, gender and location.

The maximum margin of error for the survey is +/- 3.18%; this 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%.

The relevant results of this survey have been included in this report as part of our performance targets.

### Customer Request Management System (CRMS)

We use 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 our service.

## Financial Strategy

THE FINANCIAL STRATEGY OUTLINES HOW WE WILL MANAGE OUR FINANCES OVER THE NEXT TEN YEARS. IT SETS OUT THE GENERAL APPROACH AND PRINCIPLES THAT WILL BE FOLLOWED, AND IT PROVIDES A GUIDE TO ASSESS SPENDING PROPOSALS.

The Financial Strategy includes limits on rates levels, rates rises and borrowing and aims to promote financial stability, affordability and value for money over the short, medium and long-term.

The strategy also helps us to engage transparently with the community about the impact of our proposals on service levels, rates, debt and investments.

Our financial goals for the coming ten years are to:

1. Ensure Council remains financially stable, while financing key priorities.
2. Spend money prudently to deliver agreed levels of service, cater for growth and manage assets soundly.
3. Ensure rates and fees are kept to a reasonable level.
4. Provide clear financial parameters for Council work programmes.

### Rates limits

We have set limits for our total rate income and annual total rates increase.

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

Annual limit	2020/21 projection (as per LTP)	Actual performance	Actual 2020/21 result	
Total rates in any one year are to be no greater than 1% of the total capital value of the district	0.21%	Total rates \$38,241,000 District CV \$19,045,114,600	0.20%	✓
The total rates increase for 2020/21 is to be no greater than 3.0% plus LGCI (2.2%)	2.8% (plus 2.2% LGCI) – total rates increase 5.0%	Actual rates increase 2.2% plus LGPI 2.2%	Total increase 4.4%	✓

### External debt limits

Annual limit	2020/21 projection (as per LTP)	Actual performance	Actual 2020/21 result	
Net interest payments to service external debt to be less than 20% of total Council revenue (excluding vested assets, infrastructure revaluations and other gains)	1.5%	Interest costs \$1,437,000 Revenue \$76,290,000	1.9%	✓
Net interest payments to service external debt are less than 25% of total rates for the year	2.7%	Interest costs \$1,437,000 Rates income \$38,241,000	3.8%	✓

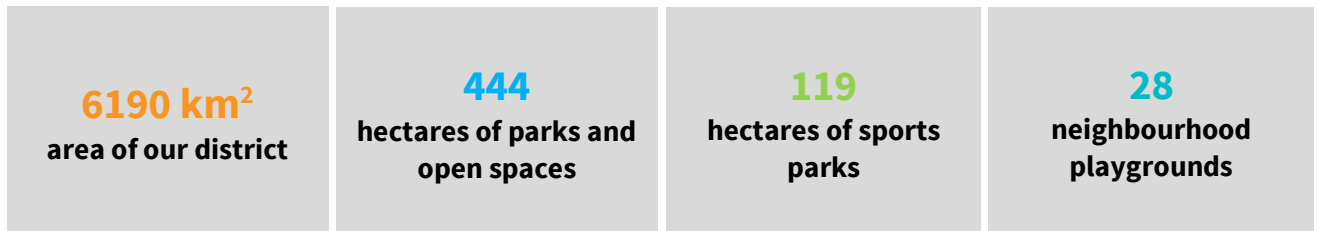
# Five-year financial summary

	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000
<b>Revenue</b>					
Rates	31,861	33,803	35,244	37,406	38,241
Finance income	624	554	674	120	329
Other revenue	28,602	29,768	33,014	25,595	42,015
Other gains	6,338	2,052	2,194	202	7,999
<b>Total income</b>	<b>67,426</b>	<b>66,178</b>	<b>71,126</b>	<b>63,323</b>	<b>88,584</b>
<b>Operating expenses</b>					
Personnel costs	13,307	13,878	14,508	16,132	16,669
Depreciation and amortisation	14,048	14,769	15,586	16,169	15,456
Finance costs	1,837	1,624	1,741	1,453	1,437
Other expenses	24,160	26,239	26,236	27,545	29,811
Other losses	3,952	4,419	5,989	3,930	2,629
<b>Total operating expenditure</b>	<b>57,304</b>	<b>60,929</b>	<b>64,060</b>	<b>65,229</b>	<b>66,002</b>
Operating surplus / (deficit)	10,122	5,249	7,066	(1,096)	22,582
Income tax expense / (revenue)	(249)	31	10	(16)	31
Other comprehensive income	31,741	26,278	(19,435)	24,685	808
<b>Total comprehensive revenue and expenses</b>	<b>41,614</b>	<b>31,558</b>	<b>(12,359)</b>	<b>22,763</b>	<b>23,421</b>
Working capital	7,688	199	(5,897)	(22,610)	5,569
Public debt	47,542	37,406	37,271	42,136	70,600
Total assets	785,984	807,933	799,368	830,109	880,346
Total equity	728,192	759,750	747,390	770,153	793,573
<b>Other financial statistics</b>					
Proportion of rates to total income	47%	51%	49%	59%	43%
Average rates per rateable property (GST excl)	\$2,104	\$2,218	\$2,295	\$2,418	\$2,454
Public debt (as a percentage of total assets)	6.05%	4.63%	4.66%	5.08%	8.02%
Public debt per rateable property	\$3,140	\$2,454	\$2,427	\$2,723	\$4,530



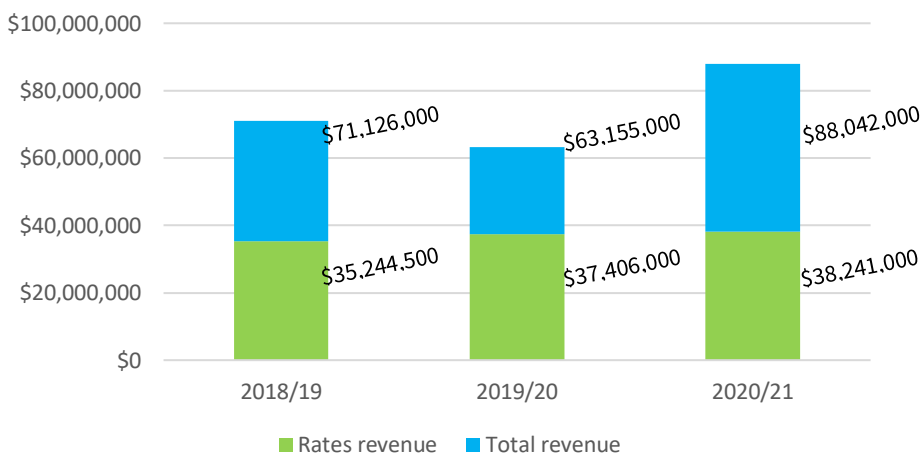
## Our district

OUR DISTRICT'S POPULATION IS ESTIMATED TO BE **35,400**, OF WHICH **18,850** LIVE IN THE TOWN OF ASHBURTON.



We have **2617 km** of roads across the district, made up of **1515 km** sealed and **1102 km** unsealed road.

We also have **186** bridges and **247 km** of footpaths.



The district was last valued in **July 2018**, with **15,472** rateable properties as at **30 June 2021**.

The total rateable value is **\$18,961,091,050** with an average rateable value of **\$1,225,510**, both up slightly on the previous year.

**12**

Council owned water supplies

**505 km**

water pipes

**188 km**

wastewater pipes

**44 km**

stormwater pipes

**2003 km**

stockwater races

# Community outcomes

## What are community outcomes?

Community outcomes are the future-focused, aspirational goals we have for the district. They guide our work of providing quality and cost-effective infrastructure, public services, and regulatory functions.

Community outcomes guide the levels of service we provide and assist in prioritising and decision-making. They also help the community to understand our direction, decisions, and actions. We reviewed our community outcomes as part of the preparation of the Long-Term Plan 2018-28, and alongside these, developed strategic priorities. Our strategic priorities set out how we will carry out our day-to-day operations, and are our commitment to the community in the delivery of our activities and services.

## Our vision: The district of choice for lifestyle and opportunity

### Our community outcomes

- Residents are included and have a voice.
- A district of great spaces and places.
- A balanced and sustainable environment.
- A prosperous economy based on innovation and opportunity.

### Our strategic priorities

- Plan and provide fit for purpose services.
- Work with the community and engage in meaningful conversations.
- Lead the community with clear and rational decision-making.
- Represent the district on regional / national issues and partner with others when needed.

# Working with Māori

NGĀI TAHU OCCUPIES ALL BUT THE NORTHERNMOST PART OF THE SOUTH ISLAND, WHICH INCLUDES THE ASHBURTON DISTRICT IN ITS ENTIRETY.

The Ngāi Tahu Papatipu Rūnanga of Arowhenua and Ngāi Tūāhuriri share mana whenua (customary authority) status and responsibilities in Ashburton district. Arowhenua is the principal Māori kainga (settlement) of South Canterbury and lies between the junction of the Temuka and Opihi Rivers just south of Temuka. Arowhenua's takiwā (district) covers the area between the Rakaia and Waitaki Rivers and inland to the Main Divide. Arowhenua are our primary iwi and as a council, we recognise the importance and special position of tangata whenua within the region, and the role iwi play within our community engagement processes.

We continue to be committed to enhancing our strong relationship with Te Rūnanga o Arowhenua and working with the rūnanga in good faith. Te Rūnanga o Arowhenua wholly owns Aoraki Environmental Consultancy Limited

(AEC); this charitable company aims to 'enable meaningful relationships with local and regional councils, local resource users, community interest groups and Te Rūnanga o Ngāi Tahu'. Aoraki Environmental Consultancy Ltd (AEC) has the mandate from Arowhenua to be the primary contact for all environmental and resource consent matters. AEC is the interface between our plans and Māori interests.

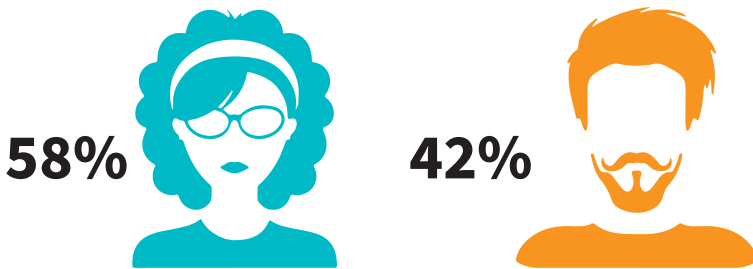
### Hakatere Marae Komiti

Te Rūnanga o Arowhenua have requested that we work with the Hakatere Marae Komiti for day-to-day issues in the community, a mataa waka (from many canoes) organisation based at Hakatere Marae north of Ashburton town. We consult with the Hakatere Marae Komiti when appropriate on issues such as community safety.

# Our staff

Our people perform a diverse range of duties to provide the community with the services and activities described in this annual report. Our organisational values are about doing what's right, making things happen and working as one team. We work within an ever-changing environment and are dedicated to delivering the best <sup>4</sup>.

## OUR TEAM PROFILE



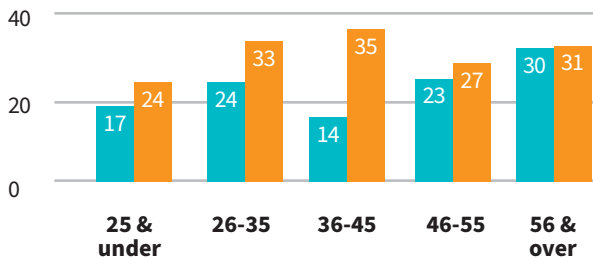
	2021	2022	Total
Full-time	90	86	150
Part-time	60	62	148

	2021	2022	Total
Full-time	84	86	108
Part-time	24	20	106

Total staff 2020/21: **251**  
Total staff 2019/20: **254**

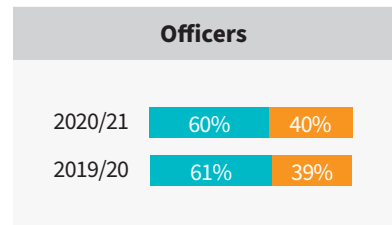
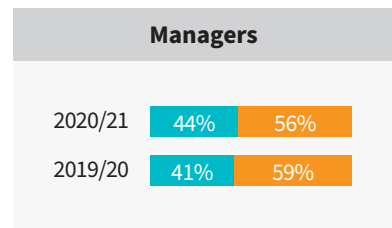
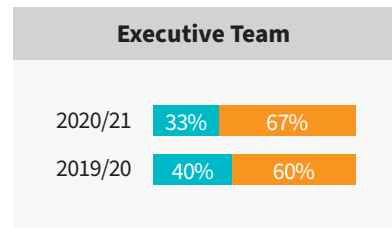
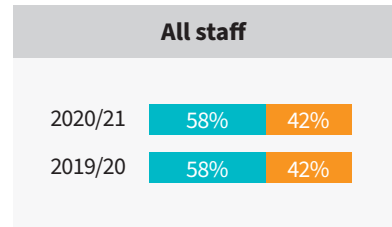
FTE 2020/21: **196**  
FTE 2019/20: **194**

## AGE AND GENDER



## GENDER

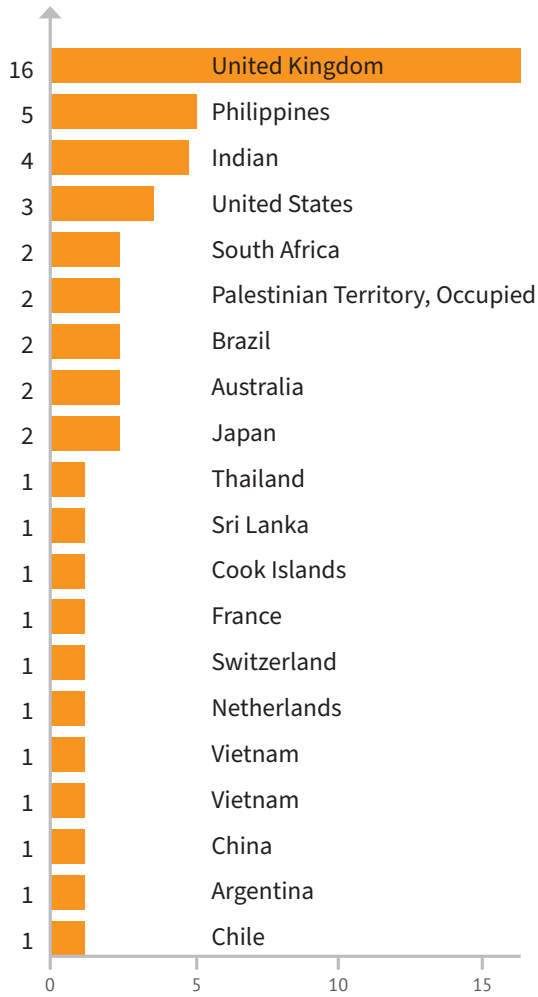
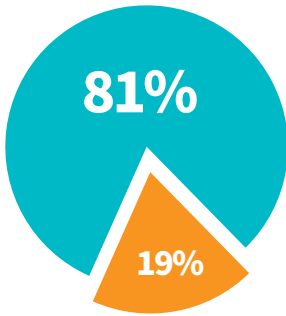
● Female ● Male



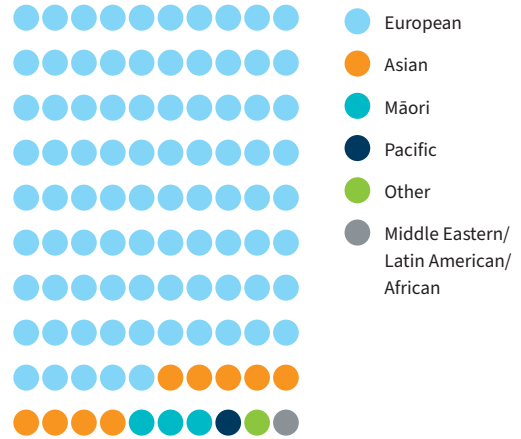
<sup>4</sup>The data for this summary includes only full and part time employees who are managed directly by Council. This means there is a difference between the numbers provided here and those presented within the Remuneration Banding (Note 37, page 190).

## NATIONALITIES

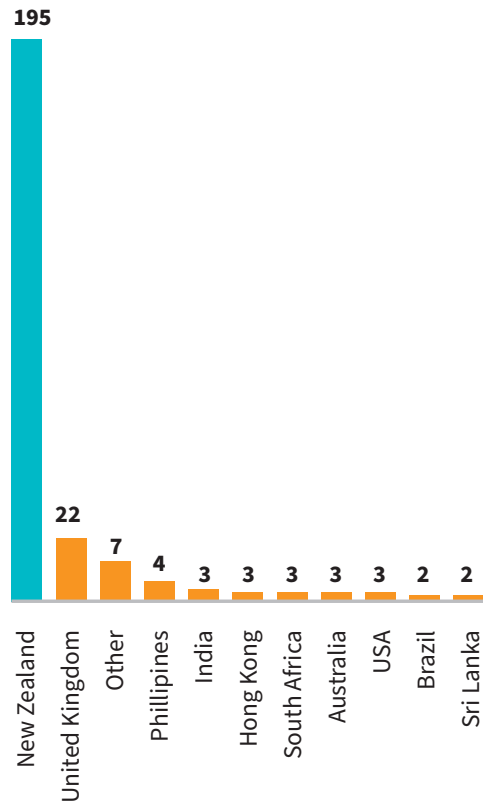
- New Zealand **81%**
- Rest of the World **19%** (14% last year)



## ETHNICITY

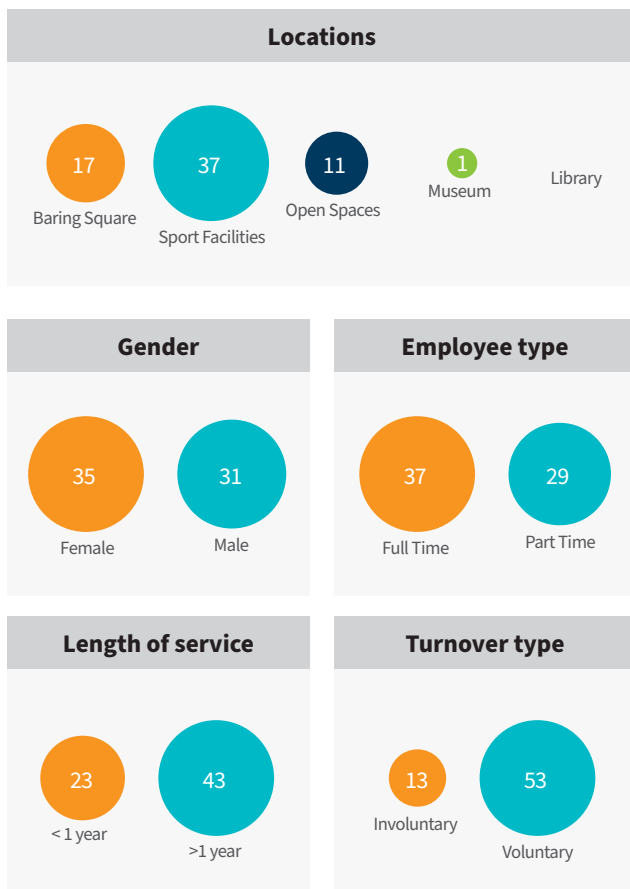


## COUNTRY OF BIRTH

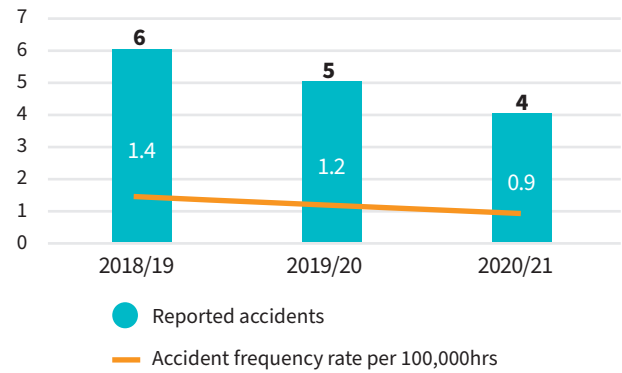


21% VOLUNTARY STAFF TURNOVER  
(16% LAST YEAR)

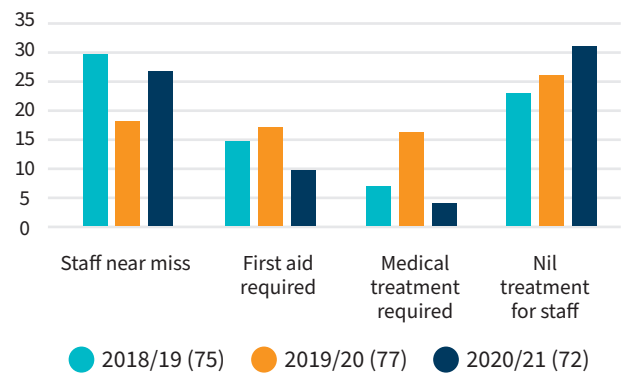
**52%** of staff have greater than 3 years' service  
(55% last year)



STAFF LOST TIME INJURIES



STAFF HEALTH & SAFETY EVENTS



25% OF NEW STARTERS (24) ARE FROM OUTSIDE OF OUR DISTRICT

