

ANNUAL REPORT

2022/23



KIA ORA KOUTOU, WELCOME

2022/23 HAS BEEN A NOTABLE YEAR FOR ASHBURTON DISTRICT COUNCIL ON A NUMBER OF FRONTS.

This year saw a number of significant events. We sadly saw the passing of Queen Elizabeth II in September 2022, and locally respected Councillor Rodger Letham in December 2022. The district was hit by another heavy rain event in July 2022, and the impacts post the Covid-19 pandemic continue to be felt, particularly through high levels of inflation and cost of living.

Triennial Local Body Elections were held in October 2022, with a voter turnout rate of 50.1%. In May 2023, we also held a by-election in the Western Ward to fill the seat left vacant by Councillor Rodger Letham.

Significant progress has been made over the last 12 months on the construction of Te Whare Whakaterere, our new library and civic centre. While the impacts of Covid-19 and severe weather events have impacted the budget and timeline, at this stage, the building is expected to open by the end of the 2023 calendar year. The upgrade project for Baring Square East has also started, with completion planned to coincide with completion of Te Whare Whakaterere.

The detailed business case for the second bridge across the Ashburton River was lodged with Waka Kotahi this year, and it has since been announced that this project is one of the Government's land transport priorities in the next three years. This was very welcome news considering the closure of the bridge in recent flooding events.

During the heavy rain event in July 2022, our roading network was damaged while still being repaired from the earlier significant floods in 2021. We were approved for emergency works funding from Waka Kotahi for 51% of the \$2.3 million repair bill. We also included an additional \$1.7 million from the forestry reserve to enable a further 6.4 km of roading repairs to be undertaken this year.

We have also been busy in the drinking water space, with one of the two new Methven drinking water reservoirs completed. The second reservoir replacement was delayed until September 2023, after having to be replaced due to wind damage during construction. Other projects in the infrastructure space have been ticking along, including installation of the Northwest Ashburton wastewater infrastructure.

The high demand for building consents and planning services continues, with 264 new dwelling consents issued in 2022/23 (just behind the record breaking 267 from the

previous year). Several public conveniences have also been upgraded this year, and construction of a Matariki viewing platform has begun construction at the Rakaia Gorge with a grant received through the Tourism Infrastructure Fund.

The second Glow in the Park event was held this year, with an estimated 17,000 attendees. Our recreation facilities continue to run well - 67% of our residents visited the EA Networks Centre, the Library issued 201,464 items to borrowers, and the Ashburton Art Gallery & Museum delivered 30 exhibitions across our five exhibition spaces.

As a Council, we continue to advocate for our community by lobbying Central Government across several key areas, including the Affordable Waters Reform, Resource Management Act Reform, Future for Local Government and Emergency Management.

Financially, this year resulted in a surplus of \$28 million before taxation and other comprehensive income. Total revenue was \$22 million above a budget of \$89 million. This was mainly due to increased income from land sales in the Business Estate. Vested assets were also worth more than budgeted as a result of the higher than expected economic activity across the district.

Our financial performance this year has seen us meet the goals of our Financial Strategy which focuses on prudence, stability, service and planning for the future. We also met all 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 2023/24 AND BEYOND, TO CONTINUE TO MAKE ASHBURTON THE DISTRICT OF CHOICE FOR LIFESTYLE AND OPPORTUNITY – HAKATERE: TE ROHE KA WHIRIA MO TE AHUA NOHO, ME TE HAPORI.



NEIL BROWN
MAYOR



HAMISH RIACH
CHIEF EXECUTIVE

ASHBURTON : THE DISTRICT OF CHOICE FOR LIFESTYLE AND OPPORTUNITY

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

IT'S OUR PLACE

[ItsOurPlace.nz](https://www.itsourplace.nz)



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PART 1: OVERVIEW



WHAT IS AN ANNUAL REPORT?

EACH YEAR WE PRODUCE AN ANNUAL REPORT TO LET OUR COMMUNITY KNOW HOW WE PERFORMED AGAINST OUR BUDGET AND WORK PROGRAMME.

The report considers the following:

- did we do all we said we would do?
- did we meet our budgets?
- did we perform as expected?
- did we contribute to improvements in the overall well-being of our district?

Our targets for the year are set through either the Long-Term Plan or Annual Plan, for our:

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

Any variations to what was forecast are outlined and explained.

This Annual Report details our performance achieved against the targets and work programmed in the Annual Plan 2022/23 (Year 2 of the Long-Term Plan 2021-31).



VIEW OUR PLANNING AND REPORTING DOCUMENTS

On our website



ashburtondc.govt.nz > District > Plans, Reports and Strategies

In hardcopy



Council Reception
5 Baring Square West, Ashburton
Ashburton Public Library
180 Havelock Street, Ashburton



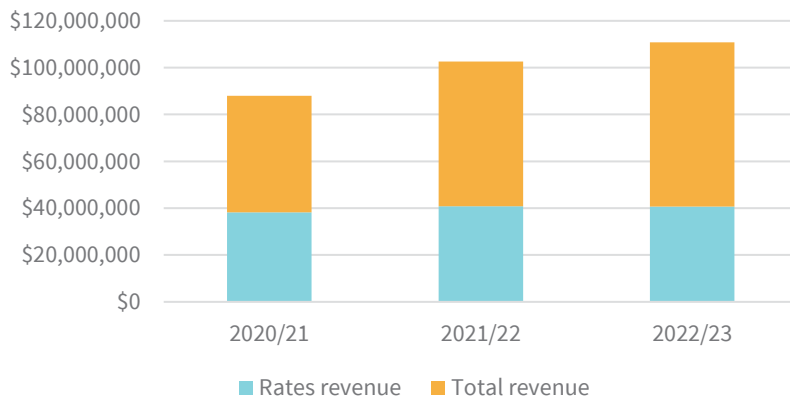
OUR DISTRICT

OUR DISTRICT'S POPULATION IS ESTIMATED TO BE **36,300**, OF WHICH ABOUT **21,050** LIVE IN THE TOWN OF ASHBURTON.

<p>6,190 km² area of our district</p>	<p>444 ha of parks and open spaces</p>	<p>119 ha of sports parks</p>	<p>29 neighbourhood playgrounds</p>
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WE HAVE 2,622 KM OF ROADS ACROSS THE DISTRICT, MADE UP OF 1,522 KM OF SEALED AND 1,100 KM OF UNSEALED ROAD.

WE ALSO HAVE 185 BRIDGES, 257 KM OF FOOTPATHS AND 8.8 KM OF CYCLEWAY.



THE DISTRICT WAS LAST VALUED IN **JULY 2021**, WITH **15,966** RATEABLE PROPERTIES AS AT 1 JULY 2022.

THE TOTAL RATEABLE VALUE IS **\$20,291,170,150** WITH AN AVERAGE RATEABLE VALUE OF **\$1,270,899** – 0.76% LESS THAN THE PREVIOUS YEAR.

- 12**
Council owned water supplies
- 520 km**
water pipes
- 202 km**
wastewater pipes
- 42 km**
stormwater pipes
- 1,543 km**
stockwater races

WORKING WITH MĀORI

Ngāi Tahu has a unique relationship with Council as partners through Te Tiriti o Waitangi (the Treaty of Waitangi) and supporting legislation. Council is committed to meeting our obligations under Te Tiriti and other legislation, and ensuring that engagement is meaningful and leads to positive outcomes for Māori.

The Local Government Act 2002 provides principles and requirements for local authorities that intends to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi, and to maintain and improve opportunities for Māori to participate in decision-making processes. While the LGA relates to all Māori, it is recognized that within the Canterbury region, Ngāi Tahu are the tangata whenua. Ashburton District falls within the rohe of Ngāi Tahu papatipu rūnanga – Te Rūnanga o Arowhenua, Te Ngāi Tūāhuriri Rūnanga and Te Taumutu Rūnanga.

In addition to the Local Government Act obligations, the Ngāi Tahu Claims Settlement Act 1998 includes confirmation of the ability for Ngāi Tahu to express its traditional kaitiaki relationship with the environment.

The Resource Management Act 1991 (RMA) recognises Ngāi Tahu interests in ancestral lands, water sites, wāhi tapu, flora and fauna, and other taonga as matters of national importance. The RMA requires Council to have particular regard to kaitiakitanga and iwi environmental management plans and to take into account the principles of Te Tiriti. The RMA further recognises Māori interests in natural and physical resources and contains specific requirements for consulting and working with tangata whenua.

Council recognises Aoraki Environmental Consultancy (AEC) as the assigned organisation for Arowhenua Rūnanga, for matters relating to the natural environment. Council will engage with AEC in the first instance.

Council is committed to having a successful and enduring partnership with Mana Whenua as we know that it is important to seek the expertise and wisdom of those with inherited kaitiaki responsibilities and mātauranga.



PART 2: OUR YEAR IN REVIEW



OUR FINANCIAL STRATEGY

OUR FINANCIAL STRATEGY SETS OUT THE GENERAL APPROACH AND PRINCIPLES THAT WILL BE FOLLOWED TO MANAGE OUR FINANCES.

The 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.

Our financial goals are to:

- ensure Council remains financially stable, while financing key priorities
- spend money prudently to deliver agreed levels of service, cater for growth and manage assets soundly
- ensure rates and fees are kept to a reasonable level
- provide clear financial parameters for Council work programmes.

RATES LIMITS

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

ANNUAL LIMIT	OUR PERFORMANCE	ACTUAL RESULT	
Total rates in any one year are to be no greater than 1% of the total capital value of the district	Total rates \$40,751,000 District CV \$20,291,170,150	0.2%	✓
The total rates increase for 2022/23 is to be no greater than 5% plus LGCI ¹	Total increase: 9.7% Less LGCI: 5.0%	4.7%	✓

EXTERNAL DEBT LIMITS

ANNUAL LIMIT	OUR PERFORMANCE	ACTUAL 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)	Interest costs \$3,236,000 Revenue \$96,652,000	3.3%	✓
Net interest payments to service external debt are less than 25% of total rates for the year	Interest costs \$3,236,000 Rates income \$44,751,000	7.2%	✓
Net debt to not exceed 250% of total revenue	Net debt \$74,761,000 Revenue \$111,162,000	67%	✓
Maintain access to liquidity of no less than 110% of core debt	Liquidity \$26,263,000 Core debt \$24,000,000	109%	✓

¹ LGCI = Local Government Cost Index. We need to spend money on significantly different goods and services than a domestic household. Therefore, we use the LGCI to compare spending with inflation, rather than the domestic Consumer Price Index (CPI). The rate included in the 2022/23 Annual Plan was 5.0%.

FIVE-YEAR FINANCIAL SUMMARY

	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000
REVENUE					
Rates	35,244	37,406	38,241	40,774	44,751
Finance income	674	120	329	286	1,022
Other revenue	33,014	25,600	39,860	55,551	62,725
Other gains	2,194	202	7,999	7,024	2,664
Total income	71,126	63,328	86,429	103,635	111,162
OPERATING EXPENSES					
Personnel costs	14,508	16,132	16,677	17,887	18,675
Depreciation and amortisation	15,586	16,169	15,456	18,076	18,334
Finance costs	1,741	1,453	1,437	1,808	3,236
Other expenses	26,236	27,545	29,803	35,186	39,175
Other losses	5,989	3,264	2,629	9,039	3,834
Total operating expenditure	64,060	64,563	66,002	81,996	83,254
Operating surplus / (deficit)	7,066	(1,096)	20,427	21,639	27,908
Income tax expense / (revenue)	10	(16)	31	57	(29)
Other comprehensive income	(19,435)	24,685	808	108,192	793
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	(12,359)	22,763	21,266	129,881	28,672
Working capital	(5,897)	(22,610)	5,569	10,843	(17,560)
Public debt	37,271	42,136	70,600	90,600	85,600
Total assets	799,368	830,109	878,098	1,026,506	1,055,905
Total equity	747,390	770,153	791,418	921,444	949,971
OTHER FINANCIAL STATISTICS					
Proportion of rates to total income	49%	59%	44%	39%	40%
Average rates per rateable property (GST excl.)	\$2,295	\$2,423	\$2,454	\$2,616	\$2,803
Public debt (as a percentage of total assets)	4.66%	5.08%	8.04%	8.83%	8.11%
Public debt per rateable property	\$2,427	\$2,730	\$4,530	\$5,813	\$5,361

OUR STRATEGIC DIRECTION

OUR STRATEGIC DIRECTION INCLUDES A VISION, COMMUNITY OUTCOMES AND GUIDING PRINCIPLES.

Our vision is the overall, future focussed goal we are working towards.

Community outcomes also 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

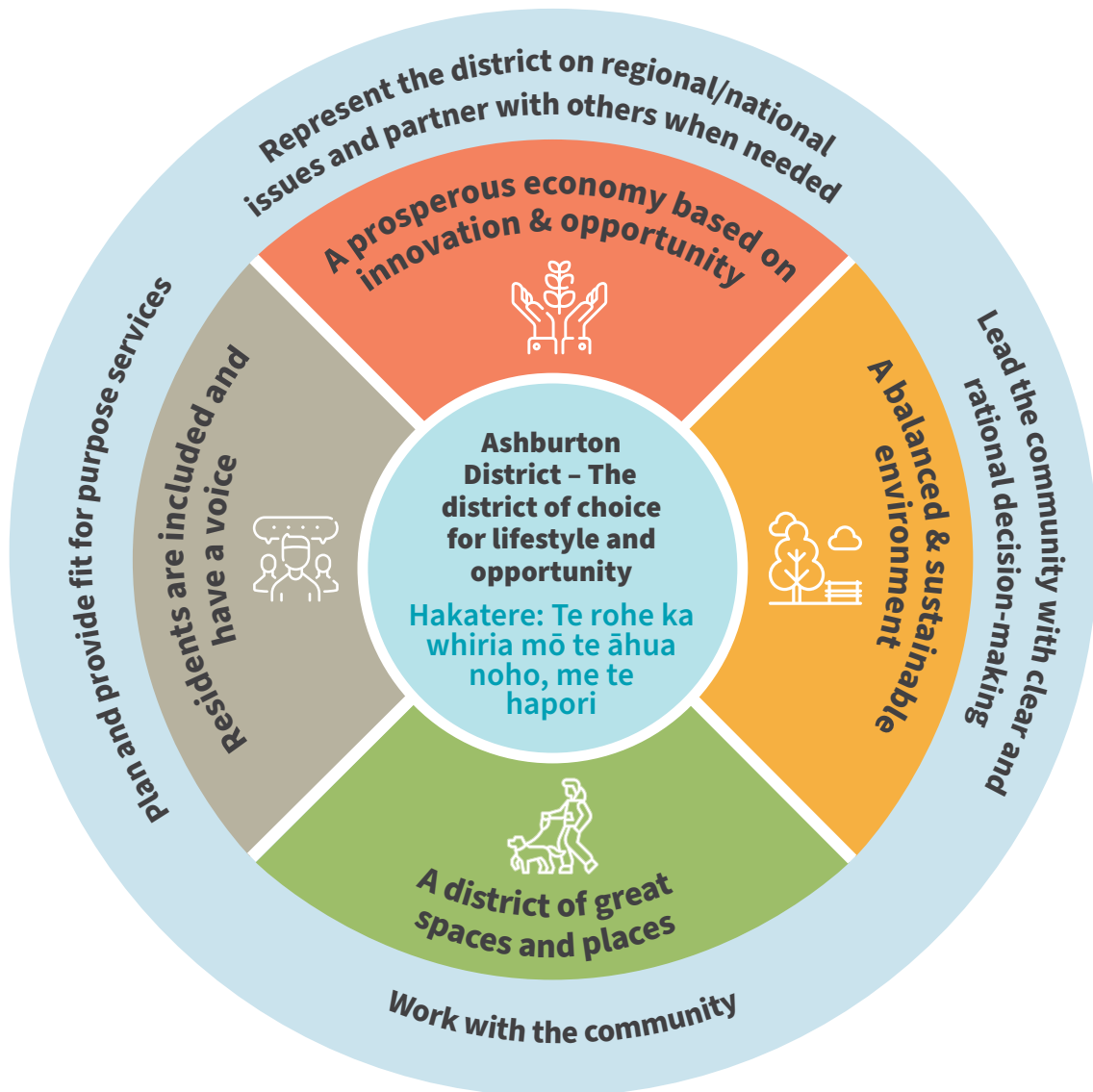
alone. We will continue working with numerous organisations (e.g. health, business, environmental, community, government departments) who also contribute towards these outcomes through the activities and services they provide.

Our guiding principles set out how we will function and deliver activities and services to our community.

OUR VISION

ASHBURTON : THE DISTRICT OF CHOICE FOR LIFESTYLE AND OPPORTUNITY

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



OUR COMMUNITY OUTCOMES

Community outcomes monitor our district over time. This provides information on trends that may influence our performance, including those outside our control. We do not set targets for community outcomes, rather we monitor the desired trend. The trend indicated below is the direction of travel across the three years.



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	2022/23	Trend
Residents feel a sense of community with others in their neighbourhood	91%	91%	89%	↘
Residents feel they have opportunities to have their say on Council business	88%	86%	90%	↗
Residents believe they can influence Council decision-making	64%	63%	64%	=
Numbers responding to consultations	1,855	1,098	549	↘
Numbers participating in local elections ²	N/A	N/A	2022: 51% 2019: 55%	↘



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	2022/23	Trend
Housing affordability index ³	4.9	5.8	5.7	↗
Rental affordability index ³	20%	21%	22%	↗
District GDP	\$2,733m	\$2,736m	\$2,751m	↗
Unemployment rate	3.2%	2.4%	2.5%	↘
Tourism spend	\$93m	\$101m	\$118m	↗

² Local Body Elections are held once every three years, with the two most recent elections held in 2019 and 2022..

³ 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	2022/23	Trend
Resident satisfaction with the state of the district's environment and biodiversity	87%	85%	89%	↗
Resident satisfaction with Council's activity to care for the district's environment and biodiversity	88%	84%	88%	=
Council meets its resource consent conditions for consents held (e.g. water abstraction, wastewater discharges)	94%	91%	98%	↗



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	2022/23	Trend
Resident satisfaction with available local community facilities	93%	91%	94%	↗
Resident satisfaction with the general lifestyle opportunities available in our district	95%	95%	93%	↘

OUR ACTIVITIES AND SERVICES

HOW TO READ THIS SECTION

This section describes how we performed in each of our strategic activity areas.

Each activity area includes an overview of the programmes and services included in that area, the projects undertaken, and how we performed – both financially and non-financially.

FINANCIAL IMPACT STATEMENTS

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 2021-31 and the actual performance achieved in the 2021/22 financial year. Significant variances (greater than \$500,000) between budget and actual are explained.

ANNUAL RESIDENTS' SURVEY

Each year we commission a survey of our residents. Through this, we get feedback on the quality of our activities, services and performance. Much of this information is used to report against our non-financial performance measures. In 2022/23 we used Key Research to carry out this survey.

4,000 residents are randomly selected from the electoral roll and posted an invitation to an online survey – at one of four time points across the year. A week later, residents who have not responded, are sent a paper copy of the survey.

This year, 873 residents completed the survey. The survey responses are weighted to be representative of our district's population based on age, gender, location (urban or rural) and ethnicity.

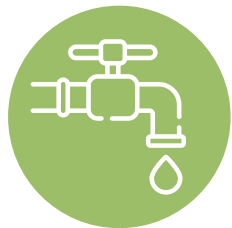


LOCAL INFRASTRUCTURE



DISTRICT WATER MANAGEMENT

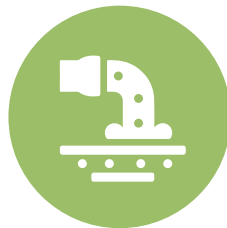
THIS YEAR WE...



Provided drinking water to **10,888 households and businesses** in the district



Maintained **520 km of water pipes**



Maintained **202 km of wastewater pipes**



Maintained **42 km of stormwater pipes**



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.

KEY RESULTS FOR THE YEAR



4

80%



of residents are satisfied with drinking water



5

100%



achievement of our wastewater, stormwater and stockwater performance measures

ACHIEVED

23 / 30

performance measures*



*1 measure not applicable

⁴ Result taken from the *Annual Residents' Survey 2022/23*. This is also a performance measure on page 28.

⁵ Based on the performance measures on pages 33, 34 & 38.

DRINKING WATER

WHAT WE DO

We provide 12 community drinking water supplies across our district, servicing approximately 10,888 homes and businesses.

The remaining 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 Water Services Act 2021.

WHAT WE DID IN 2022/23

DRINKING WATER METER TRIAL

In 2021/22 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.

We had intended to undertake the analysis of the trial results in 2022/23, but this has been delayed, awaiting the completion of the Methven Membrane Treatment Plant.

METHVEN RESERVOIR UPGRADE

In 2021/22 we began construction on two reservoirs in Methven. The first was completed in September 2022, with the second reservoir to be brought into service September 2023. This second reservoir was delayed due to damage by wind during construction and had to be replaced.

The total cost of the project is ~\$1.82M⁶ which included associated pipes, valves, meters, fencing and access track.

MEMBRANE TREATMENT PLANT UPGRADES

Construction of the Methven / Methven-Springfield membrane treatment plant was awarded to Masons Engineers Limited in November 2022, with construction beginning in December. It is expected that the plant will be completed and up and running in September 2023.

We progressed the detailed design of the Mt Somers membrane plant this year. Construction commenced in July 2023.

We had also planned to design the treatment plant on the Montalto scheme this year. Due to the focus of resources on the Methven / Methven-Springfield plant, less progress has been made than intended, and the unspent design budget will be carried forward to 2023/24.

UV TREATMENT UPGRADES

UV disinfection provides a second barrier to bacterial and protozoal contamination of the source water in deep groundwater supplies. This year we had planned to install this on the Ashburton water supply (with a budget of \$2.3 million), Hinds water supply (\$215,000 budgeted), and the Rakaia water supply (\$315,000 budgeted), however, design at these sites has proved significantly more complex than originally envisaged, delaying progress on these projects. The budgets for construction will be carried over to the 2023/24 financial year.

RAKAIA SECOND BORE

This year we planned to construct a second drinking water bore in Rakaia. This will provide a back up to the original bore, pump or head works should they experience any problems.

This project has been delayed slightly, with the drilling of the bore expected to be completed by the end of July 2023, followed by the pipe works. Funds for this project will be carried forward into 2023/24.

⁶ Original budget provision \$1.7M.

WATERMAIN RENEWALS

The detailed design has been completed on the following watermain renewals:

- *Ashburton*: Parts of Chalmers Ave, Elizabeth Street – Grigg Street, River Terrace, Cass Street, Chalmers Avenue, Grove Street
- *Methven*: Parts of Main Street, Melcombe Street, Mackie Street
- *Rakaia*: Parts of Elizabeth Avenue
- *Hakatere*: Lower Hakatere

Contracts for the physical works were awarded in May 2023 and commenced later in the month.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Residents are included and have a voice

Ka whai wāhi, ka whakaputa kōrero kā kainoho



A district of great spaces and places

He tiriwā pai, he wāhi pai i tēnei takiwā



A balanced & sustainable environment

He taiao toitū



A prosperous economy based on innovation and opportunity

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

OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 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 – bacterial compliance criteria. Or from January 2023, DWQAR for the Methven, Mt Somers and Rakaia supplies.⁷</i>	92%	100%	50% ⁸ x	
	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>	0%	100%	0% ⁹ x	
Council contractors respond to drinking water failures and requests with median response times	Median response time to urgent and non-urgent callouts* <i>Where contractors attend a callout on Council's behalf to a fault or unplanned interruption to a Council networked reticulation system, the median response times are measured, from the time Council receives the notification to the time that service personnel reach the site, and to the time that Council received notification of resolution of the problem.</i>	Urgent callout attendance	0.42 hours (25 minutes)	1 hour	0.98 hours (59 minutes) ¹⁰ ✓
		Urgent callout resolution	2.3 hours	4 hours	4 hours ¹¹ ✓
		Non-urgent callout attendance	1.82 days (43.8 hours)	1 day	1.83 days ¹² (44.0 hours) x
		Non-urgent callout resolution	2 days (48.1 hours)	5 days	2.04 days (49.1 hours) ✓

* Mandatory performance measure set by the Department of Internal Affairs

⁷ Based on advice from the Department of Internal Affairs, compliance for the 2022/23 year was primarily assessed against the Drinking Water Standards New Zealand (DWSNZ) requirements. However, the Methven, Rakaia, and Mt Somers water supplies have been assessed using the relevant sections of the Drinking Water Quality Assurance Rules (DWQAR) 2022 from 1 January 2023 to 30 June 2023 for the treatment plant only (the distribution zones were assessed against DWSNZ for the whole year).

⁸ Ashburton supply failed due to missed TP E.coli samples, Methven supply failed due to not meeting UV dose target in January (20 days) & March (1 day), Rakaia Supply failed due to not meeting Chlorine contact time target in February (1 day), Mt Somers supply failed due to missed TP E.coli samples in Q1 2023, Fairton supply failed due to too large a gap between E.coli samples in reticulation, Montalto Supply failed due to 3 E.coli detections (2 in February, 1 in March)

⁹ 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 do not meet the requirements. Rural schemes Methven/Springfield and Montalto are currently without protozoa treatment pending upgrades.

¹⁰ Due to the small number of incidents, the time taken to attend and reach resolution fluctuates depending on the complexity and location of incidents.

¹¹ See footnote above.

¹² Council's maintenance contractor targets response and resolution in same visit where possible and while this substantially shortens the resolution time it does result in slightly longer average response times.

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
We provide efficient and sustainable drinking water services	Reduction in real water loss from the reticulated systems* The percentage of real water loss from Council's networked reticulation system is estimated using Minimum Night Flow (MNF) analysis, following an approach similar to Appendix A of the Water NZ Water Loss Guidelines and Section 2b of the Water Loss Guidance from the National Performance Framework.	57%	34%	59% x
	Reduction in average consumption / resident / day* The average consumption of drinking water per day per resident within Ashburton District.	732 L	≤ 720 L	790 L x
The majority of residents are satisfied with our drinking water services	Customer satisfaction with drinking water services* The total number of complaints received by Council expressed per 1000 connections about: a) Clarity b) Taste c) Odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these issues	7.78 complaints / 1000 connections	≤ 10 complaints / 1000 connections	4.96 complaints / 1000 connections ¹³ ✓
	Residents are satisfied with Council's drinking water supplies	74%	80%	80% ✓

* Mandatory performance measure set by the Department of Internal Affairs

¹³ Less complaints were received this year with regards to the drinking water supplies. This is likely due to the work that has been undertaken to upgrade the Methven / Methven-Springfield water supply.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	-	-	-
Targeted rates	5,173	5,918	6,267
Subsidies and grants for operating purposes	-	-	-
Fees and charges	26	27	78
Internal charges and overheads recovered	-	-	87
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	3
Total sources of operating funding	5,199	5,945	6,435
Applications of operating funding			
Payments to staff and supplies	2,341	2,825	3,011
Finance costs	231	283	393
Internal charges and overheads applied	729	772	697
Other operating funding applications	-	-	-
Total applications of operating funding	3,301	3,880	4,100
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,898	2,065	2,335
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	173	178	271
Increase (decrease) in debt	2,301	7,393	7,494
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,473	7,571	7,765
Application of capital funding			
Capital expenditure			
- to meet additional demand	185	528	-
- to improve the level of service	2,004	8,006	8,988
- to replace existing assets	2,055	1,124	1,880
Increase (decrease) in reserves	127	(23)	(768)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	4,371	9,636	10,100
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,898)	(2,065)	(2,335)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

There are no variances of \$500,000 or more for Drinking Water.

CAPITAL EXPENDITURE BY WATER SUPPLY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Ashburton	2,293	1,499	2,003
Methven	1,125	4,704	7,403
Rakaia	28	461	96
Fairton	5	52	4
Hakatere	120	15	28
Hinds	305	19	449
Mayfield	5	10	19
Chertsey	25	10	14
Methven-Springfield	275	137	1,407
Montalto	65	408	50
Mt Somers	293	2,668	424
Dromore	5	57	16
Total capital expenditure	4,545	10,040	11,912
Less vested assets	301	381	1,044
Council funded capital expenditure	4,244	9,659	10,868

DISTRICT WATER MANAGEMENT -

WASTEWATER

WHAT WE DO

We manage wastewater collection, treatment and disposal services for our communities across the district. We have three community-based wastewater schemes that service approximately 65% of our district's population.

The majority of the reticulated network operates on gravity, with 15 pump stations used to service defined subdivisions. The largest pump stations serve Lake Hood and the Ashburton Business Estate.

Wastewater is conveyed to wastewater treatment plants. Ashburton and Methven use aeration and oxidation ponds for treatment; Rakaia uses clarifiers, a trickling filter and UV disinfection. In all cases, treated wastewater is discharged to land.

The provision of the Wastewater activity involves:

- Operating and maintaining wastewater schemes, including collection, treatment and disposal of wastewater.
- Ensuring the wastewater system is safe and meeting community health needs.
- Monitoring discharge water quality.
- Upgrading and extending schemes, where required.

Daily operations and maintenance of the system is contracted out to Ashburton Contracting Limited.

WHAT WE DID IN 2022/23

NORTHWEST ASHBURTON WASTEWATER SERVICING

This project is to provide essential wastewater infrastructure to service the Residential C zoned land within the area bordered by Allens Road, Racecourse Road, Farm Road and Mill Creek.

Construction of the trunk pipelines on Allens Road, Carters Road, and Farm Road have been completed, with the new network wastewater pump station (on Allens Road) completed in August 2023.

The project was completed at a total cost of \$4.28M¹⁴ (including design cost from 2021/22).

RAKAIA WWTP SLUDGE DISPOSAL

We had intended to construct a sludge drying solution at the Rakaia wastewater treatment plant site this year. However, as the design was developed, it became clear that the budget was insufficient. Some of the budget has been used for some minor upgrades in order to improve compliance in the short-term. The funding of an optimal sludge drying solution was to be considered by Council in September 2023.

GRIT CHAMBER PIPELINE RENEWAL

This year we had planned to build a trunk line between the Trevors Road grit chamber facility and the new Ashburton River crossing pipeline. Due to delays associated with engineering resources, the project has been delayed.

The \$3.14 million budget will be carried forward to the 2023/24 financial year.

SEWERMAIN RELINING / RENEWALS

As part of our ongoing sewer rehabilitation programme, the following sewer mains have been relined.

¹⁴ Total budget provision over 2021/22 & 2022/23 was \$4.92M.

Ashburton

Bird Street, Cambridge Street, Eton Street, Rapley Street, Wakanui Road and the Tinwald outfall sewer (near Carters Creek)

Methven

Forest Drive

The detailed design for full pipeline replacements were completed, for the following locations. A construction contract including these sites (and the 2023/24 sites) was awarded in June 2023.

Ashburton

Allens Road, Cameron Street, Elizabeth Street, Kermod Street, Nixon Street, and Princes Street

Methven

Main Street, McDonald Street

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide an efficient and sustainable wastewater system	Dry weather overflow incidents* <i>The number of dry weather sewerage overflows from the Council's sewerage systems, expressed per 1000 sewerage connections to that sewerage system.</i>	0.91 / 1000 connections	≤1.0 / 1000 connections	1.0 / 1000 connections ¹⁵ ✓	
	Compliance with resource consents* Compliance with Council's resource consents for discharge from its sewerage systems measured by the number of the following received by Council:	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 to callouts* <i>Where contractors attend a call-out on Council's behalf to a fault or unplanned interruption to a Council networked reticulation system, the median response times are measured, from the time Council receives the notification to the time that service personnel reach the site, and to the time that Council received notification of resolution of the problem.</i>	Call-out attendance time	0.62 hours (37 minutes)	1 hour	0.78 hours (47 minutes) ¹⁶ ✓
		Call-out resolution	2.35 hours	4 hours	1.83 hours (110 minutes) ¹⁷ ✓

* Mandatory performance measure set by the Department of Internal Affairs

¹⁵ Due to the small number of incidents that occur during dry weather this number can have large fluctuations.

¹⁶ Due to the small number of incidents, the time taken to attend and reach resolution fluctuates depending on the complexity and location of incidents.

¹⁷ See above footnote for explanation.

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)		2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
The majority of residents are satisfied with our wastewater services	Customer satisfaction with wastewater services * <i>The total number of complaints received by Council expressed per 1000 connections about:</i>	a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) Council's response to issues with our sewerage system	5.77 complaints / 1000 connections	≤ 10 complaints / 1000 connections	8.23 complaints / 1000 connections ¹⁸ ✓

* Mandatory performance measure set by the Department of Internal Affairs

¹⁸ While still within the targeted range, more complaints were received from customers in the 2022/23 year compared with 2021/22. The increase was consistent across all four complaint categories.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	-	-	-
Targeted rates	4,405	4,669	4,829
Subsidies and grants for operating purposes	-	-	-
Fees and charges	78	81	113
Internal charges and overheads recovered	-	-	128
Local authorities fuel tax, fines, infringement fees and other receipts	275	283	714
Total sources of operating funding	4,758	5,033	5,784
Applications of operating funding			
Payments to staff and supplies	1,490	1,544	2,131
Finance costs	459	571	692
Internal charges and overheads applied	577	613	650
Other operating funding applications	-	-	-
Total applications of operating funding	2,526	2,728	3,473
SURPLUS (DEFICIT) OF OPERATING FUNDING	2,232	2,305	2,311
Sources of capital funding			
Subsidies and grants for capital expenditure	4,000	-	80
Development and financial contributions	330	340	585
Increase (decrease) in debt	4,992	3,813	928
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	9,322	4,152	1,593
Application of capital funding			
Capital expenditure			
- to meet additional demand	6,202	66	-
- to improve the level of service	1,945	226	4,289
- to replace existing assets	3,439	6,186	3,420
Increase (decrease) in reserves	(32)	(21)	(3,804)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	11,554	6,458	3,905
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,232)	(2,305)	(2,312)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Operating Funding was \$751,000 greater than budget mainly due to income derived from Ocean Farm from silage sales and stock grazing. This was due to damper conditions assisting the growth of crops.

Application of operating funding

The majority of the \$745,000 application of operating funding is due to increased interest costs from increasing interest rates. Investigation costs have also risen due to ongoing regulatory compliance requirements at wastewater treatment plants and the need for additional investigations to meet these requirements.

Sources of capital funding

Loan funding was \$2.6 million less than budgeted mainly due to loans not yet being raised for the northwest Ashburton wastewater servicing project.

Applications of capital funding

The majority of the \$2.6 million difference is mainly due to the Northwest Ashburton wastewater servicing project not yet being complete.

CAPITAL EXPENDITURE BY WASTEWATER SCHEME

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Ashburton	11,261	6,514	7,764
Methven	639	494	923
Rakaia	166	83	246
Total capital expenditure	12,066	7,091	8,932
Less vested assets	480	613	1,224
Council funded capital expenditure	11,586	6,478	7,709

DISTRICT WATER MANAGEMENT

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 schemes underpin the safety of our communities, people and property via collection and redirection of rainwater. These systems ensure rainfall is quickly and efficiently removed and prevent ongoing economic damage as a result of extreme weather events.

WHAT WE DID IN 2022/23

ATTENUATION AND TREATMENT FACILITY

Due to competing demands on design services, the work we had planned, to design an attenuation and

treatment facility at the West Street discharge to the Ashburton / Hakatere River, has been delayed. This will be undertaken in the 2023/24 year with the associated budget carried forward.

METHVEN AND RAKAIA NETWORK-WIDE STORMWATER CONSENTS

The work on preparing an application for network-wide resource consents for stormwater discharge in Methven and Rakaia urban areas commenced in 2021/22 and this work remains ongoing.

ASHBURTON NETWORK-WIDE STORMWATER CONSENT IMPLEMENTATION

Implementation of the new consent is progressing with adoption of the Stormwater Bylaw in October 2022. The industrial site assessment work hasn't been progressed. It is now proposed to outsource this work in the 2023/24 year.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide protection from flooding for private properties	Flooding events from stormwater overflows* <i>The number of flooding events resulting from stormwater overflows, and for each flooding event the number of habitable floors affected, expressed per 1000 properties connected to the stormwater system.</i>	0	0	0 ✓	
		0	0	0 ✓	
	Median response time (in hours) to callouts* <i>Where contractors attend a call-out on Council's behalf to attend a flooding event, the median response times are measured from the time Council receives the notification to the time that service personnel reach the site.</i>	N/A	1 hour	N/A ¹⁹ N/A	
We provide efficient and sustainable stormwater services	Compliance with resource consents* <i>Compliance with Council's resource consents for discharge from its stormwater systems measured by the number of the following received by Council:</i>	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 per 1000 connections)* <i>The total number of complaints received by Council about the performance of its stormwater system, expressed per 1000 connections to the stormwater systems.</i>	1.11	≤ 5	1.81 ²⁰ ✓	

* Mandatory performance measure set by the Department of Internal Affairs

¹⁹ Not applicable as there were no relevant weather events during this period.

²⁰ The number of complaints we receive in relation to our stormwater services are consistently low. There was a slight increase in 2022/23 compared with the previous year – an expected fluctuation often to do with the amount of rain across the year and people's increased awareness of stormwater.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	112	130	129
Targeted rates	1,241	1,312	1,295
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1	1	1
Internal charges and overheads recovered	-	-	17
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total sources of operating funding	1,353	1,443	1,442
Applications of operating funding			
Payments to staff and supplies	410	465	423
Finance costs	75	69	111
Internal charges and overheads applied	290	307	163
Other operating funding applications	-	-	-
Total applications of operating funding	775	841	697
SURPLUS (DEFICIT) OF OPERATING FUNDING	577	602	745
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(271)	1,385	(271)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(271)	1,385	(271)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	88	1,982	-
- to replace existing assets	-	-	9
Increase (decrease) in reserves	218	5	465
Increase (decrease) in investments	-	-	-
Total applications of capital funding	306	1,987	474
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(577)	(602)	(745)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of capital funding

This was \$1.7 million less than budgeted due to the implementation works associated with the network-wide consents for stormwater being delayed. This includes the industrial site assessment work which is with Beca for pricing and is yet to commence.

Applications of capital funding

We spent \$1.5 million less than budgeted due to delays getting the detailed design of the West Street Attenuation and Treatment facility.

CAPITAL EXPENDITURE BY STORMWATER SCHEME

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Ashburton	282	2,477	1,103
Methven	155	132	80
Total capital expenditure	440	2,609	1,183
Less vested assets	352	627	1,174
Council funded capital expenditure	88	1,982	9

DISTRICT WATER MANAGEMENT

STOCKWATER

WHAT WE DO

The 1,543 km network of stockwater races is comprised of five separate areas, which service a combined farm area of approximately 181,000 ha.

Water is sourced from 19 main intakes, with the majority from rivers, streams, springs and drains. Fifteen of these extractions are either sourced directly or from waterways and springs likely linked to the Hakatere / Ashburton River system. The remainder are from the Rangitata, Hinds and Rakaia systems.

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 2022/23

STOCKWATER CLOSURE PROGRAMME

This year we received 25 applications for race closures, of which 16 were approved. Nine are still being worked through as to the outcome.

REPAIR WORK

Unplanned work was undertaken this year to reinstate river intakes following the July 2022 and ongoing rain events. This resulted in an overspend for river maintenance. The Methven Auxiliary intake also required major repairs to prevent the river washing away the intake gate and associated infrastructure.

FISH SCREENS

Key direct river intakes for the stockwater scheme are the Brothers intake (S.Br. Ashburton River); Methven Auxiliary intake (N. Br. Ashburton River) and Pudding Hill intakes (Pudding Hill Stream). These intakes are the subject of consent conditions requiring fish screening infrastructure to be installed – by February 2015.

Due to the significant costs involved in installing and maintaining fish screens, we have been deferring installation given the network is contracting and the affected intakes may cease operating. However, in May 2022, Environment Canterbury issued us with a formal warning in regards to their absence.

In response, we commenced detailed design of the fish screening infrastructure on the Brothers and Methven Auxiliary intakes, as these are likely to remain functioning - whether under our management or that of an irrigation company. We have advised Environment Canterbury of the probable closure of the Pudding Hill intake.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)		2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide efficient and sustainable stockwater services	Compliance with resource consents	Abatement notices	0	0	1 ²¹	✗
	<i>Compliance with Council's resource consents for discharge from its stockwater systems measured by the number of the following received by Council:</i>	Infringement notices	0	0	0	✓
		Enforcement notices	0	0	0	✓
		Convictions	0	0	0	✓

²¹ One abatement notice was received due to a weir renewal carried out without consent. Addressing this abatement is under active management at present.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	84	87	140
Targeted rates	935	870	761
Subsidies and grants for operating purposes	-	-	1
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	19
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total sources of operating funding	1,018	957	920
Applications of operating funding			
Payments to staff and supplies	834	752	1,015
Finance costs	4	4	8
Internal charges and overheads applied	154	164	294
Other operating funding applications	-	-	-
Total applications of operating funding	992	919	1,317
SURPLUS (DEFICIT) OF OPERATING FUNDING	26	38	(397)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(9)	(9)	(9)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(9)	(9)	(9)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	21
- to replace existing assets	-	-	-
Increase (decrease) in reserves	17	28	(428)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	17	28	(407)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(26)	(38)	398
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

There are no variances of \$500,000 or more for stockwater.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Stockwater	-	-	21
Total capital expenditure	-	-	21
Less vested assets	-	-	-
Council funded capital expenditure	-	-	21

TRANSPORTATION

THIS YEAR WE...



Resealed **58 km**
of road



Filled **10,004**
potholes

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

KEY RESULTS FOR THE YEAR



²²

26%



of residents are satisfied with our sealed roads



²³

46%



of residents are satisfied with our unsealed roads



²⁴

99%



of footpaths meet service standards



²⁵

97%



of the sealed road network is classed as 'smooth'

ACHIEVED

6 / 10

performance measures



²² Result taken from the [Annual Residents' Survey 2022/23](#). This is also a performance measure on page 50.

²³ Result taken from the [Annual Residents' Survey 2022/23](#). This is also a performance measure on page 50.

²⁴ This is also a performance measure on page 49.

²⁵ This is also a performance measure on page 49.

WHAT WE DO

We are responsible for one of the largest road networks in New Zealand. Our road network covers 2,622 km, with approximately 1,522 km sealed and 1,100 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 257 km and 8.8 km of cycle lanes in towns and villages throughout the district.

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

- 2,622 km of roads
- 257 km of footpaths
- 8.8 km of cycleways
- 240 km of drainage channel
- 239 traffic islands
- 188 bridges and culverts
- 3,294 streetlights
- 10,444 road signs and 1207 km of markings
- 20 traffic signals
- 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 2022/23

ASHBURTON-TINWALD CONNECTIVITY

In August 2022, Council received the Detailed Business Case from Stantec, which contains the detailed design, cost estimate and cost analysis of constructing the second bridge across the Hakatere / Ashburton River. The expected cost is \$93 million, but with contingency, this rises to \$113.6 million. Council currently has \$7.5 million of funding committed through the 2021-31 Long-Term Plan.

Following receiving the report, the DBC was presented to Waka Kotahi for project approval and agreement on the Funding Assistance Rate. Council has also engaged senior Government politicians and officials to seek further funding solutions.

ADDITIONAL UNSUBSIDISED ROADING FUNDS

As a result of community feedback on the Annual Plan 2022/23, we agreed to fund an extra \$1.7 million of unsubsidised cyclic renewals (major roading repairs) this year. Funds for this work were sourced from the forestry reserve.

This additional funding was spent repairing 6.4 km on sections of the following roads:

- Barford Road - south of Hackthorne Road
- Barford Road – between Oakleys Road and Orchards Road
- Forks Road – south of Earlys road
- Mayfield Valetta Road – between McKenzies Road and Wallaces Road
- Thompsons Track north of Line Road

EMERGENCY WORKS

The heavy rain event in July 2022 required an emergency response and resulting repairs to damage on the roading network. We were approved for emergency works funding from Waka Kotahi for 51% (our usual Funding Assistance Rate) of the total of \$2.3 million required. We funded our share of the cost - \$933,000 from the dividend reserve.

INTERIM SPEED MANGEMENT PLAN

In 2022 we discussed with the community principles for speed management. We received 82 submissions, and in December 2022, adopted our final plan, with the following principles:

- School speed limits – 30km/h around all schools, with variable speed limit signs for rural schools and permanent speed limit signs for urban schools
- Speed management for urban fringes with a 1km radius from a township's boundary
- Speed reduction in developed urban areas with a high number of users.

MAINTENANCE REPAIRS AND REPLACEMENT PROGRAMME

This year we:

- resurfaced 58.2 km of road – at a total cost of \$2.7 million
- rehabilitated 13.2 km of sealed rural roads, at a cost of \$3.9 million
- applied an additional 29,302 m³ of road metal associated with flood repairs.
- spent \$377,250 grading unsealed roads.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Residents are included and have a voice

Ka whai wāhi, ka whakaputa kōrero kā kainoho



A district of great spaces and places

He tiriwā pai, he wāhi pai i tēnei takiwā



A balanced & sustainable environment

He taiao toitū



A prosperous economy based on innovation and opportunity

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

OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 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 Council's relevant document (such as the annual plan, activity management plan, annual works program or long-term plan).</i>	99%	85%	99%	✓
	The sealed local road network is smooth* <i>The percentage of kilometres travelled on the district's sealed roads measured by smooth travel exposure.</i>	96%	90%	97%	✓
	The sealed local road network is well maintained * <i>The percentage of the sealed local road network that is resurfaced.</i>	5.3%	4.0%	4.9%	✓
	Volume of metal replaced on unsealed roads <i>Metal on unsealed roads lost due to weather, usage and other factors will be replaced.</i>	55,357 m ³	≥ 48,000 m ³	36,545m ³ ₂₆	x
	Reduction in fatalities on local roads* <i>The change in the number from the previous financial year.</i>	-3	Decrease from previous year	-2 ²⁷	✓
	Reduction in serious injury crashes on local roads* <i>The change in the number from the previous financial year.</i>	0	Decrease from previous year	+4 ²⁸	x

* Mandatory performance measure set by the Department of Internal Affairs

²⁶ The decrease in 2022/23 seen for the amount of metal replaced on unsealed roads is a reflection of inflation and how far the available budget is able to go. Costs have increased over the past year, and while the full budget was spent, this has allowed less metal to be replaced than the previous year.

²⁷ There were 3 fatalities on local roads in 2021/22 compared with only 1 in 2022/23.

²⁸ There were 9 serious injury crashes in 2021/22 compared with 13 in 2022/23..

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
Council contractors respond to transportation network failures and requests within required response times	Roading service requests are responded to within 5 working days*	90%	75%	98%	✓
	Footpath service requests are responded to within 5 working days*	90%	75%	98%	✓
The majority of residents are satisfied with Council's transportation services	Residents are satisfied with Council's unsealed roads	46%	60%	46% ²⁹	x
	Residents are satisfied with Council's sealed roads	24%	45%	26% ³⁰	x

*Mandatory performance measure set by the Department of Internal Affairs

²⁹ Of those who were dissatisfied, 39% noted poor maintenance / quality of roads, 36% too many potholes, 32% grading not done soon enough / poor grading.

³⁰ Of those who were dissatisfied, 72% noted too many potholes, 35% repairs need to be fixed again too soon / cheap repairs, and 29% noted poor maintenance / quality of roads.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	179	213	238
Targeted rates	8,031	8,285	8,266
Subsidies and grants for operating purposes	2,669	2,636	4,526
Fees and charges	3	-	28
Internal charges and overheads recovered	-	-	118
Local authorities fuel tax, fines, infringement fees and other receipts	352	283	688
Total sources of operating funding	11,233	11,417	13,864
Applications of operating funding			
Payments to staff and supplies	5,734	5,857	9,412
Finance costs	108	140	139
Internal charges and overheads applied	1,355	1,440	2,424
Other operating funding applications	-	-	-
Total applications of operating funding	7,198	7,437	11,975
SURPLUS (DEFICIT) OF OPERATING FUNDING	4,035	3,979	1,889
Sources of capital funding			
Subsidies and grants for capital expenditure	6,427	6,347	4,929
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,393	1,914	(166)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	7,820	8,261	4,763
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	4,383	4,333	2,898
- to replace existing assets	7,297	7,810	9,425
Increase (decrease) in reserves	175	97	(5,670)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	11,855	11,855	6,653
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(4,035)	(3,980)	(1,889)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

The majority of the \$2.4 million variance relates to subsidies being above budget – most of which relates to the funding received from Waka Kotahi for emergency works following the July 2022 heavy rain event.

Applications of operating funding

There was \$4.5 million of additional spend, mainly due to the cost of the emergency works following the July rain events. Minor overspends also include sealed pavement maintenance and network services maintenance to have worn road marking repainted and damaged signs repaired.

Sources of capital funding

Loan funding was \$3.5 million less due to delays with construction of footpaths.

Application of capital funding

We spent \$5.2 million less in 2022/23, mainly due to delays in new footpath construction.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Roading	11,678	12,295	17,985
Footpaths	839	798	1,759
Total capital expenditure	12,517	13,094	19,745
Less vested assets	837	951	7,422
Council funded capital expenditure	11,680	12,143	12,323

WASTE REDUCTION & RECOVERY

THIS YEAR WE...



Collected waste and recycling from over **11,500 households**, including:

- 4,700 tonnes of rubbish
- 890 tonnes of recycling
- 682 tonnes of recyclable glass

Diverted **20% of household waste** from landfill to recycling

Collected an additional **16,300 tonnes** of rubbish and recycling through our resource recovery parks and rural drop off points

OUR WORK CONTRIBUTED TO THE...



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

KEY RESULTS FOR THE YEAR



³¹

83%



of residents are satisfied with our rubbish and recycling services



³²

84%



of users were satisfied with the kerbside collection service

ACHIEVED

1 / 3

performance measures



³¹ Result taken from the *Annual Residents' Survey 2022/23*. This is also a performance measure on page 56.

³² Result taken from the *Annual Residents' Survey 2022/23*.

WHAT WE DO

We promote sustainable waste management and minimisation. We provide collection services and facilities for transferring and transporting waste to landfill disposal or to other processing facilities. Enviro-Waste holds the contract for the kerbside bin collection service which covers 73% of households across our district.

We also manage the following waste reduction and recovery services:

- 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 the collection of illegally dumped waste
- Communication, advocacy, education, and enforcement
- Waste management planning and reporting

All of our landfill waste is trucked to the Kate Valley Landfill – the most comprehensively engineered waste management facility in the South Island. The landfill has a leachate management system that collects and stores leachate ready for treatment, a gas management system that collects methane produced by the landfill and pumps it to generators that produce electricity, and a surface water management system which collects stormwater and ensures only clean water flows to the wetlands.

WHAT WE DID IN 2022/23

ASHBURTON LANDFILL SOUTHWEST SLOPE REMEDIATION

In 2000, the Ashburton landfill was closed, and the site capped and grassed as part of the post-closure management plan.

The southwest slope faces the Ashburton River and over time has been affected by weather and water runoff. The slope needs capping remediation and fill material added to the slope to make it less steep and less prone to erosion. This work began this year and will continue across the next few years.

ASHBURTON RESOURCE RECOVERY PARK

Upgrades to better manage stormwater runoff from the operational site were completed this year. This includes asphaltting the return track, the car park out front and the green waste yard.

WASTE MINIMISATION AND MANAGEMENT PLAN

In July 2022, we adopted our Waste Management and Minimisation Plan which sets out how we plan to minimise and manage waste in our district.

View our plan on our website: ashburtondc.govt.nz > District > Plans, Reports and Strategies > Plans

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
We provide kerbside collection services to the majority of residents in the district	Increase the volume of recyclable material from kerbside collection services	+17.6%	+1%	-3.8% ³³ x
	Residents are satisfied with rubbish and recycling services in the district	85%	90%	83% ³⁴ x
We provide waste reduction and recovery facilities throughout the district	Increase the volume of recyclable / recoverable material recovered from the waste system	+1.1%	+1%	+5.7% ³⁵ ✓

³³ Following the Covid-19 lockdowns in the first half of 2020, we had significant contamination occurring in the recycling collections. The 17.6% increase in 2021/22 was a big jump from dumping a lot of contaminated recycling. The -3.8% is a levelling of those two numbers and gets us back on track.

³⁴ Of those who were dissatisfied with the rubbish and recycling services in the district, 28% noted no bins provided for green waste as the reason, 23% noted the need for more items to be recyclable at kerbside and 19% that the household bins provided were too small.

³⁵ Recovery Parks were still open during Covid so less of a hangover and we continue to accept more items than kerbside so an increase in volume.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	964	987	1,142
Targeted rates	2,286	2,377	2,458
Subsidies and grants for operating purposes	-	-	-
Fees and charges	2,248	2,547	2,937
Internal charges and overheads recovered	760	817	877
Local authorities fuel tax, fines, infringement fees and other receipts	249	265	314
Total sources of operating funding	6,507	6,993	7,728
Applications of operating funding			
Payments to staff and suppliers	5,131	5,403	6,532
Finance costs	13	16	27
Internal charges and overheads applied	1,334	1,432	1,791
Other operating funding applications	-	-	4
Total applications of operating funding	6,478	6,851	8,353
SURPLUS (DEFICIT) OF OPERATING FUNDING	29	142	(625)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	118	5	(38)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	118	5	(38)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	306	179	108
- to replace existing assets	-	16	-
Increase (decrease) in reserves	(159)	(48)	(770)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	147	147	(663)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(29)	(142)	625
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Income was up by \$735,000 on budget, mainly due to fees collected through the Ashburton Resource Recovery Park being \$438,000 greater than budgeted. This increase is a result of an increase in fees & charges since the LTP budget was adopted as a result of increasing costs of providing the service.

Applications of operational funding

Operating expenditure was \$1.5 million greater than budgeted. Repairs and maintenance costs report \$1.3 million above LTP budget. Due not only to the higher demand on equipment but remedial works being required at many of the districts drop off points. Waste Minimisation costs were also \$162,000 above budget, due to increased costs of contracts for the transportation of waste and higher volumes of waste being transported. Increase in costs due to inflationary pressures of providing services could not have been predicted when the 21-31 LTP was adopted. As these costs are partially offset by the additional fee income.

Applications of capital funding

Reserves decreased by \$722,000 due to increased expenditure compared to what was budgeted in the 2021-31 LTP.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Refuse collection	-	-	8
Refuse management	306	195	100
Council funded capital expenditure	306	195	108



Ashburton
DISTRICT COUNCIL

THE ONLY BIN FOR RECYCLING ONLY THE MATERIALS
WE ACCEPT ARE: PLASTIC BOTTLES, CANS, JARS,
GLASS BOTTLES, FOOD WASTE, PAPER, CARDBOARD.

PUBLIC SERVICES



COMMUNITY GOVERNANCE & DECISION-MAKING

THIS YEAR WE...



Reviewed and/or adopted **9 policies, 6 bylaws and 4 plans**



Wrote **10 submissions** to advocate on our district's behalf



Received feedback from **549 community members** on the **11 topics** we consulted on



Gave out over **\$895,321 in grants and funding** to 72 groups and organisations

OUR WORK CONTRIBUTED TO THE...



Cultural wellbeing of the community by maintaining and strengthening our relationships with Te Runanga o Arowhenua through regular hui with Aoraki Environmental Consultancy.



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.

KEY RESULTS FOR THE YEAR ³⁶



67%



of residents are satisfied with our overall performance



90%



of residents agree that our district is going in the right direction



81%



of residents trust Council to do the right thing



86% ³⁷



of residents are satisfied with the Mayor and councillors



69%



of residents are satisfied with how their rates have been spent



82%



of residents are satisfied with our advocacy work



95%



of residents are satisfied with the opportunities for grants and funding



93%



of residents are satisfied with our support of social services

ACHIEVED

4 / 4

performance measures



³⁶ All results are taken from the [Annual Residents' Survey 2022/23](#).

³⁷ This is also a performance measure on page 65.

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 provides 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 almost \$900,000 to community groups and organisations, including those who provide services to the community on our behalf. Our grants and funding fall into six categories of Arts and Culture, Community Development, Community Pools, Economic Development, 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 2022/23

DEMOCRACY

LOCAL BODY ELECTIONS

The triennial Local Body Elections were held in October 2022, with 11,706 votes returned (a voter turnout rate of 50.1%). There were two candidates for the mayoralty seat, three candidates for the western ward (two vacancies), 12 candidates for the Ashburton ward (five vacancies), and six candidates for the Methven Community Board (5 vacancies).

In May 2023 we also held a by-election in the Western Ward to fill the seat left vacant by Councillor Rodger Letham, who sadly passed away in December.

DELEGATIONS REGISTER

Council operates under a range of legislation that provides territorial authorities with specific powers, functions and duties. In the past, these delegations were housed in a Delegations Manual, a Microsoft Word document which defined the scope of Council's delegations to committees, the Chief Executive, and further delegations to other members of the Executive Team and staff positions.

Over the last few years, we have been working with a web-based system to house these delegations. In March this year, this went live and can be viewed on our website: ashburtondc.govt.nz > Council > Governing Bodies > Governance Documents > LocoDelegations

COMMUNITY HONOURS AWARDS

The 2022/23 Community Honours Awards were cancelled due to the 2021/22 ceremony being delayed a year. The next ceremony will be held in the second half of 2023.

CLIMATE RESILIENCE PLAN

In August 2022, we adopted a Climate Resilience Plan to give effect to our Climate Change Policy. The plan weaves together all of the climate change projects and actions that Council is currently undertaking and plans to take over the next ten years. You can view our plan on the website here: ashburtondc.govt.nz > District > Plans, Reports and Strategies > Plans > Climate Resilience Plan

CONSULTATIONS WITH OUR COMMUNITY

We spoke to our community on a range of topics this year including the Ashburton Airport, our Reserve Management Plans and our Economic Development Strategy. For details of these projects go to ashburtondc.govt.nz > haveyoursay

COMMUNITY GRANTS & FUNDING

In 2022/23, 72 groups and organisations received \$895,321 collectively.

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. 26 groups received \$57,171 collectively for their projects through the Creative Communities Scheme; 15 groups received \$20,300 collectively through the Rural Travel Fund.

GRANTS

CATEGORY	GRANT	FUNDS REQUESTED	FUNDS ALLOCATED
Arts & Culture	Community Library	\$16,500	\$15,000
	Ashburton Trust Events Centre*	\$312,309	\$312,309
Community Development	Community Agencies	\$197,019	\$61,360
	Community Projects	\$74,304	\$39,690
	Safer Mid Canterbury*	\$205,662	\$205,662
	Safe Communities*	\$36,755	\$36,575
	Citizens Advice Bureau*	\$15,000	\$15,500
	Trail Maintenance Fund	\$7,500	\$5,500
	High School Prize Giving	\$1,000	\$1,000
Community Pools	Health & Safety	\$26,000	\$26,000
Economic Development	Community Events	\$29,800	\$20,000
Natural & Built Environments	Biodiversity	\$17,039	\$15,000
	Community Infrastructure	\$69,418	\$62,000
	Heritage	\$13,300	\$6,300
Sport & Recreation	School Holiday Programme	\$1,125	\$1,125
	Sport Mid Canterbury*	\$63,000	\$63,000
Mayor's Discretionary Grant		\$12,400	\$9,300
TOTAL		\$1,098,131	\$895,321

* Uncontested funds

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

GOVERNANCE

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
The community is informed of, and involved in, local decision making	Residents are satisfied that the Council provides opportunities to have their say	86%	80%	90% ³⁸ ✓
	Residents are satisfied with the quality of information about Council activities and events	94%	90%	94% ✓
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	83%	80%	86% ✓

COMMUNITY GRANTS & FUNDING

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 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.	97%	90%	95% ✓

³⁸ The community has had multiple opportunities to have their say across the year. See the Democracy section on the previous page for examples.



FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	4,135	4,382	3,767
Targeted rates	89	146	151
Subsidies and grants for operating purposes	-	-	5
Fees and charges	-	-	14
Internal charges and overheads recovered	-	-	63
Local authorities fuel tax, fines, infringement fees and other receipts	21	73	22
Total sources of operating funding	4,425	4,601	4,022
Applications of operating funding			
Payments to staff and supplies	2,531	2,730	2,237
Finance costs	59	57	94
Internal charges and overheads applied	2,432	2,669	2,666
Other operating funding applications	-	-	0
Total applications of operating funding	5,022	5,455	4,997
SURPLUS (DEFICIT) OF OPERATING FUNDING	(777)	(854)	(975)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	1,180
Increase (decrease) in debt	(117)	(117)	(117)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(117)	(117)	1,063
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(894)	(971)	89
Increase (decrease) in investments	-	-	-
Total applications of capital funding	(894)	(971)	89
SURPLUS (DEFICIT) OF CAPITAL FUNDING	777	854	974
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Operating income was \$579,000 less than budgeted in the 2021-31 LTP due to less income received from rates and rates penalties than projected. The lower rate requirement was due to other revenue sources reducing the rates requirement.

Sources of capital funding

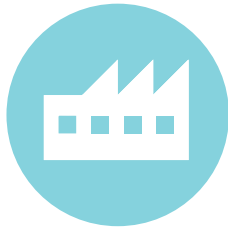
Capital income was \$1.18 million higher than budgeted, due to development and financial contributions being higher than budgeted, due to higher than projected economic activity across the district.

Application of capital funding

Reserves reported \$1.06 million above budgeted levels, a greater surplus being derived by the activity than budgeted.

ECONOMIC DEVELOPMENT

THIS YEAR WE...



Sold **2428 m2** of residential properties

Sold **2.5 hectares** of rural land, and **10.1 hectares** of commercial / industrial properties

Managed **970** leases / licenses

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 our community by delivering the Welcoming Communities programme within the district.



Social wellbeing of our residents by hosting community events for residents and visitors.

KEY RESULTS FOR THE YEAR ³⁹



94%



of residents are satisfied with our community events



86% ⁴⁰



of residents are satisfied with our work in economic and business development



93%



of residents are satisfied with our support for new residents

ACHIEVED

1 / 2

performance measures



³⁹ All results are taken from the *Annual Residents' Survey 2022/23*.

⁴⁰ This is also a performance measure on page 72.

WHAT WE DO

There are three main components of our Economic Development portfolio: Commercial Property, Forestry, and Economic Development, which includes events, tourism promotion and Welcoming Communities.

We invest in Economic Development initiatives to provide local economic leadership and to help offset rates. We also work to encourage people to work, live, play and invest in our district, to improve our district's income.

Commercial Property

We own and manage over 1400 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.

Forestry

We have a large number of different plantation-sized parcels of land throughout the district.

Economic Development and Tourism Promotion

Our Economic Development team focusses on delivering the Economic Development Strategy. This includes working with and supporting the business community, community events, tourism promotion and delivering our Welcoming Communities programme.

WHAT WE DID IN 2022/23

COMMERCIAL PROPERTY

TE WHARE WHAKATERE

Construction of Te Whare Whakaterere – our new library and civic centre building remains a work in progress, with construction now due to be completed at the end of 2023.

RAKAIA MEDICAL CENTRE EXTENSION

Construction of the extension of the Rakaia Medical Centre has not yet been completed, however, the majority of the capital funds put aside for this have not been required due to the Centre managing and funding the renovations themselves.

ASHBURTON OVAL PAVILLION

We had budgeted \$150,000 for refurbishments to this building. However, we are still waiting for the building to be transferred into Council-ownership before work begins. The budgeted funds from 2021/22 will continue to be carried forward from 2022/23 into 2023/24.

ART GALLERY AND HERITAGE CENTRE

We had budgeted \$2 million to undertake remediation work on the building and air conditioning. This work has not yet been undertaken and these funds will continue to be carried forward until the expected completion date in June 2026.

ASHBURTON AIRPORT DEVELOPMENT PLAN

In October 2022, Council adopted the Ashburton Airport Development Plan which sets out how the airport will be enhanced over the next 30 years.

Consultation was undertaken with airport users and neighbours, along with a public consultation which received 109 submissions.

FORESTRY

FORESTRY REVIEW

In 2021 we conducted a Section 17A Review of our role in Forestry. Following on from this review, we were going to determine the future strategic approach we would have for Forestry. This work has not yet been started due to competing demands.

ECONOMIC DEVELOPMENT AND TOURISM PROMOTION

GLOW IN THE PARK EVENT

Held in June 2023, at the Tinwald Domain, Glow in the Park was held over two nights (the third cancelled due to rain). The event consisted of over 30 lighting installations, live music, food trucks and amusement park rides. Over 17,000 people are estimated to have attended.

TOURISM PROMOTION

Since mid-2020, ChristchurchNZ had been contracted to provide tourism promotion for our district. At the beginning of 2023, they withdrew from the contract, and we made the decision to bring the function in-house.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
Commercial property assets that are financially sustainable	Occupancy of all commercial tenancies at or above 95% at all times	98%	≥ 95%	98% ✓
Council builds relationships and collaborates with all sectors in the business community	Resident satisfaction with Council's roles in economic, business and tourism development	87%	90%	86% ⁴¹ x

⁴¹ Of those who were dissatisfied, 26% noted the need to support local / small businesses / business ventures and 22% noted the importance of transparency and accountability.

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	654	694	1,143
Targeted rates	124	129	127
Subsidies and grants for operating purposes	13,125	154	125
Fees and charges	10	10	11
Internal charges and overheads recovered	2,296	2,363	2,407
Local authorities fuel tax, fines, infringement fees and other receipts	5,705	11,673	13,081
Total sources of operating funding	21,914	15,023	16,894
Applications of operating funding			
Payments to staff and supplies	2,705	2,861	4,098
Finance costs	1,115	1,063	1,603
Internal charges and overheads applied	1,466	1,571	1,425
Other operating funding applications	-	-	-
Total applications of operating funding	5,286	5,494	7,125
SURPLUS (DEFICIT) OF OPERATING FUNDING	16,628	9,529	9,769
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	8,006
Development and financial contributions	-	-	-
Increase (decrease) in debt	(2,333)	14,012	9,224
Gross proceeds from sale of assets	4,500	12,875	10,736
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,167	26,887	27,965
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	21,010	29,314	20,198
- to replace existing assets	55	52	6
Increase (decrease) in reserves	(2,270)	7,050	17,531
Increase (decrease) in investments	-	-	-
Total applications of capital funding	18,795	36,415	37,735
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(16,628)	(9,529)	(9,769)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Operating income was \$1.9 million higher than budgeted. A greater quantity of sections were sold in the North East Business Estate than budgeted in the 21-31 LTP, resulting in gain on sale \$1.6 million above budget. Forestry sales make up much of the remaining variance with log sales reporting \$268,000 above budgeted levels, due to unbudgeted log sales due to wind damage.

Application of operating funding

Application of operating funding was \$1.6 million higher than budgeted, mainly due to higher than budgeted expenses on staff and supplies, because of inflationary pressures.

Sources of capital funding

Capital income was \$1.1 million higher than budgeted, due to the timing of receiving a portion of the Otakaro Crown Infrastructure grant for Te Whare Whakaterere, when compared to the 21-31 LTP. This was partially offset by a reduction in loans and proceeds from sale of assets – with the sale of the current Civic building delayed due to the delay in the completion of Te Whare Whakaterere.

Application of capital funding

Total applications of Capital funding was \$1.3 million higher than budgeted in the 2021-31 LTP. Transfers to reserves report above budgeted levels as a result of above budget revenue such as sales during the year. This is offset by capital spending on Te Whare Whakaterere budgeted in the LTP for the year remaining unspent due to delays on the project.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Commercial Property	21,065	29,365	20,204
Total capital expenditure	21,065	29,365	20,204

COMMUNITY SERVICES

THIS YEAR WE...



Provided **40**
public toilets



Provided **102**
elderly persons
houses



Supported **20**
reserve boards
and memorial hall
committees

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 for key public spaces throughout the district.

KEY RESULTS FOR THE YEAR ⁴²



89%



of residents are satisfied with community safety



88% ⁴³



of residents were satisfied with CCTV and security patrols



93% ⁴⁴



of residents were satisfied with our public toilets

ACHIEVED

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performance measures



⁴² These results are all taken from the *Annual Residents' Survey 2022/23*.

⁴³ This result is also a performance measure on page 78.

⁴⁴ This result is also a performance measure on page 78.

WHAT WE DO

Community Services includes the provision of infrastructure such as public conveniences, memorial halls, reserves, campgrounds, elderly persons housing, and community safety measures (CCTV surveillance and security patrols) in the Ashburton CBD. It also includes our Reserve Boards.

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 – ensures 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 – 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 and campgrounds – provide recreational facilities throughout the district for the general public and have legislative regulations requiring their purpose and operation.

Memorial Halls – community facilities that can be hired for community activities and events.

Community Safety – CCTV surveillance and security patrols for the CBD and public areas contribute towards enhancing the safety of residents and visitors to our district. We also provide funding to Safer Ashburton through our grants and funding.

WHAT WE DID IN 2022/23

PUBLIC CONVENIENCES

This year we completed construction of new toilets at Awa Rata Reserve, Taylors Stream Reserve. New toilets at Lake Camp (West) and the Mayfield Domain have also been constructed and are scheduled for opening August/Sept 2023.

We are also replacing the toilets at the Rakaia Gorge and adding a Matariki viewing platform. We received a \$262,000 grant through the Tourism Infrastructure Fund from MBIE in addition to our contribution of \$189,000 towards this project.

Construction has begun on the platform and the toilets are scheduled to open November 2023. The budget will be carried forward for completion of the project in 2023/24.

NEW PARKING SPACE - ASHBURTON TOWN CENTRE

Investigations are still continuing into the development of a new parking space off West Street in Ashburton. The funds carried forward into 2022/23 will be carried forward a further year to 2023/24.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS	HOW WE MEASURE PROGRESS	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
LEVEL OF SERVICE	PERFORMANCE MEASURE			
Council will provide rental accommodation that meets the specific needs of eligible elderly members of the community	Occupancy rates of available Elderly Persons Housing	94%	95%	95% ✓
The majority of residents are satisfied with Council-provided public conveniences	Residents are satisfied with Council-provided public conveniences	96%	90%	93% ✓
We support the safety of Ashburton District	Residents are satisfied with Council's provision of CCTV, street lighting and security patrols within the district	90%	85%	88% ✓

FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	1,056	1,161	905
Targeted rates	387	470	542
Subsidies and grants for operating purposes	40	31	69
Fees and charges	471	485	572
Internal charges and overheads recovered	14	14	84
Local authorities fuel tax, fines, infringement fees and other receipts	931	1,059	961
Total sources of operating funding	2,898	3,220	3,133
Applications of operating funding			
Payments to staff and supplies	2,171	2,214	2,152
Finance costs	24	65	37
Internal charges and overheads applied	721	774	657
Other operating funding applications	3	3	-
Total applications of operating funding	2,920	3,056	2,846
SURPLUS (DEFICIT) OF OPERATING FUNDING	(21)	163	286
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	181
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,796	240	307
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,796	240	488
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	1,658	222	180
- to replace existing assets	370	313	690
Increase (decrease) in reserves	(254)	(133)	(96)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,774	403	774
SURPLUS (DEFICIT) OF CAPITAL FUNDING	21	(163)	(286)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Elderly Persons Housing	204	212	157
Public Conveniences	260	195	682
Memorial Halls	10	15	4
Reserves and Campgrounds	1,500	-	848
Reserve Boards	54	113	19
Total capital expenditure	2,028	536	1,710
less vested assets	-	-	839
Council funded capital expenditure	2,028	536	870

PARKS & OPEN SPACES

THIS YEAR WE...



Provided and maintained **444 hectares of parks and open spaces**

Provided and maintained **119 hectares of sports fields**

Provided and maintained **29 neighbourhood playgrounds**

Provided and maintained **16 cemeteries**

OUR WORK CONTRIBUTED TO THE...



Cultural wellbeing of our residents by providing for a broad range of burial needs at our cemeteries.



Social wellbeing of our residents through the provision of parks, gardens, playgrounds and sports fields that enhance their quality of life.

KEY RESULTS FOR THE YEAR ⁴⁵



95%



of residents are satisfied with our **parks and open spaces**



97%



of residents are satisfied with our **cemeteries**



81%



of residents **visited the Ashburton Domain**, of which **95% were satisfied** with it



58%



of residents **visited a playground**, of which **94% were satisfied** with it

ACHIEVED

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performance measures



⁴⁵ These results are all from the *Annual Residents' Survey 2022/23*. Satisfaction with our parks and open spaces, and satisfaction with our cemeteries are both performance measures on page 85.

WHAT WE DO

Cemeteries

We operate and manage 11 open cemeteries, in addition to five closed cemeteries across the district.

Ashburton Cemetery has a natural and Muslim burial section, children's section and the only interdenominational section in the district, within its new lawn area.

We provide cemeteries to ensure a safe and healthy community, and they play an important role in preserving the social history of our district, with many having significant historic and heritage values.

Rural & Urban Beautification

Parks play an important role in the image of our district and the quality of life for our community. 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 444 hectares of parks and open spaces, 119 hectares of sports fields, and 29 neighbourhood playgrounds.

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 2022/23

CEMETERIES

ASHBURTON CEMETERY – KERBING AND SEALING

This year we undertook a kerbing and sealing project at the Ashburton Cemetery. The majority of this project is complete, with just the parking bays due for completion in the first financial quarter of 2023/24. Any unspent funds will be carried over into 2023/24 for completion.

RURAL & URBAN BEAUTIFICATION

BARING SQUARE EAST UPGRADE

We started the \$3 million upgrade of the street and square in front of Te Whare Whakatere this year. While the upgrade has begun, completion will occur in the 2023/24 year.

ASHBURTON DOMAIN UPGRADES

The following projects were started this year, with completion dates rolling into the 2023/24 financial year.

- Renewal of the sports park irrigation.
- Playground upgrades to provide more equipment for the very young and older children (including installation of a flying fox).
- Waterway enhancements – pond edging and replacement of historic containment structures.
- Lighting upgrades, including along the main pathways as well as the linkages to adjoining streets.
- Sports field lighting – upgrades to the existing lighting supply lines and upgrades to LED technology.

RESERVE MANAGEMENT PLANS

Work begun this year to develop a new Reserve Management Plan. These plans contain details of how a park or reserve should be managed, what activities it should cater for and what facilities will be provided.

Across June 2023 we gathered the initial community feedback which will be used to develop the draft plan, which will go out for consultation later in 2023.

NEIGHBOURHOOD PLAYGROUND UPGRADES

A number of our neighbourhood playgrounds across the district received upgrades this year following an independent review which identified a number of areas for improvement.

These upgrades were completed on time and within the budgeted \$102,000.

EA NETWORKS CENTRE SPORTS FIELDS DEVELOPMENT UTILISATION STUDY

The focus of this study was combined with the EA Networks Centre Utilisation Study and expanded to include utilisation of sports district-wide. See the Recreation Facilities section for the details of the report.

DEVELOPMENT OF MOTORBIKE PARK AT ASHTON BEACH

Following the fencing off of the donga area at Ashton Beach over health and safety concerns, Council planned to develop a motorbike park nearby. However, the Department of Conservation declined the required Wildlife Act Authority application. Council will decide how it wishes to proceed in September 2023, following recent consultation with Department staff.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide residents with accessible, fit for purpose parks and open spaces	Urban residents live within 400m of a park or open space	95%	95%	95%	✓
	Residents throughout the district have access to sports parks (per 1000 residents)	3.4 ha	≥ 3.5 ha	3.4 ha ⁴⁶	x
Council responds to parks and open spaces failures and requests	Complaints are responded to within 10 working days	87%	70%	75% ⁴⁷	✓
The majority of residents are satisfied with our parks and open spaces	Residents are satisfied with Council-provided parks and open spaces	95%	93%	95%	✓
Council responds to cemetery failures and requests	Complaints are responded to within 10 working days	100%	95%	67% ⁴⁸	x
The majority of residents are satisfied with our cemeteries	Residents are satisfied with Council-provided cemeteries	98%	95%	97%	✓

⁴⁶ The population of our district has increased without a corresponding increase in new sports parks.

⁴⁷ The drop in results is a consequence of staff assigning tasks as raised but not always returning to the database to update it within the set timeframes. Corrective measures have been implemented internally to preclude this occurring again.

⁴⁸ Refer to previous footnote.



FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	1,741	2,053	2,016
Targeted rates	1,865	1,979	1,910
Subsidies and grants for operating purposes	-	-	11
Fees and charges	283	286	391
Internal charges and overheads recovered	-	-	52
Local authorities fuel tax, fines, infringement fees and other receipts	2	2	3
Total sources of operating funding	3,890	4,319	4,383
Applications of operating funding			
Payments to staff and supplies	3,711	3,857	4,628
Finance costs	68	92	101
Internal charges and overheads applied	88	96	177
Other operating funding applications	-	-	-
Total applications of operating funding	3,867	4,045	4,906
SURPLUS (DEFICIT) OF OPERATING FUNDING	22	274	(522)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	600	617	2,507
Increase (decrease) in debt	1,062	3,611	740
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,662	4,229	3,248
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,040	4,079	1,819
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(356)	424	905
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,684	4,502	2,725
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(22)	(274)	523
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Application of operating funding

Operating expenditure is \$861,000 greater than budgeted – led by overspends in maintenance contracts across the parks and recreation activities, as a result in increased costs since the LTP 21-31 was adopted.

Sources of capital funding

Capital income was \$981,000 less than budgeted due to \$2.9 million less debt being required as a result of capital expenditure being lower than the LTP 21-31 budget. This was offset by higher-than-expected income from Development & Financial Contributions.

Application of capital funding

Capital expenditure was \$1.8 million less than budgeted due to a number of projects not occurring in the financial year, including the Ashburton Domain Promenade, and the following Ashburton Domain projects being carried forward into the next financial year: pond edging, lighting upgrades and new pathways.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Parks and recreations	1,940	3,799	1,708
Cemeteries	100	280	255
Total capital expenditure	2,040	4,079	1,963
Less vested assets	-	-	143
Council funded capital expenditure	2,040	4,079	1,819

RECREATION FACILITIES

THIS YEAR WE...



67% of our residents visited the EA Networks Centre

48% of our residents visited the Ashburton Public Library

We **issued 201,464 items** to borrowers

Held **438 activities for children and teens** at the library, and **another 231 for adults**

33% of our residents visited the Ashburton Museum & Art Gallery

OUR WORK CONTRIBUTED TO THE...



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



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

KEY RESULTS FOR THE YEAR ⁴⁹



88%



of users were satisfied with the services and programmes at the EA Networks Centre



96%



of users were satisfied with the services and programmes at the Ashburton Public Library



97%



of users were satisfied with the services and programmes at the Ashburton Museum



90%



of residents were satisfied with the services and programmes at the Ashburton Art Gallery

ACHIEVED

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performance measures



⁴⁹ These results are all from the *Annual Residents' Survey 2022/23*. All results, except for satisfaction with the Art Gallery, are also performance measures on pages 92-93.

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.

Our facilities provide an additional quality of life aspect to the foundation of good infrastructure 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 Art Gallery & Heritage Centre

The Ashburton Art Gallery and Heritage Centre is home to our local museum and art gallery and aims to be the leading art, cultural and heritage facility in the heart of Te Waipounamu (the South Island).

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 2022/23

ASHBURTON ART GALLERY & MUSEUM

GALLERY AND MUSEUM EXHIBITIONS

This year we delivered 30 art gallery and museum exhibitions across our five temporary exhibition spaces. Of note, was our *Whistling Bull* exhibition. This featured illustrations by David Elliot for children's author Jack Lasenby's books, alongside objects from the Ashburton Museum and Historical Society's collection that tangibly represented these stories and drawings. The Art Gallery and Museum are well and truly a 'merged' facility, with staff committed to supporting one another and collaborating creatively.

We also welcomed 3,410 children and teachers to our facility from schools across the district for education programmes based around exhibitions. The most popular was our *Kā Huru Manu* cultural mapping exhibition and programme developed in partnership with Ngāi Tahu Archives and local papatipu rūnaka about traditional place names and stories of Hakatere Ashburton.

NEW ZEALAND MUSEUM STANDARDS PROGRAMME

We had intended to get external assessment of our achievement towards the standards this year. However, due to resourcing issues, this has not been undertaken.

ASHBURTON LIBRARY

TE WHARE WHAKATERE

A main focus of this year has been the impending move to the new building later in 2023. This has involved fine-tuning the library collection and planning programmes and equipment purchases – including a laser cutter, vinyl cutter, sewing machines, heat press and other items for a makerspace area where craft and design technology can be worked on.

COMMUNITY ENGAGEMENT

This year we added some additional programmes, including Craft and Chatter, The Listening Post, WordPress, and NZ Sign Language. Children's programmes Create/Explore/Discover added STEM activities for young children, while Paint Along with Bob Ross for teens and Dungeons and Dragons continue to bring young adults into the library.

EA NETWORKS CENTRE

RECREATION FACILITIES UTILISATION STUDY

The EA Networks Centre Utilisation Study was combined with the Sports Field Utilisation Study and the scope expanded to district-wide sport utilisation – named the *Recreation Facilities Utilisation Study*.

The study reports participation rates and trends, and provides recommendations for where further space is required for different sporting codes. The outcomes, where relevant, will be considered through the Long-Term Plan 2024-34.

Read the report on our website: ashburtondc.govt.nz > Facilities > Sport > Recreation Information

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

WHAT WE'RE WORKING TOWARDS	HOW WE MEASURE PROGRESS	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT		
LEVEL OF SERVICE	PERFORMANCE MEASURE					
We provide all residents and visitors with accessible library resources for recreation and discovery	Most households in the district utilise the library	47% ⁵⁰	55%	48%	x	
	Number of activity and programme sessions delivered in the library / by the library team, across the year, aimed at:	Children	248	350	382 ⁵¹	✓
		Teens	6	150	56 ⁵²	x
		Adults	152	100	231 ⁵³	✓
We will have a library that is a welcoming and community-centred destination	Users are satisfied with Council's library services	97%	95%	96%	✓	
	Free public internet sessions (Aotearoa People's Network Kaharoa) are well utilised	27,286	40,000	29,374 ⁵⁴	x	
We provide a modern museum	Museum programmes and services are well utilised	14,504	25,500	24,586 ⁵⁵	x	

⁵⁰ The figure reported for 2021/22 in the 2021/22 Annual Report was 70%. This was incorrectly calculated using a method previously used in the 2018-28 Long-Term Plan. The 2021-31 Long-Term Plan, however, updated the methodology for this measure, using the question asked in the Annual Residents' Survey 'Have you, or a member of your household, used or visited the following service or facility in the last year? ...The Ashburton Public Library'. The corrected figure, using the updated methodology, has been reported here.

⁵¹ As explained on the previous page, there has been an increase in the number of programs offered to children, teens and adults through the library over the past year. We have had a staff member dedicated towards community engagement for the past few years, which has resulted in this continued increased in activities and programmes for the community.

⁵² It was assumed we would be in Te Whare Whakatere when this target was made. While work has been undertaken across the year to increase the offerings of programs aimed at teens, we are still well short of this target.

⁵³ See footnote for children's programmes for explanation on the increase in adult activities and programmes this year.

⁵⁴ Due to the increasing number of personal devices, the use of this service is decreasing.

⁵⁵ Visitation to the museum was significantly impacted by Covid-19 closures in 2021/22. Patronage has now increased, almost reaching target levels.

WHAT WE'RE WORKING TOWARDS	HOW WE MEASURE PROGRESS	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
LEVEL OF SERVICE	PERFORMANCE MEASURE				
for the community that aligns with NZ Museum Standards	Ashburton Museum meets New Zealand Museum Standards	80%	75%	80% ⁵⁶	✓
The majority of users are satisfied with the Museum	Users are satisfied with Council-provided museum services and programmes	96%	92%	97%	✓
We provide quality gym, pool, and stadium facilities	EA Networks Centre is well utilised	300,848	485,000	442,139 ⁵⁷	x
The majority of users are satisfied with EA Networks Centre	Users are satisfied with EA Networks Centre services and programmes	87%	90%	88% ⁵⁸	x

⁵⁶ Due to limited resources, this measure has not been officially measured this year. However, we expect this measure to have remained the same as last year, as no additional work have been done in this regard.

⁵⁷ Numbers utilising the EANC were heavily impacted by Covid-19 in 2021/22. They have now increased significantly this year, however, have been impacted by shortened hours due to staffing issues, and maintenance shutdowns.

⁵⁸ Of those who were dissatisfied with the EA Networks Centre, 47% wanted better opening hours / more classes / more staff. 36% said it was 'too expensive'.



FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	5,342	5,739	6,821
Targeted rates	-	-	-
Subsidies and grants for operating purposes	266	82	167
Fees and charges	2,289	2,483	1,699
Internal charges and overheads recovered	-	-	91
Local authorities fuel tax, fines, infringement fees and other receipts	110	108	153
Total sources of operating funding	8,008	8,412	8,930
Applications of operating funding			
Payments to staff and supplies	5,057	5,210	5,382
Finance costs	4	4	12
Internal charges and overheads applied	3,656	3,934	4,369
Other operating funding applications	12	11	7
Total applications of operating funding	8,729	9,159	9,771
SURPLUS (DEFICIT) OF OPERATING FUNDING	(721)	(747)	(841)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(7)	(7)	(7)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(7)	(7)	(7)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	374	329	377
- to replace existing assets	60	215	266
Increase (decrease) in reserves	(1,162)	(1,298)	(1,490)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	(728)	(754)	(847)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	721	747	840
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

Variances greater than \$500,000 are explained here.

Sources of operating funding

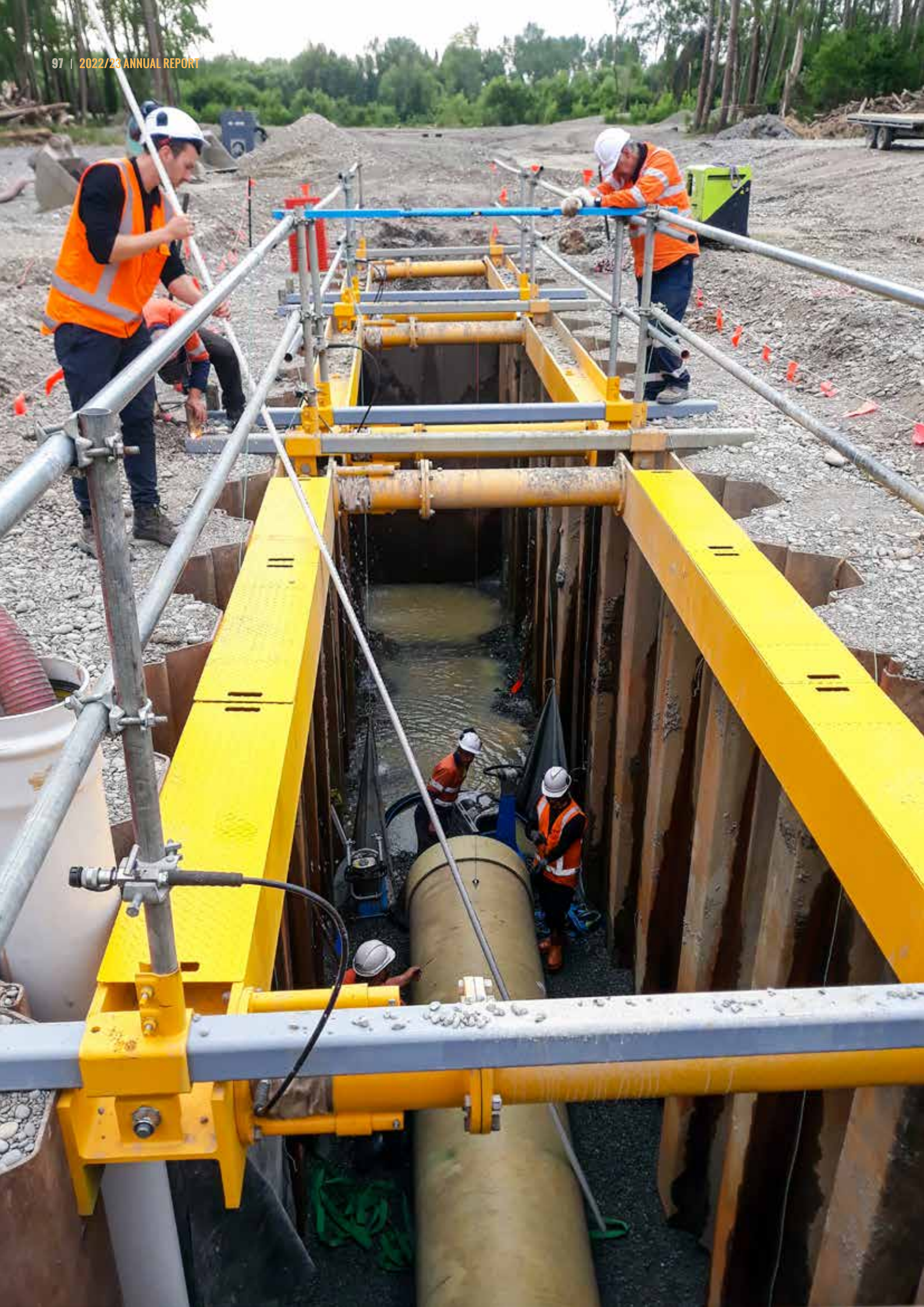
Operating income was \$518,000 greater than budgeted. Rates requirements were \$1 million higher due to changes in the activity since the LTP 21-31 was adopted, such as the Art Gallery merging with council in the prior year, and the higher costs incurred by the activity overall due to inflationary pressures. This is offset by a decrease in revenue from fees and charges across the activity of \$784,000, with much of the remaining variance offset by increased grant income.

Applications of operating funding

Operating expenditure was \$612,000 greater than budgeted. This is a result of inflationary pressures pushing overheads, and payments to staff and suppliers higher than budgeted in the LTP 21-31 budget.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Ashburton Library	198	237	198
Art, culture and heritage	77	73	78
Recreation facilities and services	160	234	367
Total capital expenditure	434	544	643

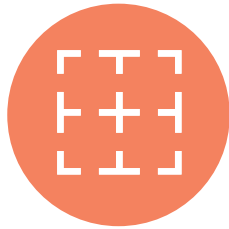


REGULATORY SERVICES



REGULATORY SERVICES

THIS YEAR WE...



Processed **686 building consents**, and issued **729 Code of Compliance Certificates**

Issued **195 resource consents**, and **77 subdivision plans**

Inspected **183 swimming pool fences** and audited **130 food premises** with food control plans

Registered **6,892 dogs** and responded to **716 reports of found, wandering or barking dogs**

Responded within **2 hours** to all **353 occasions** where noise control were called

OUR WORK CONTRIBUTED TO THE...



Economic wellbeing of our community by ensuring that properties, public facilities and businesses are operating in a safe and compliant manner.



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

KEY RESULTS FOR THE YEAR ⁵⁹



90%



of residents are satisfied with alcohol licensing



87%



of residents are satisfied with animal control



70%



of users are satisfied with our building service



97%



of residents are satisfied with emergency management



68%



of users are satisfied with our environmental monitoring



50%



of users are satisfied with our planning services



97%

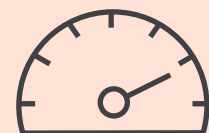


of users are satisfied with our property information services

ACHIEVED

14 / 21

performance measures



⁵⁹ All results are taken from the *Annual Residents' Survey 2022/23*. Satisfaction with alcohol licensing, animal control and emergency management are also performance measures on page 103, 104 & 105.

WHAT WE DO

Within Regulatory Services, we perform two main roles – Regulatory Functions and Regulatory Compliance. 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 Functions include:

- Building Regulation
- District Planning
- Emergency Management
- Land Information

Regulatory Compliance includes:

- Alcohol Licensing and Gambling Venue Consenting
- Animal Control
- Environmental Health
- Parking

WHAT WE DID IN 2022/23

DISTRICT PLAN CHANGE 5

A Council initiated plan change to address transportation related matters predominantly associated with the introduction of the National Policy Statement on Urban Development was notified in March 2023. Following the close of the submission phase, five submissions and one further submission were received. At the time of writing, officers were in discussions with submitters and a hearing, if required, was expected to be held in October 2023.

BUILDING CONSENTS

2022/23 was another busy year for residential building consents, with 264 new dwelling consents issued (just

behind the record breaking 267 from the previous year). Overall, the construction value of work cleared \$203 million – well above the average of \$150 million since the Canterbury earthquakes.

Our team has been challenged to meet timeframes, with surges of applications affecting processing times, along with the complexity of the houses – they are becoming bigger with a variety of claddings, compared to the nationwide trend of smaller with less variety of cladding.

CIVIL DEFENCE EMERGENCY MANAGEMENT

This year we reviewed the Methven Community Response Plan, undertook consultation and signing of a Memorandum of Understanding (MOU) with Methven LandSAR and consulted and prepared a draft MOU for use of the Hakatere Marae during emergency events.

Work has also commenced on a District Welfare Plan with our re-constituted Welfare Committee. This will be completed later in 2023 and reviewed biannually with our agency partners.

A focus of this year has also been upgrading and improving our systems. We purchased two Starlink systems and suitcase generators to power them, which provides resiliency to our communication networks. We are also in the process of upgrading our radio system ahead of the move to Te Whare Whakaterere.

We also implemented a three-watch system within our EOC staff. This allows us to have a ‘duty watch’ who cover the first eight-hour shift with the other two watches providing the second and third eight-hour shifts. This places us in a great position to be able to respond for a sustained period of time before having to seek out of district support.

CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES

 <p>Residents are included and have a voice</p> <p>Ka whai wāhi, ka whakaputa kōrero kā kainoho</p>	 <p>A district of great spaces and places</p> <p>He tiriwā pai, he wāhi pai i tēnei takiwā</p>	 <p>A balanced & sustainable environment</p> <p>He taiao toitū</p>	 <p>A prosperous economy based on innovation and opportunity</p> <p>He ōhaka whai rawa i ruka i te aroka hou me te whai āheika</p>
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OUR PERFORMANCE

NON-FINANCIAL PERFORMANCE MEASURES

Building Regulation

WHAT WE'RE WORKING TOWARDS	HOW WE MEASURE PROGRESS	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
LEVEL OF SERVICE	PERFORMANCE MEASURE			
We provide quality building regulation services	Building consents are processed and decisions made within 20 working days	44.7%	100%	55.8% ⁶⁰ x
	Code of Compliance Certificates are processed, and decisions made within 20 working days	98.7%	100%	99.3% ²⁶ x
	Buildings with compliance schedules are audited each year	10.6%	10%	10% ✓
	A third of known swimming pool fences are inspected every year	100%	100%	100% ✓
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% ✓

⁶⁰ 383 out of 686 building consents were issued within the 20 working day timeframe. 724 out of 729 Certificates were issued within the 20 working day timeframe. The large, unexpected, increase in work has continued from 2021/22 into 2022/23. This caused resourcing issues, hence the number of consents and Certificates not meeting the expected timelines.

District Planning

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide quality district planning services	Resource consent applications and exemptions are determined within statutory timeframes	97.5%	100%	96.4% ⁶¹	x
	Subdivision plan approval certificates (RMA s.223) are determined within ten working days	88%	100%	88% ⁶²	x
Council responds to concerns with district planning services within required response times	District planning services complaints are responded to within two working days	99%	100%	92% ⁶³	x
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	79%	80%	79% ⁶⁴	x

⁶¹ 7 out of 195 resource consents were processed outside of statutory timeframes.

⁶² 9 out of 77 Section 223 applications were processed in excess of 10 working days – mainly due to the applicants waiting for additional information to add to their application.

⁶³ 1 out of 12 complaints were responded to outside of timeframes.

⁶⁴ Of those who were dissatisfied, 37% noted the process takes too long / costly / complicated; 32% lack of quality planning / too many subdivisions / traffic issues; 20% poor town planning / no clear future plan; and 20% poor communication / no replies to correspondence.

Emergency Management

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
We support emergency preparedness through community-based emergency management	A community response plan is developed or renewed annually	1	1	3 ⁶⁵ ✓
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%	95%	97% ✓

Land Information

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT
We provide quality land information services efficiently	LIM applications are processed within ten working days	100%	100%	100% ✓

⁶⁵ This year we reviewed the Methven and Hakatere Huts community response plans and developed a new plan for Upper Rakaia Gorge.

Regulatory Compliance

WHAT WE'RE WORKING TOWARDS (LEVEL OF SERVICE)	HOW WE MEASURE PROGRESS (PERFORMANCE MEASURE)	2021/22 RESULT	2022/23 TARGET	2022/23 RESULT	
We provide quality alcohol licensing services	Licensed premises are monitored each year	100%	100%	100%	✓
	Stakeholder meetings are held each year	13	10	12 ⁶⁶	✓
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	91%	85%	90%	✓
We provide quality animal control services	Known dogs are registered (includes dogs otherwise accounted for)	98.9%	95%	98%	✓
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%	91% ⁶⁷	x
The majority of residents are satisfied with our animal control services	Residents are satisfied with Council's animal control services	88%	80%	87%	✓
We provide quality environmental health services	Registered food premises are appropriately risk assessed each year	92%	80%	97% ⁶⁸	✓
Council contractors respond to environmental health issues within contractual response times	Noise complaints are responded to within two hours	100%	100%	100%	✓

⁶⁶ The number of stakeholder meetings held across the year is influenced by a number of factors, including changes in legislation needing interpretation, number of events held in the district, and change of scope for a business – which has become more regular post-Covid-19.

⁶⁷ 65 out of 716 non-urgent incidents were responded to outside of the timeframe due to a change in the After-Hours operator and reporting delays to our contractor. This has been addressed.

⁶⁸ The audit programme is dictated by the individual risk assessment for each food premise. For example, a high-risk premises may be assessed every three months, compared to a low risk premise assessed every 18 months. This means the percentage of food premises risk assessed each year will fluctuate.



FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	1,377	1,734	1,630
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	8
Fees and charges	2,987	3,081	3,560
Internal charges and overheads recovered	96	99	126
Local authorities fuel tax, fines, infringement fees and other receipts	361	362	520
Total sources of operating funding	4,821	5,275	5,844
Applications of operating funding			
Payments to staff and supplies	3,328	3,490	3,820
Finance costs	22	19	33
Internal charges and overheads applied	1,643	1,818	1,927
Other operating funding applications	2	2	4
Total applications of operating funding	4,995	5,328	5,784
SURPLUS (DEFICIT) OF OPERATING FUNDING	(174)	(53)	60
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(137)	(137)	(137)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(137)	(137)	(137)
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	-
Increase (decrease) in reserves	(311)	(190)	(78)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	(311)	(190)	(78)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	174	53	(59)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Operating income was \$569,000 greater than budgeted. This was driven greater than budgeted consent numbers and value of work, leading to increases in income through consent fees along with levies received through the Ministry of Business, Innovation and Employment and BRANZ.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Emergency Management	-	-	-
Parking	-	-	-
Council funded capital expenditure	-	-	-



MISCELLANEOUS SERVICES



FUNDING IMPACT STATEMENT

For the year ended 30 June	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Sources of operating funding			
General rate, uniform annual general charges, rates penalties	280	288	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	421
Local authorities fuel tax, fines, infringement fees and other receipts	950	978	3,071
Total sources of operating funding	1,230	1,266	3,493
Applications of operating funding			
Payments to staff and supplies	-	-	-
Finance costs	82	88	48
Internal charges and overheads applied	-	-	421
Other operating funding applications	130	134	-
Total applications of operating funding	212	222	469
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,018	1,044	3,023
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	175	(7)	-
Gross proceeds from sale of assets	100	103	308
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	275	96	308
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	675	572	392
- to replace existing assets	375	447	79
Increase (decrease) in reserves	243	121	2,861
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,293	1,139	3,331
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,018)	(1,044)	(3,023)
FUNDING BALANCE	0	0	0

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND BUDGET

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

Sources of operating funding

Operating income is \$2.2 million higher than budgeted, mainly due to the increase in interest rates on investments.

Applications of capital funding

Capital funding reports \$2.2 million higher than budgeted in the 2021-31 LTP, due to an increase in reserves as a result of a higher than budgeted surplus.

CAPITAL EXPENDITURE BY ACTIVITY

	2021/22 LTP \$000	2022/23 LTP \$000	2022/23 Actual \$000
Information systems	650	607	282
Plant and vehicles	400	412	186
Civic building	-	-	-
Parks Administration	-	-	3
Council funded capital expenditure	1,050	1,019	471



PART 3: OUR LEADERSHIP AND OUR PEOPLE



YOUR ELECTED REPRESENTATIVES 2022/23

COUNCIL

MAYOR



NEIL BROWN
MAYOR@ADC.GOV.T.NZ

DEPUTY MAYOR / WESTERN WARD



CR LIZ MCMILLAN
LIZ.MCMILLAN@ADC.GOV.T.NZ

ASHBURTON WARD



CR LEEN BRAAM
LEEN.BRAAM@ADC.GOV.T.NZ



CR CAROLYN CAMERON
CAROLYN.CAMERON@ADC.GOV.T.NZ



CR TONY TODD
TONY.TODD@ADC.GOV.T.NZ



CR PHILL HOOPER
PHILL.HOOPER@ADC.GOV.T.NZ



CR RUSSELL ELLIS
RUSSELL.ELLIS@ADC.GOV.T.NZ

EASTERN WARD



CR LYNETTE LOVETT
LYNETTE.LOVETT@ADC.GOV.T.NZ



CR RICHARD WILSON
RICHARD.WILSON@ADC.GOV.T.NZ

WESTERN WARD



CR ROB MACKLE
ROB.MACKLE@ADC.GOV.T.NZ

METHVEN COMMUNITY BOARD

CHAIRPERSON

DEPUTY CHAIRPERSON



KELVIN HOLMES
KELVIN.HOLMES@ADC.GOV.T.NZ



RICHARD OWEN
RICHIE.OWEN@ADC.GOV.T.NZ



MEGAN FITZGERALD
MEGAN.FITZGERALD@ADC.GOV.T.NZ



ROBIN JENKINSON
ROBIN.JENKINSON@ADC.GOV.T.NZ



ALLAN LOCK
ALLAN.LOCK@ADC.GOV.T.NZ

SUPPORTED BY THE TWO WESTERN WARD COUNCILLORS:



CR LIZ MCMILLAN
LIZ.MCMILLAN@ADC.GOV.T.NZ



CR ROB MACKLE
ROB.MACKLE@ADC.GOV.T.NZ

OUR ORGANISATION

WE RECENTLY UPDATED OUR ORGANISATIONAL VALUES. THESE FOCUS ON WHAT WE WANT TO ACHIEVE AND HOW WE WILL WORK TOGETHER TO DELIVER ON OUR DISTRICT'S AMBITIONS FOR THE FUTURE.

our Purpose & Values

Supporting our communities to thrive by working together to provide services and places for people to **connect, grow, live, work and play.**



- ✓ Build trust by communicating openly and acting with integrity
- ✓ Apply a customer lens to everything we do
- ✓ Make responsible decisions by balancing different needs
- ✓ Plan for our future and think sustainably
- ✓ Take responsibility and "own" our roles



- ✓ Know our staff and encourage knowledge sharing and professional growth
- ✓ Learn from our successes and mistakes
- ✓ Aim to improve and innovate by questioning the status quo & bringing ideas to life
- ✓ Focus on solutions
- ✓ Follow through with our commitments



- ✓ Collaborate and tackle challenges together
- ✓ Work with and for our communities
- ✓ Think about how our work impacts others
- ✓ Acknowledge and celebrate our achievements
- ✓ Value and encourage social connections

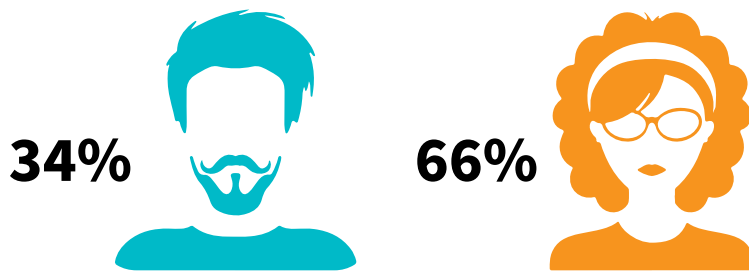


- ✓ Encourage diverse ideas
- ✓ Keep an open mind
- ✓ Have empathy for and support one another
- ✓ Care for the wellbeing and safety of ourselves and others
- ✓ Seek to understand what is important to others

OUR WORKFORCE

Our people are our greatest asset. Through their efforts, we can deliver great services to our diverse communities.

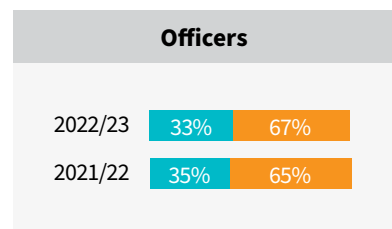
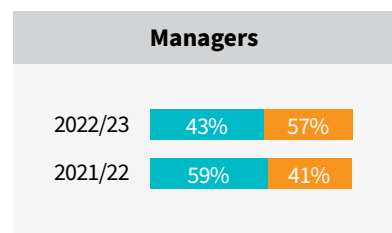
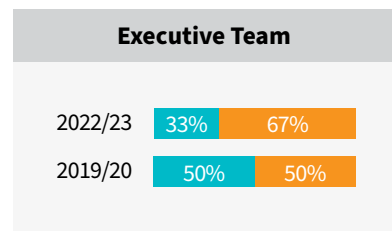
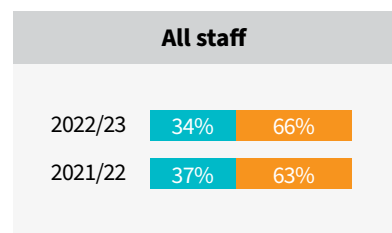
OUR TEAM PROFILE



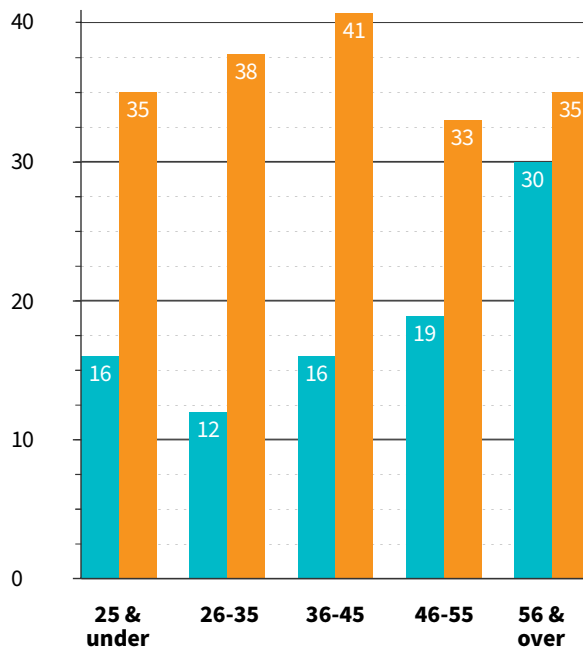
● Male ● Female

	Full-time	Part-time	Total	Full-time	Part-time	Total
2022/23	73	20	93	102	80	182
2021/22	80	21	101	99	70	169

Total staff 2022/23: **275** 2023/23 FTE: **201**
 Total staff 2021/22: **270** 2021/22 FTE: **200**



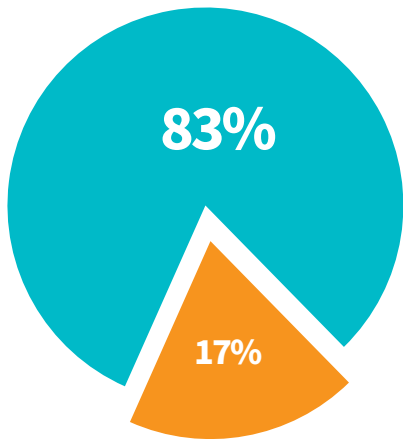
AGE AND GENDER



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 Note 37.

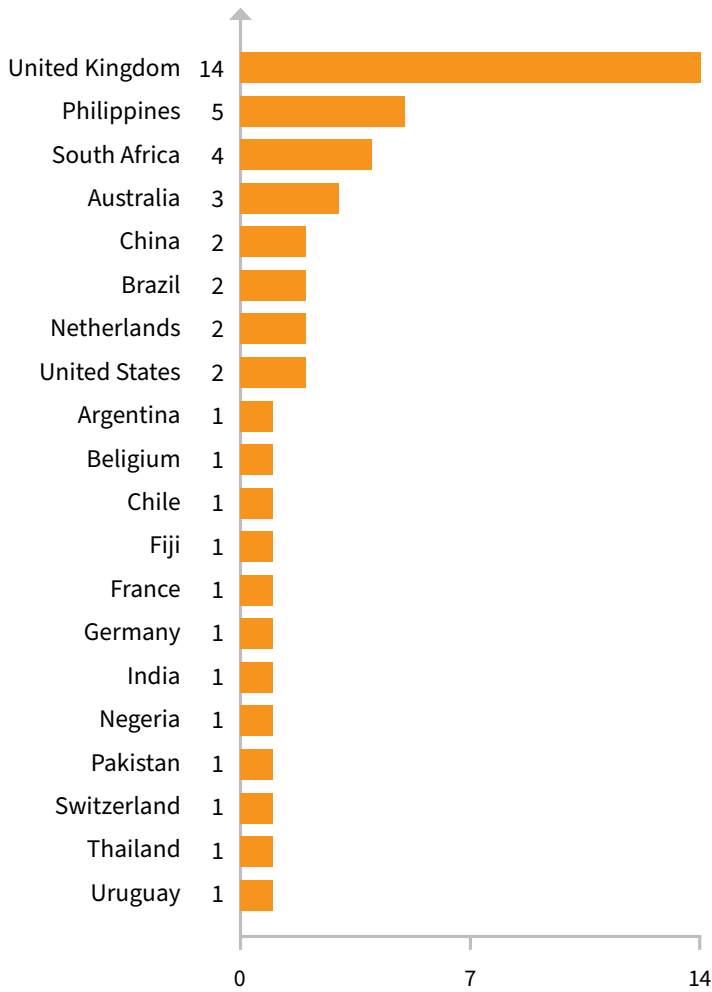
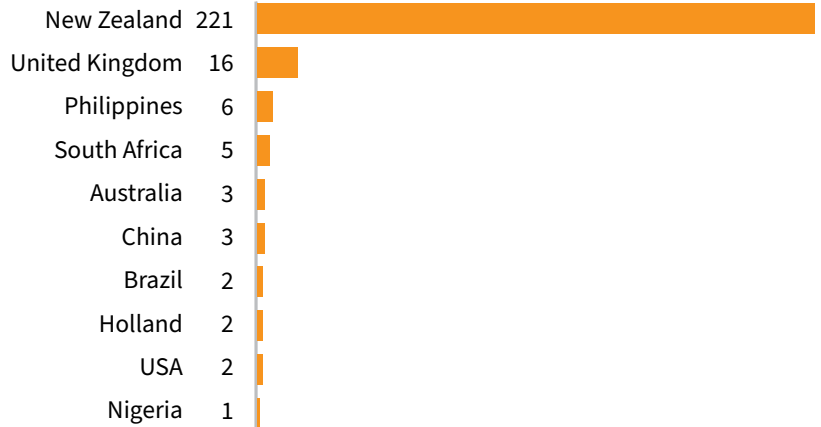
The headcount figures for 2021/22 differ from those reported in the 2021/22 Annual Report due to an error and have been corrected.

NATIONALITIES

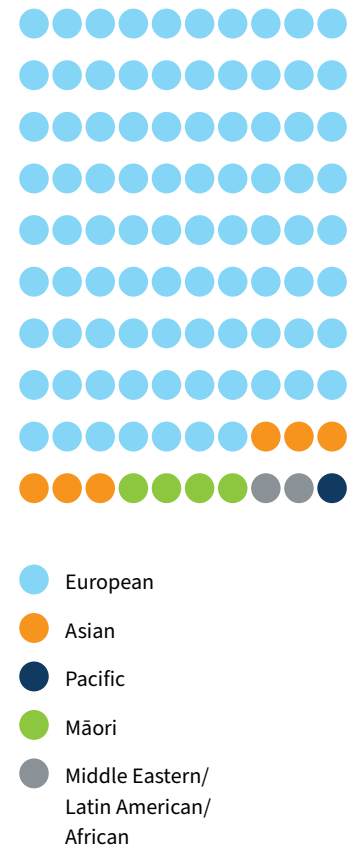


- New Zealand **83%**
- Rest of the World **17%** (17% last year)

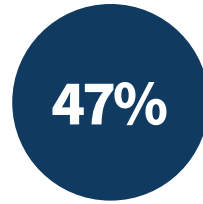
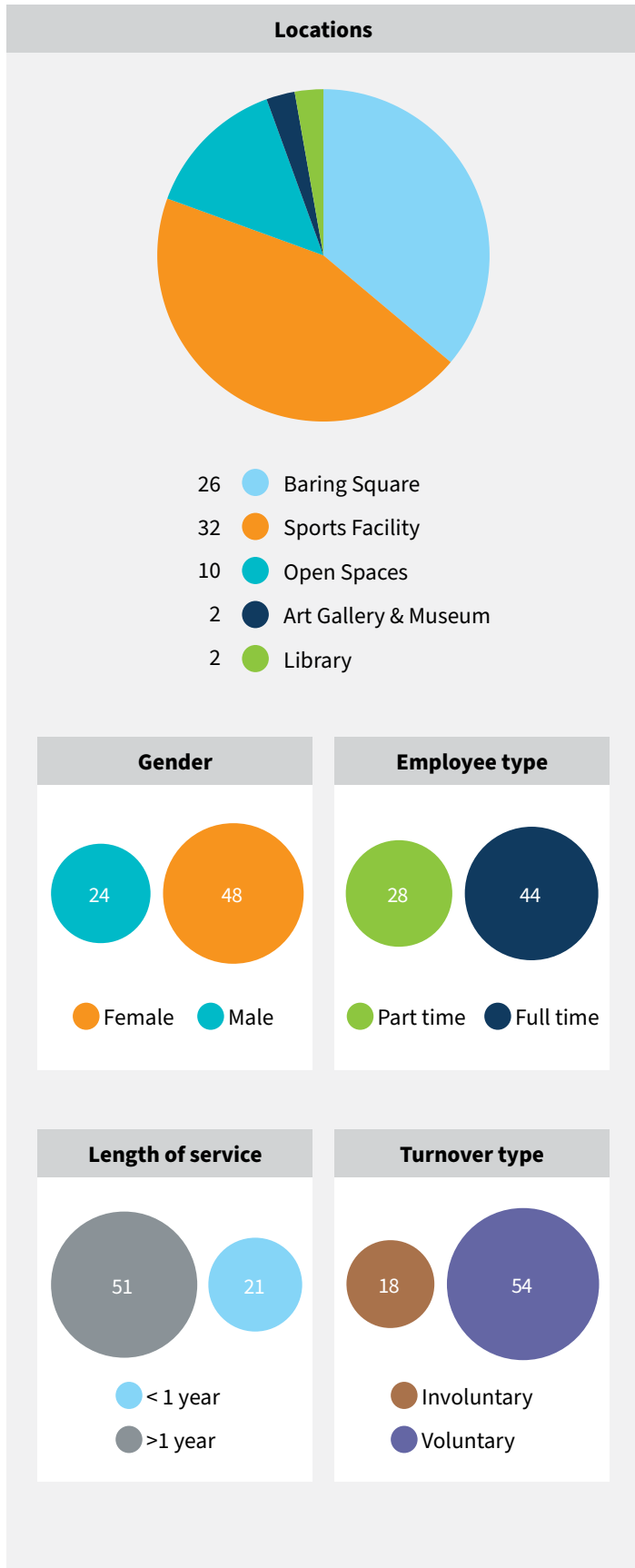
COUNTRY OF BIRTH



ETHNICITY



20% VOLUNTARY STAFF TURNOVER
(25% LAST YEAR)



of staff have greater than 3 years' service (49% last year)

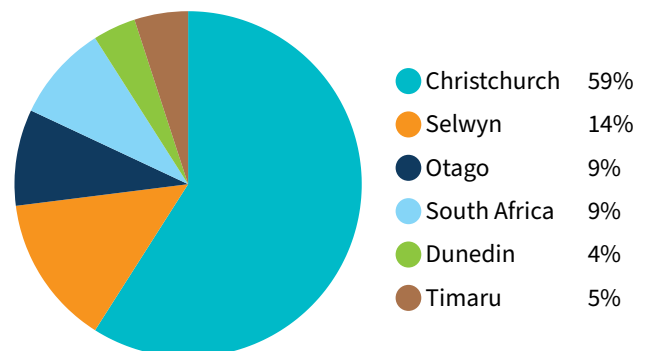
STAFF HEALTH & SAFETY EVENT FREQUENCY RATES (PER 100,000 HOURS)

	Lost time injuries	Injuries Reported	events & near misses
2018/19	1.4	5.1	17.5
2019/20	1.6	6	16.5
2020/21	0.9	3.1	12.9
2021/22	0.6	3.4	11.2
2022/23	0.6	4.3	13.9

STAFF HEALTH & SAFETY EVENTS

	Staff near miss	First aid required	Medical treatment required	Nil treatment for staff
2019/20	18	14	12	28
2020/21	22	10	4	31
2021/22	17	10	6	20
2022/23	14	17	6	28

27% OF NEW STARTERS (22) ARE FROM OUTSIDE OF OUR DISTRICT





STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

This shows a summary of the total revenue received and expenditure incurred.

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.

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.

STATEMENT OF CASH FLOWS

This 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.

PART 4: OUR FINANCES



FINANCIAL PRUDENCE

ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2023

PURPOSE STATEMENT

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

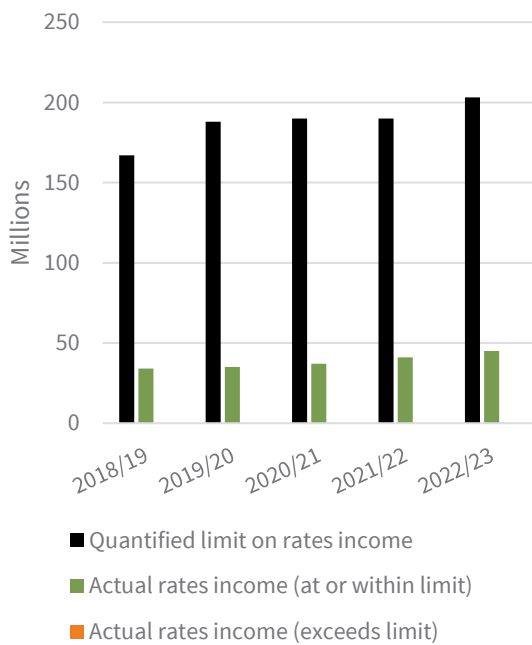
The council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases are 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 in the council’s long-term plan.

The quantified limit for 2022/23 is no greater than 5% (exclusive of LGCI).



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

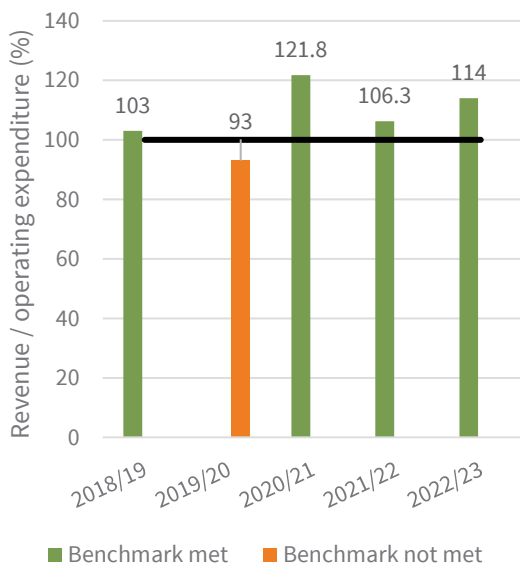
The following graph compares the council’s actual borrowing with a quantified limit on borrowing in the financial strategy included in the council’s long-term plan. The quantified limit in 2022/23 is net debt shall not exceed 250% of total revenue for the year.



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).

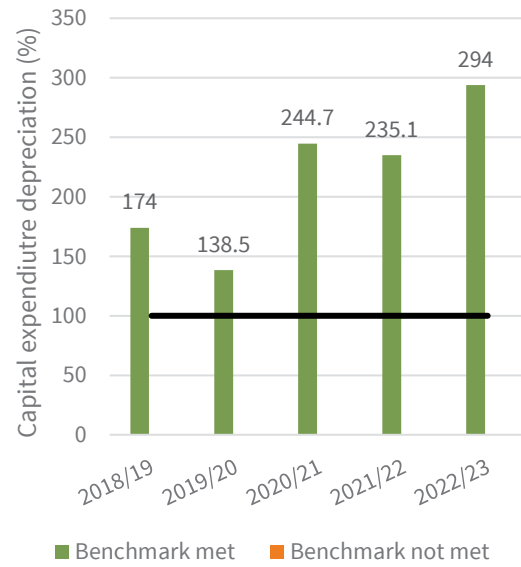
The council meets this benchmark if its revenue equals or is greater than its operating expenditure.



ESSENTIAL SERVICES BENCHMARK

The following graph displays the council’s capital expenditure on infrastructure as a proportion of depreciation on infrastructure.

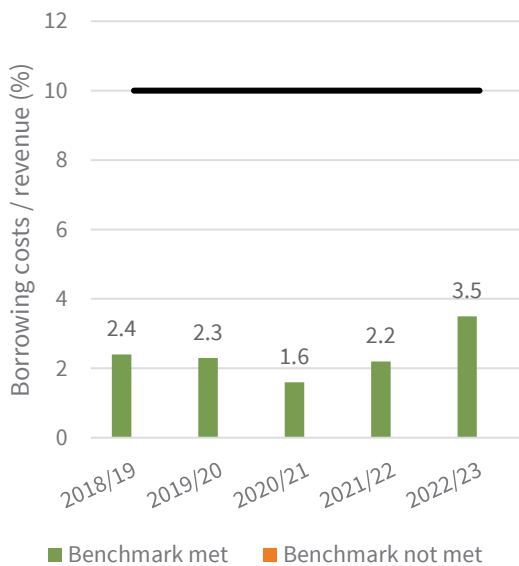
The council meets this benchmark if its capital expenditure on infrastructure equals or is greater than the depreciation.



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).

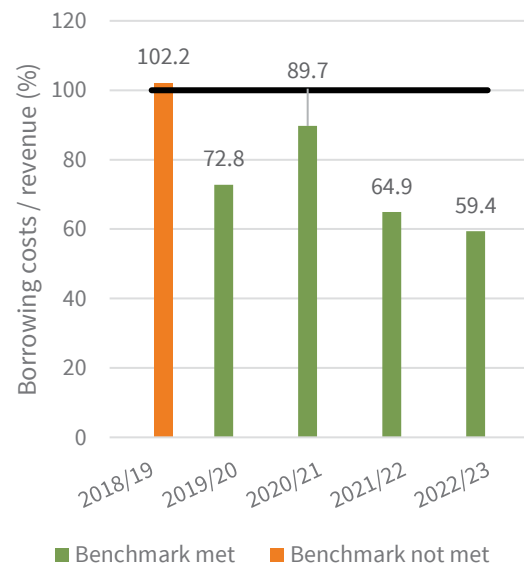
The debt servicing benchmark is met if the council’s borrowing costs for the year are less than or equal to 10% of its revenue.



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).

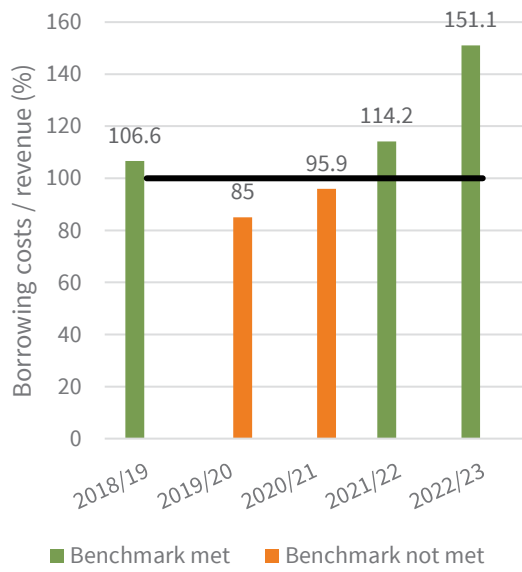
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



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: 15,966. The total capital value of rating units within the district at the end of the preceding financial year: \$20,291,170,150. The total land value of rating units at the end of the preceding financial year: \$13,640,898,650.

Insurance of Assets

The total value of all assets covered by insurance contracts is \$402 million. \$347million of these assets are infrastructure assets which are covered to \$195 million through financial risk sharing arrangements.

The Council's underground insurance policy provides cover up to a maximum of \$347 million with 40% or \$164 million provided by the policy and \$246 million provided by Central Government under the Central Government Disaster Recovery Plan.

The total value of the Council's self-insurance fund: \$1.3 million. The total value of assets covered by the self-insurance fund is: \$312 million.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

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

RESPONSIBILITY

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

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

In the opinion of Council and management of Ashburton District Council, the Annual Report for the year ended 30 June 2023 fairly reflects the financial position, operations, cash flow, and non-financial performance of Ashburton



NEIL BROWN
MAYOR

Neil Brown



HAMISH RIACH
CHIEF EXECUTIVE

Hamish Riach

REPORTING ENTITY

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

The group consists of the Ashburton District Council and its wholly owned subsidiaries Ashburton Contracting Limited (Council controlled trading organisation) and Experience Mid Canterbury (Council controlled organisation) and its in-substance subsidiary the Ashburton Community Water Trust. Its 20% equity share of its associate Rangitata Diversion Race Management Limited and its 33% equity share of its joint venture Eastfield Investments Limited are equity accounted. All Ashburton District Council subsidiaries, associates and joint ventures 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 2023. The financial statements were authorised for issue by Council on 31 October 2023.

ACCOUNTING POLICIES

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.

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.

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.

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.

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”.

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

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023

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 that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Council are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

IMPLEMENTATION OF NEW AND AMENDED STANDARDS

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. 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 has applied this standard in preparing its 30 June 2023 financial statements.

FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE

	Note	Council 2023 Actual \$'000	Council 2023 Budget \$'000	Council 2022 Actual \$'000	Group 2023 Actual \$'000	Group 2022 Actual \$'000
Revenue						
Rates	2	44,751	44,264	40,774	44,751	40,774
Fees, charges	3	9,481	8,324	8,787	9,481	8,787
Development and financial contributions		4,543	1,643	3,001	4,543	3,001
Subsidies and grants	4	18,249	18,513	20,982	18,249	20,982
Finance income	5	1,022	351	286	1,180	294
Other revenue	6	30,452	14,676	22,781	64,270	61,734
Other gains	7	2,664	1,247	7,024	2,664	7,163
Total revenue	1	111,162	89,018	103,635	145,138	142,735
Expenditure						
Personnel costs	8	18,675	19,723	17,887	31,431	29,619
Depreciation and amortisation	9	18,334	17,344	18,076	19,613	19,530
Finance costs	5	3,236	2,445	1,808	3,319	1,924
Other expenses	10	39,175	31,091	35,186	56,343	57,205
Other losses	7	3,834	-	9,039	3,887	9,041
Total expenses	1	83,254	70,602	81,996	114,593	117,319
Share of associate's and joint venture surplus (deficit)	17	-	-	-	(1,073)	1,715
Surplus (deficit) before taxation		27,908	18,416	21,639	29,472	27,131
Income tax expense (revenue)	11	29	-	(50)	1,270	1,909
Surplus (deficit) after taxation		27,879	18,416	21,689	28,202	25,222
Other comprehensive revenue and expense						
<i>Items that will be reclassified to surplus (deficit)</i>						
Financial assets at fair value	30	50	-	(374)	50	(374)
<i>Items that will not be reclassified to surplus (deficit)</i>						
Gain (loss) on infrastructure revaluation	23, 30	743	20,405	108,566	743	108,566
Gain on land and buildings revaluation	23, 30	-	-	-	-	121
Gain on fair value of investment in associate		-	-	-	28,839	-
Deferred tax on revaluation of buildings	11	-	-	-	(18)	(29)
Total other comprehensive revenue and Expense		793	20,405	108,192	29,614	108,284
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		28,672	38,821	129,881	57,816	133,506

Explanations of major variances against budget are provided in note 48.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

FOR THE YEAR ENDED 30 JUNE

	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Equity	494,755	505,949	474,043	511,941	486,534
Prior year adjustment	977	-	(977)	2,881	-
Adjusted equity balance	495,732	505,949	473,066	514,822	486,534
Other reserves	425,567	335,429	317,375	427,103	319,004
Adjusted balance at 1 July	921,299	841,377	790,441	941,925	805,538
Surplus/(deficit) after taxation	27,879	18,415	21,689	28,202	25,222
Other comprehensive revenue	793	20,405	108,192	29,614	108,284
Total comprehensive income	28,672	38,820	129,881	57,816	133,506
BALANCE AT 30 JUNE	949,971	880,197	920,322	999,741	939,044

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

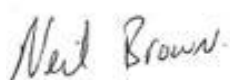
AS AT 30 JUNE

	Note	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Current assets						
Cash and cash equivalents	12	7,682	19,094	19,432	10,765	22,880
Receivables	13	14,489	10,140	9,938	21,866	14,643
Other financial assets	16	-	10,000	10,000	2,000	10,000
Local Authority stocks and bonds	14	3,157	1,063	1,921	3,157	1,921
Inventories	15	87	55	77	2,527	2,663
Property inventory	18	389	389	144	389	144
Property intended for sale	19	323	225	101	323	101
Total current assets		26,127	40,966	41,613	41,027	52,352
Non-current assets						
Receivables	13	651	150	136	651	136
Deferred taxation asset	11	77	-	105	77	105
Other financial assets	16	2,893	2,779	3,060	2,903	3,070
Investment in council-controlled organisation	16	4,500	4,500	4,500	-	-
Investment in associates and joint ventures	17	1,795	1,795	1,795	33,993	10,032
Property inventory	18	2,849	3,217	3,573	2,849	3,573
Investment properties	20	35,594	37,510	35,093	35,394	34,893
Forestry assets	21	4,348	8,286	4,683	4,348	4,683
Intangible assets	22	390	387	576	1,394	1,576
Property, plant and equipment	23	908,576	941,049	895,342	922,220	907,749
Work in progress	23	67,254	-	34,493	67,254	34,493
Derivative financial instruments	28	851	-	417	851	417
Total non-current assets		1,029,778	999,672	983,773	1,071,934	1,000,727
TOTAL ASSETS		1,055,905	1,040,638	1,025,386	1,112,961	1,053,079

	Note	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Current liabilities						
Payables and deferred revenue	24	17,653	10,851	11,990	20,499	15,053
Employee benefit liabilities	25	2,019	1,795	1,762	3,281	3,079
Landfill aftercare liability	26	15	15	15	15	15
Borrowings	27	24,000	5,303	17,000	24,120	17,115
Tax payable	11	-	-	-	919	2,002
Total current liabilities		43,687	17,964	30,767	48,834	37,264
Non-current liabilities						
Payables and deferred revenue	24	299	410	338	299	338
Employee benefit liabilities	25	216	247	211	279	256
Landfill aftercare liability	26	132	143	147	132	147
Deferred taxation liability	11	-	-	-	501	728
Derivative financial instruments	28	-	2,013	-	-	-
Borrowings	27	61,600	139,664	73,600	63,177	75,298
Total non-current liabilities		62,247	142,477	74,296	64,388	76,767
TOTAL LIABILITIES		105,934	160,441	105,063	113,222	114,031
Equity						
Ratepayers equity	29	521,389	524,364	494,940	540,617	511,941
Other reserves	30	428,583	355,833	425,383	459,122	427,103
Total equity		949,971	880,197	920,323	999,739	939,044
TOTAL LIABILITIES AND EQUITY		1,055,905	1,040,638	1,025,386	1,112,961	1,053,075

The financial statements were approved and authorised by Council for issue on 31 October 2023.

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 END 30 JUNE

	Note	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Cash flows from operating activities						
Receipts from customers		83,969	80,404	81,563	117,746	120,732
Interest received		1,007	351	158	1,165	166
Dividends received		2,049	1,800	1,392	615	554
Payments to suppliers and employees		(57,648)	(52,364)	(50,317)	(87,648)	(81,943)
Sale of council subdivisions		9,582	3,850	3,346	9,582	3,346
Interest paid		(2,889)	(2,445)	(1,654)	(2,972)	(1,774)
Net GST (paid) received		(1,027)	-	647	(1,444)	454
Income tax		-	-	-	(2,381)	(620)
Net cash flow from operating activities	31	35,043	31,397	35,135	34,663	40,915
Cash flows from investing activities						
Sale of property, plant and equipment		4,530	1,000	6,916	4,670	7,241
Sale / maturing of shares and investments		11,233	-	1,500	11,233	1,500
Purchase of property, plant and equipment		(56,347)	(75,696)	(57,454)	(58,473)	(60,099)
Purchase of intangible assets		(56)	(68)	(102)	(100)	(129)
Purchase of shares and investments		(1,153)	(10,000)	(11,373)	(3,153)	(11,373)
Advances		-	-	-	4,162	-
Net cash flow from investing activities		(41,793)	(84,764)	(60,513)	(41,661)	(62,860)
Cash flows from financing activities						
Loans raised		12,000	49,054	37,000	12,000	37,000
Loan repayments		(17,000)	(5,503)	(17,000)	(17,116)	(18,322)
Net cash flow from financing activities		(5,000)	43,551	20,000	(5,116)	18,678
NET INCREASE (DECREASE) IN CASH HELD		(11,750)	(9,817)	(5,239)	(12,114)	(3,267)
Add opening cash resources		19,432	28,911	24,672	22,880	26,147
TOTAL CLOSING CASH RESOURCES	12	7,682	19,094	19,432	10,766	22,880

The accompanying notes form part of these financial statements.

FUNDING IMPACT STATEMENT FOR WHOLE OF COUNCIL

FOR THE YEAR ENDED 30 JUNE	2021/22 Annual Plan \$000	2021/22 Actual \$000	2022/23 Annual Plan \$000	2022/23 Actual \$000
Sources of operating funding				
General rate, uniform annual general charges, rates penalties	15,924	15,696	17,889	17,932
Targeted rates	24,534	24,869	26,375	26,604
Subsidies and grants for operating purposes	16,100	5,940	2,379	4,912
Fees and charges	8,396	8,713	8,324	9,405
Internal charges and overheads recovered	950	1,678	2,151	3,071
Local authorities fuel tax, fines, infringement fees and other receipts	8,120	10,790	10,304	17,480
Total sources of operating funding	74,023	67,687	67,422	79,404
Applications of operating funding				
Payments to staff and supplies	35,445	42,238	37,974	44,838
Finance costs	2,265	2,135	2,445	3,298
Other operating funding applications	11,542	13,749	12,840	14,209
Total applications of operating funding	49,252	58,122	52,259	62,345
SURPLUS (DEFICIT) OF OPERATING FUNDING	24,771	9,565	14,163	17,059
Sources of capital funding				
Subsidies and grants for capital expenditure	10,427	15,004	16,134	13,168
Development and financial contributions	1,103	3,055	1,643	4,543
Increase (decrease) in debt	8,962	15,394	43,551	17,949
Gross proceeds from sale of assets	4,600	8,131	5,783	11,047
Total sources of capital funding	25,092	41,584	67,111	46,708
Application of capital funding				
Capital expenditure				
- to meet additional demand	6,387	-	3,380	-
- to improve the level of service	34,484	37,981	55,229	39,270
- to replace existing assets	13,650	10,688	17,155	15,774
Increase (decrease) in reserves	(4,657)	2,481	5,510	8,723
Total applications of capital funding	49,864	51,150	81,274	63,767
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(24,771)	(9,565)	(14,163)	(17,059)
FUNDING BALANCE	-	-	-	-

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.



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NOTE 1. SUMMARY OF REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES

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.

	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000
Revenue			
Drinking Water	7,663	6,645	6,383
Wastewater	7,544	7,487	10,138
Stormwater	2,250	1,957	1,739
Stockwater	901	949	1,026
Transportation	26,068	16,402	25,679
Waste Reduction & Recovery	7,668	6,918	7,101
Community Governance & Decision-Making	2,752	2,648	3,149
Economic Development	26,626	21,089	18,766
Community Services	4,076	3,112	5,136
Parks & Open Spaces	9,724	9,579	9,310
Recreation Facilities	8,842	8,372	8,405
Strategy & Compliance	5,634	4,820	5,852
Miscellaneous	4,882	2,553	4,580
Total activity revenue	114,630	92,531	107,264
<i>Less internal revenue</i>	(3,469)	(3,333)	(3,629)
TOTAL ACTIVITY REVENUE	111,162	89,198	103,635
Expenditure			
Drinking Water	7,681	6,277	7,926
Wastewater	6,737	5,238	6,640
Stormwater	2,055	1,485	2,200
Stockwater	3,108	1,042	2,273
Transportation	20,024	15,376	19,844
Waste Reduction & Recovery	8,214	7,296	7,195
Community Governance & Decision-Making	3,515	3,190	2,965
Economic Development	9,136	7,047	11,228
Community Services	2,966	3,190	3,605
Parks & Open Spaces	6,159	6,065	5,777
Recreation Facilities	10,243	10,671	9,558
Strategy & Compliance	5,635	5,464	5,458
Miscellaneous	1,249	1,189	956
Total activity expenditure	86,722	73,530	85,625
<i>Less internal expenditure</i>	(3,469)	(3,333)	(3,629)
<i>Less taxation</i>	-	-	-
TOTAL ACTIVITY EXPENDITURE	83,254	70,197	81,996

NOTE 2. RATES REVENUE

Accounting Policies

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.

	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000
General rate / Uniform Annual General Charge	17,912	17,889	15,697
<i>Targeted rates attributable to activities:</i>			
Drinking Water	5,930	5,916	4,925
Wastewater	4,829	4,832	4,355
Stormwater	1,295	1,290	1,275
Stockwater	761	892	923
Transportation	8,266	8,272	8,062
Waste Reduction & Recovery	2,458	2,461	2,335
Community Governance & Decision-Making	152	145	131
Economic Development	127	126	127
Parks & Open Spaces	1,910	1,902	1,917
Recreation Facilities	542	539	397
	44,182	44,264	40,144
Rates penalties	387	289	329
Rates remissions	(152)	(137)	(133)
	44,417	44,416	40,340

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 2023 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below.

	Council 2023 Actual \$000	Council 2023 Budget \$000	Council 2022 Actual \$000
Rates, other than metered water supply	44,417	44,416	40,340
Targeted water supply rates	334	309	434
Total revenue from rates	44,751	44,725	40,774

NOTE 3. FEES AND CHARGES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Building and resource consent charges	2,903	3,064	2,903	3,064
Landfill charges	2,568	2,313	2,568	2,313
Swimming pool revenue	1,669	1,421	1,669	1,421
Parking fees	6	18	6	18
Other fees and charges	2,335	1,971	2,335	1,971
Total fees and charges	9,481	8,787	9,481	8,787

NOTE 4. SUBSIDIES AND GRANT REVENUES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
NZ Transport Agency roading subsidies	9,427	10,087	9,427	10,087
EA Networks Stadium Grants	57	102	57	102
Other grant revenue	8,765	10,793	8,765	10,793
Total subsidies and grant revenue	18,249	20,982	18,249	20,982

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised (2022 nil).

NOTE 5. FINANCE INCOME AND FINANCE COSTS

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Finance income				
Interest income				
- term deposits	958	216	1,116	224
- other trade receivables/call account	13	5	13	5
- Stocks and bonds	51	65	51	65
Total finance income	1,022	286	1,180	294
Finance costs				
Interest expense:				
- borrowing	3,396	1,179	3,479	1,295
- Interest rate swaps	(160)	629	(160)	629
Total costs	3,236	1,808	3,319	1,924
<i>Allocation of finance costs:</i>				
Portable water supplies	393	222	393	222
Wastewater	692	417	692	417
Stormwater	111	72	111	72
Stockwater	8	4	8	4
Commercial property	1,603	941	1,603	941
Recreation facilities	7	3	7	3
Cemetery	62	38	62	38
Arts and culture	81	56	81	56
Environmental services	32	6	32	6
Other operations	248	47	330	165
Total finance costs	3,236	1,808	3,319	1,924

NOTE 6. OTHER REVENUE

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Forestry sales	1,077	988	1,077	988
Investment property rental income	1,714	1,842	1,714	1,842
Fines and parking infringements	337	153	337	153
Plant and equipment insurance recoveries	31	4	31	4
Petrol tax	316	315	316	315
Construction revenue	-	-	6,870	15,727
Vested assets	11,846	11,080	11,846	11,080
Land sales	9,582	3,346	9,582	3,346
Dividend income	2,049	1,392	549	492
Sales, services and other income	3,501	3,661	31,949	27,787
Total other revenue	30,452	22,781	64,270	61,734

NOTE 7. OTHER GAINS AND LOSSES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Other gains				
Gain on changes in fair value of interest rate swap (Note 28)	434	2,431	434	2,431
Gain on changes in fair value of investment Properties (Note 20)	1,431	3,216	1,431	3,216
Gain on sale of property intended for sale	38	38	38	38
Gain on disposal of investment properties	295	623	295	623
Gain on disposal of property, plant and equipment	424	675	424	814
Gain on fair value of Museum/Art Gallery naming sponsorship	3	3	3	3
Gain on fair value of EA Networks naming sponsorship	40	38	40	38
Total other gains	2,664	7,024	2,664	7,163
Other losses				
Loss on changes in fair value of forestry (Note 21)	335	3,303	335	3,303
Loss on disposal of property, plant and equipment	3,499	5,736	3,552	5,738
Total other losses	3,834	9,039	3,887	9,041

NOTE 8. PERSONNEL COSTS

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Salaries and wages	18,413	17,996	31,169	29,728
Increase/(decrease) in employee entitlements	262	(109)	262	(109)
Total personnel costs	18,675	17,887	31,431	29,619

NOTE 9. DEPRECIATION AND AMORTISATION

Accounting Policy

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:

Buildings - major	1.0% S.L. – 10.0% S.L.
Buildings - minor	4.0% S.L. – 10.0% S.L.
Heavy plant and machinery	5.0% S.L. – 13.0% S.L.
Light plant and machinery	6.67% S.L. – 25.0% S.L.
Office equipment	10.0% S.L. – 11.0% S.L.
Fixtures and fittings	4.0% S.L. – 25.0% S.L.
Motor vehicles	7.0% S.L. – 13.0% S.L.
Computer equipment	10.0% S.L. – 33.0% S.L.
Library books	10.0% S.L.

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
	• streetlights	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	40-100 years
	• valves	100 years
	• hydrants	75 years
	• pump stations	10-80 years

	• tanks	25-80 years
Stockwater	• races	N/A (not depreciated)
	• structures	15-100 years
Sewerage reticulation	• pipes	50-95 years
	• laterals	95 years
	• manholes	95 years
	• treatment plant	10-95 years
Stormwater systems	• pipes	60-105 years
	• manholes	105 years
	• structures	50-105 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. Estimated residual value, over their expected useful life.

Depreciation and amortisation expense by significant activity:

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Roading	7,320	6,989	7,320	6,989
Footpaths	944	832	944	832
Wastewater	2,705	2,705	2,705	2,705
Stormwater	634	634	634	634
Water supplies	2,365	2,361	2,365	2,361
Stockwater	56	47	56	47
Solid waste	219	191	219	191
Emergency management	7	8	7	8
Commercial properties	1,511	1,506	1,511	1,506
Parks and recreation	542	428	542	428
Reserves and camping areas	53	55	53	55
Cemeteries	66	70	66	70
Recreation facilities	428	420	428	420
Library	96	83	96	83
Elderly persons housing	54	57	54	57
Public conveniences	52	53	52	53
Reserve boards and halls	382	384	382	384
Environmental services	28	37	28	37
Plant and miscellaneous operations	872	1,217	2,151	2,671
Total depreciation and amortisation	18,334	18,077	19,613	19,531

NOTE 10. OTHER EXPENSES

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Directors' fees	-	-	210	196
<i>Fees to principal auditor:</i>				
Audit fees for financial statements	194	178	301	253
Audit fees for Long-Term Plan 2021-2031	-	20	-	20
Audit fees for other assurance services	7	6	-	6
Recovery from prior year's audit	11	-	11	-
Discretionary grants/contributions	1,654	1,393	1,654	1,393
Rental and operating lease costs	7	5	89	85
Bad debts written off	8	(24)	8	(17)
Impairment of property, plant and equipment		-	9	3
ACC levy	79	67	79	67
Electricity	1,778	1,605	1,778	1,605
Maintenance contracts	18,255	16,851	18,255	16,851
Other operating expenses	17,182	15,085	33,949	35,743
Total other expenses	39,175	35,186	56,343	56,205

Audit fees for other assurance services consist of audit fees to Audit New Zealand for the audit of the debenture trust deed.

Council made discretionary grants and contributions to the following organisations in 2022/2023.

Organisation	Amount	Organisation	Amount
Ashburton Aviation Museum	\$1,304	Mayor's Discretionary Fund	\$477
Ashburton College	\$435	Methven Community Library	\$5,750
Ashburton Community Water Trust	\$1,022	Methven Community Pool	\$30,435
Ashburton District Neighbourhood Support	\$9,000	Methven Snowfed Community Grants	\$339
Ashburton Indian Multicultural Charitable Trust	\$2,000	Methven Toy Library	\$150
Ashburton Model Aero Club	\$3,000	Mid Canterbury Council of Victim Support	\$2,500
Ashburton Motorcycle Park	\$6,000	Mid Canterbury Basketball	\$8,261
Ashburton Performing Arts Theatre Trust	\$312,309	Mid Canterbury Car Club	\$3,750
Ashburton Warriors Club Incorporate	\$500	Mid Canterbury Emergence Relief Charitable Trust	\$4,348
Ashburton Youth Café	\$8,500	Mid Canterbury Group Riding for the Disabled	\$3,000
Bike Methven	\$6,000	Mid Canterbury Hockey	\$1,075
Biodiversity funding	\$2,000	Mid Canterbury Netball	\$2,016
Birthright Canterbury Trust	\$6,000	Mid Canterbury Rural Women	\$125
Canterbury West Coast Sports Trust	\$55,174	Mid Canterbury Youth Charitable Trust	\$7,000
Carew Peel Forest School	\$1,000	Mountain Bike Ashburton	\$5,000
Citizens Advice Bureau Mid Canterbury	\$15,675	Mountain Bike Ashburton	\$2,500
Connecting Mid Canterbury Charitable Trust	\$5,647	Mt Hutt College	\$500
District Promotions	\$116,909	Mt Hutt Memorial Hall	\$31,000
Dorie School	\$1,000	Mt Somers Museum	\$5,000
EA Networks	\$1,150	Mt Somers Old Post Office Library	\$7,300
Fairfield Freight Hub	\$526,925	Mt Somers Swimming Pool	\$3,000
Fairton School	\$1,000	Mt Somers Walkway Society	\$7,500
Flood Relief Donation	\$15,000	Neighbourhood Support	\$5,000
Hakatere Multi Cultural Council	\$5,000	Norwest Arch	\$870
Hampstead School	\$1,000	Plains Museum Trust	\$15,034
Heritage Grant Funding 2022-23	\$6,300	Rakaia & Hinds Pools	\$4,796
Highbank Hall	\$6,000	Rakaia Community Association	\$17,538
Hinds Community Centre	\$10,000	Rakaia Community Pool	\$2,288
Hinds Swimming Pool	\$8,637	Rakaia Public Library	\$5,750
HYPE Youth Health Centre	\$9,000	Rakaia Swimming Pool	\$6,000
John Grigg Scholarship	\$261	Riverbridge Native Species Trust	\$7,000
Kai for kids Charitable Trust	\$2,160	Ruapuna Pool	\$3,000
Kidz Methven	\$1,800	Safer Mid Canterbury	\$242,237
Lagmhor Westfield War Memorial Hall	\$9,000	Staveley Hall Society	\$15,000
Lions Club of Ashburton	\$1,304	The Exhibition	\$5,000
Lowcliffe/Coldstream Hall Society	\$9,000	Tinwald Reserve Board	\$3,000
Lyndhurst Community Society	\$5,000	Upper Rangitata Gorge Landcare	\$5,000
Mania-o-Roto Scouts	\$1,000	Wellbeing Opuke	\$1,630
Mayfield Domain	\$2,501	Willowby Community Swimming Pool	\$833
Mayfield Swimming Pool	\$3,000	Winchmore Community Hall Society	\$4,000
		Grand total	\$1,653,517

NOTE 11. TAXATION

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Components of tax expense recognised in statement of comprehensive revenue and expense:				
Current taxation	-	-	1,322	2,220
Overprovision of prior year tax	-	-	(30)	(226)
Deferred tax prior year adjustment	31	-	59	(23)
Deferred taxation	(2)	(50)	(81)	(62)
Income tax expense	29	(50)	1,270	1,909
Components of deferred tax recognised directly in equity:				
Revaluation of property plant and equipment	-	-	18	(11)
Income tax expense	-	-	18	(11)
Relationship between tax expense and accounting profit:				
Surplus/(deficit) before tax	27,908	21,639	29,878	27,131
Tax at 28%	7,814	6,059	8,366	7,597
<i>Add/(less) tax effect of:</i>				
(Non-Taxable Income)/Non Deductible Expenditure	(7,785)	(6,109)	(7,098)	(5,687)
Impact of change in tax rates	-	-	-	-
Tax Credits	-	-	5	-
Temporary differences not previously recognised	-	-	(1)	-
Reversal of prior year overprovision	-	-	(2)	(34)
	29	(50)	1,270	1,910
Imputation credit account:				
Balance at the start of the year	-	-	5,494	3,643
Income tax payments/(refunds)	-	-	2,353	600
Imputation credits attached to dividends received	-	-	18	17
Other credits (RWT)	-	-	3	5
Imputation credits accrued on balance of current year tax not paid	-	-	1,440	2,002
Reversal of prior year estimates	-	-	(2,002)	(425)
Credits attached to dividends paid	-	-	(478)	(350)
Balance at the end of the year	-	-	6,828	5,494
Movement in tax refund/(payable):				
Balance at start of year	-	-	(2,002)	(416)
Taxation (paid)/refunded	-	-	2,376	623
Provided for this year	-	-	(1,304)	(2,220)
Overprovision prior year	-	-	11	11
Tax loss	-	-	-	-
Balance at the end of the year	-	-	(919)	(2,001)

COUNCIL DEFERRED TAX ASSETS / (LIABILITIES)*Deferred taxation assets and liabilities*

	Assets	Liabilities	Net
	2023	2023	2023
	\$000	\$000	\$000
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
Retentions	-	-	-
Capitalised interest	-	-	-
Provisions	-	-	-
Intangible assets	-	-	-
Work in progress	-	-	-
Tax losses	77	-	77
Balance at end of year	77	-	77

	Assets	Liabilities	Net
	2022	2022	2022
	\$000	\$000	\$000
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
Retentions	-	-	-
Capitalised interest	-	-	-
Provisions	-	-	-
Intangible assets	-	-	-
Tax losses	106	-	106
Balance at end of year	106	-	106

Movement in temporary differences

	Balance 01-Jul-22	Charge to surplus/ (deficit)	Charge to other comp. rev & exp*	Balance 30-Jun-23
	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	-	-
Employee benefits	-	-	-	-
Retentions	-	-	-	-
Capitalised interest	-	-	-	-
Provisions	-	-	-	-
Intangible assets	-	-	-	-
Work in progress	-	-	-	-
Tax losses	106	(29)	-	77
Balance at end of year	106	(29)	-	77

	Balance 01-Jul-21	Charge to surplus/ (deficit)	Charge to other comp. rev & exp*	Balance 30-Jun-22
	\$000	\$000	\$000	\$000
Property, plant and equipment	-	-	-	-
Employee benefits	-	-	-	-
Retentions	-	-	-	-
Capitalised interest	-	-	-	-
Provisions	-	-	-	-
Intangible assets	-	-	-	-
Work in progress	-	-	-	-
Tax losses	56	50	-	106
Balance at end of year	56	50	-	106

* Charge to other comprehensive revenue and expense.

GROUP DEFERRED TAX ASSETS / (LIABILITIES)*Deferred taxation assets and liabilities*

	Assets	Liabilities	Net
	2023	2022	2023
	\$000	\$000	\$000
Property, plant and equipment	-	(819)	(819)
Employee benefits	232	-	232
Retentions	-	(252)	(252)
Capitalised interest	-	(181)	(181)
Provisions	290	-	290
Intangible Assets	-	(5)	(5)
Finance leases	157	-	157
Other	-	-	-
Tax losses	77	-	77
Balance at end of year	756	(1,257)	(501)

	Assets	Liabilities	Net
	2022	2021	2022
	\$000	\$000	\$000
Property, plant and equipment	-	(820)	(820)
Contract assets	259	-	259
Employee benefits	-	(235)	(235)
Retentions	-	(182)	(182)
Capitalised interest	254	-	254
Provisions	-	(5)	(5)
Intangible Assets	-	-	-
Work in Progress	-	-	-
Finance leases	114	-	114
Other	-	-	-
Tax losses	106	-	106
Balance at end of year	733	(1,242)	(509)

Group movement in temporary differences

	Balance 01-Jul-22	Charge to surplus/ (deficit)	Charge to other comp. rev & exp*	Balance 30-Jun-23
	\$000	\$000	\$000	\$000
Property, plant and equipment	(820)	19	(18)	(819)
Employee benefits	259	(27)	-	232
Retentions	(235)	(17)	-	(252)
Capitalised interest	(182)	1	-	(181)
Provisions	254	36	-	290
Intangible assets	(4)	(1)	-	(5)
Finance leases	114	43	-	157
Other	1	(1)	-	-
Tax losses	106	(29)	-	77
	(508)	24	(18)	(501)

	Balance 01-Jul-21	Charge to surplus/ (deficit)	Charge to other comp. rev & exp*	Balance 30-Jun-22
	\$000	\$000	\$000	\$000
Property, plant and equipment	(795)	(14)	(11)	(820)
Employee benefits	212	47	-	259
Retentions	(232)	(3)	-	(235)
Capitalised interest	(196)	14	-	(182)
Provisions	109	145	-	254
Intangible assets	(3)	(1)	-	(4)
Finance leases	71	43	-	114
Other	-	-	-	-
Tax losses	56	50	-	106
	(778)	281	(11)	(508)

* Charge to other comprehensive revenue and expense

NOTE 12. CASH AND CASH EQUIVALENTS

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Cash floats	4	4	4	4
Bank current account	7,678	11,428	10,762	14,878
Short term deposits	-	8,000	-	8,000
Bank overdraft	-	-	(1)	(1)
	7,682	19,432	10,765	22,881

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 1.10% to 3.75% (2022: 0.05% to 1.10%). Ashburton Contracting Limited has overdraft facilities with the ANZ Bank of New Zealand Ltd of \$3,275,000 (2022: \$3,275,000). The effective interest rate on overdraft facilities ranges from 6.46% to 8.96% (2022: 4.46% to 5.46%)

NOTE 13. TRADE AND OTHER RECEIVABLES

Accounting Policy

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 expected credit losses 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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Rates receivable	3,107	1,729	3,107	1,729
Other receivables	10,231	7,111	15,317	9,333
Eastfield Investments Advance (1)	391	608	-	-
Community loans	688	144	688	144
Prepayments	782	539	952	718
ACL contract work in progress	-	-	1,683	2,098
ACL retentions receivable	-	-	897	858
	15,199	10,131	22,644	14,880
Provision for impairment/expected credit losses	(59)	(59)	(127)	(101)
Total trade and other receivables	15,140	10,072	22,517	14,779
Non-current portion:				
Community loans	652	136	651	136
Current portion	14,488	9,936	21,866	14,643

(1) Eastfield Investments Advance is the Council's current account of \$390,958, 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).

<i>Total receivables comprise:</i>				
Receivables from non-exchange transactions – this includes outstanding amounts from rates, grants, infringements and any fees and charges that are subsidised by rates	5,960	8,381	5,958	8,381
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	9,317	1,690	16,559	6,512

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 2023 Actual \$000	Council 2022 Actual \$000
< 12 months	1,535	352
> 12 months	1,572	1,377
Carrying amount	3,107	1,729

As of 30 June 2023, all overdue receivables, except for rates receivable, have been assessed for impairment (expected credit losses) 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: \$0 (2022: \$37,226.88)

Section 90B: \$0 (2022: \$0)

Ageing profile of receivables at year end

	2023			2022		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
<i>Council</i>						
Not past due	2,499	-	2,499	7111	-	711
Past due 1-60 days	6,737	-	6,737	7,581	-	7,581
Past due 61-120 days	110	-	110	737	-	737
Past due >120 days	5,853	(59)	5,794	1,102	(59)	1,043
	15,199	(59)	15,140	10,131	(59)	10,072
<i>Group</i>						
Not past due	9,936	-	9,936	6,941	-	6,941
Past due 1-60 days	5,127	-	5,127	5,697	-	5,697
Past due 61-120 days	471	-	471	906	-	906
Past due > 120 days	7,110	(127)	6,983	1,134	(101)	1,235
	22,644	(127)	22,517	14,678	(101)	14,779

PROVISION FOR IMPAIRMENT

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment is based on historical credit loss experience upon initial recognition of a receivable, using reasonable assumptions and any available customer information, as well as consideration of future economic events.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Individual impairment	59	59	127	70
Collective impairment	-	-	-	117
Total provision for impairment	59	59	127	187

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

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Opening balance	59	121	101	159
Additional provisions made	-	(63)	68	(58)
Provisions reversed during the year	-	-	(42)	-
Receivables written off	-	-	-	-
Closing balance	59	59	127	101

NOTE 14. STOCKS AND BONDS

Accounting Policy

Stocks and bonds, 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.

MATURITY ANALYSIS AND EFFECTIVE INTEREST RATES

The maturity dates for Local Authority stocks and bonds are as follows:

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Bonds	3,157	1,921	3,157	1,921
	3,157	1,921	3,157	1,921
Maturing within 1 year	-	1,001	-	1,001
- Weighted average interest rate	0.0%	4.1%	0.0%	4.1%
Maturing between 1 and 5 years	3,157	920	3,157	920
- Weighted average interest rate	5.0%	3.0%	5.0%	3.0%
Maturing after 5 years	-	-	-	-
- Weighted average interest rate	0.0%	0.0%	-	-
	3,157	1,921	3,157	1,921

For the purposes of allocating to a financial asset category, local authority stocks and bonds are classified as Fair Value Through Other Comprehensive revenue and expense. 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.

NOTE 15. INVENTORIES

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
<i>Commercial inventory</i>				
- Metal and asphalt	-	-	1,179	1,029
- Cement	-	-	16	11
- Services, plumbing and civil	-	-	406	756
- Rubbish bags / bins	32	27	32	27
- Retail stock	55	49	55	49
Held for distribution inventory			-	-
- Workshop, fuel and parks raw materials	-	-	839	791
	87	76	2,527	2,663

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

NOTE 16. OTHER FINANCIAL ASSETS

Accounting Policy

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as; and subsequently measured under, the following categories:

- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD)

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognise in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and its held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" and held withing a financial management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity instrument not held for trading as subsequently measured at FVTOCRE.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less an expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category are the Council and groups listed bonds.

Financial assets in this category that are equity instruments are designated as FCTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designated into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long term.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus and deficit.

Interest revenue and dividends from these financial assets are separately presented within revenue.

Other than for derivative, the Council and group has no instruments in this category.

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows, due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible to the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and groups historical experience and informed credit assessment and including forward looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pass its credit obligations in full.

Council measures ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

SHARES IN SUBSIDIARIES (AT COST)

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Current portion				
Term deposits greater than 90 days	-	10,000	2,000	10,000
Total current portion	-	10,000	2,000	10,000
Non-current portion				
<i>Investment in CCOs and similar entities</i>				
Ashburton Contracting Ltd	4,500	4,500	-	-
	4,500	4,500	-	-
<i>Investment in other entities</i>				
NZ Local Government Insurance Corp	53	55	53	55
Local Government Funding Agency	1,795	1,875	1,795	1,875
Transwaste Canterbury Ltd	1,044	1,128	1,044	1,128
Electricity Ashburton Limited	1	1	1	1
Ashburton Trading Society Ltd	1	1	1	1
NZ Plumbers Merchants	-	-	11	11
	2,894	3,060	2,905	3,071
Total non-current portion	7,394	7,560	2,905	3,071
Total other financial assets	7,394	17,560	4,905	13,071

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 \$0.90 per share (2022 \$0.99)

- Transwaste Canterbury Limited

3.0% shareholding – 600,000 shares (shares paid up to \$0.80 per share)

The current net asset backing is \$1.74 per share (2022 \$1.88). This has been compared to the dividend payout approach and the variance is not deemed material to warrant changing the methodology.

- 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 is carried at cost and the other companies listed above are carried at fair value 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.

For the purposes of allocating to a financial asset category, other shares in other companies are classified as fair value through other comprehensive income.

NOTE 17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Accounting Policies

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 those surpluses equals the share of deficits not recognised.

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.

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.

Rangitata Diversion Race Management Limited is an unlisted company.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Council investment in Associates:				
Rangitata Diversion Race Management Limited	30	30	29,758	1,046
	30	30	29,758	1,046

As part of the 2022/23 Annual Report preparation Council requested RDRML to carry out a full revaluation of their assets at fair value. Previously RDRML had held their assets at historical cost less depreciation, and reflected increases based on current market indices. This does not meet Councils accounting standards. As a result of this revaluation the Councils Group investment has increased significantly. From \$1,146 in 2022 to \$29,758 in the year ending 30 June 2023.

Due to the significant investment increase, Council would normally restate the prior year's balance to reflect the change in the accounting practice. However, it is not practicable to retrospectively get a prior year revaluation on these assets. Under PBE IPSAS 3 it becomes impracticable when the entity cannot apply a prior year re-stated figure after making every reasonable effort to do so.

For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if the effects of the retrospective application or

retrospective restatement are not determinable. In the case of RDRML, a formal revaluation of assets was not carried out, making it impossible to assume/assess a “like with like” revaluation figure for RDRML assets. The retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that: (i) Provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured, or disclosed; and (ii) Would have been available when the financial statements for that prior period were authorised for issue; from other information.

The following table summarises the financial information of Rangitata Race Diversion Management.

	Council 2023 Actual \$000	Council 2022 Actual \$000
Summarised statement of financial position of the associate		
Current Assets	2,261	1,637
Non- Current Assets	38,525	38,314
Current Liabilities	19,683	34,219
Non- Current Liabilities	16,475	-
Net Assets	4,628	5,732
Summarised statements of comprehensive revenue and expense		
Revenue	5,151	3,816
Expense	6,255	3,437
Tax Expense	-	-
Other Comprehensive Revenue and Expense	(1,104)	379
Total Comprehensive Revenue and Expense		
Group’s interest	20%	20%
Council’s share of associate surplus/(deficit)	(221)	76

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% (2022: 37.59%) and is accounted for using the equity method.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Council investment in Associates:				
Eastfield Investments Limited/Joint Venture	1,765	1,765	2,156	2,373
Lake Hood Extension Project	-	-	2,079	6,513
	1,765	1,765	4,235	8,886

EASTFIELD INVESTMENTS LIMITED/JOINT VENTURE

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.

The following table summarises the financial information of Eastfield Investments Limited/Joint Venture:

	Council 2023 Actual \$000	Council 2022 Actual \$000
Summarised statement of financial position of the Joint Venture		
Current Assets	130	105
Non-Current Assets	8,205	8,826
Current Liabilities	58	49
Non-Current Liabilities	1,980	1,980
Net Assets	8,335	9,003
Summarised statements of comprehensive revenue and expense		
Revenue	365	362
Expense	943	166
Tax Expense	-	-
Other Comprehensive Revenue and Expense	-	-
Total Comprehensive Revenue and Expense	(578)	196
Group's interest	32.08%	32.08%
Council's share of associate surplus/(deficit)	(185)	63

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.

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.

The following table summarises the financial information of Lake Hood Extension Project

	Group 2023 Actual \$000	Group 2022 Actual \$000		
Summarised statement of financial position of the Joint Venture				
Current Assets	5,497	19,983		
Non- Current Assets	159	114		
Current Liabilities	126	2,084		
Non- Current Liabilities	-	686		
Net Assets	5,530	17,327		
Summarised statements of comprehensive revenue and expense				
Revenue	2,979	13,946		
Expenses	3,714	9,644		
Tax Expense	-	-		
Other Comprehensive Income and Expense	15	(77)		
Total Comprehensive Income and Expense	(720)	4,192		
Group's interest	37.59%	37.59%		
Council's share of associate surplus/(deficit)	(271)	1,575		
	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Total investments in associates and joint ventures	1,659	1,795	33,993	10,032

NOTE 18. PROPERTY INVENTORY

Accounting Policy

Property inventory is recorded at the 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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Land and development	3,238	3,717	3,238	3,717
	3,238	3,717	3,238	3,717

This is shown in the Statement of Financial Position as:

Current portion	389	144	389	144
Non-current portion	2,849	3,573	2,849	3,573
	3,238	3,717	3,238	3,717

Property inventory held for sale is the Ashburton Business Estate.

NOTE 19. PROPERTY INTENDED FOR SALE

Accounting Policy

Properties are classified as intended for sale if their carrying amount will be recovered through a sale transaction within 12 months from balance date rather than through continuing use.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Forestry land	-	-	-	-
Freehold land and buildings	323	101	323	101
Investment property	-	-	-	-
	323	101	323	101

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 completed by 30 June 2024.

NOTE 20. INVESTMENT PROPERTY

Accounting Policy

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 2023.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Opening balance	35,093	35,060	34,893	35,060
Disposals	(720)	(3,183)	(720)	(3,183)
Transfers to property plant & equipment (note 23)	(210)	-	(210)	(200)
Fair value gains/(losses) on valuation	1,431	3,216	1,431	3,216
Closing balance	35,594	35,093	35,394	34,893

The valuation as at 30 June 2023 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.

NOTE 21. FORESTRY

Accounting Policy

Forests were valued as at 30 June 2023 by Council's qualified District Forester, and peer reviewed by ForestStat Ltd. 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, and 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 ForestStat Ltd. NZ Institute of Forestry registered consultants. Any increase or decrease in the valuation is reflected in the surplus/deficit.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Opening balance	4,683	8,006	4,683	8,006
Fair value gains/(losses)				
- Due to harvest	(418)	(942)	(418)	(942)
- Due to sales	-	-	-	-
- Due to unit rate changes and growth	83	(2,381)	83	(2,381)
	4,348	4,683	4,348	4,683

The Council owns 1,059 hectares (2022: 1,030 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% (2022: 7.0%).

The Net Present Value method has been used which values mature stands with inventory information at their realisable ("immediate liquidation") value.

Land value has been expressed as an annual land rental and included in annual overhead costs. 63% of Council's plantations have a nil land value while the remaining land has an average value of \$1,667/ha, the annual cost of this land has been set as a rental of 3% on this value that is \$50/ha/year. Costs include Silverculture Harvesting and Transport, and Overheads. These are applied on either a per hectare to tonnage basis.

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.

SENSITIVITY ANALYSIS

As at 30 June 2023 it was estimated that using a low discount rate of 5.0% would increase the forestry value by 127% to \$5,116,713 (2022: Discount rate of 5.0% would have increase forestry value to \$4,693,772). Using a high discount rate of 9.0% would decrease the forestry value by 83% to 3,323,468. (2022: Discount rate of 9.0% would decrease the forestry value to \$3,079,080).

If log prices were to increase by 10%, the forestry value would increase by 130% to \$5,234,998 (2022: \$4,844,425). If log prices were to decrease by 10%, the forestry value would decrease by 73% to \$2,928,476 (2022: \$2,901,190).

NOTE 22. INTANGIBLE ASSETS

Accounting Policy

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.

	Council Computer Software \$000	Council Total \$000	Group Computer Software \$000	Group Resource Consents \$000	Group Goodwill \$000	Group Total \$000
Opening balance 1/07/22	576	576	75	436	488	1,575
Additions	56	56	30	14	-	100
Disposals	-	-	(11)	-	-	(11)
Current year amortisation	(242)	(242)	(31)	(9)	-	(282)
Reverse amortisation on disposal	-	-	11	-	-	11
Closing balance 30/06/23	390	390	74	441	488	1,393
Cost	4,355	4,355	579	702	488	6,124
Accumulated amortisation	(3,965)	(3,965)	(505)	(261)	-	(4,731)
Carrying value at 30 June 2023	390	390	74	441	488	1,394
Opening balance 1/07/21	900	900	70	445	488	1,903
Additions	102	102	25	-	-	127
Disposals	-	-	-	-	-	-
Current year amortisation	(426)	(426)	(20)	(9)	-	(455)
Closing balance 30/06/22	576	576	75	436	488	1,575
Cost	4,299	4,299	549	688	488	5,897
Accumulated amortisation	(3,723)	(3,723)	(474)	(252)	-	(3,994)
Carrying value at 30 June 2022	576	576	75	436	488	1,903

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

NOTE 23. PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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 after 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, and Solid Waste Assets existing as at 30 June 2022 were revalued on a depreciated replacement cost basis by Council staff and peer reviewed by GHD, an independent registered valuer. Parks 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.

Where known, construction / installation dates were used to establish asset life. For the few instances where this was not known, an estimated installation date was adopted based local understanding of the area and asset. Expected remaining useful asset lives were estimated based on standard expected lives that were modified as appropriate based on condition, local understanding and renewal planning. Past actual asset lives were used to help inform the setting of standard expected lives.

Obsolesce and surplus capacity were considered as part of Optimisation process within the valuation process.

Replacement values were revised within the revaluation. The approach used was based upon a combination of index adjustments and data from recent construction contracts.

Land under roads was valued by Quotable Value NZ Limited, an independent registered valuer, as at 30 June 2022 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.

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.



Council 2023		Cost/fair value 01/07/22	Accumulated depreciation & impairment 01/07/22	Carrying value 01/07/22	Current year additions	Current year disposals	Classified as held for sale	*Accum depre reversed on disposal	Current year depreciated	Impairment losses expensed	Net revaluation increase/ (decrease)	*Accum deprec reversed on reval.	Cost/fair value 30/06/23	Accumulated depreciation & impairment 30/06/23	Carrying value 30/06/23
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets															
Freehold land		31,461	-	31,461	210	-	(230)	-	-	-	-	-	31,441	-	31,441
Buildings		72,929	(21,329)	51,600	591	-	-	-	(2,006)	-	-	-	73,520	(23,335)	50,185
Plant and machinery		8,040	(5,745)	2,295	464	(589)	-	546	(627)	-	-	-	7,915	(5,826)	2,089
Equipment, furniture and fittings		8,269	(6,473)	1,796	348	-	-	-	(531)	-	-	-	8,617	(7,004)	1,613
Library books		3,832	(3,435)	397	201	-	-	-	(58)	-	-	-	4,033	(3,493)	540
Total operational assets		124,531	(36,982)	87,549	1,814	(589)	(230)	546	(3,222)	-	-	-	125,526	(39,658)	85,868
Infrastructural assets															
Roading and footpaths		367,989	-	367,989	14,406	(525)	-	-	(8,265)	-	-	-	381,870	(8,265)	373,605
Land under roads		81,466	-	81,466	3,517	-	-	-	-	-	-	-	84,983	-	84,983
Water supplies		11,493	-	11,493	2,047	(676)	-	-	(595)	-	-	-	12,864	(595)	12,269
- treatment plants and facilities		87,968	-	87,968	2,879	(142)	-	-	(1,770)	-	-	-	90,705	(1,770)	88,935
- reticulation and other assets		29,188	-	29,188	636	(62)	-	-	(625)	-	-	-	29,762	(625)	29,137
Wastewater schemes		110,827	-	110,827	4,572	(95)	-	-	(2,079)	-	-	-	115,304	(2,079)	113,225
- treatment plants and facilities		43,069	-	43,069	1,183	-	-	-	(634)	-	-	-	44,252	(634)	43,618
- reticulation and other assets		33,563	-	33,563	-	(1,964)	-	-	(56)	-	-	-	31,599	(56)	31,543
Stormwater		4,604	-	4,604	127	(15)	-	-	(213)	-	345	398	5,061	185	5,246
Stockwater		21,794	(1,275)	20,519	3,155	-	-	-	(634)	-	-	-	24,949	(1,909)	23,040
Solid waste		791,961	(1,275)	790,686	32,552	(3,479)	-	-	(14,871)	-	345	398	821,349	(15,748)	805,601
Parks, cemeteries and domains															
Total infrastructure assets		16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Restricted assets		580	(193)	387	-	-	-	-	-	-	-	-	580	(193)	387
Land		17,303	(193)	17,110	-	-	-	-	-	-	-	-	17,303	(193)	17,110
Buildings															
Total restricted assets		933,795	(38,450)	895,345	34,336	(4,068)	(230)	546	(18,093)	-	345	398	964,178	(55,599)	908,57
Total															

*Accumulated depreciation

Group 2023		Cost/fair value 01/07/22 \$000	Accumulated depreciation & impairment 01/07/22 \$000	Carrying value 01/07/22 \$000	Current additions \$000	Current disposals \$000	Classified as held for sale \$000	* Accumulated depreciation reversed on disposal \$000	Current year depreciated \$000	Impairment losses expensed \$000	Net revaluation increase/(decrease) \$000	* Accumulated depreciation reversed on reval. \$000	Cost/fair value 30/06/23 \$000	Accumulated depreciation & impairment 30/06/23 \$000	Carrying value 30/06/23 \$000
Operational assets															
Freehold land		32,941	(21)	32,920	317	-	(230)	-	(17)	-	(43)	17	32,985	(21)	32,964
Buildings		74,754	(21,462)	53,292	591	-	-	-	(2,006)	-	-	-	75,345	(23,468)	51,877
Plant and machinery		31,183	(19,771)	11,412	3,971	(2,636)	-	1,381	(1,774)	9	-	-	32,518	(20,155)	12,363
Equipment, furniture and fittings		8,925	(6,993)	1,932	409	(36)	-	36	(606)	-	-	-	9,298	(7,563)	1,735
Library books		3,832	(3,435)	397	201	-	-	-	(58)	-	-	-	4,033	(3,493)	540
Total operational assets		151,635	(51,682)	99,953	5,489	(2,672)	(230)	1,417	(4,461)	9	(43)	17	154,179	(54,700)	99,479
Infrastructural assets															
Roading and footpaths **		367,989	-	367,989	14,406	(525)	-	-	(8,265)	-	-	-	381,870	(8,265)	373,605
Land Under Roads		81,466	-	81,466	3,517	-	-	-	-	-	-	-	84,983	-	84,983
Water supplies		11,493	-	11,493	2,077	(676)	-	-	(595)	-	-	-	12,894	(595)	12,299
- treatment plants and facilities		87,968	-	87,968	2,879	(142)	-	-	(1,770)	-	-	-	90,705	(1,770)	88,935
- reticulation and other assets		29,188	-	29,188	636	(62)	-	-	(625)	-	-	-	29,762	(625)	29,137
Wastewater schemes		110,827	-	110,827	4,572	(95)	-	-	(2,079)	-	-	-	115,304	(2,079)	113,225
- treatment plants and facilities		43,069	-	43,069	1,183	-	-	-	(634)	-	-	-	44,252	(634)	43,618
- reticulation and other assets		33,563	-	33,563	-	(1,814)	-	-	(56)	-	-	-	31,599	(56)	31,543
Stormwater		4,604	-	4,604	127	(15)	-	-	(213)	-	345	398	5,061	185	5,246
Stockwater		21,794	(1,275)	20,519	3,155	-	-	-	(634)	-	-	-	24,949	(1,909)	23,040
Solid waste		791,961	(1,275)	790,686	32,552	(3,329)	-	-	(14,871)	-	345	398	821,379	(15,748)	805,631
Parks, cemeteries and domains															
Total infrastructural assets															
Restricted assets															
Land		16,720	-	16,720	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings		580	(193)	387	-	-	-	-	-	-	-	-	580	(193)	387
Total restricted assets		17,303	(193)	17,110	-	-	-	-	-	-	-	-	17,303	(193)	17,110
Total		960,899	(53,150)	907,749	38,041	(6,001)	(230)	1,417	(19,332)	9	302	415	992,861	(70,641)	922,220

* Accumulated depreciation

Council 2022		Cost/fair value 01/07/21	Accumulated depreciation & impairment 01/07/21	Carrying value 01/07/21	Current year additions	Current year disposals	Classified as held for sale	*Accum deprec reversed on disposal	Current year depreciated	Impairment losses expensed	Net revaluation increase/ (decrease)	*Accum deprec reversed on reval.	Cost/fair value 30/06/22	Accumulated depreciation & impairment 30/06/22	Carrying value 30/06/22
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets															
Freehold land		31,585	-	31,585	-	(23)	(101)	-	-	-	-	-	31,461	-	31,461
Buildings		71,199	(19,301)	51,898	1,736	(6)	-	-	(2,028)	-	-	-	72,929	(21,329)	51,600
Plant and machinery		7,378	(5,552)	1,826	1,135	(473)	-	438	(631)	-	-	-	8,040	(5,745)	2,295
Equipment, furniture and fittings		7,658	(5,810)	1,848	611	-	-	-	(663)	-	-	-	8,269	(6,473)	1,796
Library books		3,644	(3,392)	252	188	-	-	-	(43)	-	-	-	3,832	(3,435)	397
Total operational assets		121,464	(34,055)	87,409	3,670	(502)	(101)	438	(3,365)	-	-	-	124,531	(36,982)	87,549
Infrastructural assets															
Roading and footpaths		306,339	(7,519)	298,820	20,863	(904)	-	-	(7,821)	-	41,691	15,340	367,989	-	367,989
Land under roads		77,295	-	77,295	4,171	-	-	-	-	-	-	-	81,466	-	81,466
Water supplies		10,086	(427)	9,659	488	(96)	-	-	(595)	-	1,015	1,022	11,493	-	11,493
- treatment plants and facilities		67,757	(1,076)	66,681	1,893	(1,530)	-	-	(1,770)	-	19,848	2,846	87,968	-	87,968
- reticulation and other assets		26,596	(544)	26,052	114	(115)	-	-	(789)	-	2,593	1,333	29,188	-	29,188
Wastewater schemes		84,671	(1,195)	83,476	12,877	(963)	-	-	(1,915)	-	14,242	3,110	110,827	-	110,827
- treatment plants and facilities		41,210	(498)	40,712	1,557	(358)	-	-	(634)	-	660	1,132	43,069	-	43,069
- reticulation and other assets		31,973	(47)	31,926	161	(1,725)	-	-	(48)	-	3,154	95	33,563	-	33,563
Stormwater		4,071	(188)	3,883	420	(10)	-	-	(185)	-	123	373	4,604	-	4,604
Stockwater		17,357	(761)	16,596	4,437	-	-	-	(514)	-	-	-	21,794	(1,275)	20,519
Solid waste		667,355	(12,255)	655,100	46,981	(5,701)	-	-	(14,271)	-	83,326	25,251	791,961	(1,275)	790,686
Parks, cemeteries and domains															
Total infrastructural assets		1,100,000	(20,000)	1,080,000	100,000	(10,000)	(100)	100	(100,000)	100,000	100,000	100,000	1,100,000	(100,000)	1,000,000
Restricted assets															
Land		16,723	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings		580	(179)	401	-	-	-	-	(14)	-	-	-	580	(193)	387
Total restricted assets		17,303	(179)	17,124	-	-	-	-	(14)	-	-	-	17,303	(193)	17,110
Total		806,122	(46,489)	759,633	50,651	(6,203)	(101)	438	(17,650)	-	83,326	25,251	933,795	(38,450)	895,342

* Accumulated depreciation

Group 2022	Cost/fair value \$000		Accumulated depreciation & impairment \$000		Carrying value 01/07/21 \$000	Current year additions \$000	Current year disposals \$000	Classified as held for sale \$000	* Accum 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 30/06/22 \$000	Accumulated depreciation & impairment 30/06/22 \$000	Carrying value 30/06/22 \$000
	01/07/21	30/06/22	01/07/21	30/06/22												
Operational assets																
Freehold land	32,949	32,995	46	(101)	32,995	14	(23)	(101)	-	(87)	-	102	20	32,941	(21)	32,920
Buildings	73,024	53,590	(19,434)	-	53,590	1,736	(6)	-	-	(2,028)	-	-	-	74,754	(21,462)	53,292
Plant and machinery	29,483	10,540	(18,943)	-	10,540	2,988	(1,288)	-	1,093	(1,924)	3	-	-	31,183	(19,771)	11,412
Equipment, furniture and fittings	8,244	1,983	(6,261)	-	1,983	687	(6)	-	5	(737)	-	-	-	8,925	(6,993)	1,932
Library books	3,644	252	(3,392)	-	252	188	-	-	-	(43)	-	-	-	3,832	(3,435)	397
Total operational assets	147,344	99,360	(47,984)	(101)	99,360	5,613	(1,323)	(101)	1,098	(4,819)	3	102	20	151,635	(51,682)	99,953
Infrastructural assets																
Roading and footpaths **	306,339	298,820	(7,519)	-	298,820	20,863	(904)	-	-	(7,821)	-	41,691	15,340	367,989	-	367,989
Land Under Roads	77,295	77,295	-	-	77,295	4,171	-	-	-	-	-	-	-	81,466	-	81,466
Water supplies																
- treatment plants and facilities	10,086	9,659	(427)	-	9,659	488	(96)	-	-	(595)	-	1,015	1,022	11,493	-	11,493
- reticulation and other assets	67,757	66,681	(1,076)	-	66,681	1,893	(1,530)	-	-	(1,770)	-	19,848	2,846	87,968	-	87,968
Wastewater schemes																
- treatment plants and facilities	26,596	26,052	(544)	-	26,052	114	(115)	-	-	(789)	-	2,593	1,333	29,188	-	29,188
- reticulation and other assets	84,671	83,476	(1,195)	-	83,476	12,877	(963)	-	-	(1,915)	-	14,242	3,110	110,827	-	110,827
Stormwater	41,210	40,712	(498)	-	40,712	1,557	(358)	-	-	(634)	-	660	1,132	43,069	-	43,069
Stockwater	31,973	31,926	(47)	-	31,926	161	(1,725)	-	-	(48)	-	3,154	95	33,563	-	33,563
Solid waste	4,071	3,883	(188)	-	3,883	420	(10)	-	-	(185)	-	123	373	4,604	-	4,604
Parks, cemeteries and domains	17,357	16,596	(761)	-	16,596	4,437	-	-	-	(514)	-	-	-	21,794	(1,275)	20,519
Total infrastructure assets	667,355	655,100	(12,255)	-	655,100	46,981	(5,701)	-	-	(14,271)	-	26,299	25,251	791,961	(1,275)	790,686
Restricted assets																
Land	16,723	16,723	-	-	16,723	-	-	-	-	-	-	-	-	16,723	-	16,723
Buildings	580	401	(179)	-	401	-	-	-	-	(14)	-	-	-	580	(193)	387
Total restricted assets	17,303	17,124	(179)	-	17,124	-	-	-	-	(14)	-	-	-	17,303	(193)	17,110
Total	832,002	771,584	(60,418)	(101)	771,584	52,594	(7,024)	(101)	1,098	(19,104)	3	83,428	25,271	960,899	(53,150)	907,749

* Accumulated depreciation

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.

	2023 Constructed assets \$000	2023 Transferred /vested assets \$000	2023 Total additions \$000	2022 Constructed assets \$000	2022 Transferred /vested assets \$000	2022 Total additions \$000
Roading and footpaths	6,956	7,450	14,406	14,185	6,678	20,863
Water supplies						
- treatment plants and facilities	2,047	-	2,047	488	-	488
- reticulation and other assets	1,785	1,094	2,879	1,341	552	1,893
	3,832	1,094	4,926	1,829	552	2,381
Wastewater schemes						
- treatment plants and facilities	636	-	636	107	7	114
- reticulation and other assets	3,288	1,284	4,572	11,921	956	12,877
	3,924	1,284	5,208	12,028	963	12,991
Stormwater	9	1,174	1,183	1,281	276	1,557
Total core asset additions	14,721	11,002	25,723	29,323	8,469	37,792

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.

	Replacement cost 30 Jun 23 \$000	Carrying value 30 Jun 23 \$000	Replacement cost 30 Jun 22 \$000	Carrying value 30 Jun 22 \$000
Roading and footpaths**	659,090	458,588	659,090	449,455
Water supplies				
- treatment plants and facilities	20,958	12,269	18,920	11,493
- reticulation and other assets	154,811	88,935	140,407	87,968
	175,769	101,204	159,327	99,461
Wastewater schemes				
- treatment plants and facilities	41,954	29,137	39,392	29,188
- reticulation and other assets	187,922	113,225	171,719	110,827
	229,876	142,362	211,111	140,015
Stormwater	64,525	43,618	61,300	43,069
	1,129,260	745,772	1,090,828	732,000

WORK IN PROGRESS BY CLASS OF ASSETS

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

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Land	-	-	-	-
Buildings	47,978	28,133	47,978	28,133
Roading and footpaths	3,419	1,598	3,419	1,598
Water supplies	10,328	3,350	10,328	3,350
Wastewater schemes	4,318	597	4,318	597
Arts and Culture	-	3	-	3
Elderly Housing	-	-	-	-
Environmental	444	444	444	444
Software	-	52	-	52
Stormwater	34	34	34	34
Stockwater	-	-	-	-
Solid waste	-	-	-	-
Parks, cemeteries and domains	503	164	503	164
Other	230	118	230	118
Total work in progress	67,254	34,493	67,254	34,493

NOTE 24. TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are stated at their amortised cost which approximates their nominal value given their short term nature.

	Council 2023 \$000	Council 2022 \$000	Group 2023 \$000	Group 2022 \$000
Trade payables	10,806	7,473	14,246	11,435
Accruals and other expenses	682	335	682	335
Amounts due to related parties	594	899	-	-
Revenue in advance	2,032	1,431	2,032	1,431
Amortised value of EA Networks Centre naming rights	42	45	42	45
Amortised value of EA Networks Centre naming rights – non-current	299	335	299	335
Amortised value of Museum/Art Gallery naming rights	5	5	5	5
Amortised value of Museum/Art Gallery naming rights – non-current	-	3	-	3
Retentions/bonds awaiting contract work	1,288	809	1,288	809
	15,748	11,335	18,594	14,398
Payables and deferred revenue under non-exchange transactions:				
GST/FBT payable	-	-	-	-
ACC liability	90	134	90	134
Rates/water meter charges received in advance	1,657	836	1,657	836
Environment Canterbury rates outstanding from ADC	179	(99)	179	(99)
Grant revenue received in advance	278	122	278	122
	2,204	993	2,204	993
Total payables and deferred revenue	17,952	12,328	20,798	15,391
This is shown in the Statement of Financial Position as:				
Current	17,652	11,990	20,499	15,053
Non-current	300	338	299	338
	17,952	12,328	20,798	15,391

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.

NOTE 25. EMPLOYEE BENEFIT LIABILITIES

Accounting Policy

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Accrued pay	285	227	285	227
Annual and long service leave	1,769	1,569	3,094	2,931
Retirement gratuities	175	171	175	171
Sick leave	5	5	5	5
	2,234	1,972	3,559	3,334

This is shown in the Statement of Financial Position as:

Current	2,018	1,758	3,280	3,075
Non-current	216	215	279	260
	2,234	1,972	3,559	3,335

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

NOTE 26. LANDFILL AFTERCARE LIABILITY

Accounting Policy

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.

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 below.

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.

Costs to be incurred for the districts landfills have been estimated by Council as follows:

	2023	2022
	\$000	\$000
Ashburton	5	5
Hinds	2	2
Rakaia	3	3
Methven	3	3
Mayfield	2	2
	15	15

Maintenance and monitoring costs have been calculated using a net present value calculation of 3.36% (2022 2.90%). The aftercare liability balance is:

	Council	Council	Group	Group
	2023	2022	2023	2022
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Opening balance	162	170	162	170
Provision used during the year	(33)	(74)	(33)	(74)
Additional provision made during the year	18	66	17	66
Closing balance	147	162	147	162

This is shown in the Statement of Financial Position as:

Current	15	15	15	15
Non-current	132	147	132	147
	147	162	147	162

NOTE 27. BORROWINGS

Accounting Policy

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 and intends to do so.

	Council	Council	Group	Group
	2023	2022	2023	2022
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Opening balance	90,600	70,600	92,412	73,735
Loans raised during the year	12,000	37,000	12,000	37,000
Loans repaid during the year	(17,000)	(17,000)	(17,116)	(18,323)
Closing balance	85,600	90,600	87,296	92,412

This is shown in the Statement of Financial Position as:

Current	24,000	17,000	24,120	17,115
Non-current	61,600	73,600	63,177	75,297
	85,600	90,600	87,297	92,412

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.

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Within one year (current)	24,000	17,000	24,120	17,115
- weighted average effective interest rates	5.5%	1.8%	5.9%	2.3%
1 to 2 years	15,000	12,000	16,577	13,697
- weighted average effective interest rates	5.2%	1.8%	5.1%	2.1%
2 to 3 years	10,000	15,000	10,000	15,000
- weighted average effective interest rates	5.5%	1.9%	5.6%	2.0%
3 to 4 years	10,000	10,000	10,000	10,000
- weighted average effective interest rates	1.1%	1.7%	1.1%	1.7%
4 to 5 years	16,600	10,000	16,600	10,000
- weighted average effective interest rates	2.6%	1.1%	0.0%	0.0%
Greater than 5 years	10,000	26,600	10,000	26,600
- weighted average effective interest rates	5.2%	2.2%	5.2%	2.2%
	85,600	90,600	87,297	92,412

FAIR VALUE OF BORROWINGS

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

	Council 2023 Book value \$000	Council 2023 Fair Value \$000	Council 2022 Book Value \$000	Council 2022 Fair Value \$000
Secured loans – Council	85,600	85,600	90,600	90,600
Secured loans – ACL	1,696	1,696	1,812	1,812
	87,296	87,296	92,412	92,412

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 Council'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).

	Target Council	2023 Council	2022 Council
Interest payments as a percentage of council revenue	<10%	2.9%	1.8%
Interest payments as a percentage of total rates	<25%	7.2%	4.4%

INTERNAL BORROWING

	Balance 01/07/2022 \$000	Borrowed \$000	Repaid \$000	Balance 30/06/2023 \$000
Cemeteries	85	71	-	156
Commercial Property	4,963	11,885	-	16,848
Water resources	-	-	-	-
Elderly Housing	-	59	-	59
Environmental services	-	-	-	-
Footpaths	-	-	-	-
Parks	709	752	-	1,461
Conveniences	-	296	-	296
Roading	4,168	-	-	4,168
Stormwater	-	-	-	-
Drinking water	1,939	7,989	-	9,928
Wastewater	709	1,897	-	2,606
Arts and Culture	-	-	-	-
Recreation Facilities	-	-	-	-
Stockwater	114	-	-	114
Tinwald Recreation Reserve	-	-	-	-
Miscellaneous	138	-	-	138
	12,825	22,949	-	35,774

	Balance 01/07/2021 \$000	Borrowed \$000	Repaid \$000	Balance 30/06/2022 \$000
Cemeteries	47	85	47	85
Commercial Property	5,548	4,963	5,548	4,963
Water resources	-	-	-	-
Environmental services	823	-	823	-
Footpaths	744	-	744	-
Parks	1,129	709	1,129	709
Roading	2,833	4,168	2,833	4,168
Stormwater	414	-	414	-
Drinking water	-	1,939	-	1,939

	Balance 01/07/2021 \$000	Borrowed \$000	Repaid \$000	Balance 30/06/2022 \$000
Wastewater	2,706	709	2,706	709
Arts and Culture	191	-	191	-
Recreation Facilities	72	-	72	-
Stockwater	54	114	54	114
Tinwald Recreation Reserve	730	-	730	-
Miscellaneous	143	138	143	138
	15,434	12,825	15,434	12,825

Internal borrowing and internal interest are eliminated on consolidation of the activities in the Council's financial statements.

NOTE 28. DERIVATIVE FINANCIAL INSTRUMENTS

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

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Notional principal amount	30,000	25,000	30,000	25,000
	30,000	25,000	30,000	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:

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Interest rate swaps	(851)	(417)	(851)	(417)
	(851)	(417)	(851)	(417)

The interest rates for interest rates swaps are fixed between 2.85% to 4.31% (2022: 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 \$434,000 for the year (2022: \$2,431,000) are shown in Note 7.

NOTE 29. RATEPAYERS EQUITY

Accounting Policy

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

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Balance at 1 July	494,940	474,043	511,941	486,534
Prior year adjustment	977	(977)	2,881	-
Surplus/(deficit) after taxation	27,879	21,689	28,202	25,222
Appropriations to/from reserves	(2,407)	185	(2,407)	185
Balance at 30 June	521,389	494,940	540,617	511,941

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.

NOTE 30. OTHER RESERVES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Revaluation reserves				
Infrastructural assets				
Balance at 1 July	359,380	250,814	359,379	250,813
Revaluations	743	108,566	743	108,566
Balance at 30 June	360,123	359,380	360,122	359,379
Property, plant and equipment				
Balance at 1 July	-	-	1,719	1,627
Revaluations	-	-	(24)	121
Deferred taxation adjustment	-	-	(18)	(29)
Balance at 30 June	-	-	1,677	1,719
Total revaluation reserves	360,123	359,380	361,799	361,098
Separate reserves and special funds (refer details below)				
Balance at 1 July	65,432	65,617	65,432	65,617
Plus special funds/separate reserve movements				
Operating income	38,809	34,447	38,809	34,447
Operating expenditure	(23,632)	(20,110)	(23,632)	(20,110)
Balance at 30 June	15,177	14,337	15,177	14,337
Capital income	20,247	7,617	20,247	7,617
Capital expenditure	(29,082)	(20,458)	(29,082)	(20,458)
Balance at 30 June	(8,835)	(12,841)	(8,835)	(12,841)
Transfers in	6,276	5,076	6,276	5,076
Transfers out	(10,211)	(6,757)	(10,211)	(6,757)
Balance at 30 June	(3,935)	(1,681)	(3,935)	(1,681)
Total net movement	2,407	(185)	2,407	(185)
Balance at 30 June	67,839	65,432	67,839	65,432
Fair value through other comprehensive income and expense reserve				
Balance at 1 July	571	945	571	945
Net revaluation gains/(losses)	50	(374)	28,913	(374)
Balance at 30 June	621	571	29,484	571
Total other reserves	428,583	425,383	459,122	427,101

SEPARATE RESERVES AND SPECIAL FUNDS SUMMARY

	Separate Reserves \$000	Special Funds \$000	Sinking Funds \$000	Trust Funds \$000	Total \$000
Balance at 1 July 2022	55,609	9,798	-	23	65,430
Operating income	38,809	-	-	-	38,809
Operating expenditure	(23,632)	-	-	-	(23,632)
Capital income	20,247	-	-	-	20,247
Capital expenditure	(29,082)	-	-	-	(29,082)
Transfers in	2,416	3,860	-	-	6,276
Transfers out	(9,609)	(602)	-	-	(10,211)
Balance at 30 June 2023	54,758	13,056	-	23	67,837
Balance at 1 July 2021	57,050	8,543	-	23	65,616
Operating income	34,432	15	-	-	34,447
Operating expenditure	(20,110)	-	-	-	20,110
Capital income	7,617	-	-	-	7,617
Capital expenditure	(20,458)	-	-	-	20,458
Transfers in	2,747	2,329	-	-	5,076
Transfers out	(5,669)	(1,088)	-	-	6,757
Balance at 30 June 2022	55,609	9,798	-	23	65,431

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 46.

NOTE 31. RECONCILIATION OF SURPLUS / DEFICIT WITH NET CASH FLOW FROM OPERATING ACTIVITIES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Operating surplus/(deficit) after taxation	27,879	21,689	28,202	25,222
Add/(less) non-cash items:				
Vested assets	(11,846)	(11,080)	11,846	(11,080)
Depreciation and amortisation	18,334	18,076	19,613	19,530
Impairment of property, plant and equipment	-	-	-	-
Deferred tax	-	(49)	(199)	(225)
NZ carbon credits recognised	-	-	-	-
(Gain)/loss in fair value of forestry assets	335	3,323	335	3,323
(Gain)/loss in fair value of investment property	(501)	(33)	(501)	(33)
(Gain)/loss in fair value of EA Networks naming sponsorship	(40)	(38)	(40)	(38)
(Gain)/loss in fair value of Museum/Art Gallery naming sponsorship	(3)	(3)	(3)	(3)
Increase/(decrease) in long term staff provisions	5	(23)	19	(24)
Increase/(decrease) in landfill provision	15	8	15	8
Unwind discount on borrowing	-	-	-	-
Council's share of Eastfield Investments JV offset against advance	(391)	(608)	(391)	(1,608)
Share of associates (surplus)/deficit	-	-	(1,073)	1,715
Add/(less) items classified as investing or financing activities:				
(Gains)/losses on property, plant and equipment disposals	3,037	5,023	3,090	4,886
(Gains)/losses on investment property disposals	(295)	(623)	(295)	(623)
Add/less movements in working capital items:				
(Increase)/decrease in inventories	468	255	136	(517)
(Increase)/decrease in trade & other receivables	(4,092)	(188)	(4,592)	(74)
Increase/(decrease) in trade & other payables	2,279	2,987	3,921	(1,906)
Increase/(decrease) in current staff provisions	257	(33)	206	264
Increase/(decrease) in financial derivatives	(434)	(2,431)	(851)	(417)
Increase/(decrease) in taxation payable	-	-	(1,083)	1,586
Net cash inflow from operating activities	35,043	35,135	34,663	40,915

NOTE 32. COMMITMENTS AND OPERATING LEASES

Accounting Policies

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

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

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Operating				
Roading	4,250	11,692	4,250	11,692
Footpaths	664	664	664	664
Wastewater/stormwater/water maintenance	16,443	12,026	16,443	12,026
Solid waste management	13,580	18,389	13,580	18,389
Public Conveniences	-	-	-	-
Information Technology	895	1,138	895	1,138
Parks	-	-	-	-
Parking	-	-	-	-
EA Networks Centre - Gymnasium	92	35	92	35
Property	121	106	121	106
Total operating commitments	36,045	44,050	36,045	44,050
Less than one year	8,911	11,446	8,911	11,446
Between one and two years	8,225	10,586	8,225	10,586
Between two and five years	13,897	15,063	13,897	15,063
Greater than five years	5,012	6,955	5,012	6,955
	36,045	44,050	36,045	44,050
Capital				
ACL PPE	-	-	729	418
Roading	5,222	7,852	5,222	7,852
Footpaths	-	-	-	-
Wastewater/stormwater/water	7,222	4,568	7,222	4,568
Information Technology	-	-	-	-
Parks	3,754	636	3,754	636
Commercial property	3,358	21,416	3,358	21,416
Total capital commitments	19,556	34,472	20,285	34,890

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 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Non-cancellable operating leases as lessor:				
Less than one year	346	859	346	859
Between one and five years	2,678	3,113	2,678	3,113
Later than five years	2,558	3,231	2,558	3,231
	5,582	7,203	5,582	7,203

NOTE 33. CONTINGENT ASSETS AND LIABILITIES

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Performance Bonds	-	-	-	267
Guarantees	-	-	-	-
Total contingent liabilities	-	-	-	267

GUARANTEES OR FINANCIAL GUARANTEES

Ashburton Contracting Limited has severally guaranteed 37.59% (2022 37.59%) of the advances to the Lake Hood Extension Project joint venture. At balance date funds drawn totalled \$0 (2022 \$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 AAA.

Ashburton District Council is one of the 78 local authority guarantors of the NZLGFA. At 30 June 2023, the Council borrowed \$86 million from the NZLGFA (2022 \$91 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 2023, NZLGFA had total borrowings of \$17,684 million (2022 \$15,789 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.

Te Whare Whakare (Library and Civic Building)

Included within the construction financial forecast is a contingent liability, earmarked as a potential extension of time claim as a direct result of COVID related claims, unforeseen weather events (Ashburton floods) and cost escalation as a result of the extended programme duration. This figure cannot be quantified as the final contingency expenditure (if any) will require negotiation between the contractor and Council and will not be known until the project is completed and the final figure is agreed.

NOTE 34. FINANCIAL INSTRUMENTS**Accounting Policy**

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, shares, bank overdraft facility, trade and other payables and borrowing – refer to note 16 for financial assets accounting policy. 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.

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 not hedge accounted for.

Derivative financial instruments are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

FINANCIAL INSTRUMENT CATEGORIES

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

	Council 2023 \$000	Council 2022 \$000	Group 2023 \$000	Group 2022 \$000
Financial assets				
<i>Amortised cost</i>				
Cash and cash equivalents	7,682	19,433	10,766	22,882
Trade and other receivables	10,563	7,660	16,087	10,090
Other financial assets:				
- term deposits	-	10,000	2,000	10,000
- community loans	688	144	688	144
	18,933	37,237	29,541	43,116
<i>Fair value through other comprehensive revenue and expense</i>				
NZ Local Government Funding Agency	53	55	53	55
Local Government Funding Agency	1,795	1,875	1,795	1,875
Transwaste Canterbury Ltd	1,044	1,128	1,044	1,128
Electricity Ashburton Ltd	1	1	1	1
Ashburton Trading Society Ltd	1	1	1	1
Local authority bonds	3,157	1,921	3,157	1,921
	6,051	4,981	6,051	4,981
	Council 2023 \$000	Council 2022 \$000	Group 2023 \$000	Group 2022 \$000
Financial liabilities:				
<i>Fair value through surplus or deficit</i>				
Derivative financial instrument (asset)/liabilities				
- interest rate swaps	(851)	(417)	(851)	(417)
	(851)	(417)	(851)	(417)
<i>Financial liabilities at amortised cost</i>				
Creditors and other payables	13,985	9,939	16,831	13,002
Borrowing:				
- bank overdraft	-	-	1	1
- secured loans	85,600	90,600	87,297	92,413
	99,585	100,539	104,129	105,416

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.

	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
2023 Council and Group				
<i>Financial assets</i>				
Bonds	3,157	3,157	-	-
NZ Local Government Insurance Corp	53	-	-	53
Local Government Funding Agency	1,795	-	1,795	-
Transwaste Canterbury Ltd	1,044	-	-	1,044
Electricity Ashburton Limited	1	-	-	1
Ashburton Trading Society Ltd	1	-	-	1
<i>Financial liabilities</i>				
Interest rate swaps	(851)	-	(851)	-
2022 Council and Group				
<i>Financial assets</i>				
Bonds	1,921	1,921	-	-
NZ Local Government Insurance Corp	55	-	-	55
Local Government Funding Agency	1,875	-	1,875	-
Transwaste Canterbury Ltd	1,128	-	-	1,128
Electricity Ashburton Limited	1	-	-	1
Ashburton Trading Society Ltd	1	-	-	1
<i>Financial liabilities</i>				
Interest rate swaps	(417)	-	(417)	-

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 2023 are:

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Notional principal amount	30,000	25,000	30,000	25,000
	30,000	25,000	30,000	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:

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
Cash and cash equivalents	7,682	19,433	10,765	22,881
Trade and other receivables	10,563	7,660	16,087	10,090
Community loans	688	144	688	144
Term deposits greater than 90 days	-	10,000	2,000	10,000
Local authority stocks and bonds	3,157	1,921	3,157	1,921
	22,090	39,158	32,697	45,036

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.

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
<i>Counterparties with credit ratings:</i>				
<i>Cash at bank and term deposits</i>				
AA-	7,682	29,433	12,766	32,882
	7,682	29,433	12,766	32,882

Local authority stocks and bonds

AA-	-	1,000	-	1,000
A-	2,018	1,000	2,018	1,000
AA	1,139		1,139	
A	-	(79)	-	(79)
	3,157	1,921	3,157	1,921

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
<i>Counterparties without credit ratings:</i>				
Community loans	688	144	688	144
	688	144	688	144

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 cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
2023 Council							
Trade and other payables	24	13,985	13,985	13,985	-	-	-
Borrowings	27	85,600	95,208	27,217	17,383	40,106	10,502
Interest rate swaps	28	(851)	(851)	(413)	(258)	(180)	-
		98,734	108,342	40,789	17,125	39,926	10,502
2023 Group							
Trade and other payables	24	16,831	16,831	16,831	-	-	-
Borrowings	27	87,297	97,337	27,417	19,312	40,106	10,502
Interest rate swaps	28	(851)	(851)	(413)	(258)	(180)	-
		103,277	113,317	43,835	19,054	39,926	10,502
2022 Council							
Trade and other payables	24	9,939	9,939	9,939	-	-	-
Borrowings	27	90,600	95,283	17,236	13,326	37,616	27,104
Interest rate swaps	28	(417)	(417)	(116)	(105)	(196)	-
		100,122	104,805	27,059	13,221	37,420	27,104
2022 Group							
Trade and other payables	24	13,002	13,002	13,002	-	-	-
Borrowings	27	92,412	97,411	17,436	15,255	37,616	27,104
Interest rate swaps	28	(417)	(417)	(116)	(105)	(196)	-
		104,997	109,996	30,322	15,150	37,420	27,104

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 cash flows \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
2023 Council							
Cash and cash equivalents	12	7,682	7,682	7,682	-	-	-
Trade and other receivables	13	10,563	10,563	10,563	-	-	-
Local authority stocks & bonds	14	3,157	3,157	-	-	3,157	-
Community loans	13	688	688	688	-	-	-
Term Deposits		-	-	-	-	-	-
		22,090	22,090	18,933	-	3,157	-
2023 Group							
Cash and cash equivalents	12	10,765	10,765	10,765	-	-	-
Trade and other receivables	13	16,087	16,087	16,087	-	-	-
Local authority stocks & bonds	14	3,157	3,157	-	-	3,157	-
Community loans	13	688	688	688	-	-	-
Term Deposits		2,000	2,000	2,000	-	-	-
		32,697	32,697	29,540	-	3,157	-
2022 Council							
Cash and cash equivalents	12	19,433	19,433	19,433	-	-	-
Trade and other receivables	13	7,660	7,660	7,660	-	-	-
Local authority stocks & bonds	14	1,921	1,921	-	1,001	920	-
Community loans	13	144	144	144	-	-	-
Term Deposits		10,000	10,000	10,000	-	-	-
		39,158	39,158	37,237	1,001	920	-
2022 Group							
Cash and cash equivalents	12	22,881	22,881	22,881	-	-	-
Trade and other receivables	13	10,090	10,090	9,897	193	-	-
Local authority stocks & bonds	14	1,921	1,921	-	1,001	920	-
Community loans	13	144	144	144	-	-	-
Term Deposits		10,000	10,000	10,000	-	-	-
		45,036	45,036	42,922	1,194	920	-

Sensitivity analysis for interest rate risk

As at 30 June 2023 it was estimated that a general increase of one percentage point in interest rates would increase the surplus by \$1,184,694 (2022 \$1,352,286) 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 2023 it was estimated that a general increase of one percentage point in interest rates would reduce equity by \$102,858 (2022 \$43,799) for the Council and Group by adjustments made to the fair value of local authority stocks and bonds that are carried at fair value.

Reconciliation of movements in liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows.

Debentures and other loans	
\$000	
Balance at 1 July 2022	90,600
Cash inflows	12,000
Cash outflows	(17,000)
Non-Cash Changes	-
Balance at 30 June 2023	85,600

Debentures and other loans	
\$000	
Balance at 1 July 2021	70,600
Cash inflows	37,000
Cash outflows	(17,000)
Non-Cash Changes	-
Balance at 30 June 2022	90,600

NOTE 35. CONSTRUCTION CONTRACTS

	Council 2023 Actual \$000	Council 2022 Actual \$000	Group 2023 Actual \$000	Group 2022 Actual \$000
For construction contracts in progress at 30 June:				
Contract costs incurred	-	-	6,128	8,215
Recognised profits/losses	-	-	2,309	4,894
	-	-	8,437	13,109
Progress billings	-	-	(7,796)	(11,799)
Gross amounts due from customers	-	-	641	1,310
	-	-	286	398
Retentions included in progress billings	-	-	286	398

The Council had no construction contracts in progress as at 30 June 2023.

NOTE 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.

	2023 Council Actual \$000	2022 Council Actual \$000
Experience Mid Canterbury (EMC)		
Grant from ADC	-	-
Ashburton Community Water Trust (ACWT)		
ADC Administration Grant to ACWT	1	1

NOTE 37. REMUNERATION

Total staff numbers by remuneration band

	2023 Council Actual \$000	2022 Council Actual \$000
< \$60,000	153	150
\$60,000 - \$80,000	56	62
\$80,000 - \$100,000	35	30
\$100,000 - \$120,000	20	17
\$120,000 - \$140,000	7	11
\$140,000 - \$300,000	18	8
\$320,000 - \$380,000	1	1
Total employees	290	279

Total remuneration includes non-financial benefits paid to employees. At balance date the Council employed 173 full-time employees (2022: 179). The balance of part-time staff equates to 32.20 full-time equivalent employees (2022: 26.27). A full-time employee is determined on the basis of a 40 hour (38 or 37.5 hours where grandfathered) working week.

Key management personnel compensation

	2023 Council Actual \$000	2022 Council Actual \$000
Councillors		
- Remuneration	563	522
- Number of elected Councillors	10	10
Senior management including Chief Executive		
- Remuneration	1,432	1,610
- Full-term equivalent	7	7
Total management remuneration	1,995	2,132

Chief Executive Officer

	2023 Council Actual \$000	2022 Council Actual \$000
Salary, Superannuation & Allowances	343	324
Vehicle (market value)	13	13
	356	337

Elected representatives (Mayor and councillors)

	2023 Council Actual \$000	2022 Council Actual \$000
Mayor		
N Brown	126	118
Councillors		
E McMillan	83	68
L Lovett	47	42
D Rawlinson	12	42
R Letham	23	42
J Falloon	12	42
L Braam	46	42
S Wilson	12	42
A McKay	12	42
C Cameron	46	42
R Ellis	35	-
P Hooper	34	-
R Wilson	34	-
T Todd	34	-
R Mackle	6	-
R Ellis	35	-

The above payments include allowances paid of \$22,849 (2022: 18,558).

NOTE 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 2023, no severance payments were made by Council. In 2022 one severance payment totalling \$10,500 was made by Council.

NOTE 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

- 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
- Conduct its affairs in accordance with sound business practice; and
- Be a successful business; and
- Be a good employer.

BOARD OF DIRECTORS

D Prendergast

A S Lilley (Chairman)

A D Barlass

R A Pickworth

D R Cusack

CHIEF EXECUTIVE OFFICER

Mr K G Casey

CONTACT

Ashburton Contracting Limited

Range St

P O Box 264

Ashburton

Phone (03) 308 4039; Fax (03) 308 0288

www.ashcon.co.nz

PERFORMANCE MEASURES

The Company's actual performance compared to targets as specified in the 2022/2023 Statement of Corporate Intent, were as follows:

- The Company budgeted for a profit before tax of \$2,408,000. The actual result was a pre-tax surplus before tax for this period of \$4,678,000.
- The Company achieved an annual rate of return based on average equity of 14.4% against a target ratio of 10%
- The ratio of shareholders' funds to total assets as at 30 June 2031 was 62.4% (target ratio to be no less than 50%).
- The Company received an unqualified Audit Report of its Financial Statements for the year ended 30 June 2023.
- The Company achieved an annual external revenue turnover of \$47,295,601 against a target budget of \$44,318,000.
- There were no breaches of the Resource Management Act during the year.
- Lost Time Injury Rate of 1.3 (target ratio to be greater than 0.7).
- The Directors propose to pay a final dividend of \$1,684,000 with the interim dividend of \$300,000 already paid.

Adjusted statement of comprehensive revenue and expense for the year ended 30 June 2023*

	2023 Actual \$000	2022 Actual \$000
Operating revenue	47,684	50,538
Operating and other expenses	(42,857)	(44,836)
Operating surplus before taxation	4,827	5,702
Share of joint venture surplus/(deficit)	(271)	1,576
Taxation expense	(1,283)	(2,003)
Net surplus/(deficit)	3,273	5,275
Other comprehensive revenue	(42)	92
Total comprehensive revenue and expense	3,231	5,367

**Adjusted to reflect Council's accounting policies.*

NOTE 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

- To coordinate a community approach to water
- The education of the community in relation to water issues
- To encourage and support the further development of the region's water resources for the benefit of the Ashburton District community
- 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
- The provision of grants and/or loans to enable feasibility studies to be undertaken in respect of water issues
- Funding and supporting research into water issues including the enhancement of the Ashburton River and resolution of other local environment issues
- 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 2023

	2023 Actual \$000	2022 Actual \$000
Operating revenue	-	-
Operating and other expenses	-	-
Operating surplus before taxation	-	-
Taxation expense	-	-
Net surplus/(deficit)	-	-

NOTE 41. EXPERIENCE MID CANTERBURY

In 2013 Council took the decision to create a Council Controlled Organisation (CCO) called Experience Mid Canterbury (EMC) to deliver promotion and marketing activities on behalf of Council. The CCO came into being on 1 July 2013. In September 2020 the Trust resolved to wind EMC up. Due to finalising of annual reports and accounts, this process was not completed as at 30 June 2023.

Statement of comprehensive revenue and expense for the year ended 30 June 2023

	2023 Actual \$000	2022 Actual \$000
Operating revenue	-	-
Operating and other expenses	-	-
Operating surplus before taxation	-	-
Taxation expense	-	-
Net surplus/(deficit)	-	-

NOTE 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.

NOTE 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.

NOTE 44. SUBSEQUENT EVENTS

THREE WATERS REFORMS

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.
- As a result of the October 2023 election results, and National becoming the preferred Government, the Affordable Drinking Water reform has been paused. At this stage it is unknown what changes will result from this change in Government.

NEW ZEALAND MUTUAL LIABILITY RISKPOOL SCHEME

Ashburton District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

NOTE 45. 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.

NOTE 46. SEPARATE RESERVES AND SPECIAL FUNDS

The purpose of individual separate reserves and special funds are provided below. The balances and movements are summarised in note 30.

SEPARATE RESERVES

Drinking water reserves

Each drinking water scheme retains its own annual surplus or deficit (including capital income and expenditure) which accumulates over the lifetime of the scheme. Each individual reserve balance is only available for use by that scheme. All drinking water reserves are part of the drinking water activity.

Supply	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton	3,120	4,866	(4,757)	3,229
Methven	(800)	7,432	(8,116)	(1,483)
Rakaia	633	289	(244)	679
Fairton	(118)	90	(70)	(98)
Hakatere	(366)	112	(173)	(427)
Hinds	(476)	523	(574)	(528)
Mayfield	(325)	110	(133)	(349)
Chertsey	(106)	98	(89)	(97)
Methven/Springfield	431	1,301	(1,551)	181
Montalto	171	326	(250)	247
Mt Somers	(529)	472	(558)	(615)
Dromore	(293)	140	(100)	(254)
Barrhill	(2)	5	(5)	(2)
	1,340	15,764	(16,620)	483

Supply	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton	2,031	4,664	(3,575)	3,120
Methven	(443)	2,936	(3,293)	(800)
Rakaia	664	284	(315)	633
Fairton	(70)	38	(86)	(118)
Hakatere	(233)	48	(181)	(366)
Hinds	(441)	89	(124)	(476)
Mayfield	(215)	56	(166)	(325)
Chertsey	(56)	43	(93)	(106)
Methven/Springfield	328	259	(156)	431
Montalto	192	325	(346)	171
Mt Somers	(370)	144	(303)	(529)
Dromore	(230)	24	(87)	(293)
Barrhill	(2)	11	(11)	(2)
	1,155	8,921	(8,736)	1,340

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. Scheme	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton	1,782	8,959	(12,294)	(1,553)
Methven	517	779	(1,216)	80
Rakaia	315	380	(578)	117
	2,614	10,118	(14,088)	(1,356)

Scheme	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton	3,022	10,303	(11,543)	1,782
Methven	219	1,091	(793)	517
Rakaia	289	363	(337)	315
	3,530	11,757	(12,673)	2,614

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.

Rating area	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton	32	1,511	(1,676)	(133)
Methven	149	330	(483)	(4)
Rakaia	180	62	(106)	136
Rural	177	91	(83)	185
	538	1,994	(2,348)	184

Rating area	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton	258	1,411	(1,637)	32
Methven	171	293	(315)	149
Rakaia	128	70	(18)	180
Rural	142	83	(48)	177
	699	1,857	(2,018)	538

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.

Rating area	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton	2,006	2,012	(1,932)	2,086
Methven	269	169	(176)	262
Rakaia	197	55	(38)	214
Hinds	21	11	(7)	25
Rural	153	54	(8)	199
	2,646	2,301	(2,161)	2,786

Rating area	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton	1,595	1,520	(1,109)	2,006
Methven	210	362	(303)	269
Rakaia	161	68	(32)	197
Hinds	15	12	(6)	21
Rural	104	55	(6)	153
	2,085	2,017	(1,456)	2,646

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.

Rating area	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton	247	2,582	(2,813)	16
Methven	-	-	-	-
Rakaia	-	-	-	-
Hinds	-	-	-	-
Mt Somers	-	-	-	-
Mayfield	-	-	-	-
	247	2,582	(2,813)	16

Rating area	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton	361	2,467	(2,581)	247
Methven	-	-	-	-
Rakaia	-	-	-	-
Hinds	-	-	-	-
Mt Somers	-	-	-	-
Mayfield	-	-	-	-
	361	2,467	(2,581)	247

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.

Location	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Lagmhör/Westerfield	37	20	(2)	55
Mayfield	10	4	(1)	13
Mt Hutt	(116)	231	(167)	(52)
Rakaia	8	6	(3)	11
Tinwald	(16)	19	(18)	(15)
	(77)	280	(191)	12

Location	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Lagmhör/Westerfield	34	4	(1)	37
Mayfield	11	6	(7)	10
Mt Hutt	(68)	125	(173)	(116)
Rakaia	9	3	(4)	8
Tinwald	(14)	17	(19)	(16)
	(28)	155	(204)	(77)

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.

Location	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Alford Forest	5	1	(1)	5
Chertsey	12	1	(1)	12
Dorie	4	3	(3)	4
Ealing	35	-	(3)	32
Ashburton Forks	11	4	(2)	13
Highbank	10	2	(3)	9
Hinds	(49)	29	(24)	(44)
Lynnford	(2)	-	-	(2)
Maronan	10	1	-	11
Mayfield	11	25	(6)	30
Methven	8	23	(35)	(4)
Mt Somers	23	87	(59)	51
Pendarves	1	-	-	1
Rakaia	95	6	(17)	84
Ruapuna	31	34	(8)	57
Seafield	10	1	(4)	7
Tinwald	(88)	754	(613)	53
	127	971	(779)	319

Location	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Alford Forest	6	1	(2)	5
Chertsey	11	1	-	12
Dorie	4	1	(1)	4
Ealing	33	3	(1)	35
Ashburton Forks	10	2	(1)	11
Highbank	11	1	(2)	10
Hinds	(54)	16	(11)	(49)
Lynnford	(2)	-	-	(2)
Maronan	9	1	-	10
Mayfield	9	4	(2)	11
Methven	(4)	28	(16)	8
Mt Somers	25	64	(66)	23
Pendarves	1	-	-	1
Rakaia	101	9	(15)	95
Ruapuna	4	35	(8)	31
Seafield	3	8	(1)	10
Tinwald	(10)	386	(464)	(88)
	157	560	(590)	127

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.

Beautification area	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Ashburton Domain and gardens	(1,036)	1,274	(1,651)	(1,413)
Baring Square East	(95)	401	(577)	(271)
Baring Square West	9	67	(58)	18
Ashburton town centre	(432)	3,007	(2,717)	(142)
Methven	(110)	233	(267)	(144)
Rakaia	40	151	(161)	30
Urban	27	1,184	(1,315)	(104)
Rural	457	161	(226)	392
State Highway 1	118	111	(137)	92
Neighbourhood grounds	(315)	520	(555)	(350)
Ashburton Domain sportsgrounds	160	608	(675)	93
Other sports fields	(5)	184	(173)	6
Ashburton Business Estate	342	225	(138)	429
	(840)	8,126	(8,650)	(1,364)

Beautification area	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Ashburton Domain and gardens	(946)	1,027	(1,117)	(1,036)
Baring Square East	19	120	(234)	(95)
Baring Square West	68	49	(108)	9
Ashburton town centre	(3)	2,546	(2,975)	(432)
Methven	(49)	256	(317)	(110)
Rakaia	(9)	384	(335)	40
Urban	89	1,623	(1,685)	27
Rural	405	177	(125)	457
State Highway 1	128	112	(122)	118
Neighbourhood grounds	(216)	333	(432)	(315)
Ashburton Domain sportsgrounds	111	215	(167)	160
Other sports fields	(15)	177	(167)	(5)
Ashburton Business Estate	300	221	(179)	342
	(118)	7,241	(7,963)	(840)

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 Lyttleton 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.

	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Stockwater	(1,120)	930	(1,356)	(1,546)
Forestry	9,704	1,274	(2,474)	8,504
Dividend account	12,447	3,505	(3,079)	12,873
Property	27,280	9,843	(4,057)	33,066
Youth council	38	15	(8)	45
Rural fire	(0)	-	-	-
Parking	(62)	385	(323)	-
Festive lighting	(59)	51	(58)	(66)
Animal control	(201)	472	(490)	(219)
Elderly persons housing	406	677	(735)	348
Arts and culture	582	2,182	(2,094)	670
	49,015	19,334	(14,674)	53,675

	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Stockwater	(992)	1,164	(1,292)	(1,120)
Forestry	10,038	907	(1,241)	9,704
Dividend account	11,102	1,353	(8)	12,447
Property	27,110	3,225	(3,055)	27,280
Youth council	30	25	(17)	38
Rural fire	-	-	-	-
Parking	1,155	230	(1,447)	(62)
Festive lighting	(58)	74	(75)	(59)
Animal control	(185)	474	(490)	(201)
Elderly persons housing	99	985	(678)	406
Arts and culture	911	1,384	(1,713)	582
	49,210	9,821	(10,016)	49,015

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 – this reserve was disestablished in the 2020/21 year. This reserve was for the purchase of new vehicles and plant items. It was funded through depreciation charged on these 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.

	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
Roading bridges	721	-	-	721
Roads	175	-	-	175
IS Equipment Reserve	437	167	-	604
Town centre beautification	225	-	-	225
Access Trust	-	-	-	-
Reserve contributions	4,374	2,514	(483)	6,405
Heritage grant funding	54	-	-	54
Biodiversity funding	55	-	-	55
Plant renewal	0	-	-	-
Disaster insurance	1,349	-	(120)	1,229
Capital services	2,391	1,180	-	3,571
Contingency	18	-	-	18
	9,799	3,861	(603)	13,057

	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
Roading bridges	720	1	-	721
Roads	175	-	-	175
IS Equipment Reserve	270	167	-	437
Town centre beautification	225	-	-	225
Access Trust	-	-	-	-
Reserve contributions	3,453	959	(38)	4,374
Heritage grant funding	54	-	-	54
Biodiversity funding	55	-	-	55
Plant renewal	-	-	-	-
Disaster insurance	2,394	5	(1,050)	1,349
Capital services	1,179	1,212	-	2,391
Contingency	18	-	-	18
	8,543	2,344	(1,088)	9,799

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.

	Balance 30/06/2022 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2023 \$000
John Grigg statue trust fund	23	-	-	23
	23	-	-	23

	Balance 30/06/2021 \$000	Deposits to fund \$000	Withdrawals from funds \$000	Balance 30/06/2022 \$000
John Grigg statue trust fund	23	-	-	23
	23	-	-	23

NOTE 47. CAPITAL EXPENDITURE AND STATEMENT OF ACQUISITIONS AND REPLACEMENTS

	Council 2023 Actual \$000	Council 2022 Actual \$000
Roading	17,985	17,340
Footpaths	1,759	1,506
Drinking Water	11,912	4,324
Wastewater	8,932	8,441
Stormwater	1,183	429
Solid Waste Management	100	303
Solid Waste Collection	8	3
Arts and Culture	78	148
Library	198	192
Recreation Facilities and Services	367	89
Elderly Persons Housing	157	4
Memorial Halls	4	9
Emergency Management	-	-
Public Conveniences	682	8
District Water Management	-	-
Commercial Property	20,204	21,246
Stockwater	21	161
Parks and Recreation	1,708	2,289
Cemeteries	255	129
Reserves and Camping Grounds	848	1,760
Reserve Boards	19	12
Methven Community Board	-	-
District Planning	-	-
Parking	-	13
Animal Control	-	-
Other operations	471	1,340
	66,890	59,748

NOTE 48. MAJOR BUDGET VARIATIONS

Explanations for major variations (>\$1 million) from the Council's budget figures in its Annual Plan 2022/23 are as follows:

REVENUE VARIANCES

Fees and charges were \$1.157 million above budget

Economic activity in the district has remained higher than projected when the budget was set. This has resulted in more building consents being issued than budgeted levels.

Development and Financial Contributions are \$2.9 million above budget

Economic activity in the district has been higher than could have been projected when budget was set. This resulted in a great amount of total Development and Financial Contributions being received.

Other revenue variance \$16.2 million above budget

Vested assets were \$9.3 million above budget, as a result of higher economic activity across the district than what could have been projected when the budget was set. Land sales reported \$6.1 million higher than budgeted.

Other gains variance \$1.417 million above budget

Council had an unbudgeted Investment property revaluation gain of \$1.43 million.

EXPENDITURE VARIANCES

Other expenses are \$8.084 million above budget.

Council was also impacted by rising costs. Larger variances include maintenance costs at \$2.1 million above budget; Sundry Expenditure at \$2.1 million above budget; purchases at \$938 thousand above budget; grants at \$492 thousand above budget; investigations \$228 thousand above budget; licencing costs \$249 thousand above budget; contractors \$187 thousand above budget; Waste minimisation reports \$163 thousand above budget; Laboratory costs at \$145 thousand; appointment costs \$130 thousand; insurance \$124 thousand above budget. The remaining variance consisting of other operating costs.

Other losses \$3.684 million above budget

Council made unbudgeted losses of \$3.349 million on disposal of property, plant and equipment. This was in the following assets:

- Stockwater \$1.814 million
- Water assets \$0.818 million
- Roading Assets of \$0.494 million
- Wastewater assets \$0.157 million

BALANCE SHEET VARIANCES GREATER THAN \$5 MILLION

Cash and cash equivalents \$11.75 million below budget

Budgeted external lending for capital expenditure wasn't raised meaning less cash in the bank.

Other financial assets were \$10 million below budget.

Other financial assets were \$10 million below budgeted due to a \$10 million term deposit maturing during the year, and not being reinvested due to cashflow requirements.

Property plant and equipment and work in progress

These totals need to be combined and result in an overall variance of \$34.9 million above budget.

- Vested assets report at \$9.27m above budget.
- Rooding property plant and equipment reports at \$6.3 million above budgeted levels.
- There are also variance relating to capital expenditure that was carried over from the prior year. Such as Group Water Supplies asset renewal \$3.039 million – The majority of this includes Methven reservoir project; Group Wastewater pipeline renewal programme - \$4.4 million. This included NW Ashburton Wastewater servicing project.
- The majority of the remaining variance to budget relates to the budgeted construction work on Te Whare Whakatere due to delays over the life of the project such as flood damage, and supply chain interruptions.

Trade payables and deferred revenue is \$6.8 million higher than budget.

Te Whare Whakatere was budgeted to be completed at year end. The majority of this variance relates to payments to be made for work on this the building, as well as the Methven Wastewater project nearing completion at balance date.

Total borrowings are \$59.37 million lower than budgeted

Total borrowing reports lower than budgeted due to grant funding being received for Te Whare Whakatere. Council also received grant funding from MBIE for water activities resulting in a reduction of loan funding being required for capital works. Some projects either were not complete or had not commenced at year end, due to the availability of resources to complete the work, meaning less borrowing was required.

NOTE 49. PRIOR PERIOD ERROR

During 2023, Council identified an error in the recognition of Council's investment in Rangitata Race Diversion Management Limited in the Group's financial statements. Council required RDRML to carry out a full revaluation of their assets at fair value. Previously RDRML had held their assets at historical cost less depreciation, and reflected increases based on current market indices. This was not consistent with Council's accounting policies.

As a result of this revaluation the Council's Group investment has increased significantly. From \$1,146 in 2022 to \$29,758 in the year ending 30 June 2023.

For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if the effects of the retrospective application or retrospective restatement are not determinable. In the case of RDRML, a formal revaluation of assets was not carried out, making it impossible to assume/assess a "like with like" revaluation figure for RDRML assets. The retrospective restatement requires significant estimates of amounts, and it is impossible to distinguish objectively information about those estimates that: (i) Provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured, or disclosed; and (ii) Would have been available when the financial statements for that prior period were authorised for issue; from other information



Independent Auditor's Report

To the readers of Ashburton District Council's annual report for the year ended 30 June 2023

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 31 October 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 133 to 142 and pages 146 to 229:
 - present fairly, in all material respects:
 - the District Council's and the Group's financial position as at 30 June 2023; and
 - the results of its operations and cash flows for the year ended on that date;
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 143, 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;

- the statement of service performance on pages 25 to 105:
 - presents fairly, in all material respects, the District Council’s levels of service for each group of activities for the year ended 30 June 2023, 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;
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 30 to 112, 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 29 to 111, 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 124 to 130, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s and the Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the District Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter – The Government’s three waters reform programme

Without modifying our opinion, we draw attention to note 44 on page 215, which outlines developments in the Government’s water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water

services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

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 District Council for the audited information

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

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

The District 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 District Council is responsible for assessing its ability to continue as a going concern. The District 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 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's 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 District 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 District 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's 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 auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

- We communicate with the District 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The District Council is responsible for the other information included in the annual report. The other information comprises the information included on 2 to 24 and 113 to 123 but does not include the audited information and 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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 the 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 155, 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

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2022/23

