



# Ashburton District Council

## Annual Report Summary

### 2020/21

# From the Mayor & Chief Executive

## Kia ora koutou, welcome to our Annual Report for 2020/21.

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

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

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

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

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

Council's operating result for the year resulted in a surplus of \$20.4 million before taxation and other comprehensive income. Total revenue was \$14.4 million above a budget of \$72 million. \$8 million of this was due to unbudgeted grants we received throughout the year, and another \$6.4 million due to revaluations of investment property, forestry property and swaps.

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

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



Neil Brown  
Mayor

A handwritten signature of Neil Brown in black ink.



Hamish Riach  
Chief Executive

A handwritten signature of Hamish Riach in black ink.

## Our district

### General

Population	35,400
Live in the town of Ashburton <sup>1</sup>	18,850
District area	6,190 km <sup>2</sup>

### Open Space

Council owned open spaces	444 ha
Sports fields	119 ha
Neighbourhood playgrounds	28

### Infrastructure

Total roads	2,617 km
Sealed roads	1,515 km
Unsealed roads	1,102 km
Bridges	186
Footpaths	247 km
Council water supplies	12
Water pipes	505 km
Wastewater pipes	188 km
Stormwater pipes	44 km
Stockwater races	2,003 km

### Rating Information

Rating system	Capital value
Rateable properties	15,472
Total rateable value	\$18,961,091,050
Average rateable value	\$1,225,510
Date of district valuation	July 2018
Rates revenue	\$38,241,000
Total revenue	\$86,429,000

<sup>1</sup> Statistics New Zealand, Subnational Population Estimates

## Service performance

	Achieved	Not Achieved *	Not applicable / measured
 Drinking water	8	2	-
 Wastewater	8	-	-
 Stormwater	7	-	1 <sup>1</sup>
 Stockwater	4	-	-
 Transportation	5	5 <sup>4</sup>	-
 Waste Reduction & Recovery	-	2	1 <sup>2</sup>
 Community Governance & Decision-Making	4	-	-
 Economic Development	1	-	2 <sup>3</sup>
 Community Services	3	-	-
 Parks & Open Spaces	4	3	-
 Recreation Facilities	4	7 <sup>5</sup>	-
 Regulatory Functions	16	5	-
<b>Total</b>	<b>64</b>	<b>24</b>	<b>4</b>

<sup>1</sup> Median response time to callouts was unable to be measured as there were no callouts in 2020/21.

<sup>2</sup> There was an anomaly with the data collection in the CRM system for this measure in this financial year resulting in this being reported as not measured.

<sup>3</sup> Due to the change in the way we delivered tourism promotion - through ChristchurchNZ, ExperienceMid Canterbury did not have a membership base in 2020/21. In addition, total visitor guest nights in our district was unable to be provided as Statistics New Zealand no longer undertakes the Accommodation Survey which is where the information for this measure was sourced.

<sup>4</sup> Transportation continues to be an area of challenge for Council, with resident satisfaction and volume of gravel applied not meeting targets, but a new roading contract is showing signs of improvement in these areas. Fatal and serious crash injuries on the local road network also did not achieve targets.

<sup>5</sup> Impacts of the Covid-19 pandemic affected our Recreation Facilities activities considerably with a number of targets not being achieved.

\*Full details of the not achieved performance measures can be found in the full Annual Report online at [ashburtondc.govt.nz](https://ashburtondc.govt.nz)



# Local Infrastructure

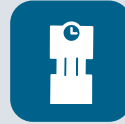
## ASHBURTON TOWN CENTRE UPGRADE

At the end of June 2021, this project was approximately 70% complete, and on track to be completed by Christmas 2021.

The west side of East Street had been completed, with a new wooden deck and seats installed, a ramp up to the railway crossing beside the public toilets, along with new gardens and lawns. The Tancred and Burnett street intersections with East Street had also been completed, with newly paved intersections.

At the request of the Retailers Association, additional funds were added to the upgrades budget to ensure East Street was kept open in at least one direction, at all times.

Cass Street had also been completed; Burnett Street was nearing completion, with the road surface complete and the south side lane paved and sealed.



## DRINKING WATER

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

- All twelve drinking water supplies comply with bacteria compliance.
- All target response times to faults or unplanned work were met by contractors.
- 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.
- We had intended to build a reservoir for the Methven water scheme. This project has been delayed, but the tender has been awarded - and the decision made to build two reservoirs instead. These will be built by the end of July 2022.
- The May Canterbury floods damaged the Methven supply gallery and Montalto supply intakes. The event also caused raised source water turbidity on the Methven, Methven-Springfield and Mt Somers water schemes, resulting in boil water notices.
- We had planned a number of watermain renewals across the year, however, many of these were deferred due to the Ashburton town centre project.



## WASTEWATER

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

- All target response times to faults and unplanned work were met by contractors.
- The Ashburton town centre upgrade programme had a much greater impact on our pipeline renewals programme than first envisaged, resulting in a number of renewals deferred until 2021/22.
- 2020 saw the completion of the Ashburton river crossing and pump station project - on time, and under budget. This project also received an award from Environment Canterbury for exemplary attitude towards compliance and collaboration.
- We received \$8 million in stimulus funding from the Government, which we used, along with a \$2 million Council contribution, to bring forward the Ashburton relief sewer project. This is on track for completion by the end of March, 2022.





## STORMWATER

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.

- A number of improvements were made to the stormwater network in the Ashburton town centre as part of the overall upgrade project.
- In response to concerns about litter being carried through the open drain below Smallbone Drive, Ashburton, a trash net was installed to intercept trash and other debris.



## STOCKWATER

Across our district there are five stockwater areas making up the stockwater race network of 2,003 km.

- There have been a steady stream of closure requests across the year, with 24.8 km of the network closed this year.
- The Water Race Network Advisory Group has been undertaking a trial of supplying stockwater through irrigation infrastructure. The results are expected at the end of 2021.
- Floods in December 2019 resulted in the Cracroft intake on the Rangitata River becoming inoperable. A new intake has now been constructed on the MHV Ltd race.



## TRANSPORTATION

With one of the largest roading networks in the country, maintaining our roads is our most expensive job.

- We resurfaced 174 lane-km of roads. We also rehabilitated 7.7 lane-km of sealed rural roads, and applied 41,695 m<sup>3</sup> of road metal to 254 km of unsealed roads.
- We tendered our five-year network operations and maintenance contract that maintains our transportation network - to Hebb Construction.
- The Canterbury Flood event in May 2021 resulted in significant damage to our roading network - one bridge was washed away and 124 km of roads were damaged.



## WASTE REDUCTION & RECOVERY

Our rubbish and recycling service includes kerbside collections, resources recovery parks and community recycling facilities.

- Following the Covid-19 lockdowns in early 2020, we had significant contamination occurring in roadside recycling collections. To reduce this, EcoEducatе conducted audits on our behalf, providing education where bins were rejected.
- Constructed a roof over the cardboard bunker at the Ashburton Resource Recovery Park.



# Public Services

## COMMUNITY GOVERNANCE & DECISION-MAKING

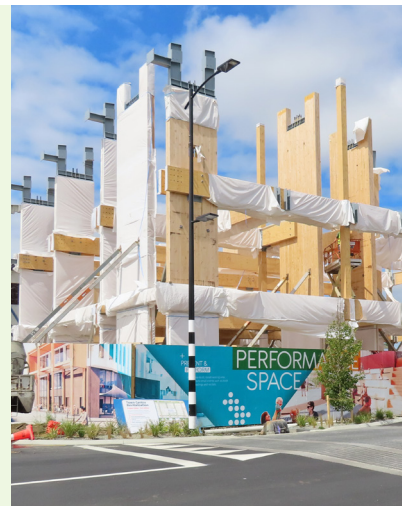
- Ten policies were reviewed and adopted by Council, we received feedback from 1855 community members on the eight topics we discussed with the community this year. We also advocated to central government on our community's behalf through fifteen submissions made on topics that affect our district.
- In 2020/21 we gave out more than \$1.2 million in grants to community groups and organisations.
- This year saw the adoption of the 2021-31 Long-Term Plan. Pre-engagement was undertaken across August/September 2020, with 1121 community members providing feedback on their priorities for the future of the district. Consultation on the draft document was held in March/April 2021, with 431 submissions received.



## ECONOMIC DEVELOPMENT

Economic development includes the Council-managed activities of commercial property, forestry and economic development.

- 2021 saw the beginning of construction on the new Library and Civic Centre building in Ashburton. This was helped with a \$20 million grant from the Government's Covid-10 Response and Recovery Fund.
- A service delivery review of the Forestry activity found continuing with in-house management to be the most cost-effective delivery option. A review will be undertaken, however, on the future strategic approach for the Forestry activity.
- Due to Covid-19 and reduced tourism, Experience Mid Canterbury (EMC) undertook a review of their strategy - resulting in district promotion being outsourced to ChristchurchNZ and the disestablishment of EMC.



## COMMUNITY SERVICES

We provide a range of services for the community, including public conveniences, memorial halls, reserves, camp grounds, Elderly Persons Housing, and community safety measures.

- We undertook a review of the Elderly Persons Housing activity, resulting in us consulting through the LTP and deciding to incrementally increase rents so that the general rate is not required from 2023/24.
- An audit was undertaken on all Council-owned playgrounds and swimming pools. This information is being used to indicate upcoming costs, and identify any health and safety issues.





## PARKS & OPEN SPACES

We manage and maintain 444 hectares of parks and open spaces throughout the district, and 119 hectares of sports fields.

- Adopted a development plan for the Ashburton Domain, following public consultation
- Irrigation installed to the cricket oval outfield in the Domain



## RECREATIONAL FACILITIES

- We were successful in receiving funding for three full-time librarians for just under two years through the government initiative - New Zealand Libraries Partnership Programme.
- Work has continued assessing and cataloguing new items for the Ashburton Museum collections.
- A new software system was installed at the EA Networks Centre which will increase reporting and usability functions.



# Regulatory Functions

## REGULATORY COMPLIANCE

- This year we processed 1116 Land Information Management (LIM) reports, processed 649 building consents, 736 Code of Compliance Certificates, 215 resource consents, 50 subdivision plans, and inspected 285 swimming pool fences.
- We also monitored 113 alcohol licensed premises, audited 123 food premises, registered 6,728 dogs, responded to 579 reports of found, wandering or barking dogs, and responded within two hours to all 384 occasions where noise control were called.



## REGULATORY SERVICES

- The Canterbury Floods in May 2021 resulted in the Mayor declaring a State of Local Emergency. The rainfall resulted in the highest flows on record, for the Upper Hinds and Ashburton/Hakaterere river catchments. Rural residents were affected from flood damaged properties, and Ashburton residents in Allenton and Netherby were put on a prepare to evacuate notice. The Emergency Operations Centre operated for 13 days, with the first 5 days being a 24 hour operation.

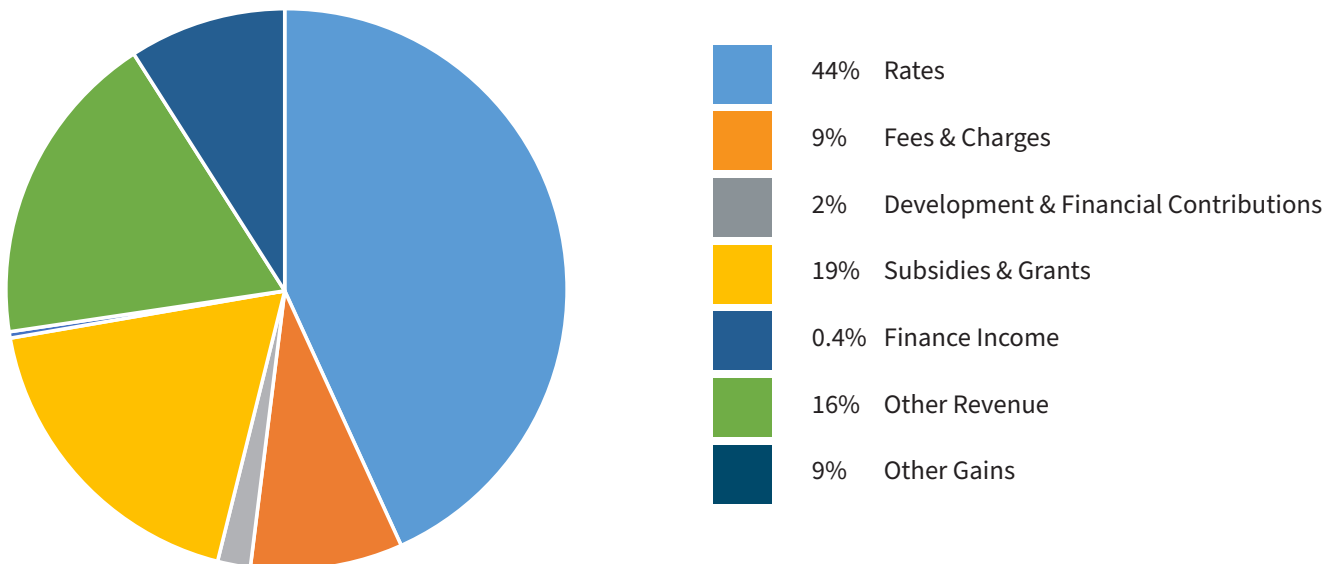




# Financial performance

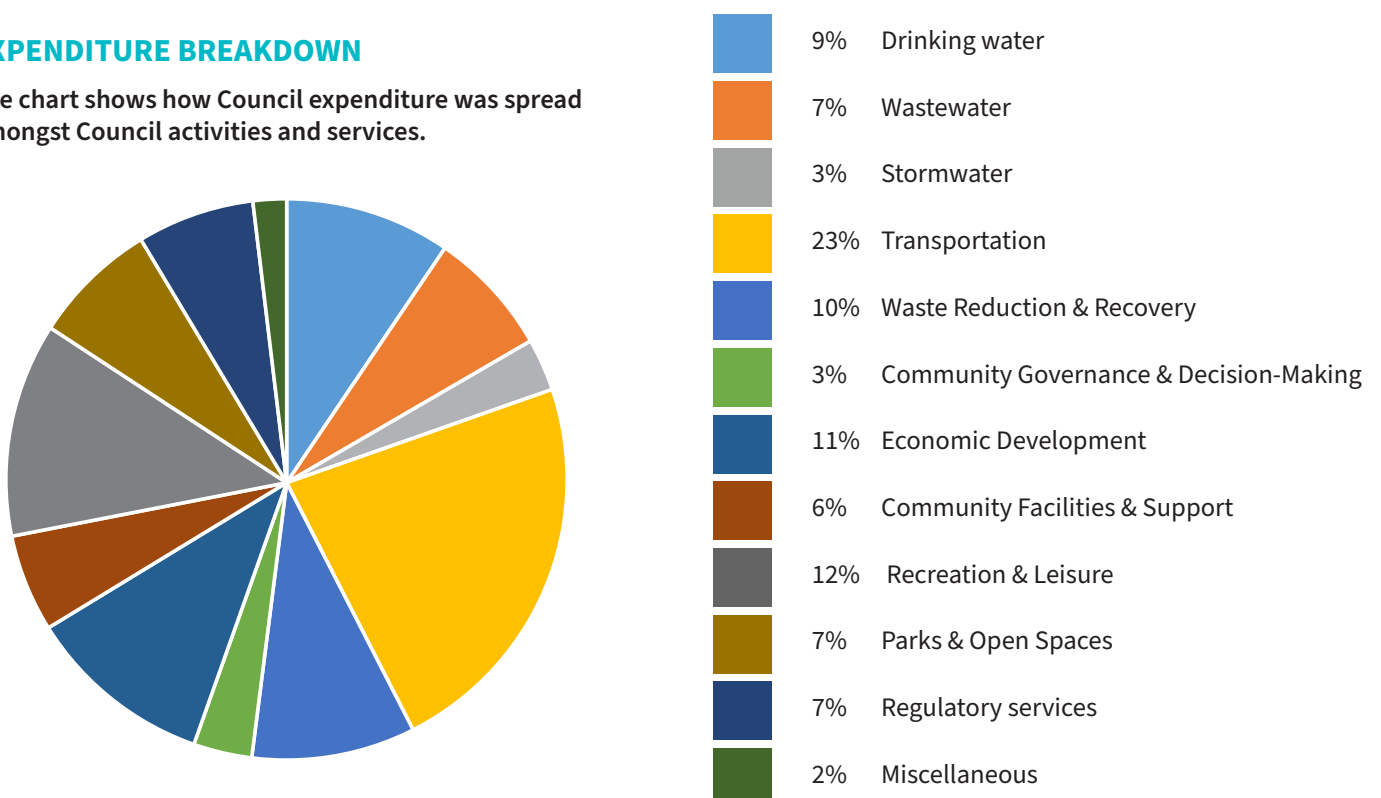
## REVENUE SUMMARY

The chart shows Council's sources of revenue for the 2020/21 year.



## EXPENDITURE BREAKDOWN

The chart shows how Council expenditure was spread amongst Council activities and services.



# Financial statements

## STATEMENT OF ACCOUNTING POLICIES

**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 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 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.

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).

The specific disclosures in the summary 20/21 financial statements were extracted from the full audited 2021 authorised financial statements issued by Council on 15 December 2021. The summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide a complete understanding as provided by the full financial statements in the Annual Report 2020/21.

A full copy of this report is available at [www.ashburtondc.govt.nz/ashburton-district/Plans,-Reports-and-Strategies/annual-report](http://www.ashburtondc.govt.nz/ashburton-district/Plans,-Reports-and-Strategies/annual-report) or from Council offices.

The financial statements presented in this summary financial report complies with PBE FRS 43, Summary Financial Statements and have been audited by Audit New Zealand.

## CRITICAL JUDGEMENTS & ASSUMPTIONS

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.

### Three Waters Reform

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2021. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2021

	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Revenue</b>					
Rates	38,241	38,050	37,406	38,241	37,406
Fees, charges	7,795	8,447	6,796	7,795	6,796
Development and financial contributions	1,687	1,488	1,382	1,687	1,382
Subsidies and grants	16,306	8,404	6,931	16,306	6,931
Finance income	329	269	120	350	256
Other revenue	14,072	14,445	10,486	42,511	28,795
Other gains	7,999	888	202	8,138	202
Total revenue	86,429	71,991	63,323	115,028	81,768
<b>Expenditure</b>					
Personnel costs	16,667	16,782	16,132	27,389	24,936
Depreciation and amortisation	15,456	16,001	16,169	16,808	17,409
Finance costs	1,437	1,699	1,453	1,603	1,651
Other expenses	29,803	28,816	27,545	44,218	35,499
Other losses	2,629	292	3,930	2,716	3,932
Total expenses	66,002	63,590	65,229	92,734	83,427
Share of associate's surplus/(deficit)	-	-	-	328	(72)
Surplus/(deficit) before taxation	20,427	8,401	(1,906)	22,622	(1,731)
Income tax expense/(revenue)	(31)	-	16	883	(47)
Surplus/(deficit) after taxation	20,458	8,401	(1,922)	21,739	(1,684)
Share of joint venture surplus/(deficit)	-	-	-	518	(841)
Surplus after tax and joint venture	20,458	8,401	(1,922)	22,257	(2,525)
<b>Other comprehensive revenue</b>					
Items that will be reclassified to surplus/(deficit)					
Financial assets at fair value	808	-	12	808	12
Items that will not be reclassified to surplus/(deficit)					
Gain/(loss) on infrastructure revaluation	-	14,763	24,673	-	24,673
Gain on land and buildings revaluation	-	-	-	209	159
Deferred tax on revaluation of buildings	-	-	-	(5)	(26)
Total other comprehensive revenue	808	14,763	24,685	1,012	24,818
<b>Total comprehensive revenue and expense</b>	<b>21,266</b>	<b>23,164</b>	<b>22,763</b>	<b>23,269</b>	<b>22,293</b>



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## SUMMARY OF REVENUE AND EXPENDITURE VARIANCES

Explanations for major variations (>\$1 million) from the Council's budget figures in its 2020/21 Annual Plan are as follows:

### REVENUE VARIANCES

#### ***Subsidies and grants - \$7.902 million above budget***

Council received \$2 million of Provincial Growth Fund money as part of a \$20 million contribution towards the new Library and Civic Centre building. This money had not been budgeted for in the 2020/21 Annual Plan.

Council also received \$3.990 million of grants from the Department of Internal Affairs as part of the stimulus funding and was applied to the Ashburton Relief sewer project. This money had not been budgeted for in the 2020/21 Annual Plan.

Council also received \$0.5 million in additional subsidy for road repairs from Waka Kotahi as a result of the May 2021 flooding event.

#### ***Other Gains - variance \$7.111 million above budget***

Council's revaluation of its Investment property resulted in a gain of \$2.774 million, its revaluation of its forestry resulted in a gain of \$2.5 million, a gain of \$1.2 million on its interest rate swaps and a gain of \$1.321 million on disposal of investment properties (See note 7). Council had not budgeted for these gains.

### EXPENDITURE VARIANCES

#### ***Other Losses - \$2.377 million above budget***

Council made unbudgeted losses on disposal of property, plant and equipment. This was in the following assets:

- Transportation assets \$1.035 million
- Water assets \$0.562 million
- Stockwater \$0.716 million
- Wastewater \$0.250 million
- Refuse \$0.063 million
- Stormwater \$0.565 million

#### ***Other comprehensive revenue - \$13.995 million below budget***

Gains on infrastructure revaluations were \$0 as Council has changed its policy to not undertake annual revaluations and as a result there was no gain or loss on infrastructural assets in 2020/21.

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

#### ***Cash and Cash Equivalents - \$16.9 million above budget***

Council undertook the decision to convert most of Council's internal debt to external debt. This results in a swap from internal debt to external debt of approximately \$37 million. This cash was used to fund some capital projects rather than take up new debt immediately. This also result in total debt (both current and non-current) being \$11 million above budget.

#### ***Borrowings - \$10.645 million above budget***

See above cash and cash equivalents explanation above.

#### ***Property Plant and Equipment and Work in Progress***

These totals need to be combined and result in an overall variance of \$21.7 million less than budget.

There were a number of projects that were behind budget or not started during the year. These include:

- Rakaia Medical Centre  
Budget \$1 million – project not started
- Art Gallery and Heritage Centre renewals  
Budget \$2 million – expenditure \$32,000 (renewals delayed)
- Ashburton CBD development  
Budget \$15.3 million – expenditure to carry over to 2021/22 \$3.8 million
- Methven Water Supply  
Budget 1.593 million, actual \$0.296 million – project delayed
- Ashburton Water  
Budget \$1.6 million, actual \$614,000 – various projects delayed.

## STATEMENT OF FINANCIAL POSITION

	Council 2021 \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Current assets</b>					
Cash and cash equivalents	24,672	7,798	7,346	26,147	7,468
Receivables	9,741	6,659	5,877	14,563	9,787
Other financial assets	-	-	-	-	-
Local Authority stocks and bonds	1,063	2,124	2,137	1,063	2,137
Inventories	53	75	70	2,146	1,766
Income tax receivable	-	-	-	-	-
Property inventory	207	207	306	207	306
Property intended for sale	225	-	479	225	479
Total current assets	35,961	16,863	16,215	44,351	21,943
<b>Non current assets</b>					
Receivables	143	41	-	143	-
Deferred taxation asset	56	-	25	374	298
Other financial assets	2,779	967	1,047	2,789	1,058
Investment in council controlled organisations	4,500	4,595	4,595	-	-
Investment in associate	1,795	1,795	1,795	3,184	2,856
Property inventory	3,788	2,570	2,695	3,788	2,695
Investment properties	35,060	36,423	33,044	34,860	33,044
Forestry assets	8,006	5,594	5,554	8,006	5,554
Intangible assets	900	835	1,170	1,903	2,173
Property, plant and equipment	759,634	806,798	747,455	771,584	758,711
Work in progress	25,476	-	16,514	25,476	16,514
Share of joint venture	-	-	-	4,939	4,422
Total non current assets	842,137	859,618	813,894	857,046	827,325
<b>Total assets</b>	<b>878,098</b>	<b>876,481</b>	<b>830,109</b>	<b>901,397</b>	<b>849,268</b>
	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Current liabilities</b>					
Payables and deferred revenue	11,492	12,078	12,155	13,912	12,933
Employee benefit liabilities	1,795	1,165	1,519	2,811	2,413
Landfill aftercare liability	15	15	15	15	15
Borrowings	17,000	3,064	25,136	18,521	27,495
Tax payable	-	-	-	416	76
Derivative financial instruments	-	-	-	-	-
Total current liabilities	30,302	16,322	38,825	35,675	42,932
<b>Non current liabilities</b>					
Payables and deferred revenue	375	-	410	375	410
Employee benefit liabilities	234	330	364	284	426
Landfill aftercare liability	155	141	158	155	158
Deferred taxation liability	-	-	-	1,222	678
Derivative financial instruments	2,013	2,111	3,199	2,013	3,199
Borrowings	53,600	56,891	17,000	55,215	18,279
Total non current liabilities	56,377	59,473	21,131	59,264	23,150
<b>Total liabilities</b>	<b>86,679</b>	<b>75,795</b>	<b>59,956</b>	<b>94,939</b>	<b>66,082</b>
<b>Equity</b>					
Ratepayers equity	474,043	480,731	461,136	487,454	472,749
Other reserves	317,375	319,955	309,017	319,004	310,440
<b>Total equity</b>	<b>791,418</b>	<b>800,686</b>	<b>770,153</b>	<b>806,458</b>	<b>783,189</b>
<b>Total liabilities and equity</b>	<b>878,097</b>	<b>876,481</b>	<b>830,109</b>	<b>901,397</b>	<b>849,271</b>

## STATEMENT OF CASH FLOWS

For the year ended 30 June

	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Cash flows from operating activities</b>					
Receipts from customers	68,295	63,166	59,753	95,187	78,689
Interest received	333	269	188	354	324
Dividends received	863	920	925	687	604
Payments to suppliers and employees	(51,464)	(44,273)	(42,037)	(75,287)	(58,662)
Sale of Council subdivisions	5,301	4,100	1,981	5,301	1,981
Interest paid	(1,408)	(1,699)	(1,453)	(1,575)	(1,649)
Net GST (paid)/received	(885)	-	862	(730)	797
Income tax	-	-	(16)	(69)	(247)
Net cash flow from operating activities	21,035	22,483	20,203	23,868	21,837
<b>Cash flows from investing activities</b>					
Sale of property, plant and equipment	1,389	100	191	1,741	191
Sale/maturing of shares and investments	1,450	-	137	1,450	137
Advances repayments	-	-	-	-	-
Purchase of property, plant and equipment	(34,858)	(43,299)	(28,636)	(37,296)	(31,146)
Purchase of intangible assets	(154)	(170)	-	(174)	(17)
Purchase of shares and investments	-	-	-	-	-
Related party loan	-	-	-	-	-
Advances	-	-	-	1,127	473
Net cash flow from investing activities	(32,173)	(43,369)	(28,308)	(33,152)	(30,362)
<b>Cash flows from financing activities</b>					
Loans raised	53,600	18,737	20,000	53,600	22,000
Loan repayments	(25,136)	(3,064)	(15,135)	(25,638)	(15,555)
Net cash flow from financing activities	28,464	15,673	4,865	27,962	6,445
<b>Net increase/(decrease) in cash held</b>	17,326	(5,213)	(3,240)	18,678	(2,080)
Add opening cash resources	7,346	13,011	10,586	7,468	9,548
<b>Total closing cash resources</b>	24,672	7,798	7,346	26,147	7,468





## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

### For the year ended 30 June 2021

	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Balance at 1 July	770,153	777,522	747,390	783,189	760,896
Total comprehensive income	21,266	23,164	22,763	23,269	22,293
Balance at 30 June	791,418	800,686	770,153	806,458	783,189

## OPERATING AND CAPITAL COMMITMENTS

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Operating</b>				
Roading	19,015	1,573	19,015	1,573
Footpaths	1,093	26	1,093	26
Wastewater/stormwater/water maintenance	141	108	141	108
Solid waste management	19,001	19,460	19,001	19,460
Public Conveniences	-	-	-	-
Information Technology	1,391	178	1,391	178
Parks	-	124	-	124
Parking	-	-	-	-
EA Centre - Gymnasium	30	65	30	65
Property	349	6,033	349	6,034
Total operating commitments	41,019	27,567	41,019	27,568
Less than one year	9,599	10,553	9,599	10,553
Between one and two years	8,877	3,504	8,877	3,504
Between two and five years	17,601	6,168	17,601	6,168
Greater than five years	4,942	7,342	4,942	7,342
	41,019	27,567	41,019	27,567
<b>Capital</b>				
ACL PPE	-	-	263	186
Roading	15,091	17,053	15,091	17,053
Footpaths	62	-	62	-
Wastewater/stormwater/water	6,137	278	6,137	278
Information Technology	-	-	-	-
Parks	202	145	202	145
Commercial property	41,496	130	41,496	130
Total capital commitments	62,988	17,606	63,251	17,792

CONTINGENT ASSETS AND LIABILITIES

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Performance Bonds	-	-	319	200
Guarantees	-	-	-	-
Total contingent liabilities	-	-	319	200

SUBSEQUENT EVENTS

Three Waters Reforms On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

On 16 Nov 2021, a letter was sent to the Prime Minister on behalf of 30 Mayors and Councils across New Zealand to seek a meeting to address the now forced Three Waters Reform. There is a general consensus that the model now being mandated wasn’t acceptable to Councils or our communities. We are seeking to meet with the Prime Minister to express this view and seek more viable approaches to Three Waters Reform.



## Independent Auditor's Report

### To the readers of Ashburton District Council and Group's summary of the annual report for the year ended 30 June 2021

The summary of the annual report was derived from the annual report of the Ashburton District Council and Group (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 3 to 7 and pages 9 to 15:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

### Opinion

In our opinion:

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

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.



## **The full annual report and our audit report thereon**

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 15 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 45 on page 196 to the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services. These matters are addressed in the notes of the summary financial statements.

## **Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

## **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to our audit of the summary, we have performed an attest audit over the full annual report and have audited the District Council's 2021-2031 consultation document and long-term plan. These engagements are compatible with those independence requirements. We have no other relationships with, or interests in the District Council and its subsidiaries.



Dereck Ollsson,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
22 December 2021

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Copies of the full Annual Report can be found online at [ashburtondc.govt.nz](https://ashburtondc.govt.nz) or from the **Council administration office, 5 Baring Square West Ashburton**. You can also phone 03 307 7700 or email [info@adc.govt.nz](mailto:info@adc.govt.nz).

