



# ASHBURTON DISTRICT COUNCIL **Annual Report**

2019-20

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# Message from the Chief Executive & Mayor

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KIA ORA, WELCOME TO THE ANNUAL REPORT FOR 2019/20.

Undoubtedly, the single biggest challenge we, along with many others in our community and throughout the country, faced this year was the impact of the Covid-19 pandemic. The ripple effect this had on our business will continue for some time to come. While we worked hard to ensure our essential services continued to be delivered, with staff working from home and remotely during lockdown, COVID-19 affected our delivery of some services to the community. The EA Networks Centre, Ashburton Museum and the Ashburton Library were shut for seven weeks while New Zealand was in level three and four lockdown. This, in turn, reduced our revenue by \$588,000 in these activities.

We were heartened to see how quickly our community rallied through the pandemic. The way in which our residents continued with their business as usual, volunteered their time and supported one another is admirable. Through initiatives such as the Covid-19 Economic Recovery Advisory Group; and the Caring for Communities Welfare Recovery Group, we are all working collectively to understand areas of need and ensure that the district is well positioned to come out of this stronger than ever.

Alongside Covid-19, our work delivering services to the community has continued. This year we focused on ensuring our community is well informed about the work we do and included over 125 media releases, 196 videos and 5 significant consultations where we heard from over 500 people. Our major projects continued with solid progress made on the Library and Civic Centre, Ashburton CBD and the governments Three Waters Reform discussions.

There is much unknown about the final outcome of this reform, and what this will mean for the future delivery of Three Waters services in the district. We will continue to keep the community informed of how this progresses and will consult with you before any major decisions are made.

Council's operating result for the year resulted in a deficit of \$1.9 million before taxation and other comprehensive income. Total revenue was \$5.3 million below a budget of \$68.6 million.

Our financial performance in 2019/20 has/has not seen us meet the goals of our financial strategy which focuses on prudence, stability, service and planning for the future. Council has met eight of the ten goals of the government's mandatory financial affordability performance benchmarks. Primarily due to the impact of the Covid-19 pandemic we did not meet the balanced budgets and operations control 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 2020/21 and beyond to continue to make Ashburton the district of choice for lifestyle and opportunity.



**Neil Brown**  
Mayor



**Hamish Riach**  
Chief Executive



# Statement of compliance and responsibility

## 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 2020 fairly reflects the financial position, operations, cash flow, and non-financial performance of Ashburton District Council.



**Neil Brown**  
Mayor



**Hamish Riach**  
Chief Executive

23 December 2020





# 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 required to be prepared in 2021/22, covering the years 2021-2031.

Our Long-Term Plan 2018-28 can be viewed on our website, [ashburtondc.govt.nz](http://ashburtondc.govt.nz) → Our Council → Plans and Strategies, 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 two of the Long-Term Plan 2018-28.

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

# 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 2019/20 financial year. Significant variances (greater than \$250,000) 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 2019/20 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 2020). 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. In 2019/20, we used Key Research to carry out this survey.

The 2019/20 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: 2 – 27 September 2019, 2 – 27 December 2019, 2 – 27 March 2020, and 1 – 26 June 2020.

Nine hundred and fifty 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 Price Index (LGPI) to compare spending with inflation, rather than the domestic Consumer Price Index (CPI).

Annual Limit	2019/20 target (per LTP)	Actual performance	Actual 2019/20 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 \$37,406,000 District CV \$18,950,467,800	0.19%	✓
The total rates increase for 2019/20 is to be no greater than 6.0% plus LGPI (2.2%)	Less than 5.7% (including 2.2% LGPI)	Actual rates increase 2.8% plus LGPI 2.2%	Total increase 5%	✓

## External debt limits

Annual Limit	2019/20 target (per LTP)	Actual performance	Actual 2019/20 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	1.3%	Interest costs \$1,453,000 Revenue \$60,849,000	2.4%	✓
Net interest payments to service external debt are less than 25% of total rates for the year	2.2%	Interest costs \$1,453,000 Rates income \$37,406,000	3.9%	✓



# Five-year financial summary

	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000
<b>Revenue</b>					
Rates	30,470	31,861	33,803	35,244	37,406
Finance income	484	624	554	674	120
Other revenue	31,634	28,602	29,768	33,014	25,595
Other gains	3,746	6,338	2,052	2,194	202
<b>Total income</b>	<b>66,334</b>	<b>67,426</b>	<b>66,178</b>	<b>71,126</b>	<b>63,323</b>
<b>Operating expenses</b>					
Personnel costs	12,559	13,307	13,878	14,508	16,132
Depreciation and amortisation	14,297	14,048	14,769	15,586	16,169
Finance costs	2,375	1,837	1,624	1,741	1,453
Other expenses	23,611	24,160	26,239	26,236	27,545
Other losses	3,389	3,952	4,419	5,989	3,930
<b>Total operating expenditure</b>	<b>56,231</b>	<b>57,304</b>	<b>60,929</b>	<b>64,060</b>	<b>65,229</b>
Operating surplus / (deficit)	10,103	10,122	5,249	7,066	(1,906)
Income tax expense / (revenue)	(136)	(249)	31	10	(16)
Other comprehensive income	8,946	31,741	26,278	(19,435)	24,685
<b>Total comprehensive revenue and expenses</b>	<b>18,913</b>	<b>41,614</b>	<b>31,558</b>	<b>(12,359)</b>	<b>22,763</b>
Working capital	(3,458)	7,688	199	(5,897)	(22,610)
Public debt	47,352	47,542	37,406	37,271	42,136
Total assets	745,174	785,984	807,933	799,368	830,109
Total equity	686,578	728,192	759,750	747,390	770,153
<b>Other financial statistics</b>					
Proportion of rates to total income	46%	47%	51%	49%	59%
Average rates per rateable property (GST excl)	\$2,032	\$2,104	\$2,218	\$2,295	\$2,418
Public debt (as a percentage of total assets)	6.5%	6.05%	4.63%	4.66%	5.08%
Public debt per rateable property	\$3,158	\$3,140	\$2,454	\$2,427	\$2,723

# Our district

OUR DISTRICT'S POPULATION IS ESTIMATED TO BE **35,400**, OF WHICH **20,300 LIVE IN THE TOWN OF ASHBURTON<sup>1</sup>**.

**6,175 km<sup>2</sup>**

area of our district

**444**

hectares of parks  
and open spaces

**119**

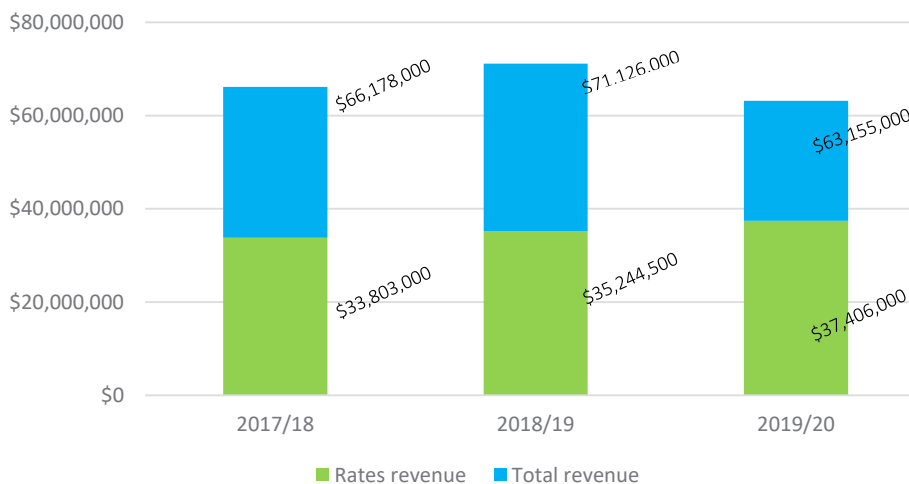
hectares of  
sports parks

**28**

neighbourhood  
playgrounds<sup>2</sup>

We have **2,613 km** of roads across the district, made up of **1,512 km** sealed and **1,101 km** unsealed roads.

We also have **186** bridges and **245 km** of footpaths.



The district was last valued in **July 2018**, with **15,432** rateable properties as at **30 June 2020**.

The total rateable value is **\$18,821,361,800** with an average rateable value of **\$1,225,429**, both up **12%** on the previous year.

**12**

Council owned  
water supplies

**497 km**

water pipes

**185 km**

wastewater pipes

**44 km**

stormwater pipes

**2,028 km**

stockwater races<sup>3</sup>

<sup>1</sup> Statistics New Zealand; Subnational Population Estimate at 30 June 2020 Ashburton population based on Ashburton Ward boundary (2018).

<sup>2</sup> One new playground in 2019/20: Camrose, Methven, Allan Lochhead Park.

<sup>3</sup> 29.6 km of stockwater race was closed in 2019/20.

# 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.

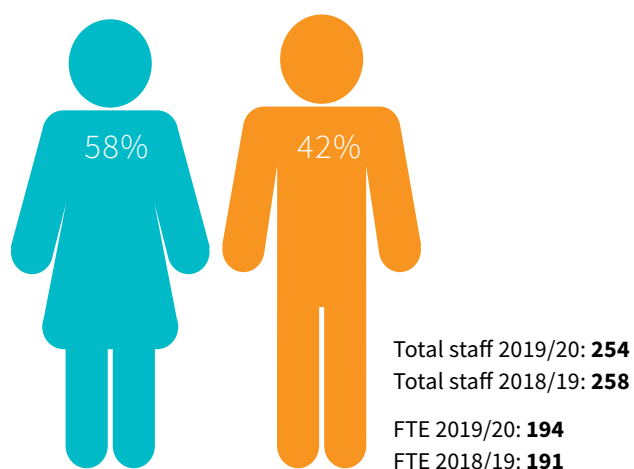


## Our staff

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>.

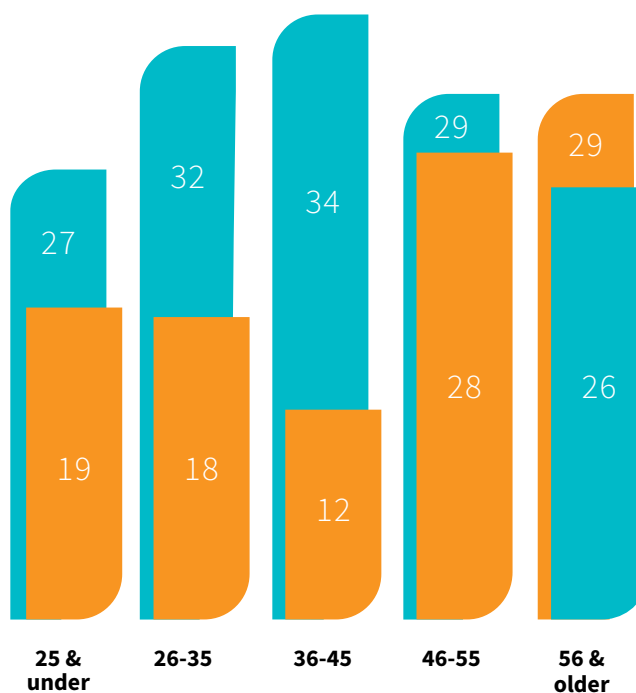
Female Male

### OUR TEAM PROFILE

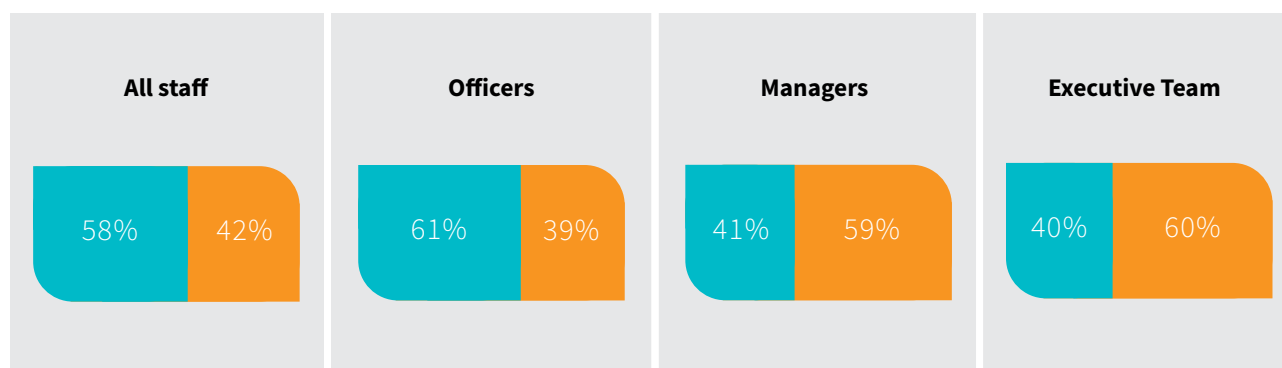


	Full	Part	Male Total	Full	Part	Female Total
2020	86	20	106	86	62	148
2019	84	21	105	76	77	153

### AGE AND GENDER

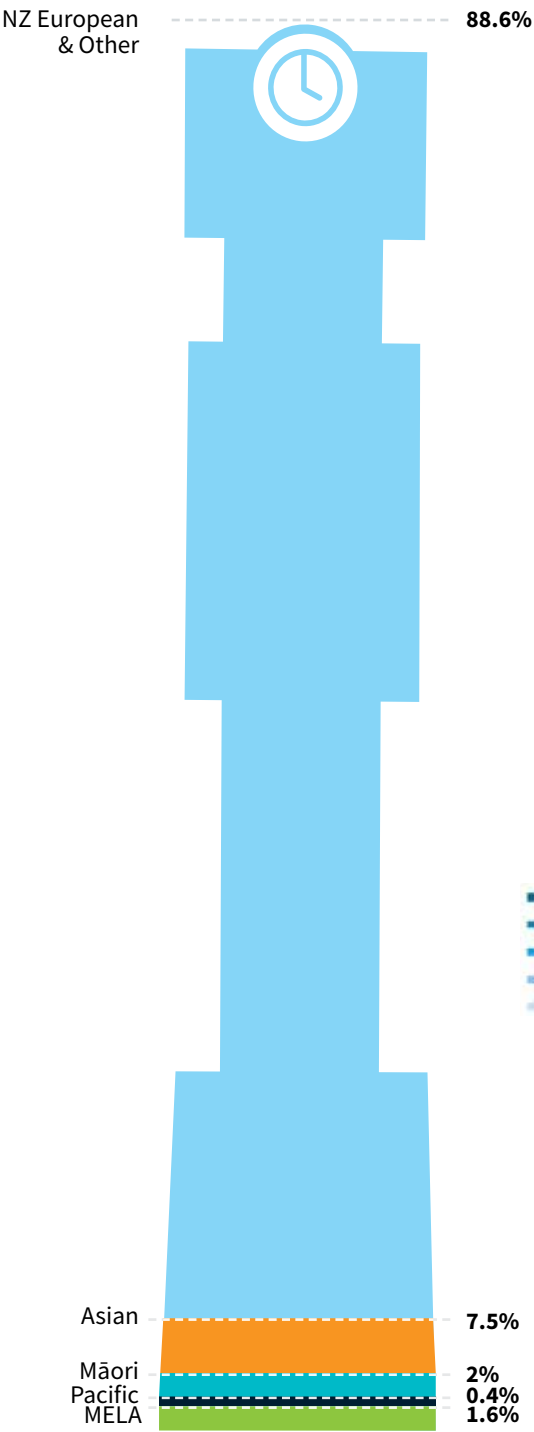


### GENDER DIVERSITY



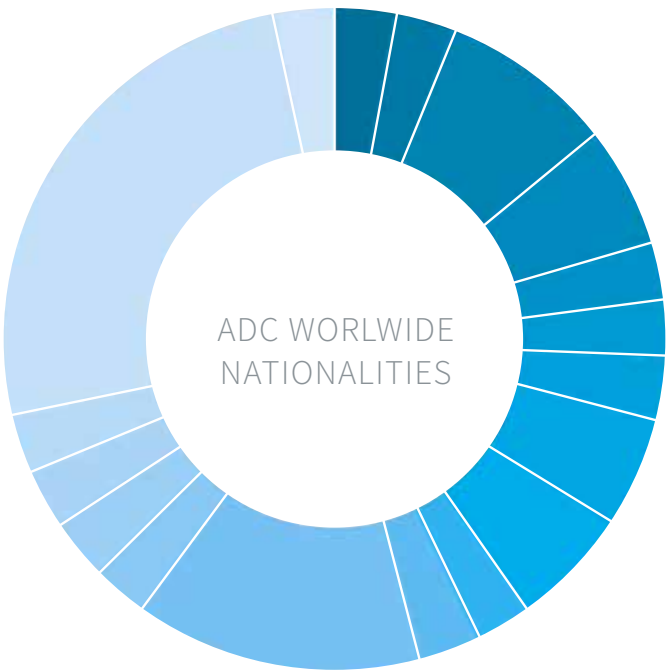
<sup>4</sup> The data for this summary includes only full and part time employees who are managed directly by Council. This means there is a difference between the numbers provided here and those presented within the Remuneration Banding (Note 37, page 184).

## ADC ETHNIC COMPOSITION



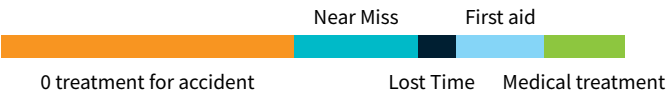
NATIONALITIES: Rest of the World: 14%  
New Zealand: 86%

55% of ADC's staff have greater than 3 years' service  
14% of ADC staff have worldwide nationalities  
16% voluntary staff turnover

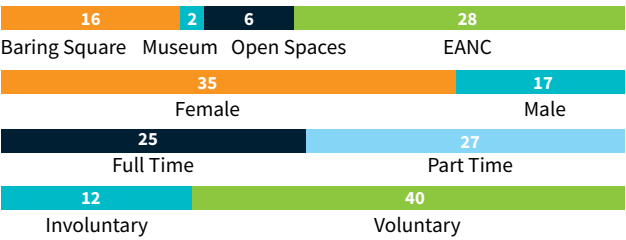


Argentina 1	America 1	Australia 3	BIOT 2
Canada 1	Chile 1	France 1	India 2
Ireland 2	Netherlands 1	Palestine 1	Philippines 5
South Africa 1	Sri Lanka 1	Switzerland 1	Thailand 1
UK 9	Vietnam 1		

## STAFF HEALTH & SAFETY EVENTS = 73



## STAFF TURNOVER









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# Local infrastructure

# Ashburton town centre upgrade

2019/20 HAS SEEN THE ASHBURTON TOWN CENTRE UPGRADE START TO BECOME A REALITY.

The detailed design plans were approved by Council in 2019, which allowed the works to be tendered, with Tru-Line Civil being awarded the contract. Work commenced in January 2020 to replace the drinking, stormwater and wastewater infrastructure. This has been completed along Cass Street, and along the eastern sections of Havelock, Tancred and Burnett Streets. The first of the above ground work – the rain gardens and garden beds – began on Cass Street in March. There were some delays when the country went into Alert Level 4 Covid-19 lockdown, but work was able to start again under Level 3. It is expected the full project will be completed before Christmas 2021.

## CBD Landscape Plan





## Cass Street Completion







# District water management

## This year we...

- Provided drinking water to 68% of households and businesses in the district
- Maintained 497 km of water pipes
- Maintained 185 km of wastewater pipes
- Maintained 44 km of stormwater pipes
- Closed 29.6 km of stockwater races

## Key results

- 83% of residents are satisfied with drinking water
- 100% compliance with wastewater, stormwater and stockwater resource consents

## Our work contributed to the...

Economic wellbeing of the community with the three waters operations and maintenance contract being awarded to Ashburton Contracting Limited

Environmental wellbeing of the community by continuing to design resilient new infrastructure capable of withstanding the effects of a changing climate and the potential impacts of an AF8 earthquake

**Achieved**  
**26 / 30**  
**performance measures\***



\*1 measure N/A

# Drinking water

## What we do

We provide twelve community drinking water supplies across the Ashburton District, servicing approximately 10,500 homes and businesses.

The remaining 4,900 properties get drinking water from other sources, such as private community schemes, private wells or rainwater tanks.

Our supplies are located in Ashburton, Methven, Rakaia, Hinds, Mt Somers, Fairton, Chertsey, Upper Hakatere, Mayfield, Dromore, Methven-Springfield and Montalto.

We ensure the quality and availability of our supplied drinking water to the community through the following:

- Operation, repairs and maintenance of the schemes.
- Monitoring drinking water quality.
- Upgrading and extending supplies where necessary.

We operate community water supplies in order to provide safe and clean drinking water that promotes a healthy community, in accordance with our responsibilities under the Health Act 1956.

## What we did in 2019/20

### Bore head raising

Seven of the eight bore heads have now been raised to achieve compliance with DWSNZ bore water security. The final bore in Rakaia will be raised later in 2020.

### Water maintenance and operation

While we source, own, control and manage water supplies, the daily operation and maintenance of the systems is contracted out. In 2019/20 these contracts were competitively tendered, with Ashburton Contracting Limited being successful with the five-year contract.

### Methven upgrade project

We had intended to build a reservoir for the Methven and Methven Springfield water schemes in 2019/20. The investigations took longer than expected, and this project has only progressed through to the detailed design

stage, with the geo-tech works and topographical survey complete. The design and contract details are on track to be fully completed by the end of July 2021.

As part of the upgrade to these water supplies, we applied for funding to the Crown Infrastructure Partners 'shovel ready projects' for the reservoir and a membrane treatment plant. While the application was not successful, it has been recommended to the Provincial Growth Fund for consideration.

### Watermain renewals

We had planned a number of watermain renewals across 2019/20; however, many of these were deferred or incorporated into the Ashburton town centre project.

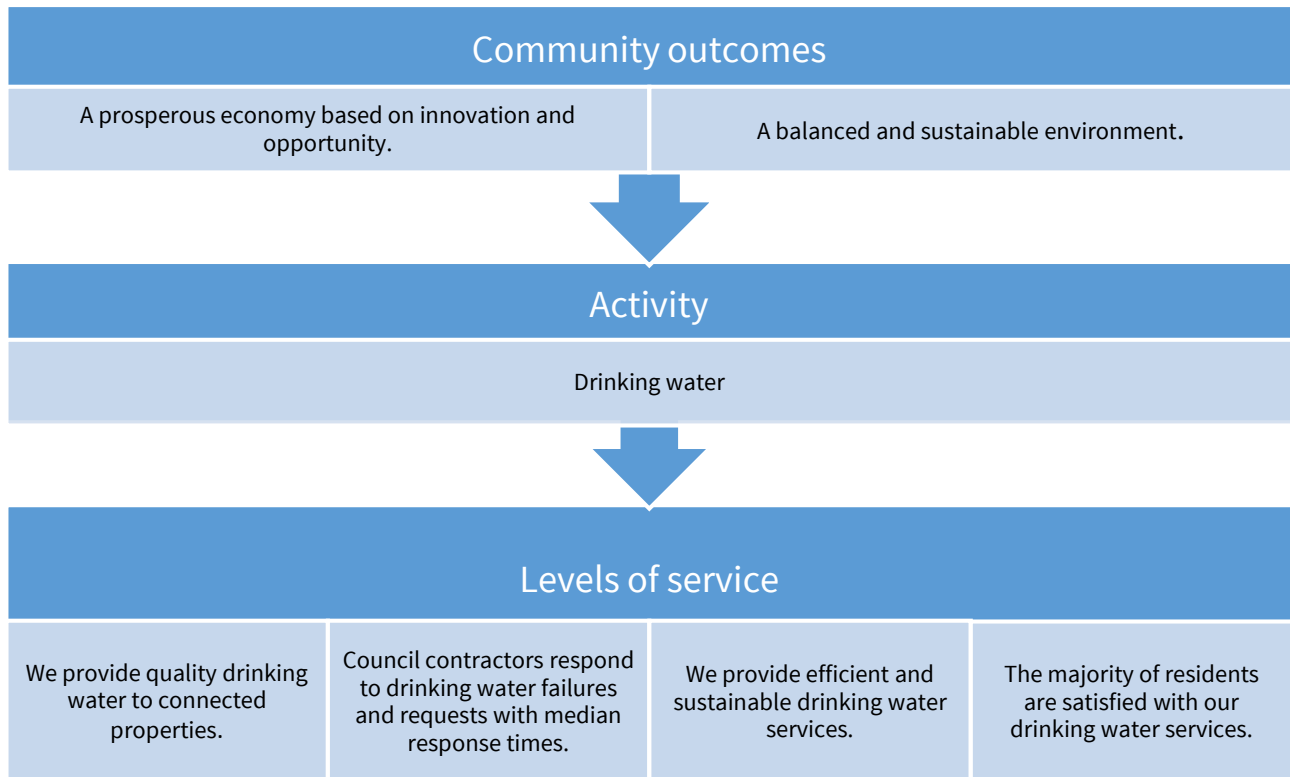
The site investigations, survey and design at Hanrahan Street (Lochlea Street to Belt Road) and Main Street Methven (Forrest Street to McKerrow Street) have been deferred and will be rescheduled as part of the 2021-31 Long-Term Plan. The investigations and design on Burnett and Tancred Streets were incorporated as part of the Ashburton town centre project, and have been completed.

Our planned construction on Cass Street (Moore Street to Havelock Street) is now incorporated into the Ashburton town centre project. While the design has been completed for the following construction projects, construction has been deferred and will be rescheduled as part of the Long-Term Plan.

- Moore Street – River Terrace, Ashburton (Park Street to Smallbone Street)
- Allens Road, Ashburton (Alford Forest to Elizabeth Street)
- Bennett Street, Hinds
- Rhodes Street, Hinds
- McDonald Street, Methven

We constructed 850m of un-programmed watermain extension along Beach Road East (Trevors Road to the end of Residential D zone). This was in response to a request from a developer.

## Our service – Drinking water





## Targets and performance

**What we're aiming for:** To promote the health and safety of the community through the provision of an efficient, safe and reliable water supply.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)		2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality drinking water to connected properties</b>	All Council drinking water schemes achieve bacteria compliance*		11/12	100%	11/12 (91.67%) <sup>5</sup>	✗
	<i>The extent to which Council's drinking water supplies comply with part 4 of the DWSNZ – bacteria compliance criteria.</i>					
	All Council drinking water schemes achieve protozoal compliance*		2/12	100%	2/12 (16.67%) <sup>6</sup>	✗
	<i>The extent to which Council's drinking water supplies comply with part 5 of the DWSNZ – protozoal compliance criteria.</i>					
<b>Council contractors respond to drinking water failures and requests with median response times</b>	Median response time (in hours) to urgent and non-urgent callouts*	Urgent call-out attendance	0.37 hours (22 minutes)	1 hour	0.33 hours <sup>7</sup> (20 minutes)	✓
		Urgent call-out resolution	3.78 hours	4 hours	2.40 hours <sup>7</sup>	✓
		Non-urgent call-out attendance	20.4 hours (0.85 days)	1 day	0.23 days <sup>7</sup> (5.47 hours)	✓
		Non-urgent call-out resolution	29.8 hours (1.24 days)	5 days	0.95 days <sup>7</sup> (22.8 hours)	✓

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>5</sup> Three transgressions (E.coli detection) at Montalto Water Treatment Plant. Note:- Montalto operates under a permanent boil water notice.

<sup>6</sup> As a result of the Havelock North Drinking Water Inquiry, the Drinking Water Standards New Zealand have lifted the standard for protozoal compliance (examples of protozoa pathogens include cryptosporidium and giardia). Ashburton, Hinds, Dromore, Mayfield and Chertsey supplies have lost secure groundwater status and are therefore no longer protozoa compliant. Methven, Mount Somers and Hakatere have protozoa treatment in place. Rural schemes Methven/Springfield & Montalto are currently without protozoa treatment pending upgrades. An upgrade programme is ongoing to achieve full compliance.

<sup>7</sup> A prompt response is a focus of our contractor which allows urgent and non-urgent call-outs to be responded to and resolved within targeted time frames.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide efficient and sustainable drinking water services</b>	Reduction in real water loss from the reticulated systems*	51%	≤34%	52% <sup>8</sup>	x
	<i>The percentage of real water loss from Council's networked reticulation system is estimated using Minimum Night Flow (MNF) analysis, following an approach similar to Appendix A of the Water NZ Water Loss Guidelines and section 2b of the Water Loss Guidance from the National Performance Framework.</i>				
	Reduction in average consumption (per resident per day)*	687 L	≤720 L	714 L <sup>9</sup>	✓
<b>The majority of residents are satisfied with our drinking water services</b>	Customer satisfaction with drinking water services*	7.49 complaints / 1,000 connections	≤ 10 complaints / 1,000 connections	7.85 complaints / 1,000 connections	✓
	a) Clarity b) Taste c) Odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these issues				
	Residents are satisfied with Council's drinking water supplies	80%	80%	83%	✓

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>8</sup> Not all properties on Council supplies are metered and so the approved water loss calculation yields a coarse figure and includes losses on private reticulation.

<sup>9</sup> 6,466,256 m3 across 366 days and an estimated serviced population of 24,752.

## Drinking water funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>10</sup> , rates penalties	22	23	-
Targeted rates	4,750	5,120	5,126
Subsidies and grants for operating purposes	-	-	-
Fees and charges	27	27	32
Internal charges and overheads recovered	16	16	52
Local authorities fuel tax, fines, infringement fees and other receipts	68	38	32
Total sources of operating funding	4,883	5,224	5,241
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,129	2,244	2,678
Finance costs	408	390	270
Internal charges and overheads	645	658	917
Other operating funding applications	-	-	(7)
Total applications of operating funding	3,182	3,292	3,857
<b>Surplus/(deficit) of operating funding</b>	1,701	1,932	1,384
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	153	156	142
Increase/(decrease) in debt	(245)	783	367
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(92)	939	508
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	83	61	-
- to improve the level of service	1,034	918	1,351
- to replace existing assets	1,187	1,756	884
Increase/(decrease) in reserves	(695)	136	(343)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	1,609	2,871	1,892
<b>Surplus/(deficit) of capital funding</b>	(1,701)	(1,932)	(1,384)
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>10</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Application of operating funding

##### *Payments to staff and suppliers*

Payments to suppliers and staff was \$434,000 above the LTP year 2 budget of \$2,244,000. This was due to higher than expected maintenance on the Ashburton and Methven water supplies.

#### Application of capital funding

Capital expenditure (both existing and improved levels of service)

Total capital expenditure (both additional demand and improved levels of service) totals \$1,351,000 against a year 2 LTP budget of \$918,000. The majority of the \$918,000 budget for improved level of service was for the Methven Reservoir upgrade. This was delayed and carried forward to the 2020/21 year. The actual spend of \$1,351,000 was incurred on expenditure in raising of the Ashburton boreheads, the Beach Road watermain extension (approved as additional work during the year) and telemetry upgrades.

Replacement of assets budget of \$1,756,000 included \$562,000 for the Methven Trunkmain renewal of \$562,000. This project is on hold pending the result of options being considered for future upgrades of the whole Methven water supply scheme.

The increase in debt was \$416,000 below budget as a result of the delays in capital expenditure outlined above.

### Capital expenditure by water supply

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Ashburton	1,968	1,133	1,737
Methven	336	1,455	304
Rakaia	182	47	2
Fairton	29	-	3
Hakatere	55	30	75
Hinds	82	30	104
Chertsey	29	-	3
Methven / Springfield	75	77	16
Montalto	-	-	11
Mt Somers	39	66	208
Dromore	32	-	44
Winchmore	-	-	-
Lake Hood	-	-	-
Barrhill	-	-	-
Lyndhurst	-	-	-
<b>Total capital expenditure</b>	<b>2,827</b>	<b>2,837</b>	<b>2,507</b>
less vested assets	523	102	272
<b>Council funded capital expenditure</b>	<b>2,304</b>	<b>2,735</b>	<b>2,235</b>





# Wastewater

## What we do

We provide three community wastewater schemes in the Ashburton District, servicing over 9,600 homes and businesses in Ashburton, Methven and Rakaia.

A further 5,800 households in the district dispose of their wastewater by other means, typically through single property septic tank systems.

We ensure 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.

We operate wastewater schemes to help protect the health and safety of the community and environment in accordance with the Health Act 1956.

As part of the ongoing work programme, we will be working on identifying and implementing system improvements at the wastewater treatment plants.

## What we did in 2019/20

### Ashburton relief sewer

The initial site survey work and geotech investigations have been completed for the construction of the Ashburton relief sewer main to address capacity issues. The timing of this project is awaiting confirmation of government support towards funding through the three waters reform. If unsuccessful, timing will be considered by Council as part of the Long-Term Plan 2021-31.

### Ashburton wastewater pipeline river crossing and pump station

We are constructing a new 670 m pipeline under the Ashburton River, along with a bulk pumping station that will pump wastewater from the new pipeline to Wilkins Road wastewater treatment facility. These projects are well underway, and while Covid-19 resulted in some delay, the project is due to be finished in late 2020, within budget.

### Ocean Farm filter trial

In 2018/19 we began trialling a new filtration technology. The second phase of this project was due to be completed in the summer of 2019/20, however, difficulties in getting the materials for the technology – exacerbated by Covid-19, has caused delays.

### Wastewater pipelining

Slip lining of 1,300 m of wastewater pipes in Ashburton and Methven was completed in March 2020.

### Sewer main capital programme

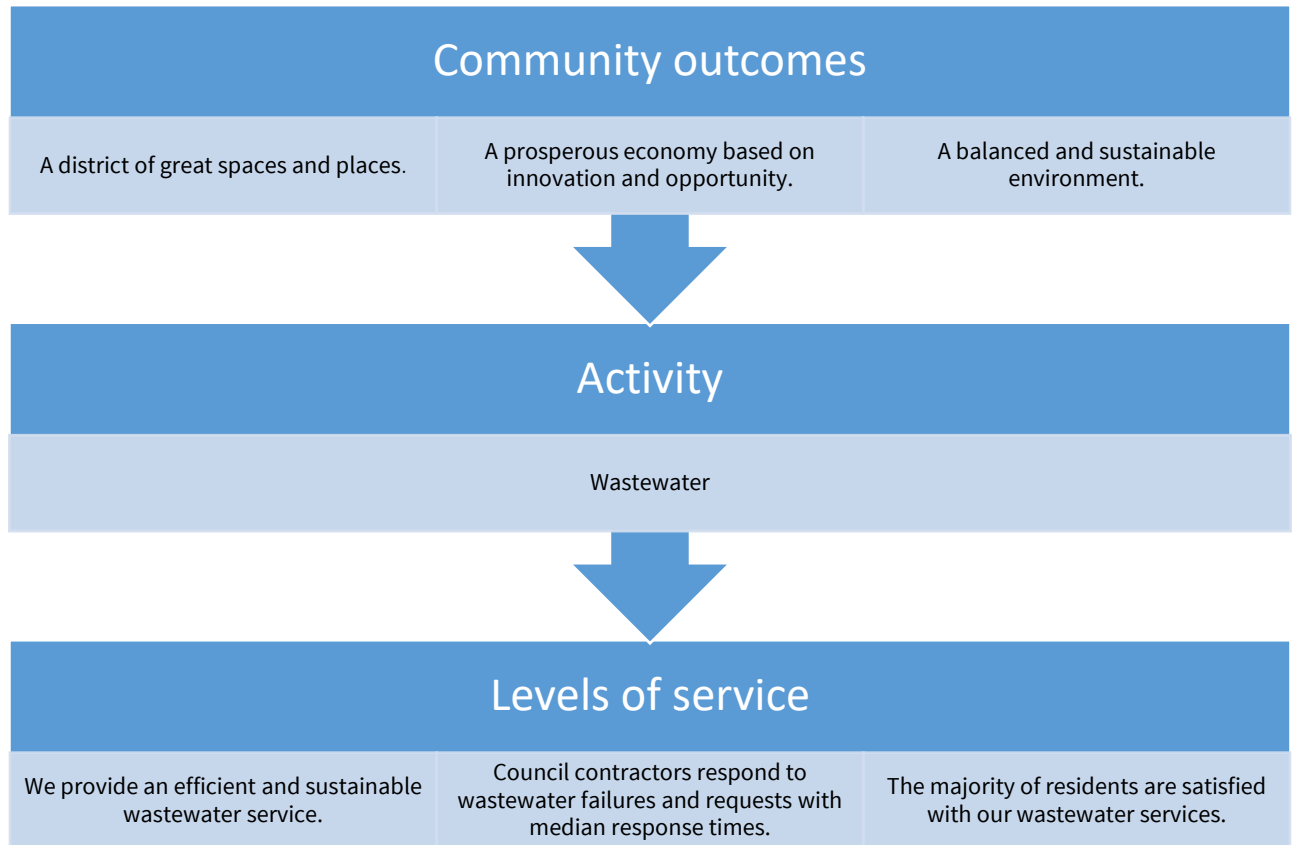
We had planned a number of sewer main capitals projects across 2019/20. All of these have now been deferred for rescheduling in the 2021-31 Long-Term Plan due to resources being redirected towards the Ashburton town centre project.

#### *Site investigation, survey and design*

- William Street, Ashburton (Dobson Street to Burnett Street)
- Wellington Street (Eton Street to Church Street)
- Burnett Street (East Street to William Street)

#### *Construction*

- Cameron Street (William Street to Chalmers Ave)
- Chalmers Ave (Cameron Street to Victoria Street)

**Our service – Wastewater**

## Targets and performance

**What we're aiming for:** To help protect community health and safety, and the environment, through the provision of reliable and efficient wastewater schemes.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)		2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide an efficient and sustainable wastewater service</b>	Dry weather overflow incidents (per 1,000 connections) *		0.52 / 1000 connections	≤1.0/1000 connections	0.29 / 1000 <sup>11</sup> connections	✓
	Compliance with resource consents*	Abatement notices	0	0	0	✓
		Infringement notices	0	0	0	✓
		Enforcement orders	0	0	0	✓
		Convictions	0	0	0	✓
<b>Council contractors respond to wastewater failures and requests with median response times</b>	Median response time (in hours) to callouts*	Call-out attendance time	0.38 hours (23 minutes)	1 hour	0.5 hours <sup>12</sup> (30 mins)	✓
		Call-out resolution	2.65 hours	4 hours	2.27 hours <sup>13</sup>	✓
<b>The majority of residents are satisfied with our wastewater services</b>	Customer satisfaction with wastewater services*	a) Sewage odour	6.43	≤10	5.70	✓
		b) Sewerage system faults	complaints/ 1,000	complaints/ 1,000	complaints/ 1,000	
		c) Sewerage system blockages	connections	connections	connections <sup>13</sup>	
		d) Council's response to issues with our sewerage system				

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>11</sup> A prompt response is a focus of our contractor, and this, along with the small number of events that occurred across the year has allowed call-outs to be able to be responded to and resolved within targeted time frames.

<sup>12</sup> A prompt response is a focus of our contractor, and this, along with the small number of events that occurred across the year has allowed call-outs to be able to be responded to and resolved within targeted time frames.

<sup>13</sup> A prompt response is a focus of our contractor, and this, along with the small number of events that occurred across the year has allowed call-outs to be able to be responded to and resolved within targeted time frames.



## Wastewater funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>14</sup> , rates penalties	20	21	20
Targeted rates	4,135	4,485	4,188
Subsidies and grants for operating purposes	-	-	-
Fees and charges	68	67	68
Internal charges and overheads recovered	19	19	-
Local authorities fuel tax, fines, infringement fees and other receipts	362	408	429
Total sources of operating funding	4,604	5,000	4,705
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,569	1,600	1,687
Finance costs	680	836	468
Internal charges and overheads	670	684	862
Other operating funding applications	-	-	-
Total applications of operating funding	2,919	3,120	3,017
<b>Surplus/(deficit) of operating funding</b>	1,685	1,880	1,688
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	326	333	247
Increase/(decrease) in debt	3,927	4,091	4,009
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	4,253	4,424	4,257
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	804	1,128	-
- to improve the level of service	2,291	3,485	4,445
- to replace existing assets	1,759	1,661	1,062
Increase/(decrease) in reserves	1,084	30	438
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	5,938	6,303	5,944
<b>Surplus/(deficit) of capital funding</b>	(1,685)	(1,880)	(1,688)
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>14</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Operating Funding

##### Targeted rates

Targeted rates are \$297,000 below the year 2 LTP budget. The 2019/20 Annual Plan reflected a reduction in the Ashburton wastewater interest costs of \$155,000 from that budgeted in year 2 of the LTP.

#### Application of operating funding

Finance costs were \$368,000 below the 2019/20 LTP budget. This was a result of borrowing interest rates being well below the 2019/20 LTP figure, and delays in capital expenditure which resulted in less loans being incurred in 2019/20.

#### Application of capital funding

Capital expenditure replacement of existing assets is \$599,000 below the budget of \$1,661,000. The budget included pipeline renewals in Chalmers Avenue (\$562,000) and Cameron Street (\$269,000). Due to the CBD upgrade, these two projects were deferred and will be reconsidered for inclusion in the 2021/31 Long Term Plan.

### Capital expenditure by wastewater scheme

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Ashburton	6,042	6,318	5,435
Methven	198	94	222
Rakaia	16	66	-
<b>Total capital expenditure</b>	<b>6,255</b>	<b>6,478</b>	<b>5,657</b>
less vested assets	1,401	204	150
<b>Council funded capital expenditure</b>	<b>4,854</b>	<b>6,273</b>	<b>5,507</b>

# Stormwater

## What we do

We provide urban stormwater collection and disposal networks in Ashburton, Methven and Rakaia. Lake Hood and Hinds have small systems of swales and open drains. These networks and systems ensure property and the environment are protected from flooding, and that roads and footpaths continue to be accessible during rain events.

Stormwater systems underpin the safety of our communities, people and property via the collection and re-direction of rainwater. These systems ensure rainfall is quickly and efficiently removed and prevent ongoing damage as a result of extreme weather.

## What we did in 2019/20

### West Street trunk main (Havelock Street / River Terrace)

\$1.75 million was carried forward from 2018/19 into 2019/20 for the upgrade of the West Street trunk main

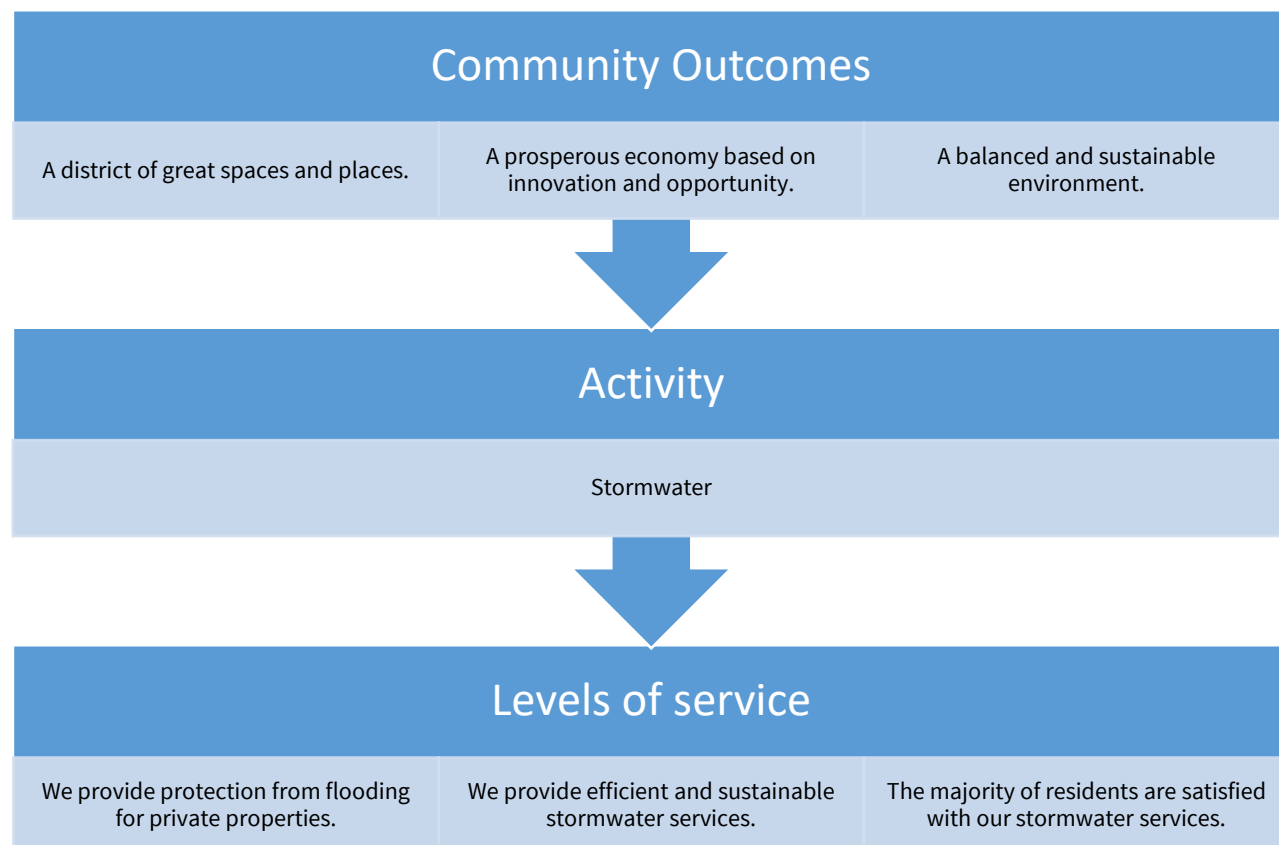
as part of a larger, 30 plus year project to upgrade the pipework in Ashburton. The overall project's aim is to provide flood alleviation and to provide treatment facilities to improve the quality of the final discharge. This project has been deferred and will be rescheduled as part of the 2021-31 Long-Term Plan.

### Stormwater capital programme

We had planned to construct a stormwater main on West Street (Havelock Street to Ashburton River), however this project has now been deferred for rescheduling in the 2021-31 Long-Term Plan due to resources being redirected towards the Ashburton town centre project.

We had also planned site investigations, survey and design of an attenuation and treatment facilities on West Street. This project has also been delayed due to resources being redirected towards the Ashburton town centre project, however, site investigations are in progress.

## Our service – Stormwater



## Targets and performance

**What we're aiming for:** To ensure property and the environment are protected and roads and footpaths continue to be accessible during rain events.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)		2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
We provide protection from flooding for private properties	Flooding events from stormwater overflows*		0	0	0	✓
	Number of habitable floors affected for each flooding event*		0	0	0	✓
	Median response time (in hours) to callouts*		N/A	1 hour	N/A <sup>15</sup>	N/A
We provide efficient and sustainable stormwater services	Compliance with resource consents*	Abatement notices	0	0	0	✓
		Infringement notices	0	0	0	✓
		Enforcement notices	0	0	0	✓
		Convictions	0	0	0	✓
The majority of residents are satisfied with our stormwater services	Customer satisfaction with stormwater services (complaints / 1,000 connections)*		3.32	≤ 5	1.94	✓

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>15</sup> There were no callouts in 2019/20.



## Stormwater funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>16</sup> , rates penalties	107	126	115
Targeted rates	921	1,080	993
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	1
Internal charges and overheads recovered	4	3	12
Local authorities fuel tax, fines, infringement fees and other receipts	37	27	21
<b>Total sources of operating funding</b>	<b>1,069</b>	<b>1,236</b>	<b>1,143</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	285	232	140
Finance costs	222	290	99
Internal charges and overheads	239	244	136
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>746</b>	<b>766</b>	<b>375</b>
<b>Surplus/(deficit) of operating funding</b>	<b>323</b>	<b>470</b>	<b>767</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,267	1,207	(161)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,267</b>	<b>1,207</b>	<b>(161)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,799	1,903	238
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	(210)	(226)	368
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>1,589</b>	<b>1,677</b>	<b>607</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(323)</b>	<b>(470)</b>	<b>(767)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>16</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of capital funding

##### *Increase (decrease) in debt*

The Ashburton stormwater account budgeted for a loan of \$1,207,000 to be raised in 2019/20. Capital expenditure was only \$238,000 and so the loan was not raised.

#### Capital expenditure

Capital expenditure was budgeted in the 2019/20 LTP at \$1,903,000 but only \$238,000 was spent. The West Street trunk main (Havelock St to River Terrace) has been delayed.

### Capital expenditure by stormwater scheme

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Ashburton	3,097	1,954	238
Methven	-	-	4
<b>Total capital expenditure</b>	<b>3,097</b>	<b>1,954</b>	<b>243</b>
less vested assets	1,298	51	4
<b>Council funded capital expenditure</b>	<b>1,799</b>	<b>1,903</b>	<b>238</b>

# Stockwater

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## What we do

In the Ashburton District there are five stockwater areas making up the stockwater race network of 2,058 km, supplying more than 1,340 properties.

We operate stockwater races to promote the productivity of rural land through the efficient provision of clean, reliable stockwater. The water race network is primarily a gravity fed open race system, although there are a number of areas serviced by piped systems. Stockwater is also provided via two piped schemes in Methven/Springfield and Montalto areas. These schemes are also used for household purposes and are treated to provide potable water – for the purposes of management; these piped schemes are considered drinking water supplies.

## What we did in 2019/20

The stockwater network is currently operating well, with a constant stream of closure requests being processed. Across 2019/20, 29.6 km of the stockwater network was closed.

### Cracroft intake

The flooding of the Rangitata River in December 2019 resulted in the Cracroft intake for the Cracroft main stockwater race becoming no longer operable. A temporary arrangement was put in place to extract water from the MHV Ltd race, which takes water from the RDR, which takes water from a point further up the Rangitata River.

We are now in the process of making this arrangement permanent, and a permanent intake has been constructed on the MHV Ltd water race. This has resulted in approximately 6 km of stockwater race closing. To allow the change in water take, we were granted temporary approval from ECAN, and are now undertaking the process to formalise this consent change. The work that has been undertaken to keep this race operable has resulted in an additional \$185,829 of operating expenditure for the stockwater activity.

## Health and safety assessments

\$100,000 was allocated through the Annual Plan to conduct urgent repairs and maintenance on the stockwater infrastructure to ensure we meet our obligations under the Health and Safety at Work Act 2015. Of this, \$43,500 has been used, with 13 of the 21 identified repairs completed, and the remaining eight quoted for. We have also upgraded a number of the tools and equipment used by the stockwater rangers. The outstanding \$56,500 will be carried forward to 2020/21 for the final works to be completed by the end of 2020.

### Surface Water Strategy

The \$75,000 budgeted for operational expenditure to implement actions from the strategy was not used in 2019/20 and has been carried forward for 2020/21. This will be used for an additional resource to support the closure of water races across the district.

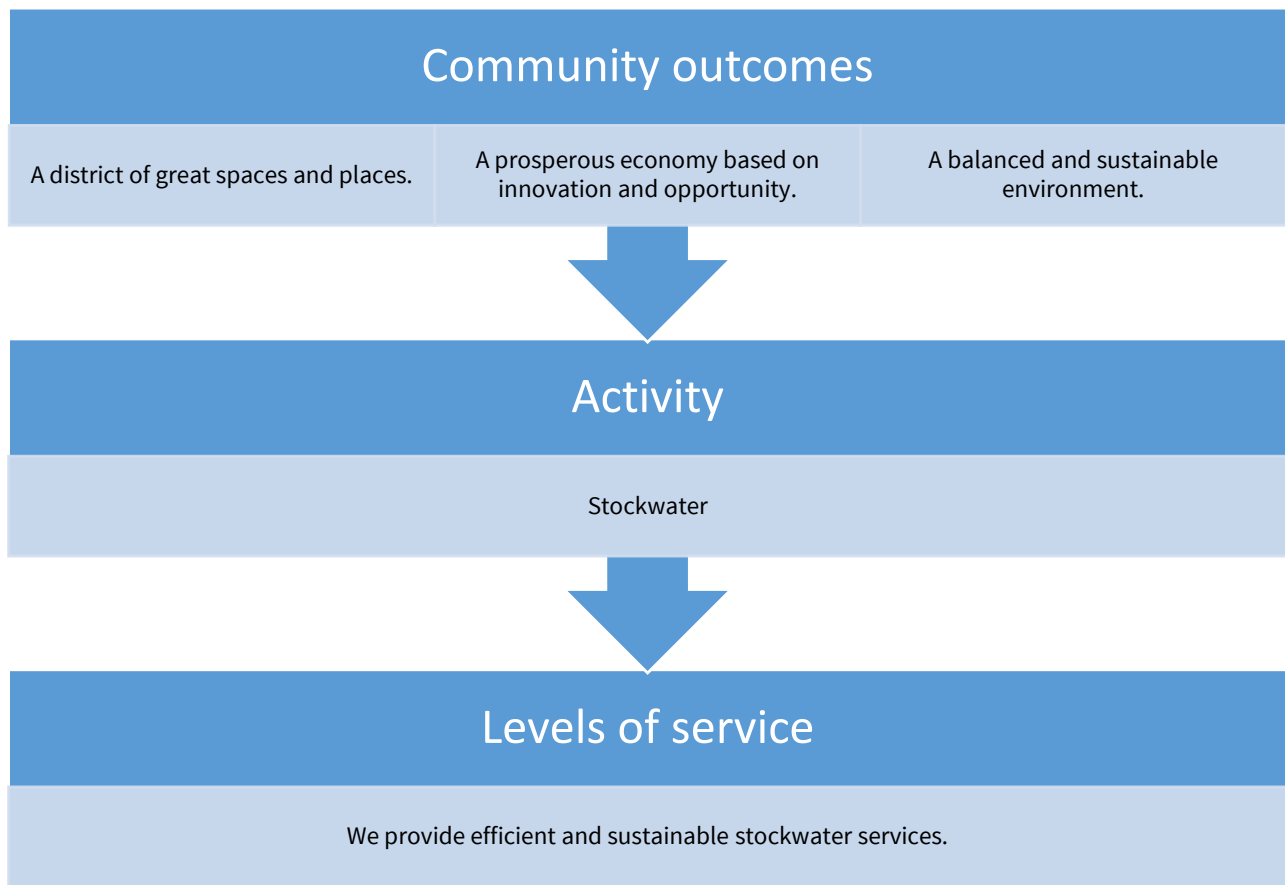
### Water Race Network Advisory Group

The Water Race Network Advisory Group has now begun the trial of supplying stockwater through irrigation infrastructure. There are a number of challenges to work through, such as how to pressurise the small amount of water that is required for stockwater only during the winter months.

### Fish screens

Since 2015, we have been required under our current resource consents, to install fish screens on four schemes to prevent fish from entering at the intakes. This was delayed due to uncertainties around the future scale of the water race network and the most suitable form of fish screen. As we are no longer using the Cracroft intake on the Rangitata River, this fish screen is no longer required. We have retained the \$242,000 allocated for 2019/20 for fish screens and will continue to work with Environment Canterbury to determine the best solution.

## Our service – Stockwater



## Targets and performance

**What we're aiming for:** To promote the productivity of rural land through the efficient provision of clean, reliable stockwater.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)		2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
We provide efficient and sustainable stockwater services	Compliance with resource consents	Abatement notices	0	0	0	✓
		Infringement notices	0	0	0	✓
		Enforcement notices	0	0	0	✓
		Convictions	0	0	0	✓



## Stockwater funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>17</sup> , rates penalties	100	102	104
Targeted rates	855	875	869
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	3	4	11
Local authorities fuel tax, fines, infringement fees and other receipts	4	4	-
<b>Total sources of operating funding</b>	<b>962</b>	<b>985</b>	<b>984</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	670	683	372
Finance costs	8	7	7
Internal charges and overheads	239	246	871
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>917</b>	<b>936</b>	<b>1,249</b>
<b>Surplus/(deficit) of operating funding</b>	<b>45</b>	<b>49</b>	<b>(265)</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(8)	192	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>(8)</b>	<b>192</b>	<b>-</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	24	242	30
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	13	-	(294)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>37</b>	<b>242</b>	<b>(265)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(45)</b>	<b>(49)</b>	<b>265</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>17</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Applications or operating funding

*Payments to staff and suppliers and internal charges and overheads.*

Whilst payments to staff and suppliers was \$311,000 below budget, internal charges and overheads was \$625,000 over budget. This was a change from direct costs to an internal charging regime for some expenditure.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Ashburton	24	242	30
<b>Total capital expenditure</b>	<b>24</b>	<b>242</b>	<b>30</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>24</b>	<b>242</b>	<b>30</b>



# Transportation – roading & footpaths

## This year we...

- Completed 7,450 km of grading on unsealed roads
- Resealed 154 km of road
- Filled 5,200 potholes

## Key results

- 34% of residents satisfied with sealed roads
- 51% of residents satisfied with unsealed roads
- 94% of footpaths meet service standards
- 96% of the sealed road network is classed as 'smooth'

## Our work contributed to the...

Economic wellbeing of the community by ensuring that goods and produce can move from within the district to markets

Environmental wellbeing of the community by continuing to design resilient new infrastructure capable of withstanding the effects of a changing climate and the potential impacts of an AF8 earthquake

Social wellbeing of the community by providing residents and visitors to the district with a network (including roads, footpaths, cycleways and walkways) that enables safe, effective and fit-for-purpose journeys.

**Achieved**  
**6 / 10**  
**performance measures**





## What we do

We are responsible for one of the largest road networks in New Zealand. Our road network covers 2,613 km, with approximately 1,512 km sealed and 1,101 km unsealed. This 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.

We also own and maintain a footpath network of over 245 km in towns and villages throughout the district.

We are committed to improving our road network, which includes providing and maintaining:

- Roads
- Footpaths
- Cycleways
- Bridges and culverts
- Street lights
- Road signs and markings
- On-street car parking
- Sealed entranceways

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.

We also undertake road safety initiatives to encourage drivers to be safe on our roads.

## What we did in 2019/20

### Network operations and maintenance contract

The five year network operations and maintenance contract that maintains our district's transportation network went out for tender in June, and is due to close at the end of July 2020.

### Speed limit review

At the December Council meeting it was agreed to consult on a range of changes to the speed limits across our district. Consultation was undertaken from 24 January to 8 March 2020. 204 submissions were received and 14 submitters attended the hearing to speak to their submissions. A range of speed limits were changed across the district, including the district-wide decision for a speed limit of 40 km/h outside urban schools and 60 km/h outside rural schools. Variable speed signs will be installed following discussions with each schools and their communities on the exact location of the speed limit zones.

### Walking and Cycling Strategy

On our behalf, Abley Ltd drafted a technical report

from which the Walking and Cycling Strategy has been developed. This strategy will go out for consultation with the community in late 2020.

### Ashburton urban second bridge

The first stage of the detailed business case, the strategic case, is due for completion shortly. The strategic case examines the available evidence of the issues and the benefits of investing in improved connectivity between Ashburton and Tinwald. It also identifies key performance indicators to measure the success of the investment over time. If approved by Council and Waka Kotahi (NZTA), the second part of the detailed business case will begin, which will review and identify new options and recommend a short list to be evaluated. We have spent \$90,000 of the budgeted \$307,000 for the detailed business case, with the unspent funds carried forward to 2020/21 to complete the second stage, following Council approval.

### Ashburton roads and footpaths budget

\$1.3 million was budgeted for roads and footpaths in Ashburton in 2019/20. With the Ashburton town centre project underway, this work and the associated funds, has been held back and will be used as part of the town centre project. \$720,000 will be carried forward to 2020/21 for this work.

### RDR bridge

We had planned to construct an RDR bridge each year for three years, starting in 2018/19. However, due to the timing of the shutdown of the RDR, we rescheduled these builds to be completed in the same year. The budgeted \$1,690,000 for this work will be carried forward into 2020/21 for construction of all three bridges.

### Annual works programme

#### Sealed road resurfacing

We resurfaced 154 lane kilometres. The total cost of the resurfacing work was \$2.7 million.

#### Sealed road rehabilitation

We rehabilitated 10.8 lane-km of sealed rural roads at a cost of \$2.8 million.

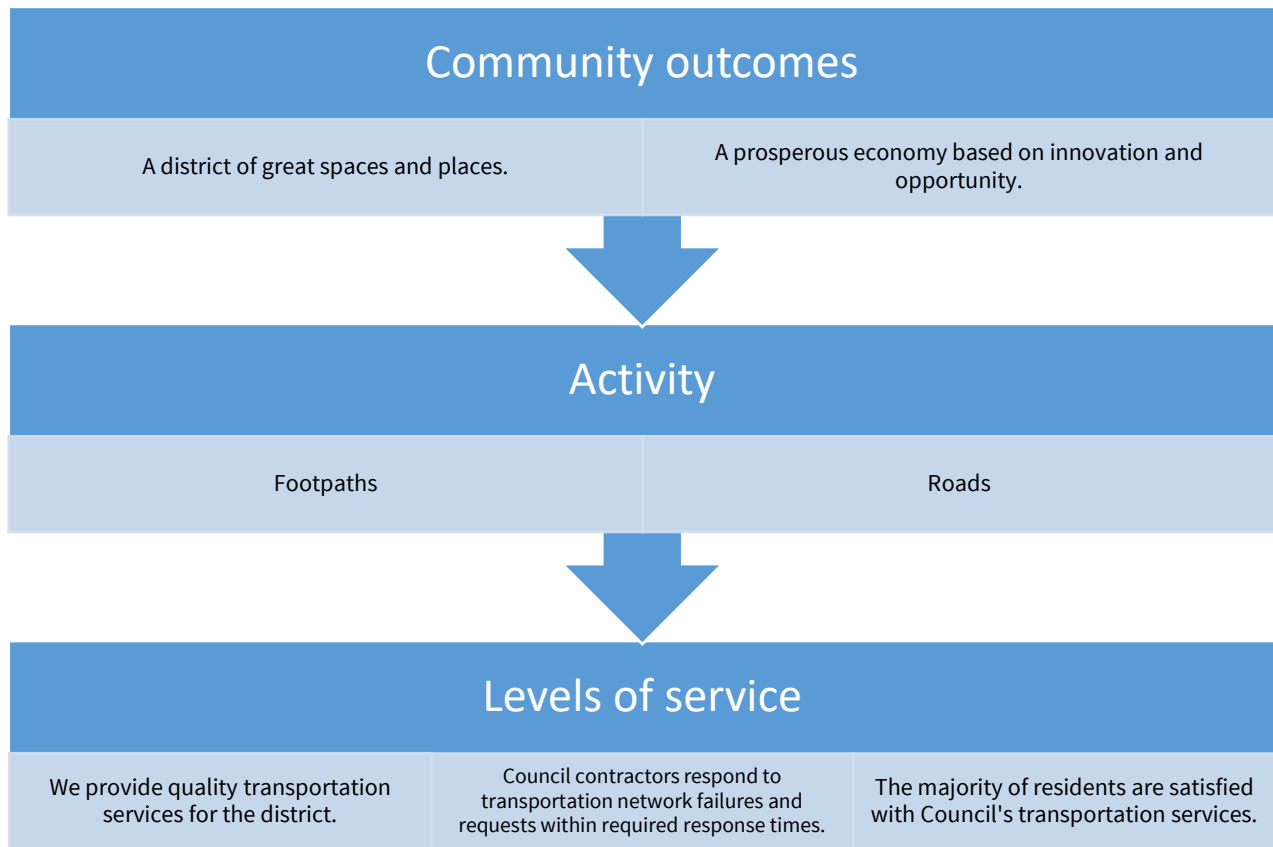
#### Unsealed roads

We applied 48,930 m<sup>3</sup> of road metal to 316 km of unsealed roads at a total cost of \$959,000. A further \$429,400 was spent grading unsealed roads.

#### Other major works

We spent a portion of the Low Cost Low Risk budget on a major project: Tinwald Intersection Improvement – Maronan Road, Melcombe Street, Shearman Street and Hendersons Road intersection (intersection reshape and upgrade of 1,460 m<sup>2</sup> costing \$180,000).

## Our service – Transportation



## Targets and performance

**What we're aiming for:** To enable efficient travel throughout the district to support economic and social interaction.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality transportation services for the district</b>	The footpath network is well maintained*	94%	85%	94%	✓
	The percentage of footpaths within a territorial authority district that fall within the level of service or service standards for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, annual works program or Long-Term Plan).				
	The sealed local road network is smooth*	96%	90%	96%	✓
	The sealed local road network is well maintained*	6.2%	4%	5.6% <sup>18</sup>	✓
	The percentage of the sealed local road network that is resurfaced.				
	Volume of metal replaced on unsealed roads	60,321m <sup>3</sup> (53,317 m <sup>3</sup> , 3 year average)	48,000m <sup>3</sup>	48,926m <sup>3</sup>	✓
	Reduction in fatalities on local roads*	1	≤2	0 <sup>19</sup>	✓
	The change in the number from the previous financial year.	(2 fatalities)		(2 fatalities)	
	Reduction in serious injury crashes on local roads*	-1 (8 SCI)	≤2	-1 <sup>20</sup> (7 SCI)	✓
	The change in the number from the previous financial year.				

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>18</sup> The amount of resurfacing undertaken varies from year to year and is driven by the value for money model which includes factors such as current condition and related work timelines. This has resulted in slightly more resurfacing being undertaken than the target for 2019/20.

<sup>19</sup> There were two fatalities on local roads in both 2018/19 and 2019/20.

<sup>20</sup> The number of serious crashes decreased from 8 in 2018/19 to 7 in 2019/20.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>Council contractors respond to transportation network failures and requests within required response times</b>	Roadway service requests are responded to on-time*	53%	75%	56% <sup>21</sup>	✗
	As per the timeframes specified in the Transportation Maintenance Contract, available on request from Council.				
	Footpath service requests are responded to on-time*	43%	70%	61% <sup>22</sup>	✗
	<i>As per the timeframes specified in the Transportation Maintenance Contract, available on request from Council.</i>				
<b>The majority of residents are satisfied with Council's transportation services</b>	Residents are satisfied with Council's unsealed roads	55%	70%	51% <sup>23</sup>	✗
	Residents are satisfied with Council's sealed roads	43%	70%	34% <sup>24</sup>	✗

\* Mandatory performance measure set by the Department of Internal Affairs.

<sup>21</sup> Improvements to general contract management have been undertaken to increase the proportion of service requests responded to on time. The response time is influenced by a large range of factors, such as competing priorities at the time of request along with the complexity of the request.

<sup>22</sup> Improvements to general contract management have been undertaken to increase the proportion of service requests responded to on time.

<sup>23</sup> 38% of those who were unsatisfied with unsealed roads stated poor maintenance/poor quality of roads as the reason. 25% noted too many potholes, and 24% grading is not done enough / poor quality grading.

<sup>24</sup> 56% of those who were unsatisfied with sealed roads stated too many potholes as the reason, 33% said poor maintenance of roads / poor quality of roads, and 30% said repairs that need to be fixed again too soon.

## Transportation funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>25</sup> , rates penalties	194	224	155
Targeted rates	7,407	7,757	7,972
Subsidies and grants for operating purposes	1,954	1,973	2,593
Fees and charges	22	22	25
Internal charges and overheads recovered	32	32	94
Local authorities fuel tax, fines, infringement fees and other receipts	423	425	554
<b>Total sources of operating funding</b>	<b>10,032</b>	<b>10,433</b>	<b>11,393</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,898	4,004	4,783
Finance costs	37	68	25
Internal charges and overheads	1,486	1,520	1,932
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,421</b>	<b>5,592</b>	<b>6,740</b>
<b>Surplus/(deficit) of operating funding</b>	<b>4,611</b>	<b>4,841</b>	<b>4,653</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	5,747	5,962	3,616
Development and financial contributions	10	8	50
Increase/(decrease) in debt	787	807	166
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>6,544</b>	<b>6,777</b>	<b>3,832</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,364	2,616	1,553
- to replace existing assets	8,894	9,086	5,874
Increase/(decrease) in reserves	(102)	(84)	1,058
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>11,156</b>	<b>11,618</b>	<b>8,486</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(4,612)</b>	<b>(4,841)</b>	<b>(4,653)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>25</sup> Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Operating Funding

##### *Subsidies and grants*

Total subsidies and grants (both operating funding and capital funding) was \$1,726,000 below budget. The delay in subsidised capital work (outlined in the capital expenditure variance below) resulted in NZTA subsidies being less than budget. The shortfall will be received in 2020/21 when the capital expenditure work is completed.

#### Application of capital funding

##### *Capital expenditure*

Capital expenditure to improve levels of service was \$1,063,000 below the year 2 LTP budget of \$2,616,000. The LTP had budgeted to strengthen one of the three bridges across the Rangitata Diversion Race in each of the first three years of the LTP. This did not proceed as it more efficient to strengthen all three bridges at the same time. The budget for the bridge strengthening in year 2 if the LTP was \$708,000. All three bridges are being strengthened in the 2020/21 year.

Capital expenditure to replace existing assets was underspent by \$3,212,000. This was the result of delaying any renewals work related to the Ashburton Central Business area until the start of the Ashburton CBD upgrade. Approximately \$2.1 million of overlay work was delayed and \$410,000 of CBD Ashburton footpath renewals were delayed. The CBD upgrade was started in the second half of 2019/20, but was impacted by Covid-19 meaning the amount budgeted to be spent in 2019/20 was less than expected. This project continues throughout the 2020/21 year.

As a result of the capital expenditure variance, the loan funding was also less than budget.

The transfer from reserves of \$922,000 was a transfer from the parking reserve to the roading reserve to fund some of the CBD works. This was approved by Council during the 2019/20 year.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Roading	8,539	12,858	8,178
Footpaths	975	1,121	596
<b>Total capital expenditure</b>	<b>9,514</b>	<b>13,979</b>	<b>8,775</b>
less vested assets	70	2,277	1,347
<b>Council funded capital expenditure</b>	<b>9,444</b>	<b>11,702</b>	<b>7,428</b>



# Waste reduction & recovery

## This year we...

Collected from waste and recycling from over 11,500 households..

- 4,020 tonnes of rubbish
- 2,032 tonnes of recycling
- 1,550 tonnes of recyclable glass

This gives us a diversion from landfill rate of 47% for household recycling.

The total weight of kerbside collections was 7,602 tonnes with an additional 17,857 tonnes through our resource recovery parks.

## Key results

- 88% of residents are satisfied with rubbish and recycling services
- 91% of users were satisfied with the kerbside collection service
- 95% of kerbside collection complaints were responded to within 24 hours

## Our work contributed to the...

Environmental wellbeing of the community by ensuring that our rubbish and recyclable material is well managed

Achieved  
**1 / 3**  
performance measures



## What we do

We promote sustainable waste management and minimisation. Essential waste management services are provided through contractual arrangements with Envirowaste. Our waste reduction and recovery services include:

- Kerbside collection of rubbish and recycling in urban communities
- Ashburton and Rakaia Resource Recovery Parks
- Rural recycling drop-offs around the district
- Methven green waste and inorganic material drop-off facility
- Management of the district's closed landfills
- Management of discarded litter and collection of illegally dumped waste
- Waste management planning and reporting.

Kerbside collection is provided in Ashburton, Chertsey, Fairton, Hinds, Lake Hood, Mayfield, Methven, Mt Somers, Rakaia and Winslow. There are also rural recycling drop-off facilities in Carew Peel Forest, Fairton, Hakatere Huts, Hinds, Mayfield, Mt Somers, Pendarves, Rangitata Huts,

South Rakaia Huts, Staveley and Willowby.

These services keep residents and our environment safe from the effects of harmful waste.

## What we did in 2019/20

During the Covid-19 lockdown, kerbside collections were able to continue as an essential service, however, recycling was sent to landfill as it was unable to be sorted. This resulted in additional costs of \$56,570 due to the additional 407 tonnes (or about 80 truckloads) of recycling sent to Kate Valley.

## Key projects

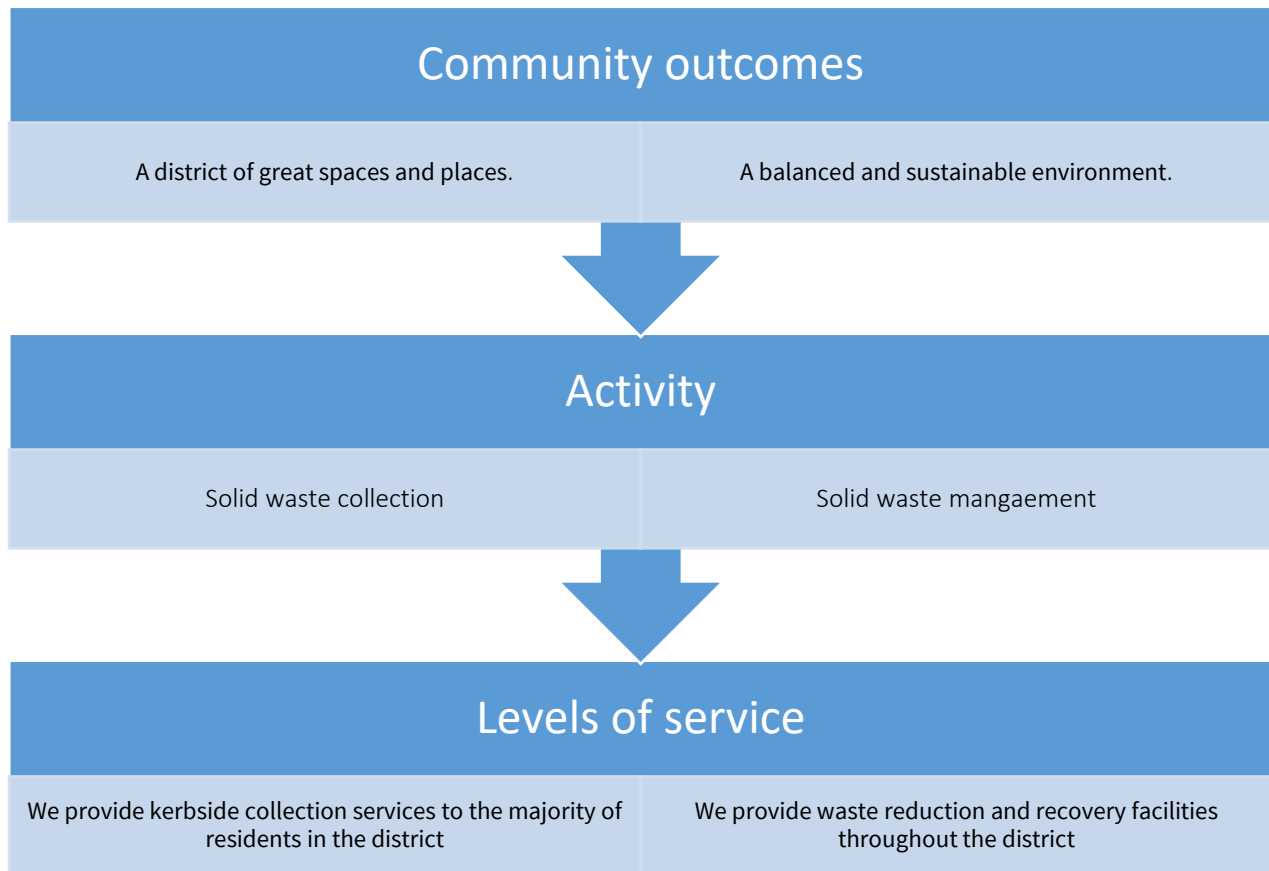
### Recycling bunker

We budgeted \$272,000 for a covered recycling bunker at the Ashburton Resource Recovery Park this year. Due to delays in release of the tender documentation and resource constraints, this project has been delayed. The funds will be carried forward to 2020/21.

### Town centre revitalisation

We budgeted \$100,585 for recycling infrastructure as part of the Ashburton town centre upgrade. This has not yet been spent and will be carried forward to 2020/21.

## Our service – Waste reduction & recovery



## Targets and performance

**What we're aiming for:** To develop a cost-effective range of waste management services to ensure sustainable management, conservation of resources, and protection of the environment and public health.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide kerbside collection services to the majority of residents in the district</b>	Increase the volume of recyclable material from kerbside collection services	+3.3%	+1%	-11% <sup>26</sup>	✗
	Kerbside collection service complaints are responded to within 24 hours (response time – contract KPI)	100%	95%	95%	✓
<b>We provide waste reduction and recovery facilities throughout the district</b>	Increase the volume of recyclable/recoverable material recovered from the waste stream	+1.4%	+1%	-5% <sup>26</sup>	✗

<sup>26</sup> Covid-19 lockdown (levels 3 and 4) meant that 3 months of recycling went to landfill eroding previous gains.



### Waste reduction & recovery funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC* <sup>27</sup> rates penalties	908	893	977
Targeted rates	2,142	2,212	2,196
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,072	2,149	1,828
Internal charges and overheads recovered	492	510	630
Local authorities fuel tax, fines, infringement fees and other receipts	247	250	214
<b>Total sources of operating funding</b>	<b>5,861</b>	<b>6,014</b>	<b>5,845</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,586	4,694	4,985
Finance costs	42	40	20
Internal charges and overheads	1,030	1,060	1,279
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,658</b>	<b>5,794</b>	<b>6,283</b>
<b>Surplus/(deficit) of operating funding</b>	<b>203</b>	<b>220</b>	<b>(438)</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(42)	143	(23)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>(42)</b>	<b>143</b>	<b>(23)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	156	347	7
- to replace existing assets	90	41	(0)
Increase/(decrease) in reserves	(86)	(23)	(469)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>160</b>	<b>365</b>	<b>(462)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(203)</b>	<b>(220)</b>	<b>438</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>27</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of operating income

##### *Fees and charges*

Fees and charges were \$321,000 below the LTP year 2 budget of \$2,149,000. A number of factors contributed to this including an over estimated budget of refuse tonnages. Due to Covid-19, the Ashburton Resource Recovery Park was closed to the general public for four weeks resulting in increased tonnage through the refuse kerbside collection (rate funded) rather than attracting fees and charges through the Ashburton Resource Recovery Park.

#### Applications of operating funding

##### *Payment to staff and suppliers*

Payment to staff and suppliers was \$291,000 above the year 2 LTP budget of \$4,694,000. Due to Covid-19, the normal recycling could not be picked up through the kerbside collection, and all household recycling was included in the waste collections, and hence the tonnage of waste going to landfill (and the cost) was greater than budgeted.

#### Application of capital expenditure

##### *Capital expenditure –to improve level of service*

The construction of the bunkering of bulk recyclables project included in year 2 of the LTP at a cost of \$327,000 has been delayed, and will now be constructed in the 2020/21 year.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Refuse collection	117	64	3
Refuse management	129	324	5
<b>Council funded capital expenditure</b>	<b>246</b>	<b>387</b>	<b>7</b>









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**Public  
services**





# Community governance & decision-making

## This year we...

- Reviewed and adopted 10 policies
- Wrote 12 submissions to advocate on our districts behalf to government departments
- Received feedback from 541 community members on the five topics we discussed with the community this year
- Gave out \$1.19 million in grants and funding to 64 groups and organisations

## Key results

- 69% are satisfied with our overall performance
- 95% agree Ashburton District is a great place to live
- 84% agree our district is going in the right direction
- 80% trust Council to do the right thing.
- 78% of residents are satisfied with the Mayor and councillors
- 69% of residents are satisfied with how their rates have been spent
- 82% of residents are satisfied with our advocacy work
- 95% of residents are satisfied with the opportunities for grants and funding
- 95% of residents are satisfied with our support of social services

## Our work contributed to the...

Social wellbeing of the community by providing residents opportunities to have their say on a range of matters and through grant funding support of community groups and organisations.

Cultural wellbeing of the community by maintaining and strengthening our relationship with Te Rūnanga o Aorhenua through regular hui with Aoraki Environmental Consultancy.

Achieved  
**3 / 4**  
performance measures



## What we do

The Community Governance and Decision-Making activity supports and guides all the activities we as a council undertake. This activity enables us to function and provide stable, transparent, effective, efficient and accountable local governance to the district. Elected members set the direction and make decisions around the funding of activities to ensure we meet our community outcomes and strategic priorities.

### Democracy

We have an important role in providing leadership for the district and representing the interests of the community at the local, regional and national levels. Council committees meet regularly to make governance decisions on council strategies, policies, bylaws and plans for the Ashburton District. Also included under this area are the Methven Community Board and the Ashburton District Youth Council.

The Methven Community Board is an elected board that represent the interests of the Methven community. The Ashburton District Youth Council brings together youth representatives from within the district to learn leadership skills and advocate to Council on behalf of young people in our community.

### Community grants & funding

We contribute more than \$1.18 million to community groups and organisations, including those who provide services to the community on our behalf. Our grants and funding fall into five main categories of Arts and Culture, Community Development, Community Events, Natural and Built Environments, and Sport and Recreation.

We recognise that other organisations and groups do important work to support the community in areas that are far better serviced by these groups than by us. We believe supporting the groups already working in the community to deliver these important services is an effective and efficient use of resources.

## What we did in 2019/20

This financial year saw continued progress of the policy review programme, with ten policies reviewed and adopted by Council. We also submitted 12 submissions to central government on topics that affect our district.

Throughout the year, 129 media releases were published along with 12 monthly District Diaries. Council's Facebook page has reached 6,070 followers, up from 4,203 last year. A total of 196 videos were posted on YouTube / Facebook, and viewed 193,622 times for a collective 210,860 minutes.

We had intended to hold our Community Honours Awards in March 2020, however, these had to be delayed due to the Covid-19 pandemic. These awards will now be held at the end of October 2020.

The Covid-19 pandemic resulted in the cancellation of the May 2020 citizenship ceremony, with the Department of Internal Affairs processing citizenship applications and sending certificates directly to new citizens. Prior to the cancelled May ceremony, we held three ceremonies, for 127 new citizens from 12 different countries.

### Democracy

#### Triennial elections

In October 2019, the local body elections were held. Our district had one of the higher participation rates around the country, at 55.06%. This also saw the Representation Review outcome – that our council would be reduced from 12 councillors to nine come to fruition. For the Methven Community Board, only four candidates were nominated for the five vacancies and a by-election was held in February 2020 to fill the remaining vacancy.

#### Live-streaming of meetings

In March 2019, we began trialling live streaming Council and Standing Committees. In September 2019, it was decided that the trial was successful and that live-streaming could be extended to include hearings and deliberations.

#### Consultations

This year, we spoke with the community on a range of topics, including the Water Race Bylaw, the Rakaia Salmon Site Enhancement Project, the Ashton Beach Enhancement Project, the Speed Limit Review and the Draft Ashburton Domain Development Plan – for details of these projects go to [ashburtondc.govt.nz/haveyoursay](http://ashburtondc.govt.nz/haveyoursay). Across these consultations, we received feedback from 541 people.

#### Annual Residents' Survey

Every year we undertake a survey of our community to get feedback on the activities and services we provide. This year, we used a new provider – Key Research, who used a different method from previous years to collect the information. Postal invitations were sent out to an online survey, with a hardcopy survey sent a week later to anyone who hadn't yet responded. Participants were chosen to be invited by random selection off the electoral role. One thousand invitations were sent out at four time points across the year. In the past, the data had been collected at one time point in the year, through randomly calling residents in a phone database. We received feedback from 950 residents across the year for the 2019/20 survey.

### Community grants & funding

In 2019/20, 71 groups and organisations received more than \$1.2 million collectively. Many of our funds were over-subscribed, with only the biodiversity and school holiday programme funds under-subscribed.

We also continued to administer the Creative Communities Scheme and Rural Travel Fund grants on behalf of Creative Communities New Zealand and Sport NZ respectively. Fourteen groups received \$29,882 collectively for their projects through the Creative Communities Scheme; 12 groups received \$13,000 collectively through the Rural Travel Fund.

### Agency funding

Our agencies that we provide significant funding to – Ashburton Art Gallery, Ashburton Trust Events Centre and Safer Ashburton, were all affected by the Covid-19 pandemic in 2019/20.

The Ashburton Trust Events Centre was unable to host any events, and therefore, received no income for 6-months of the year. Significant savings had to be made, including reducing staff hours to four days per week, resulting in an \$8,000 loss for the year.

The Ashburton Art Gallery had an 18.2% decline in visitors across the year and are expecting this to continue for 2020/21 due to the uncertainty caused by Covid-19.

Safer Mid Canterbury (formerly Safer Ashburton), have had delays to the opening of the Citizens Advice Bureau, which will now open in December 2020 with 1-2 days per week. The refugees that were expected to arrive in 2020 were delayed. It is still unknown when MBIE will proceed with this program - although plans are in place to ensure their care under levels 1 and 2.

### Allocated grants and funding

The table below shows the total funds requested for each fund, along with the amount allocated in 2019/20.

Category	Grant	Funds requested	Funds allocated
Arts & culture	Ashburton Art Gallery	\$395,000	\$385,600
	Ashburton Trust Events Centre	\$298,860	\$298,860
	Community libraries	\$12,500	\$8,500
Community development	Community agencies	\$109,173	\$73,340
	Community projects	\$48,995	\$26,660
	Safer Mid Canterbury	\$176,806	\$176,806
	Safe Communities accreditation	\$35,000	\$35,000
Community pools		\$38,930	\$35,461
Economic development	Community events	\$57,963	\$17,350
Natural & built environments	Biodiversity	\$26,147	\$26,147
	Community infrastructure	\$40,976	\$39,300
	Heritage	\$33,968	\$31,715
Sport & recreation	Sport development	\$82,100	\$60,000
	School holiday programme	\$7,517	\$3,000
Discretionary		\$8,000	\$8,000
<b>Total</b>		<b>\$1,333,005</b>	<b>\$1,225,739</b>

### Our service – Community governance & decision making



## Targets and performance

### Democracy

**What we're aiming for:** To engage in meaningful conversations and lead the community with clear and rational decision-making that is based on robust monitoring, research and analysis.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>The community to be informed of, and involved in, local decision making</b>	Residents are satisfied that the Council provides opportunities to have their say	91%	80%	86%	✓
	Residents are satisfied with the quality of information about Council activities and events	88%	80%	92%	✓
<b>The community's views are taken fully into account for effective governance by elected members</b>	Residents are satisfied with the performance of the Mayor and councillors	77%	80%	78%	✗

### Community grants & funding

**What we're aiming for:** To support other organisations in the community in areas that are far better serviced by these groups than what we could do.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>Community-led projects are well supported to enhance community development and wellbeing</b>	Residents are satisfied that the Council provides opportunities for grants and funding to support community-led projects	96%	80%	95%	✓



## Community governance & decision making funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>28</sup> , rates penalties	3,947	4,014	4,040
Targeted rates	72	73	71
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	7
Internal charges and overheads recovered	(2)	-	25
Local authorities fuel tax, fines, infringement fees and other receipts	90	182	103
<b>Total sources of operating funding</b>	<b>4,107</b>	<b>4,269</b>	<b>4,246</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,977	2,172	2,190
Finance costs	105	100	89
Internal charges and overheads	1,894	1,875	1,835
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,976</b>	<b>4,147</b>	<b>4,114</b>
<b>Surplus/(deficit) of operating funding</b>	<b>131</b>	<b>122</b>	<b>132</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	433	442	390
Increase/(decrease) in debt	(131)	(131)	(136)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>302</b>	<b>311</b>	<b>254</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	433	433	386
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>433</b>	<b>433</b>	<b>386</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(131)</b>	<b>(122)</b>	<b>(132)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>28</sup> Uniform Annual General Charges

### Significant variances between actual and budget

There are no significant variances.







# Economic development

## This year we...

- Sold 7 residential / commercial properties totalling 7,540 m<sup>2</sup> and 1 industrial section of 1.93 ha
- Managed 800 leases across the district
- Were involved with 15 community events (with 12 cancelled due to Covid-19) attended by 75,830

## Key results

- 93% of residents are satisfied with our community events
- 89% of residents are satisfied with our work in economic and business development
- 68% of residents are satisfied with our tourism promotion
- 90% of residents are satisfied with our support for new residents

## Our work contributed to the...

Economic wellbeing of the community by ensuring that our residents and business community are well connected and by providing residential / commercial properties for lease or purchase

Cultural wellbeing of the community by delivering the Welcoming Communities programme within the district

Social wellbeing of the community by hosting community events for residents and visitors

**Achieved**  
**1 / 3**  
**performance measures**



\*1 measure N/A

## What we do

There are four main components of our Economic Development portfolio, including Commercial Property, Forestry, Economic Development, and support for the external activity of Tourism delivered by Experience Mid Canterbury.

### Commercial property

We own and manage over 1,400 properties as part of our portfolio, including industrial, commercial, residential and rural properties. Some of these are strategic investments held for our current or future activities, while non-strategic properties are continually reviewed for sale.

### Economic development

In December 2017, we adopted an Economic Development Strategy and Action Plan which identified seven key pillars and include Council-led and industry-led actions. We are working to develop partnerships and deliver on these actions.

### Forestry

We have a large number of different plantation-sized parcels of land throughout the district. This was originally seen as a potential investment that would provide high returns. The size of the activity is not sufficient to be economically sustainable and blocks have been reviewed and put up for sale.

### Tourism

Tourism for Ashburton district is delivered by our Council-Controlled Organisation (CCO) Experience Mid Canterbury (EMC). EMC is responsible for the delivery of tourism promotion across the district.

## What we did in 2019/20

### Commercial property

#### Ashburton Business Estate

Work has begun on the development of 50 sections at the Ashburton Business Estate. The titles are expected by the end of 2020 / early 2021. \$1.2 million of the budgeted \$5 million has been spent, with the balance carried forward to 2020/21.

#### Art Gallery and Heritage Centre

We included a provision of \$2.5 million in the budget for 2019/20 to cover the remedial works that is required on the Art Gallery and Heritage Centre building. Design of this work has taken longer than expected, and there was a 22 week delay with delivery of the air conditioning equipment. This is now in Ashburton, and the funds will be carried forward to 2020/21 to complete this work.

### Community Hall refurbishments

In 2018/19 we undertook assessments of the condition and compliance with new regulations of community halls on Council-owned land. As a result of this work, a number of projects were identified, with two upgrades planned for 2019/20.

- The Tinwald Memorial Hall required a replacement roof, which has been completed on time and within the budgeted \$125,000 allocated. Earthquake strengthening was also undertaken on the hall.
- We had budgeted \$150,000 for earthquake strengthening at the Rakaia Memorial Hall. Due to delays in getting the final engineering plans completed, the budgeted funds will be carried forward, with the work completed in 2020/21.

### New library and civic centre building

Pre-construction investigations on the soil structure have been undertaken, and the detailed design plans were adopted by Council in August 2020. Following adoption of the design plans, we will go out for tender for construction of the building. \$9.9 million will be carried forward to 2020/21 for this project. We will be going out for public consultation on the design of Baring Square East park adjacent to the new library and civic centre in late 2020.

### Property acquisition plan – strategic investment plan

We had intended to undertake a property acquisition plan in 2019/20. Due to limited resources, this will be undertaken in 2021/22-22/23. This plan will provide the rationale behind our commercial investments, including our forestry blocks. Subsequent to this, there will be a plan for what land and/or buildings need to be purchased or sold for the strategic use of council.

### Oval pavilion

We had budgeted \$150,000 for renovations to the oval pavilion, however, due to ownership transfer delays this work has not yet gone ahead. We will carry forward these funds to 2020/21 for the work to be completed.

### Forestry

#### Service delivery review

Due to competing priorities this review has not yet been undertaken. This will now be undertaken as part of the broader strategic investment plan in 2020/21.

### Economic development

In 2019/20 we employed an in-house resource dedicated to implementing the actions in our Economic Development Strategy. This has allowed a range of projects to be undertaken, as described below.



### Economic development Covid-19 response

In response to the Covid-19 pandemic, we set up the Mid Canterbury Open for Business website - [openforbiz.ashburtondc.govt.nz](https://openforbiz.ashburtondc.govt.nz) where businesses can advertise their services and products. At the end of June 273 businesses were registered.

We also produced a series of webinars to support our community, on topics such as mental wellbeing, employment & health and safety laws, digital marketing, and migrant support during Covid-19. The series received over 1,500 views.

To support the wider economic recovery we set up the Covid-19 Economic Recovery Advisory Group; and the Caring for Communities Welfare Recovery Group to support the social recovery needs of our district. These groups consist of leaders from our community who are assisting Council in our understanding of the needs of our community, and helping coordinate other agencies to ensure resources are best targeted for our community's recovery.

### Welcoming Communities

In June 2020 we were awarded accreditation from the Department of Ministry of Business, Innovation and Employment, as an 'Established' Welcoming Community. This completes level two. There are four levels to complete to become an 'Excelling' Welcoming Community.

### Ashburton Nights of Light Festival

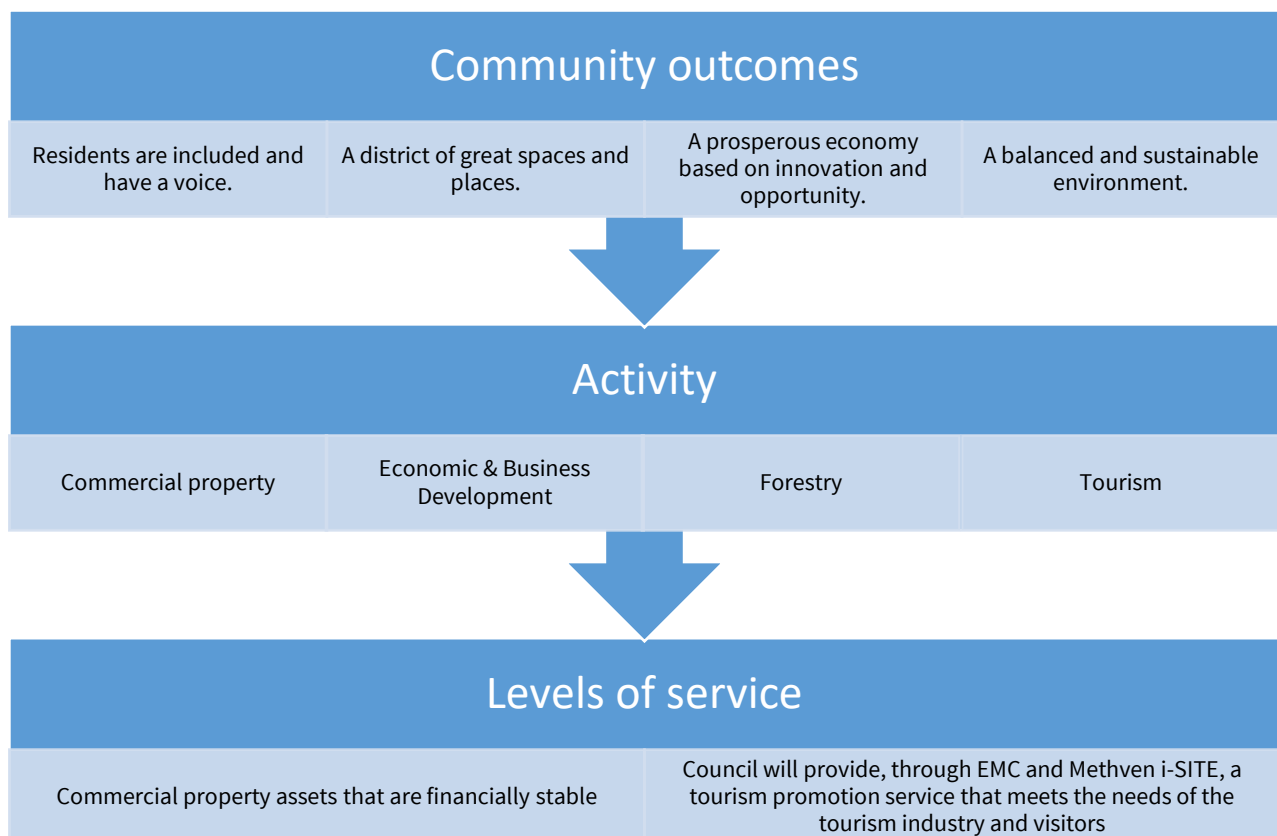
Ashburton Nights of Light Festival was the biggest Council event in 2019/20. Each Friday night in the lead up to Christmas a different festive activity was held in Baring Square East, including Light up the Night, Buskers Night and Family Movie Night and the Festive Walk (fairy lights and art installations in the trees along East Street).

### Tourism

#### Experience Mid Canterbury

In the 12 months to January 2020, visitor spend within the Ashburton District was \$193 million. However, the impact of Covid-19 on tourism in the district meant that EMC reviewed its services, with a restructure taking effect from 1 July 2020.

### Our service – Economic development





## Targets and performance

**What we're aiming for:** To support the local economy by assisting tourism, employment, and business development initiatives.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>Commercial property assets that are financially sustainable</b>	Occupancy of all commercial tenancies at or above 95% at all times.	98%	≥ 95%	98%	✓
<b>Council will provide, through Experience Mid-Canterbury and Methven i-SITE, a tourism promotion service that meets the needs of the tourism industry and visitors</b>	The EMC business membership will show an increase each year.	- 29%	≥ 2%	- 13% <sup>29</sup>	✗
	Total visitor guest nights in the Ashburton District will show an increase each year.	1.9%	≥ 2%	Unable to be measured <sup>30</sup>	N/A

<sup>29</sup> In 2017/18 (base year for this measure) EMC had 66 members. While the membership has increased on last year (47 members in 2018/19), the membership of 60 in 2019/20 is still a decrease on 2017/18.

<sup>30</sup> Statistics New Zealand no longer undertakes the Accommodation Survey which is where this information was sourced  
<https://www.stats.govt.nz/information-releases/accommodation-survey-september-2019>

## Economic development funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>31</sup> , rates penalties	(1,353)	(1,103)	(1,522)
Targeted rates	206	205	216
Subsidies and grants for operating purposes	-	-	157
Fees and charges	6	6	-
Internal charges and overheads recovered	2,521	2,577	2,548
Local authorities fuel tax, fines, infringement fees and other receipts	6,719	6,249	5,166
<b>Total sources of operating funding</b>	<b>8,099</b>	<b>7,934</b>	<b>6,566</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,846	2,646	3,202
Finance costs	1,703	1,603	1,384
Internal charges and overheads	851	957	1,057
Other operating funding applications	-	-	44
<b>Total applications of operating funding</b>	<b>5,400</b>	<b>5,206</b>	<b>5,687</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,699</b>	<b>2,728</b>	<b>879</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(2,504)	(2,504)	10,196
Gross proceeds from sale of assets	-	3,375	2,998
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>(2,504)</b>	<b>871</b>	<b>13,193</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,152	5,132	10,347
- to replace existing assets	104	20	346
Increase/(decrease) in reserves	(1,061)	(4,930)	3,379
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>195</b>	<b>222</b>	<b>14,072</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,699)</b>	<b>(2,728)</b>	<b>(879)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>31</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of operating funding

General rates, UAGC and rates penalties negative figures are a contribution rather than a rate requirement. Hence the contribution is \$419,000 greater than budget. This included \$300,000 from forestry that was not budgeted for in the LTP year 2 budget.

Local authorities fuel taxes, finds and infringement fees was \$1,083,000 less than budget. The sale of commercial property was budgeted at \$3,511,000 but actual was \$1,839,000 (with an additional gain on sale of Glasgow leases of \$137,000 that was not budgeted).

#### Applications of operating funding

Payments to staff and suppliers was \$556,000 greater than budget. Costs associated with the Ashburton Art Gallery and Heritage Centre remedial design and legal costs were greater than budget although this expenditure was approved by Council during then 2019/20 year.

#### Sources of capital funding

Increase/decrease in debt.

A loan of \$10 million was uplifted in 2019/20 to fund land purchased from the Lake Hood Extension Project (see below) and to replace internal debt in the commercial property activity.

#### Application of capital funding

Total capital expenditure was \$10,693,000 against a budget of \$5,152,000. This was primarily for the commencement of the new Ashburton library and civic centre. This project was delayed whilst the scope was reviewed and therefore only \$2,033,000 was spent during the 2019/20 year. Council purchased a property (farm and quarry site) from the Lake Hood Extension project of \$5,086,000, and a property at Lower Beach road for \$1,620,000 for future expansion of Council's Ashburton wastewater scheme.

Decrease in reserves variance was due to the additional capital expenditure outlined above.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Commercial property	1,256	5,153	10,693
Plus Civic building	-	-	-
Forestry	-	-	-
<b>Total operating expenditure</b>	<b>1,256</b>	<b>5,152</b>	<b>10,693</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>1,256</b>	<b>5,152</b>	<b>10,693</b>







# Community services

## This year we provided...

- 40 public toilets
- 108 elderly persons homes

## Key results

- 89% of residents were satisfied with community safety
- 91% of residents were satisfied with CCTV and security patrols
- 94% of residents were satisfied with our public toilets

## Our work contributed to the...

Social wellbeing of the community by providing housing for eligible elderly people and providing CCTV, security patrols and public toilets at key public spaces throughout the district

Achieved  
**3 / 3**  
performance measures





## What we do

Community services includes the provision of infrastructure such as public conveniences, memorial halls, reserves, camp grounds, Elderly Persons Housing, and community safety measures (CCTV surveillance and security patrols) in the Ashburton CBD. We provide these community services to look after the wider community's wellbeing in a number of ways and to help enhance social cohesion and community connectedness.

### Elderly persons housing

The provision of elderly persons housing is to ensure the most vulnerable members of our community (low-income elderly residents with no secure accommodation) have a safe and affordable place to call home.

### Public conveniences

We provide toilet facilities for the public, including visitors and tourists, to help protect our environment and fulfil a basic health need for the community.

### Reserves & campgrounds

Reserves and campgrounds provide recreational facilities throughout the district for the general public and have legislative regulations requiring their purpose and operation. Memorial Halls are community facilities that can be hired for community activities and events.

### Community safety

We provide services that contribute to Community Safety in the form of CCTV surveillance and security patrols for the CBD and public areas. These measures are our contribution towards enhancing the safety of residents and visitors to the district, in addition to the funding we provide Safer Ashburton to obtain Safer Communities Accreditation through the Community Grants & Funding activity.

## What we did in 2019/20

### Elderly Persons Housing

We are currently undertaking a high-level review of our role in elderly persons housing. This review will be completed by the end 2020.

### Public conveniences

#### Rakaia salmon site

At the end of 2018/19 we applied to the Ministry of Business, Innovation and Employment – Tourism Infrastructure Fund for replacement toilets at the Rakaia Salmon site. This application was successful, and we were granted \$739,945 for this work. This upgrade has now been completed and was on-budget.

#### Methven toilets upgrade

We had budgeted \$112,000 to upgrade the public toilets in Methven. This work was delayed, but is expected to be finished by October 2020.

### Memorial halls and reserves

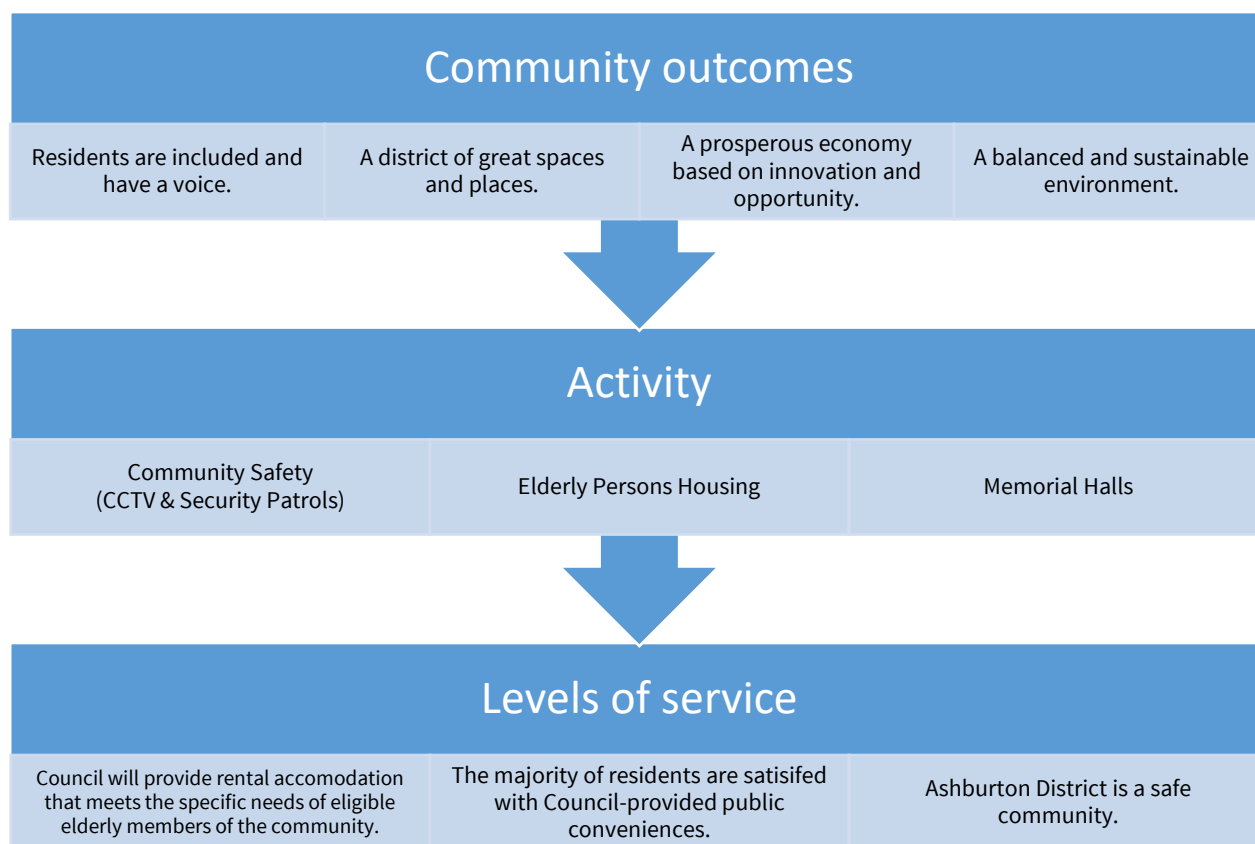
#### Reserve boards

This year, we started our review of the reserve boards across our district. As part of this, we now have a dedicated administrator who attends board meetings and acts as a direct contact within Council for the committee members. Support is also provided on topics such as service and financial transactions. We are currently setting up a new website area for all Reserve and Hall Boards that will contain reference information for the board members.

#### Lake Clearwater

We budgeted \$100,000 to identify and formalise leased areas at Lake Clearwater. This work has not yet been undertaken due to resource constraints. The funds will be carried forward to 2020/21.

## Our service – Community services



## Targets and performance

**What we're aiming for:** To provide community services that meet resident's needs.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community</b>	Occupancy rates of Elderly Persons Housing	97%	95%	97%	✓
<b>The majority of residents are satisfied with Council-provided public conveniences</b>	Residents are satisfied with Council-provided public conveniences	90%	80%	94% <sup>32</sup>	✓
<b>Ashburton District is a safe community</b>	Residents are satisfied with Council's provision of CCTV and security patrols within the district	88%	80%	91% <sup>33</sup>	✓

<sup>32</sup> We continue to have a regular cleaning, maintenance and replacement programme in place for the 40 public conveniences we manage. This appears to be appreciated by our residents, as reflected in the resident satisfaction score of 94%.

<sup>33</sup> Regular security patrols and the presence of CCTV cameras continues to be appreciated by our residents. The level of satisfaction may have increased slightly this year due to the continued visibility of security patrols and their response to noise complaints during the Covid-19 lockdown period.

### Community services funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>34</sup> , rates penalties	1,476	1,481	1,599
Targeted rates	178	180	187
Subsidies and grants for operating purposes	120	17	6
Fees and charges	541	553	493
Internal charges and overheads recovered	28	29	167
Local authorities fuel tax, fines, infringement fees and other receipts	996	1,048	885
<b>Total sources of operating funding</b>	<b>3,339</b>	<b>3,308</b>	<b>3,337</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,171	2,180	2,265
Finance costs	41	39	25
Internal charges and overheads	621	663	630
Other operating funding applications	-	-	3
<b>Total applications of operating funding</b>	<b>2,833</b>	<b>2,882</b>	<b>2,923</b>
<b>Surplus/(deficit) of operating funding</b>	<b>506</b>	<b>426</b>	<b>415</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(40)	(40)	(40)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>(40)</b>	<b>(40)</b>	<b>(40)</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	378	102	223
- to replace existing assets	279	286	131
Increase/(decrease) in reserves	(190)	(4)	21
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>467</b>	<b>384</b>	<b>375</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(506)</b>	<b>(426)</b>	<b>(415)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>34</sup> Uniform Annual General Charges

### Significant variances between actual and budget

There were no significant variances.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Elderly persons housing	95	97	18
Public conveniences	184	189	114
Memorial halls	54	11	40
Reserves and campgrounds	-	-	422
Reserve boards	324	91	180
Community safety	-	-	-
<b>Total operating expenditure</b>	<b>657</b>	<b>388</b>	<b>774</b>
less vested assets	-	-	420
<b>Council funded capital expenditure</b>	<b>657</b>	<b>388</b>	<b>354</b>

RAILWAY STATION

VILLAGE

MOD

LYNN MUSEUM  
ORNAMENTAL TURNING

SWIMMING POOL

TOILETS

MURDER  
OLDER



W  
MT

# Parks & open spaces

## This year we provided ...

- 444 hectares of parks and open spaces
- 119 hectares of sports fields
- 28 neighbourhood playgrounds
- 16 cemeteries

## Key results

- 92% of residents were satisfied with our parks and open spaces
- 97% of residents were satisfied with our cemeteries
- 85% of residents visited the Ashburton Domain, and 94% were satisfied with it
- 61% of residents visited a playground, and 94% were satisfied with it

## Our work contributed to the...

Social wellbeing of the district through the provision of parks, gardens, playgrounds and sportsfields that enhance the quality of life of residents in the district

Cultural wellbeing of residents with the recently completed Ashburton Cemetery Extension able to provide for a broader range of burial needs than ever before

Achieved  
**5 / 7**  
performance measures





## What we do

Parks play an important role in the image of the district and the quality of life for our residents. Parks are considered a major contributor to the wellbeing of our residents through the provision of quality open space for both active sports and quiet areas for passive use. We manage and maintain 86 parks and reserves throughout the district, including:

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

These spaces provide a place for our community to meet, be active and enjoy our environment. Having parks and open spaces available in our district is important for our community's amenity and makes our environment an attractive and welcoming place for residents and visitors.

## What we did in 2019/20

### Adult exercise equipment

We installed adult exercise equipment in the Ashburton Domain in 2019/20. This was completed on time and within the \$100,000 budget.

### Cenotaph (war memorial) in Baring Square West

The work has been completed for the restoration work on the Cenotaph (war memorial) in Baring Square West. This

involves cleaning and restoring the top of the Memorial which is mainly sandstone. The bluestone at the base of the cenotaph has also been removed, cleaned and re-laid at an angle that reduces water ponding and future maintenance costs. A new electrical connection to provide power points for future events in the square has also been installed.

### Rakaia salmon site - landscaping

To coincide with the upgrade of the public toilets at the Rakaia salmon site, we consulted with the community about improvements to the full area. To go along with our contribution of \$198,000, the Rakaia Lions provided \$20,000 in funding, and new landscaping, playground equipment, lighting, waste collection facilities and interpretative signage was installed. This upgrade is expected to be complete by the end of 2020.

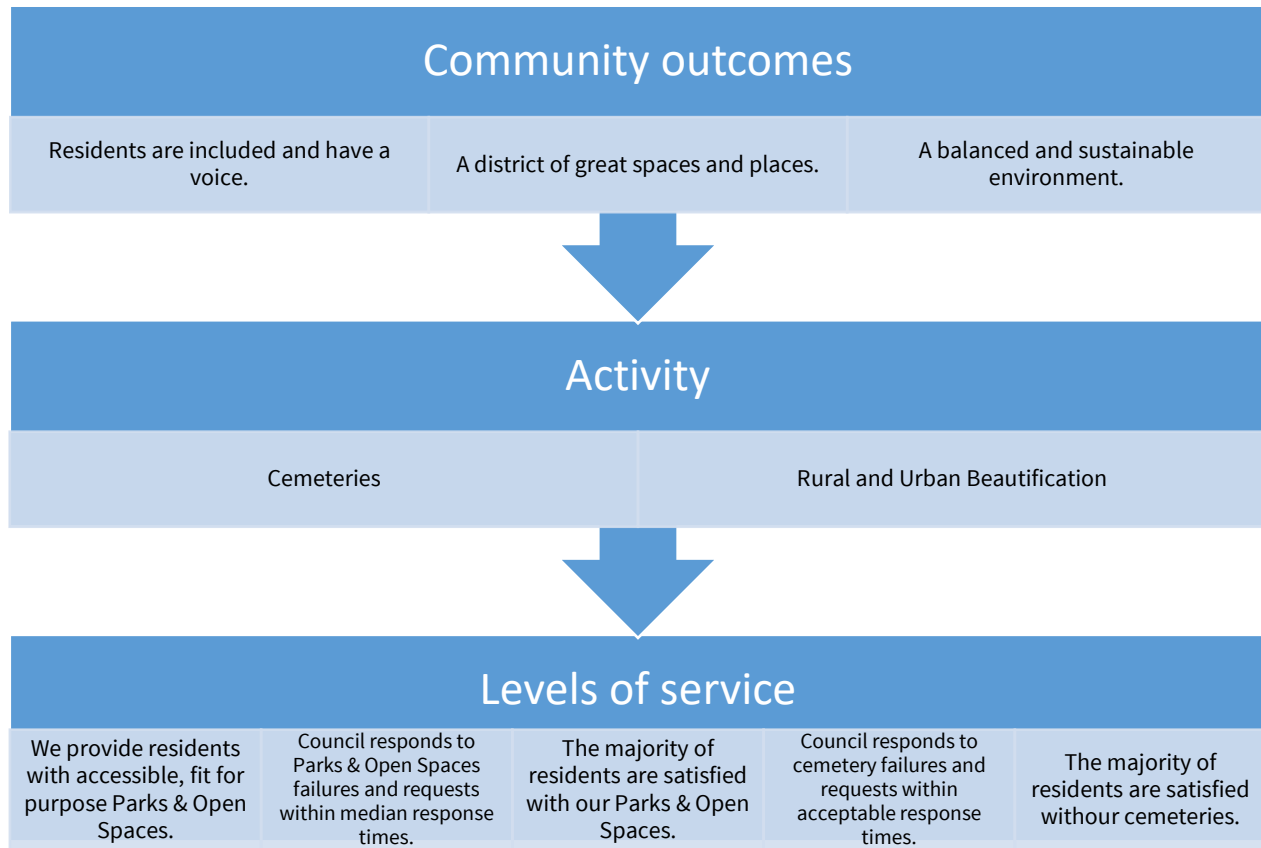
### Ashburton Domain Development Plan

The Draft Ashburton Domain Development Plan went out for consultation 28 February 2020. Due to Covid-19 and the resulting lockdown, the consultation period was extended, with a new closing date of 5 July 2020. Hearings and deliberations will be held in August, with Council making a final decision on the plan later in October 2020.

### Ashburton Domain playground upgrade

We had budgeted \$204,000 to upgrade the playground in the Ashburton Domain. Due to delays with the Ashburton Domain Development Plan, we have held off undertaking this work until the plan is confirmed. The funds will be carried forward.

## Our service – Parks & open spaces



## Targets and performance

**What we're aiming for:** To provide the district with a network of open green spaces that contribute towards the beauty and enjoyment of the area for residents and visitors alike.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide residents with accessible, fit for purpose Parks &amp; Open Spaces</b>	Urban residents live within 400 metres of a park or open space.	95%	100%	95%	✗
	Urban residents have access to open spaces (per 1,000 residents).	8,507 m <sup>2</sup>	≥4,000 m <sup>2</sup>	8,715m <sup>2</sup>	✓
	Residents throughout the district have access to sports parks (per 1,000 residents).	3.5 ha	≥3.5 ha	3.5 ha	✓
<b>Council responds to Parks &amp; Open Spaces failures and requests within median response times</b>	Complaints are responded to within ten working days.	54%	100%	58%	✗
<b>The majority of residents are satisfied with our Parks &amp; Open Spaces</b>	Residents are satisfied with Council-provided Parks & Open Spaces.	95%	80%	92%	✓
<b>Council responds to cemetery failures and requests within acceptable response times.</b>	Complaints are responded to within ten working days.	67%	100%	100%	✓
<b>The majority of residents are satisfied with our cemeteries.</b>	Residents are satisfied with Council-provided cemeteries.	96%	80%	97%	✓







## Parks & open spaces funding impact statement

For the year ended 30 June 201	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>35</sup> , rates penalties	1,494	1,576	1,860
Targeted rates	1,329	1,339	1,559
Subsidies and grants for operating purposes	-	-	429
Fees and charges	258	265	216
Internal charges and overheads recovered	6	6	26
Local authorities fuel tax, fines, infringement fees and other receipts	95	97	53
<b>Total sources of operating funding</b>	<b>3,182</b>	<b>3,282</b>	<b>4,142</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,501	2,497	3,443
Finance costs	67	73	10
Internal charges and overheads	168	170	143
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,736</b>	<b>2,740</b>	<b>3,596</b>
<b>Surplus/(deficit) of operating funding</b>	<b>446</b>	<b>542</b>	<b>546</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	421	430	604
Increase/(decrease) in debt	146	(97)	(76)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>567</b>	<b>333</b>	<b>528</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	250	-	-
- to improve the level of service	418	462	659
- to replace existing assets	338	-	278
Increase/(decrease) in reserves	7	413	138
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>1,013</b>	<b>875</b>	<b>1,074</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(446)</b>	<b>(542)</b>	<b>(546)</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>35</sup> Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Operating Funding

Targeted rates were \$220,000 greater than budget. The 2019/20 Annual Plan recognised increase expenditure needs over and above the year 2 LTP budget and hence increased the amount of funding required from targeted rates.

#### Applications of operating funding

Payments to staff and suppliers was \$946,000 above budget. The 2019/20 Annual Plan recognised the need to increase resources over and above that included in Year 2 of the LTP. This included an additional \$300,000 of external maintenance that had been omitted from the LTP.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Parks and recreation	762	399	1,019
Cemeteries	244	63	22
<b>Total operating expenditure</b>	<b>1,006</b>	<b>462</b>	<b>1,040</b>
less vested assets	-	-	104
<b>Council funded capital expenditure</b>	<b>1,006</b>	<b>462</b>	<b>936</b>



# Recreation facilities

## This year...

70% of our residents visited the EA Networks Centre

51% of our residents visited the Ashburton Public Library

- We issued 204,006 items to borrowers
- Held 164 activities for children

38% of our residents visited the Ashburton Museum

## Key results

- 88% of users were satisfied with the services and programmes at the EA Networks Centre
- 97% of users were satisfied with the services and programmes at the Ashburton Public Library
- 94% of users were satisfied with the services and programmes at the Museum

## Our work contributed to the...

Social wellbeing of the district through the provision of recreation facilities that enhance the quality of life of all residents in the district

Cultural wellbeing of residents by ensuring that our public facilities are welcoming to all in the community and offer programs of relevance and interest

Achieved  
**5 / 11**  
performance measures



## What we do

Our recreational facilities are based around the recreational, cultural and social aspects of our life in the district – the things that make Ashburton a great place to work, live, play and invest. Recreational facilities provide an additional quality of life aspect to the foundation of good infrastructure (roads, water supply, waste management etc.) and aid in the development of healthy, active, functioning communities. We recognise that recreation plays a key role in creating the environment in which our communities can prosper and enjoy improved health and wellbeing.

### Ashburton Museum

The museum is a local museum of history and culture located in Ashburton and aims to be the leading cultural and heritage destination for the district.

### Ashburton Public Library

The library provides our community with opportunities for life-long learning, access to information, leisure and reading. More than half of all households in the district are library members.

### EA Networks Centre (EANC)

The EANC includes an indoor sports stadium with six full size courts, gym and fitness class area, and indoor pool complex featuring a ten lane 25 metre pool, hydrotherapy pool, leisure pool with lazy river, learn to swim pool, spa pool and steam room.

## What we did in 2019/20

### School holiday Burty Challenge

The Burty Challenge, run through the summer school holidays, continues to be a success. Last year, the event included challenges for children at the Ashburton Library, Museum and Domain and EA Networks Centre. This year, the range of council facilities involved was expanded to also include the Tinwald Domain, Tinwald Pool and Braebrook playground. Nearly 1,000 cards were started, and 173 completed cards were returned.

### Ashburton Library

#### School holiday programmes

The school holiday programmes continue to be very successful. This year, activities included creating lava lamps and soap-powered boats (attended by 72 children) and a Christmas story time event (attended by 45 children and 30 adults).

#### Covid-19 and the Ashburton Library

While our staff could not open the library to the public during Covid-19 alert levels 3 and 4, our staff were busy at

home making story videos and a wriggle and read session, distributed through the library Facebook page. We also added a number of e-books and e-audios to our online collection for the community to access. Under level 3 time was spent weeding out outdated or tired books from the collections – work that had been programmed to occur prior to the move to the new library in 2022, which has now been done well ahead of time.

### Ashburton Museum

Satisfaction amongst our community with the Ashburton Museum's services and programmes is continuing to increase year on year. This year saw a 5% increase in satisfaction, up to 94%, on top of a 7% increase the previous year.

### Caring for collections

Staff undertook a test inventory and audit of collections to assess documentation levels and evaluate future needs for appropriate management, documentation and storage. This work supports planning and preparation for meeting requirements for the New Zealand Museum Standards programme.

### EA Networks Centre

#### School holiday programme

This year we took over the School Holiday Programme which was previously run by the Canterbury West Coast Sports Trust at the EA Networks Centre. We had over 40 children each day attend the programme, which was held on both weeks of each school holiday. The programme has doubled from the previous programme, encompassing all the school holiday weeks in a year.

### Other highlights

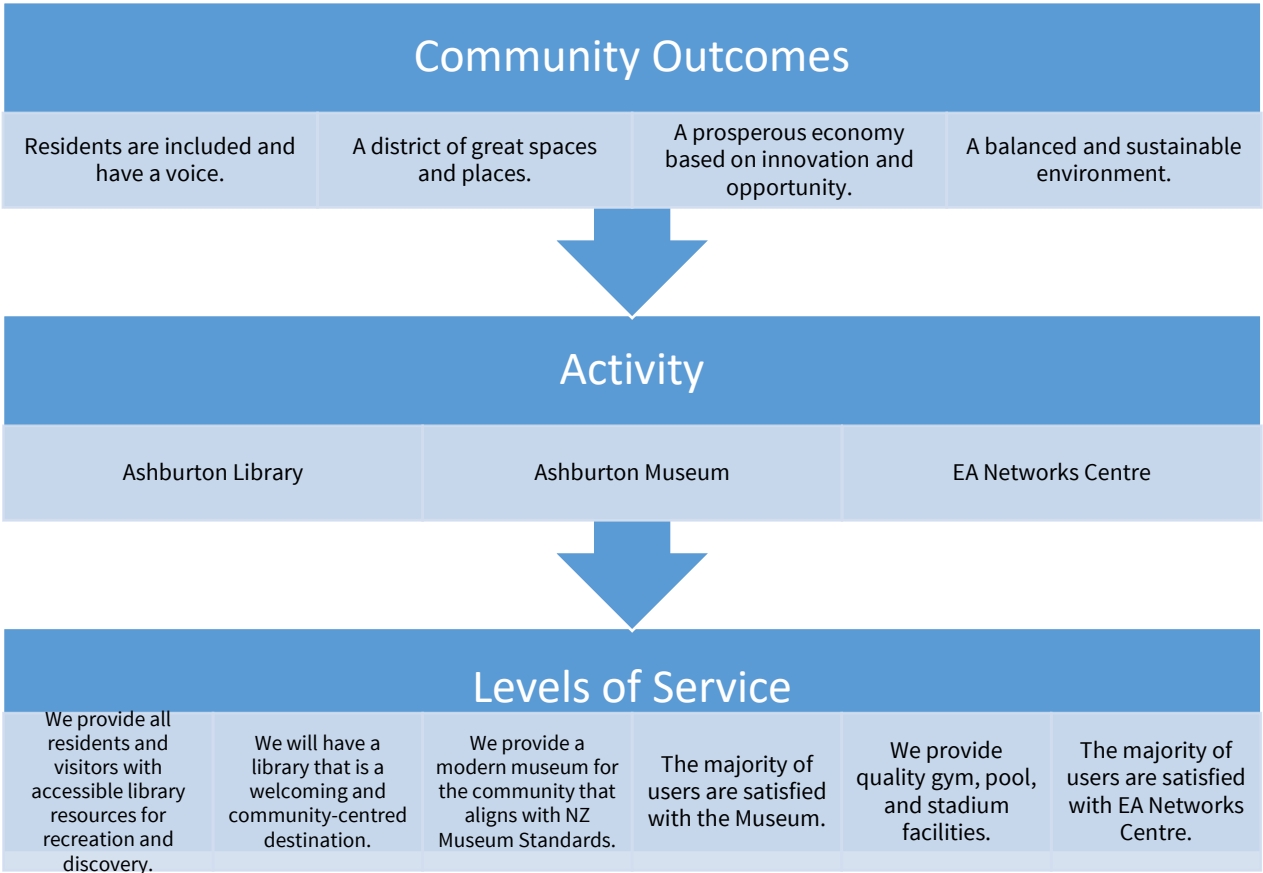
Other highlights of the past year at the EA Networks Centre include:

- The introduction of pickleball, which has up to 48 participants at each session. We are looking to hold a tournament in July 2020.
- 117 people attended our first 'floating movie night'.
- We purchased a stadium inflatable which was used by over 3,000 people in its first year.

### Customer Service Survey undertaken

This year we undertook our Customer Service Quality assessment, which benchmarks our services against other similar centres across the country. We received 535 responses to the survey, with an overall satisfaction score of 6.1 out of 7, and 94% of respondents indicating they would recommend our centre, compared to a median of 88% across other centres.

Our service – Recreation facilities





## Targets and performance

**What we're aiming for:** To provide recreation services that are well utilised and meet the needs of the community.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide all residents and visitors with accessible library resources for recreation and discovery</b>	The Ashburton Public Library is well utilised	109,979	130,000 visitors	90,931 <sup>36</sup>	✗
	Most households in the district utilise the library	9,399	10,050	9,122 <sup>37</sup>	✗
<b>We will have a library that is a welcoming and community-centred destination</b>	Users are satisfied with Council's library services	96%	80%	97%	✓
	Free public internet sessions (Aotearoa People's Network Kaharoa) are well utilised and increasing each year	46,587	47,000	36,486 <sup>38</sup>	✗
<b>We provide a modern museum for the community that aligns with NZ Museum Standards</b>	Museum programmes and services are well utilised and increasing	25,706	16,500	20,567 <sup>39</sup>	✓
	Ashburton Museum meets New Zealand Museum Standards	45%	75%	75%	✓
<b>The majority of users are satisfied with the Museum</b>	Users are satisfied with Council-provided Museum services and programmes	89%	80%	94%	✓

<sup>36</sup> Covid-19 level 3 and 4 lockdown resulted in 7 weeks where the library was not open. Analysis indicates that the Ashburton Library was not on-track to meet the target of 130,000. Estimates indicate that Covid-19 can account for reduction of ~14,140 visitors. We have had less visitors to the library over the year from school groups - some schools have improved library facilities on-site which is reducing their visitation/usage of the Ashburton Public Library.

<sup>37</sup> In 2019/20 we reviewed the database records used for this performance measure, removing members that no longer reside in the district.

<sup>38</sup> It is unlikely that the library was on-track to meet the target of 47,000. While Covid-19 had a role to play in not meeting the target, it can likely only account for a reduction of ~5,670 free internet sessions. The reduced usage of the library and the increasing use and accessibility of personal devices is likely to have affected the reduction in free internet sessions.

<sup>39</sup> While the Ashburton Museum did meet its performance target, if the Covid-19 lockdown had not happened, the usage number is estimated to be ~23,700.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality gym, pool, and stadium facilities</b>	EA Networks Centre is well utilised	454,953	>480,000	359,739 <sup>40</sup>	✗
	Swim School is well utilised	3,540	>4,500	3,523 <sup>41</sup>	✗
	The gym is well utilised	1,634	>1,100	956 <sup>42</sup>	✗
The majority of users are satisfied with EA Networks Centre	Users are satisfied with EA Networks Centre services and programmes	93%	80%	88% <sup>43</sup>	✓

<sup>40</sup> EANC was not on-track to meet the target of 480,000 users before Covid-19 hit. The level 3 and 4 lockdown had a role to play in not meeting the target, but can likely only account for a reduction of ~ 55,960 visits to the EANC. The reduced usage of EANC reflects the uncertainty in the community around the use of public spaces leading up to and post-lockdown, reduced stadium usage under level 2 restrictions and increased community choice for facilities with a new gym coming to town.

<sup>41</sup> EANC was not on-track to meet the target of 4,500 swim school users before Covid-19 hit. The level 3 and 4 lockdown had a role to play in not meeting the target, but can likely only account for a reduction of ~550 swim school users. The swim school numbers for 2019/20 are only slightly under the actual performance of the swim school in 2018/19. When the estimated reduction in numbers from Covid-19 is added to the actual, it is likely that the swim school would have achieved a greater usage number (~4,070) than 2018/19.

<sup>42</sup> Membership of the EANC gym reduced in 2019/20 due to a combination of the impacts of Covid-19 level 3 and 4 lockdown as well as increased competition in Ashburton with the opening of a new gym.

<sup>43</sup> We continue to adapt and improve the services and programmes we provide at EANC to meet the needs of our community and this is reflected in the consistently high user satisfaction scores of the past few years.

## Recreation facilities funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>44</sup> , rates penalties	5,994	5,971	5,919
Targeted rates	-	-	-
Subsidies and grants for operating purposes	10	10	88
Fees and charges	2,120	2,194	1,608
Internal charges and overheads recovered	134	139	77
Local authorities fuel tax, fines, infringement fees and other receipts	406	408	109
Total sources of operating funding	8,664	8,721	7,800
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,593	4,665	4,413
Finance costs	6	6	7
Internal charges and overheads	3,657	3,753	3,795
Other operating funding applications	1	1	-
Total applications of operating funding	8,256	8,424	8,215
<b>Surplus/(deficit) of operating funding</b>	408	297	(415)
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(3)	304	126
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(3)	304	126
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	381	444	182
- to replace existing assets	45	47	68
Increase/(decrease) in reserves	(21)	113	(538)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	405	604	(288)
<b>Surplus/(deficit) of capital funding</b>	(408)	(297)	414
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>44</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of operating funding

##### *Fees and charges*

Total fees and charges are \$586,000 below the 2019/20 LTP budget.

Total fees and charges through the EA Networks Centre was \$588,000 below budget. This was a result of the Covid-19 level 3 and 4 lockdown where the centre was closed for 7 weeks. The budget for fees and charges income for the April to June period was \$542,000 but actual income was \$119,000. Revenue is taking time to come back up to pre Covid-19 lockdown levels.

#### Application of operating Funding

##### *Payments to staff and suppliers*

Payments to staff and suppliers is \$252,000 below the 2019/20 LTP budget.

The cost of electricity was \$155,000 below the budget of \$643,000. This was partially as result of the shutdown, along with a significant reduction in the electricity pricing achieved as a result of a review of these costs during the year.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Library	222	109	116
Art, culture and heritage	7	7	3
Recreation facilities and services	197	375	131
<b>Total operating expenditure</b>	<b>426</b>	<b>491</b>	<b>250</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>426</b>	<b>491</b>	<b>250</b>





# Regulatory functions

## This year we...

- Processed 766 LIM reports
- Processed 582 building consents
- Issued 814 Code of Compliance Certificates
- Issued 195 resource consents
- Issued 50 subdivision plans
- Inspected 239 swimming pool fences
- Met with all 111 alcohol licensed premises in our district
- Met with 109 food premises with Food Control Plans
- Registered 6891 dogs
- Responded to 652 reports of found, wandering or barking dogs
- Responded within 2 hours to all 467 occasions where noise control were called

## Key results

- 90% satisfied with alcohol licensing
- 86% satisfied with animal control
- 79% of users satisfied with our building services
- 96% satisfied with our emergency management
- 79% of users satisfied with our environmental monitoring
- 64% of users satisfied with our planning services
- 88% of users satisfied with our property information services

## Our work contributed to the...

Economic wellbeing of the district by ensuring that properties and public facilities and businesses are operating in a safe and compliant manner

Environmental wellbeing of the district by ensuring that the district land is used appropriately as per Council's District Plan

Achieved  
**17 / 21**  
performance measures



## What we do

Within regulatory functions, we perform two main roles: regulatory compliance and regulatory services. Providing cost-effective regulatory functions ensures we contribute to creating a district of great spaces and places by managing how land is used and contributing to the prosperity of our community by promoting growth, keeping the community safe and healthy by minimising hazards and promoting responsible behaviour.

### Regulatory compliance

Included in regulatory compliance are alcohol licensing and gambling venue consenting; animal control; environmental health; and parking.

### Regulatory services

Included in our regulatory services are building regulation; district planning; emergency management; and land information.

## What we did in 2019/20

### Civil defence volunteers

A successful recruitment drive over the Christmas / New Year period saw a meeting held for 30 civil defence

volunteers. Civil defence welfare volunteers must undergo a Police vetting check and complete an initial Emergency Preparedness course which takes 6 – 12 months. This training was planned to begin in March, but was delayed due to Covid-19 and will now commence in October 2020.

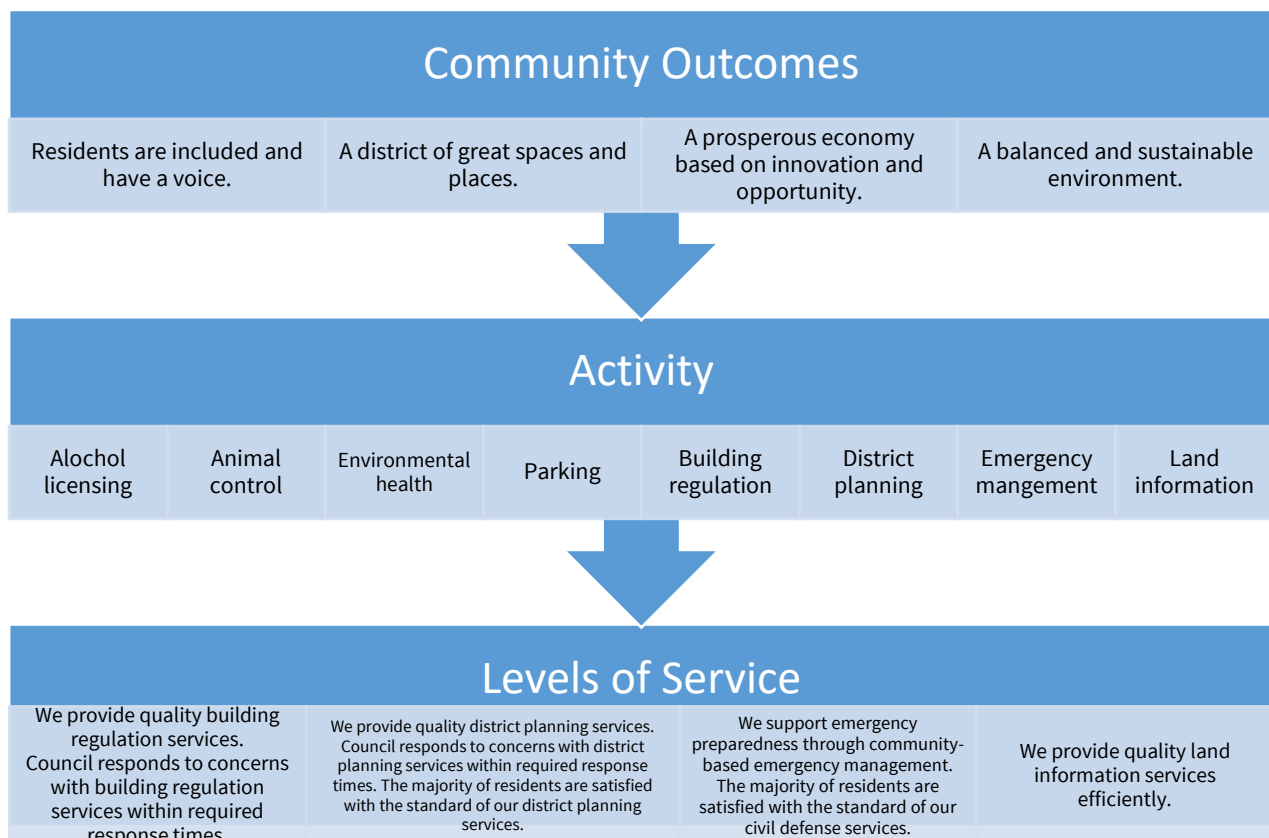
### Covid-19 pandemic

On 25 March, in response to the government declaring a national state of emergency, the Emergency Operating Centre (EOC) was opened. The EOC was able to respond to calls from the Canterbury 0800 number and undertake needs assessments of the callers.

Our staff also helped out in a number of other ways, including:

- Supporting the meals-on-wheels deliveries, with an average of 70 meals delivered each delivery day.
- Helping with cleaning and administration tasks at the Covid-19 Community Based Assessment Centre at the hospital.
- Assisting other Canterbury territorial authority's in ringing all 11,600 over 70s living in the Canterbury region.

## Our service – Regulatory functions



## Targets and performance

### Regulatory compliance

**What we're aiming for:** To improve, promote, and protect public health within the district by the promotion of sustainable environmental practices and the monitoring and enforcement of associated legislation and bylaws.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality alcohol licensing services</b>	Licensed premises are monitored each year	100%	100%	100%	✓
	Stakeholder meetings are held each year	21	10	26 <sup>45</sup>	✓
<b>The majority of residents are satisfied with Council's role in alcohol licensing</b>	Residents are satisfied with how Council undertakes its role in alcohol licensing	88%	80%	90%	✓
<b>We provide quality animal control services</b>	Known dogs are registered	96%	95%	96%	✓
<b>Council contractors respond to animal control incidents within contractual response times</b>	Urgent incidents are responded to within one hour	100%	100%	100%	✓
	Found, wandering or barking dog incidents are responded to within five working days	100%	100%	100%	✓
<b>The majority of residents are satisfied with our animal control services</b>	Residents are satisfied with Council's animal control services	84%	80%	86%	✓
<b>We provide quality environmental health services</b>	Registered food premises are risk assessed each year	87%	80%	81%	✓
<b>Council contractors respond to environmental health issues within contractual response times</b>	Noise complaints are responded to within two hours	100%	100%	100%	✓

<sup>45</sup> Over the past few years we have been focusing on engaging more regularly and with a wider group of stakeholders, such as those who are holding events. This has resulted in an increase from 10 stakeholder meetings in 2018/19 to 26 in 2019/20.

## Regulatory services

### Building regulation

**What we're aiming for:** To implement the requirements of the Building Act 2004 fairly and impartially so the public has confidence that buildings in the district are constructed in accordance with the building code.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality building regulation services</b>	Building consents are processed and decisions made within 20 working days	97.5%	100%	99.1%	✗ <sup>46</sup>
	Code of Compliance Certificates are processed and decisions made within 20 working days	99.2%	100%	99.4%	✗ <sup>47</sup>
	Buildings with compliance schedules are audited each year	10.2%	10%	10.3%	✓
	Swimming pool fences are inspected every year	33%	33%	35.5%	✓
<b>Council responds to concerns with building regulation services within required response times</b>	Building service complaints are responded to within two working days	100%	100%	100%	✓

<sup>46</sup> 577/582 consents were processed within the statutory timeframe.

<sup>47</sup> 809/814 certificates were issued within the statutory timeframe.

## District planning

**What we're aiming for:** To achieve a fit for purpose function which meets statutory obligations and customer expectations, while anticipating and reacting to the changing needs of the district.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality district planning services</b>	Resource consent applications and exemptions are determined within statutory timeframes	100%	100%	99.5% <sup>48</sup>	✗
	Subdivision plan approval certificates (RMA s.223) are determined within ten working days	96%	100%	98% <sup>49</sup>	✗
<b>Council responds to concerns with district planning services within required response times</b>	District planning service complaints are responded to within five working days	100%	100%	100%	✓
<b>The majority of residents are satisfied with the standard of our district planning services</b>	Residents are satisfied with the standard of Council's planning services	83%	80%	82%	✓

<sup>48</sup> 194 of 195 resource consent applications processed within statutory timeframes.

<sup>49</sup> 49 of 50 Section 223 applications processed within 10 working days.



## Emergency management

**What we're aiming for:** To support the community's ability to respond to and recover from emergency events.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
We support emergency preparedness through community-based emergency management	A community response plan is developed or renewed annually	2	1	1	✓
<b>The majority of residents are satisfied with the standard of our civil defence services</b>	Residents are satisfied with the civil defence services provided by Council	97%	80%	96%	✓

## Land information

**What we're aiming for:** To provide an efficient production of Land Information Memoranda (LIMS's) within statutory timeframes and with a high degree of accuracy.

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE'LL MEASURE PROGRESS (Performance measures)	2018/19 RESULT	2019/20 TARGET	2019/20 RESULT	
<b>We provide quality land information services efficiently</b>	LIM applications are processed within ten working days	100%	100%	100%	✓

## Regulatory services funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>50</sup> , rates penalties	1,675	1,885	1,703
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,056	3,095	2,489
Internal charges and overheads recovered	102	104	126
Local authorities fuel tax, fines, infringement fees and other receipts	497	510	439
Total sources of operating funding	5,330	5,594	4,757
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,297	3,519	3,162
Finance costs	58	50	40
Internal charges and overheads	1,774	1,836	1,779
Other operating funding applications	2	2	42
Total applications of operating funding	5,131	5,407	5,023
<b>Surplus/(deficit) of operating funding</b>	199	187	(266)
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(201)	(147)	(137)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(201)	(147)	(137)
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	66	8
- to replace existing assets	-	-	-
Increase/(decrease) in reserves	(1)	(27)	(411)
Increase/(decrease) in investments			-
Total applications of capital funding	(1)	39	(402)
<b>Surplus/(deficit) of capital funding</b>	(199)	(187)	266
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>50</sup> Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of operating revenue

##### *Fees and charges*

Fees and charges are \$606,000 below the 2019/20 LTP budget. Building consents were \$700,000 below budget due to a decrease in both the number and value of consents processed during the year. This decrease was not Covid-19 related as the decrease occurred across the whole 2019/20 year.

#### Applications of operating funding

##### *Payments to staff and suppliers*

Payments to staff and suppliers is \$357,000 below the 2019/20 LTP budget. Reduced building consent work resulted in a reduction of \$49,000 less levies paid to BRANZ and DBH, and a \$60,000 reduction in the use of consultants to assist in processing of consents.

Salary and wages in the planning area were \$172,000 below budget primarily due to staff positions not being filled during the year.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Emergency management	-	26	-
Rural fire	-	-	-
Environmental health	-	-	-
Building regulation	-	-	-
Alcohol licensing	-	-	-
Land information	-	-	-
Parking	-	40	8
Animal control	-	-	-
District planning	-	-	-
<b>Total operating expenditure</b>	-	<b>66</b>	<b>8</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	-	<b>66</b>	<b>8</b>





# Miscellaneous services

## Miscellaneous funding impact statement

For the year ended 30 June 2019	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
<b>Operating Funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC <sup>51</sup> , rates penalties	(1,251)	(1,205)	(1,059)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	520	624	543
Local authorities fuel tax, fines, infringement fees and other receipts	1,761	1,726	1,136
<b>Total sources of operating funding</b>	<b>1,030</b>	<b>1,145</b>	<b>620</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	20	-	25
Finance costs	96	146	64
Internal charges and overheads	530	635	558
Other operating funding applications	138	141	128
<b>Total applications of operating funding</b>	<b>784</b>	<b>922</b>	<b>776</b>
<b>Surplus/(deficit) of operating funding</b>	<b>246</b>	<b>223</b>	<b>(155)</b>
<b>Capital Funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(18)	(18)	-
Gross proceeds from sale of assets	240	204	72
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>222</b>	<b>186</b>	<b>72</b>
<b>Application of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	593	102	499
- to replace existing assets	960	835	124
Increase/(decrease) in reserves	(1,086)	(528)	(707)
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>467</b>	<b>409</b>	<b>(83)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(246)</b>	<b>(223)</b>	<b>155</b>
<b>Funding Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>51</sup> Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$250,000 or greater are explained here.

#### Sources of operating funding

#### Operating Funding

Local authorities fuel tax, fines, infringement fees and other receipts are \$590,000 less than budget. The variance is due to Council's interest income being well below budget due to very low interest rates and less money invested due to internal loans being used during the year.

#### Capital Expenditure

Capital expenditure was \$314,000 below budget. Plant purchases were \$385,000 below budget as the plant replacement programme which usually occurs in the last three months of the year was impacted by the Covid-19 lockdown.

### Capital expenditure by activity

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 Actual \$000
Information systems	1,093	569	497
Plant and vehicles	460	368	74
Civic building	-	-	41
Communications	-	-	11
Community planning	-	-	-
<b>Total operating expenditure</b>	<b>1,553</b>	<b>937</b>	<b>623</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>1,553</b>	<b>937</b>	<b>623</b>





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# Our Finances







# Financial statements

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# 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.

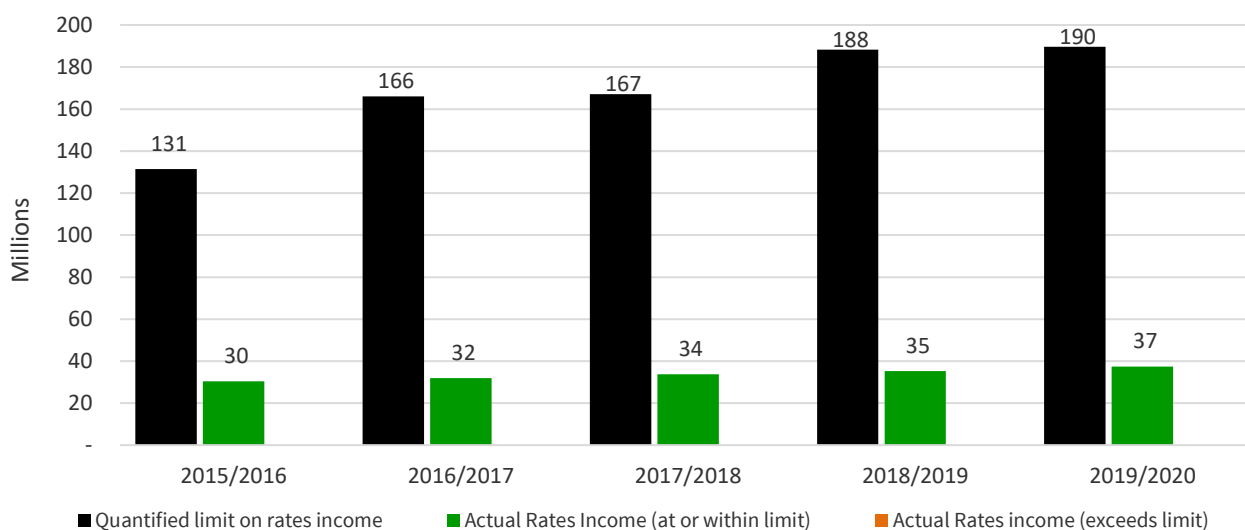
## Rates affordability benchmark

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.

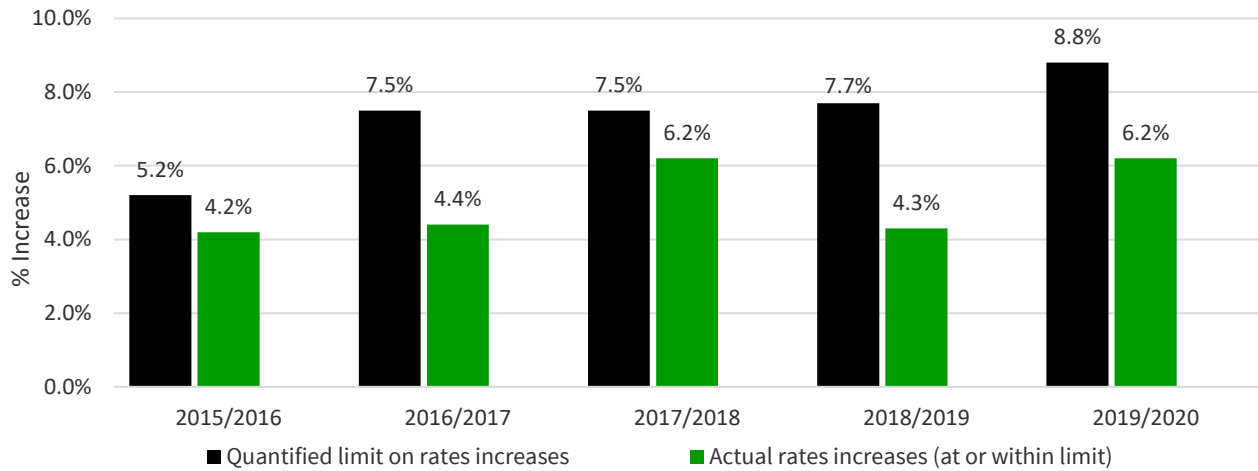
### Rates (income) affordability

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 6% plus LGPI.

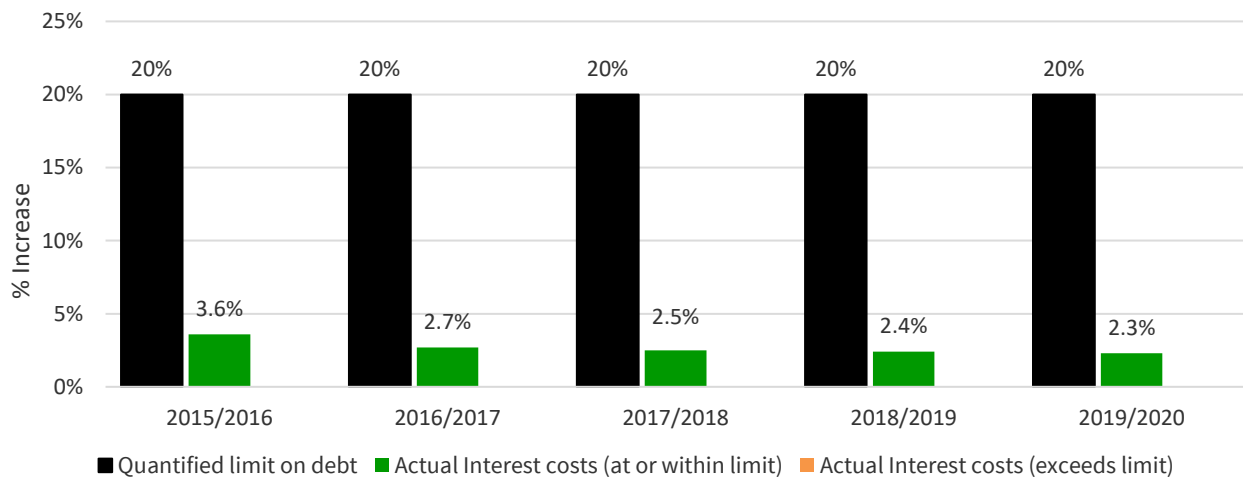


### Debt affordability benchmark

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

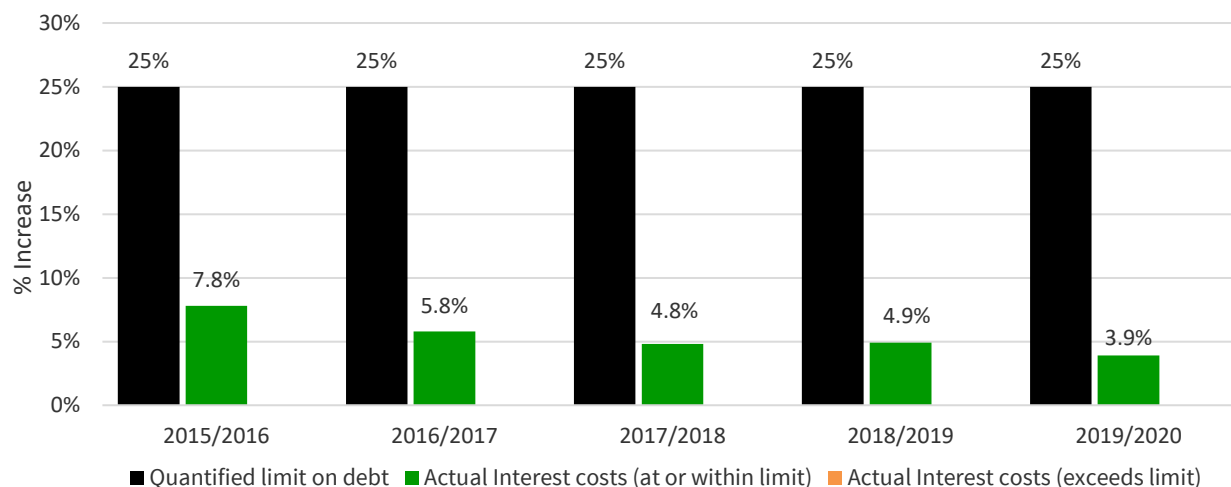
#### Net increase as a percentage of income

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial included in the Council's Long-Term Plan. The quantified limit is interest payments to service external debt are less than 20% of the total revenue for the year.



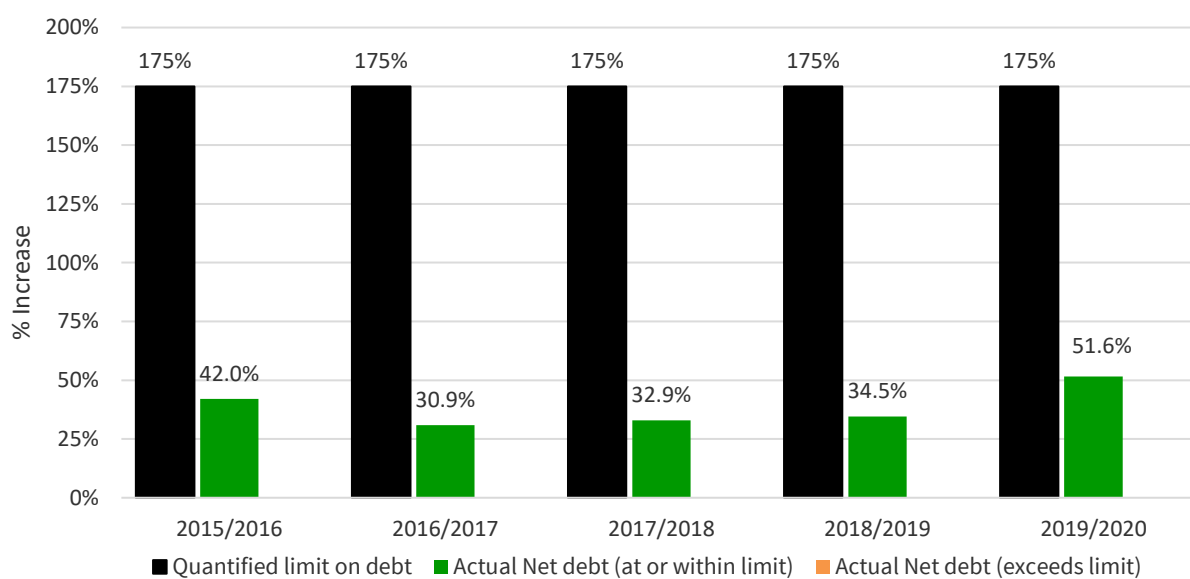
#### Net interest as a percentage of rates income

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.



### Net debt as a percentage of income

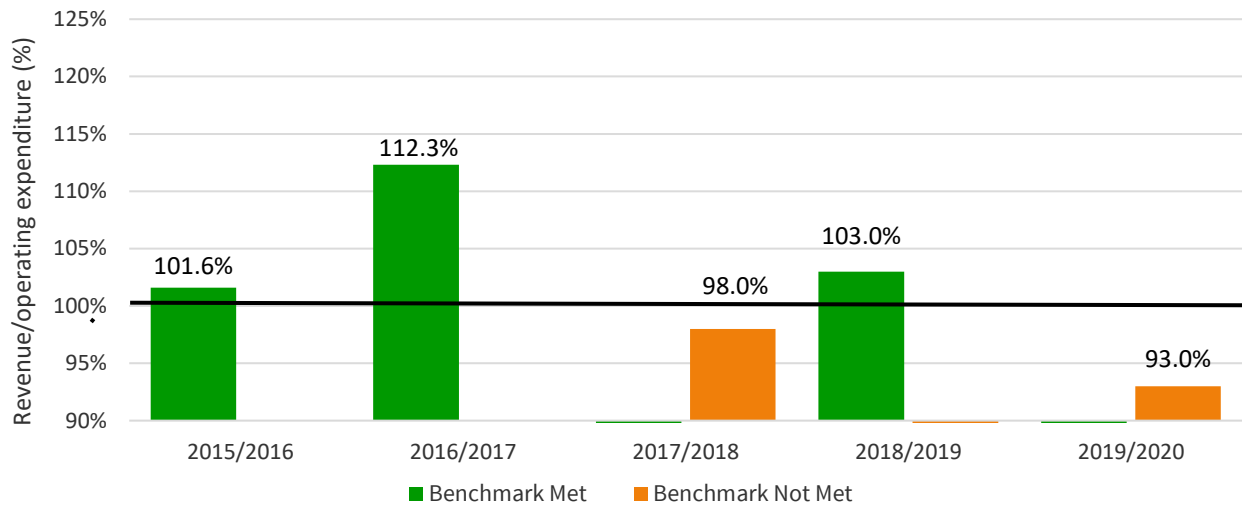
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is net debt shall not exceed 175% of total revenue for the year.



### 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).

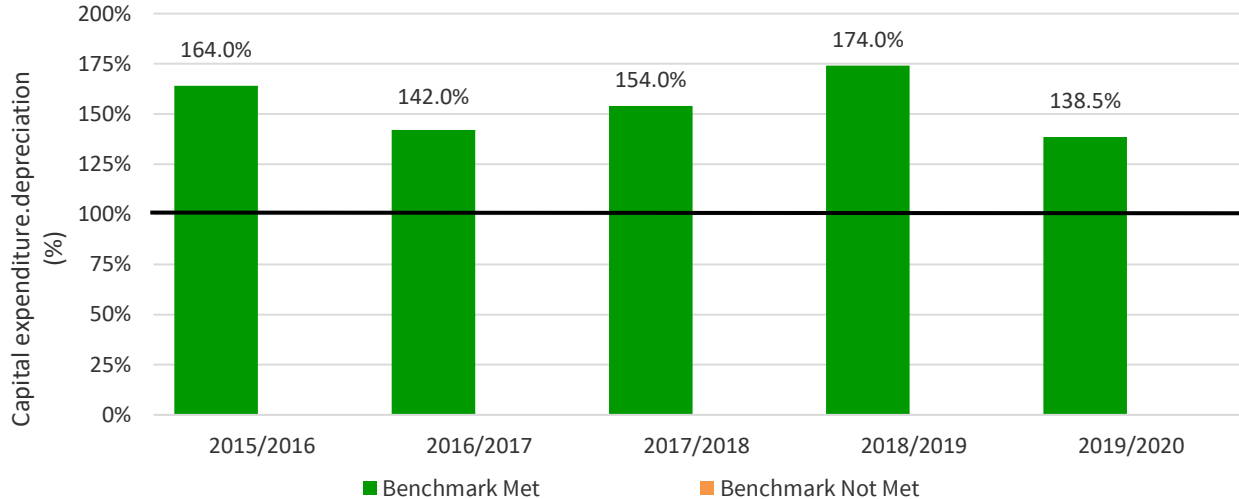
The Council meets this benchmark if its revenue equals or is greater than its operating expenditure.



### Essential Services Benchmark

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

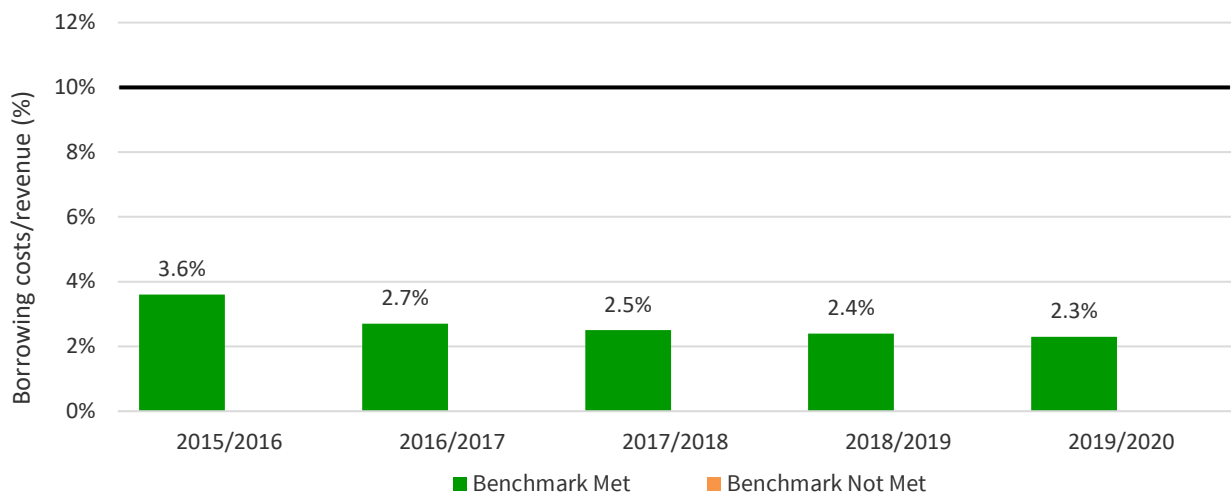
The Council meets this benchmark if its capital expenditure on infrastructure equals or is greater than the depreciation.



### 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).

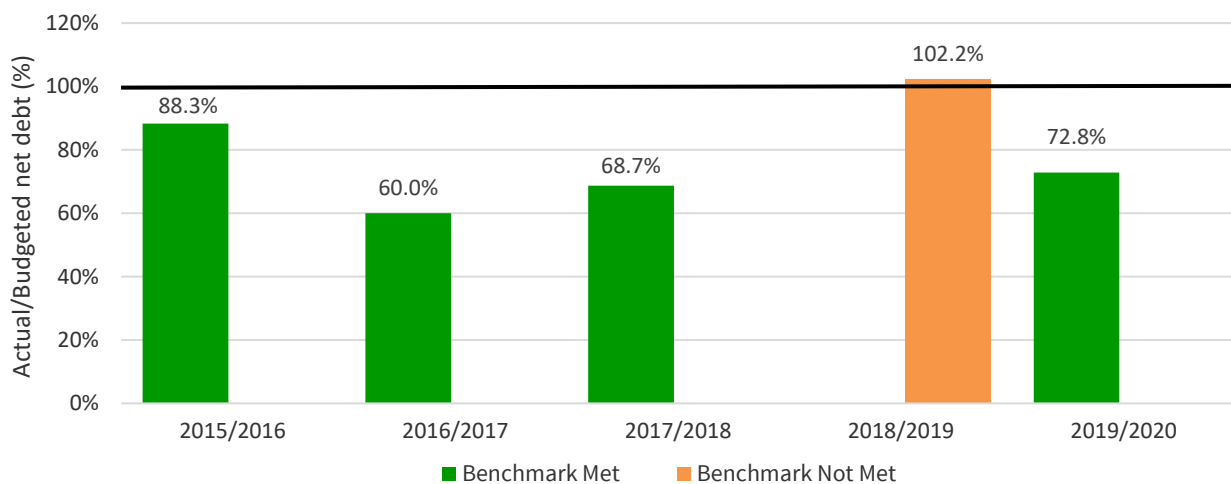
The debt servicing benchmark is met if the Council's borrowing costs for the year are less than or equal to 10% of its revenue.



#### 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.

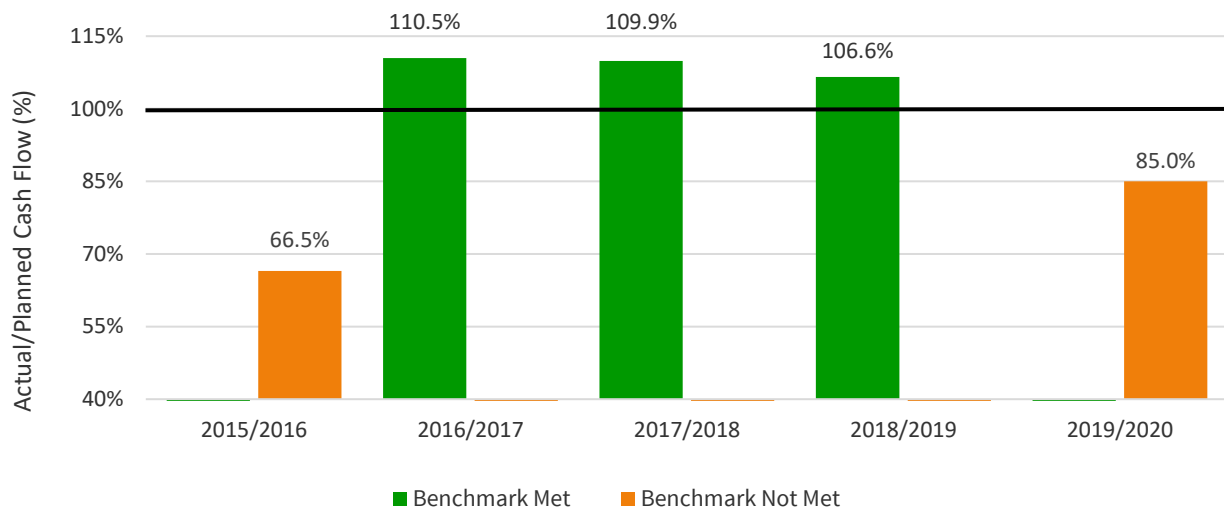


#### Operations Control Benchmark

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: 15,359

The total capital value of rating units within the district at the end of the preceding financial year: \$18,821,361,800

The total land value of rating units at the end of the preceding financial year: \$13,107,656,850

#### Insurance of Assets

The total value of all assets covered by insurance contracts is \$323 million. 268 million of these assets are infrastructure assets which are covered to \$150 million through financial risk sharing arrangements

The Council's underground insurance policy provides cover up to a maximum of \$268 million with 40% or \$100 million provided by the policy and \$150 million provided by Central Government under the Central Government Disaster Recovery Plan.

The total value of the Council's self-insurance fund: \$2.5 million. The total value of assets covered by the self-insurance fund is: \$271 million.

# Statement of Accounting Policies

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## Reporting Entity

The Ashburton District Council (the Council) is a territorial local authority established under the Local Government Act 2002 and qualifies as a public benefit entity (PBE) under the New Zealand equivalents to the International Public Sector Accounting Standards (IPSAS).

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 subsidiary the Ashburton Community Water 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.

The financial statements of the Council and group are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 23 December 2020.

## 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).

## 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.

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% (2019: 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, fees and charges 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 in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. The amount of any deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the Statement of Financial Position date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill



(or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax surplus nor the accounting surplus.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council 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 calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised.

Deferred tax is charged or credited in the Statement of Comprehensive Revenue and Expense, 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 Council 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 policy.

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 cash flows.

### **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 Sale**

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, Water Supply, Parks and Solid Waste Assets existing as at 30 June 2020 were revalued on a depreciated replacement cost basis by Council staff and peer reviewed by GHD, an independent registered valuer.

The assets were valued using depreciated replacement cost. This required determination of quantities of assets optimised to relate to these 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, an independent registered valuer, 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:

<b>Buildings - major</b>	2.0% S.L.	
<b>Buildings - minor</b>	4.0% S.L.	
<b>Heavy plant and machinery</b>	5.0% S.L. – 13.0% S.L.	
<b>Light plant and machinery</b>	6.67% S.L. – 25.0% S.L.	
<b>Office equipment</b>	10.0% S.L. – 36.0% S.L.	
<b>Fixtures and fittings</b>	10.0% S.L.	
<b>Motor vehicles</b>	7.0% S.L. – 13.0% S.L.	
<b>Computer equipment</b>	25.0% S.L. – 33.0% S.L.	
<b>Library books</b>	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.

Roading	• bridges	50-100 years
	• culverts	100 years
	• pavement surface	9-100 years
	• pavement formation	N/A (not depreciated)
	• pavement layers	10-indefinite
	• footpaths	25-75 years
	• street lights	20-40 years
	• kerb and channel	75 years
	• traffic signals	12-55 years
	• berms	N/A (not depreciated)
	• signs	13 years
	• barriers and rails	13-30 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 is 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 2020 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 PF Olsen Ltd, NZ Institute of Forestry registered consultants. 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 (Canterbury) Ltd, registered valuers, as at 30 June 2020.

### **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**

Those activities that relate 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.

**Standards issued and not yet effective, and not early adopted**

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

**Financial instruments**

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instrument: Recognitions and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

**Amendment to PBE IPSAS 2 Statement of Cash Flows**

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

**PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Council has not yet determined how application of PBE FRS 48 will affect its statement of performance. The Council plans to apply the standard in preparing its 30 June 2022 financial statements.

**Implementation of new and amended standards****2018 Omnibus Amendments to PBE Standards**

The 2018 annual omnibus amendments to all PBE standards contains general updates and improvements to PBE standards was released in November 2018. The revised standards are effective for the Council for the year ending 30 June 2020 financial statements with the exception of the amendments to PBE IPSAS 2 Cash Flow Statements which comes into effect for the 30 June 2022.

These amendments and improvements do not result in material changes to the Council's reporting requirements.

**Adoption of PBE IPSAS 35 Consolidation PBE Standards on interests in other entities – PBE IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investments in Associates and Joint Ventures, PBE IPSAS 38 Disclosure of Interests in Other Entities.**

These new standards replaced PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates, and PBE IPSAS 8 Interest in Joint Ventures.

They amend the definition of control, introduce a new classification of joint arrangement, and require additional disclosures for interests in other entities. These new standards are effective from the year ending 30 June 2020 and have not had a material impact on the financial statements.

# Statement of comprehensive revenue and expense

For the year ended 30 June 2020

	Note	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Revenue</b>						
Rates	2	37,406	37,101	35,244	37,406	35,244
Fees, charges	3	6,796	8,044	7,677	6,796	7,677
Development and financial contributions		1,382	1,359	1,382	1,382	1,349
Subsidies and grants	4	6,931	8,000	9,011	6,931	9,011
Finance income	5	120	626	674	256	788
Other revenue	6	10,486	12,421	14,976	28,795	35,123
Other gains	7	202	1,044	2,194	202	2,199
Total revenue	1	63,323	68,595	71,125	81,768	91,391
<b>Expenditure</b>						
Personnel costs	8	16,132	15,736	14,508	24,936	23,894
Depreciation and amortisation	9	16,169	15,605	15,586	17,409	16,796
Finance costs	5	1,453	1,946	1,741	1,651	1,931
Other expenses	10	27,545	26,118	26,236	35,499	35,191
Other losses	7	3,930	-	5,989	3,932	6,022
Total expenses	1	65,229	59,405	64,060	83,427	83,834
Share of associate's surplus/(deficit)		-	-	-	(72)	(52)
Surplus/(deficit) before taxation		(1,906)	9,190	7,066	(1,731)	7,505
Income tax expense/(revenue)	11	16	-	(10)	(47)	192
Surplus/(deficit) after taxation		(1,922)	9,190	7,076	(1,684)	7,313
Share of joint venture surplus/(deficit)	44	-	-	-	(841)	(734)
Surplus after tax and joint venture		(1,922)	9,190	7,076	(2,525)	6,579
<b>Other comprehensive revenue</b>						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Financial assets at fair value	30	12	-	12	12	12
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(loss) on infrastructure revaluation	23, 30	24,673	18,010	(19,447)	24,673	(19,447)
Gain on land and buildings revaluation	23, 30	-	-	-	159	69
Deferred tax on revaluation of buildings	11	-	-	-	(26)	(19)
Total other comprehensive revenue		24,685	18,010	(19,435)	24,818	(19,385)
<b>Total comprehensive revenue and expense</b>		22,763	27,200	(12,359)	22,293	(12,806)

Explanations of major variances against budget are provided in note 49.

The accompanying notes form part of these financial statements

# Statement of changes in net assets / equity

## For the year ended 30 June 2020

	<b>Council 2020 Actual \$000</b>	<b>Council 2020 Budget \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Balance at 1 July	747,390	788,592	759,752	760,896	773,702
Total comprehensive income	22,763	27,201	(12,359)	22,293	(12,807)
Balance at 30 June	770,153	815,793	747,390	783,189	760,895

*The accompanying notes form part of these financial statements*

# Statement of financial position

As at 30 June 2020

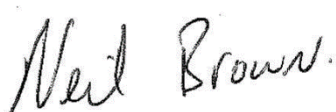
	Note	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Current assets</b>						
Cash and cash equivalents	12	7,346	8,787	10,586	7,468	9,548
Receivables	13	5,877	4,041	6,958	9,787	12,671
Other financial assets	16	-	-	-	-	-
Local Authority stocks and bonds	14	2,137	3,112	2,124	2,137	2,124
Inventories	15	70	91	75	1,766	1,409
Income tax receivable	11	-	-	-	-	-
Property inventory	18	306	159	306	306	306
Property intended for sale	19	479	-	870	479	870
Total current assets		16,215	16,190	20,919	21,943	26,928
<b>Non-current assets</b>						
Receivables	13	-	-	-	-	9
Deferred taxation asset	11	25	-	41	298	301
Other financial assets	16	1,047	935	967	1,058	978
Investment in council controlled organisations	16	4,595	4,595	4,595	-	-
Investment in associate	17	1,795	1,795	1,795	2,856	2,964
Property inventory	18	2,695	2,450	2,836	2,695	2,836
Investment properties	20	33,044	37,628	34,633	33,044	34,633
Forestry assets	21	5,554	5,280	5,795	5,554	5,795
Intangible assets	22	1,170	1,203	831	2,173	1,308
Property, plant and equipment	23	747,455	815,229	722,288	758,714	732,763
Work in progress	23	16,514	-	4,668	16,514	4,668
Share of joint venture	44	-	-	-	4,422	5,264
Total non-current assets		813,894	869,115	778,449	827,328	791,519
<b>Total assets</b>		830,109	885,305	799,368	849,271	818,447
<b>Current liabilities</b>						
Payables and deferred revenue	24	12,155	9,676	10,505	12,933	12,108
Employee benefit liabilities	25	1,519	1,628	1,161	2,413	1,954
Landfill aftercare liability	26	15	15	15	15	15
Borrowings	27	25,136	3,100	15,135	27,495	15,563
Tax payable	11	-	-	-	76	183
Derivative financial instruments	28	-	-	-	-	-
Total current liabilities		38,825	14,419	26,816	42,932	29,823
<b>Non-current liabilities</b>						
<b>Non-current liabilities</b>						
Payables and deferred revenue	24	410	-	440	410	447
Employee benefit liabilities	25	364	462	334	426	385
Landfill aftercare liability	26	158	156	141	158	141
Deferred taxation liability	11	-	-	-	678	878
Derivative financial instruments	28	3,199	813	2,111	3,199	2,111
Borrowings	27	17,000	53,662	22,136	18,279	23,767
Total non-current liabilities		21,131	55,093	25,162	23,150	27,729
<b>Total liabilities</b>		59,956	69,512	51,978	66,082	57,552



	<b>Note</b>	<b>Council 2020 Actual \$000</b>	<b>Council 2020 Budget \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<hr/>						
<b>Equity</b>						
Ratepayers equity	29	461,136	477,948	463,348	472,749	475,564
Other reserves	30	309,017	337,845	284,042	310,440	285,331
<hr/>						
<b>Total equity</b>		770,153	815,793	747,390	783,189	760,895
<hr/>						
<b>Total liabilities and equity</b>		830,109	885,305	799,368	849,271	818,447
<hr/>						

The financial statements were approved and authorised by Council for issue on 23 December 2020.

Signed for and behalf of the Council:



**Neil Brown**  
Mayor



**Hamish Riach**  
Chief Executive

*The accompanying notes form part of these financial statements*

# Statement of cash flows

For the year ended 30 June 2020

	Note	Council 2020 Actual \$000	Council 2020 Budget \$000	Council 2019 Actual \$000	Group 2020 Actual \$000	Group 2019 Actual \$000
<b>Cash flows from operating activities</b>						
Receipts from customers		59,753	59,740	62,795	78,689	82,267
Interest received		188	626	731	324	846
Dividends received		925	971	1,419	604	664
Payments to suppliers and employees		(42,037)	(39,196)	(39,407)	(58,662)	(57,171)
Sale of council subdivisions		1,981	3,670	-	1,981	-
Interest paid		(1,453)	(1,946)	(1,741)	(1,649)	(1,931)
Net GST (paid)/received		862	-	(372)	797	(412)
Income tax		(16)	-	10	(247)	(443)
Net cash flow from operating activities	31	20,203	23,865	23,435	21,837	23,820
<b>Cash flows from investing activities</b>						
Sale of property, plant and equipment		191	200	119	191	257
Sale/maturing of shares and investments		137	-	10,945	137	10,945
Advances repayments		-	-	-	-	-
Purchase of property, plant and equipment		(28,636)	(43,974)	(26,295)	(31,146)	(27,724)
Purchase of intangible assets		-	(244)	-	(17)	(11)
Purchase of shares and investments		-	-	(10,000)	-	(10,007)
Related party loan		-	-	-	-	-
Advances		-	-	-	473	(534)
Net cash flow from investing activities		(28,308)	(44,018)	(25,231)	(30,362)	(27,074)
<b>Cash flows from financing activities</b>						
Loans raised		20,000	15,338	12,000	22,000	12,433
Loan repayments		(15,135)	(2,565)	(12,135)	(15,555)	(12,624)
Net cash flow from financing activities		4,865	12,773	(135)	6,445	(191)
<b>Net increase/(decrease) in cash held</b>		(3,240)	(7,380)	(1,931)	(2,080)	(3,445)
Add opening cash resources		10,586	16,169	12,514	9,548	12,991
<b>Total closing cash resources</b>	12	7,346	8,789	10,583	7,468	9,546

The accompanying notes form part of these financial statements

# Funding impact statement for whole of Council

For the year ended 30 June 2020

	2018/19 LTP \$000	2018/19 Annual Report \$000	2019/20 Annual Plan \$000	2019/20 Actual \$000
<b>Operating funding</b>				
<b>Sources of operating funding</b>				
General rate, UAGC <sup>1</sup> , rates penalties	13,334	13,135	13,883	13,911
Targeted rates	21,994	22,040	23,218	23,380
Subsidies and grants for operating purposes	2,084	3,487	2,072	3,272
Fees and charges	8,170	7,647	8,043	6,767
Interest and dividends from investments	2,230	2,093	1,598	1,045
Local authorities fuel tax, fines, infringement fees and other receipts	8,491	9,639	8,293	8,181
Total sources of operating funding	56,303	58,041	57,108	56,555
<b>Applications of operating funding</b>				
Payments to staff and suppliers	30,542	31,360	31,826	33,345
Finance costs	1,989	1,885	1,946	1,649
Other operating funding applications	10,284	10,850	10,027	12,603
Total applications of operating funding	42,815	44,095	43,799	47,597
<b>Surplus/(deficit) of operating funding</b>	13,488	13,946	13,309	8,959
<b>Capital funding</b>				
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,747	5,524	5,928	3,616
Development and financial contributions	1,342	1,403	1,359	1,433
Increase/(decrease) in debt	2,936	(2,021)	11,145	14,290
Gross proceeds from sale of assets	240	4,883	4,874	3,069
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	10,265	9,789	23,306	22,409
<b>Application of capital funding</b>				
Capital expenditure				
- To meet additional demand	1,108	-	1,331	-
- To improve the level of service	9,735	14,410	31,537	19,555
- To replace existing assets	12,988	11,468	11,349	8,754
Increase/(decrease) in reserves	(82)	(2,144)	(7,604)	3,059
Increase/(decrease) in investments	-	-	-	-
Total applications of capital funding	23,749	23,735	36,615	31,368
<b>Surplus/(deficit) of capital funding</b>	(13,484)	(13,946)	(13,309)	(8,959)
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Uniform Annual General Charges

The funding impact statement is required under the Local Government Act 2002 Schedule 10 and conforms to the Local Government (Financial Reporting) Regulations 2014. General accepted account practice does not apply to the preparation of the funding impact statement as stated in S111(2) of the Local Government Act.

*The accompanying notes form part of these financial statements*

# Notes to the financial statement

## 1. Summary of revenue and expenditure for groups of activities

	<b>Council 2020 Actual \$000</b>	<b>Council 2020 Budget \$000</b>	<b>Council 2019 Actual \$000</b>
<b>Revenue</b>			
Transportation	16,560	16,485	20,162
Drinking water	5,493	5,329	5,524
Wastewater	5,063	4,982	5,302
Stormwater	1,238	2,160	1,219
Refuse and recycling	6,669	6,008	5,753
Recreation and leisure	6,525	8,404	8,701
Community facilities & support	3,727	3,389	4,283
Economic development	6,498	7,555	11,696
Parks and open spaces	8,981	4,126	5,877
Democracy	2,024	4,705	2,324
Regulatory services	5,417	5,263	4,600
Miscellaneous	(613)	1,301	618
Total activity revenue	67,582	69,707	76,059
Less internal revenue	(4,259)	(1,112)	(4,933)
Total activity revenue	63,323	68,595	71,126
<b>Expenditure</b>			
Transportation	15,593	13,237	14,604
Drinking water	5,902	4,803	6,377
Wastewater	4,954	4,589	6,471
Stormwater	2,705	2,081	2,390
Refuse and recycling	6,274	2,366	6,224
Recreation and leisure	8,698	8,823	8,598
Community facilities & support	3,742	3,776	3,989
Economic development	7,378	8,905	7,269
Parks and open spaces	4,777	5,145	4,161
Democracy	2,555	2,519	2,125
Regulatory services	4,812	4,977	4,568
Miscellaneous	2,098	435	2,217
Total activity expenditure	69,488	61,656	68,993
Less internal expenditure	(4,259)	(2,251)	(4,933)
Less taxation	-	-	-
Total expenditure activity	65,229	59,405	64,060

The budget in this Annual Report does not in all instances agree to the published Annual Plan budget due to the exclusion of internal overheads in the Annual Plan that are included when used for Annual Report comparison.



## 2. Rates Revenue

	<b>Council 2020 Actual \$000</b>	<b>Council 2020 Budget \$000</b>	<b>Council 2019 Actual \$000</b>
General rate / UAGC	13,891	13,697	13,099
Targeted rates attributable to activities:			
Transportation	7,975	7,901	7,439
Drinking water	4,876	4,805	4,473
Wastewater	4,188	4,115	4,142
Stormwater	993	1,001	953
Rubbish and recycling	2,196	2,161	2,146
Recreation and community facilities	187	187	159
Economic development	216	218	206
Stockwater	869	902	841
Parks and open spaces	1,559	1,572	1,349
Community governance and decision making	71	71	72
	<u>37,021</u>	<u>36,630</u>	<u>34,879</u>
Rates penalties	264	186	229
Rates remissions	(128)	(141)	(125)
	<u>37,157</u>	<u>36,675</u>	<u>34,983</u>

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 2020 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	<b>Council 2020 Actual \$000</b>	<b>Council 2020 Budget \$000</b>	<b>Council 2019 Actual \$000</b>
Rates, other than metered water supply	37,156	36,816	34,984
Targeted water supply rates	250	285	260
Total revenue from rates	<u>37,406</u>	<u>37,101</u>	<u>35,244</u>

### 3. Fees & Charges

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Building and resource consent charges	1,741	1,892	1,741	1,892
Landfill charges	1,735	1,996	1,735	1,996
Swimming pool revenue	1,581	1,966	1,581	1,966
Parking fees	63	81	63	81
Other fees and charges	1,676	1,742	1,676	1,742
Total fees and charges	6,796	7,677	6,796	7,677

### 4. Subsidies & Grant Revenues

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
NZ Transport Agency roading subsidies	6,209	8,791	6,209	8,791
EA Networks Stadium sponsorship grants	77	117	77	117
Other grant revenue	645	103	645	103
Total subsidies and grant revenue	6,931	9,011	6,931	9,011

## 5. Finance Income and Fincance Costs

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2019 nil).

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<b>Finance income</b>				
Interest income:				
- term deposits	37	528	173	642
- stocks and bonds	83	146	83	146
Total finance income	120	674	256	788
<b>Finance costs</b>				
Interest expense:				
- borrowing	1,177	1,545	1,375	1,735
- interest rate swaps	276	197	276	197
Total finance costs	1,453	1,742	1,651	1,932
<i>Allocation of finance costs:</i>				
Potable water supplies	53	67	53	67
Wastewater	389	266	389	266
Stormwater	34	46	34	46
Commercial property	859	1,152	859	1,152
Arts and culture	-	-	-	-
Environmental services	5	9	5	9
Other operations	113	201	311	391
Total finance costs	1,453	1,741	1,651	1,931

## 6. Other Revenue

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Forestry sales	180	596	180	596
Investment property rental income	1,946	1,530	1,946	1,307
Fines and parking infringements	200	237	200	237
Plant and equipment insurance recoveries	81	12	81	12
Petrol tax	343	335	343	335
Construction revenue	-	-	1,983	16,384
Rendering of services	-	-	-	-
Vested assets	2,277	5,119	2,277	5,119
NZU carbon credits	-	-	-	-
Land sales	1,981	3,857	1,981	3,857
Dividend income	925	1,419	554	664
Sales, services and other income	2,553	1,871	19,250	6,612
Total other revenue	10,486	14,976	28,795	35,123

## 7. Other Gains & Losses

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<b>Other gains</b>				
Gain on changes in fair value of interest rate swap (note 28)	-	-	-	-
Gain on changes in fair value of investment properties (note 20)	-	883	-	883
Gain on changes in fair value of forestry (note 21)	-	911	-	911
Gain on sale of property intended for sale	49	-	49	-
Gain on disposal of investment properties	88	298	88	298
Gain on disposal of property, plant and equipment	25	56	25	61
Gain on fair value of Museum/Art Gallery naming sponsorship	6	13	6	13
Gain on fair value of EA Networks naming sponsorship	34	33	34	33
Total other gains	202	2,194	202	2,199
<b>Other losses</b>				
Loss on changes in fair value of interest rate swap (note 28)	1,087	1,299	1,087	1,299
Loss on revaluation of property intended for sale	40	-	40	-
Loss on changes in fair value of investment properties (note 20)	615	-	615	-
Loss on changes in fair value of forestry (note 21)	240	341	240	341
Loss on disposal of intangible asset (note 22)	49	-	49	-
Loss on disposal of property, plant and equipment	1,899	4,349	1,901	4,382
Total other losses	3,930	5,989	3,932	6,022

## 8. Personnel Costs

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Salaries and wages	16,127	14,521	24,931	23,907
Increase/(decrease) in employee entitlements	5	(13)	5	(13)
Total personnel costs	16,132	14,508	24,936	23,894

## 9. Depreciation & Amortisation

Depreciation and amortisation expense by significant activity:

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Roading	7,215	6,705	7,215	6,705
Footpaths	882	845	882	845
Wastewater	1,774	1,782	1,774	1,782
Stormwater	537	454	537	454
Water supplies	1,768	1,764	1,768	1,764
Stockwater	47	46	47	46
Solid waste	190	177	190	177
Emergency management	9	9	9	9
Commercial properties	1,320	1,251	1,320	1,251
Parks and recreation	364	364	364	364
Reserves and camping areas	55	55	55	55
Cemeteries	-	-	-	-
Recreation facilities	383	429	383	429
Library	143	142	143	142
Elderly persons housing	69	68	69	68
Public conveniences	56	53	56	53
Reserve boards and halls	375	393	375	393
Environmental services	51	54	51	54
Plant and miscellaneous operations	931	995	2,171	2,205
Total depreciation	16,169	15,586	17,409	16,796



## 10. Other Expenses

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Directors fees	-	-	161	169
Fees to principal auditor:				
Audit fees for financial statements	148	123	229	197
Audit fees for other assurance services	-	25	-	25
Other audit fees	25	-	25	-
Discretionary grants/contributions	1,749	1,440	1,374	1,055
Rental and operating lease costs	14	29	77	315
Bad debts written off	35	-	35	-
Impairment of property, plant and equipment	-	-	13	13
ACC levy	77	113	77	113
Electricity	1,800	1,828	1,800	1,828
Maintenance contracts	11,941	11,217	11,941	11,217
Other operating expenses	11,756	11,461	19,767	20,259
<b>Total other expenses</b>	<b>27,545</b>	<b>26,236</b>	<b>35,499</b>	<b>35,191</b>

The fees paid for other assurance services in the year ended 30 June 2020 were for an IANZ accreditation audit (\$25,000). In 2019 the fees paid to the principal auditor for other assurance services were for the audit of the Council's Debenture Trust Deed (\$4,000) and amendment to the LTP (\$21,000).

Council made discretionary grants and contributions to the following organisations in 2019/20:

Organisation	Amount	Organisation	Amount
Age Concern Ashburton	1,200	Kanuka Mid Canterbury Regeneration Trust	1,800
Alford Landcare Inc.	5,200	Lauriston Cricket Club	4,170
Ashburton Art Gallery	390,600	Lauriston Hall	7,000
Ashburton Christian Ministers Association	6,000	Life Dance Academy	500
Ashburton College	1,261	Lions Club of Ashburton Pakeke Charitable Trust	3,715
Ashburton Community Conservation Trust	1,290	Mayfield Community Pool	6,500
Ashburton Community Water Trust	1,170	Methven Community Pool	15,000
Ashburton County Scottish Society Pipe Band	3,400	Methven Public Library	4,500
Ashburton District Neighbourhood Support	15,000	Methven Squash Racquets Club	5,000
Ashburton Horticultural Society	1,000	Mid Canterbury Boxing Academy	1,275
Ashburton Motor Cycle Park	4,000	Mid Canterbury Emergency Relief Charitable Trust	6,000
Ashburton Presbyterian Support	2,500	Mid Canterbury Hockey	795
Ashburton Railway & Preservation Society	3,120	Mid Canterbury Rural Support Trust	1,000
Ashburton Youth Café (Base)	8,140	Mid Canterbury Youth Charitable Trust	5,000
Bike Methven	6,000	Mt Somers Community pool	6,000
Birthright Canterbury Trust	5,000	Mt Somers Old Post Office Library	1,000
Citizens Advice Bureau	48,394	Neighbourhood Support	3,000
Connecting Mid Canterbury Charitable Trust	7,500	NZ Council of Victim Support Groups	5,000
Event Centre	298,860	Rakaia Community Pool	3,905
Experience Mid Canterbury	374,998	Rakaia Public Library	3,000
Fillipino Dairy Workers New Zealand	3,500	Riverbridge Native Species Trust	5,000
Hakatere Community	3,652	Safer Ashburton District	211,806
Hakatere Marae	4,921	Safer Mid Canterbury	3,650
Hakatere Multi Cultural Council	7,000	Shine	500
Hampstead School	1,000	Snappy Investments Limited	7,000
Hekeao Hinds Water Enhancement Trust	125,000	Somerton Trust	7,000
Hinds Community Centre	15,000	South Rakaia Bach Owners	7,000
Hinds Swimming Pool	11,056	Sport Canterbury	52,174
Hype Youth Health Centre	7,500	Upper Rangitata Gorge Landcare Group	5,000
Kakariki Camps	1,700	Willowby Community Swimming Pool	1,000
<b>Grand total</b>			<b>1,749,252</b>

## 11. Taxation

<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>

Components of tax expense recognised in statement of comprehensive revenue and expense:

Current taxation	-	-	194	376
Overprovision of prior year tax	-	-	(13)	7
Deferred tax prior year adjustment	-	(5)	9	(12)
Deferred taxation	16	(5)	(237)	(179)
Income tax expense	16	(10)	(47)	192

Components of deferred tax recognised directly in equity:

Revaluation of property plant and equipment	-	-	(26)	(19)
Income tax expense	-	-	(26)	(19)

Relationship between tax expense and accounting profit:

Surplus/(deficit) before tax	(1,906)	7,066	(1,731)	7,505
Tax at 28%	(534)	1,978	(485)	2,101
Add/(less) tax effect of:				
(Non Taxable Income)/Non Deductible Expenditure	910	(1,503)	664	(1,718)
Impact of change in tax rates	-	-	-	-
Imputation credit adjustment	(360)	(485)	(215)	(191)
Temporary differences not previously recognised	-	-	(6)	-
Reversal of prior year overprovision	-	-	(5)	-
	16	(10)	(47)	192

Imputation credit account:

Balance at the start of the year	-	-	3,264	3,201
Income tax payments/(refunds)	-	-	339	607
Reversal of prior year estimate	-	-	(164)	(250)
Credits attached to dividends paid	-	-	(144)	(294)
Balance at the end of the year	-	-	3,295	3,264

Movement in tax (refund)/payable:

Balance at start of year	-	(3)	184	249
Taxation (paid)/refunded	-	3	(272)	(446)
Provided for this year	-	-	8	374
Overprovision prior year	-	-	154	7
Tax loss	-	-	-	-
Balance at the end of the year	-	-	74	184

**Council Deferred Tax assets / (liabilities)***Deferred taxation assets and liabilities*

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
Retentions	-	-	-
Capitalised interest	-	-	-
Provisions	-	-	-
Intangible assets	-	-	-
Work in progress	-	-	-
Tax losses	25	-	25
Balance at end of year	25	-	25

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
Retentions	-	-	-
Capitalised interest	-	-	-
Provisions	-	-	-
Intangible assets	-	-	-
Work in progress	-	-	-
Tax losses	41	-	41
Balance at end of year	41	-	41

*Movement in temporary differences*

	<b>Balance 01-Jul-19</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-20</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	-	-	-
Contract assets	-	-	-	-
Employee benefits	-	-	-	-
Retentions	-	-	-	-
Capitalised interest	-	-	-	-
Provisions	-	-	-	-
Intangible assets	-	-	-	-
Work in progress	-	-	-	-
Tax losses	41	(16)	-	25
Balance at end of year	41	(16)	-	25

	<b>Balance 01-Jul-18</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-19</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	-	-	-
Contract assets	-	-	-	-
Employee benefits	-	-	-	-
Retentions	-	-	-	-
Capitalised interest	-	-	-	-
Provisions	-	-	-	-
Intangible assets	-	-	-	-
Work in progress	-	-	-	-
Tax losses	31	(10)	-	41
Balance at end of year	31	(10)	-	41

\* Charge to other comprehensive revenue and expense.



**Group deferred tax assets / (liabilities)***Deferred taxation assets and liabilities*

	<b>Assets 2020</b>	<b>Liabilities</b>	<b>Net</b>
	<b>\$000</b>	<b>2020</b>	<b>2020</b>
		<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	(313)	(313)
Contract assets	12	-	12
Employee benefits	181	-	181
Retentions	-	(166)	(166)
Capitalised interest	-	(199)	(199)
Provisions	80	-	80
Intangible assets	-	-	-
Work in progress	-	-	-
Tax losses	25	-	25
Balance at end of year	298	(678)	(380)

	<b>Assets 2019</b>	<b>Liabilities</b>	<b>Net</b>
	<b>\$000</b>	<b>2019</b>	<b>2019</b>
		<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	-	(407)	(407)
Contract assets	5	-	5
Employee benefits	153	-	153
Retentions	-	(287)	(287)
Capitalised interest	-	(184)	(184)
Provisions	101	-	101
Intangible assets	1	-	1
Work in progress	-	-	-
Tax losses	41	-	41
Balance at end of year	301	(878)	(577)

*Group movement in temporary differences*

	<b>Balance 01-Jul-19</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-20</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	(407)	120	(26)	(313)
Contract assets	5	7	-	12
Employee benefits	153	28	-	181
Retentions	(287)	121	-	(166)
Capitalised interest	(184)	(15)	-	(199)
Provisions	101	(21)	-	80
Intangible assets	1	(1)	-	-
Work in progress	-	-	-	-
Tax losses	41	(16)	-	25
Balance at end of year	(577)	223	(26)	(380)

	<b>Balance 01-Jul-19</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-20</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	(599)	211	(19)	(407)
Contract assets	-	5	-	5
Employee benefits	143	10	-	153
Retentions	(272)	(16)	-	(287)
Capitalised interest	(145)	(39)	-	(184)
Provisions	12	89	-	101
Intangible assets	(2)	3	-	1
Work in progress	82	(82)	-	-
Tax losses	31	10	-	41
Balance at end of year	(750)	191	19	(577)

\* Charge to toerh comprehensive revenue and expense

## 12. Cash and Cash Equivalents

	<b>Council 2020</b>	<b>Council 2019</b>	<b>Group 2020</b>	<b>Group 2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash floats	4	4	4	4
Bank current account	7,342	8,582	8,316	9,402

Short term deposits	-	2,000	-	2,000
Bank overdraft	-	-	(852)	(1,858)
	7,346	10,586	7,468	9,548

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 0.05% to 0.2% (2019: 0.45% to 3.41%). Ashburton Contracting Limited has overdraft facilities with the ANZ Bank of New Zealand Ltd of \$3,575,000 (2019: \$3,575,000). The effective interest rate on overdraft facilities ranges from 4.46% to 5.61% (2019: 5.61% to 6.65%).

### 13. Trade and Other Receivables

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Rates receivable	1,779	1,446	1,779	1,446
Other receivables	3,651	4,995	5,734	8,641
Eastfield Investment Advance <sup>(1)</sup>	86	158	86	158
Prepayments	455	418	624	526
ACL contract work in progress	-	-	1,099	924
ACL retentions receivable	-	-	599	1,067
	5,971	7,017	9,921	12,762
Provision for impairment/doubtful debts	(94)	(59)	(134)	(82)
Total trade and other receivables	5,877	6,958	9,787	12,680
Other receivables	-	-	-	9
Community loans	-	-	-	-
Non current portion	-	-	-	9
Current portion	5,877	6,958	9,787	12,671
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	2,464	2,871	2,464	2,871
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,412	4,086	3,412	4,086

(1) Eastfield Investments Advance is the Council's current account of \$86,285 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).

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, but not impaired, are as follows:

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>
<12 months	1,191	1,343
>12 months	588	103
Carrying amount	<u>1,779</u>	<u>1,446</u>

As of 30 June 2020 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.

*Ageing profile of receivables at year end*

	<b>2020</b>			<b>2019</b>		
	<b>Gross \$000</b>	<b>impairment \$000</b>	<b>Net \$000</b>	<b>Gross \$000</b>	<b>Impairment \$000</b>	<b>Net \$000</b>
<b>Council</b>						
Not past due	2,608	-	2,608	2,732	-	2,732
Past due 1-60 days	2,274	-	2,274	3,436	-	3,436
Past due 61-120 days	376	-	376	344	-	344
Past due > 120 days	714	(94)	620	505	(59)	446
	<u>5,972</u>	<u>(94)</u>	<u>5,878</u>	<u>7,017</u>	<u>(59)</u>	<u>6,958</u>
<b>Group</b>						
Not past due	6,059	-	6,059	7,988	-	7,988
Past due 1-60 days	2,555	-	2,555	3,681	-	3,681
Past due 61-120 days	475	-	475	395	-	395
Past due ? 120 days	832	(134)	698	698	(82)	616
	<u>9,921</u>	<u>(134)</u>	<u>9,787</u>	<u>12,762</u>	<u>(82)</u>	<u>12,680</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.

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Individual impairment	94	59	106	76
Collective impairment	-	-	28	6
Total provision for impairment	94	59	134	82

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

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening balance	59	28	82	46
Additional provisions during the year	35	31	52	36
Receivables written off	-	-	-	-
Closing balance	-	-	-	-
	94	59	134	82

## 14. Stocks & 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 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:

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<i>Financial assets available for sale</i>				
Bonds	2,137	2,124	2,137	2,124
	2,137	2,124	2,137	2,124



	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Maturing within 1 year	1,038	-	1,038	-
- Weighted average interest rate	4.1%	0.0%	4.1%	0.0%
Maturing between 1 and 5 years	1,099	2,124	1,099	2,124
- Weighted average interest rate	3.7%	4.2%	3.7%	4.2%
Maturing after 5 years	-	-	-	-
- Weighted average interest rate	-	0.0%	-	0.0%
	<u>2,137</u>	<u>2,124</u>	<u>2,137</u>	<u>2,124</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

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
<i>Commercial inventory</i>				
- Metal and asphalt	-	-	742	795
- Cement	-	-	27	18
- Services, plumbing and civil	-	-	277	313
- Rubbish bags / bins	47	50	47	50
- Retail stock	15	11	15	30
<i>Held for distribution inventory</i>				
- Workshop, fuel and parks raw materials	8	14	658	203
	<u>70</u>	<u>75</u>	<u>1,766</u>	<u>1,409</u>

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

## 16. Other Financial Assets

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Current portion				
Term deposits greater than 90 days	-	-	-	-
Total current portion	-	-	-	-
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	512	432	512	432
Transwaste Canterbury Ltd	480	480	480	480
Electricity Ashburton Limited	1	1	1	1
Ashburton Trading Society Ltd	1	1	1	1
NZ Plumbers Merchants	-	-	11	11
	1,047	967	1,058	978
Total non-current portion	5,642	5,562	1,058	978
Total other financial assets	5,642	5,562	1,058	978

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

- Civic Financial Services Limited (prior to 1 March 2017 known as NZ Local Government Insurance Corporation Limited) 0.5% shareholding – 56,016 shares  
The current net asset backing is \$0.93 per share (2019 \$1.63)
- Transwaste Canterbury Limited  
3.0% shareholding – 600,000 shares (shares paid up to \$0.80 per share)  
The current net asset backing is \$2.27 per share (2019 \$2.48)
- 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 – Council Only

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Council investment in Associates:				
Eastfield Investments Limited/Joint Venture	1,765	1,765	1,765	1,765
Rangitata Diversion Race Management Limited	30	30	30	30
Share of surplus in associate			1,061	1,169
	<u>1,795</u>	<u>1,795</u>	<u>2,856</u>	<u>2,964</u>

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 \$158,000 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 \$ \$86,285 at 30 June 2020.

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.

	<b>2020 Actual</b>	<b>2019 Actual</b>
	<b>\$000</b>	<b>\$000</b>

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

Assets	7,712	8,000
Liabilities	2,365	2,133
Revenue	301	295
Surplus/(deficit)	(224)	(158)
Group's interest	33%	33%
Council's share of associate surplus/(deficit)	(74)	(50)

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

Assets	25,403	24,011
Liabilities	19,316	17,817
Revenue	2,701	3,098
Surplus/(deficit)	(107)	(31)
Group's interest	20%	20%
Council's share of associate surplus/(deficit)	(21)	(6)

## 18. Property Inventory

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land and development	3,001	3,142	3,001	3,142
	<u>3,001</u>	<u>3,142</u>	<u>3,001</u>	<u>3,142</u>

This is show in the Statement of Financial Position as:

Current portion	306	306	306	306
Non-current portion	2,695	2,836	2,695	2,836
	<u>3,001</u>	<u>3,142</u>	<u>3,001</u>	<u>3,142</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

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Forestry land	-	-	-	-
Freehold land and buildings	14	14	14	14
Investment property	465	856	465	856
	<u>479</u>	<u>870</u>	<u>479</u>	<u>870</u>

The forestry and freehold land and buildings for sale are properties surplus to Council's requirements and were approved by Council to be made available for sale. Sales are due to be completed by 30 June 2021.

The investment properties include Lots 1 and 2 Range Street.

## 20. Investment Property

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening balance	34,633	35,851	34,633	35,851
Additions from acquisitions	-	472	-	472
Disposals	(529)	(543)	(529)	(543)
Transfers to properties held for sale	-	(505)	-	(505)
Transfers to property plant & equipment (note 23)	(445)	(1,525)	(445)	(1,525)
Fair value gains/(losses) on valuation	(615)	883	(615)	883
Closing balance	<u>33,044</u>	<u>34,633</u>	<u>33,044</u>	<u>34,633</u>

The valuation as at 30 June 2020 was completed by Telfer Young Limited. The basis of valuation is fair value, being the estimated amount for which an asset should exchange 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. The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental revenue using market comparison of capitalisation rates. Capitalisation rates are assessed by comparing the subject property to similar properties that have sold with adjustments made for physical improvement and land characteristics, location and tenancy structure. The valuation methodologies are consistent with the prior year.

Due to the severe market disruption and impact on the economy, and the lack of transactional data available, as a result of Covid-19, a greater degree of uncertainty is attached to this valuation by Telfer Young.

## 21. Forestry

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Opening balance	5,795	5,243	5,795	5,243
Fair value gains/(losses)				
- due to harvest	(165)	(340)	(165)	(340)
- due to sales	-	(18)	-	(18)
- due to unit rate changes and growth	(76)	910	(76)	910
Closing balance	5,554	5,795	5,554	5,795

The Council owns 1,099 hectares of forest predominantly planted in Radiata pine ranging in age from 1 years to 99 years.

Forestry is revalued each year by the Council's qualified Forester. The valuation has been performed as per Accounting Policies with a post-tax discount rate of 7.0%.

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

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

	<b>Council Carbon Credits \$000</b>	<b>Council Computer Software \$000</b>	<b>Council Total \$000</b>	<b>Group Computer Software \$000</b>	<b>Group Resource Consents \$000</b>	<b>Group Goodwill \$000</b>	<b>Group Total \$000</b>
Opening balance 1/07/19	49	782	831	13	464	-	1,308
Additions	-	645	645	66	-	488	1,199
Disposals	(49)	-	(49)	-	-	-	(49)
Current year amortisation	-	(257)	(257)	(18)	(9)	-	(284)
Reverse amortisation on disposal	-	-	-	-	-	-	-
Closing balance 30/06/20	-	1,170	1,170	61	455	488	2,174
Cost	-	4,042	4,042	491	688	488	5,709
Accumulated amortisation	-	(2,873)	(2,873)	(430)	(233)	-	(3,536)
Carrying value at 30 June 2020	-	1,169	1,169	61	455	488	2,173
Opening balance 1/07/18	49	1,026	1,075	17	474	-	1,566
Additions	-	30	30	11	-	-	41
Disposals	-	-	-	(35)	-	-	(35)
Current year amortisation	-	(274)	(274)	(15)	(10)	-	(299)



Reverse amortisation on disposal	-	-	-	35	-	-	35
Closing balance 30/06/19	49	782	831	13	464	-	1,308
Cost	49	3,397	3,446	425	688	-	4,559
Accumulated amortisation	-	(2,615)	(2,615)	(412)	(224)	-	(3,251)
Carrying value at 30 June 2019	49	782	831	13	464	-	1,308

### 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 2020

	Cost/fair value 01/07/19	Accumulated depreciation & impairment 01/07/19	Carrying value 01/07/19	Current year additions	Current year disposals	Classified as held for sale	*Accum deprec reversed on disposal \$000	Current year depreciated	Impairment losses expensed	Net revaluation increase/ (decrease)	*Accum deprec reversed on reval.	Cost/fair value 30/06/20	Accumulated depreciation & impairment 30/06/20	Carrying value 30/06/20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>														
Freehold land	25,405	-	25,405	5,737	-	-	-	-	-	-	-	31,142	-	31,142
Buildings	69,087	(15,410)	53,677	2,018	-	-	-	(1,942)	-	-	-	71,105	(17,352)	53,753
Plant and machinery	6,932	(4,589)	2,343	213	(168)	-	116	(556)	-	-	-	6,977	(5,029)	1,948
Equipment, furniture and fittings	6,907	(4,835)	2,072	436	-	-	-	(490)	-	-	-	7,343	(5,325)	2,018
Library books	3,402	(3,146)	256	108	-	-	-	(121)	-	-	-	3,510	(3,267)	243
Total operational assets	111,733	(27,980)	83,753	8,512	(168)	-	116	(3,109)	-	-	-	120,077	(30,973)	89,104
<b>Infrastructural assets</b>														
Roading and footpaths	380,032	-	380,032	8,128	(1,109)	-	-	(8,098)	-	(14,118)	8,098	372,933	-	372,933
Water supplies														
- treatment plants and facilities	10,771	-	10,771	334	(43)	-	-	(1,269)	-	(1,793)	1,269	9,269	-	9,269
- reticulation and other assets	67,648	-	67,648	594	(131)	-	-	(499)	-	(1,187)	499	66,924	-	66,924
Wastewater schemes														
- treatment plants and facilities	22,989	-	22,989	9	(1)	-	-	(665)	-	(884)	665	22,113	-	22,113
- reticulation and other assets	60,075	-	60,075	589	(10)	-	-	(1,107)	-	19,195	1,107	79,849	-	79,849
Stormwater	32,360	-	32,360	4	-	-	-	(537)	-	9,275	537	41,639	-	41,639
Stockwater	31,042	-	31,042	30	(603)	-	-	(48)	-	1,557	48	32,026	-	32,026
Solid waste	4,037	-	4,037	-	-	-	-	(183)	-	(6)	183	4,031	-	4,031
Parks, cemeteries and domains	12,768	(339)	12,429	154	-	-	-	(383)	-	(109)	338	12,813	(384)	12,429
Total infrastructure assets	621,722	(339)	621,383	9,842	(1,897)	-	-	(12,789)	-	11,930	12,744	641,597	(384)	641,213
<b>Restricted assets</b>														
Land	16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(151)	429	-	-	-	-	(14)	-	-	-	580	(165)	415
Total restricted assets	17,303	(151)	17,152	-	-	-	-	(14)	-	-	-	17,303	(165)	17,138
<b>Total</b>	750,758	(28,470)	722,288	18,354	(2,065)	-	116	(15,912)	-	11,930	12,744	778,977	(31,522)	747,455

\* Accumulated depreciation

\*\* Refer to Note 52 – Prior Period Adjustment

Bal Sheet 747,455

<b>Group 2020</b>	Cost/fair value 01/07/19	Accumulated depreciation & impairment 01/07/19	Carrying value 01/07/19	Current year additions	Current year disposals	Classified as held for sale	* Accum. deprec. reversed on disposal	Current year depreciated	Impairment losses expensed	Net revaluation increase/ (decrease)	* Accum. deprec. reversed on reval.	Cost/fair value 30/06/20	Accumulated depreciation & impairment 30/06/20	Carrying value 30/06/20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Operational assets</b>														
Freehold land	26,115	3	26,118	5,737	-	-	-	-	-	-	-	31,852	3	31,855
Buildings	70,436	(15,581)	54,855	2,354	-	-	-	(1,973)	50	140	19	72,930	(17,485)	55,445
Plant and machinery	27,317	(16,522)	10,795	1,741	(366)	-	196	(1,688)	-	-	-	28,692	(18,014)	10,678
Equipment, furniture and fittings	7,556	(5,352)	2,204	490	-	-	-	(555)	-	-	-	8,046	(5,907)	2,139
Library books	3,402	(3,146)	256	108	-	-	-	(121)	-	-	-	3,510	(3,267)	243
Total operational assets	134,826	(40,598)	94,228	10,430	(366)	-	196	(4,337)	50	140	19	145,030	(44,670)	100,360
<b>Infrastructural assets</b>														
Roading and footpaths	380,032	-	380,032	8,128	(1,109)	-	-	(8,098)	-	(14,118)	8,098	372,933	-	372,933
Water supplies														
- treatment plants and facilities	10,771	-	10,771	334	(43)	-	-	(1,269)	-	(1,793)	1,269	9,269	-	9,269
- reticulation and other assets	67,648	-	67,648	594	(131)	-	-	(499)	-	(1,187)	499	66,924	-	66,924
Wastewater schemes														
- treatment plants and facilities	22,989	-	22,989	9	(1)	-	-	(665)	-	(884)	665	22,113	-	22,113
- reticulation and other assets	60,075	-	60,075	589	(10)	-	-	(1,107)	-	19,195	1,107	79,849	-	79,849
Stormwater	32,360	-	32,360	4	-	-	-	(537)	-	9,275	537	41,639	-	41,639
Stockwater	31,042	-	31,042	30	(603)	-	-	(48)	-	1,557	48	32,026	-	32,026
Solid waste	4,037	-	4,037	-	-	-	-	(183)	-	(6)	183	4,031	-	4,031
Parks, cemeteries and domains	12,768	(339)	12,429	154	-	-	-	(383)	-	(109)	338	12,813	(384)	12,429
Total infrastructure assets	621,722	(339)	621,383	9,842	(1,897)	-	-	(12,789)	-	11,930	12,744	641,597	(384)	641,213
<b>Restricted assets</b>														
Land	16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(151)	429	-	-	-	-	(14)	-	-	-	580	(165)	415
Total restricted assets	17,303	(151)	17,152	-	-	-	-	(14)	-	-	-	17,303	(165)	17,138
<b>Total</b>	773,851	(41,088)	732,763	20,272	(2,263)	-	196	(17,140)	50	11,444	12,763	803,930	(45,219)	758,711

\* Accumulated depreciation

\*\* Refer to Note 52 – Prior Period Adjustment

**Council 2019****Operational assets**

	Cost/fair value 01/07/18 \$000	Accumulated depreciation & impairment 01/07/18 \$000	Carrying value 01/07/18 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	*Accum depre reversed on disposal \$000	Current year depreciated \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	*Accum deprec reversed on reval. \$000	Cost/fair value 30/06/19 \$000	Accumulated depreciation & impairment 30/06/19 \$000	Carrying value 30/06/19 \$000
Freehold land	21,041	-	21,041	4,403	(39)	-	-	-	-	-	-	25,405	-	25,405
Buildings	67,493	(13,516)	53,977	1,594	-	-	-	(1,894)	-	-	-	69,087	(15,410)	53,677
Plant and machinery	6,217	(3,953)	2,264	800	(85)	-	-	(636)	-	-	-	6,932	(4,589)	2,343
Equipment, furniture and fittings	6,368	(4,337)	2,031	539	-	-	-	(498)	-	-	-	6,907	(4,835)	2,072
Library books	3,300	(3,017)	283	102	-	-	-	(129)	-	-	-	3,402	(3,146)	256
Total operational assets	104,419	(24,823)	79,596	7,438	(124)	-	-	(3,157)	-	-	-	111,733	(27,980)	83,753

**Infrastructural assets**

Roading and footpaths	396,744	-	396,744	15,737	(989)	-	-	(7,549)	-	(31,460)	7,549	380,032	-	380,032
Water supplies														
- treatment plants and facilities	11,589	-	11,589	44	(708)	-	-	(541)	-	(154)	541	10,771	-	10,771
- reticulation and other assets	67,127	-	67,127	1,701	(390)	-	-	(1,223)	-	(790)	1,223	67,648	-	67,648
Wastewater schemes														
- treatment plants and facilities	23,245	-	23,245	133	(1,397)	-	-	(718)	-	1008	718	22,989	-	22,989
- reticulation and other assets	59,792	-	59,792	2,012	(297)	-	-	(1,063)	-	(1,432)	1,063	60,075	-	60,075
Stormwater	31,798	-	31,798	124	(46)	-	-	(454)	-	484	454	32,360	-	32,360
Stockwater	30,717	-	30,717	-	(118)	-	-	(46)	-	443	46	31,042	-	31,042
Solid waste	3,369	-	3,369	727	(392)	-	-	(171)	-	333	171	4,037	-	4,037
Parks, cemeteries and domains	11,282	(302)	10,980	1,469	-	-	-	(375)	-	17	338	12,768	(339)	12,429
Total infrastructure assets	635,663	(302)	635,361	21,947	(4,337)	-	-	(12,140)	-	(31,551)	12,103	621,722	(339)	621,383

**Restricted assets**

Land	15,737	-	15,737	996	(10)	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(138)	442	-	-	-	-	(13)	-	-	-	580	(151)	429
Total restricted assets	16,317	(138)	16,179	996	(10)	-	-	(13)	-	-	-	17,303	(151)	17,152

**Total**

\* Accumulated depreciation

\*\* Refer to Note 52 – Prior Period Adjustment

	756,399	(25,263)	731,136	30,381	(4,471)	-	-	(15,310)	-	(31,551)	12,103	750,758	(28,470)	722,288
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**Group 2019****Operational assets**

	Cost/fair value 01/07/18 \$000	Accumulated depreciation & impairment 01/07/18 \$000	Carrying value 01/07/18 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum deprec reversed on disposal \$000	Current year depreciated \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	* Accum deprec reversed on reval. \$000	Cost/fair value 30/06/19 \$000	Accumulated depreciation & impairment 30/06/19 \$000	Carrying value 30/06/19 \$000
Freehold land	21,751	3	21,754	4,403	(39)	-	-	-	-	-	-	26,115	3	26,118
Buildings	68,797	(13,604)	55,193	1,594	-	-	-	(1,931)	(70)	45	24	70,436	(15,581)	54,855
Plant and machinery	25,976	(15,314)	10,662	2,063	(722)	-	471	(1,736)	57	-	-	27,317	(16,522)	10,795
Equipment, furniture and fittings	6,982	(4,815)	2,167	609	(35)	-	34	(571)	-	-	-	7,556	(5,352)	2,204
Library books	3,300	(3,017)	283	102	-	-	-	(129)	-	-	-	3,402	(3,146)	256
Total operational assets	126,806	(36,747)	90,059	8,771	(796)	-	505	(4,367)	(13)	45	24	134,826	(40,598)	94,228

**Infrastructural assets**

Roading and footpaths **	396,744	-	396,744	15,737	(989)	-	-	(7,549)	-	(31,460)	7,549	380,032	-	380,032
Water supplies														
- treatment plants and facilities	11,589	-	11,589	44	(708)	-	-	(541)	-	(154)	541	10,771	-	10,771
- reticulation and other assets	67,127	-	67,127	1,701	(390)	-	-	(1,223)	-	(790)	1,223	67,648	-	67,648
Wastewater schemes														
- treatment plants and facilities	23,245	-	23,245	133	(1,397)	-	-	(718)	-	1,008	718	22,989	-	22,989
- reticulation and other assets	59,792	-	59,792	2,012	(297)	-	-	(1,063)	-	(1,432)	1,063	60,075	-	60,075
Stormwater	31,798	-	31,798	124	(46)	-	-	(454)	-	484	454	32,360	-	32,360
Stockwater	30,717	-	30,717	-	(118)	-	-	(46)	-	443	46	31,042	-	31,042
Solid waste	3,369	-	3,369	727	(392)	-	-	(171)	-	333	171	4,037	-	4,037
Parks, cemeteries and domains	11,282	(302)	10,980	1,469	-	-	-	(375)	-	17	338	12,768	(339)	12,429
Total infrastructure assets	635,663	(302)	635,361	21,947	(4,337)	-	-	(12,140)	-	(31,551)	12,103	621,722	(339)	621,383

**Restricted assets**

Land	15,737	-	15,737	996	(10)	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(138)	442	-	-	-	-	(13)	-	-	-	580	(151)	429
Total restricted assets	16,317	(138)	16,179	996	(10)	-	-	(13)	-	-	-	17,303	(151)	17,152

**Total**

	778,786	(37,187)	741,599	31,714	(5,143)	-	505	(16,520)	(13)	(31,506)	12,127	773,851	(41,088)	732,763
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\* Accumulated depreciation

\*\* Refer to Note 52 – Prior Period Adjustment

### 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.

	<b>2020 Constructed assets \$000</b>	<b>2020 Transferred/ vested assets \$000</b>	<b>2020 Total additions \$000</b>	<b>2019 Constructed assets \$000</b>	<b>2019 Transferred/ vested assets \$000</b>	<b>2019 Total additions \$000</b>
Roading and footpaths	6,781	1,347	8,128	12,094	3,643	15,737
Water supplies						
- treatment plants and facilities	334	-	334	44	-	44
- reticulation and other assets	322	272	594	1,134	567	1,701
	656	272	928	1,178	567	1,745
Wastewater schemes						
- treatment plants and facilities	9	-	9	133	-	133
- reticulation and other assets	458	131	589	1556	456	2,012
	467	131	598	1,689	456	2,145
Stormwater	-	4	4	-	124	124
Total core asset additions	7,904	1,754	9,658	14,961	4,790	19,751



### 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.

	<b>Replacement cost 30 Jun 20 \$000</b>	<b>Carrying value 30 Jun 20 \$000</b>	<b>Replacement cost 30 Jun 19 \$000</b>	<b>Carrying value 30 Jun 19 \$000</b>
Roading and footpaths**	551,953	372,933	549,803	363,320
Water supplies				
- treatment plants and facilities	15,626	9,181	16,587	9,953
- reticulation and other assets	106,257	67,012	105,275	68,169
	121,883	76,193	121,862	78,122
Wastewater schemes				
- treatment plants and facilities	29,929	22,113	29,623	22,733
- reticulation and other assets	131,870	79,849	97,941	60,358
	161,799	101,962	127,564	83,091
Stormwater	58,733	32,360	44,194	32,360
	894,368	583,448	843,423	556,893

### Work in Progress by Class of Asset

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

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Land	-	-	-	-
Buildings	4,306	1,208	4,306	1,208
Roading and footpaths	1,217	494	1,217	494
Water supplies	1,922	345	1,922	345
Wastewater schemes	6,210	1,225	6,210	1,225
Arts and Culture	3	-	3	-
Elderly Persons Housing	-	-	-	-
Environmental	12	-	12	-
Software	11	358	11	358
Stormwater	324	86	324	86
Stockwater	-	-	-	-
Solid waste	24	17	24	17
Parks, cemeteries and domains	2,074	935	2,074	935
Other	411	-	411	-
Total work in progress	16,514	4,668	16,514	4,668

## 24. Trade and Other Payables

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.

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Trade payables	5,848	6,264	7,232	8,502
Accruals and other expenses	152	222	152	222
Amounts due to related parties	606	628	-	-
Revenue in advance	896	1,094	896	1,094
Fair value of EA Networks Centre naming rights	54	59	54	59
Fair value of EA Networks Centre naming rights – non-current	400	430	400	430
Fair value of Museum/Art Gallery naming rights	5	10	5	10
Fair value of Museum/Art Gallery naming rights – non-current	9	10	9	10
Retentions/bonds awaiting contract work	843	907	843	907
	<b>8,813</b>	<b>9,624</b>	<b>9,591</b>	<b>11,234</b>
Payables and deferred revenue under non-exchange transactions:				
GST/FBT payable	-	-	-	-
ACC liability	142	128	142	128
Rates/water meter charges received in advance	1,225	1,174	1,225	1,174
Environment Canterbury rates outstanding from ADC	2,359	13	2,359	13
Grant revenue received in advance	26	6	26	6
	<b>3,752</b>	<b>1,321</b>	<b>3,752</b>	<b>1,321</b>
Total payables and deferred revenue	<b>12,565</b>	<b>10,945</b>	<b>13,343</b>	<b>12,555</b>
This is shown in the Statement of Financial Position as:				
Current	12,155	10,505	12,933	12,108
Non-current	410	440	410	447
	<b>12,565</b>	<b>10,945</b>	<b>13,343</b>	<b>12,555</b>

## 25. Employee Benefit Liabilities

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

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Accrued pay	104	-	104	-
Annual and long service leave	1,422	1,143	2,378	1,987
Retirement gratuities	352	347	352	347
Sick leave	5	5	5	5
	<u>1,883</u>	<u>1,495</u>	<u>2,839</u>	<u>2,339</u>

This is shown in the Statement of Financial Position as:

Current	1,519	1,161	2,413	1,952
Non-current	365	334	427	387
	<u>1,883</u>	<u>1,495</u>	<u>2,839</u>	<u>2,339</u>

## 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:

	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>
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 3.6% (2019 5.0%). The aftercare liability balance is:

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Opening balance	156	171	156	171
Provision used during the year	(10)	(6)	(10)	(6)
Additional provision made during the year	27	(9)	27	(9)
Closing balance	173	156	173	156

This is shown in the Statement of Financial Position as:

Current	15	15	15	15
Non-current	158	141	158	141
	173	156	173	156

## 27. Borrowings

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Opening balance	37,271	37,406	39,330	39,422
Loans raised during the year	20,000	12,000	22,000	12,433
Loans repaid during the year	(15,135)	(12,135)	(15,556)	(12,525)
Closing balance	42,136	37,271	45,774	39,330

This is shown in the Statement of Financial Position as:

Current	25,136	15,135	27,495	15,563
Non-current	17,000	22,136	18,279	23,767
	42,136	37,271	45,774	39,330

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 Council has a \$2,000,000 Westpac Bank Limited loan facility. At 30 June 2020 the Council had not drawn down on this facility and balance was nil. (2019 nil).

The Westpac loan facility maturity date is 30 June 2021.

### 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.

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Within one year (current)	25,136	15,135	27,495	15,563
- weighted average effective interest rates	3.8%	2.1%	3.8%	2.6%
1 to 2 years	5,000	15,135	6,279	15,498
- weighted average effective interest rates	1.0%	4.9%	1.9%	5.2%
2 to 3 years	7,000	2,000	7,000	3,268
- weighted average effective interest rates	1.9%	2.4%	2.0%	1.7%
3 to 4 years	5,000	5,000	5,000	5,000
- weighted average effective interest rates	0.9%	2.5%	0.9%	2.5%
4 to 5 years	-	-	-	-
- weighted average effective interest rates	0.0%	0.0%	0.0%	0.0%
Greater than 5 years	-	-	-	-
- weighted average effective interest rates	0.0%	0.0%	0.0%	0.0%
	<b>42,136</b>	<b>37,270</b>	<b>45,774</b>	<b>39,329</b>

### Fair Value of Borrowings

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

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Book value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Fair Value</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Secured loans – Council	42,136	42,136	37,271	37,271
Secured loans – ACL	3,638	3,638	2,059	2,059
	<b>45,774</b>	<b>45,774</b>	<b>39,330</b>	<b>39,330</b>

### 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).

	<b>Target</b>	<b>2020</b>	<b>2019</b>
	<b>Council</b>	<b>Council</b>	<b>Council</b>
Interest payments as a percentage of council revenue	<10%	2.3%	2.4%
Interest payments as a percentage of total rates	<25%	3.9%	4.8%

**Internal Borrowing**

	<b>Balance 01/07/2019 \$000</b>	<b>Borrowed \$000</b>	<b>Repaid \$000</b>	<b>Balance 30/06/2020 \$000</b>
Cemeteries	1,648	22	64	1,606
Commercial Property	8,206	12,548	2,349	18,405
Water resources	397	-	18	379
Environmental services	1,097	-	137	960
Footpaths	862	-	59	803
Parks	310	-	34	276
Roading	850	287	62	1,075
Stormwater	2,255	-	161	2,094
Drinking water	7,610	813	446	7,977
Wastewater	7,587	4,764	5,755	6,596
Arts and Culture	118	-	118	-
Recreation Facilities	23	128	2	149
Tinwald Recreation Reserve	810	-	40	770
Miscellaneous	302	-	26	276
	<b>32,075</b>	<b>18,562</b>	<b>9,271</b>	<b>41,366</b>

	<b>Balance 01/07/2018 \$000</b>	<b>Borrowed \$000</b>	<b>Repaid \$000</b>	<b>Balance 30/06/2019 \$000</b>
Cemeteries	28	1,622	2	1,648
Commercial Property	19,502	-	11,296	8,206
Water resources	397	-	-	397
Environmental services	1,277	-	180	1,097
Footpaths	921	-	59	862
Parks	344	-	34	310
Roading	3	850	3	850
Stormwater	2,362	-	107	2,255
Drinking water	7,887	110	387	7,610
Wastewater	7,980	-	393	7,587
Arts and Culture	150	-	32	118
Recreation Facilities	26	-	3	23
Tinwald Recreation Reserve	810	-	-	810
Miscellaneous	306	-	4	302
	<b>41,993</b>	<b>2,582</b>	<b>12,500</b>	<b>32,075</b>

Total interest of \$998,000 was charged on internal loans during the year (2019: \$1,680,000). Internal borrowing and internal interest are eliminated on consolidation of the activities in the Council's financial statements.



## 28. Derivative Financial Instruments

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

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Notional principal amount	25,000	25,000	25,000	25,000
	25,000	25,000	25,000	25,000

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

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Interest rate swaps	3,199	2,111	3,199	2,111
	3,199	2,111	3,199	2,111

The interest rates for interest rates swaps are fixed between 2.85% to 4.31% (2019: 2.85% to 3.13%).

Fair value of interest rate swaps has been calculated based on expected future cash flows under the terms of the swaps and discounting these values to present value.

Gains and losses of \$(1,087) for the year are shown in note 7.

## 29. Ratepayers Equity

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Balance at 1 July	463,348	457,350	475,565	470,062
Surplus/(deficit) after taxation	(1,922)	7,075	(2,526)	6,578
Appropriations to/from reserves	(290)	(1,075)	(290)	(1,075)
Balance at 30 June	461,136	463,348	472,749	475,565

### 30. Other Reserves

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<b>Revaluation reserves</b>				
<i>Infrastructural assets</i>				
Balance at 1 July	226,141	245,587	226,140	245,586
Revaluations	24,673	(19,446)	24,673	(19,446)
Balance at 30 June	250,814	226,141	250,813	226,140
<i>Property plant and equipment</i>				
Balance at 1 July	-	-	1,290	1,240
Revaluations	-	-	159	69
Deferred taxation adjustment	-	-	(26)	(19)
Balance at 30 June	-	-	1,423	1,290
Total revaluation reserves	250,814	226,141	252,236	227,430
<b>Separate reserves and special funds (refer details below)</b>				
Balance at 1 July	57,777	56,702	57,777	56,702
<i>Plus special funds/separate reserves movements</i>				
Operating income	22,930	25,147	22,930	25,147
Operating expenditure	(18,179)	(17,739)	(18,179)	(17,739)
	4,751	7,408	4,751	7,408
Capital income	8,585	3,194	8,585	3,194
Capital expenditure	(14,068)	(9,294)	(14,068)	(9,294)
	(5,483)	(6,100)	(5,483)	(6,100)
Transfers in	2,124	2,097	2,124	2,097
Transfers out	(1,102)	(2,330)	(1,102)	(2,330)
	1,022	(233)	1,022	(233)
Total net movement	290	1,075	290	1,075
Balance at 30 June	58,067	57,777	58,067	57,777
<b>Fair value through other comprehensive income reserve</b>				
Balance at 1 July	124	113	124	113
Net revaluation gains/(losses)	13	11	13	11
Balance at 30 June	137	124	137	124
Total other reserves	309,018	284,042	310,440	285,331

**Separate reserves and special funds summary**

	<b>Separate Reserves \$000</b>	<b>Special Funds \$000</b>	<b>Sinking Funds \$000</b>	<b>Trust Funds \$000</b>	<b>Total \$000</b>
Balance at 1 July 2019	49,524	8,230	-	23	57,777
Operating income	22,747	183	-	-	22,930
Operating expenditure	(18,179)	-	-	-	(18,179)
Capital income	8,585	-	-	-	8,585
Capital expenditure	(14,068)	-	-	-	(14,068)
Transfers in	715	1,409	-	-	2,124
Transfers out	(743)	(359)	-	-	(1,102)
Balance at 30 June 2020	48,581	9,463	-	23	58,067
Balance at 1 July 2018	48,341	8,339	-	24	56,703
Operating income	24,956	191	-	-	25,147
Operating expenditure	(17,739)	-	-	-	(17,739)
Capital income	3,194	-	-	-	3,194
Capital expenditure	(9,294)	-	-	-	(9,294)
Transfers in	678	1,417	-	-	2,097
Transfers out	(612)	(1,718)	-	-	(2,330)
Balance at 30 June 2019	49,524	8,230	-	24	57,778

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 47.

### 31. Reconciliation of Surplus/Deficit with net Cash Flow from Operating Activities

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Operating surplus/(deficit) after taxation	(1,922)	7,076	(2,525)	6,579
Add/(less) non-cash items:				
Vested assets	(2,277)	(5,119)	(2,277)	(5,119)
Depreciation and amortisation	16,169	15,586	17,409	16,796
Impairment of property, plant and equipment	-	-	-	-
Deferred tax	16	10	(197)	10
NZ carbon credits recognised	-	-	-	-
(Gain)/loss in fair value of forestry assets	241	552	241	552
(Gain)/loss in fair value of investment property	1,144	(1,218)	1,144	(1,218)
(Gain)/loss in fair value of EA Networks naming sponsorship	34	33	34	33
(Gain)/loss in fair value of Museum/Art Gallery naming sponsorship	6	13	6	13
Increase/(decrease) in long term staff provisions	29	(126)	40	(115)
Increase/(decrease) in landfill provision	17	(15)	17	(15)
Unwind discount on borrowing	-	-	-	-
Council's share of Eastfield Investments JV offset again	-	-	-	-
Capitalised interest on advances/investments	-	-	-	-
Share of joint venture (surplus)/deficit	-	-	-	-
Add/(less) items classified as investing or financing				
(Gains)/losses on property, plant and equipment disposals	1,923	4,293	1,925	4,321
(Gains)/losses on investment property disposals	(137)	298	(137)	298
Add/less movements in working capital items:				
(Increase)/decrease in inventories	537	4	175	257
(Increase)/decrease in trade & other receivables	1,081	(2,303)	2,687	(4,709)
Increase/(decrease) in trade & other payables	1,896	3,522	1,658	5,452
Increase/(decrease) in current staff provisions	358	(467)	459	(544)
Increase/(decrease) in financial derivatives	1,088	1,298	1,088	1,298
Increase/(decrease) in taxation payable	-	-	(107)	-
Net cash inflow from operating activities	20,203	23,437	21,837	23,820

### 32. Commitments & Operating Leases

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

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<b>Operating</b>				
Roading	1,573	934	1,573	934
Footpaths	26	21	26	21
Wastewater/stormwater/water maintenance	108	3	108	3
Solid waste management	19,460	19,794	19,460	19,794
Public Conveniences	-	-	-	-
Information Technology	178	260	178	260
Parks	124	-	124	-
Parking	-	-	-	-
EA Centre- Gymnasium	65	108	65	108
Property	6,034	285	6,034	285
Total operating commitments	27,567	21,405	27,567	21,405
Less than one year	10,553	4,263	10,553	4,263
Between one and two years	3,504	3,289	3,504	3,289
Between two and five years	6,168	6,335	6,168	6,335
Greater than five years	7,342	7,518	7,342	7,518
	27,567	21,405	27,567	21,405
<b>Capital</b>				
Ashburton Contracting Limited Property, Plant and Equipment	-	-	186	-
Roading	17,053	3,221	17,053	3,221
Footpaths	-	99	-	99
Wastewater/stormwater/water	278	71	278	71
Information Technology	-	242	-	242
Parks	145	-	145	-
Commercial property	130	414	130	414
Total capital commitments	17,606	4,047	17,792	4,047

#### 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.

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Non-cancellable operating leases as lessor:				
Less than one year	816	1,038	816	1,038
Between one and five years	2,935	3,196	2,935	3,196
Later than five years	5,839	6,097	5,839	6,097
	9,590	10,331	9,590	10,331

### 33. Contingent Assets and Liabilities

Ashburton Contracting Limited's total contingent liability for the Lake Hood Extension project is \$0 (2019 \$1,729,000).

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
Contingent Liability	-	-	-	-
Performance Bonds	-	-	200	148
Guarantees	-	-	-	1,729
Total contingent liabilities	-	-	200	1,877

#### Guarantees or Financial Guarantees

Ashburton Contracting Limited has severally guaranteed 37.59% (2019 37.59%) of the advances to the Lake Hood Extension Project joint venture. At balance date funds drawn totalled \$0 (2019 \$4,600,000).

#### 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 is one of the 54 local authority guarantors of the NZLGFA. At 30 June 2020, the Council borrowed \$42 million from the NZLGFA (2019 \$37 million). The Ashburton District Council is a guarantor to all of the borrowings held by NZLGFA's borrowings, together with all other guarantors. As at 30 June 2020, NZLGFA had total borrowings of \$11,908 million (2019 \$9,311 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:

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
<b>Financial assets</b>				
<i>Loans and receivables</i>				
Cash and cash equivalents	7,346	10,586	8,320	11,406
Trade and other receivables	5,422	6,540	9,163	12,154
Other financial assets:				
- term deposits	-	-	-	-
- community loads	-	-	-	-
	<u>12,768</u>	<u>17,126</u>	<u>17,483</u>	<u>23,560</u>
<i>Held-to-maturity</i>				
Local authority stocks and bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fair value through other comprehensive income</i>				
Local authority stocks and bonds	2,137	2,124	2,137	2,124
	<u>2,137</u>	<u>2,124</u>	<u>2,137</u>	<u>2,124</u>
<b>Financial liabilities</b>				
<i>Fair value through surplus or deficit</i>				
Derivative financial instrument liabilities				
- interest rate swaps	3,199	2,111	3,199	2,111
	<u>3,199</u>	<u>2,111</u>	<u>3,199</u>	<u>2,111</u>
<i>Financial liabilities at amortised cost</i>				
Creditors and other payables	12,565	10,945	13,343	12,555
Borrowing:				
- bank overdraft	-	-	852	858
- secured loans	42,136	37,271	45,774	39,331
	<u>54,701</u>	<u>48,216</u>	<u>59,969</u>	<u>53,744</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.

	<b>Total</b>	<b>Quoted market price</b>	<b>Observable inputs</b>	<b>Significant non- observable inputs</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>2020 Council and Group</b>				
<i>Financial assets</i>				
Bonds	2,137	2,137	-	-
<i>Financial liabilities</i>				
Interest rate swaps	3,199	-	3,199	-
<b>2019 Council and Group</b>				
<i>Financial assets</i>				
Bonds	2,124	2,124	-	-
<i>Financial liabilities</i>				
Interest rate swaps	2,111	-	2,111	-

### 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 2020 are:

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Notional principal amount	25,000	25,000	25,000	25,000
	25,000	25,000	25,000	25,000

#### *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:

	<b>Council 2020 \$000</b>	<b>Council 2019 \$000</b>	<b>Group 2020 \$000</b>	<b>Group 2019 \$000</b>
Cash and cash equivalents	7,346	10,586	7,468	9,548
Trade and other receivables	5,422	6,540	9,163	11,869
Community loans	-	-	-	-
Term deposits greater than 90 days	-	-	-	-
Local authority stocks and bonds	2,137	2,124	2,137	2,124
	14,905	19,250	18,768	23,541

### *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.

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Counterparties with credit ratings:				
<i>Cash at bank and term deposits</i>				
AA-	7,346	10,586	8,320	11,406
	7,346	10,586	8,320	11,406
<i>Local authority stocks and bonds</i>				
AA	-	-	-	-
AA-	2,000	2,000	2,000	2,000
A	137	124	137	124
BBB+	-	-	-	-
Baa1	-	-	-	-
BB+	-	-	-	-
	2,137	2,124	2,137	2,124
Counterparties without credit ratings:				
Community loans	-	-	-	-
Cash at bank and term deposits	-	-	-	-

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 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 include interest.

	<b>Note</b>	<b>Liability carrying amount \$000</b>	<b>Contractual cashflows \$000</b>	<b>Less than 1 year \$000</b>	<b>1-2 years \$000</b>	<b>2-5 years \$000</b>	<b>More than 5 years \$000</b>
<b>2020 Council</b>							
Trade and other payables	24	12,565	12,565	12,565	-	-	-
Borrowings	27	42,136	42,136	25,136	5,000	12,000	-
Interest rate swaps	28	3,199	-	-	-	-	-
		57,900	54,701	37,701	5,000	12,000	-
<b>2020 Group</b>							
Trade and other payables	24	10,945	10,945	10,945	-	-	-
Borrowings	27	37,271	37,271	25,136	5,000	12,000	-
Interest rate swaps	28	2,111	-	-	-	-	-
		50,327	48,216	36,081	5,000	12,000	-
<b>2019 Council</b>							
Trade and other payables	24	10,945	10,945	10,945	-	-	-
Borrowings	27	37,271	37,271	15,136	15,135	7,000	-
Interest rate swaps	28	2,111	-	-	-	-	-
		50,327	48,216	26,081	15,135	7,000	-
<b>2019 Group</b>							
Trade and other payables	24	12,555	12,555	12,555	-	-	-
Borrowings	27	39,331	39,331	17,149	15,182	7,000	-
Interest rate swaps	28	2,111	-	-	-	-	-
		53,997	51,886	29,704	15,182	7,000	-

### 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
<b>2020 Council</b>							
Cash and cash equivalents	12	7,346	7,346	7,346	-	-	-
Term deposits <90 days	16	-	-	-	-	-	-
Trade and other receivables	13	5,422	5,422	5,422	-	-	-
Local authority stocks	14	2,137	2,137	1,038	-	1,099	-
Community loans	13	-	-	-	-	-	-
		14,905	14,905	13,806	-	1,099	-
<b>2020 Group</b>							
Cash and cash equivalents	12	7,468	7,468	7,468	-	-	-
Term deposits <90 days	16	-	-	-	-	-	-
Trade and other receivables	13	9,163	9,163	9,163	-	-	-
Local authority stocks	14	2,137	2,137	1,038	-	1,099	-
Community loans	13	-	-	-	-	-	-
		18,768	18,768	17,669	-	1,099	-
<b>2019 Council</b>							
Cash and cash equivalents	12	10,586	10,586	10,586	-	-	-
Term deposits <90 days	16	-	-	-	-	-	-
Trade and other receivables	13	6,540	6,540	6,540	-	-	-
Local authority stocks	14	2,124	2,124	1,048	1,076	-	-
Community loans	13	-	-	-	-	-	-
		19,250	19,250	18,174	1,076	-	-
<b>2019 Group</b>							
Cash and cash equivalents	12	9,548	9,548	9,548	-	-	-
Term deposits <90 days	16	-	-	-	-	-	-
Trade and other receivables	13	12,154	12,154	12,154	-	-	-
Local authority stocks	14	2,124	2,124	1,048	1,076	-	-
Community loans	13	-	-	-	-	-	-
		23,826	23,826	22,750	1,076	-	-

### Sensitivity analysis for interest rate risk

As at 30 June 2020 it was estimated that a general increase of one percentage point in interest rates would increase the surplus by \$1,325,726 for the Council and Group (2019 \$1,120,594 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 2020 it was estimated that a general increase of one percentage point in interest rates would reduce equity by \$39,556 (2019 \$57,501) 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

	<b>Council 2020 Actual \$000</b>	<b>Council 2019 Actual \$000</b>	<b>Group 2020 Actual \$000</b>	<b>Group 2019 Actual \$000</b>
For construction contracts in progress at 30 June:				
Contract costs incurred	-	-	1,231	7,387
Recognised profits/losses	-	-	266	1,449
	-	-	1,497	8,836
Progress billings	-	-	792	7,960
Gross amounts due from customers (included in receivables note 13)	-	-	2,289	876
Retentions included in progress billings	-	-	41	377

The Council had no construction contracts in progress as at 30 June 2020.

### 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.

	<b>2020 Actual \$000</b>	<b>2019 Actual \$000</b>
<b>Ashburton Stadium Complex Trust (ASCT)</b>		
ADC Administration Grant to ASCT	-	24
Sponsorship income from ASCT to ADC	-	61
Donations from ASCT to ADC	-	30
<b>Experience Mid Canterbury (EMC)</b>		
Grant from ADC	375	385
<b>Ashburton Community Water Trust (ACWT)</b>		
ADC Administration Grant to ACWT	1	1

### 37. Remuneration

#### Total staff numbers by remuneration band

	2020 Council Actual \$000	2019 Council Actual \$000
< \$60,000	159	163
\$60,000 - \$80,000	53	43
\$80,000 - \$100,000	26	30
\$100,000 - \$120,000	8	7
\$120,000 - \$140,000	7	9
\$140,000 - \$240,000	9	8
\$240,000 - 320,000	1	-
<b>Total Employees</b>	<b>263</b>	<b>260</b>

Total remuneration includes non-financial benefits paid to employees. At balance date the Council employed 167 full-time employees (2019: 153). The balance of part-time staff equates to 30.6 full-time equivalent employees (2019 29.6). A full-time employee is determined on the basis of a 40 hour (38 or 37.5 hours when grandfathered) working week.

#### Key management personnel compensation

	2020 Actual \$000	2019 Actual \$000
<i>Councillors</i>		
Remuneration	504	478
Number of elected Councillors	10	13
<i>Senior management including Chief Executive</i>		
Remuneration	1,132	1,167
Full-time equivalent	5	5
<i>Total key management remuneration</i>	<u>1,636</u>	<u>1,645</u>

#### Chief Executive Officer

The Chief Executive Officer 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 with the following benefits:

	2020 Actual \$000	2019 Actual \$000
Salary, Superannuation & Allowances	309	370
Vehicle (market value)	13	13
	<u>322</u>	<u>383</u>

Ashburton District Council had a change in Chief Executive during the 2019 financial year, with the 2019 value shown above inflated due to the annual leave payment at termination.

#### **Elected representatives (Mayor and councillors)**

	<b>2020 Actual \$000</b>	<b>2019 Actual \$000</b>
<b>Mayor</b>		
D Favel	35	116
N Brown	98	-
<b>Councillors</b>		
N Brown	-	41
S Wilson	41	34
P Reveley	10	33
A Urquhart	8	27
R Ellis	10	33
L Lovett	33	27
S Price	8	27
A Malcolm	8	27
T Bell	8	27
D Rawlinson	39	27
L Braam	39	27
E McMillan	55	32
A McKay	31	-
C Cameron	25	-
R Letham	25	-
J Falloon	31	-

The above payments include allowances paid of \$18,730 (2019 \$28,300).

#### **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 2020, 3 severance payments (\$8,800; \$8,600; \$4,800) were made by Council (2019 = 3 severance payments (\$14,500; \$6,000; \$3,000).

#### **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; and
3. Be a successful business; and
4. Be a good employer.

### **Board of Directors**

M W Frost (resigned 24 October 2019)

D Prendergast

B S Warren

A Lilley (Chairman)

A D Barlass (appointed 1 April 2020)

R L Pickworth (appointed 24 October 2019)

### **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](http://www.ashcon.co.nz)

### **Performance measures**

The Company's actual performance compared to targets as specified in the 2019/2020 Statement of Corporate Intent, were as follows:

1. The Company budgeted for a profit before tax of \$1,312,000. The actual result was a pre-tax loss before tax for this period of \$337,000.
2. The Company achieved an annual rate of return based on average equity of 7.5% against a target ratio of no less than 12%.
3. The ratio of shareholders' funds to total assets as at 30 June 2020 was 66% (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 2020.
5. The Company achieved an annual external revenue turnover of \$27,816,000 against a target budget of \$27,878,000.
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 0.4 (target ratio to be greater than 1.3).
9. The Directors propose to pay a final dividend of \$0 with the interim dividend of \$0 already paid. The target dividend was \$453,000 for the year, based on 50% of the tax paid surplus, in accordance with the Statement of Intent.

### Statement of comprehensive revenue and expense for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	28,102	30,889
Operating and other expenses	(27,520)	(29,611)
Operating surplus before taxation	582	1,278
Share of joint venture surplus/(deficit)	(841)	(734)
Taxation expense	69	(176)
Net surplus/(deficit)	(190)	368
Other comprehensive revenue	133	50
Total comprehensive revenue and expense	(57)	418

#### 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 2020**

	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Operating revenue	-	-
Operating and other expenses	-	-
Operating surplus before taxation	-	-
Taxation expense	-	-
Net surplus/(deficit)	-	-

**41. 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 2020**

	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Operating revenue	470	599
Operating and other expenses	(435)	(519)
Operating surplus before taxation	35	80
Taxation expense	(6)	(8)
Net surplus/(deficit)	29	88

**42. Civic Financial Services**

Ashburton District Council has a minority shareholding of 56,016 shares out of 11,249,364 shares. The other shares are held by other New Zealand Territorial and Regional Councils.

**43. 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.

**44. 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

	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Assets	13,715	22,326
Liabilities	(1,952)	(8,313)
Equity	11,763	14,003
Company's interest at 37.59% (2019 37.59%)	4,422	5,264
Revenue	818	3,027
Surplus/(deficit)	(2,239)	(1,953)
Company's interest at 37.59%	(842)	(734)

The results of the Joint Venture have been included in the financial statements using the equity method.

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

#### 45. Subsequent Events

##### Library and Civic Centre Project – Provincial Growth Fund Grant

In the 2019/20 year Council commenced its design and preliminary works on its new Library and Civic Centre building with a budget of \$51.6 million. This was to be funded from a mixture of reserve funding, property sales and loan funding.

Council subsequently applied for \$20 million of funding from the Provincial Growth Fund towards this project and Council was advised in September 2020 that its application for \$20 million had been successful.

##### Water Reforms

Council signed a delivery plan and funding agreement with the Crown for three water reforms on 30 September 2020. The initial delivery plan and funding agreement are the key documents that commit Council to the preliminary information gathering phase of the reforms. The maximum amount payable under the funding agreement is \$7.98 million

#### 46. Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprise of accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising future generations. Additionally the Council has in place asset management plans for major classes of assets detailing renewal



and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The LGA also sets out the factors that the Council is required to consider when determining the most appropriated sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

The Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rates. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds can generally be approved only by the Council.

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

#### 47. 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 30/06/2019 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2020 \$000
Ashburton	1,049	3,959	(4,397)	611
Methven	(623)	1,293	(822)	(152)
Rakaia	517	269	(136)	650
Fairton	21	33	(53)	1
Hakatere	2	25	(148)	(121)
Hinds	(92)	147	(235)	(180)
Mayfield	(57)	35	(108)	(130)
Chertsey	57	40	(126)	(29)
Methven/Springfield	165	193	(118)	240
Montalto	93	201	(125)	169
Mt Somers	(60)	147	(337)	(250)
Dromore	(58)	17	(146)	(187)
Barrhill	(3)	6	(5)	(2)
	1,011	6,365	(6,756)	620

<b>Supply</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Ashburton	574	4,050	(3,575)	1,049
Methven	(391)	732	(964)	(623)
Rakaia	488	258	(229)	517
Fairton	45	31	(55)	21
Hakatere	38	23	(59)	2
Hinds	(18)	57	(132)	(93)
Mayfield	(2)	32	(87)	(57)
Chertsey	62	37	(42)	57
Methven/Springfield	80	218	(132)	166
Montalto	16	179	(102)	93
Mt Somers	(24)	47	(83)	(60)
Dromore	12	15	(85)	(58)
Barrhill	(2)	6	(6)	(2)
	878	5,685	(5,551)	1,012

#### *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.

<b>Scheme</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Ashburton	2,640	9,301	(8,789)	3,152
Methven	115	422	(419)	118
Rakaia	209	285	(287)	207
	2,964	10,008	(9,495)	3,477

<b>Scheme</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Ashburton	3,096	4,862	(5,316)	2,642
Methven	250	299	(433)	116
Rakaia	139	269	(198)	210
	3,485	5,430	(5,947)	2,968

#### *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.

<b>Rating area</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Ashburton	1,200	783	(703)	1,280
Methven	105	237	(181)	161
Rakaia	64	36	(16)	84
Rural	(10)	179	(60)	109
	1,359	1,235	(960)	1,634

<b>Rating area</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Ashburton	1,342	1,111	(1,253)	1,200
Methven	105	139	(139)	105
Rakaia	55	29	(20)	64
Rural	(19)	44	(35)	(10)
	4,483	1,323	(1,447)	1,359

#### *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.

<b>Rating area</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Ashburton	969	1,265	(721)	1,513
Methven	148	78	(37)	189
Rakaia	133	30	(8)	155
Hinds	16	3	(2)	17
Rural	9	50	(3)	56
	1,275	1,426	(771)	1,930

<b>Rating area</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Ashburton	675	1,153	(860)	968
Methven	124	60	(36)	148
Rakaia	122	17	(6)	133
Hinds	15	3	(2)	16
Rural	9	-	-	9
	945	1,233	(904)	1,274

#### *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.

<b>Rating area</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Ashburton	415	2,264	(2,249)	430
Methven	-	-	-	-
Rakaia	-	-	-	-
Hinds	-	-	-	-
Mt Somers	-	-	-	-
Mayfield	-	-	-	-
	415	2,264	(2,249)	430

<b>Rating area</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Ashburton	482	2,212	(2,279)	415
Methven	-	-	-	-
Rakaia	-	-	-	-
Hinds	-	-	-	-
Mt Somers	-	-	-	-
Mayfield	-	-	-	-
	482	2,212	(2,279)	415

### 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.

<b>Location</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Lagmhor/Westerfield	32	1	-	33
Mayfield	18	5	(7)	16
Mt Hutt	(20)	136	(130)	(14)
Rakaia	11	4	(3)	12
Tinwald	(17)	7	(7)	(17)
	24	153	(147)	30

<b>Location</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Lagmhor/Westerfield	32	1	(2)	31
Mayfield	14	8	(4)	18
Mt Hutt	(20)	129	(129)	(20)
Rakaia	2	17	(8)	11
Tinwald	(15)	8	(11)	(18)
	13	163	(154)	22

### 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.

<b>Location</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Alford Forest	6	1	(1)	6
Chertsey	10	1	-	11
Dorie	4	1	(1)	4
Ealing	26	2	-	28
Ashburton Forks	11	1	(1)	11
Highbank	14	1	(2)	13
Hinds	(32)	1	(22)	(53)
Lynnford	(2)	-	-	(2)
Maronan	7	1	-	8
Mayfield	1	14	(5)	10
Methven	(9)	15	(15)	(9)
Mt Somers	5	63	(47)	21
Pendarves	2	-	(1)	1
Rakaia	110	29	(22)	117
Ruapuna	(3)	11	(11)	(3)
Seafield	7	-	(1)	6
Tinwald	196	165	(363)	(2)
	353	306	(492)	167

<b>Location</b>	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Alford Forest	15	(7)	(2)	6
Chertsey	10	1	(1)	10
Dorie	4	3	(3)	4
Ealing	23	4	-	27
Ashburton Forks	3	20	(13)	10
Highbank	15	1	(2)	14
Hinds	(17)	6	(21)	(32)
Lynnford	(2)	-	-	(2)
Maronan	6	1	-	7
Mayfield	2	41	(42)	1
Methven	(2)	17	(24)	(9)
Mt Somers	(20)	55	(30)	5
Pendarves	4	(3)	-	1
Rakaia	104	20	(14)	110
Ruapuna	(9)	19	(14)	(4)
Seafield	6	1	-	7
Tinwald	260	407	(472)	195
	402	586	(638)	350

#### *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.

<b>Beautification area</b>	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Ashburton domain and gardens	(819)	978	(1,120)	(961)
Baring Square East	1	87	(78)	10
Baring Square West	72	203	(197)	78
Ashburton town centre	562	683	(819)	426
Methven	(12)	168	(202)	(46)
Rakaia	(43)	573	(540)	(10)
Urban	(21)	797	(725)	51
Rural	245	189	(102)	332
State Highway 1	127	77	(77)	127
Neighbourhood grounds	(222)	215	(237)	(244)
Ashburton domain sportsgrounds	33	184	(124)	93
Other sports fields	(92)	207	(174)	(59)
Ashburton Business Estate	119	173	(108)	184
	(50)	4,534	(4,503)	(19)



	Balance 30/06/2018	Deposits to fund	Withdrawals from funds	Balance 30/06/2019
Beautification area	\$000	\$000	\$000	\$000
Ashburton domain and gardens	(653)	846	(1,012)	(819)
Baring Square East	3	61	(63)	1
Baring Square West	75	34	(37)	72
Ashburton town centre	581	530	(550)	561
Methven	30	150	(192)	(12)
Rakaia	(42)	101	(101)	(42)
Urban	(82)	654	(593)	(21)
Rural	188	166	(109)	245
State Highway 1	134	63	(69)	128
Neighbourhood grounds	(153)	169	(238)	(222)
Ashburton domain sportsgrounds	(14)	168	(120)	34
Other sports fields	(96)	180	(178)	(94)
Ashburton Business Estate	48	149	(78)	119
	19	3,271	(3,340)	(50)

#### *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 reserve – the proceeds of any property sales is held and utilised to fund property purchases and development. The property reserve is 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. The fund was closed on 1 July 2017.
- Parking reserve – Council's parking enforcement activity retains its own surplus or 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 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 over 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 over 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.
- 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. The fund was closed on 1 July 2017.

	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Stockwater	(646)	982	(1,199)	(863)
Forestry	7,962	63	(429)	7,596
Dividend account	11,738	(222)	-	11,516
Property	20,156	2,280	(3,285)	19,151
Youth council	26	60	(58)	28
Rural fire	-	-	-	-
Parking	2,217	289	(343)	2,163
Festive lighting	(19)	75	(111)	(55)
Animal control	(287)	484	(435)	(238)
Elderly persons housing	420	580	(715)	285
Arts and culture	606	1,165	(1,042)	729
	<b>42,173</b>	<b>5,756</b>	<b>(7,617)</b>	<b>40,312</b>

	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Stockwater	(383)	1,197	(1,460)	(646)
Forestry	6,996	1,316	(350)	7,962
Dividend account	11,300	438	-	11,738
Property	19,482	3,201	(2,527)	20,156
Youth council	22	61	(56)	27
Rural fire	-	-	-	-
Parking	2,319	629	(730)	2,218
Festive lighting	(10)	62	(71)	(19)
Animal control	(169)	356	(474)	(287)
Elderly persons housing	557	544	(682)	419
Arts and culture	526	1,121	(1,041)	606
	<b>40,640</b>	<b>8,925</b>	<b>(7,391)</b>	<b>42,174</b>

### 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:

- Roothing bridges reserve – to fund the costs associated with maintaining or upgrading Council bridges.
- Road reserves – to meet the costs of maintaining roads in the District.
- 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.
- Reserve contributions reserve – this reserve is funded from financial contributions levied on subdivisions under the Resource Management Act. Its use is governed by the Act.
- Heritage grant funding – this reserve holds any unspent annual heritage grants funding. It is used when the annual heritage grants accepted exceed the budgeted amount.
- Biodiversity grant funding – this reserve holds any unspent annual biodiversity grants funding. It is used when the annual biodiversity grants accepted exceed the budgeted amount.
- Plant renewal reserve – purchases of new vehicles and equipment are made from this reserve. It is funded through depreciation charges on those items.
- 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.
- Contingency reserve – a fund set up to meet unforeseen expenditure of any nature.

	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
Roothing bridges	705	15	-	720
Roads	172	3	-	175
Historical acquisition	-	-	-	-
Town centre beautification	220	5	-	225
Access Trust	40	1	-	41
Reserve contributions	3,673	675	(299)	4,049
Heritage grant funding	53	1	-	54
Biodiversity funding	54	1	-	55
Plant renewal	518	440	-	958
Disaster insurance	2,465	54	(60)	2,459
Capital services	312	397	-	709
Contingency	18	-	-	18
	<b>8,230</b>	<b>1,592</b>	<b>(359)</b>	<b>9,463</b>

	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
Roading bridges	690	15	-	705
Roads	153	19	-	172
Historical acquisition	-	-	-	-
Town centre beautification	216	5	-	221
Access Trust	39	1	-	40
Reserve contributions	3,263	516	(106)	3,673
Heritage grant funding	52		-	53
Biodiversity funding	53	1	-	54
Plant renewal	1,084	518	(1,084)	518
Disaster insurance	2,466	54	(55)	2,465
Capital services	305	480	(473)	312
Contingency	18	-	-	18
	<b>8,339</b>	<b>1,610</b>	<b>(1,718)</b>	<b>8,231</b>

### Trust and bequest funds

This fund is subject to specific conditions accepted as binding by the Council, such as bequests or operations in trust under specific Acts, and which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may only be made for certain specific purposes or when specific conditions are met.

John Grigg statue trust fund – this trust fund is for a bequest to Council to maintain the John Grigg statue in Baring Square West and educational grants.

	<b>Balance 30/06/2019 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2020 \$000</b>
John Grigg statue trust fund	23	-	-	23
	<b>23</b>	<b>-</b>	<b>-</b>	<b>23</b>

	<b>Balance 30/06/2018 \$000</b>	<b>Deposits to fund \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2019 \$000</b>
John Grigg statue trust fund	22	-	-	22
	<b>22</b>	<b>-</b>	<b>-</b>	<b>22</b>

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

	Council 2020 \$000	Council 2019 \$000
Roading	8,178	14,523
Footpaths	596	952
Drinking water	2,507	1,843
Wastewater	5,657	2,297
Stormwater	243	129
Solid waste management	5	654
Solid waste collection	3	121
Arts and culture	3	7
Library	116	199
Recreation facilities and services	131	220
Elderly persons housing	18	27
Memorial halls	40	3
Emergency management	-	-
Public conveniences	114	148
District water management	-	-
Commercial property	10,693	4,518
Stockwater	30	1
Parks and recreation	1,019	212
Cemeteries	22	1,602
Reserves and camping grounds	422	1,078
Reserve boards	180	180
Methven community board	-	-
District planning	-	-
Parking	8	399
Animal control	-	4
Other operations	623	1,881
	<u>30,605</u>	<u>30,998</u>

#### 49. Explanations of variances against budget

Explanations for major variations (>\$1 million) from the Council's budget figures in its 2019/20 Annual Plan are as follows:

##### Revenue variances

*Fees and charges are \$1.248 million below budget*

The main variances are in building consents, and levies which were \$0.7 million below budget, and fees and charges through the EA Networks centre were \$0.6 million below budget. Building consents and levies reflected the reduced number of consents and values. EA Network income was largely as a result of the Covid-19 April lockdown and the slow recovery of patronage with both May and June receipts being well below budget.

*Subsidies and Grants were \$1.069 million below budget.*

Total subsidies from the New Zealand Transport Agency (WAKA KOTAHI) were \$1.7 million below budget. This is due to the delay in completing subsidisable roading and footpath work partially as a result of the Covid-19 lockdown that

prevented work being done, and also other renewals transferred to the CBD upgrade, the bulk of which is being incurred in the 2020/21 year.

Offsetting this is the receipt of \$0.429 million of subsidy towards the cost of the new Rakaia public conveniences.

*Other revenue was \$1.935 million below budget.*

The main variances were vested assets received at \$3.2 million against actual vested assets received of \$2.3 million, and land sales \$3 million against a budget of \$4.7 million.

### **Expenditure variances**

*Other expenses were \$1.427 million above budget*

There were a number of areas where costs were greater than budget. These included maintenance in water supplies up \$0.408 million and wastewater maintenance up \$0.173 million.

*Other losses were \$3.9 million against a zero budget*

These losses (Outlined in note 7) are non-cash losses not budgeted for. They include a loss on changes in fair value of interest rate swaps (\$1.087 million) and \$1.273 million on loss of disposal of property plant and equipment.

### **Other comprehensive revenue**

Gains on infrastructure revaluations were \$6.663 million greater than budget. The revaluations were much higher than the values estimated at the time of preparing the 19/20 annual plan budget.

### **Balance sheet variances greater than \$5 million**

*Property Plant and Equipment is \$67.774 million below budget.*

The budget for 2019/ 20 was prepared before the 30 June 2019 valuation of infrastructural assets. The 2019 valuation resulted in a write down of \$19.4 million of value (mainly as a result of bridges being revalued down). In addition there is a large value of work in progress of \$16.5 million in asset additions on major projects not completed as at 30 June 2020. Further, the capital expenditure programme for the year was not completed and has resulted in a Council approved carry-over of capital expenditure of \$14.5 million from the 19/20 year to the 20/21 year.

*Borrowings are \$14.6 million below budget*

Total borrowings (both current and non-current) as at 30 June 2020 were \$42.1 million against a budget of \$56.8 million. Internal borrowings were used during the year (instead of external borrowings) and many capital expenditure projects were not completed resulting in budgeted loans no longer required in the 19/20 year.

## **50. Covid-19 Note**

On 31 December 2019 China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as Covid-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

### **Impact on work programmes**

While lockdown prevented delivery of on the ground services, during Level 4 and Level 3 most of our staff were able to work from home either in a business as usual mode, or focused on the Covid-19 response and training. During Level 2, most of our business activity resumed with the required health and safety protocols in place and our staff began returning to their usual place of work. Level 1 predominantly saw a return to pre Covid-19 activity.

Work on most of our major capital projects resumed on 28 April 2020 following the move to Level 3. The lockdown has delayed the completion date of many of our capital projects. . Significant capital projects that were delayed by 4-6 weeks include the CBD redevelopment project, the Ashburton wastewater river crossing pipeline project and the Ashburton wastewater pump station project.

Maintenance work at the EA Networks Centre was brought forward and completed during the Level 3 closure, which has removed the need for a later planned closure.

### **Impact on financial reporting and budgeting**

The effect of the lockdown period was most strongly felt in the revenue of the EA Networks Centre, which was closed to the public during Level 4 and Level 3. While the EA Networks Centre was open to the public during Level 2, there was not a return to a pre Covid-19 level of patronage. The lockdown caused a decrease of \$423,000 in revenue for the year to 30 June 2020. The numbers coming into the EA Networks Centre post balance date have not completely returned to the pre-Covid-19 levels, so the 2020-2021 revenue may also be lower than expected. The lockdown period also created delays on capital projects, which led to \$409,000 of additional payments to contractors due to contract variations.

The potential future impacts of Covid-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. To mitigate this potential issue, in April 2020 the Council reassessed its draft 2020-2021 Annual Plan, and chose to reduce the rate income for the 2020-2021 year. Our Long-Term Plan had predicted that the average rates increase for 2020-2021 would be 5%, but the Council agreed to reduce this to 2.5%. This reduction was achieved by examining all budgets and identifying areas where costs could be frozen or reduced.

Council also agreed to reduce the rates penalty from 10% to 5% for the first two instalments of the 2020-2021 year, and waived the "only one rates penalty remission in any 24 month period" rule for the 2020-2021 year.



## **Independent Auditor's Report**

### **To the readers of Ashburton District Council's annual report for the year ended 30 June 2020**

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

We are also required to report on:

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

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

We completed our work on 23 December 2020. This is the date on which we give our report.

### **Opinion on the audited information**

In our opinion:

- the financial statements on pages 114 to 134 and pages 137 to 203.
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2020; and
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 135, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the Council's activities and services on pages 17 to 103:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.
- the statement about capital expenditure for each group of activities on pages 23 to 103, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 22 to 102, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 108 to 113, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

## **Emphasis of matter - Impact of Covid-19**

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in note 50 on pages 202 to 203 to the financial statements. We draw specific attention to the following matter due to the significant level of uncertainty caused by Covid-19:

- ***Investment property***

Note 20 on page 157 describes the material valuation uncertainties highlighted by the valuers, related to estimating the fair value of the Group's investment property.

## **Basis for our opinion on the audited information**

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

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

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

## **Responsibilities of the Council for the audited information**

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

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

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

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

## **Responsibilities of the auditor for the audited information**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activity and service statements, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 203, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

## Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out other audit and assurance engagements for the District Council and subsidiary companies. These audit and assurance engagements, as described in note 10 on page 143, are compatible with those independence requirements. We have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Dereck Ollsson  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

