



# ASHBURTON DISTRICT COUNCIL **Annual Report**

2020/21



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# Message from the Mayor & Chief Executive

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

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

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

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

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

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

Council's operating result for the year resulted in a surplus of \$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 – *Hakaterē: te rohe ka whiria mo te ahua noho, me te hapori*.

## NGA MIHI NUI



Neil Brown  
Mayor



Hamish Riach  
Chief Executive



# Statement of compliance and responsibility

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## Compliance

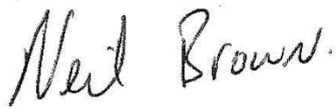
Council and management of Ashburton District Council confirm that all statutory requirements of Section 98 of the Local Government Act 2002 have been complied with in the preparation of this Annual Report.

## Responsibility

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

Council and the management of Ashburton District Council accept responsibility for internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

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



Neil Brown

Mayor



Hamish Riach

Chief Executive

15 December 2021

# Our planning process



Our planning process centres on three key documents.

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

## Long-Term Plan 2018-28

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

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

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

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

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

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

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

## Annual Plan

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

## Monitoring performance

As part of the Long-Term Plan process, we set levels of service for each activity, along with performance measures and targets. Performance measures enable us and the community to assess whether these levels of service are being delivered to the community. Targets for each performance measure show the level of achievement we are aiming for each year.

## Annual Report

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

- forecast income and expenditure
- planned work programmes
- levels of service provided to the community.

This Annual Report details performance achieved against the targets and work programmes detailed in year three of the Long-Term Plan 2018-28.

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

# Measuring our performance

## Financial performance

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

### Activity group funding impact summaries

These statements show, by groups of activities, the detailed breakdown of income and expenditure contained in the statement of comprehensive revenue and expenses. The statements also show the budget set in the Long-Term Plan 2018-28 and the actual performance achieved in the 2020/21 financial year. Significant variances (greater than \$500,000) between budget and actual are explained.

### Council only versus group reporting

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

### Statement of Accounting Policies

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

### Consolidated Statement of Comprehensive Revenue and Expenses

This statement shows a summary of the total revenue received and expenditure incurred during the 2020/21 financial year.

### Consolidated Statement of Financial Position

This statement shows how total equity (the net worth of Council) has changed from the start of the year to the end of the year.

### Consolidated Statement of Financial Position

This statement is Council's balance sheet and shows the financial position of Council at the end of the financial year (30 June 2021). It shows total assets and liabilities as at that date.

### Consolidated Statement of Cash Flows

This statement details the cash flows in and out of Council over the year. The increase or decrease in cash is agreed to the final cash balance in the Statement of Financial Position.

### Notes to the financial statements

Notes to the financial statements provide further information and explanations where required.

## Non-financial performance

We use a number of non-financial performance measures and targets to track delivery of services to the community. These are detailed in the Long-Term Plan 2018-28 and carry through over the three-year life of the Long-Term Plan. Here is a summary of some key tools we use.

### Annual Residents' Survey

Each year we commission a survey of residents seeking feedback from the community on their views of the quality of our activities, services, and performance. Key Research undertook this survey for us.

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

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

The maximum margin of error for the survey is +/- 3.18%; this means that if the same study was repeated using an entirely different randomly selected sample, the answers would replicate those obtained in the original survey very closely. The confidence level is 95%.

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

### Customer Request Management System (CRMS)

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

# Financial Strategy

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

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

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

Our financial goals for the coming ten years are to:

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

## Rates limits

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

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

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

## External debt limits

Annual limit	2020/21 projection (as per LTP)	Actual performance	Actual 2020/21 result	
Net interest payments to service external debt to be less than 20% of total Council revenue (excluding vested assets, infrastructure revaluations and other gains)	1.5%	Interest costs \$1,437,000 Revenue \$86,429,000	1.7%	✓
Net interest payments to service external debt are less than 25% of total rates for the year	2.7%	Interest costs \$1,437,000 Rates income \$38,241,000	3.8%	✓



# Five-year financial summary

	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000
<b>Revenue</b>					
Rates	31,861	33,803	35,244	37,406	38,241
Finance income	624	554	674	120	329
Other revenue	28,602	29,768	33,014	25,595	39,860
Other gains	6,338	2,052	2,194	202	7,999
<b>Total income</b>	<b>67,426</b>	<b>66,178</b>	<b>71,126</b>	<b>63,323</b>	<b>86,429</b>
<b>Operating expenses</b>					
Personnel costs	13,307	13,878	14,508	16,132	16,677
Depreciation and amortisation	14,048	14,769	15,586	16,169	15,456
Finance costs	1,837	1,624	1,741	1,453	1,437
Other expenses	24,160	26,239	26,236	27,545	29,803
Other losses	3,952	4,419	5,989	3,930	2,629
<b>Total operating expenditure</b>	<b>57,304</b>	<b>60,929</b>	<b>64,060</b>	<b>65,229</b>	<b>66,002</b>
Operating surplus / (deficit)	10,122	5,249	7,066	(1,096)	20,427
Income tax expense / (revenue)	(249)	31	10	(16)	31
Other comprehensive income	31,741	26,278	(19,435)	24,685	808
<b>Total comprehensive revenue and expenses</b>	<b>41,614</b>	<b>31,558</b>	<b>(12,359)</b>	<b>22,763</b>	<b>21,266</b>
Working capital	7,688	199	(5,897)	(22,610)	5,659
Public debt	47,542	37,406	37,271	42,136	70,600
Total assets	785,984	807,933	799,368	830,109	878,098
Total equity	728,192	759,750	747,390	770,153	791,418
<b>Other financial statistics</b>					
Proportion of rates to total income	47%	51%	49%	59%	44%
Average rates per rateable property (GST excl)	\$2,104	\$2,218	\$2,295	\$2,418	\$2,454
Public debt (as a percentage of total assets)	6.05%	4.63%	4.66%	5.08%	8.04%
Public debt per rateable property	\$3,140	\$2,454	\$2,427	\$2,723	\$4,530

## Our district

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

**6190 km<sup>2</sup>**  
area of our district

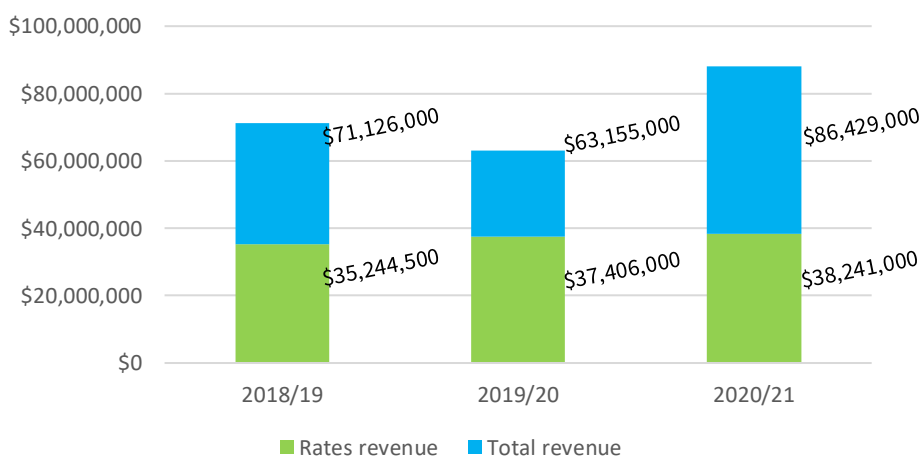
**444**  
hectares of parks and  
open spaces

**119**  
hectares of sports  
parks

**28**  
neighbourhood  
playgrounds

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

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



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

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

**12**  
Council owned water  
supplies

**505 km**  
water pipes

**188 km**  
wastewater pipes

**44 km**  
stormwater pipes

**2003 km**  
stockwater races

# Community outcomes

## What are community outcomes?

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

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

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

### Our community outcomes

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

### Our strategic priorities

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

# Working with Māori

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

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

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

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

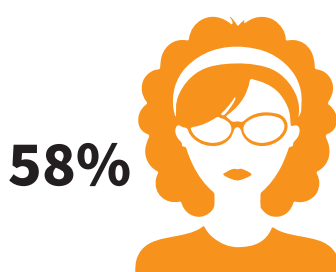
### Hakaterere Marae Komiti

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

## Our staff

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

### OUR TEAM PROFILE



	Full-time	Part-time	Total
2021	84	24	108
2020	86	20	106

	Full-time	Part-time	Total
2021	90	60	150
2020	86	62	148

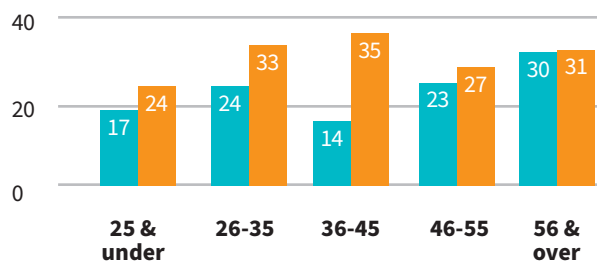
Total staff 2020/21: **258**

2020/21 FTE: **196**

Total staff 2019/20: **254**

2019/20 FTE: **194**

### AGE AND GENDER



### GENDER

● Male ● Female

#### All staff

2020/21	42%	58%
2019/20	42%	58%

#### Executive Team

2020/21	67%	33%
2019/20	60%	40%

#### Managers

2020/21	56%	44%
2019/20	59%	41%

#### Officers

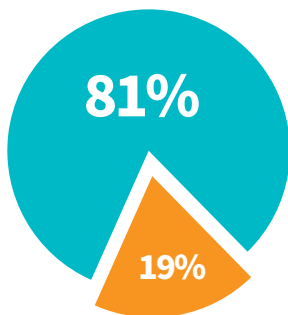
2020/21	40%	60%
2019/20	39%	61%

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

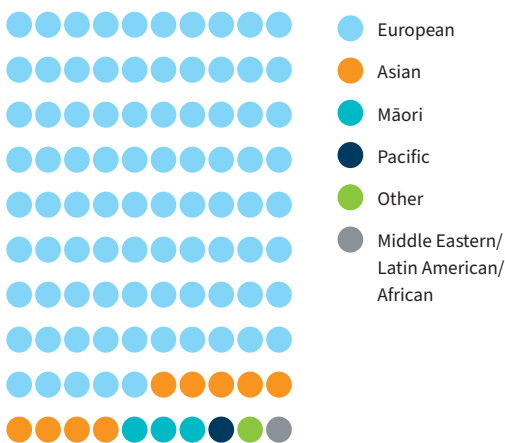


NATIONALITIES

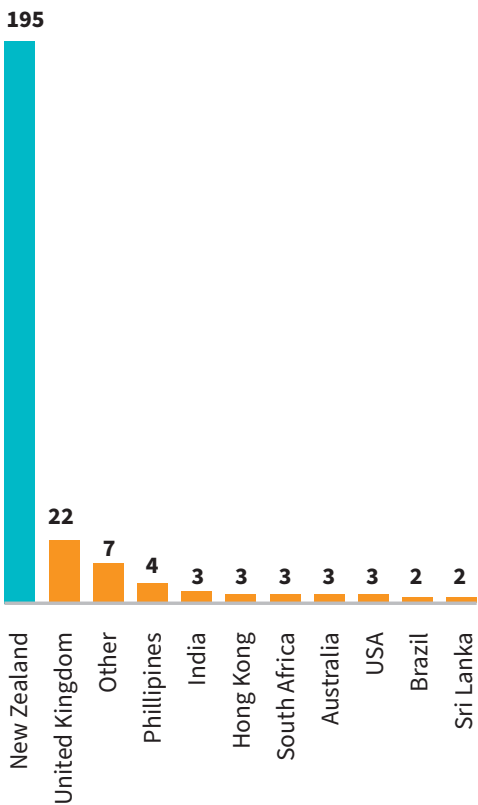
New Zealand **81%**  
Rest of the World **19%** (14% last year)



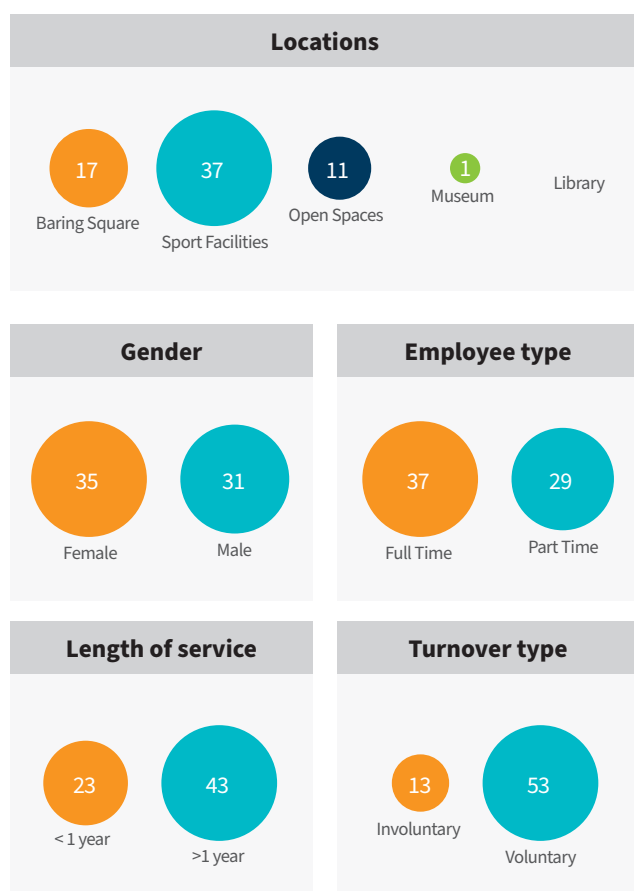
ETHNICITY



COUNTRY OF BIRTH



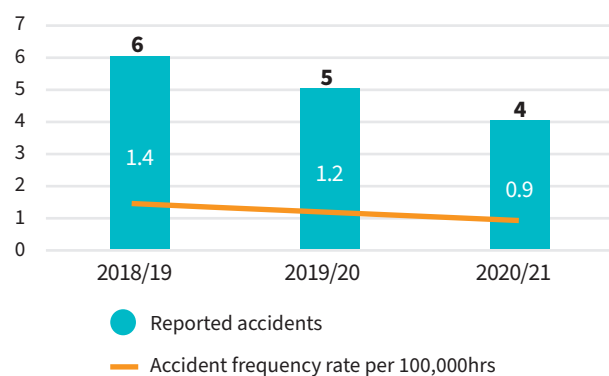
## 21% VOLUNTARY STAFF TURNOVER (16% LAST YEAR)



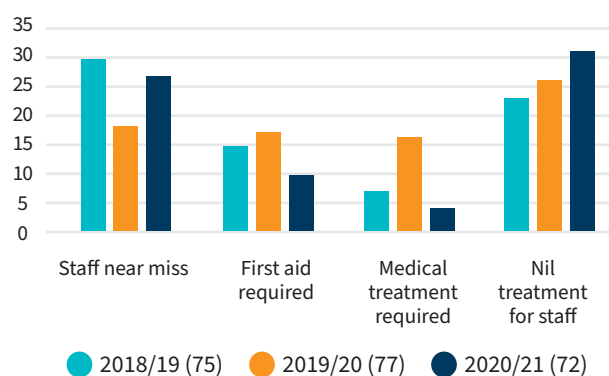
**52%**

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

## STAFF LOST TIME INJURIES



## STAFF HEALTH & SAFETY EVENTS



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





WEDNESDAY & FRIDAY 9am to 5pm  
OUT OF HOURS SERVICE, call 03









# Local Infrastructure



## Ashburton town centre upgrade

At the end of June 2021, the Ashburton town centre upgrade project was approximately 70% complete.

The west side of East Street has been completed, with a new wooden deck and seats built, 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 have also been completed, with newly paved intersections.

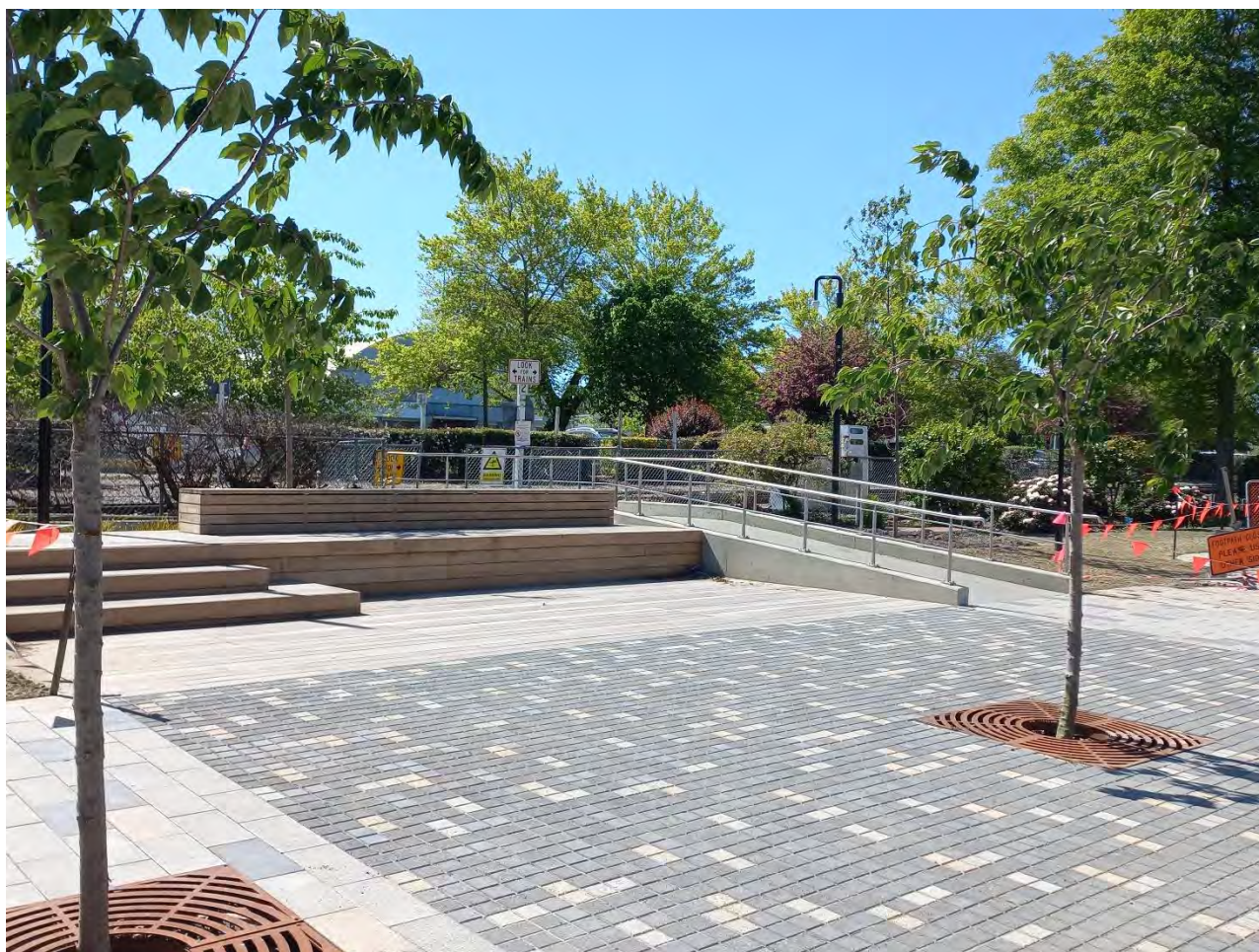
At the request of the Retailers Association, additional funds were added to the upgrades budget. This was to ensure that East Street was kept open at least in one direction, at all times, while the East Street intersections were upgraded.

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

The project is on track to be completed by Christmas 2021.













# District Water Management

## This year we...

- Provided drinking water to 69% of households and businesses in the district
- Maintained 505 km of water pipes
- Maintained 188 km of wastewater pipes
- Maintained 44 km of stormwater pipes
- Closed 24.8 km of stockwater races

## Key results

- 82% of residents are satisfied with drinking water
- 100% compliance with wastewater, stormwater and stockwater resource consents

## Our work contributed to the...

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 our residents by supplying reticulated drinking water and wastewater schemes.

**Achieved**  
**27 / 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 4900 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, 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 2020/21

### Bore head raising

The Rakaia bore head was raised in April 2021, meaning that all eight of our bore heads have now been raised. All eight of the bore heads have also been certified as compliant now, meaning we can reduce the current testing frequency (daily testing reduced to monthly testing), and in the future, it may reduce the treatment requirements of the scheme.

### Groundwater source investigations, Methven

We had intended to undertake exploratory investigations to identify a source of groundwater for the Methven water supply. However, after further feedback from the Methven Community Board and consideration by Council, this project was abandoned in favour of committing to a comprehensive upgrade of the water treatment plant using membrane technology.

### Reservoir upgrade, Methven

We planned to construct a new reservoir and strengthen the existing reservoir (which was assessed as being at risk

of failure after a major earthquake) in Methven. This has been delayed and the budget will be carried forward to 2021/22. The tender process has taken place, with a favourable tender received to build two, rather than the single, additional reservoir (a second was planned for 2025/26). We accepted the tender and will build both reservoirs at the same time – these will be completed in 2021/22.

### May Canterbury floods

The significant flood event damaged the Methven supply gallery and Montalto supply intakes. The significant rainfall event and flooding raised source water turbidity on the Methven, Methven-Springfield and Mt Somers water schemes, resulting in boil water notices. Montalto was also affected, but was already on a permanent boil water notice.

### Council drinking water supply extended to Lower Hakatere

In February 2021 we extended the council-supplied drinking water supply from Upper Hakatere to Lower Hakatere residents. Lower Hakatere was supplied by a private scheme, but this was becoming too difficult to maintain due to increased drinking water standards and compliance.

### Watermain renewals

The Ashburton Town Centre Revitalisation project had a much greater impact on our pipeline renewals programme than first envisaged.

Renewals completed to facilitate the town centre project include:

- Tancred Street, Ashburton – twin watermain (East St to Cass St)
- Tancred Street, Ashburton – (Cass St to William St)
- Burnett Street, Ashburton – twin watermain (East St to Cass St)
- Burnett Street, Ashburton (William St to Cass St)
- East Street, Ashburton (Havelock St to Cameron St)

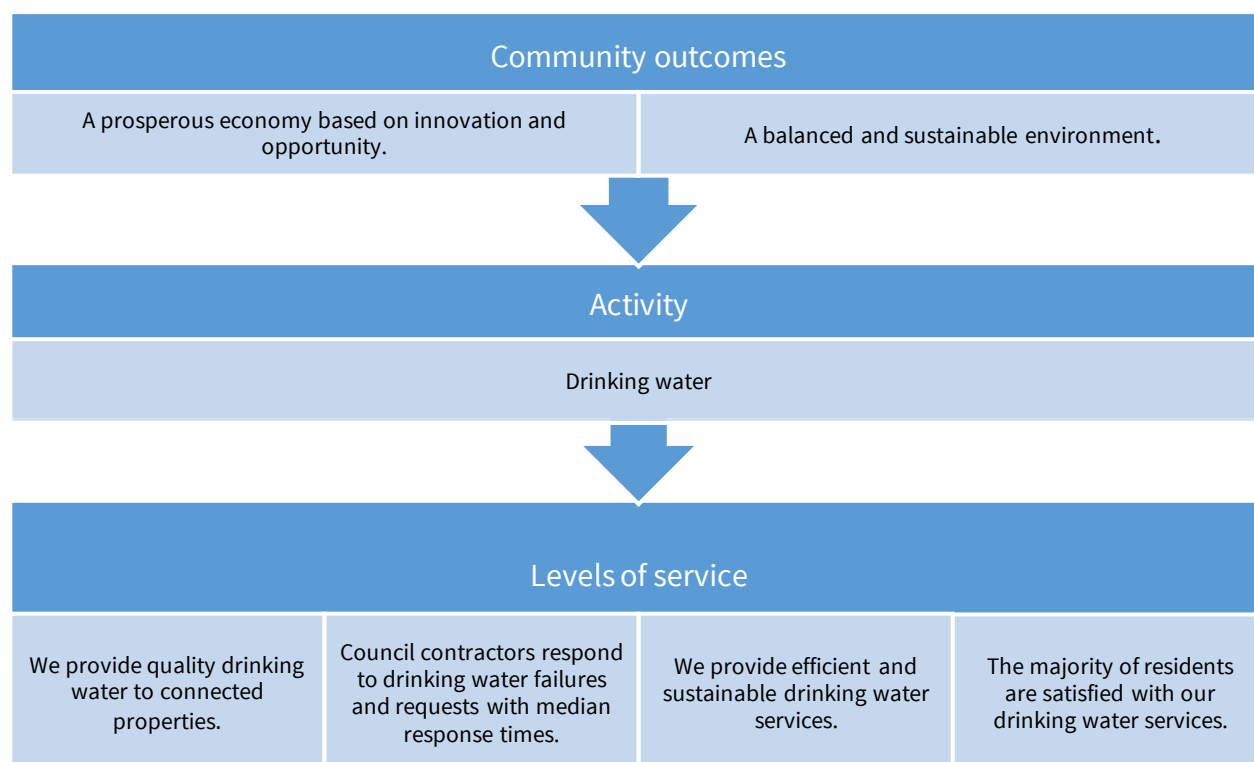
We also managed to complete some works delayed from the previous year in Hinds, and a renewal of a ridermain in Rakaia to facilitate a new subdivision. These are as follows:

- Rhodes Street, Hinds (Hinds Arundel Road to Bennett St)
- Bennett Street, Hinds (Rhodes Street to Rogers St)
- Rogers Street, Hinds (Bennett Street to Ellis St)
- Rakaia Barrhill Methven Road, Rakaia (West Town Belt to No:79 Rakaia Barrhill Methven Rd)

The following sites that were to be completed in the 2020/21 year have been reprogrammed for completion in the 2021/22 year:

- Moore Street, Ashburton (Park St to Smallbone Dr)
- Allens Road, Ashburton (Alford Forest Rd to Elizabeth St)
- Hanrahan Street, Ashburton (Lochlea to Belt Rd)
- Chalmers Avenue, Ashburton (Dobson St to Wellington St)
- Archibald Street, Tinwald (Johnstone St to Graham St)
- Allens Road, Ashburton (Harrison St to Middle Rd)
- Main Street, Methven (Forest Dr to McKerrow St)
- McKerrow Street, Methven (Forest Dr to Main St)

## Our service



## 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)		2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
We provide quality drinking water to connected properties	All Council drinking water schemes achieve bacteria compliance* <i>The extent to which Council's drinking water supplies comply with part 4 of the DWSNZ – bacteria compliance criteria.</i>		91.7% (11/12)	100%	100% (12/12)	✓
	All Council drinking water schemes achieve protozoal compliance* <i>The extent to which Council's drinking water supplies comply with part 5 of the DWSNZ – protozoal compliance criteria.</i>		16.7% (2/12)	100%	0% (0/12)	✗ 1
Council contractors respond to drinking water failures and requests with median response times	Median response time (in hours) to urgent and non-urgent callouts*	Urgent call-out attendance	0.33 hours (20 minutes)	1 hour	0.75 hours (45 minutes)	✓
		Urgent call-out resolution	2.40 hours	4 hours	4 hours	✓
		Non-urgent call-out attendance	0.23 days (5.47 hours)	1 day	0.99 days (23.92 hours)	✓
		Non-urgent call-out resolution	0.95 days (22.8 hours)	5 days	1.12 days (26.82 hours)	✓
We provide efficient and sustainable drinking water services	Reduction in real water loss from the reticulated systems* <i>The percentage of real water loss from Council's networked reticulation system is estimated using Minimim 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>		52%	≤34%	55%	✗ 2
	Reduction in average consumption (per resident per day)*		714 L	≤720 L	671L	✓
The majority of residents are satisfied with our drinking water services	Customer satisfaction with drinking water services	a) Clarity b) Taste c) Odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these issues	7.85 complaints / 1000 connections	≤ 10 complaints / 1000 connections	5.51 complaints / 1000 connections	✓
	Residents are satisfied with Council's drinking water supplies		83%	80%	82%	✓

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

<sup>1</sup> Ashburton Rakaia, Hinds, Dromore, Mayfield, Fairton and Chertsey supplies have lost secure ground-water status and are therefore no longer protozoa compliant. Methven, Mount Somers and Hakatere have protozoa treatment in place, but investigations indicate further upgrading is necessary. Rural schemes Methven/Springfield & Montalto are currently without protozoa treatment pending upgrades.

<sup>2</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.

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	23	23	-
Targeted rates	5,120	5,240	5,024
Subsidies and grants for operating purposes	-	-	-
Fees and charges	27	28	103
Internal charges and overheads recovered	16	17	55
Local authorities fuel tax, fines, infringement fees and other receipts	38	46	5
Total sources of operating funding	5,223	5,354	5,187
<b>Applications of operating funding</b>			
Payments to staff and supplies	2,244	2,261	2,587
Finance costs	390	370	255
Internal charges and overheads	658	678	485
Other operating funding applications	-	-	-
Total applications of operating funding	3,292	3,310	3,327
<b>Surplus/(deficit) of operating funding</b>	<b>1,931</b>	<b>2,044</b>	<b>1,860</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	156	159	220
Increase/(decrease) in debt	783	(497)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	939	(338)	220
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	61	-	-
- To improve the level of service	918	236	115
- To replace existing assets	1,756	1,296	916
Increase/(decrease) in reserves	425	470	1,049
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	3,160	2,003	2,080
<b>Surplus/(deficit) of capital funding</b>	<b>(2,222)</b>	<b>(2,341)</b>	<b>(1,860)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Application of capital funding

Capital expenditure (both existing and improved levels of service) was \$501,000 below budget. This was due to delays in the Methven water supply upgrade, Rakaia water supply works and other miscellaneous capital works that have been carried over into 2021/22.

### Capital expenditure by water supply

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Ashburton	1,133	1,135	645
Methven	1,456	108	203
Rakaia	47	3	145
Fairton	-	26	7
Hakatere	30	-	60
Hinds	30	48	238
Mayfield	-	30	6
Chertsey	-	61	16
Methven / Springfield	77	78	16
Montalto	-	-	-
Mt Somers	66	-	8
Dromore	-	43	(8)
<b>Total capital expenditure</b>	<b>2,838</b>	<b>1,532</b>	<b>1,335</b>
less vested assets	102	-	304
<b>Council funded capital expenditure</b>	<b>2,735</b>	<b>1,532</b>	<b>1,031</b>







# Wastewater

## What we do

We provide three community wastewater schemes across the 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 2020/21

### Ashburton River crossing & pump station

2020 saw the completion of this project – to install a large wastewater pipe under the Ashburton River to replace the current pipeline, and install a pump station to pump wastewater from the pipeline to the Wilkins Road wastewater treatment facility. The project finished on time, under budget. We also received an award from Environment Canterbury for exemplary attitude towards compliance and collaboration during construction.

### Ashburton Relief Sewer Project

Following the 2020 Covid-19 lockdowns, we received \$8 million in stimulus funding from the Government. We used this, along with our own contribution of \$2 million, to bring forward this project.

This project involves laying pipes ranging from 600-800 mm in diameter underground for 5.1 km, between the river end of Milton Road South and Bridge Street in Hampstead. Wastewater will then flow to Council's treatment facilities in Tinwald via the Ashburton river crossing and pump station. The project is currently on track to finish within budget and on time, by end of March, 2022.

### Town centre upgrade renewals

The Ashburton Town Centre Revitalisation project had a much greater impact on our pipeline renewals programme than first envisaged.

Renewals completed to facilitate the town centre project include:

- Tancred Street, Ashburton (East Street to manhole outside 118 Tancred Street)
- Tancred Street, Ashburton (Cass Street to manhole outside 247 Tancred Street)
- Burnett Street, Ashburton (East Street to manhole outside Fire Station)
- Havelock Street Ashburton (East Street to manhole outside Police Station)

### Sewer main capital programme

We managed to continue our ongoing programme to reline sewer mains in the network. Relining is typically utilised where sewers pass through private properties and the existing pipeline is still relatively structurally sound. Relining can be mostly completed with limited or no excavation required. The sites include:

- Wellington Street, Ashburton (No:27 to No:30)
- Church Street, Ashburton (No:7 to No:33)
- Tancred Street, Ashburton (No:311 to No:321)
- Cambridge Street, Ashburton (No:321 Tancred Street to No: 24B Wellington Street)
- Beatty Crescent, Ashburton (Full Length)
- Oxford Street, Ashburton (No:9 to No:27)
- Eton Street, Ashburton (13 Beach Road to No:30 Eton Street)

The other renewal sites that were to be completed in the 2020/21 year, but have been reprogrammed for completion in the 2021/22 year, include:

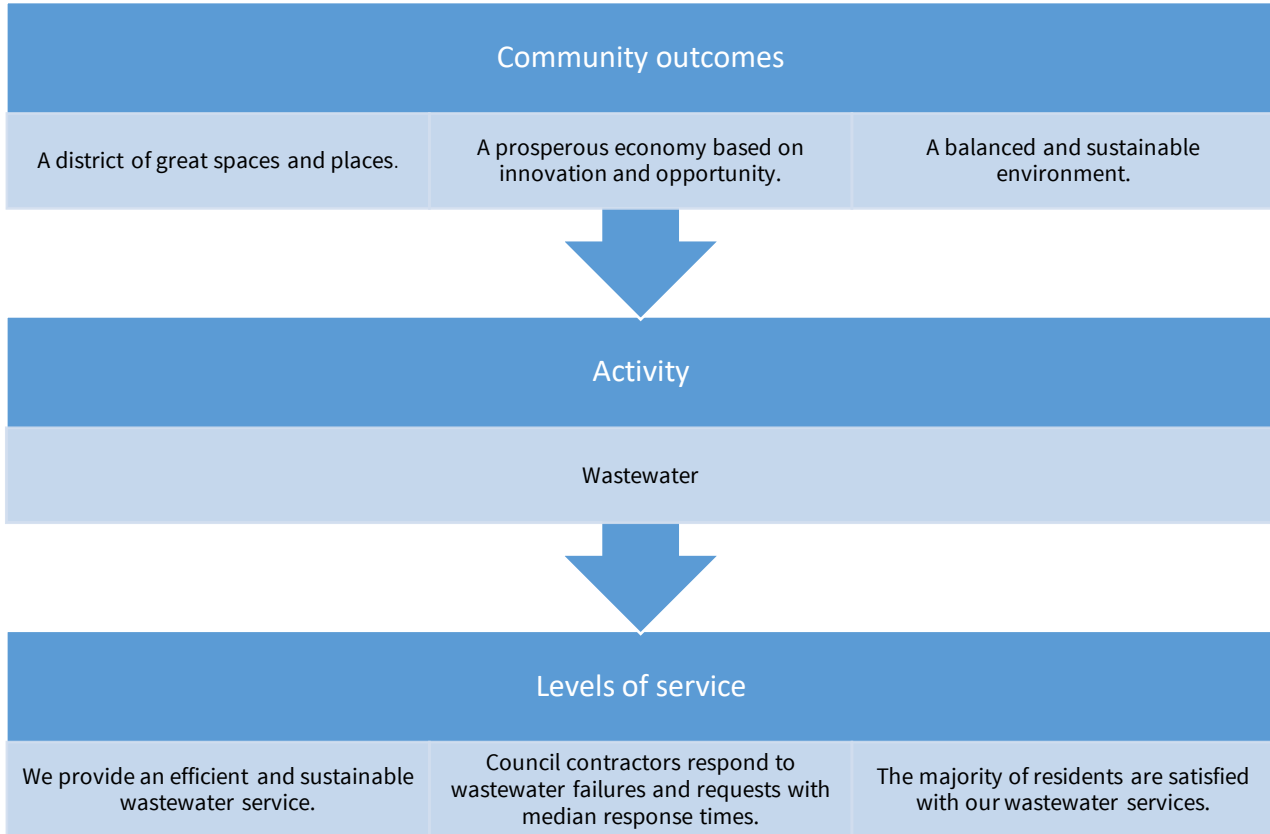
- Clark St, Ashburton (full length)
- William St, Ashburton (Burnett St to Cameron St)
- Brucefield Ave, Ashburton (No:21 to Princes St)
- Russell Ave, Ashburton (Somerset Gr to Saunders Rd)
- Forest Dr, Methven (McMillan St to No:22 Chapman St)
- Mt Hutt College, Methven







## Our service



## 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)		2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
We provide an efficient and sustainable wastewater service	Dry weather overflow incidents (per 1,000 connections) *		0.29 / 1000 connections	≤1.0/1000 connections	0.49/1000 connections	✓
	Compliance with resource consents*	Abatement notices	0	0	0	✓
		Infringement notices	0	0	0	✓
		Enforcement orders	0	0	0	✓
		Convictions	0	0	0	✓
Council contractors respond to wastewater failures and requests with median response times	Median response time (in hours) to callouts*	Call-out attendance time	0.50 hours (30 minutes)	1 hour	0.53 hours (32 minutes)	✓
		Call-out resolution	2.27 hours	4 hours	2.58 hours	✓
The majority of residents are satisfied with our wastewater services	Customer satisfaction with wastewater services*	a) Sewage odour	5.70	≤10	5.62	✓
		b) Sewerage system faults	complaints/ 1,000 connections	complaints/ 1,000 connections	complaints/ 1,000 connections	
		c) Sewerage system blockages				
		d) Council's response to issues with our sewerage system				

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

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	21	22	17
Targeted rates	4,485	4,724	4,040
Subsidies and grants for operating purposes	-	-	-
Fees and charges	67	65	134
Internal charges and overheads recovered	19	19	40
Local authorities fuel tax, fines, infringement fees and other receipts	408	415	427
<b>Total sources of operating funding</b>	<b>4,999</b>	<b>5,245</b>	<b>4,658</b>
<b>Applications of operating funding</b>			
Payments to staff and supplies	1,600	1,628	1,608
Finance costs	836	999	436
Internal charges and overheads	684	705	526
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,120</b>	<b>3,332</b>	<b>2,570</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,879</b>	<b>1,913</b>	<b>2,088</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	3,990
Development and financial contributions	333	340	427
Increase/(decrease) in debt	4,091	6,691	2,704
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>4,424</b>	<b>7,031</b>	<b>7,121</b>
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	1,128	2,445	-
- To improve the level of service	3,485	1,699	6,965
- To replace existing assets	1,661	4,911	1,400
Increase/(decrease) in reserves	30	(111)	844
Increase/(decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>6,303</b>	<b>8,944</b>	<b>9,209</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(1,879)</b>	<b>(1,913)</b>	<b>(2,088)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Sources of operating funding

Targeted rates were \$684,000 below budget. The Annual Plan budget for 2020/21 showed a rate requirement of \$4.016 million, reflecting a reduction in costs in the 2020/21 Annual Plan expenditure from that included in the LTP Year 3 budget. The 20/21 Annual plan budget included a revised estimate of \$436,000 in finance costs for the 20/21 year, and the rate requirement for that year was dropped accordingly.

#### Application of operating funding

Finance costs were \$0.563 million below budget. The interest rate used in the 2018-28 LTP was 4.5%, but the Council's average interest rate was below 2.5% for the year.

#### Sources of capital funding

Council received \$3.986 million of grants from the Department of Internal Affairs as part of the stimulus funding. This was applied to the Ashburton relief sewer project. This money had not been budgeted for in the 2018-28 LTP. Loan funding was \$3.987 million less than budget due to the Ashburton relief sewer project getting the \$3.986 million grant.

#### Application of capital funding

Capital expenditure was \$690,000 below budget. The Ashburton north west extension (\$1.913 million) did not proceed. The Ashburton relief sewer work was moved forward as a result of the stimulus money received. Other projects were deferred in favour of the Ashburton town centre upgrade work.

### Capital expenditure by wastewater scheme

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Ashburton	6,318	8,938	8,456
Methven	94	116	63
Rakaia	66	1	95
<b>Total capital expenditure</b>	<b>6,478</b>	<b>9,055</b>	<b>8,614</b>
less vested assets	204	-	249
<b>Council funded capital expenditure</b>	<b>6,274</b>	<b>9,055</b>	<b>8,365</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 2020/21

### Network-wide stormwater consent – Ashburton and Tinwald

The consent was formally activated on 11 November 2020. This effectively ‘started the clock’ on a number of required actions, including the development and adoption of a Stormwater Bylaw, auditing of high-risk sites, and the

commencement of a detailed monitoring programme for streams and shallow groundwater.

### Town centre upgrade

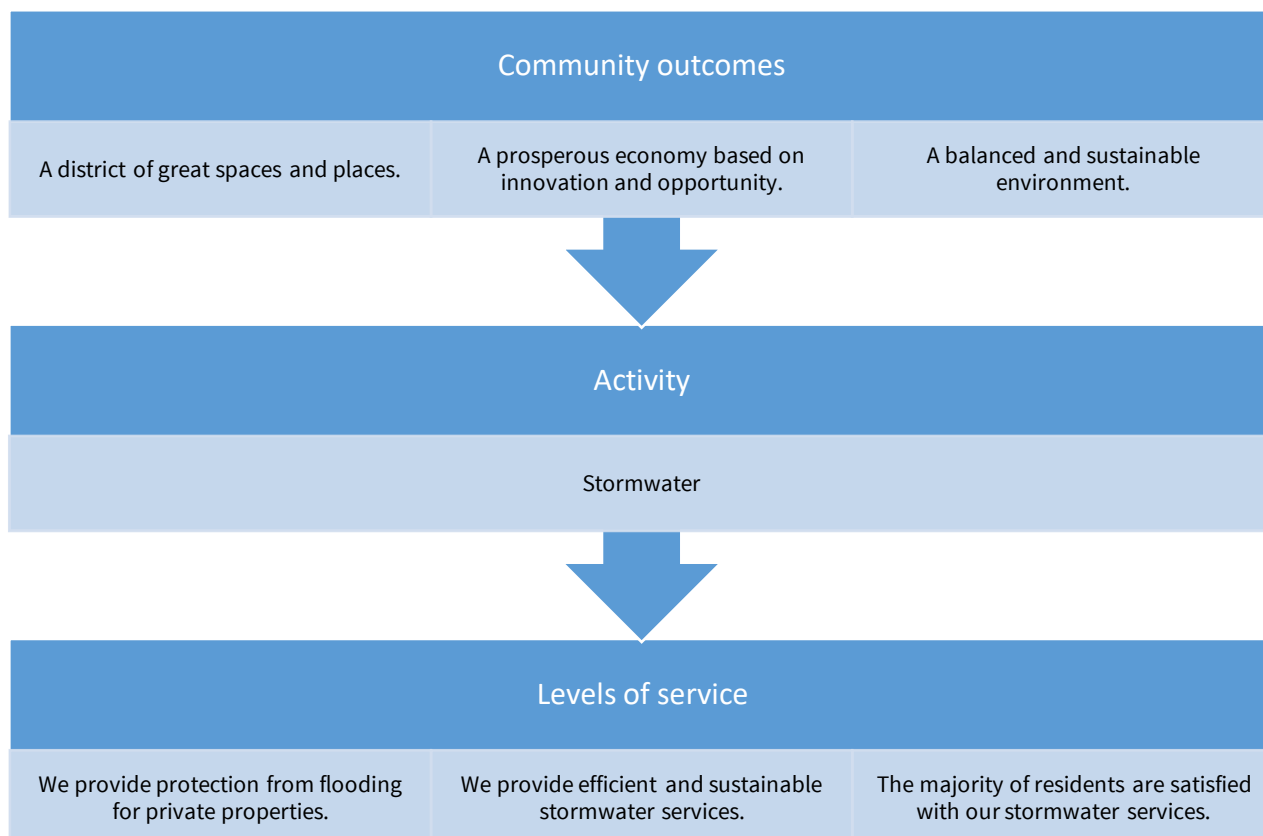
There was a pipeline extension, and numerous other improvements to the stormwater network including sumps, submains, to facilitate the Town Centre Revitalisation Project. This includes:

- East Street, Ashburton – Extension pipeline (Kermode Street to Moore Street)
- Tancred Street, Ashburton - Various improvements (East Street to Cass Street)
- Burnett Street, Ashburton – Various improvements (East Street to Cass Street)

### Cleaning up our discharges

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. This work coincided with an access culvert being constructed in the drain.

## Our service



## 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)		2019/20 RESULT	2020/21 TARGET	2020/21 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	N/A <sup>3</sup>
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)*		1.94	≤ 5	1.43	✓

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

<sup>3</sup> Not applicable as there were no relevant events during this period.

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	126	132	97
Targeted rates	1,080	1,136	1,076
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	1
Internal charges and overheads recovered	3	3	30
Local authorities fuel tax, fines, infringement fees and other receipts	27	19	-
Total sources of operating funding	1,236	1,290	1,204
<b>Applications of operating funding</b>			
Payments to staff and supplies	232	196	161
Finance costs	290	338	80
Internal charges and overheads	244	250	118
Other operating funding applications	-	-	-
Total applications of operating funding	766	784	359
<b>Surplus/(deficit) of operating funding</b>	<b>470</b>	<b>505</b>	<b>844</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	1,207	1,447	412
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,207	1,447	412
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	1,903	1,936	862
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(226)	17	394
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	1,677	1,952	1,256
<b>Surplus/(deficit) of capital funding</b>	<b>(470)</b>	<b>(505)</b>	<b>(844)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Sources of capital funding

Increase in debt was \$1.035 million below the Year 3 LTP budget. This was a result of capital expenditure being \$1.074 million below budget.

#### Application of capital funding

Capital expenditure (both existing and improved levels of service) was \$1.074 million less than budget. This was due to the delay in the West Street attenuation project due to the Ashburton town centre upgrade work.

### Capital expenditure by stormwater scheme

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Ashburton	1,954	1,936	974
Methven	-	-	41
<b>Total capital expenditure</b>	<b>1,954</b>	<b>1,936</b>	<b>1015</b>
less vested assets	51	-	153
<b>Council funded capital expenditure</b>	<b>1,903</b>	<b>1,936</b>	<b>862</b>

# Stockwater

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## What we do

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

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 2020/21

The stockwater network is currently operating well, with a constant stream of closure requests being processed. Across 2020/21, 24.8 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 new intake has been constructed on the MHV Ltd race.

## Health and safety assessments

Following an assessment of the health and safety of the stockwater infrastructure, 13 of the 21 identified repairs were completed in the 2019/20 year. The outstanding repairs have now been completed, within the allocated budget.

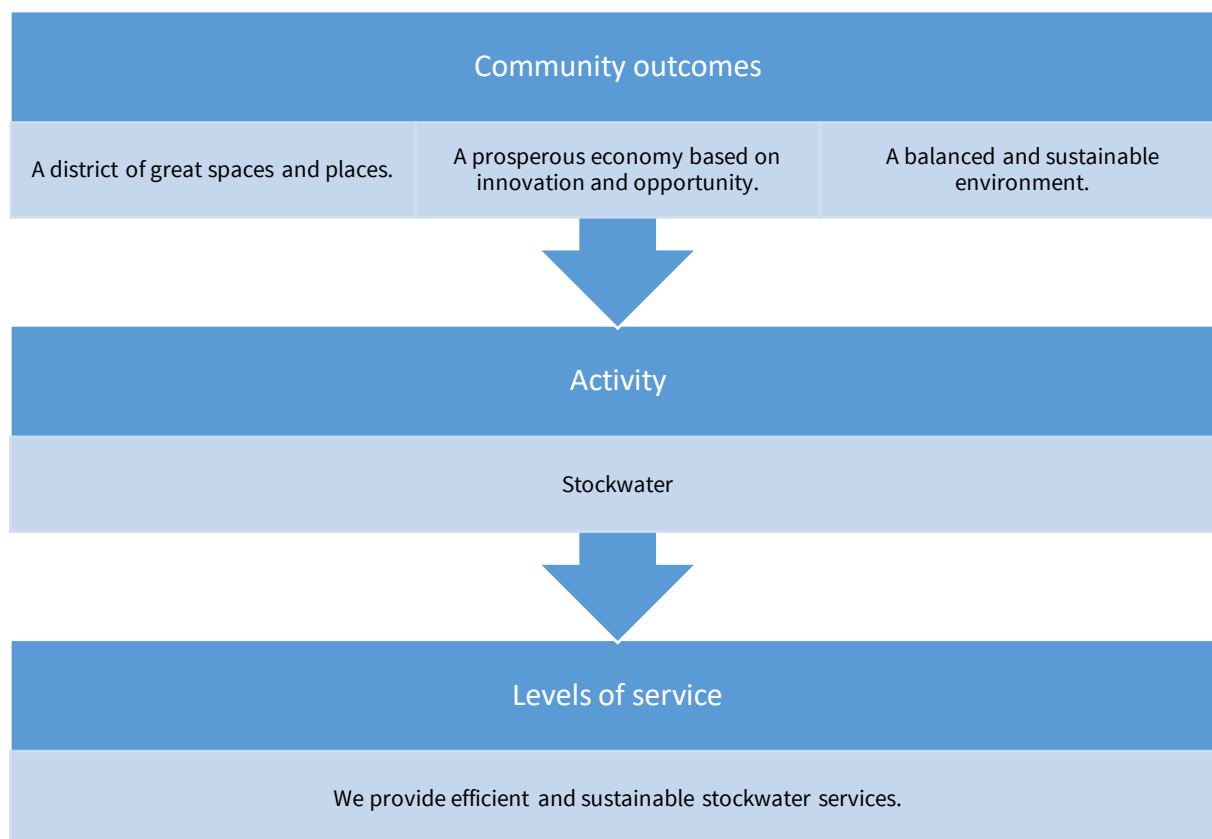
## Water Race Network Advisory Group

In 2019/20 the Water Race Network Advisory Group began a trial of supplying stockwater through irrigation infrastructure. There were 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. The results of the trial are expected by the end of 2021.

## Fish screens

Since 2015, we have been required under our current resource consents, to install fish screens on three 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. We have continued to carry over the funds budgeted in the previous year, and will continue to work with Environment Canterbury to determine the best solution.

## Our service



## 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)		2019/20 RESULT	2020/21 TARGET	2020/21 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	✓

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	102	105	102
Targeted rates	875	903	946
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	4	4	34
Local authorities fuel tax, fines, infringement fees and other receipts	4	4	22
Total sources of operating funding	985	1,016	1,104
<b>Applications of operating funding</b>			
Payments to staff and supplies	683	696	379
Finance costs	7	15	4
Internal charges and overheads	246	252	795
Other operating funding applications	-	-	-
Total applications of operating funding	936	963	1,178
<b>Surplus/(deficit) of operating funding</b>	<b>50</b>	<b>54</b>	<b>(74)</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	192	(16)	54
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	192	(16)	54
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	242	-	60
- To replace existing assets	-	-	40
Increase/(decrease) in reserves	-	38	(120)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	242	38	(20)
<b>Surplus/(deficit) of capital funding</b>	<b>(50)</b>	<b>(54)</b>	<b>74</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Application of operating funding

Internal overheads were \$543,000 above budget as a result of a change in the way staff costs and associated plant is charged to stockwater. Open Spaces provide staff and resources which is recovered through the internal charges and overheads line. This is partially offset by the favourable variance of \$379,000 in payments to staff and suppliers.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Stockwater	242	-	100
<b>Total capital expenditure</b>	<b>242</b>	<b>-</b>	<b>100</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>242</b>	<b>-</b>	<b>100</b>





# Transportation

## This year we...

- Completed 6200 km of grading on unsealed roads
- Resealed 87 km of road
- Filled 3601 potholes

## Key results

- 38% of residents satisfied with sealed roads
- 53% 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**  
**5 / 10**  
**performance measures**



## What we do

We are responsible for one of the largest road networks in New Zealand. Our road network covers 2617 km, with approximately 1515 km sealed and 1102 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 247 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 our district.

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

## What we did in 2020/21

### Network operations and maintenance contract

The five year network operations and maintenance contract that maintains our district's transportation network went out for tender and was awarded in December 2020 to Hebb Construction.

### Walking and Cycling Strategy

Across November 2020 we consulted on the Walking and Cycling Strategy with the community, receiving 68 submissions. The Strategy can be read on our website: [ashburtondc.govt.nz > Our District > Plans, Reports & Strategies > Our Strategies](https://ashburtondc.govt.nz/Our-District/Plans-Reports-&Strategies/Our-Strategies)

### Ashburton urban second bridge

We received the first stage of the detailed business case, the strategic case, in September 2020. This examined the issues and benefits of investing in improved connectivity between Ashburton and Tinwald, and identifying key performance indicators to measure the success of the investment over time.

The second part of the business case, which will review and identify new options and recommend a short list to be evaluated, is underway. This is expected later in 2021.

### RDR bridges

We had planned to construct an RDR bridge each year for three years, starting in 2019/20. 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 was carried forward into 2020/21, with construction of the bridges completed by the end of 2020.

### District speed limit review

Earlier in 2020 we consulted on speed limits across the district. The first wave of speed changes were implemented early December, with the second wave in April 2021.

### May Canterbury Flood event

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 (8 km sealed, 116 km unsealed) were damaged. We are working alongside Waka Kotahi on a repair programme for the damage.

## Annual works programme

### Sealed road resurfacing

We resurfaced 174 lane-km. The total cost of the resurfacing work was \$2.96 million.

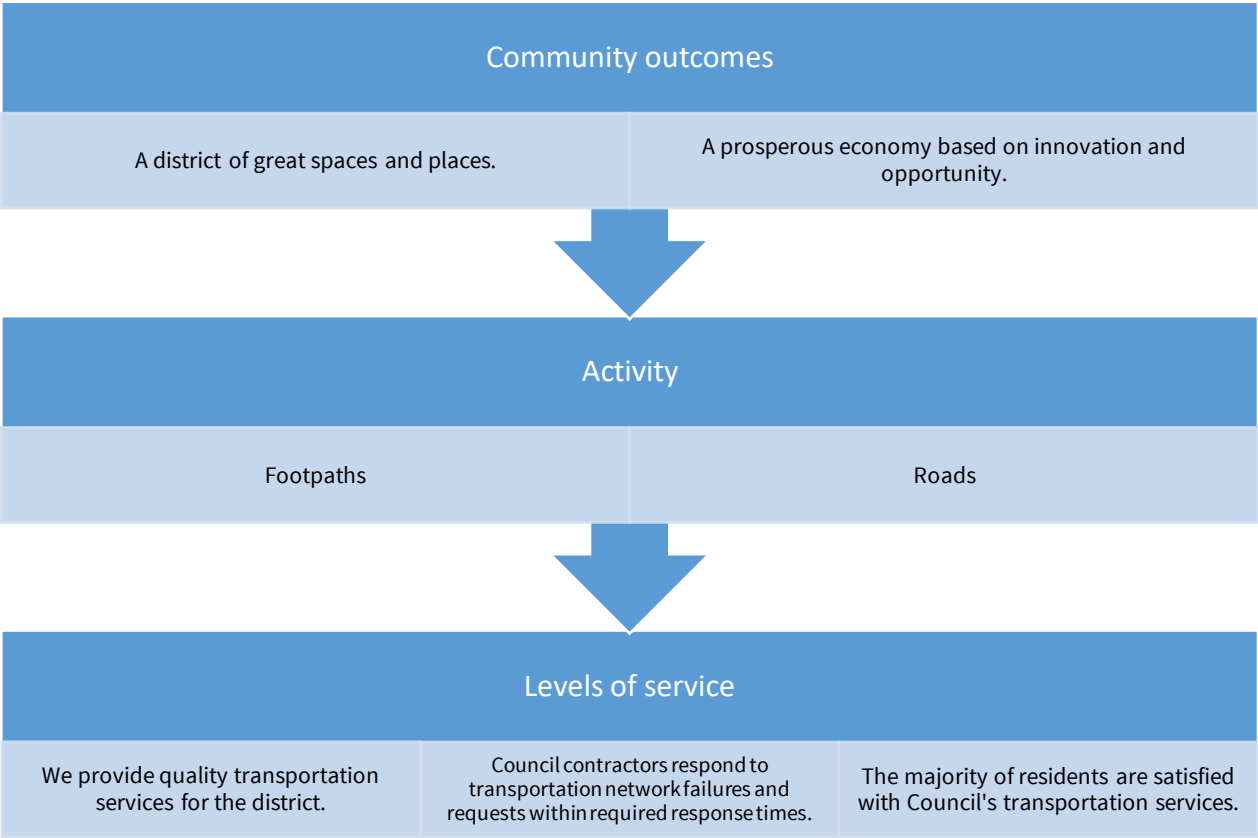
### Sealed road rehabilitation

We rehabilitated 7.7 lane-km of sealed rural roads at a cost of \$820,000.

### Unsealed roads

We applied 41,695 m<sup>3</sup> of road metal to 254 km of unsealed roads at a total cost of \$1.08 million. A further \$315,624 was spent grading unsealed roads.

Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We provide quality transportation services for the district	The footpath network is well maintained* <i>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).</i>	94%	85%	94%	✓
	The sealed local road network is smooth*	96%	90%	96%	✓
	The sealed local road network is well maintained* <i>The percentage of the sealed local road network that is resurfaced.</i>	5.6%	4%	6.0%	✓
	Volume of metal replaced on unsealed roads	48,926m <sup>3</sup>	48,000m <sup>3</sup>	41,695m <sup>2</sup>	✗ 4
	Reduction in fatalities on local roads* <i>The change in the number from the previous financial year.</i>	0	≤2	+4	✗ 5
	Reduction in serious injury crashes on local roads* <i>The change in the number from the previous financial year.</i>	-1	≤2	+1	✗ 6

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

<sup>4</sup> While the 2020/21 figure is below the target, the three year average for 2018/19-20/21 is above the target: 50,314m<sup>3</sup>.

<sup>5</sup> There were 6 fatalities in 2020/21 compared to only 2 in 2019/20.

<sup>6</sup> There were 9 serious injury crashes in 2020/21 on our local road network, compared to only 8 the previous year. A further three serious injury crashes occurred on the State Highway network at an intersection with a local road. These are not included in our results, and none of these crashes were due to an issue with the local road intersection. There were no crashes in the 2019/20 year at State Highway / local road intersections.



WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
Council contractors respond to transportation network failures and requests within required response times	Roading service requests are responded to on-time*	56%	75%	77%	✓
	<i>As per the timeframes specified in the Transportation Maintenance Contract, available on request from Council.</i>				
	Footpath service requests are responded to on-time*	61%	70%	78%	✓
	<i>As per the timeframes specified in the Transportation Maintenance Contract, available on request from Council.</i>				
The majority of residents are satisfied with Council's transportation services	Residents are satisfied with Council's unsealed roads	51%	80%	53%	✗ <sup>7</sup>
	Residents are satisfied with Council's sealed roads	34%	80%	38%	✗ <sup>8</sup>

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

<sup>7</sup> Although still below the target level, there has been some improvement, likely due to changes in the new Road Maintenance contract.

<sup>8</sup> Same as footnote 7.

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	224	222	173
Targeted rates	7,757	8,888	8,030
Subsidies and grants for operating purposes	1,973	2,045	3309
Fees and charges	22	23	26
Internal charges and overheads recovered	32	30	130
Local authorities fuel tax, fines, infringement fees and other receipts	425	430	493
Total sources of operating funding	10,434	11,638	12,161
<b>Applications of operating funding</b>			
Payments to staff and supplies	4,004	4,110	5,981
Finance costs	68	101	46
Internal charges and overheads	1,520	1,567	2,277
Other operating funding applications	-	-	-
Total applications of operating funding	5,592	5,778	8,304
<b>Surplus/(deficit) of operating funding</b>	<b>4,841</b>	<b>5,860</b>	<b>3,857</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	5,962	6,077	6,572
Development and financial contributions	8	8	24
Increase/(decrease) in debt	807	(129)	1,985
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,777	5,956	8,580
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	2,616	2,670	6,685
- To replace existing assets	9,086	9,282	8,153
Increase/(decrease) in reserves	(84)	(136)	(2,400)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	11,619	11,816	12,438
<b>Surplus/(deficit) of capital funding</b>	<b>(4,841)</b>	<b>(5,860)</b>	<b>(3,857)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

## Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

### Sources of operating funding

Targeted rates were \$858,000 below the LTP budget. The 202/21 annual plan indicated a rate requirement of \$7.978 million with an increase in debt funding of capital.

Subsidies and grants were \$1.264 million above budget. The LTP Year 3 transportation subsidy budget from Waka Kotahi is set after the LTP is completed. The increase reflects a higher approval of subsidised work and also an additional \$500,000 received as part of the 2021 flood recovery work.

### Application of operating funding

Payments to staff and suppliers was \$1.871 million above budget. Maintenance was \$1.267 million above budget. Extra maintenance was undertaken as a result of this work attracting a 51% subsidy.

### Internal charges were \$710,000 above budget

Council has changed the way that it allocates internal changes in 2020/21.. This has resulted in an increase in internal charges from that allocated in the 2018-28 LTP.

### Sources of capital funding

Loan funding is \$2.114 million greater than the LTP. In order to complete additional transportation capital works (including costs incurred in the Ashburton town centre upgrade that was not part of Year 3 of the LTP), Council increased the loan funding in this area.

### Application of capital funding

Capital expenditure (both existing and improved levels of service) was above budget by \$2.886 million. The original LTP budget had an RDR bridge renewal of \$680,000 in each of the first three years, however, these were all constructed in 2020/21. There was also a large carryover of uncompleted capital works from the 2019/20 year.

## Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Roading	12,858	14,050	13,881
Footpaths	1,121	1,155	2,058
<b>Total capital expenditure</b>	<b>13,979</b>	<b>15,205</b>	<b>15,939</b>
less vested assets	2,277	3,253	1,101
<b>Council funded capital expenditure</b>	<b>11,702</b>	<b>11,952</b>	<b>14,838</b>



**Ashburton**  
DISTRICT COUNCIL

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# Waste Reduction & Recovery

## This year we...

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

- 4,488 tonnes of rubbish
- 942.3 tonnes of recycling
- 1,640 tonnes of recyclable glass

This gives us a diversion from landfill rate of 36% for household recycling.

The total weight of kerbside collections was 7,044 tonnes with an additional 19,401 tonnes through our resource recovery parks.

## Key results

- 80% of residents are satisfied with rubbish and recycling services
- 84% of users were satisfied with the kerbside collection service

## Our work contributed to the...

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

**Achieved**  
**0 / 3**  
**performance measures\***

\*1 measure unable to be measured

## 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 2020/21

### Key projects

#### Recycling audits

Following the Covid-19 lockdowns in early 2020, we had significant contamination occurring in the recycling collections. If a truckload contains more than 10% contamination, it is unable to be recycled, and the entire load is diverted to landfill.

To reduce the contamination EcoEducate conducted audits of recycling bins, including door knocking rejected properties to explain what can and can't go into the bins. This reduced the contamination from around 60% down to 5.9% in October.

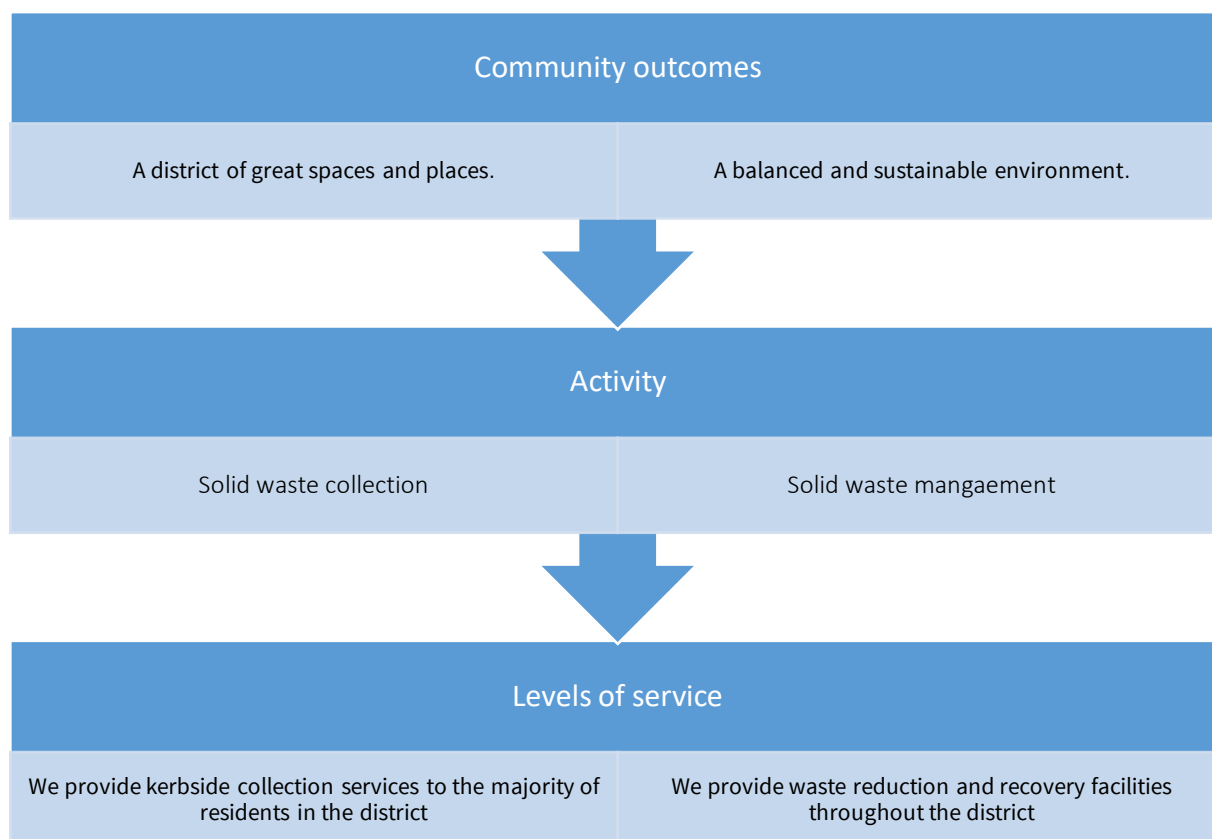
#### Waste and water sustainability education services contract

Our education services contract went out for tender and was awarded in July 2021 to EcoEducate.

#### Ashburton Resource Recovery Park

This year we completed the roof on the cardboard bunker at the Ashburton Resource Recovery Park. This was work that had been scheduled for the 2019/20 year, but was carried over to 2021/22 due to competing priorities and delays caused by Covid-19.

## Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
We provide kerbside collection services to the majority of residents in the district	Increase the volume of recyclable material from kerbside collection services	-11%	+1%	-13.9%	✗ <sup>9</sup>
	Kerbside collection service complaints are responded to within 24 hours (response time – contract KPI)	95%	95%	Not measured	✗ <sup>10</sup>
We provide waste reduction and recovery facilities throughout the district	Increase the volume of recyclable/recoverable material recovered from the waste stream	-5%	+1%	0%	✗

<sup>9</sup> Following the Covid-19 lockdowns in the first half of 2020, we had significant contamination occurring in the recycling collections. To reduce the contamination, EcoEducate conducted audits of recycling bins, resulting in a significant reduction in contamination and rejected loads.

<sup>10</sup> There was an anomaly with the data collection in the CRM system for this measure in this financial year, therefore it is being reported as not measured. The measure is not part of the Long-Term Plan 2021-31 performance framework.

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	893	1,090	1,119
Targeted rates	2,212	2,295	2,360
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,149	2,227	1,935
Internal charges and overheads recovered	510	529	1,016
Local authorities fuel tax, fines, infringement fees and other receipts	250	255	239
Total sources of operating funding	6,015	6,396	6,669
<b>Applications of operating funding</b>			
Payments to staff and supplies	4,694	5,068	5,227
Finance costs	40	46	20
Internal charges and overheads	1,060	1,099	1,505
Other operating funding applications	-	-	5
Total applications of operating funding	5,794	6,214	6,757
<b>Surplus/(deficit) of operating funding</b>	221	182	(88)
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	143	131	82
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	143	131	82
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	347	281	118
- To replace existing assets	41	58	83
Increase/(decrease) in reserves	(23)	(27)	(207)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	364	312	(6)
<b>Surplus/(deficit) of capital funding</b>	(221)	(182)	88
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges



### Significant variances between actual and budget

There were no variances of \$500,000 or greater.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Refuse collection	64	65	83
Refuse management	323	274	118
<b>Total capital expenditure</b>	<b>387</b>	<b>339</b>	<b>201</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>387</b>	<b>339</b>	<b>201</b>

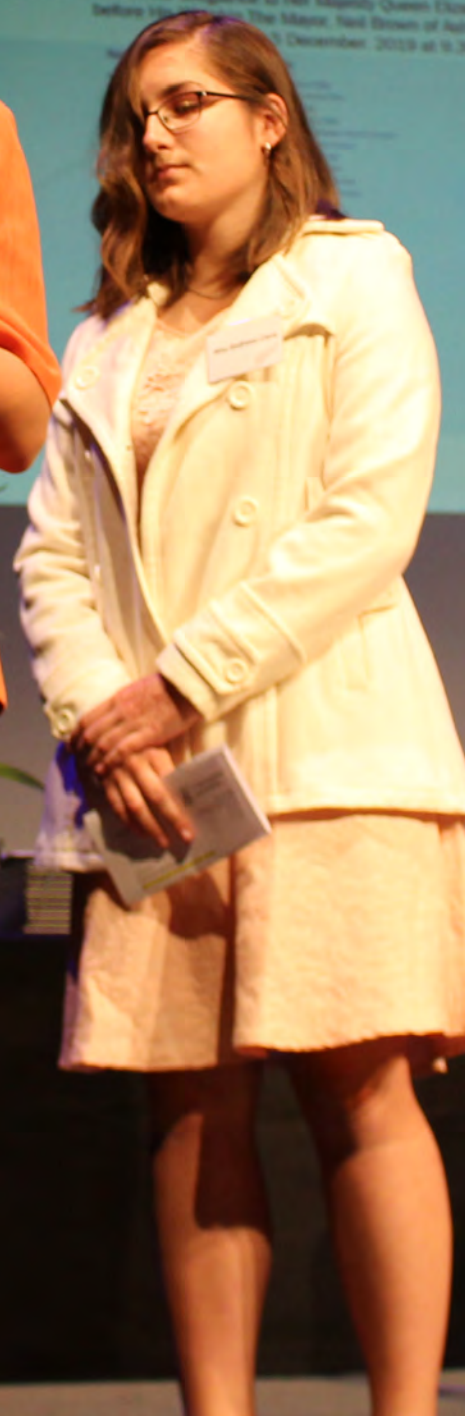






# **Public Services**





List of candidates to swear allegiance to Her Majesty Queen Elizabeth II  
before His Worship The Mayor, Lord Brown of Aulston  
on 15 December 2019 at 10.30

# Community Governance & Decision-Making

## This year we...

- Reviewed and adopted 10 policies
- Wrote 15 submissions to advocate on our district's behalf to government departments
- Received feedback from 1855 community members on the eight topics we discussed with the community this year
- Gave out over \$1.3 million in grants and funding to 65 groups and organisations

## Key results

- 74% are satisfied with our overall performance
- 95% agree Ashburton District is a great place to live
- 92% agree our district is going in the right direction
- 83% trust Council to do the right thing
- 89% of residents are satisfied with the Mayor and councillors
- 70% 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
- 93% 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 Aorwhenua through regular hui with Aoraki Environmental Consultancy .

Achieved

**4 / 4**

**performance measures**

## What we do

The Community Governance & 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 meets regularly to make governance decisions on council strategies, policies, bylaws and plans for our district. Also included under this area is the Methven Community Board and the Ashburton District Youth Council.

The Methven Community Board is an elected board that represents 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 \$1.2 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 2020/21

### Democracy

#### Long-Term Plan 2021-31

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 what their priorities were for the future of the district. Consultation on the draft document was held in March/April 2021, with 431 submissions received.

### Community Honours Awards

In October 2020 we held our Community Honours Awards. Five residents received the prestigious Mayor's Award for Public Service, with three Civic Awards presented for substantial voluntary service.

### Citizenship Ceremonies

Due to Covid-19 and the Canterbury May floods, one formal citizenship ceremony and two informal citizenship ceremonies were held in 2020/21. During this period, there were 58 new citizens from 14 different countries.

### Consultations

While the Long-Term Plan was our largest consultation this year, we also spoke with the community on a range of other topics, including the Revenue and Financing Policy, Development and Financial Contributions, Rates Remission Policy, Community Engagement Policy, Walking and Cycling Strategy, and the Baring Square East upgrade – for details of these projects go to [ashburtondc.govt.nz/haveyoursay](https://ashburtondc.govt.nz/haveyoursay).

### New ADC website

In February 2021 we launched our new ADC website. The website has a new host, which has resulted in increased usability and features, allowing for greater connectivity and simplicity for the community.

### Community grants & funding

In 2020/21, 65 groups and organisations received more than \$1.3 million collectively. Many of our funds were over-subscribed, with only the heritage fund 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. Fifteen groups received \$28,881 collectively for their projects through the Creative Communities Scheme; 14 groups received \$14,171 collectively through the Rural Travel Fund.

**Allocated grants and funding**

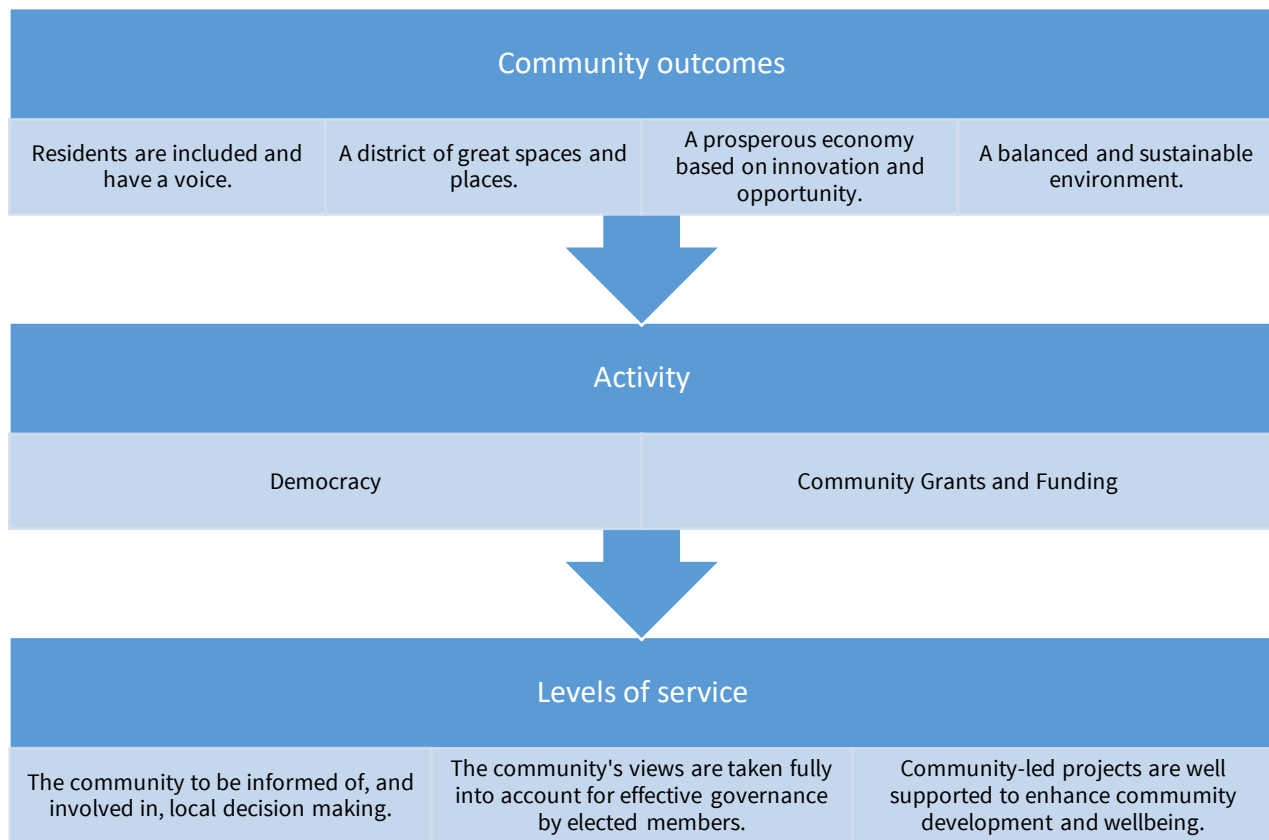
The table below shows the total funds requested for each fund, along with the amount allocated in 2020/21.

Category	Grant	Funds requested	Funds allocated
Arts & Culture	Ashburton Art Gallery	\$390,600	\$390,600
	Ashburton Trust Event Centre	\$298,860	\$298,860
	Community libraries	\$10,800	\$12,800
Community Development	Community agencies	\$198,046	\$67,730
	Community projects	\$64,062	\$28,610
	Safer Mid Canterbury	\$176,806	\$176,806
	Safe Communities accreditation	\$35,000	\$35,000
	Community House	\$15,000	\$15,000
Community Pools		\$85,115	\$65,115
Economic Development	Community events	\$32,742	\$20,000
Natural & Built Environment	Biodiversity	\$35,657	\$56,957 <sup>1</sup>
	Community infrastructure	\$86,041	\$60,000
	Heritage	\$31,419	\$25,419
Sport & Recreation	Sport development	\$62,000	\$60,000
	School holiday programme	\$7,274	\$5,000
Discretionary		\$15,000	\$15,000
<b>Total</b>		<b>\$1,529,422</b>	<b>\$1,332,897</b>

<sup>1</sup> A Biodiversity grant of \$34,900 was allocated but not paid out due to the project falling through – but this has been included in the totals in this table.



## Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
The community to be informed of, and involved in, local decision making	Residents are satisfied that the Council provides opportunities to have their say	86%	80%	88%	✓
	Residents are satisfied with the quality of information about Council activities and events	92%	80%	92%	✓
The community's views are taken fully into account for effective governance by elected members	Residents are satisfied with the performance of the Mayor and councillors	78%	80%	89%	✓

### 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
Community-led projects are well supported to enhance community development and wellbeing	Residents are satisfied that the Council provides opportunities for grants and funding to support community-led projects	95%	80%	95%	✓

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC, rates penalties	4,014	3,982	3,505
Targeted rates	73	74	102
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	2
Internal charges and overheads recovered	-	-	651
Local authorities fuel tax, fines, infringement fees and other receipts	182	90	64
Total sources of operating funding	4,269	4,147	4,324
<b>Applications of operating funding</b>			
Payments to staff and supplies	2,172	2,019	2,166
Finance costs	100	95	67
Internal charges and overheads	1,875	1,921	1,721
Other operating funding applications	-	-	-
Total applications of operating funding	4,147	4,035	3,954
<b>Surplus/(deficit) of operating funding</b>	<b>122</b>	<b>112</b>	<b>370</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	442	452	470
Increase/(decrease) in debt	(131)	(131)	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	311	321	470
<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	840
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	433	433	840
<b>Surplus/(deficit) of capital funding</b>	<b>(122)</b>	<b>(112)</b>	<b>(370)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charge

### Significant variances between actual and budget

There were no variances of \$500,000 or greater.









# Economic Development

## This year we...

- Sold 1.7 hectares of residential properties, 96 hectares of rural properties, and 2.9 hectares of industrial properties
- Were involved with 59 community events - attended by over 64,000

## Key results

- 95% of residents are satisfied with our community events
- 90% of residents are satisfied with our work in economic and business development
- 73% of residents are satisfied with our tourism promotion
- 94% 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\***

\*2 measures unable to be measured

## 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 has been outsourced to ChristchurchNZ. This has resulted in the disestablishment of our Council-Controlled Organisation (CCO), Experience Mid Canterbury (EMC), which in previous years has undertaken this promotion directly.

## What we did in 2020/21

### Commercial property

#### Rakaia Medical Centre extension

The extension to the Rakaia Medical Centre was delayed in 2019/20, with the funds carried forward to 2020/21. We are in the process of applying for a resource consent, with the intention of completing this project in the 2021/22 year.

#### Art Gallery and Heritage Centre

\$2.5 million was budgeted to cover internal and external repairs to the building across 2019/20 and 2020/21. Work has commenced on the internal and external repairs to the building, with this project due for completion in 2021/22.

#### Ashburton Business Estate

Work has been completed for Stage 1 and 2 at the business estate, with titles to be issued shortly.

### New library and civic centre building

In July 2020, we were successful in receiving a \$20 million grant towards this building, as part of the Government's Covid-19 Response and Recovery Fund.

Following a tender process, the \$42 million construction contract was signed with Naylor Love Canterbury in mid-April 2021. Construction has now begun on the building, and is on track to be completed by the end of November 2022.

### Oval pavilion

We had budgeted \$150,000 for renovations to the oval pavilion in 2019/20. This project was carried forward to 2020/21 and will be carried forward again into the 2021/22 year, with work commencing when the building in Council's ownership.

### Balmoral Hall

The first stage of repairs to the roof, toilet repairs, and additional heating was undertaken in 2020/21, within budget. A complete refurbishment of the building is due to begin in the 2022/23 year.

### Ng King Bros Chinese Market Garden Settlement

We applied to the Heritage Reservation Incentive Fund for \$65,000 to undertake structural works to preserve the settlement. We were successful in receiving \$50,000, and Council provided the additional \$15,000 to allow the works to be undertaken. This work is now due for completion in 2021/22, with landscape planning for the site also underway.

### Forestry

#### Service delivery review

A service delivery review of the Forestry activity was undertaken in 2020/21. The review considered four options for undertaking the activity: outsourcing, Council-Controlled Trading Organisation, shared service, and sale of cutting rights. This review found continuing with in-house management to be the most cost-effective delivery option. It was also agreed that a review will be undertaken in the 2021/22 year, into the future strategic approach for the Forestry activity.

### Economic development

We were successful in receiving grant money to employ an Agricultural Portfolio Advisor beginning in August. This role has focussed on the economic impacts of the National Policy Statement on Freshwater, on our district.

Other grants received allowed an apprenticeship development program, the *My Next Move* (career development for secondary school students) and a drivers licence initiative (also for secondary school students) take place.



### Welcoming Communities

The year saw a number of projects in the welcoming space, including a refresh of governance, Welcome Refugees poster competition with schools, Pasifika community workshops, Filipino Hut gardens in the Ashburton Domain, the Hakatere Home & Heritage book, museum exhibition and Welcoming Mural. We also saw the first cohort of refugees arrive in June 2021, as part of the refugee resettlement quota programme.

### Ashburton Nights of Light Festival

Ashburton Nights of Light Festival was the biggest Council event in 2020/21. Each Friday night in the lead up to Christmas a different festive activity was held in Baring

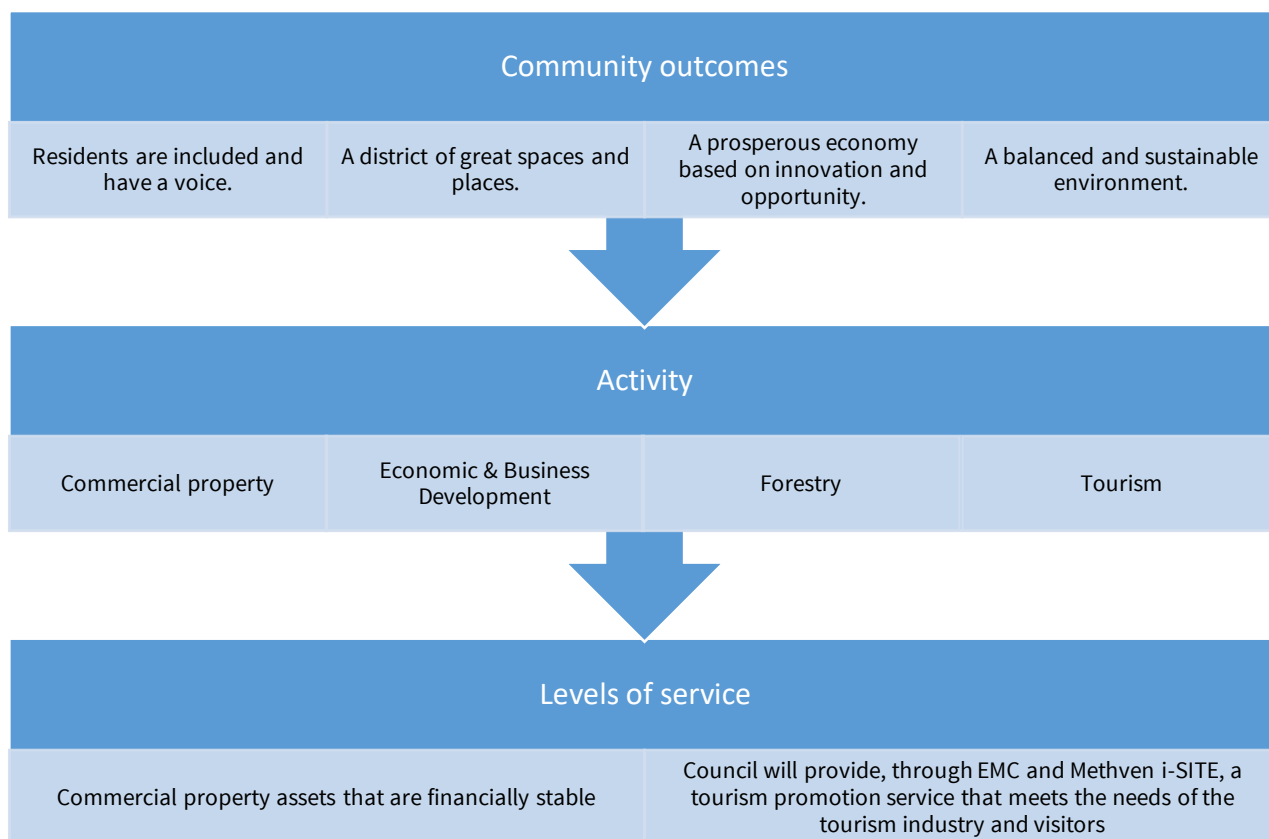
Square East, including Light up the Night, Buskers and Craft Market Night, Family Movie Night and the Festive Walk (fairy lights and art installations in the trees along East Street). The Light up the Night even attracted a record attendance of 4000.

### Tourism

#### Experience Mid Canterbury

Due to the effect of Covid-19 and reduced tourism in the 2020/21 year, Experience Mid Canterbury undertook a review of their strategy. This resulted in district promotion being outsourced to ChristchurchNZ and the disestablishment of Experience Mid Canterbury.

## Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21	RESULT
Commercial property assets that are financially sustainable	Occupancy of all commercial tenancies at or above 95% at all times.	98%	≥ 95%	98%	✓
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	The EMC business membership will show an increase each year.	- 13%	≥ 2%	Unable to be measured	N/A <sup>2</sup>
	Total visitor guest nights in the Ashburton District will show an increase each year.	Unable to be measured	≥ 2%	Unable to be measured	N/A <sup>3</sup>

<sup>2</sup> Due to the change in the way tourism was delivered – through ChristchurchNZ, EMC did not have a membership base in 2020/21.

<sup>3</sup> Statistics New Zealand no longer undertakes the Accommodation survey which is where this information was previously sourced.

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	(1,103)	(1,227)	-
Targeted rates	205	205	132
Subsidies and grants for operating purposes	-	-	143
Fees and charges	6	6	3
Internal charges and overheads recovered	2,577	2,632	2,586
Local authorities fuel tax, fines, infringement fees and other receipts	6,249	6,761	9,140
Total sources of operating funding	7,933	8,377	12,002
<b>Applications of operating funding</b>			
Payments to staff and supplies	2,646	2,725	3,996
Finance costs	1,603	1,503	1,055
Internal charges and overheads	957	983	2,561
Other operating funding applications	-	-	101
Total applications of operating funding	5,207	5,211	7,713
<b>Surplus/(deficit) of operating funding</b>	<b>2,727</b>	<b>3,166</b>	<b>4,290</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	2,043
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(2,504)	(2,504)	6,442
Gross proceeds from sale of assets	-	-	7,875
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(2,504)	(2,504)	16,360
<b>Application of capital funding</b>			
Capital expenditure			
- To meet additional demand	-	-	-
- To improve the level of service	5,132	10,456	9,862
- To replace existing assets	20	21	-
Increase/(decrease) in reserves	(4,930)	(9,815)	10,788
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	222	662	20,650
<b>Surplus/(deficit) of capital funding</b>	<b>(2,727)</b>	<b>(3,166)</b>	<b>(4,290)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

General rate, UAGC, rates penalties

The LTP showed the surplus this activity makes as a negative rate (\$1.227 million). The methodology of showing the surplus as a negative rates has been discontinued in this annual report, with any surplus being proportioned across the activities that had a general rate/ UAGC requirement

#### Sources of operating funding

Local authorities fuel tax, fines, infringement fees and other receipts were \$2.379 million above budget. Total gain on sale of properties including subdivisions, commercial property and Glasgow leases was \$2.9 million above budget. EA Networks Centre fees and charges were \$381,000 less than budget due to the ongoing impact of the previous year's Covid-19 impacts.

#### Application of operating funding

Payments to staff and suppliers was \$1.271 million above the Year 3 LTP budget.

Repairs and Maintenance was \$580,000 against an LTP Year 3 budget of \$196,000. This included \$150,000 for repairs to the Mt Somers hall. The adjustment to gross up the value of property inventory sales resulted in a \$904,000 cost not reflected in the Year 3 LTP figure.

#### Internal charges and overheads

The variance of \$1.578 million relates to the movement in the surplus as per the explanation for the general rate, UAGC and rates penalties income above.

#### Sources of capital funding

Subsidies and Grants was \$2.043 million against a budget of \$0 in the LTP. Council received \$2 million of Provincial Growth Fund money as part of a \$20 million contribution towards the new Library and Civic centre building

Loan funding was up by \$8.946 million as a result of the Ashburton Business Estate work and the loan funding of pre-construction costs on the new Library and Civic Centre building.

#### Application of capital funding

Capital expenditure (both existing and improved levels of service) was \$615,000 below budget. This is a result of the new Library and Civic Centre building being \$4.6 million below the LTP budget of \$10.440 million for 2020/21. This is offset by \$3.540 million of capital expenditure at the Ashburton Business Estate which was budgeted in Years 4-10 in the LTP.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Commercial property	5,153	10,477	9,862
<b>Total capital expenditure</b>	<b>5,153</b>	<b>10,477</b>	<b>9,862</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>5,153</b>	<b>10,477</b>	<b>9,862</b>









# Community Services

## This year we provided...

- 40 public toilets
- 108 elderly persons homes

## Key results

- 88% of residents were satisfied with community safety
- 90% of residents were satisfied with CCTV and security patrols
- 92% 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 2020/21

### Elderly Persons Housing

#### Section 17A review

In 2020, we undertook a Section 17A review of the Elderly Persons Housing activity. This found that the income levels were not covering the costs of delivering the activity, and the reserve fund would be exhausted inside four years.

As a result of this, we amended the Revenue & Financing Policy to allow the general rate to partially fund the activity. We then consulted through the Long-Term Plan 2021-31 to incrementally increase rents so that the general rate is not required from 2023/24.

### Public conveniences

Upgrades to the Methven public toilets were undertaken, along with two new pre-fabricated toilets to replace long-drops at Bowyers Stream and Wakanui Beach. These were all completed within budget, and on time.

### Reserves & campgrounds

#### Lake Clearwater

\$100,000 was budgeted to identify and formalise leased areas at the settlement at Lake Clearwater. This work has now been completed, well under budget. We will now be amending leases with the updated plans and licences to occupy where structures are outside of leased areas.

#### Rakaia gorge camping ground

\$30,000 was budgeted in 2020/21 to seal the driveway into the camping ground. This work has been completed within budget and on time.

#### Playground and swimming pool audit

Audits on all Council-owned playgrounds and swimming pools was undertaken early in 2021. This information is being used to indicate upcoming costs, and identify any health and safety issues which need attention.

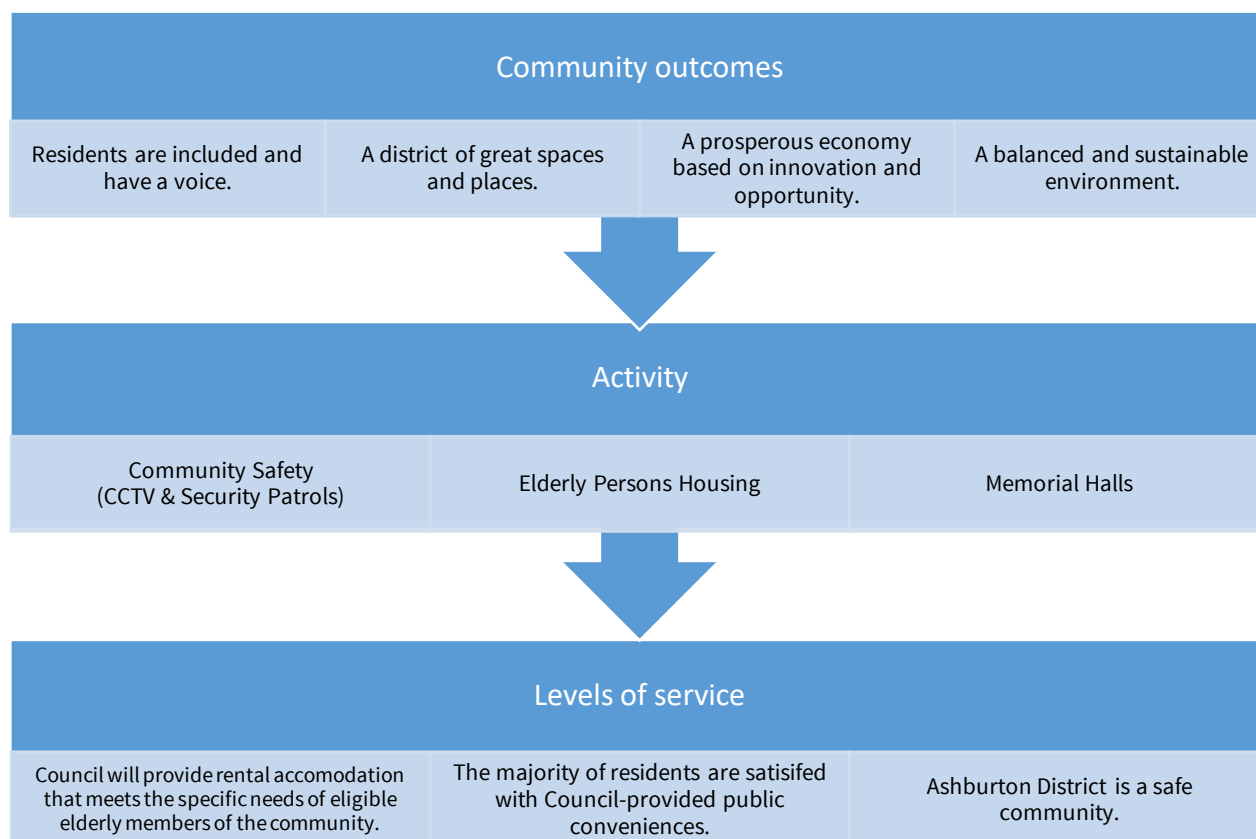
#### Provincial growth funding for town halls

The Mt Hutt Memorial Hall, Mt Somers War Memorial Hall and Seaford Hall were successful in receiving a share of \$141,582 for repairs and renovations through the Provincial Growth Fund. All three projects have been completed, within budget.

#### Earthquake strengthening of memorial halls

The Mt Somers and Mayfield Memorial halls underwent earthquake strengthening repairs in 2021. The design for strengthening to the Rakaia Memorial Hall has been undertaken, however, the cost for the scope of work needed is greater than the initial estimation. Council will decide later in 2021 on the future of this building.

## Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community	Occupancy rates of Elderly Persons Housing	97%	95%	96%	✓
The majority of residents are satisfied with Council-provided public conveniences	Residents are satisfied with Council-provided public conveniences	94%	80%	92%	✓
Ashburton District is a safe community	Residents are satisfied with Council's provision of CCTV and security patrols within the district	91%	80%	89%	✓



## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	1,481	1,518	1,127
Targeted rates	180	183	141
Subsidies and grants for operating purposes	17	39	79
Fees and charges	553	564	434
Internal charges and overheads recovered	29	30	279
Local authorities fuel tax, fines, infringement fees and other receipts	1,048	1,091	925
Total sources of operating funding	3,308	3,425	2,985
<b>Applications of operating funding</b>			
Payments to staff and supplies	2,180	2,218	2,531
Finance costs	39	38	21
Internal charges and overheads	663	684	582
Other operating funding applications	-	-	7
Total applications of operating funding	2,882	2,940	3,141
<b>Surplus/(deficit) of operating funding</b>	<b>426</b>	<b>485</b>	<b>(156)</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1
Increase/(decrease) in debt	(40)	(40)	169
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(40)	(40)	170
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	102	46	138
- To replace existing assets	286	292	250
Increase/(decrease) in reserves	(4)	108	(374)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	386	446	14
<b>Surplus/(deficit) of capital funding</b>	<b>(426)</b>	<b>(485)</b>	<b>156</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Significant variances between actual and budget

There were no significant variances of \$500,000 or more.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Elderly persons housing	97	99	8
Public conveniences	189	193	255
Memorial halls	11	26	71
Reserves and camp grounds	-	-	31
Reserve boards	91	20	24
<b>Total capital expenditure</b>	<b>388</b>	<b>338</b>	<b>389</b>
less vested assets	-	-	
<b>Council funded capital expenditure</b>	<b>388</b>	<b>338</b>	<b>389</b>







# 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

- 96% of residents were satisfied with our parks and open spaces
- 97% of residents were satisfied with our cemeteries
- 81% of residents visited the Ashburton Domain, of which 97% were satisfied with it
- 57% of residents visited a playground, of which 88% 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 Ashburton Cemetery Extension able to provide for a broad range of burial needs.

**Achieved**  
**4 / 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 103 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 2020/21

### Ashburton Domain Development Plan

The Draft Ashburton Domain Development Plan went out for consultation February 2020. Due to Covid-19 and the resulting lockdown, the consultation period was extended, with hearings and deliberations held in August, with Council making a final decision on the plan later in October 2020. We received 164 submissions to this

consultation. To see the feedback and final plan, go to [ashburtondc.govt.nz/haveyoursay](https://ashburtondc.govt.nz/haveyoursay).

### Domain entranceway

One of the first projects to get underway from the plan is the new entranceway off Walnut Avenue into the Domain. Logic Group has been appointed as project managers with AECOM providing the engineering and geotechnical services. This project will be completed in 2020/21, as per the Long-Term Plan 2021-31.

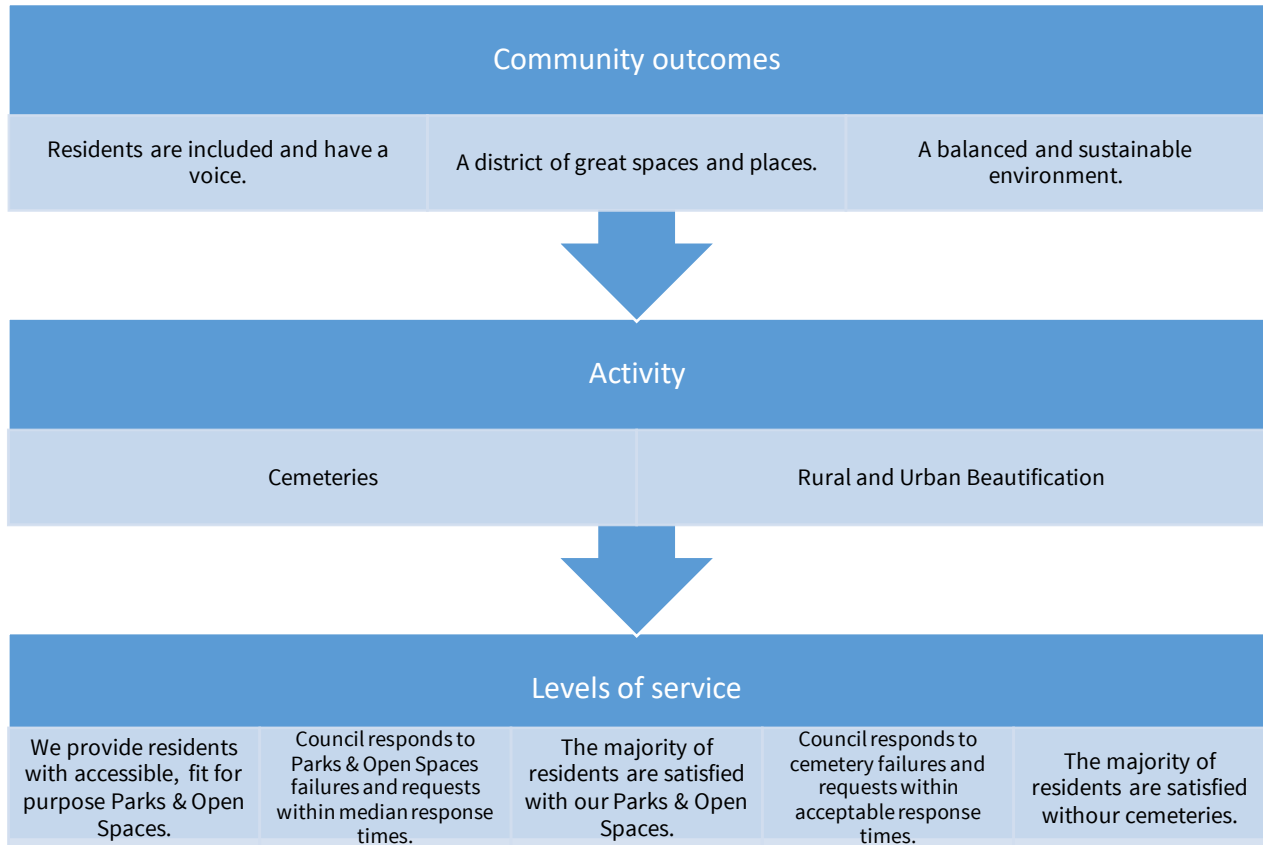
### District-wide improvements

- Irrigation installed to the cricket oval outfield in the Domain - \$108,000
- Camrose playground improvements
- Improvements to fencing and drainage in Ashburton cemetery - \$33,000
- Improvements, including new bollards, landscaping and furniture at Bowyers Stream reserve
- Rabbit-proof fencing installed around plantings at Lake Camp, along with additional plantings, weed and pest control.

### Projects still in progress

- Fencing of the donga and biodiverse areas at Ashton Beach was undertaken. In addition, an application is currently sitting with the Department of Conservation to allow the proposed motorbike park to be developed.
- Landscaping of the Rakaia Salmon site is currently in progress, including new playground equipment, plantings, furniture, signage, paths, and sealing of the carpark behind the new toilets. This is co-funded by the Tourism Infrastructure Fund, with Council's contribution being \$78,000.

## Our service





## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We provide residents with accessible, fit for purpose parks and open spaces	Urban residents live within 400 metres of a park or open space.	95%	100%	95%	✗ <sup>4</sup>
	Urban residents have access to open spaces (per 1,000 residents).	8,715 m <sup>2</sup>	≥4,000 m <sup>2</sup>	8,230 m <sup>2</sup>	✓
	Residents throughout the district have access to sports parks (per 1,000 residents).	3.5 ha	≥3.5 ha	3.4 ha	✗ <sup>5</sup>
Council responds to parks and open spaces failures and requests within median response times	Complaints are responded to within ten working days.	58%	100%	71%	✗ <sup>6</sup>
The majority of residents are satisfied with our parks and open spaces	Residents are satisfied with Council-provided Parks & Open Spaces.	92%	80%	96%	✓
Council responds to cemetery failures and requests within acceptable response times.	Complaints are responded to within ten working days.	100%	100%	100%	✓
The majority of residents are satisfied with our cemeteries.	Residents are satisfied with Council-provided cemeteries.	97%	80%	97%	✓

<sup>4</sup> No new parks acquired in existing residential areas.

<sup>5</sup> The district's population has increased without an increase in sports parks.

<sup>6</sup> While still below the target, there has been a significant improvement in performance due to an increase in resources.







## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	1,576	1,568	1,638
Targeted rates	1,339	1,358	1,734
Subsidies and grants for operating purposes	-	-	6
Fees and charges	265	268	275
Internal charges and overheads recovered	6	6	319
Local authorities fuel tax, fines, infringement fees and other receipts	97	102	47
Total sources of operating funding	3,283	3,302	4,019
<b>Applications of operating funding</b>			
Payments to staff and supplies	2,497	2,558	3,369
Finance costs	73	69	49
Internal charges and overheads	170	178	108
Other operating funding applications	-	-	1
Total applications of operating funding	2,740	2,805	3,527
<b>Surplus/(deficit) of operating funding</b>	<b>543</b>	<b>497</b>	<b>492</b>
<b>Capital funding</b>			
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	91
Development and financial contributions	430	439	570
Increase/(decrease) in debt	(97)	(97)	901
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	333	342	1,562
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	462	168	524
- To replace existing assets	-	215	1,968
Increase/(decrease) in reserves	413	456	(438)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	875	839	2,054
<b>Surplus/(deficit) of capital funding</b>	<b>(543)</b>	<b>(497)</b>	<b>(492)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges



### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Application of operating funding

Payments to staff and suppliers exceeded the Year 3 LTP budget by \$811,000. The 2020/21 Annual Plan budgeted payment to staff and suppliers at \$3.312 million recognising the additional staff resources and costs needed to maintain Council's services in this area.

#### Sources of capital funding

Increase in debt was the result of the capital expenditure on the Ashburton town centre upgrade, resulting in a loan being raised of \$887,000. The Ashburton town centre upgrade was not in the 2018-28 LTP.

#### Application of capital funding

Capital expenditure (both existing and improved levels of service) was up \$2.1 million on the Year 3 LTP budget. The Ashburton town centre upgrade expenditure was \$1.9 million in 2020/21. This project was not included in the LTP.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Parks and recreation	399	343	2,771
Cemeteries	63	40	54
<b>Total capital expenditure</b>	<b>462</b>	<b>383</b>	<b>2,825</b>
less vested assets	-	-	334
<b>Council funded capital expenditure</b>	<b>462</b>	<b>383</b>	<b>2,491</b>



# Recreation Facilities

## This year...

- 64% of our residents visited the EA Networks Centre
- 45% of our residents visited the Ashburton Public Library
- We issued 229,734 items to borrowers
- Held 181 activities for children at the library, and 183 adult community engagement and digital learning sessions
- 32% of our residents visited the Ashburton Museum

## Key results

- 93% of users were satisfied with the services and programmes at the EA Networks Centre
- 98% of users were satisfied with the services and programmes at the Ashburton Public Library
- 90% 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**  
**4 / 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 2020/21

### Ashburton Library

#### Children's programme

This year saw us continue to extend our children's programmes, including the introduction of a coding club –

Microbytes, soon followed by Megabytes for the more advanced children.

### New Zealand Libraries Partnership Programme

This is a government initiative to support librarians and library services to be retained in New Zealand. This allowed us to gain free access to PressReader and Ancestry.com for the next two years.

We were also successful, through this programme, to be granted funding for three full time librarians for just under two years each. These roles are a library assistant, a digital access co-ordinator, and a community engagement co-ordinator.

### Ashburton Museum

#### Caring for collections

Work has continued this year to assess new items and catalogue those that have been accepted for our collections. In addition, foundational work was established which aims to prolong the health of the items in the collection for future generations.

### New Zealand Museum Standards programme

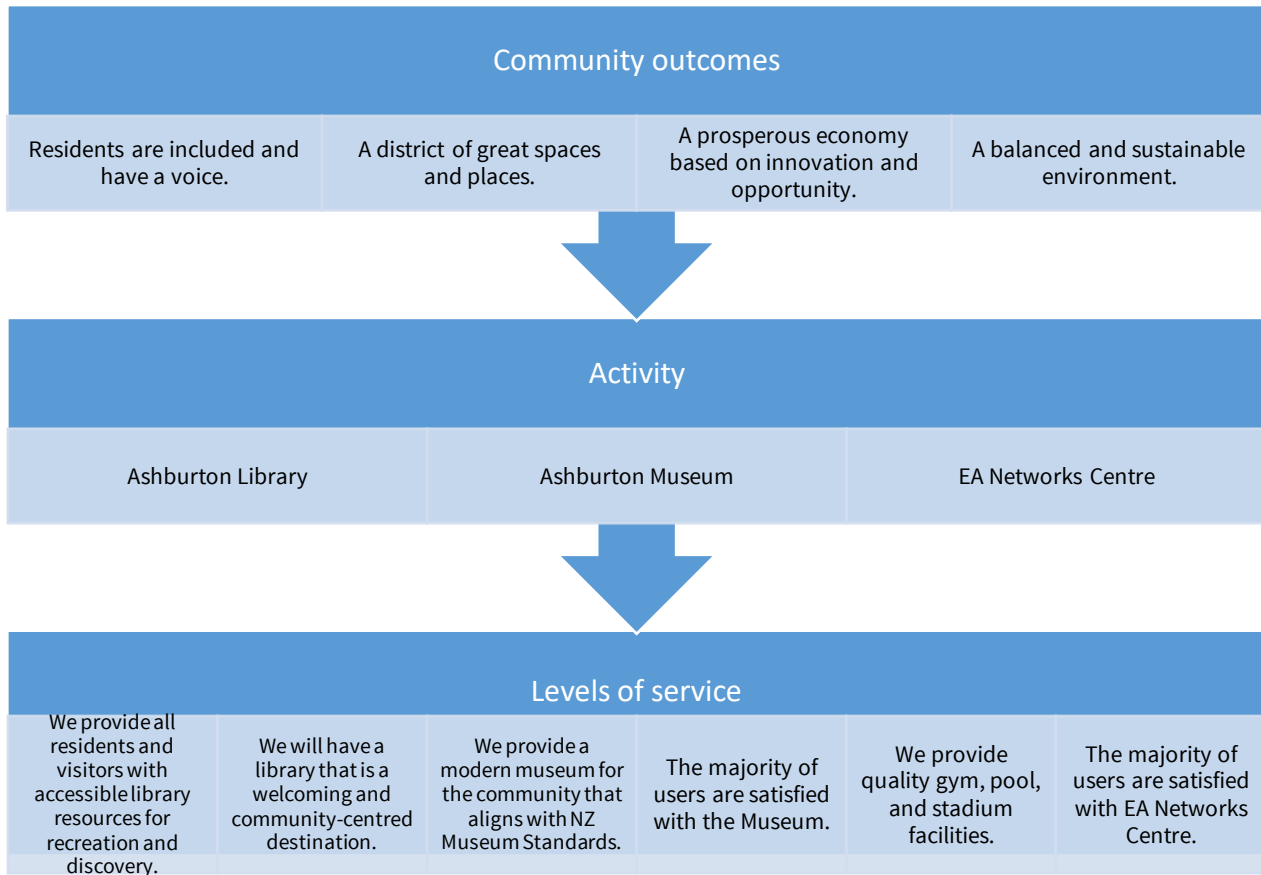
This year we continued working towards achieving the criteria set out in the standards. We now expect to meet 80% of the standards, however, due to resourcing issues, we haven't yet had this assessed externally. External assessment will be undertaken in the 2021/22 year.

### EA Networks Centre

#### Software system

\$120,000 was included in the budgets to purchase a new software system for the EA Networks Centre. There was a slight delay in completing this project, with the new software going live mid-July 2021. The system has increased reporting and usability functions, including improved customer service capabilities.

## Our service



## 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)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
We provide all residents and visitors with accessible library resources for recreation and discovery	The Ashburton Public Library is well utilised	90,931	130,000 visitors	97,402	✗ <sup>7</sup>
	Most households in the district utilise the library	9,122	10,050	9,248	✗ <sup>8</sup>
We will have a library that is a welcoming and community-centred destination	Users are satisfied with Council's library services	97%	80%	98%	✓
	Free public internet sessions (Aotearoa People's Network Kaharoa) are well utilised and increasing each year	36,486	47,000	31,453	✗ <sup>9</sup>
We provide a modern museum for the community that aligns with NZ Museum Standards	Museum programmes and services are well utilised and increasing	20,567	16,500	19,046	✓
	Ashburton Museum meets New Zealand Museum Standards	75%	100%	80%	✗ <sup>10</sup>
The majority of users are satisfied with the Museum	Users are satisfied with Council-provided Museum services and programmes	94%	80%	90%	✓
We provide quality gym, pool, and stadium facilities	EA Networks Centre is well utilised	359,739	>480,000	403,799	✗ <sup>11</sup>
	Swim School is well utilised	3,523	>4,500	3,548	✗ <sup>12</sup>
	The gym is well utilised	956	>1,100	899	✗ <sup>13</sup>
The majority of users are satisfied with EA Networks Centre	Users are satisfied with EA Networks Centre services and programmes	88%	80%	93%	✓

<sup>7</sup> Several schools that used to make class visits have their own libraries back from being classrooms.

<sup>8</sup> We are working on widening appeal and range of users.

<sup>9</sup> More and more people are using devices at home now, decreasing the use of our free service.

<sup>10</sup> Due to resourcing constraints there are some sections still to be completed. The progress then will be sent to a panel for review and comments.

<sup>11</sup> From 12 August to 21 September 2020, 14-17 February 2021, and 28 February to 7 March 2021, our district was at Covid-19 Alert Level 2. While at this alert level, the centre can be open, however, restrictions are in place – including reduced numbers in gym classes and cancellation of large events in the stadium due to restricted numbers. These restrictions reduced our visitor numbers compared to the corresponding months in previous years by around 23-27%. In October 2021, facility attendance numbers were also lower than the previous years due to large events being cancelled in anticipation of Covid-19 restrictions. Additionally, users delayed their return to programmes and activities in the facility due to concerns of Covid-19.

<sup>12</sup> See footnote 10 above.

<sup>13</sup> See footnote 10 above.







## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	5,971	6,090	5,226
Targeted rates	-	-	-
Subsidies and grants for operating purposes	10	10	69
Fees and charges	2,194	2,273	1,901
Internal charges and overheads recovered	139	142	1,011
Local authorities fuel tax, fines, infringement fees and other receipts	408	411	99
Total sources of operating funding	8,722	8,926	8,306
<b>Applications of operating funding</b>			
Payments to staff and supplies	4,665	4,759	4,305
Finance costs	6	18	13
Internal charges and overheads	3,753	3,840	3,764
Other operating funding applications	1	1	6
Total applications of operating funding	8,425	8,618	8,088
<b>Surplus/(deficit) of operating funding</b>	<b>297</b>	<b>308</b>	<b>218</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	304	5,205	51
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	304	5,205	51
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	444	5,361	199
- To replace existing assets	47	41	69
Increase/(decrease) in reserves	113	112	1
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	604	5,513	269
<b>Surplus/(deficit) of capital funding</b>	<b>(297)</b>	<b>(308)</b>	<b>(218)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

### Significant variances between actual and budget

Variances of \$500,000 or greater are explained here.

#### Sources of operating funding

The LTP showed the surplus from the economic development and miscellaneous activities as a negative rate.. The methodology of showing the surplus as a negative rates has been discontinued in this annual report, with any surplus being proportioned across the activities that had a general rate/ UAGC requirement. This has led to an adjustment of \$930,000 reduction against the rate figure.

#### Sources of capital funding

Increase in debt was \$5.154 million less than the LTP budget - see capital expenditure below.

#### Application of capital funding

Capital expenditure was \$5.134 million less than the LTP budget. The swim school extension and interactive splash zone budgeted in Year 3 of the LTP at \$5.220 million did not go ahead. This project has been deferred pending further investigation.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Library	109	113	134
Ashburton Museum	7	7	5
Recreation facilities and services	374	5,282	129
<b>Total capital expenditure</b>	<b>490</b>	<b>5,402</b>	<b>268</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>490</b>	<b>5,402</b>	<b>268</b>









# Regulatory Functions







# Regulatory Functions

## This year we...

- Processed 1116 LIM reports
- Processed 649 building consents
- Issued 736 Code of Compliance Certificates
- Issued 215 resource consents
- Issued 50 subdivision plans
- Inspected 285 swimming pool fences
- Monitored 113 alcohol licensed premises in our district
- Audited 123 food premises with Food Control Plans
- Registered 6728 dogs
- Responded to 579 reports of found, wandering or barking dogs, responding to 38 urgent incidents
- Responded within 2 hours to all 384 occasions where noise control were called

## Key results

- 92% satisfied with alcohol licensing
- 87% satisfied with animal control
- 79% of users satisfied with our building services
- 96% satisfied with our emergency management
- 67% of users satisfied with our environmental monitoring
- 72% of users satisfied with our planning services
- 92% 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  
**16 / 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 2020/21

### Canterbury May floods

Canterbury experienced a significant rainfall event between 29–31 May 2021 that was declared a State of Local Emergency by Mayor Neil Brown. Within the Ashburton District, 540mm of rainfall was recorded at the ECan Mount Somers weather station (approx. 800m above msl) with 185mm of rainfall being recorded at the ECan Hinds Plains weather station (approx. 90m above msl) over the course of the three day event.

This rainfall resulted in the highest flows on record, in the Upper Hinds and Ashburton/Hakateri river catchments. While ECan river flow gauges inland were damaged during the event, data recorded at the Ashburton SH1 Bridge peaked at 1,542 cumecs an increase of 1,521 cumecs in 24 hours.

Rural residents were affected from flood damaged properties and Ashburton residents in Allenton and Netherby were put on a prepare to evacuate notice.

Council's Emergency Operations Centre operated for 13 days with the first 5 days being a 24 hour operation. From Day 5, the EOC operated a single 12 hour shift during the day. The district transitioned into recovery on 10 June.

### Housing and Business Capacity Assessment

Dr David Dyason from Lincoln University undertook a high level Housing and Business Capacity Assessment (HBA) for the district – reporting on demand and capacity for development. This will inform the 30 year Future Development Strategy for the district, and in turn, support the development of a Spatial Plan and other development plans.

### Barhill character design guide

A design guide for development in the Barhill historic village was prepared to assist owners and prospective developers with their projects in the village. The guide provides information on styles and features expected in the village. It is available on our website:

[ashburtondc.govt.nz](http://ashburtondc.govt.nz) > District > Plans, Reports and Strategies > District Plan

### District Plan Change 3 & 4

Over the past year, we have undertaken two plan changes. Plan Change 3 was a privately requested plan change by Farmers Corner Limited to create a special 'Tourism Zone' at their site to the south of Ashburton. The plan change was successful.

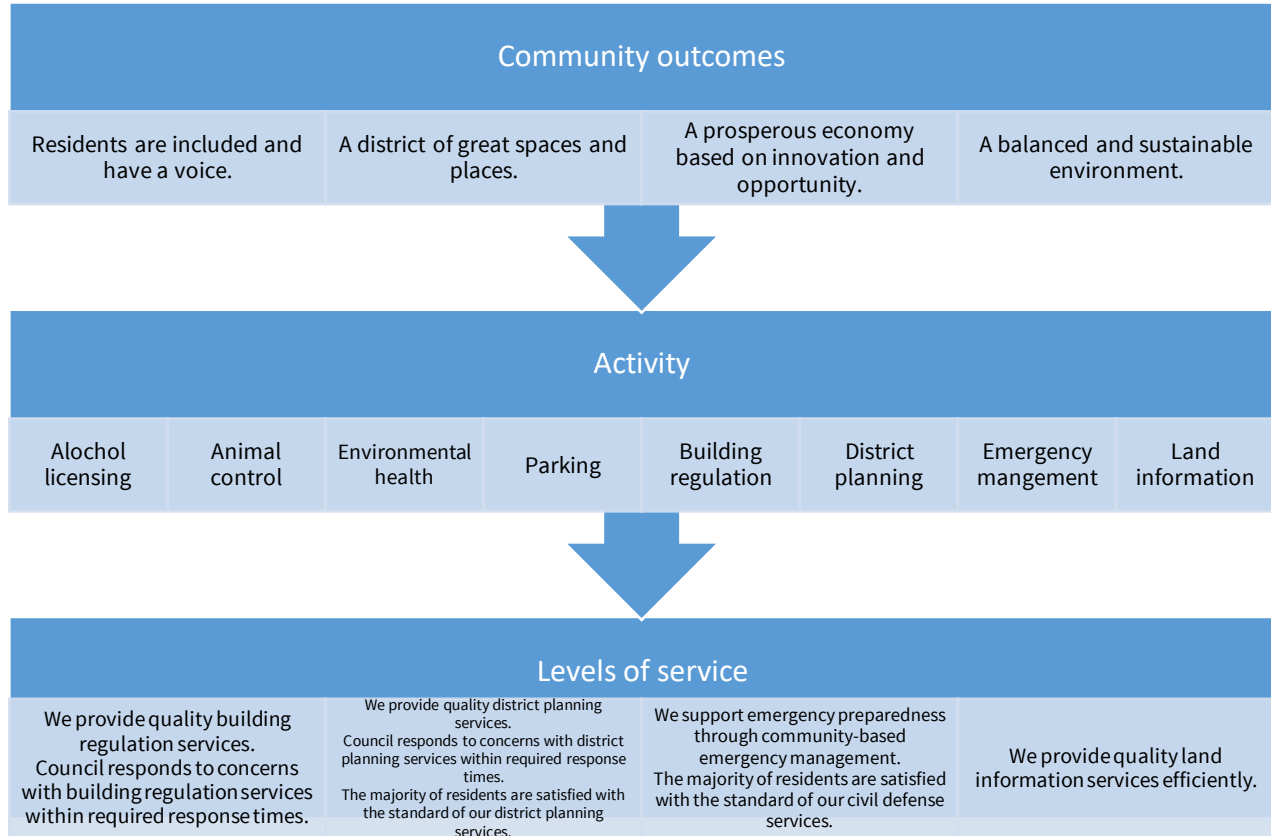
Plan Change 4 was a Council initiated plan change which sought to revise rules around commercial activities (especially retail and office developments). This plan change sought to prioritise development in the Business A zone. This was also successful.

### Effect of Covid-19 on building consents

Following the Covid-19 lockdowns in early 2020, there has been a significant increase in building applications. We have seen a 23.8% increase in new dwelling consents in the 12 months to June 2021, compared with the previous 12 month period. This compares to 17.8% in New Zealand over the same period.

In addition to this increase in workload, covid-19 has also severely affected the supply of construction materials, which in turn is affecting timeframes for most trades, which is impacting the building inspections as priorities change based on which projects can get the materials supplied.

## 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 MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We provide quality alcohol licensing services	Licensed premises are monitored each year	100%	100%	100%	✓
	Stakeholder meetings are held each year	26	10	36	✓
The majority of residents are satisfied with Council's role in alcohol licensing	Residents are satisfied with how Council undertakes its role in alcohol licensing	90%	80%	92%	✓
We provide quality animal control services	Known dogs are registered	96%	95%	95.1%	✓
Council contractors respond to animal control incidents within contractual response times	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%	✓
The majority of residents are satisfied with our animal control services	Residents are satisfied with Council's animal control services	86%	80%	87%	✓
We provide quality environmental health services	Registered food premises are risk assessed each year	81%	80%	91%	✓
Council contractors respond to environmental health issues within contractual response times	Noise complaints are responded to within two hours	100%	100%	100%	✓

## 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 MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	
We provide quality building regulation services	Building consents are processed and decisions made within 20 working days	99.1%	100%	81.4%	✗ 1
	Code of Compliance Certificates are processed and decisions made within 20 working days	99.4%	100%	99.7%	✗ 2
	Buildings with compliance schedules are audited each year	10.3%	10%	11.4%	✓
	Swimming pool fences are inspected every year	35.5%	33%	48.6%	✓
Council responds to concerns with building regulation services within required response times	Building service complaints are responded to within two working days	100%	100%	100%	✓

<sup>1</sup> 528 of 649 consents were processed within the timeframe

<sup>2</sup> 734 of 736 certificates were processed within the 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 MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We provide quality district planning services	Resource consent applications and exemptions are determined within statutory timeframes	99.5%	100%	99.5%	✗ <sup>3</sup>
	Subdivision plan approval certificates (RMA s.223) are determined within ten working days	98%	100%	95%	✗ <sup>4</sup>
Council responds to concerns with district planning services within required response times	District planning service complaints are responded to within five working days	100%	100%	100%	✓
The majority of residents are satisfied with the standard of our district planning services	Residents are satisfied with the standard of Council's planning services	82%	80%	86%	✓

### 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 MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We support emergency preparedness through community-based emergency management	A community response plan is developed or renewed annually	1	1	1	✓
The majority of residents are satisfied with the standard of our civil defence services	Residents are satisfied with the civil defence services provided by Council	96%	80%	96%	✓

<sup>3</sup> One of 216 resource consents went overtime by 1 day during the period

<sup>4</sup> 3 of 60 223 Certificates went overtime during the period



## Land Information

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

WHAT WE'RE WORKING TOWARDS (Levels of service)	HOW WE MEASURE PROGRESS (Performance measures)	2019/20 RESULT	2020/21 TARGET	2020/21 RESULT	RESULT
We provide quality land information services efficiently	LIM applications are processed within ten working days	100%	100%	99.9%	✗ 5

<sup>5</sup> 1 of 1116 LIM applications was processed outside of statutory timeframes

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	1,885	1,872	1,557
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,095	3,167	2,897
Internal charges and overheads recovered	104	106	401
Local authorities fuel tax, fines, infringement fees and other receipts	510	517	438
Total sources of operating funding	5,593	5,663	5,293
<b>Applications of operating funding</b>			
Payments to staff and supplies	3,519	3,566	3,321
Finance costs	50	44	30
Internal charges and overheads	1,836	1,877	1,616
Other operating funding applications	2	2	17
Total applications of operating funding	5,406	5,488	4,984
<b>Surplus/(deficit) of operating funding</b>	<b>186</b>	<b>175</b>	<b>309</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	(147)	(137)	(137)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(147)	(137)	(137)
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	66	84	37
- To replace existing assets	-	-	-
Increase/(decrease) in reserves	(27)	(45)	135
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	40	38	172
<b>Surplus/(deficit) of capital funding</b>	<b>(186)</b>	<b>(175)</b>	<b>(309)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

### Significant variances between actual and budget

There were no variances of \$500,000 or more.

### Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Emergency management	26	-	13
Parking	40	84	24
<b>Total operating expenditure</b>	<b>66</b>	<b>84</b>	<b>37</b>
less vested assets	-	-	
<b>Council funded capital expenditure</b>	<b>66</b>	<b>84</b>	<b>37</b>









# Miscellaneous







# Miscellaneous Services

## Funding Impact Statement

For the year ended 30 June	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
<b>Operating funding</b>			
<b>Sources of operating funding</b>			
General rate, UAGC*, rates penalties	(1,205)	(1,214)	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	624	371	270
Local authorities fuel tax, fines, infringement fees and other receipts	1,725	1,752	1,758
Total sources of operating funding	1,144	909	2,028
<b>Applications of operating funding</b>			
Payments to staff and supplies	-	-	1
Finance costs	146	147	90
Internal charges and overheads	635	382	1,325
Other operating funding applications	141	144	128
Total applications of operating funding	922	673	1,545
<b>Surplus/(deficit) of operating funding</b>	<b>222</b>	<b>235</b>	<b>483</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	204	209	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	186	191	-
<b>Application of capital funding</b>			
<b>Capital expenditure</b>			
- To meet additional demand	-	-	-
- To improve the level of service	102	157	586
- To replace existing assets	835	751	166
Increase/(decrease) in reserves	(528)	(483)	(268)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	409	426	484
<b>Surplus/(deficit) of capital funding</b>	<b>(222)</b>	<b>(235)</b>	<b>(483)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Uniform Annual General Charges

## Significant variances between actual and budget

### Sources of operating funding

#### General rate, UAGC, rates penalties

The LTP showed the surplus this activity makes as a negative rate (\$1.214 million). The methodology of showing the surplus as a negative rates has been discontinued in this annual report, with any surplus being proportioned across the activities that had a general rate/ UAGC requirement

### Applications of operating funding

#### Internal charges and overheads

The variance of \$0.943 million relates to the movement in the surplus as per the explanation for the general rate, UAGC and rates penalties income above.

## Capital expenditure by activity

	2019/20 LTP \$000	2020/21 LTP \$000	2020/21 Actual \$000
Information systems	569	532	450
Plant and vehicles	368	376	291
Civic building	-	-	11
<b>Total capital expenditure</b>	<b>937</b>	<b>908</b>	<b>752</b>
less vested assets	-	-	-
<b>Council funded capital expenditure</b>	<b>937</b>	<b>908</b>	<b>752</b>









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# Our Finances

# 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.

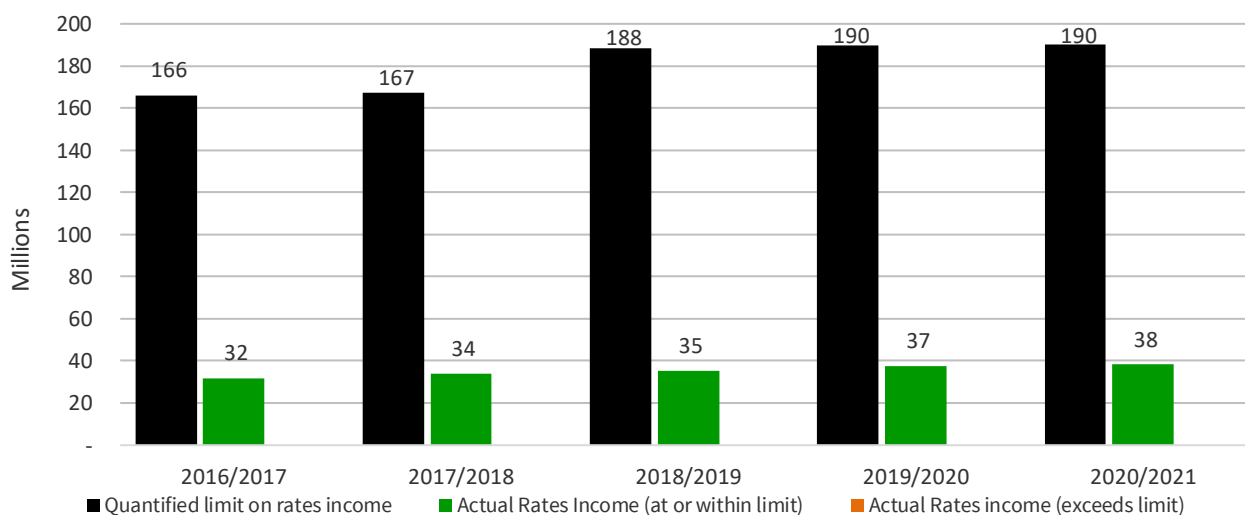
## Rates affordability benchmark

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

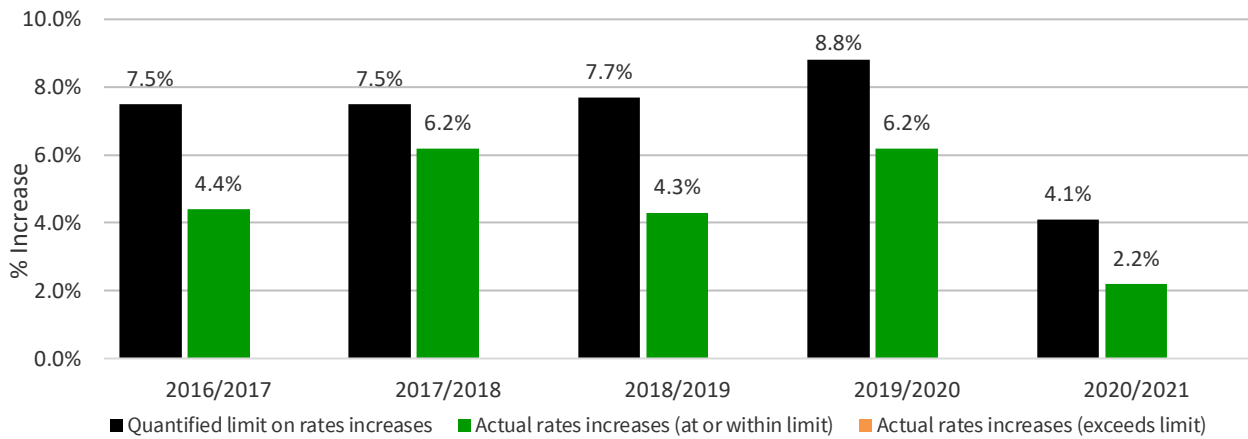
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan. The quantified limit is actual rates income (excluding GST) will not be greater than 1% of the total capital value of the district.





### 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.

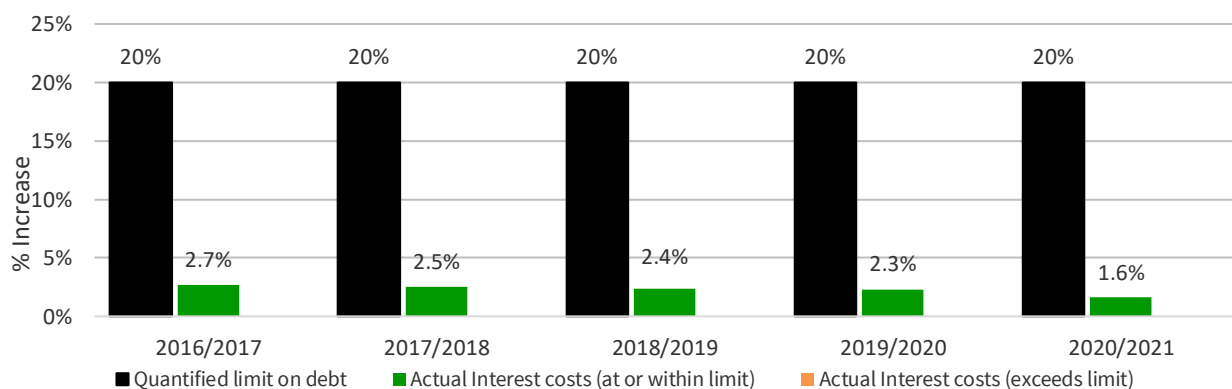


### Debt affordability benchmark

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

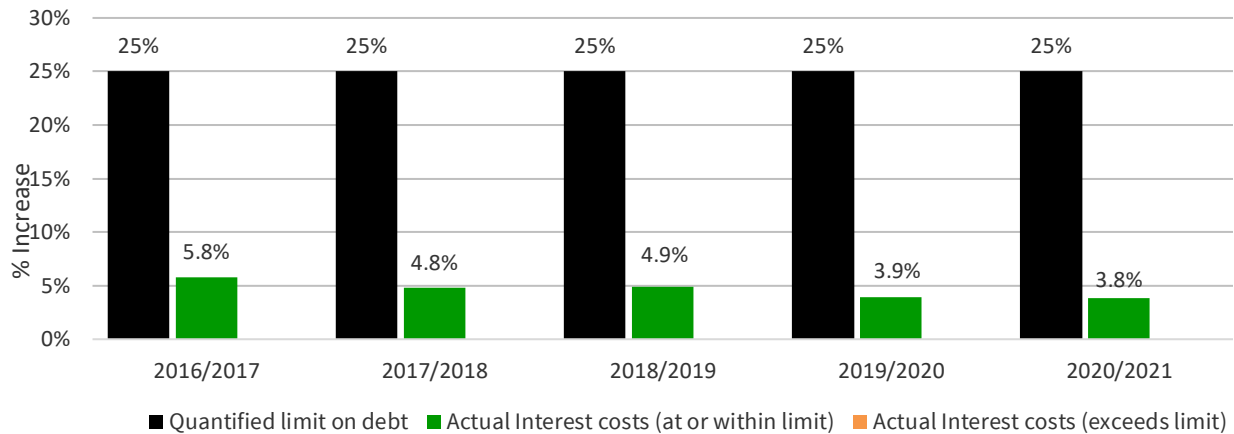
### Net increase as a percentage of income

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy 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.



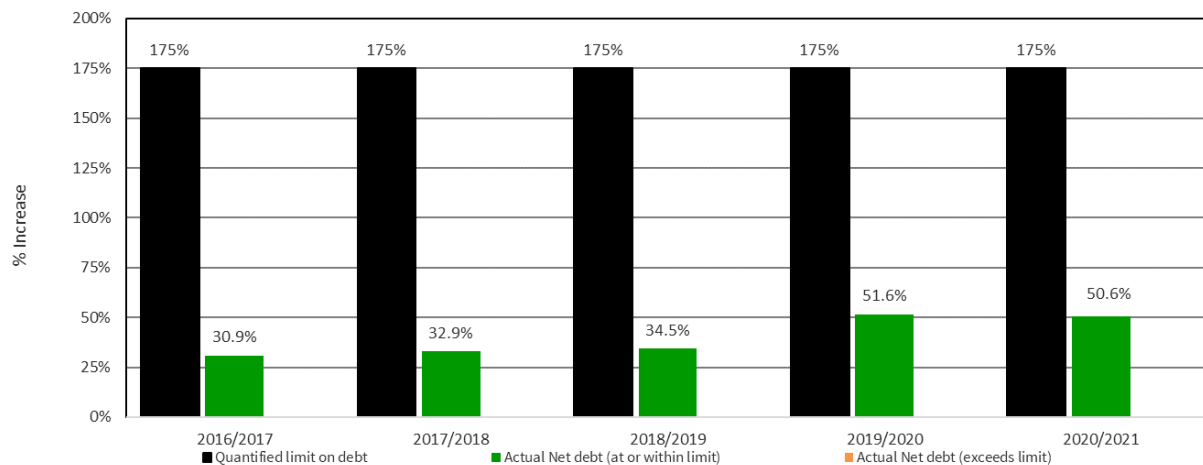
### Net interest as a percentage of rates income

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

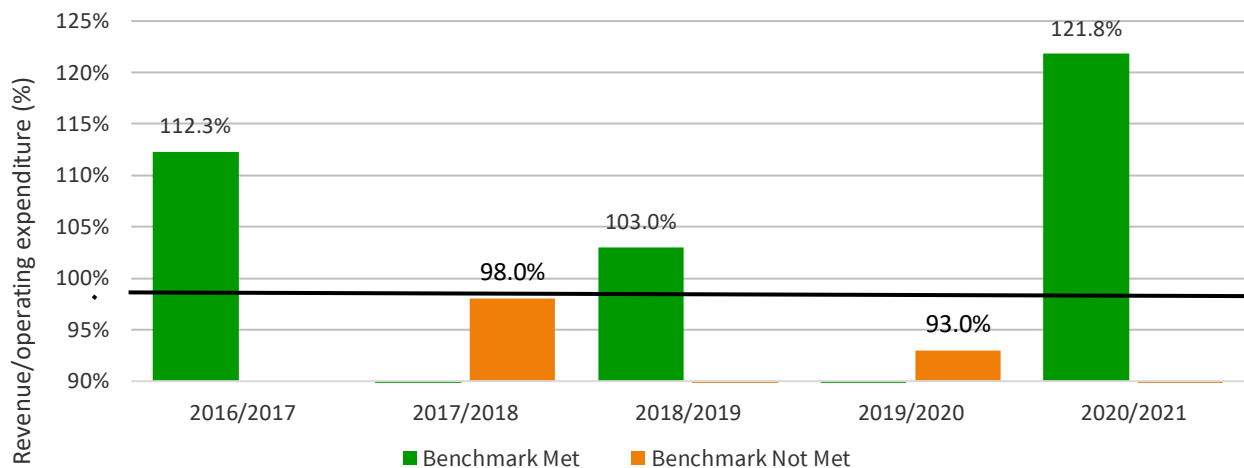
The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan. The quantified limit is net debt shall not exceed 175% of total revenue for the year.



### 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).

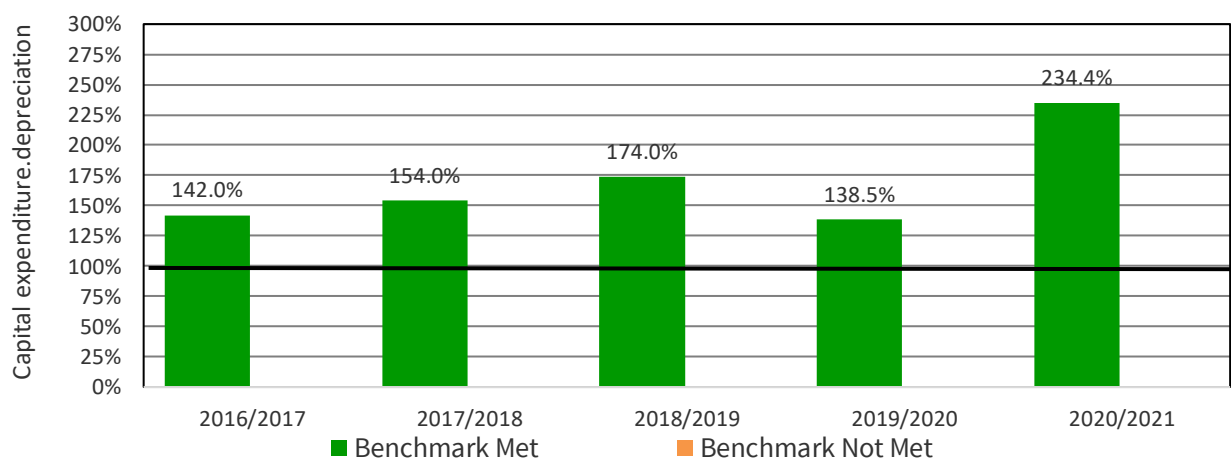
The Council meets this benchmark if its revenue equals or is greater than its operating expenditure.



### 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.

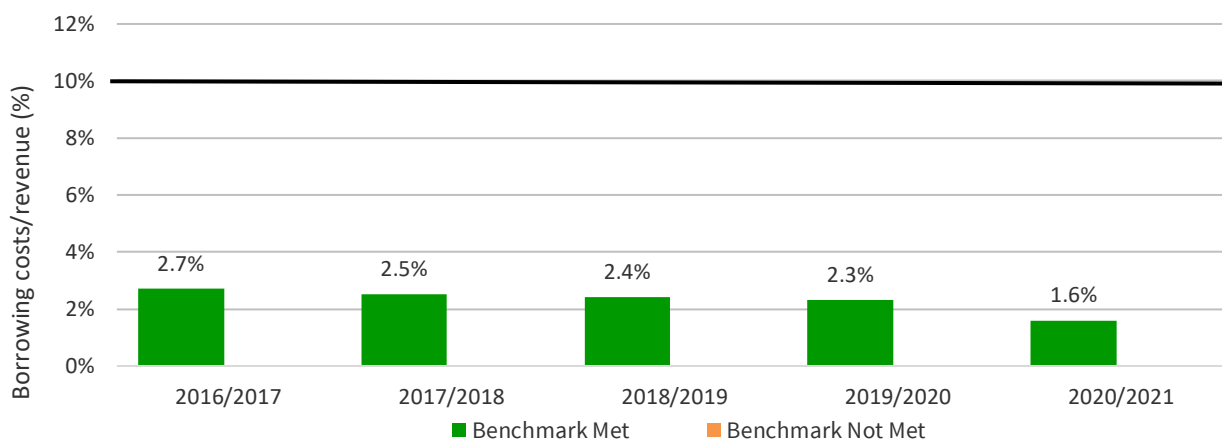




### Debt Servicing Benchmark

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).

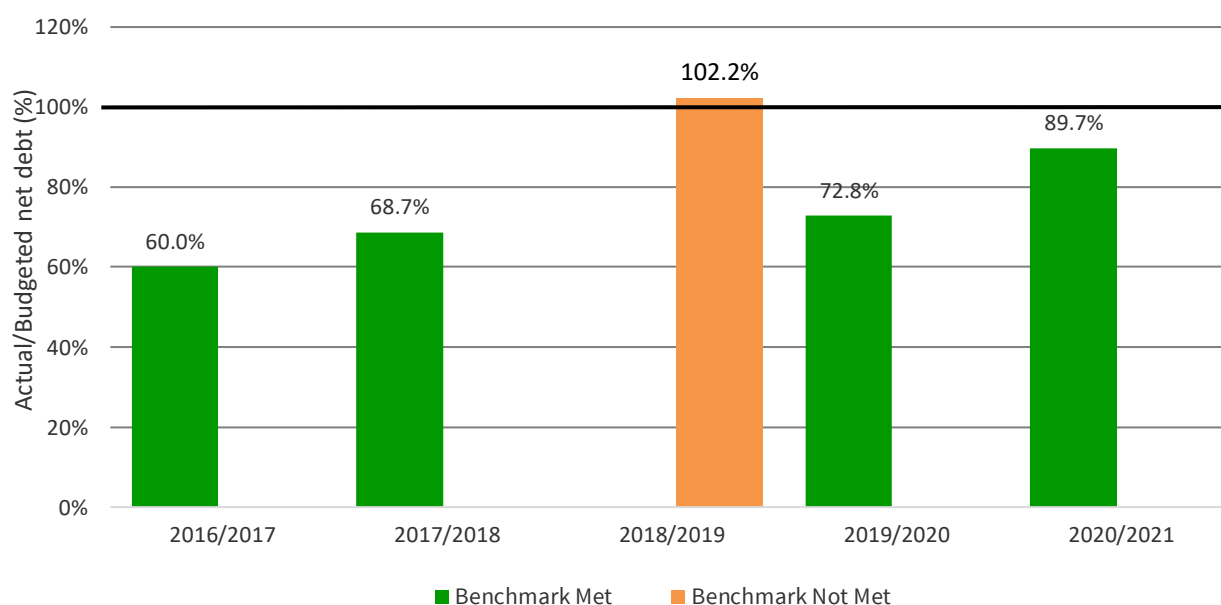
The debt servicing benchmark is met if the Council's borrowing costs for the year are less than or equal to 10% of its revenue.



### 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).

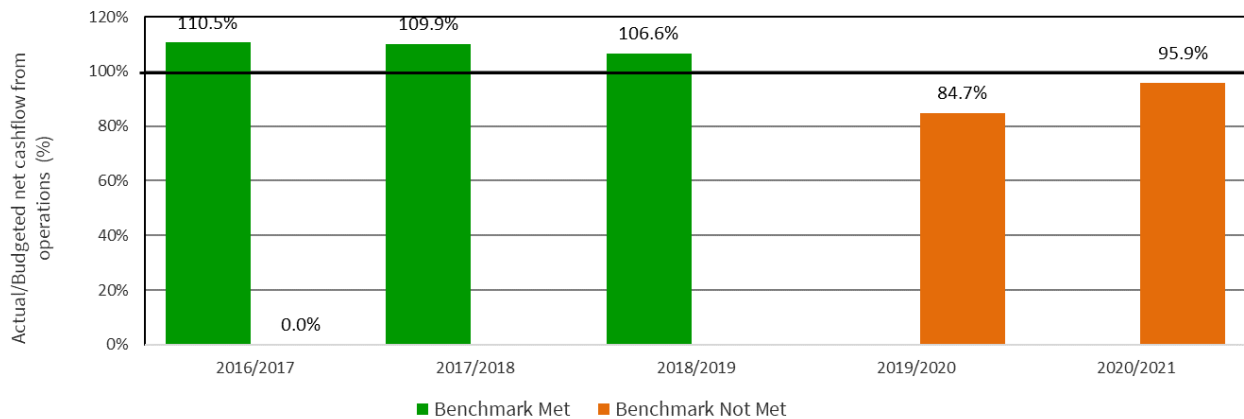
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### 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: 15,551

The total capital value of rating units within the district at the end of the preceding financial year: \$19,045,114,600

The total land value of rating units at the end of the preceding financial year: \$13,168,497,650

### Insurance of Assets

The total value of all assets covered by insurance contracts is \$333 million. \$277 million of these assets are infrastructure assets which are covered to \$158 million through financial risk sharing arrangements.

The Council's underground insurance policy provides cover up to a maximum of \$277 million with 40% or \$105 million provided by the policy and \$158 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 : \$277 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 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 2021. The financial statements were authorised for issue by Council on 15 December 2021.

## 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% (2020: 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.

#### Financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit. Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group have transferred substantially all the risks and rewards of ownership. Financial assets are classified into the following categories for the purpose of measurement

- loans and receivables
- held-to-maturity investments and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. 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 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.

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. After initial

recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### **Fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

The Council and group includes in this category Investments that it intends to hold long-term but which may be realised before maturity and shareholdings that it holds for strategic purposes. These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### **Impairment of financial assets**

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### **Loans and receivables and held-to-maturity investments**

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds and community loans, are recognised directly against the instrument's carrying amount.

### **Financial assets at fair value through other comprehensive revenue and expense**

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired. If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit. If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

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>	1.0% S.L. - 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 2021 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 2021.

### 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.

### 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 in accordance the accounting policies set out on pages 119 to 135. 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 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

PBE IPSAs 41 replaces PBE IPSAS 29 Financial Instrument: Recognitions and Measurement. PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IPSAS 41 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.



## Changes in Accounting Policies

### Property, Plant and Equipment

Council has changed the property, plant and equipment policy during the 2020/21 financial year to only require a revaluation of infrastructure assets when the carrying amount is materially different from the fair value as at balance date.

There has been no other changes in accounting policies during the 2020/21 financial year.

### 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 2021

	Note	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Revenue</b>						
Rates	2	38,241	38,050	37,406	38,241	37,406
Fees, charges	3	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	4	16,306	8,404	6,931	16,306	6,931
Finance income	5	329	269	120	350	256
Other revenue	6	14,072	14,445	10,486	42,511	28,795
Other gains	7	7,999	888	202	8,138	202
Total revenue	1	86,429	71,991	63,323	115,028	81,768
<b>Expenditure</b>						
Personnel costs	8	16,677	16,782	16,132	27,389	24,936
Depreciation and amortisation	9	15,456	16,001	16,169	16,808	17,409
Finance costs	5	1,437	1,699	1,453	1,603	1,651
Other expenses	10	29,803	28,816	27,545	44,218	35,499
Other losses	7	2,629	292	3,930	2,716	3,932
Total expenses	1	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)	11	(31)	-	16	883	(47)
Surplus/(deficit) after taxation		20,458	8,401	(1,922)	21,739	(1,684)
Share of joint venture surplus/(deficit)	44	-	-	-	518	(841)
Surplus after tax and joint venture		20,458	8,401	(1,922)	22,257	(2,525)
<b>Other comprehensive revenue</b>						
<i>Items that will be reclassified to surplus/(deficit)</i>						
Financial assets at fair value	30	808	-	12	808	12
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(loss) on infrastructure revaluation	23,30	-	14,763	24,673	-	24,673
Gain on land and buildings revaluation	23,30	-	-	-	209	159
Deferred tax on revaluation of buildings	11	-	-	-	(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>

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 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

The accompanying notes form part of these financial statements



# Statement of financial position

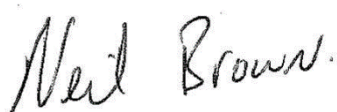
## As at 30 June 2021

	Note	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	12	24,672	7,798	7,346	26,147	7,468
Receivables	13	9,741	6,659	5,877	14,563	9,787
Other financial assets	16	-	-	-	-	-
Local Authority stocks and bonds	14	1,063	2,124	2,137	1,063	2,137
Inventories	15	53	75	70	2,146	1,766
Income tax receivable	11	-	-	-	-	-
Property inventory	18	207	207	306	207	306
Property intended for sale	19	225	-	479	225	479
Total current assets		35,961	16,863	16,215	44,351	21,943
<b>Non current assets</b>						
Receivables	13	143	41	-	143	-
Deferred taxation asset	11	56	-	25	374	298
Other financial assets	16	2,779	967	1,047	2,789	1,058
Investment in council controlled organisations	16	4,500	4,595	4,595	-	-
Investment in associate	17	1,795	1,795	1,795	3,184	2,856
Property inventory	18	3,788	2,570	2,695	3,788	2,695
Investment properties	20	35,060	36,423	33,044	34,860	33,044
Forestry assets	21	8,006	5,594	5,554	8,006	5,554
Intangible assets	22	900	835	1,170	1,903	2,173
Property, plant and equipment	23	759,634	806,798	747,455	771,584	758,711
Work in progress	23	25,476	-	16,514	25,476	16,514
Share of joint venture	44	-	-	-	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>

	Note	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	24	11,492	12,078	12,155	13,912	12,933
Employee benefit liabilities	25	1,795	1,165	1,519	2,811	2,413
Landfill aftercare liability	26	15	15	15	15	15
Borrowings	27	17,000	3,064	25,136	18,521	27,495
Tax payable	11	-	-	-	416	76
Derivative financial instruments	28	-	-	-	-	-
<b>Total current liabilities</b>		<b>30,302</b>	<b>16,322</b>	<b>38,825</b>	<b>35,675</b>	<b>42,932</b>
<b>Non current liabilities</b>						
Payables and deferred revenue	24	375	-	410	375	410
Employee benefit liabilities	25	234	330	364	284	426
Landfill aftercare liability	26	155	141	158	155	158
Deferred taxation liability	11	-	-	-	1,222	678
Derivative financial instruments	28	2,013	2,111	3,199	2,013	3,199
Borrowings	27	53,600	56,891	17,000	55,215	18,279
<b>Total non current liabilities</b>		<b>56,377</b>	<b>59,473</b>	<b>21,131</b>	<b>59,264</b>	<b>23,150</b>
<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	29	474,043	480,731	461,136	487,454	472,749
Other reserves	30	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>

The financial statements were approved and authorised by Council for issue on 15 December 2021.

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

	Note	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	31	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>	12	24,672	7,798	7,346	26,147	7,468

The accompanying notes form part of these financial statements



# Funding Impact Statement for whole of Council

For the year ended 30 June	2019/20 Annual Plan \$000	2019/20 Annual Report \$000	2020/21 Annual Plan \$000	2020/21 Actual \$000
<b>Operating funding</b>				
<b>Sources of operating funding</b>				
General rate, UAGC*, rates penalties	13,883	13,911	14,666	14,562
Targeted rates	23,218	23,380	23,385	23,585
Subsidies and grants for operating purposes	2,070	3,272	2,523	7,595
Fees and charges	8,043	6,767	8,447	7,711
Internal charges and overheads recovered	1,598	1,045	1,189	1,192
Local authorities fuel tax, fines, infringement fees and other receipts	8,293	8,181	9,477	12,432
<b>Total sources of operating funding</b>	<b>57,106</b>	<b>56,555</b>	<b>59,686</b>	<b>67,078</b>
<b>Applications of operating funding</b>				
Payments to staff and supplies	31,826	33,345	33,427	35,632
Finance costs	1,946	1,649	1,699	-
Other operating funding applications	10,027	12,603	12,170	12,964
<b>Total applications of operating funding</b>	<b>43,799</b>	<b>47,597</b>	<b>47,297</b>	<b>48,595</b>
<b>Surplus/(deficit) of operating funding</b>	<b>13,307</b>	<b>8,959</b>	<b>12,389</b>	<b>18,483</b>
<b>Capital funding</b>				
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,928	3,616	5,882	8,702
Development and financial contributions	1,359	1,433	1,488	1,711
Increase/(decrease) in debt	11,145	14,290	14,312	2,663
Gross proceeds from sale of assets	4,874	3,069	5,200	7,875
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>23,305</b>	<b>22,409</b>	<b>26,882</b>	<b>20,951</b>
<b>Application of capital funding</b>				
Capital expenditure				
- To meet additional demand	1,331	-	942	-
- To improve the level of service	31,537	19,555	31,510	26,152
- To replace existing assets	11,349	8,754	10,822	13,047
Increase/(decrease) in reserves	(7,604)	3,059	(4,002)	236
Increase/(decrease) in investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>36,613</b>	<b>31,368</b>	<b>39,271</b>	<b>39,435</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(13,307)</b>	<b>(8,959)</b>	<b>(12,389)</b>	<b>(18,483)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* 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 statement.







# Notes to the financial statement

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

	Council 2021 Actual \$000	Council 2021 Budget \$000	Council 2020 Actual \$000
<b>Revenue</b>			
Transportation	19,750	18,418	16,560
Drinking water	5,656	5,540	5,493
Wastewater	9,267	6,345	5,063
Stormwater	1,344	3,171	1,238
Refuse and recycling	6,612	6,762	6,669
Recreation and leisure	8,229	8,812	6,525
Community facilities & support	3,871	3,038	3,727
Economic development	19,050	7,576	6,498
Parks and open spaces	6,323	4,376	8,981
Democracy	2,512	4,850	2,024
Regulatory services	5,066	5,260	5,417
Miscellaneous	3,009	2,081	(613)
Total activity revenue	90,689	76,229	67,582
Less internal revenue	(4,260)	(4,238)	(4,259)
Total revenue activity	86,429	71,991	63,323
<b>Expenditure</b>			
Transportation	16,057	14,450	15,593
Drinking water	6,642	5,226	5,902
Wastewater	5,039	4,722	4,954
Stormwater	2,109	2,478	2,705
Refuse and recycling	6,707	2,567	6,274
Recreation and leisure	8,641	9,082	8,698
Community facilities & support	3,966	3,886	3,742
Economic development	7,636	11,319	7,378
Parks and open spaces	5,038	5,381	4,777
Democracy	2,397	2,561	2,555
Regulatory services	4,699	4,964	4,812
Miscellaneous	1,339	1,193	2,098
Total internal expenditure	70,270	67,829	69,488
Less internal expenditure	(4,268)	(4,238)	(4,259)
Less taxation	-	-	-
Total expenditure activity	66,002	63,591	65,229

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 2021 Actual \$000</b>	<b>Council 2021 Budget \$000</b>	<b>Council 2020 Actual \$000</b>
General rate / UAGC	14,542	14,436	13,891
Targeted rates attributable to activities:			
Transportation	8,029	7,978	7,975
Drinking water	4,581	4,558	4,876
Wastewater	4,040	4,016	4,188
Stormwater	1,076	1,057	993
Rubbish and recycling	2,360	2,342	2,196
Recreation and community facilities	141	140	187
Economic development	132	129	216
Stockwater	946	1,058	869
Parks and open spaces	1,734	1,706	1,559
Community governance and decision making	103	98	71
Tresasury	-	-	-
	37,684	37,518	37,021
Rates penalties	242	230	264
Rates remissions	(128)	-	(128)
	37,798	37,748	37,157

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 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	<b>2021 Council Actual \$000</b>	<b>2021 Council Budget \$000</b>	<b>2020 Council Actual \$000</b>
Rates, other than metered water supply	37,798	37,748	37,156
Targeted water supply rates	443	302	250
Total revenue from rates	38,241	38,050	37,406



### 3. Fees & Charges

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Building and resource consent charges	2,143	1,741	2,143	1,741
Landfill charges	1,785	1,735	1,785	1,735
Swimming pool revenue	1,872	1,581	1,872	1,581
Parking fees	33	63	33	63
Other fees and charges	1,962	1,676	1,962	1,676
Total fees and charges	7,795	6,796	7,795	6,796

### 4. Subsidies & Grant Revenues

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
NZ Transport Agency roading subsidies	9,878	6,209	9,878	6,209
EA Networks Stadium sponsorship grants	24	77	24	77
Other grant revenue	6,404	645	6,404	645
Total subsidies and grant revenue	16,306	6,931	16,306	6,931

## 5. Finance Income and Finance Costs

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2020 nil).

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
<b>Finance income</b>				
Interest income:				
- term deposits	80	37	101	173
- other trade receivables / call account	-	-	-	-
- stocks and bonds	249	83	249	83
Total finance income	329	120	350	256

<b>Finance costs</b>				
Interest expense:				
- borrowings	1,027	1,177	1,193	1,375
- interest rate swaps	410	276	410	276
Total finance costs	1,437	1,453	1,603	1,651

### Allocation of finance costs:

Potable water supplies	182	53	182	53
Wastewater	375	389	375	389
Stormwater	61	34	61	34
Stockwater	4		4	
Commercial property	734	859	734	859
Recreation facilities	2	-	2	-
Cemetery	5		5	
Arts and culture	57	-	57	-
Environmental services	4	5	4	5
Other operations	13	113	180	311
Total finance costs	1,437	1,453	1,604	1,651

## 6. Other Revenue

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Forestry sales	585	180	585	180
Investment property rental income	1,577	1,946	1,577	1,946
Fines and parking infringements	264	200	264	200
Plant and equipment insurance recoveries	39	81	39	81
Petrol tax	359	343	359	343
Construction revenue	-	-	8,090	1,983
Rendering of services	-	-	-	-
Vested assets	2,140	2,277	2,140	2,277
NZU carbon credits	-	-	-	-
Land sales	5,301	1,981	5,301	1,981
Dividend income	863	925	663	554
Sales, services and other income	2,944	2,553	23,493	19,250
Total other revenue	14,072	10,486	42,511	28,795

## 7. Other Gains & Losses

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Other gains</b>				
Gain on changes in fair value of interest rate swap (Note 28)	1,186	-	1,186	-
Gain on changes in fair value of investment properties (Note 20)	2,774	-	2,774	-
Gain on changes in fair value of forestry (Note 21)	2,452	-	2,452	-
Gain on sale of property intended for sale	106	49	106	49
Gain on disposal of investment properties	687	88	687	88
Gain on disposal of property, plant and equipment	755	25	894	25
Gain on fair value of Museum/Art Gallery naming sponsorship	3	6	3	6
Gain on fair value of EA Networks naming sponsorship	36	34	36	34
<b>Total other gains</b>	<b>7,999</b>	<b>202</b>	<b>8,138</b>	<b>202</b>
<b>Other losses</b>				
Loss on changes in fair value of interest rate swap (Note 28)	-	1,087	-	1,087
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	-	240
Loss on disposal of intangible asset (Note 22)	-	49	-	49
Loss on disposal of property, plant and equipment	2,629	1,899	2,716	1,901
<b>Total other losses</b>	<b>2,629</b>	<b>3,930</b>	<b>2,716</b>	<b>3,932</b>

## 8. Personnel Costs

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Salaries and wages	16,749	16,127	27,461	24,931
Increase/(decrease) in employee entitlements	(72)	5	(72)	5
<b>Total personnel costs</b>	<b>16,677</b>	<b>16,132</b>	<b>27,389</b>	<b>24,936</b>

## 9. Depreciation & Amortisation

Depreciation and amortisation expense by significant activity:

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Roading	6,668	7,215	6,668	7,215
Footpaths	851	882	851	882
Wastewater	1,783	1,774	1,783	1,774
Stormwater	498	537	498	537
Water supplies	1,524	1,768	1,524	1,768
Stockwater	47	47	47	47
Solid waste	194	190	194	190
Emergency management	9	9	9	9
Commercial properties	1,331	1,320	1,331	1,320
Parks and recreation	315	364	315	364
Reserves and camping areas	55	55	55	55
Cemeteries	46	-	46	-
Recreation facilities	407	383	407	383
Library	166	143	166	143
Elderly persons housing	65	69	65	69
Public conveniences	58	56	58	56
Reserve boards and halls	376	375	376	375
Environmental services	38	51	38	51
Plant and miscellaneous operations	1,025	931	2,377	2,171
<b>Total depreciation</b>	<b>15,456</b>	<b>16,169</b>	<b>16,808</b>	<b>17,409</b>



## 10. Other Expenses

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Directors fees	-	-	195	161
Fees to principal auditor:			-	-
Audit fees for financial statements	125	148	190	229
Audit fees for Long Term Plan 2021-2031	82	-	82	-
Audit fees for other assurance services	3	25	3	25
Discretionary grants/contributions	1,416	1,749	1,416	1,374
Rental and operating lease costs	9	14	48	77
Bad debts written off	27	35	52	35
Impairment of property, plant and equipment			82	13
ACC levy	62	77	62	77
Electricity	1,511	1,800	1,511	1,800
Maintenance contracts	12,711	11,941	12,711	11,941
Other operating expenses	13,857	11,756	27,866	19,767
<b>Total other expenses</b>	<b>29,803</b>	<b>27,545</b>	<b>44,218</b>	<b>35,499</b>

In 2021 the fees paid to the principal auditor for other assurance services were for the audit of the Council's Debenture Trust Deed (\$3,000) and audit of the LTP (\$82,000).

Council made discretionary grants and contributions to the following organisations in 2020/21:

Organisation	Amount	Organisation	Amount
Age Concern Ashburton	\$1,200	The Big Little Theatre Company	\$2,000
Ashburton Art gallery	\$390,600	Caninspire Trust	\$8,000
Ashburton College	\$261	Ashburton Youth Café	\$8,150
Ashburton Community Conservation Trust	\$7,500	Community House Mid Canterbury	\$15,000
Ashburton Community Water Trust	\$912	Ashburton Performing Arts Theatre Trust	\$298,860
Ashburton County Scottish Society Pipe Band	\$1,050	Ashburton Safer Community Council	\$121,788
Ashburton District Neighbourhood Support	\$20,000	Mt Somers Pool	\$21,000
Ashburton Horticultural Society	\$1,055	Dorie School	\$1,000
Birthingright Canterbury Trust	\$5,000	Rakaia Swimming Club	\$14,865
Connecting Mid Canterbury Charitable Trust	\$5,000	Huntington Park Property Owners Association	\$5,000
Experience Mid Canterbury	\$195,000	Volunteering Mid and South Canterbury	\$2,880
Hakatere Multi Cultural Council	\$7,000	Mountain Bike Ashburton	\$6,500
Hampstead School	\$1,000	Ashburton Motorcycle Club	\$8,000
Hype Youth Health Centre	\$7,500	Fairton School	\$1,000
Mayfield Community Pool	\$4,250	Hinds Community Pool	\$6,000
Methven Community Pool	\$15,000	Environmental Education	\$969
Methven Public Library	\$5,300	Methven Children Christmas Parade	\$960
Mid Canterbury Emergency Relief Charitable Trust	\$6,000	Waireka Croquet Club	\$10,000
Mid Canterbury Hockey	\$1,250	South Rakaia Bach Owners Association	\$5,000
Mid Canterbury Youth Charitable Trust	\$9,665	Thurlow Investments	\$7,000
Mt Somers Old Post Office Library	\$2,500	Somerton Trust	\$4,943
Rakaia Public Library	\$5,000	Cleardale Station	\$7,500
Safer Mid Canterbury	\$90,018	Galloway Wetlands	\$7,057
Upper Rangitata Gorge Landcare Group	\$5,000	Mr & Mrs Eaton	\$7,000
Willowby Community Swimming Pool	\$1,000	Lions Club of Ashburton Pakeke	\$476
Plains Museum Trust	\$14,647	Wakanui Hall Society	\$8,401
Mount Somers Walkway	\$5,000	Ng King	\$7,000
Methven Historical Society	\$590	Mt Hutt Memorial Hall	\$8,205
Methven Cricket Club	\$5,000	Tinwald Memorial Hall	\$2,576
Allenton Rugby Club	\$5,000		
Grand total			1,415,428

## 11. Taxation

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</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	-	-	539	194
Overprovision of prior year tax	-	-	(118)	(13)
Deferred tax prior year adjustment	-	-	149	9
Deferred taxation	(31)	16	313	(237)
Income tax expense	(31)	16	883	(47)

Components of deferred tax recognised directly in equity:

Revaluation of property plant and equipment	-	-	(5)	(26)
Income tax expense	-	-	(5)	(26)

Relationship between tax expense and accounting profit:

Surplus/(deficit) before tax	20,427	(1,906)	24,770	(1,731)
Tax at 28%	5,720	(534)	6,936	(485)
Add/(less) tax effect of:				
(Non Taxable Income)/Non Deductible Expenditure	(5,861)	910	(5,750)	664
Impact of change in tax rates			-	-
Imputation credit adjustment	(336)	(360)	(336)	(215)
Temporary differences not previously recognised	-	-	-	(6)
Reversal of prior year overprovision	-	-	33	(5)
	(477)	16	883	(47)

Imputation credit account:

Balance at the start of the year	-	-	3,295	3,264
Income tax payments/(refunds)	-	-	85	339
Imputation credits accrued on balance of current year tax not yet paid	-	-	417	-
Reversal of prior year estimate	-	-	(76)	(164)
Credits attached to dividends paid	-	-	(78)	(144)
Balance at the end of the year	-	-	3,643	3,295

Movement in tax (refund)/payable:

Balance at start of year	-	-	76	184
Taxation (paid)/refunded	-	-	(81)	(272)
Provided for this year	-	-	539	8
Overprovision prior year	-	-	(118)	154
Tax loss	-	-	-	-
Balance at the end of the year	-	-	416	74

### Council Deferred Tax assets / (liabilities)

#### Deferred taxation assets and liabilities

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2021</b>	<b>2021</b>	<b>2021</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	56	-	56
Balance at end of year	56	-	56

	<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	-	-	-
Tax losses	25	-	25
Balance at end of year	25	-	25



*Movement in temporary differences*

	<b>Balance 01-Jul-20</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-21</b>
	<b>\$000</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	31	-	56
Balance at end of year	25	31	-	56

	<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	-	-	-	-
Employee benefits	-	-	-	-
Retentions	-	-	-	-
Capitalised interest	-	-	-	-
Provisions	-	-	-	-
Intangible assets	-	-	-	-
Work in progress	-	-	-	-
Tax losses	41	(16)	-	25
Balance at end of year	41	(16)	-	25

\* Charge to other comprehensive revenue and expense.

## Group deferred tax assets / (liabilities)

### Deferred taxation assets and liabilities

	<b>Assets 2021</b>	<b>Liabilities</b>	<b>Net</b>
	<b>\$000</b>	<b>2021</b>	<b>2021</b>
		<b>\$000</b>	<b>\$000</b>
Property, plant and equipment		(794)	(794)
Contract assets	-		-
Employee benefits	212		212
Retentions		(232)	(232)
Capitalised interest		(196)	(196)
Provisions	109		109
Intangible assets	(3)		(3)
Work in progress			-
Tax losses	56		56
Balance at end of year	374	(1,222)	(848)

	<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)

*Group movement in temporary differences*

	<b>Balance 01-Jul-20</b>	<b>Charge to surplus/ (deficit)</b>	<b>Charge to other comp. rev &amp; exp*</b>	<b>Balance 30-Jun-21</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Property, plant and equipment	(313)	(476)	(5)	(794)
Contract assets	12	(12)	-	-
Employee benefits	181	31	-	212
Retentions	(166)	(66)	-	(232)
Capitalised interest	(199)	3	-	(196)
Provisions	80	28	-	108
Intangible assets	-	(2)	-	(2)
Work in progress	-	-	-	-
Tax losses	25	31	-	56
Balance at end of year	(380)	(463)	(5)	(848)

	<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)

\* Charge to other comprehensive revenue and expense

## 12. Cash and Cash Equivalents

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash floats	4	4	4	4
Bank current account	24,668	7,342	26,144	8,316
Short term deposits	-	-	-	-
Bank overdraft	-	-	(1)	(852)
	<u>24,672</u>	<u>7,346</u>	<u>26,147</u>	<u>7,468</u>

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 is 0.05% (2020: 0.05% to 0.2%). Ashburton Contracting Limited has overdraft facilities with the ANZ Bank of New Zealand Ltd of \$3,275,000 (2020: \$3,575,000). The effective interest rate on overdraft facilities ranges from 0.05% to 0.15% (2020: 4.46% to 5.61%).

## 13. Trade and Other Receivables

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Rates receivable	1,378	1,779	1,378	1,779
Other receivables	7,291	3,651	9,075	5,734
Eastfield Investments Advance <sup>(1)</sup>	562	86	562	86
Community loans	150	-	150	-
Prepayments	623	455	773	624
ACL contract work in progress	-	-	2,044	1,099
ACL retentions receivable	-	-	882	599
	<u>10,004</u>	<u>5,971</u>	<u>14,864</u>	<u>9,921</u>
Provision for impairment/ doubtful debts	(121)	(94)	(159)	(134)
Total trade and other receivables	<u>9,884</u>	<u>5,877</u>	<u>14,705</u>	<u>9,787</u>
Non current portion:				
Community loans	143	-	143	-
Current portion	<u>9,741</u>	<u>5,877</u>	<u>14,562</u>	<u>9,787</u>



Total receivables comprise:

Receivables from non-exchange transactions - this includes outstanding amounts from rates grants, infringements and any fees and charges that are subsidised by rates	6,515	2,464	6,515	2,464
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,368	3,412	8,190	3,412

(1) Eastfield Investments Advance is the Council's current account of \$561,763 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:

	Council 2021 Actual \$000	Council 2020 Actual \$000
< 12 months	1,010	1,191
> 12 months	368	588
Carrying amount	1,378	1,779

As of 30 June 2021 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.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$1,094.61 (2020: \$1,149.11)
- Section 90B: \$0 (2020: \$0)

*Ageing profile of receivables at year end*

	2021			2020		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	1,197	-	1,197	2,608	-	2,608
Past due 1-60 days	7,540	-	7,540	2,274	-	2,274
Past due 61-120 days	86	-	86	376	-	376
Past due > 120 days	1,182	(121)	1,061	714	(94)	620
	10,005	(121)	9,884	5,972	(94)	5,878
Group						
Not past due	3,351	-	3,351	6,059	-	6,059
Past due 1-60 days	7,540	-	7,540	2,555	-	2,555
Past due 61-120 days	2,495	-	2,495	475	-	475
Past due > 120 days	1,478	(161)	1,317	832	(134)	698
	14,864	(161)	14,703	9,921	(134)	9,787

**Provision for Impairment/Doubtful Debts**

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

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Individual impairment	121	94	133	106
Collective impairment	-	-	26	28
Total provision for impairment	121	94	159	134

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

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Opening balance	94	59	134	82
Additional provisions made	27	35	25	52
Provisions reversed during the year	-	-	-	-
Receivables written off	-	-	-	-
Closing balance	121	94	159	134

## 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
<i>Financial assets available for sale</i>				
Bonds	1,063	2,137	1,063	2,137
	1,063	2,137	1,063	2,137

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Maturing within 1 year	-	1,038	-	1,038
- Weighted average interest rate	0.0%	4.1%	0.0%	4.1%
Maturing between 1 and 5 years	1,063	1,099	1,063	1,099
- Weighted average interest rate	4.1%	3.7%	4.1%	3.7%
Maturing after 5 years	-	-	-	-
- Weighted average interest rate	0.0%	0.0%	-	-
	1,063	2,137	1,063	2,137

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 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
<i>Commercial inventory</i>				
- Metal and asphalt	-	-	859	742
- Cement	-	-	9	27
- Services, plumbing and civil	-	-	370	277
- Rubbish bags / bins	35	47	35	47
- Retail stock	18	15	18	15
<i>Held for distribution inventory</i>				
- Workshop, fuel and parks raw materials	-	8	855	658
	53	70	2,146	1,766

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

## 16. Other Financial Assets

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
<i>Current portion</i>				
Term deposits greater than 90 days	-	-	-	-
Total current portion	-	-	-	-
<i>Non-current portion</i>				
<i>Investment in CCOs and similar entities</i>				
Experience Mid Canterbury	-	95	-	-
Ashburton Contracting Ltd	4,500	4,500	-	-
	4,500	4,595	-	-
<i>Investment in other entities</i>				
NZ Local Government Insurance Corp	53	53	53	53
Local Government Funding Agency	1,362	512	1,362	512
Transwaste Canterbury Ltd	1,362	480	1,362	480
Electricity Ashburton Limited	1	1	1	1
Ashburton Trading Society Ltd	1	1	1	1
NZ Plumbers Merchants	-	-	11	11
	2,779	1,047	2,790	1,058
Total non-current portion	7,279	5,642	2,790	1,058
Total other financial assets	7,279	5,642	2,790	1,058

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 \$0.96 per share (2020 \$0.93)

- 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 (2020 \$2.27)

- 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Council investment in Associates:				
Eastfield Investments Limited/Joint Venture	1,765	1,765	3,154	1,765
Rangitata Diversion Race Management Limited	30	30	30	30
Share of surplus in associate	-	-	-	1,061
	<b>1,795</b>	<b>1,795</b>	<b>3,184</b>	<b>2,856</b>

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 \$ \$561,763 at 30 June 2021.

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>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Summarised financial information of Eastfield Investments Limited / Joint Venture presented on a gross basis		
Assets	9,007	7,712
Liabilities	2,177	2,365
Revenue	1,708	301
Surplus/(deficit)	1,482	(224)
Group's interest	33%	33%
Council's share of associate surplus/(deficit)	489	(74)

Summarised financial information of Rangitata Diversion Race Management Limited presented on a gross basis		
Assets	31,387	25,403
Liabilities	26,034	19,316
Revenue	3,270	2,701
Surplus/(deficit)	(734)	(107)
Group's interest	20%	20%
Council's share of associate surplus/(deficit)	(147)	(21)

## 18. Property Inventory

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Land and development	3,995	3,001	3,995	3,001
	3,995	3,001	3,995	3,001

This is show in the Statement of Financial  
Position as:

Current portion	207	306	207	306
Non-current portion	3,788	2,695	3,788	2,695
	3,995	3,001	3,995	3,001

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

### 19. Property Intended for Sale

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Forestry land	-	-	-	-
Freehold land and buildings	-	14	-	14
Investment property	225	465	225	465
	<u>225</u>	<u>479</u>	<u>225</u>	<u>479</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.

Investment property intended for sale is 21 Range Street.

### 20. Investment Property

	<b>Council</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening balance	33,044	34,633	33,044	34,633
Additions from acquisitions	-	-	-	-
Disposals	(758)	(529)	(758)	(529)
Transfers to properties held for sale	-	-	-	-
Transfers to property plant & equipment (note 23)	-	(445)	(200)	(445)
Fair value gains/(losses) on valuation	2,774	(615)	2,774	(615)
Closing balance	<u>35,060</u>	<u>33,044</u>	<u>34,860</u>	<u>33,044</u>

The valuation as at 30 June 2021 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Opening balance	5,554	5,795	5,554	5,795
Fair value gains/(losses)				
- due to harvest	(476)	(165)	(476)	(165)
- due to sales	-	-	-	-
- due to unit rate changes and growth	2,928	(76)	2,928	(76)
Closing balance	8,006	5,554	8,006	5,554

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 1/07/20	-	1,170	1,170	61	455	488	2,174
Additions	-	154	154	33	-	-	187
Disposals	-	-	-	(39)	-	-	(39)
Current year amortisation	-	(424)	(424)	(24)	(10)	-	(458)
Reverse amortisation on disposal	-	-	-	39	-	-	39
Closing balance 30/06/21	-	900	900	70	445	488	1,903
Cost	-	4,197	4,197	524	688	488	5,897
Accumulated amortisation	-	(3,297)	(3,297)	(454)	(243)	-	(3,994)
Carrying value at 30 June 2021	-	900	900	70	445	488	1,903
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	-	4,043	4,043	491	688	488	5,710
Accumulated amortisation	-	(2,873)	(2,873)	(430)	(233)	-	(3,536)
Carrying value at 30 June 2020	-	1,170	1,170	61	455	488	2,174

### 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 2021

	Cost/ fair value 1/07/20 \$000	Accumulated depreciation & impairment 1/07/20 \$000	Carrying value 1/07/20 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/21 \$000	Accumulated depreciation & impairment 30/06/21 \$000	Carrying value 30/06/21 \$000
<b>Operational assets</b>														
Freehold land	31,142	-	31,142	898	(455)	-	-	-	-	-	-	31,585	-	31,585
Buildings	71,105	(17,352)	53,753	94	-	-	-	(1,949)	-	-	-	71,199	(19,301)	51,898
Plant and machinery	6,977	(5,029)	1,948	410	(9)	-	9	(532)	-	-	-	7,378	(5,552)	1,826
Equipment, furniture and fittings	7,343	(5,325)	2,018	316	(1)	-	-	(485)	-	-	-	7,658	(5,810)	1,848
Library books	3,510	(3,267)	243	134	-	-	-	(125)	-	-	-	3,644	(3,392)	252
<b>Total operational assets</b>	<b>120,077</b>	<b>(30,973)</b>	<b>89,104</b>	<b>1,852</b>	<b>(465)</b>	<b>-</b>	<b>9</b>	<b>(3,091)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>121,464</b>	<b>(34,055)</b>	<b>87,409</b>
<b>Infrastructural assets</b>														
Roading and footpaths	372,933	-	372,933	11,736	(1,035)	-	-	(7,519)	-	-	-	383,634	(7,519)	376,115
Water supplies														
- treatment plants and facilities	9,269	-	9,269	1,065	(248)	-	11	(438)	-	-	-	10,086	(427)	9,659
- reticulation and other assets	66,924	-	66,924	1,168	(335)	-	10	(1,086)	-	-	-	67,757	(1,076)	66,681
Wastewater schemes														
- treatment plants and facilities	22,113	-	22,113	4,483	-	-	-	(544)	-	-	-	26,596	(544)	26,052
- reticulation and other assets	79,849	-	79,849	5,073	(251)	-	43	(1,238)	-	-	-	84,671	(1,195)	83,476
Stormwater	41,639	-	41,639	178	(607)	-	-	(498)	-	-	-	41,210	(498)	40,712
Stockwater	32,026	-	32,026	100	(153)	-	-	(47)	-	-	-	31,973	(47)	31,926
Solid waste	4,031	-	4,031	103	(63)	-	-	(188)	-	-	-	4,071	(188)	3,883
Parks, cemeteries and domains	12,813	(384)	12,429	4,544	-	-	-	(377)	-	-	-	17,357	(761)	16,596
<b>Total infrastructural assets</b>	<b>641,597</b>	<b>(384)</b>	<b>641,213</b>	<b>28,450</b>	<b>(2,692)</b>	<b>-</b>	<b>64</b>	<b>(11,935)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667,355</b>	<b>(12,255)</b>	<b>655,100</b>
<b>Restricted assets</b>														
Land	16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(165)	415	-	-	-	-	(14)	-	-	-	580	(179)	401
<b>Total restricted assets</b>	<b>17,303</b>	<b>(165)</b>	<b>17,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,303</b>	<b>(179)</b>	<b>17,124</b>
<b>Total</b>	<b>778,977</b>	<b>(31,522)</b>	<b>747,455</b>	<b>30,302</b>	<b>(3,157)</b>	<b>-</b>	<b>73</b>	<b>(15,040)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>806,122</b>	<b>(46,489)</b>	<b>759,633</b>

**Group 2021**

	Cost/ fair value 1/07/20 \$000	Accumulated depreciation & impairment 1/07/20 \$000	Carrying value 1/07/20 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	Accum. deprec. reversed on disposal \$000	Current year deprec. \$000	Impairment losses expensed \$000	Net revaluation increase/ (decrease) \$000	Accum. deprec. reversed on reval. \$000	Cost/ fair value 30/06/21 \$000	Accumulated depreciation & impairment 30/06/21 \$000	Carrying value 30/06/21 \$000
<b>Operational assets</b>														
Freehold land	31,852	3	31,855	1,460	(554)	-	62	(82)	44	191	19	32,949	46	32,995
Buildings	72,930	(17,485)	55,445	94	-	-	-	(1,949)	-	-	-	73,024	(19,434)	53,590
Plant and machinery	28,692	(18,014)	10,678	1,803	(1,012)	-	771	(1,738)	38	-	-	29,483	(18,943)	10,540
Equipment, furniture and fittings	8,046	(5,907)	2,139	404	(206)	-	195	(549)	-	-	-	8,244	(6,261)	1,983
Library books	3,510	(3,267)	243	134	-	-	-	(125)	-	-	-	3,644	(3,392)	252
<b>Total operational assets</b>	<b>145,030</b>	<b>(44,670)</b>	<b>100,360</b>	<b>3,895</b>	<b>(1,772)</b>	<b>-</b>	<b>1,028</b>	<b>(4,443)</b>	<b>82</b>	<b>191</b>	<b>19</b>	<b>147,344</b>	<b>(47,984)</b>	<b>99,360</b>
<b>Infrastructural assets</b>														
Roading and footpaths	372,933	-	372,933	11,736	(1,035)	-	1,019	(1,352)	82	191	19	383,634	(7,519)	376,115
Water supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- treatment plants and facilities	9,269	-	9,269	1,065	(248)	-	11	(438)	-	-	-	10,086	(427)	9,659
- reticulation and other assets	66,924	-	66,924	1,168	(335)	-	10	(1,086)	-	-	-	67,757	(1,076)	66,681
Wastewater schemes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- treatment plants and facilities	22,113	-	22,113	4,483	-	-	-	(544)	-	-	-	26,596	(544)	26,052
- reticulation and other assets	79,849	-	79,849	5,073	(251)	-	43	(1,238)	-	-	-	84,671	(1,195)	83,476
Stormwater	41,639	-	41,639	178	(607)	-	-	(498)	-	-	-	41,210	(498)	40,712
Stockwater	32,026	-	32,026	100	(153)	-	-	(47)	-	-	-	31,973	(47)	31,926
Solid waste	4,031	-	4,031	103	(63)	-	-	(188)	-	-	-	4,071	(188)	3,883
Parks, cemeteries and domains	12,813	(384)	12,429	4,544	-	-	-	(377)	-	-	-	17,357	(761)	16,596
<b>Total infrastructural assets</b>	<b>641,597</b>	<b>(384)</b>	<b>641,213</b>	<b>28,450</b>	<b>(2,692)</b>	<b>-</b>	<b>64</b>	<b>(11,935)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667,355</b>	<b>(12,255)</b>	<b>655,100</b>
<b>Restricted assets</b>														
Land	16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	(165)	415	-	-	-	-	(14)	-	-	-	580	(179)	401
<b>Total restricted assets</b>	<b>17,303</b>	<b>(165)</b>	<b>17,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,303</b>	<b>(179)</b>	<b>17,124</b>
<b>Total</b>	<b>803,930</b>	<b>(45,219)</b>	<b>758,711</b>	<b>34,388</b>	<b>(5,771)</b>	<b>-</b>	<b>2,111</b>	<b>(17,744)</b>	<b>164</b>	<b>382</b>	<b>38</b>	<b>832,002</b>	<b>(60,418)</b>	<b>771,584</b>

**Council 2020****Operational assets**

	Cost/fair value 01/07/19 \$000	Accumulated depreciation & impairment 01/07/19 \$000	Carrying value 01/07/19 \$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 30/06/20 \$000	Accumulated depreciation & impairment 30/06/20 \$000	Carrying value 30/06/20 \$000
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

**Infrastructural assets**

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

**Restricted assets**

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

**Total**

	750,758	(28,470)	722,288	18,354	(2,065)	-	116	(15,912)	-	11,930	12,744	778,977	(31,522)	747,455
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## Group 2020

## Operational assets

	Cost/fair value 01/07/19 \$000	Accumulated depreciation & impairment 01/07/19 \$000	Carrying value 01/07/19 \$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 30/06/20 \$000	Accumulated depreciation & impairment 30/06/20 \$000	Carrying value 30/06/20 \$000
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

## Infrastructural assets

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

## Restricted assets

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

## Total

	773,851	(41,088)	732,763	20,272	(2,263)	-	196	(17,140)	50	12,070	12,763	803,930	(45,219)	758,711
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## 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.

	2021 Constructed assets \$000	2021 Transferred/ vested assets \$000	2021 Total additions \$000	2020 Constructed assets \$000	2020 Transferred/ vested assets \$000	2020 Total additions \$000
Roading and footpaths	10,551	1,185	11,736	6,781	1,347	8,128
Water supplies						
- treatment plants and facilities	1,065	-	1,065	334	-	334
- reticulation and other assets	474	694	1,168	322	272	594
	1,539	694	2,233	656	272	928
Wastewater schemes						
- treatment plants and facilities	4,470	13	4,483	9	-	9
- reticulation and other assets	4,417	656	5,073	458	131	589
	8,887	669	9,556	467	131	598
Stormwater	25	153	178	-	4	4
Total core asset additions	21,002	2,701	23,703	7,904	1,754	9,658

### 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 21 \$000</b>	<b>Carrying value 30 Jun 21 \$000</b>	<b>Replacement cost 30 Jun 20 \$000</b>	<b>Carrying value 30 Jun 20 \$000</b>
Roading and footpaths**	575,890	376,115	551,953	372,933
Water supplies				
- treatment plants and facilities	16,903	9,659	15,626	9,181
- reticulation and other assets	116,079	67,071	106,257	67,012
	132,982	76,730	121,883	76,193
Wastewater schemes				
- treatment plants and facilities	35,058	26,052	29,929	22,113
- reticulation and other assets	144,106	83,897	131,870	79,849
	179,164	109,949	161,799	101,962
Stormwater	61,853	40,712	58,733	32,360
	949,889	603,506	894,368	583,448

### Work in Progress by Class of Assets

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

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Land	-	-	-	-
Buildings	8,686	4,306	8,686	4,306
Roading and footpaths	7,879	1,217	7,879	1,217
Water supplies	1,408	1,922	1,408	1,922
Wastewater schemes	5,156	6,210	5,156	6,210
Arts and Culture	39	3	39	3
Elderly Housing	-	-	-	-
Environmental	33	12	33	12
Software	52	11	52	11
Stormwater	1,162	324	1,162	324
Stockwater	-	-	-	-
Solid waste	123	24	123	24
Parks, cemeteries and domains	476	2,074	476	2,074
Other	462	411	462	411
Total work in progress	25,476	16,514	25,476	16,514

## 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 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Trade payables	6,627	5,848	10,080	7,232
Accruals and other expenses	181	152	181	152
Amounts due to related parties	1,112	606	-	-
Revenue in advance	1,644	896	1,644	896
Fair value of EA Networks Centre naming rights	49	54	49	54
Fair value of EA Networks Centre naming rights – non-current	369	400	369	400
Fair value of Museum/Art Gallery naming rights	5	5	5	5
Fair value of Museum/Art Gallery naming rights – non-current	6	9	6	9
Retentions/bonds awaiting contract work	1,051	843	1,051	843
	<b>11,044</b>	<b>8,813</b>	<b>13,385</b>	<b>9,591</b>
Payables and deferred revenue under non-exchange transactions:				
GST/FBT payable	-	-	-	-
ACC liability	138	142	138	142
Rates/water meter charges received in advance	648	1,225	648	1,225
Environment Canterbury rates outstanding from ADC	15	2,359	15	2,359
Construction Contracts	-	-	79	-
Grant revenue received in advance	22	26	22	26
	<b>823</b>	<b>3,752</b>	<b>902</b>	<b>3,752</b>
Total payables and deferred revenue	<b>11,867</b>	<b>12,565</b>	<b>14,287</b>	<b>13,343</b>
This is shown in the Statement of Financial Position as:				
Current	11,492	12,155	13,912	12,933
Non-current	375	410	375	410
	<b>11,867</b>	<b>12,565</b>	<b>14,287</b>	<b>13,343</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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Accrued pay	166	104	166	104
Annual and long service leave	1,578	1,422	2,644	2,379
Retirement gratuities	280	352	280	352
Sick leave	5	5	5	5
	<b>2,029</b>	<b>1,883</b>	<b>3,095</b>	<b>2,840</b>

This is shown in the Statement of Financial Position as:

Current	1,795	1,519	2,811	2,413
Non-current	235	364	284	427
	<b>2,029</b>	<b>1,883</b>	<b>3,095</b>	<b>2,840</b>

## 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>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Ashburton	5	5
Hinds	2	2
Rakaia	3	3
Methven	3	3
Mayfield	2	2
	<b>15</b>	<b>15</b>

Maintenance and monitoring costs have been calculated using a net present value calculation of 3.1% (2020 3.6%). The aftercare liability balance is:

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Opening balance	173	156	173	156
Provision used during the year	(15)	(10)	(15)	(10)
Additional provision made during the year	12	27	12	27
Closing balance	170	173	170	173

This is shown in the Statement of Financial Position as:

Current	15	15	15	15
Non-current	155	158	155	158
	170	173	170	173

## 27. Borrowings

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Opening balance	42,136	37,271	45,774	39,330
Loans raised during the year	53,600	20,000	53,600	22,000
Loans repaid during the year	(25,136)	(15,135)	(25,639)	(15,556)
Closing balance	70,600	42,136	73,735	45,774

This is shown in the Statement of Financial Position as:

Current	17,000	25,136	18,521	27,495
Non-current	53,600	17,000	55,214	18,279
	70,600	42,136	73,735	45,774

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 2021 the Council had not drawn down on this facility and balance was nil. (2020 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 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$000</b>
Within one year (current)	17,000	25,136	18,521	27,495
- weighted average effective interest rates	0.7%	3.8%	1.1%	3.8%
1 to 2 years	5,000	5,000	6,614	6,279
- weighted average effective interest rates	0.9%	1.0%	1.7%	1.9%
2 to 3 years	5,000	7,000	5,000	7,000
- weighted average effective interest rates	0.8%	1.9%	1.0%	2.0%
3 to 4 years	7,000	5,000	7,000	5,000
- weighted average effective interest rates	0.7%	0.9%	0.7%	0.9%
4 to 5 years	10,000	-	10,000	-
- weighted average effective interest rates	1.2%	0.0%	0.0%	0.0%
Greater than 5 years	26,600	-	26,600	-
- weighted average effective interest rates	1.7%	0.0%	1.7%	0.0%
	<b>70,600</b>	<b>42,136</b>	<b>73,735</b>	<b>45,774</b>

### Fair Value of Borrowings

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

	<b>2021 Book value \$000</b>	<b>2021 Fair Value \$000</b>	<b>2020 Book Value \$000</b>	<b>2020 Fair Value \$000</b>
Secured loans – Council	70,600	70,600	42,136	42,136
Secured loans – ACL	3,135	3,135	3,638	3,638
	<b>73,735</b>	<b>73,735</b>	<b>45,774</b>	<b>45,774</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 Council</b>	<b>2021 Council</b>	<b>2020 Council</b>
Interest payments as a percentage of council revenue	<10%	1.7%	2.3%
Interest payments as a percentage of total rates	<25%	3.8%	3.9%

## Internal Borrowing

	<b>Balance 01/07/2020 \$000</b>	<b>Borrowed \$000</b>	<b>Repaid \$000</b>	<b>Balance 30/06/2021 \$000</b>
Cemeteries	1,606	47	1,606	47
Commercial Property	18,405	3,555	16,412	5,548
Water resources	379	-	379	-
Environmental services	960	-	137	823
Footpaths	803	-	59	744
Parks	276	887	34	1,129
Roading	1,075	2,107	349	2,833
Stormwater	2,094	414	2,094	414
Drinking water	7,977	-	7,977	-
Wastewater	6,596	2,707	6,597	2,706
Public Conveniences	-	191	-	191
Recreation Facilities	149	64	141	72
Stockwater	-	54	-	54
Tinwald Recreation Reserve	770	-	40	730
Miscellaneous	276	100	233	143
	<b>41,366</b>	<b>10,126</b>	<b>36,058</b>	<b>15,434</b>

	<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>

Total interest of \$619,000 was charged on internal loans during the year (2020: \$998,000). 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Interest rate swaps	2,013	3,199	2,013	3,199
	2,013	3,199	2,013	3,199

The interest rates for interest rates swaps are fixed between 2.85% to 4.31% (2020: 2.85% to 4.31%).

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 \$1,186 for the year are shown in note 7.

## 29. Ratepayers Equity

	<b>Council 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
Balance at 1 July	461,136	463,348	472,749	475,565
Surplus/(deficit) after taxation	20,458	(1,922)	22,257	(2,526)
Appropriations to/from reserves	(7,550)	(290)	(7,550)	(290)
Balance at 30 June	474,044	461,136	487,456	472,749

### 30. Other Reserves

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
<b>Revaluation reserves</b>				
Infrastructural assets				
Balance at 1 July	250,814	226,141	250,813	226,140
Revaluations	-	24,673	-	24,673
Balance at 30 June	250,814	250,814	250,813	250,813
Property, plant and equipment				
Balance at 1 July	-	-	1,423	1,290
Revaluations	-	-	209	159
Deferred taxation adjustment	-	-	(5)	(26)
Balance at 30 June	-	-	1,627	1,423
Total revaluation reserves	250,814	250,814	252,440	252,236
<b>Separate reserves and special funds (refer details below)</b>				
Balance at 1 July	58,067	57,777	58,067	57,777
Plus special funds/separate reserves movements				
Operating income	32,603	22,930	32,603	22,930
Operating expenditure	(18,770)	(18,179)	(18,770)	(18,179)
	13,833	4,751	13,833	4,751
Capital income	35,496	8,585	35,496	8,585
Capital expenditure	(38,628)	(14,068)	(38,628)	(14,068)
	(3,132)	(5,483)	(3,132)	(5,483)
Transfers in	2,669	2,124	2,669	2,124
Transfers out	(5,820)	(1,102)	(5,820)	(1,102)
	(3,151)	1,022	(3,151)	1,022
Total net movement	7,550	290	7,550	290
Balance at 30 June	65,617	58,067	65,617	58,067
<b>Fair value through other comprehensive income reserve</b>				
Balance at 1 July	137	124	137	124
Net revaluation gains/(losses)	808	13	808	13
Balance at 30 June	945	137	945	137
Total other reserves	317,376	309,018	319,002	310,440

**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 2020	48,581	9,463	-	23	58,067
Operating income	32,603	-	-	-	32,603
Operating expenditure	(18,770)	-	-	-	(18,770)
Capital income	35,496	-	-	-	35,496
Capital expenditure	(38,628)	-	-	-	(38,628)
Transfers in	1,359	1,310	-	-	2,669
Transfers out	(3,591)	(2,229)	-	-	(5,820)
Balance at 30 June 2021	57,050	8,544	-	23	65,617
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	9,462	-	23	58,067

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

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Operating surplus/(deficit) after taxation	20,458	(1,922)	22,257	(2,525)
Add/(less) non-cash items:				
Vested assets	(2,140)	(2,277)	(2,140)	(2,277)
Depreciation and amortisation	15,456	16,169	16,808	17,409
Impairment of property, plant and equipment	-	-	-	-
Deferred tax	(31)	16	468	(197)
NZ carbon credits recognised	-	-	-	-
(Gain)/loss in fair value of forestry assets	(2,452)	241	(2,452)	241
(Gain)/loss in fair value of investment property	(2,016)	1,144	(2,774)	1,144
(Gain)/loss in fair value of EA Networks naming sponso	(36)	34	(36)	34
(Gain)/loss in fair value of Museum/Art Gallery naming	(3)	6	(3)	6
Increase/(decrease) in long term staff provisions	(130)	29	(142)	40
Increase/(decrease) in landfill provision	14	17	3	17
Unwind discount on borrowing	-	-	-	-
Council's share of Eastfield Investments JV offset again	(518)	-	(518)	-
Capitalised interest on advances/investments	-	-	-	-
Transfer of capital WIP to property inventory	-	-	-	-
Share of associates (surplus)/deficit	-	-	(328)	-
Add/(less) items classified as investing or financing act				
(Gains)/losses on property, plant and equipment dispos	1,768	1,923	1,716	1,925
(Gains)/losses on investment property disposals	(687)	(137)	(687)	(137)
Add/less movements in working capital items:				
(Increase)/decrease in inventories	(977)	537	(894)	175
(Increase)/decrease in trade & other receivables	(4,007)	1,081	(4,919)	2,884
Increase/(decrease) in trade & other payables	(2,751)	1,896	(2,043)	1,658
Increase/(decrease) in current staff provisions	276	358	398	459
Increase/(decrease) in financial derivatives	(1,189)	1,088	(1,186)	1,088
Increase/(decrease) in taxation payable	-	-	340	(107)
Net cash inflow from operating activities	21,035	20,203	23,868	21,837



### 32. Commitments & Operating Leases

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

	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

### Operating leases as lessor

Both the Council and Ashburton Contracting Limited lease out investment property under operating leases. The majority of these leases have a non-cancellable term of 36 months. The future aggregate lease payments to be collected under non-cancellable operating leases are shown below.

	Council 2021 Actual \$000	Council 2020 Actual \$000	Group 2021 Actual \$000	Group 2020 Actual \$000
Non cancellable operating leases as lessor:				
Less than one year	1,009	816	1,009	816
Between one and five years	3,139	2,935	3,139	2,935
Later than five years	5,306	5,839	5,306	5,839
	9,454	9,590	9,454	9,590

### 33. 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

#### Guarantees or Financial Guarantees

Ashburton Contracting Limited has severally guaranteed 37.59% (2020 37.59%) of the advances to the Lake Hood Extension Project joint venture. At balance date funds drawn totalled \$0 (2020 \$0).

#### 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 2021, the Council borrowed \$71 million from the NZLGFA (2020 \$42 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 2021, NZLGFA had total borrowings of \$13,610 million (2020 \$11,908 million).

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

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

### 34. Financial Instruments

#### Financial Instrument Categories

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

	Council 2021 \$000	Council 2020 \$000	Group 2021 \$000	Group 2020 \$000
Financial assets				
<i>Loans and receivables</i>				
Cash and cash equivalents	24,672	7,346	26,148	8,320
Trade and other receivables	9,111	5,422	13,782	9,163
Other financial assets:				
- term deposits	-	-	-	-
- community loans	150	-	150	-
	33,933	12,768	40,080	17,483
<i>Held-to-maturity</i>				
Local authority stocks and bonds	-	-	-	-
	-	-	-	-
<i>Fair value through other comprehensive income</i>				
Local authority stocks and bonds	1,063	2,137	1,063	2,137
	1,063	2,137	1,063	2,137
Financial liabilities:				
<i>Fair value through surplus or deficit</i>				
Derivative financial instrument liabilities				
- interest rate swaps	2,013	3,199	2,013	3,199
	2,013	3,199	2,013	3,199
<i>Financial liabilities at amortised cost</i>				
Creditors and other payables	11,867	12,565	14,287	13,343
Borrowing:				
- bank overdraft	-	-	1	852
- secured loans	70,600	42,136	73,735	45,774
	82,467	54,701	88,023	59,969

### 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>2021 Council and Group</b>				
<i>Financial assets</i>				
Bonds	1,063	1,063	-	-
<i>Financial liabilities</i>				
Interest rate swaps	2,013	-	2,013	-
<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	-

### 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 2021 are:

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>	<b>Group 2021 \$000</b>	<b>Group 2020 \$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</b>	<b>Council</b>	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents	24,672	7,346	26,147	7,468
Trade and other receivables	9,111	5,422	13,782	9,163
Community loans	150	-	150	-
Term deposits greater than 90 days	-	-	-	-
Local authority stocks and bonds	1,063	2,137	1,063	2,137
	<b>34,996</b>	<b>14,905</b>	<b>41,142</b>	<b>18,768</b>

### 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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Counterparties with credit ratings:				
Cash at bank and term deposits				
AA-	24,672	7,346	26,148	8,320
	<b>24,672</b>	<b>7,346</b>	<b>26,148</b>	<b>8,320</b>
Local authority stocks and bonds				
AA	-	-	-	-
AA-	1,000	2,000	1,000	2,000
A	63	137	63	137
	<b>1,063</b>	<b>2,137</b>	<b>1,063</b>	<b>2,137</b>
Counterparties without credit ratings:				
Community loans	150	-	150	-
Cash at bank and term deposits	-	-	-	-
	<b>150</b>	<b>-</b>	<b>150</b>	<b>-</b>

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.

	Note	Liability carrying amount \$000	Contractual cashflows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>2021 Council</b>							
Trade and other payables	24	11,867	11,867	1,867	-	-	-
Borrowings	27	70,600	74,052	17,368	5,663	23,708	27,313
Interest rate swaps	28	2,013	-	-	-	-	-
		84,480	85,919	19,235	5,663	23,708	27,313
<b>2021 Group</b>							
Trade and other payables	24	14,287	14,287	14,287	-	-	-
Borrowings	27	75,228	76,680	20,714	6,945	23,708	27,313
Interest rate swaps	28	2,013	-	-	-	-	-
		91,528	92,967	35,001	6,945	23,708	27,313
<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	15,136	15,135	7,000	-
Interest rate swaps	28	2,111	-	-	-	-	-
		50,327	48,216	26,081	15,135	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>2021 Council</b>							
Cash and cash equivalents	12	24,672	24,672	24,672	-	-	-
Trade and other receivables	13	9,111	9,111	9,111	-	-	-
Local authority stocks &	14	1,063	1,063	-	1,063	-	-
Community loans	13	150	150	150	-	-	-
		34,996	34,996	33,933	1,063	-	-
<b>2021 Group</b>							
Cash and cash equivalents	12	26,147	26,147	26,147	-	-	-
Trade and other receivables	13	13,782	13,782	13,782	-	-	-
Local authority stocks &	14	1,063	1,063	-	1,063	-	-
Community loans	13	150	150	150	-	-	-
		41,142	41,142	40,079	1,063	-	-
<b>2020 Council</b>							
Cash and cash equivalents	12	7,346	7,346	7,346	-	-	-
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	-	-	-
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	-

### Sensitivity analysis for interest rate risk

As at 30 June 2021 it was estimated that a general increase of one percentage point in interest rates would increase the surplus by \$1,259,648 for the Council and Group (2020 \$1,325,726 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 2021 it was estimated that a general increase of one percentage point in interest rates would reduce equity by \$165,258 (2020 \$39,556) 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 2021 Actual \$000</b>	<b>Council 2020 Actual \$000</b>	<b>Group 2021 Actual \$000</b>	<b>Group 2020 Actual \$000</b>
For construction contracts in progress at 30 June:				
Contract costs incurred	-	-	8,615	1,231
Recognised profits/losses	-	-	2,611	266
	-	-	11,226	1,497
Progress billings	-	-	(9,679)	792
Gross amounts due from customers (included in receivables note 13)	-	-	1,547	2,289
Retentions included in progress billings	-	-	468	41

The Council had no construction contracts in progress as at 30 June 2021.

### 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>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
<b>Experience Mid Canterbury (EMC)</b>		
Grant from ADC	195	375
<b>Ashburton Community Water Trust (ACWT)</b>		
ADC Administration Grant to ACWT	1	1

### 37. Remuneration

#### Total staff numbers by remuneration band

	<b>2021 Council Actual \$000</b>	<b>2020 Council Actual \$000</b>
< \$60,000	155	159
\$60,000 - \$80,000	55	53
\$80,000 - \$100,000	33	26
\$100,000 - \$120,000	11	8
\$120,000 - \$140,000	7	7
\$140,000 - \$240,000	-	9
\$140,000 - \$300,000	11	-
\$240,000 - \$320,000	-	1
\$320,000 - \$340,000	1	-
Total Employees	273	263

Total remuneration includes non-financial benefits paid to employees. At balance date the Council employed 173 full-time employees (2020: 167). The balance of part-time staff equates to 27.3 full-time equivalent employees (2020 30.6). 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

	<b>2021 Council Actual \$000</b>	<b>2020 Council Actual \$000</b>
Councillors		
- Remuneration	516	504
- number of elected Councillors	10	10
Senior management including Chief Executive		
- Remuneration	1,318	1,132
- full-time equivalent	6	5
Total key management remuneration	1,834	1,636

### 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:

	2021 Council Actual \$000	2020 Council Actual \$000
Salary, Superannuation & Allowances	308	309
Vehicle (market value)	13	13
	<u>321</u>	<u>322</u>

### Elected representatives (Mayor and councillors)

	2021 Council Actual \$000	2020 Council Actual \$000
<b>Mayor</b>		
N Brown	116	98
D Favel	-	35
<b>Councillors</b>		
E McMillan	68	55
L Lovett	39	33
D Rawlinson	43	39
R Letham	39	25
J Falloon	43	31
L Braam	43	39
S Wilson	43	41
A McKay	43	31
C Cameron	39	25
T Bell	-	8
R Ellis	-	10
S Price	-	8
A Malcolm	-	8
P Reveley	-	10
A Urquhart	-	8

The above payments include allowances paid of \$19,062 (2020 \$18,730).

### 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 2021, 3 severance payments totalling \$36,468 (\$21,533; \$2,935; \$12,000) were made by Council (2020 3 severance payments totalling \$22,200(\$8,800; \$8,600; \$4,800) were made by council).

### 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

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

Range St

P O Box 264

Ashburton

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### Performance measures

The Company's actual performance compared to targets as specified in the 2020/2021 Statement of Corporate Intent, were as follows:

1. The Company budgeted for a profit before tax of \$1,017,000. The actual result was a pre-tax surplus before tax for this period of \$2,451,000.
2. The Company achieved an annual rate of return based on average equity of 9.0% against a target ratio of no less than 12%.
3. The ratio of shareholders' funds to total assets as at 30 June 2021 was 54% (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 2021.
5. The Company achieved an annual external revenue turnover of \$39,593,000 against a target budget of \$34,173,000.
6. There were no breaches of the Resource Management Act during the year.
7. ACC Worksafe Safety Management Programme Certification maintained.
8. Lost Time Injury Rate of 1.4 (target ratio to be greater than 0.4).
9. The Directors propose to pay a final dividend of \$900,000 with the interim dividend of \$200,000 already paid. The target dividend was \$386,000 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 2021

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Operating revenue	39,941	28,102
Operating and other expenses	(37,317)	(27,520)
Operating surplus before taxation	2,624	582
Share of joint venture surplus/(deficit)	518	(841)
Taxation expense	(914)	69
Net surplus/(deficit)	2,228	(190)
Other comprehensive revenue	204	133
Total comprehensive revenue and expense	2,432	(57)

#### 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 2021

	<b>2021</b>	<b>2020</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

	2021 Actual \$000 	2020 Actual \$000
Operating revenue	-	470
Operating and other expenses	-	(435)
Operating surplus before taxation	-	35
Taxation expense	-	(6)
Net surplus/(deficit)	-	29

#### 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.

	<b>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Assets	15,921	13,715
Liabilities	(2,779)	(1,952)
Equity	13,142	11,763
Company's interest at 37.59% (2020 37.59%)	4,940	4,422
Revenue	2,025	818
Surplus/(deficit)	1,378	(2,239)
Company's interest at 37.59%	518	(842)

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

##### 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.



#### 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.

	Balance 30/06/2020 \$000	Deposits to funds \$000	Withdrawals from funds \$000	Balance 30/06/2021 \$000
<b>Supply</b>				
Ashburton	611	8,647	(7,227)	2,031
Methven	(152)	2,719	(3,010)	(443)
Rakaia	650	288	(274)	664
Fairton	1	155	(226)	(70)
Hakatere	(121)	105	(217)	(233)
Hinds	(180)	242	(503)	(441)
Mayfield	(130)	372	(457)	(215)
Chertsey	(29)	107	(134)	(56)
Methven/Springfield	240	311	(223)	328
Montalto	169	186	(163)	192
Mt Somers	(250)	386	(506)	(370)
Dromore	(187)	96	(139)	(230)
Barrhill	(2)	57	(57)	(2)
	620	13,671	(13,136)	1,155

	Balance 30/06/2019 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2020 \$000
<b>Supply</b>				
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

*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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Ashburton	3,152	17,692	(17,822)	3,022
Methven	118	619	(518)	219
Rakaia	207	516	(434)	289
	3,477	18,827	(18,774)	3,530

<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

*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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Ashburton	1,280	1,413	(2,435)	258
Methven	161	131	(121)	171
Rakaia	84	59	(15)	128
Rural	109	50	(17)	142
	1,634	1,653	(2,588)	699

<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

#### 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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Ashburton	1,513	3,541	(3,459)	1,595
Methven	189	264	(243)	210
Rakaia	155	15	(9)	161
Hinds	17	2	(4)	15
Rural	56	51	(3)	104
	1,930	3,873	(3,718)	2,085

<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



*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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Ashburton	430	2,491	(2,560)	361
Methven	-	-	-	-
Rakaia	-	-	-	-
Hinds	-	-	-	-
Mt Somers	-	-	-	-
Mayfield	-	-	-	-
	430	2,491	(2,560)	361

<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

### 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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Lagmhor/Westerfield	33	1	-	34
Mayfield	16	2	(7)	11
Mt Hutt	(14)	138	(192)	(68)
Rakaia	12	17	(20)	9
Tinwald	(17)	14	(11)	(14)
	30	172	(230)	(28)

<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

*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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Alford Forest	6	6	(6)	6
Chertsey	11	1	(1)	11
Dorie	4	1	(1)	4
Ealing	28	7	(2)	33
Ashburton Forks	11	2	(3)	10
Highbank	13	-	(2)	11
Hinds	(53)	2	(3)	(54)
Lynnford	(2)	-	-	(2)
Maronon	8	1	-	9
Mayfield	10	10	(11)	9
Methven	(9)	25	(20)	(4)
Mt Somers	21	56	(52)	25
Pendarves	1	-	-	1
Rakaia	117	15	(31)	101
Ruapuna	(3)	20	(13)	4
Seafeld	6	21	(24)	3
Tinwald	(2)	461	(469)	(10)
	167	628	(638)	157

<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)
Maronon	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)
Seafeld	7	-	(1)	6
Tinwald	196	165	(363)	(2)
	353	306	(492)	167

*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>Balance 30/06/2020</b>	<b>Deposits to funds</b>	<b>Withdrawals from funds</b>	<b>Balance 30/06/2021</b>
<b>Beautification area</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Ashburton domain and gardens	(961)	1,032	(1,017)	(946)
Baring Square East	10	97	(88)	19
Baring Square West	78	72	(82)	68
Ashburton town centre	426	2,546	(2,975)	(3)
Methven	(46)	233	(236)	(49)
Rakaia	(10)	342	(341)	(9)
Urban	51	2,174	(2,136)	89
Rural	332	200	(127)	405
State Highway 1	127	91	(90)	128
Neighbourhood grounds	(244)	220	(192)	(216)
Ashburton domain sportgrounds	93	193	(175)	111
Other sports fields	(59)	204	(160)	(15)
Ashburton Business Estate	184	194	(78)	300
	(19)	7,598	(7,697)	(118)

	<b>Balance 30/06/2019</b>	<b>Deposits to fund</b>	<b>Withdrawals from funds</b>	<b>Balance 30/06/2020</b>
<b>Beautification area</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$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 sportgrounds	33	184	(124)	93
Other sports fields	(92)	207	(174)	(59)
Ashburton Business Estate	119	173	(108)	184
	(50)	4,534	(4,503)	(19)



*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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Stockwater	(863)	1,159	(1,288)	(992)
Forestry	7,596	2,750	(308)	10,038
Dividend account	11,516	(368)	(46)	11,102
Property	19,151	14,317	(6,358)	27,110
Youth council	28	75	(73)	30
Rural fire	-	-	-	-
Parking	2,163	330	(1,338)	1,155
Festive lighting	(55)	68	(71)	(58)
Animal control	(238)	476	(423)	(185)
Elderly persons housing	285	530	(716)	99
Arts and culture	729	1,208	(1,026)	911
	40,312	20,545	(11,647)	49,210

	<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
	42,173	5,756	(7,617)	40,312

### Special funds

Special funds have been set up for specific purposes. Their use is restricted to the purpose for which they were set up. They retain their surplus or deficit but are used to meet the costs that comply with their purpose. Many of these funds were inherited from Ashburton County and Ashburton Borough Councils' at the time of amalgamation in 1989.

These funds are included in the miscellaneous activity.

Special funds include the following reserves:

- Roading bridges reserve – to fund the costs associated with maintaining or upgrading Council bridges.
- Road 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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
Roading bridges	720	-	-	720
Roads	175	-	-	175
IS Equipment Reserve	-	270	-	270
Historical acquisition	-	-	-	-
Town centre beautification	225	-	-	225
Access Trust	41	-	(41)	-
Reserve contributions	4,049	570	(1,166)	3,453
Heritage grant funding	54	-	-	54
Biodiversity funding	55	-	-	55
Plant renewal	958	-	(958)	-
Disaster insurance	2,459	-	(65)	2,394
Capital services	709	470	-	1,179
Contingency	18	-	-	18
	<b>9,463</b>	<b>1,310</b>	<b>(2,230)</b>	<b>8,543</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>
Roading 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>

### 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 30/06/2020 \$000</b>	<b>Deposits to funds \$000</b>	<b>Withdrawals from funds \$000</b>	<b>Balance 30/06/2021 \$000</b>
John Grigg statue trust fund	23	-	-	23
	23	-	-	23

	<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
	23	-	-	23



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

	<b>Council 2021 \$000</b>	<b>Council 2020 \$000</b>
Roading	13,881	8,178
Footpaths	2,058	596
Drinking water	1,335	2,507
Wastewater	8,614	5,657
Stormwater	1,015	243
Solid waste management	118	5
Solid waste collection	83	3
Arts and culture	5	3
Library	134	116
Recreation facilities and services	129	131
Elderly persons housing	8	18
Memorial halls	71	40
Emergency management	12	-
Public conveniences	255	114
District water management	-	-
Commercial property	9,862	10,693
Stockwater	100	30
Parks and recreation	2,771	1,019
Cemeteries	54	22
Reserves and camping grounds	31	422
Reserve boards	23	180
Methven community board	1	-
District planning	-	-
Parking	24	8
Animal control	-	-
Other operations	752	623
	<b>41,338</b>	<b>30,608</b>

#### 49. Explanations of variances against budget

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 \$2,337 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 \$0.153 million
- Wastewater \$0.251 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 are \$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 21/22 \$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

The budget for the 20/21 was prepared before the 30 June 2020 valuation of infrastructural assets. In addition there is a large value of work in progress of \$25.5 million in asset additions on major projects not completed as at 30 June 2021. The capital expenditure programme for the year was not completed and has resulted in a Council approved carry-over of capital expenditure of \$11.6 million from the 20/21 year to the 21/22 year.

### 50. Covid-19 Note

We continue to be tested by the economic and financial effects of Covid-19. The potential future impacts of Covid-19 may negatively impact residents' ability to pay rates. This could lead to a short term cash flow impact and increased rates arrears. To mitigate this potential issue, in April 2020 the Council reassessed its draft 2020/21 Annual Plan, and chose to reduce the rate income for the 2020/21 year. Our Long-Term Plan 2018-28 had predicted that the average rates increase for 2020/21 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 2020/21 year, and waived the 'only one rates penalty remission in any 24 month period' rule for the 2020/21 year.

The local economy was impacted by hosting fewer tourists, especially from overseas, which affected the operations of our tourism and accommodation providers. Experience Mid Canterbury was wound up and we entered into a new contract with ChristchurchNZ. This allowed us to pivot, to market Ashburton District as a desirable destination for domestic travellers, while ensuring we can again focus on overseas visitors when international travel is able to resume.

### Impact on work programmes

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

# Independent Auditor's Report

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

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 15 December 2021. This is the date at which we give our report.

## Opinion on the audited information

In our opinion:

- the financial statements on pages 119 to 141 and pages 143 to 211:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2021; 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; and
- the funding impact statement on page 141, 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 District Council's activities and services on pages 18 to 110:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, 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; and



- the statement about capital expenditure for each group of activities on pages 23 to 110, 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 109, 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 113 to 118, 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 – The Government's three waters reform programme announcement**

Without modifying our opinion, we draw attention to note 45 on page 196, which outlines that subsequent to year-end, 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.

### **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 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 1, 3 to 11 and 15, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

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 149, are compatible with those independence requirements. Other than these engagements, 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



