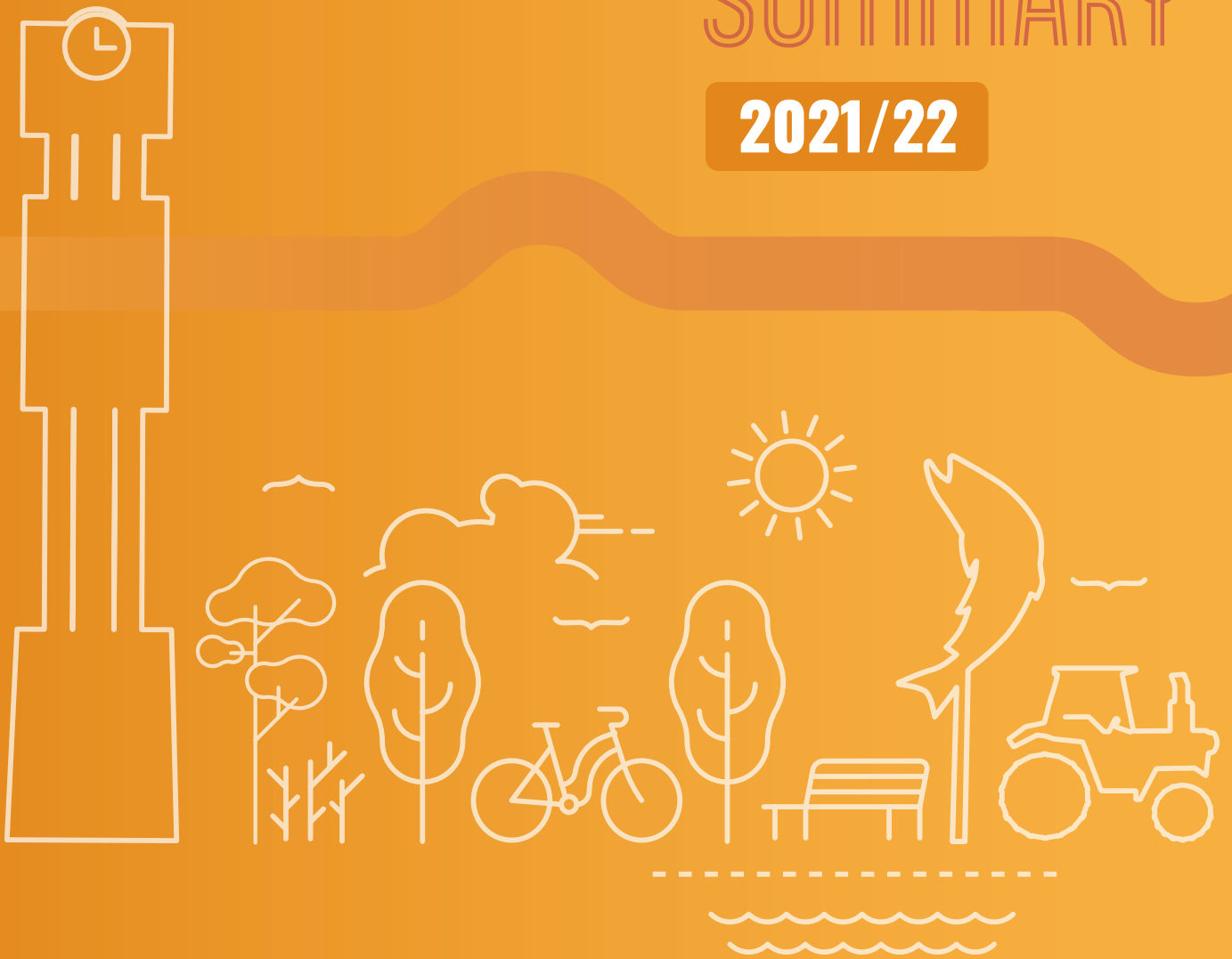


ANNUAL REPORT

SUMMARY

2021/22



ASHBURTON : THE DISTRICT OF CHOICE FOR LIFESTYLE AND OPPORTUNITY

HAKATERE: TE ROHE KA WHIRIA MŌ
TE ĀHUA NOHO, ME TE HAPORI



KIA ORA KOTOU, WELCOME

2021/22 HAS BEEN A NOTABLE YEAR FOR ASHBURTON DISTRICT COUNCIL ON A NUMBER OF FRONTS.

We completed a number of landmark projects this year, with the most notable being the completion of the Ashburton CBD streetscape renewal project. The project was completed at the end of 2021, with an expenditure of \$17.6 million – within the budget and contingency allocated. The project has been recognised nationally through the 2022 Taituarā Local Government Excellence Awards where it was highly commended as a ‘placemaking’ project.

A less visible but equally important completed project was the Ashburton Relief Sewer project, which has been on our radar for a number of years. This project saw us engage two contractors (ACL and SEIPP) to construct a section of the pipeline simultaneously to ensure the project was completed as efficiently as possible. Construction of the pipelines began in 2020/21 and was completed within the \$10 million budget. Council received \$7.8 million in government ‘shovel ready’ project stimulus funding. We were the first in the country to complete its project by the March 2022 deadline.

The library and civic centre (Te Pātaka o kā Tuhituhi and Te Waharoa a Hine Paaka) remains a work in progress, however significant progress has occurred over the last 12 months. While the project currently remains within budget, the budget is under significant pressure due to a range of consequences from severe weather events and the global covid pandemic, including disrupted supply chains affecting price and availability of building materials, construction staff disruptions due to Government imposed mandates and isolation requirements, and a very tight labour market.

Covid-19 has continued to impact our delivery of services and activities to our community and the challenging landscape of vaccine passes, mandates and masks were all features of the year’s operating environment. Despite the difficulties it was pleasing to see the community willing to do the right thing to protect the vulnerable in our community with Ashburton District considered to be a highly vaccinated community with 98% of residents aged 12 and over double vaxxed and 74% of those 18 and over boosted.

Throughout the year we have continued to provide drinking water to nearly 70% of households and businesses in the district, managed the wastewater for about 65% of our district’s population and diverted over 35% of household waste from landfill to recycling. The quality and condition of our large roading network continues to be a source of frustration for many in the community, despite this, we graded 10,216 km of unsealed roads, resealed 70 km of sealed roads and filled over 6,000 potholes.

This year progressed the Second Urban Ashburton River Bridge

Business Case, with this being adopted by Council in August 2022. The business case has been lodged Waka Kotahi and we are looking forward to their and the Government’s consideration of that project in the 22/23 year.

The EA Networks Glow in the Park event (sponsored by EA Networks, with Council providing event management) was a great success and signalled a return to ‘normal’ post-Covid and we were thrilled the community came out in support of the event.

In the background of all of this is the continuing reform by Central Government on a number of key area for local government including Three Waters Reform, Resource Management Act Reform, Future for Local Government, and Emergency Management. We continue to lobby Government and advocate for our community needs and expectations, in what has been called, ‘once in a generation’ reform.

Council’s operating result for the year resulted in a surplus of \$20.6 million before taxation and other comprehensive income. Total revenue was \$13.7 million above a budget of \$89 million.

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 all 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 contractors and volunteers this year.

WE LOOK FORWARD TO WORKING TOGETHER IN 2022/23 AND BEYOND, TO CONTINUE TO MAKE ASHBURTON THE DISTRICT OF CHOICE FOR LIFESTYLE AND OPPORTUNITY – HAKATERE: TE ROHE KA WHIRIA MO TE AHUA NOHO, ME TE HAPORI.

Kā mihi nui



NEIL BROWN
MAYOR

Neil Brown



HAMISH RIACH
CHIEF EXECUTIVE

Hamish Riach

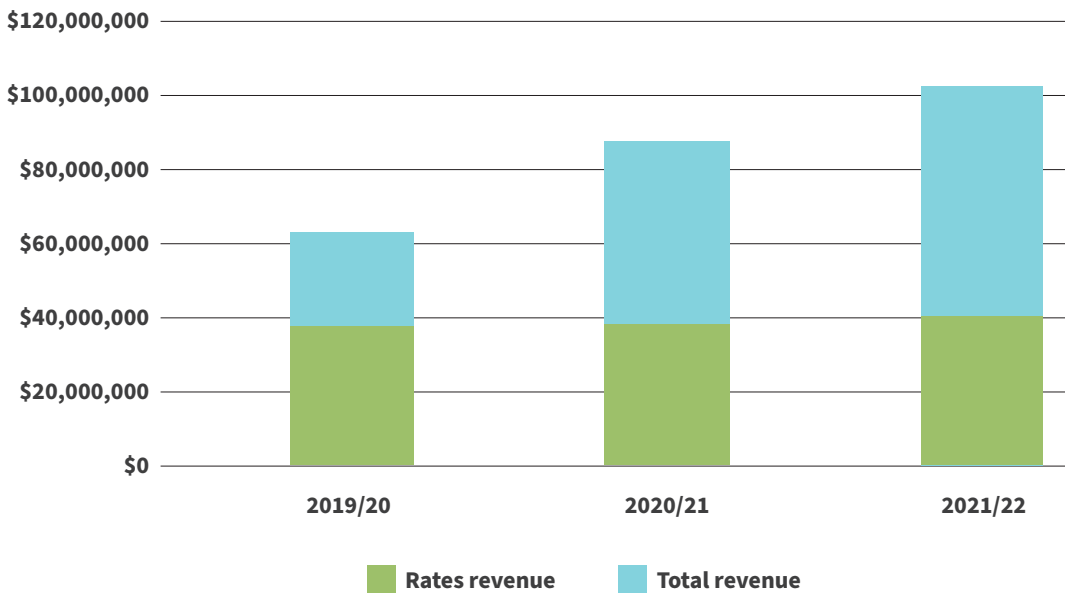


OUR DISTRICT

OUR DISTRICT’S POPULATION IS ESTIMATED TO BE 35,900, OF WHICH ABOUT 18,850 LIVE IN THE TOWN OF ASHBURTON.

- 6190 km² area of our district
- 444 hectares of parks and open spaces
- 119 hectares of sports parks
- 29 neighbourhood playgrounds
- We have 2,619 km of roads across the district, made up of 1,518 km of sealed and 1,102 km of unsealed road.

We also have 185 bridges and 254 km of footpaths.



The district was last valued in **July 2021**, with **15,885** rateable properties as at 1 July 2022.

The total rateable value is **\$20,343,179,650** with an average rateable value of **\$1,280,653** – 4.3% higher than the previous year.

OUR YEAR IN REVIEW



HOW WE PERFORMED

Every three years, through our long-term plan, we set performance measures.

These set out what we're working towards – the level of service we are aiming to provide to our community, how we'll measure progress towards this (our goal), and a target for each year. The following information shows you how many of our targets we achieved in each of our activity areas, over this past year.

	ACHIEVED	NOT ACHIEVED	NOT APPLICABLE / MEASURED
 Drinking water	5	5	-
 Wastewater	8	-	-
 Stormwater	7	-	1
 Stockwater	4	-	-
 Transportation	7	3	-
 Waste Reduction & Recovery	2	1	-
 Community Governance & Decision-Making	3	1	-
 Economic Development	1	1	-
 Community Services	2	1	-
 Parks & Open Spaces	5	1	-
 Recreation Facilities	7	4	-
 Regulatory Functions	15	6	-
Total	66	23	1

OUR COMMUNITY OUTCOMES

Community outcomes look to the future and take a ‘whole-of-community’ view.

They integrate social, cultural, environmental and economic well-being. We aim to contribute to these outcomes in every activity that we deliver. However, we cannot achieve these alone. We will continue working with numerous organisations (e.g. health, business, environmental, community, government departments) who also contribute towards these outcomes through the activities and services they provide.

We do not set targets for community outcomes, rather we monitor the desired trend.



Residents are included and have a voice
Ka whai wāhi, ka whakaputa kōrero kā kainoho

Our community feels a sense of belonging, inclusion, and social connectedness. We celebrate our identity, heritage and cultural diversity. We are an organisation that collaborates with partners and engages in two-way dialogue with our communities in order for them to have the opportunity to influence local outcomes and decisions, and to gain a sense of ownership of our plans, strategies and decisions.

HOW WE MEASURE SUCCESS	2020/21	2021/22	TRENDS
Residents feel a sense of community with others in their neighbourhood	91%	91%	=
Residents feel they have opportunities to have their say on Council business	88%	86%	↘
Residents believe they can influence Council decision-making	64%	63%	↘
Numbers responding to consultations	1855	1098	↘
Numbers participating in local elections ¹	N/A	N/A	N/A

¹ Local Body Elections are held once every three years, with the next election held in the 2022/23 financial year.



A prosperous economy based on innovation and opportunity

He ōhaka whai rawa i ruka i te aroka hou me te whai āheika

We are a welcoming, enabling and business friendly district that encourages local economic development.

We provide opportunities for people of all ages and at all phases of life to enjoy a quality of living within our district that is economically sustainable and affordable. We recognise and manage the effects of population growth and actively promote the district as a destination of choice. We value the role our district's natural, cultural and social assets play in supporting economic development.

HOW WE MEASURE SUCCESS	2020/21	2021/22	TREND
Housing affordability index ²	4.9	5.8	↗
Rental affordability index ²	20%	21.2%	↗
District GDP	\$2,733m	\$2,736m	↗
Unemployment rate	3.2%	2.4%	↘
Tourism spend	\$93m	\$101m	↗

² The housing (rental) affordability index is the ratio of the average house value (weekly rent) to average household income. A higher ratio suggests average house prices (rent) are a greater multiple of typical income – indicating lower housing (rental) affordability.



A balanced & sustainable environment

He taiao toitū

We are proud of our natural and built environments. We sustainably manage our environment and natural resource to ensure they can be enjoyed now and by future generations and recognise the vital role these play in sustaining our district. We actively support improving the health of our district's rivers, lakes and waterways. Our unique landscapes and indigenous biodiversity are valued. Waste reduction, recycling, energy conservation and efficiency, and water conservation are a part of how we all live.

HOW WE MEASURE SUCCESS	2020/21	2021/22	TREND
Resident satisfaction with the state of the district's environment and biodiversity	87%	85%	↘
Resident satisfaction with Council's activity to care for the district's environment and biodiversity	88%	84%	↘
Council meets its resource consent conditions for consents held (e.g. water abstraction, wastewater discharges)	94%	91%	↘



A district of great spaces and places

He tiriwā pai, he wāhi pai i tēnei takiwā

Our community feels a sense of pride from living in our district. We have safe, vibrant and thriving communities. We recognise and cater for the range of generations within our community. Our district is well connected, and our social and recreational facilities enable people to enjoy positive healthy lifestyles. Our facilities and infrastructure are planned and developed to meet current and future needs.

HOW WE MEASURE SUCCESS	2020/21	2021/22	TREND
Resident satisfaction with available local community facilities	93%	91%	↘
Resident satisfaction with the general lifestyle opportunities available in our district	95%	95%	=

OUR ACTIVITIES AND PROJECTS

LOCAL INFRASTRUCTURE

ASHBURTON TOWN CENTRE REVITALISATION



This project involved the replacement and upgrading of three-waters infrastructure, construction of new road and footpath surfaces, and urban landscape features.

With the exception of the smart eye parking sensors, the project was completed at the end of 2021, with an expenditure of \$17.6 million – within the budget and contingency allocated. This includes the cost of the parking sensors, which have faced significant supply chain delays and are not expected until later in 2022.

DRINKING WATER



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

- We installed drinking water meters on properties on the Methven drinking water scheme, as part of a trial to identify the magnitude of water loss from both the private and public infrastructure. 1150 meters have been installed, with the remaining 50 meters to be installed by the end of August 2022.
- We bought forward the second Methven reservoir upgrade from 2025/26 to build two this year. Assembly of tank one is near completion, however, tank two was damaged in the gale force wind event on Monday 18 July. A replacement tank is required – due the end of October 2022.
- Design is underway for the Methven / Methven-Springfield and Mt Somers membrane treatment plants. The contract for construction of the buildings is expected to be awarded in November 2022, with the membrane and ancillary equipment fitted into the building once it is completed.

WASTEWATER



We provide three community wastewater schemes in the Ashburton District, servicing approximately 65% of our district's population.

- All target response times to faults and unplanned work were met by contractors.
- Laid over 5000 m of pipeline from Bridge Street to Wakanui Road and on to Milton Road South, allowing wastewater to flow to our treatment facilities in Tinwald, via the new river crossing and pump station. This project received 'shovel ready' funding through a central government grant and was completed by the March 2022 government-imposed deadline.
- The detailed design has been completed to provide wastewater infrastructure to the Residential C land in northwest Ashburton. The construction tender will be awarded in July 2022.
- Due to programme rescheduling, necessary to facilitate the Ashburton town centre project, our planned sewermain renewals and relinings were not completed this financial year but are on track to be completed by December 2022.

STORMWATER



We provide urban stormwater collection and disposal networks in Ashburton, Methven and Rakaia. Lake Hood and Hinds have small systems of swales and open drains.

- This year, we installed three shallow monitoring bores in and around the Braebrook stormwater disposal facility. These bores will allow us to monitor effects on groundwater quality.
- Work on preparing an application for network-wide resource consents for stormwater discharge in Methven and Rakaia urban areas has begun. The applications are expected to be lodged in October 2022.
- Implementation of the new Ashburton network-wide stormwater consent is now well advanced, with the development of the draft Stormwater Bylaw, due to be adopted in October 2022.

STOCKWATER



Across our district there are five stockwater areas making up the stockwater race network of 1663 km.

- This year we received 39 applications for race closures, of which 30 were approved. Nine are still being worked through as to the outcome.
- We put resource into identifying races which had closed but had not been updated in our database. This resulted in a reduction of 340 km of network being open compared to the previous year.
- In December 2021 Council endorsed Ashburton Lyndhurst Irrigation Ltd as the preferred supplier of stockwater, within their scheme command area, via their infrastructure.

TRANSPORTATION



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

- The Detailed Business Case for the Ashburton-Tinwald Connectivity project is being worked on by Stantec. This report will provide an updated estimate of the cost of the bridge, which will be used to request funding from Waka Kotahi.
- This year we resurfaced 139 lane-km at a cost of \$2.93 million, rehabilitated 17.3 lane-km of sealed rural roads, at a cost of \$2.01 million, and applied 28,547 m³ of road metal to 174 km of unsealed roads at a total cost of \$1.08 million. A further \$600,575 was spent grading unsealed roads.

WASTE REDUCTION & RECOVERY



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

- Collected 4700 tonnes of rubbish, 960 tonnes of recycling and 765 tonnes of recyclable glass from over 11,500 households. We also collected an additional 17,105 tonnes of rubbish and recycling through our resource recovery parks.
- Began upgrading the Ashburton Resource Recovery Park to better manage stormwater runoff, including asphaltting the return track, car park out front and the greenwaste yard. This project is expected to be completed in 2022/23.
- Constructed a new transfer station in Hinds – completed on time and within budget.
- We had planned to begin remediation of the Ashburton landfill southwest slope – reducing the slope and its vulnerability to erosion. However, the Landfill Closure Management Plan is still awaiting final approval by ECan and the work was therefore delayed. The \$50,000 budgeted for this year will be carried over to 2022/23.

PUBLIC SERVICES

COMMUNITY GOVERNANCE & DECISION-MAKING



- We reviewed/developed ten policies, three bylaws, three strategies, and one plan this year. We heard from 1098 community members on the ten topics we discussed with the community. We also advocated to central government on our community's behalf through 12 submissions made on topics that affect our district.
- This year we gave out \$932,000 in grants to 103 community groups and organisations.

ECONOMIC DEVELOPMENT



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

- The new library and civic centre (Te Pātaka o kā Tuhituhi and Te Waharoa a Hine Paaka) remains a work in progress, however significant progress has occurred over the last 12 months. While the project currently remains within budget, the budget is under significant pressure due to a range of consequences from severe weather events and the global Covid-19 pandemic, including disrupted supply chains affecting price and availability of building materials, construction staff disruptions due to government-imposed mandates and isolation requirements, and a very tight labour market.

At this stage the \$56.75 million build, of which \$20 million was contributed by Government under their Shovel Ready Covid-19 Stimulus Fund, is expected to be completed around August 2023.

- We had budgeted \$150,000 for refurbishments to the Ashburton Oval Pavilion, however we are waiting for the building to be transferred to Council-ownership before this work begins. The budgeted funds will be carried forward into 2022/23.
- We had budgeted \$2 million to undertake remediation work on the Art Gallery and Heritage Centre building, however this work has not yet been undertaken and the funds will be carried forward into 2022/23.
- In response to the degradation of the water quality in Lake Clearwater, we asked all hutholders to decommission their long-drop toilets. We had a good response to this request with all being decommissioned by May 2022. We also developed a Lakes Camp and Clearwater Development Plan setting out the thirty-year vision for the area.
- The ANZ Business of the Year Awards took place in May at the Mt Hutt Memorial Hall. Seventy entries were received for the eight categories; 250 people attended the event.

COMMUNITY SERVICES



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

- We received a \$158,328 Tourism Infrastructure Grant from MBIE towards upgrading the public conveniences at Awa Rata reserve and Taylors Stream reserve. Therefore, we bought forward this project from Year 3 of the LTP to Year 1. We have procured the toilets, along with ones for the Mayfield Domain as well. Delivery and construction is expected to be completed in 2022/23.
- We included \$1.5 million in this year's budget, as a provisional allocation, to enact the outcomes of the Parking Strategy, which was yet to be developed. The Parking Strategy was adopted by Council later in 2021, and included a new parking space off West Street, to which these funds have been allocated. Investigations have begun into the development of this parking space, and the funds will be carried forward into 2022/23.

PARKS & OPEN SPACES



We manage and maintain 444 hectares of parks and open spaces throughout the district, and 119 hectares of sports fields. We also look after 28 neighbourhood playgrounds and 16 cemeteries.

- Over 90% of our residents were satisfied with our parks, open spaces and cemeteries.
- We installed a memorial wall at the Ashburton Cemetery. This allows for 352 individuals memorial plaques.
- As part of the Ashburton Domain Development Plan, we had budgeted \$400,000 for the Walnut Avenue Promenade and \$285,000 for the new domain entranceway. However, due to insufficient funds being allocated, it was decided to delay these projects.
- We had budgeted funds to upgrade the street and square in front of the new library and civic centre building. However, with the delays to the building, this project has also been delayed, and the budgeted \$1.112 million will be carried forward into 2022/23.
- Following the flood damage to the Ashburton dog park in May 2021, Council has repaired and improved the park. It has been re-contoured and increased in size by 50%. New fencing, furniture, and landscaping has been installed in conjunction with a new main entrance off Cass Street.

RECREATION FACILITIES



- This year the Ashburton Art Gallery merged with the Ashburton Museum – with one director now overseeing the combined activity.
- Through the National Library Partnership Programme, we have a funded staff member focussing on digital access and community engagement programme sessions in our library. This resulted in us far exceeding our adult programme target of ten sessions across the year – recording 152 sessions.
- We developed a Play, Active Recreation and Sport Strategy with our community this year. The strategy recognises the high value that play, active recreation and sport provides our community, and provides a plan for the future, for our district.

REGULATORY SERVICES

REGULATORY COMPLIANCE



- This year we audited 109 food premises, registered 6953 dogs, responded to 477 reports of found, wandering or barking dogs, and responded within two hours to all 416 occasions where noise control were called.

REGULATORY FUNCTIONS

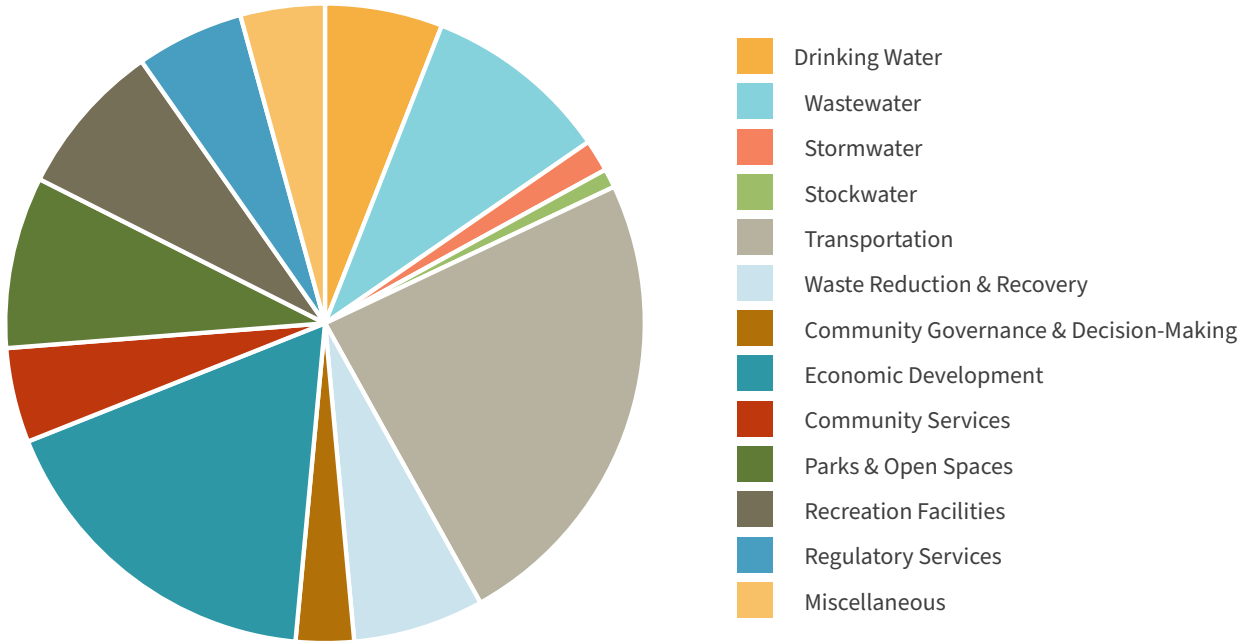


- This year we processed 765 building consents and 621 Code of Compliance Certificates. We also issued 242 resource consents and 77 subdivision plans and inspected 197 swimming pool fences.
- The value of building consents for the past year was \$249.9 million – the highest value on record (the ten-year average being \$130.8 million). We also issued a record number of dwelling consents – 276 (compared with the ten-year average of 181).

OUR FINANCIAL PERFORMANCE

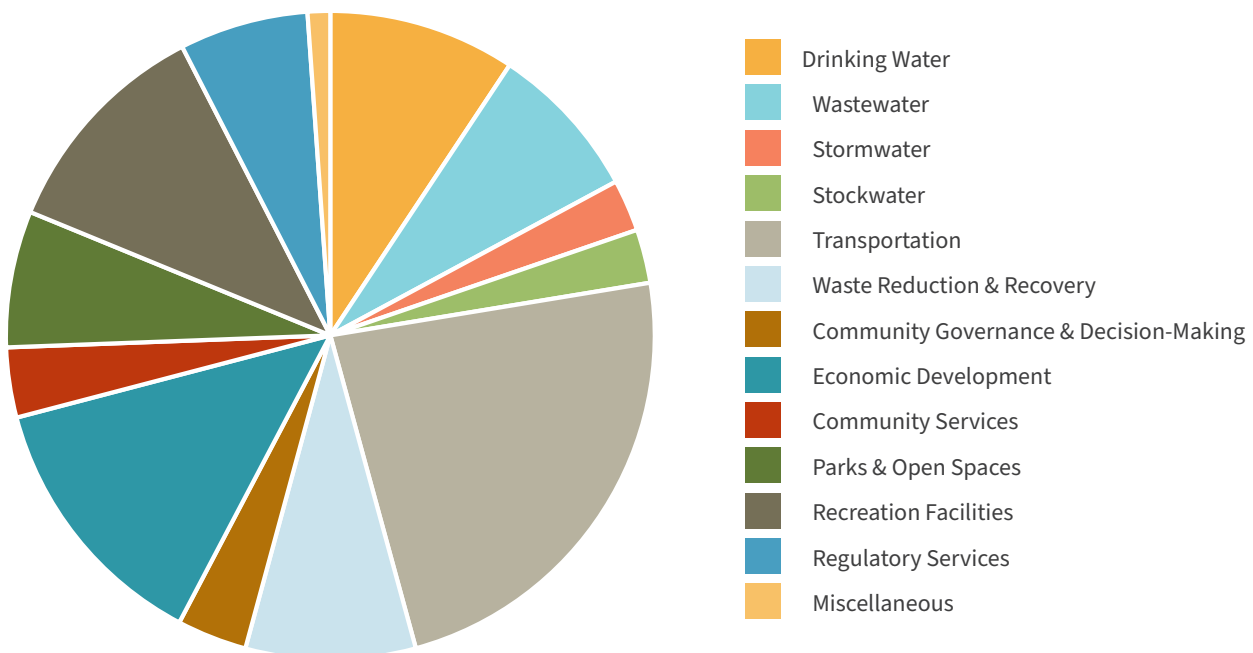
OUR REVENUE

This shows Council's sources of income for the 2021/22 year.



OUR EXPENDITURE

This shows how Council's expenditure was spread amongst our activities and services.



OUR FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

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

The group consists of the Ashburton District Council and its wholly owned subsidiaries Ashburton Contracting Limited (Council controlled trading organisation) and Experience Mid Canterbury (Council controlled organisation) and its in-substance subsidiary the Ashburton Community Water Trust.

Its 20% equity share of its associate Rangitata Diversion Race Management Limited and its 33% equity share of its associate Eastfield Investments Limited are equity accounted.

All Ashburton District Council subsidiaries and associates are incorporated and domiciled in New Zealand.

The primary objective of the Council and group is to provide goods or services for the community or social benefit rather than making a financial return.

The financial statements of the Council and group are for the year ended 30 June 2022. The financial statements were authorised for issue by Council on 21 December 2022.

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

The Council and group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (LGA), which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

The functional currency of Ashburton District Council is New Zealand dollars and accordingly the financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000).

The summary financial statements do not include all disclosures provided in the full financial statements and cannot be expected to provide a complete understanding as provided by the full financial statements in the Annual Report 2021/22.

A full copy of this report is available at ashburtondc.govt.nz/Ashburton-district/Plans-Reports-and-Strategies or from council offices.

The financial statements presented in this summary report have been audited by Audit New Zealand.

SUBSEQUENT EVENTS - THREE WATERS REFORM

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. The Water Services Bill received Royal Assent on 14 December 2022.

The impact of these reforms means that the Council will no longer deliver three waters services or own the assets required to deliver these services - all assets and liabilities will be transferred to the water services entities from 1 July 2024.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This shows a summary of the total revenue received and expenditure occurred across the year.

The 'Group' consists of Council and its wholly owned subsidiaries – Ashburton Contracting Limited and Experience Mid Canterbury, and its in-substance subsidiary, the Ashburton Community Water Trust.

The 'Council' columns do not include the operations of the subsidiaries.

The 'Group' columns include the operations of the subsidiaries, after eliminating transactions between Council and the subsidiaries.

FOR THE YEAR END 30 JUNE

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Revenue					
Rates	40,744	40,458	38,241	40,774	38,241
Fees, charges	8,787	8,396	7,795	8,787	7,795
Development and financial contributions	3,001	1,103	1,687	3,001	1,687
Subsidies and grants	20,982	26,528	16,306	20,982	16,306
Finance income	286	50	329	294	350
Other revenue	22,781	10,989	14,072	61,734	42,511
Other gains	7,024	1,482	7,999	7,163	8,138
Total revenue	103,635	89,006	86,429	142,735	115,028
Expenditure					
Personnel costs	17,887	17,671	16,677	29,619	27,389
Depreciation and amortisation	18,076	16,533	15,456	19,530	16,808
Finance costs	1,808	2,265	1,437	1,924	1,603
Other expenses	35,186	29,316	29,803	57,205	44,218
Other losses	9,039	-	2,629	9,041	2,716
Total expenses	81,996	65,785	66,002	117,319	92,734
Share of associate's surplus (deficit)	139	-	-	139	328
Surplus (deficit) before taxation	21,778	23,221	20,427	25,555	22,622

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Income tax expense (revenue)	(50)	-	(31)	1,909	883
Surplus (deficit) after taxation	21,828	23,221	20,458	23,646	21,739
Share of joint venture surplus (deficit)	-	-	-	1,576	518
Surplus after tax and joint venture	21,828	23,221	20,458	25,222	22,257
Other comprehensive revenue					
<i>Items that will be reclassified to surplus (deficit)</i>					
Financial assets at fair value	(374)	-	808	(374)	808
<i>Items that will not be reclassified to surplus (deficit)</i>					
Gain (loss) on infrastructure revaluation	108,566	-	-	108,566	-
Gain on land and buildings revaluation	-	25,738	-	121	209
Deferred tax on revaluation of buildings	-	-	-	(29)	(5)
Total other comprehensive revenue	108,192	25,738	808	108,284	1,012
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	130,020	48,959	21,266	133,506	23,269

SUMMARY OF REVENUE AND EXPENDITURE VARIANCES

Explanations for major variations (>\$1 million) from the Council's budget figures in its 2021-31 Long-Term Plan are as follows:

REVENUE VARIANCES

Development and Financial Contributions are \$1.898 million above budget

Development Contributions report higher than budget due to increase in building activity in the district.

Subsidies and grants \$5.546 million below budget

Council received \$6 million of Provincial Growth Fund money as part of a \$20 million contribution towards the new Library and Civic centre building. Council had budgeted for \$13 million.

Other revenue variance \$11.792 million above budget

Vested assets were \$9.11 million higher than budget. Forestry sales were \$797 thousand more than budgeted Council received dividends of \$508 thousand more than budget.

Other gains variance \$5,542 million above budget

Council's revaluation of its investment property resulted in a gain of \$3.216 million and a gain of \$2.431 million on its interest rate swaps (see note 7). Council had not budgeted for these gains.

EXPENDITURE VARIANCES

Other expenses are \$5.870 million above budget

There were a number of areas where costs were greater than budget. These included maintenance in Roding up \$3.2 million due emergency works for flood events, Drinking water up \$271 thousand, and Solid Waste up \$238 thousand. Logging costs were up by \$448 thousand due to salvage and cartage of logs from a wind damage event.

\$437k of this variance relates to accounting standards requiring property classified as inventory to recognise the cost of sales as an expense. Repairs and maintenance was \$461 thousand across activities.

Other losses \$9.039 million above budget

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

Service	Unbudgeted loss
Stockwater	\$1,724,000
Drinking Water	\$1,626,000
Wastewater	\$1,078,000
Transportation	\$904,000
Stormwater	\$355,000

The Forestry Valuation also resulted in an unbudgeted loss on revaluation of \$3.303 million.

Other comprehensive revenue \$88.454 million above budget

This is due to unbudgeted valuation gains on infrastructural assets

Balance sheet variances greater than \$5 million

Cash and cash equivalents \$7.085 million above budget

Council converted internal lending raised for capital expenditure in the prior year to external lending. This also meant that council could take advantage of historically low interest rates on lending.

Other financial assets were \$10 million above budget

Other financial assets were \$10 million above budget due to Council taking out an unbudgeted \$10 million term deposit.

Property plant and equipment and work in progress

These totals need to be combined and result in an overall variance of \$38.5 million less than budget.

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

Project	Budget	Reason
Waka Kotahi Low Cost – Low Risk projects	\$3,500,000	Only 50% of the requested amount budgeted has been approved, resulting in an underspend.
Group Water Supplies asset renewal	\$2,590,000	The majority of this includes the Methven reservoir project. While this project had started late, further delays were caused due to storm damage.
Group Wastewater pipeline renewal programme	\$4,400,000	This includes the NW Ashburton Wastewater servicing project which is underway. Delays have occurred due to land access negotiations and redirection of internal resources to other projects.
		The pipeline renewals programme is also underway but was unable to be completed due to redirection of internal resources to other activities.
Rakaia Medical Centre	\$1,000,000	Project not started due to resourcing.
Art Gallery and Heritage Centre renewals	\$2,000,000	Delayed due to the inability to source resources.

The majority of the remaining variance to budget relates to the budgeted construction work on Te Pataka o ka Tuhituhi and Te Waharoa a Hine Paaka, due to delays caused by flood damage and supply chain interruptions.

Borrowings are \$15.222 million below budget

Many capital expenditure projects were delayed due to market conditions or started but not completed. This has resulting in budgeted loans not being required this year.

STATEMENT OF FINANCIAL POSITION

This is Council's balance sheet and shows the financial position of Council at the end of the financial year. It also shows total assets and liabilities as at that date.

AS AT 30 JUNE

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Current assets					
Cash and cash equivalents	19,432	12,347	24,672	22,880	26,147
Receivables	9,936	9,089	9,741	14,643	14,563
Other financial assets	10,000	-	-	10,000	-
Local Authority stocks and bonds	1,921	2,137	1,063	1,921	1,063
Inventories	77	73	53	2,663	2,146
Income tax receivables	-	-	-	-	-
Property inventory	144	144	207	144	207
Property intended for sale	101	479	225	101	225
Total current assets	41,611	24,268	35,961	52,352	44,351
Non-current assets					
Receivables	136	4	143	136	143
Deferred taxation asset	105	-	56	105	374
Other financial assets	3,060	1,047	2,779	3,070	2,789
Investment in council controlled organisation	4,500	4,595	4,500	-	-
Investment in associate	2,911	1,795	1,795	3,519	2,264
Property inventory	3,573	2,415	3,788	3,573	3,788
Investment properties	35,093	35,290	35,060	34,893	34,860
Forestry assets	4,683	5,816	8,006	4,683	8,006
Intangible assets	576	785	900	1,576	1,903
Property, plant and equipment	895,342	891,379	759,634	907,749	771,584
Work in progress	34,493	-	25,476	34,493	25,476
Share of joint venture	417	-	-	417	-
Total non-current assets	-	-	-	6,513	4,939
	984,889	943,125	842,137	1,000,727	856,126
TOTAL ASSETS					
	1,026,500	967,393	878,098	1,053,079	900,477

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Current liabilities					
Payables and deferred revenue	11,990	9,465	11,492	15,053	13,912
Employee benefit liabilities	1,762	1,664	1,795	3,079	2,811
Landfill aftercare liability	15	15	15	15	15
Borrowings	17,000	4,000	17,000	17,115	18,521
Tax payable	-	-	-	2,002	416
Derivative financial instruments	-	-	-	-	-
Total current liabilities	30,767	15,144	30,302	37,264	35,675
Non-current liabilities					
Payables and deferred revenue	338	410	375	338	375
Employee benefit liabilities	211	399	234	256	284
Landfill aftercare liability	147	143	155	147	155
Deferred taxation liability	-	-	-	728	1,222
Derivative financial instruments	-	3,199	2,013	-	2,013
Borrowings	73,600	101,822	53,600	75,298	55,215
Total non-current liabilities	74,296	105,973	56,377	76,767	59,264
TOTAL LIABILITIES	105,063	121,117	86,679	114,031	94,939
Equity					
Ratepayers equity	496,053	500,421	474,043	511,946	486,534
Other reserves	425,384	345,855	317,375	427,099	319,004
Total equity	921,437	846,276	791,418	939,045	805,538
TOTAL LIABILITIES AND EQUITY	1,026,500	967,393	878,098	1,053,079	900,477

STATEMENT OF CASH FLOWS

This table 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.

FOR THE YEAR END 30 JUNE

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Cash flows from operating activities					
Receipts from customers	81,563	77,913	68,295	120,732	95,187
Interest received	158	50	333	166	354
Dividends received	1,392	900	863	554	687
Payments to suppliers and employees	(50,178)	(49,073)	(51,464)	(81,943)	(75,287)
Sale of council subdivisions	3,346	3,500	5,301	3,346	5,301
Interest paid	(1,654)	(2,265)	(1,408)	(1,774)	(1,575)
Net GST (paid) received	647	-	(885)	454	(730)
Income tax	-	-	-	(620)	(69)
Net cash flow from operating activities	35,274	31,026	21,035	40,915	23,868
Cash flows from investing activities					
Sale of property, plant and equipment	6,916	100	1,389	7,241	1,741
Sale / maturing of shares and investments	1,500	-	1,450	1,500	1,450
Advances repayments	-	-	-	-	-
Purchase of property, plant and equipment	(57,454)	(54,461)	(34,858)	(60,099)	(37,296)
Purchase of intangible assets	(102)	(60)	(154)	(129)	(174)
Purchase of shares and investments	(11,373)	-	-	(11,373)	-
Related party loan	-	-	-	-	-
Advances	-	-	-	-	1,127
Net cash flow from investing activities	(60,513)	(54,421)	(32,173)	(62,860)	(33,152)
Cash flows from financing activities					
Loans raised	37,000	13,634	53,600	37,000	53,600
Loan repayments	(17,000)	(4,672)	(25,136)	(18,322)	(25,638)
Net cash flow from financing activities	20,000	8,962	28,464	18,678	27,962
NET INCREASE (DECREASE) IN CASH HELD	(5,239)	(14,434)	17,326	(3,267)	18,678
Add opening cash resources	24,672	26,780	7,346	26,147	7,468
TOTAL CLOSING CASH RESOURCES	19,432	12,347	24,672	22,880	26,147

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

FOR THE YEAR ENDED 30 JUNE

	Council 2022 Actual \$000	Council 2022 Budget \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Balance at 1 July	791,418	797,317	770,153	805,538	782,269
Total comprehensive income	130,020	48,959	21,266	133,506	23,269
BALANCE AT 30 JUNE	921,437	846,276	791,418	939,045	805,538

CONTINGENT ASSETS AND LIABILITIES

FOR THE YEAR END 30 JUNE

	Council 2022 Actual \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Performance bonds	-	-	267	319
Guarantees	-	-	-	-
TOTAL CONTINGENT LIABILITIES	-	-	267	319

OPERATING AND CAPITAL COMMITMENTS

FOR THE YEAR END 30 JUNE

	Council 2022 Actual \$000	Council 2021 Actual \$000	Group 2022 Actual \$000	Group 2021 Actual \$000
Operating commitments				
Roading	11,692	19,015	11,692	19,015
Footpaths	664	1,093	664	1,093
Wastewater / Stormwater / Water maintenance	12,026	141	12,026	141
Solid Waste Management	18,389	19,001	18,389	19,001
Public Conveniences	-	-	-	-
Information Technology	1,138	1,391	1,138	1,391
Parks	-	-	-	-
Parking	-	-	-	-
EA Networks Centre – Gymnasium	35	30	35	30
Property	106	349	106	349
TOTAL OPERATING COMMITMENTS	44,050	41,020	44,050	41,020
Less than one year	11,446	9,599	11,446	9,599
Between one and two years	10,586	8,877	10,586	8,877
Between two and five years	15,063	17,601	15,063	17,601
Greater than five years	6,955	4,942	6,955	4,942
TOTAL OPERATING COMMITMENTS	44,050	41,019	44,050	41,019
Capital commitments				
ACL PPE	-	-	418	263
Roading	7,852	15,091	7,852	15,091
Footpaths	-	-	-	-
Wastewater / Stormwater / Drinking Water	4,568	6,137	4,568	6,137
Information Technology	-	-	-	-
Parks	636	202	636	202
Commercial Property	21,416	41,496	21,416	41,496
TOTAL CAPITAL COMMITMENTS	34,472	62,988	34,890	63,251

AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Ashburton District Council and Group's summary of the annual report for the year ended 30 June 2022

The summary of the annual report was derived from the annual report of the Ashburton District Council and Group (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 6 to 13 and pages 15 to 24:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

Opinion

In our opinion:

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

Summary of the annual report

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

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

AUDITOR'S REPORT

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 21 December 2022. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the full annual report in note 45 on page 215 to the financial statements, which outlines that, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities. These matters are addressed in the note on page 15 to the summary financial statements.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the summary, we have performed an attest audit over the full annual report and have audited the District Council's 2022-2031 consultation document and long-term plan. These engagements are compatible with those independence requirements. We have no other relationships with, or interests in the District Council and its subsidiaries.



Dereck Ollsson,
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
20 January 2023

ANNUAL REPORT

SUMMARY

2021/22

